

**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., July 15, 2020 at the District’s Offices located at 520 Broadway, Winnie, Texas 77665, 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 May 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 6:05 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 Directors Espinosa and Rollo, thus constituting a quorum. In addition, to the above-named Board members, also present at the meeting were:

Mrs. Sherrie Norris	District Administrator	In person
Mrs. Patricia Ojeda	Indigent Care Director/Administrative Assistant	In person
Mr. David Sticker	District CPA	In person

Mr. Hubert Oxford, IV	General Counsel for the District	Conference Call
Mr. Mo Danishmund	Chief Financial Officer, Hospital	In person
Mrs. Chris Portner	Counsel for Hospital	Conference Call
Mr. Saad Javed	Co-Chief Operating Officer	In person
Mr. Wade Thibodeaux	Hometown Press	In person

**2. Pledge of Allegiance**

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.

**3. Public Comment**

President Murrell then asked for Public Comment but there was none.

**4. Discuss and take-action, if necessary, on accepting the resignation of Director Espinosa.**

Mrs. Norris informed the Board that on June 24, 2020, he received a letter of resignation from Director Raul Espinosa. (See Exhibit “A”). Per Mrs. Norris, she was informed by Director Espinosa and his daughter, that Director Espinosa was moving out of the District and would no longer qualify as a resident and thus will not qualify to serve on the Board. Upon receiving the information, the Board members expressed regret that Director Espinosa will no longer be able to serve on the Board but they expressed their sincere gratitude and appreciation for all the work and effort by Director Espinosa for the time he served as a Board member and for the efforts he has made over the years to serve the community. Thereafter the Board discussed getting a plaque to honor Director Espinosa and a \$75.00 gift certificate at his favorite restaurant as appreciation for his years of service.

Upon motion by Director Stramecki, which was seconded by Director Way, the Board unanimously authorized staff to purchase a plaque to honor Director Espinosa’s years of service and a \$75.00 gift card to the District’s appreciation for his years of service.

**5. Review and Approve Minutes of Previous Meeting(s): June 17, 2020 Regular Meeting.**

President Murrell called on the Board to address Agenda Item No. 4, to review and approve the minutes of the June 17, 2020 Regular Meeting. The minutes were examined by the Board and no changes were recommended.

Upon motion by Director Stramecki, which was seconded by Director Rollo, the Board unanimous approval of all the Board members present, the Board approved the minutes of the June 17, 2020 Regular Meeting.

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

President Murrell then called on Mr. David Sticker to present the District's year Financial statements for June 2020. (*See Exhibit "B-1"*). Mr. Sticker informed the Board that there were no significant changes in the balance sheet. As for the profit and loss statement, he highlighted the changes made following the last meeting when the Board amended the budget.

Upon the conclusion of Mr. Sticker's presentation of the financial statement and budget amendments, Attorney Oxford was called on to discuss the Treasurer's Report, check register, and outstanding invoices to be considered. (*See Exhibit "B-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 \$4,679,736.53 in funds available after the payment of invoices and taking into account the restricted funds in the District's Interbank Account.

From there, he updated the Board on changes to the Cash Availability Report for July 2020 until January 2021. Mr. Oxford informed the Board that this version of the cash flow included the new proposed rates and payment dates to LTC and Salt Creek's agreement to move the prepaid interest payment for the loan to be approved in December to January. By doing this, the shortfall for the District in December if the District used \$6,000,000.00 of its unrestricted reserves to make an IGT on December 1, 2020 would be (\$297,135.71), not including the District's restricted

reserves. However, Attorney Oxford explained that these values were conservative estimates because they do not consider several factors, including:

- Reconciliation payments for prior Intergovernmental Transfers (“IGT”).
- Also, he stated that \$187,000.00 set aside in the cash flow for the Hospital’s participation in the UHRIP program will most likely be moot and no longer necessary to set aside;
- Likewise, he reminded the Board that the estimates for the QIPP Year 4 Component payments were based on 75% achievement rate as opposed to the traditional 90% actual achievement rate;
- Lastly, he explained, the Board’s decision later in the meeting will also impact the District’s cash availability in December because the report includes a set aside of \$700,000.00 to the Hospital.

After the discussion of the Treasurer’s Report and Cash Flow, Director Stramecki made a motion, that was seconded by Director Way, with the unanimous approval of all the Board members present, the Board approved the financials for July 2020; the Treasurer’s Reports; and invoices to be paid set forth in **Exhibits “B-1” and “B-2”**.

**7. Discuss and take-action on Committee Reports:**

Building Committee: According to President Murrell, the only thing left to do on the building to make the building in compliance with the ADA is to put a sign up in front of the new parking area. Otherwise, work on the building is complete.

**8. Discuss staff reports, if necessary, by:**

**Administrator’s Report**

Mrs. Norris reported that the District’s has started to participate in the intern program through the Texas Workforce Commission. So far, she was happy to report, that the interns had been a lot of help and she was happy with their work.

## District Indigent Care Director Report

Since the Indigent Care Director was not present, the Board was asked to briefly review the monthly report and the summary of expenses below. (See Exhibit “C”). In addition, Director Way asked the status of the Pharmacy Agreements and Mr. Oxford reported that Wilcox Pharmacy signed the agreement and was going to drop it off, but he still had not heard from Brookshire Brothers.

	June			
<b>Indigent Clients:</b>	Indigent Clients: 51			
<b>Youth Counseling:</b>	Youth Counseling: 12			
<b>SUMMARY BY FACILITY</b>	<b>Billed Amount</b>	<b>Medicaid Rate</b>	<b>% of Services</b>	<b>Actually Paid</b>
Winnie Community Hospital	\$56,612.00	\$23,210.92	33.02%	\$23,210.92
Pharmacy Total	\$7,878.54	\$5,991.45	8.52%	\$5,991.45
<b>UTMB Total</b>	<b>\$166,419.83</b>	<b>\$40,471.40</b>	<b>57.57%</b>	<b>\$40,471.40</b>
Non-Contract Emergency Services	\$3,047.05	\$118.78	0.17%	\$118.78
Contract C-Pap Provider	\$0.00	\$0.00	0.00%	\$0.00
Youth Counseling	\$510.00	\$510.00	0.73%	\$510.00
<b>Grand Totals</b>	<b>\$234,467.42</b>	<b>\$70,302.55</b>		<b>\$70,302.55</b>

Year to Date			
<b>Clients Enrolled:</b>	88	<b>Average Clients:</b>	64
<b>YC Enrolled:</b>	14	<b>Average Clients:</b>	10
<b>Billed Amount</b>	<b>Medicaid Rate*</b>	<b>% of Services</b>	<b>Actually Paid</b>
<b>WCH LUMP SUM Balance Tracking</b>			
<b>LUMP SUM =</b>	<b>\$196,699.35</b>	<b>-YTD MCD Rate =</b>	<b>\$65,359.38</b>
\$320,907.57	\$131,339.97	49.36%	\$131,339.97
\$55,483.46	\$44,991.51	16.91%	\$44,991.51
\$365,861.24	\$85,758.20	32.23%	\$85,758.20
\$3,047.05	\$118.78	0.04%	\$118.78
\$400.00	\$400.00	0.15%	\$400.00
\$3,485.00	\$3,485.00	1.31%	\$3,485.00
<b>\$749,184.32</b>	<b>\$266,093.46</b>	<b>100%</b>	<b>\$266,093.46</b>

<b>SUMMARY BY PROVIDER</b>	<b>Billed Amount</b>	<b>Medicaid Rate</b>	<b>% of Services</b>	<b>Actually Paid</b>
<b>Pharmacy</b>	<b>\$7,878.54</b>	<b>\$5,991.45</b>	<b>8.52%</b>	<b>\$5,991.45</b>
Brookshire Brothers Pharmacy Corp	\$4,523.87	\$3,988.04	5.67%	\$3,988.04
Wilcox Pharmacy	\$3,354.67	\$2,003.41	2.85%	\$2,003.41
<b>WCH</b>	<b>\$56,612.00</b>	<b>\$23,210.92</b>	<b>33.02%</b>	<b>\$23,210.92</b>
WCH Clinic	\$3,302.00	\$1,353.82	1.93%	\$1,353.82
WCH Observation	\$0.00	\$0.00	0.00%	\$0.00
WCH ER	\$27,371.00	\$11,222.11	15.96%	\$11,222.11
WCH Lab/Xray	\$1,178.00	\$482.98	0.69%	\$482.98
WCH CT Scan	\$0.00	\$0.00	0.00%	\$0.00
WCH Labs	\$6,727.00	\$2,758.07	3.92%	\$2,758.07
WCH Xray	\$6,271.00	\$2,571.11	3.66%	\$2,571.11
WCH Lab/Xray Reading	\$683.00	\$280.03	0.40%	\$280.03
WCH Inpatient	\$11,080.00	\$4,542.80	6.46%	\$4,542.80
WCH Physical Therapy	\$0.00	\$0.00	0.00%	\$0.00
WCH Ultrasound	\$0.00	\$0.00	0.00%	\$0.00
<b>UTMB</b>	<b>\$166,419.83</b>	<b>\$40,471.40</b>	<b>57.57%</b>	<b>\$40,471.40</b>
UTMB Physician Services	\$14,354.00	\$3,628.55	5.16%	\$3,628.55
UTMB Anesthesia	\$6,542.00	\$3,949.00	5.62%	\$3,949.00
UTMB In-Patient	\$100,567.19	\$22,583.78	32.12%	\$22,583.78
UTMB Outpatient	\$42,689.64	\$10,107.41	14.38%	\$10,107.41
UTMB Lab&Xray	\$2,267.00	\$202.66	0.29%	\$202.66
<b>Non-Contract Emergency Services</b>	<b>\$3,047.05</b>	<b>\$118.78</b>	<b>0.17%</b>	<b>\$118.78</b>
UTMB ER Physician-Barrier Reef	\$2,374.00	\$118.78	0.17%	\$118.78
Chambers Co Public Hosp Distr ER	\$673.05	\$0.00	0.00%	\$0.00
Winnie-Stowell EMS	\$0.00	\$0.00	0.00%	\$0.00
<b>Youth Counseling</b>	<b>\$510.00</b>	<b>\$510.00</b>	<b>0.73%</b>	<b>\$510.00</b>
Grace Nichols	\$340.00	\$340.00	0.48%	\$340.00
Penelope Butler	\$170.00	\$170.00	0.24%	\$170.00
<b>Alliance Medical Supply (C-PAP)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>	<b>\$0.00</b>
<b>Grant-Totals</b>	<b>\$234,467.42</b>	<b>\$70,302.55</b>		<b>\$70,302.55</b>

<b>Billed Amount</b>	<b>Medicaid Rate</b>	<b>% of Services</b>	<b>Actually Paid</b>
\$55,483.46	\$44,991.51	16.91%	\$44,991.51
\$40,597.23	\$36,161.22	13.59%	\$36,161.22
\$14,886.23	\$8,830.29	3.32%	\$8,830.29
<b>\$320,907.57</b>	<b>\$131,339.97</b>	<b>49.36%</b>	<b>\$131,339.97</b>
\$34,951.17	\$14,179.03	5.33%	\$14,179.03
\$0.00	\$0.00	0.00%	\$0.00
\$110,241.00	\$45,198.81	16.99%	\$45,198.81
\$17,793.40	\$7,295.29	2.74%	\$7,295.29
\$27,611.00	\$11,320.51	4.25%	\$11,320.51
\$59,098.00	\$24,230.18	9.11%	\$24,230.18
\$46,907.00	\$19,231.87	7.23%	\$19,231.87
\$8,892.00	\$3,564.54	1.34%	\$3,564.54
\$11,080.00	\$4,542.80	1.71%	\$4,542.80
\$0.00	\$0.00	0.00%	\$0.00
\$4,334.00	\$1,776.94	0.67%	\$1,776.94
<b>\$365,861.24</b>	<b>\$85,758.20</b>	<b>32.23%</b>	<b>\$85,758.20</b>
\$42,168.00	\$7,957.92	2.99%	\$7,957.92
\$11,530.00	\$6,618.08	2.49%	\$6,618.08
\$135,242.42	\$35,413.61	13.31%	\$35,413.61
\$171,007.82	\$35,517.77	13.35%	\$35,517.77
\$5,913.00	\$250.82	0.09%	\$250.82
<b>\$3,047.05</b>	<b>\$118.78</b>	<b>0.04%</b>	<b>\$118.78</b>
\$2,374.00	\$118.78	0.04%	\$118.78
\$673.05	\$0.00	0.00%	\$0.00
\$0.00	\$0.00	0.00%	\$0.00
<b>\$3,485.00</b>	<b>\$3,485.00</b>	<b>1.31%</b>	<b>\$3,485.00</b>
\$1,955.00	\$1,955.00	0.73%	\$1,955.00
\$1,530.00	\$1,530.00	0.57%	\$1,530.00
\$400.00	\$400.00	0.15%	\$400.00
<b>\$749,184.32</b>	<b>\$266,093.46</b>		<b>\$266,093.46</b>

## District General Counsel Report

Attorney Oxford did not have anything to report. But he did refer the Board members to the e-mail correspondence between the East Chambers Independent School District (“ECISD”) and himself regarding the ECISD grant reporting. (See Exhibit “D”).

## LTC Report

Staff provided the Board members with the LTC Report for June 2020. (See Exhibit “E”). Otherwise, there was no additional information to report by LTC.

## Hospital Report

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

Census	2019						Average	Texas Average
	Jan	Feb	Mar	Apr	May	June		
ER Visits	240	183	202	206	198	215	190	
Conversion to Inpatient/observation	20	15	10	10	9	10	10	
<i>Percentage</i>	8%	8%	5%	5%	5%	5%	5%	
Transferred out	16	12	15	11	11	12	10	
<i>Percentage</i>	7%	7%	7%	5%	6%	6%	5%	
ER shifts covered by doctors	55%	61%	63%	78%	92%	77%	79%	
Number Inpatient days	52	76	50	70	59	41	58	
Number Hospice days	0	14	10	14	32	20	12	
Number Swingbed days	6	5	14	18	34	10	16	
Number Observation days	27	12	20	10	21	20	18	
Total All Inpt. Days	85	107	94	112	146	91	104	
Average All Inpt. days per day	2.74	3.82	3.03	3.73	4.71	3.03	3.42	1.63
CTs	52	35	45	57	46	63	42	
Xrays	257	266	244	239	250	218	204	
Ultrasounds	18	33	28	28	28	23	23	
Encounters - Adult Clinic	673	643	618	635	616	525	576	
Encounters - Pediatric Clinic	334	346	320	341	287	217	283	
Behavioral Health patients	74	76	73	75	75	69	57	
Physical Therapy	8	3	4	6	5	7	5	

Census	2020						Average	Texas Average
	Jan	Feb	Mar	Apr	May	June		
ER Visits	187	178	193	147	162	166	168	
Conversion to Inpatient/observation	9	14	17	14	10	7	11	
<i>Percentage</i>	5%	8%	9%	10%	6%	4%	7%	
Transferred out	8	14	7	13	16	11	11	
<i>Percentage</i>	4%	8%	4%	9%	10%	7%	7%	
ER shifts covered by doctors	80%	82%	87%	72%	57%	67%	72%	
Number Inpatient days	83	95	69	64	75	74	74	
Number Hospice days	1	17	27	7	1	0	8	
Number Swingbed days	2	7	16	20	99	57	36	
Number Observation days	36	47	21	5	8	11	19	
Total All Inpt. Days	122	166	133	96	183	142	137	
Average Inpatient days per day	3.94	5.72	4.29	3.20	5.90	4.73	4.51	1.63
CTs	56	71	59	39	56	48	54	
Xrays	270	268	185	160	200	169	200	
Ultrasounds	20	20	14	8	5	1	10	
Encounters - Adult Clinic	638	598	592	349	360	453	482	
Encounters - Pediatric Clinic	274	306	221	69	95	169	187	
Behavioral Health patients	45	44	39	0	0	0	18	
Physical Therapy	0	1	2	0	1	0	1	

In addition, Mr. Javid informed the Board that the Hospital was still working to safeguard patients from Covid-19 virus but unfortunately, the PHP program was

expected to remain closed until December 2020. Furthermore, the Hospital has brought onboard a new internist from San Antonio and he has a lot of experience in high traffic hospital situations.

**9. Discuss and take-action, if necessary, on adopting an Irlen ([www.irlen.com](http://www.irlen.com)) testing program.**

President Murrell reported that he met with the ECISD Superintendent and the school district already does Irlen testing but does not provide the lenses or frames. The Superintendent suggested that the District participate by providing the lenses and the frames. The Board then reviewed the proposed agreement prepared by Mr. Oxford. (*See Exhibit "G"*).

Thereafter, a motion was made by Director Stramecki to enter into an agreement with Ms. Nancy Guadet to perform Irlen's testing, lenses, and frames. Director Stramecki's motion was seconded by Director Way and unanimously approved by all the Board members present.

**11. Discuss and take-action, if necessary, on making Intergovernmental Transfer ("IGT") on behalf of the Hospital for the Uniform Hospital Rate Increase Program and reimbursing the Hospital for previous IGTs made on their behalf.**

In light of conversations with Durbin and Company and the Hospital staff, Mr. Oxford recommended that no action be taken on this agenda item and the Hospital representatives present agreed.

**12. Discuss and take-action, if necessary, on renewing LTC Agreement and amendments to the Agreement.**

Director Stramecki reported that the Finance Committee had a virtual meeting with LTC Group to discuss renewing their agreement. According to LTC currently bills the District \$5,500.00 per month per facility to provide all the services in the existing Service Agreement. For the upcoming fiscal year (October 2020 through September 30, 2021, LTC requesting an increase of \$500.00 per

month per facility. A summary of this request is set forth in **Exhibit “H-1”** and below. He then spent time discussing LTC’s efforts over the past year, and more thoroughly discussed in **Exhibit “H-1”**. Once Director Stramecki completed his discussion, Mr. Oxford referred the Board to a draft Fifth Amended and Restated Professional Services Agreement and advised the Board of the changes. He also confirmed that LTC had reviewed the agreement and approved the changes. (*See Exhibit “H-2”*).

	<b>Number of Homes</b>	<b>Fee per Home</b>	<b>Monthly Total</b>	<b>Annual Total</b>
<b>Current</b>	24	\$5,500	\$132,500	\$1,584,000
<b>Year 4</b>	25	\$6,000	\$150,000	\$1,800,000
<b>Difference</b>	<b>1</b>	<b>\$500</b>	<b>\$15,000</b>	<b>\$216,000</b>

Per Director Stamecki and Director Way, they felt that increase was reasonable and suggested the Board approve the request. President Murrell agreed and thereafter, a motion was made by Director Stramecki, to authorize the President to execute the Fifth Amended and Restated Professional Services Agreement t with the LTC Group for Year 4 that increases the amount paid per home from \$5,500.00 to \$6,000.00. This motion was seconded by Director Way and approved with the unanimous vote of all the Board members present.

**13. Discuss and take-action, if necessary, on making the second Intergovernmental Transfer (“IGT”) commitment due for the first half the Quality Incentive Payment Program (“QIPP”) Year 4.**

Attorney Oxford reminded the Board that they approved an IGT for half of the initial QIPP Year 4 IGT at the April 2020 meeting. The second half of the initial QIPP Year 4 IGT was due at the beginning of August 2020 and he requested that the Board authorize staff to fund the IGT in the amount of \$6,042,712.83

Upon receiving this request, Director Stramecki made a motion to authorize the IGT in the amount of \$6,042,712.83 for the second half of the initial to participate



in QIPP Year 4 IGT. This motion was seconded by Director Way and approved with the unanimous vote of all the Board members present.

**14. Discuss and take-action, if necessary, on approving Loan 17b with Salt Creek Capital for the purpose of assisting with Nursing Home Operations.**

Attorney Oxford asked the Board members to turn to the loan documents for Loan 17b 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 “I”). The Loan documents consist of a Short-Term Promissory Note, Security Agreement, and Depository Account Control Agreement. Unlike previous loans, this loan was for eight months starting on August 1, 2020 with monthly interest payments of \$84,597.98 due on the thirtieth (30<sup>th</sup>) of each month and a balloon payment due on March 31, 2021.

After discussing the loan and the terms, a motion was made by Director Stramecki, to authorize the President to execute the Loan 17b agreements set forth in Exhibit “I”. This motion was seconded by Director Way and approved with the unanimous vote of all the Board members present.

**10. Discuss and take-action on awarding financial assistance to the Hospital with operations.**

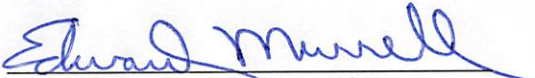
President Murrell called the Board into Executive Session pursuant to Chapter 551.085 of the Texas Government Code-Health Care Services at 7:32 p.m. Representatives of the Hospital were asked to attend the Executive Session. The Board returned from Executive Session at 9:21 p.m. and announced that no action was taken in the Executive Session.

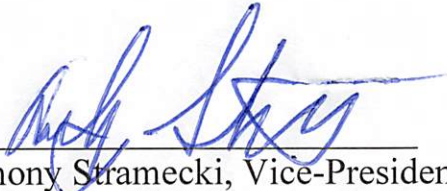
Upon returning from Executive Session, President Murrell explained that the Hospital requested funding for operations to assist with revenue shortfalls during the Covid-19 crisis; partial payment for a doctor hired by the Hospital to rotate amongst their various facilities; and funding for ventilators and a Covid-19 testing machine.

In addition, President Murrell explained that the equipment request was made because the District's Rural Health Facility Capital Improvement Program (CIP) Application Grant on behalf of the Hospital was denied. He then informed the Hospital that the Board discussed their request and given the need to have funds available in December 2020 for the second IGT for QIPP Year 4, the Board agreed to fund the purchase of the equipment upon proof that the equipment had been installed and was operational.

Thereafter, Director Stramecki, made a motion to approve the payment request for the ventilators and Covid-19 testing machine to be paid upon receipt of invoices and installation and operation of the equipment. This motion was seconded by Director Way and approved with the unanimous vote of all the Board members present.

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 August 19, 2020 at 6:00 p.m. at the new offices located at 520 Broadway, Winnie Tx 77665. Thereafter, at 9:30 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