

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., May 20, 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	Chief Financial Officer, Hospital

Mrs. Chris Portner	Counsel for Hospital
Mr. Saad Javed	Co-Chief Operating Officer
Ms. Gloria Roemer	Seabreeze Beacon
Mr. Wade Thibodeaux	Hometown Press

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): April 15, 2020 Regular Meeting.

President Murrell called on the Board to address Agenda Item No. 4, to review and approve the minutes of the April 15, 2020 Regular Meeting. The minutes were examined by the Board and no changes were recommended.

Upon motion by Director Rollo seconded by Director Way and the unanimous approval of all the Board members present, the Board approved the minutes of the April 15, 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 April 2020. (*See Exhibit “A-1”*). Per Mr. Sticker, the Balance Sheet and income statements were in order.

However, Attorney Oxford informed the Board that after Agenda Item No. 8 is considered, the Board may need to amend Line Item 602 to account for the increased IGT following the last Board Meeting \$6,117.00. Presently, the Line Item is budgeted at \$102,659.00 but will need to be increased to \$109,000.00.

Thereafter, Attorney Oxford discussed the Treasurer's Report, check register, and outstanding invoices to be considered. (See **Exhibit "A-2"**). 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 \$4,354,827.29 in funds available after the payment of invoices and taking into account the restricted funds in the District's Interbank Account. In addition, Attorney Oxford told the Board that the District will need to account for the Not on My Watch Program payment to the HMG Nursing Facilities once a final amount due is determined on June 1, 2020. However, Attorney Oxford stated he was going to discuss the potential cost of this program during his Attorney Report below.

Since the last month's meeting, Attorney Oxford stated that the District received the payment for QIPP Year 3, Qtr. 3, Component 3, 4, and Lapsing funds of \$3,121,315.87 and paid the Managers their Incentive fees of \$1,596,752.99. Likewise, the District paid LTC \$396,000.00 for their February, March, and April 2020 invoices. Looking forward, Attorney Oxford stated that there was nothing out of the ordinary to pay except for the Not on My Watch Payment.

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 April 2020; Treasurer's Reports; proposed budget amendment and invoices to be paid (See **Exhibits "A-1" and "A-2"**).

6. Discuss and take-action on Committee Reports:

Building Committee: According to President Murrell, the District staff will be able to move into the new building after May 28, 2020 when Spectrum was scheduled to install phone lines and internet. Otherwise, he touched on several minor things that needed to be completed such as a handicapped compliant parking spot and signage. In addition, Staff informed the Board that they will need to purchase a refrigerator, microwave, and supplies for bathroom and coffee bar. Attorney Oxford suggested a trip to Sam's should enable them to purchase almost everything they needed.

7. Discuss staff reports, if necessary, by:

Administrator's Report

Mrs. Norris inquired informed the Board that to qualify for theft coverage at the new office, the District needed to contract with a monitored security system service. Per Mrs. Norris, the cost of the insurance is approximately \$40.00 per year for \$40,000.00 in coverage and the cost for the monitored security system is less than \$60.00 per month. Attorney Oxford informed the Board that he believed there were several monitored services that provide month to month billing as opposed to three (3) or five (5) year terms. After the discussion, the Board advised Mrs. Norris to evaluate monitored systems to have a system installed that would satisfy the insurer's requirements for a security system.

District Indigent Care Director Report

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

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Indigent Clients:	58
Youth Counseling:	11
SUMMARY BY FACILITY	
Winnie Community Hospital	\$49,588.00
Pharmacy Total	\$7,503.73
UTMB Total	\$26,843.06
Non-Contract Emergency Services	\$0.00
Contract C-Pap Provider	\$0.00
Youth Counseling	\$935.00
Grand Totals	\$84,869.79

April			
Billed Amount	Medicaid Rate	% of Services	Actually Paid
\$49,588.00	\$19,976.56	65.64%	\$19,976.56
\$7,503.73	\$6,334.25	20.81%	\$6,334.25
\$26,843.06	\$3,186.13	10.47%	\$3,186.13
\$0.00	\$0.00	0.00%	\$0.00
\$0.00	\$0.00	0.00%	\$0.00
\$935.00	\$935.00	3.07%	\$935.00
\$84,869.79	\$30,431.94		\$30,431.94

Year to Date			
Clients Enrolled:	83	Average Clients:	64
YC Enrolled:	13	Average Clients:	10
Billed Amount	Medicaid Rate*	% of Services	Actually Paid
\$213,645.57	\$88,150.98	52.80%	\$88,150.98
\$37,167.05	\$30,836.01	18.47%	\$30,836.01
\$195,099.41	\$45,012.26	26.96%	\$45,012.26
\$0.00	\$0.00	0.00%	\$0.00
\$400.00	\$400.00	0.24%	\$400.00
\$2,550.00	\$2,550.00	1.53%	\$2,550.00
\$448,862.03	\$166,949.25	100%	\$166,949.25

SUMMARY BY PROVIDER				
Pharmacy	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Brookshire Brothers Pharmacy Corp	\$5,570.49	\$5,049.90	16.59%	\$5,049.90
Wicox Pharmacy	\$1,933.24	\$1,284.35	4.22%	\$1,284.35
WCH	\$49,588.00	\$19,976.56	65.64%	\$19,976.56
WCH Clinic	\$3,819.00	\$1,432.60	4.71%	\$1,432.60
WCH Observation	\$0.00	\$0.00	0.00%	\$0.00
WCH ER	\$8,898.00	\$3,648.18	11.99%	\$3,648.18
WCH Lab/Xray	\$0.00	\$0.00	0.00%	\$0.00
WCH CT Scan	\$8,194.00	\$3,359.54	11.04%	\$3,359.54
WCH Labs	\$16,011.00	\$6,564.51	21.57%	\$6,564.51
WCH Xray	\$9,325.00	\$3,823.25	12.56%	\$3,823.25
WCH Lab/Xray Reading	\$427.00	\$175.07	0.58%	\$175.07
WCH Inpatient	\$0.00	\$0.00	0.00%	\$0.00
WCH Physical Therapy	\$0.00	\$0.00	0.00%	\$0.00
WCH Ultrasound	\$2,914.00	\$973.41	3.20%	\$973.41
UTMB	\$26,843.06	\$3,186.13	10.47%	\$3,186.13
UTMB Physician Services	\$3,791.00	\$686.12	2.25%	\$686.12
UTMB Anesthesia	\$0.00	\$0.00	0.00%	\$0.00
UTMB In-Patient	\$0.00	\$0.00	0.00%	\$0.00
UTMB Outpatient	\$21,990.06	\$2,487.13	8.17%	\$2,487.13
UTMB Lab&Xray	\$1,062.00	\$12.88	0.04%	\$12.88
Non-Contract Emergency Services	\$0.00	\$0.00	0.00%	\$0.00
UTMB ER Physician-Barrier Reef	\$0.00	\$0.00	0.00%	\$0.00
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
Youth Counseling	\$935.00	\$935.00	3.07%	\$935.00
Grace Nichols	\$510.00	\$510.00	1.68%	\$510.00
Penelope Butler	\$425.00	\$425.00	1.40%	\$425.00
Alliance Medical Supply (C-PAP)	\$0.00	\$0.00	0.00%	\$0.00
Grand Totals	\$84,869.79	\$30,431.94		\$30,431.94

Billed Amount	Medicaid Rate	% of Services	Actually Paid
\$37,167.05	\$30,836.01	18.47%	\$30,836.01
\$28,982.51	\$25,838.05	15.48%	\$25,838.05
\$8,184.54	\$4,997.96	2.99%	\$4,997.96
\$213,645.57	\$88,150.98	52.80%	\$88,150.98
\$21,805.17	\$8,755.61	5.24%	\$8,755.61
\$0.00	\$0.00	0.00%	\$0.00
\$63,881.00	\$26,191.21	15.69%	\$26,191.21
\$16,615.40	\$6,812.31	4.08%	\$6,812.31
\$22,176.00	\$9,092.16	5.45%	\$9,092.16
\$41,009.00	\$16,813.69	10.07%	\$16,813.69
\$30,052.00	\$12,321.34	7.38%	\$12,321.34
\$6,319.00	\$2,509.45	1.50%	\$2,509.45
\$7,454.00	\$4,099.70	2.46%	\$4,099.70
\$0.00	\$0.00	0.00%	\$0.00
\$4,334.00	\$1,555.51	0.93%	\$1,555.51
\$195,099.41	\$45,012.26	26.96%	\$45,012.26
\$26,127.00	\$4,102.11	2.46%	\$4,102.11
\$4,988.00	\$2,669.08	1.60%	\$2,669.08
\$34,675.23	\$12,829.83	7.68%	\$12,829.83
\$128,121.18	\$25,363.08	15.19%	\$25,363.08
\$1,188.00	\$48.16	0.03%	\$48.16
\$0.00	\$0.00	0.00%	\$0.00
\$0.00	\$0.00	0.00%	\$0.00
\$0.00	\$0.00	0.00%	\$0.00
\$0.00	\$0.00	0.00%	\$0.00
\$2,550.00	\$2,550.00	1.53%	\$2,550.00
\$1,445.00	\$1,445.00	0.87%	\$1,445.00
\$1,105.00	\$1,105.00	0.66%	\$1,105.00
\$400.00	\$400.00	0.24%	\$400.00
\$448,862.03	\$166,949.25		\$166,949.25

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\$37,167.05	\$30,836.01	18.47%	\$30,836.01
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\$213,645.57	\$88,150.98	52.80%	\$88,150.98
\$21,805.17	\$8,755.61	5.24%	\$8,755.61
\$0.00	\$0.00	0.00%	\$0.00
\$63,881.00	\$26,191.21	15.69%	\$26,191.21
\$16,615.40	\$6,812.31	4.08%	\$6,812.31
\$22,176.00	\$9,092.16	5.45%	\$9,092.16
\$41,009.00	\$16,813.69	10.07%	\$16,813.69
\$30,052.00	\$12,321.34	7.38%	\$12,321.34
\$6,319.00	\$2,509.45	1.50%	\$2,509.45
\$7,454.00	\$4,099.70	2.46%	\$4,099.70
\$0.00	\$0.00	0.00%	\$0.00
\$4,334.00	\$1,555.51	0.93%	\$1,555.51
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\$128,121.18	\$25,363.08	15.19%	\$25,363.08
\$1,188.00	\$48.16	0.03%	\$48.16
\$0.00	\$0.00	0.00%	\$0.00
\$0.00	\$0.00	0.00%	\$0.00
\$0.00	\$0.00	0.00%	\$0.00
\$0.00	\$0.00	0.00%	\$0.00
\$2,550.00	\$2,550.00	1.53%	\$2,550.00
\$1,445.00	\$1,445.00	0.87%	\$1,445.00
\$1,105.00	\$1,105.00	0.66%	\$1,105.00
\$400.00	\$400.00	0.24%	\$400.00
\$448,862.03	\$166,949.25		\$166,949.25

In addition, Mrs. Ojeda reported that she and Attorney Oxford have been working with Attorney Tom Oxford on recovering funds from an automobile lawsuit by one of the District's clients. The amount that the District is seeking to recover is \$12,327.59. Moreover, Mrs. Ojeda requested a meeting of the Indigent Committee to discuss several issues, including but not limited to:

- Indigent Healthcare Solutions ("IHS") Medicaid Formulary for Hospital: This month, Mrs. Ojeda discovered that the formulary used by Indigent Healthcare Solutions for all services provided by the Hospital was 41% of the invoiced price rather than the actual Medicaid rate. Mrs. Ojeda wants to discuss with the Committee and Attorney the impact of this new information on existing cost structure and Indigent Care Agreement. According to Mrs. Ojeda, she has analyzed the cost differences for April 2020 and if the

Medicaid rate were to be applied, it would result in a \$5,000.00 credit to the District.

- **Medically Necessary Services** – Based on the professional opinion provided by Hubert, the Indigent Care Committee will be reviewing the types of referrals that are being approved to ensure we are being good stewards of the Indigent Care Program funds.
- **Retroactive Coverage** – Based on the professional opinion provided by Hubert, the Indigent Care Committee will be reviewing the financial impact of retroactive coverage being approved to determine if it will continue to be offered

District General Counsel Report

This month, Attorney Oxford informed the Board that he had two matters to report to the Board. First, Attorney Oxford reported that since last month, out of the twelve HMG facilities the number of HMG facilities that had no Covid-19 virus dropped from six (6) to four (4) thereby increasing the number of HMG facilities that have five (5) or less cases of Covid-19 from three (3) to five (5) because while the number of facilities with more than five cases of Covid-19 cases remained at three (3). (*See Exhibit “C”*). Therefore, as of the meeting, the maximum exposure of the District was reduced from a maximum of \$209,416.67 to \$137,166.67 last month to the current amount of \$108,833.33. Lastly, the Board was told that the program runs through the end of May 2020 and he anticipated that the amount due will most likely continue to shrink.

In addition, Attorney Oxford informed the Board that the District completed and received executed Addendum to the Management Agreements with all the Managers that verifies that the Managers will abide by the terms of the Centers for Medicare and Medicaid (“CMS”) for spending the Covid-19 stimulus funds. (*See Exhibit “D”*). He continued by explaining that this Addendum was necessary because as the entity receiving the funds, we had to file an affidavit confirming that the funds would be used according to the program guidelines.

LTC Report

Staff provided the Board members with the LTC Report for April 2020. (See Exhibit “E”). In addition, Attorney Oxford reminded the Board that the LTC Service Agreement expires in August 2020 and he has been notified by the LTC Group that they would like to meet with members of the Board to discuss a potential increase in rate per nursing home for the upcoming contract year. As with the previous year, President Murrell referred the matter to the Finance Committee to meet with the LTC Group and to provide a recommendation.

Hospital Report

This month, Mr. Saad Javid gave the Hospital’s report and started the report by highlighting the monthly statistics for April 2020. A copy of the reports is set forth below and attached as Exhibit “F”.

2019						
Census	Jan	Feb	Mar	Apr	Average	Texas Average
ER Visits	240	183	202	206	190	
Conversion to Inpatient/observation	20	15	10	10	10	
Percentage	8%	8%	5%	5%	5%	
Transferred out	16	12	15	11	10	
Percentage	7%	7%	7%	5%	5%	
ER shifts covered by doctors	55%	61%	63%	78%	79%	
Average Inpatient days per day	1.68	2.71	1.61	2.33	1.91	1.63
CTs	52	35	45	57	42	
Xrays	257	266	244	239	204	
Ultrasounds	18	33	28	28	23	
Encounters - Adult Clinic	673	643	618	635	576	
Encounters - Pediatric Clinic	334	346	320	341	283	
Behavioral Health patients	74	76	73	75	57	
Physical Therapy	8	3	4	6	5	

2020						
Census	Jan	Feb	Mar	Apr	Average	Texas Average
ER Visits	187	178	193	147	176	
Conversion to Inpatient/observation	9	14	17	14	14	
Percentage	5%	8%	9%	10%	8%	
Transferred out	8	14	7	13	11	
Percentage	4%	8%	4%	9%	6%	
ER shifts covered by doctors	80%	82%	87%	72%	80%	
Average Inpatient days per day	2.68	3.28	2.23	2.13	2.58	1.63
CTs	56	71	59	39	56	
Xrays	270	268	185	160	221	
Ultrasounds	20	20	14	8	16	
Encounters - Adult Clinic	638	598	592	349	544	
Encounters - Pediatric Clinic	274	306	221	69	218	
Behavioral Health patients	45	44	39	0	32	
Physical Therapy	0	1	2	0	1	

Overall, the numbers for the Hospital were down in nearly every category due to the Covid-19. In addition, Hospital representatives reported the Hospital has:

- Continued to follow through with Covid-19 protocols set by Chambers County.
- Provided adult and pediatric clinic services through telemedicine along with some face-to-face.

Looking forward, Mr. Mo Danishmund asked to discuss the status of the Hospital's financials considering the Covid-19 virus. Mr. Danishmund provided a one (1) page summary of the Hospital's income statement from 2018, 2019, year to date 2020, and a budget summary for 2020 to be examined by the Board during his presentation.

Afterwards, he explained that the Covid-19 virus has severely impacted the revenues of the entire Riceland system, including Hospital's revenues and even with the stimulus funding, the Hospital's expenses well exceed its revenues. In a typical year, Mr. Danishmund explained that the PHP program at the Hospital and other services healthcare services provided by Riceland Hospital away from the Hospital campus help offset the Hospital's losses but because of the virus, the PHP program has been shut down and all of the healthcare services provided by Riceland are not performing. Consequently, the administration at the Hospital is evaluating actions that can be taken to sustain the Hospital during these tough times, including but not limited to layoffs and requesting additional assistance from the Hospital District.

Mr. Danishmund explained that personnel was a major cost for the Hospital and the Riceland system but the administration was hesitate to lay off employees because of their loyalty to the employees and the fact that the Hospital is concerned that they will not be able to rehire the employees once the economic situation gets better.

In response to the suggestion that the Hospital may need future financial assistance from the District, Mr. Danishmund was told that this is something that the District would consider subject to a meeting between the Financial Committee and

the Hospital and a recommendation of the Committee. However, Mr. Danishmund was told by the Board that the Financial Committee and the District must have sufficient advance notice of any request.

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.

At the April 15, 2020 Regular Meeting, the District committed to make an IGT on behalf of the Hospital for the second half of the DY9 Uncompensated Care Program of up to \$64,394.89. If this were made, the Hospital was expected to \$153,321.17.

However, on April 17, 2020, the District was notified by WCH and the State of Texas that the actual IGT amount was going to be \$70,511.89 or \$6,117.00 more than expected and it was expected to generate \$230,372.00 in Uncompensated Care Funds as opposed to \$153,321.17 as discussed at the meeting. This is significant because the multiplier used by the state increased from 2.55% to 3.2671369%. Additionally, the IGT date was moved from May 8, 2020 to June 4, 2020.

Therefore, Staff recommended that the Board rescind the motion from the April meeting and approve a second motion to approve the IGT of \$70,511.89. The Board was reminded that during the April meeting, Director Way made the motion to approve the IGT and his motion was seconded by Director Rollo.

The Board concurred and a motion Director Way to 1) rescind his prior motion to approve Agenda Item No. 8 from the April 15, 2020 Regular Meeting; and 2) to approve the revised IGT amount of \$70,511.89. Director Way’s motion was seconded by Director Rollo, who also seconded the motion at the April 15, 2020 Regular Meeting. 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.

On April 8, 2020, we learned that for QIPP Year 4, the pool size of the funds for the program are scheduled to be increased to \$1,100,000,000, which is up substantially from the current pool size of \$600,000,000. Of the pool size, 37.75% is for IGTs and rest is the supplemental payments. The first IGT for QIPP Year 4 is schedule for June 3rd, 2020.

Because of the increase in the pool size, we anticipate that the District’s IGT for the first half of the Year 4 increased from roughly \$7,500,000.00 to \$12,085,425.68. However, in order to assist with cash flow for governmental entities participating, for this IGT only, the State of Texas is allowing each participating entity to IGT half in June (i.e., \$6,042,712.83) and the other half in August 2020.

LTC Group has been working with Salt Creek Capital to confirm the availability of funds and to receive approval for allowing the District to take advantage of the split IGTs. Therefore, the District will be allowed to make a ten (10) month loan to pay for this IGT and other nursing home expenses; then in August, the District will be able to make a seven (7) month loan for the second half of the IGT. By agreeing to this, Salt Creek Capital is allowing the District to save three (3) months of interest. Furthermore, LTC and Salt Creek Capital confirmed that the District will be able to utilize \$6,000,000.00 of its own money when the IGT for the second half of QIPP Year 4 is made.

Staff requested the Board to approve the IGT for \$6,042,712.83 to be made on June 3rd, 2020. Subsequently, a motion was made by Director Way, to authorize the IGT \$6,042,712.83 to participate in QIPP Year 4. This motion was seconded by Director Rollo and approved with the unanimous vote of all the Board members present.

10. Discuss and take-action, if necessary, on approving Loan 17 with Salt Creek Capital to assist with nursing home operations.

Attorney Oxford asked the Board members to turn to the loan documents for Loan 17 found in the Board packets and explained that the loan was for \$6,042,712.83 to be used for nursing home operations, including Intergovernmental Transfers for the Quality Incentive Payment Program. (See **Exhibit “G”**). The Loan documents consist of a Short-Term Promissory Note, Security Agreement, and Depository Account Control Agreement. As with the previous loans, this loan is also for a ten (10) month period starting on June 1, 2020 with monthly interest payments of \$84,597.98 due on the thirtieth (30th) of each month with a balloon payment due on March 31, 2021. As state above the Board will need to approve a second loan at the August 19th, 2020 Regular Meeting. The terms of the loan will be the same except it will be for seven (7) months instead of ten (10) months.

Upon motion by Director Way, which was seconded by Director Rollo and the unanimous vote of all the Board members present, the Board approved the execution of the Loan 17 documents set forth in **Exhibit “G”** by the Board President.

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

Staff presented a draft of this Pharmacy Benefit Service Agreement “Agreement” that was sent to the Pharmacies on May 11, 2020. A follow up was sent on May 13, 2020. In the e-mails to the pharmacies, they were advised that District was willing to work with them to make changes as needed. However, to date, the District has not received any acknowledgment of the agreement from Wilcox Pharmacies and was informed by Brookshire Brothers that their in-house lawyers are reviewing the document.

Regardless, Staff did report to the Board that after analyzing its current cost and the formulary used by IHS to the cost of forty-six (46) common prescriptions filled by Brookshire Brothers and Wilcox to the Medicaid rates proposed by the District that are set forth in Texas Vendor Drug Program website published by the Texas Health and Human Services Commission, it was anticipated that by

implementing the proposed formulary in the Agreement, the District could save as much as fifty percent (50%) on its annual drug cost. A summary of the analysis is as follows:

Based on 46 Common NDC Codes	
Average WAC for Medicaid, Brookshire, and Wilcox-Cost plus \$8.00	\$1,772.39
AWP Allowable Cost-IHS Cost	\$4,154.62
AVG WAC Percentage of AWP Formula	42.66%
2019 Drug Cost using AWP Formula	\$110,000.00
2019 Drug Cost Using WAC + Pricing	\$46,926.82

At the completion of the discussion on the Agreement, a motion was made by Director Rollo, which was seconded by Director Rollo and the unanimously approved vote of all the Board members present, to 1) table the adoption of the Agreement pending feedback from the local pharmacies and 2) to give the local Pharmacies notice that: 2a) the District anticipated a response to the proposed agreement by June 1, 2020; and 2b) it was the District’s intention to incorporate the Formulary payments amounts on July 1, 2020 regardless of whether Agreements were executed by this date.

12. 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 shortly after the last meeting when this agenda item was tabled, she received the final UTMB Agreement set forth in **Exhibit “H”**. According to Mrs. Ojeda, the terms the new Agreement remained the same as the previous Agreement except for rate changes. As to the rate changes, Mrs. Ojeda stated the Medicaid rate was reduced from thirty-nine percent (39%) to thirty-six (36%) for inpatient services and from twenty-eight (28%) to twenty-five (25%) for outpatient services.

The Board thanked Mrs. Ojeda for her efforts and requested that she begin discussions with other healthcare providers to explore whether the District could get

more favorable terms and rates. In the interim, they agreed that it was necessary to approve the proposed Agreement.

Subsequently, a motion was made by Director Way, that was seconded by Director Rollo and the unanimous vote of all the Board members present, the Board authorize the Board President to execute the agreement set forth in **Exhibit “H”** with UTMB.

13. Discuss and take-action, if necessary, on approving service contracts to perform yard maintenance and house-keeping services at the District’s new offices.

Administrator Norris reported that she has received bids for yard maintenance and janitorial services for the new facility. (*See Exhibit “I”*). However, the low bid for the yard maintenance was by Mrs. Ojeda’s husband, Felipe Ojeda. Mr. Ojeda’s proposal was for \$250.00 per month to mow twice a month. Attorney Oxford informed the Board that he did not believe hiring Mr. Ojeda would create a nepotism issue because Mrs. Ojeda did not have authority to hire and fire Mr. Ojeda. However, practically, hiring Mr. Ojeda may create a problem if the Board ever wanted to fire him. In response, the Board clearly stated, they would not have a problem terminating Mr. Ojeda if he did not perform. As it relates to the janitor services, the Board considered the two bids. As with the mowing proposals, both cleaning services offered to clean twice a month. The low bid for the cleaning was made by Graciela Chavez for \$100 per month. According to Mrs. Norris, all those that submitted proposals to mow and clean agreed to sign a waiver of any future claims since they were not insured and bonded.

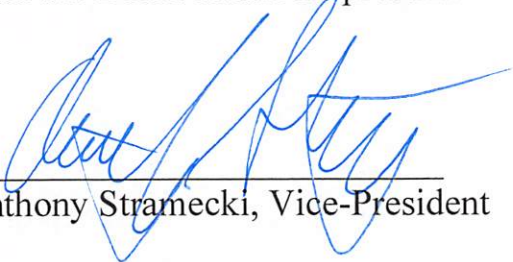
Following the discussion, a motion was made by Director Way, that was seconded by Director Rollo and the unanimous vote of all the Board members present, the Board accepted the proposal by Mr. Felipe Ojeda to provide yard maintenance twice a month at the District’s new office for \$250.00 per month and by Ms. Graciela Chaves to clean the office twice a month for \$100.00 per month.

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 June 17, 2020 at 6:00 p.m. at the new offices located at 520 Broadway, Winnie Tx 77665. Thereafter, at 8:33 p.m., a motion was made by Director Stramecki to adjourn the meeting. This motion was seconded by Director Way and unanimously approved by all the Board members present.



Edward Murrell, President



Anthony Stramecki, Vice-President