

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., April 15, 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 was held via videoconference to mitigate the spread of COVID-19. The meeting was duly posted pursuant Texas Government Code 551.127 as modified by the April 12, 2020 Proclamation of Governor Abbott in which the Governor acted to maintain government transparency and continued government operations while reducing face-to-face contact for government open meetings. In addition, members of the public were able to participate and address the Board during the videoconference meeting and a recording of the meeting was made and is available to the public.

At approximately 6:02 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, except Director Espinosa, 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

Mr. Mo Danishmund
Mrs. Chris Portner
Ms. Gloria Roemer
Mr. David Smith
Mr. Chris Rutledge

Chief Financial Officer, Hospital
Counsel for Hospital
Seabreeze Beacon
LTC Group
LTC Group

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): March 24, 2020 Regular Meeting; and April 3, 2020 Special Meeting.

President Murrell called on the Board to address Agenda Item No. 4, to review and approve the minutes of the March 24, 2020 Regular Meeting; and April 3, 2020 Special Meeting. The minutes were examined by the Board and no changes were recommended.

Upon motion by Director Way seconded by Director Rollo and the unanimous approval of all the Board members present, the Board approved the minutes of the March 24, 2020 Regular Meeting; and April 3, 2020 Special 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 March 2020. (*See Exhibit "A-1"*). Mr. Sticker was present at the meeting but was having communication problems and could not give the report. Therefore, Attorney Oxford presented the Board with the Balance Sheet, Income Statement, and proposed budget amendments. Per Attorney Oxford, the Balance Sheet was in order. Regarding the Income Statement, Mr. Oxford recommended amending the Budget to adjust Line Items 601 and 602. Line Item

601 needs to be increased from \$140,000.00 to \$196,669.36 and Line Item 602 needs to be reduced from \$450,000.00 to \$102,659.00. As for the remaining \$253,330.00, Mr. Oxford advised that these funds were going to be reflected in the Balance sheet as Pay To/Owe To. A summary of the proposed budget amendment is as follows:

601 IC-Pmt to Hosp (Indigent)	601	IC	\$140,000.00	\$196,669.36	\$56,669.36	\$196,669.36
602 IC-WCH 1115 Waiver UC/KGT Prog	602	IC	\$450,000.00	\$38,261.49	(\$411,738.51)	\$102,657.00

(See Exhibit “A-2”)

Thereafter, Attorney Oxford discussed the Treasurer’s Report, check register, and outstanding invoices to be considered. (See Exhibit “A-3”). 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 \$3,355,949.47 in funds available after the repayment of Loan 15 and the March 2020 Interest totaling \$7,283,608.71 and the \$450,000.00 payment to the Hospital for the 2020 Indigent Care payment (i.e., \$196,669.36) and assistance with operational funds (i.e., \$253,330.00). Additionally, Attorney Oxford noted an adjustment that needed to be made to the District’s March 2020 Treasurer’s report to reflect that the unrestricted funds in the District’s Interbank account was \$2,008,261.08 instead of the \$2,032,144.82 reported because the formula failed to account for \$23,883.74 in Non-QIPP funds that belonged to the Managers. Moreover, Attorney Oxford highlighted that the Funds available in the Interbank dropped by \$307,479.48 because the District needed to set aside the following restricted funds:

QIPP 3 Feb, Cmp 2 MGR Dist	\$130,427.92
NonQIPP funds	\$12,443.92
NonQIPP funds	\$22,712.00
Reserve Ln 16 (Apr and May)	\$141,895.64
Total	\$307,479.48

Looking forward, Attorney Oxford discussed with the Board that the District was in the process of receiving verification of the QIPP Year 3, Qtr. 2 Component

3, 4, and Lapsing funds payment. As will be discussed later in the meeting, it is anticipated that the District should gross in excess of \$3,000,000.00. In addition, the District has a payment due to LTC Group by the end of the month of \$396,000.00.

Upon motion by Director Way, that was seconded by Director Way with the unanimous approval of all the Board members present, the Board approved the financials for March 2020; Treasurer's Reports; proposed budget amendment and invoices to be paid (*See Exhibits "A-1", "A-2", and "A-3"*).

6. Discuss and take-action on Committee Reports:

Finance Committee: The Finance Committee met with Hospital to review the Hospitals financials following the April 3, 2020 meeting as requested by the Board to verify the figures on the figures on the 2020 Rural Health Facility Capital Improvement Program (CIP) Application Grant form on behalf of Winnie Community Hospital dba Riceland Medical Center were correct prior to the application being submitted on April 9, 2020. According to the Finance Committee Members, they found the application to be consistent with the documents presented by the Hospital during their meeting and therefore, they authorized the application to be submitted.

Building Committee: According to President Murrell, the District was still waiting on Entergy to hook up the electricity. Once that was done, the District would be able to get the facility inspected by the County and the internet connected. Per President Murrell, he expected the electrical hook up to completed soon.

7. Discuss staff reports, if necessary, by:

Administrator's Report

Sherrie talked to Spectrum and they are going to send someone out for the install; ordered the electronics requested by technology consultant; waiting on replacement door from Precision. She also referred the Board to a spreadsheet that provided the list and prices for the equipment needed by Technology Consultant. (*See Exhibit "B" for Invoices and Amazon.*)

District Indigent Care Director Report

Mrs. Ojeda presented the District's monthly indigent care reports for March 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 March are as follows:

	March				Year to Date			
Clients:	Clients: 62				Clients: 82			
Youth Counseling:	Youth Counseling: 11				Youth Counseling: 13			
Summary by Facility	Billed Amount	Medicaid Rate	% of Services	Actually Paid	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Winnie Community Hospital	\$38,759.00	\$16,853.57	39.84%	\$0.00	\$164,057.57	\$68,174.42	50.06%	\$0.00
Brookshire Brothers Pharmacy Corp	\$8,299.88	\$7,518.59	17.77%	\$7,518.59	\$23,412.02	\$20,788.15	15.26%	\$20,788.15
Wilcox Pharmacy	\$1,849.33	\$1,024.67	2.42%	\$1,024.67	\$6,251.30	\$3,713.61	2.73%	\$3,713.61
Pharmacy Total	\$10,149.21	\$8,543.26	20.20%	\$8,543.26	\$29,663.32	\$24,501.76	17.99%	\$24,501.76
UTMB Hospital	\$69,159.90	\$14,591.81	34.49%	\$14,591.81	\$139,453.35	\$35,381.06	25.98%	\$35,381.06
UTMB ER- Barrier Reef Physician	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
UTMB Anesthesia	\$854.00	\$0.00	0.00%	\$0.00	\$4,988.00	\$2,669.08	1.96%	\$2,669.08
UTMB Lab/Xray	\$0.00	\$0.00	0.00%	\$0.00	\$126.00	\$35.28	0.03%	\$35.28
UTMB Physician Services	\$13,510.00	\$1,549.90	3.66%	\$1,549.90	\$22,336.00	\$3,415.99	2.51%	\$3,415.99
UTMB Total	\$83,523.90	\$16,141.71	38.16%	\$16,141.71	\$166,903.35	\$41,501.41	30.47%	\$41,501.41
Chambers Co Public Hosp Distr ER	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Winnie-Stowell EMS	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Non-Contract Emergency Services	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Contract C-Pap Provider	\$0.00	\$0.00	0.00%	\$0.00	\$400.00	\$400.00	0.93%	\$400.00
Youth Counseling	\$765.00	\$765.00	1.81%	\$765.00	\$1,615.00	\$1,615.00	1.19%	\$1,615.00
Grand Totals	\$133,197.11	\$42,303.54		\$25,449.97	\$362,639.24	\$136,192.59	100%	\$68,018.17

Summary by Service Provided

	Billed Amount	Medicaid Rate	% of Services	Actually Paid	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Prescription Drugs	\$10,149.21	\$8,543.26	20.20%	\$8,543.26	\$29,663.32	\$24,501.76	17.99%	\$24,501.76
WCH Clinic	\$800.00	\$328.00	0.78%	\$0.00	\$17,986.17	\$7,323.01	5.38%	\$0.00
WCH Observation	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
WCH ER	\$15,213.00	\$6,237.33	14.74%	\$0.00	\$54,983.00	\$22,543.03	16.55%	\$0.00
WCH Lab/Xray	\$0.00	\$0.00	0.00%	\$0.00	\$16,615.40	\$6,812.31	5.00%	\$0.00
WCH CT Scan	\$0.00	\$0.00	0.00%	\$0.00	\$13,982.00	\$5,732.62	4.21%	\$0.00
WCH Labs	\$8,677.00	\$3,557.57	8.41%	\$0.00	\$24,998.00	\$10,249.18	7.53%	\$0.00
WCH Xray	\$4,764.00	\$1,953.24	4.62%	\$0.00	\$20,727.00	\$8,498.09	6.24%	\$0.00
WCH Lab/Xray Reading	\$1,851.00	\$677.73	1.60%	\$0.00	\$5,892.00	\$2,334.38	1.71%	\$0.00
WCH Inpatient	\$7,454.00	\$4,099.70	9.69%	\$0.00	\$7,454.00	\$4,099.70	3.01%	\$0.00
WCH Physical Therapy	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
WCH Ultrasound	\$0.00	\$0.00	0.00%	\$0.00	\$1,420.00	\$582.10	0.43%	\$0.00
UTMB Physician Services	\$13,510.00	\$1,549.90	3.66%	\$1,549.90	\$22,336.00	\$3,415.99	2.51%	\$3,415.99
UTMB Anesthesia	\$854.00	\$0.00	0.00%	\$0.00	\$4,988.00	\$2,669.08	1.96%	\$2,669.08
UTMB In-Patient	\$0.00	\$0.00	0.00%	\$0.00	\$34,675.23	\$12,829.83	9.42%	\$12,829.83
UTMB Outpatient	\$69,159.90	\$14,591.81	34.49%	\$14,591.81	\$104,778.12	\$22,551.23	16.56%	\$22,551.23
UTMB Lab&Xray	\$0.00	\$0.00	0.00%	\$0.00	\$126.00	\$35.28	0.03%	\$35.28
UTMB ER Physician-Barrier Reef	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Non-Contract Emergency Services	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Youth Counseling	\$765.00	\$765.00	1.81%	\$765.00	\$1,615.00	\$1,615.00	1.19%	\$1,615.00
Contracted C-Pap Provider	\$0.00	\$0.00	0.00%	\$0.00	\$400.00	\$400.00	0.29%	\$400.00
Grand Totals	\$133,197.11	\$42,303.54		\$25,449.97	\$362,639.24	\$136,192.59		\$68,018.17

In addition, Mrs. Ojeda stated, presented the Board with two (2) additional charts for the first Quarter of 2020. (See Exhibit "C"). The first chart was a

summary of the first quarter's expenses per Provider (i.e., Hospital, UTMB, Pharmacy, and Youth Counseling). The second chart compared the first quarter's expenses for the providers to the first quarter expenses for 2018 and 2019.

District General Counsel Report

Attorney Oxford initiated his report with a discussion of the Accelerated Payment Program ("Program") by explaining this is existing program through Centers for Medicare and Medicaid ("CMS") that allows qualified facilities to request up to a six (6) months advanced lump sum or periodic payment. This advanced payment is based on net reimbursement represented by unbilled discharges or unpaid bills. Nursing Homes qualify for the Program, but the funds must start to be re-paid starting in four (4) months and must be completely re-paid within 12 months in order to avoid interest.

Attorney Oxford then reported that Regency intended to submit an application to participate in the Program. According to Regency's Chief Financial Officer, Regency intended to use the money to pay down their line of credit with the funds and then re-use the line of credit to pay off the funds in June 2020. Attorney Oxford conveyed to Regency in an e-mail that the District needed to sign off on any commitments involving the District and we needed to give proper notice to Capital Finance if their participation in the Program encroaches on Capital Finance's collateral. (See **Exhibit "D"**).

On a related note, Attorney Oxford stated that he has been in discussions with the District's nursing facilities who reported that their accounts receivable was down due to the Covid-19 virus. According to the facilities, the reason for lower accounts receivables was due to hospitals not referring clients to the facilities.

Next, Attorney Oxford also presented the District's Board with an invoice submitted on Benckenstein & Oxford, LLP's behalf to HMG for his work on the Friendswood HUD Loan transaction. Attorney Oxford explained that the invoice was submitted so that the transaction could be closed because the legal fees were included in the total loan amount. According to Attorney Oxford, the party

responsible for the legal fees was the facilities landlord that was seeking the refinancing. (See **Exhibit “E”**).

Lastly, Attorney Oxford informed the Board that LTC group was able secure a payment spreadsheet for QIPP Year 3, 2nd Qtr. Component 3, 4, and Lapsing funds spreadsheet. According to the spreadsheet, the District is scheduled to receive \$3,121,315.91 in late April or early May of 2020. Attorney Oxford reminded the Board that its budget for this QIPP payment was \$2,386,942.01 and therefore, the District’s nursing homes outperformed the budget by \$734,373.90. (See **Exhibit “F”**).

LTC Report

Staff for LTC attended the meeting by way of conference call. According to LTC personnel on the call, the Hospital District received \$3,000,000.00 in funds for Covid-19 through the Care’s Act on Friday, April 10, 2020 and LTC is working with nursing homes to reconcile the payment. Additionally, LTC has been working diligently with TORCH and was happy to announce that CMS notified to State Medicaid Directors that they were going to pause the implementation of MFAR until Fiscal Year 2022 but there has still not been any formal announcement to the industry. Likewise, LTC has been working to include MFAR prohibition language in various Stimulus bills. Lastly, LTC Group has been working with all the Managers to complete QIPP Year 4 applications. The Board thanked LTC for all their efforts. Otherwise, the Board was given a copy of the Executive Summary for November and reviewed it. (See **Exhibit “G”**).

Hospital Report

This month, Mr. Danishmund gave the Hospital’s report and started the report by highlighting the monthly statistics for March 2020. A copy of the reports is set forth below and attached as **Exhibit “H”**. Overall, the numbers for the Hospital were down slightly in various areas due to the Governor’s orders to cease certain Hospital procedures due to the Covid-19 virus but he was happy to note that the ER

visits were up from prior months and the Average Inpatient days was still above the Texas Average.

Census	Jan	Feb	Mar	Texas Average
ER Visits	187	178	193	
Conversion to Inpatient/observation	9	14	17	
<i>Percentage</i>	5%	8%	9%	
Transferred out	8	14	7	
<i>Percentage</i>	4%	8%	4%	
ER shifts covered by doctors	80%	82%	87%	
Average Inpatient days per day	2.68	3.28	2.23	1.63
CTs	56	71	59	
Xrays	270	268	185	
Ultrasounds	20	20	14	
Encounters - Adult Clinic	638	598	592	
Encounters - Pediatric Clinic	274	306	221	
Behavioral Health patients	45	44	39	
Physical Therapy	0	1	2	

Additional Items:

1. Hospital Water Pump System is Live. Working on Landscaping and Signage.
2. Connecting with UTMB for Specialty Services
3. Chief of Staff/Medical Director Update

Additionally, Mr. Danishmund reported that they received \$440,000.00 in Cares Act Funds for the entire Riceland Hospital system and applied for and received slightly over \$1.3 million in Accelerated Payment Program funds. Like the Cares Funds, this payment was for the entire Riceland Hospital system.

8. Discuss and take-action, if necessary, on making Intergovernmental Transfer (“IGT”) Commitment due by May 8, 2020 for the Winnie Community Hospital’s participation in the 1115 Waiver Program.

Staff reported that in an effort to provide funds to Hospitals during the Covid-19 epidemic, the State of Texas has accelerated the second half of the DY9 Uncompensated Care IGT and corresponding payment from September 2020 to May 2020. Therefore, the District was asked to commit to making an IGT by May 8, 2020. For this period, the spreadsheets provided by the Texas Health and Human Services Commission stated the maximum IGT that could be made by the District was \$64,394.89. If this were to be made, the Hospital was scheduled to receive \$153,321.17.

Upon receiving the request and recommendation, Director Way, made a motion that was seconded by Director Rollo to approve the IGT of \$64,394.89 so the Hospital can participate in the 1115 Waiver Program. This motion and the second were unanimously approved by all the Board members present.

9. Discuss and take-action, if necessary, on making IGT Commitment due for the first half of Quality Incentive Payment Program (“QIPP”) Year 4.

Given the many unknowns concerning the final amount of the IGT for first half of QIPP Year 4 and the due dates as well as the fact that any request to make the IGT would come after the May 2020 meeting, the Board agreed with staff’s recommendation to table this agenda item until the next meeting.

Upon motion by Director Way, that was seconded by Director Rollo and the unanimous vote of all the Board members present, the Board to table this Agenda Item.

10. Discuss and take-action, if necessary, on authorizing the District’s Administrator to serve as the District’s election officer for the November 2020 election and to prepare and post all notices and orders required by the Texas Elections Code.

Attorney Oxford informed the Board that the election for three at large positions currently occupied by President Murrell, Vice President Anthony Stramecki, and Secretary Rollo was coming up on November 3, 2020. Consequently, he requested the Board approve the appointment of Administrator Norris as the District’s Election Officer.

Upon motion by Director Way, which was seconded by Director Rollo and the unanimous vote of all the Board members present, the Board appointed Administrator Norris to serve as the District’s Election Officer.

11. Discuss and take-action, if necessary, on authorizing the District’s election officer to post Notice and Orders as required by the Texas Election Code:

Attorney Oxford informed the Board that he and staff have spent time updating the November 3, 2020 election calendar and still need to proof it. However, he reported, this year the update was not a function of just cutting and pasting new dates into the calendar because the legislature changed several deadlines. Also, the informed the Board that the State of Texas has not published their detail calendar yet. Usually, this was made available in July but that is well after some critical deadlines have come and gone. In any event, below are two additional Notices and Orders that need to be filed early in the process.

Action Item	Deadline	Legal Authority
Post Notice of Candidate Filing Deadline	June 18, 2020	Post notice of filing period dates; 30th day before first day on which a candidate may file the application. The authority with whom an application for a place on the ballot is filed must post a notice of the filing period dates in a building in which the authority maintains an office. §141.040- https://statutes.capitol.texas.gov/Docs/EL/htm/EL.141.htm#141.040
Deadline to Order Election	August 17, 2020	§3.005(c)- https://statutes.capitol.texas.gov/Docs/EL/htm/EL.3.htm#3.005

Again, in order to reduce the agenda for the May 20, 2020 Regular Meeting, Staff recommend giving Mrs. Norris, as the Election Officer authority to post the Notice of Candidate Filing Deadline and for the Board to Order the Election for November 3, 2020.

Upon motion by Director Way, that was seconded by Director Rollo and the unanimous approval of all the Board members present, the Board ordered the November 3, 2020 election for three (3) at large seats and authorized the Elections Administrator to post the Notice of Candidate Filing Deadline.

Turning to Agenda Items No. 13, 14, 15, 16, and 17, Staff and Attorney Oxford recommended that the Board table these agenda items in one motion because there has been no action taken on the Agenda Items since the last meeting. The Agenda Items were as follows:

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

14. 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.

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

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

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


Upon motion by Director Way, that was seconded by Director Rollo and the unanimous vote of all the Board members present, the Board table Agenda Items 13, 14, 15, 16, and 17.

18. 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.

Mrs. Ojeda informed the Board that when she received the initial revisions from UTBM to provide outpatient care for the District's indigent clients, it included all the changes she requested. Unfortunately, Mrs. Ojeda received a call from UTMB on April 14, 2020 and was told that the UTMB Legal Department refused to allow the changes. Therefore, the contract terms will stay as they were in the previous contract, except for rate changes. UTMB Contracting committed to provide an Amendment to the original contract for the rate changes by end of business April 14th, 2020 but as of the meeting, no agreement has been provided. As such, she recommended tabling this agenda item until the next meeting.

Upon motion by Director Way, that was seconded by Director Rollo and the unanimous vote of all the Board members present, the Board tabled this agenda item.

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 May 20, 2020, at 6:00 p.m. at the District's temporary offices located at 310 SH 124, Winnie Tx 77665. Thereafter, at 7:37 p.m., a motion was made by Director Way to adjourn the meeting. This motion was seconded by Director Rollo and unanimously approved by all the Board members present.


Edward Murrell, President


Anthony Stramecki, Vice-President