

Exhibit “A”

	A	D	E	F	H	I	J	K	L	N	O	P	Q
1	2019 Budget Amendments & 2020 Draft Budget												
2		2018 Year End Actuals	2018 Original Budget	2018 Final Budget	Actuals- November 30, 2019	2019 Original Budget	October 16, 2019 Amendments	Proposed December 18, 2019 Budget Amendments	Difference between Oct. 16, 2019 Amends. & Dec. 18, 2019 Proposed Amends.	2020 Draft Budget	Difference bw Dec. 18, 2019 Amended and 2020 Proposed	Difference bw 2019 Original and 2020 Proposed Budget	Notes
3	Revenue												
4	400 Sales Tax Revenue	\$500,912.10	\$500,000.00	\$500,000.00	\$672,892.99	\$500,000.00	\$700,000.00	\$700,000.00	\$0.00	\$500,000.00	(\$200,000.00)	\$0.00	
5	405 Investment Income	\$48,674.28	\$10,000.00	\$46,000.00	\$72,081.73	\$46,000.00	\$18,000.00	\$72,250.00	\$54,250.00	\$46,000.00	(\$26,250.00)	\$0.00	
6	409 Tobacco Settlement	\$9,734.33	\$11,500.00	\$11,500.00	\$9,838.50	\$11,500.00	\$9,800.00	\$9,800.00	\$0.00	\$9,800.00	\$0.00	(\$1,700.00)	
7	410 Other Revenue		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
8	415 Nursing Home-QIPP Programs	\$20,975,464.00	\$15,838,446.00	\$20,975,464.00	\$22,109,736.00	\$23,350,738.00	\$23,350,738.00	\$25,761,110.62	\$2,410,372.62	\$27,533,416.02	\$1,772,305.40	\$6,557,952.02	
9	Total Income	\$21,534,784.71	\$16,359,946.00	\$21,532,964.00	\$22,864,549.22	\$23,908,238.00	\$24,078,538.00	\$26,543,160.62	\$2,464,622.62	\$28,089,216.02	\$1,546,055.40	\$6,556,252.02	
10													
11	Expense												
12	500 Admin-Administrator Salary	\$52,000.00	\$52,000.00	\$52,000.00	\$58,230.78	\$52,000.00	\$63,000.00	\$63,000.00	\$0.00	\$63,000.00	\$0.00	\$11,000.00	
13	501 Admin-Security	\$0.00	\$1,200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
14	504 Admin-Administrator's Payroll Taxes	\$4,424.98	\$4,500.00	\$4,500.00	\$4,003.99	\$4,500.00	\$4,800.00	\$4,800.00	\$0.00	\$4,800.00	\$0.00	\$300.00	
15	505 Admin-Board Bonds	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$0.00	\$250.00	\$0.00	\$0.00	
16	515 Admin-District Bank Service Charges	\$191.50	\$360.00	\$360.00	\$236.35	\$360.00	\$360.00	\$360.00	\$0.00	\$360.00	\$0.00	\$0.00	
17	521 Professional Fees -District Acctg	\$15,837.50	\$12,000.00	\$15,000.00	\$17,250.00	\$15,000.00	\$25,000.00	\$25,000.00	\$0.00	\$25,000.00	\$0.00	\$10,000.00	
18	522 Professional Fees - Audit	\$47,813.75	\$50,000.00	\$75,000.00	\$24,123.70	\$25,000.00	\$25,000.00	\$25,000.00	\$0.00	\$25,000.00	\$0.00	(\$50,000.00)	
19	523 Professional Fees - District Legal	\$12,000.00	\$50,000.00	\$65,000.00	\$11,000.00	\$65,000.00	\$25,000.00	\$25,000.00	\$0.00	\$25,000.00	\$0.00	(\$40,000.00)	
20	550 Admin-D&O / Liability Insurance	\$13,129.15	\$15,000.00	\$15,000.00	\$10,341.13	\$15,000.00	\$10,341.13	\$10,341.13	\$0.00	\$12,000.00	\$1,658.87	(\$3,000.00)	
21	560 Admin-Cont Ed, Travel & Seminar	\$9,077.81	\$5,000.00	\$9,100.00	\$2,136.00	\$9,100.00	\$5,000.00	\$5,000.00	\$0.00	\$5,000.00	\$0.00	(\$4,100.00)	
22	561 Admin-Cont Ed-Med Personnel	\$10,336.86	\$5,000.00	\$8,500.00	\$1,801.74	\$8,500.00	\$5,000.00	\$5,000.00	\$0.00	\$5,000.00	\$0.00	(\$3,500.00)	
23	562 Admin-Travel & Mileage Reimbursed	\$508.76	\$1,000.00	\$600.00	\$1,238.88	\$600.00	\$1,500.00	\$1,500.00	\$0.00	\$1,500.00	\$0.00	\$900.00	
24	569 Admin-Meals	\$197.56	\$2,500.00	\$2,500.00	\$0.00	\$2,500.00	\$1,000.00	\$1,000.00	\$0.00	\$1,000.00	\$0.00	(\$1,500.00)	

	A	D	E	F	H	I	J	K	L	N	O	P	Q
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2		2018 Year End Actuals	2018 Original Budget	2018 Final Budget	Actuals- November 30, 2019	2019 Original Budget	October 16, 2019 Amendments	Proposed December 18, 2019 Budget Amendments	Difference between Oct. 16, 2019 Amends. & Dec. 18, 2019 Proposed Amends.	2020 Draft Budget	Difference bw Dec. 18, 2019 Amended and 2020 Proposed	Difference bw 2019 Original and 2020 Proposed Budget	Notes
25	570 Admin-District/County Promotion	\$164.21	\$5,000.00	\$5,000.00	\$0.00	\$5,000.00	\$2,500.00	\$2,500.00	\$0.00	\$2,500.00	\$0.00	(\$2,500.00)	
26	571 Admin-Office Supplies/Postage	\$6,851.16	\$3,600.00	\$6,800.00	\$3,638.86	\$6,800.00	\$6,800.00	\$6,800.00	\$0.00	\$6,800.00	\$0.00	\$0.00	
27	572 Admin-Web-Site	\$465.00	\$1,500.00	\$1,500.00	\$835.00	\$1,500.00	\$1,500.00	\$1,500.00	\$0.00	\$1,500.00	\$0.00	\$0.00	
28	573 Admin-Copier Lease/Contract	\$2,204.64	\$1,800.00	\$1,800.00	\$2,190.66	\$1,800.00	\$2,500.00	\$2,500.00	\$0.00	\$2,500.00	\$0.00	\$700.00	
29	575 Admin-Cell Phone Reimbursement	\$1,725.00	\$1,800.00	\$1,800.00	\$1,687.50	\$1,800.00	\$1,800.00	\$1,800.00	\$0.00	\$1,800.00	\$0.00	\$0.00	
30	576 Admin-Telephone/Internet	\$2,364.72	\$2,000.00	\$2,000.00	\$2,415.64	\$2,000.00	\$3,000.00	\$2,000.00	(\$1,000.00)	\$3,000.00	\$1,000.00	\$1,000.00	
31	590 Admin-Election Cost	\$1,580.00	\$1,000.00	\$1,600.00	\$3,137.09	\$0.00	\$3,137.00	\$3,137.00	\$0.00	\$5,000.00	\$1,863.00	\$3,400.00	
32	591 Admin- Notices & Fees	\$659.10	\$100.00	\$500.00	\$3,615.01	\$500.00	\$5,000.00	\$5,000.00	\$0.00	\$5,000.00	\$0.00	\$4,500.00	
33	592 Admin-Rent	\$0.00	\$0.00	\$0.00	\$1,500.00	\$0.00	\$2,250.00	\$3,750.00	\$1,500.00	\$7,080.00	\$3,330.00	\$7,080.00	
34	593 Admin-Electric	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,800.00	\$1,800.00	\$1,800.00	
35	594 Casualty & Windstorm Insurance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,060.10	\$2,060.10	\$2,060.10	
36	597 Flood Insurance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,235.00	\$1,235.00	\$1,235.00	
37	600 IC-East Chambers ISD Partnership	\$180,000.00	\$180,000.00	\$180,000.00	\$165,000.00	\$180,000.00	\$180,000.00	\$180,000.00	\$0.00	\$180,000.00	\$0.00	\$0.00	
38	601 IC-Pmt to Hosp (Indigent)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$140,000.00	\$140,000.00	\$140,000.00	
39	602 IC-WCH 1115 Waiver UC/IGT Prog	\$1,004,970.83	\$496,000.00	\$1,005,000.00	\$1,338,165.66	\$500,000.00	\$1,338,165.66	\$1,338,165.66	\$0.00	\$450,000.00	(\$888,165.66)	(\$555,000.00)	
40	603A IC-Pharmaceutical Costs	\$82,553.17	\$79,000.00	\$85,000.00	\$100,230.37	\$85,000.00	\$100,000.00	\$110,000.00	\$10,000.00	\$110,000.00	\$0.00	\$25,000.00	
41	604a IC-Non Hosp. Costs-Other	\$0.00	\$10,000.00	\$10,000.00	\$5,573.20	\$0.00	\$0.00	\$5,600.00	\$5,600.00	\$5,000.00	(\$600.00)	(\$5,000.00)	
42	604b IC-Non Hosp. Costs-UTMB	\$170,163.48	\$180,000.00	\$180,000.00	\$176,404.96	\$180,000.00	\$180,000.00	\$250,000.00	\$70,000.00	\$250,000.00	\$0.00	\$70,000.00	
43	605 IC-Office Supplies/Postage	\$149.40	\$1,200.00	\$1,200.00	\$361.35	\$1,200.00	\$1,200.00	\$1,200.00	\$0.00	\$1,200.00	\$0.00	\$0.00	
44	607 IC-Non Hosp. Costs-WSEMS	\$0.00	\$0.00	\$0.00	\$388.90	\$0.00	\$0.00	\$400.00	\$400.00	\$1,000.00	\$600.00	\$1,000.00	
45	611 IC-Indigent Care Director Salary	\$23,135.00	\$27,000.00	\$27,000.00	\$29,030.25	\$27,000.00	\$32,000.00	\$32,000.00	\$0.00	\$45,000.00	\$13,000.00	\$18,000.00	

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46	612 IC-Payroll Taxes for Director	\$1,656.28	\$2,400.00	\$2,400.00	\$1,996.14	\$2,400.00	\$2,800.00	\$2,800.00	\$0.00	\$3,500.00	\$700.00	\$1,100.00	
47	615 IC-Software	\$12,708.00	\$12,708.00	\$12,708.00	\$12,099.00	\$13,308.00	\$13,308.00	\$13,308.00	\$0.00	\$13,308.00	\$0.00	\$600.00	
48	616 IC-Travel	\$700.79	\$550.00	\$550.00	\$426.86	\$550.00	\$550.00	\$550.00	\$0.00	\$550.00	\$0.00	\$0.00	
49	617 Youth Counseling	\$11,305.00	\$30,000.00	\$10,000.00	\$1,530.00	\$30,000.00	\$5,000.00	\$5,000.00	\$0.00	\$5,000.00	\$0.00	(\$5,000.00)	
50	629 Property Acquisition	\$0.00	\$0.00	\$0.00	\$650.00	\$200,000.00	\$200,000.00	\$100,000.00	(\$100,000.00)	\$150,000.00	\$50,000.00	\$150,000.00	
51	630 NH Program - Mgt Fees	\$5,194,962.00	\$3,148,972.00	\$5,194,962.00	\$5,241,037.06	\$5,450,264.00	\$5,450,264.00	\$6,281,241.82	\$830,977.82	\$6,515,281.34	\$234,039.52	\$1,320,319.34	
52	631 NH Program IGT	\$10,585,541.00	\$9,540,501.00	\$10,585,541.00	\$11,627,787.60	\$12,450,207.00	\$12,450,207.00	\$13,198,627.99	\$748,420.99	\$14,502,853.30	\$1,304,225.31	\$3,917,312.30	
53	633 NH Program-Acctg Fees	\$8,100.00	\$43,000.00	\$43,000.00	\$0.00	\$35,000.00	\$35,000.00	\$35,000.00	\$0.00	\$35,000.00	\$0.00	(\$8,000.00)	
54	634 NH Program-Legal Fees	\$202,871.94	\$150,000.00	\$215,000.00	\$182,787.47	\$150,000.00	\$190,000.00	\$190,000.00	\$0.00	\$190,000.00	\$0.00	(\$25,000.00)	
55	635 NH Program-LTC Fees	\$1,413,600.00	\$1,082,957.00	\$1,413,600.00	\$1,490,400.00	\$1,641,600.00	\$1,641,600.00	\$1,622,400.00	(\$19,200.00)	\$1,606,000.00	(\$16,400.00)	\$192,400.00	
56	636 NH Program - Bonds	\$0.00	\$450.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
57	637 NH Program-Interest Expense	\$876,424.54	\$1,058,406.00	\$873,018.00	\$1,612,316.05	\$1,515,607.00	\$1,515,607.00	\$1,581,818.83	\$66,211.83	\$1,725,490.68	\$143,671.85	\$852,472.68	
58	638 NH Program Bank Fees & Misc	\$312.67	\$0.00	\$300.00	\$0.00	\$300.00	\$300.00	\$300.00	\$0.00	\$300.00	\$0.00	\$0.00	
59	639 Nursing Home Appraisal	\$11,660.07	\$23,594.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,500.00	\$2,500.00	\$2,500.00	
60	640 Nursing Home Acquisition Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,500.00	\$2,500.00	\$2,500.00	
61	653 Service Fee	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$100.00	\$100.00	\$0.00	\$100.00	\$0.00	\$100.00	
62	Total Expense	\$19,962,595.87	\$16,282,448.00	\$20,108,089.00	\$22,135,817.20	\$22,679,746.00	\$23,530,839.79	\$25,143,750.43	\$1,612,910.64	\$26,142,768.42	\$986,071.02	\$6,034,679.42	
63	Net Income	\$1,572,188.84	\$77,498.00	\$1,424,875.00	\$728,732.02	\$1,228,492.00	\$547,698.21	\$1,399,410.19	\$851,711.98	\$1,946,447.60	\$559,984.38	\$521,572.60	

Exhibit “B”



TABLE OF CONTENTS

Winnie-Stowell Hospital District

*For the Years Ended
December 31, 2018 and 2017*

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Governance Letter.....Page 2

DRAFT



Management and the Board of Directors
Winnie-Stowell Hospital District
Winnie, Texas

In planning and performing our audit of the financial statements of Winnie-Stowell Hospital District as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered Winnie-Stowell Hospital District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District’s financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, Board of Directors, and others within Winnie-Stowell Hospital District, and is not intended to be, and should not be, used by anyone other than these specified parties.

Durbin & Company, L.L.P.
Lubbock, Texas
November __, 2019

November __, 2019

Board of Directors
Winnie-Stowell Hospital District
Winnie, Texas

We have audited the financial statements of Winnie-Stowell Hospital District for the year ended December 31, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated March 5, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Winnie-Stowell Hospital District are described in Note 1 to the financial statements. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimates for the Medicaid Supplemental Payments to be received after year end is based on information provided by the State at such time that information becomes available. The estimated program payments include those related to the Quality Incentive Payment Program (QIPP). We evaluated the key factors and assumptions used to develop the estimated payments in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Managements Representations

We have requested certain representations from management that are included in the management representation letter dated November __, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on other financial information, which accompany the financial statements but are not RSI. With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the board of directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Durbin & Company, L.L.P.
Lubbock, Texas
November __, 2019



INDEPENDENT AUDITOR'S REPORT

Board of Directors and Management
Winnie-Stowell Hospital District
Winnie, Texas

We have audited the accompanying financial statements of Winnie-Stowell Hospital District (the "District"), as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Winnie-Stowell Hospital District's statements of net position, and the related statements of revenues, expenses, and changes in net position, and cash flows.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Winnie-Stowell Hospital District as of December 31, 2018 and 2017, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis on pages A-1 through A-4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

DRAFT

WINNIE-STOWELL HOSPITAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AND FINANCIAL STATEMENTS

Our discussion and analysis of Winnie-Stowell Hospital District's financial performance provides an overview of the District's financial activities for the fiscal years ended December 31, 2018 and 2017. Please read it in conjunction with the District's financial statements, which begin on page 1.

FINANCIAL HIGHLIGHTS

- The District's net position increased in 2018 by \$1,585,436 or 12.5% and increased in 2017 by \$1,997,603 or 18.7%.
- The District's net patient service revenue increased in 2018 by \$66,167,581 or 53.7% and increased in 2017 by \$19,205,364 or 18.5%.
- The District's operating expenses increased in 2018 by \$66,253,892 or 54.6% and increased in 2017 by \$18,241,993 or 17.7%.
- The District's non-operating revenues and expenses increased in 2018 by (\$238,102) or (238.0%) and decreased in 2017 by \$925,515 or 90.2%.

USING THIS ANNUAL REPORT

The District's financial statements consist of three statements, a Statement of Net Position; a Statement of Revenues, Expenses and Changes in Fund Net Position; and a Statement of Cash Flows. These financial statements and related notes provide information about the activities of the District, including resources held by the District but restricted for specific purposes by contributors, grantors, and enabling legislation.

The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position

Our analysis of the District's finances begins on page A-2. One of the most important questions asked about the District's finances is, "Is the District as a whole better or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District's resources and its activities in a way that helps answer this question. These statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes to it. You can think of the District's net position—the difference between assets and liabilities—as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as measures of the quality of service it provides to the community, as well as local economic factors to assess the overall health of the District.

**WINNIE-STOWELL HOSPITAL DISTRICT
 UNAUDITED MANAGEMENT’S DISCUSSION AND ANALYSIS
 AND FINANCIAL STATEMENTS (CONTINUED)**

The Statement of Cash Flows

The final required statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. It provides answers to such questions as “Where did cash come from? “What was cash used for?” and “What was the change in cash balance during the reporting period?”

THE DISTRICT’S NET POSITION

The District’s net position is the difference between its assets and liabilities reported in the Statement of Net Position on page 2. The District’s assets, liabilities, and net position are summarized in **Table 1**. The total net position represents the District’s net worth.

Table 1: Assets, Liabilities, and Net Position

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Assets:			
Current Assets	\$43,571,305	\$34,961,573	\$24,939,450
Capital Assets (net)	-	-	6,870
Total Assets	<u>\$43,571,305</u>	<u>\$34,961,573</u>	<u>\$24,946,320</u>
Liabilities:			
Other Current and Non-Current	\$29,327,557	\$22,303,261	\$14,285,611
Total Liabilities	<u>29,327,557</u>	<u>22,303,261</u>	<u>14,285,611</u>
Total Net Position	<u>14,243,748</u>	<u>12,658,312</u>	<u>10,660,709</u>
Total Liabilities and Net Position	<u>\$43,571,305</u>	<u>\$34,961,573</u>	<u>\$24,946,320</u>

A significant component of the change in the District’s assets is the increase in patient accounts receivable in the amount of \$3,710,887 in 2018, and the increase in patient accounts receivable of \$9,310,252 in 2017. Another significant component of the change in the District’s assets is the increase in nursing home supplemental payments receivable in the amount of \$1,336,425 in 2018 and the decrease in nursing home supplement payments receivable of (\$8,322,910) in 2017.

**WINNIE-STOWELL HOSPITAL DISTRICT
UNAUDITED MANAGEMENT'S DISCUSSION AND ANALYSIS
AND FINANCIAL STATEMENTS (CONTINUED)**

OPERATING RESULTS AND CHANGES IN THE HOSPITAL'S NET POSITION

In 2018 and 2017, the District's net position increased in 2018 by \$1,585,436 or 12.5% and increased in 2017 by \$1,997,603 or 18.7%.

	2018	2017	2016
Operating Revenues:			
Net Patient Service Revenue	\$189,416,027	\$123,248,446	\$104,043,082
Other Operating Revenue	9,734	97,488	247,813
Total Operating Revenue	<u>189,425,761</u>	<u>123,345,934</u>	<u>104,290,895</u>
Operating Expenses:			
Salaries	75,135	78,708	71,331
Employee Benefits	6,081	6,337	4,975
Professional Fees and Purchased Services	-	1,000	1,100
Nursing Home Expenses	178,967,254	118,178,248	99,211,036
Indigent Care	1,257,687	733,903	560,883
Legal and Consulting Fees	1,739,724	757,604	2,482,440
Other Operating	5,456,300	1,485,619	668,270
Depreciation and Amortization	-	6,870	6,261
Total Operating Expenses	<u>187,502,181</u>	<u>121,248,289</u>	<u>103,006,296</u>
Operating Income (Loss)	1,923,580	2,097,645	1,284,599
Nonoperating Revenues and (Expenses):			
Sales Tax Revenue	500,912	504,963	542,158
Investment Income	48,674	11,234	7,199
Interest Expense	(887,730)	(616,239)	(1,485,807)
Gain (Loss) on Disposal of Assets	-	-	(89,107)
Total Nonoperating Revenue / (Expense)	<u>(338,144)</u>	<u>(100,042)</u>	<u>(1,025,557)</u>
Increase (Decrease) in Net Position	<u>\$ 1,585,436</u>	<u>\$ 1,997,603</u>	<u>\$ 259,042</u>

Operating Income (Loss)

Contributing to the overall change of the District's net position is its operating income, generally, the difference between the net patient service revenue and the expenses incurred to perform those services. The District has reported an operating income (loss) of \$1,923,580 and \$2,097,645 in 2018 and 2017, respectively.

**WINNIE-STOWELL HOSPITAL DISTRICT
UNAUDITED MANAGEMENT'S DISCUSSION AND ANALYSIS
AND FINANCIAL STATEMENTS (CONTINUED)**

Nonoperating Revenues and Expenses

Nonoperating revenues consist primarily of sales taxes levied by the state and investment income. The District received (\$4,051) less in taxes in 2018, while in 2017 the taxes collected decreased by (\$37,195). Nonoperating expenses consist primarily of interest expense. The District paid (\$271,491) less in interest in 2018 and \$869,568 less in 2017.

THE DISTRICT'S CASH FLOWS

Changes in the District's cash flows are consistent with changes in operating losses and nonoperating revenues and expenses previously discussed.

DEBT ADMINISTRATION

Debt

At December 31, 2018 and 2017, the District had \$12,684,865 and \$7,624,472, respectively, in notes payable as detailed in Note 8 of the financial statements.

Other Economic Factors

The District maintains good relations with various employers in the area. The District seeks to maintain its provider status in the many health insurance networks that local employers participate in. The District will continue to look for ways to foster its relationship with local employers and work towards promoting the services it offers to potential patients in the area.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our patients, suppliers, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact, the District's office at Winnie-Stowell Hospital District, 538 Broadway, Winnie, Texas 77665.

**WINNIE-STOWELL HOSPITAL DISTRICT
STATEMENTS OF NET POSITION**

DECEMBER 31, 2018 AND 2017

ASSETS:	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 5,230,483	\$ 3,718,793
Short-Term Investments	2,839,758	2,804,953
Patient Accounts Receivable, Net of Allowance	22,464,522	18,753,635
Nursing Home Supplemental Payment Receivable	4,484,515	3,148,090
Prepaid and Other Current Assets	8,460,351	6,444,426
Sales Taxes Receivable	<u>91,676</u>	<u>91,676</u>
Total current assets	43,571,305	34,961,573
CAPITAL ASSETS, NET	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 43,571,305</u></u>	<u><u>\$ 34,961,573</u></u>

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The accompanying notes are an integral part of these financial statements.

**WINNIE-STOWELL HOSPITAL DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2018 AND 2017**

LIABILITIES AND NET POSITION:	<u>2018</u>	<u>2017</u>
CURRENT LIABILITIES		
Accounts Payable	16,640,914	14,675,978
Accrued Payroll, Benefits, and Related Liabilities	1,778	2,811
Notes Payable	<u>12,684,865</u>	<u>7,624,472</u>
Total Current Liabilities	<u>29,327,557</u>	<u>22,303,261</u>
Total Liabilities	<u>29,327,557</u>	<u>22,303,261</u>
NET POSITION		
Unrestricted	<u>14,243,748</u>	<u>12,658,312</u>
Total Net Position	<u>14,243,748</u>	<u>12,658,312</u>
Total Liabilities and Net Position	<u><u>\$ 43,571,305</u></u>	<u><u>\$ 34,961,573</u></u>

The accompanying notes are an integral part of these financial statements.

WINNIE-STOWELL HOSPITAL DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
OPERATING REVENUES:		
Net Nursing Home Patient Service Revenue	\$ 189,416,027	\$ 123,248,446
Other Revenue	9,734	97,488
Total Operating Revenues	<u>189,425,761</u>	<u>123,345,934</u>
OPERATING EXPENSES:		
Salaries	75,135	78,708
Employee Benefits	6,081	6,337
Professional Fees and Purchased Services	-	1,000
Nursing Home Expenses	178,967,254	118,178,248
Indigent Care	1,257,687	733,903
Legal and Consulting Fees	1,739,724	757,604
Other Operating	5,456,300	1,485,619
Depreciation and Amortization	-	6,870
Total Operating Expenses	<u>187,502,181</u>	<u>121,248,289</u>
Operating Income (Loss)	1,923,580	2,097,645
NONOPERATING REVENUES (EXPENSES):		
Sales Tax Revenue	500,912	504,963
Investment Income	48,674	11,234
Interest Expense	(887,730)	(616,239)
Other Non Operating Revenue (Expenses)	-	-
Total Nonoperating Revenues (Expenses)	<u>(338,144)</u>	<u>(100,042)</u>
Increase (Decrease) in Net Position	1,585,436	1,997,603
Net Position, Beginning of Year	<u>12,658,312</u>	<u>10,660,709</u>
Net Position, End of Year	<u>\$ 14,243,748</u>	<u>\$ 12,658,312</u>

The accompanying notes are an integral part of these financial statements.

**WINNIE-STOWELL HOSPITAL DISTRICT
STATEMENTS OF CASH FLOWS**

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from and on Behalf of Patients	\$ 174,179,095	\$ 122,261,104
Other Receipts and Payments, net	9,734	11,988
Indigent Care Support	(4,594,570)	(733,903)
Payments to Suppliers and Contractors	(172,687,764)	(122,766,420)
Payments to Employees	(82,249)	(85,169)
Net cash provided by (used in) operating activities	(3,175,754)	(1,312,400)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Earnings	48,674	11,234
Purchase of Investments	(34,805)	(2,700,628)
Net Cash Provided by (Used in) Investing Activities	13,869	(2,689,394)
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES		
Sales Tax	500,912	504,963
Principal Payments on Debt and Notes Payable	(5,624,472)	(3,620,000)
Proceeds From Issuance of Long-Term Debt and Notes Payable	10,684,865	7,624,472
Interest Payments on Long-Term Debt and Notes Payable	(887,730)	(616,239)
Net Cash Provided by (Used in) Noncapital Financing Activities	4,673,575	3,893,196
Net Increase (Decrease) in Cash and Cash Equivalents	1,511,690	(108,598)
Cash and Cash Equivalents, Beginning of Year	3,718,793	3,827,391
Cash and Cash Equivalents, End of Year	\$ 5,230,483	\$ 3,718,793

The accompanying notes are an integral part of these financial statements.

**WINNIE-STOWELL HOSPITAL DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)**

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
RECONCILIATION OF CASH AND EQUIVALENTS TO THE BALANCE SHEETS		
Cash and equivalents presented under the following titles:		
Cash and Cash Equivalents	\$ 5,230,483	\$ 3,718,793
	\$ 5,230,483	\$ 3,718,793
 RECONCILIATION OF NET INCOME TO NET CASH USED IN OPERATING ACTIVITIES		
Operating Income (Loss)	1,923,580	2,097,645
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Used in Operating Activities:		
Depreciation and Amortization	-	6,870
(Increase) Decrease in:		
Accounts Receivable	(3,710,887)	(9,310,252)
Prepaid Expenses and Other Current Assets	(2,015,925)	(6,442,751)
Nursing Home Supplemental Payment Receivable	(1,336,425)	8,322,910
Increase (Decrease) in:		
Accounts Payable	1,964,936	4,013,302
Accrued Salaries and Benefits Payable	(1,033)	(124)
	(1,033)	(124)
 Net Cash Provided By (Used in) Operating Activities	 \$ (3,175,754)	 \$ (1,312,400)

The accompanying notes are an integral part of these financial statements.

**WINNIE-STOWELL HOSPITAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The Winnie-Stowell Hospital District (the “District”) was formed as a political subdivision under the laws of the State of Texas, and became effective on January 1, 2005, in the eastern portion of Chambers County, Texas. The District is governed by an elected five-member board of directors serving four-year terms. As a hospital district it is not controlled by or dependent upon any other entity and does not exercise control over operations of any other entity. During 2014, the District entered into operations transfer agreements with thirteen nursing facilities which transferred the operations and certain operating assets of each facility. The District has also received an assignment or transfer of the Medicare and Medicaid Provider agreements for each facility.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America.

Enterprise Fund Accounting – The District uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. The District has elected to apply the provisions based on Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The District has also elected to apply the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

Pending Accounting Pronouncements

GASB Statement No. 87 – Governmental Accounting Standards Board Statement No. 87, *Leases*. The objective of this Statement is to provide financial statement users with improved accounting and financial reporting for leases by establishing a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for periods beginning after December 15, 2019.

GASB Statement No. 88 – Governmental Accounting Standards Board Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for periods beginning after June 15, 2018.

GASB Statement No. 89 – Governmental Accounting Standards Board Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are to enhance the relevance and comparability of information about the capital assets and the cost incurred before the end of a construction period. The requirements of this Statement are effective for periods beginning after December 15, 2019.

The accompanying notes are an integral part of these financial statements.

**WINNIE-STOWELL HOSPITAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pending Accounting Pronouncements (Continued)

GASB Statement No. 90 – Governmental Accounting Standards Board Statement No. 90, *Majority Equity Interests*. The objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for periods beginning after December 15, 2018.

GASB Statement No. 91 – Governmental Accounting Standards Board Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2020.

Accounting Standards Update (ASU) No. 2014-09 – In May 2014, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 was implemented by the FASB to determine whether an entity should recognize revenue. An entity should recognize revenue to depict the transfers of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 is effective for fiscal years beginning after December 15, 2018, with early implementation permitted. Management is currently evaluating the effects this pronouncement will have on the financial statements and related disclosures.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - The District considers highly liquid investments with an original maturity of three months or less to be cash equivalents, excluding amounts whose use is limited by board designation or other arrangements under trust agreements.

Patient Accounts Receivable – The allowance for estimated uncollectible patient accounts receivable is maintained at a level which, in management’s judgment, is adequate to absorb patient account balance write-offs inherent in the billing process. The amount of the allowance is based on management’s evaluation of the collectability of patient accounts receivable, including the nature of the accounts, credit concentrations, and trends in historical write-off experience, specific impaired accounts, and economic conditions. Allowances for uncollectibles and contractuals are general determined by applying historical percentages to financial classes within accounts receivable. The allowances are increased by a provision for bad debt expenses and contractual adjustments, and reduced by write-offs, net of recoveries.

The accompanying notes are an integral part of these financial statements.

**WINNIE-STOWELL HOSPITAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments – The District is authorized to invest excess working capital and assets whose use is limited in certificate of deposit, money market accounts, or U.S. government securities. The District can invest its excess working capital monies in certificates of deposit at its designated depository and other financial institutions. Investments at the District’s depository are secured by the Federal Deposit Insurance Corporation (FDIC) or through the purchase of collateral in the form of US government securities by the depository.

Assets Whose Use is Limited - Assets whose use is limited (if any) include assets held under indenture agreements and designated assets set aside by the board of directors to be used for capital expenditures over which the board retains control and may at its discretion subsequently use for other purposes. Amounts required to meet current liabilities of the District have been reclassified as current assets

Capital Assets – Capital assets are carried at cost. Contributed capital assets are reported at their estimated fair value at the time of their donation. Equipment under capital lease obligations is amortized on the straight-line method over the shorter of the lease term or the estimated useful life of the equipment life. Such amortization is included in depreciation and amortization in the financial statements. Except for capital assets acquired through gifts, contributions, or capital grants, interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring these assets.

The District has elected to capitalize expenditures over \$5,000 and provide for depreciation of capital assets by the straight-line method at rates promulgated by the American Hospital Association, which are designed to amortize the cost of such equipment over its useful life as follows:

Major Moveable Equipment	3 to 20 years
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Net Position – Net position of the District is classified into two components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets.

Operating Revenues and Expenses – For purposes of display, the District’s statements of revenues, expenses and changes in net position distinguishes between operating and non-operating revenues and expenses. Operating revenues and expenses result from exchange transactions associated with providing health care services - the District’s principal activity. Non-exchange revenues and expenses, including taxes, grants and contributions, and intergovernmental transfers received for purposes other than capital asset acquisition, are reported as non-operating revenues and expenses. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

The accompanying notes are an integral part of these financial statements.

**WINNIE-STOWELL HOSPITAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal Income Taxes - The District is a political subdivision under the laws of the State of Texas, and therefore, it is exempt from federal income tax pursuant to Section 115 of the Internal Revenue Code. Additionally, pursuant to Section 1.6033-2(g)(6) of the Income Tax Regulations, it is not required to file an information return form 990.

Indigent Care – The District provides payment for services to health care providers for certified indigents who have applied and met the District’s criteria for indigent care. The District pays a discounted rate which in most cases is equal to the Medicaid reimbursement rates.

Sales Tax Revenue – Sales taxes are collected by the state of Texas and remitted to the District monthly. The tax is collected by the vendor and is required to be remitted to the state by the 20th of the month following collection. The tax is then paid to the District by the Friday following the second Wednesday of the subsequent month. These funds were used to support operations.

Risk Management - The District is exposed to various risks of loss from torts: theft of, damage to and destruction of assets; business interruption; errors and omissions and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage during the year.

Reclassifications – Certain reclassifications have been made to the 2017 financial statements to conform to the 2018 financial statement presentation. These reclassifications had no effect on the change in net position.

NOTE 2 – NURSING HOME NET PATIENT SERVICE REVENUE

A significant portion of the District’s nursing home revenues and related accounts receivable are derived from programs administered by various federal and state agencies. Accordingly, the District is subject to regulatory requirements imposed by these governmental agencies. Revenues under certain of these programs are subject to examination and retroactive adjustment. Management does not expect a material settlement to result from any such examinations.

**WINNIE-STOWELL HOSPITAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017**

NOTE 2 – NURSING HOME NET PATIENT SERVICE REVENUE (CONTINUED)

Patient service revenue for the Nursing Homes is comprised as follows:

	<u>2018</u>	<u>2017</u>
SNF Patient Revenue	\$173,676,985	\$119,923,254
Other Revenue	8,613,545	2,825,883
Supplemental Payments	<u>10,189,620</u>	<u>2,467,673</u>
Gross Nursing Home Patient Service Revenue	192,480,150	125,216,810
Provision for Bad Debts	<u>(3,064,123)</u>	<u>(1,968,364)</u>
Net Nursing Home Patient Service Revenue	<u>\$ 189,416,027</u>	<u>\$ 123,248,446</u>

NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS

At December 31, 2018 and 2017, the carrying amount of the District's deposits with financial institutions was \$7,397,900 and \$5,863,535, respectively, and the bank balance was \$7,421,928 and \$6,242,381, respectively.

	<u>2018</u>	<u>2017</u>
Amount insured by the FDIC	\$ 1,106,008	\$ 1,202,803
Amount collateralized with securities held by the pledging financial institution's trust department in the District's name	6,315,920	211,075
Uncollateralized amount	<u>-</u>	<u>4,472,677</u>
Total bank balance	<u>\$ 7,421,928</u>	<u>\$ 5,886,555</u>

NOTE 4 – INVESTMENTS

The District has funds invested in TexSTAR which is reported as cash and equivalents. TexSTAR is a local government investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity, and competitive yield. TexSTAR is administered by First Southwest Asset Management, Inc. and JP Morgan Chase. The fund is rated AAAM by Standard and Poor's and maintains a maturity of 60 days or less, with a maximum maturity of 13 months for any individual security. The fund seeks to maintain a constant dollar objective and fulfills all requirements of the Texas Public Funds Investment Act for local government investment pools. At December 31, 2018 and 2017, the carrying amount of the District's deposits with financial institutions was \$672,341 and \$660,211, respectively. Separate financial statements can be obtained by sending TexSTAR a fax or calling 1-800-TEX-STAR.

The accompanying notes are an integral part of these financial statements.

**WINNIE-STOWELL HOSPITAL DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2018 AND 2017**

NOTE 4 – INVESTMENTS (CONTINUED)

TexSTAR is a member of Securities Investor Protection Corporation (SIPC). The SIPC provides \$500,000 of coverage for missing securities, including \$250,000 for claims of cash awaiting reinvestment. Market losses are not covered by SIPC.

The District’s investments may be exposed to the following types of risk:

Interest Rate Risk – Interest rate risk is the risk that the market values of investments will change based on changes in market interest rates. The District limits maturities to one year or less as a means of managing its exposure to fair value losses arising from increasing interest rates. State investment pools are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2018 and 2017, the District’s investments in TexSTAR was rated AAA by Standard & Poor’s.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. TexSTAR is managed to fulfill all requirements of the Texas Public Funds Investment Act.

Concentration of Credit Risk – The District places no limit on the amount that may be invested in any one issuer. At December 31, 2018 and 2017, the investment in state investment pools was approximately 13% and 18% of total cash and cash equivalents respectively.

NOTE 5 – NURSING HOME ACCOUNTS RECEIVABLE

Concentration of Credit Risk – The District grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31 is as follows:

	<u>2018</u>	<u>2017</u>
Medicare	18%	29%
Medicaid	30%	46%
Managed Care	42%	5%
Patients	10%	20%
Total	<u>100%</u>	<u>100%</u>

The accompanying notes are an integral part of these financial statements.

**WINNIE-STOWELL HOSPITAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017**

NOTE 6 – SALES TAX RECEIVABLE

Sales taxes are reported as revenues in the period for which they are collected. Tax revenue for 2018 and 2017 was \$500,912 and \$504,963, respectively. As of December 31, 2018 and 2017, the balance of sales tax receivable and its related allowance for uncollectible taxes are as follows:

	<u>2018</u>	<u>2017</u>
Taxes Receivable	<u>\$ 91,676</u>	<u>91,676</u>

NOTE 7 – CAPITAL ASSETS

The following is a summary of capital assets at cost less accumulated depreciation:

	<u>Balance 12/31/17</u>	<u>Additions</u>	<u>Reclass/ Retirements</u>	<u>Balance 12/31/18</u>
Equipment	\$ 140,655	-	-	\$ 140,655
Totals at Historical Cost	140,655	-	-	140,655
Less Accumulated Depreciation for:				
Equipment	(140,655)	-	-	(140,655)
Total Accumulated Depreciation	(140,655)	-	-	(140,655)
Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>Balance 12/31/16</u>	<u>Additions</u>	<u>Reclass/ Retirements</u>	<u>Balance 12/31/17</u>
Equipment	140,655	-	-	140,655
Totals at Historical Cost	140,655	-	-	140,655
Less Accumulated Depreciation for:				
Equipment	(133,785)	(6,870)	-	(140,655)
Total Accumulated Depreciation	(133,785)	(6,870)	-	(140,655)
Capital Assets, Net	<u>\$ 6,870</u>	<u>\$ (6,870)</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense for the years ended December 31, 2018 and 2017 was \$0- and \$6,870, respectively.

The accompanying notes are an integral part of these financial statements.

**WINNIE-STOWELL HOSPITAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017**

NOTE 8 – NOTES PAYABLE

Following is a summary of notes payable at December 31:

	Balance 12/31/17	Additions	Reductions	Balance 12/31/18
(10) Salt Creek Capital	\$ 2,437,583	\$ -	\$ (2,437,583)	\$ -
(12) Salt Creek Capital	2,765,389	-	(2,765,389)	-
(13) Salt Creek Capital	-	6,342,432	-	6,342,432
(14) Salt Creek Capital	-	4,342,433	-	4,342,433
(2) Post Oak Bank	2,421,500	-	(421,500)	2,000,000
Total Notes Payable	\$ 7,624,472	\$ 10,684,865	\$ (5,624,472)	\$ 12,684,865

	Balance 12/31/16	Additions	Reductions	Balance 12/31/17
(9) Neches Capital	\$ 3,620,000	\$ -	\$ (3,620,000)	\$ -
(10) Salt Creek Capital	-	2,437,583	-	2,437,583
(12) Salt Creek Capital	-	2,765,389	-	2,765,389
(2) Post Oak Bank	-	2,421,500	-	2,421,500
Total Notes Payable	\$ 3,620,000	\$ 7,624,472	\$ (3,620,000)	\$ 7,624,472

The terms and due dates of the District’s notes payable at December 31, 2018 and 2017 follow:

- (9) Neches Capital – 16.8% note payable with all outstanding principal and interest due February 6, 2017 and is collateralized by cash and investments. Paid in full during fiscal year 2017.
- (10) Salt Creek Capital – 16.8% line of credit with all outstanding principal and interest due March 25, 2018 and is collateralized by cash and investments.
- (12) Salt Creek Capital – 16.8% note payable with all outstanding principal and interest due September 1, 2018 and is collateralized by cash and investments.
- (2) Post Oak Bank – 3.5% note payable with all outstanding principal and interest due January 7, 2019 and is collateralized by cash and investments.
- (13) Salt Creek Capital – 16.8% note payable with all outstanding principal and interest due March 30, 2019 and is collateralized by cash and investments.
- (14) Salt Creek Capital – 16.8% note payable with all outstanding principal and interest due September 30, 2019 and is collateralized by cash and investments.

In 2018 and 2017, total interest incurred was \$887,730 and \$616,239, respectively, all of which was charged to operations.

The accompanying notes are an integral part of these financial statements.

**WINNIE-STOWELL HOSPITAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017**

NOTE 9 – INDIGENT CARE

The District is responsible for providing healthcare for residents of the District that qualify under the indigent program guidelines. In March 2015, the District hired an indigent care director and began operating the indigent care program themselves. In addition, the District is part of an indigent care assistance agreement with Winnie Community Hospital (the “Hospital”). This agreement is intended to reimburse the Hospital for services provided to residents of the District. The District incurred expense for indigent care and assistance in the amount of \$1,257,687 and \$733,903 for the year ended December 31, 2018 and 2017, respectively.

NOTE 10 – NURSING HOME OPERATIONS

During 2014, the District entered into operations transfer agreements with thirteen nursing facilities which transferred the operations and certain operating assets of each facility. In fiscal years 2017 and 2018, the District entered into operations transfer agreements with a total of eleven additional nursing homes. The District has also received an assignment or transfer of the Medicare and Medicaid Provider agreements for each facility. In addition to the operations transfer agreements, the District has also entered into a lease agreement with each facility for the lease of real property, fixed assets, and associated equipment that encompass the nursing home’s physical properties. The total rental expense paid to all facilities was \$18,389,937 and \$10,108,467 for the year ended December 31, 2018 and 2017, respectively.

At the time of each transfer agreement, the District executed a management agreement with LTC Group, LLC to provide certain operational and clinical review services for all of the nursing home facilities on behalf of the Hospital District. The initial term of these agreements are through August 31, 2016, unless sooner terminated. These agreements shall be automatically renewed for successive two year periods unless either party cancels in writing on or before 90 days prior to the end of the current term.

Under these agreements, the District has paid total service fees of \$5,194,962 and \$1,233,837, respectively, which is recorded in other operating expenses on the statements of revenues, expenses, and changes in net position for the year ended December 31, 2018 and 2017.

In connection with these agreements, the District has recorded all patient revenue and the related accounts receivable. The District recorded \$189,416,027 and \$123,248,446 in net patient related revenue for the years ended December 31, 2018 and 2017, respectively. These revenues are recorded as Net Nursing Home Patient Service Revenues on the statements of revenues, expenses, and changes in net position.

Additionally, the District has entered into separate management agreements whereby each facility is managed by a third-party in which the District pays monthly fees for management services and operating expenses including quality incentives, if any, based upon the terms of each individual agreement. These fees total \$178,967,254 and \$118,178,248 for the years ended December 31, 2018 and 2017, respectively. These expenses are recorded as Nursing Home expenses on the statements of revenues, expenses, and changes in net position. Amounts due and unpaid as of December 31, 2018 and 2017 for these expenses are \$16,640,914 and \$14,675,978, respectively.

The accompanying notes are an integral part of these financial statements.

**WINNIE-STOWELL HOSPITAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017**

NOTE 10 – NURSING HOME OPERATIONS(CONTINUED)

Quality Incentive Payment Program (QIPP) – During its 84th session, the Texas Legislature directed HHSC to transition MPAP to a new Quality Incentive Payment Program (QIPP) effective September 1, 2016, and HHSC will implement QIPP on September 1, 2017. QIPP will require participating facilities meeting certain qualifying criteria to submit projects to HHSC requesting the additional funding as supported in the individual projects. These projects are expected to improve quality and innovation in the provision of nursing facility services, including but not limited to payment incentives to establish culture change, small house models, staffing enhancements and outcome measures to improve the quality of care and life for nursing facility residents. A portion of the additional funding will be funded through intergovernmental transfer (IGT) payments from each participating provider. QIPP IGTs for a specific capitation rate period will be due to HHSC approximately six months prior to the beginning of the rate period. The District has recorded a QIPP receivable of 4,484,515 and \$3,148,090 at December 31, 2018 and 2017, respectively.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Litigation – The District is, from time to time, subject to claims and suits for damages, including damages for personal injuries to patients and others, most of which are covered as to risk and amount. In the opinion of management, there were no known pending legal proceedings that could have a material effect on the District's financial position or results of operations.

NOTE 12 – MALPRACTICE CLAIMS

The District is a unit of government covered by the Texas Tort Claims Acts which, by statute, limits its liability to \$100,000 per person and \$300,000 for each single occurrence. These limits coincide with the malpractice insurance coverage maintained by the District, which is purchased under a claims-made policy on a fixed premium basis. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claims costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the District's claims experience, no such accrual has been made.

NOTE 13 – SUBSEQUENT EVENTS

The date to which events occurring after December 31, 2018, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosure is November __, 2019, which is the date on which the financial statements were available to be issued.

Exhibit “C-1”

	A	D	E	F	H	I	J	K	L	N	O	P	Q
1	2019 Budget Amendments & 2020 Draft Budget												
2		2018 Year End Actuals	2018 Original Budget	2018 Final Budget	Actuals- November 30, 2019	2019 Original Budget	October 16, 2019 Amendments	Proposed December 18, 2019 Budget Amendments	Difference between Oct. 16, 2019 Amends. & Dec. 18, 2019 Proposed Amends.	2020 Draft Budget	Difference bw Dec. 18, 2019 Amended and 2020 Proposed	Difference bw 2019 Original and 2020 Proposed Budget	Notes
3	Revenue												
4	400 Sales Tax Revenue	\$500,912.10	\$500,000.00	\$500,000.00	\$672,892.99	\$500,000.00	\$700,000.00	\$700,000.00	\$0.00	\$500,000.00	(\$200,000.00)	\$0.00	
5	405 Investment Income	\$48,674.28	\$10,000.00	\$46,000.00	\$72,081.73	\$46,000.00	\$18,000.00	\$72,250.00	\$54,250.00	\$46,000.00	(\$26,250.00)	\$0.00	
6	409 Tobacco Settlement	\$9,734.33	\$11,500.00	\$11,500.00	\$9,838.50	\$11,500.00	\$9,800.00	\$9,800.00	\$0.00	\$9,800.00	\$0.00	(\$1,700.00)	
7	410 Other Revenue		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
8	415 Nursing Home-QIPP Programs	\$20,975,464.00	\$15,838,446.00	\$20,975,464.00	\$22,109,736.00	\$23,350,738.00	\$23,350,738.00	\$25,761,110.62	\$2,410,372.62	\$27,533,416.02	\$1,772,305.40	\$6,557,952.02	
9	Total Income	\$21,534,784.71	\$16,359,946.00	\$21,532,964.00	\$22,864,549.22	\$23,908,238.00	\$24,078,538.00	\$26,543,160.62	\$2,464,622.62	\$28,089,216.02	\$1,546,055.40	\$6,556,252.02	
10													
11	Expense												
12	500 Admin-Administrator Salary	\$52,000.00	\$52,000.00	\$52,000.00	\$58,230.78	\$52,000.00	\$63,000.00	\$63,000.00	\$0.00	\$63,000.00	\$0.00	\$11,000.00	
13	501 Admin-Security	\$0.00	\$1,200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
14	504 Admin-Administrator's Payroll Taxes	\$4,424.98	\$4,500.00	\$4,500.00	\$4,003.99	\$4,500.00	\$4,800.00	\$4,800.00	\$0.00	\$4,800.00	\$0.00	\$300.00	
15	505 Admin-Board Bonds	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$0.00	\$250.00	\$0.00	\$0.00	
16	515 Admin-District Bank Service Charges	\$191.50	\$360.00	\$360.00	\$236.35	\$360.00	\$360.00	\$360.00	\$0.00	\$360.00	\$0.00	\$0.00	
17	521 Professional Fees -District Acctg	\$15,837.50	\$12,000.00	\$15,000.00	\$17,250.00	\$15,000.00	\$25,000.00	\$25,000.00	\$0.00	\$25,000.00	\$0.00	\$10,000.00	
18	522 Professional Fees - Audit	\$47,813.75	\$50,000.00	\$75,000.00	\$24,123.70	\$25,000.00	\$25,000.00	\$25,000.00	\$0.00	\$25,000.00	\$0.00	(\$50,000.00)	
19	523 Professional Fees - District Legal	\$12,000.00	\$50,000.00	\$65,000.00	\$11,000.00	\$65,000.00	\$25,000.00	\$25,000.00	\$0.00	\$25,000.00	\$0.00	(\$40,000.00)	
20	550 Admin-D&O / Liability Insurance	\$13,129.15	\$15,000.00	\$15,000.00	\$10,341.13	\$15,000.00	\$10,341.13	\$10,341.13	\$0.00	\$12,000.00	\$1,658.87	(\$3,000.00)	
21	560 Admin-Cont Ed, Travel & Seminar	\$9,077.81	\$5,000.00	\$9,100.00	\$2,136.00	\$9,100.00	\$5,000.00	\$5,000.00	\$0.00	\$5,000.00	\$0.00	(\$4,100.00)	
22	561 Admin-Cont Ed-Med Personnel	\$10,336.86	\$5,000.00	\$8,500.00	\$1,801.74	\$8,500.00	\$5,000.00	\$5,000.00	\$0.00	\$5,000.00	\$0.00	(\$3,500.00)	
23	562 Admin-Travel & Mileage Reimbursed	\$508.76	\$1,000.00	\$600.00	\$1,238.88	\$600.00	\$1,500.00	\$1,500.00	\$0.00	\$1,500.00	\$0.00	\$900.00	
24	569 Admin-Meals	\$197.56	\$2,500.00	\$2,500.00	\$0.00	\$2,500.00	\$1,000.00	\$1,000.00	\$0.00	\$1,000.00	\$0.00	(\$1,500.00)	

	A	D	E	F	H	I	J	K	L	N	O	P	Q
1	2019 Budget Amendments & 2020 Draft Budget												
2		2018 Year End Actuals	2018 Original Budget	2018 Final Budget	Actuals- November 30, 2019	2019 Original Budget	October 16, 2019 Amendments	Proposed December 18, 2019 Budget Amendments	Difference between Oct. 16, 2019 Amends. & Dec. 18, 2019 Proposed Amends.	2020 Draft Budget	Difference bw Dec. 18, 2019 Amended and 2020 Proposed	Difference bw 2019 Original and 2020 Proposed Budget	Notes
25	570 Admin-District/County Promotion	\$164.21	\$5,000.00	\$5,000.00	\$0.00	\$5,000.00	\$2,500.00	\$2,500.00	\$0.00	\$2,500.00	\$0.00	(\$2,500.00)	
26	571 Admin-Office Supplies/Postage	\$6,851.16	\$3,600.00	\$6,800.00	\$3,638.86	\$6,800.00	\$6,800.00	\$6,800.00	\$0.00	\$6,800.00	\$0.00	\$0.00	
27	572 Admin-Web-Site	\$465.00	\$1,500.00	\$1,500.00	\$835.00	\$1,500.00	\$1,500.00	\$1,500.00	\$0.00	\$1,500.00	\$0.00	\$0.00	
28	573 Admin-Copier Lease/Contract	\$2,204.64	\$1,800.00	\$1,800.00	\$2,190.66	\$1,800.00	\$2,500.00	\$2,500.00	\$0.00	\$2,500.00	\$0.00	\$700.00	
29	575 Admin-Cell Phone Reimbursement	\$1,725.00	\$1,800.00	\$1,800.00	\$1,687.50	\$1,800.00	\$1,800.00	\$1,800.00	\$0.00	\$1,800.00	\$0.00	\$0.00	
30	576 Admin-Telephone/Internet	\$2,364.72	\$2,000.00	\$2,000.00	\$2,415.64	\$2,000.00	\$3,000.00	\$2,000.00	(\$1,000.00)	\$3,000.00	\$1,000.00	\$1,000.00	
31	590 Admin-Election Cost	\$1,580.00	\$1,000.00	\$1,600.00	\$3,137.09	\$0.00	\$3,137.00	\$3,137.00	\$0.00	\$5,000.00	\$1,863.00	\$3,400.00	
32	591 Admin- Notices & Fees	\$659.10	\$100.00	\$500.00	\$3,615.01	\$500.00	\$5,000.00	\$5,000.00	\$0.00	\$5,000.00	\$0.00	\$4,500.00	
33	592 Admin-Rent	\$0.00	\$0.00	\$0.00	\$1,500.00	\$0.00	\$2,250.00	\$3,750.00	\$1,500.00	\$7,080.00	\$3,330.00	\$7,080.00	
34	593 Admin-Electric	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,800.00	\$1,800.00	\$1,800.00	
35	594 Casualty & Windstorm Insurance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,060.10	\$2,060.10	\$2,060.10	
36	597 Flood Insurance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,235.00	\$1,235.00	\$1,235.00	
37	600 IC-East Chambers ISD Partnership	\$180,000.00	\$180,000.00	\$180,000.00	\$165,000.00	\$180,000.00	\$180,000.00	\$180,000.00	\$0.00	\$180,000.00	\$0.00	\$0.00	
38	601 IC-Pmt to Hosp (Indigent)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$140,000.00	\$140,000.00	\$140,000.00	
39	602 IC-WCH 1115 Waiver UC/IGT Prog	\$1,004,970.83	\$496,000.00	\$1,005,000.00	\$1,338,165.66	\$500,000.00	\$1,338,165.66	\$1,338,165.66	\$0.00	\$450,000.00	(\$888,165.66)	(\$555,000.00)	
40	603A IC-Pharmaceutical Costs	\$82,553.17	\$79,000.00	\$85,000.00	\$100,230.37	\$85,000.00	\$100,000.00	\$110,000.00	\$10,000.00	\$110,000.00	\$0.00	\$25,000.00	
41	604a IC-Non Hosp. Costs-Other	\$0.00	\$10,000.00	\$10,000.00	\$5,573.20	\$0.00	\$0.00	\$5,600.00	\$5,600.00	\$5,000.00	(\$600.00)	(\$5,000.00)	
42	604b IC-Non Hosp. Costs-UTMB	\$170,163.48	\$180,000.00	\$180,000.00	\$176,404.96	\$180,000.00	\$180,000.00	\$250,000.00	\$70,000.00	\$250,000.00	\$0.00	\$70,000.00	
43	605 IC-Office Supplies/Postage	\$149.40	\$1,200.00	\$1,200.00	\$361.35	\$1,200.00	\$1,200.00	\$1,200.00	\$0.00	\$1,200.00	\$0.00	\$0.00	
44	607 IC-Non Hosp. Costs-WSEMS	\$0.00	\$0.00	\$0.00	\$388.90	\$0.00	\$0.00	\$400.00	\$400.00	\$1,000.00	\$600.00	\$1,000.00	
45	611 IC-Indigent Care Director Salary	\$23,135.00	\$27,000.00	\$27,000.00	\$29,030.25	\$27,000.00	\$32,000.00	\$32,000.00	\$0.00	\$45,000.00	\$13,000.00	\$18,000.00	

	A	D	E	F	H	I	J	K	L	N	O	P	Q
1	2019 Budget Amendments & 2020 Draft Budget												
2		2018 Year End Actuals	2018 Original Budget	2018 Final Budget	Actuals- November 30, 2019	2019 Original Budget	October 16, 2019 Amendments	Proposed December 18, 2019 Budget Amendments	Difference between Oct. 16, 2019 Amends. & Dec. 18, 2019 Proposed Amends.	2020 Draft Budget	Difference bw Dec. 18, 2019 Amended and 2020 Proposed	Difference bw 2019 Original and 2020 Proposed Budget	Notes
46	612 IC-Payroll Taxes for Director	\$1,656.28	\$2,400.00	\$2,400.00	\$1,996.14	\$2,400.00	\$2,800.00	\$2,800.00	\$0.00	\$3,500.00	\$700.00	\$1,100.00	
47	615 IC-Software	\$12,708.00	\$12,708.00	\$12,708.00	\$12,099.00	\$13,308.00	\$13,308.00	\$13,308.00	\$0.00	\$13,308.00	\$0.00	\$600.00	
48	616 IC-Travel	\$700.79	\$550.00	\$550.00	\$426.86	\$550.00	\$550.00	\$550.00	\$0.00	\$550.00	\$0.00	\$0.00	
49	617 Youth Counseling	\$11,305.00	\$30,000.00	\$10,000.00	\$1,530.00	\$30,000.00	\$5,000.00	\$5,000.00	\$0.00	\$5,000.00	\$0.00	(\$5,000.00)	
50	629 Property Acquisition	\$0.00	\$0.00	\$0.00	\$650.00	\$200,000.00	\$200,000.00	\$100,000.00	(\$100,000.00)	\$150,000.00	\$50,000.00	\$150,000.00	
51	630 NH Program - Mgt Fees	\$5,194,962.00	\$3,148,972.00	\$5,194,962.00	\$5,241,037.06	\$5,450,264.00	\$5,450,264.00	\$6,281,241.82	\$830,977.82	\$6,515,281.34	\$234,039.52	\$1,320,319.34	
52	631 NH Program IGT	\$10,585,541.00	\$9,540,501.00	\$10,585,541.00	\$11,627,787.60	\$12,450,207.00	\$12,450,207.00	\$13,198,627.99	\$748,420.99	\$14,502,853.30	\$1,304,225.31	\$3,917,312.30	
53	633 NH Program-Acctg Fees	\$8,100.00	\$43,000.00	\$43,000.00	\$0.00	\$35,000.00	\$35,000.00	\$35,000.00	\$0.00	\$35,000.00	\$0.00	(\$8,000.00)	
54	634 NH Program-Legal Fees	\$202,871.94	\$150,000.00	\$215,000.00	\$182,787.47	\$150,000.00	\$190,000.00	\$190,000.00	\$0.00	\$190,000.00	\$0.00	(\$25,000.00)	
55	635 NH Program-LTC Fees	\$1,413,600.00	\$1,082,957.00	\$1,413,600.00	\$1,490,400.00	\$1,641,600.00	\$1,641,600.00	\$1,622,400.00	(\$19,200.00)	\$1,606,000.00	(\$16,400.00)	\$192,400.00	
56	636 NH Program - Bonds	\$0.00	\$450.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
57	637 NH Program-Interest Expense	\$876,424.54	\$1,058,406.00	\$873,018.00	\$1,612,316.05	\$1,515,607.00	\$1,515,607.00	\$1,581,818.83	\$66,211.83	\$1,725,490.68	\$143,671.85	\$852,472.68	
58	638 NH Program Bank Fees & Misc	\$312.67	\$0.00	\$300.00	\$0.00	\$300.00	\$300.00	\$300.00	\$0.00	\$300.00	\$0.00	\$0.00	
59	639 Nursing Home Appraisal	\$11,660.07	\$23,594.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,500.00	\$2,500.00	\$2,500.00	
60	640 Nursing Home Acquisition Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,500.00	\$2,500.00	\$2,500.00	
61	653 Service Fee	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$100.00	\$100.00	\$0.00	\$100.00	\$0.00	\$100.00	
62	Total Expense	\$19,962,595.87	\$16,282,448.00	\$20,108,089.00	\$22,135,817.20	\$22,679,746.00	\$23,530,839.79	\$25,143,750.43	\$1,612,910.64	\$26,142,768.42	\$986,071.02	\$6,034,679.42	
63	Net Income	\$1,572,188.84	\$77,498.00	\$1,424,875.00	\$728,732.02	\$1,228,492.00	\$547,698.21	\$1,399,410.19	\$851,711.98	\$1,946,447.60	\$559,984.38	\$521,572.60	

Exhibit “C-2”

Winnie-Stowell Hospital District

Balance Sheet

As of November 30, 2019

	<u>Nov 30, 19</u>
ASSETS	
Current Assets	
Checking/Savings	
100 Prosperity Bank -Checking	290,743.47
102 Prosperity Bank - CD#0447	107,875.62
104 Allegiance Bank - CD#9053	2,785,399.12
105 TexStar	686,169.96
107 Graham InterBank combined	
107.01a GIB 1008 DAISA	-0.10
107.01b GIB 0228 DACA	250,000.00
107.01c GIB Collateral Funds	5,054,156.22
	<hr/>
Total 107 Graham InterBank combined	5,304,156.12
108 Allegiance Bank NH Combined	2,166,540.94
	<hr/>
Total Checking/Savings	11,340,885.23
Other Current Assets	
110 Sales Tax Receivable	116,206.43
114 Accounts Receivable NH	21,121,021.27
117 NH - QIPP Prog Receivable	5,124,408.60
118 Prepaid Expense	3,775.00
119 Prepaid IGT	3,941,866.30
	<hr/>
Total Other Current Assets	30,307,277.60
	<hr/>
Total Current Assets	41,648,162.83
Fixed Assets	
120 Equipment	140,654.96
125 Accumulated Depreciation	-113,810.64
	<hr/>
Total Fixed Assets	26,844.32
	<hr/>
TOTAL ASSETS	41,675,007.15
	<hr/> <hr/>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
190 NH Payables Combined	2,166,357.90
201 NHP Accounts Payable	2,211,813.46
201.1 NH Payable - LTC	132,000.00
210.14 Loan Payable #15 QIPP 3	7,113,077.80
210.50 Allegiance Bk Ln 4 QIPP3	2,000,000.00
225 FUTA Tax Payable	112.00
230 SUTA Tax Payable	251.31
235 Payroll Liabilities	3,407.42
240 Accounts Payable NH	19,342,663.01
	<hr/>
Total Other Current Liabilities	32,969,682.90
	<hr/>
Total Current Liabilities	32,969,682.90
	<hr/>
Total Liabilities	32,969,682.90
Equity	
300 Net Assets, Capital, net of	59,503.44
310 Net Assets-Unrestricted	4,755,312.01
Retained Earnings	3,161,776.78
Net Income	728,732.02
	<hr/>
Total Equity	8,705,324.25
	<hr/>
TOTAL LIABILITIES & EQUITY	41,675,007.15
	<hr/> <hr/>

Winnie-Stowell Hospital District Profit & Loss Budget vs. Actual

As of November 30, 2019

Accrual Basis

	Jan - Nov 19	Budget	\$ Over Budget	% of Budget
Income				
400 Sales Tax Revenue	672,892.99	700,000.00	-27,107.01	96.1%
405 Investment Income	72,081.73	18,000.00	54,081.73	400.5%
409 Tobacco Settlement	9,838.50	9,800.00	38.50	100.4%
415 Nursing Home - QIPP Program	22,109,736.00	23,350,738.00	-1,241,002.00	94.7%
Total Income	22,864,549.22	24,078,538.00	-1,213,988.78	95.0%
Expense				
500 Admin-Administrative Salary	58,230.78	63,000.00	-4,769.22	92.4%
504 Admin-Administrators PR Tax	4,003.99	4,800.00	-796.01	83.4%
505 Admin-Board Bonds	250.00	250.00	0.00	100.0%
515 Admin-Bank Service Charges	236.35	360.00	-123.65	65.7%
521 Professional Fees - Acctng	17,250.00	25,000.00	-7,750.00	69.0%
522 Professional Fees-Auditing	24,123.70	25,000.00	-876.30	96.5%
523 Professional Fees - Legal	11,000.00	25,000.00	-14,000.00	44.0%
550 Admin-D&O / Liability Ins.	10,341.13	10,341.13	0.00	100.0%
560 Admin-Cont Ed, Travel	2,136.00	5,000.00	-2,864.00	42.7%
561 Admin-Cont Ed-Medical Pers.	1,801.74	5,000.00	-3,198.26	36.0%
562 Admin-Travel&Mileage Reimb.	1,238.88	1,500.00	-261.12	82.6%
569 Admin-Meals	0.00	1,000.00	-1,000.00	0.0%
570 Admin-District/County Prom	0.00	2,500.00	-2,500.00	0.0%
571 Admin-Office Supplies/Post	3,638.86	6,800.00	-3,161.14	53.5%
572 Admin-Web Site	835.00	1,500.00	-665.00	55.7%
573 Admin-Copier Lease/Contract	2,190.66	2,500.00	-309.34	87.6%
575 Admin-Cell Phone Reimburse	1,687.50	1,800.00	-112.50	93.8%
576 Admin-Telephone/Internet	2,415.64	2,000.00	415.64	120.8%
590 Admin-Election Cost	3,137.09	3,137.09	0.00	100.0%
591 Admin-Notices & Fees	3,615.01	5,000.00	-1,384.99	72.3%
592 Admin Office Rent	1,500.00	2,250.00	-750.00	66.7%
600 East Chambers ISD Partnersh	165,000.00	180,000.00	-15,000.00	91.7%
602 IC-WCH 1115 Waiver Prog	1,338,165.66	1,338,165.66	0.00	100.0%
603a IC-Pharmaceutical Costs	100,230.37	100,000.00	230.37	100.2%
604 IC-Non Hosp Costs UTMB	170,695.64	180,000.00	-9,304.36	94.8%
604a IC-Non Hosp Cost-Other	11,671.42	0.00	11,671.42	100.0%
605 IC-Office Supplies/Postage	361.35	1,200.00	-838.65	30.1%
611 IC-Indigent Care Dir Salary	29,030.25	32,000.00	-2,969.75	90.7%
612 IC-Payroll Taxes -Ind Care	1,996.14	2,800.00	-803.86	71.3%
615 IC-Software	12,099.00	13,308.00	-1,209.00	90.9%
616 IC-Travel	426.86	550.00	-123.14	77.6%
617 IC -Youth Counseling	1,530.00	5,000.00	-3,470.00	30.6%
629 - Property Acquisition	650.00	200,000.00	-199,350.00	0.3%
630 NH Program-Mgt Fees	5,241,037.06	5,450,264.00	-209,226.94	96.2%
631 NH Program-IGT	11,627,787.60	12,450,207.00	-822,419.40	93.4%
633 NH Program-Acctg Fees	0.00	35,000.00	-35,000.00	0.0%
634 NH Program-Legal Fees	182,787.47	190,000.00	-7,212.53	96.2%
635 NH Program-LTC Fees	1,490,400.00	1,641,600.00	-151,200.00	90.8%
637 NH Program-Interest Expense	1,612,316.05	1,515,607.00	96,709.05	106.4%
638 NH Program-Bank Fees & Misc	0.00	300.00	-300.00	0.0%
653 Service Fee	0.00	100.00	-100.00	0.0%
Total Expense	22,135,817.20	23,529,839.88	-1,394,022.68	94.1%
Net Income	728,732.02	548,698.12	180,033.90	132.8%

Exhibit “C-3”

WSHD Treasurer's Report and Supporting Documents

Reporting Date: Wednesday, December 18, 2019

Pending Expenses	For	Amount	Funds Summary	Totals
Brookshire Brothers	Indigent Care	\$7,053.08	Prosperity Operating	\$312,465.34
Wilcox Pharmacy	Indigent Care	\$1,837.24	Interbank (Restricted-Comp. 1 & Prepaid Int.)	\$2,527,837.45
UTMB at Galveston	Indigent Care	\$37,544.54	Interbank (Unrestricted)	\$857,895.13
UTMB Faculty Group	Indigent Care	\$6,332.79	Prosperity CD	\$107,875.62
Chambers Co Public Hosp Dist	Indigent Care	\$415.80	TexStar	\$686,169.96
Indigent Healthcare Solutions	IC Inv #68999	\$1,109.00	Allegiance Bank LOC (Available)	\$785,399.12
American Education Services	S Stern-Student Loan	\$150.14	Net Cash Position (less Interbank)	\$2,749,805.17
Penelope (Polly) Butler	Youth Counseling	\$170.00	Pending Expenses	(\$95,422.58)
Benckenstein & Oxford	Inv# 49506 (Sept 2019)	\$8,750.00	Ending Balance	\$2,654,382.59
			Last Month	
Hubert Oxford	1/2 Legal Retainer	\$500.00	Prosperity Operating	\$338,881.75
Josh Heinz	1/2 Legal Retainer	\$500.00	Interbank-restricted	\$1,200,595.27
David Sticker	Inv# 21478	\$1,531.25	Interbank-unrestricted	\$1,203,016.16
Function 4	Inv #752363 (paper)	\$169.95	Prosperity CD	\$107,401.87
The Hometown Press	Inv# 2327	\$62.50	TexStar	\$685,258.85
The Seabreeze Beacon	Inv# 4141	\$79.63	Allgeiance Bank LOC (Available)	\$2,785,399.12
Simon Construction	Inv #1748 (ditch cleaning)	\$3,850.00	Net Cash Position (less Interbank)	\$5,119,957.75
Simon Construction	Inv #1749 (new parking)	\$17,200.00	Pending Expenses	(\$45,873.17)
Allegiance Bank	Loan Interst Due-Jan 7	\$8,166.66	Ending Balance	\$5,074,084.58
Total Pending Expenses		\$95,422.58		

Interbank Account Reconciliation	District's Cash Position
GIB Balance 12/18/2019	Prosperity Operating
QIPP 3 Sept. Comp. 1	Interbank (Unrestricted)
QIPP 3 Sept. Comp. 2 District	Prosperity CD
QIPP 3, Oct. Comp. 1	TexStar
QIPP 3 Oct. Comp. 2 District	Allegiance Bank LOC (Available)
Loan 16 Interest accrual	Allegiance Bank LOC (Unavailable)
Overage for QIPP 2 Qtr 4	Expenses
Balance to keep in GIB (<i>GIB has an Incoming wire fee \$10.00</i>)	Totals
Restricted	
Unrestricted	

Cash Flow for Remainder of 2019			
Date	Transaction	Projected	Actual
	Balance (Prosperity & Interbank-Unrestricted)	\$1,304,830.90	\$1,170,360.47
Dec. 15, 2019	Sales Tax Revenue Estimate	\$40,000.00	\$44,206.68
Dec. 18, 2019	Operating Expenses	(\$45,000.00)	(\$86,722.58)
Dec. 21, 2019	Telehealth	\$0.00	(\$12,500.00)
Dec. 31, 2019	Component 2 Payment	\$0.00	\$166,174.51
Dec. 31, 2019	Payment to Mana. Comp. 2 (Nov. 2019)	\$0.00	(\$83,087.26)
Dec. 31, 2019	Interest for Loan 15 (Not Prepaid)	(\$99,583.09)	(\$99,583.09)
Dec. 31, 2019	Operating Expenses for December	(\$45,000.00)	(\$45,000.00)
	Balance	\$737,749.28	\$1,053,848.73

*Estimates in italics

Expenses Since Last Meeting				
Date	To	For	Amount	
11/22/2019	NH Managers	QY3 CP 2 Sept/Telehealth	(\$87,056.08)	Wire
11/22/2019	NH Managers	Non QIPP Funds	(\$9,551.00)	Wire
11/26/2019	Salt Creek Capital	Loan 15 Interest	(\$99,583.09)	Transfer
11/26/2019	Allegiance Bank	LOC-for QY3 Qtrs 3&4	(\$2,000,000.00)	Wire
12/7/2019	Rollo Brothers	Rent Dec	(\$750.00)	Check
12/9/2019	Chamber Cty-Fire	Fire Invoice	(\$100.00)	PB Credit Card
12/9/2019	Chamber Cty-Fire	Permit	(\$800.00)	PB Credit Card
Total Transactions Since Last Meeting			(\$2,197,840.17)	

Upcoming Transactions				
Anticipated Date	For	Upcoming Transactions	Income	Expenses
12/21/2019	Managers	Payment of 1/2 Telehealth Expenses (Nov 2019)		(\$12,500.00)
12/31/2019	MCO	Payment of Incentive Fees (Comp. 2)(Nov 2019)	\$166,174.51	
12/31/2019	Managers	Payment of Incentive Fees (Comp. 2)(Nov 2019)		\$83,087.26
1/2/2020	Salt Creek Capital	Loan 15-Interest (Month 7/10)		(\$99,583.09)
1/2/2020	Salt Creek Capital	Loan 15-Interest (Month 1/10)		(\$70,947.82)
1/7/2019	Allegiance Bank	LOC-Interest		(\$8,166.66)

Outstanding Short Term Revenue Note					
Loan 15-Principle	\$7,113,077.80				
Interest	16.80%	10 Months: \$1,009,253.89		Set Aside: \$504,626.95	
1	6/29/2019	\$7,113,077.80	\$99,583.09	\$0.00	\$99,583.09
2	7/31/2019	\$7,113,077.80	\$99,583.09	\$0.00	\$99,583.09
3	8/29/2019	\$7,113,077.80	\$99,583.09	\$0.00	\$99,583.09
4	9/29/2019	\$7,113,077.80	\$99,583.09	\$0.00	\$99,583.09
5	10/29/2019	\$7,113,077.80	\$99,583.09	\$1,083,931.42	\$1,183,514.51
6	11/29/2019	\$7,113,077.80	\$99,583.09	\$1,107,480.96	\$1,207,064.05
7	12/29/2019	\$7,113,077.80	\$99,583.09	\$1,159,992.39	\$1,259,575.48
8	1/29/2020	\$7,113,077.80	\$99,583.09	\$1,181,376.00	\$1,280,959.09
Reserve	2/29/2020	\$7,113,077.80	\$0.00	\$186,666.58	\$186,666.58
9	2/28/2020	\$7,113,077.80	\$99,583.09	\$1,206,450.07	\$1,306,033.16
10	3/29/2020	\$7,113,077.80	\$99,583.09	\$1,187,180.38	\$1,286,763.47
Amount Paid	3/29/2020	\$0.00	\$995,830.90	\$7,113,077.80	\$8,108,908.70
Amount Due: March 29, 2020			\$995,830.90	\$7,113,077.80	\$8,108,908.70
Amount Remaining				\$0.00	\$0.00

Outstanding Short Term Revenue Note

Loan 16-Principle	\$5,067,701.53				
Interest	16.80%	10 Months: \$1,009,253.89		Set Aside: \$354,739.10	
	Date	Balance	Interest	Principal Rcvd.	Payment
1	12/31/2019	\$5,067,701.53	\$70,947.82	\$0.00	\$70,947.82
2	1/31/2020	\$5,067,701.53	\$70,947.82	\$0.00	\$70,947.82
3	2/28/2020	\$5,067,701.53	\$70,947.82	\$0.00	\$70,947.82
4	3/31/2020	\$5,067,701.53	\$70,947.82	\$0.00	\$70,947.82
5	4/30/2020	\$5,067,701.53	\$70,947.82	\$1,085,546.75	\$1,156,494.57
6	5/31/2020	\$5,067,701.53	\$70,947.82	\$1,088,679.63	\$1,159,627.45
7	6/30/2020	\$5,067,701.53	\$70,947.82	\$1,142,068.88	\$1,213,016.70
8	7/31/2020	\$5,067,701.53	\$70,947.82	\$1,169,629.76	\$1,240,577.58
Reserve	8/31/2020	\$5,067,701.53	\$0.00	\$244,543.86	\$244,543.86
9	8/31/2020	\$5,067,701.53	\$70,947.82	\$337,232.65	\$408,180.47
10	9/30/2020	\$5,067,701.53	\$70,947.82	\$0.00	\$70,947.82
Amount Paid	9/30/2020	\$0.00	\$709,478.20	\$5,067,701.53	\$5,777,179.73
Amount Due: March 29, 2020			\$709,478.20	\$5,067,701.53	\$5,777,179.73
Amount Remaining				\$0.00	\$0.00

Allegiance Bank Line of Credit

Principle	\$2,700,000.00	Principle Balance Owed	\$2,000,000.00		
Interest	3.25%	LOC Funds Available	\$700,000.00		
	Date	Description	Withdrawal / Advance	Principle Payment	Interest
	12/31/2019	Interest Payment		\$0.00	(\$5,416.67)
	1/31/2020	Interest Payment		\$0.00	(\$5,416.67)
	2/28/2020	Interest Payment		\$0.00	(\$5,416.67)
	3/31/2020	Interest Payment		\$0.00	(\$5,416.67)
	4/30/2020	Interest Payment		\$0.00	(\$5,416.67)
	5/31/2020	Interest Payment		\$0.00	(\$5,416.67)
	6/30/2020	Interest Payment		\$0.00	(\$5,416.67)
	7/31/2020	Principle Payment		\$0.00	(\$5,416.67)
	8/31/2020	Principle Payment		\$800,863.61	(\$3,909.97)
	9/30/2020	Principle Payment		\$1,199,136.39	(\$1,179.79)
	Balance Due			\$0.00	(\$310.51)

District's Investments

	Amount	Percentage	From	To	Interest
*CD at Allegiance Bank C.D. #9503	\$2,785,399.12	1.50%	11/1/2019	11/30/2019	\$10,642.89
CD at Prosperity (Qtr.) C.D. #0447	\$107,518.74	1.75%	11/1/2019	11/30/2019	Paid \$473.75 Nov 2019
Texstar C.D. #1110	\$685,258.85	1.90%	11/1/2019	11/30/2019	\$911.11

**TO THE BEST OF MY KNOWLEDGE, THESE FIGURES IN THE WSDH
TREASURER'S REPORT AND SUPPORTING DOCUMENTS CORRECT AND IN
COMPLIANCE WITH THE DISTRICT'S INVESTMENT POLICY.**

Edward Murrell,
President

Robert "Bobby" Way
Treasurer/Investment Officer

Date

Date

* Estimated amounts

GL Totals

Issued 12/13/19

Winnie Stowel Hospital District Indigent Healthcare Services

Batch Dates 11/01/19-11/30/19

Brookshire Bros. Phar. (Winnie)

Vendor #: 65460

P.O. Box 1359

Winnie, TX 77665

GL #	Description	Amount
WSHD	Wshd	7,053.08
	Expenditures	7,053.08
	Reimb/Adjustments	
	Grand Total	7,053.08

33 total invoices

GL Totals Detail

Invoice #	GL #	Date in	Amt Billed	Amt Paid
036-2411*65460*3	WSHD	11/14/2019	156.35	156.35
036-2458*65460*9	WSHD	11/05/2019	6.36	6.36
036-2458*65460*9	WSHD	11/11/2019	25.00	25.00
036-2458*65460*9	WSHD	11/20/2019	5.76	5.76
036-2458*65460*9	WSHD	11/22/2019	109.99	37.40
036-2547*65460*18	WSHD	11/13/2019	24.00	24.00
036-2547*65460*18	WSHD	11/26/2019	59.85	59.85
036-2547*65460*18	WSHD	11/26/2019	18.71	18.71
036-2547*65460*18	WSHD	11/26/2019	40.00	40.00
036-2749*65460*49	WSHD	10/08/2019	13.96	13.96
036-2749*65460*49	WSHD	10/11/2019	33.62	33.62
036-2749*65460*49	WSHD	10/16/2019	377.23	377.23
036-2815*65460*28	WSHD	11/01/2019	1,118.14	943.22
036-2815*65460*28	WSHD	11/01/2019	88.93	88.93
036-2815*65460*28	WSHD	11/22/2019	71.94	71.94
036-2945*65460*11	WSHD	11/04/2019	48.50	48.50
036-2945*65460*11	WSHD	11/04/2019	14.90	14.90
036-2945*65460*11	WSHD	11/04/2019	89.92	69.23
036-3213*65460*10	WSHD	11/27/2019	667.08	559.82
036-3430*65460*8	WSHD	11/04/2019	8.24	8.24
036-3430*65460*8	WSHD	11/04/2019	15.00	15.00
036-3430*65460*8	WSHD	11/04/2019	55.26	55.26
036-3430*65460*8	WSHD	11/05/2019	26.35	26.35
036-3432*65460*46	WSHD	11/02/2019	39.32	39.32
036-3432*65460*46	WSHD	11/02/2019	6.46	6.46
036-3432*65460*46	WSHD	11/02/2019	5.76	5.76
1011*65460*40	WSHD	11/01/2019	25.00	25.00
1011*65460*40	WSHD	11/01/2019	49.66	45.21
1019*65460*39	WSHD	11/01/2019	11.71	11.71
1019*65460*39	WSHD	11/13/2019	39.32	39.32
1019*65460*39	WSHD	11/13/2019	6.74	6.74
1019*65460*39	WSHD	11/13/2019	59.90	59.90
1019*65460*39	WSHD	11/13/2019	15.84	15.84
1019*65460*39	WSHD	11/13/2019	5.76	5.76

GL Totals

Issued 12/13/19

Winnie Stowel Hospital District Indigent Healthcare Services

Batch Dates 11/01/19-11/30/19

Brookshire Bros. Phar. (Winnie)

Vendor #: 65460

P.O. Box 1359

Winnie, TX 77665

Invoice #	GL #	Date in	Amt Billed	Amt Paid
1038*65460*36	WSHD	11/01/2019	20.96	20.96
1038*65460*36	WSHD	11/05/2019	82.70	82.70
1049*65460*32	WSHD	11/01/2019	6.36	6.36
1049*65460*32	WSHD	11/01/2019	33.23	33.23
1049*65460*32	WSHD	11/06/2019	40.94	40.94
1055*65460*17	WSHD	11/11/2019	451.09	451.09
1055*65460*17	WSHD	11/11/2019	55.08	55.08
1061*65460*17	WSHD	11/01/2019	73.99	20.15
1061*65460*17	WSHD	11/01/2019	9.44	9.34
1081*65460*14	WSHD	11/01/2019	120.77	120.77
1081*65460*14	WSHD	11/01/2019	29.31	29.31
1081*65460*14	WSHD	11/12/2019	20.38	20.38
1089*65460*7	WSHD	11/07/2019	36.29	36.29
1090*65460*5	WSHD	11/05/2019	30.61	30.61
1090*65460*5	WSHD	11/05/2019	19.74	19.74
1090*65460*5	WSHD	11/05/2019	15.81	15.81
1091*65460*21	WSHD	11/02/2019	545.00	456.05
1091*65460*21	WSHD	11/02/2019	10.75	10.75
1091*65460*21	WSHD	11/02/2019	21.82	21.82
1096*65460*18	WSHD	11/04/2019	28.02	28.02
1096*65460*18	WSHD	11/04/2019	14.90	14.90
1096*65460*18	WSHD	11/04/2019	26.35	26.35
1107*65460*16	WSHD	11/01/2019	12.00	12.00
1107*65460*16	WSHD	11/15/2019	27.08	27.08
1107*65460*16	WSHD	11/15/2019	40.94	40.94
1107*65460*16	WSHD	11/19/2019	8.49	8.49
1111*65460*10	WSHD	11/18/2019	478.95	478.95
1122*65460*9	WSHD	11/19/2019	15.00	15.00
1123*65460*12	WSHD	11/04/2019	13.29	13.29
1123*65460*12	WSHD	11/08/2019	32.17	30.34
1123*65460*12	WSHD	11/15/2019	37.97	37.97
1123*65460*12	WSHD	11/21/2019	27.50	26.38
1123*65460*12	WSHD	11/21/2019	48.50	48.50
1124*65460*9	WSHD	11/29/2019	12.00	12.00
1128*65460*8	WSHD	11/01/2019	15.57	15.57
1131*65460*9	WSHD	11/08/2019	527.36	441.06
1132*65460*5	WSHD	11/05/2019	295.32	243.82
1132*65460*5	WSHD	11/05/2019	8.19	7.00
1134*65460*9	WSHD	11/01/2019	255.82	255.82
1134*65460*9	WSHD	11/04/2019	667.08	559.82
1134*65460*9	WSHD	11/25/2019	29.31	29.31
1140*65460*6	WSHD	11/01/2019	8.50	8.50
1141*65460*8	WSHD	11/20/2019	5.63	4.19
1141*65460*8	WSHD	11/20/2019	10.00	10.00
1141*65460*8	WSHD	11/20/2019	7.18	7.18
1141*65460*8	WSHD	11/20/2019	7.32	7.32
1141*65460*8	WSHD	11/20/2019	5.70	5.70

GL Totals

Issued 12/13/19

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 11/01/19-11/30/19

Brookshire Bros. Phar. (Winnie)
 P.O. Box 1359
 Winnie, TX 77665

Vendor #: 65460

Invoice #	GL #	Date in	Amt Billed	Amt Paid
1141*65460*8	WSHD	11/20/2019	10.75	10.75
1141*65460*8	WSHD	11/20/2019	12.00	12.00
1148*65460*7	WSHD	11/07/2019	137.01	137.01
1148*65460*7	WSHD	11/07/2019	5.76	5.76
1148*65460*7	WSHD	11/14/2019	7.34	7.34
1151*65460*3	WSHD	11/07/2019	10.00	10.00
1151*65460*3	WSHD	11/19/2019	5.95	5.95
1151*65460*3	WSHD	11/19/2019	6.74	6.74
33 invoices, 89 line items			7,826.52	7,053.08
Grand Totals			7,826.52	7,053.08

33 total invoices
89 total line items

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 11/01/19-11/30/19

Wilcox Pharmacy
 P. O. Box 1850
 Winnie, TX 77665

Vendor #: 18651

GL #	Description	Amount
WSHD	Wshd	1,837.24
Expenditures		1,837.24
Reimb/Adjustments		
Grand Total		1,837.24

10 total invoices

GL Totals Detail

Invoice #	GL #	Date in	Amt Billed	Amt Paid
036-3464*18651*11	WSHD	11/06/2019	1.33	1.33
036-3464*18651*11	WSHD	11/15/2019	138.02	134.48
036-3464*18651*11	WSHD	11/20/2019	5.00	5.00
036-3464*18651*11	WSHD	11/20/2019	1.60	1.60
036-3464*18651*11	WSHD	11/20/2019	2.59	2.59
036-3464*18651*11	WSHD	11/20/2019	5.00	5.00
1007*18651*15	WSHD	11/25/2019	23.78	23.78
1008*18651*30	WSHD	11/27/2019	52.04	24.90
1040*18651*34	WSHD	11/04/2019	27.67	19.81
1040*18651*34	WSHD	11/04/2019	13.50	7.83
1075*18651*21	WSHD	11/01/2019	101.78	46.84
1075*18651*21	WSHD	11/26/2019	2,083.04	966.33
1075*18651*21	WSHD	11/26/2019	18.10	13.59
1086*18651*18	WSHD	11/01/2019	82.24	40.01
1086*18651*18	WSHD	11/16/2019	82.24	40.01
1102*18651*10	WSHD	11/25/2019	89.36	43.31
1110*18651*15	WSHD	11/14/2019	20.09	14.69
1110*18651*15	WSHD	11/14/2019	24.76	24.76
1110*18651*15	WSHD	11/30/2019	25.98	25.98
1110*18651*15	WSHD	11/30/2019	14.50	14.50
1110*18651*15	WSHD	11/30/2019	75.61	36.94
1115*18651*3	WSHD	11/18/2019	388.49	181.82
1115*18651*3	WSHD	11/18/2019	88.55	42.93
1157*18651*3	WSHD	11/06/2019	215.93	101.93
1157*18651*3	WSHD	11/06/2019	34.33	17.28

10 invoices, 25 line items

3,615.53

1,837.24

Grand Totals

3,615.53

1,837.24

10 total invoices

25 total line items

GL Totals

Issued 12/12/19

Winnie Stowel Hospital District Indigent Healthcare Services
Batch Dates 11/01/19-11/30/19

Utrmb At Galveston
P. O. Box 660120 Dept 730
Dallas, TX 75266

Vendor #: 63614

GL #	Description	Amount
WSHD	Wshd	37,544.54
	Expenditures	37,544.54
	Reimb/Adjustments	
	Grand Total	37,544.54

17 total invoices

GL Totals Detail

Invoice #	GL #	Date in	Amt Billed	Amt Paid
036-2547*63614*5	WSHD	10/23/2019	323.00	77.52
036-2815*63614*12	WSHD	10/21/2019	323.00	77.52
1025*63614*10	WSHD	10/22/2019	808.00	193.92
1040*63614*13	WSHD	09/27/2019	1,828.00	438.72
1040*63614*13	WSHD	09/30/2019	323.00	77.52
1040*63614*13	WSHD	10/24/2019	22,367.18	5,657.52
1081*63614*10	WSHD	10/01/2019	523.00	125.52
1081*63614*10	WSHD	10/22/2019	7,496.47	1,799.15
1086*63614*3	WSHD	10/14/2019	1,143.08	274.34
1096*63614*7	WSHD	10/22/2019	4,752.11	1,140.51
1102*63614*9	WSHD	10/07/2019	911.00	218.64
1107*63614*5	WSHD	09/30/2019	4,284.49	1,028.27
1131*63614*5	WSHD	09/27/2019	1,247.00	299.28
1131*63614*5	WSHD	09/27/2019	439.00	105.36
1131*63614*5	WSHD	10/18/2019	991.00	0.00
1131*63614*5	WSHD	10/10/2019	7,818.30	1,876.39
1131*63614*5	WSHD	10/08/2019	291.00	69.84
1132*63614*3	WSHD	10/21/2019	1,028.00	246.72
1137*63614*8	WSHD	09/30/2019	323.00	77.52
1143*63614*5	WSHD	09/30/2019	3,131.00	751.44
1144*63614*3	WSHD	10/15/2019	62,319.73	22,392.04
1144*63614*4	WSHD	09/30/2019	1,575.00	378.00
1149*63614*1	WSHD	10/09/2019	672.00	161.28
1157*63614*2	WSHD	10/24/2019	323.00	77.52

17 invoices, 24 line items *** 125,240.36 37,544.54

Grand Totals **125,240.36 37,544.54**

17 total invoices
24 total line items

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 11/01/19-11/30/19

Utrmb Faculty Grp Practice
 Po Box 650859 Dep 710
 Dallas, TX 75265

Vendor #: 63615
 NPI: 1942241146

GL #	Description	Amount
WSHD	Wshd	6,332.79
Expenditures		6,332.79
Reimb/Adjustments		
Grand Total		6,332.79

16 total invoices

GL Totals Detail

Invoice #	GL #	Date in	Amt Billed	Amt Paid
036-2547*63615*4	WSHD	10/23/2019	270.00	56.08
036-2815*63615*14	WSHD	10/21/2019	270.00	56.08
1025*63615*10	WSHD	10/22/2019	143.00	52.93
1040*63615*15	WSHD	09/27/2019	168.00	62.23
1040*63615*15	WSHD	09/30/2019	183.00	39.92
1040*63615*15	WSHD	10/24/2019	305.00	59.99
1040*63615*15	WSHD	10/24/2019	83.00	29.51
1040*63615*15	WSHD	10/24/2019	2,495.00	698.60
1040*63615*15	WSHD	10/24/2019	1,093.00	306.04
1081*63615*9	WSHD	10/22/2019	640.00	391.67
1081*63615*9	WSHD	10/22/2019	920.00	125.10
1081*63615*9	WSHD	10/22/2019	450.00	71.69
1081*63615*9	WSHD	10/22/2019	456.00	72.65
1081*63615*9	WSHD	10/22/2019	336.00	100.80
1081*63615*9	WSHD	10/01/2019	23.00	8.02
1091*63615*13	WSHD	10/24/2019	183.00	39.92
1093*63615*5	WSHD	10/29/2019	273.00	65.29
1096*63615*6	WSHD	10/22/2019	560.00	337.77
1096*63615*6	WSHD	10/22/2019	288.00	80.64
1096*63615*6	WSHD	10/22/2019	294.00	88.20
1102*63615*9	WSHD	10/07/2019	513.00	118.78
1107*63615*4	WSHD	09/30/2019	640.00	341.37
1107*63615*4	WSHD	09/30/2019	336.00	100.80
1107*63615*4	WSHD	09/30/2019	647.00	91.42
1131*63615*3	WSHD	09/27/2019	270.00	56.08
1131*63615*3	WSHD	09/27/2019	50.00	14.00
1131*63615*3	WSHD	09/27/2019	53.00	14.84
1131*63615*3	WSHD	10/08/2019	270.00	56.08
1131*63615*3	WSHD	10/10/2019	162.00	58.06
1131*63615*3	WSHD	10/10/2019	33.00	11.87
1131*63615*3	WSHD	10/10/2019	33.00	11.23
1131*63615*3	WSHD	10/10/2019	25.00	8.34
1131*63615*3	WSHD	10/10/2019	125.00	46.84
1131*63615*3	WSHD	10/18/2019	30.00	0.00

oIHS
Issued 12/12/19

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
Batch Dates 11/01/19-11/30/19

Utrmb Faculty Grp Practice
Po Box 650859 Dep 710
Dallas, TX 75265

Vendor #: 63615
NPI: 1942241146

Invoice #	GL #	Date in	Amt Billed	Amt Paid
1131*63615*3	WSHD	10/18/2019	29.00	0.00
1131*63615*3	WSHD	10/18/2019	35.00	0.00
1131*63615*3	WSHD	10/18/2019	415.00	0.00
1132*63615*3	WSHD	10/21/2019	85.00	31.75
1132*63615*3	WSHD	10/21/2019	85.00	31.75
1143*63615*5	WSHD	09/30/2019	23.00	6.44
1144*63615*4	WSHD	09/30/2019	29.00	9.95
1144*63615*4	WSHD	09/30/2019	23.00	6.44
1144*63615*4	WSHD	10/15/2019	1,600.00	1,056.44
1144*63615*4	WSHD	10/15/2019	30.00	10.26
1144*63615*4	WSHD	10/15/2019	3,643.00	1,020.04
1144*63615*4	WSHD	10/15/2019	840.00	252.00
1144*63615*4	WSHD	10/15/2019	305.00	50.04
1144*63615*4	WSHD	10/15/2019	83.00	24.10
1149*63615*1	WSHD	10/09/2019	270.00	30.16
1149*63615*1	WSHD	10/09/2019	273.00	65.29
1157*63615*2	WSHD	10/24/2019	273.00	65.29
16 invoices, 51 line items			20,661.00	6,332.79
Grand Totals			20,661.00	6,332.79

16 total invoices
51 total line items

eIHS
 Issued 12/12/19

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 11/01/19-11/30/19

Chambers Co Public Hosp Dist
 Po Box 11407
 Birmingham, AL 35246

Vendor #: 434
 NPI: 1174522494

GL #	Description	Amount
WSHD	Wshd	415.80
	Expenditures	415.80
	Reimb/Adjustments	
	Grand Total	415.80

2 total invoices

GL Totals Detail

Invoice #	GL #	Date in	Amt Billed	Amt Paid
1007*434*2	WSHD	10/20/2019	761.25	0.00
1108*434*2	WSHD	10/17/2019	866.25	415.80
2 invoices, 2 line items	***		1,627.50	415.80
Grand Totals			1,627.50	415.80

2 total invoices
 2 total line items

Indigent Healthcare Solutions, Ltd.
2040 North Loop, 336 West, Suite 304
Conroe, TX 77304

Phone # (800) 834-0560
Fax # (936) 756-6741

RECEIVED
DEC 02 2019

Invoice # 68999

Date: 12/1/2019

WINNIE STOWELL HOSPITAL DISTRICT
P O BOX 1997
WINNIE, TX 77665

Terms: Net receipt of invoice

Professional services for the month of January 2020

1,109.00

Total

\$1,109.00

PLEASE REMIT PAYMENT TO
INDIGENT HEALTHCARE SOLUTIONS, LTD
ATTN: KELLEY ASTOLOS
3011 ARMORY DRIVE, SUITE 190
NASHVILLE, TN 37204

THANK YOU FOR YOUR BUSINESS!!!

IHS



33802002376401

December 4, 2019

RECEIVED
DEC 17 2019

MONTHLY BILL

Name: SHERRY STERN
Account Number: 92 5529 5461

Payment Summary	
Last Payment Received	11/25/2019
Current Payment Due	\$150.14
Total Due by 12/25/2019	\$150.14

YOUR LOAN DETAILS

Loan Sequence	Date Disbursed	Loan Program	Original Balance	Current Balance	Outstanding Interest	Interest Rate	Monthly Payment	Current Due
*1002	11/29/2006	SUBCNS	\$13,150.00	\$5,201.56	\$4.80	3.750%	\$90.67	\$90.67
*1001	11/29/2006	UNCNS	\$8,625.28	\$3,411.46	\$3.15	3.750%	\$59.47	\$59.47

Outstanding interest accrued as of 12/04/2019

*Late fees will be assessed in accordance to the requirements set forth by the loan owner. Each unique owner/loan program may have differing late fee requirements. The owner will assess late fees on any loans listed above that are identified with an asterisk. If there are dates listed below the heading 'Received After This Date', which are prior to the date you are making your payment, the following late fee will be assessed.

Received After This Date	Late Fee to be Assessed
01/08/2020	\$7.50

ADDITIONAL LOAN DETAILS

See below for the Current Owner and Repayment Term for each loan listed.

Loan Sequence	Date Disbursed	Loan Program	Current Owner	Repayment Term
*1002	11/29/2006	SUBCNS	GIT EDUCATION LOAN T	240
*1001	11/29/2006	UNCNS	GIT EDUCATION LOAN T	240

You may be required to remit your full monthly installment amount, even if your loan(s) are paid ahead, in order to maintain reduced interest rate eligibility under any applicable Repayment Incentive Program and to not affect your eligibility for other borrower benefits, such as co-signer release offered by your lender(s). Contact us for details.

Make checks payable to American Education Services and include your 10 digit account number.

Customer Statement (IF LATE, SEE ABOVE)

Amount Enclosed: Do not write dollar sign in boxes below or on check.

Account Number:

Due Date:

Total Amount Due:

92 5529 5461

12/25/2019

\$

\$150.14

2019338019255295461100001501400000000000000001

#BWNDHKB
#B612 1327 2512 04L7#
SHERRY STERN
9302 EAGLES LNDG
MAGNOLIA TX 77354-6865



AMERICAN EDUCATION SERVICES
P.O. BOX 65093
BALTIMORE, MD 21264-5093

Would you rather receive this statement electronically?

Sign in to Account Access at aesSuccess.org and update your Account Profile preferences if you would prefer that we send you an email reminder instead of a paper statement.

Total paid since your last statement	\$300.28
Interest Satisfied	\$53.63
Principal Satisfied	\$239.15
Late Fees Paid	\$7.50

As of today, you've paid on your loans	\$15,914.84
Total Interest Satisfied	\$4,816.91
Total Principal Satisfied	\$11,090.43
Total Late Fees Paid	\$7.50

eIHS
 Issued 12/12/19

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 11/01/19-11/30/19

Penelope (Polly) Butler
 7750 Gladys, Suite B
 Beaumont, TX 77706

Vendor #: 13632

GL #	Description	Amount
WSHD	Wshd	170.00
	Expenditures	170.00
	Reimb/Adjustments	
	Grand Total	170.00

1 total invoices

GL Totals Detail

Invoice #	GL #	Date in	Amt Billed	Amt Paid
YC17*13632*3	WSHD	11/08/2019	85.00	85.00
YC17*13632*3	WSHD	11/22/2019	85.00	85.00
1 invoices, 2 line items	***		170.00	170.00
Grand Totals			170.00	170.00

1 total invoices
 2 total line items

BENCKENSTEIN & OXFORD, L.L.P.

ATTORNEYS AT LAW
BBVA COMPASS BANK BUILDING
3535 CALDER AVENUE, SUITE 300
BEAUMONT, TEXAS 77706
TELEPHONE:(409) 833-9182
FAX: (409) 833-8819

Hubert Oxford, IV

hoxfordiv@benoxford.com

December 18, 2019

Mr. Edward Murrell
President
Winnie Stowell Hospital District
825 State Hwy 124
Winnie Texas 77665

Re: Winnie Stowell Hospital District; Billable Invoice for September 2019 Time Entries less Retainer; Our File No. 87250.

Dear President Murrell,

Attached, please find Benckenstein & Oxford's monthly time entry invoice for September 2019. This invoice is for \$9,750.00 but the amount due is \$8,750.00 after reducing the invoice by \$1,000.00 for the monthly retainer already paid.

Please note, I did not bill the District for any time spent on phone calls or review of information regarding alternative offices sites as a result of the Tropical Storm Irma flooding.

Will you please review and let me know if there are any questions? If not, we would appreciate your payment of this invoice in the amount of \$8,750.00 representing the balance owed for September 2019.

With best wishes, I am

Sincerely,

BENCKENSTEIN & OXFORD, L.L.P.

By: 

Hubert Oxford, IV

Enclosure

Benckenstein & Oxford, L.L.P.

3535 Calder Avenue, Suite 300
Beaumont, TX 77706

December 18, 2019

INVOICE #: 49506 **HOIV**
Billed through: September 30, 2019
Client/Matter #: WSHD 87250

Winnie-Stowell Hospital District
P.O. Box 1997
Winnie, TX 77665

RE: Winnie-Stowell Hospital District

PROFESSIONAL SERVICES RENDERED

08/31/19	HOIV	Received Ethics and Transparency Resolution from Board member; reviewed the documents; and responded to request to ask the District to approve a similar Resolution.	0.60 hrs
09/03/19	HOIV	Exchanged three (3) e-mails with Indigent Care Director to follow up on invoices submitted by UTMB.	0.30 hrs
09/04/19	HOIV	Worked with staff to reconcile accounts at Prosperity and Interbank; updated cash flow; and assisted with providing upcoming transfer from Prosperity to Interbank for IGT on behalf of Hospital and payment to Nursing Facilities for A2 Adjustment.	1.70 hrs
09/04/19	HOIV	Received and responded to three (3) e-mails between staff regarding UTMB rates over the contracted amounts and participated in conference call with staff to discuss the same.	0.70 hrs
09/04/19	HOIV	Prepared e-mail to Board President regarding proposed Transparency Policies.	0.40 hrs
09/04/19	HOIV	Read and reviewed four (4) e-mails and a spreadsheet regarding QIPP 1, A2 Adjustment funds breakdown.	0.60 hrs
09/05/19	HOIV	Worked with staff to confirm Uncompensated Care IGT amount; reconcile Prosperity Bank Account; and transfer to Interbank in anticipation of the IGT.	1.00 hrs
09/06/19	HOIV	Received e-mail from Indigent Care Director regarding billing practices by UTMB and participated in call with staff to discuss the issue.	0.70 hrs
09/10/19	HOIV	Listened to meeting for discussion of East Chambers Independent School District amendments to Agreement; reviewed draft agreement to confirm they were consistent with the meeting; and responded to questions by staff about the proposed amendments.	0.80 hrs
09/12/19	HOIV	Began drafting set of minutes for the August 21, 2019 Regular meeting.	3.50 hrs
09/12/19	HOIV	Exchanged six (6) e-mails with Staff regarding August 2019 Component 1 funds and reconciliation of the funds.	0.70 hrs
09/13/19	HOIV	Continued working on draft minutes for August 21, 2019 Regular Meeting and distributed to the Board.	1.70 hrs
09/13/19	HOIV	Prepared draft set of minutes for August 22, 2019 Special Meeting.	4.20 hrs

Client-	WSHD 87250	Invoice # 49506	PAGE 2
09/16/19	HOIV	Worked on the updating the District's Budget to account for necessary budget amendments and submitted to staff for consideration and review.	2.00 hrs
09/16/19	HOIV	Reviewed proposed transparency policies to be considered by the Board and updated policies to be consistent with the District.	1.70 hrs
09/16/19	HOIV	Conference call with counsel for Riceland to discuss status of CMS audit status.	0.40 hrs
09/17/19	HOIV	Exchanged five (5) e-mails and two (2) conference calls with the District's CPA to discuss needed budget amendments.	0.60 hrs
09/17/19	HOIV	Received and reviewed revised Indigent Care spreadsheet from staff and exchanged five (5) e-mails regarding the proposed changes.	0.70 hrs
09/17/19	HOIV	Received e-mail from HHSC regarding changes to the formulas and funding amounts for the HSL,UC, and UHRIP programs and exchanged five (5) e-mails with New Light and Riceland staff to learn the impacts of the changes on future Hospital District IGTs.	0.80 hrs
09/18/19	HOIV	Conference call with LTC regarding HHSC e-mail discussing changes to the Uncompensated Care payment formula, and UHRIP; and prepared e-mail to Hospital Staff to convey the conversation and the meaning of the HHSC e-mail.	1.20 hrs
09/18/19	HOIV	Worked with staff to update Treasurer's Report and to prepare Board Binders for upcoming meeting.	1.60 hrs
09/18/19	HOIV	Prepared for and attended Regular Meeting.	3.50 hrs
09/18/19	HOIV	Prepared extensive e-mail to Riceland Hospital staff regarding HHSC e-mail that addresses the proposed changes to the formula and payment amounts for the HSL, UC, and UHRIP programs following discussions with New Light.	1.20 hrs
09/18/19	HOIV	Worked with LTC Group to verify reconciliation (i.e., hold back) funds for QIPP Year 2, IGT 2 in order to recoup half of the difference between six (6) Component 1 payments and initial IGT.	1.40 hrs
09/26/19	HOIV	Researched statutes and District purchasing procedures and prepared e-mail to Board advising of Competition Bidding requirements in times of emergency.	2.30 hrs
09/27/19	HOIV	Worked with staff to prepare agenda for Special Meeting.	0.30 hrs
09/30/19	HOIV	Conference call with HMG regarding financing of IGTs and prepared an extensive e-mail to Amegy Bank, per HMG's recommendation, to request assistance with IGTs.	4.40 hrs
		Total fees for this matter	\$9,750.00

BILLING SUMMARY:

Oxford, IV Hubert	39.00 hrs @	\$250.00 /hr	\$9,750.00
TOTAL FEES			\$9,750.00
RETAINER			\$1,000.00 CR

TOTAL BALANCE NOW DUE \$8,750.00

BENCKENSTEIN & OXFORD, L.L.P.

ATTORNEYS AT LAW
BBVA COMPASS BANK BUILDING
3535 CALDER AVENUE, SUITE 300

Hubert Oxford, IV

BEAUMONT, TEXAS 77706
TELEPHONE:(409) 833-9182
FAX: (409) 833-8819

hoxfordiv@benoxford.com

December 13, 2019

Mr. Edward Murrell
President
Winnie Stowell Hospital District
825 State Hwy 124
Winnie Texas 77665

Re: Invoice and Draft Minutes for the Regular Meeting on November 20, 2019; Our File No. 87250.

Dear President Murrell,

Attached, please find the draft minutes for the Regular Meeting on November 20, 2019. After you have had a chance to review these minutes, please let me know if there are any changes that need to be made.

Also, please allow this letter to serve as a *partial invoice* for \$1,000.00 representing the retainer for work performed in November 2019. We would request that you put this invoice in line for payment at the December 18, 2019 Regular Meeting and we will give the District credit for the \$1,000.00 payment when we submit the hourly invoice for December 2019.

If you concur, please draft a check in the amount of \$500.00 checks payable to Josh Heinz and a second check for \$500.00 to Hubert Oxford, IV.

With best wishes, I am

Sincerely,

BENCKENSTEIN & OXFORD, L.L.P.



Hubert Oxford, IV

David Sticker & Co. P.C.
Certified Public Accountant
2180 Eastex Freeway
Beaumont, TX 77703
(409) 899-3000

Invoice
submitted to:

Winnie Stowell Hospital District
PO Box 1997
Winnie, TX 77665

12/16/2019

Invoice # 21478

Professional Services

	<u>Amount</u>
12/16/19 11-13-19 Assist with accounting, quickbooks. 4.50 Hrs.	1,531.25
11-19-19 Make adjustments and assist on reports. 2.75 Hrs.	
11-20-19 Prepare for and attend meeting. 2.50 Hrs.	
11-21-19 Review QIPP spreadsheets, reconciliations, balances, and phone calls. 3.00 Hrs.	
Total 12.25 Hrs. @ \$125.00 = \$1,531.25	
For professional services rendered	<u>\$1,531.25</u>
Balance due	<u><u>\$1,531.25</u></u>

Invoices Due Upon Receipt



INVOICE

Invoice No: INV752363

Date: 12/12/2019

Account No: 3A0064

Bill To: Winnie - Stowell Hospital District
 PO Box 1997
 Winnie, TX 77665

Ship To: Winnie - Stowell Hospital District
 Attn: Sherrie Norris
 310 HWY 124
 Winnie, TX 77665

Sales Order No	P. O. Number	Ship Method	Payment Terms	Payment Due					
SO105183		OT	Net 30	1/11/2020					
Remarks				Sales Person					
				Brian Wolfe					
Item No	Description	Serial No	Order	Ship	BkO	UM	Price	Disc	Amount
5008	8.5 X 11 Copy Paper - 20lb White		5.0	5.0	0.0	CASE	\$33.99		\$169.95

Hello, paperless billing!
 CONVENIENCE • SECURITY • ECO-FRIENDLY
 Log in to sign up at function-4.com/paperless

Please include invoice number on check.
 Remit Payment To:
 Function 4, LLC
 12560 Reed Rd, Ste 200
 Sugar Land, TX 77478

Subtotal	\$169.95
Discount	\$0.00
Freight	\$0.00
Sales Tax	\$0.00
Invoice Total	\$169.95
Balance Due	\$169.95

3A0064

INV752363

The Hometown Press

P.O.Box 801
Winnie, TX 77665

Invoice

Date	Invoice #
12/6/2019	2327

RECEIVED

DEC 13 2019

Bill To
Winnie Stowell Hospital District Sherrie Norris P.O.Box 1997 Winnie, Texas 77665

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
1	Public Notice in The Hometown Press the size of 2 columns X 6.25 inches for the week of 12-04-2019	62.50	62.50
Total			\$62.50

THE HOMETOWN PRESS
P.O. Box 801, Winnie, TX. 77665
Office: (409) 296-9988 Fax: (409) 296-9987
htpress99@gmail.com

Publishers Affidavit

The attached LEGAL NOTICE

appeared in The Hometown Press; a newspaper published in Winnie, Chambers county, Texas on the following dates:

DEC 4 2019

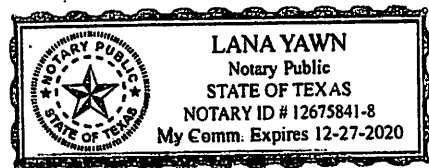
Publishers Cost: \$ 6250

Signed *Mel C. Johnson*
(Newspaper Representative)

Sworn and subscribed to before me, this 4 day of December 2019

Lana Yawn
(Notary Public)

Commission Expires: 12-27-20



The child that sits and plays alone. To fully LISTEN, you must hear the silence as well. It frequently speaks volumes. Listening to the spoken word, and

needed. Fancy cars not required. Debt to achieve it is unnecessary.

So why is kindness so difficult today? Well..... because in our quest to

nothing for you. For that, is the true purpose. And when kindness becomes your second nature, you will never again question if you are living life right.

Obituaries

Sandra and John Marty Ryan, all of Beaumont; brother, Jerry Menard and his wife, Sylvia, of Houston; and sisters, Diane Klaes, of Houston, Gloria Foster, of Mobile, Alabama, and Leeanna Miller, of Seabrook; and grandchildren, Madison Tumeay and Elijah Ryan.

She is preceded in death by her parents and brother, Jimmy Menard.

A gathering of Ms. Ryan's family and friends was from 11 a.m. until 1 p.m., Tuesday, December 3, 2019. Her graveside service followed at 2:30 p.m., at Fairview Cemetery, Cemetery Road, Winnie. Complete at updated information may be found at: broussards1889.com.

LEGAL NOTICE

Notice of Public Hearing for Winnie Stowell Hospital District

Pursuant to Section 286.125 of the Texas Health and Safety Code, notice is hereby given of a Public Hearing to discuss the Winnie Stowell Hospital District's 2019 Budget. This public hearing will take place inside Winnie Stowell Hospital District Temporary Office at 310 St Hwy 124, Texas 77665 on December 18, 2019, 5:30 p.m. At for the public hearing, the Board will take the following actions:

1. Provide guests with a copy of 2020 Budget and an opportunity to be heard; and
2. Discuss and take action on approving the Winnie Stowell Hospital District's 2020 Budget and take any needed action.

went to the den and there was our pasture goat, Cooper! He had been following me around in the yard, but Dana had accidently left the door open to the house and Cooper "invited himself in!"

Never leave the door open for something to invite itself in. "If you do not do what is right (close the door) sin is crouching at your door, it desires to have you." (Genesis 4:7)

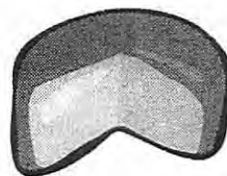
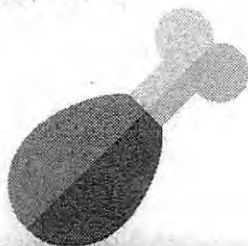
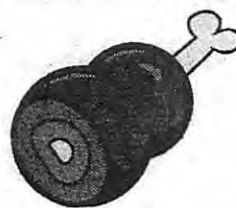
Danny R. Biddy, Chaplain for Fellowship of Christian Cowboys and Chambers County Sheriff's Office

grandparents would refer to as a "come uppance". That little nudge from God that says, we are not invincible.

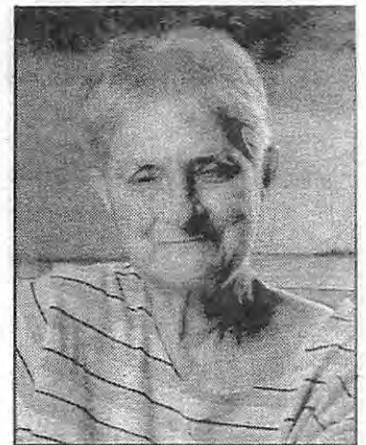
Coupled with the Holiday

East Chambers FFA Fall Fund Raiser is now underway!

Please contact Helena Dow at 409.201.1529 to order your **FRUIT, CHEESE, HAM, TURKEY, COBBLER, and CANDY.**



Obit





Mary Ann Ryan
Mary Ann Ryan, 78, of Beaumont, died Tuesday, November 26, 2019, at the Medical Center of Southeast Texas, Port Arthur. She was born on December 11, 1940, to Hazel Beaudreaux Menard and Elton Joseph Menard, in Anahuac. Mary was caring and always giving to others. She loved drawing and being creative.

She is survived by her sons, Scott Tumey and his wife,

The Seabreeze Beacon
PO BOX 814
WINNIE, TX 77665
(409)296-2102
seabreezebeacon@gmail.com

The Seabreeze Beacon

"News you can use"  *"News you can trust"*

409-296-2102 Office 1354 SE 124, Winnie, TX 409-296-2104 Fax
seabreezebeacon@gmail.com (Behind Dairy Queen) Like us on Facebook 

INVOICE

BILL TO
Sherrie Norris
Winnie-Stowell Hospital District
PO BOX 1997
Winnie, TX 77665

INVOICE # 4141
DATE 12/31/2019
DUE DATE 01/15/2020
TERMS Net 15

DESCRIPTION	QTY	RATE	AMOUNT
Display Ad Display Ad 3col. x 5inches Public Notice 12/3	1	79.63	79.63

BALANCE DUE **\$79.63**

SIMON CONSTRUCTION, LLC
PO BOX 347
Stowell, TX 77661 US
simonconstruction58@yahoo.com

Invoice

RECEIVED

DEC 17 2019

BILL TO
MURRELL CONSTRUCTION LLC
1760 FM 1406
WINNIE, TX 77665

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
1748	12/16/2019	\$3,850.00	01/15/2020	Net 30	

JOB DESCRIPTION
DITCH CLEANING/HAULING

JOB LOCATION
RICELAND MEDICAL CENTER

ACTIVITY	QTY	RATE	AMOUNT
DIRT WORK DITCH CLEANING & HAULING- LABOR TO CLEANING , REGRADE DITCH , AND HAUL OF DIRT.	1	3,850.00	3,850.00

BALANCE DUE

\$3,850.00

SIMON CONSTRUCTION, LLC
 PO BOX 347
 Stowell, TX 77661 US
 simonconstruction58@yahoo.com

Invoice

BILL TO
MURRELL CONSTRUCTION LLC 1760 FM 1406 WINNIE, TX 77665

RECEIVED
 DEC 17 2019

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
1749	12/16/2019	\$17,200.00	01/15/2020	Net 30	

JOB DESCRIPTION
 NEW PARKING

JOB LOCATION
 RICELAND MEDICAL CENTER

ACTIVITY	QTY	RATE	AMOUNT
Services APPROXIMATELY 3000 SQFT x 6" THICK PAD - THIS INCLUDES GS 100 CALCIUM SULFATE BASE MATERIAL TO BE SET & COMPACTED. ALSO INCLUDES MATERIALS & MACHINERY. DOES NOT INCLUDE ANY INSPECTIONS OR COMPACTION TESTING.	1	8,500.00	8,500.00
Services CONCRETE WORK	1	8,700.00	8,700.00

BALANCE DUE **\$17,200.00**

Exhibit “D”



WSHD Regular Board Meeting – Dec 18, 2019 – Indigent Care Report

1) Source Totals Report:

- a) The majority of the expenses haven't changed much for the November billing period. However, the point of interest is the November UTMB expense at \$145,901.36. This considerably large increase is attributed to the surgeries I had expected to bill out in October, not billing out until November.
- b) The Pharmacy has increased to \$11,442.05 for November, which is again due to high priced items, mostly diabetic insulin, being prescribed.

2) Indigent Care YTD Expenditures Worksheet:

- a) Our **Active Client count** is down from 82 to 77 for November.
- b) Our **over-all expenditures for Nov 2019** were up from \$27,970.14 in October to \$53,649.88 in November, a 52% increase, which was expected, as Riceland Facility became operational again.
- c) Youth Counseling is down considerably. Only one client was seen in November.
- d) The 2017 to 2019 Expense comparison Chart (Exhibit A) has been updated to include November amounts.

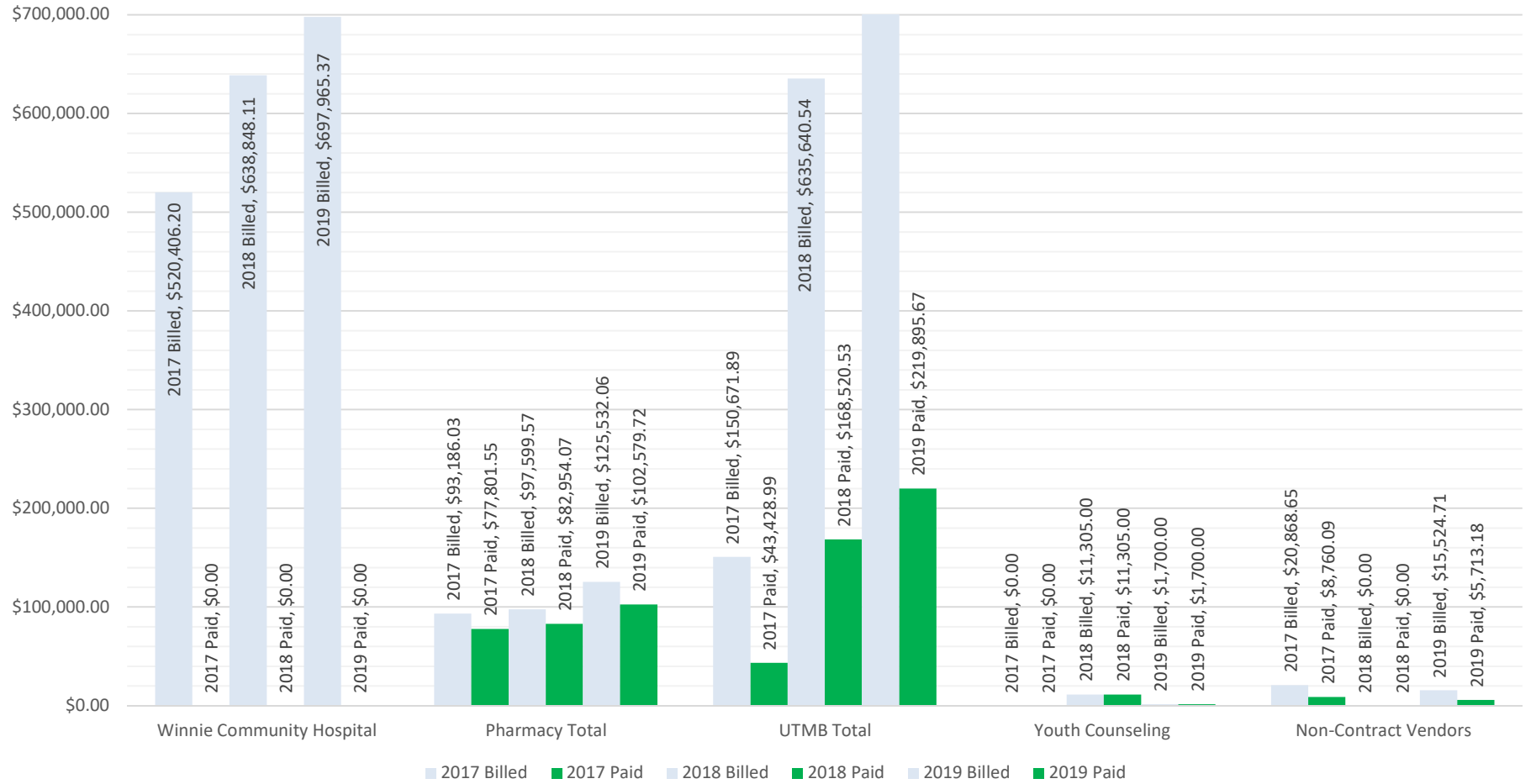
Indigent Care YTD Expenditures Worksheet

	October				November				Year to Date			
Clients:	82											
Youth Counseled:	11											
	Billed Amount	Medicaid Rate	% of Services	Actually Paid	Billed Amount	Medicaid Rate	% of Services	Actually Paid	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Summary by Facility												
Winnie Community Hospital	\$8,002.67	\$3,281.10	10.50%	\$0.00	\$17,917.60	\$7,346.22	12.19%	\$0.00	\$697,965.37	\$286,165.81	46.45%	\$0.00
Brookshire Brothers Pharmacy Corp	\$9,436.68	\$7,224.61	23.12%	\$7,224.61	\$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	\$3.40	\$3.40	0.01%	\$3.40	\$0.00	\$0.00	0.00%	\$0.00	\$113.15	\$113.15	0.02%	\$113.15
Wilcox Pharmacy	\$4,856.00	\$2,563.47	8.20%	\$2,563.47	\$3,615.53	\$1,837.24	3.05%	\$1,837.24	\$30,663.28	\$19,120.34	3.10%	\$19,120.34
Pharmacy Total	\$14,296.08	\$9,791.48	31.33%	\$9,791.48	\$11,442.05	\$8,890.32	14.75%	\$8,890.32	\$125,532.06	\$102,579.72	16.65%	\$102,579.72
UTMB Hospital	\$26,469.25	\$6,153.75	19.69%	\$6,153.75	\$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	\$3,442.00	\$664.72	2.13%	\$664.72	\$0.00	\$0.00	0.00%	\$0.00	\$3,442.00	\$664.72	0.11%	\$664.72
UTMB Anesthesia	\$3,418.00	\$2,318.40	7.42%	\$2,318.40	\$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	\$1,178.00	\$329.84	1.06%	\$329.84	\$439.00	\$105.36	0.17%	\$105.36	\$18,887.00	\$3,974.56	0.65%	\$3,974.56
UTMB Physician Services	\$11,224.00	\$2,819.57	5467.81%	\$2,819.57	\$15,027.00	\$3,589.60	5.95%	\$3,589.60	\$104,407.00	\$27,143.33	4.41%	\$27,143.33
UTMB Total	\$45,731.25	\$12,286.28	39.31%	\$12,286.28	\$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	\$11,745.21	\$4,908.48	15.71%	\$4,908.48	\$1,627.50	\$415.80	0.69%	\$415.80	\$13,372.71	\$5,324.28	0.86%	\$5,324.28
Winnie-Stowell EMS	\$2,152.00	\$388.90	1.24%	\$388.90	\$0.00	\$0.00	0.00%	\$0.00	\$2,152.00	\$388.90	0.06%	\$388.90
Non-Contract Emergency Services	\$13,897.21	\$5,297.38	16.95%	\$5,297.38	\$1,627.50	\$415.80	0.69%	\$415.80	\$15,524.71	\$5,713.18	0.92%	\$5,713.18
Youth Counseling	\$595.00	\$595.00	1.90%	\$595.00	\$170.00	\$170.00	0.28%	\$170.00	\$1,700.00	\$1,700.00	0.28%	\$1,700.00
Grand Totals	\$82,522.21	\$31,251.24	100%	\$27,970.14	\$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

Prescription Drugs	\$14,296.08	\$9,791.48	31.33%	\$9,791.48	\$11,442.05	\$8,890.32	14.65%	\$8,890.32	\$125,532.06	\$102,579.72	16.65%	\$102,579.72
WCH Clinic	\$6,027.67	\$2,471.35	7.91%	\$0.00	\$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	\$0.00	\$0.00	0.00%	\$0.00	\$60,408.00	\$24,767.28	4.02%	\$0.00
WCH ER	\$0.00	\$0.00	0.00%	\$0.00	\$1,229.00	\$503.89	0.83%	\$0.00	\$228,809.00	\$93,811.69	15.23%	\$0.00
WCH Lab/Xray	\$1,382.00	\$566.62	1.81%	\$0.00	\$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	\$0.00	\$0.00	0.00%	\$0.00	\$58,024.00	\$23,789.84	3.86%	\$0.00
WCH Xray	\$0.00	\$0.00	0.00%	\$0.00	\$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	\$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	\$0.00	\$0.00	0.00%	\$0.00
WCH Physical Therapy	\$0.00	\$0.00	0.00%	\$0.00	\$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	\$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	\$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	\$0.00	\$0.00	0.00%	\$0.00	\$2,920.00	\$1,197.20	0.19%	\$0.00
UTMB Physician Services	\$11,224.00	\$2,819.57	9.02%	\$2,819.57	\$15,027.00	\$3,589.60	5.91%	\$3,589.60	\$104,407.00	\$27,143.33	4.41%	\$27,143.33
UTMB Anesthesia	\$3,418.00	\$2,318.40	7.42%	\$2,318.40	\$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	\$0.00	\$0.00	0.00%	\$0.00	\$62,319.73	\$22,392.04	36.89%	\$22,392.04	\$164,172.72	\$61,134.76	9.92%	\$61,134.76
UTMB Outpatient	\$26,469.25	\$6,153.75	19.69%	\$6,153.75	\$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	\$1,178.00	\$329.84	1.06%	\$329.84	\$439.00	\$105.36	0.17%	\$105.36	\$18,887.00	\$3,974.56	0.65%	\$3,974.56
UTMB ER Physician-Barrier Reef	\$3,442.00	\$664.72	2.13%	\$664.72	\$0.00	\$0.00	0.00%	\$0.00	\$3,442.00	\$664.72	0.11%	\$664.72
Non-Contract Emergency Services	\$13,897.21	\$5,297.38	16.95%	\$5,297.38	\$1,627.50	\$415.80	0.69%	\$415.80	\$15,524.71	\$5,713.18	0.93%	\$5,713.18
Youth Counseling	\$595.00	\$595.00	1.90%	\$595.00	\$170.00	\$170.00	0.28%	\$170.00	\$1,700.00	\$1,700.00	0.28%	\$1,700.00
Lab/Xray readings for WCH	\$593.00	\$243.13	0.78%	\$0.00	\$723.00	\$296.43	0.49%	\$0.00	\$22,230.18	\$9,114.37	1.48%	\$0.00
Grant Totals	\$82,522.21	\$31,251.24	100.00%	\$27,970.14	\$177,058.51	\$60,699.67	100.02%	\$53,353.45	\$1,582,597.36	\$616,054.38	100.00%	\$329,888.57

2017 thru 2019 YTD Indigent Care Expense Comparison



Source Totals Report

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 11/01/2019 through 11/30/2019
 For Vendor: All Vendors

Source	Description	Amount Billed	Amount Paid
02	Prescription Drugs	11,442.05	8,890.32
04	Hospital Out-Patient	1,627.50	415.80
20	Physical Therapy	3,630.00	1,488.30
21	Wch Clinic	5,695.60	2,335.20
24	Wch Er	1,229.00	503.89
28	Wch Xray	6,640.00	2,722.40
31	Utmb - Physician Services	15,027.00	3,589.60
31-1	Utmb - Anesthesia Services	5,634.00	2,743.19
33	Utmb In-Patient	62,319.73	22,392.04
34	Utmb Out-Patient	62,481.63	15,047.14
35	Utmb - Lab/X-Ray	439.00	105.36
39	Youth Counseling	170.00	170.00
44	Lab/Xray Readings	723.00	296.43
Expenditures		177,058.51	60,699.67
Reimb/Adjustments			
Grand Total		177,058.51	60,699.67

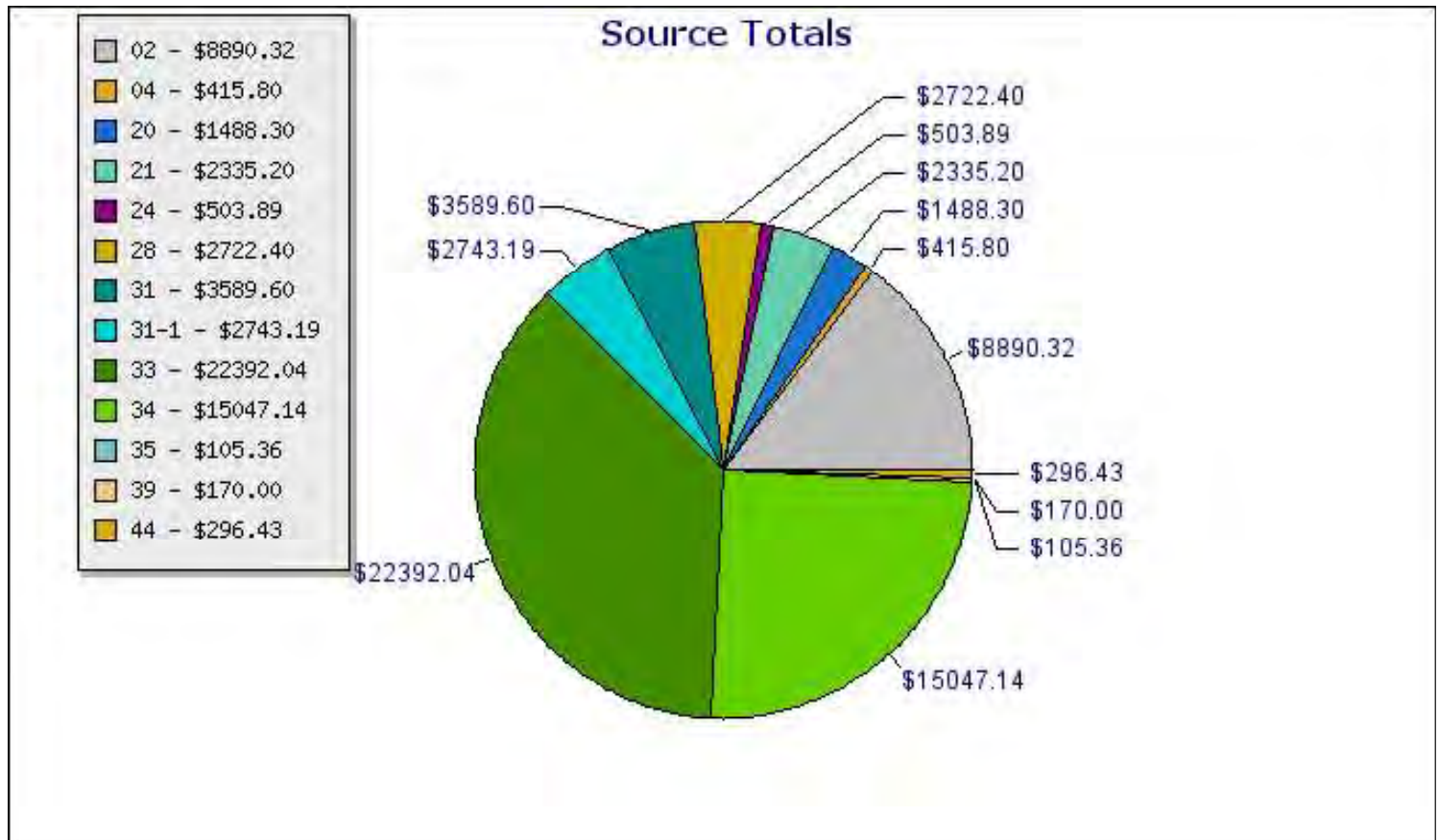


Exhibit “E”

Winnie-Stowell Hospital District			
Executive Summary of Nursing Home Monthly Site Visits			
November 2019			
Facility	Operator		Comments
Park Manor of Quail Valley	HMG		Census: 108. The facility is in their survey window. There were no reportable incidents since the last visit. The facility is planning on repainting and replacing the hardware on the front door to give it a more inviting appearance. The facility was nicely decorated for the Thanksgiving holiday. There were no compliance issues noticed during the visit.
Garrison Nursing and Rehabilitation	Caring Healthcare		Census: 86. The facility had their annual survey in November 2019, they received eight tags and three life safety violations, they are preparing their POC to send to the state. There were no reportable incidents since the last visit. The facility hosted a Thanksgiving dinner for all staff and residents and their families. All areas of the facility were well maintained and clean.
Golden Villa	Caring Healthcare		Census: 102. Facility had their annual survey in February 2019, their POC was accepted by the state. There were five reportable incidents since the last visit, all were unsubstantiated following state review. The facility is almost at capacity, this has made it difficult to properly clean and buff the floors as there is nowhere to move some residents.
Marshall Manor Nursing and Rehab	Caring Healthcare		Census: 110. The facility had their annual survey in August 2019, their POC was accepted by the state. There were two reportable incidents since the last visit, both were unsubstantiated following state review. The facility has recently installed a new furnace. The residents at the facility were very cordial with the administrator and all residents were well dressed and groomed.
Marshall Manor West	Caring Healthcare		Census: 70. The facility had their annual survey in February 2019, they are in their survey window. There were no reportable incidents since the last visit. The facility has put in new flooring and new paint in the lobby, it has really helped the appearance of the facility. The facility has brought on an aide to help in the evenings, it has greatly reduced the number of falls the facility has.

Rose Haven Retreat	Caring Healthcare		Census: 48. Facility had their annual survey in May 2019, their POC was accepted by the state. There were eight reportable incidents since the last visit, all were unsubstantiated following state review. The facility is working hard to reduce falls, they are trying to provide more one-to-one attention to those residents more likely to fall. The facility has exchanged some of the furniture to the lobby, this has made the lobby more welcoming to visitors.
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October 2019

Facility	Operator		Comments
Park Manor of Westchase	HMG		Census: 99. Facility had their annual survey in February 2019, their POC was accepted by the state. No reportable incidents since the last visit. The facility has a new administrator, he has been there for two months. The facility is very well kept, both the inside and outside are well maintained. The facility was decorated for Halloween. There were no compliance issues noticed during the visit.
Park Manor of Cypress Station	HMG		Census: 94. Facility had their annual survey in October 2019, they have not received a full report from the survey. There were no reportable incidents since the last visit. The outside of the facility was nicely manicured. The facility does need to update the lobby furniture, it is looking worn. All residents were well groomed and appropriately dressed.
Park Manor of Humble	HMG		Census: 98. The facility had their annual survey in August 2019, they received four tags, all were cleared by the state. No reportable incidents since the last visit. The therapy department takes advantage of the nice weather and conducts some therapy sessions in the gazebo. The facility has a large activity room, the facility does a nice job of hosting activities both during the day and at night.
Park Manor of Cyfair	HMG		Census: 100. Facility had their annual survey in March 2019, they received three tags, their POC was accepted by the state. There were no reportable incidents since the last visit. The facility was decorated for fall with pumpkins and seasonal decorations at the entry. There was recently a small fire in the laundry room, the problem has been fixed and the smoke damage is being fixed.

Highland Park Rehabilitation and Nursing Center	Caring		Census: 86. Facility had their annual survey in January 2019, their POC was accepted by the state. There was a complaint survey in June 2019, the facility was not cited. No reportable incidents since the last visit. The facility needs to update their City Health and Fire registration, it expired in May. The facility has hired a new DON, it was her first day during the visit, a report on her progress will be available next visit.
Spring Branch Transitional Care Center	Caring		Census: 192. The facility had their annual survey in March 2019, they received eight tags, their POC was accepted by desk review. There were no reportable incidents since the last visit. The facility had a small leak that damaged some ceiling tiles, the leak has been fixed and the tiles are being replaced. The facility was very clean, and all residents were happy and well taken care of.
Oak Manor	SLP		Census: 32. The facility had their annual survey in September 2019, they received 23 tags, most of which were in life-safety. The facility has hired a new administrator who is in the process of correcting the tags to send the POC to the state. There were no reportable incidents since the last visit. The new administrator is very good, and she will have the issues from the previous administration fixed quickly.
Oakland Manor	SLP		Census: 59. The facility is in their survey window. There was one reportable incident since the last visit, a resident fell while trying to go to the restroom and broke her wrist, the facility was not cited. The facility is trying to lower their pressure ulcer levels, they believe their primary assessment of a new resident isn't thorough enough and that is causing the high numbers.
Hallettsville Rehabilitation and Nursing Center	Regency		Census: 86. There were three reportable incidents since the last visit, two were for falls, one was for a combative resident, the facility was not cited. The facility is currently undergoing a major remodel, phase 1 of the remodel is almost completed and phase 2 is set to begin in the new year. The work that has been done during phase 1 has made the outside of the facility stand out.
Monument Rehab and Nursing Center	Regency		Census: 68. The facility was in the middle of their annual survey during the visit. There was one reportable incident since the last visit, a resident fell and had a fracture, the facility was not cited. The facility is almost complete with the remodel and it looks excellent. The staff and residents are both please with the results so far.



Park Manor of Quail Valley

2350 FM 1092

Missouri City, TX. 77459

Administrator: Dr. Charles Vallier

DON: Susan Joy

FACILITY INFORMATION

Park Manor of Quail Valley is a 125 -bed facility with a current over all star rating of 3 and a rating of 4 in Quality Measures. Given census on the date of this visit was 108: Private Pay- 11, HMO- 12, Medicare- 11, Medicaid- 72, and Hospice -2.

Landscaping was nicely manicured and seasonal flowers were placed out in the front. The parking lot was free of debris and cigarettes. The fire lane color was faded and looked to be pink instead of red. The front door paint color was worn looking and could use a fresh coat of paint. The door knob needed to be polished as it was tarnished looking. Consultant was told by administrator they were replacing the door knob and painting the door so the appearance would look better for welcoming families and prospects.

The lobby area presented well with no odors detected. Spread out through the lobby and nurses' station were Thanksgiving decorations and colorful pumpkins. Around the nurses' station, yellow paint was observed to be chipped. Staffing for nurses was posted for the day and med carts were locked. Hand rails looked worn and needed to be stained. Mark, who is the assistant activity director, was with residents working crosswords. On the calendar, it showed Sit to be Fit but administrator mentioned the activity director was out and Mark was substituting. The backdoor area by activities had boxes and carts to both sides which could have prohibited a smooth means of egress. Mark stated the boxes would be gone that day.

The dumpster lid was closed and no signs of trash in the immediate or surrounding area. The laundry room was organized and the lint log was updated but a lot of lint was in the dryer traps. The aide quickly rectified the issue by using her broom and removed it. SDS book was available and current.

Rooms down Hall 300 looked clean and no odors detected. The linen cart was clean and organized. The ice chest had some food on it which needed to be removed. The therapy department had five residents working hard and were appropriately addressed. All residents smiled at the consultant as well as the therapists. The dining room floor was clean and Ms. Mae gave tour of the kitchen. All temperatures were updated for refrigerator and freezer as well as the dishwasher. A few of the snacks were not labeled and behind the stove was a broken dish and a lot of crumbs. SDS book was available and appeared to be current.

QIPP SCORECARD:

Based off QIPP Scorecard, Park Manor of Quail Valley meet Component Metrics 1 and 2 for the months of September and October. Results for November are not available yet. Component Metric 3 and 4 results are not available as well as the data is gathered quarterly.

SURVEY INFORMATION

Park Manor of Quail Valley had their full book survey in January of 2019. Park Manor of Quail Valley received minimal health violations and are currently preparing for their survey as they are in their open window.

REPORTABLE INCIDENTS

Did not provide information

CLINICAL TRENDING**Incidents/Falls:**

Park Manor of Quail Valley had 37 total falls, of which 3 resulted in injury, 3 received skin tears, 2 had bruises, 1 laceration, 0 elopements, 0 fractures.

Infection Control:

Facility reports 47 total infections in June/July/August – 33 UTI's; 3 URI's; 23 wounds; 18 RESP; and 5 other.

Weight loss:

Weight loss reported in June/July/August – 5 residents with 5-10% and 6 > 10% loss in 30 days.

Pressure Ulcers:

In June/July/August there were 22 residents with 37 pressure ulcer sites – 7 acquired in house.

Restraints:

For June/July/August, the facility had 0 residents with restraints.

Staffing:

Facility has openings for 1 LVN, 2 nurse aides for 6 am to 2 pm, 1 nurse aide for 2 pm to 10 pm, and 1 nurse aide for 10 pm to 6 am.

Quality Indicators - CASPER Report				
Indicator	Facility	State	National	Comments
Self-Reported Mod/Severe Pain (S)	0%	8.7%	11.2%	
New/Worsened Pressure Ulcers (S)	0%	0.1%	0.3%	
New Psychoactive Med Use (S)	0%	1.9%	1.9%	
Fall w/Major Injury (L)	0%	3.5%	3.5%	
UTI (L)	1.1%	2.5%	2.9%	
Self-Reported Mod/Severe Pain (L)	0%	4.6%	6.0%	
High risk with pressure ulcers (L)	1.4%	6.4%	6.1%	
Loss of Bowel/Bladder Control(L)	72%	51.0%	48.3%	
Catheter(L)	1.1%	2.2%	2.3%	
Physical restraint(L)	0%	0.1%	0.2%	
Increased ADL Assistance(L)	8.0%	17.4%	14.6%	
Excessive Weight Loss(L)	0%	4.8%	5.9%	
Depressive symptoms(L)	0%	2.9%	5.0%	
Antipsychotic medication (L)	3.8%	12.4%	14.3%	



Component 1

Indicator	QAPI Mtg Date	PIP's Implemented (Name specific PIP's)
QAPI Meeting	6/11/19 7/9/19 8/13/19	

QAPI Due Dates:

September 2019:	Due - October 1, 2019	Submitted: by corporate (Jamie)
October 2019:	Due: November 1, 2019	Submitted: by corporate (Jamie)
November 2019:	Due: December 2, 2019	Submitted: _____
December 2019:	Due: January 2, 2020	Submitted: _____
January 2020	Due: February 3, 2020	Submitted: _____
February 2020	Due: March 2, 2020	Submitted: _____
March 2020	Due: April 1, 2020	Submitted: _____
April 2020	Due: May 1, 2020	Submitted: _____
May 2020	Due: June 1, 2020	Submitted: _____
June 2020	Due: July 1, 2020	Submitted: _____
July 2020	Due: August 3, 2020	Submitted: _____
August 2020	Due: September 1, 2020	Submitted: _____

Component 2

Indicator	Benchmark Met Y/N	Comments
Did NF maintain 4 additional hours of RN staffing coverage per day, beyond the CMS mandate?	Y	
Did NF maintain 8 additional hours of RN staffing coverage per day, beyond the CMS mandate?	Y	



Does the NF have a staffing recruitment and retention program that includes a self-directed plan and monitoring outcomes?	Y	
Was Workforce Development data submitted q month to QIPP during the quarter?	Y	

Workforce Development & Timeframes

September 2019:	Due - October 3, 2019	Submitted: by corporate (Jamie)
October 2019:	Due: November 5, 2019	Submitted: by corporate (Jamie)
November 2019:	Due: December 4, 2019	Submitted: _____
December 2019:	Due: January 6, 2020	Submitted: _____
January 2020	Due: February 5, 2020	Submitted: _____
February 2020	Due: March 4, 2020	Submitted: _____
March 2020	Due: April 3, 2020	Submitted: _____
April 2020	Due: May 5, 2020	Submitted: _____
May 2020	Due: June 3, 2020	Submitted: _____
June 2020	Due: July 3, 2020	Submitted: _____
July 2020	Due: August 5, 2020	Submitted: _____
August 2020	Due: September 3, 2020	Submitted: _____

QIPP Component 3 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark (Target)	Facility Baseline	Facility Results QRT 1	Facility Results QRT 2	Facility Results QRT 3	Facility Results QRT 4	Comments
Percent of high-risk Long-Stay residents with pressure ulcers; including unstageable ulcers	7.35%	6.92%					Quarterly Metric Results- Pending



Park Manor of Quail Valley
 2350 FM 1092
 Missouri City, TX. 77459

Percent of residents who received an anti-psychotic medication	14.56%	9.45%					Quarterly Metric Results- Pending
Percent of residents whose ability to move independently has worsened	17.72%	18.22%					Quarterly Metric Results - Pending

QIPP Component 4 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Facility Baseline	Facility Results QRT 1	Facility Results QRT 2	Facility Results QRT 3	Facility Results QRT 4	Comments
Percent of residents with urinary tract infections	2.80%	1.84%					
Percent of residents whose pneumococcal vaccine is up to date.	93.67%	93.67%					
Facility has an infection control program that includes antibiotic stewardship. The program includes policies and training as well as monitoring, documenting and providing staff feedback.							Per administrator- Infection Control Policy is reviewed as mandated and needed. Antibiotic Stewardship Program is reviewed and is in place with all components per administrator's statement.



Park Manor of Quail Valley

2350 FM 1092

Missouri City, TX. 77459

Component 3 & 4 One-Month Reconciliation Periods

Quarter	Submission Deadline Close of Business	Date Submission
Quarter 1 Sept 1, 2019 – Nov 20, 2019	December 29, 2019	Pending
Quarter 2 Dec 1, 2019 – Feb 29, 2020	March 29, 2020	Pending
Quarter 3 March 1, 2019 – May 31, 2020	June 28, 2020	Pending
Quarter 4 June 1, 2020 – August 31, 2020	September 27, 2020	Pending

Administrator: Wanda Hendricks
Assistant Administrator: Josh Havins
DON: Teresa Westmoreland

FACILITY INFORMATION

Garrison Nursing and Rehabilitation is a 93 bed SNF in a rural area with a current census of 86: 10 Medicare; 2 HMO; 13 Private Pay; 56 Medicaid and 5 Hospice. The facility currently has an overall star rating of 3 and a star rating in Quality Measures of 4.

The parking lot was free of trash and cigarettes and upon entering the front door were mums and pumpkins around some rocking chairs to greet all. A welcoming wreath and hay bales were also at the front porch patio which added to the ambiance of the season.

Stacey, with the business office, provided the tour of the facility. Stacey mentioned the facility having over 300 people for their annual Thanksgiving dinner in which residents and their families had a great time together and the food was great. Stacey mentioned Garrison Nursing and Rehabilitation employees, residents and their families were very close and everyone was family.

The dining room was clean with table centerpieces of pilgrims and pumpkins. Peggy, the dietary supervisor, provided a tour of the kitchen. Ice machine was clean and temperature logs for refrigerator, freezer, and dishwasher were current. Behind the stove were a lot of crumbs but overall the kitchen was organized and clean. Emergency supplies were in Peggy's office to safe guard if or when needed. Meal times menus were displayed.

The laundry room looked great – very organized and clean with lint log up to date (and no lint). Dumpster lids were closed and no signs of trash in the immediate area. Stacy brought consultant to one of the patio's in which the facility had to take down one of the doors down to the fence as they were no longer considered a memory care community and stated requested them to do so.

Medication cart checked in hallway 200 was locked and fire extinguisher inspection up to date. Calendar was large and had a variety of activities to choose from for residents. A wound cart was unlocked in which Stacey took care of it immediately.

QIPP SCORECARD:

Based off QIPP Scorecard, Garrison Nursing Home and Rehabilitation Center meet Component Metrics 1 and 2 for the months of September and October. Results for November are not available yet. Component Metric 3 and 4 results are not available as well as the data is gathered quarterly.

SURVEY INFORMATION

Garrison Nursing Home and Rehabilitation had their full book on November 14, 2019. They received 8 Health deficiencies and 3 Life Safety Code violations.

REPORTABLE INCIDENTS

Garrison Nursing Home and Rehabilitation did not have any self-reports for June, July or August.

CLINICAL TRENDING

Incidents/Falls:

Information was not provided

Infection Control:

Information was not provided

Weight loss:

Information was not provided

Pressure Ulcers:

Information was not provided

Restraints:

Information was not provided

Staffing:

Information was not provided

Quality Indicators - CASPER Report				
Indicator	Facility	State	National	Comments
Self-Reported Mod/Severe Pain (S)		8.7%	11.2%	Did not receive all information.
New/Worsened Pressure Ulcers (S)		0.1%	0.3%	
New Psychoactive Med Use (S)		1.9%	1.9%	
Fall w/Major Injury (L)	0.0%	3.5%	3.5%	
UTI (L)		2.4%	2.5%	
Self-Reported Mod/Severe Pain (L)	1.7%	4.8%	6.3%	
High risk with pressure ulcers (L)	4.0%	8.8%	8.4%	
Loss of Bowel/Bladder Control(L)		51.0%	48.3%	
Catheter(L)	5.5%	2.4%	2.5%	
Physical restraint(L)	0.0%	0.1%	0.2%	
Increased ADL Assistance(L)	24.4%	20.8%	19.3%	
Excessive Weight Loss(L)	6.9%	4.7%	6.3%	
Depressive symptoms(L)	0%	2.7%	4.8%	
Antipsychotic medication (L)	9.9%	12.4%	14.3%	

Component 1

Indicator	QAPI Mtg Date	PIP's Implemented (Name specific PIP's)
QAPI Meeting	6-12-19	
	7-17-19	
	8-14-19	

QAPI Due Dates:

September 2019:	Due - October 1, 2019	Submitted: Holly Randall >Gary>Winnie
October 2019:	Due: November 1, 2019	Submitted: Holly Randall >Gary>Winnie
November 2019:	Due: December 2, 2019	Submitted: _____
December 2019:	Due: January 2, 2020	Submitted: _____
January 2020	Due: February 3, 2020	Submitted: _____
February 2020	Due: March 2, 2020	Submitted: _____
March 2020	Due: April 1, 2020	Submitted: _____
April 2020	Due: May 1, 2020	Submitted: _____
May 2020	Due: June 1, 2020	Submitted: _____
June 2020	Due: July 1, 2020	Submitted: _____
July 2020	Due: August 3, 2020	Submitted: _____
August 2020	Due: September 1, 2020	Submitted: _____

Component 2

Indicator	Benchmark	Comments
	Met Y/N	
Did NF maintain 4 additional hours of RN staffing coverage per day, beyond the CMS mandate?	Y	

Did NF maintain 8 additional hours of RN staffing coverage per day, beyond the CMS mandate?	Y	
Does the NF have a staffing recruitment and retention program that includes a self-directed plan and monitoring outcomes?	Y	
Was Workforce Development data submitted q month to QIPP during the quarter?	Y	

Workforce Development & Timeframes

September 2019:	Due - October 3, 2019	Submitted: Holly forwards to> Gary >Winnie
October 2019:	Due: November 5, 2019	Submitted: Holly forwards to >Gary >Winnie
November 2019:	Due: December 4, 2019	Submitted: _____
December 2019:	Due: January 6, 2020	Submitted: _____
January 2020	Due: February 5, 2020	Submitted: _____
February 2020	Due: March 4, 2020	Submitted: _____
March 2020	Due: April 3, 2020	Submitted: _____
April 2020	Due: May 5, 2020	Submitted: _____
May 2020	Due: June 3, 2020	Submitted: _____
June 2020	Due: July 3, 2020	Submitted: _____
July 2020	Due: August 5, 2020	Submitted: _____
August 2020	Due: September 3, 2020	Submitted: _____

QIPP Component 3 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of high-risk Long-Stay residents with pressure ulcers; including unstageable ulcers	7.35%	6.92%			Quarterly Metric Results - Pending

Percent of residents who received an anti-psychotic medication	14.56%	9.45%			Quarterly Metric Results - Pending
Percent of residents whose ability to move independently has worsened	17.72%	18.22%			Quarterly Metric Results - Pending

QIPP Component 4 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of residents with urinary tract infections	2.80%	1.84%			Quarterly Metric Results - Pending
Percent of residents whose pneumococcal vaccine is up to date.	93.67%	93.67%			Quarterly Metric Results - Pending
Facility has an infection control program that includes antibiotic stewardship. The program includes policies and training as well as monitoring, documenting and providing staff feedback.					<p>Infection Control Policy reviewed. Yes-per administrator’s statement</p> <p>Antibiotic Stewardship Program review and is in place with all components. Yes-per administrator’s statement</p>

Component 3 & 4 One-Month Reconciliation Periods

Quarter	Submission Deadline Close of Business	Date Submission
Quarter 1 Sept 1, 2019 – Nov 20, 2019	December 29, 2019	Pending
Quarter 2 Dec 1, 2019 – Feb 29, 2020	March 29, 2020	Pending
Quarter 3 March 1, 2019 – May 31, 2020	June 28, 2020	Pending
Quarter 4 June 1, 2020 – August 31, 2020	September 27, 2020	Pending

Administrator: Taylor Stamp
DON: Brandy Pulliam

FACILITY INFORMATION

Golden Villa is a 111-bed facility with a current overall star rating of 2 and a Quality Measures star rating of 4. The census on the date of this visit was 102 with 7 hospice, 11 private, 53 Medicaid, 10 Medicaid pending, 18 MCR and 3 HMO.

The administrator was out of the facility at the time so Kathy, the office manager, provided the tour. The parking lot was free of trash and cigarettes and upon the walkway were bird feeders with birds enjoying the seeds. The birds were chirping and one resident was outside enjoying watching them. Bails of hay were inside the lobby area with scarecrows which provided a nice display for the Thanksgiving holiday.

Hallway floors in 100 and 300 were somewhat dull as well as in the resident's rooms. Kathy explained they were close to being full and it was a challenge moving residents out of the rooms to buff the floors. The facility was clean and no odors were detected. Med carts were locked and daily nursing schedule was current. Dumpster lid was closed with no trash in the area.

The laundry room was clean and a lint log was in place and current – no lint was to be found. Supplies were on pallets. Dining Room was clean and residents were conversing with each other. Menus were posted and current with what they had eaten for the day. Activity calendar was posted and was varied. Oxygen storage room looked good with all tanks placed in appropriate canisters.

Residents were dressed appropriately and no safety issues observed in any of resident rooms. Nurses station was busy but appeared organized. Staff were friendly and greeted consultant.

QIPP SCORECARD:

Based off QIPP Scorecard, Golden Villa meet Component Metrics 1 and 2 for the months of September and October. Results for November are not available yet. Component Metric 3 and 4 results are not available as well as the data is gathered quarterly.

SURVEY INFORMATION

The facility's annual survey was on 2/27/19. They received 10 Health and 6 Life Safety Code violations.

REPORTABLE INCIDENTS

Golden Villa had 5 self-reports for June, July and August all unsubstantiated.

CLINICAL TRENDING

Incidents/Falls:

Facility information not provided

Infection Control:

Facility information not provided

Weight loss:

Facility information not provided

Pressure Ulcers:

Facility information not provided

Restraints:

Facility information not provided

Staffing:

Facility information not provided

Quality Indicators - CASPER Report				
Indicator	Facility	State	National	Comments
Self-Reported Mod/Severe Pain (S)		8.7%	11.2%	Information not provided
New/Worsened Pressure Ulcers (S)		0.1%	0.3%	
New Psychoactive Med Use (S)		1.9%	1.9%	
Fall w/Major Injury (L)		3.5%	3.5%	
UTI (L)		2.5%	2.9%	
Self-Reported Mod/Severe Pain (L)		4.6%	6.0%	
High risk with pressure ulcers (L)		6.4%	6.1%	
Loss of Bowel/Bladder Control(L)		51.0%	48.3%	
Catheter(L)		2.2%	2.3%	
Physical restraint(L)		0.1%	0.2%	
Increased ADL Assistance(L)		17.4%	14.6%	
Excessive Weight Loss(L)		4.8%	5.9%	
Depressive symptoms(L)		2.9%	5.0%	
Antipsychotic medication (L)		12.4%	14.3%	

Component 1

Indicator	QAPI Mtg Date	PIP's Implemented (Name specific PIP's)
QAPI Meeting		Information not provided

QAPI Due Dates:

September 2019:	Due - October 1, 2019	Submitted: sent to Gary
October 2019:	Due: November 1, 2019	Submitted: sent to Gary
November 2019:	Due: December 2, 2019	Submitted: sent to Gary
December 2019:	Due: January 2, 2020	Submitted: _____
January 2020	Due: February 3, 2020	Submitted: _____
February 2020	Due: March 2, 2020	Submitted: _____
March 2020	Due: April 1, 2020	Submitted: _____
April 2020	Due: May 1, 2020	Submitted: _____
May 2020	Due: June 1, 2020	Submitted: _____
June 2020	Due: July 1, 2020	Submitted: _____
July 2020	Due: August 3, 2020	Submitted: _____
August 2020	Due: September 1, 2020	Submitted: _____

Component 2

Indicator	Benchmark Met Y/N	Comments
Did NF maintain 4 additional hours of RN staffing coverage per day, beyond the CMS mandate?	Y	
Did NF maintain 8 additional hours of RN staffing coverage per day, beyond the CMS mandate?	Y	

Does the NF have a staffing recruitment and retention program that includes a self-directed plan and monitoring outcomes?	Y	
Was Workforce Development data submitted q month to QIPP during the quarter?	Y	

Workforce Development & Timeframes

September 2019:	Due - October 3, 2019	Submitted: sent to Gary
October 2019:	Due: November 5, 2019	Submitted: sent to Gary
November 2019:	Due: December 4, 2019	Submitted: sent to Gary
December 2019:	Due: January 6, 2020	Submitted: _____
January 2020	Due: February 5, 2020	Submitted: _____
February 2020	Due: March 4, 2020	Submitted: _____
March 2020	Due: April 3, 2020	Submitted: _____
April 2020	Due: May 5, 2020	Submitted: _____
May 2020	Due: June 3, 2020	Submitted: _____
June 2020	Due: July 3, 2020	Submitted: _____
July 2020	Due: August 5, 2020	Submitted: _____
August 2020	Due: September 3, 2020	Submitted: _____

QIPP Component 3 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of high-risk Long-Stay residents with pressure ulcers; including unstageable ulcers	7.35%	6.92%			Quarterly Metric Results - Pending
Percent of residents who received an anti-psychotic medication	14.56%	9.45%			Quarterly Metric Results - Pending

Percent of residents whose ability to move independently has worsened	17.72%	18.22%			Quarterly Metric Results - Pending
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QIPP Component 4 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of residents with urinary tract infections	2.80%	1.84%			Quarterly Metric Results - Pending
Percent of residents whose pneumococcal vaccine is up to date.	93.67%	93.67%			Quarterly Metric Results - Pending
Facility has an infection control program that includes antibiotic stewardship. The program includes policies and training as well as monitoring, documenting and providing staff feedback.					Infection Control Policy reviewed per administrator. Antibiotic Stewardship Program review and is in place with all components per administrator.

Component 3 & 4 One-Month Reconciliation Periods

Quarter	Submission Deadline Close of Business	Date Submission
Quarter 1 Sept 1, 2019 – Nov 20, 2019	December 29, 2019	Pending
Quarter 2 Dec 1, 2019 – Feb 29, 2020	March 29, 2020	Pending
Quarter 3 March 1, 2019 – May 31, 2020	June 28, 2020	Pending
Quarter 4 June 1, 2020 – August 31, 2020	September 27, 2020	Pending



Golden Villa

1104 South William Street, Atlanta TX 75551

11-19-19

Administrator: Linda Benson
DON: Susan Cherry

FACILITY INFORMATION

Marshall Manor Nursing and Rehab is a 169-bed facility with a current over all star rating of 2 and a Quality Measures rating of 5. The census on the date of this visit was 110: Private Pay- 22, Medicare- 12, and Medicaid- 66, Hospice- 10.

Ms. Benson, the administrator, provided a tour of facility. Ms. Benson was very professional and kind during the entire tour. The outside landscaping was well kept and no observation of trash in the parking lot. Walking up to the front door were scarecrows and hay bales that greeted visitors, which was very welcoming. Observation of a furnace being replaced to the side of the building upon arrival, was being installed. Ms. Benson mentioned they were having family night on Thursday in which residents and families always looked forward to this special event.

The independent living dining room floor was clean and Thanksgiving decorations were spread throughout the area. Postings were current with menus. The kitchen was organized and all temperature logs were current. No issues observed in the pantry – items labeled and boxes at the right height. The vent a hood needed to be cleaned as it had a buildup of grease and was past due for cleaning by professionals. A light was out as well. Hairnets were being worn by staff who were friendly to the consultant.

Therapy department had a couple of residents in the room for PT and greeted the administrator and consultant with smiles on their faces. The director of rehab introduced herself as well as another therapist in the room. No safety issues noted. Current postings observed.

The laundry room was organized and lint log current. There was some lint in one of the dryers and was immediately removed once discovered. One of the lights in the ceiling appeared to have paint on the outside cover and a few crickets inside of it. Residents observed throughout the facility were dressed appropriately and said hi to the administrator a lot. Medication carts were locked and linen carts did not have personal items on them.

QIPP SCORECARD:

Based off QIPP Scorecard, Marshall Manor Nursing and Rehab Center meet Component Metrics 1 and 2 for the months of September and October. Results for November are not available yet. Component Metric 3 and 4 results are not available as well as the data is gathered quarterly.

SURVEY INFORMATION

Marshall Manor Nursing and Rehab Center had their last survey in August of 2019. They were cleared of all deficiencies on September 6, 2019.

REPORTABLE INCIDENTS

Marshall Manor Nursing and Rehab Center had (2) self-reports for time period of June, July and August. Both were unsubstantiated.

CLINICAL TRENDING

Incidents/Falls:

Facility information not given

Infection Control:

Facility information not given

Weight loss:

Facility information not given

Pressure Ulcers:

Facility information not given

Restraints:

Facility information not given

Staffing:

Facility information not given

Quality Indicators - CASPER Report				
Indicator	Facility	State	National	Comments
Self-Reported Mod/Severe Pain (S)		8.7%	11.2%	Information not given
New/Worsened Pressure Ulcers (S)		0.1%	0.3%	
New Psychoactive Med Use (S)		1.9%	1.9%	
Fall w/Major Injury (L)		3.5%	3.5%	
UTI (L)		2.5%	2.9%	
Self-Reported Mod/Severe Pain (L)		4.6%	6.0%	
High risk with pressure ulcers (L)		6.4%	6.1%	
Loss of Bowel/Bladder Control(L)		51.0%	48.3%	
Catheter(L)		2.2%	2.3%	
Physical restraint(L)		0.1%	0.2%	
Increased ADL Assistance(L)		17.4%	14.6%	
Excessive Weight Loss(L)		4.8%	5.9%	
Depressive symptoms(L)		2.9%	5.0%	
Antipsychotic medication (L)		12.4%	14.3%	

Component 1

Indicator	QAPI Mtg Date	PIP's Implemented (Name specific PIP's)
QAPI Meeting		Information not given

QAPI Due Dates:

September 2019:	Due - October 1, 2019	Submitted: Sent to Gary
October 2019:	Due: November 1, 2019	Submitted: Sent to Gary
November 2019:	Due: December 2, 2019	Submitted: Sent to Gary
December 2019:	Due: January 2, 2020	Submitted: _____
January 2020	Due: February 3, 2020	Submitted: _____
February 2020	Due: March 2, 2020	Submitted: _____
March 2020	Due: April 1, 2020	Submitted: _____
April 2020	Due: May 1, 2020	Submitted: _____
May 2020	Due: June 1, 2020	Submitted: _____
June 2020	Due: July 1, 2020	Submitted: _____
July 2020	Due: August 3, 2020	Submitted: _____
August 2020	Due: September 1, 2020	Submitted: _____

Component 2

Indicator	Benchmark Met Y/N	Comments
Did NF maintain 4 additional hours of RN staffing coverage per day, beyond the CMS mandate?	Y	
Did NF maintain 8 additional hours of RN staffing coverage per day, beyond the CMS mandate?	Y	

Does the NF have a staffing recruitment and retention program that includes a self-directed plan and monitoring outcomes?	Y	
Was Workforce Development data submitted q month to QIPP during the quarter?	Y	

Workforce Development & Timeframes

September 2019:	Due - October 3, 2019	Submitted: Sent to Gary
October 2019:	Due: November 5, 2019	Submitted: Sent to Gary
November 2019:	Due: December 4, 2019	Submitted: Sent to Gary
December 2019:	Due: January 6, 2020	Submitted: _____
January 2020	Due: February 5, 2020	Submitted: _____
February 2020	Due: March 4, 2020	Submitted: _____
March 2020	Due: April 3, 2020	Submitted: _____
April 2020	Due: May 5, 2020	Submitted: _____
May 2020	Due: June 3, 2020	Submitted: _____
June 2020	Due: July 3, 2020	Submitted: _____
July 2020	Due: August 5, 2020	Submitted: _____
August 2020	Due: September 3, 2020	Submitted: _____

QIPP Component 3 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of high-risk Long-Stay residents with pressure ulcers; including unstageable ulcers	7.35%	6.92%			Quarterly Metric Results - Pending
Percent of residents who received an anti-psychotic medication	14.56%	9.45%			Quarterly Metric Results - Pending

Percent of residents whose ability to move independently has worsened	17.72%	18.22%			Quarterly Metric Results - Pending
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QIPP Component 4 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of residents with urinary tract infections	2.80%	1.84%			Quarterly Metric Results - Pending
Percent of residents whose pneumococcal vaccine is up to date.	93.67%	93.67%			Quarterly Metric Results - Pending
Facility has an infection control program that includes antibiotic stewardship. The program includes policies and training as well as monitoring, documenting and providing staff feedback.					Infection Control Policy reviewed – yes, per administrator. Antibiotic Stewardship Program review and is in place with all components – yes, per administrator.

Component 3 & 4 One-Month Reconciliation Periods

Quarter	Submission Deadline Close of Business	Date Submission
Quarter 1 Sept 1, 2019 – Nov 20, 2019	December 29, 2019	Pending
Quarter 2 Dec 1, 2019 – Feb 29, 2020	March 29, 2020	Pending
Quarter 3 March 1, 2019 – May 31, 2020	June 28, 2020	Pending
Quarter 4 June 1, 2020 – August 31, 2020	September 27, 2020	Pending



Marshall Manor Nursing and Rehab Center
1007 South Washington Avenue, Marshall TX 75670

11-19-19

Administrator: Ken Kale
DON: Lakeisha Owens

FACILITY INFORMATION

Marshall Manor West is a 115-bed facility with a current over all star rating of 4 and a Quality Measures rating of 3. The census on the date of this visit was 70: 8 Medicare; 47 Medicaid; 9 Private Pay; 4 Hospice and 4 Medicaid Pending which adds up to 72 (two where in the hospital).

Mr. Kale, administrator, provided the tour of facility and had a lot pride in his facility, discussing the longevity of his staff and saying they were the best! Seasonal flowers provided the path to the entrance in which the lobby area had been completely transformed. New flooring and a fresh coat of paint really made a difference with the feel and appearance of the area. The consultant had thought the facility had even received new furniture but Mr. Kale said no, they just took really good care of it. Everything went well together and additional Thanksgiving decorations were a nice touch.

Medication carts were found to be secured and locked. Floors were clean and shiny. There was a slight smell of urine in the memory care hallway and Mr. Kale stated it was due to (2) residents they have to monitor constantly as they don't remember to go in the bathroom. Mr. Kale stated they had brought on a hospitality aide six days in the evenings to help out and has decreased their falls tremendously: from approximately 20 falls down to 12. Activities was getting ready for another garage sell as observed walking through the building. The proceeds go towards outings for the residents. The community also had out an angel Christmas tree so residents without family would receive a gift from a kind hearted person. The facility had their Thanksgiving dinner last Thursday and they had a great turnout.

Linen carts looked good with no personal items on them and housekeeping carts had bottles with appropriate labels on them. Oxygen storage room had all of the tanks in their rightful canisters. The dumpster lid was closed with no trash in the surrounding area. The kitchen was clean but some food items in the refrigerator needed to be labeled. The kitchen supervisor immediately took care of it and in fact, brought her staff over to resolve the issue as a teachable moment. All temperatures were current and no issues were discovered in the pantry. Mr. Kale mentioned new dining chairs was on his wish list as they were worn and arms that could not be replaced. Hall A had new flooring and looked great. Shower room observed was clean with no odors detected. Residents were appropriately dressed and smiled at the consultant.

QIPP SCORECARD:

Based off QIPP Scorecard, Marshall Manor West meet Component Metrics 1 and 2 for the months of September and October. Results for November are not available yet. Component Metric 3 and 4 results are not available as well as the data is gathered quarterly.

SURVEY INFORMATION

The facility's annual survey was conducted on 2-4-19 in which they received (1) Health and (3) Life Safety Code violations: they are in their open window for survey.

REPORTABLE INCIDENTS

Marshall Manor did not have any self-reports for June, July or August.

CLINICAL TRENDING

Incidents/Falls:

Facility information not given.

Infection Control:

Facility information not given.

Weight loss:

Facility information not given.

Pressure Ulcers:

Facility information not given.

Restraints:

Facility information not given.

Staffing:

Facility information not given.

Quality Indicators - CASPER Report				
Indicator	Facility	State	National	Comments
Self-Reported Mod/Severe Pain (S)		8.7%	11.2%	Information not provided
New/Worsened Pressure Ulcers (S)		0.1%	0.3%	
New Psychoactive Med Use (S)		1.9%	1.9%	
Fall w/Major Injury (L)		3.5%	3.5%	
UTI (L)		2.5%	2.9%	
Self-Reported Mod/Severe Pain (L)		4.6%	6.0%	
High risk with pressure ulcers (L)		6.4%	6.1%	
Loss of Bowel/Bladder Control(L)		51.0%	48.3%	
Catheter(L)		2.2%	2.3%	
Physical restraint(L)		0.1%	0.2%	
Increased ADL Assistance(L)		17.4%	14.6%	
Excessive Weight Loss(L)		4.8%	5.9%	
Depressive symptoms(L)		2.9%	5.0%	
Antipsychotic medication (L)		12.4%	14.3%	

Component 1

Indicator	QAPI Mtg Date	PIP's Implemented (Name specific PIP's)
QAPI Meeting		Information not provided

QAPI Due Dates:

September 2019:	Due - October 1, 2019	Submitted: Sent to Gary
October 2019:	Due: November 1, 2019	Submitted: Sent to Gary
November 2019:	Due: December 2, 2019	Submitted: Sent to Gary
December 2019:	Due: January 2, 2020	Submitted: _____
January 2020	Due: February 3, 2020	Submitted: _____
February 2020	Due: March 2, 2020	Submitted: _____
March 2020	Due: April 1, 2020	Submitted: _____
April 2020	Due: May 1, 2020	Submitted: _____
May 2020	Due: June 1, 2020	Submitted: _____
June 2020	Due: July 1, 2020	Submitted: _____
July 2020	Due: August 3, 2020	Submitted: _____
August 2020	Due: September 1, 2020	Submitted: _____

Component 2

Indicator	Benchmark	Comments
	Met Y/N	
Did NF maintain 4 additional hours of RN staffing coverage per day, beyond the CMS mandate?	Y	
Did NF maintain 8 additional hours of RN staffing coverage per day, beyond the CMS mandate?	Y	

Does the NF have a staffing recruitment and retention program that includes a self-directed plan and monitoring outcomes?	Y	
Was Workforce Development data submitted q month to QIPP during the quarter?	Y	

Workforce Development & Timeframes

September 2019:	Due - October 3, 2019	Submitted: Sent to Gary
October 2019:	Due: November 5, 2019	Submitted: Sent to Gary
November 2019:	Due: December 4, 2019	Submitted: Sent to Gary
December 2019:	Due: January 6, 2020	Submitted: _____
January 2020	Due: February 5, 2020	Submitted: _____
February 2020	Due: March 4, 2020	Submitted: _____
March 2020	Due: April 3, 2020	Submitted: _____
April 2020	Due: May 5, 2020	Submitted: _____
May 2020	Due: June 3, 2020	Submitted: _____
June 2020	Due: July 3, 2020	Submitted: _____
July 2020	Due: August 5, 2020	Submitted: _____
August 2020	Due: September 3, 2020	Submitted: _____

QIPP Component 3 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of high-risk Long-Stay residents with pressure ulcers; including unstageable ulcers	7.35%	6.92%			Quarterly Metric Results - Pending
Percent of residents who received an anti-psychotic medication	14.56%	9.45%			Quarterly Metric Results - Pending

Percent of residents whose ability to move independently has worsened	17.72%	18.22%			Quarterly Metric Results - Pending
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QIPP Component 4 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of residents with urinary tract infections	2.80%	1.84%			Quarterly Metric Results - Pending
Percent of residents whose pneumococcal vaccine is up to date.	93.67%	93.67%			Quarterly Metric Results - Pending
Facility has an infection control program that includes antibiotic stewardship. The program includes policies and training as well as monitoring, documenting and providing staff feedback.					Infection Control Policy reviewed per administrator Antibiotic Stewardship Program review and is in place with all components per administrator

Component 3 & 4 One-Month Reconciliation Periods

Quarter	Submission Deadline Close of Business	Date Submission
Quarter 1 Sept 1, 2019 – Nov 20, 2019	December 29, 2019	Pending
Quarter 2 Dec 1, 2019 – Feb 29, 2020	March 29, 2020	Pending
Quarter 3 March 1, 2019 – May 31, 2020	June 28, 2020	Pending
Quarter 4 June 1, 2020 – August 31, 2020	September 27, 2020	Pending



Marshall Manor West

207 West Merritt Street, Marshall, TX 75670

11-19-19

Administrator: Linda Thurman
DON: Iiesha Taylor

FACILITY INFORMATION

Rose Haven Retreat is a licensed 108- bed facility with an overall star rating of 1 and a rating of 2 stars in Quality Measures. Current census on the date of the visit was 48 with 4 MC, 1 HMO, 27 MD, 12 PP, and 4 MD pending.

The front lawn had been mowed and seasonal flowers were around the two concrete circles in the front. A parking spot for "employee of the month" was in the front for a parking place for a staff member who had gone above and beyond. Scarecrows were displayed on the front porch with the two red benches which helped with the overall curb appeal. The lobby area had been changed up a little since last visit as Ms. Thurman had placed a couple of her chairs from the office to make it a nicer sitting area and it made a difference. Survey book was available.

Tour of the facility was provided by Ms. Thurman, who was very gracious. Ms. Thurman stated the facility was focusing on falls and how to decrease the numbers. Ms. Thurman told consultant that their company will assist with a private sitter if needed.

The Dietary Manager was back from being on leave but really didn't show the initiative to provide a tour of her kitchen. Consultant and administrator walked around and observed temperature logs for the refrigerator, freezer and dish machine a few days behind. A few items in the refrigerator were not labeled. The pantry had supplies from last week still on the floor. Some boxes had also been placed up too high. The bins and the main floor area looked a lot cleaner from last visit but you could tell the bins were not being pulled out and mopped at the same time with the main kitchen area. Dirt was starting to show around the floor of where the bins were stored. It was clean behind the stove.

Administrator and consultant walked outside to the laundry room in which (2) aides were outside taking a short break. One of the washers had been out and the team worked together having to go to the laundry mat until it got fixed – which happened that day. There was a strong smell of odor/cigarettes walking into the doorway of where the clean linens were stored. One or both of the aides had been smoking in which the smoke had resonated in the room as the door had been opened. This area outside was not a designated smoking area and the administrator immediately told them they were not to smoke in that area-staff apologized and said they wouldn't. A lot of lint was also found in the dryers and the aides quickly removed it.

Hallways 100, 300 and 400 corridors were clear but Hallway 200 had a lot of items on both sides. Shower room was picked up but there was a leaking shower head in which mildew was present in the corners of the shower. A lock was missing too where the cabinet needed to be locked.

Activity Assistant was helping out in Memory Care providing activities. The activity room was picked up and the floor was clean. Bingo was also going on in the dining room for the other residents who seemed to be having a good time. Med Carts were locked throughout the building.

QIPP SCORECARD:

Based off QIPP Scorecard, Rose Haven Retreat met Component Metrics 1 and 2 for the months of September and October. Results for November are not available yet. Component Metric 3 and 4 results are not available as well as the data is gathered quarterly.

SURVEY INFORMATION

The facility had their annual survey on 5/14/19. No complaints for the months of June, July and August.

REPORTABLE INCIDENTS

Rose Haven Retreat had a total of (8) self-reports all of which were unsubstantiated.

CLINICAL TRENDING**Incidents/Falls:**

Facility information not provided

Infection Control:

Facility information not provided

Weight loss:

Facility information not provided

Pressure Ulcers:

Facility information not provided

Restraints:

Facility information not provided

Staffing:

Facility information not provided

Quality Indicators - CASPER Report				
Indicator	Facility	State	National	Comments
Self-Reported Mod/Severe Pain (S)		8.7%	11.2%	Information not provided
New/Worsened Pressure Ulcers (S)		0.1%	0.3%	
New Psychoactive Med Use (S)		1.9%	1.9%	
Fall w/Major Injury (L)		3.5%	3.5%	
UTI (L)		2.5%	2.9%	
Self-Reported Mod/Severe Pain (L)		4.6%	6.0%	
High risk with pressure ulcers (L)		6.4%	6.1%	
Loss of Bowel/Bladder Control(L)		51.0%	48.3%	
Catheter(L)		2.2%	2.3%	
Physical restraint(L)		0.1%	0.2%	
Increased ADL Assistance(L)		17.4%	14.6%	
Excessive Weight Loss(L)		4.8%	5.9%	
Depressive symptoms(L)		2.9%	5.0%	
Antipsychotic medication (L)		12.4%	14.3%	

Component 1

Indicator	QAPI Mtg Date	PIP's Implemented (Name specific PIP's)
QAPI Meeting		Information not provided

QAPI Due Dates:

September 2019:	Due - October 1, 2019	Submitted: sent to Gary
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June 2020	Due: July 1, 2020	Submitted: _____
July 2020	Due: August 3, 2020	Submitted: _____
August 2020	Due: September 1, 2020	Submitted: _____

Component 2

Indicator	Benchmark Met Y/N	Comments
Did NF maintain 4 additional hours of RN staffing coverage per day, beyond the CMS mandate?	Y	

Did NF maintain 8 additional hours of RN staffing coverage per day, beyond the CMS mandate?	Y	
Does the NF have a staffing recruitment and retention program that includes a self-directed plan and monitoring outcomes?	Y	
Was Workforce Development data submitted q month to QIPP during the quarter?	Y	

Workforce Development & Timeframes

September 2019:	Due - October 3, 2019	Submitted: sent to Gary
October 2019:	Due: November 5, 2019	Submitted: sent to Gary
November 2019:	Due: December 4, 2019	Submitted: sent to Gary
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July 2020	Due: August 5, 2020	Submitted: _____
August 2020	Due: September 3, 2020	Submitted: _____

QIPP Component 3 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of high-risk Long-Stay residents with pressure ulcers; including unstageable ulcers	7.35%	6.92%			Quarterly Metric Results - Pending

Percent of residents who received an anti-psychotic medication	14.56%	9.45%			Quarterly Metric Results - Pending
Percent of residents whose ability to move independently has worsened	17.72%	18.22%			Quarterly Metric Results - Pending

QIPP Component 4 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of residents with urinary tract infections	2.80%	1.84%			Quarterly Metric Results - Pending
Percent of residents whose pneumococcal vaccine is up to date.	93.67%	93.67%			Quarterly Metric Results - Pending
Facility has an infection control program that includes antibiotic stewardship. The program includes policies and training as well as monitoring, documenting and providing staff feedback.					<p>Infection Control Policy reviewed – yes, per administrator</p> <p>Antibiotic Stewardship Program review and is in place with all components – yes, per administrator</p>

Component 3 & 4 One-Month Reconciliation Periods

Quarter	Submission Deadline Close of Business	Date Submission
Quarter 1 Sept 1, 2019 – Nov 20, 2019	December 29, 2019	Pending
Quarter 2 Dec 1, 2019 – Feb 29, 2020	March 29, 2020	Pending
Quarter 3 March 1, 2019 – May 31, 2020	June 28, 2020	Pending
Quarter 4 June 1, 2020 – August 31, 2020	September 27, 2020	Pending

Exhibit “F”

Census	2018					2019											Texas Average
	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	
ER Visits	234	211	233	217	223	240	183	202	206	198	215	226	202	185	105	127	
Conversion to Inpatient/observation	17	20	18	19	17	20	15	10	10	9	10	9	17	4	0	1	
Percentage	7%	9%	8%	9%	8%	8%	8%	5%	5%	5%	5%	4%	8%	2%	0%	1%	
Transferred out	22	16	13	20	18	16	12	15	11	11	12	10	10	10	0	2	
Percentage	9%	8%	6%	9%	8%	7%	7%	7%	5%	6%	6%	4%	5%	5%	0%	2%	
ER shifts covered by doctors	0%	40%	45%	65%	72%	55%	61%	63%	78%	92%	77%	74%	76%	100%	100%	93%	
Average Inpatient days per day	1.61	1.50	3.61	2.60	2.45	1.68	2.71	1.61	2.33	1.90	1.37	3.32	3.29	2.33	0.00	0.03	1.63
CTs	75	82	74	71	52	52	35	45	57	46	63	74	79	25	0	5	
Xrays	286	253	295	235	245	257	266	244	239	250	218	294	314	149	0	19	
Ultrasounds	41	34	39	30	32	18	33	28	28	28	23	45	43	18	0	0	
Encounters - Adult Clinic	653	614	789	606	602	673	643	618	635	616	525	557	617	469	483	494	
Encounters - Pediatric Clinic	323	331	425	276	284	334	346	320	341	287	217	235	250	236	154	250	
Behavioral Health patients	78	79	74	65	67	74	76	73	75	75	69	63	60	56	0	19	
Physical Therapy	5	6	7	6	10	8	3	4	6	5	7	9	7	8	0	2	

Additional Items:

1. Flu Shot Drive on Friday from 1:30-5:30. 10/10/2019 We delivered 77 FLU shots
2. Recently Purchased Items:
 - a. NIO (Intraosseous) Needle Injector- For emergency bone "IV" access
 - b. Furniture for In-Patient Rooms has been delivered and set up in the rooms.
 - c. CPAP/BIPAP-and High Velocity Nasal Oxygen delivery for aggressive Respiratory Treatment have been ordered
 - d. Actively Discussing with Vendors:
 - i. iStat Machine POC testing; Has been purchased, delivered and in-serviced, testing will start this week.
 - ii. Updated Patient Lift Scale, delivered and is in use
3. The Reference Laboratory has been surveyed and passed, opened on 12/9/2019
4. Blood Bank was surveyed and passed opened 12/17/2019...two transfusions underway today
5. Toxicology Laboratory had the analyzer manufacturer come and provide required maintenance, analyzer is running, will need to run controls and validation studies, expected completion 12/27.
Will need water supply tested and validated prior to going live.
6. Radiology will have semi-annual survey 12/30/2019. Department is prepared for this survey.
7. Hospital State Licensure application has been approved.
8. Pharmacy License application has been completed, sent to Austin, we should get our approval this week.
9. We have an inpatient census of 7 today.

Exhibit “G”

From: [Hubert Oxford IV](#)
To: ["Laurence Daspit"](#); ["Donovan Dekowski"](#); ["Gary Klein"](#); ["richard.agnew@seniorlivingproperties.com"](#); ["Mistretta, Cassie"](#); ["Derek Prince"](#)
Cc: ["sherrie@wshd-tx.com"](#); [Todd Biederman \(todd.biederman@newlighthhealthcare.com\)](#); [Lee Hughes \(lee.hughes@newlighthhealthcare.com\)](#); [David Smith \(david.smith@newlighthhealthcare.com\)](#); ["Chris Rutledge"](#); ["murrelledward@yahoo.com"](#); ["rollojer@yahoo.com"](#); ["espinosa307@yahoo.com"](#); ["anthony@stramecki.com"](#); ["Bobby Way"](#)
Subject: Guidance on QIPP Year 3, Component 1 Meeting Participation
Date: Thursday, December 05, 2019 2:38:00 PM
Attachments: [42 CFR 483.75.pdf](#)
[42 CFR 483.75.pdf](#)
[SOM F865-868.pdf](#)
[qipp-final-quality-metric-packet-fy-2020.pdf](#)

All,

The District was recently asked by a Manager for the District's position on whether the rules for QIPP Year 3 required a representative from the District to attend, in person or through conference call, the monthly QAPI meetings. As it relates to this issue, there are inconsistencies between the requirements set forth in state and federal regulations and documents prepared and published by HHSC. The District has a Board meeting on December 18, 2019. We will ask to Board members to adopt the recommendations set forth in this e-mail in hopes of providing guidance.

By way of background, for the knowledge of the District's Board members and staff, HHSC's general rules regarding QAPI Plans and QAPI Committees derive from the following sections of Texas Administrative Code:

- 1 TAC § 353.1304(c)(1) Quality assurance and performance improvement (QAPI) meetings: *Monthly meetings in which the NF reviews its CMS-compliant plan for maintaining and improving safety and quality in the NF.* QAPI meetings must contribute to a NF's ongoing development of improvement initiatives regarding clinical care, quality of life, and consumer choice. For the eligibility period beginning September 1, 2019, QAPI meetings have been designated as the quality metric for Component 1.
- 1 TAC § 353.1304(d)(1) QAPI meetings: Each month, a NF must attest on a form designated by HHSC that it convened a QAPI meeting. The NF must submit the form to HHSC by the first business day following the end of the month. Each quarter, HHSC will validate a random sample of the attestation forms. The NF that submitted the attestation form must provide the supporting documentation stated in the attestation form.

It is important to note, the reference to "*CMS compliant plans*" because this is a reference to the Code of Federal Regulations, 42 C.F.R § 483.75. This regulation became effective on October 4, 2016. As result of this regulation, and Sections F-865-F868 of the State Operations Manual, Appendix PP - Guidance to Surveyors for Long Term Care Facilities, nursing facilities have already adopted QAPI policies that are being implemented and discussed during a mandatory quarterly QAPI Committee meeting. However, due to the QIPP program, nursing facilities, owned by governmental entities, must now hold monthly QAPI meetings as oppose to quarterly meetings.

After an in depth review of the Texas Administrative Code, Federal Code of Regulation, and the State Operations Manual, Appendix PP - Guidance to Surveyors for Long Term Care Facilities (“SOM”), the regulations are clear that the “owner” (i.e., representative of the District) does not have to attend the meeting so long as either: 1) the Administrator; 2) a Board Member for the Manager; or 3) someone with authority to make changes is in attendance at the quarterly meetings. See 42 CFR § 483.75(g) and F868 of the State Operations Manual, Appendix PP - Guidance to Surveyors for Long Term Care Facilities.

Specifically, these rules and guidelines state:

42 CFR § 483.75(g) states:

- (1) A facility must maintain a quality assessment and assurance committee consisting at a minimum of:
 - (i) The director of nursing services;
 - (ii) The Medical Director or his or her designee;
 - (iii) At least three other members of the facility's staff, *at least one of who must be the administrator, owner, a board member or other individual in a leadership role*; and
 - (iv) * The infection preventionist officer.

F868: Quality Assessment and Assurance Committee (“QAA Committee”).

According to Section F868 of the State Operations Manual found in Appendix PP, QAA Committee’s responsibilities include:

- identifying and responding to quality deficiencies throughout the facility;
- oversight of the QAPI program when fully implemented;
- the committee must develop and implement corrective action; and
- monitor to ensure performance goals or targets are achieved, and revising corrective action when necessary.

At a minimum, the QAA Committee should be composed of staff who understand the characteristics and complexities of the care and services delivered by each unit, and/or department. The QAA Committee must be composed of, at a minimum:

- The director of nursing (DON);
- The Medical Director or his/her designee;
- At least three other staff, *one of whom must be the facility’s administrator, owner, board member, or other individual in a leadership role who has knowledge of facility systems and the authority to change those systems*; and
- * The infection preventionist.

* **Infection Preventionist Officer:** Please note, the regulation includes the “infection preventionist officer” as a person required to attend the quarterly meeting but in the Guidance section for F868, the State Operations Manual clarifies the provision requiring the participation of the infection preventionist officer does not start until November 28, 2019.

Some other comments worth noting in F868 are:

- **Potential Additional Committee Members:** Facilities may have a larger committee than required by the regulation. Residents and families may provide a valuable perspective to committee efforts, although their participation is not required. Representation by staff with responsibility for direct care and services provides perspectives that are valuable in identifying, analyzing and correcting problems in resident care areas. Additionally, departments such as maintenance, housekeeping, laundry services, and other service areas such as the business office should be provided opportunities to participate in the committee, when relevant performance data is discussed. Consideration should be given as to how committee information is provided to and from staff who may not be members of the committee, but whose responsibilities include oversight of departments or services.
- **Medical Director's Responsibilities:** As noted above, the Medical Director is a required member of the QAA committee. This requirement stems from the Medical Director's responsibility for the overall medical care provided and the implementation of all resident care policies in the facility. *There should be evidence of meaningful participation by the Medical Director in the QAPI program, such as reporting on trends identified during oversight and review of reports such as the report of irregularities from the medication regimen review, and other oversight activities.* For additional guidance related to the Medical Director's role, see §483.70(h), Medical Director, F841.
 - The Medical Director's designee must not be another required member, such as the DON, but may be a NPP. The designee must have knowledge of the facility's policies, procedures and practices so that he/she can fully participate and can add value to the QAA committee comparable to the medical director.
 - Having a designee for the QAA committee, does not change or absolve the Medical Director's responsibility to fulfill his or her role as a member of the QAA committee, or his or her responsibility for overall medical care in the facility. *In addition, there must be evidence of communication of the content of the meeting to the Medical Director, with his/her acknowledgement of this information.*
- **Telecommunications:** The Medical Director, in conjunction with the QAA committee, may arrange for real-time alternative methods of participation, such as videoconferencing and teleconference calls. For additional guidance related to the Medical Director's responsibilities, see §483.70(h) Medical Director, F841.

Recommendation: Despite the unambiguous regulatory language regarding the owner's involvement in the quarterly QAPI meetings, HHSC prepared and published a document named QIPP Final Quality Metric Packet FY 2020 that provides a list of criteria state inspectors will review if a nursing home is selected for a quarterly inspection. One of the criteria is "[r]ecords demonstrating owner/operator involvement in meetings." (See attached). Again, if it was the HHSC's intent to require attendance by the owner at each meeting, the state would have included this requirement in the QIPP Year 3 administrative rules adopted by HHSC in 1 TAC § 353.1304. Furthermore, consistent with HHSC's approach to follow 42 C.F.R. § 483.75, Section (f) of the regulation sets forth the role of the a facility's governing

body or executive board. According to 42 C.F.R. § 483.75(f), the duties of the governing body are to ensure that the following:

- (1) An ongoing QAPI program is defined, implemented, and maintained and addresses identified priorities.
- (2) The QAPI program is sustained during transitions in leadership and staffing;
- (3) The QAPI program is adequately resourced, including ensuring staff time, equipment, and technical training as needed;
- (4) The QAPI program identifies and prioritizes problems and opportunities that reflect organizational process, functions, and services provided to resident based on performance indicator data, and resident and staff input, and other information.
- (5) Corrective actions address gaps in systems, and are evaluated for effectiveness; and
- (6) Clear expectations are set around safety, quality, rights, choice, and respect.

See 42 C.F.R. § 483.75(f)(1)-(6).

Otherwise stated, 42 C.F.R. § 483.75(f) provides that the governing body must exercise oversight of the QAPI program. Therefore, it is my recommendation that the District adopt a position that as the governing body, it will assume the duties set forth in 42 C.F.R. § 483.75(f) to oversee the District's nursing facilities' QAPI programs by:

- 1) Receiving and reviewing the Managers' adopted QAPI program/plan;
- 2) Review the minutes of the meeting to ensure the program/plan is being implemented, achieved, and discussed at the monthly QAPI meeting;
- 3) Verify that the monthly Validation Reports are timely filed; and
- 4) As needed, participate in the monthly QAPI meetings.

Recommendation: Lastly, it is unclear whether it is HHSC's intent that attendance at the monthly QAPI meeting must satisfy the requirements of 42 C.F.R. § 483.75(g) and the guidance found in State Operations Manuals (i.e., DNO, Medical Director, Administrator, two other persons, and infectious disease officer starting on November 28, 2019). In preparation for this e-mail, we consulted several managers who explained that it would be extremely difficult to assemble the full staff necessary to satisfy the federal QAPI meeting rules on a monthly basis.

Recognizing that certain required staff must attend the same quarterly QAPI meetings to satisfy the federal regulations, it is my recommendation that when the Managers hold the QIPP mandated monthly meetings, outside of the federally mandated meeting, that the Managers use their best efforts to have at least two (2) of the following persons attend: director of nursing (DON); the medical director or his/her designee; the administrator; or other individual in a leadership role who has knowledge of facility systems and the authority to change those systems.

Request for QAPI Plans: Given that all the Managers have prepared and adopted QAPI plans, will you please provide the District with copies of each of your facilities' QAPI plans.

Sincerely,

Hubert Oxford, IV
Benckenstein & Oxford, L.L.P.
3535 Calder Avenue, Suite 300
Beaumont, Texas 77706
(409) 951-4721 Direct
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Exhibit “H”

Name	Title	Signature
Edward Murrell	President	
Anthony Stramecki	Vice President	
George Robert Way, Jr.	Treasurer	

- (3) The following employee of the District, listed below is authorized to enter into and Treasury Management Services Agreements with Bank; and wire transfer funds or ACH Funds to or from the Accounts subject to any agreement with Bank; Managers of each facility; Accounts Receivable Lenders; Landlords; District Lender, including but not limited to Management Agreements; Security Agreements; DAISA” Inter-creditor Agreements; Collateral Agreements; or DACA:

Name	Title	Signature
Sherrie Norris	Administrator	

- (4) The officers and employee named above have provided specimen signatures herein and are authorized to sign signature cards and Accounts agreements.
- (5) The Administrator of the District is authorized and directed to deliver for and on behalf of the District, a certificate of this resolution to the bank.
- (6) The Bank is authorized to rely upon this Resolution until the bank has received written notice of any amendment or recession of the resolution.
- (7) The District is authorized to enter into Treasurer Management Agreements for the newly established Willowbrook Accounts account subject to this resolution.

I further certify that the District is duly organized and existing and has the power to take the action called for by the foregoing resolutions.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary this 18th day of December, 2019.

Jeff Rollo, Secretary

CERTIFICATE

I, the undersigned, Jeff Rollo, Secretary of the Winnie Stowell Hospital District, hereby certify that that the foregoing Resolution to establish depository accounts for the Willowbrook facility consistent with the District's other nursing home accounts at Allegiance Bank is a full, true, and correct copy of a resolution duly adopted by the Board of Directors of the Winnie Stowell Hospital District at its Regular Meeting held on December 18, 2019, held on the day and at the place therein specified, at which a majority of the members were present and voted. I further certify that the resolution is entered in the minutes and has not been amended or repealed.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary this 18th day of December 2019.

Jeff Rollo
Secretary, Board of Directors