

MINUTES FOR THE PUBLIC HEARING AND REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE WINNIE-STOWELL HOSPITAL DISTRICT

The Public Hearing and Regular Board meeting was noticed by posting notice for two (2) consecutive weeks prior to the Public hearing in the Hometown Press and the Seabreeze Beacon, and pursuant to Chapter 551 of the Texas Health and Safety Code seventy-two (72) hours prior to the opening of said meeting scheduled for 5:30 p.m. on the 19th day of June 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).

Public Hearing

At approximately 5:34 p.m., the Public Hearing 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. Also present at the meeting were: Sherrie Norris, District Administrator; Yani Jimenez, Indigent Care Director; Hubert Oxford, IV, General Counsel for the District; Mr. David Sticker, District’s CPA; Mrs. Gloria Roemer, Seabreeze Beacon; and Mr. Wade Thibodeaux, the Hometown Press.

After a quorum was established, President Murrell asked if there was any public comment. There being none, the Board was asked to discuss Agenda Item No. 3, to engage in a public hearing regarding the proposed amendments to the District’s Indigent Care Policy. (*See Exhibit “A”*). Since Ms. Roemer signed up for Public Comment, President Murrell asked her to discuss her concerns. Ms. Roemer thanked President Murrell and advised the Board that she had reviewed the proposed policy felt that the District should strike the provision in the Section IX(B)(1)) that

states “ICAP patients are to notify EMS (i.e., Winnie Stowell Emergency Medical Services”), if possible, that their preferred destination is the Winnie Community Hospital.” According to Ms. Roemer, she was concerned that this provision may create confusion for the client and the EMS service that may result in clients being taken to a medical facility that isn’t suitable or have the resources to treat the emergency. In response, several Board members and Attorney Oxford explained that the sentence following the sentence in question attempted to make it clear that EMS had authority to independently assess the client’s injuries and bring them to the most appropriate healthcare provider. Ultimately, after much debate, the Board agreed that when this matter was considered during Agenda Item No. 10 in the Regular Meeting, the Board would incorporate Ms. Roemer’s suggestion by striking this provision because over the last two (2) to three (3) years, the EMS and Hospital have worked closely together and each understands the capabilities of the Hospital and therefore, if an indigent client sustained medical problems that were within the abilities of the Hospital, the EMS would most likely prefer to utilize the Hospital’s services in order to minimize the time the ambulance is out of service.

Following the discussion and questions by those attending the meeting, a motion was made Director Way at 6:10 p.m. to close the public meeting. This motion was seconded by Director Espinosa and passed with the unanimous consent of all Board members present.

Regular Meeting

Shortly thereafter, President Murrell convened the Regular Board meeting that 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 19th day of June 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).

This meeting was convened at approximately 6:14 p.m., 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. 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; Mrs. Gloria Roemer, the Seabreeze Beacon; and Mr. Wade Thibodeaux, the Hometown Press.

After the introduction of the guest, President Murrell asked those present to recite the Pledge of Allegiance. He then asked for Public Comment. At this time, Ms. Roemer asked to be recognized to discuss and issue involving Agenda Item No. 7, to discuss and take action, if necessary, on authorizing the President to execute an agreement with Sage Telehealth to provide telehealth services to the District’s nursing facilities in order to comply with Component 2 for the Quality Incentive Payment Program (“QIPP”) Year 3. Since Ms. Roemer asked to address a matter that was the subject of an Agenda Item, President Murrell agreed to allow Ms. Roemer to participate in the Board discussion of the Agenda Item later in the meeting.

President Murrell then asked the Board to return to Agenda Item No. 3, to review and approve the minutes of the May 15, 2019 Regular Meeting and May 29, 2019 Special Meeting. The minutes were examined by the Board and President Murrell asked Attorney Oxford to make a slight change in the time of the Special Meeting from “a.m.” to “p.m.” Attorney Oxford agreed and then Director Stramecki made a motion to approve the minutes of the May 15, 2019 Regular

Meeting and May 29, 2019 Special Meeting subject to the change requested by President Murrell. This motion was seconded by Director Way with the unanimous consent of all Board members.

President Murrell turned 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 and Profit & Loss Budget vs. Actual statement as of May 31, 2019. (*See Exhibit "B"*). According to Mr. Sticker, after five (5) months of the year, the District is on budget and all of the accounts reconciled.

Next, Attorney Oxford discussed the Treasurer's Report, check register, and outstanding invoices to be considered. First, Attorney Oxford asked 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 \$2,195,326.26 after all the expenses were paid. He also provided the Board with an analysis of the \$2,800,320.62 in restricted funds in the District's Interbank account. Including in these funds were \$364, 521.62 QIPP Year 2, 1st Quarter Component 2, 3, and Lapsing funds that was going to be transferred to the District's Prosperity Account; money set aside to repay Loan 14; and upcoming interest payments for Loan 14 and 15 as set forth in the District's Third Amended Transfer Policy. Additionally, Attorney Oxford reviewed the status of the District's Short Term Revenue Notes and showed the Board that for QIPP Year 3, the State of Texas has agreed to return a higher percentage of Intergovernmental Transfers ("IGT") in the first six (6) Component 1 payments and therefore, the unreimbursed IGT amounts outstanding after the first six ("6") Component 1 payments will be reduced from \$330,000.00 to roughly \$181,000.00. (*See Exhibit "B"*)

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

Afterwards, President Murrell called on the Committee Chairpersons to discuss Agenda Item No. 5, Committee Reports. There being none, President Murrell then requested staff to give their reports as provided for in Agenda Item No. 6. The reports provided were as follows:

a. **Administrator's Report:** This month, Administrator Norris informed the Board that she received an offer by Function 4 to upgrade the District's copier for a base price of approximately \$30.00 more per month. The new copier allows staff to make color copies, receive electronic faxes, and is faster. After Mrs. Norris received the offer, she consulted with the Board President, who later met with Function 4 representatives and then authorized the execution of a revised agreement with Function 4 to lease the upgraded copier. (See Exhibit "C"). After Mrs. Norris completed her presentation of the matter, she was asked a number of questions by the Board members regarding the additional copy cost for copies above the base amount and the benefits of the new copier. Mrs. Norris stated that she seldom reaches the base number of copies because the main thing she copies are Board binders once a month. In addition, because the faxes were not being received electronically, she can now review them on her computer and file in the appropriate electronic folder.

Before completing her report, Mrs. Norris confirmed the travel plans for the upcoming THC in San Antonio. However, she explained that the hotel where the conference was going to be held was full and she was working on alternative arrangements at another hotel.

b. **District Indigent Care Director:** Before giving her monthly indigent care report, Mrs. Jiminez reported that she and Mrs. Norris prepared a flier to promote the District's Youth

Counseling program and they have distributed it to the East Chambers Independent School District (“ECISD”) and other government entities that could provide references to the Program. (See **Exhibit “D-1”**). She also discussed following up with the ECISD after school started to make sure they would help promote the program. Furthermore, Attorney Oxford reminded the Board that at next month’s meeting ECISD staff were going to be at the District’s meeting to request the continuation of the District’s Interlocal Agreement and this would be a good time to secure a commitment of support from the ECISD.

In regard to the indigent care report, Mrs. Jimenez informed the Board that the number of participants in the Indigent Care Program increased from eight (80) to eighty-three (83) participants. Furthermore, she explained that she included thirteen (13) clients on the youth counseling program because she secured the contact information for all the clients that were utilizing the program at the time Mrs. Stace Farrow discontinued her services. After receiving this information, Mrs. Jimenez reached out to the contact person for each client and informed them of the new counseling services available and encouraged them to utilize the program. Otherwise, the details of her report were set forth in in **Exhibit “D-2”** and summarized below:

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	May				Year to Date			
Clients:	85							
Children Counseled:	13							
	Billed Amount	Medicaid Rate	% of Services	Actually Paid	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Summary by Facility								
Winnie Community Hospital	\$62,420.20	\$25,592.28	33.83%	\$0.00	\$365,397.72	\$149,903.06	57.84%	\$0.00
Pharmacy								
Brookshire Brothers Pharmacy Corp	\$10,645.55	\$9,369.89	12.38%	\$9,369.89	\$40,110.95	\$35,931.02	13.86%	\$35,931.02
Brookshire Brothers Pharmacy Med	\$20.40	\$20.40	0.03%	\$20.40	\$79.60	\$8.50	0.00%	\$79.60
Wilcox Pharmacy	\$2,555.37	\$1,683.10	2.22%	\$1,683.10	\$11,307.77	\$7,804.56	3.01%	\$7,804.56
Pharmacy Total	\$13,221.32	\$11,073.39	14.64%	\$11,073.39	\$51,498.32	\$43,744.08	16.88%	\$43,815.18
UTMB								
UTMB Hospital	\$116,271.80	\$32,446.30	42.88%	\$32,446.30	\$175,842.85	\$52,737.59	20.35%	\$52,737.59
UTMB Physician Services	\$19,592.00	\$6,547.50	8.65%	\$6,547.50	\$38,203.00	\$12,788.79	4.93%	\$12,788.79
UTMB Total	\$135,863.80	\$38,993.80	51.54%	\$38,993.80	\$214,045.85	\$65,526.38	25.28%	\$65,526.38
Youth Counseling	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Grand Totals	\$211,505.32	\$75,659.47		\$50,067.19	\$630,941.89	\$259,173.52		\$109,341.56

Summary by Service Provided

Prescription Drugs	\$13,221.32	\$11,073.39	14.64%	\$11,073.39	\$112,219.12	\$68,800.71	24.21%	\$68,800.71
WCH Clinic	\$8,875.20	\$3,638.83	4.81%	\$0.00	\$52,263.92	\$21,428.21	7.54%	\$0.00
WCH ER	\$10,779.00	\$4,419.39	5.84%	\$0.00	\$132,755.00	\$54,429.55	19.16%	\$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	1.54%	\$0.00
WCH Outpatient Surgery	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
WCH Labs	\$4,863.00	\$1,993.83	2.64%	\$0.00	\$36,391.00	\$14,920.31	5.25%	\$0.00
WCH Physical Therapy	\$8,502.00	\$3,485.82	4.61%	\$0.00	\$12,233.00	\$5,015.53	1.77%	\$0.00
WCH Ultrasound	\$689.00	\$282.49	0.37%	\$0.00	\$1,378.00	\$564.98	0.20%	\$0.00
WCH Lab/Xray	\$24,798.00	\$10,167.18	13.44%	\$0.00	\$74,790.00	\$30,663.90	10.79%	\$0.00
WCH CT Scan	\$0.00	\$0.00	0.00%	\$0.00	\$5,297.00	\$2,171.77	0.76%	\$0.00
WCH Xray	\$3,914.00	\$1,604.74	2.12%	\$0.00	\$28,042.80	\$11,497.54	4.05%	\$0.00
WCH Optical Specialist	\$0.00	\$0.00	0.00%	\$0.00	\$2,920.00	\$1,197.20	0.42%	\$0.00
Lab/Xray readings	\$0.00	\$0.00	0.00%	\$0.00	\$8,686.00	\$3,561.26	1.25%	\$0.00
UTMB Outpatient	\$116,271.80	\$32,446.30	42.88%	\$32,446.30	\$175,842.85	\$52,737.59	18.56%	\$52,737.59
UTMB Anesthesia	\$2,618.00	\$1,918.00	2.54%	\$1,918.00	\$4,448.00	\$3,373.00	1.19%	\$3,373.00
UTMB Physician Services	\$16,974.00	\$4,629.50	6.12%	\$4,629.50	\$33,755.00	\$9,415.79	3.31%	\$9,415.79
Youth Counseling	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Grant Totals	\$211,505.32	\$75,659.47		\$50,067.19	\$691,662.69	\$284,140.15		\$134,327.09

c. **District General Counsel:** Attorney Oxford requested to defer his discussion until the Board discussed Agenda Items Nos. 7 and 8.

d. **LTC Report:** Attorney Oxford referred the Board to the LTC Executive Report submitted for May 2019. Subsequently, President Murrell and Director Way gave the Board an update on a meeting they had earlier in the month with LTC to discuss renewing the Service Agreement. According to the two Directors, LTC agreed to reduce their rates 3.5% from \$5,700.00 to \$5,500.00 per facility per month and if this happened, the District would save \$57,600.00 per year. President Murrell also explained that in QIPP Year 3, the LTC's responsibilities were increasing because they were going to serve as the District's agent/representative for the monthly Quality Assurance meetings for each of the District's nursing facility. Because of this, LTC staff

were going to attend the monthly meetings once a quarter in person and twice a quarter by way of a conference call. President Murrell then asked Attorney Oxford to work LTC to prepare an updated Service Agreement pursuant to the meeting and asked that approval of the Agreement be placed on next month's agenda.

e. **Hospital Report:** At the completion of the discussion regarding the LTC report, President Murrell called on the Hospital representatives to give the Hospital report. Speaking for the Hospital, Mr. Javed informed the Board that in May 2019, the average Inpatient Days decreased from 2.33 in April 2019 to 1.90 in May 2019. Likewise, the number of conversions from emergency room visits to inpatient stays went down by one (1) patient to nine (9) in May but has dropped significantly since January and February 2019 when the conversion rates were twenty (20) and (15) converted patients. According to Mr. Javed and Mr. Danishmund, they highlighted these numbers to inform the Board that they have recently learned that doctors in the Emergency Room were not referring patients to the Hospital because they were being lead to believe by Hospital staff that the patients acuity levels were too high. This has been addressed with Hospital staff and the Hospital administration was now considering hiring a hospitalist(s) to support the existing healthcare providers within the Hospital itself. In a more positive note, Mr. Javed was please to point out that the Emergency Room shifts covered by doctors began was even higher than last month at ninety-two percent (92%). Furthermore, Mr. Javed informed the Board of updates to the Hospital's infrastructure and the inspections by the State of Texas of the Hospital's improvements. Per Mr. Javed, the inspectors have reviewed the proposed plans and were in the process of providing the Hospital with feedback and suggested changes prior to the issuance of a permit to move forward.

President Murrell turned to Agenda Item No. 7., to discuss and take action, if necessary, on authorizing President to execute an agreement with Sage Telehealth to provide telehealth services to the District' s nursing facilities in order to comply with Component 2 for the Quality Incentive Payment Program ("QIPP"), Year 3 and called on Mrs. Roemer to discuss her concerns with the District's use of telehealth services at the District's nursing facility. Mrs. Roemer thanked the Board for giving her the opportunity to discuss her concerns. According to Mrs. Roemer, she urged the Board to offer in person healthcare at its facilities because based on her recent experiences with her father's healthcare treatment, she strongly believed the telehealth medicine option was inadequate. Attorney Oxford recognized her concerns that in person healthcare services were preferable but then attempted to explain the context of the Agenda Item. In so doing, he explained that the purpose of the agenda was to authorize the District to enter into an agreement with Sage Telehealth, if necessary, to ensure that the District's nursing facilities were able to comply with a new metric in Component 2 of QIPP Year 3 that requires each facility to provide eight (8) additional hours of healthcare services by a registered nurse for 90% of the month. He continued, by explaining that these additional healthcare services could be provided using a telehealth solution. However, since the telehealth providers were going to be working for the facility Managers, the Managers needed to hire their own providers. That being said, because the District is going to benefit from the services, he recommended that the District offer to pay a portion of these additional costs. He then directed the Board to Agenda Item No. 8 and explained the purpose of this agenda item was to discuss needed to amendments to the District's Management Agreements with each facility to account for QIPP, Year 3. Included as part of these amendments, he suggested that the District agree to pay up half of these expenses up to \$750.00 per month. In

closing, Attorney Oxford once again thanked Mrs. Roemer for expressing her concerns. No action was taken.

Subsequently, President Murrell called on Attorney Oxford to discuss Agenda Item No. 8, to discuss and take action, if necessary, on authorizing the President to execute amendments to the Management Agreements in order to define duties and responsibilities to comply with changes to the QIPP for Year 3 (i.e., Components 2 and 3). Attorney Oxford referred the group to an e-mail he drafted and submitted on Saturday, June 15, 2019 where he discussed the changes in QIPP from Year 2 to Year 3 and the basis for the proposed draft changes to the Management Agreements. (*See Exhibit "E"*). After a lengthy discussion regarding the e-mail and proposed changes to the Management as set forth in the e-mail, he recommended, he asked the Board members to take no action on this Agenda Item until he had the opportunity to receive feedback from the Managers. The Board concurred.

Next, President Murrell asked Attorney Oxford to address Agenda Item No. 9, to discuss and take action, if necessary, on authorizing the District ' s nursing home managers to utilize the District ' s sales tax exemption. According to Attorney Oxford, after researching the matter and talking to other lawyers that represent District's in similar situations, he reconsidered his prior position to authorize the District's facilities to utilize the District's sales tax exemption and now felt it was suitable that the exemption be used when procuring, managing, and replenishing all inventories and supplies and such other non-capital items on behalf of District, and any services from third-parties on behalf of District, as are necessary to keep, operate, and maintain the Facilities. Moreover, Attorney Oxford recommended that if the Board agreed to allow the Facilities to use the exemption, he would include a provision in the Management Agreements with each facility to indemnify the District for any challenges to the use of the sales tax exemptions by

the facilities. Following some discussion on the issue, the Board agreed, and a motion was made by Director Stramecki to authorize the District's Nursing facilities to utilize the District's sale tax exemption to procure, manage, and replenish all inventories and supplies and such other non-capital items on behalf of Hospital District, and any services from third-parties on behalf of District, as are necessary to keep, operate and maintain the facilities; subject to the facilities agreeing to indemnify the District for any claims relating to the use of the District's sale tax exemption. This motion was seconded by Director Way and unanimously approved by all Board members present.


Turning to Agenda Item No. 10, to discuss and take action, if necessary, on approving amended Indigent Care Policy, President Murrell asked if there was any further discussion on the matter. Fellow Board members confirmed that the District was going to strike the sentence in Section IX of the proposed draft of the Indigent Care Policy that states "ICAP patients are to notify EMS, if possible, that their preferred destination is the Winnie Community Hospital." President Murrell confirmed the change and called then called for a motion to approve the updated Indigent Care Agreement discussed during the Public Hearing. (See Exhibit "A"). Director Stramecki made motion to approve the proposed Indigent Care Policy as discussed during the public hearing with the sentence in Section IX that states "ICAP patients are to notify EMS, if possible, that their preferred destination is the Winnie Community Hospital" struck from the policy. Director Stramecki's motion was seconded by Director Espinosa and unanimously approved by all the Board members.


President Murrell then directed the Board to Agenda Item 11, to discuss and take action, if necessary, on approving the renewal of the certificate of deposit and line of credit at Allegiance Bank. President Murrell explained that the District was notified by the bank that they needed to

renew its line of credit and certificate of deposit but then reported that the documents for the renewals were not received by the bank before the meeting. (See **Exhibit “F”**). According to Mr. Murrell, the interest rate for the certificate of deposit was 1.50% while the cost of interest for the line of credit was 3.25%. Attorney Oxford informed the Board that the term for the line of credit expired before the next meeting and he asked for the Board to give the President authority to execute the renewals for the line of credit and the certificate of deposits up to the amounts paid in the current term. Once again, Director Stramecki made motion to approve the renewal of the District line of credit and certificate of deposit at Allegiance Bank for an amount up to the rates paid for the current term. This motion was seconded by Director Rollo and unanimously approved by all the Board members.

Lastly, President Murrell called on the Director Rollo to address Agenda Item No. 12, to discuss and take action, if necessary, on amending and updating the District’s Personnel Policies. No action was taken because the Personnel Committee had not had an opportunity to meet.

President Murrell then called for any other such matters before the Board. There being none, the Board discussed the date for the upcoming meeting and in light of the conference in San Antonio starting the evening of July 17, 2019, a suggestion was made to move the meeting to Tuesday, July 16th, 2019 at 6:00 p.m. so that the Board members would have time on Wednesday, July 17, 2019 to travel to the conference and participate in a gathering of conference attendees that evening. The Board agreed and set the July Regular Meeting for 6:00 p.m. on July 16, 2019. At 8:27 p.m., a motion was made by Director Stramecki to adjourn the meeting. This motion was seconded by Director Espinosa and unanimously approved by all the Board members present.


Edward Murrell, President


Anthony Stramecki, Vice-President