

# **Exhibit “A”**

# WSHD Treasurers Report and Supporting Documents

Reporting Date: Wednesday, August 15, 2018

Pending Expenses	For	Amount	Funds Summary	Totals
Benckenstein & Oxford	Inv # 49016 (Apr 2018)	\$24,835.12	Prosperity Operating	\$985,593.23
Hubert Oxford	1/2 Legal Retainer	\$500.00	Interbank (Prepaid Interest)	\$273,105.06
Josh Heinz	1/2 Legal Retainer	\$500.00	Prosperity CD	\$105,343.58
David Sticker	Inv # 20530	\$1,875.00	TexStar	\$666,393.47
American Education Services	S Stern-Student Loan	\$150.11	Post Oak Bank LOC (Available)	\$1,478,375.75
Dept Of Education. Fed Loan	H Redwine-Student Loan	\$948.36	Net Cash Position (less Interbank)	\$3,235,706.03
Indigent Healthcare Solutions	IC Inv #	\$1,059.00	Pending Expenses	(\$41,440.49)
Brookshire Brothers	Indigent Care	\$5,002.73	Ending Balance	\$3,194,265.54
Last Month				
Wilcox Pharmacy	Indigent Care	\$1,548.96	Prosperity Operating	\$371,355.57
UTMB at Galveston	Indigent Care	\$7,928.98	Interbank	\$372,722.14
UTMB Faculty Group	Indigent Care	\$2,560.09	Prosperity CD	\$105,343.58
Stace Farrow (Youth Counselor)	Youth Counseling	\$170.00	TexStar	\$678,497.88
Philadelphia Insurance	Inv # 04028742634	\$0.00	Post Oak Bank LOC (Available)	\$1,640,991.29
Yani Jimenez	Travel Reimbursement	\$356.40	Net Cash Position	\$2,796,188.32
Edward Murrell	Travel Reimbursement	\$158.25	Pending Expenses	(\$49,170.25)
Jeffery Rollo	Travel Reimbursement	\$356.40	Ending Balance	\$2,747,018.07
<b>Total Pending Expenses</b>		<b>\$41,440.49</b>		

### Expenses Incurred Since Last Meeting

Date	To	For	Amount
7/26/2018	Time Warner Cable	ACH-Phone/Internet	\$202.06
7/31/2018	Salt Creek Capital	Ln 13 Int	\$88,794.00
8/1/2018	Salt Creek Capital	Ln 12 Int & Princip	\$483,743.80
8/2/2018	Function 4 (Contract)	Inv 636635	\$56.43
8/3/2018	Post Oak Bank	LOC Interest ( July 2018)	\$4,027.45
8/7/2018	Post Oak Bank	LOC Principle	\$282,412.81
8/8/2018	ECISD	ACH-	\$15,000.00
8/8/2018	LTC Group	Invs May, June, & July	\$324,900.00
8/8/2018	8/8 Nursing Facilities	QIPP 2, 2nd Qtr. Comps 2, 3, & Lapse Funds; Adjustment payment for QIPP 1, IGT 1, Component 1 payments	\$1,049,213.43
8/15/2018	Function 4 (Lease)	ACH Copier	\$133.42
<b>Total Expenses Incurred Since Last Meeting</b>			<b>\$2,248,483.40</b>

### Upcoming Transactions

Anticipated Date	For	Upcoming Transactions	Income	Expenses
8/25/2018	Prosperity Bank	ACH Credit Card (Aug 25)		(\$6,508.91)
8/29/2018	Salt Creek Capital	Loan 13-Interest (Month 3/10)		(\$88,795.05)
8/29/2018	Salt Creek Capital	Loan 12-Principle and Interest (Month 10/10)		(\$483,743.80)
*8/29/2018	Post Oak Bank	Principle PO LOC		(\$300,000.00)
*9/6/2018	Post Oak Bank	Interest Payment		(\$4,027.45)

Outstanding Short Term Revenue Note					
<b>Loan 12-Principle</b>		\$2,765,389.00			
<b>Interest</b>		16.80%			
<b>Fund Received</b>		11/1/2017			
	<b>Payment</b>	<b>Date</b>	<b>Balance</b>	<b>Interest</b>	<b>Principal</b>
	1	12/1/2017	\$2,765,389.00	\$38,715.45	\$0.00
	2	1/1/2018	\$2,765,389.00	\$38,715.45	\$0.00
	3	2/1/2018	\$2,765,389.00	\$38,715.45	\$0.00
	4	3/1/2018	\$2,765,389.00	\$38,715.45	\$0.00
	5	4/1/2018	\$2,320,360.65	\$38,715.45	\$445,028.35
	6	5/1/2018	\$1,869,101.90	\$32,485.05	\$451,258.75
	7	6/1/2018	\$1,411,525.53	\$26,167.43	\$457,576.37
	8	7/1/2018	\$947,543.09	\$19,761.36	\$463,982.44
	9	8/1/2018	\$477,064.89	\$13,265.60	\$470,478.20
	10	9/1/2018	\$0.00	\$6,678.91	\$477,064.89
				<b>\$291,935.60</b>	<b>\$2,765,389.00</b>
					<b>\$3,057,324.60</b>

Outstanding Short Term Revenue Note					
<b>Loan 13-Principle</b>		\$6,342,431.99			
<b>Interest</b>		16.80%			
<b>Fund Received</b>		5/29/2018			
		<b>Date</b>	<b>Balance</b>	<b>Interest</b>	<b>Principal</b>
	1	6/29/2018	\$6,342,431.99	\$88,795.05	\$0.00
	2	7/29/2018	\$6,342,431.99	\$88,795.05	\$0.00
	3	8/29/2018	\$6,342,431.99	\$88,795.05	\$0.00
	4	9/29/2018	\$6,342,431.99	\$88,795.05	\$0.00
	5	10/29/2018	\$6,342,431.99	\$88,795.05	\$0.00
	6	11/29/2018	\$6,342,431.99	\$88,795.05	\$0.00
	7	12/29/2018	\$6,342,431.99	\$88,795.05	\$0.00
	8	1/29/2019	\$6,342,431.99	\$88,795.05	\$0.00
	9	2/29/2019	\$6,342,431.99	\$88,795.05	\$0.00
	10	3/29/2019	\$0.00	\$88,795.05	\$6,342,431.99
				<b>\$887,950.50</b>	<b>\$6,342,431.99</b>
					<b>\$7,141,587.44</b>

Post Oak Bank LOC Anticipated Payoff Schedule					
<b>Principle Balance Owed as of:</b>	8/15/2018				<b>(\$1,221,624.25)</b>
	<b>Date</b>	<b>Description</b>	<b>Withdrawal / Advance</b>	<b>Principle Payment</b>	<b>Balance</b>
	8/29/2018	PRINCIPLE PAYMENT- July 2018 Component 1 Funds		\$300,000.00	-\$921,624.25
	9/29/2018	PRINCIPLE PAYMENT- August 2018 Component 1 Funds		\$757,258.09	-\$164,366.16
	10/1/2018	PRINCIPLE PAYMENT- District's Funds		\$164,366.16	\$0.00

Post Oak Bank Line of Credit					
<b>Principle</b>	\$2,700,000.00	<b>Principle Balance Owed</b>	(\$1,221,624.25)		
<b>Interest</b>	3.25%	<b>LOC Funds Available</b>	\$1,478,375.75		
<b>Line of Credit Available</b>	7/12/2017	<b>Interest Paid</b>	(\$4,336,486.10)		
	<b>Date</b>	<b>Description</b>	<b>Withdrawal /</b>	<b>Principle</b>	<b>Interest</b>
	7/12/2017	REV PRIN ADVANCE	(\$2,691,582.00)	\$0.00	\$0.00
	7/12/2017	PROCEEDS	\$0.00	\$0.00	\$0.00
	8/4/2017	REGULAR PAYMENT	\$0.00	\$0.00	(\$6,560.73)
	8/22/2017	PRINCIPAL PAYMENT	\$0.00	\$2,691,582.00	\$0.00
	9/5/2017	REGULAR PAYMENT	\$0.00	\$0.00	(\$3,644.85)
	10/24/2017	Loan 10 Principle Pmt.	(\$421,500.00)	\$0.00	\$0.00
	11/1/2017	PRINCIPAL ADVANCE	(\$2,000,000.00)	\$0.00	\$0.00
	12/7/2017	REGULAR PAYMENT	\$0.00	\$0.00	(\$8,174.27)
	1/8/2018	REGULAR PAYMENT	\$0.00	\$0.00	(\$6,776.86)
	1/30/2018	REGULAR PAYMENT	\$0.00	\$0.00	(\$6,776.83)
	2/22/2018	PRINCIPAL PAYMENT	\$0.00	\$421,500.00	\$0.00
	2/27/2018	REGULAR PAYMENT	\$0.00	\$0.00	(\$6,121.02)
	3/27/2018	REGULAR PAYMENT	\$0.00	\$0.00	(\$5,102.54)
	3/29/2018	Loan 12 Principle & Int. Pmt.	(\$445,028.35)	\$0.00	\$0.00
	5/3/2018	PRINCIPAL PAYMENT	\$0.00	\$240,991.29	\$0.00
	5/3/2018	REGULAR PAYMENT	\$0.00	\$0.00	(\$6,983.54)
	5/30/2018	REGULAR PAYMENT	\$0.00	\$0.00	(\$6,081.22)
	6/25/2018	REGULAR PAYMENT	\$0.00	\$0.00	(\$5,969.26)
	6/29/2018	PRINCIPAL PAYMENT	\$0.00	\$400,000.00	\$0.00
	6/29/2018	PRINCIPAL PAYMENT	\$0.00	\$300,000.00	\$0.00
	8/6/2018	REGULAR PAYMENT	\$0.00	\$0.00	(\$4,027.45)
	8/7/2018	PRINCIPAL PAYMENT	\$0.00	\$282,412.81	\$0.00

District's Investments					
	Amount	Percentage	From	To	Interest
<b>*CD at Post Oak Bank C.D. #9503</b>	\$2,733,749.99	1.50%	7/1/2018	7/31/2018	\$2,812.50
<b>CD at Prosperity (Qtr.) C.D. #0447</b>	\$105,343.58	0.75%	7/1/2018	7/31/2018	Paid in Sept. 2018
<b>Texstar C.D. #1110</b>	\$666,393.47	1.90%	7/1/2018	7/31/2018	\$1,071.59

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

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**Edward Murrell,  
President**

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**Date**

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**Anthony Stramecki,  
Treasurer/Investment Officer**

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**Date**

\* Estimated amounts

## Balance Sheet

As of July 31, 2018

	Jul 31, 18
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
100 Prosperity Bank -Checking	313,599.64
102 Prosperity Bank - CD#0447	105,343.58
104 Post Oak Bank - CD#9053	2,733,749.99
105 TexStar	666,393.47
107 Graham InterBank combined	
107.01b GIB 0228 DACA	3,067,897.29
Total 107 Graham InterBank combined	3,067,897.29
108 Post Oak NHs Combined	1,094,095.53
Total Checking/Savings	7,981,079.50
Other Current Assets	
110 Sales Tax Receivable	116,206.43
114 Accounts Receivable NH	18,753,634.52
117 NH - QIPP Prog Receivable	1,641,621.85
118 Prepaid Expense	3,775.00
119 Prepaid IGT	7,128,164.45
Total Other Current Assets	27,643,402.25
Total Current Assets	35,624,481.75
Fixed Assets	
120 Equipment	140,654.96
125 Accumulated Depreciation	-113,810.64
Total Fixed Assets	26,844.32
<b>TOTAL ASSETS</b>	<b>35,651,326.07</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
190 NH Payables Combined	1,107,908.51
201 NHP Accounts Payable	1,465,927.86
201.1 NH Payable - LTC	324,920.00
210.12 Loan Payable #12 QIPP	947,543.09
210.13 Loan Payable #13 QIPP 2	6,342,431.99
210.50 Loan Post Oak #2 QIPP	1,504,037.06
225 FUTA Tax Payable	112.00
230 SUTA Tax Payable	251.31
235 Payroll Liabilities	-1,110.03
240 Accounts Payable NH	16,151,110.07
Total Other Current Liabilities	27,843,131.86
Total Current Liabilities	27,843,131.86
Total Liabilities	27,843,131.86
Equity	
300 Net Assets, Capital, net of	59,503.44
310 Net Assets-Unrestricted	4,755,312.01
Retained Earnings	2,411,754.13
Net Income	581,624.63
Total Equity	7,808,194.21
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>35,651,326.07</b>

**Winnie-Stowell Hospital District**  
**Profit & Loss Budget vs. Actual**  
**As of July 31, 2018**

Accrual Basis

	Jan - Jul 18	Budget	\$ Over Budget	% of Budget
<b>Income</b>				
400 Sales Tax Revenue	256,217.42	500,000.00	-243,782.58	51.2%
405 Investment Income	41,285.57	10,000.00	31,285.57	412.9%
409 Tobacco Settlement	9,734.33	11,500.00	-1,765.67	84.6%
415 Nursing Home - QIPP Program	9,889,947.76	15,838,446.00	-5,948,498.24	62.4%
<b>Total Income</b>	<b>10,197,185.08</b>	<b>16,359,946.00</b>	<b>-6,162,760.92</b>	<b>62.3%</b>
<b>Expense</b>				
500 Admin-Administrative Salary	30,000.00	52,000.00	-22,000.00	57.7%
501 Admin-Security	0.00	1,200.00	-1,200.00	0.0%
504 Admin-Administrators PR Tax	2,623.29	4,500.00	-1,876.71	58.3%
505 Admin-Board Bonds	50.00	250.00	-200.00	20.0%
515 Admin-Bank Service Charges	81.00	360.00	-279.00	22.5%
521 Professional Fees - Acctng	6,775.00	12,000.00	-5,225.00	56.5%
522 Professional Fees-Auditing	47,813.75	50,000.00	-2,186.25	95.6%
523 Professional Fees - Legal	7,000.00	50,000.00	-43,000.00	14.0%
550 Admin-D&O / Liability Ins.	10,632.15	15,000.00	-4,367.85	70.9%
560 Admin-Cont Ed, Travel	3,500.98	5,000.00	-1,499.02	70.0%
561 Admin-Cont Ed-Medical Pers.	4,844.42	5,000.00	-155.58	96.9%
562 Admin-Travel&Mileage Reimb.	152.36	1,000.00	-847.64	15.2%
569 Admin-Meals	0.00	2,500.00	-2,500.00	0.0%
570 Admin-District/County Prom	0.00	5,000.00	-5,000.00	0.0%
571 Admin-Office Supplies/Post	3,490.76	3,600.00	-109.24	97.0%
572 Admin-Web Site	465.00	1,500.00	-1,035.00	31.0%
573 Admin-Copier Lease/Contract	1,211.26	1,800.00	-588.74	67.3%
575 Admin-Cell Phone Reimburse	1,050.00	1,800.00	-750.00	58.3%
576 Admin-Telephone/Internet	1,354.42	2,000.00	-645.58	67.7%
590 Admin-Election Cost	0.00	1,000.00	-1,000.00	0.0%
591 Admin-Notices & Fees	24.70	100.00	-75.30	24.7%
600 East Chambers ISD Partnersh	105,000.00	180,000.00	-75,000.00	58.3%
602 IC-WCH 1115 Waiver Prog	138,516.00	496,000.00	-357,484.00	27.9%
603a IC-Pharmaceutical Costs	48,894.95	79,000.00	-30,105.05	61.9%
604 IC-Non Hosp Cost-Other	0.00	10,000.00	-10,000.00	0.0%
604 IC-Non Hosp Costs UTMB	98,886.52	180,000.00	-81,113.48	54.9%
605 IC-Office Supplies/Postage	55.65	1,200.00	-1,144.35	4.6%
611 IC-Indigent Care Dir Salary	13,267.50	27,000.00	-13,732.50	49.1%
612 IC-Payroll Taxes -Ind Care	939.12	2,400.00	-1,460.88	39.1%
615 IC-Software	7,413.00	12,708.00	-5,295.00	58.3%
616 IC-Travel	738.16	550.00	188.16	134.2%
617 IC -Youth Counseling	4,760.00	30,000.00	-25,240.00	15.9%
630 NH Program-Mgt Fees	2,159,213.98	3,148,972.00	-989,758.02	68.6%
631 NH Program-IGT	5,571,519.80	9,540,501.00	-3,968,981.20	58.4%
633 NH Program-Acctg Fees	6,100.00	43,000.00	-36,900.00	14.2%
634 NH Program-Legal Fees	97,882.32	150,000.00	-52,117.68	65.3%
635 NH Program-LTC Fees	758,100.00	1,082,957.00	-324,857.00	70.0%
636 NH Program-Bonds	0.00	450.00	-450.00	0.0%
637 NH Program-Interest Expense	483,033.44	1,058,406.00	-575,372.56	45.6%
638 NH Program-Bank Fees & Misc	170.92	0.00	170.92	100.0%
639 NH Program-Appraisal	0.00	23,594.00	-23,594.00	0.0%
653 Service Fee	0.00	100.00	-100.00	0.0%
<b>Total Expense</b>	<b>9,615,560.45</b>	<b>16,282,448.00</b>	<b>-6,666,887.55</b>	<b>59.1%</b>
<b>Net Income</b>	<b>581,624.63</b>	<b>77,498.00</b>	<b>504,126.63</b>	<b>750.5%</b>

WSHD Prosperity Checking Account Register

Date	Ref/Check	Description	Amount	Balance	Memo	Category
8/10/2018		Daily Ledger Bal		\$985,593.23		
8/10/2018		ACH Payment IRS USATAXPYMT 270862253765633 6103601002649	(\$1,401.50)	\$985,593.23		
8/10/2018		ACH Deposit CPA STATE FISCAL INV-PAYMTS 32015872396000 2	\$46,710.02	\$986,994.73		
8/9/2018		Daily Ledger Bal		\$940,284.71		
8/9/2018		Wire Transfer Fee WIRE FEE	(\$20.00)	\$940,284.71		
8/9/2018		Wire Transfer WIRE OUT LTC GROUP LLC	(\$324,880.00)	\$940,304.71		
8/9/2018		Wire Transfer Dep WIRE IN WINNIE-STOWELL HOSPITAL DISTRICT	\$13,362.00	\$1,265,184.71		
8/8/2018		Daily Ledger Bal		\$1,251,822.71		
8/8/2018		Wire Transfer Fee WIRE FEE	(\$20.00)	\$1,251,822.71		
8/8/2018		Wire Transfer Fee WIRE FEE	(\$20.00)	\$1,251,842.71		
8/8/2018		Wire Transfer Fee WIRE FEE	(\$20.00)	\$1,251,862.71		
8/8/2018		Wire Transfer Fee WIRE FEE	(\$20.00)	\$1,251,882.71		
8/8/2018		Wire Transfer Fee WIRE FEE	(\$20.00)	\$1,251,902.71		
8/8/2018		Wire Transfer Fee WIRE FEE	(\$20.00)	\$1,251,922.71		
8/8/2018		Wire Transfer Fee WIRE FEE	(\$20.00)	\$1,251,942.71		
8/8/2018		Wire Transfer Fee WIRE FEE	(\$20.00)	\$1,251,962.71		
8/8/2018		Wire Transfer Fee WIRE FEE	(\$20.00)	\$1,251,982.71		
8/8/2018		Wire Transfer Fee WIRE FEE	(\$20.00)	\$1,252,002.71		
8/8/2018		Wire Transfer Fee WIRE FEE	(\$20.00)	\$1,252,022.71		
8/8/2018		Wire Transfer Fee WIRE FEE	(\$20.00)	\$1,252,042.71		
8/8/2018		Wire Transfer Fee WIRE FEE	(\$20.00)	\$1,252,062.71		
8/8/2018		Wire Transfer Fee WIRE FEE	(\$20.00)	\$1,252,082.71		
8/8/2018		Wire Transfer Fee WIRE FEE	(\$20.00)	\$1,252,102.71		
8/8/2018		Wire Transfer Fee WIRE FEE	(\$20.00)	\$1,252,122.71		
8/8/2018		Wire Transfer Fee WIRE FEE	(\$20.00)	\$1,252,142.71		
8/8/2018		Wire Transfer Fee WIRE FEE	(\$20.00)	\$1,252,162.71		
8/8/2018		Wire Transfer Fee WIRE FEE	(\$20.00)	\$1,252,182.71		
8/8/2018		Wire Transfer WIRE OUT GARRISON	(\$43,457.86)	\$1,252,202.71		
8/8/2018		Wire Transfer WIRE OUT GOLDEN VILLA	(\$41,881.90)	\$1,295,660.57		
8/8/2018		Wire Transfer WIRE OUT Highland Park	(\$35,256.86)	\$1,337,542.47		
8/8/2018		Wire Transfer WIRE OUT Marshall Manor	(\$55,812.82)	\$1,372,799.33		
8/8/2018		Wire Transfer WIRE OUT MARSHALL MANOR WEST	(\$52,325.60)	\$1,428,612.15		
8/8/2018		Wire Transfer WIRE OUT Rose Haven	(\$32,474.27)	\$1,480,937.75		
8/8/2018		Wire Transfer WIRE OUT SPRING BRANCH	(\$160,860.11)	\$1,513,412.02		
8/8/2018		Wire Transfer WIRE OUT PARK MANOR CONROE	(\$54,374.27)	\$1,674,272.13		
8/8/2018		Wire Transfer WIRE OUT PARK MANOR CYFAIR	(\$68,831.08)	\$1,728,646.40		
8/8/2018		Wire Transfer WIRE OUT PARK MANOR WESTCHASE	(\$59,868.88)	\$1,797,477.48		
8/8/2018		Wire Transfer WIRE OUT PARK MANOR QUAIL VALLEY	(\$68,234.58)	\$1,857,346.36		
8/8/2018		Wire Transfer WIRE OUT PARK MANOR HUMBLE	(\$67,052.91)	\$1,925,580.94		
8/8/2018		Wire Transfer WIRE OUT PARK MANOR CYPRESS	(\$49,531.94)	\$1,992,633.85		
8/8/2018		Wire Transfer WIRE OUT THE WOODLANDS	(\$82,320.32)	\$2,042,165.79		
8/8/2018		Wire Transfer WIRE OUT OAKLAND MANOR	(\$40,416.04)	\$2,124,486.11		
8/8/2018		Wire Transfer WIRE OUT CLAIRMONT	(\$36,198.67)	\$2,164,902.15		
8/8/2018		Wire Transfer WIRE OUT OAK MANOR	(\$28,253.11)	\$2,201,100.82		
8/8/2018		Wire Transfer WIRE OUT HALLETTEVILLE RNC	(\$27,728.95)	\$2,229,353.93		
8/8/2018		Wire Transfer WIRE OUT MONUMENT HILL RNC	(\$44,013.26)	\$2,257,082.88		
8/8/2018	2440	Check	(\$56.43)	\$2,301,096.14		
8/8/2018	995032	Check	(\$15,000.00)	\$2,301,152.57		
8/8/2018	2434	Check	(\$100.00)	\$2,316,152.57		
8/7/2018		Daily Ledger Bal		\$2,316,252.57		
8/7/2018	2439	Check	(\$4,027.45)	\$2,316,252.57		
8/7/2018		Wire Transfer Dep WIRE IN WINNIE-STOWELL HOSPITAL DISTRICT	\$2,002,037.62	\$2,320,280.02		
8/1/2018		Daily Ledger Bal		\$318,242.40		
8/1/2018		ACH Payment TXWORKFORCECOMM DEBIT (512)463-2325 2100002	(\$63.72)	\$318,242.40		
7/31/2018		Daily Ledger Bal		\$318,306.12		
7/31/2018		Accr Earning Pymt Added to Account	\$73.96	\$318,306.12		
7/30/2018		Daily Ledger Bal		\$318,232.16		
7/30/2018	2428	Check	(\$1,059.00)	\$318,232.16		
7/27/2018		Daily Ledger Bal		\$319,291.16		
7/27/2018	2422	Check	(\$26,499.63)	\$319,291.16		
7/27/2018		ACH Payment INTUIT PAYROLL S QUICKBOOKS 611500560 210000	(\$2,587.27)	\$345,790.79		
7/26/2018		Daily Ledger Bal		\$348,378.06		
7/26/2018	2429	Check	(\$5,896.39)	\$348,378.06		
7/26/2018	2433	Check	(\$1,317.50)	\$354,274.45		
7/26/2018	2430	Check	(\$1,352.84)	\$355,591.95		
7/26/2018	2432	Check	(\$2,592.93)	\$356,944.79		
7/26/2018		ACH Payment PROSPERITY BANK VISA PAY 054699990003606 113	(\$326.54)	\$359,537.72		
7/26/2018		ACH Payment INTUIT PAYROLL S QUICKBOOKS 611500560 210000	(\$2,587.26)	\$359,864.26		
7/26/2018		ACH Deposit WINNIE-STOWELL H C SB 113024950009365	\$850.00	\$362,451.52		
7/26/2018		ACH Deposit WINNIE-STOWELL H C MM 113024950009363	\$450.00	\$361,601.52		



7/26/2018	ACH Deposit WINNIE-STOWELL H C GV 113024950009361	\$100.00	\$361,151.52
7/26/2018	ACH Deposit WINNIE-STOWELL H C G 113024950009359	\$250.00	\$361,051.52
7/25/2018	Daily Ledger Bal		\$360,801.52
7/25/2018	2438 Check	(\$450.00)	\$360,801.52
7/25/2018	2437 Check	(\$100.00)	\$361,251.52
7/25/2018	2436 Check	(\$250.00)	\$361,351.52
7/25/2018	2435 Check	(\$850.00)	\$361,601.52
7/25/2018	2431 Check	(\$5,197.24)	\$362,451.52
7/24/2018	Daily Ledger Bal		\$367,648.76
7/24/2018	2426 Check	(\$150.14)	\$367,648.76
7/24/2018	2427 Check	(\$948.36)	\$367,798.90
7/23/2018	Daily Ledger Bal		\$368,747.26
7/23/2018	2425 Check	(\$1,406.25)	\$368,747.26
7/23/2018	2423 Check	(\$500.00)	\$370,153.51
7/23/2018	2424 Check	(\$500.00)	\$370,653.51
7/18/2018	Daily Ledger Bal		\$371,153.51
7/18/2018	ACH Payment TIME WARNER CABL TW CABLE 0290121119 SPA 43	(\$202.06)	\$371,153.51

**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

August 10, 2018

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

Re: Invoice and Draft Minutes for July 18, 2018 Regular Meeting; Our File No. 87250.

Dear President Murrell,

Attached, please find the draft Minutes for July 18, 2018 Regular Meeting. After you have had a chance to review these minutes, please let me know if there are any changes that need to be made.

Also, please allow this letter to serve as a *partial invoice* for \$1,000.00 representing the retainer for work performed in July 2018. We would request that you put this invoice in line for payment at the August 15, 2018 Regular meeting and we will give the District credit for the \$1,000.00 payment when we invoice the District for July 2018.

If you concur, please draft a check in the amount of \$500.00 checks payable to Josh Heinz and a second check for \$500.00 to Hubert Oxford, IV.

With best wishes, I am

Sincerely,

**BENCKENSTEIN & OXFORD, L.L.P.**



---

Hubert Oxford, IV

**BENCKENSTEIN & OXFORD, L.L.P.**

ATTORNEYS AT LAW  
BBVA COMPASS BANK BUILDING  
3535 CALDER AVENUE, SUITE 300

BEAUMONT, TEXAS 77706  
TELEPHONE:(409) 833-9182  
FAX: (409) 833-8819

Hubert Oxford, IV

hoxfordiv@benoxford.com

August 14, 2018

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

Re: Winnie Stowell Hospital District; Billable Invoice for May 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 May 2018 on behalf of Benckenstein & Oxford, LLP. This invoice is for \$25,835.12 but the amount due is \$24,835.12 after reducing the invoice by \$1,000.00 for the monthly retainer already paid.

In May 2018, we worked extensively with the LTC Group to understand the impact of the proposed changes to Year 2 of the Quality Incentive Payment Program ("QIPP") by the Texas Health and Human Services Commission. In addition, we worked to inform state officials of the detrimental effects of the proposed changes to the District's continued participation in QIPP. Lastly, after the changes were postponed, we prepared to close Loan 13 by the end of the month.

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 \$24,835.12 representing the balance owed for May 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

**August 14, 2018**

**INVOICE #:** 49024      **HOIV**  
**Billed through:** May 31, 2018  
**Client/Matter #:** WSHD      87250

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

RE: Winnie-Stowell Hospital District

**PROFESSIONAL SERVICES RENDERED**

05/01/18	HOIV	Received legal opinions for four (4) Caring facilities involved in HUD loan transaction; reviewed the opinions; executed letters; and prepared signature pages to be submitted.	1.80 hrs
05/01/18	HOIV	Drafted and multiple revisions to extensive letter to Governor's Office explaining impact of QIPP Rule changes; and exchanged multiple conference calls with LTC Group and Board members.	5.50 hrs
05/02/18	HOIV	Worked with staff and insurance agents on renewal of Directors' and Officer's Insurance to provide the required financial statements;	3.50 hrs
05/02/18	HOIV	Conference calls with LTC Group and HMG regarding status of proposed QIPP changes.	0.80 hrs
05/02/18	HOIV	Revised prior e-mail to Governor's Office and submitted comprehensive e-mail to HHSC regarding the impact of proposed rules on the QIPP program.	0.80 hrs
05/02/18	HOIV	Prepared spreadsheet for Staff identifying the payments amounts to Managers from QIPP 1, Qtr. 2 Component 2, 3 and Lapsing Funds taking into account the IGT hold back from the initial IGT.	1.60 hrs
05/03/18	HOIV	Worked with staff and LTC to reconcile funds deposited into the Interbank Account for QIPP program; dissect and reconcile the the payments; update QIPP Master Spreadsheet to verify the distribution of the funds; and drafted multiple e-mails and participated in multiple conference calls to verify the amount of transfers to Prosperity Bank and Post Oak Bank.	4.60 hrs
05/03/18	HOIV	Exchanged seven (7) e-mails with staff and LTC Group regarding the February through April 2018 outstanding LTC invoices and amounts due.	0.70 hrs
05/03/18	HOIV	Conference call with counsel for Genesis and HMG regarding proposed QIPP changes for Year 2.	0.40 hrs
05/03/18	HOIV	Reviewed income spreadsheets and exchanged seven (7) e-mails with staff and District CPA regarding whether to report District income with nursing homes and without nursing homes for the District's DOD insurance.	1.40 hrs
05/04/18	HOIV	Conference calls with Managers regarding the posting of the proposed rule and drafted e-mail to counsel for Genesis to suggest a plan on moving	1.20 hrs

forward in light of the rule.

05/04/18	HOIV	Participated in multiple conference calls and read, reviewed, and responded to seven (7) emails with the LTC Group regarding the proposed rule for QIPP year 2 that was published and its impacts on the District's decision to remain in the program; and LTC's efforts to modify the published rule.	1.80 hrs
05/04/18	HOIV	Exchanged six (6) e-mails with counsel for Caring Healthcare regarding finalizing Attorney Opinions for four (4) HUD loans; reviewed modifications and exhibits; and then returned executed versions for filing.	1.60 hrs
05/04/18	HOIV	Exchanged nine (9) e-mails with staff and Salt Creek Capital confirming that the District's transfer of funds was for Component 2, 3, and lapsing funds.	0.70 hrs
05/04/18	HOIV	Drafted extensive e-mail to Board reporting on the work performed during the by General Counsel, the District's CPA, and Staff regarding cash flow models; payments for QIPP 2, 3, and Lapsing Funds; and status of the District's cash position.	2.40 hrs
05/07/18	HOIV	Drafted letter to Commissioner Williams for President Ed Murrell's signature regarding Proposed Rule changes to QIPP program.	3.00 hrs
05/07/18	HOIV	Conference call with HHSC regarding QIPP model presented to the Commission along with the District's opposition to the proposed QIPP Year 2 amendments; revised model and submitted revised version to HHSC for their review and consideration.	1.20 hrs
05/07/18	HOIV	Drafted e-mail to counsel for HMG and Genesis regarding the proposed changes to QIPP Year 2 rules.	0.40 hrs
05/07/18	HOIV	Exchanged seven (7) e-mails with Caring Healthcare explaining the reconciliation for QIPP Year 1, QTR 2, Component 2, 3, and Lapsing Funds and the adjustment payment.	0.80 hrs
05/07/18	HOIV	Revised spreadsheet for Caring Healthcare to use as a model for when they should expect payments and adjustments for Component 1 payments; and e-mailed to Caring Healthcare.	1.40 hrs
05/08/18	HOIV	Began drafting minutes for the April 18, 2018 Regular Meeting.	1.50 hrs
05/08/18	HOIV	Exchanged twelve (12) e-mails with ECISD regarding insurance premiums for hazard policy funded by the District and the need for an update by the District prior to the renewal of the Interlocal Agreement between the District and the ECISD.	0.90 hrs
05/08/18	HOIV	Worked with staff and LTC Group to review various insurance and Medicare/Medicaid agreements to be signed on behalf of the District.	1.40 hrs
05/08/18	HOIV	Read, reviewed, and responded to nine (9) e-mails from J.S. Edwards and Sherlock regarding the D&O insurance and the profit and loss statements.	0.60 hrs
05/09/18	HOIV	Continued drafting and finalizing Minutes for the April 18, 2018 Regular meeting and gathered exhibits.	4.00 hrs
05/14/18	HOIV	Exchanged ten (10) e-mails with Caring Healthcare regarding the Highland Park CMS application.	0.80 hrs

05/15/18	HOIV	Exchanged multiple conference calls with LTC Group and Managers to discuss possible recommendations to the Board for moving forward with the QIPP program after considering the e-mail from the HHSC dated May 14, 2018.	1.70 hrs
05/15/18	HOIV	Received and reviewed proposal by the HHSC to amend the proposed rule change to the QIPP program that raises the minimum Medicaid rate from 62.2 % to 67.4% for private facilities to participate; and began analysing the proposal and request to complete a survey by May 16, 2018.	3.40 hrs
05/15/18	HOIV	Worked with Staff on cash position sheet.	1.30 hrs
05/15/18	HOIV	Exchanged multiple conference calls with LTC Group and Managers to discuss possible recommendations to the Board for moving forward with the QIPP program after considering the e-mail from the HHSC dated May 14, 2018.	1.70 hrs
05/15/18	HOIV	Received and reviewed proposal by the HHSC to amend the proposed rule change to the QIPP program that raises the minimum Medicaid rate from 62.2 % to 67.4% for private facilities to participate; and began analysing the proposal and request to complete a survey by May 16, 2018.	3.40 hrs
05/15/18	HOIV	Worked with Staff on cash position sheet.	1.30 hrs
05/16/18	HOIV	Prepared for and attended Regular monthly meeting.	3.70 hrs
05/16/18	HOIV	Met with the District's Auditor, prior to the Board meeting to confer on the 2017 audit and cost associated with the 2016 audit.	0.80 hrs
05/16/18	HOIV	Exchanged multiple conference calls with LTC Group and the Board president regarding survey for QIPP Year 1 proposed by the HHSC and drafted e-mail to HHSC explaining that the District was not in a position to answer the Survey because it would require Board action and there was not sufficient time to properly notice a meeting before the survey was complete.	1.20 hrs
05/16/18	HOIV	Drafted and exchanged e-mails to Managers to determine their status with the District if the HHSC proposed rule changes for QIPP Year 2 went into effect.	0.70 hrs
05/17/18	HOIV	Updated QIPP flow chart with updated numbers and distributed to Salt Creek Capital and HHSC.	1.20 hrs
05/17/18	HOIV	Updated QIPP flow chart with updated numbers and distributed to Salt Creek Capital and HHSC.	1.20 hrs
05/17/18	HOIV	Participated in multiple conference calls with the LTC Group regarding status of QIPP Year 2 and the proposed rule changes.	1.40 hrs
05/21/18	HOIV	Received IGT amounts from the State of Texas for QIPP Year 2, IGT 1 and began to analyze the numbers to assess the District's IGT commitment in anticipation of finalizing the terms for Loan 13; and exchanged multiple e-mails with LTC and staff to verify the amount of the IGT.	2.80 hrs
05/21/18	HOIV	Participated in conference calls with President Murrell, staff, and Salt Creek Capital regarding the request to repayment of principle due on June 1, 2018 by May 25, 2018; and then exchanged multiple e-mails with Salt Creek	1.60 hrs

Capital regarding their interest calculations.

05/21/18	HOIV	Exchanged e-mails with Managers confirming that they District was going to make the IGT for QIPP Year 2, IGT 1.	0.70 hrs
05/21/18	HOIV	Exchanged multiple e-mails with LTC Group, HMG, and staff to examine why an HMG facility was missing from the HHSC's spreadsheet and resolved the problem.	0.80 hrs
05/22/18	HOIV	Continued review and discussion with Salt Creek Capital regarding credits for repayment of principle early by reviewing the proposal and exchanging e-mails with LTC Group and Salt Creek Capital.	1.30 hrs
05/22/18	HOIV	Exchanged multiple e-mails and conference calls with Caring Healthcare, Lender, and LTC Group regarding discussion with Caring about terminating their Management Agreement for Spring Branch because of language in the HHSC e-mail regarding partial IGTs that may make it more beneficial for Spring Branch to no longer be owned by an NSGO.	2.30 hrs
05/22/18	HOIV	Prepared initial Loan 13 documents and distributed to the Board and Salt Creek Capital along with an extensive e-mail to the Board explaining the loan agreement and the short term and long term cost of the subsequent loans on the District's cash flow.	3.80 hrs
05/23/18	HOIV	Drafted an extensive e-mail to staff creating a timeline of upcoming interest and principle payments and transfers.	2.00 hrs
05/23/18	HOIV	Received and reviewed amendments to the existing sublease for Highland Park to review and revise as required by Life Safety in order for the new facility to be approved for Medicare reimbursements.	0.80 hrs
05/23/18	HOIV	Modified existing e-mail sent to staff regarding timeline of upcoming payments for interest and principle and transfers and submitted to Salt Creek Capital for review and verification.	0.60 hrs
05/23/18	HOIV	Exchanged seven e-mails with Caring Healthcare ownership about signature page for the Amended Sublease Agreement for Highland Park.	0.50 hrs
05/24/18	HOIV	Received a request from Genesis regarding the need to review Medicare Revalidation (i.e., 855a) forms; researched records and e-mails regarding prior 855a forms that have been completed and filed and then exchanged fourteen (14) e-mails with Genesis and staff regarding the forms.	2.80 hrs
05/25/18	HOIV	Worked with staff to assist completing CMS forms for Clairmont and the Woodlands.	0.70 hrs
05/29/18	HOIV	Worked on cash flow sheets for 2018 through the end of QIPP Year 2, IGT 4 in July 2021.	5.00 hrs
05/29/18	HOIV	Worked with Lender on revising loan documents to account for correction by HHSC regarding HMG homes and distributed the documents along with an explanation to Lender and Board President.	1.70 hrs
05/29/18	HOIV	Worked on cash flow sheets for 2018 through the end of QIPP Year 2, IGT 4 in July 2021.	5.00 hrs

05/29/18 HOIV Worked with Lender on revising loan documents to account for correction by HHSC regarding HMG homes and distributed the documents along with an explanation to Lender and Board President. 1.70 hrs

05/30/18 HOIV Received trace sheets for QIPP Year 2, IGT 1 and exchanged twenty-three (23) e-mails with LTC, HMG, and Staff regarding the amount of IGT for Park Manor Humble due to questions raised by HHSC. 1.20 hrs

Total fees for this matter \$25,775.00

**DISBURSEMENTS**

05/22/18 Federal Express; Invoice # 6-184-29400 60.12

Total disbursements for this matter \$60.12

**BILLING SUMMARY:**

Oxford, IV Hubert	103.10 hrs @	\$250.00 /hr	\$25,775.00
TOTAL FEES			\$25,775.00
TOTAL DISBURSEMENTS			\$60.12
TOTAL CHARGES FOR THIS INVOICE			\$25,835.12
RETAINER			\$1,000.00 CR

**TOTAL BALANCE NOW DUE \$24,835.12**

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

RECEIVED  
AUG 14 2018

Invoice  
submitted to:  
Winnie Stowell Hospital District  
PO Box 1997  
Winnie, TX 77665

08/13/2018

Invoice # 20530

Professional Services

	<u>Amount</u>
08/13/18 7-11-18 Review monthly payroll tax deposit - EFTPS. Review quarterly payroll. .50 Hrs.	1,875.00
7-17-18 Verify bank reconciliations and balances. Make necessary adjustments. 3.50 Hrs.	
7-18-18 Make month end adjustments and entries. Run reports for meeting. 2.75 Hrs.	
7-18-18 Attend meeting. 1.75 Hrs.	
7-19-18 Review remaining items on audit list from Durbin Co. 1.00 Hrs	
7-26-18 Discuss payroll transmittal issue and discuss. Prepare , process and file Quarterly payroll tax reports. 2.50 Hrs.	
7-30-18 Review balances and make necessary adjustments. Answer audit inquiries. 3.00 Hrs.	
<b>TOTAL HRS 15.00 @ \$125.00 = \$1,875.00</b>	
For professional services rendered	<u>\$1,875.00</u>
Balance due	<u><u>\$1,875.00</u></u>

***Invoices Due Upon Receipt***



21603703298701

RECEIVED

AUG 14 2018

August 4, 2018

**MONTHLY BILL**

Name: SHERRY STERN  
Account Number: 92 5529 5461

Payment Summary	
Last Payment Received	07/23/2018
Current Payment Due	\$150.14
<b>Total Due by 08/25/2018</b>	<b>\$150.14</b>

**YOUR LOAN DETAILS**

Loan Sequence	Date Disbursed	Loan Program	Original Balance	Current Balance	Outstanding Interest	Interest Rate	Monthly Payment	Current Due
*1002	11/29/2006	SUBCNS	\$13,150.00	\$6,354.51	\$7.83	3.750%	\$90.67	\$90.67
*1001	11/29/2006	UNCNS	\$8,625.28	\$4,167.70	\$5.13	3.750%	\$59.47	\$59.47

Outstanding interest accrued as of 08/04/2018

\*Late fees will be assessed in accordance to the requirements set forth by the loan owner. Each unique owner/loan program may have differing late fee requirements. The owner will assess late fees on any loans listed above that are identified with an asterisk. If there are dates listed below the heading 'Received After This Date', which are prior to the date you are making your payment, the following late fee will be assessed.

Received After This Date	Late Fee to be Assessed
09/08/2018	\$7.50

**Would you rather receive this statement electronically?**

Sign in to Account Access at AesSuccess.org and update your Account Profile preferences if you would prefer that we send you an email reminder instead of a paper statement.

Total paid since your last statement	\$150.14
Interest Satisfied	\$30.60
Principal Satisfied	\$119.54

As of today, you've paid on your loans	\$13,512.60
Total Interest Satisfied	\$4,331.36
Total Principal Satisfied	\$9,181.24

You may be required to remit your full monthly installment amount, even if your loan(s) are paid ahead, in order to maintain reduced interest rate eligibility under any applicable Repayment Incentive Program and to not affect your eligibility for other borrower benefits, such as cosigner release offered by your lender(s). Contact us for details.

**Make checks payable to American Education Services and include your 10 digit account number.**

**Customer Statement**

(IF LATE, SEE ABOVE)

Amount Enclosed: Do not write dollar sign in boxes below or on check.

Account Number:

Due Date:

Total Amount Due:

92 5529 5461

08/25/2018

\$

Empty boxes for writing the amount enclosed.

\$150.14

20182160192552954611000015014000000000000000000



AMERICAN EDUCATION SERVICES  
PAYMENT CENTER  
HARRISBURG PA 17130-0001

#BWNDHKB  
#B612 1327 2508 04L3#  
SHERRY STERN  
9302 EAGLES LNDG  
MAGNOLIA TX 77354-6865





**U.S. Department of Education**  
Information about your federal student loan

**RECEIVED**  
AUG - 8 2018

21102400433001

July 30, 2018

**MONTHLY BILL**

**Name: HEATH O REDWINE**  
**Account Number: 61 1316 9949**

Payment Summary	
Last Payment Received	07/23/2018
Current Payment Due	\$948.36
<b>Total Due by 08/20/2018</b>	<b>\$948.36</b>

**YOUR LOAN DETAILS**

Date Disbursed	Loan Program	Original Balance	Current Balance	Outstanding Interest	Interest Rate	Monthly Payment	Current Due
01/30/2017	DLSCNS	\$7,515.49	\$7,450.26	\$8.75	6.125%	\$58.05	\$58.05
01/30/2017	DLUCNS	\$115,259.13	\$115,259.13	\$2,037.47	6.125%	\$890.31	\$890.31

Total paid since your last statement	\$948.36
Interest Satisfied	\$925.41
Principal Satisfied	\$22.95

As of today, you've paid on your loans	\$4,938.44
Total Interest Satisfied	\$4,873.21
Total Principal Satisfied	\$65.23

**Make checks payable to FedLoan Servicing and include your 10 digit account number.**  
**Customer Statement**

Amount Enclosed: Do not write dollar sign in boxes below or on check.

Account Number: 61 1316 9949  
Total Amount Due: \$948.36  
Due Date: 08/20/2018

\$ 

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20182110161131699491000094836000000000000000003



DEPARTMENT OF EDUCATION  
FEDLOAN SERVICING  
PO BOX 530210  
ATLANTA GA 30353-0210

#BWBCFT  
#B874 6429 2307 30L3#  
HEATH O REDWINE  
13764 POWERS RD  
HAMSHIRE TX 77622-8451



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

Invoice # 66471

Phone # (800) 834-0560

Fax # (936) 756-6741

RECEIVED

Date: 8/1/2018

AUG - 6 2018

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

Terms: Net receipt of invoice

---

Professional services for the month of September 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**

Winnie Stowel Hospital District Indigent Healthcare Services  
 Batch Dates 07/31/18-07/31/18

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

Vendor #: 65460

GL #	Description	Amount
WSHD	Wshd	5,002.73
<b>Expenditures</b>		<b>5,002.73</b>
<b>Reimb/Adjustments</b>		
<b>Grand Total</b>		<b>5,002.73</b>

34 total invoices

**GL Totals Detail**

Invoice #	GL #	Date in	Amt Billed	Amt Paid
036-2475*65460*23	WSHD	07/16/2018	11.94	11.94
036-2475*65460*23	WSHD	07/16/2018	5.00	5.00
036-2475*65460*23	WSHD	07/16/2018	34.40	34.40
036-2475*65460*23	WSHD	07/16/2018	30.23	30.23
036-2475*65460*23	WSHD	07/17/2018	45.50	45.50
036-2475*65460*23	WSHD	07/23/2018	46.03	46.03
036-2749*65460*38	WSHD	07/09/2018	25.00	25.00
036-2749*65460*38	WSHD	07/09/2018	25.00	25.00
036-2749*65460*38	WSHD	07/09/2018	405.52	405.52
036-2815*65460*13	WSHD	07/03/2018	402.06	402.06
036-2815*65460*13	WSHD	07/03/2018	12.00	12.00
036-2815*65460*13	WSHD	07/05/2018	78.75	78.75
036-2821*65460*17	WSHD	07/03/2018	5.00	5.00
036-2856*65460*22	WSHD	07/03/2018	9.45	9.45
036-2856*65460*22	WSHD	07/18/2018	25.00	25.00
036-2856*65460*22	WSHD	07/19/2018	152.10	152.10
036-2865*65460*1	WSHD	07/20/2018	5.00	5.00
036-2865*65460*1	WSHD	07/20/2018	5.00	5.00
036-3413*65460*30	WSHD	07/11/2018	40.25	40.25
036-3413*65460*30	WSHD	07/16/2018	26.33	26.33
036-3413*65460*30	WSHD	07/16/2018	79.48	63.76
036-3413*65460*30	WSHD	06/11/2018	5.09	5.09
036-3413*65460*30	WSHD	06/11/2018	40.25	40.25
036-3414*65460*10	WSHD	06/14/2018	12.00	12.00
036-3414*65460*10	WSHD	06/14/2018	22.10	22.10
036-3426*65460*37	WSHD	07/10/2018	10.00	10.00
036-3426*65460*37	WSHD	07/11/2018	10.00	10.00
036-3432*65460*30	WSHD	07/10/2018	25.85	25.85
036-3432*65460*30	WSHD	07/10/2018	5.00	5.00
036-3432*65460*30	WSHD	07/10/2018	5.00	5.00
036--3424*65460*26	WSHD	07/24/2018	222.44	185.27
036--3424*65460*26	WSHD	07/24/2018	10.00	10.00
1011*65460*30	WSHD	07/16/2018	49.66	45.21
1011*65460*30	WSHD	07/03/2018	978.35	827.80

**GL Totals**

Winnie Stowel Hospital District Indigent Healthcare Services  
 Batch Dates 07/31/18-07/31/18

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

Vendor #: 65460

Invoice #	GL #	Date in	Amt Billed	Amt Paid
1019*65460*23	WSHD	07/05/2018	5.00	5.00
1019*65460*23	WSHD	07/05/2018	5.00	5.00
1019*65460*23	WSHD	07/05/2018	56.96	56.96
1019*65460*23	WSHD	07/05/2018	25.85	25.85
1024*65460*23	WSHD	07/19/2018	5.00	5.00
1038*65460*20	WSHD	07/06/2018	35.04	35.04
1038*65460*20	WSHD	07/09/2018	231.21	231.21
1038*65460*20	WSHD	07/09/2018	40.00	40.00
1043*65460*17	WSHD	07/02/2018	5.09	5.09
1043*65460*17	WSHD	07/02/2018	20.00	20.00
1044*65460*9	WSHD	07/13/2018	10.90	10.90
1044*65460*9	WSHD	07/13/2018	75.66	75.66
1046*65460*17	WSHD	07/05/2018	10.00	10.00
1046*65460*17	WSHD	07/05/2018	33.77	33.77
1046*65460*17	WSHD	07/05/2018	25.85	25.85
1046*65460*17	WSHD	07/05/2018	5.00	5.00
1046*65460*17	WSHD	07/05/2018	37.06	37.06
1046*65460*17	WSHD	07/05/2018	22.05	22.05
1046*65460*17	WSHD	07/06/2018	13.02	13.02
1049*65460*16	WSHD	07/05/2018	80.70	80.70
1049*65460*16	WSHD	07/05/2018	5.00	5.00
1049*65460*16	WSHD	07/06/2018	40.94	40.94
1049*65460*16	WSHD	07/25/2018	12.00	12.00
1054*65460*15	WSHD	07/23/2018	5.00	5.00
1054*65460*15	WSHD	07/23/2018	5.00	5.00
1054*65460*15	WSHD	07/23/2018	15.00	15.00
1061*65460*10	WSHD	07/18/2018	86.01	86.01
1068*65460*8	WSHD	07/16/2018	9.34	9.34
1074*65460*4	WSHD	07/17/2018	22.00	22.00
1079*65460*6	WSHD	07/23/2018	51.22	51.22
1084*65460*5	WSHD	07/06/2018	18.08	18.08
1084*65460*5	WSHD	07/13/2018	4.19	4.19
1084*65460*5	WSHD	07/16/2018	10.00	10.00
1087*65460*5	WSHD	07/18/2018	72.06	72.06
1087*65460*5	WSHD	07/18/2018	30.30	30.30
1087*65460*5	WSHD	07/18/2018	5.00	5.00
1087*65460*5	WSHD	07/18/2018	26.26	26.26
1090*65460*2	WSHD	07/05/2018	5.53	5.53
1090*65460*2	WSHD	07/13/2018	5.00	5.00
1090*65460*2	WSHD	07/13/2018	26.33	26.33
1090*65460*2	WSHD	07/13/2018	27.50	26.38
1090*65460*2	WSHD	07/25/2018	5.00	5.00
1090*65460*2	WSHD	07/25/2018	30.47	30.47
1091*65460*5	WSHD	07/02/2018	7.20	7.20
1091*65460*5	WSHD	07/02/2018	16.60	9.69
1091*65460*5	WSHD	07/10/2018	34.61	34.61
1091*65460*5	WSHD	07/30/2018	7.20	7.20

**GL Totals**

Winnie Stowel Hospital District Indigent Healthcare Services  
Batch Dates 07/31/18-07/31/18

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

Vendor #: 65460

<b>Invoice #</b>	<b>GL #</b>	<b>Date in</b>	<b>Amt Billed</b>	<b>Amt Paid</b>
1091*65460*5	WSHD	06/14/2018	34.61	34.61
1092*65460*4	WSHD	07/10/2018	28.93	28.93
1092*65460*4	WSHD	07/06/2018	152.68	134.80
1092*65460*4	WSHD	07/06/2018	11.83	9.60
1097*65460*2	WSHD	07/31/2018	22.56	22.56
1097*65460*2	WSHD	07/31/2018	13.33	13.33
1097*65460*2	WSHD	07/31/2018	18.72	18.72
1097*65460*2	WSHD	07/31/2018	10.00	10.00
1098*65460*3	WSHD	07/02/2018	244.84	244.84
1098*65460*3	WSHD	07/17/2018	27.36	27.36
1099*65460*1	WSHD	07/31/2018	15.56	15.56
1101*65460*2	WSHD	07/10/2018	56.92	56.92
1103*65460*2	WSHD	07/11/2018	72.50	57.83
1103*65460*2	WSHD	07/11/2018	351.50	294.98
1103*65460*2	WSHD	07/25/2018	72.50	57.83
<b>34 invoices, 96 line items</b>			<b>5,324.62</b>	<b>5,002.73</b>
<b>Grand Totals</b>			<b>5,324.62</b>	<b>5,002.73</b>

34 total invoices  
96 total line items

**GL Totals**

Winnie Stowel Hospital District Indigent Healthcare Services  
 Batch Dates 07/31/18-07/31/18

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

Vendor #: 18651

GL #	Description	Amount
WSHD	Wshd	1,548.96
<b>Expenditures</b>		<b>1,548.96</b>
<b>Reimb/Adjustments</b>		
<b>Grand Total</b>		<b>1,548.96</b>

11 total invoices

**GL Totals Detail**

Invoice #	GL #	Date in	Amt Billed	Amt Paid
036-2783*18651*86	WSHD	07/02/2018	25.00	25.00
036-2783*18651*86	WSHD	07/02/2018	50.00	50.00
036-2783*18651*86	WSHD	07/02/2018	50.00	39.84
036-2783*18651*86	WSHD	07/02/2018	25.00	25.00
036-2833*18651*99	WSHD	07/12/2018	373.81	175.02
036-2942*18651*81	WSHD	07/16/2018	29.75	29.75
036-2942*18651*81	WSHD	07/16/2018	387.68	306.35
036-3364*18651*53	WSHD	07/31/2018	24.00	24.00
036-3364*18651*53	WSHD	07/31/2018	54.86	54.86
036-3364*18651*53	WSHD	07/31/2018	24.00	24.00
036-3364*18651*53	WSHD	07/31/2018	42.61	21.19
036-3364*18651*53	WSHD	07/31/2018	23.62	12.76
1020*18651*19	WSHD	07/19/2018	39.87	39.87
1020*18651*19	WSHD	07/19/2018	5.40	3.60
1020*18651*19	WSHD	07/19/2018	91.27	62.83
1020*18651*19	WSHD	07/19/2018	13.46	13.46
1040*18651*18	WSHD	07/25/2018	27.67	19.81
1075*18651*5	WSHD	07/30/2018	85.41	41.48
1075*18651*5	WSHD	07/30/2018	101.78	46.84
1075*18651*5	WSHD	07/02/2018	117.67	56.44
1086*18651*6	WSHD	07/09/2018	75.14	63.76
1095*18651*3	WSHD	07/02/2018	66.70	29.40
1095*18651*3	WSHD	07/02/2018	66.70	29.40
1095*18651*3	WSHD	07/02/2018	81.76	36.44
1095*18651*3	WSHD	07/02/2018	25.10	9.44
1102*18651*2	WSHD	07/31/2018	407.61	262.53
1102*18651*2	WSHD	07/13/2018	12.97	10.89
1104*18651*1	WSHD	07/25/2018	10.75	6.64
1104*18651*1	WSHD	07/25/2018	46.28	22.97
1104*18651*1	WSHD	07/25/2018	7.88	5.39
<b>11 invoices, 30 line items</b>	***		<b>2,393.75</b>	<b>1,548.96</b>



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### GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services  
Batch Dates 07/31/18-07/31/18

Vendor #: 18651

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

Invoice #	GL #	Date in	Amt Billed	Amt Paid
<b>Grand Totals</b>			<b>2,393.75</b>	<b>1,548.96</b>

11 total invoices  
30 total line items

**GL Totals**

Winnie Stowel Hospital District Indigent Healthcare Services  
 Batch Dates 07/31/18-07/31/18

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

Vendor #: 63614

GL #	Description	Amount
WSHD	Wshd	7,928.98
<b>Expenditures</b>		<b>7,928.98</b>
<b>Reimb/Adjustments</b>		
<b>Grand Total</b>		<b>7,928.98</b>

10 total invoices

**GL Totals Detail**

Invoice #	GL #	Date in	Amt Billed	Amt Paid
036-2783*63614*4	WSHD	06/26/2018	391.00	93.84
036-2815*63614*2	WSHD	07/23/2018	1,026.00	246.24
036-2815*63614*2	WSHD	07/19/2018	323.00	77.52
1011*63614*5	WSHD	07/09/2018	436.00	104.64
1011*63614*5	WSHD	07/09/2018	323.00	77.52
1025*63614*2	WSHD	06/07/2018	323.00	77.52
1061*63614*4	WSHD	05/22/2018	2,244.00	538.56
1061*63614*4	WSHD	07/18/2018	908.00	217.92
1068*63614*3	WSHD	07/16/2018	323.00	77.52
1084*63614*3	WSHD	07/06/2018	705.00	169.20
1090*63614*3	WSHD	07/05/2018	926.00	222.24
1090*63614*3	WSHD	06/22/2018	323.00	77.52
1095*63614*3	WSHD	06/04/2018	12,504.02	3,000.97
1095*63614*3	WSHD	07/02/2018	11,225.35	2,694.09
1095*63614*3	WSHD	07/03/2018	291.00	69.84
1095*63614*3	WSHD	07/13/2018	323.00	77.52
1099*63614*1	WSHD	07/19/2018	443.00	106.32
<b>10 invoices, 17 line items</b>		***	<b>33,037.37</b>	<b>7,928.98</b>
<b>Grand Totals</b>			<b>33,037.37</b>	<b>7,928.98</b>

10 total invoices  
 17 total line items

**GL Totals**

Winnie Stowel Hospital District Indigent Healthcare Services  
 Batch Dates 07/31/18-07/31/18

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

Vendor #: 63615  
 NPI: 1942241146

GL #	Description	Amount
WSHD	Wshd	2,560.09
<b>Expenditures</b>		<b>2,560.09</b>
<b>Reimb/Adjustments</b>		
<b>Grand Total</b>		<b>2,560.09</b>

10 total invoices

**GL Totals Detail**

Invoice #	GL #	Date in	Amt Billed	Amt Paid
036-2815*63615*2	WSHD	07/19/2018	415.00	95.54
036-2815*63615*2	WSHD	07/23/2018	270.00	75.60
1011*63615*6	WSHD	07/09/2018	183.00	39.92
1011*63615*6	WSHD	07/09/2018	40.00	22.45
1025*63615*2	WSHD	06/07/2018	360.00	86.32
1040*63615*9	WSHD	07/20/2018	150.00	44.45
1061*63615*4	WSHD	07/18/2018	273.00	65.29
1061*63615*4	WSHD	05/22/2018	198.00	55.44
1061*63615*4	WSHD	05/22/2018	130.00	36.40
1061*63615*4	WSHD	07/11/2018	198.00	55.44
1061*63615*4	WSHD	07/20/2018	208.00	62.22
1068*63615*3	WSHD	07/16/2018	273.00	65.29
1084*63615*4	WSHD	07/06/2018	23.00	6.44
1084*63615*4	WSHD	07/06/2018	183.00	51.24
1090*63615*3	WSHD	07/05/2018	298.00	83.44
1090*63615*3	WSHD	07/05/2018	270.00	56.08
1095*63615*3	WSHD	07/02/2018	400.00	275.00
1095*63615*3	WSHD	07/02/2018	210.00	210.00
1095*63615*3	WSHD	06/15/2018	80.00	28.55
1095*63615*3	WSHD	07/02/2018	1,673.00	468.44
1095*63615*3	WSHD	06/04/2018	2,075.00	581.00
1099*63615*1	WSHD	07/19/2018	415.00	95.54
<b>10 invoices, 22 line items</b>	***		<b>8,325.00</b>	<b>2,560.09</b>
<b>Grand Totals</b>			<b>8,325.00</b>	<b>2,560.09</b>

10 total invoices  
 22 total line items

**GL Totals**

Winnie Stowel Hospital District Indigent Healthcare Services  
 Batch Dates 07/31/18-07/31/18

Stace Farrow Youth Counselor  
 714 Campbell Rd  
 Winnie, TX 77665

Vendor #: 63616  
 NPI: 467236878

GL #	Description	Amount
WSHD	Wshd	170.00
	<b>Expenditures</b>	<b>170.00</b>
	<b>Reimb/Adjustments</b>	
	<b>Grand Total</b>	<b>170.00</b>

2 total invoices

**GL Totals Detail**

Invoice #	GL #	Date in	Amt Billed	Amt Paid
YC06*63616*3	WSHD	07/31/2018	85.00	85.00
YC07*63616*2	WSHD	07/24/2018	85.00	85.00
<b>2 invoices, 2 line items</b>			<b>170.00</b>	<b>170.00</b>
<b>Grand Totals</b>			<b>170.00</b>	<b>170.00</b>

2 total invoices  
 2 total line items

**Billing terms**

- Policy** The program
- Term** The policy length
- Product** Identifies PHLIY niche product group
- Bill plan** Full or interval payment plan applied to the policy, see section opposite for details
- Premium charged** Policy premium at inception plus any additional premium or return premium endorsements
- Premium applied** Payments or adjustments made to date
- Previous balance** Amount due at the end of prior month
- Installment amount** Divided portion of premium invoiced this month based on the Bill Plan
- Taxes/surcharges and fees** State imposed taxes or surcharges based on specific coverage and/or premium
- Payment / credits** Payments or adjustments made during prior month
- Balance due** Total amount currently due

**Available bill plans**

*If interested in bill plan options please contact customer service at 877-438-7459 to see if your account qualifies.*

**Fixed Annual**

One bill is produced for the annual premium as of the effective date of the policy.

**Installment plans**

For the following plans, a \$500 installment minimum is required. Any endorsement activity will be billed or credited over any remaining installments. These plans do not reflect options available for Rental and Leasing policies. A \$5 per installment fee may be included (some states may vary).

**- 25% & 9**

25% of the annual premium is billed the first month, 1/9th of the remaining annual will be billed in consecutive monthly intervals.

**- 25% & 5**

25% of the annual premium is billed the 1st month, The remaining installments of 1/5th will be billed in consecutive monthly intervals.

**- 25% & 3**

25% of the annual premium is billed the 1st month, 1/3rd of the remaining annual will be billed in consecutive monthly intervals.

**- 50% & 2**

50% of the annual premium is billed the 1st month, 1/2 of the remaining annual will be billed in consecutive monthly intervals.

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**PHILADELPHIA INSURANCE COMPANIES**

A Member of the Tokio Marine Group  
PO Box 70251 Philadelphia PA 19176-0251

Invoice Number:	04028742634
Account Number:	80026218 <input type="text" value="8"/>
Billing Date:	08/01/2018
Due Date:	08/21/2018
Amount Due:	<b>\$15.00</b>

AB 01 047781 61392 B 175 A



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

Remittance Amount: \$



PHILADELPHIA INSURANCE COMPANIES  
PO BOX 70251  
PHILADELPHIA PA 19176-0251

04028742634 000000080026218 8 20180801 20180821 000000000001500 5

04/23/2018

2/218/740

Your account summary

Your balance breakdown

Product	Policy	Term / Bill plan	Premium charged (\$)	Premium applied (\$)	Previous balance (\$)	Installment amount (\$)	Taxes / surcharge (\$)	Fees (\$)+	Payment / credits	Balance due (\$)
80026218 Winnie-Stowell Hospital District										
D&O Flexi Plus	PHSD1344598	05/07/2018 - 19 25% & 3	10,235.00	-7,576.25	0.00	2,558.75 3 of 3	0.00	0.00	-2,548.75	10.00
<b>Fees</b>										
	Installation Fee		15.00	-10.00	0.00	0.00	0.00	5.00	0.00	5.00
			10,250.00	-7,686.25	0.00	2,558.75	0.00	5.00	-2,548.75	15.00
										Total Balance: 15.00

Payments will be allocated towards these charges first

Applications, policy forms, risk management services, and claims management services are available at [www.phly.com](http://www.phly.com)  
 \*Denotes change in term premium    \*\*\*Denotes the 25% down and 1st installment billed together    †May include installment fee

**Mileage reimbursement for Jeff Rollo**

Pay Period Beginning: 07/25/18 Ending: 07/28/18

Date	Description	Mileage	Mileage
07/25/18	To THT CONFERENCE, Dallas, Tx		330
07/28/18	From THT CONFERENCE, Dallas, Tx		330
			660

Total Mileage **\$356.40**

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Note: Anothony, Edward and Jeff all road together to THT Conference in Dallas

7/28/18  
Lunch

Edward  
Travel Receipts  
meats  
158.25

7/27/18  
Breakfast

Arbys #1860  
936-441-3773  
U.S. 1025 N Loop 336 West

ED

Host: Brandy  
ED

Order Type: Eat-In

Medium Meal  
Classic RB  
Medium Drink  
MEL M -Classic RB  
Medium Curly Fry  
Small Meal  
Double BNC  
Medium Drink  
MEL M - Db1 BNC  
Onion Ring  
Medium Meal  
Classic RB  
Medium Drink  
MEL M -Classic RB  
Medium Curly Fry

Subtotal  
Tax

Eat-In Total

Visa  
Auth:039572

Thank you for visiting ArbyAs!

--- Check Closed ---

07/28/2018  
1:19 PM  
2002

SEE BACK FOR

SEE BACK FOR CHANCE TO WIN

SEE BACK FOR CHANCE TO WIN

SEE BACK FOR CHANCE TO WIN

WIN

7.39

8.33

0.33

7.39

23.41

1.99

25.40

25.40

& & 440 & &  
\*\*\*\* CREDIT CARD VOUCHER \*\*\*\*  
\*\*\*\*\*

GAYLORD TEXAN  
GRAPEVINE, TEXAS  
\*\*\*\* RIVERWALK CANTINA \*\*\*  
27 Jul '18 9:04 AM

Check: CHK 1701  
Table: 90/1  
Server: 28242 ALAMGIR  
Card Type: VISA  
Acct Num: \*\*\*\*\*0139  
Auth Code: 083337  
Customer: EDWARD R

MURRELL

Amount: \$132.84

GRATUITY \$ \_\_\_\_\_

TOTAL \$ \_\_\_\_\_

SIGNATURE \_\_\_\_\_

please leave signed copy  
with your server

0.00

132.84 +

25.41 +

158.25 \*



**Mileage reimbursement**

Pay Period Beginning: 07/25/18 Ending: 07/28/18

Date	Description	Mileage	Mileage
07/25/18	To THT CONFERENCE, Dallas, Tx		330
07/28/18	From THT CONFERENCE, Dallas, Tx		330
			660

Total Mileage **\$356.40**

Signed: Deyanira Jimenez Date: 8/1/18



Corporate Number	0007944804800003606	Previous Account Balance	\$326.54
Statement Closing Date	07/31/2018	(-) Payments and Credits	\$326.54
Days This Period	31	(+) Purchases and Debits	\$6,508.91
Total Amount Due	\$326.00	<b>(+) FINANCE CHARGES</b>	\$0.00
Payment Due Date	08/25/2018	(=) New Ending Balance	\$6,508.91

**Questions?** View your account information online at [www.prosperitybankusa.com](http://www.prosperitybankusa.com) or call our Customer Service Center toll free at 1-855-340-8771 or 1-301-945-5745.

**Send Billing Inquiries and Correspondence to:** Card Services, P.O. Box 183258, Columbus, OH 43218-3258.

**Mail Payments to:** Prosperity Bank, Department #350, P O Box 21228, Tulsa, Ok 74121-1228.

Page 1 of 1

**CORPORATE ACCOUNT SUMMARY (total for all accounts in relationship)**

Total Number of Accounts 3 YTD Interest \$10.53

**LIMIT ALLOCATION SUMMARY:**

Total Corporate Credit Limit	\$10,000.00
Total Corporate Credit Limit Allocated	\$10,000.00
Total Corporate Credit Limit Available	\$10,000.00
Total Corporate Spend Limit Allocated	\$10,000.00
Total Corporate Spend Limit Available	\$10,000.00

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**CORPORATE BALANCE SUMMARY:**

**CORPORATE DUES**

Total Current Balance	\$6,508.91	Total Past Due Amount	\$0.00
Available Credit	\$3,491.09	Total Amount Overlimit	\$0.00
		Total Amount Due	\$326.00

**LIST OF ACCOUNTS**

Account Number	Account Name	Billing Level	Credit/Spend Limit	Current/Spend Balance	Available Credit/Spend	Past Due	Total Due
0004054699990003606	WINNIE STOWELL HOSPITAL	C	\$10,000.00	\$6,508.91	\$3,491.09	\$0.00	\$326.00
XXXXXXXXXXXXXXXX1762	EDWARD MURRELL	C	\$5,000.00	\$1,346.23	\$3,653.77	\$0.00	\$0.00
XXXXXXXXXXXXXXXX1770	SHERRIE NORRIS	C	\$5,000.00	\$5,162.68	-\$162.68	\$0.00	\$0.00

Check this box to indicate any **ADDRESS CHANGES** detailed on back.

PROSPERITY BANK  
402 CYPRESS ST. SUITE 100  
ABILENE, TX 79601-5123



WINNIE STOWELL HOSPITAL  
PO BOX 1997  
WINNIE TX 77665-1997

PROSPERITY BANK  
DEPARTMENT #351  
P.O. BOX 21228  
TULSA, OK 74121-1228

00250 5510714 0079480 000003606



Corporate Number	0007944804800003606	Previous Account Balance	\$326.54
Account Number	0004054699990003606	(-) Payments and Credits	\$326.54
Statement Closing Date	07/31/2018	(+) Purchases and Debits	\$6,508.91
Days This Period	31	(+) FINANCE CHARGES	\$0.00
Payment Amount Due	\$326.00	(-) New Ending Balance	\$6,508.91
Payment Due Date	AUTO PAY 08/25/2018	Credit Limit:	\$10,000.00
		Available Credit:	\$3,491.09

**ACCOUNT SUMMARY**

WINNIE STOWELL HOSPITAL  
 PO BOX 1997  
 WINNIE TX 77665-1997

Interest YTD	\$10.53
Cycle Days	31
Total Number of Disputes	0
Total Amount of Disputes	\$0.00
Total Amount Past Due:	\$0.00

**Questions?** View your account information online at [www.prosperitybankusa.com](http://www.prosperitybankusa.com) or call our Customer Service Center toll free at 1-855-340-8771 or 1-301-945-5745.

**Send Billing Inquiries and Correspondence to:** Card Services, P.O. Box 183258, Columbus, OH 43218-3258.

**Mail Payments to:** Prosperity Bank, Department #350, P O Box 21228, Tulsa, Ok 74121-1228.

**ACCOUNT BALANCES AND FINANCE CHARGES**

Plan ID	Plan Description	Previous Balance	Purchases/Debits	Payments/Credits	FINANCE CHARGE	Current Balance
10001	CASH ADVANCE PLAN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10002	PURCHASE PLAN	\$326.54	\$6,508.91	\$326.54	\$0.00	\$6,508.91
10003	BALANCE TRANSFER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Plan ID	Plan Description	Transfer In	Transfer Out	Minimum Payment	Avg Daily Balance	Base Rate	Actuarial APR
10001	CASH ADVANCE PLAN	\$0.00	\$0.00	\$0.00	\$0.00	.0990000	9.90%
10002	PURCHASE PLAN	\$0.00	\$0.00	\$326.00	\$0.00	.0990000	9.90%
10003	BALANCE TRANSFER	\$0.00	\$0.00	\$0.00	\$0.00	.0990000	9.90%

TEAR OFF THIS PAYMENT STUB AND MAIL WITH YOUR CHECK OR MONEY ORDER TO THE ADDRESS BELOW

Check this box to indicate any ADDRESS CHANGES detailed on back.

PROSPERITY BANK  
 402 CYPRESS ST. SUITE 100  
 ABILENE, TX 79601-5129



ACCOUNT NUMBER	PAYMENT DUE DATE	PLEASE WRITE TOTAL AMOUNT ENCLOSED
0004054699990003606	AUTO PAY	
NEW BALANCE	AMOUNT DUE	\$ _____
\$6,508.91	\$326.00	

MAKE CHECK PAYABLE TO:

WINNIE STOWELL HOSPITAL  
 PO BOX 1997  
 WINNIE TX 77665-1997

PROSPERITY BANK  
 DEPARTMENT #351  
 P.O. BOX 21228  
 TULSA, OK 74121-1228

000405469999000360600000032600000006508913



**Important Messages**

A PAYMENT OF \$6,508.91 WILL BE TAKEN FROM YOUR SAVINGS/CHECKING ACCOUNT \*\*\*\*4431 ON 08/25/2018  
THANK YOU FOR CHOOSING PROSPERITY BANK FOR YOUR CREDIT CARD NEEDS.

**TRANSACTIONS THIS BILLING PERIOD**

Transaction Date	Posting Date	Reference Number	Transaction Description	\$ Amount
TRANSACTIONS				
Account Level				
07/25	07/25	1999999980725995581450	ACH PAYMENT - THANK YOU	\$326.54-
Card Number Ending in 1762				
07/25	07/27	VT182082404000010000232	CONF TEXAS RDHSE HOLDINGS L CONROE TX	\$90.79+
07/28	07/29	VT182103386000010000424	CONF GAYLORD TEXAN FRONT DE 866-435-7627 TX	\$1,255.44+
CHK IN DT NO SHOW PRE PAID EXP				
07/25/18 0 0.00				
DLY ROOM RATE FOOD/BEVRG MINI BAR				
0.00 0.00 0.00				
LAUNDRY PHONE CHGS MOVIES				
0.00 0.00 0.00				
BUSS CTR CHGS HEALTH CLUB PARKING				
0.00 0.00 0.00				
NON-ROOM CHGS TOTAL TAXES OTHER				
0.00 0.00 0.00				
Card Number Ending in 1770				
06/30	07/01	VT181823364000010000265	Intuit *PayrollEE usag 800-446-8848 CA <i>Payroll expense</i>	\$4.33+
07/01	07/02	VT181832394000010000860	GOOGLE *SVCSAPPS_wshd- cc@google.com CA <i>web</i>	\$31.62+
07/03	07/04	VT181852394000010002643	USPS PO 4898150665 WINNIE TX <i>NH overnight</i>	\$24.70+
07/06	07/08	VT181892394000010001660	ADOBE *ACROPRO SUBS 800-833-6687 CA <i>OFFICE</i>	\$16.21+
07/19	07/20	VT182012398000010002878	USPS PO 4898150665 WINNIE TX <i>NH overnight</i>	\$24.70+
07/28	07/29	VT182103386000010000423	CONF GAYLORD TEXAN FRONT DE 866-435-7627 TX	\$734.88+
CHK IN DT NO SHOW PRE PAID EXP				
07/25/18 0 0.00				
DLY ROOM RATE FOOD/BEVRG MINI BAR				
0.00 0.00 0.00				
LAUNDRY PHONE CHGS MOVIES				
0.00 0.00 0.00				
BUSS CTR CHGS HEALTH CLUB PARKING				
0.00 0.00 0.00				
NON-ROOM CHGS TOTAL TAXES OTHER				
0.00 0.00 0.00				
07/29	07/30	VT182112412000010000545	CONF GAYLORD TEXAN FRONT DE 866-435-7627 TX	\$1,216.07+
CHK IN DT NO SHOW PRE PAID EXP				
07/25/18 0 0.00				
DLY ROOM RATE FOOD/BEVRG MINI BAR				
0.00 0.00 0.00				
LAUNDRY PHONE CHGS MOVIES				
0.00 0.00 0.00				
BUSS CTR CHGS HEALTH CLUB PARKING				
0.00 0.00 0.00				
NON-ROOM CHGS TOTAL TAXES OTHER				
0.00 0.00 0.00				
07/29	07/30	VT182112412000010000546	CONF GAYLORD TEXAN FRONT DE 866-435-7627 TX	\$1,348.91+
CHK IN DT NO SHOW PRE PAID EXP				
07/25/18 0 0.00				

00250 45 0714 000001 005001 00000001



**TRANSACTIONS THIS BILLING PERIOD**

Transaction Date	Posting Date	Reference Number	Transaction Description	\$ Amount
TRANSACTIONS				
DLY ROOM RATE FOOD/BEVRG MINI BAR	0.00	0.00	0.00	
LAUNDRY PHONE CHGS MOVIES	0.00	0.00	0.00	
BUSS CTR CHGS HEALTH CLUB PARKING	0.00	0.00	0.00	
NON-ROOM CHGS TOTAL TAXES OTHER	0.00	0.00	0.00	
07/29	07/30	VT182112412000010000547	<i>CONF</i> GAYLORD TEXAN FRONT DE 866-435-7627 TX	\$1,239.80+
CHK IN DT NO SHOW PRE PAID EXP	07/25/18	0	0.00	
DLY ROOM RATE FOOD/BEVRG MINI BAR	0.00	0.00	0.00	
LAUNDRY PHONE CHGS MOVIES	0.00	0.00	0.00	
BUSS CTR CHGS HEALTH CLUB PARKING	0.00	0.00	0.00	
NON-ROOM CHGS TOTAL TAXES OTHER	0.00	0.00	0.00	
07/29	07/30	VT182112412000010000548	<i>CONF</i> GAYLORD TEXAN FRONT DE 866-435-7627 TX	\$521.46+
CHK IN DT NO SHOW PRE PAID EXP	07/25/18	0	0.00	
DLY ROOM RATE FOOD/BEVRG MINI BAR	0.00	0.00	0.00	
LAUNDRY PHONE CHGS MOVIES	0.00	0.00	0.00	
BUSS CTR CHGS HEALTH CLUB PARKING	0.00	0.00	0.00	
NON-ROOM CHGS TOTAL TAXES OTHER	0.00	0.00	0.00	

**2018 Total Year-to-Date**

Total fees charged in 2018	\$0.00
Total interest charged in 2018	\$10.53

00250 5510714 002962 005823 0005/0017



**CONTRACT INVOICE**

*Pd cx 2440  
Aug 2 2018*

Invoice Number: INV636635  
 Invoice Date: 07/23/2018

**Bill To:** Winnie - Stowell Hospital District  
 PO Box 1997  
 Winnie, TX 77665

**Customer:** Winnie - Stowell Hospital District  
 538 Broadway  
 Winnie, TX 77665

Account No	Payment Terms	Due Date	Invoice Total	Balance Due	
3A0064	Net 30	08/22/2018	\$56.43	<b>\$56.43</b>	
<b>Invoice Remarks</b>					
Contract Number	Contact	Contract Amount	P.O. Number	Start Date	Exp. Date
4457-01		\$56.43		01/26/2016	01/25/2021
<b>Contract Remarks</b>					

**Summary:**

Contract base rate charge for this billing period	\$0.00
Contract overage charge for the 06/26/2018 to 07/25/2018 overage period	\$56.43 **
	<b>\$56.43</b>

\*\*See overage details below

**Detail:**

**Equipment included under this contract**

**KM/227**

Number	Serial Number	Base Adj.	Location						
3A2812	A7AK011001716	\$0.00	Winnie - Stowell Hospital District 538 Broadway Winnie, TX 77665						
Meter Type	Meter Group	Begin Meter	End Meter	Credits	Total	Covered	Billable	Rate	Overage
B\W	3A2812 - B\W	80,172	84,415		4,243	0	4,243	\$0.013300	\$56.43
									\$56.43

Please include invoice number on check.

Remit Payment To:  
 Function 4, LLC  
 12560 Reed Rd, Ste 200  
 Sugar Land, TX 77478

Invoice SubTotal	\$56.43
Tax:	\$0.00
Invoice Total	\$56.43
Balance Due:	<b>\$56.43</b>

**LOAN BILLING NOTICE**



Post Oak Bank - Beaumont  
 55 IH-10 NORTH  
 Beaumont, TX 77707

**RECEIVED**  
 AUG - 1 2018

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

*Pd*  
*CK # 2439*  
*Aug 2 2018*

STATEMENT DATE 7/23/18

ACCOUNT NUMBER	DUE DATE	INTEREST RATE
154 20	8/07/18	3.50000%
PRINCIPAL AMOUNT DUE		
INTEREST AMOUNT DUE		4027.45
OTHER CHARGES		
PAST DUE		
TOTAL AMOUNT DUE		4027.45

009

Beaumont

**PLEASE RETURN THIS NOTICE WITH PAYMENT.**

COMMERCIAL LOANS		7/23/18	
Acct No	154	Beaumont	Branch 009
Beginning Balance	1504037.06	Ending Balance	1504037.06
Interest Paid YTD	43811.27		
----- Current Period Transactions -----			
Eff Date	Description	Principal	Escrow
		Interest	Other
5/30/18	REGULAR PAYMENT	.00	.00
		6081.22	.00
6/25/18	REGULAR PAYMENT	.00	.00
		5969.26	.00
6/29/18	PRINCIPAL PAYMENT	300000.00	.00
		.00	.00
6/29/18	PRINCIPAL PAYMENT	400000.00	.00
		.00	.00
7/07/18	Rate Change	Old Rate ...	3.25000%
		New Rate ...	3.50000%
----- End of Statement -----			

Auto Pay Notice

July 26, 2018  
Invoice Number: 0121119072618  
Account Number: **8260 17 029 0121119**  
Security Code: **1931**  
Service At: 538 BROADWAY  
WSHD RM  
WINNIE TX 77665-7600

RECEIVED

JUL 31 2018

SPECTRUM BUSINESS NEWS

**Contact Us**

Visit us at [business.twc.com](http://business.twc.com)  
Or, call us at 1-866-519-1263

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.

**Summary** *Service from 08/05/18 through 09/04/18 details on following pages*

Previous Balance	202.06
Payments Received -Thank You!	-202.06
<b>Remaining Balance</b>	<b>\$0.00</b>
Spectrum Business™ Internet	104.98
Spectrum Business™ Voice	89.98
Taxes, Fees and Charges	7.10
Current Charges	\$202.06
<i>YOUR AUTO PAY WILL BE PROCESSED 08/16/18</i>	
<b>Total Due by Auto Pay</b>	<b>\$202.06</b>



**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 07272018 NNNNNNNN 01 007538 0022

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

July 26, 2018

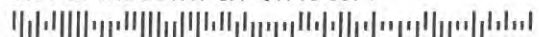
**Winnie Stowell Hospital**

Invoice Number: 0121119072618  
Account Number: 8260 17 029 0121119  
Service At: 538 BROADWAY  
WSHD RM  
WINNIE TX 77665-7600

**Total Due by Auto Pay** *ACH* **\$202.06**



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



826017029012111900202069



# Exhibit “B”

	July				Year to Date			
<b>Clients:</b>	68							
<b>Children Counseled:</b>	7							
<b>Summary by Facility</b>	<b>Billed Amount</b>	<b>Medicaid Rate</b>	<b>% of Services</b>	<b>Actually Paid</b>	<b>Billed Amount</b>	<b>Medicaid Rate</b>	<b>% of Services</b>	<b>Actually Paid</b>
Winnie Community Hospital	\$40,852.60	\$16,749.57	49.32%	\$0.00	\$392,502.01	\$163,465.70	52.09%	\$0.00
<b>Pharmacy</b>								
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
<b>Pharmacy Total</b>	<b>\$7,718.37</b>	<b>\$6,551.69</b>	<b>19.29%</b>	<b>\$6,551.69</b>	<b>\$58,392.26</b>	<b>\$49,183.62</b>	<b>15.67%</b>	<b>\$49,183.62</b>
<b>UTMB</b>								
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
<b>UTMB Total</b>	<b>\$41,362.37</b>	<b>\$10,489.07</b>	<b>30.89%</b>	<b>\$10,489.07</b>	<b>\$371,383.72</b>	<b>\$96,219.25</b>	<b>30.66%</b>	<b>\$96,219.25</b>
<b>Youth Counseling</b>	<b>\$170.00</b>	<b>\$170.00</b>	<b>0.50%</b>	<b>\$170.00</b>	<b>\$4,930.00</b>	<b>\$4,930.00</b>	<b>1.57%</b>	<b>\$4,930.00</b>
<b>Grand Totals</b>	<b>\$90,103.34</b>	<b>\$33,960.33</b>		<b>\$17,210.76</b>	<b>\$827,207.99</b>	<b>\$313,798.57</b>		<b>\$150,332.87</b>

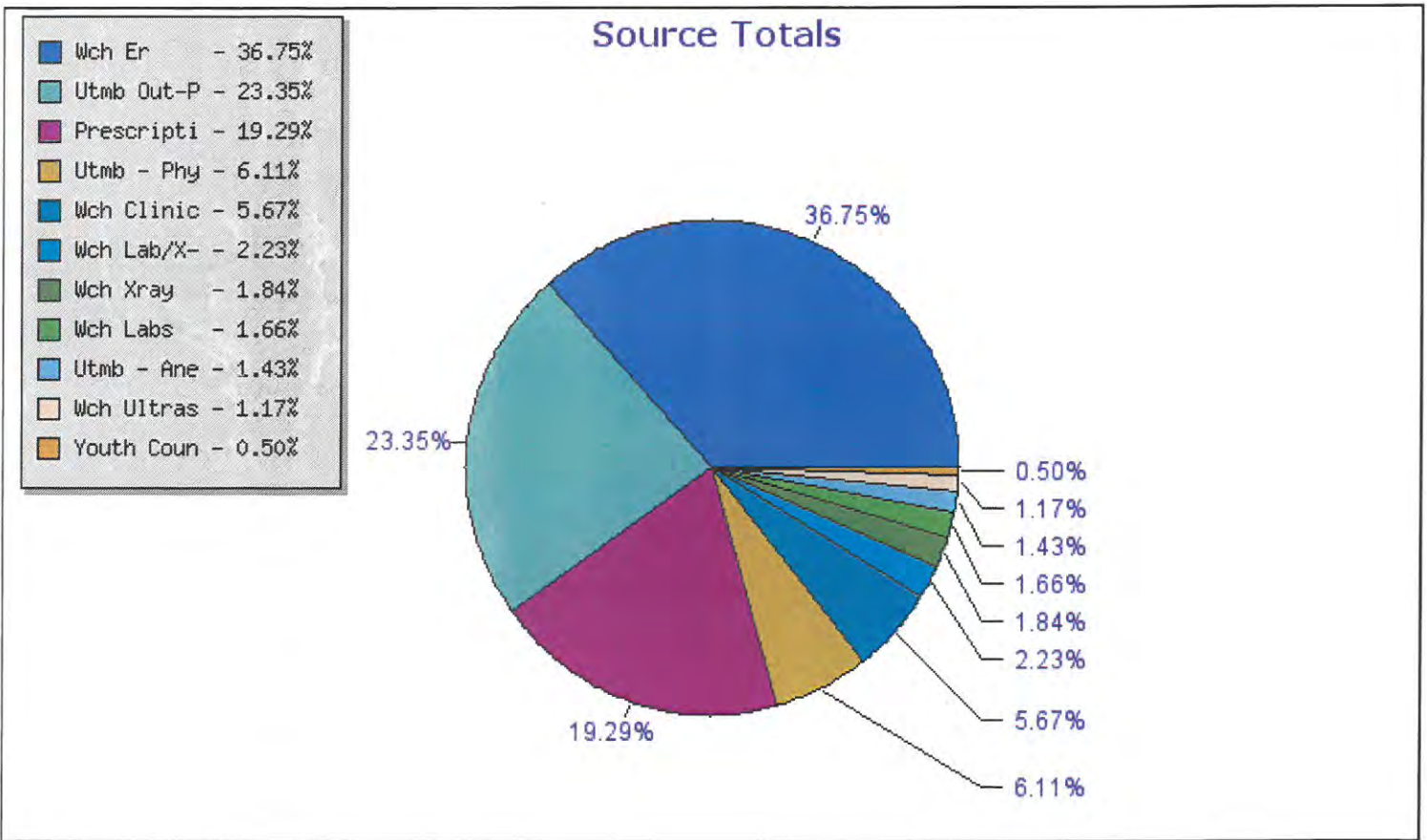
#### Summary by Service Provided

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
<b>Grant Totals</b>	<b>\$90,103.34</b>	<b>\$33,960.33</b>		<b>\$17,210.76</b>	<b>\$829,574.99</b>	<b>\$314,366.65</b>		<b>\$97,382.33</b>

**Source Totals for Batch Dates 07/01/2018 through 07/31/2018**

Wch Er	36.75%	\$12,480.40
Utmb Out-Patient	23.35%	\$7,928.98
Prescription Drugs	19.29%	\$6,551.69
Utmb - Physician Services	6.11%	\$2,075.09
Wch Clinic	5.67%	\$1,926.02
Wch Lab/X-Ray	2.23%	\$757.27
Wch Xray	1.84%	\$626.07
Wch Labs	1.66%	\$563.75
Utmb - Anesthesia Services	1.43%	\$485.00
Wch Ultrasound	1.17%	\$396.06
Youth Counseling	0.50%	\$170.00

**Total Expenditures** **\$33,960.33**



**Entry Statistics for Entry Dates 07/01/2018 through 07/31/2018**

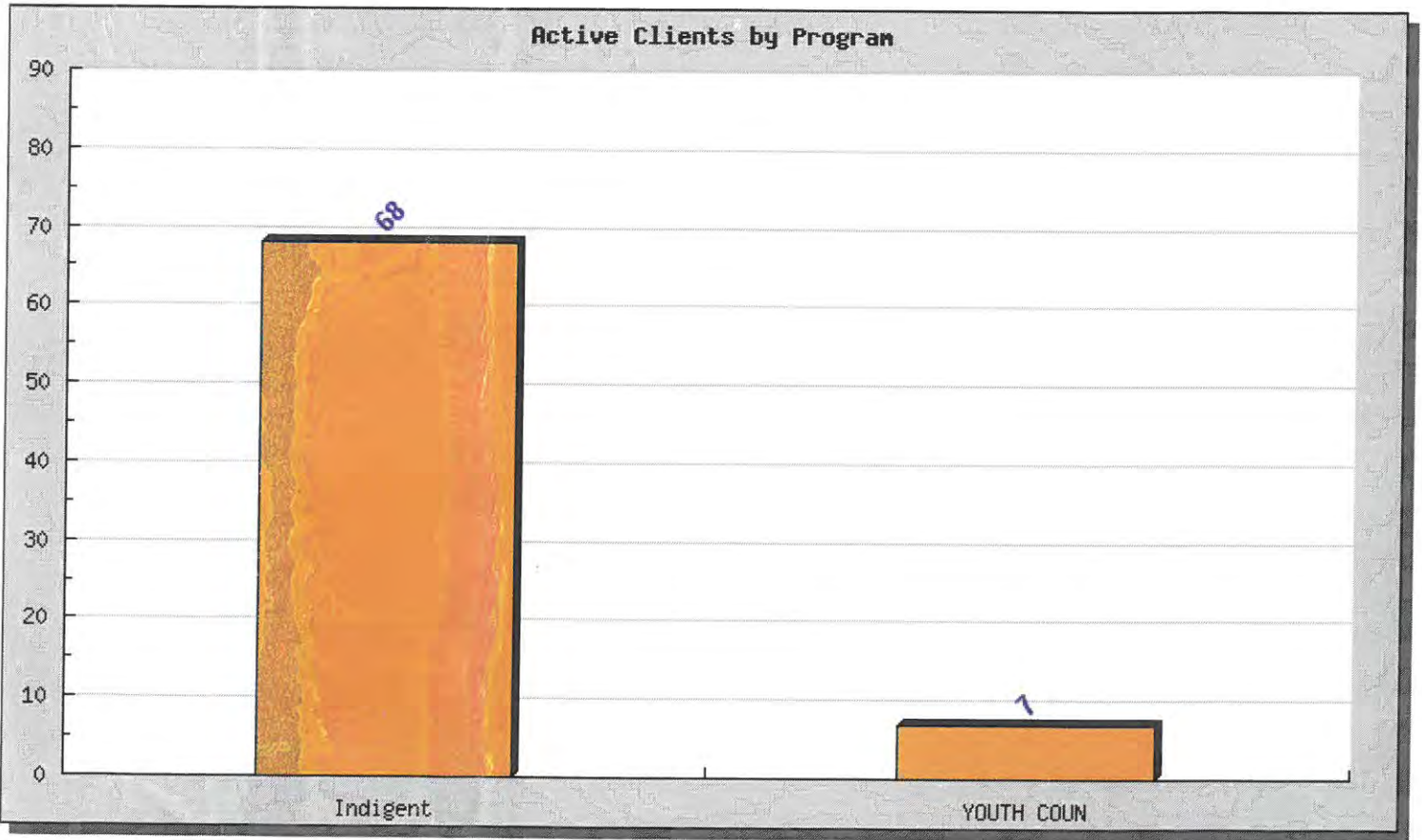
Clients Entered	3
Rapid Reg. Entered	0
Vendors Entered	0
Worksheets Entered	8
Invoices Entered	114

**Void Statistics for Void Dates 07/01/2018 through 07/31/2018**

Clients Voided	0
Vendors Voided	0
Rapid Reg. Voided	0
Invoices Voided	1

**Active Clients by Program for Eligibility Dates 07/01/2018 through 07/31/2018**

Indigent	68
YOUTH COUNSELING	7
<b>Total Clients By Program</b>	<b>75</b>



**Appointments Scheduled by Type for Appointment Dates 07/01/2018 through 07/31/2018**

New Appointment	1
Renewal	8
<b>Total Appointments Scheduled</b>	<b>9</b>

**Source Totals Report**

Winnie Stowel Hospital District Indigent Healthcare  
Services  
Batch Dates 07/31/2018 through 07/31/2018  
For Vendor: All Vendors

Source	Description	Amount Billed	Amount Paid
02	Prescription Drugs	7,718.37	6,551.69
21	Wch Clinic	4,697.60	1,926.02
24	Wch Er	30,440.00	12,480.40
25	Wch Lab/X-Ray	1,847.00	757.27
27	Wch Labs	1,375.00	563.75
28	Wch Xray	1,527.00	626.07
29	Wch Ultrasound	966.00	396.06
31	Utmb - Physician Services	7,715.00	2,075.09
31-1	Utmb - Anesthesia Services	610.00	485.00
34	Utmb Out-Patient	33,037.37	7,928.98
39	Youth Counseling	170.00	170.00
<b>Expenditures</b>		<b>90,103.34</b>	<b>33,960.33</b>
<b>Reimb/Adjustments</b>			
<b>Grand Total</b>		<b>90,103.34</b>	<b>33,960.33</b>

**Source Totals Report Detail**

Invoice #	Source	DOS	Amount Billed	Amount Paid
036-2821*65460*17	02	07/03/2018	5.00	5.00
036-2833*18651*99	02	07/12/2018	373.81	175.02
1024*65460*23	02	07/19/2018	5.00	5.00
1040*18651*18	02	07/25/2018	27.67	19.81
1061*65460*10	02	07/18/2018	86.01	86.01
1068*65460*8	02	07/16/2018	9.34	9.34
1074*65460*4	02	07/17/2018	22.00	22.00
1079*65460*6	02	07/23/2018	51.22	51.22
1086*18651*6	02	07/09/2018	75.14	63.76
1099*65460*1	02	07/31/2018	15.56	15.56
1101*65460*2	02	07/10/2018	56.92	56.92
036-2865*65460*1	02	07/20/2018	5.00	5.00
036-2865*65460*1	02	07/20/2018	5.00	5.00
036-2942*18651*81	02	07/16/2018	29.75	29.75
036-2942*18651*81	02	07/16/2018	387.68	306.35
036-3414*65460*10	02	06/14/2018	12.00	12.00
036-3414*65460*10	02	06/14/2018	22.10	22.10
036-3426*65460*37	02	07/10/2018	10.00	10.00
036-3426*65460*37	02	07/11/2018	10.00	10.00
036--3424*65460*26	02	07/24/2018	222.44	185.27
036--3424*65460*26	02	07/24/2018	10.00	10.00
1011*65460*30	02	07/16/2018	49.66	45.21
1011*65460*30	02	07/03/2018	978.35	827.80
1043*65460*17	02	07/02/2018	5.09	5.09
1043*65460*17	02	07/02/2018	20.00	20.00
1044*65460*9	02	07/13/2018	10.90	10.90
1044*65460*9	02	07/13/2018	75.66	75.66
1098*65460*3	02	07/02/2018	244.84	244.84
1098*65460*3	02	07/17/2018	27.36	27.36

1102*18651*2	02	07/31/2018	407.61	262.53
1102*18651*2	02	07/13/2018	12.97	10.89
036-2749*65460*38	02	07/09/2018	25.00	25.00
036-2749*65460*38	02	07/09/2018	25.00	25.00
036-2749*65460*38	02	07/09/2018	405.52	405.52
036-2815*65460*13	02	07/03/2018	402.06	402.06
036-2815*65460*13	02	07/03/2018	12.00	12.00
036-2815*65460*13	02	07/05/2018	78.75	78.75
036-2856*65460*22	02	07/03/2018	9.45	9.45
036-2856*65460*22	02	07/18/2018	25.00	25.00
036-2856*65460*22	02	07/19/2018	152.10	152.10
036-3432*65460*30	02	07/10/2018	25.85	25.85
036-3432*65460*30	02	07/10/2018	5.00	5.00
036-3432*65460*30	02	07/10/2018	5.00	5.00
1038*65460*20	02	07/06/2018	35.04	35.04
1038*65460*20	02	07/09/2018	231.21	231.21
1038*65460*20	02	07/09/2018	40.00	40.00
1054*65460*15	02	07/23/2018	5.00	5.00
1054*65460*15	02	07/23/2018	5.00	5.00
1054*65460*15	02	07/23/2018	15.00	15.00
1075*18651*5	02	07/30/2018	85.41	41.48
1075*18651*5	02	07/30/2018	101.78	46.84
1075*18651*5	02	07/02/2018	117.67	56.44
1084*65460*5	02	07/06/2018	18.08	18.08
1084*65460*5	02	07/13/2018	4.19	4.19
1084*65460*5	02	07/16/2018	10.00	10.00
1092*65460*4	02	07/10/2018	28.93	28.93
1092*65460*4	02	07/06/2018	152.68	134.80
1092*65460*4	02	07/06/2018	11.83	9.60
1103*65460*2	02	07/11/2018	72.50	57.83
1103*65460*2	02	07/11/2018	351.50	294.98
1103*65460*2	02	07/25/2018	72.50	57.83
1104*18651*1	02	07/25/2018	10.75	6.64
1104*18651*1	02	07/25/2018	46.28	22.97
1104*18651*1	02	07/25/2018	7.88	5.39
036-2783*18651*86	02	07/02/2018	25.00	25.00
036-2783*18651*86	02	07/02/2018	50.00	50.00
036-2783*18651*86	02	07/02/2018	50.00	39.84
036-2783*18651*86	02	07/02/2018	25.00	25.00
1019*65460*23	02	07/05/2018	5.00	5.00
1019*65460*23	02	07/05/2018	5.00	5.00
1019*65460*23	02	07/05/2018	56.96	56.96
1019*65460*23	02	07/05/2018	25.85	25.85
1020*18651*19	02	07/19/2018	39.87	39.87
1020*18651*19	02	07/19/2018	5.40	3.60
1020*18651*19	02	07/19/2018	91.27	62.83
1020*18651*19	02	07/19/2018	13.46	13.46
1049*65460*16	02	07/05/2018	80.70	80.70
1049*65460*16	02	07/05/2018	5.00	5.00
1049*65460*16	02	07/06/2018	40.94	40.94
1049*65460*16	02	07/25/2018	12.00	12.00
1087*65460*5	02	07/18/2018	72.06	72.06
1087*65460*5	02	07/18/2018	30.30	30.30
1087*65460*5	02	07/18/2018	5.00	5.00
1087*65460*5	02	07/18/2018	26.26	26.26
1095*18651*3	02	07/02/2018	66.70	29.40
1095*18651*3	02	07/02/2018	66.70	29.40
1095*18651*3	02	07/02/2018	81.76	36.44
1095*18651*3	02	07/02/2018	25.10	9.44

1097*65460*2	02	07/31/2018	22.56	22.56
1097*65460*2	02	07/31/2018	13.33	13.33
1097*65460*2	02	07/31/2018	18.72	18.72
1097*65460*2	02	07/31/2018	10.00	10.00
036-3364*18651*53	02	07/31/2018	24.00	24.00
036-3364*18651*53	02	07/31/2018	54.86	54.86
036-3364*18651*53	02	07/31/2018	24.00	24.00
036-3364*18651*53	02	07/31/2018	42.61	21.19
036-3364*18651*53	02	07/31/2018	23.62	12.76
036-3413*65460*30	02	07/11/2018	40.25	40.25
036-3413*65460*30	02	07/16/2018	26.33	26.33
036-3413*65460*30	02	07/16/2018	79.48	63.76
036-3413*65460*30	02	06/11/2018	5.09	5.09
036-3413*65460*30	02	06/11/2018	40.25	40.25
1091*65460*5	02	07/02/2018	7.20	7.20
1091*65460*5	02	07/02/2018	16.60	9.69
1091*65460*5	02	07/10/2018	34.61	34.61
1091*65460*5	02	07/30/2018	7.20	7.20
1091*65460*5	02	06/14/2018	34.61	34.61
036-2475*65460*23	02	07/16/2018	11.94	11.94
036-2475*65460*23	02	07/16/2018	5.00	5.00
036-2475*65460*23	02	07/16/2018	34.40	34.40
036-2475*65460*23	02	07/16/2018	30.23	30.23
036-2475*65460*23	02	07/17/2018	45.50	45.50
036-2475*65460*23	02	07/23/2018	46.03	46.03
1090*65460*2	02	07/05/2018	5.53	5.53
1090*65460*2	02	07/13/2018	5.00	5.00
1090*65460*2	02	07/13/2018	26.33	26.33
1090*65460*2	02	07/13/2018	27.50	26.38
1090*65460*2	02	07/25/2018	5.00	5.00
1090*65460*2	02	07/25/2018	30.47	30.47
1046*65460*17	02	07/05/2018	10.00	10.00
1046*65460*17	02	07/05/2018	33.77	33.77
1046*65460*17	02	07/05/2018	25.85	25.85
1046*65460*17	02	07/05/2018	5.00	5.00
1046*65460*17	02	07/05/2018	37.06	37.06
1046*65460*17	02	07/05/2018	22.05	22.05
1046*65460*17	02	07/06/2018	13.02	13.02

45 invoices, 126 line items

**7,718.37**

**6,551.69**

036-2475*63057*28	21	07/23/2018	224.00	91.84
1049*63057*10	21	07/06/2018	150.00	61.50
1068*63057*7	21	07/03/2018	224.00	91.84
1074*63057*4	21	07/17/2018	224.00	91.84
1089*63057*4	21	07/25/2018	165.00	67.65
1101*63057*2	21	07/10/2018	224.00	91.84
1103*63057*2	21	07/07/2018	188.00	77.08
1011*63057*27	21	06/08/2018	30.00	12.30
1011*63057*27	21	06/14/2018	30.00	12.30
1011*63057*27	21	06/21/2018	48.60	19.93
1011*63057*27	21	06/27/2018	52.60	21.57
1011*63057*27	21	05/24/2018	21.40	8.77
1096*63057*3	21	07/03/2018	77.00	31.57
1096*63057*3	21	07/17/2018	165.00	67.65
1096*63057*3	21	07/10/2018	77.00	31.57
1096*63057*3	21	07/31/2018	165.00	67.65
1096*63057*3	21	07/24/2018	165.00	67.65
1090*63057*3	21	07/13/2018	224.00	91.84

036-2865*63057*1	21	07/20/2018	339.00	138.99
036-3413*63057*11	21	07/16/2018	366.00	150.06
1098*63057*3	21	07/31/2018	224.00	91.84
1102*63057*2	21	07/10/2018	224.00	91.84
1102*63057*2	21	07/31/2018	224.00	91.84
1024*63057*21	21	07/19/2018	224.00	91.84
036-2815*63057*12	21	07/05/2018	263.00	107.83
036-2815*63057*12	21	07/31/2018	379.00	155.39

**16 invoices, 26 line items**

**4,697.60      1,926.02**

1096*63057*3	24	07/18/2018	3,751.00	1,537.91
1090*63057*3	24	07/31/2018	6,780.00	2,779.80
1084*63057*4	24	07/12/2018	4,509.00	1,848.69
1098*63057*3	24	07/14/2018	8,995.00	3,687.95
1098*63057*3	24	07/15/2018	4,317.00	1,769.97
1098*63057*3	24	07/20/2018	2,088.00	856.08

**4 invoices, 6 line items**

**30,440.00      12,480.40**

1098*63057*3	25	07/31/2018	1,847.00	757.27
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**1 invoices, 1 line items**

**1,847.00      757.27**

1091*63057*4	27	07/10/2018	421.00	172.61
1102*63057*2	27	07/10/2018	96.00	39.36
1024*63057*21	27	07/19/2018	858.00	351.78

**3 invoices, 3 line items**

**1,375.00      563.75**

036-2865*63057*1	28	07/20/2018	930.00	381.30
036-3413*63057*11	28	07/16/2018	310.00	127.10
036-2815*63057*12	28	07/05/2018	287.00	117.67

**3 invoices, 3 line items**

**1,527.00      626.07**

1024*63057*21	29	07/20/2018	966.00	396.06
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**1 invoices, 1 line items**

**966.00      396.06**

1025*63615*2	31	06/07/2018	360.00	86.32
1040*63615*9	31	07/20/2018	150.00	44.45
1068*63615*3	31	07/16/2018	273.00	65.29
1099*63615*1	31	07/19/2018	415.00	95.54
1095*63615*3	31	06/15/2018	80.00	28.55
1095*63615*3	31	07/02/2018	1,673.00	468.44
1095*63615*3	31	06/04/2018	2,075.00	581.00
036-2815*63615*2	31	07/19/2018	415.00	95.54
036-2815*63615*2	31	07/23/2018	270.00	75.60
1011*63615*6	31	07/09/2018	183.00	39.92
1011*63615*6	31	07/09/2018	40.00	22.45
1084*63615*4	31	07/06/2018	23.00	6.44
1084*63615*4	31	07/06/2018	183.00	51.24
1090*63615*3	31	07/05/2018	298.00	83.44
1090*63615*3	31	07/05/2018	270.00	56.08
1061*63615*4	31	07/18/2018	273.00	65.29
1061*63615*4	31	05/22/2018	198.00	55.44
1061*63615*4	31	05/22/2018	130.00	36.40



1061*63615*4	31	07/11/2018	198.00	55.44
1061*63615*4	31	07/20/2018	208.00	62.22
<b>10 invoices, 20 line items</b>			<b>7,715.00</b>	<b>2,075.09</b>
1095*63615*3	31-1	07/02/2018	400.00	275.00
1095*63615*3	31-1	07/02/2018	210.00	210.00
<b>1 invoices, 2 line items</b>			<b>610.00</b>	<b>485.00</b>
036-2783*63614*4	34	06/26/2018	391.00	93.84
1025*63614*2	34	06/07/2018	323.00	77.52
1068*63614*3	34	07/16/2018	323.00	77.52
1084*63614*3	34	07/06/2018	705.00	169.20
1099*63614*1	34	07/19/2018	443.00	106.32
036-2815*63614*2	34	07/23/2018	1,026.00	246.24
036-2815*63614*2	34	07/19/2018	323.00	77.52
1011*63614*5	34	07/09/2018	436.00	104.64
1011*63614*5	34	07/09/2018	323.00	77.52
1061*63614*4	34	05/22/2018	2,244.00	538.56
1061*63614*4	34	07/18/2018	908.00	217.92
1090*63614*3	34	07/05/2018	926.00	222.24
1090*63614*3	34	06/22/2018	323.00	77.52
1095*63614*3	34	06/04/2018	12,504.02	3,000.97
1095*63614*3	34	07/02/2018	11,225.35	2,694.09
1095*63614*3	34	07/03/2018	291.00	69.84
1095*63614*3	34	07/13/2018	323.00	77.52
<b>10 invoices, 17 line items</b>			<b>33,037.37</b>	<b>7,928.98</b>
YC06*63616*3	39	07/31/2018	85.00	85.00
YC07*63616*2	39	07/24/2018	85.00	85.00
<b>2 invoices, 2 line items</b>			<b>170.00</b>	<b>170.00</b>
<b>Grand Totals</b>			<b>90,103.34</b>	<b>33,960.33</b>

85 invoices listed.  
207 line items listed.

# Exhibit “C”

**DURBIN&CO.**  
Certified Public Accountants  
2950 50th Street  
Lubbock, Texas 79413  
(806) 791-1591  
Fax (806) 791-3974

June 18, 2018

To Board of Directors  
Winnie-Stowell Hospital District  
Winnie, Texas

We are pleased to confirm our understanding of the services we are to provide for Winnie-Stowell Hospital District (the "District") for the year ended December 31, 2017. We will audit the financial statements of the District, which comprise the statement(s) of net position as of December 31, 2017, the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.

**Audit Objective**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the Board of Directors of Winnie-Stowell Hospital District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

The auditors' procedures do not include testing compliance with laws and regulations in any jurisdiction related to Medicare and Medicaid antifraud and abuse. It is the responsibility of management of the entity, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provision of

laws and regulations that determine the reported amounts and disclosures in the entity's financial statements. Therefore, management's responsibilities for compliance with laws and regulations applicable to its operations, include, but are not limited to, those related to Medicare and Medicaid antifraud and abuse statutes.

### **Other Services**

We will also assist in preparing the financial statements of the District in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Management Responsibilities**

Management is responsible for designing, implementing, and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We expect to begin our audit in June and to issue our reports no later than the September Board meeting. Tommy L. Davis, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

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. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Billings are rendered monthly so that you may readily relate our charges to the work performed. In addition to billed charges, billings will include travel, printing, postage, and other out-of-pocket costs. Each invoice is payable upon receipt. Past due invoices must be current before an audit report can be rendered due to possible independence conflicts. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

You may request that we perform additional services not addressed in the engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We appreciate the opportunity to be of service to Winnie-Stowell Hospital District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Tommy L. Davis, CPA  
Durbin & Company, L.L.P.y, L.L.P.

RESPONSE:

This letter correctly sets forth the understanding of Winnie-Stowell Hospital District.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# Exhibit “D”

<b>Winnie-Stowell Hospital District</b>			
<b>Executive Summary of Nursing Home Monthly Site Visits</b>			
<b>July 2018</b>			
<b>Facility</b>	<b>Operator</b>		<b>Comments</b>
<b>Park Manor of Cyfair</b>	HMG		Census: 101. The facility had their survey in March 2018, they received two LSC deficiencies and two QoC deficiencies. There were two reportable incidents since the last visit, both were unsubstantiated. The facility is working on bringing the community back into the facility, they are planning events for the community to experience
<b>Oak Manor</b>	Genesis		Census: 37. The facility is now in their survey window. All deficiencies have been cleared. One reportable incident since the last visit, an agency CNA tried to move a patient and dropped them, the nurse was immediately removed and was asked not to come back. The state has not yet investigated. The facility still has a large number of residents from Rockport, this has led to the continued use of agency staffing. The facility has done a great job reducing their use of anti-psychotic medication.
<b>Spring Branch Transitional Care Center</b>	Caring		Census: 189. The facility had an annual inspection in March, they received eight deficiencies. No reportable incidents since the last visit. The facility had an A/C unit go out and a repair company was in the building to fix it. The elevators were also having issues during the visit, a repair company was on the way to the facility.
<b>Oakland Manor</b>	Genesis		Census 55. The facility had their survey in January 2018, they did really well, and all deficiencies have been cleared. There were three reportable incidents since the last visit, the facility was not cited for any of the incidents. Staffing is really good at the facility and they are doing a good job of staying within the budgeted targets.
<b>Monument Hill Rehabilitation and Nursing Center (MHRNC)</b>	Genesis		Census: 62. 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. One reportable incident since the last visit, a resident fell and broke their hip, after the resident was transported to the hospital she passed away. This was unrelated to the broken hip, the resident had been in very poor health. The use of anti-psychotic medication has decreased again this month.



<b>Hallettsville Rehabilitation and Nursing Center (HRNC)</b>	Genesis		Census: 67. The facility had their annual survey, they received nine minor tags, the POC has approved following review. There were three reportable incidents since the last visit, all were unsubstantiated following review. This new management company has started visiting the facility, they want to make some needed improvements to the facility.
<b>Park Manor of Cypress Station</b>	HMG		Census: 77. Facility had their survey in November 2017, their new window opens in August 2018. Two reportable incidents since the last visit, one was unsubstantiated, the other was a drug diversion, a QAPI report was filed and the employee was terminated. The nursing community was awarded the 2017 Bronze Award by AHCA, great job by the facility.
<b>Park Manor of Humble</b>	HMG		Census: N/A. The administrator at the facility is doing a lot of great things to change the culture at the facility. He has instituted a facility wide smoking ban, no overhead paging, and educational classes to teach staff about human rights of the residents. A number of residents were on their way to a picnic during the visit.
<b>Park Manor of Westchase</b>	HMG		Census: 101. The facility will be in their survey window in November 2018. There was one reportable incident since the last visit, it was unsubstantiated. The facility has a very talented wound care nurse who has won multiple awards for her work. The administrator and DON are both very proud of the work they have been able to accomplish at the facility.

## **CONTACT**

John Pinegar– Administrator  
Dee Linden, RN - DON

## **FACILITY**

Park Manor Cyfair is a 120-bed facility with a current overall rating of 3 and quality star rating of 5. The census on the date of this visit was 101: Private Pay 6, HMO 5, Medicare 6, Medicaid 75, 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.

During the tour with the DON, we visited the medication rooms. The carts were organized. The pill crushers on top of the med carts were dirty. There were also scuffs on the doors of the medication room, where carts were pushed into the doors. On a tour of the kitchen, the pantry was organized and the inventory met compliance, however, there were some baked rolls wrapped in cellophane with no date of storage on them.

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.

When asked what kind of culture change or improvement projects are going on at the community, the Administrator said that they are renewing their activities program. They want to bring the community into their building for events more often, they are planning more outings, pets, music and more family focus. This is an effort by the entire team.

## **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**

Two self-reports were completed since the last quarter. One was a resident to resident altercation, unsubstantiated. One was an allegation of abuse, also unsubstantiated.

## **CLINICAL TRENDING**

### **Incidents/Falls:**

There were 63 falls with no injury in the second quarter, up from 35 during the first quarter. 1 with injury, 2 skin tears, 1 bruises, 1 lacerations.

### **Infection Control:**

Facility had a total of 29 infections, down significantly from the prior quarter. 11 were UTI's, 10 URI's, 2 GI's, and there were 2 other types of infections.

### **Weight loss:**

Weight loss in the first quarter- 11 residents, 7 falling in the 5-10% weight loss category and 4 losing 10% or more. DON said that all have documented interventions in place.

### **Pressure Ulcers:**

There were 6 residents with pressure ulcers- 12 sites. 2 of these were acquired in-house, but it documented that it is clinically unavoidable.

### **Restraints:**

No restraints in facility for the first quarter.

### **Staffing:**

Currently the facility is in need of 2 CNAs for the 2/10 shift. Because the DON has been at the facility for 10 years, there is a very stable nursing staff. There are no nurse vacancies.

Indicator	Facility	State	National	Comments
Self-Reported Mod/Sev Pain (S)	0%	10.47%	12.7%	
New/Worsened Pressure Ulcers (S)	0%	.9%	1.0%	
New Psychoactive Med Use (S)	0%	2.5%	2.0%	
Fall w/Major Injury (L)	.83%	3.5%	3.5%	
UTI (L)	.84%	3.14%	3.42%	
Self-Reported Mod/Sev Pain (L)	0%	5.2%	6.1%	
High risk with pressure ulcers (L)	5.6%	6.6%	6.3%	
Loss of Bowel/Bladder Control(L)	76.3%	50.6%	48.4%	Restorative Bowel and Bladder program in place. All residents in the program are taken to the bathroom before and after meals.
Catheter(L)	.0%	2.2%	2.4%	All residents with appropriate diagnosis
Physical restraint(L)	0%	.2%	.43%	
Increased ADL Assistance(L)	9.5%	19.4%	15.8%	
Excessive Weight Loss(L)	9.2%	6.7%	8.3%	
Depressive symptoms(L)	2.4%	3.4%	4.7%	
Antipsychotic medication (L)	11%	13.8%	14.8%	



Park Manor of Cyfair  
 11001 Crescent Moon Dr., Houston, TX 77064 Visit:  
 7/24/2018

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	4/11/18	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	3.34%	3.6%	1.1%	Y	NA
High Risk W/Pressure Ulcers	8.0%	8.3%	6.6%	Y	NA
Physical restraints	.53%	0%	0%	Y	NA
Antipsychotic medication	16.1%	9.4%	10.5%	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	3.34%	3.6%	1.1%	Y	NA



Park Manor of Cyfair  
11001 Crescent Moon Dr., Houston, TX 77064 Visit:  
7/24/2018

High Risk W/Pressure Ulcers	7.5%	8.3%	6.6%	Y	NA
Physical restraints	7.5%	0%	0%	Y	NA
Antipsychotic medication	16.1%	9.4%	10.5%	Y	NA

**CONTACT:**

Administrator: Ms. Chandra Polk

The site visit was conducted on July 24, 2018. I visited with Ms. Polk on this date. Ms. Polk has been with the facility for almost six months. She said that she is beginning to get more comfortable with the position and facility.

**FACILITY:**

The current census is 37. The breakdown is; Medicare-2; Medicaid-21; Private Pay-10; Private Insurance-; Hospice-4; Pending Status-.

**SURVEY:**

Nothing for May. The facility is now in their survey window.

**REPORTABLE INCIDENTS:**

The facility had one reportable incident in June. An agency CNA tried to transfer a resident from their wheelchair to bed without asking for help and dropped the resident. That is not acceptable. The CNA was asked to leave and the facility told the agency that she was not to come back to the facility. The state has not come in to investigate.

**CLINICAL TRENDING:****A. Infections:**

The infection rate for June was under their threshold of 3.5%.

**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. 4.5%

Falls with major injuries- 2.7%. One fall in January. No falls with injuries in February. No falls with major injuries for May or June.

Anti-psychotic medicines- The facility is up a little from last month. Currently at 5.9%. Several of the residents have been taken off the medicines. The medical director and pharmacist are working very well with her and her staff.

Ms. Polk said she is please with the progress staff is making. Housekeeping is doing a much better job than before. They weren't bad, but doing better. She currently needs 2 CNAs, and one part-time LVN.

The facility had one air conditioning unit down. They are in the process of getting a new unit and Ms. Polk hopes it will be there fast. It has been very hot.

The facility did look very nice and clean. No odors throughout the facility. The Kitchen area looked very neat and clean as always. The outside grounds were neat and well cared for. The residents seemed very happy and well cared for.

I am very impressed with the way Ms. Polk is working with her staff. She is very positive and very focused on making her facility the best it can be. The staff seemed to be happy.

**CONTACT**

Quartisha Adams, Admissions Coordinator

**FACILITY**

Spring Branch Transitional Care Center is managed by Caring Healthcare. The facility has 198 beds in a four story converted building. According to Quartisha Adams, the Admissions Coordinator, their census is 189. Upon entering the building, the lobby was very warm. The Admissions Coordinator said the AC was out and the repair company was there to work on it. We walked the common areas on the first floor and then went to the elevator. We were unable to go the other three floors due to the elevators being out of order. The Admissions Coordinator said the repair company was there to work on the elevators as well. There were about a dozen residents at the elevators waiting, that had just returned from an outing. Due to the crowd at the elevators and the coordination of events, the Admissions Coordinator was unable to provide a tour.

**SURVEY**

According to the CMS website, Spring Branch had an annual inspection on March of 2018. Spring Branch received 8 deficiencies, two related to resident rights, one related to cleanliness, one related to removal of hazards to prevent accidents, one for medication error rate, one for kitchen sanitation, one for lack of infection control program and one for pest control related to lack of treatment for roaches.

**REPORTABLE INCIDENTS**

The Admissions Coordinator was unable to share this information on the tour. No report was provided.

**CLINICAL TRENDING****Infection Control:**

Not available.

**Weight loss:**

Not available.

**Pressure Ulcers:**

Not available.

**Restraints:**





Not available.

**Staffing:**

Not available.

Quality Indicators from CMS website from (data is collected for the span of one year).				
Indicator	Facility	State	National	Comments
Self-Reported Mod/Sev Pain (S)	1.5%	11.0%	13.1%	
New/Worsened Pressure Ulcers (S)	2.0%	0.9%	0.9%	
New Psychoactive Med Use (S)	13.3%	2.6%	1.9%	
Fall w/Major Injury (L)	1.2%	3.4%	3.4%	
UTI (L)	1.8%	3.43%	3.66%	
Self-Reported Mod/Sev Pain (L)	0.0%	4.7%	5.6%	
High risk with pressure ulcers (L)	3.7%	6.0%	5.6%	
Loss of Bowel/Bladder Control(L)	56.4%	49.8%	48.0%	
Catheter(L)	0.8%	1.8%	1.8%	
Physical restraint(L)	0.0%	0.1%	0.4%	
Increased ADL Assistance(L)	19.4%	20.8%	18.3%	
Excessive Weight Loss(L)	2.2%	5.9%	7.0%	
Depressive symptoms(L)	1.5%	3.6%	4.7%	
Antipsychotic medication (L)	30.8%	25.3%	22.1%	



Spring Branch Transitional Care Center  
 1615 Hillendahl Blvd #100, Houston, TX 77055  
 7/25/2018

QIPP Component 1 Quality Metric for March/April/May				
Indicator	QAPI Mtg Date	Date Report Submitted	Met Y/N	PI Implemented
QAPI Validation Report				

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%			
High Risk W/Pressure Ulcers	5.67%	2%			
Physical restraints	.53%	0%			
Antipsychotic medication	16.06%	11%			

QIPP Component 3 (High) 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%			



Spring Branch Transitional Care Center  
1615 Hillendahl Blvd #100, Houston, TX 77055  
7/25/2018

High Risk W/Pressure Ulcers	5.67%	3%			
Physical restraints	.53%	0%			
Antipsychotic medication	16.06%	11%			

**CONTACT:**

Administrator: Mr. Tony Vargas

The site visit was conducted July 24, 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 52 and the current census is 55. The census breakdown is; Medicare-5; Medicaid-25; Private Pay-20; Private Insurance-2; Hospice-; Pending Status-3.

**SURVEY:**

None for the month of May. Survey window will open in September.

**REPORTABLE INCIDENTS:**

The facility had three reportable incidents for June. 1. Fall with injury, the state came in to investigate and nothing was cited; 2. Resident to Resident; Resulted in one resident being transferred to a psych. Hospital. 3. allegation of abuse by a nurse. Unsubstantiated.

**CLINICAL TRENDING:****Infections:**

The infection rate was within the thresholds for infection control.

**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 June.

Anti-psychotics; 4.4% Long Term;

Pressure ulcers- There were 0 new acquired pressure ulcers.

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.

Staffing is pretty good. Budget numbers are good.

Overall quality is 4 star.

Overall star rating is 3.

The facility is gearing up for the change of ownership which has been set for October, 2018. Mr. Vargas said that there has been a second visit to his facility from Regency staff for the purpose of getting a better feel for some of the remodel projects that they want to do to the facility. He hopes they are sincere in their thoughts for remodel.

Mr. Vargas said that he is getting a new maintenance director in August.

Mr. Vargas is pleased with the way the facility is moving and with his staff. The facility was very nice and clean and the outside grounds looked very neat. The kitchen area was very neat and orderly.

The residents seem very happy and well cared for.

**CONTACT:**

Administrator: Ms. Margie McKee

The site visit was conducted on July 24, 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 62. The breakdown is; Medicare-2; Medicaid-36; Private Pay-24; Private Insurance-, Hospice-, Pending Status-.

**SURVEY:**

State was not in the facility in the month of June.

**REPORTABLE INCIDENTS:**

The facility had one reportable incident for the month of June. A resident fell and broke her hip. When she was taken to the hospital the family decided not to have surgery on the hip because of her dementia. The resident has since died. There are no issues with the family. The resident was in very poor health. The state has been notified but has not come in 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:**

Restraints-0

Pressure ulcers- The facility had one new pressure ulcer on admission. The overall % rate is 4.75%

Falls with Major injuries- One for June. Overall rate is 23.7%

Anti-psychotics- Overall 16%.

Ms. McKee indicated the facility is staying within the budget targets with the exception of salaries due to having to use some agency staffing.

The facility has an overall 4- star quality rating.

The dietary area and kitchen area looked very clean and well kept.

The outside grounds looked very nice.

Mrs. McKee also said that she has heard that the change over is going to be around the first of October.

She said she also had some staff members from Regency come to her facility to look at areas that they might want to spend money to fix up.

She is excited but a little apprehensive because change is always a little trying.

**CONTACT**

Administrator: Mr. Jason Ohrt

The site visit was conducted on July 24, 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 62. The breakdown is as follows; Medicare-5; Medicaid-32; Private Pay-16; Private Insurance-2; Hospice-; Pending Status-; V.A.-7.

**SURVEY**

The facility had their full-book survey. Their plan of correction was submitted to the state and was approved.

**REPORTABLE INCIDENTS:**

The facility has three unsubstantiated reportable incidents. One was a bug bite that caused some swelling, the second was a laceration on the head of a male resident of unknown origin, it was not a serious laceration. The third was a fractured knee cap on a resident with osteoporosis. The resident did not fall but hit his knee on the the side of the bed rail. The state has been notified but has not come in. Previous reportable incidents have all been unsubstantiated by the state.

**CLINICAL TRENDING****Infections:**

Infections were below thresholds.

**Weight Loss:**

There were no weight loss issues and no trending. 1.8%

**ADDITIONAL COMMENT:**

The facility is working hard to control the quality measures.

Restraints-0

Pressure ulcers; 6 In-house-acquired. Four were on one resident that has a terrible skin breakdown. The medical director is working with the staff on skin care for this particular resident. This is not a new issue with this resident. The other two incidents are healing very well.

Falls with Major injuries- 1 for May. Carry over of 2 falls-7%; national avg. 3.5%.

Anti-psychotic medicine- Currently at 2.39%

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. Budget targets are good.

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

The facility looked very neat and clean. The dietary area and laundry area looked very clean and orderly. The outside grounds were very well cared for.

The residents seemed happy and looked well cared for.

Mr. Ohrt also reported that representatives from Regency have been back to his facility to look at areas that they may want to improve. One of the big things was to have the carpeted areas floored with material that would match the other areas of the facility.

Mr. Ohrt is pleased with the overall operations of the facility. Budget is good and for the most part, staffing is good.

## **CONTACT**

Chrystal Stalder – Administrator  
Stephanie Miller, RN- DON

## **FACILITY**

Park Manor Cypress Station is a 125-bed facility with a current star rating of 1 and a quality measures rating of 4. The census on the date of this visit was 77: Private Pay 10, HMO 6, Medicare 9, Medicaid 49 and Hospice 3.

The Director of Nursing, Stephanie, gave the tour of the community. The nurses station lauded a new banner, saying that the community was awarded the 2017 Bronze Award by AHCA. During the tour, Stephanie spoke of a strong pulmonary program, where they are able to accept TPN, trachs, Trilogy, and they have respiratory therapy 7 days a week. They have also staffed up to having an RN around the clock, seven days a week. The high acuity halls looked good, with clean resident rooms, free of clutter, and no odors. However, when touring the 100 hall with long term care residents, an odor was present.

## **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. Their survey window starts in August 2018.

## **REPORTABLE INCIDENTS**

Two reportables for the quarter. The facility reported a missing debit card, that was being used by the daughter, nothing substantiated. Then, there was a drug diversion. A QAPI plan was put in place and the employee was terminated.

## **CLINICAL TRENDING**

### **Incidents/Falls:**

March/April/May had 32 falls, down from 68 falls during the last quarter. 9 injuries, 9 skin tears, 0 elopements, 0 fracture, 8 bruises, 2 lacerations, 2 behaviors and 8"other".

**Infection Control:**

They reported 38 infections in the 2<sup>nd</sup> quarter, 25 of which were urine, 1 stool, 8 respiratory, 2 wound and 2 blood.

**Weight loss:**

11 residents were reported with significant weight loss. 5 of which were 5-10% weight loss.

**Pressure Ulcers:**

PM Cypress Station had 42 residents with pressure ulcers, and 15 of those were in-house acquired. The DON attributes this to their high acuity residents.

**Restraints:**

No restraints in facility for March/April/May.

**Staffing:**

Park Manor Cypress Station is currently in need of 4 6/2 C NA's. All nursing positions are full.

Quality Indicators from Sept/Oct/Nov CASPER Report				
Indicator	Facility	State	National	Comments
Self-Reported Mod/Sev Pain (S)	0%	10.4%	12.7%	
New/Worsened Pressure Ulcers (S)	0%	.9%	1%	
New Psychoactive Med Use (S)	0%	2.5%	2.0%	
Fall w/Major Injury (L)	1.5%	3.5%	3.5%	
UTI (L)	0%	2.5%	3.0%	



Self-Reported Mod/Sev Pain (L)	0%	5.2%	6.1%	
High risk with pressure ulcers (L)	6.0%	6.6%	6.3%	
Loss of Bowel/Bladder Control(L)	69.9%	50.6%	48.4%	
Catheter(L)	0%	2.2%	2.4%	
Physical restraint(L)	0%	.1%	.3%	
Increased ADL Assistance(L)	36.7%	19.4%	15.8%	
Excessive Weight Loss(L)	3.1%	6.7%	8.3%	
Depressive symptoms(L)	3.6%	3.4%	4.7%	
Antipsychotic medication (L)	5.9%	13.8%	14.8%	



Park Manor of Cypress Station  
 420 Lantern Bend Dr., Houston, TX 77890 Site Visit:  
 07/23/2018

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	3/20, 4/19, 5/18	3/20, 4/19, 5/18	Y	

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	3.7%	3.9%	1.5%	Y	
High Risk W/Pressure Ulcers	6.3%	6.6%	5.9%	y	
Physical restraints	.5%	0%	0%	Y	
Antipsychotic medication	16.1%	12.5%	5.99%	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:  
07/23/2018

Falls W/Major Injury	3.4%	3.9%	1.5%	Y	
High Risk W/Pressure Ulcers	5.7%	6.6%	5.9%	N	Y
Physical restraints	.5%	0%	0%	Y	
Antipsychotic medication	16.1%	12.5%	5.29%	Y	

**CONTACT**

Administrator- Chris Martin  
Bridgetta Bracks, RN – DON

**FACILITY**

Park Manor Humble is a 125-bed facility with a current overall rating of 3 and a quality rating of 5 . The census on the date of this visit was 91 : Private Pay 2, HMO 17, Medicare 2, Medicaid 62, and Hospice 3.

The administrator, Chris Martin, has made some positive changes in the few months he has been leading the facility. For culture changes, Chris is instituting a smoke free campus, no overhead paging, and other staff education to respect human rights of the residents.

When touring the community, many residents were observed loading on to a bus to go to a picnic, which was identified on the activity's calendar. The building was clean but showing signs of wear. The medication room door was scuffed and floors were in need of replacement. Chris said that the building was approved for a 750,000 upgrade of paint, fixtures, furnishings, carpet, doors, and front entrance.

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.

Despite two attempts to collect the site report, the administrator did not return the report. Last quarter, the report was turned in 10 days late.

**SURVEY**

Not provided.

**REPORTABLE INCIDENTS**

Not provided

**CLINICAL TRENDING****Incidents/Falls:**

Not provided

**Infection Control:**

Not provided

**Weight loss:**

Not provided

**Pressure Ulcers:**

Not provided

**Restraints:**

Not provided

**Staffing:**

Not provided

Quality Indicators from CMS website				
Indicator	Facility	State	National	Comments
Self-Reported Mod/Sev Pain (S)	6.9%	11.0%	13.1%	
New/Worsened Pressure Ulcers (S)	0.0%	0.9%	0.9%	
New Psychoactive Med Use (S)	0.5%	2.6%	1.9%	
Fall w/Major Injury (L)	0.0%	3.4%	3.4%	
UTI (L)	1.0%	2.9%	3.2%	
Self-Reported Mod/Sev Pain (L)	1.4%	4.7%	5.6%	
High risk with pressure ulcers (L)	6.8%	6.0%	5.6%	
Loss of Bowel/Bladder Control(L)	74.5%	49.8%	48.0%	
Catheter(L)	3.0%	1.8%	1.8%	
Physical restraint(L)	0.0%	0.1%	0.4%	
Increased ADL Assistance(L)	12.9%	18.8%	15.0%	
Excessive Weight Loss(L)	6.0%	5.9%	7.0%	



Park Manor of Humble  
 19424 McKay Dr. Humble, TX 77338 Site Visit: 7  
 7/23/2018

Depressive symptoms(L)	2.4%	3.6%	4.7%	
Antipsychotic medication (L)	4.4%	15.4%	15.2%	

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				Not provided

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%	%		Not provided
High Risk W/Pressure Ulcers	5.67%	10.3%	%		Not provided
Physical restraints	.53%	.3%	%		Not provided
Antipsychotic medication	16.06%	16.7%	%		Not provided

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

Falls W/Major Injury	3.35%	1.7%	%		Not provided
High Risk W/Pressure Ulcers	5.67%	10.3%	%		Not provided
Physical restraints	.53%	.3%	%		Not provided
Antipsychotic medication	16.06%	16.7%	%		Not provided

**CONTACT**

Olivia Hall – Administrator  
Mike Walker, RN- DON

**FACILITY**

Park Manor Westchase is a 125-bed facility with a current overall star rating of 1 and a quality star rating of 4. The census on the date of this visit was 101: Private Pay 12, HMO 14, Medicare 8, Medicaid 64 and Hospice 3.

The DON 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 DON, Mike has been at the facility for four years and is very proud of the progress he has made.

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 affected by the high acuity. The facility boasts that the wound care nurse has won multiple THCA awards for her skills at the facility for the last ten years. She is in charge of the wound program and the infection control program.

During the tour, therapy rooms, common areas were reviewed. On the last quarterly tour, shower rooms were seen to need attention- they had personal care items present. These items could create infection control issues. The shower room, while obviously recently used, had many dirty towels piled in a corner and was dirty. There was also a CNA leaving the room, carrying dirty linens without bagging them first.

**SURVEY**

Park Manor Westchase is due for annual inspection in November. DON says they are getting ready now.

**REPORTABLE INCIDENTS**

PM Westchase had one self report, which was unsubstantiated.



**CLINICAL TRENDING**

**Falls:**

Westchase had 45 falls without injury, and 2 falls with injury. There were 9 skin tears, 0 fracture, 4 bruises, 2 lacerations, 3 behaviors and 1 other.

**Infection Control:**

There were 90 total infections, 21 UTI's, 15 URI's, 3 GI and 51 other type infections.

**Weight loss:**

Only 3 residents experienced weight loss (5-10%) at Westchase during the first quarter.

**Pressure Ulcers:**

Westchase had 14 residents with pressure ulcers, one 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, 1 6/2 nurse aide, and 1 2/1 nurse aide. There are no nursing vacancies.

Quality Indicators from March/April/May CASPER Report				
Indicator	Facility	State	National	Comments
Self-Reported Mod/Sev Pain (S)	3.2%	10.48%	12.7%	
New/Worsened Pressure Ulcers (S)	6.8	.9%	1%	Had several long term care residents that were hospitalized and came back skilled-changing their coding due to pressure ulcers.
New Psychoactive Med Use (S)	0%	2.5%	2.0%	



Park Manor of Westchase  
 11910 Richmond Ave. Houston, TX 77082 Site Visit:  
 7/23/2018

Fall w/Major Injury (L)	0%	3.5%	3.5%	
UTI (L)	0%	3.43%	3.66%	
Self-Reported Mod/Sev Pain (L)	00%	2.5%	3.0%	
High risk with pressure ulcers (L)	4.6%	6.6%	6.3%	
Loss of Bowel/Bladder Control(L)	87.5%	50.6%	48.4%	New MDS assessor is reviewing past coding
Catheter(L)	4.1%	2.2%	2.4%	Due to increased pressure ulcers
Physical restraint(L)	0%	.1%	.3%	
Increased ADL Assistance(L)	27.5%	19.4%	15.8%	New MDS assessor is reviewing coding
Excessive Weight Loss(L)	4.9%	6.7%	8.3%	
Depressive symptoms(L)	0%	3.4%	4.7%	
Antipsychotic medication (L)	14.6%	13.8%	14.8%	



Park Manor of Westchase  
 11910 Richmond Ave. Houston, TX 77082 Site Visit:  
 7/23/2018

QIPP Component 1 Quality Metric for QTR-March/April/May				
Indicator	QAPI Mtg Date	Date Report Submitted	Met Y/N	PI Implemented
QAPI Validation Report	20 <sup>th</sup> of every month	Y	Y	NA

QIPP Component 2 (Modest) Quality Metrics for QTR – March April May 2018					PI Implemented
Indicator	Benchmark	Baseline Target	Results	Met 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	Yes, under the benchmark now at 3.2. working on adding supplements in weekly weights and wound care meetings.
Physical restraints	.53%	0%	0%	Y	NA
Antipsychotic medication	16.06%	24.7%	14.7%	Y	NA



Park Manor of Westchase  
11910 Richmond Ave. Houston, TX 77082 Site Visit:  
7/23/2018

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 “E”

## Hubert Oxford IV

---

**From:** Michael Gibson <Michael.Gibson@cpa.texas.gov>  
**Sent:** Monday, August 13, 2018 11:16 AM  
**To:** Hubert Oxford IV  
**Cc:** 'sherrie@wshd-tx.com'; David Sticker (davidbsticker@gmail.com)  
**Subject:** RE: Special Purpose District Report Notification-Winnie Stowell Hospital District

Mr. Oxford:

Thank you for your response. No rush, as soon as it is available please submitted. It does not take me long to review so whenever it is completed is fine.

Michael Gibson  
Transparency Analyst  
Data Analysis & Transparency  
Comptroller of Public Accounts  
(512)936-0622

**From:** Hubert Oxford IV <hoxfordiv@benoxford.com>  
**Sent:** Monday, August 13, 2018 10:01 AM  
**To:** Michael Gibson <Michael.Gibson@cpa.texas.gov>  
**Cc:** 'sherrie@wshd-tx.com' <sherrie@wshd-tx.com>; David Sticker (davidbsticker@gmail.com) <davidbsticker@gmail.com>  
**Subject:** RE: Special Purpose District Report Notification-Winnie Stowell Hospital District

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Michael,

We are going back to review this to figure out why we would have put "none". I think we know the answer and that is because we were looking at the "Optional Reporting" worksheet. The reason being, this worksheet only discussed bonds or loans based on ad valorem taxes. The District's loans are all pure revenue notes that explicitly exclude ad valorem revenue.

With this said, we are now re-reviewing the Instructions and Glossary worksheet and it looks like we need to complete the spreadsheet for a couple of short term loans taken out by the District. I say all of this because I know you all have to publish this database by September 1, 2018 and we will upload our revised report by Friday of this week. Our problem is that the District has a Board meeting on Wednesday and it takes a lot of effort on everyone's behalf to gather all the documents and prepare board packets between now and then.

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  
(409) 833-8819 Fax

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**From:** Michael Gibson <[Michael.Gibson@cpa.texas.gov](mailto:Michael.Gibson@cpa.texas.gov)>  
**Sent:** Thursday, August 09, 2018 10:14 AM  
**To:** Hubert Oxford IV <[hoxfordiv@benoxford.com](mailto:hoxfordiv@benoxford.com)>  
**Subject:** Special Purpose District Report Notification-Winnie Stowell Hospital District

Mr. Oxford:

Thank you for submitting the 2018 Special Purpose District Financial and Tax Report for Winnie Stowell Hospital District in compliance with Government Code §403.0241 through the Comptroller's electronic reporting form, available at <https://comptroller.texas.gov/transparency/local/sb625/>.

In reviewing the information submitted for the Special Purpose District Public Information Database ID 322221, we have identified that corrective action is needed in the following section of the report:

The Debt Reporting section needs to be resubmitted. On our end there was a system error that was unable to identify your data, so we need your district to re-enter the debt information so we can process your report to be included on the Special Purpose District Public Information Database.

To view and update the entity's report:

1. Log into eSystems from the Special Purpose District Reporting page:  
<https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fcomptroller.texas.gov%2Ftransparency%2Flocal%2Fsb625%2F&data=02%7C01%7C%7C5803ba34e02f45cadbaa08d5fdff0b15%7C2055feba299d4d0daa5a73b8b42fef08%7C0%7C0%7C636694194193741907&odata=iwNnGlSxQ01aLgi78YHyeEFOkbJdeDgldpw3qsP87LM%3D&reserved=0>.
2. Once logged in, select 'Special Purpose District Report' under the 'Reporting' heading.
3. Select 'Continue' at the bottom of the Special Purpose District Report page and enter the entity's SPDPID ID and TPID to access the report.
4. From the Report Selection screen, follow the instructions to update the existing report.

Thank you in advance for updating the entity's report. If you have questions or need further guidance on this notice, please email us at [transparency@cpa.texas.gov](mailto:transparency@cpa.texas.gov) or call 844-519-5676.

Thanks,

Michael Gibson  
Transparency Analyst  
Data Analysis & Transparency





# Exhibit “F”

### **THIRD AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT**

THIS THIRD AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is effective as of September 1, 2018 (“Effective Date”), by and between Winnie-Stowell Hospital District, a governmental entity and body politic established pursuant to Chapter 286 of the Texas Health & Safety Code, as amended (“Operator”), and LTC Group, LLC, a Texas limited liability company (“LTC Group”).

#### **RECITALS**

WHEREAS, Operator is engaged in the business of, among other things, operating licensed health care facilities, and LTC Group is engaged in the business of providing certain financial, operational and clinical review and other professional services to licensed health care facilities;

WHEREAS, Operator has entered into leases of the real property (the “Leases”) associated with the licensed health facilities listed in Exhibit A, attached hereto and incorporated herein (each, a “Facility”);

WHEREAS, Operator has entered into management agreements (the “Management Agreements”) with certain entities (each, a “Manager”) under which Manager will manage the Facility on behalf of Operator;

WHEREAS, Operator desires to engage LTC Group to provide certain financial, operational and clinical review services for the Facility on behalf of Operator and LTC Group desires to provide such services for the Facility on behalf of Operator in accordance with the terms and conditions of this Agreement;

WHEREAS, Operator previously engaged LTC Group to provide certain financial, operational and clinical review services for the Facilities on behalf of Operator in accordance with the terms and conditions of Professional Services Agreements for each Facility (the “Original Services Agreements”);

WHEREAS, Operator and LTC Group previously executed a First Amended and Restated Professional Services Agreement (“First Amended Agreement”) and a Second Amended and Restated Professional Services Agreement (“Second Amended Agreement”); and

WHEREAS, Operator and LTC Group now desire to amend and restate the Original Services Agreements, as amended by the First Amended Agreement and the Second Amended Agreement, as hereinafter set forth;

NOW THEREFORE, for and in consideration of the execution of this Agreement and of the mutual covenants and agreements herein contained, the parties hereby enter into this Third Amended and Restated Professional Services Agreement and in so doing, completely supersede and replace the Original Services Agreements, as amended by the First Amended Agreement and the Second Amended Agreement, and covenant and agree as follows:

#### **ARTICLE 1. DEFINITION OF TERMS**

The following terms when used in this Agreement shall have the meanings indicated:

“Governmental Authority” shall mean any court or any federal, state, or local legislative body or governmental municipality, department, commission, board, bureau, agency or authority, including without limitation, the Centers for Medicare and Medicaid Services (“CMS”), the Texas Health and Human

Services Commission (“HHSC”), but not including Operator.

“License” means any license, permit, decree, act, order, authorization or other approval or instrument which is necessary in order to operate the Facility in accordance with legal requirements or otherwise in accordance with this Agreement.

“Term” means the Initial Term plus any Extended Term.

## **ARTICLE 2. ENGAGEMENT OF LTC GROUP**

### **2.1 Engagement.**

2.1.1 Upon the terms and subject to the conditions of this Agreement, Operator hereby engages LTC Group to provide certain financial, operational and clinical review services for the Facility on behalf of Operator commencing on the Effective Date. Said financial, operational and clinical review services are listed and attached hereto as Exhibit B (collectively, the “Services”).

2.1.2 The performance of all activities by LTC Group hereunder shall be on behalf of Operator for the benefit of Operator. By entering into this Agreement, Operator does not delegate to LTC Group any powers, duties or responsibilities that Operator is not authorized by law to delegate. Operator retains all other authority and control that has not been expressly delegated to LTC Group pursuant to this Agreement. Notwithstanding anything in this Agreement to the contrary, LTC Group shall not have the ability, acting alone or in concert with others, to directly or indirectly influence, direct or cause the direction of the management, expenditure of money, or policies of the Facility.

2.2 Authority and Responsibility of LTC Group. In the performance of its duties hereunder, LTC Group shall be and act as an independent contractor, with the sole duty to provide the Services for the benefit of Operator and subject to the ultimate authority and control of Operator and other restrictions described herein. Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture, employment relationship, or otherwise to create any liability for one party with respect to indebtedness, liabilities or obligations of the other party except as otherwise may be expressly set forth herein.

2.3 Licenses and Permits. Operator shall at all times from and after the Effective Date and during the Term of this Agreement be solely responsible for obtaining and maintaining all Licenses, permits, qualifications, certifications, and approvals from any applicable governmental agency required for the operation of the Facility. Operator shall be solely responsible for all reporting and other requirements necessary to obtain and maintain all Licenses, permits, qualifications, certifications, and approvals from any applicable governmental agency required for the operation of the Facility.

### **2.4 Representations and Warranties.**

2.4.1 Operator represents and warrants to LTC Group as follows:

- (a) Operator is a hospital district established under the laws of the State of Texas.
- (b) Operator has full power and authority to enter into this Agreement and to carry out its obligations set forth herein. Operator has taken all action required by law, its organizational documents, or otherwise to be taken to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated

hereby. This Agreement is a valid and binding agreement of Operator enforceable in accordance with its terms, except that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditor's rights, and the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding may be brought.

- (c) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (i) violate any provision of the organizational documents of Operator; (ii) violate any statute or law, or any judgment, decree, order, regulation or rule of any court or Governmental Authority, or (iii) violate any agreement to which it is bound.

2.4.2 LTC Group represents and warrants to Operator as follows:

- (a) LTC Group is a Texas limited liability company duly organized, validly existing and in good standing under the laws of the State of Texas.
- (b) LTC Group has full power and authority to enter into this Agreement and to carry out its obligations as set forth herein. LTC Group has taken all action required by law, its organizational documents or otherwise to be taken to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. This Agreement is a valid and binding agreement of LTC Group enforceable in accordance with its terms, except that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditor's rights, and the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefore may be brought.
- (c) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (i) violate any provision of the organizational documents of LTC Group; (ii) violate any statute or law, or any judgment, decree, order, regulation or rule of any court or Governmental Authority, or (iii) violate any agreement to which LTC Group is a party or by which LTC Group or any of its properties are bound.

### **ARTICLE 3. TERM AND TERMINATION**

- 3.1 **Term.** This Agreement shall commence on the Effective Date and, subject to Sections 3.2 and 3.3, shall expire on August 31, 2019 (the "Initial Term"). The term shall be automatically extended for successive one (1) year periods ("Extended Terms") unless (i) Operator provides at least thirty (30) days' written notice prior to the expiration of the Initial Term or any Extended Term, or (ii) the Agreement is terminated in accordance with the provisions of Sections 3.2 through 3.3. At the expiration of the Initial Term or any Extended Term, Operator and LTC Group desire and agree to use good faith efforts to negotiate mutually acceptable and reasonably appropriate modifications to the Agreement to address a change in any law, regulation, rule or reimbursement level, state or federal. Except as otherwise agreed to by the parties, the terms and conditions during any such Extended Term shall be the same as the terms and conditions during the Initial Term, provided that

the terms of Article 4 may be modified. Notwithstanding any other provision, this Agreement shall terminate upon the termination of the Management Agreement.

3.2 For Cause Termination by Operator. This Agreement may be terminated by Operator as follows:

3.2.1 Immediately by Operator upon an Event of Default by LTC Group described in Sections 8.1.1; or

3.2.2 Upon thirty (30) days written notice to LTC Group upon an Event of Default by LTC Group described in Sections 8.1.2 or 8.1.3 that remains uncured;

3.3 For Cause Termination by LTC Group. This Agreement may be terminated by LTC Group as follows:

3.3.1 Immediately by LTC Group upon an Event of Default by Operator described in Sections 8.2.1; or

3.3.2 Upon thirty (30) days prior written notice to Operator upon an Event of Default by Operator described in Section 8.2.2 or 8.2.3 that remains uncured.

3.4 Termination Payment. Upon Termination of this Agreement, Operator shall pay LTC Group all accrued but unpaid Services Fees. The reconciliation and timing of these payments will be completed as soon as practicable after Termination of this Agreement. The provisions of this Section 3.4 shall survive any termination of this Agreement.

#### **ARTICLE 4. COMPENSATION**

4.1 Fees and Incentive Fees. In consideration of services to be performed hereunder, LTC Group shall be eligible to receive a Services Fee as described in Exhibit A. The Services Fee shall be payable monthly.

4.2 Fair Market Value. The parties agree that the compensation provided herein has been determined in arm's length bargaining and is consistent with fair market value as determined by a third party.

#### **ARTICLE 5. BOOKKEEPING AND BANK ACCOUNTS**

5.1 Access to Books and Records.

5.1.1 LTC Group agrees to comply with all legal requirements governing the maintenance of documentation to verify the cost of services rendered under this Agreement. Upon the written request of the Secretary of Health and Human Services or the Comptroller General or any of their duly authorized representatives, LTC Group and any of its affiliates providing services with a value or cost of \$10,000 or more over a twelve-month period shall make available to the Secretary the contract, books, documents, and records that are necessary to verify the nature and extent of the cost of providing such services. Such inspection shall be available up to four years after the rendering of such services. The Parties agree that any applicable attorney-client, accountant-client, or other legal privilege shall not be deemed waived by virtue of this Agreement. This section is included and is governed by the requirements of 42 U.S.C. Section 1395x(v)(1) and the regulations thereto.

- 5.1.2 LTC Group acknowledges that all records are and shall remain the property of Operator, subject to such access and review by LTC Group as permitted by applicable law.

#### **ARTICLE 6. INSURANCE**

- 6.1 Property and Operational Insurance. During the Term of this Agreement, the Facility, at Operator's or Manager's expense, shall provide, procure and maintain all insurance required by the Management Agreement.

#### **ARTICLE 7. ACCESS AND USE OF FACILITY**

- 7.1 Access. During the Term of this Agreement, LTC Group shall have complete access to the Facility to the extent necessary to perform its obligations under this Agreement.

#### **ARTICLE 8. DEFAULT**

- 8.1 Default and Events of Default by LTC Group. The following shall each constitute a "Default" by, and an "Event of Default" with respect to, LTC Group for purposes of this Agreement:

8.1.1 LTC Group: (i) has become the subject of a decree or order for relief under any bankruptcy, insolvency or similar law affecting creditors' rights now existing or hereafter in effect; (ii) has initiated, either in an original proceeding or by way of answer in any state insolvency or receivership proceeding, an action for liquidation, arrangement, composition, readjustment, dissolution, or similar relief; (iii) has consented to any order for relief entered with respect to the LTC Group under the Federal Bankruptcy Code; or (iv) has failed to cause the dismissal of any proceeding instituted against the party under the Federal Bankruptcy Code, or the removal of any trustee appointed with respect to the party's property under the Federal Bankruptcy Code, within ninety (90) days of the commencement of such proceeding or appointment of such trustee, as the case may be.

8.1.2 LTC Group commits any act or fails to take any action that is specifically identified as a "Default" or an "Event of Default" by LTC Group under any provision of this Agreement that is not cured, in full or in part, for a period of thirty (30) days after written notice thereof by Operator to LTC Group, or if such Default or Event of Default cannot be cured within such thirty (30) day period, then such additional period as shall be reasonable provided LTC Group commences to cure such Default or Event of Default within such thirty (30) day period and proceeds diligently to prosecute such cure to completion.

8.1.3 The failure by LTC Group to keep, observe or perform any covenant, agreement, term or provision of this Agreement and the continuation of such failure, in full or in part, for a period of thirty (30) days after written notice thereof by Operator to LTC Group, or if such default cannot be cured within such thirty (30) day period, then such additional period as shall be reasonable provided LTC Group commences to cure such default within such thirty (30) day period and proceeds diligently to prosecute such cure to completion.

- 8.2 Default and Events of Default by Operator. The following shall each constitute a "Default" by, and an "Event of Default" with respect to, Operator for purposes of this Agreement:

8.2.1 Operator: (i) has become the subject of a decree or order for relief under any bankruptcy, insolvency or similar law affecting creditors' rights now existing or hereafter in effect; (ii) has initiated, either in an original proceeding or by way of answer in any state insolvency

or receivership proceeding, an action for liquidation, arrangement, composition, readjustment, dissolution, or similar relief; (iii) has consented to any order for relief entered with respect to Operator under the Federal Bankruptcy Code; or (iv) has failed to cause the dismissal of any proceeding instituted against the party under the Federal Bankruptcy Code, or the removal of any trustee appointed with respect to the party's property under the Federal Bankruptcy Code, within ninety (90) days of the commencement of such proceeding or appointment of such trustee, as the case may be.

8.2.2 Operator commits any act or fails to take any action that is specifically identified as a "Default" or an "Event of Default" by Operator under any provision of this Agreement that is not cured, in full or in part, for a period of thirty (30) days after written notice thereof by LTC Group to Operator, or if such Default or Event of Default cannot be cured within such thirty (30) day period, then such additional period as shall be reasonable provided Operator commences to cure such Default or Event of Default within such thirty (30) day period and proceeds diligently to prosecute such cure to completion.

8.2.3 The failure by Operator to keep, observe or perform any covenant, agreement, term or provision of this Agreement and the continuation of such failure, in full or in part, for a period of thirty (30) days after written notice thereof by LTC Group to Operator, or if such default cannot be cured within such thirty (30) day period, then such additional period as shall be reasonable provided Operator commences to cure such default within such thirty (30) day period and proceeds diligently to prosecute such cure to completion.

### 8.3 Remedies Upon an Event of Default

8.3.1 Upon the occurrence of an Event of Default, the non-defaulting party shall have the right to pursue any one or more of the following courses of action: (i) to terminate this Agreement as provided in Article 3 and (ii) to institute any and all proceedings permitted by law or at equity, including, without limitation, actions for specific performance and/or damages.

8.3.2 Upon the occurrence of an Event of Default by either party, any amounts owed to the non-defaulting party shall accrue interest at an annual rate of twelve percent (12%), compounded annually, or the maximum non-usurious rate allowed by law, on the principal balance due commencing on the original due date of such payment through the date of payment.

8.3.3 The rights granted hereunder are intended to be cumulative, and shall not be in substitution for, but shall be in addition to, any and all rights and remedies available to the non-defaulting party (including, without limitation, injunctive relief and damages) by reason of applicable provisions of law or equity.

## ARTICLE 9. INDEMNIFICATION AND HOLD HARMLESS

9.1 **INDEMNIFICATION BY LTC GROUP. LTC GROUP SHALL INDEMNIFY AND HOLD HARMLESS OPERATOR, ITS DIRECTORS, OFFICERS, AGENTS, AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LIABILITIES, LOSSES, DAMAGES, COSTS, AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES, RESULTING IN ANY MANNER DIRECTLY OR INDIRECTLY FROM THE GROSS NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS OF LTC GROUP.**

- 9.2 **INDEMNIFICATION BY OPERATOR. TO THE FULLEST EXTENT PERMITTED BY LAW, OPERATOR SHALL INDEMNIFY AND HOLD HARMLESS LTC GROUP, ITS MEMBERS, MANAGERS, SHAREHOLDERS, PARTNERS, DIRECTORS, OFFICERS, AGENTS, AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LIABILITIES, LOSSES, DAMAGES, COSTS, AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES, RESULTING IN ANY MANNER DIRECTLY OR INDIRECTLY FROM THE GROSS NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS OF OPERATOR AND ITS SHAREHOLDERS OR PARTNERS, AGENTS, EMPLOYEES, AND CONTRACTORS TO THE EXTENT THEY ARE UNDER THE DIRECTION AND CONTROL OF OPERATOR.**

## ARTICLE 10. ASSIGNMENT

### 10.1 Assignment

10.1.1 Neither LTC Group nor Operator shall assign or transfer its interest in this Agreement without the prior written consent of the other party which consent may be withheld in the sole discretion of such other party. For purposes of this Agreement, the following shall be considered an assignment or transfer of this Agreement: (i) any assignment, transfer, sale or disposition of the majority of the ownership interest of LTC Group, voluntarily or involuntarily, by the parties who owned such interest on the Effective Date, (ii) any issuance of ownership interest of LTC Group or other transaction that results in a change in the control of LTC Group or Operator, or (iii) any merger, consolidation or other similar transaction to which LTC Group or Operator is party.

10.1.2 In the event either party consents to an assignment of this Agreement by the other, no further assignment shall be made without the express consent in writing of such party, unless such assignment may otherwise be made without such consent pursuant to the terms of this Agreement. An assignment by either Operator or LTC Group of its interest in this Agreement shall not relieve Operator or LTC Group, as the case may be, from their respective obligations under this Agreement.

## ARTICLE 11. MISCELLANEOUS

11.1 Further Assurances. Except as specifically provided in this Agreement, Operator or LTC Group, as the case may be, shall cause to be executed and delivered to the other party all such other instruments and shall take or cause to be taken such further or other action as may reasonably and in good faith be deemed by the other party to be necessary or desirable in order to further assure the performance by Operator or LTC Group, as the case may be, of any of their respective obligations under this Agreement.

11.2 Confidentiality. The parties hereto agree that the matters set forth in this Agreement are strictly confidential and other than as may be required by applicable state open records law and/or securities laws and regulations, each party will make every effort to ensure that the information is not disclosed to any outside person or entities (including the press) without the written consent of the other party.

11.3 Consents. Wherever in this Agreement the consent or approval of Operator or LTC Group is required and the same is not expressly indicated to be at the sole discretion of a party, such consent or approval shall not be unreasonably withheld, shall be in writing and shall be executed by a duly authorized officer or agent of the party granting such consent or approval. If either Operator or LTC



Group fails to respond within thirty (30) days to a request by the other party for a consent or approval, such consent or approval shall be deemed to have been given.

- 11.4 Applicable Law. This Agreement shall be construed under and shall be governed by the laws of the State of Texas.
- 11.5 Headings. Headings of Articles and Sections are inserted only for convenience and in no way limit the scope of the particular Articles or Sections to which they refer.
- 11.6 Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given on the date delivered, if delivered personally, on the fifth (5<sup>th</sup>) business day after being mailed by registered or certified mail (postage prepaid, return receipt requested), in each case, to the parties at the following addresses, or on the date sent and confirmed by electronic transmission to the telecopier number specified below (or at such other address or telecopier number for a party as shall be specified by notice given in accordance with this Section):

If to Operator, to:  
Winnie-Stowell Hospital District  
P.O. Box 1997  
Winnie, Texas 77662  
Attn: President

If to LTC Group:  
LTC Group, LLC  
3267 Bee Caves Road, Ste 107-511  
Austin, TX 78746  
Attn: President

- 11.7 HIPAA Compliance. The parties agree that the services provided under this Agreement will comply in all material respects with all federal and state-mandated regulations, rules, or orders applicable to the services provided herein, including but not limited to regulations promulgated under Title II, Subtitle F of the Health Insurance Portability and Accountability Act (Public Law 104-91) (“HIPAA”) and Title 2, Section I, Chapter 181 of the Texas Medical Records Privacy Act. Furthermore, the parties shall amend this Agreement or execute any additional documentation to amend the Agreement to conform with HIPAA, the Texas Medical Records Privacy Act, or any new or revised legislation, rules, and regulations to which they are subject now or in the future, including, without limitation, the Standards for Privacy of Individually Identifiable Health Information or similar legislation in order to ensure that the parties are at all times in conformance with all such laws.
- 11.8 Entire Agreement. This Agreement, together with other writings signed by the parties which are expressly stated to be supplemental hereto and together with any instruments to be executed and delivered pursuant to this Agreement, constitutes the entire agreement between the parties and supersedes all prior understandings and writings and may be changed only by a writing signed by both parties hereto.
- 11.9 Waiver. The failure of either party to insist upon a strict performance of any of the terms or provisions of this Agreement, or to exercise any option, right or remedy herein contained, shall not be construed as a waiver or as a relinquishment for the future of such term, provision, option, right or remedy, but the same shall continue and remain in full force and effect. No waiver by either

party of any term or provision hereof shall be deemed to have been made unless expressed in writing and signed by such party.

- 11.10 Partial Invalidity. If any portion of this Agreement shall be declared invalid by order, decree or judgment of a court, this Agreement shall be construed as if such portion had not been inserted herein except when such construction would operate as an undue hardship on LTC Group or Operator, or constitute a substantial deviation from the general intent and purpose of said parties as reflected in this Agreement.
- 11.11 Construction. No provisions of this Agreement shall be construed in favor of, or against, any particular party by reason of any presumption with respect to the drafting of this Agreement; both parties, being represented by counsel, having fully participated in the negotiation of this instrument.
- 11.12 Limit on Recourse. Operator's and LTC Group's obligations under this Agreement are not with recourse to any director, manager, officer, employee, member, or agent of Operator or LTC Group, respectively.
- 11.13 Disclaimer. None of the services or assistance offered to Operator by LTC Group, or payments made to the LTC Group, shall in any manner be construed as an inducement for the referral of any patients or for the arrangement of any services covered under a Federal healthcare program. The parties do not intend the terms of this Agreement to provide for, and nothing in this Agreement shall be deemed or in any manner construed to be, the solicitation, receipt, offer or payment of remuneration for the furnishing of any item or service for which payment may be made in whole or in part under a Federal healthcare program, or in return for purchasing, leasing, ordering or arranging for, or recommending purchasing, leasing, ordering, any good, facility, service or item for which payment may be made in whole or in part under a Federal healthcare program. Such services and assistance are wholly intended to improve the delivery of health care services to the population and communities served by the parties, and are provided in a manner so as to confer a benefit on those communities. In the event any state or federal laws or regulations, now existing or enacted or promulgated after the effective date of this Agreement, are interpreted by judicial decision, a regulatory agency or legal counsel in such a manner as to indicate that the structure of this Agreement may be in violation of such laws or regulations, Operator and LTC Group shall attempt in good faith to amend this Agreement as necessary. To the maximum extent possible, any such amendment shall preserve the underlying economic and financial arrangement between Operator and LTC Group.
- 11.14 Authority. Each individual who has signed this Agreement warrants that such execution has been duly authorized by the party for which he or she is signing.
- 11.15 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original. Executed counterparts may be delivered by facsimile (and/or Adobe ® PDF), and shall be effective when received, with the original copy sent by overnight delivery service. This Agreement shall be of no force or effect unless and until it has been executed and delivered by both parties.
- 11.16 Dispute Resolution. Each party agrees that any dispute between the Parties that arises from this Agreement, or the operation of the Facility, including any action to interpret, construe or enforce this Agreement shall be resolved through binding arbitration in accordance with Chapter 171 of the Texas Civil Practices and Remedies Code and the rules of the American Health Lawyers Association Alternative Dispute Resolution Service then in effect, or other nationally recognized alternative dispute resolution service that is mutually agreeable to the Parties. This provision shall not prohibit either Party from seeking any necessary injunctive relief from a court of competent

jurisdiction in connection with any dispute arising from this Agreement or the operation of the Facility. **THE PARTIES KNOWINGLY AND WILLINGLY WAIVE ANY RIGHTS THEY MAY HAVE TO A JURY TRIAL WITH RESPECT TO ANY AND ALL DISPUTES THAT MAY ARISE FROM THIS AGREEMENT OR THE OPERATION OF THE FACILITY.**

- 11.17 Change in Law. If there is a change in any law, regulation, rule or reimbursement, state or federal, which adversely affects this Agreement, the Facility or the activities of either party under this Agreement, or any change in the judicial or administrative interpretation of any such law, regulation, or rule, or if any of the provisions of this Agreement are found to be in violation of the laws existing at the time of such determination, and either party reasonably believes in good faith that the change, interpretation or determination will have a substantial adverse effect on that party's business operations or its rights or obligations under this Agreement, then the party may, upon written notice, require the other party to enter into good faith negotiations to renegotiate the terms of this Agreement and to take any action necessary to eliminate or reduce the substantial adverse effect on that party .

*Signature Page Follows*

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed as of the Effective Date.

**WINNIE-STOWELL HOSPITAL DISTRICT:**

By: \_\_\_\_\_

Printed:

Title: President

**LTC GROUP, LLC**

By: \_\_\_\_\_

Todd Biederman

for The Sage Group Services, LLC, its Manager

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**EXHIBIT A  
FACILITIES AND SERVICES FEES**

Facility	Address	Service Fee
Park Manor of Cypress Station	420 Lantern Bend Dr, Houston, TX, 77090	\$5,700 per month
Park Manor of Humble	19424 McKay Dr, Humble, TX, 77338	\$5,700 per month
Park Manor of Westchase	11910 Richmond Ave, Houston, TX, 77082	\$5,700 per month
Park Manor of Cyfair	11001 Crescent Moon Dr, Houston, TX, 77064	\$5,700 per month
Park Manor of Quail Valley	2350 FM 1092, Missouri City, TX, 77459	\$5,700 per month
Park Manor of Conroe	1600 Grand Lake Dr, Conroe, TX, 77301	\$5,700 per month
Park Manor of The Woodlands	1014 Windsor Lakes Blvd, The Woodlands, TX, 77384	\$5,700 per month
Park Manor of Tomball	250 School St, Tomball, TX, 77375	\$5,700 per month
Park Manor of Southbelt	11902 Resource Pkway, Houston, TX, 77089	\$5,700 per month
Deerbrook Skilled Nursing	9250 Humble Westfield Rd, Humble, TX, 77338	\$5,700 per month
Friendship Haven Healthcare	1500 Sunset Dr, Friendswood, TX, 77546	\$5,700 per month
Marshall Manor Nursing and Rehabilitation Center	1007 S Washington Ave, Marshall, TX, 75670	\$5,700 per month
Highland Park Care Center	2714 Morrison, Houston, TX, 77009	\$5,700 per month
Marshall Manor West	207 West Merritt St, Marshall, TX, 75670	\$5,700 per month
Golden Villa	1104 S William St, Atlanta, TX, 75551	\$5,700 per month
Rose Haven Retreat	200 Live Oak Street, Atlanta, TX, 75551	\$5,700 per month
Spring Branch Transitional Care	1615 Hillendahl Rd, Houston, TX, 77055	\$5,700 per month

<b>Facility</b>	<b>Address</b>	<b>Service Fee</b>
Center		
Garrison Nursing Home and Rehabilitation Center	333 North FM 95, Garrison, TX, 75946	\$5,700 per month
Clairmont Beaumont	1020 S 23rd St, Beaumont, TX, 77707	\$5,700 per month
The Woodlands Healthcare Center	4650 S Panther Creek Dr, The Woodlands, TX 77381	\$5,700 per month
Monument Rehabilitation and Nursing Center	120 State Loop 92, La Grange, TX, 78945	\$5,700 per month
Oakland Manor Nursing Center	1400 N Main St, Giddings, TX, 78942	\$5,700 per month
Hallettsville Rehabilitation and Nursing Center	825 W Fairwinds, Hallettsville, TX, 77964	\$5,700 per month
Oak Manor Nursing Center	624 N Converse St, Flatonia, TX, 78941	\$5,700 per month

## **EXHIBIT B SERVICES**

LTC Group shall perform the following services subject to Operator's review and oversight:

1. A regular review of the Facility's finances, including, but not limited to, the following:
  - a. Monthly Payor Mix Trending and Analysis;
  - b. Monthly Financial Benchmarking;
  - c. Monthly A/R Review;
  - d. Monthly Bad Debt Review;
  - e. Monthly Budget Review: As necessary, a review of Manager's collection and deposit of all net patient revenue to the depository account and management of the cash flow of the Facility, including, without limitation, billing all patients and governmental or other third-party payors for all services provided by or at the facility, collecting all net patient revenue and paying all operating expenses and other accounts payable related to the operation of the facility;
  - f. As necessary, a review of all books and records relating to the operation of the facility;
  - g. As necessary, a review of all cost, expense and reimbursement reports and related documents relating to services provided to residents, including without limitation the Medicare and Medicaid cost reports and Texas supplemental payment programs;
  - h. As necessary, review of Minimum Data Set ("MDS") and Resident Assessment Protocols ("RAPs") on a schedule and as required by applicable federal regulations, including 42 C.F.R. §483.20;
  - i. LTC Group, as necessary, shall request and review the HHSC annual RUG review/audit; and
  - j. A review of annual operating budget proposed by Manager.
  
2. A regular review of the Facility's operations, including, but not limited to, the following:
  - a. Daily census tracking and review of monthly occupancy report;
  - b. Quarterly on-site visit with facility administrator;
  - c. Monthly operational compliance monitoring;
  - d. As needed, assist with any survey, inspection or site investigation or accreditation process conducted by a governmental, regulatory, certifying or accrediting entity with authority or jurisdiction over the Facility, and assist with the implementation of any official findings of such reviews;
  - e. Assist Operator with any legal dispute in which Operator is involved relating to the ownership, services or operation of the facility; and
  - f. Assist Operator and its certified public accountants in connection with any audit, review or reports conducted or prepared in connection with the ownership or operation of the Facility.
  
3. A regular review of the Facility's clinic performance, including, but not limited to, the following:
  - a. Monthly Incident/Accident Trending & Analysis;
  - b. Monthly Infection Control Trending & Analysis;
  - c. Monthly Weight Assessment Review;
  - d. Monthly Skin Assessment Review;
  - e. As necessary, review clinical compliance for facilities;
  - f. As necessary, Annual Clinical Policy Review;
  - g. As needed, a review of the Facility's resident care and health care policies and procedures and general administrative policies and procedures, including, without limitation, policies and procedures for the control of revenue and expenditures, for the purchasing of supplies and services, for the control of credit, and for the scheduling of maintenance;

- h. As necessary, assist facility in accordance with a quality assessment performance improvement program and a compliance plan; and
    - i. As necessary, as reasonably requested, review and assist with quality assurance committee.
- 4. Upon the request of Operator, attend meetings of Operator's governing board or executive staff to discuss services and other relevant issues.
- 5. Financial services on behalf of the Operator:
  - a. Daily review of accounts for deposits; weekly wire transfers to the operators;
  - b. Review and/or prepare monthly reconciliation of back accounts;
  - c. Prepare month end closing journal entries for Operator financial statements;
  - d. Ensure financial mechanisms are in place to ensure timely distribution of funds to meet obligations;
  - e. Assist with annual Operator audits.



**THIRD AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT**

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THIS THIRD AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is effective as of September 1, 2018 (“Effective Date”), by and between Winnie-Stowell Hospital District, a governmental entity and body politic established pursuant to Chapter 286 of the Texas Health & Safety Code, as amended (“Operator”), and LTC Group, LLC, a Texas limited liability company (“LTC Group”).

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**RECITALS**

WHEREAS, Operator is engaged in the business of, among other things, operating licensed health care facilities, and LTC Group is engaged in the business of providing certain financial, operational and clinical review and other professional services to licensed health care facilities;

WHEREAS, Operator has entered into leases of the real property (the “Leases”) associated with the licensed health facilities listed in Exhibit A, attached hereto and incorporated herein (each, a “Facility”);

WHEREAS, Operator has entered into management agreements (the “Management Agreements”) with certain entities (each, a “Manager”) under which Manager will manage the Facility on behalf of Operator;

WHEREAS, Operator desires to engage LTC Group to provide certain financial, operational and clinical review services for the Facility on behalf of Operator and LTC Group desires to provide such services for the Facility on behalf of Operator in accordance with the terms and conditions of this Agreement;

WHEREAS, Operator previously engaged LTC Group to provide certain financial, operational and clinical review services for the Facilities on behalf of Operator in accordance with the terms and conditions of Professional Services Agreements for each Facility (the “Original Services Agreements”);

WHEREAS, Operator and LTC Group previously executed a First Amended and Restated Professional Services Agreement (“First Amended Agreement”) and a Second Amended and Restated Professional Services Agreement (“Second Amended Agreement”); and

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WHEREAS, Operator and LTC Group now desire to amend and restate the Original Services Agreements, as amended by the First Amended Agreement and the Second Amended Agreement, as hereinafter set forth;

NOW THEREFORE, for and in consideration of the execution of this Agreement and of the mutual covenants and agreements herein contained, the parties hereby enter into this Third Amended and Restated Professional Services Agreement and in so doing, completely supersede and replace the Original Services Agreements, as amended by the First Amended Agreement and the Second Amended Agreement, and covenant and agree as follows:

Deleted: First

**ARTICLE 1. DEFINITION OF TERMS**

The following terms when used in this Agreement shall have the meanings indicated:

“Governmental Authority” shall mean any court or any federal, state, or local legislative body or governmental municipality, department, commission, board, bureau, agency or authority, including without limitation, the Centers for Medicare and Medicaid Services (“CMS”), the Texas Health and Human

Services Commission (“HHSC”), but not including Operator.

Deleted: the Texas Department of Aging and Disability Services (“DADS”).

“License” means any license, permit, decree, act, order, authorization or other approval or instrument which is necessary in order to operate the Facility in accordance with legal requirements or otherwise in accordance with this Agreement.

“Term” means the Initial Term plus any Extended Term.

## ARTICLE 2. ENGAGEMENT OF LTC GROUP

### 2.1 Engagement.

2.1.1 Upon the terms and subject to the conditions of this Agreement, Operator hereby engages LTC Group to provide certain financial, operational and clinical review services for the Facility on behalf of Operator commencing on the Effective Date. Said financial, operational and clinical review services are listed and attached hereto as Exhibit B (collectively, the “Services”).

2.1.2 The performance of all activities by LTC Group hereunder shall be on behalf of Operator for the benefit of Operator. By entering into this Agreement, Operator does not delegate to LTC Group any powers, duties or responsibilities that Operator is not authorized by law to delegate. Operator retains all other authority and control that has not been expressly delegated to LTC Group pursuant to this Agreement. Notwithstanding anything in this Agreement to the contrary, LTC Group shall not have the ability, acting alone or in concert with others, to directly or indirectly influence, direct or cause the direction of the management, expenditure of money, or policies of the Facility.

2.2 Authority and Responsibility of LTC Group. In the performance of its duties hereunder, LTC Group shall be and act as an independent contractor, with the sole duty to provide the Services for the benefit of Operator and subject to the ultimate authority and control of Operator and other restrictions described herein. Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture, employment relationship, or otherwise to create any liability for one party with respect to indebtedness, liabilities or obligations of the other party except as otherwise may be expressly set forth herein.

2.3 Licenses and Permits. Operator shall at all times from and after the Effective Date and during the Term of this Agreement be solely responsible for obtaining and maintaining all Licenses, permits, qualifications, certifications, and approvals from any applicable governmental agency required for the operation of the Facility. Operator shall be solely responsible for all reporting and other requirements necessary to obtain and maintain all Licenses, permits, qualifications, certifications, and approvals from any applicable governmental agency required for the operation of the Facility.

### 2.4 Representations and Warranties.

2.4.1 Operator represents and warrants to LTC Group as follows:

- (a) Operator is a hospital district established under the laws of the State of Texas.
- (b) Operator has full power and authority to enter into this Agreement and to carry out its obligations set forth herein. Operator has taken all action required by law, its organizational documents, or otherwise to be taken to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated

hereby. This Agreement is a valid and binding agreement of Operator enforceable in accordance with its terms, except that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditor's rights, and the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding may be brought.

- (c) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (i) violate any provision of the organizational documents of Operator; (ii) violate any statute or law, or any judgment, decree, order, regulation or rule of any court or Governmental Authority, or (iii) violate any agreement to which it is bound.

2.4.2 LTC Group represents and warrants to Operator as follows:

- (a) LTC Group is a Texas limited liability company duly organized, validly existing and in good standing under the laws of the State of Texas.
- (b) LTC Group has full power and authority to enter into this Agreement and to carry out its obligations as set forth herein. LTC Group has taken all action required by law, its organizational documents or otherwise to be taken to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. This Agreement is a valid and binding agreement of LTC Group enforceable in accordance with its terms, except that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditor's rights, and the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefore may be brought.
- (c) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (i) violate any provision of the organizational documents of LTC Group; (ii) violate any statute or law, or any judgment, decree, order, regulation or rule of any court or Governmental Authority, or (iii) violate any agreement to which LTC Group is a party or by which LTC Group or any of its properties are bound.

**ARTICLE 3. TERM AND TERMINATION**

3.1 Term. This Agreement shall commence on the Effective Date and, subject to Sections 3.2 and 3.3, shall expire on August 31, 2019 (the "Initial Term"). The term shall be automatically extended for successive one (1) year periods ("Extended Terms") unless (i) Operator provides at least thirty (30) days' written notice prior to the expiration of the Initial Term or any Extended Term, or (ii) the Agreement is terminated in accordance with the provisions of Sections 3.2 through 3.3. At the expiration of the Initial Term or any Extended Term, Operator and LTC Group desire and agree to use good faith efforts to negotiate mutually acceptable and reasonably appropriate modifications to the Agreement to address a change in any law, regulation, rule or reimbursement level, state or federal. Except as otherwise agreed to by the parties, the terms and conditions during any such Extended Term shall be the same as the terms and conditions during the Initial Term, provided that

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the terms of Article 4 may be modified. Notwithstanding any other provision, this Agreement shall terminate upon the termination of the Management Agreement.

3.2 For Cause Termination by Operator. This Agreement may be terminated by Operator as follows:

3.2.1 Immediately by Operator upon an Event of Default by LTC Group described in Sections 8.1.1; or

3.2.2 Upon thirty (30) days written notice to LTC Group upon an Event of Default by LTC Group described in Sections 8.1.2 or 8.1.3 that remains uncured;

3.3 For Cause Termination by LTC Group. This Agreement may be terminated by LTC Group as follows:

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3.3.1 Immediately by LTC Group upon an Event of Default by Operator described in Sections 8.2.1; or

3.3.2 Upon thirty (30) days prior written notice to Operator upon an Event of Default by Operator described in Section 8.2.2 or 8.2.3 that remains uncured.

3.4 Termination Payment. Upon Termination of this Agreement, Operator shall pay LTC Group all accrued but unpaid Services Fees. The reconciliation and timing of these payments will be completed as soon as practicable after Termination of this Agreement. The provisions of this Section 3.4 shall survive any termination of this Agreement.

#### ARTICLE 4. COMPENSATION

4.1 Fees and Incentive Fees. In consideration of services to be performed hereunder, LTC Group shall be eligible to receive a Services Fee as described in Exhibit A. The Services Fee shall be payable monthly.

4.2 Fair Market Value. The parties agree that the compensation provided herein has been determined in arm's length bargaining and is consistent with fair market value as determined by a third party.

#### ARTICLE 5. BOOKKEEPING AND BANK ACCOUNTS

5.1 Access to Books and Records.

5.1.1 LTC Group agrees to comply with all legal requirements governing the maintenance of documentation to verify the cost of services rendered under this Agreement. Upon the written request of the Secretary of Health and Human Services or the Comptroller General or any of their duly authorized representatives, LTC Group and any of its affiliates providing services with a value or cost of \$10,000 or more over a twelve-month period shall make available to the Secretary the contract, books, documents, and records that are necessary to verify the nature and extent of the cost of providing such services. Such inspection shall be available up to four years after the rendering of such services. The Parties agree that any applicable attorney-client, accountant-client, or other legal privilege shall not be deemed waived by virtue of this Agreement. This section is included and is governed by the requirements of 42 U.S.C. Section 1395x(v)(1) and the regulations thereto.

- 5.1.2 LTC Group acknowledges that all records are and shall remain the property of Operator, subject to such access and review by LTC Group as permitted by applicable law.

#### **ARTICLE 6. INSURANCE**

- 6.1 Property and Operational Insurance. During the Term of this Agreement, the Facility, at Operator's or Manager's expense, shall provide, procure and maintain all insurance required by the Management Agreement.

#### **ARTICLE 7. ACCESS AND USE OF FACILITY**

- 7.1 Access. During the Term of this Agreement, LTC Group shall have complete access to the Facility to the extent necessary to perform its obligations under this Agreement.

#### **ARTICLE 8. DEFAULT**

- 8.1 Default and Events of Default by LTC Group. The following shall each constitute a "Default" by, and an "Event of Default" with respect to, LTC Group for purposes of this Agreement:

8.1.1 LTC Group: (i) has become the subject of a decree or order for relief under any bankruptcy, insolvency or similar law affecting creditors' rights now existing or hereafter in effect; (ii) has initiated, either in an original proceeding or by way of answer in any state insolvency or receivership proceeding, an action for liquidation, arrangement, composition, readjustment, dissolution, or similar relief; (iii) has consented to any order for relief entered with respect to the LTC Group under the Federal Bankruptcy Code; or (iv) has failed to cause the dismissal of any proceeding instituted against the party under the Federal Bankruptcy Code, or the removal of any trustee appointed with respect to the party's property under the Federal Bankruptcy Code, within ninety (90) days of the commencement of such proceeding or appointment of such trustee, as the case may be.

8.1.2 LTC Group commits any act or fails to take any action that is specifically identified as a "Default" or an "Event of Default" by LTC Group under any provision of this Agreement that is not cured, in full or in part, for a period of thirty (30) days after written notice thereof by Operator to LTC Group, or if such Default or Event of Default cannot be cured within such thirty (30) day period, then such additional period as shall be reasonable provided LTC Group commences to cure such Default or Event of Default within such thirty (30) day period and proceeds diligently to prosecute such cure to completion.

8.1.3 The failure by LTC Group to keep, observe or perform any covenant, agreement, term or provision of this Agreement and the continuation of such failure, in full or in part, for a period of thirty (30) days after written notice thereof by Operator to LTC Group, or if such default cannot be cured within such thirty (30) day period, then such additional period as shall be reasonable provided LTC Group commences to cure such default within such thirty (30) day period and proceeds diligently to prosecute such cure to completion.

- 8.2 Default and Events of Default by Operator. The following shall each constitute a "Default" by, and an "Event of Default" with respect to, Operator for purposes of this Agreement:

8.2.1 Operator: (i) has become the subject of a decree or order for relief under any bankruptcy, insolvency or similar law affecting creditors' rights now existing or hereafter in effect; (ii) has initiated, either in an original proceeding or by way of answer in any state insolvency

or receivership proceeding, an action for liquidation, arrangement, composition, readjustment, dissolution, or similar relief; (iii) has consented to any order for relief entered with respect to Operator under the Federal Bankruptcy Code; or (iv) has failed to cause the dismissal of any proceeding instituted against the party under the Federal Bankruptcy Code, or the removal of any trustee appointed with respect to the party's property under the Federal Bankruptcy Code, within ninety (90) days of the commencement of such proceeding or appointment of such trustee, as the case may be.

8.2.2 Operator commits any act or fails to take any action that is specifically identified as a "Default" or an "Event of Default" by Operator under any provision of this Agreement that is not cured, in full or in part, for a period of thirty (30) days after written notice thereof by LTC Group to Operator, or if such Default or Event of Default cannot be cured within such thirty (30) day period, then such additional period as shall be reasonable provided Operator commences to cure such Default or Event of Default within such thirty (30) day period and proceeds diligently to prosecute such cure to completion.

8.2.3 The failure by Operator to keep, observe or perform any covenant, agreement, term or provision of this Agreement and the continuation of such failure, in full or in part, for a period of thirty (30) days after written notice thereof by LTC Group to Operator, or if such default cannot be cured within such thirty (30) day period, then such additional period as shall be reasonable provided Operator commences to cure such default within such thirty (30) day period and proceeds diligently to prosecute such cure to completion.

### 8.3 Remedies Upon an Event of Default

8.3.1 Upon the occurrence of an Event of Default, the non-defaulting party shall have the right to pursue any one or more of the following courses of action: (i) to terminate this Agreement as provided in Article 3 and (ii) to institute any and all proceedings permitted by law or at equity, including, without limitation, actions for specific performance and/or damages.

8.3.2 Upon the occurrence of an Event of Default by either party, any amounts owed to the non-defaulting party shall accrue interest at an annual rate of twelve percent (12%), compounded annually, or the maximum non-usurious rate allowed by law, on the principal balance due commencing on the original due date of such payment through the date of payment.

8.3.3 The rights granted hereunder are intended to be cumulative, and shall not be in substitution for, but shall be in addition to, any and all rights and remedies available to the non-defaulting party (including, without limitation, injunctive relief and damages) by reason of applicable provisions of law or equity.

## **ARTICLE 9. INDEMNIFICATION AND HOLD HARMLESS**

9.1 **INDEMNIFICATION BY LTC GROUP. LTC GROUP SHALL INDEMNIFY AND HOLD HARMLESS OPERATOR, ITS DIRECTORS, OFFICERS, AGENTS, AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LIABILITIES, LOSSES, DAMAGES, COSTS, AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES, RESULTING IN ANY MANNER DIRECTLY OR INDIRECTLY FROM THE GROSS NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS OF LTC GROUP.**

9.2 **INDEMNIFICATION BY OPERATOR. TO THE FULLEST EXTENT PERMITTED BY LAW, OPERATOR SHALL INDEMNIFY AND HOLD HARMLESS LTC GROUP, ITS MEMBERS, MANAGERS, SHAREHOLDERS, PARTNERS, DIRECTORS, OFFICERS, AGENTS, AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LIABILITIES, LOSSES, DAMAGES, COSTS, AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES, RESULTING IN ANY MANNER DIRECTLY OR INDIRECTLY FROM THE GROSS NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS OF OPERATOR AND ITS SHAREHOLDERS OR PARTNERS, AGENTS, EMPLOYEES, AND CONTRACTORS TO THE EXTENT THEY ARE UNDER THE DIRECTION AND CONTROL OF OPERATOR.**

#### ARTICLE 10. ASSIGNMENT

##### 10.1 Assignment

10.1.1 Neither LTC Group nor Operator shall assign or transfer its interest in this Agreement without the prior written consent of the other party which consent may be withheld in the sole discretion of such other party. For purposes of this Agreement, the following shall be considered an assignment or transfer of this Agreement: (i) any assignment, transfer, sale or disposition of the majority of the ownership interest of LTC Group, voluntarily or involuntarily, by the parties who owned such interest on the Effective Date, (ii) any issuance of ownership interest of LTC Group or other transaction that results in a change in the control of LTC Group or Operator, or (iii) any merger, consolidation or other similar transaction to which LTC Group or Operator is party.

10.1.2 In the event either party consents to an assignment of this Agreement by the other, no further assignment shall be made without the express consent in writing of such party, unless such assignment may otherwise be made without such consent pursuant to the terms of this Agreement. An assignment by either Operator or LTC Group of its interest in this Agreement shall not relieve Operator or LTC Group, as the case may be, from their respective obligations under this Agreement.

#### ARTICLE 11. MISCELLANEOUS

11.1 Further Assurances. Except as specifically provided in this Agreement, Operator or LTC Group, as the case may be, shall cause to be executed and delivered to the other party all such other instruments and shall take or cause to be taken such further or other action as may reasonably and in good faith be deemed by the other party to be necessary or desirable in order to further assure the performance by Operator or LTC Group, as the case may be, of any of their respective obligations under this Agreement.

11.2 Confidentiality. The parties hereto agree that the matters set forth in this Agreement are strictly confidential and other than as may be required by applicable state open records law and/or securities laws and regulations, each party will make every effort to ensure that the information is not disclosed to any outside person or entities (including the press) without the written consent of the other party.

11.3 Consents. Wherever in this Agreement the consent or approval of Operator or LTC Group is required and the same is not expressly indicated to be at the sole discretion of a party, such consent or approval shall not be unreasonably withheld, shall be in writing and shall be executed by a duly authorized officer or agent of the party granting such consent or approval. If either Operator or LTC

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Group fails to respond within thirty (30) days to a request by the other party for a consent or approval, such consent or approval shall be deemed to have been given.

- 11.4 Applicable Law. This Agreement shall be construed under and shall be governed by the laws of the State of Texas.
- 11.5 Headings. Headings of Articles and Sections are inserted only for convenience and in no way limit the scope of the particular Articles or Sections to which they refer.
- 11.6 Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given on the date delivered, if delivered personally, on the fifth (5<sup>th</sup>) business day after being mailed by registered or certified mail (postage prepaid, return receipt requested), in each case, to the parties at the following addresses, or on the date sent and confirmed by electronic transmission to the telecopier number specified below (or at such other address or telecopier number for a party as shall be specified by notice given in accordance with this Section):

If to Operator, to:  
Winnie-Stowell Hospital District  
P.O. Box 1997  
Winnie, Texas 77662  
Attn: President

If to LTC Group:  
LTC Group, LLC  
3267 Bee Caves Road, Ste 107-511  
Austin, TX 78746  
Attn: President

- 11.7 HIPAA Compliance. The parties agree that the services provided under this Agreement will comply in all material respects with all federal and state-mandated regulations, rules, or orders applicable to the services provided herein, including but not limited to regulations promulgated under Title II, Subtitle F of the Health Insurance Portability and Accountability Act (Public Law 104-91) ("HIPAA") and Title 2, Section I, Chapter 181 of the Texas Medical Records Privacy Act. Furthermore, the parties shall amend this Agreement or execute any additional documentation to amend the Agreement to conform with HIPAA, the Texas Medical Records Privacy Act, or any new or revised legislation, rules, and regulations to which they are subject now or in the future, including, without limitation, the Standards for Privacy of Individually Identifiable Health Information or similar legislation in order to ensure that the parties are at all times in conformance with all such laws.
- 11.8 Entire Agreement. This Agreement, together with other writings signed by the parties which are expressly stated to be supplemental hereto and together with any instruments to be executed and delivered pursuant to this Agreement, constitutes the entire agreement between the parties and supersedes all prior understandings and writings and may be changed only by a writing signed by both parties hereto.
- 11.9 Waiver. The failure of either party to insist upon a strict performance of any of the terms or provisions of this Agreement, or to exercise any option, right or remedy herein contained, shall not be construed as a waiver or as a relinquishment for the future of such term, provision, option, right or remedy, but the same shall continue and remain in full force and effect. No waiver by either



party of any term or provision hereof shall be deemed to have been made unless expressed in writing and signed by such party.

- 11.10 Partial Invalidity. If any portion of this Agreement shall be declared invalid by order, decree or judgment of a court, this Agreement shall be construed as if such portion had not been inserted herein except when such construction would operate as an undue hardship on LTC Group or Operator, or constitute a substantial deviation from the general intent and purpose of said parties as reflected in this Agreement.
- 11.11 Construction. No provisions of this Agreement shall be construed in favor of, or against, any particular party by reason of any presumption with respect to the drafting of this Agreement; both parties, being represented by counsel, having fully participated in the negotiation of this instrument.
- 11.12 Limit on Recourse. Operator's and LTC Group's obligations under this Agreement are not with recourse to any director, manager, officer, employee, member, or agent of Operator or LTC Group, respectively.
- 11.13 Disclaimer. None of the services or assistance offered to Operator by LTC Group, or payments made to the LTC Group, shall in any manner be construed as an inducement for the referral of any patients or for the arrangement of any services covered under a Federal healthcare program. The parties do not intend the terms of this Agreement to provide for, and nothing in this Agreement shall be deemed or in any manner construed to be, the solicitation, receipt, offer or payment of remuneration for the furnishing of any item or service for which payment may be made in whole or in part under a Federal healthcare program, or in return for purchasing, leasing, ordering or arranging for, or recommending purchasing, leasing, ordering, any good, facility, service or item for which payment may be made in whole or in part under a Federal healthcare program. Such services and assistance are wholly intended to improve the delivery of health care services to the population and communities served by the parties, and are provided in a manner so as to confer a benefit on those communities. In the event any state or federal laws or regulations, now existing or enacted or promulgated after the effective date of this Agreement, are interpreted by judicial decision, a regulatory agency or legal counsel in such a manner as to indicate that the structure of this Agreement may be in violation of such laws or regulations, Operator and LTC Group shall attempt in good faith to amend this Agreement as necessary. To the maximum extent possible, any such amendment shall preserve the underlying economic and financial arrangement between Operator and LTC Group.
- 11.14 Authority. Each individual who has signed this Agreement warrants that such execution has been duly authorized by the party for which he or she is signing.
- 11.15 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original. Executed counterparts may be delivered by facsimile (and/or Adobe ® PDF), and shall be effective when received, with the original copy sent by overnight delivery service. This Agreement shall be of no force or effect unless and until it has been executed and delivered by both parties.
- 11.16 Dispute Resolution. Each party agrees that any dispute between the Parties that arises from this Agreement, or the operation of the Facility, including any action to interpret, construe or enforce this Agreement shall be resolved through binding arbitration in accordance with Chapter 171 of the Texas Civil Practices and Remedies Code and the rules of the American Health Lawyers Association Alternative Dispute Resolution Service then in effect, or other nationally recognized alternative dispute resolution service that is mutually agreeable to the Parties. This provision shall not prohibit either Party from seeking any necessary injunctive relief from a court of competent

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jurisdiction in connection with any dispute arising from this Agreement or the operation of the Facility. **THE PARTIES KNOWINGLY AND WILLINGLY WAIVE ANY RIGHTS THEY MAY HAVE TO A JURY TRIAL WITH RESPECT TO ANY AND ALL DISPUTES THAT MAY ARISE FROM THIS AGREEMENT OR THE OPERATION OF THE FACILITY.**

- 11.17 Change in Law. If there is a change in any law, regulation, rule or reimbursement, state or federal, which adversely affects this Agreement, the Facility or the activities of either party under this Agreement, or any change in the judicial or administrative interpretation of any such law, regulation, or rule, or if any of the provisions of this Agreement are found to be in violation of the laws existing at the time of such determination, and either party reasonably believes in good faith that the change, interpretation or determination will have a substantial adverse effect on that party's business operations or its rights or obligations under this Agreement, then the party may, upon written notice, require the other party to enter into good faith negotiations to renegotiate the terms of this Agreement and to take any action necessary to eliminate or reduce the substantial adverse effect on that party .

*Signature Page Follows*

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed as of the Effective Date.

**WINNIE-STOWELL HOSPITAL DISTRICT:**

By: \_\_\_\_\_

Printed:

Title: President

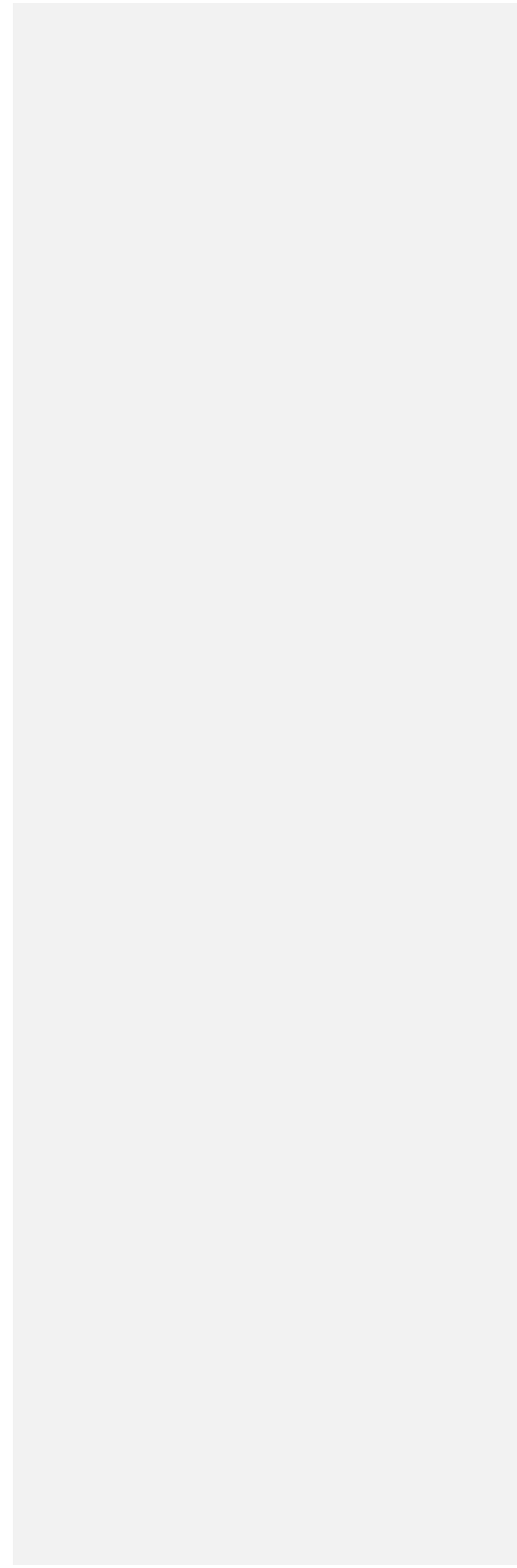
**LTC GROUP, LLC**

By: \_\_\_\_\_

Todd Biederman

for The Sage Group Services, LLC, its Manager

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**EXHIBIT A  
FACILITIES AND SERVICES FEES**

<b>Facility</b>	<b>Address</b>	<b>Service Fee</b>
Park Manor of Cypress Station	420 Lantern Bend Dr, Houston, TX, 77090	\$5,700 per month
Park Manor of Humble	19424 McKay Dr, Humble, TX, 77338	\$5,700 per month
Park Manor of Westchase	11910 Richmond Ave, Houston, TX, 77082	\$5,700 per month
Park Manor of Cyfair	11001 Crescent Moon Dr, Houston, TX, 77064	\$5,700 per month
Park Manor of Quail Valley	2350 FM 1092, Missouri City, TX, 77459	\$5,700 per month
Park Manor of Conroe	1600 Grand Lake Dr, Conroe, TX, 77301	\$5,700 per month
<u>Park Manor of The Woodlands</u>	<u>1014 Windsor Lakes Blvd, The Woodlands, TX, 77384</u>	<u>\$5,700 per month</u>
<u>Park Manor of Tomball</u>	<u>250 School St, Tomball, TX, 77375</u>	<u>\$5,700 per month</u>
<u>Park Manor of Southbelt</u>	<u>11902 Resource Pkway, Houston, TX, 77089</u>	<u>\$5,700 per month</u>
<u>Deerbrook Skilled Nursing</u>	<u>9250 Humble Westfield Rd, Humble, TX, 77338</u>	<u>\$5,700 per month</u>
<u>Friendship Haven Healthcare</u>	<u>1500 Sunset Dr, Friendswood, TX, 77546</u>	<u>\$5,700 per month</u>
Marshall Manor Nursing and Rehabilitation Center	1007 S Washington Ave, Marshall, TX, 75670	\$5,700 per month
Highland Park Care Center	2714 Morrison, Houston, TX, 77009	\$5,700 per month
Marshall Manor West	207 West Merritt St, Marshall, TX, 75670	\$5,700 per month
Golden Villa	1104 S William St, Atlanta, TX, 75551	\$5,700 per month
Rose Haven Retreat	200 Live Oak Street, Atlanta, TX, 75551	\$5,700 per month
Spring Branch Transitional Care	1615 Hillendahl Rd, Houston, TX, 77055	\$5,700 per month

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Facility	Address	Service Fee
Center		
Garrison Nursing Home and Rehabilitation Center	333 North FM 95, Garrison, TX, 75946	\$5,700 per month
Clairmont Beaumont	1020 S 23rd St, Beaumont, TX, 77707	\$5,700 per month
The Woodlands Healthcare Center	4650 S Panther Creek Dr, The Woodlands, TX 77381	\$5,700 per month
Monument Rehabilitation and Nursing Center	120 State Loop 92, La Grange, TX, 78945	\$5,700 per month
Oakland Manor Nursing Center	1400 N Main St, Giddings, TX, 78942	\$5,700 per month
Hallettsville Rehabilitation and Nursing Center	825 W Fairwinds, Hallettsville, TX, 77964	\$5,700 per month
Oak Manor Nursing Center	624 N Converse St, Flatonia, TX, 78941	\$5,700 per month

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Exhibit A

**EXHIBIT B  
SERVICES**

LTC Group shall perform the following services subject to Operator's review and oversight:

1. A regular review of the Facility's finances, including, but not limited to, the following:
  - a. Monthly Payor Mix Trending and Analysis;
  - b. Monthly Financial Benchmarking;
  - c. Monthly A/R Review;
  - d. Monthly Bad Debt Review;
  - e. Monthly Budget Review: As necessary, a review of Manager's collection and deposit of all net patient revenue to the depository account and management of the cash flow of the Facility, including, without limitation, billing all patients and governmental or other third-party payors for all services provided by or at the facility, collecting all net patient revenue and paying all operating expenses and other accounts payable related to the operation of the facility;
  - f. As necessary, a review of all books and records relating to the operation of the facility;
  - g. As necessary, a review of all cost, expense and reimbursement reports and related documents relating to services provided to residents, including without limitation the Medicare and Medicaid cost reports and Texas supplemental payment programs;
  - h. As necessary, review of Minimum Data Set ("MDS") and Resident Assessment Protocols ("RAPs") on a schedule and as required by applicable federal regulations, including 42 C.F.R. §483.20;
  - i. LTC Group, as necessary, shall request and review the HHSC annual RUG review/audit; and
  - j. A review of annual operating budget proposed by Manager.
2. A regular review of the Facility's operations, including, but not limited to, the following:
  - a. Daily census tracking and review of monthly occupancy report;
  - b. Quarterly on-site visit with facility administrator;
  - c. Monthly operational compliance monitoring;
  - d. As needed, assist with any survey, inspection or site investigation or accreditation process conducted by a governmental, regulatory, certifying or accrediting entity with authority or jurisdiction over the Facility, and assist with the implementation of any official findings of such reviews;
  - e. Assist Operator with any legal dispute in which Operator is involved relating to the ownership, services or operation of the facility; and
  - f. Assist Operator and its certified public accountants in connection with any audit, review or reports conducted or prepared in connection with the ownership or operation of the Facility.
3. A regular review of the Facility's clinic performance, including, but not limited to, the following:
  - a. Monthly Incident/Accident Trending & Analysis;
  - b. Monthly Infection Control Trending & Analysis;
  - c. Monthly Weight Assessment Review;
  - d. Monthly Skin Assessment Review;
  - e. As necessary, review clinical compliance for facilities;
  - f. As necessary, Annual Clinical Policy Review;
  - g. As needed, a review of the Facility's resident care and health care policies and procedures and general administrative policies and procedures, including, without limitation, policies and procedures for the control of revenue and expenditures, for the purchasing of supplies and services, for the control of credit, and for the scheduling of maintenance;

- h. As necessary, assist facility in accordance with a quality assessment performance improvement program and a compliance plan; and
  - i. As necessary, as reasonably requested, review and assist with quality assurance committee.
- 4. Upon the request of Operator, attend meetings of Operator's governing board or executive staff to discuss services and other relevant issues.
- 5. Financial services on behalf of the Operator:
  - a. Daily review of accounts for deposits; weekly wire transfers to the operators;
  - b. Review and/or prepare monthly reconciliation of back accounts;
  - c. Prepare month end closing journal entries for Operator financial statements;
  - d. Ensure financial mechanisms are in place to ensure timely distribution of funds to meet obligations;
  - e. Assist with annual Operator audits.



# VMG HEALTH

WE VALUE HEALTHCARE



Prepared for:  
LTC Group, LLC

## Fair Market Value Analysis of the Services Fee

To be stated in a Professional Services Agreement between LTC Group, LLC and Winnie Hospital District

**PRELIMINARY DRAFT - SUBJECT TO CHANGE**

July 11, 2018

**CONFIDENTIAL**

CHATEAU PLAZA • 2515 MCKINNEY AVENUE, SUITE 1500 • DALLAS, TX 75201 • P 214.369.4888 • F 214.369.0541  
THE PINNACLE BUILDING • 150 3RD AVENUE SOUTH, SUITE 2120 • NASHVILLE, TN 37201 • P 615.777.7300 • F 615.777.7301  
CHERRY CREEK NORTH • 200 COLUMBINE STREET, SUITE 350 • DENVER, CO 80206 • P 720.305.9333 • F 214.369.0541



**EXHIBIT A1**  
**LTC GROUP, LLC**  
**OVERSIGHT SERVICES FEE ANALYSIS**  
**FAIR MARKET VALUE SUMMARY**  
**PRELIMINARY DRAFT - SUBJECT TO CHANGE**

FAIR MARKET VALUE SUMMARY		
Description	Source	Indication
<b>Proposed Fee Related to the Following Facilities:</b> <ul style="list-style-type: none"> <li>• Clairmont Beaumont</li> <li>• Garrison Nursing Home &amp; Rehabilitation Center</li> <li>• Golden Villa</li> <li>• Hallettsville Rehabilitation &amp; Nursing Center</li> <li>• Highland Park Care Center</li> <li>• Marshall Manor Nursing &amp; Rehabilitation Center</li> <li>• Marshall Manor West</li> <li>• Monument Hill Rehabilitation &amp; Nursing Center</li> <li>• Oak Manor Nursing Center</li> <li>• Oakland Manor Nursing Center</li> <li>• Park Manor Conroe</li> <li>• Park Manor Cyfair</li> <li>• Park Manor Cypress Station</li> <li>• Park Manor Humble</li> <li>• Park Manor Quail Valley</li> <li>• Park Manor Westchase</li> <li>• Rose Haven Retreat</li> <li>• Spring Branch Transitional Care Center</li> <li>• The Woodlands Healthcare Center</li> <li>• Park Manor - The Woodlands</li> <li>• Park Manor - Tomball</li> <li>• Park Manor - Southbelt</li> <li>• Deerbrook Skilled Nursing</li> <li>• Friendship Haven Healthcare</li> </ul>	<i>Exhibit B</i>	<b>\$68,400</b>
<p><i>VMG has determined that the proposed annual Fee payable by the Operator of \$68,400 per Facility does not exceed FMV. This is based on an analysis of the costs to provide the Services, market survey indications of those costs, and the resulting mark-up realized by the LTC Group.</i></p>		

**Key Terms:**

Operator = Winnie Hospital District  
LTC Group = LTC Group, LLC  
Agreement = Second Amended and Restated Professional Services Agreement  
Arrangement = Collectively, the Agreement between the Operator and LTC Group  
Services = Oversight services as stated in Exhibit B of the Agreement  
Facility = Licensed health facility associated with the Operator  
Fee = Services fee payable by the Operator to LTC Group  
FMV = Fair Market Value

SUMMARY OF EXHIBITS	
FAIR MARKET VALUE SUMMARY	
A1-3	Fair Market Value Summary, Key Terms, Summary of Exhibits, Qualifying Assumptions, and Agreement Summary
B	LTC Group Restated Income Statement
C1-8	Market Salary Data Detail
D	Oversight Services Mark-Up Conclusion
E	Industry Interviews
F1-2	Healthcare Consulting Margin Summary and Detail
G1-2	Non-Healthcare Consulting Margin Summary and Detail
H	Supplemental Analysis Conclusion
I1-3	Supplemental Analysis Detail - Comparable Fees and Typical SNF Management Services

July 2018 Meeting

LTC Group, LLC 2017-2018 Summary of Services and Initiatives

Regular Services:

-Financial Management, to include daily, weekly, and monthly services. Reconciling provider's misallocated payments, gathering and compiling monthly and annual financials, etc.

-Clinical Site Visits, to include quarterly in person visits to each facility meeting with staff and discussing quality and other issues that arise. Generate and submit reports. Track quality measures and performance under the Quality Incentive Payment Program (QIPP), etc.

-QAPI reporting, to include coordination with each facility to ensure the monthly quality meetings have been held at the facility level and that reporting to the state attesting to the meeting is completed. This is essential to earn back the component 1 funds in the QIPP program (return IGT funds).

-IGT coordination, submittal and monitoring. To include working with the District's lender to secure funding and timely payments. Track the incremental waterfall return payments of the IGT's for the period of their return (18+months per IGT).

-Program modeling and forecasting, to include ongoing updates as actual months are completed and performance is measured.

-Coordination with other stakeholders, to include leading efforts to unite other program participants to present a singular message when dealing with HHSC, and the executive branch of the state government. To include participation in meetings, calls, written correspondence, etc.

-Lobbying to promote the District's interests. As a part of our coordination with other stakeholders, we have engaged with our lobbyists to help with the following initiatives:

- Negotiate a settlement for all participants in MPAP EP 1, and 2.

- Facilitate the creation of MPAP EP 3 (Ultimately, the Commissioner of HHSC withdrew this plan)

- Secure additional funding for QIPP year 2, resulting in funding being increased to \$550M.

- Spearhead efforts among participants to address the proposed rule changes to QIPP year 2. We worked with stakeholders and HHSC to create solutions for the problems posed by the rule changes, and ultimately lead the effort among stakeholders to refuse to fund an IGT for year 2 under the proposed rule changes. This resulted in the state reversing course and withdrawing the proposed rule changes.

-Coordinate with other NSGO's and our lobbying team to prevent a provider tax being approved during the last legislative session. This effort remains ongoing, as the provider tax is being resubmitted this year. The provider tax, while it may have positive results, could potentially supplant and replace QIPP and damage our relationships with our nursing homes.

-QIPP year 3 coordination, to include working with stakeholders, lobbyists, and HHSC to formulate a new program that will address the goals of the state and safeguard participation by the NSGO's. This effort is ongoing as we work through the formed committees to create the financial structure for the program and the clinical standards for participation and achievement.