

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

A Regular Board meeting was noticed pursuant Chapter 551 of the Texas Government Code seventy-two (72) hours prior to the opening of said meeting for 6:00 p.m. on the 15th day of May 2019, at the Winnie Community Hospital (“Hospital”)-Conference Room, Broadway, Winnie Texas (a copy of said Notice being placed amongst the files of the District).

At approximately 6:02 p.m., the meeting was convened, and the roll was called of the members of the Board, to wit:

Ed Murrell	President
Anthony Stramecki	Vice President
Robert “Bobby” Way, Jr.	Treasurer
Jeff Rollo	Secretary
Raul Espinosa	Director

All said Board members were present except Director Bobby Way. Also present at the public hearing were: Sherrie Norris, District Administrator; Yani Jimenez, Indigent Care Director; Mr. David Sticker, District CPA; Hubert Oxford, IV, General Counsel for the District; Mr. Saad Javid, Interim Administrator for Riceland Hospital (“Hospital”); Mr. Mo Danishmund, Chief Financial Officer for Hospital; Mr. Chris Portner, Counsel for Riceland; Mr. Chris Rutledge, LTC Group; and Mr. Wade Thibodeaux, the Hometown Press.

After the introduction of the guest, President Murrell asked those present to recite the Pledge of Allegiance. Thereafter, in order to accommodate Hospital representatives and Chris Rutledge, with the LTC Group, the Board was asked to move to Agenda Items 6d and 6e, to receive staff reports by the Hospital and the LTC Group. First to speak was Mr. Javid, who gave the Hospital report. (See Exhibit “A”). Mr. Javid presented the Hospital’s reporting categories and was happy to report that the Average Inpatient Days increased substantially from 1.61 to 2.33 from March to April. In addition, pointed out that the Emergency Room shifts covered by

doctors began was at the highest point since August 2019 at seventy-eight percent (78%). Furthermore, he noted increases in Encounters with Adults and children at the clinic and increased usage of the CT machine and X-ray machine. Following a review of the Hospital report, Mr. Javed informed the Board that the Digital X-ray machine was in operation and he was happy to announce that arrangements were made with two podiatrists to start seeing patients at the Hospital.

At the end of Mr. Javid's report, President Murrell called on Mr. Rutledge to give the LTC Report and thanked him for travelling from Dallas to be at the meeting. Mr. Rutledge first reported to the Board that he believed that the "Granny Tax" legislation introduced during the legislation was not going to make it out of the relevant committees before the end of the legislative session on May 31, 2019. He then turned to the Quality Incentive Payment Program ("QIPP") for Year 3 and explained some key differences between Years 1 and 2 and Year 3. According to Mr. Rutledge, in Year 3, the main changes were as follows:

- In order to receive Component 1 payments, the facilities, with the District's involvement, must have meaningful monthly meetings and submit sworn affidavits with minutes of the meeting. As before, Component 1 payments were only available to governmental entities that made Intergovernmental Transfers ("IGT") and the payments were going to be made in six monthly installments starting on the fifth (5th) month following the IGT.
- Component 2 for Year 3 changed from the previous years and was now going to involve workforce development. In Year 3, facilities could achieve Component 2 payments if they added an additional four (4) or eight (8) hours of access to a registered nurse. Furthermore, facilities must develop a Recruitment and Retainment Plan. Facilities that provide an additional eight (8) hours receive a large Component 2 payment. Most importantly, as facilities submit their monthly reports to verify additional hours for a registered nurse and a Recruitment and Retainment Plan, the facilities will be paid on a monthly basis starting in October 2019.
- Component 3 is no longer for lapsing funds but now the Component used by the State to measure against benchmarks. In addition, the achievement benchmarks changed to the following: 1) percent of high-risk residents with pressure ulcers; 2) percent of residents who received an antipsychotic medication; and 3) percent of residents whose ability to move independently has worsened.

- Component 4 is new and is only available to facilities owned by a governmental unit. This Component requires facilities to institute and maintain an infection control program that incorporates policies and training as well as monitoring, documenting, and providing staff with feedback.

After describing the going through changes to in the QIPP and the requisite monthly reports, Mr. Rutledge advised the Board that the District needed to begin working with the District's managers to begin the process of initiating programs necessary to achieve the various metrics for each Component. Likewise, he recommended that Attorney Oxford reach out to the managers to discuss the necessary changes to the Management Agreements. Mr. Rutledge then asked the Board if there were any questions with the monthly LTC Group Executive Report. (See Exhibit "B"). Since there were none, he thanked the Board for the opportunity to work them and asked to be excused so that he could start his trip back to Dallas. President Murrell concurred with the request.

Next, President Murrell asked the Board to return to Agenda Item No. 3, to review and approve the minutes of the April 17, 2019 Public Hearing and Regular Meeting; April 24, 2019 Emergency Meeting; and May 10, 2019 Special Meeting. The minutes were examined by the Board and a Director Rollo made a motion to approve the minutes of the April 17, 2019 Public Hearing and Regular Meeting; April 24, 2019 Emergency Meeting; and May 10, 2019 Special Meeting. This motion was seconded by Director Espinosa with the unanimous consent of all Board members.

President Murrell then moved to Agenda No. 4, to review and approve financial reports; payment of invoices, and amend budget, if necessary. Mr. Sticker was called on to discuss the Balance Sheet as of April 30, 2019; and Profit & Loss Budget vs. Actual statement as of April 30, 2019. (See Exhibit "C"). As before, Mr. Sticker t. Mr. Sticker announced there was nothing special to report this month and that all of the accounts reconciled.

Next, Attorney Oxford discussed the Treasurer's Report, check register, and outstanding invoices to be considered. Attorney Oxford initiated the conversation by asking the Board to review the invoices to be paid. Once the Board completed their review, he then informed the Board that the District had unencumbered funds that totaled \$2,759,183.08 after all the expenses were paid. Looking forward, he did remind the Board that an IGT was coming up for first half of QIPP Year 3 and he estimated that the District was going to need to set aside \$500,000.00 in reserves as required by the Third Amended Transfer Policy.

At the end of the discussion concerning the financials, a motion was made by Director Way to approve the financials for April 2019, the Treasurer's reports, and invoices to be paid. This motion was seconded by Director Rollo and unanimously approved by all Board members.

Afterwards, President Murrell called on the Committee Chairpersons to discuss Agenda Item No. 5, Committee Reports. Director Way, Chairperson of the Finance Committee asked staff and/or Attorney Oxford to arrange a meeting with the LTC Group to begin discussion about their monthly fees. Mr. Oxford agreed and advised that he would report back on a date and time for the meeting.

President Murrell then requested staff to give any remaining reports. The reports provided were as follows:

a. **Administrator's Report:** Again, Mrs. Norris reminded the Board members about the upcoming THT 2019 Healthcare Governance Conference in San Antonio on July 18-20, 2019 and asked for the Board members and staff to let her know if they were going.

b. **District Indigent Care Director:** This month, informed the Board that she did not have anything to report other than her usual indigent care report for April 2019. This month, Mrs. Jimenez reported that the number of participants in the Indigent Care Program increased

from seventy-eight (78) to eight (80) participants. She also highlighted in her report that the District had not received the monthly UTMB invoices from the hospital and the UTMB physicians, but she did not expect them to be significant. Otherwise, the details of her report were set forth in in **Exhibit “D”** and summarized below:

	April				Year to Date			
Clients:	80							
Children Counseled:								
Summary by Facility	Billed Amount	Medicaid Rate	% of Services	Actually Paid	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Winnie Community Hospital	\$60,720.80	\$24,985.53	76.02%	\$0.00	\$302,977.52	\$124,310.78	67.73%	\$0.00
Pharmacy								
Brookshire Brothers Pharmacy Corp	\$7,491.93	\$6,871.12	20.91%	\$6,871.12	\$29,465.40	\$26,561.13	14.47%	\$26,561.13
Brookshire Brothers Pharmacy Med	\$11.90	\$11.90	0.04%	\$11.90	\$59.20	\$8.50	0.00%	\$59.20
Wilcox Pharmacy	\$1,521.26	\$996.56	3.03%	\$996.56	\$8,752.40	\$6,121.46	3.34%	\$6,121.46
Pharmacy Total	\$9,025.09	\$7,879.58	23.98%	\$7,879.58	\$38,277.00	\$32,691.09	17.81%	\$32,741.79
UTMB								
UTMB Hospital			0.00%	\$0.00	\$59,571.05	\$20,291.29	11.06%	\$20,291.29
UTMB Physician Services			0.00%	\$0.00	\$18,611.00	\$6,241.29	3.40%	\$6,241.29
UTMB Total	\$0.00	\$0.00	0.00%	\$0.00	\$78,182.05	\$26,532.58	14.46%	\$26,532.58
Youth Counseling			0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Grand Totals	\$69,745.89	\$32,865.11		\$7,879.58	\$419,436.57	\$183,534.45		\$59,274.37
Summary by Service Provided								
Prescription Drugs	\$69,745.89	\$32,865.11	56.90%	\$32,865.11	\$98,997.80	\$57,727.32	27.69%	\$57,727.32
WCH Clinic	\$8,864.60	\$3,634.49	6.29%	\$0.00	\$43,388.72	\$17,789.38	8.53%	\$0.00
WCH ER	\$16,404.00	\$6,725.64	11.64%	\$0.00	\$121,976.00	\$50,010.16	23.99%	\$0.00
WCH Inpatient	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
WCH Observation	\$0.00	\$0.00	0.00%	\$0.00	\$10,641.00	\$4,362.81	2.09%	\$0.00
WCH Outpatient Surgery	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	0.00%	\$0.00
WCH Labs	\$10,719.00	\$4,394.79	7.61%	\$0.00	\$31,528.00	\$12,926.48	6.20%	\$0.00
WCH Physical Therapy	\$0.00	\$0.00	0.00%	\$0.00	\$3,731.00	\$1,529.71	0.73%	\$0.00
WCH Ultrasound	\$689.00	\$282.49	0.49%	\$0.00	\$689.00	\$282.49	0.14%	\$0.00
WCH Lab/Xray	\$13,080.00	\$5,362.80	9.28%	\$0.00	\$49,992.00	\$20,496.72	9.83%	\$0.00
WCH CT Scan	\$5,297.00	\$2,171.77	3.76%	\$0.00	\$5,297.00	\$2,171.77	1.04%	\$0.00
WCH Xray	\$3,395.20	\$1,392.03	2.41%	\$0.00	\$24,128.80	\$9,892.80	4.75%	\$0.00
WCH Optical Specialist	\$514.00	\$210.74	0.36%	\$0.00	\$2,920.00	\$1,197.20	0.57%	\$0.00
Lab/Xray readings	\$1,758.00	\$720.78	1.25%	\$0.00	\$8,686.00	\$3,561.26	1.71%	\$0.00
UTMB Outpatient			0.00%	\$0.00	\$59,571.05	\$20,291.29	9.73%	\$20,291.29
UTMB Anesthesia			0.00%	\$0.00	\$1,830.00	\$1,455.00	0.70%	\$1,455.00
UTMB Physician Services			0.00%	\$0.00	\$16,781.00	\$4,786.29	2.30%	\$4,786.29
Youth Counseling	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Grant Totals	\$130,466.69	\$57,760.64		\$32,865.11	\$480,157.37	\$208,480.68		\$84,259.90

c. **District General Counsel:** Attorney Oxford had no report this month.

Turning to Agenda Item No. 7., to discuss and take action, if necessary, on hiring a youth counselor, President Murrell called on Director Rollo to make a recommendation. According to Director Rollo, the Indigent Care Committee met to negotiate an agreement for services with NewPath to provide youth counseling services but after the meeting and several exchanges between the District and NewPath, the Committee recommended that the District not accept the

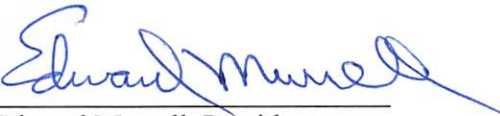
offers made by NewPath because the two sides could not come to an agreement on an hourly price. Given the prior discussions of reasonable fees for youth counseling services, the Board agreed to move forward and consider other options. As such, a motion was made by Director Way to decline the proposal by NewPath to provide youth counseling services to the residents of the District. Director Way's motion was seconded by Director Rollo and unanimously approved by all Board members.


Subsequently, President Murrell called on Attorney Oxford to discuss Agenda Item No. 8, to discuss and take action on adopting a grant policy for the District. Attorney Oxford informed the Board that the District's Grant-Sponsorship Policy was ready to be approved. (*See Exhibit "E"*). In addition, he credited Director Way for the persistence in pursuing the adoption of the policy. In response, Director Way stated that he believed having the policy will assist the District to establish ground rules for future funding request and help the District better account for public funds. All the Board members agreed and called on Director Way to make a motion to approve the policy. Director Way obliged and made a motion to adopt the proposed grant policy. (*See Exhibit "E"*). This motion was seconded by Director Espinosa and unanimously approved by all the Board members.

Lastly, President Murrell called on the Director Rollo to address Agenda Item No. 9, to discuss and take action, if necessary, on amending and updating the District's Personnel Policies. Director Rollo and Attorney Oxford informed the Board that the Personnel Committee still needed to meet and that no action needed to be taken.

President Murrell then called for any other such matters before the Board. There being none, the Board the next Regularly Scheduled Meeting. Attorney Oxford reminded the Board that next month, the District scheduled a second Public Hearing on the proposed changes to the

Indigent Care Program and he recommended having this public hearing at 5:30 p.m. on June 19, 2019 with Regular Board Meeting to be held immediately afterwards. The Board agreed and discussed the need to make sure notice was given of the meeting in the area newspapers. In closing, at 7:56 p.m., a motion was made by Director Espinosa to adjourn the meeting. This motion was seconded by Director Way and unanimously approved by all the Board members present.


Edward Murrell, President


Anthony Stramecki, Vice-President