

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

The Public Hearing set for 5:30 p.m. on December 18, 2020 to address the 2020 budget of the Winnie-Stowell Hospital District (“District”) was published and filed ten (10) days prior to the meeting in the Hometown Press and Seabreeze Beacon pursuant to Section 286.125 of the Texas Health & Safety Code. Additionally, the Public Hearing and the Regular Board meeting were noticed pursuant to Chapter 551 of the Texas Government Code seventy-two (72) hours prior to the opening of said meeting for 5:30 p.m. on the 18th day of December 2020, at the 310 SH 124, Winnie Tx 77665 (a copy of said Notice being placed amongst the files of the District).

At approximately 5:31 p.m., the Public Hearing 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.
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; Mr. Steve Deatruck, Riceland Hospital (“Hospital”) Administrator; Mr. Mo Danishmund, Chief Financial Officer for Hospital, and Chris Portner, General Counsel for Hospital; Mr. Tommy Davis, CPA, Durbin & Co.; and Ms. Gloria Roemer, Seabreeze Beacon.

At approximately 5:37 p.m., a quorum was established, and President Murrell called the Public Hearing to discuss the proposed budget for 2020 to order. He then asked Vice-President

Stramecki to discuss the budget. Director Stramecki informed those in attendance that he and Director Way (i.e., “Finance Committee” or “Committee”) met with the District’s CPA and General Counsel to establish the 2020 Budget. Director Stramecki further reported that the Finance Committee was able to prepare a more accurate budget after completing one (1) year of QIPP Program. (See Exhibit “A”).

After distributing copies of the proposed 2020 Budget and before going through each line item in the budget, Director Stramecki gave an overview of the budget. Overall, Director Stramecki noted that the Finance Committee recommended raising the income for 2020 to \$28,089,216.02 which is an increase of \$6,556,252.02 from the original 2019 Budget and \$1,546,055.40 from the proposed Budget Amended proposed for the upcoming Regular Meeting. The increase, he explained is due to an increase in nursing home revenues due to the addition of a nursing home; larger Component 1 payments due to increased intergovernmental transfers (“IGT”) for the Quality Incentive Payment Program; and the addition of Component 2 (i.e., additional nursing hours) payments for QIPP Year 3. Meanwhile, he stated, expenses were expected to increase by an estimated \$6,034,679.42 from the original 2019 Budget and \$1,069,017.99 from the anticipated budget amendments to be considered during the Regular Meeting. According to Director Stramecki, the increased expenses are due with higher IGT cost resulting. After taking into account the revenue and expenses, Mr. Stramecki advised the board that the District’s net profit for 2020 was budgeted for \$1,946,447.60 but this was a conservative number due to the fact that the Committee used a 75% achievement rate for the various QIPP metrics instead of the actual average achievement rates for QIPP Years 1 and 2, which is closer to 90%. A summary of the District’s 2020 Budget overview is set forth below:

2020 Budget Summary			
Revenue	2020 Draft Budget	Difference bw Dec. 18, 2019 Amended and 2020 Proposed	Difference bw 2019 Original and 2020 Proposed Budget
Traditional Income	\$555,800.00	(\$226,250.00)	(\$1,700.00)
NH Income	\$27,533,416.02	\$1,772,305.40	\$6,557,952.02
Total Income	\$28,089,216.02	\$1,546,055.40	\$6,556,252.02
Expenses	2020 Draft Budget	Difference bw Dec. 18, 2019 Amended and 2020 Proposed	Difference bw 2019 Original and 2020 Proposed Budget
Total Administrative Expenses	\$358,285.10	\$132,946.97	\$89,475.10
Total Indigent Care Expenses	\$1,204,558.00	(\$734,465.66)	(\$309,300.00)
Total Nursing Home Expenses	\$24,579,925.32	\$1,670,536.68	\$6,254,504.32
Total Expenses	\$26,142,768.42	\$1,069,017.99	\$6,034,679.42
Net Income	\$1,946,447.60	\$477,037.41	\$521,572.60
Percentage of Income & Expenses	2020 Draft Budget	Difference bw Dec. 18, 2019 Amended and 2020 Proposed	Difference bw 2019 Original and 2020 Proposed Budget
Traditional Income	1.98%	-14.63%	-0.03%
Nursing Home Income	98.02%	114.63%	100.03%
Administrative	1.37%	12.44%	1.48%
Indigent Care	4.61%	-68.70%	-5.13%
Nursing Home	94.02%	156.27%	103.64%

Turning to the specific line items, Director Stramecki reviewed each line item but a few were discussed in more detail. These include the following:

Line Item	2020 Draft Budget	Notes
Revenue		
400 Sales Tax Revenue	\$500,000.00	Revenue is expensed to decrease by \$200,000.00 because it is expected that the reconciliation of sales tax proceeds was a one-time payment.
Expense		
593 Admin-Electric	\$1,800.00	This line item was added to account for new facility.
594 Casualty & Windstorm Insurance	\$2,060.10	This line item was added to account for new facility.
597 Flood Insurance	\$1,235.00	This line item was added to account for new facility.
601 IC-Pmt. to Hosp (Indigent)	\$140,000.00	In anticipation of entering into an Amended Indigent Care Agreement in 2020, the District is funding this litem using the fair market value of Medicaid reimbursement rate for services rendered by the Riceland Hospital for the previous nine (9) years.

602 IC-WCH 1115 Waiver UC/IGT Prog	\$450,000.00	This line item was reduced by \$555,000.00 to account for the anticipated reduction in IGTs for DY9 Uncompensated Care Program due to the change in formulas for distribution of funds; and the change to Charity Care as a measure of payment.
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After Director Stramecki completed his presentation, the Public was asked for any comment. There being none, a motion was made at 6:20 p.m. by Director Stramecki to close the public meeting. This motion was seconded by Director Way and passed with the unanimous consent of all Board members present.

Immediately thereafter, at 6:21 p.m., President Murrell called the Regular Meeting of the Board of Commissioners of Winnie Stowell Hospital District to order. 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; Mr. Steve Deatrick, Riceland Hospital Administrator; Mr. Mo Danishmund, Chief Financial Officer for, Chris Portner, General Counsel for Hospital, and; Mr. Tommy Davis, CPA, Durbin & Co.; 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. Once again, there was none and therefore, he referred the Board to Agenda

Item No. 3, to review and approve the minutes of the November 22, 2019 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 November 22, 2019 Regular Meeting. This motion was seconded by Director Rollo with the unanimous consent of all the Board members present.

Following, President Murrell called on the Board to move forward to Agenda Item No. 4, to discuss and take action, if necessary, on receiving audit report for 2018 and called on the District's Auditor, Tommy Davis with Durbin and Co., LLP, to present the draft 2018 audit. According to Mr. Davis, who participated by phone, the District was in sound financial shape and this year, unlike previous years, there were no deficiencies of any kind to report. (See **Exhibit "B"**). Per Mr. Davis, unlike years past, the information provided by the nursing homes, and subsequently by the District was in the order requested and therefore, his office didn't have to recreate anything. In addition, Mr. Davis stated that he appreciated the District's efforts to secure collateral for its accounts necessary to be in compliance with the Public Funds Investment Act. Otherwise, Mr. Davis reviewed the audit and after he was finished, Director Stramecki made a motion to accept the audit as presented. Director Rollo seconded the motion and it was unanimously approved by all Board members.

The Board was then asked to turn their attention to Agenda Item No. 5, to review and approve financial reports; payment of invoices, and amend the budget, if necessary. Before going through the routine matters discussed during this agenda item, President Murrell called on Director Stramecki to present any budget amendments necessary for the end of the year. Director Stramecki reported that the Finance Committee had a number of amendments that they recommend be adopted. (See **Exhibit "C-1"**). The budget amendments recommended are set forth below:

	Actuals- November 30, 2019	October 16, 2019 Amendments	Proposed December 18, 2019 Budget Amendments	Difference between Oct. 16, 2019 Amends. & Dec. 18, 2019 Proposed Amends.
Expense				
576 Admin-Telephone/Internet	\$2,415.64	\$3,000.00	\$2,000.00	(\$1,000.00)
592 Admin-Rent	\$1,500.00	\$2,250.00	\$3,750.00	\$1,500.00
603A IC-Pharmaceutical Costs	\$100,230.37	\$100,000.00	\$110,000.00	\$10,000.00
604a IC-Non Hosp. Costs-Other	\$5,573.20	\$0.00	\$5,600.00	\$5,600.00
604b IC-Non Hosp. Costs-UTMB	\$176,404.96	\$180,000.00	\$250,000.00	\$70,000.00
607 IC-Non Hosp. Costs-WSEMS	\$388.90	\$0.00	\$400.00	\$400.00
629 Property Acquisition	\$650.00	\$200,000.00	\$30,000.00	(\$170,000.00)
630 NH Program - Mgt Fees	\$5,241,037.06	\$5,450,264.00	\$6,281,241.82	\$830,977.82
631 NH Program IGT	\$11,627,787.60	\$12,450,207.00	\$13,198,627.99	\$748,420.99
635 NH Program-LTC Fees	\$1,490,400.00	\$1,641,600.00	\$1,622,400.00	(\$19,200.00)
637 NH Program-Interest Expense	\$1,612,316.05	\$1,515,607.00	\$1,581,818.83	\$66,211.83

Of the proposed amendments were considered, the Finance Committee emphasized the recommended amendments to 603A IC-Pharmaceutical Costs, 604b IC-Non-Hosp. Costs-UTMB and 629 Property Acquisition. In regard to the prescription and UTMB cost, both Directors Way and Stramecki expressed concern over the increased cost incurred by these services. In particular, the Finance Committee asked the Indigent Care Director to engage the Indigent Care Committee to analyze the reasons these costs continue to escalate and to make recommendations for gaining more control over the costs. As for the UTMB healthcare services, it was suggested that the District should seek alternative providers for similar services. In response, Mrs. Ojeda stated that she would work on convening a meeting of the Indigent Care Committee and would begin

researching alternative providers and pharmacy benefit programs. Concerning the Property Acquisition, the Committee recommended reducing this line item from \$200,000.00 to \$30,000.00 because the cost incurred for the District's new building would be incurred in 2020 and therefore, they needed to be included in the 2020 budget.

At the completion of the discussion of the proposed budget amendments, President Murrell called on Mr. David Sticker to present the District's Financials. (*See Exhibit "C-2"*). Mr. Sticker conveyed that the Balance Sheet was in order and if the District Board approved the proposed amendments to the 2019 Budget, the District's Income Statement would be consistent with the expenses incurred by the District to date.

Thereafter, Attorney Oxford discussed the Treasurer's Report, check register, and outstanding invoices to be considered. (*See Exhibit "C-3"*). First, Attorney Oxford asked the Board to review the invoices to be paid. During a review of the invoices, Mrs. Norris advised that the Simon Construction invoice No. 1749 needed to be increased by \$8,700.00 to \$17,200.00. After the adjustment was made, the total expenses increased from \$86,722.58 to \$95,422.58. 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 \$2,654,382.59 in funds available after the payment of the \$95,422.58 in expenses. He then explained to the Board that the reason the funds available dropped from the previous month was because the District used \$2,000,000.00 of its line of credit to make an IGT for the QIPP program. In addition, Attorney Oxford spent time reviewing the cash flow for the rest of the year and the upcoming revenue and QIPP related expenses expected to be incurred before the December 2019 Regular Meeting.

At the completion of the discussion concerning the financials, a motion was made by Director Stramecki to approve the budget amendments; the financials for November 2019, the

December 18, 2019 Treasurer's Reports, and invoices to be paid (*See Exhibits "C-1", "C-2" and "C-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, to discuss and take action on adopting a 2020 Budget. Since this was discussed at length in the Public Hearing, President Murrell asked if there were any other comments and after confirming that there were none, he called for a motion to approve the 2020 Budget. (*See Exhibit "A"*). Director Way then made a motion to adopt the 2020 Budget as presented at the Public Hearing. This motion was seconded by Director Stramecki and unanimously approved by all the Board members present.

Following, President Murrell called on the various Committees to give their Committee Reports. President Murrell initiated the Committee reports by discussing the status of the District's new facility. According to President Murrell, the site work was complete, and the building was scheduled to be delivered on December 21, 2020. Once the building was delivered and installed, he expected there to be several of weeks of work to complete the installation; receive the necessary permits; and connect the building to the Trinity Bay system for water and sewage. The rest of the Board thanked the Building Committee for their hard work. After the discussion of the building and in light of matters that needed to be addressed by the Indigent Care Committee and Personnel Committee as well as Director Espinosa's absence, President Murrell appointed Director Way to serve on the Indigent Care Committee and Director Stramecki to serve on the Personnel Committee in lieu of Director Espinoza. However, President Murrell stated that if Mr. Espinosa returned and was capable, he would revisit the appointments. Once the new appointments were made, President Murrell asked the Indigent Care and Personnel Committees to arrange meetings before the next Board meeting to discuss healthcare options and changes to the Personnel Manual.

President Murrell thanked Director Stramecki for his efforts and then turned to Agenda Item No. 8 so that staff could provide their reports. The reports provided were as follows:

a. **Administrator's Report:** Mrs. Norris had nothing to report but did remind the Board that the District needed to begin considering office future for the new building and that she would try to get some cost before the next meeting.

b. **District Indigent Care Director:** Mrs. Ojeda presented the District's monthly indigent care reports for November 2019 and discussed various aspects of the summary set forth below. (See Exhibit "D").

Clients:	November				Year to Date			
	Billed Amount	Medicaid Rate	% of Services	Actually Paid	Billed Amount	Medicaid Rate	% of Services	Actually Paid
72					81,363,636			
Summary by Facility								
Winnie Community Hospital	\$17,917.60	\$7,346.22	12.19%	\$0.00	\$697,965.37	\$286,165.81	46.45%	\$0.00
Brookshire Brothers Pharmacy Corp	\$7,826.52	\$7,053.08	11.70%	\$7,053.08	\$94,755.63	\$83,346.23	13.53%	\$83,346.23
Brookshire Brothers Pharmacy Med	\$0.00	\$0.00	0.00%	\$0.00	\$113.15	\$113.15	0.02%	\$113.15
Wilcox Pharmacy	\$3,615.53	\$1,837.24	3.05%	\$1,837.24	\$30,663.28	\$19,120.34	3.10%	\$19,120.34
Pharmacy Total	\$11,442.05	\$8,890.32	14.75%	\$8,890.32	\$125,532.06	\$102,579.72	16.65%	\$102,579.72
UTMB Hospital	\$124,801.36	\$37,439.18	62.10%	\$37,439.18	\$594,821.22	\$175,982.52	28.57%	\$175,982.52
UTMB ER- Barrier Reef/Physician	\$0.00	\$0.00	0.00%	\$0.00	\$3,442.00	\$664.72	0.11%	\$664.72
UTMB Anesthesia	\$5,634.00	\$2,743.19	4.55%	\$2,743.19	\$20,318.00	\$12,130.54	1.97%	\$12,130.54
UTMB Lab/Xray	\$439.00	\$105.36	0.17%	\$105.36	\$18,887.00	\$3,974.56	0.65%	\$3,974.56
UTMB Physician Services	\$15,027.00	\$3,589.60	5.95%	\$3,589.60	\$104,407.00	\$27,143.33	4.41%	\$27,143.33
UTMB Total	\$145,901.36	\$43,877.33	72.78%	\$43,877.33	\$741,875.22	\$219,895.67	35.69%	\$219,895.67
Chambers Co Public Hosp Distr ER	\$1,627.50	\$415.80	0.69%	\$415.80	\$13,372.71	\$5,324.28	0.86%	\$5,324.28
Winnie-Stowell EMS	\$0.00	\$0.00	0.00%	\$0.00	\$2,152.00	\$388.90	0.06%	\$388.90
Non-Contract Emergency Services	\$1,627.50	\$415.80	0.69%	\$415.80	\$15,524.71	\$5,713.18	0.92%	\$5,713.18
Youth Counseling	\$170.00	\$170.00	0.28%	\$170.00	\$1,700.00	\$1,700.00	0.28%	\$1,700.00
Grand Totals	\$175,431.01	\$60,283.87	101%	\$52,937.65	\$1,582,597.36	\$616,054.38	100%	\$329,888.57

Summary by Service Provided								
	Billed Amount	Medicaid Rate	% of Services	Actually Paid	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Prescription Drugs	\$11,442.05	\$8,890.32	14.65%	\$8,890.32	\$125,532.06	\$102,579.72	16.65%	\$102,579.72
WCH Clinic	\$5,695.60	\$2,335.20	3.85%	\$0.00	\$107,292.39	\$43,989.90	7.14%	\$0.00
WCH Observation	\$0.00	\$0.00	0.00%	\$0.00	\$60,408.00	\$24,767.28	4.02%	\$0.00
WCH ER	\$1,229.00	\$503.89	0.83%	\$0.00	\$228,809.00	\$93,811.69	15.23%	\$0.00
WCH Lab/Xray	\$0.00	\$0.00	0.00%	\$0.00	\$105,550.00	\$43,275.50	7.02%	\$0.00
WCH Labs	\$0.00	\$0.00	0.00%	\$0.00	\$58,024.00	\$23,789.84	3.86%	\$0.00
WCH Xray	\$6,640.00	\$2,722.40	4.49%	\$0.00	\$53,110.80	\$21,775.42	3.53%	\$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	\$3,630.00	\$1,488.30	2.45%	\$0.00	\$31,375.00	\$12,863.75	2.09%	\$0.00
WCH Ultrasound	\$0.00	\$0.00	0.00%	\$0.00	\$8,907.00	\$3,651.87	0.59%	\$0.00
WCH CT Scan	\$0.00	\$0.00	0.00%	\$0.00	\$19,339.00	\$7,928.99	1.29%	\$0.00
WCH Optical Specialist	\$0.00	\$0.00	0.00%	\$0.00	\$2,920.00	\$1,197.20	0.19%	\$0.00
UTMB Physician Services	\$15,027.00	\$3,589.60	5.91%	\$3,589.60	\$104,407.00	\$27,143.33	4.41%	\$27,143.33
UTMB Anesthesia	\$5,634.00	\$2,743.19	4.52%	\$2,743.19	\$20,318.00	\$12,130.54	1.97%	\$12,130.54
UTMB In-Patient	\$62,319.73	\$22,392.04	36.89%	\$22,392.04	\$164,172.72	\$61,134.76	9.92%	\$61,134.76
UTMB Outpatient	\$62,481.63	\$15,047.14	24.79%	\$15,047.14	\$430,648.50	\$114,847.76	18.64%	\$114,847.76
UTMB Lab&Xray	\$439.00	\$105.36	0.17%	\$105.36	\$18,887.00	\$3,974.56	0.65%	\$3,974.56
UTMB ER Physician-Barrier Reef	\$0.00	\$0.00	0.00%	\$0.00	\$3,442.00	\$664.72	0.11%	\$664.72
Non-Contract Emergency Services	\$1,627.50	\$415.80	0.69%	\$415.80	\$15,524.71	\$5,713.18	0.93%	\$5,713.18
Youth Counseling	\$170.00	\$170.00	0.28%	\$170.00	\$1,700.00	\$1,700.00	0.28%	\$1,700.00
Lab/Xray readings for WCH	\$723.00	\$296.43	0.49%	\$0.00	\$22,230.18	\$9,114.37	1.48%	\$0.00
Grand Totals	\$177,058.51	\$60,699.67	100.02%	\$53,353.45	\$1,582,597.36	\$616,054.38	100.00%	\$329,888.57

In addition, Mrs. Ojeda presented the Board with a written report that highlights a number of things, including:

- In November 2019, the expenses incurred by UTMB were higher than usual, \$145,901.36, because of surgeries she expected to be bill out in October but they were not received until November;

- The District's Pharmacy cost for the month was also high, at \$11,442.05, due to high priced items, such as diabetic insulin; and
- The Districts' Youth Counseling numbers are down considerably but she expects this to pick up once the counseling was able to take place in the District's new offices.

Lastly, Mrs. Ojeda requested that Director Way and Director Rollo meet with her after the meeting to arrange a convenient time for the Indigent Care Committee to meet to discuss alternative healthcare providers and other

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:** No staff was present on behalf of LTC but the Board was given a copy of the Executive Summary for November and reviewed it. (*See Exhibit "E"*).

e. **Hospital Report:** This month, Mr. Steve Deatruck was introduced as the full time Hospital Administrator. Mr. Deatruck thanked the District's Board for their support and stated that he looked forward to continuing the relationship with the District. Thereafter, he presented the Hospital's report for November but since the Hospital had recently recertified to re-open following Tropical Storm Imelda, the numbers for November 2019 were still well below the pre-Imelda numbers. (*See Exhibit "F"*). However, Mr. Deatruck was happy to inform the Board that as of the date of the meeting, there were seven (7) in patient clients staying at the Hospital. In addition, he was happy to announce that the Hospital had recently purchased a number of items. These include: 1) NIO (Intraosseous) Needle Injector-for emergency bone "IV" access; 2) furniture for in-patient rooms that has been delivered and set up; 3) CPAP/BIPAP-and high velocity nasal oxygen delivery for aggressive respiratory treatment had been ordered; 4) iStat Machine was purchased, delivered and in-service; and 5) the Hospital purchased updated patient lift scale that was also in use. After the presentation, the Board welcomed Mr. Deatruck and stated that they looked forward to working with him.

Once all the staff reports were presented, President Murrell then moved to Agenda Item No. 9, 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.

President Murrell moved to Agenda Item No. 10, discuss and take action, if necessary, on adopting recommendations by General Counsel regarding attendance of monthly Quality Assurance and Participation Improvement (“QAPI”) meetings required by 1 TAC § 353.13041 TAC 13 and to instruct LTC to obtain copies of District’s nursing facilities existing QAPI programs. Attorney Oxford referred the Board to an e-mail he prepared and sent on December 5, 2019 in which he provided the Board with his opinion on an owner’s participation in the monthly QAPI meeting. (*See Exhibit “G”*). Attorney Oxford then went through his e-mail and then recommended when the District’s facilities hold the QIPP mandated monthly meetings, outside of the quarterly federally mandated meeting, that the Managers use their best efforts to have at least two (2) of the following persons be in attendance at these meetings: 1) director of nursing (DON); the medical director or his/her designee; the administrator; or 2) other individual in a leadership role who has knowledge of facility systems and the authority to change those systems. In regard to the District’s participation, the Board asked Attorney Oxford to coordinate with the LTC Group to ensure the District participate in the quarterly QAPI meeting mandated by the federal guidelines. Furthermore, the Board asked Attorney Oxford and staff to retrieve the facilities’ QAPI programs in order to be better educated on the outcomes of the monthly QAPI meetings. In light of this recommendation and the Board’s requests, a motion was made by Director Way for the Board to:

1. Adopt a policy that the Managers use their best efforts, when holding the QIPP mandated monthly QAPI meetings to have at least two (2) of the following persons attend: a) director of nursing (DON); b) the medical director or his/her designee; c) the administrator; or d) other individual in a leadership role who has knowledge of facility systems and the authority to change those systems.
2. Instruct Attorney Oxford to coordinate with the LTC Group to ensure the District participate in the quarterly QAPI meeting mandated by the federal guidelines.
3. Establish a repository of all the District's facilities QAPI programs and monthly meeting minutes.

Director Way's motion was seconded by Director Rollo and unanimously approved by all the Board members present.

Thereafter, the Board was directed to Agenda Item No. 11 to discuss and take action, if necessary, on agreeing to extend the District's lease agreement for its temporary offices and mitigate expenses of subsequent lessors. President Murrell explained that the District's current lease expired at the end of November 2019 and the space was scheduled to be occupied by the Paper Rock Scissors, hair salon, currently utilizing adjoining space in the same building starting December 1, 2019. Paper Rock Scissors current lease was believed to be between \$1,400.00 per month \$1,500.00 per month compared to the \$700.00 to \$750.00 per month they were going to start paying December 1, 2019 when they began to occupy the District's space. However, given the District's need to remain in the space through February 2020, President Murrell reported that he discussed with the Landlord, Rollo Brothers Partnership, the possibility of the District continuing to occupy its temporary offices on a month to month basis and pay the extra rental amounts owed for Paper Rock Scissors until the District moved out of its temporary offices. The Landlord, according to President Murrell, agreed to this offer. President Murrell also discussed this with the owners of Paper Rock Scissors who also agreed. Consequently, President Murrell asked the Board for permission to extend the District's current lease with the Landlord to a month to month lease and to pay the excess rent of the incoming tenant due to fact that the District is

occupying the space. The Board agreed and Director Way made a motion to authorize President Murrell to execute and amended lease that enabled to the District to continue to occupy the premise on a month to month basis after November 30, 2019 and to authorize the payment of damages to Paper Rock Scissors in the amount of the difference in cost between their current rent and rental price of the District's offices for the time that the District occupies its temporary offices after November 30, 2019. This motion was seconded by Director Stramecki and approved by all Directors present except Director Rollo, who abstained.

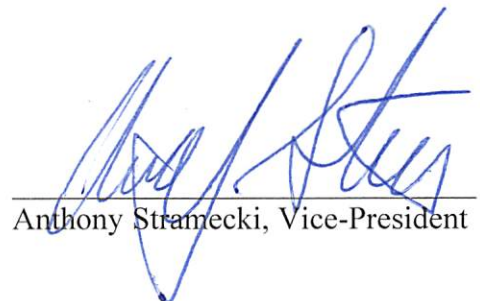
The Board was then asked to address Agenda Item No. 12, to discuss and take action, on paying deductibles, co-insurance, and co-pays for indigent care clients. Mrs. Ojeda was called to address this agenda item. According to Ms. Ojeda, she has discovered that in the past, the District paid the deductibles, co-insurance, and co-payments for their indigent care clients that are participating in the District's ICAP Program. However, after discussing this with Attorney Oxford, it was agreed that this benefit was not provided for in the District's indigent care policy. She then asked the Board for guidance on how to handle this issue in the future. The Board unanimously agreed that this is something that the Indigent Care Committee should consider but going forward, until such a payment was incorporated into the District's ICAP Program, no payments should be made. In addition, the Board asked Mrs. Ojeda to investigate why the District is covering clients who have insurance because it was their understanding that the District's mandate was to be a provider of last resort pursuant to Section VII(A)(5) of the ICAP Program adopted on June 20, 2019. Mrs. Ojeda agree to do so. Director Stramecki then made a motion to clarify the District's position that no payments were to be made by the District for deductibles, co-insurance, or co-payments to the District's indigent participating in the District's ICAP Program until such time as the District's ICAP Program is amended to provide the benefit. Director

Stramecki's motion was seconded by Director Way and passed with the unanimous consent of all the Board members present.

Lastly, President Murrell called on the Board to consider Agenda Item No. 13, to discuss and take action, if necessary, to open bank accounts for Willowbrook facility. He then called on Attorney Oxford to discuss. Attorney Oxford presented a proposed Resolution that authorizes staff to open a government receivables and commercial account at Allegiance Bank for the newly acquired Willowbrook facility. (See **Exhibit "H"**). He explained that this was routine after the District purchased a facility. Once Attorney Oxford concluded his review of the proposed Resolution, Director Stramecki made a motion to adopt the Resolution presented by Attorney Oxford that authorizes staff to open a government receivables and commercial account at Allegiance Bank for the Willowbrook facility. This 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 January 15, 2020, at 6:00 p.m. at the District's temporary offices located at 310 SH 124, Winnie Tx 77665. Thereafter, at 8:14 p.m., a motion was made by Director Stramecki 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