

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

The meeting of the Board of Directors of the Winnie-Stowell Hospital District (“District”) was noticed and filed pursuant to the Texas Open Meetings Act a full 72 hours prior to the opening of said meeting for 6:00 p.m. on the 17th of July, 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).

The roll was called of the members of the Board, to wit:

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

All said Board members were present less Director Espinosa. In addition, to the above-named Board members, also present at the meeting were: Sherrie Norris, District Administrator; Yani Jimenez, Indigent Care Director; Sherrie Norris, District Administrator; Yani Jimenez, Indigent Care Director; Hubert Oxford, IV, General Counsel for the District; David Sticker, District CPA; Christy Ridgeway, East Chambers Independent School District (“ECISD”); Saad Javed, Acting Administrator for Riceland Hospital and Mr. Mo Danishmund, Chief Financial Officer for Hospital, and Dr. Kevin Farris, Emergency Room Doctor at Riceland Hospital; Mrs. Gloria Roemer, the Seabreeze Beacon; and Mr. Wade Thibodeaux, the Hometown Press.

After the introduction of the guest, President Murrell called on those present to recite the Pledge of Allegiance and the Pledge of Allegiance to the State Flag of Texas. He then asked for Public Comment and since there was none, he referred the Board to Agenda Item No. 3, to review and approve the minutes of the June 19, 2019 Public Hearing and Regular Meeting. The minutes

were examined by the Board and no changes were recommended. Therefore, Director Stramecki made a motion to approve the minutes of the June 19, 2019 Public Hearing and Regular Meeting. This motion was seconded by Director Way with the unanimous consent of all Board members.

President Murrell then asked the Board to address 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 June 30, 2019. (See **Exhibit "A"**). According to Mr. Sticker, after six (6) months of the year, the District is still on budget and all the accounts have been 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 as of the date of the meeting, the District had unencumbered funds that totaled \$2,161,337.69 after the expenses were paid. He also referred to the Board to a new section in the Treasurers Report that provides a detailed analysis of the District's funds being in Interbank. Currently, he explained, there was \$3,641,321.40 in the account and all of the funds were committed to repaying Loan 14 or future interest payments. Additionally, Attorney Oxford reviewed the status of the District's Short-Term Revenue Notes and explained to the Board that the District needed to reserve \$288,852.91 in August 2019 in order to have all the funds to repay Loan 14 in the District's Interbank account. Loan 14 is due on September 30, 2019. Thereafter, when the District received the Component 1 payments in August and September, the District can transfer these payments to Allegiance Bank in order to repay its outstanding \$2,000,000.00 line of credit. Combined, Attorney Oxford stated that the forecasted amount of these two payments was going to be \$2,038,054.67. (See **Exhibit "A"**).

At the end of the discussion concerning the financials, a motion was made by Director Stramecki to approve the financials for June 2019, the July 17, 2019 Treasurer's reports, and invoices to be paid. This motion was seconded by Director Rollo and unanimously approved by all Board members.

Afterwards, in an effort to accommodate Mrs. Christy Ridgeway, President Murrell requested the Board to address Agenda Item No. 8, to discuss and take action, if necessary, on receiving a report from the East Chambers Independent School District and renewing the Interlocal Agreement between the District and East Chambers Independent School District. The President explained that Mrs. Christy Ridgeway attended the meeting on behalf of the ECISD because the Superintendent was unable to be at the meeting. Mrs. Ridgeway thanked the Board on behalf of the ECISD and the students of the ECISD for the District's support. She then proceeded to her presentation. (*See Exhibit "B"*). According to Mrs. Ridgeway, thanks to the District's funding, during the 2018-2019 school year, the District was able to provide accident insurance for 1,530 children. Of these students, sixty-three (63) made claims totaling \$73,261.32. Moreover, Mrs. Ridgeway reported that in the same school year, the ECISD was able to provide vision and hearing screenings to approximately 700 students; counseling services to sixty-five (65) students; and therapy services to approximately eight-five (85) students.

Turning to the budget, Mrs. Ridgeway and Attorney Oxford presented the Board with the following budget comparison that highlights the original budget line items set forth in the 2015 Interlocal Agreement and the proposed budget for 2019.

{INTENTIONALLY LEFT BLANK}

ECISD/WSHD Partnership					
Category	Description	2015 Budgeted Amount	July-18	July-19	Budget for 2019-2020
Accident Insurance	Coverage all students while at school or at school function.	\$33,685.00	\$42,161.64	\$42,161.64	\$42,000.00
Therapy	Mental health licensed professional counseling services, occupational/speech therapy, physical therapy.	\$60,000.00	\$72,740.00	\$27,625.40	\$5,500.00
Registered Nurse	Health related services including TWO RN salary/benefits, supplies/materials.	\$71,315.00	\$61,260.00	\$108,299.00	\$115,000.00
Medical Screenings	Student health related vision, hearing, scoliosis screenings, lice treatment, preventive care, immunization assistance.	\$15,000.00	\$15,500.00	\$8,416.37	\$15,500.00
Flu Shots		\$0.00	\$84.00	\$156.00	\$2,000.00
Totals		\$180,000.00	\$191,745.64	\$186,658.41	\$180,000.00

According to Attorney Oxford, he discussed the proposed budget with the ECISD Superintendent prior to the meeting and was asked to convey several points that are set forth below:

- For each category, except insurance, the ECISD spends more than the WSHD funds (i.e., the WSHD only funds a portion of the categories).
- The \$115,000.00 for the Registered Nurse category covers the cost of two (2) nurses. By funding two (2) nurses, the WSHD is servicing more students.
- In exchange, the ECISD request to reduce the amount assigned to Therapy to \$5,500.00 but the ECISD must still provide these services and the services are paid out of a different fund.
- Screenings no longer have to be contracted out because the additional nurse is able to provide these services. Therefore, the amount spent on screenings has gone down.

In addition, Attorney Oxford explained that he was asked by the Superintendent to request the District's Directors consider amending the Interlocal Agreement to provide more flexibility in utilizing the District's funds. Specifically, the ECISD proposed presenting an annual budget to District prior to the renewal of their agreement that sets forth how the ECISD proposed spending the money during the upcoming school year. If this were done, the ECISD felt they could concentrate the payments where they were needed the most. For example, in the upcoming school

year, the ECISD requested to spend \$115,000.00 for two registered nurses and if this were permitted, these two (2) nursing would be able to drastically increase the number of students that received more comprehensive healthcare using the District's funds.

The Board responded positively to this request and the overall success of the program. Because of this, the Board asked the ECISD to review their needs and to come back during the budget process in November to discuss ways that the District could provide additional assistance. In conclusion, Director Stramecki made a motion to authorize President Murrell to execute an amended Interlocal Agreement that allows the ECESD to present budgets on an annually based on an ECISD's needs assessment. This motion was seconded by Director Rollo and unanimously approved by all the Board members present.

President Murrell then asked the Board to return to Agenda Item No. 5, Committee Reports. President Murrell the Committee Chairpersons to provide any reports. The only report presented was by the Personnel Committee Chairman Rollo. Chairman Rollo presented the Board with a letter of resignation by the District' Indigent Care Director, Yani Jiminez and called on Mrs. Jiminez to discuss the letter with the Board. (See Exhibit "C"). Mrs. Jiminez thanked the Board and Mrs. Norris for the opportunity to serve but stated it was time to resign so she could spend more time with her family. Mrs. Jiminez advised she wanted to continue working until August 31, 2019 so that the District would have time to find a replacement and to assist with training a replacement. In response, the Board accepted her resignation and thanked Mrs. Jiminez for her hard work and dedication.

Since there was no further Committee Reports, President Murrell called on staff to give their reports as provided for in Agenda Item No. 6. The reports provided were as follows:

- a. **Administrator's Report:** Mrs. Norris had nothing to report.

b. **District Indigent Care Director:** In June, Mrs. Jiminez reported that the number of residents participating in the District's Indigent Care Program increased from eighty-three (83) participants to eight-nine (89) participants. She then reviewed the various categories of Indigent Care cost for the month and explained that she was monitoring the pharmacy costs because over the last several months, the pharmacy fees have been escalating. The following is a summary of the District's Indigent Care Cost in June that are set forth in more detail in **Exhibit "D"**.

	June				Year to Date			
	Billed Amount	Medicaid Rate	% of Services	Actually Paid	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Clients:	89							
Children Counseled:	13							
Summary by Facility								
Winnie Community Hospital	\$81,544.20	\$33,433.12	61.95%	\$0.00	\$446,941.92	\$183,336.18	58.55%	\$0.00
Pharmacy								
Brookshire Brothers Pharmacy Corp	\$9,345.88	\$8,589.04	15.91%	\$8,589.04	\$49,456.83	\$44,520.06	14.22%	\$44,520.06
Brookshire Brothers Pharmacy Med	\$0.00	\$0.00	0.00%	\$0.00	\$79.60	\$8.50	0.00%	\$79.60
Wilcox Pharmacy	\$1,979.06	\$1,363.64	2.53%	\$1,363.64	\$13,286.83	\$9,168.20	2.93%	\$9,168.20
Pharmacy Total	\$11,324.94	\$9,952.68	18.44%	\$9,952.68	\$62,823.26	\$53,696.76	17.15%	\$53,767.86
UTMB								
UTMB Hospital	\$32,090.26	\$7,701.67	14.27%	\$7,701.67	\$207,933.11	\$60,439.26	19.30%	\$60,439.26
UTMB Physician Services	\$9,243.00	\$2,883.68	5.34%	\$2,883.68	\$47,446.00	\$15,672.47	5.00%	\$15,672.47
UTMB Total	\$41,333.26	\$10,585.35	19.61%	\$10,585.35	\$255,379.11	\$76,111.73	24.31%	\$76,111.73
Youth Counseling	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Grand Totals	\$134,202.40	\$53,971.15		\$20,538.03	\$765,144.29	\$313,144.67		\$129,879.59

Summary by Service Provided								
	Billed Amount	Medicaid Rate	% of Services	Actually Paid	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Prescription Drugs	\$11,324.94	\$9,952.68	18.44%	\$9,952.68	\$123,544.06	\$78,753.39	23.29%	\$78,753.39
WCH Clinic	\$9,057.20	\$3,713.45	6.88%	\$0.00	\$61,321.12	\$25,141.66	7.44%	\$0.00
WCH ER	\$30,976.00	\$12,700.16	23.53%	\$0.00	\$163,731.00	\$67,129.71	19.85%	\$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	1.29%	\$0.00
WCH Outpatient Surgery	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
WCH Labs	\$3,265.00	\$1,338.65	2.48%	\$0.00	\$39,656.00	\$16,258.96	4.81%	\$0.00
WCH Physical Therapy	\$8,542.00	\$3,502.22	6.49%	\$0.00	\$20,775.00	\$8,517.75	2.52%	\$0.00
WCH Ultrasound	\$4,084.00	\$1,674.44	3.10%	\$0.00	\$5,462.00	\$2,239.42	0.66%	\$0.00
WCH Lab/Xray	\$7,471.00	\$3,063.11	5.68%	\$0.00	\$82,261.00	\$33,727.01	9.98%	\$0.00
WCH CT Scan	\$2,808.00	\$1,151.28	2.13%	\$0.00	\$8,105.00	\$3,323.05	0.98%	\$0.00
WCH Xray	\$10,259.00	\$4,206.19	7.79%	\$0.00	\$38,301.80	\$15,703.73	4.64%	\$0.00
WCH Optical Specialist	\$0.00	\$0.00	0.00%	\$0.00	\$2,920.00	\$1,197.20	0.35%	\$0.00
Lab/Xray readings	\$5,082.00	\$2,083.62	3.86%	\$0.00	\$13,768.00	\$5,644.88	1.67%	\$0.00
UTMB Outpatient	\$32,090.26	\$7,701.67	14.27%	\$7,701.67	\$207,933.11	\$60,439.26	17.88%	\$60,439.26
UTMB Anesthesia	\$732.00	\$582.00	1.08%	\$582.00	\$5,180.00	\$3,955.00	1.17%	\$3,955.00
UTMB Physician Services	\$8,511.00	\$2,301.68	4.26%	\$2,301.68	\$42,266.00	\$11,717.47	3.47%	\$11,717.47
Youth Counseling	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Grand Totals	\$134,202.40	\$53,971.15		\$20,538.03	\$825,865.09	\$338,111.30		\$154,865.12

In other business, Mrs. Jiminez advised the Board that she had received several calls for youth counseling and was happy to announce that she was able to verify that appointments had been set up with Mrs. Polly Butler. Lastly, Mrs. Jiminez informed the Board of a potential issue with a client being prescribed medicine for a questionable cause by a nurse practitioner at the

Hospital. Per Mrs. Jiminez she was working with Attorney Oxford and the Texas Health and Human Services Commission to verify whether the prescription should not be covered by the Indigent Care Program.

c. **District General Counsel:** Attorney Oxford had nothing to report.

d. **LTC Report:** Attorney Oxford referred the Board to the LTC Executive Report submitted for June 2019. *See Exhibit "E"*.

e. **Hospital Report:** Mr. Saad Javed initiated his report by reviewing the monthly Census count for the Hospital. (*See Exhibit "F"*). In June 2019, the average in-patient Days continued to decline from 1.90 to 1.37, which is below Texas average. However, Mr. Danishmund intervened and assured the Board that he anticipated next month the overnight census numbers were going to be significantly higher because the Hospital adopted new protocols for in-patient review and resolved issues with hospital personnel that were reluctant to admit the patients. Likewise, there was a decline in the number of Emergency Room shift covered by a doctor. The rate went from ninety-two percent (92%) to seventy-seven percent (77%) but according to Mr. Javed this was this result of no longer scheduling one of the doctors because of the complaints by staff and patients and Dr. Andrus was on vacation for a large portion of the month. Meanwhile, the number of Emergency Room visits increased to 216.

Once Mr. Javed and Mr. Danishmund completed their review of the Census, Mr. Danishmund introduce Dr. Farris, an emergency room doctor recently hired by the Hospital and offered the Board to opportunity to question Dr. Farris about the hospital, needed medical equipment, staff, and ways to improve the Hospital. Dr. Farris was very engaging and responded freely to the various questions asked by the Board. In response to questions about the needed improvements, Dr. Farris stated, among other things, that the Hospital's emergency room could

use an iStat machine used to provide real time lab work; perform non-invasive intubation for the patients with COPD; and install more protocols that would further expand the Hospital's ability to treat more patients.

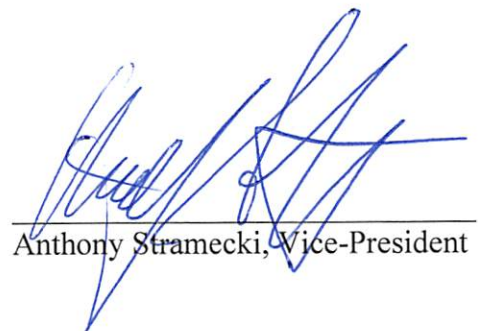
Before completing the Hospital report, Mr. Danishmund submitted two reports to the District's Board in an effort to demonstrate the outlay of the \$1,337,375.09 in Uncompensated Care payment received on December 24, 2018 and to set forth projects and equipment the Hospital was considering for future Uncompensated Care payments. *See Exhibit "G" and "H"*). Per Mr. Danishmund, the lion's share of the December 2018 Uncompensated Care payments was spent on emergency room physicians followed by the purchase of the X-Ray Machine and then recruitment fees for doctors. Turning to the future, Mr. Danishmund anticipated a continued commitment to staffing the Emergency Room in 2020 but the Hospital also believes it needs to utilize grant funding to make improvements to the front portion of the Hospital as well. According to Mr. Danishmund, the improvements to the entrance, lobby, administrative office, and other common areas would be intended to boost employee morale while at the same time assist with improving the confidence of the District's residence by providing a more updated facility. In addition, Mr. Danishmund told the Board that the Hospital wanted to purchase a Pyxis system and additional equipment recommended by the physicians and other healthcare professionals. In response to questions about the Pynxis system, Mr. Danishmund and Mr. Javed explained that this was an automated medication delivery system designed increase patient safety and to more efficiently deliver and track the disbursement of drugs. Moreover, various members questioned the capital expenses on the Hospital to improve its appearance and expressed

President Murrell turned to Agenda Item No. 7., to discuss and take action, if necessary, on authorizing President to execute an Amended Service Agreement with LTC Group to provide

assistance with operating the District's nursing facilities. This matter previously discussed at length during the last meeting and therefore, Attorney Oxford presented the revised agreement set forth in **Exhibit "I"** and asked the Board to authorize President Murrell to execute the agreement if they were satisfied with the changes. In summary, Attorney Oxford explained that he changed the monthly amount paid for each home from \$5,700.00 to \$5,500.00 and added duties to the services provided to account for the third year of the Quality Incentive Payment Program. Following a review of the proposed changes to the Service Agreement, Director Way made a motion to authorize President Murrell to execute the Fourth Amended and Restated Professional Service Agreement with the LTC Group. This motion was seconded by Director Rollo and unanimously approved by all the Directors present.

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 it was agreed to hold the meeting on August 21, 2019, at 6:00 p.m. Thereafter, at 8:08 p.m., a motion was made by Director Stramecki 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