

**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. November 20<sup>th</sup>, 2019 at the Chambers County Annex Building, 211 Broadway Ave, Winnie, Texas 77665 (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, 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; Patricia Ojeda, Indigent Care Director/Administrative Assistant; David Sticker, District CPA; Hubert Oxford, IV, General Counsel for the District; Saad Javed, Acting Administrator for Riceland Hospital (“Hospital”), Mr. Mo Danishmund, Chief Financial Officer for Hospital, Chris Portner, General Counsel for Hospital and Mr. Steve Deatrack, Director of Operations for Hospital; Mr. David Smith and Mr. Chris Rutledge with LTC Group; Mr. Wade Thibodeaux, the Hometown Press; and Ms. Gloria Roemer, Seabreeze Beacon.

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. 4, to review

and approve the minutes of the October 16, 2019 Regular Meeting; and November 6, 2019 Special 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 October 16, 2019 Regular Meeting; and November 6, 2019 Special Meeting. This motion was seconded by Director Rollo with the unanimous consent of all the Board members present.

Next, President Murrell asked the Board to address Agenda No. 5, discuss and take action, if necessary, on receiving and accepting the District's 2018 audit report. Attorney Oxford reported that the Auditor injured himself and was recovering from surgery. Attorney Oxford conveyed that the auditor requested that the agenda item be tabled until the December 2019 Regular Meeting. The Board concurred and then Director Stramecki made a motion to table Agenda No. 5. This motion was seconded by Director Rollo, with the unanimous consent of all the Board members present.

Staff was then asked to address Agenda Item No. 6, to review and approve financial reports; payment of invoices, and amend budget, if necessary. Mr. David Sticker, the District's CPA, first reviewed the District financial reports, Balance Sheet and Cash Flow, through October 31, 2019. (See **Exhibit "A-1"**). Mr. Sticker conveyed that the Balance Sheet was in order, but the District needed to make some final amendments to the budget at the December 2019 Regular Meeting. (See **Exhibit "A-2"**). Thereafter, Attorney Oxford discussed the Treasurer's Report, check register, and outstanding invoices to be considered. (See **Exhibit "A-3"**). Initially, Attorney Oxford asked the Board to review the invoices to be paid. Once the Board completed their review, he referred the Board to the funds available section of the report and explained that that the District had \$5,074,084.58 in funds available after the payment of the \$45,873.17 in expenses. Attorney Oxford reminded the Board that the reason the District's cash available was higher than usual was

because the District had repaid its line of credit and had \$2,785,399.12 available. However, he reminded the Board that next month, the District would use \$2,000,000.00 of the line of credit to assist with the nursing home operations. In addition, Attorney Oxford spent time reviewing the cash flow for the rest of the year and the upcoming revenue and expenses expected to be incurred before the November 2019 Regular Meeting.

At the completion of the discussion concerning the financials, a motion was made by Director Stramecki to approve the financials for October 2019, the November 20, 2019 Treasurer's Reports, and invoices to be paid (*See Exhibits "A-1", "A-2" and "A-3"*). This motion was seconded by Director Rollo and unanimously approved by all Board members.

President Murrell then asked the Board to return to Agenda Item No. 6, Committee Reports. President Murrell called the Committee Chairpersons to provide any reports. Director Stramecki initiated the Building Committee's report. Director Stramecki informed the Board that he met with Chambers' County to begin the process of getting a building permit for the District's new office building. According to Director Stramecki, he did not anticipate there being any major issues. However, he did convey that the County was concerned about drainage in the ditch in between the new building and the Hospital's parking lot and they suggested that the ditch may need a sixteen (16) in culvert instead of the planned twelve (12) inch culvert. He also has been in contact with Entergy about getting power to the new facility. Otherwise, President Murrell reported that the pad site installation was on hold until he received the final reports and instruction from the District's engineer. Moreover, President Murrell explained that since the District was going to need to be in its temporary facility longer than anticipated, and therefore, the District needed to work with the incoming tenants and offer to compensate them for their out of pocket costs due to the delay in vacating the facility. To conclude to conclude the Committee Reports,

Director Stramecki informed the Board that the Finance Committee was going to meet before the December 2019 public hearing to discuss the 2020 budget.

President Murrell thanked Director Stramecki for his efforts and then turned to Agenda Item No. 7 so that staff could provide their reports. The reports provided were as follows:

a. **Administrator’s Report:** Mrs. Norris had nothing to report except that she advised she was going out of town the day before Thanksgiving and would be returning on Sunday after Thanksgiving.

b. **District Indigent Care Director:** Mrs. Ojeda presented the District’s monthly indigent care reports for October 2019 and discussed various aspects of the summary set forth below. (See Exhibit “B”).

	October				Year to Date			
Clients:	82							
Youth Counseled:	11							
	Billed Amount	Medicaid Rate	% of Services	Actually Paid	Billed Amount	Medicaid Rate	% of Services	Actually Paid
<b>Summary by Facility</b>								
Winnie Community Hospital	\$8,002.67	\$3,281.10	10.50%	\$0.00	\$680,047.77	\$278,819.59	50.21%	\$0.00
Brookshire Brothers Pharmacy Corp	\$9,436.68	\$7,224.61	23.12%	\$7,224.61	\$86,929.11	\$76,293.15	13.74%	\$76,293.15
Brookshire Brothers Pharmacy Med	\$3.40	\$3.40	0.01%	\$3.40	\$113.15	\$113.15	0.02%	\$113.15
W&cox Pharmacy	\$4,856.00	\$2,563.47	8.20%	\$2,563.47	\$27,047.75	\$17,283.10	3.11%	\$17,283.10
<b>Pharmacy Total</b>	<b>\$14,296.08</b>	<b>\$9,791.48</b>	<b>31.33%</b>	<b>\$9,791.48</b>	<b>\$114,090.01</b>	<b>\$93,689.40</b>	<b>16.87%</b>	<b>\$93,689.40</b>
UTMB Hospital	\$26,469.25	\$6,153.75	19.69%	\$6,153.75	\$470,019.86	\$138,543.34	24.95%	\$138,543.34
UTMB ER- Barrier Reef Physician	\$3,442.00	\$664.72	2.13%	\$664.72	\$3,442.00	\$664.72	0.12%	\$664.72
UTMB Anesthesia	\$3,418.00	\$2,318.40	7.42%	\$2,318.40	\$14,684.00	\$9,387.35	1.69%	\$9,387.35
UTMB Lab/Xray	\$1,178.00	\$329.84	1.06%	\$329.84	\$18,448.00	\$3,869.20	0.70%	\$3,869.20
UTMB Physician Services	\$11,224.00	\$2,819.57	5467.81%	\$2,819.57	\$89,380.00	\$23,553.73	4.24%	\$23,553.73
<b>UTMB Total</b>	<b>\$45,731.25</b>	<b>\$12,286.28</b>	<b>39.31%</b>	<b>\$12,286.28</b>	<b>\$595,973.86</b>	<b>\$176,018.34</b>	<b>31.69%</b>	<b>\$176,018.34</b>
Chambers Co Public Hosp Distr ER	\$11,745.21	\$4,908.48	15.71%	\$4,908.48	\$11,745.21	\$4,908.48	0.88%	\$4,908.48
Winnie-Stowell EMS	\$2,152.00	\$388.90	1.24%	\$388.90	\$2,152.00	\$388.90	0.07%	\$388.90
<b>Non-Contract Emergency Services</b>	<b>\$13,897.21</b>	<b>\$5,297.38</b>	<b>16.95%</b>	<b>\$5,297.38</b>	<b>\$13,897.21</b>	<b>\$5,297.38</b>	<b>0.95%</b>	<b>\$5,297.38</b>
<b>Youth Counseling</b>	<b>\$595.00</b>	<b>\$595.00</b>	<b>1.90%</b>	<b>\$595.00</b>	<b>\$1,530.00</b>	<b>\$1,530.00</b>	<b>0.28%</b>	<b>\$1,530.00</b>
<b>Grand Totals</b>	<b>\$82,522.21</b>	<b>\$31,251.24</b>	<b>100%</b>	<b>\$27,970.14</b>	<b>\$1,405,538.85</b>	<b>\$555,354.71</b>	<b>100%</b>	<b>\$276,535.12</b>

Summary by Service Provided								
	Billed Amount	Medicaid Rate	% of Services	Actually Paid	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Prescription Drugs	\$14,296.08	\$9,791.48	31.33%	\$9,791.48	\$114,090.01	\$93,689.40	16.87%	\$93,689.40
WCH Clinic	\$6,027.67	\$2,471.35	7.91%	\$0.00	\$101,596.79	\$41,654.70	7.50%	\$0.00
WCH Observation	\$0.00	\$0.00	0.00%	\$0.00	\$60,408.00	\$24,767.28	4.46%	\$0.00
WCH ER	\$0.00	\$0.00	0.00%	\$0.00	\$227,580.00	\$93,307.80	16.80%	\$0.00
WCH Lab/Xray	\$1,382.00	\$566.62	1.81%	\$0.00	\$105,550.00	\$43,275.50	7.79%	\$0.00
WCH Labs	\$0.00	\$0.00	0.00%	\$0.00	\$58,024.00	\$23,789.84	4.28%	\$0.00
WCH Xray	\$0.00	\$0.00	0.00%	\$0.00	\$46,470.80	\$19,053.02	3.43%	\$0.00
WCH Inpatient	\$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	\$0.00	\$0.00	0.00%	\$0.00
WCH Physical Therapy	\$0.00	\$0.00	0.00%	\$0.00	\$27,745.00	\$11,375.45	2.05%	\$0.00
WCH Ultrasound	\$0.00	\$0.00	0.00%	\$0.00	\$8,907.00	\$3,651.87	0.66%	\$0.00
WCH CT Scan	\$0.00	\$0.00	0.00%	\$0.00	\$19,339.00	\$7,928.99	1.43%	\$0.00
WCH Optical Specialist	\$0.00	\$0.00	0.00%	\$0.00	\$2,920.00	\$1,197.20	0.22%	\$0.00
UTMB Physician Services	\$11,224.00	\$2,819.57	9.02%	\$2,819.57	\$89,380.00	\$23,553.73	4.24%	\$23,553.73
UTMB Anesthesia	\$3,418.00	\$2,318.40	7.42%	\$2,318.40	\$14,684.00	\$9,387.35	1.69%	\$9,387.35
UTMB In-Patient	\$0.00	\$0.00	0.00%	\$0.00	\$101,852.99	\$38,742.72	6.98%	\$38,742.72
UTMB Outpatient	\$26,469.25	\$6,153.75	19.69%	\$6,153.75	\$368,166.87	\$99,800.62	17.97%	\$99,800.62
UTMB Lab&Xray	\$1,178.00	\$329.84	1.06%	\$329.84	\$18,448.00	\$3,869.20	0.70%	\$3,869.20
UTMB ER Physician-Barrier Reef	\$3,442.00	\$664.72	2.13%	\$664.72	\$3,442.00	\$664.72	0.12%	\$664.72
<b>Non-Contract Emergency Services</b>	<b>\$13,897.21</b>	<b>\$5,297.38</b>	<b>16.95%</b>	<b>\$5,297.38</b>	<b>\$13,897.21</b>	<b>\$5,297.38</b>	<b>0.95%</b>	<b>\$5,297.38</b>
<b>Youth Counseling</b>	<b>\$595.00</b>	<b>\$595.00</b>	<b>1.90%</b>	<b>\$595.00</b>	<b>\$1,530.00</b>	<b>\$1,530.00</b>	<b>0.28%</b>	<b>\$1,530.00</b>
Lab/Xray readings for WCH	\$593.00	\$243.13	0.78%	\$0.00	\$21,507.18	\$8,817.94	1.59%	\$0.00
<b>Grand Totals</b>	<b>\$82,522.21</b>	<b>\$31,251.24</b>	<b>100.00%</b>	<b>\$27,970.14</b>	<b>\$1,405,538.85</b>	<b>\$555,354.71</b>	<b>100.01%</b>	<b>\$276,535.12</b>

In addition, Mrs. Ojeda presented the Board with a narrative report that explains analysis she conducted on cost of services for Riceland, UTMB, and Pharmacies from 2017-2019. Moreover, Mrs. Ojeda informed the Board that one of the leading drivers in the Pharmacy cost was insulin for diabetics. As such she reported that she found several drug assistance programs that enable the clients to receive the medications for free and she was going to investigate whether the District could enroll its clients in the programs.

**c. District General Counsel:** Attorney Oxford advised that he had nothing to report but would need to discuss some of the action items being considered later in the agenda.

**d. LTC Report:** Mr. David Smith and Mr. Chris Rutledge with the LTC Group presented the Board with the LTC Executive Report submitted for October 2019. (*See Exhibit “C”*). In addition to the Executive Summary, the Mr. Smith gave the Board an update on various QIPP and nursing home related issues. First, Mr. Smith advised that the Centers for Medicare and Medicaid (“CMS”) published a new proposed rule that was similar to the 2007 proposed rule designed to require intergovernmental transfers (“IGT”) for the various programs, including QIPP and the Uncompensated Care Program, to be made using tax revenue. In response, Mr. Smith assured the Board that various state and national organizations were working to oppose the proposed rule. However, if the rule is adopted, the effective date for the rule change would be 2023. In addition, the two responded to questions about the performance of the District’s nursing facilities and the implementation of the QIPP Year 3 metrics. Specifically, the Board asked for a report on the nursing facilities’ QAPI programs; implementation of the programs; and QAPI receipt and review of the QAPI meeting agendas and minutes. In response, Mr. Smith stated that LTC Group, as the District’s agent, was working with the Nursing facilities to monitor their monthly participation and retrieve and review the QAPI programs as well as the meeting agendas

and minutes. As of the meeting, the LTC Group representatives informed the Board that they had sought and received monthly confirmation that meetings are being held in compliance with program participation. LTC has also requested agendas, minutes, and attendance records for each meeting. LTC is in possession of the September 2019 documents but was still in the process of obtaining some of these same documents for October from a handful of the facilities. Overall, Mr. Smith informed the Board that the agendas, minutes, and attendance records appeared to be in compliance with goals set forth by the QIPP program but the District needed to receive the actual plans for each facility to have a better understanding of the goals being tracked by the various QAPI committees for each facility. Lastly, Mr. Rutledge was asked questions concerning the performance of several of the District's facilities. Mr. Rutledge highlighted two (2) of the District's lower performing facilities and recommended that once the first quarter of QIPP Year 3 achievement metrics are received, if these facilities are still underperforming that the District needs to request a meeting to discuss a plan of action to improve their performance.

e. **Hospital Report:** Mr. Javed distributed the Hospital's monthly report for October 2019 and discussed the highlights of the report. (See **Exhibit "D"**). Since the Hospital has been closed for repairs due to Tropical Storm Imelda, there was not much to report except that the Hospital was able to cover 100% of the emergency room shifts with doctors. In addition, the Hospital reported 105 emergency room visits; 483 encounters at the adult clinic; and 154 visits to the pediatric clinic. Mr. Saad completed his report with an update on the status of the Hospital repairs. According to Mr. Saad, the Hospital had a preliminary inspection by the Texas Health and Humans Services Commission ("THHSC") who found a couple minor repairs that still needed to be made before the final inspection on Friday, November 22, 2019 at 9:00 a.m. If the Hospital passes the final inspection, it will be certified to re-open and begin routine operations. After receiving this

information, the Board congratulated the Hospital representatives in attendance on their hard work and persistence in making the repairs on an expedited basis.

Once all the staff reports were presented, President Murrell moved to Agenda Item No. 9, to discuss and take action, if necessary, to approve Intergovernmental Transfer (“IGT”) for QIPP Year 3, Qtrs. 3 and 4. Attorney Oxford was called on to discuss this agenda item. Per Attorney Oxford, the District received notice on November 12, 2019 of an upcoming IGT for QIPP Year, 3, Qtrs. 3 and 4 in the amount of \$7,067,701.53. If the Board members agreed to make the QIPP IGT payment, the funds were due on December 3, 2019. As a result, he advised District’s Board needed that they needed to authorize the funding for IGT payment at the November meeting in order to avoid a Special Meeting. The Board agreed and then Director Stramecki made a motion to fund the upcoming IGT for QIPP Year, 3, Qtrs. 3 and 4 in the amount of \$7,067,701.53. This motion seconded by Director Way and unanimously approved by all the Board members present.

Subsequently, the Board was directed to Agenda Item No. 10 to discuss and take action, if necessary, to approve Loan 16 and the execution of loan documents. Attorney Oxford asked the Board members to turn to the loan documents found in the Board packets and explained that the loan was for \$5,067,701.53 to be used for nursing home operations, including Intergovernmental Transfers for the Quality Incentive Payment Program. (See **Exhibit “E”**). The Loan documents consist of a Short-Term Promissory Note, Security Agreement, and Depository Account Control Agreement. As with the previous loan, this loan was for a ten (10) month period starting on December 1, 2019 with monthly interest payments of \$70,947.82 and a balloon payment due on September 30, 2019. As in the past, the Board members then inquired to confirm that the terms of the agreements were the same as the previous terms. Attorney Oxford responded that the terms were the same. Following a discussion regarding the loan terms, President Murrell called for a

motion to approve the loan agreements. A motion was made by Director Stramecki to approve Loan 16 documents and to authorize the Board President to sign the loan documents. This motion was seconded by Director Way and unanimously approved by all Directors present.


President Murrell then moved to Agenda Item No.11, to discuss and take action, if necessary, on approving a revised agreement with the University of Texas at Galveston Medical Branch. Mrs. Ojeda reported that she still had not received a copy of the new Agreement and asked that the agenda item be tabled to the next meeting. Consequently, a motion was made by Director Stramecki to table the agenda item. This motion was seconded by Director Rollo and unanimously approved by all the Board members present.


The Board was then asked to address Agenda Item No. 12, to discuss and take action, if necessary, on considering and approving proposals for the preparation and acquisition of a modular building to serve as the District's principle place of business pursuant to Texas Local Government Code §§ 271.056(1) & (2). Attorney Oxford explained this was on the agenda in case additional action was needed on the District's new facility. President Murrell stated that no additional action needed to be taken and then asked the Board to address Agenda Item No. 13, to discuss and take action, if necessary, on report by Personnel Committee for ninety (90) day review of Indigent Care Coordinator/Administrative Assistant. Director Rollo informed the Board that he and President Murrell met with Mrs. Ojeda before the meeting and discussed her performance during her first ninety (90) days of employment. In short, he stated, her performance had been exceptional and because of this, they recommended paying Mrs. Ojeda \$45,000.00 per year as a salaried employee with all the benefits provided to full time employees. If approved, this would amount to a \$3,400.00 increase per year. Since Mrs. Ojeda's ninetieth (90<sup>th</sup>) day was on November 25, 2019, Director Rollo recommended the raise go into effect on that day. The rest of the Board agreed and



thanked Mrs. Ojeda for all her hard work. Director Stramecki then made a motion to adopt the recommendation and to pay Mrs. Ojeda \$45,000.00 per year as a salaried employee with full benefits effective November 25, 2019. Director Rollo's motion was seconded by Director Rollo and passed with the unanimous consent of all the Board members present.

President Murrell then called for any other such matters before the Board. There being none, President Murrell discussed the date for the upcoming meeting, and it was agreed to hold the meeting on December 18, 2019, at 6:00 p.m. at the District's temporary offices on SH 124. Thereafter, at 7:57 p.m., a motion was made by Director Way to adjourn the meeting. This motion was seconded by Director Rollo and unanimously approved by all the Board members present.

  
Edward Murrell, President

  
Anthony Stramecki, Vice-President