

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

The meeting of the Board of Directors of the Winnie-Stowell Hospital District (“District”) was noticed and filed pursuant to the Texas Open Meetings Act a full 72 hours prior to the opening of said meeting for 6:00 p.m., March 24, 2020 at the District’s Offices located at 310 SH 124, Winnie Tx 77665 (a copy of said Notice being placed amongst the files of the District).

This meeting took place pursuant to the March 16, 2020 Order by the Governor of the State of Texas that allows Board Members, staff, and members of the public to attend and participate in the by conference call. In addition to these minutes, a recording of the meeting was made is has been preserved and can available to public.

At approximately 6:04 p.m., the meeting was convened, and the roll was called of the members of the Board, to wit:

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

All said Board members were present, thus constituting a quorum. In addition, to the above-named Board members, also present at the meeting were:

Mrs. Sherrie Norris	District Administrator
Mrs. Patricia Ojeda	Indigent Care Director/Administrative Assistant
Mr. David Sticker	District CPA
Mr. Hubert Oxford, IV	General Counsel for the District Winnie Community Hospital, LLC
Mr. Steve Deatrick	(“Hospital”) Administrator
Mr. Mo Danishmund	Chief Financial Officer, Hospital Former Interim Hospital
Mr. Saad Javed	Administrator
Mrs. Chris Portner	Counsel for Hospital
Ms. Gloria Roemer	Seabreeze Beacon

2. Pledge of Allegiance

3. Public Comment

After the introduction of the guest, President Murrell called on those present to recite the Pledge of Allegiance and the Pledge of Allegiance to the State Flag of Texas. He then asked for Public Comment but there was none.

4. Review and Approve Minutes of Previous Meeting(s): February 19, 2020 Regular Meeting.

President Murrell called on the Board to address Agenda Item No. 4, to review and approve the minutes of the February 19, 2020 Regular Meeting. The minutes were examined by the Board and no changes were recommended.

Upon motion by Director Way seconded by Director Stramecki and the unanimous approval of all the Board members present, the Board approved the minutes of the February 19, 2020 Regular Meeting.

5. Review and approve financials report; payment of invoices; receive Accountants report, and amend budget, if necessary.

First, President Murrell called on Mr. David Sticker to present the District's year Financial statements for February 2020. (*See Exhibit "A"*). Mr. Sticker stated that the Balance Sheet was in order. Additionally, Mr. Sticker reported that he anticipated needing to amend the budget at the next meeting depending on whether the Board agreed to aid the Hospital in Agenda Item No. 18 below.

Thereafter, Attorney Oxford discussed the Treasurer's Report, check register, and outstanding invoices to be considered. (*See Exhibit "B"*). First, Attorney Oxford asked the Board to review the invoices to be paid. After the Board completed their review of the invoices, Attorney Oxford referred the Board to the funds available section of the report and explained that that the District had \$4,175,330.05 in funds available after the payment of the \$48,843.63. Additionally, Attorney Oxford spent a considerable amount of time reviewing the reconciliation of the Interbank Account and verified that, among other things, the District had \$2,032,144.82 in the account that was unrestricted. Since the last meeting, Attorney

Oxford showed the board that the QIPP Year 3, quarterly Component 3, 4, and Lapsing funds had been received and the Managers were paid their Incentive Fees. Looking forward, Attorney Oxford informed the Board that Loan 15 was due at the end of the month and all the funds were in the account except \$175,570.64 that was scheduled to be received by the time the loan was due.

Upon motion by Director Way, that was seconded by Director Rollo with the unanimous approval of all the Board members present, the Board approved the financials for February 2020; Treasurer's Reports; and invoices to be paid (*See Exhibits "A" and "B"*).

6. Discuss and take-action on Committee Reports:

President Murrell provided the Board with a status report for the new building. According to President Murrell, the Trinity Bay Conservation District has connected the building to water and sewer and the only things remaining were to connect the facility to a power line. Once that was complete, the District can contact the County and get the building inspected. President Murrell then stated that he was going to coordinate with Entergy to connect the energy.

Otherwise, there were no other reports given because the Indigent Committee's reports will be discussed during the Indigent Care Director's report and the agenda items below.

7. Discuss staff reports, if necessary, by:

Administrator's Report

Mrs. Norris advised that she did not have anything to report at this meeting that was not already being addressed in an agenda item.

District Indigent Care Director

Mrs. Ojeda presented the District's monthly indigent care reports for January 2020 and discussed various aspects of the summary set forth below. (*See Exhibit "C"*). A summary of the District's indigent care services provided in February are as follows:

	February			
Clients:	Clients: 66			
Youth Counseling:	Youth Counseling: 10			
Summary by Facility	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Winnie Community Hospital	\$56,582.97	\$23,160.41	45.72%	\$0.00
Brookshire Brothers Pharmacy Corp	\$6,936.38	\$6,300.59	12.44%	\$6,300.59
Wicox Pharmacy	\$2,466.26	\$1,544.87	3.05%	\$1,544.87
Pharmacy Total	\$9,402.64	\$7,845.46	15.49%	\$7,845.46
UTMB Hospital	\$48,036.12	\$15,576.65	30.75%	\$15,576.65
UTMB ER- Barrier Reef Physician	\$0.00	\$0.00	0.00%	\$0.00
UTMB Anesthesia	\$3,280.00	\$2,123.66	4.19%	\$2,123.66
UTMB Lab/Xray	\$0.00	\$0.00	0.00%	\$0.00
UTMB Physician Services	\$5,589.00	\$1,126.64	2.22%	\$1,126.64
UTMB Total	\$56,905.12	\$18,826.95	37.16%	\$18,826.95
Chambers Co Public Hosp Distr ER	\$0.00	\$0.00	0.00%	\$0.00
Winnie-Stowell EMS	\$0.00	\$0.00	0.00%	\$0.00
Non-Contract Emergency Services	\$0.00	\$0.00	0.00%	\$0.00
Contract C-Pap Provider	\$400.00	\$400.00	0.93%	\$400.00
Youth Counseling	\$425.00	\$425.00	0.84%	\$425.00
Grand Totals	\$123,715.73	\$50,657.82		\$27,497.41

	Year to Date			
Clients:	Clients: 75			
Youth Counseling:	Youth Counseling: 10			
Summary by Facility	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Winnie Community Hospital	\$125,298.57	\$51,320.85	54.90%	\$0.00
Brookshire Brothers Pharmacy Corp	\$15,112.14	\$13,269.56	14.19%	\$13,269.56
Wicox Pharmacy	\$4,401.97	\$2,688.94	2.88%	\$2,688.94
Pharmacy Total	\$19,514.11	\$15,958.50	17.07%	\$15,958.50
UTMB Hospital	\$70,293.45	\$20,789.25	22.24%	\$20,789.25
UTMB ER- Barrier Reef Physician	\$0.00	\$0.00	0.00%	\$0.00
UTMB Anesthesia	\$4,134.00	\$2,669.08	2.85%	\$2,669.08
UTMB Lab/Xray	\$126.00	\$35.28	0.04%	\$35.28
UTMB Physician Services	\$8,826.00	\$1,866.09	2.00%	\$1,866.09
UTMB Total	\$83,379.45	\$25,359.70	27.13%	\$25,359.70
Chambers Co Public Hosp Distr ER	\$0.00	\$0.00	0.00%	\$0.00
Winnie-Stowell EMS	\$0.00	\$0.00	0.00%	\$0.00
Non-Contract Emergency Services	\$0.00	\$0.00	0.00%	\$0.00
Contract C-Pap Provider	\$400.00	\$400.00	0.93%	\$400.00
Youth Counseling	\$850.00	\$850.00	0.91%	\$850.00
Grand Totals	\$229,042.13	\$93,489.05	100%	\$42,168.20

Summary by Service Provided	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Prescription Drugs	\$9,402.64	\$7,845.46	15.49%	\$7,845.46
WCH Clinic	\$9,050.57	\$3,672.37	7.25%	\$0.00
WCH Observation	\$0.00	\$0.00	0.00%	\$0.00
WCH ER	\$16,506.00	\$6,767.46	13.36%	\$0.00
WCH Lab/Xray	\$11,556.40	\$4,738.12	9.35%	\$0.00
WCH CT Scan	\$5,435.00	\$2,228.35	4.40%	\$0.00
WCH Labs	\$7,013.00	\$2,875.33	5.68%	\$0.00
WCH Xray	\$4,136.00	\$1,695.78	3.35%	\$0.00
WCH Lab/Xray Reading	\$2,176.00	\$892.00	1.76%	\$0.00
WCH Inpatient	\$0.00	\$0.00	0.00%	\$0.00
WCH Physical Therapy	\$0.00	\$0.00	0.00%	\$0.00
WCH Ultrasound	\$710.00	\$291.00	0.57%	\$0.00
UTMB Physician Services	\$5,589.00	\$1,126.64	2.22%	\$1,126.64
UTMB Anesthesia	\$3,280.00	\$2,123.66	4.19%	\$2,123.66
UTMB In-Patient	\$34,675.23	\$12,829.83	25.33%	\$12,829.83
UTMB Outpatient	\$13,360.89	\$2,746.82	5.42%	\$2,746.82
UTMB Lab&Xray	\$0.00	\$0.00	0.00%	\$0.00
UTMB ER Physician-Barrier Reef	\$0.00	\$0.00	0.00%	\$0.00
Non-Contract Emergency Services	\$0.00	\$0.00	0.00%	\$0.00
Youth Counseling	\$425.00	\$425.00	0.84%	\$425.00
Contracted C-Pap Provider	\$400.00	\$400.00	0.79%	\$400.00
Grand Totals	\$123,715.73	\$50,657.82		\$27,497.41

Summary by Service Provided	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Prescription Drugs	\$19,514.11	\$15,958.50	17.00%	\$15,958.50
WCH Clinic	\$17,186.17	\$6,995.01	7.45%	\$0.00
WCH Observation	\$0.00	\$0.00	0.00%	\$0.00
WCH ER	\$39,770.00	\$16,305.70	17.37%	\$0.00
WCH Lab/Xray	\$16,615.40	\$6,812.31	7.26%	\$0.00
WCH CT Scan	\$13,982.00	\$5,732.62	6.11%	\$0.00
WCH Labs	\$16,321.00	\$6,691.61	7.13%	\$0.00
WCH Xray	\$15,963.00	\$6,544.85	6.97%	\$0.00
WCH Lab/Xray Reading	\$4,041.00	\$1,656.65	1.76%	\$0.00
WCH Inpatient	\$0.00	\$0.00	0.00%	\$0.00
WCH Physical Therapy	\$0.00	\$0.00	0.00%	\$0.00
WCH Ultrasound	\$1,420.00	\$582.10	0.62%	\$0.00
UTMB Physician Services	\$8,826.00	\$1,866.09	1.99%	\$1,866.09
UTMB Anesthesia	\$4,134.00	\$2,669.08	2.84%	\$2,669.08
UTMB In-Patient	\$34,675.23	\$12,829.83	13.66%	\$12,829.83
UTMB Outpatient	\$35,618.22	\$7,959.42	8.48%	\$7,959.42
UTMB Lab&Xray	\$126.00	\$35.28	0.04%	\$35.28
UTMB ER Physician-Barrier Reef	\$0.00	\$0.00	0.00%	\$0.00
Non-Contract Emergency Services	\$0.00	\$0.00	0.00%	\$0.00
Youth Counseling	\$850.00	\$850.00	0.91%	\$850.00
Contracted C-Pap Provider	\$400.00	\$400.00	0.43%	\$400.00
Grand Totals	\$229,442.13	\$93,489.05		\$42,168.20

Otherwise, Mrs. Ojeda reported that she met with the Indigent Committee and Attorney Oxford and they discussed several items that are on the agenda. As such, she referred the Board to her report set forth in **Exhibit "C"** for more details.

District General Counsel

Attorney Oxford advised that he had nothing report.

LTC Report

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

Hospital Report

This month, the Hospital's report was brief because of the upcoming Agenda Item to discuss funding assistance for operations. However, Mr. Javed did quickly present the Board with the February 2020 statistics and Riceland Hospitals Covid-19 response plan. (See **Exhibit "E"**). Mr. Javed was happy to announce that the Average Inpatient Days increased to 3.28 from 2.68 which is well above the Texas Average of 1.63. In addition, the Hospital's statistics increased for all categories except Emergency Visits that went from 187 to 178 visits in February.

In addition, Mr. Javid presented the Hospital's COVID 19 ("Coronavirus") response plan. Some highlights of the plan include: 1) controlling traffic of patients, vendors, and visitors; 2) attempted to increase stock of personal protective equipment ("PPE"); staffed the Hospital with nurses from the Hospital's other facilities to ensure the Hospital is fully staffed; and 4) implemented conservation measures to preserve PPE, toilet paper, and food supplies. (See **Exhibit "E"**).

8. Discuss and take-action, if necessary, on considering a request by the East Chambers Independent School District to increase the annual payment amounts.

After the Staff reports were complete, President Murrell turned to the list of agenda items that were noticed for the Board to consider and take-action on. Attorney Oxford, intervened and informed the Board that there were several agenda items on that were not ripe for discussion and suggested that they be tabled until the next meeting. Those agenda items were as follows:

9. Discuss and take-action, if necessary, on transferring money from the Prosperity Checking account to the CD at Allegiance Bank in order to increase the Line of Credit at Allegiance Bank.

12. Discuss and take-action, if necessary, on approving Pharmacy Benefit Service Agreement.

14. Discuss and take-action, if necessary, on adopting recommendations by the District's CPA to improve financial controls of District's funds.

16. Discuss and take-action, if necessary, on engaging an addition youth counsellor to assist with youth counselling services.

20. Discuss and take-action, if necessary, on approving an agreement with University of Texas Medical Branch, Galveston to provide outpatient care to the District's indigent clients.

Following a discussion of the agenda items to be set aside, a motion was by Director Way to table Agenda Items No. 8, 9, 12, 14, 16, and 20. This motion was seconded by Director Espinosa and unanimously approved by all the Directors present.

Thereafter, President Murrell asked the Board to turn their attention to agenda items 10, 11, 13, 15, 17, 18, and 19.

10. Discuss and take-action, if necessary, on engaging Durbin & Company to perform the District's Annual Audit for 2019.

Staff presented the Board with a proposed audit engagement letter with Durbin & Company and requested that President Murrell be authorized to execute it. Attorney Oxford informed the Board that he included the language not to exceed \$25,000.00 in the agreement. (*See Exhibit "F"*).

Upon motion by Director Way, seconded by Director Rollo and the unanimous vote of all the Board members present, the Board authorized the President to execute an engagement letter with Durbin & Company to perform the District's 2019 Audit not to exceed \$25,000.00.

11. Discuss and take-action, if necessary, on approving amendments to Indigent Care Assistance Program.

Mrs. Ojeda reported that the upon her return from the Indigent Care Conference at the Texas Human Health Services Commission, she and Attorney Oxford reviewed Attorney General Opinion No. GA-0198 and determined that the District's Indigent Care Policy needed to be amended to be in compliance with the opinion. Specifically, the amendments proposing to take out language that requires applicants to the ICAP program who qualify for insurance or Medicare to utilize

those services before qualifying for the ICAP program. A copy of the proposed amendments are set forth in **Exhibit “G”**.

Upon motion by Director Rollo, seconded by Director Way and the unanimous approval of all the Board members present, the Board approved the changes to the Indigent Care Agreement that remove any barriers to applying for the District’s Indigent Care program by requiring a potential client to apply for insurance or Medicare first.

13. Discuss and take-action, if necessary, on approving proposals by technology consultants.

Staff reported that they received a third bid as requested by the Board at the last meeting, but one potential vendor, Convington Media and Technology, asked to remove his proposal from consideration. (See **Exhibit “H”**). According to Staff, the new proposal by RJG Computers was for \$5,290.00. Like the Convington Media proposal, the RJG Computer proposal included a telephone system, network gear, television hardware, hardware for the conference room table, and video equipment. However, the proposal was more expensive than the Convington Media proposal and included hardware that was more advanced and expensive than needed. In light of this proposal, Attorney Oxford recommended that the Board reconsider the Technology Solutions proposal since Technology Solutions currently provides technology assistance to the District. However, Attorney Oxford suggested that the Board give Technology Solutions an allowance of \$4,500.00 to provide the same services and hardware as Convington Media and RJG Computers. The Board agreed and asked Staff to work with Covington Media to provide the needed hardware and services not to exceed \$4,500.00.

Upon motion by Director Way, seconded by Director Stramecki and approved with the unanimous approval of all the Board members present, the Board instructed staff to engage Technology Solutions to design and install a telephone system, network gear, television hardware, hardware for the conference room table, and video equipment at the District’s new offices with a spending allowance up to \$4,500.00.

15. Discuss and take-action, if necessary, on approving Internship Program with Workforce Solutions-SER Jobs for Progress.

Staff reported that they met with members of the Personnel Committee and explained that they could use the help of an intern participating in the Workforce Solutions-SER Jobs for Progress Program (“Program”) to assist with scanning, copying, filing, and shredding documents. Director Stramecki confirmed his approval and suggested the Board give staff authority to participate in the Program. Director Stramecki also reminded the Board that there was no cost to participate in the Program.

Upon motion by Director Stramecki, seconded by Director Way and the unanimous vote of all the Board members present, the Board Staff was given authority to participate in the Workforce Solutions-SER Jobs for Progress Program and to engage an intern to assist staff with administrative duties, including, but not limited to, scanning, copying, filing, and shredding documents.

17. Discuss and take-action, if necessary, on approving an Engagement and Conflict of Waiver Agreement with the Underwood Law Firm to assist the District with the fine assessed against Park Manor of Westchase by the Texas Health and Human Services Commission.

Attorney Oxford reported that Park Manor of Westchase was fined \$900,000.00 by the Texas Health and Human Services Commission (“HHSC”) for various penalties resulting from an inspection that took place on February 3, 2020. (See **Exhibit “I”**). This is similar to the \$422,000 fine for Marshall Manor. Like Caring Healthcare, HMG requested the District agree to engage the Underwood Firm to negotiate a lower fine amount with HHSC. However, in order to this, the District would need to execute an engagement letter that includes a waiver of conflict of interest statement since the Underwood Firm also represents HMG in other matters that are averse to the District. (See **Exhibit “I”**). As with the Marshall Manor matter, Attorney Oxford strongly recommended that the District’s Board engage the Underwood Firm to negotiate a lower fine with HHSC for the Park Manor of Westchase facility.

Upon motion by Director Way, seconded by Director Stramecki and the unanimous approval of all the Board members present, the Board authorized President Murrell to execute an engagement letter with the Underwood Firm, which

includes a waiver of conflict of interest, to negotiate a lower fine with HHSC for the Park Manor of Westchase facility.

19. Discuss and take-action, if necessary, on providing assistance or responding to request and implementing emergency measures because of the Coronavirus Disease 2019 (COVID-19).

Attorney Oxford recommended that the Board declare themselves, staff, District's CPA, and General Counsel as critical/essential employees. By doing this, the District will be able to continue to operate if stricter stay at home order was issued by the Federal, State, or County governments. Attorney Oxford also presented the Board with a proposed Coronavirus Prevention Policy that he recommended the Board may want to adopt at this meeting. (*See Exhibit "J"*).

Upon motion by Director Way seconded by Director Rollo and the unanimous approval of all the Board members present, the Board declared themselves, staff, the District's CPA, and Attorney Oxford as essential employees and instructed Attorney Oxford to prepare a document to be carried by the essential employees if questioned by law enforcement. In addition, Director Stramecki included in his motion the recommendation of the Board to adopt the Coronavirus Prevention Policy set forth in **Exhibit "J"**.

18. Discuss and take-action, if necessary, on considering request by Hospital to provide financial assistance due to impact of the Coronavirus Disease 2019 (COVID-19).

During the District's January and February 2020 Regular Meetings, the District's Board negotiated amendments to the District's Indigent Care Agreement with the Hospital that, among other things, established a formula to pay the Hospital a fair market value for the healthcare services provided to the District's indigent residents based on the previous annual Medicaid payments amounts for the previous five (5) years. Specifically, the annual payments to the Hospital are going to be made by taking into consideration the annual cost of services to the Hospital using the Medicaid payment amounts for the previous five (5) years, and then dropping the highest and lowest years and averaging the remaining three years. For 2020, this amount equaled to \$196,669.36. In 2021, this number is expected to increase to roughly \$262,681.33. Since being negotiated and approved at the February 2020 Regular Meeting, the First Amended Indigent Care Agreement was never signed.

Prior to discussing the Agenda Item, the Board was asked to go into Closed Session pursuant to Chapter 551.085 of the Texas Government Code-Health Care Services at 7:47 p.m. In so doing, President Murrell asked Mr. Mo Danishmund, Mr. Saad Javid, and Mr. Chris Portner to participate in the meeting.

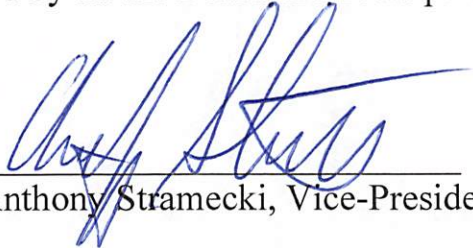
At 9:00 p.m. the Board returned to open session and before taking action, President Murrell summarized to those still in attendance at the Open Meeting, that the Board discussed the Hospital’s request for \$450,000.00 to assist with operations due to the impact on the Hospital from the COVID 19 (Coronavirus). He then explained that the Board, after reviewing the financials provided by the Hospital in the Closed Session understood the need for the assistance, and was willing to consider the payment subject to the condition that the parties agree to revise the recently agreed to but unexecuted Amended Indigent Care Agreement so that: a) the District shall receive credit for the entire \$196,669.36 annual payment for healthcare services that was scheduled to be paid in monthly payments of \$16,389.11; and b) to establish that the remaining \$253,330.00 in operational assistance subject to the request be repaid to the District by December 31, 2020 or the District will receive credit of \$253,330.00 towards the 2021 Indigent Care payment.

After confirmation of the agreement between both the District and the Hospital, Director Stramecki made a motion to approve the request by the Hospital for \$450,000.00 to assist with operations due to the impact on the Hospital from the COVID 19 (Coronavirus) subject to the parties agreeing to revise the recently agreed to Amended Indigent Care Agreement so that: a) the District shall receive credit for the entire \$196,669.36 annual payment for healthcare services that was scheduled to be paid in monthly payments of \$16,389.11; and b) to establish that the remaining \$253,330.00 in operational assistance subject to the request be repaid to the District by December 31, 2020 or the District will receive credit of \$253,330.00 towards the 2021 Indigent Care payment. Director Stramecki’s motion was seconded by Director Way and the unanimous approval of all the Board members present.

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President Murrell then called for any other such matters before the Board. There being none, the Board discussed the date for the upcoming meeting, and it was agreed to hold the meeting on April 15, 2020, at 6:00 p.m. at the District's temporary offices located at 310 SH 124, Winnie Tx 77665. Thereafter, at 9:05 p.m., a motion was made by Director Way to adjourn the meeting. This motion was seconded by Director Espinosa and unanimously approved by all the Board members present.


Edward Murrell, President


Anthony Stramecki, Vice-President