

# Exhibit “A”

## FIRST AMENDED INDIGENT CARE SUPPORT AGREEMENT

THIS INDIGENT CARE SUPPORT AGREEMENT ("Agreement"), effective as of January 1, 2020 (the "Effective Date"), is by and between Winnie-Stowell Hospital District ("District") and Winnie Community Hospital, LLC ("Hospital"). District and Hospital are sometimes referred to in this Agreement, individually, as a "Party" or, together, as the "Parties."

WHEREAS, the District is located in eastern portion of Chambers County, Texas and its boundaries area include the zip codes 77665 and 77666 (i.e., the communities of Winnie and Stowell, Texas.)

WHEREAS, the population of Chambers County, Texas is 43,837 according to the U.S. Census Bureau (See <https://www.census.gov/quickfacts/chamberscountytexas>).

WHEREAS, the population within the District that is served by the Hospital is approximately 4,619. (See <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF> and [https://factfinder.census.gov/faces/nav/jsf/pages/community\\_facts.xhtml](https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml)).

WHEREAS, the eastern portion of Chambers County is not delineated as urbanized by the federal census bureau.

WHEREAS, the District is "voter approved" hospital district established in April of 2004 under the authority of Article 9, Section 9 of the Texas Constitution and Chapter 286 of the Texas Health & Safety Code, and is subject to the terms and conditions of the Texas Indigent Healthcare and Treatment Act (Texas Health & Safety Code Ch. 61) (collectively, the "Authorizing Legislation");

WHEREAS, pursuant to the Authorizing Legislation, the District is obligated to assume full responsibility for providing medical and hospital care for its Indigent inhabitants. See Tex. Const. Art. IX, § 9 (2014) (emphasis added); Tex. Att'y Gen. Op. No. JM-858 (1988); and Tex. Att'y Gen. Op. No. JC-0220 (2000).

WHEREAS, Authorizing Legislation states that the District "shall assume full responsibility for operating hospital facilities and for furnishing medical and hospital care for the district's needy inhabitants and the District, without charge shall supply to a patient residing in the district the care and treatment that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay." See Tex. Health & Safety Code §§ 286.073, 286.082, and 61.052(a).

WHEREAS, District is empowered by Chapter 61 of the Texas Health and Safety Code (the "Indigent Healthcare and Treatment Act") to enter into contracts relating to or arranging for the provision of such healthcare services.

WHEREAS, pursuant to Texas Attorney General Opinion No. JC-0220 and as modified by Texas Attorney General Opinion No JC-0434, the Texas Attorney general has interpreted the "Authorizing Legislation" as permitting a duly formed hospital district to provide hospital and medical care to its Indigent and needy inhabitants through a contract with a private hospital system,

and to compensate such system through payment of subsidies and other amounts, without violating the Authorizing Legislation or other laws. *See* Tex. Att'y Gen. Op. No. JC-0220 (2000) and JC-0434 (2001).

WHEREAS, the Hospital, located in Winnie, Texas, has been designated as the District's mandated provider as allowed in Section 61.030 of the Texas Health and Safety Code.

WHEREAS, at the March 24, 2020 Regular Meeting, the District's Board voted unanimously to approve the Hospital's request for \$450,000.00 to assist the Hospital with operational costs because of financial hardships caused by CORID 19 (Coronavirus) subject to an agreement that: 1) \$196,669.35 be declared as payment in full for Indigent Care in 2020; and 2) the Excess Funds be repaid by December 31, 2020 using Stimulus Payments or, if the Hospital certifies that the Excess Funds cannot be repaid from any Stimulus Proceeds, then the Excess Funds will be credited to the 2021 payment of this Agreement.

WHEREAS, since the creation of the District in May 2004, the Hospital District and the current and previous owners of the Winnie Community Hospital have been closely connected. Specifically, because of this close connection, Winnie Stowell Hospital District has, among other things:

1. Assisted with the repayment of student loans by doctors and other healthcare staff working for the Hospital.
2. Donated \$500,000.00 in credits received by providing funding for hospital operations from February 2013 to April 2014 to ensure Hospital remained open after the prior owner of the Hospital, LLC, Frontier Healthcare Group, LLC, was sued by the federal government in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division due to the failure to pay federal payroll taxes. (*See In Winnie Community Hospital, LLC; Frontier Healthcare Group, LLC Case No. 12-46841-DML-11*);
3. Paid \$2,000,000.00 to the Hospital for Indigent Care.
4. From 2013 to the present, the District has served as the Hospital's governmental entity partner in the 1115 Waiver Program by spending \$3,771,849.40 in public funds on Intergovernmental Transfers so that the Hospital could receive \$8,896,546.85 in Uncompensated Care payments.
5. Paid \$450,000.00 to assist the Hospital with operational costs because of financial hardships caused by COVID 19 (Coronavirus).

6. Combined, the District has paid the Hospital or paid for the benefit of the Hospital \$6,721,849.40 since 2013 and these payments have returned \$11,846,546.85 to the Hospital during this same period.

<b>Year</b>	<b>Amount Paid</b>	<b>Amount Received</b>	<b>Average Paid 2015-2019</b>
<b>2013</b>	\$1,378.92	\$3,388.01	
<b>2014</b>	\$747,887.50	\$1,106,481.54	
<b>2015</b>	\$2,132,619.37	\$2,319,229.83	
<b>2016</b>	\$513,028.19	\$1,207,544.73	
<b>2017</b>	\$495,526.98	\$1,130,823.79	
<b>2018</b>	\$1,004,981.01	\$2,330,660.25	
<b>2019</b>	\$1,338,165.94	\$3,200,588.24	
<b>2020</b>	\$488,261.49	\$547,830.46	
<b>Total</b>	<b>\$6,721,849.40</b>	<b>\$11,846,546.85</b>	<b>\$1,882,554.73</b>

WHEREAS, District has determined that this Agreement is in the best interest of District and its residents and is necessary to enable District to fulfill its obligations to provide for the provision of healthcare services to indigent and needy residents of the District.

WHEREAS, the District and the Hospital agree that the amendments to the Indigent Care Agreement are necessary to adopt a formula to establish the annual Fair Market Value for healthcare services provided by the Hospital and to specify the form of monthly invoices and supporting documents to be provided each month with the invoices.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

**1. DEFINITIONS.**

- a. Excess Funds: Unallocated monies totaling \$253,330.65 remaining from the \$450,000.00 approved by the District following the March 24, 2020 Regular Meeting after this Agreement is paid in full.
- b. Indigent. As used in this Agreement, "Indigent" shall mean at any time a person who has been accepted to be a participant in the District's Indigent Program in accordance with the Indigent Healthcare Policy & Procedures Statement adopted by the District's Board on June 20, 2019, or subsequent versions of the Policy ("District's Indigent Policy & Procedure Statement"), a copy of which shall be provided to Hospital upon execution of this Agreement, and thereafter within ten (10) days following any amendment thereto. The District acknowledges that the Hospital's commitments hereunder have been determined based upon the current definition of "Indigent" utilized by District and the anticipated financial impact thereof, and that a change

in the definition which results in expanded coverage for District residents could have significant negative financial implications for the Hospital. As such, the Parties agree that any change to the definition of "Indigent" adopted by District after the Effective Date of this Agreement which would materially increase the number of individuals who qualify for Healthcare Services hereunder and/or the financial burden to Hospital of providing Healthcare Services to such Individual hereunder must be consented to by Hospital, in which case the Parties will meet to discuss the financial burdens created by such change and to negotiate a change in the amount of the subsidy to be provided by the District to offset such additional financial burdens.

- b. Medically Necessary. As used in this Agreement, the term "Medically Necessary" shall mean the services set forth in the District's Indigent Policy & Procedure Statement which, pursuant to the terms and conditions of this Agreement, are determined by the qualified Medical Provider, as may be appropriate in each case, to be:
- i. appropriate and necessary for the symptoms, diagnosis or treatment of the medical conditions of the Indigent presenting himself or herself for treatment;
  - ii. provided for the diagnosis or direct care and treatment of the medical condition of the Indigent presenting himself or herself for treatment;
  - iii. not primarily for the convenience of the Indigent, the Indigent's physician or another Hospital and
  - iv. the appropriate level of service needed to provide safe and adequate care.
- c. Healthcare Services. As used in this Agreement, "Healthcare Services" shall mean those Medically Necessary Healthcare services provided to Indigent residents of this District under 1) WSHD Policy & Procedure Statement in effect on the date of this Agreement; 2) Chapter 61 of the Texas Health and Safety Code; 3) the Rules of the Texas Department of Health and Human Services promulgated thereunder; or any other Healthcare Services provided by Riceland Hospital. However, the Hospital shall not be obligated to provide any service which Hospital does not offer and which Hospital does not otherwise make available to non-Indigent Hospital patients (whether under an arrangement with third party providers or otherwise).
- d. Medicaid Payment Amounts: Actual cost of Healthcare Services provided to the District's Indigent using the cost guidelines set forth in the District's Indigent Care Policy & Procedures; Chapter 61 of the Texas Health and Safety Code; and any rules or regulations promulgated by the Texas Health and Human Services Commission.
- e. Medical Provider. As used in this Agreement, the term "Medical Provider" shall mean, an individual licensed by the State of Texas to practice medicine within the scope of his or her license. These professionals may or may not be under contract with Hospital for the delivery

of Healthcare Services. Hospital may appoint a "Medical Director" from a licensed Medical Provider in the District to help monitor the nature and quality of Healthcare Services rendered to Indigents.

- f. Resident. As used in this Agreement, the term "resident" means a person who has satisfied the residency requirements set forth in the WSHD's Indigent Policy & Procedure Statement.

## 2. STATEMENT OF PURPOSE.

The Parties acknowledge that the Hospital currently provides care to the District's Indigent and significant levels of uncompensated care to District residents (by virtue of the provision of medical care to Indigent patients, as well as the performance of legally-mandated, but unreimbursed, emergency assessment and stabilizing treatment under EMTALA), and that such care has taken, and continues to take, a significant toll upon the Hospital's financial health and ability to both provide basic healthcare services, and to improve and expand the scope and quality of the services it provides. By this Agreement, the District intends to provide reasonable financial support to the Hospital for the purpose of offsetting the Hospital's cost to care for: 1) the District's residence who are participating in the District's Indigent Care Program pursuant to the District's Indigent Policy & Procedure Statement. As such, the District has determined that the financial support to be provided to the Hospital is 1) reasonable in light of the medical needs of the District's Indigents; and 2) consistent with and in furtherance of the District's obligations to provide, or arrange for the provision of medical care for the Indigents.

## 3. RESPONSIBILITIES OF HOSPITAL

- a. Provision of Healthcare Services. Hospital agrees to provide all Medically Necessary Healthcare Services for the District's Indigent during the Term at no charge to such Indigents except as otherwise provided herein. The determination of whether an individual is an "Indigent" eligible to receive Healthcare Services hereunder shall be made by the District in accordance with the District's Indigent Policy & Procedure Statement prior to the Hospital providing Medically Necessary Healthcare Services. It is recognized that if any new treatment and diagnostic modalities and programs will become available at the Hospital over the Term, that the District's Indigents will have access to these new services.
- b. Books and Records.
  - i. At all times during the Term, Hospital shall cause accurate books and records of account and medical records to be maintained as are necessary to permit the verification by District of the Healthcare Services provided by Hospital to Indigents.
  - ii. Within ten (10) days from the beginning of each month, the Hospital will deliver to the District with a HIPAA-compliant Invoice for Services that includes the information set forth in Exhibit "A". In addition to the Invoice for Services, the Hospital agrees to simultaneously submit the appropriate claim form for each encounter, which information with only be used by District to confirm the provision of Services to

Indigents and such other purposes as expressly permitted by applicable law (including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 ["HIPAA"] and its implementing regulations). See **Exhibit "B"**.

- iii. Hospital agrees to provide monthly reports to the District's Board concerning previously agreed to metric and highlights of capital projects, staffing, and any other matter of interest to the District's Board.
  - iv. District shall have the right, at District's expense, to inspect, examine, and copy, to the extent permitted by applicable law, such portion of the books, records, files, and other documents maintained by Hospital, other than books, records, files and other documents that constitute confidential, proprietary information of Hospital or are patient records protected from disclosure by law, as are reasonably necessary for District to verify the matters listed in Section 3(b)(i) and (ii) above.
- c. **Hospital License**. Hospital shall use its reasonable best efforts to keep its facilities appropriately licensed by the State of Texas for the provision of healthcare services throughout the Term. Hospital shall provide District with formal documentation of its licenses to provide Healthcare Services and all renewals thereof issued by the State of Texas and shall promptly notify District of any modification, nonrenewal, revocation or suspension thereof.
- d. **Insurance and Additional Insured**. During the Term, Hospital shall, at its sole cost and expense, procure and maintain policies of insurance and/or provide and maintain self-insurance insuring against comprehensive general liability and professional liability for damages directly or indirectly related to the performance of any service provided in this Agreement, and the use of any property and facilities provided by Hospital in connection with this Agreement, in such amounts, on such terms and with such deductibles as are then commonly maintained by Hospitals with facilities and operations similar to those of Hospital. To the extent that the Parties determine that it is economically feasible, **the Hospital will name the District as an Additional Insured, to the Hospital's comprehensive general liability and professional liability insurance policies** and from time to time, Hospital will furnish District with certificates evidencing such insurance and/or self-insurance; and Hospital shall promptly advise District of any change in the insurance and/or self-insurance maintained by Hospital.
- e. **Non-Discrimination**. Hospital shall not discriminate in the provision of Healthcare Services to any person on the basis of such person's status as an Indigent. Hospital shall require any subcontractor that provides Healthcare Services to include in its subcontract with Hospital (i) a nondiscrimination clause similar to the language contained in this Section 3(e) and (ii) a covenant to include such a clause in any subcontract between such subcontractor and any of its subcontractors that provide Healthcare Services.
- f. **Regulatory Requirements**. Hospital will operate its facilities at all times in compliance with federal, state and local law, rules and regulations, and all accepted and approved methods and practices of medicine for Healthcare Services rendered to Indigents.

- g. Medicare and Medicaid Participation. Hospital will use its best efforts to cause its facilities to be qualified for participation in Medicare and Medicaid programs and any successor programs and will maintain such qualifications throughout the Term.

#### 4. REPRESENTATIONS AND WARRANTIES OF HOSPITAL

As of the date hereof, Hospital represents and warrants to the District the following:

- a. Capacity. Hospital is a limited liability company duly organized and validly existing under the laws of the State of Texas with all requisite corporate power and authority to own, operate and lease its properties and to carry on its businesses as now being conducted.
- b. Authorization: Absence of Conflicts: Contract Binding.
- i. The execution, delivery and performance by Hospital of this Agreement:
    - a) are within Hospital's corporate powers, are not in contravention of the terms of Hospital's Articles of Incorporation, Bylaws or any amendments thereto and have been duly authorized and approved by the board of directors and shareholder of Hospital as and to the extent required by Hospital's Articles of Incorporation and Bylaws and applicable law; and
    - b) will not: (1) result in any breach of any indenture, agreement, lease or instrument to which Hospital is a party or by which Hospital or its assets is bound; (2) constitute a violation of any judgment, decree or order of any court of competent jurisdiction applicable to Hospital; (3) will not violate any law, rule or regulation of any governmental authority applicable to Hospital or its assets; and (4) require any consent, approval or authorization of, or notice to, or declaration, filing or registration with, any governmental or regulatory authority.
  - ii. This Agreement has been duly and validly executed and delivered by Hospital and constitutes the valid, legal and binding obligation of Hospital, enforceable against Hospital in accordance with its terms.

#### 5. REPRESENTATIONS AND WARRANTIES OF DISTRICT

- a. Authority to Contract. The District represents and warrants that it has the legal authority to enter into this Agreement and make the payments specified herein. The District further represents and warrants that it has successfully completed all required administrative procedures to approve and has successfully secured all approvals of any kind required for full performance by both parties under this Agreement and the subsidies and expenditures required hereunder, and that it has obtained all necessary opinions of counsel regarding the legality of its commitments hereunder.
- b. Legal Advice. Parties under this Agreement and the subsidies and expenditures required



hereunder, and that it has obtained all necessary opinions of counsel regarding the legality of its commitments hereunder.

## 6. PAYMENT OBLIGATIONS

- a. **Payment.** The District shall pay an annual payment to the Hospital for the Medically Necessary Healthcare Services rendered to the District's Indigent based on the average annual fair market value of the Medicaid Payment Amount for the services rendered. For purposes of this Section 6, the fair market value of the Medicaid Payment Amount shall be established by applying the following formula:
- i. 1) Establish the annual cost of Medicaid Payment Amounts per year for the previous five (5) years;
  - ii. 2) Drop the highest and lowest years; and
  - iii. 3) Average the remaining three years.

Attached as **Exhibit "C"** (WSHD Indigent Care Healthcare Cost) is a chart outlining the calculation of the 2020 \$196,669.35 annual payment.

The Parties agree that the scheduled \$196,669.35 Indigent Care due to the Hospital for 2020 has been paid in full for 2020.

On or before December 31, 2020, the Hospital agrees to repay the Excess Funds from loans and/or grants guaranteed by the Federal Government or State of Texas as part of a coronavirus stimulus package ("Stimulus Payments"). If the Hospital is unable repay the Excess Funds using Stimulus Payments, the Hospital will certify that it has not received sufficient Stimulus Payments to repay the Excess Funds and the Excess Funds shall be applied to the 2021 Indigent Care payment.

Once the Excess Funds are depleted, the Hospital District will make its annual Indigent Care payment in monthly installments.

- b. The amount of the annual payments shall be determined and approved by the District's Board during the annual meeting immediately following the publicly noticed budget workshop or at the first monthly meeting of the District's fiscal year. The Parties acknowledge that the annual payments are intended to support the Hospital's provision of medical care to Indigents of the District by compensating the Hospital for care rendered to such Indigents. Furthermore, if the Parties agree once the annual payment is established, the District can pay the annual payment in monthly increments.

## 7. AMENDMENTS TO INDIGENT CARE POLICY, and INDIGENT CARE DIRECTOR

- a. **Amendments to District's Indigent Policy & Procedure Statement.** The Parties to agree that before any changes to the District's Indigent Policy and Procedure Statement are adopted by

the District's Board that could increase the District's Indigent responsibilities, the District will secure approval from the Hospital on any amendments.

## **8. TERM AND TERMINATION**

- a. Term. This Agreement is for a Term of twelve (12) months commencing on the Effective Date and shall continue from year to year subject to the approval of the District's Board of an annual payment. If the District's Board does not adopt an annual payment, then the Agreement shall terminate within thirty (30) days after the Board fails to adopt an annual payment.
- b. Termination. This Agreement may be terminated for cause at any time during the Term upon ninety (90) calendar days prior written notice to the other party if the party to whom such notice is given has materially breached or otherwise failed to fulfill its obligations hereunder, including the failure to fulfill any obligation which is found to be unenforceable. The party claiming the right to terminate shall set forth in the notice the facts underlying its claim that the other party is in material breach or non-fulfillment of this Agreement and shall expressly state that the notice constitutes a termination notice under this Section. Should the alleged breach or non-fulfillment be remedied within said 90-day period (to satisfaction of non-breaking party or, if such breach or non-fulfillment cannot be cured within such 90-day period but remedial efforts shall be commenced within such period and diligently pursued, the cure period shall be extended for an additional period as may be necessary to cure such breach or non-fulfillment; however, in no event such breaching or non-fulfilling party have more than 120 days to cure such breach), the Agreement shall continue without interruption for the remaining Term. If Hospital shall breach this Agreement by failure to provide Healthcare Services to any one or more Indigents, then District shall have the right to withhold and/or recoup from Hospital such portion of the payments due or previously paid to Hospital under Section 6 as are equal to the charges for the Healthcare Services failed to be provided by Hospital.
- c. Survival. All accrued but unperformed obligations of either party shall survive termination or expiration of this Agreement. All rights and obligations of either party for indemnification hereunder arising out of or in connection with matters occurring within the Term shall survive the termination or expiration of this Agreement.

## **9. RELATIONSHIP BETWEEN THE PARTIES**

- a. District and Hospital. The relationship between District and Hospital is a contractual relationship between independent contractors. Neither is an agent or employee of the other. Nothing herein shall preclude District from contracting with any other Hospital to provide Healthcare services to Indigents.
- b. Hospital and Indigent. The relationship between Hospital and any Indigent is that of healthcare facility and patient. District agrees that it shall not interfere with the independent professional judgment of Hospital and Hospital's employees, agents, affiliates, associates or independent contractors, nor interfere with the relationships between any Medical Provider practicing at the

District and any patient of any such Medical Provider, and between any such Medical Provider and the District.

- c. **INDEMNIFICATION - HOSPITAL.** HOSPITAL AGREES TO INDEMNIFY AND HOLD DISTRICT HARMLESS FROM AND AGAINST ALL CLAIMS, ACTIONS AND PROCEEDINGS (I) ARISING OUT OF OR IN CONNECTION WITH ANY BREACH OR NONPERFORMANCE OF ANY REPRESENTATION, COVENANT OR AGREEMENT BY HOSPITAL HEREUNDER, (II) MADE BY ANY INDIGENT PERSON DETERMINED ELIGIBLE BY THE DISTRICT TO RECEIVE HEALTHCARE SERVICES WHO ALLEGES THAT SUCH HEALTHCARE SERVICES WERE DENIED OR IMPROPERLY RENDERED BY THE HOSPITAL, OR (III) BY ANY MEDICAL PROVIDER, OR PAYOR ALLEGING DENIAL OF PAYMENT FOR HEALTHCARE SERVICES RENDERED IN THE HOSPITAL. THE FOLLOWING PROCEDURE SHALL APPLY WITH RESPECT TO ANY CLAIMS OR PROCEEDINGS COVERED BY THE FOREGOING AGREEMENT TO INDEMNIFY AND HOLD HARMLESS:
- I. DISTRICT SHALL GIVE WRITTEN NOTICE TO HOSPITAL PROMPTLY AFTER DISTRICT LEARNS OF THE CLAIM OR PROCEEDING; PROVIDED THAT THE FAILURE TO GIVE SUCH NOTICE SHALL NOT RELIEVE HOSPITAL OF ITS OBLIGATIONS HEREUNDER PROVIDED DISTRICT USES ITS BEST EFFORTS TO MITIGATE DAMAGES AND EXCEPT TO THE EXTENT HOSPITAL IS ACTUALLY DAMAGED THEREBY;
  - II. WITH RESPECT TO ANY THIRD-PARTY CLAIMS OR PROCEEDINGS AS TO WHICH DISTRICT IS ENTITLED TO INDEMNIFICATION, HOSPITAL SHALL HAVE THE RIGHT TO SELECT AND EMPLOY COUNSEL OF ITS OWN CHOOSING TO DEFEND AGAINST ANY SUCH CLAIM OR PROCEEDING, TO ASSUME CONTROL OF THE DEFENSE OF SUCH CLAIM OR PROCEEDING, AND TO COMPROMISE, SETTLE OR OTHERWISE DISPOSE OF THE SAME, IF HOSPITAL DEEMS IT ADVISABLE TO DO SO, ALL AT THE EXPENSE OF HOSPITAL; PROVIDED, HOWEVER THAT DISTRICT MAY EMPLOY COUNSEL, OF ITS OWN CHOOSING, AT ITS SOLE EXPENSE. THE PARTIES WILL FULLY COOPERATE IN ANY SUCH ACTION, AND SHALL MAKE AVAILABLE TO EACH OTHER ANY BOOKS OR RECORDS USEFUL FOR THE DEFENSE OF ANY SUCH CLAIM OR PROCEEDING. DISTRICT MAY ELECT TO PARTICIPATE IN THE DEFENSE OF ANY SUCH THIRD-PARTY CLAIM, AND MAY, AT ITS SOLE EXPENSE, RETAIN SEPARATE COUNSEL, IN CONNECTION THEREWITH. SUBJECT TO THE FOREGOING DISTRICT SHALL NOT SETTLE OR COMPROMISE ANY SUCH THIRD-PARTY CLAIM WITHOUT THE PRIOR CONSENT OF HOSPITAL, WHICH CONSENT SHALL NOT BE UNREASONABLY WITHHELD. INDEMNIFICATION SHALL BE DUE ONLY TO THE EXTENT OF THE LOSS OR DAMAGE ACTUALLY SUFFERED (I.E. REDUCED BY ANY OFFSETTING OR RELATED ASSET OR SERVICE RECEIVED AND BY ANY RECOVERY FROM ANY THIRD PARTY, SUCH AS AN INSURER).
- d. **INDEMNIFICATION - DISTRICT.** TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE DISTRICT AGREES TO INDEMNIFY AND HOLD HOSPITAL HARMLESS FROM AND AGAINST ALL CLAIMS, ACTIONS AND PROCEEDINGS (I) ARISING OUT OF OR IN CONNECTION WITH ANY BREACH OR NONPERFORMANCE OF ANY REPRESENTATION, COVENANT OR AGREEMENT BY DISTRICT HEREUNDER; OR (II) ARISING OUT OF OR RELATING TO THE ALLEGED BREACH BY

**DISTRICT OF THE AUTHORIZING LEGISLATION OR OTHERWISE, INCLUDING ANY CLAIMS THAT ALLEGE THE DISTRICT WAS NOT AUTHORIZED TO ENTER INTO AND/OR PERFORM UNDER THIS AGREEMENT.**

**10. MISCELLANEOUS**

- a. Duty to Cooperate. The Parties acknowledge that the Parties' mutual cooperation is critical to the ability of Hospital to perform its duties hereunder.
- b. Arms' Length Transaction. District and Hospital acknowledge and agree that all amounts payable to Hospital under this Agreement represent amounts negotiated between the Parties in arms' length negotiations.
- c. Severability. Each provision of this Agreement is intended to be severable. If any term or provision hereof shall be determined by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such provision shall be severed from this Agreement and shall not affect the validity of remainder of this Agreement.
- d. Waiver; Consents. No consent or waiver, express or implied, by either party hereto or of any breach or default by the other party in the performance by the other of its obligations hereunder shall be valid unless in writing, and no such consent or waiver shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligations of such party hereunder. Failure on the part of either party to complain of any act or failure to act of the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder. The granting of any consent or approval in any other instance by or on behalf of any party hereto shall not be construed to waive or limit the need for such consent in any other or subsequent instance.
- e. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Texas, and venue for any disputes between the Parties shall be exclusively the District courts of Chambers County.
- f. Force Majeure. Each party shall be excused for failures and delays in performance of its respective obligations under this Agreement due to any cause beyond the control and without the fault of such party, including without limitation, any act of God, war, riot or insurrection, law or regulation, strike, flood, fire, explosion or inability due to any of the aforementioned causes to obtain necessary labor, materials or facilities. This provision shall not, however, release such party from using its best efforts to avoid or remove such cause and such party shall continue performance hereunder with the utmost dispatch whenever such causes are removed. Upon claiming any such excuse or delay for non-performance, such party shall give prompt written notice thereof to the other party, provided that failure to give such notice shall not in any way limit the operation of this provision.
- g. Remedies. All rights, powers and remedies granted to either party by any particular term of

this Agreement are in addition to, and not in limitation of, any rights, powers or remedies which it has under any other term of this Agreement, at common law, in equity, by statute, or otherwise. All such rights, powers and remedies may be exercised separately or concurrently, in such order and as often as may be deemed expedient by either party. No delay or omission by either party to exercise any right, power or remedy shall impair such right, power or remedy or be construed to be a waiver of or an acquiescence to any breach or default. A waiver by either party of any breach or default hereunder shall not constitute a waiver of any subsequent breach or default.

- h. Law Change. Notwithstanding any other provisions of this Agreement, if the governmental agencies (or their representative) which administer Medicare or Medicaid, or any other payor, or any other Federal, state or local government or agency passes, issues or promulgates any law, rule, regulation, standard or interpretation at any time while this Agreement is in effect which prohibits, restricts, limits, or in any way materially affects either party's rights or obligations hereunder, either party may give the other party notice of intent to amend this Agreement in a fashion that is equitable to each party considering such prohibition, restriction, limitation or change, and the Parties shall negotiate in good faith to accomplish such amendment. If agreement on the amendment is not reachable, then such law, rule, regulation, standard or interpretation shall supplement this Agreement and become binding on the Parties, without thereby relieving the Parties of any contractual duty required of it hereunder.
- i. Government Access. Upon the written request of the Secretary of Health and Human Services or the Comptroller General or any of their duly authorized representatives, Hospital will make available those contracts, books, documents, and records necessary to verify the nature and extent of the costs of providing services under this Agreement. Such inspection shall be available up to four (4) years after the rendering of such services. If Hospital carries out any of the duties of this Agreement through a subcontract with a value of \$10,000.00 or more over a 12-month period with a related individual or organization, Hospital agrees to include this requirement in any such subcontract. This Section is included pursuant to and is governed by the requirements of Public Law 96-499, Sec. 952 (Sec. 1861(v) (1) (I) of the Social Security Act) and the regulations promulgated thereunder. No attorney-client, accountant-client or other legal privilege will be deemed to have been waived by any party hereto by virtue of this Agreement.
- j. Assignment. No party hereto shall have the right to assign or delegate this Agreement, or any portion hereof, without the prior written approval of the other party.
- k. Successor in Interest. All of the rights, benefits, duties, liabilities, and obligations of the Parties hereto shall inure to the benefit of and be binding upon the Parties and all successors and assigns. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provisions of this Agreement; this Agreement and conditions and provisions hereof being intended to be and being for the sole exclusive benefit of the Parties hereto, their permitted successors and assigns and for the benefit of no other person.

- l. Modification of Agreement. This Agreement constitutes the entire agreement between the Parties hereto relating to the subject matter of this Agreement. To be effective, any modification of this Agreement must be in writing and signed by the party to be charged thereby.
- m. Headings. The headings of the Sections and Articles of this Agreement are inserted for convenience of reference only and shall not in any manner affect the construction or meaning of anything herein contained or govern the rights or liabilities of the Parties hereto.
- n. Notices. All notices, requests, and communications required or permitted hereunder shall be in writing and shall be sufficiently given and deemed to have been received upon personal delivery or delivery by overnight courier or, if mailed, upon the first to occur of actual receipt or seventy-two (72) hours after being placed in the United States mail, postage prepaid, registered or certified mail, receipt requested, or e-mail addressed to the Parties as follows:

District: Mr. Edward Murrell  
Chairman  
Winnie-Stowell Hospital District  
P.O. Box 1997  
Winnie, Texas 77665  
E-mail: emurrell@wshd-tx.com

Hospital: Tahir Javed  
Chief Executive Office  
Winnie Community Hospital, LLC  
538 Broadway  
Winnie, Texas, 77665  
E-mail: ceo@starcoimpex.com

Notice of a change in address of one of the Parties shall be given in writing to the other party as provided above but shall be effective only upon actual receipt.

- o. Nondiscrimination. District and Hospital will not discriminate on the basis of race, sex, age, religion, national origin, or handicap in providing services under this Agreement or in the selection of employees or independent contractors.
- p. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be one and the same instrument.
- q. Non-Exclusive Arrangement. This Agreement shall not require District to use the services and facilities provided by Hospital as the exclusive source of Healthcare Services for Indigents, nor shall Hospital be prohibited hereunder from contracting with other entities for the provision of services.
- r. Expenses. If either party hereto fails to pay or perform its obligations hereunder, and if the

other party hereto obtains the services of an attorney for enforcement of such obligations and suit is filed to enforce such obligations, or if proceedings are had in any bankruptcy, probate, receivership or other judicial proceedings for the establishment or enforcement of such obligations, or if any amount owing by either party hereunder is collected through such proceedings, the Parties agree that the losing party shall pay the prevailing party's reasonable attorneys' fees and expenses in connection with such matter.

- s. Compliance with Applicable Federal and State Law. The Parties enter into this Agreement with the intent of conducting their relationship in full compliance with applicable state, local, and federal law including the federal law commonly known as the Stark Law, the Medicare and Medicaid Anti-Fraud and Abuse law, and the Texas Occupations Code Anti-Patient Solicitation law. Neither Party will intentionally conduct itself under the terms of this Agreement in a manner to constitute a violation of such laws.

IN WITNESS WHEREOF, the Parties have hereunto set their hand as of the day and year first above written.

**HOSPITAL:**

WINNIE COMMUNITY HOSPITAL

By: 

Name: Tahir Javed

Title: CFO

**DISTRICT:**

WINNIE-STOWELL HOSPITAL DISTRICT

By: 

Name: Edward Murrell

Title: President

**Exhibit "A"**  
**Invoice for Services**



**Exhibit "B"**  
**Medical Billing Forms**

**Exhibit "C"**  
**2015-2019 WSHD Indigent Care Healthcare Cost**

<b>Winnie Community Hospital Cost</b>					
<b>Year</b>	<b>Number of Clients</b>	<b>WCH Amount Billed</b>	<b>WCH Amount Paid</b>	<b>Avg. Per Client Cost/Billed</b>	<b>Avg. Per Client Cost/Paid</b>
2015	47	\$150,742.36	\$70,744.36	\$3,207.28	\$1,505.20
2016	62	\$271,329.79	\$111,290.43	\$4,376.29	\$1,795.01
2017	61	\$520,406.20	\$214,062.41	\$8,531.25	\$3,509.22
2018	61	\$638,848.11	\$264,655.20	\$10,472.92	\$4,338.61
2019	69	\$755,761.37	\$309,326.39	\$9,105.56	\$3,726.82
<b>2015-2019 Avg. (3 Years)</b>	<b>61.33</b>	<b>476,861.37</b>	<b>196,669.35</b>	<b>7,793.49</b>	<b>3,214.28</b>

# Exhibit “B”



## **Texas State of Office of Rural Health**

2020 Rural Health Facility Capital Improvement Program (CIP)

### **Application Guide**

## **Table of Contents**

Instructions for Submitting Application	3
Program Rules and General Information	4
Application Review and Selection	8
Application Instructions	10
Administrative Information	13

## INSTRUCTIONS FOR SUBMITTING APPLICATION

The application procedures for the 2020 Rural Health Facility Capital Improvement Program (CIP) are included in this Application Guide. The procedures in this application guide supersede those published in all previous CIP application guides.

The deadline for all 2020 CIP applications is 5:00 p.m. C.T. on **March 20, 2020**. The online application form should be completed and submitted by the deadline date for an applicant to be considered for funding.

Ensure the information provided in the online application form is accurate and complete before submitting. Only one application per applicant/facility is allowed.

The 2020 CIP online application form can be accessed using the following links:

<http://www.texasagriculture.gov/GrantsServices/CapitalImprovement.aspx>

[2020 CIP Application Form](#)

**Please read all materials before preparing and submitting the online application form.** Failure to follow the instructions and requirements described in these guidelines may result in the disqualification of the application.

For questions regarding submission of the application and/or Texas Department of Agriculture (TDA) requirements, please contact your Texas State Office of Rural Health (SORH) Regional Coordinator:

Maria Bustamante:	<a href="mailto:Maria.Bustamante@TexasAgriculture.gov">Maria.Bustamante@TexasAgriculture.gov</a>
Kathy Johnston:	<a href="mailto:Kathy.Johnston@TexasAgriculture.gov">Kathy.Johnston@TexasAgriculture.gov</a>
Trish Rivera:	<a href="mailto:Trish.Rivera@TexasAgriculture.gov">Trish.Rivera@TexasAgriculture.gov</a>
Robert Shaw:	<a href="mailto:Robert.Shaw@TexasAgriculture.gov">Robert.Shaw@TexasAgriculture.gov</a>
Shari Wyatt:	<a href="mailto:Shari.Wyatt@TexasAgriculture.gov">Shari.Wyatt@TexasAgriculture.gov</a>

You may also call (512) 463-0018 or email [RuralHealth@TexasAgriculture.gov](mailto:RuralHealth@TexasAgriculture.gov) if you need immediate assistance.

## PROGRAM RULES AND GENERAL INFORMATION

This application guide contains the requirements that all applicants are required to meet to be eligible for funding. Failure to conform to these requirements may result in the disqualification of the application. Each applicant is solely responsible for the preparation and submission of an application in accordance with the instructions in this application guide.

### Statement of Purpose

The Rural Health Facility Capital Improvement Program (CIP) provides funding for rural public and non-profit hospitals to make capital improvements to existing facilities, construct new health facilities, or to purchase capital equipment.

### Eligible Applicants

Eligible applicants for CIP include public and non-profit hospitals located in rural counties as defined in Section 487.301 of the Texas Government Code:

- (1) "Public hospital" - a general or special hospital licensed under Chapter 241, Texas Health and Safety Code, that is owned or operated by a municipality, county, municipality and county, hospital district, or hospital authority, and that performs inpatient and outpatient services.
- (2) "Rural County" - a county that has a population of 150,000 or less; or with respect to a county that has a population of more than 150,000 and contains a geographic area that is not delineated as urbanized by the federal census bureau, that part of the county that is not delineated as urbanized.

### Award Amount

Award amounts shall not exceed **\$75,000**.

### Match

Applicants are required to commit a minimum of **25% match of CIP funds requested**. For example, if requesting \$75,000 in CIP funding, an applicant must commit to a match of \$18,750 for a total project cost of \$93,750. Matching funds must be reflected within the application and must be associated with the same proposed project activities as the requested CIP funding.

## Calculating CIP Grant Amount & Matching Funds

<p><b>For total project costs less than \$93,750:</b></p> <ul style="list-style-type: none"><li>• Calculate by dividing the total project cost by 1.25. The resulting number will be the CIP grant amount. The difference between this number and the total project costs will be the amount of required funds to be matched.</li><li>• <b>Example: Total Project Cost = \$65,000</b></li><li>• <math>\\$65,000 / 1.25 = \\$52,000</math> (CIP Grant Amount)</li><li>• <math>\\$65,000 - \\$52,000 = \\$13,000</math> (Matching Funds) (Note: 25% of \$52,000 (CIP grant amount) = \$13,000 matching funds)</li></ul>
<p><b>For total project costs more than \$93,750:</b></p> <ul style="list-style-type: none"><li>• Calculate by subtracting \$75,000 (the maximum CIP grant amount) from the total project costs. The resulting number will be the amount of required funds to be matched.</li><li>• <b>Example: Total Project Cost = \$200,000</b></li><li>• <b>CIP Grant Amount = \$75,000</b></li><li>• <math>\\$200,000 - \\$75,000 = \\$125,000</math> (Matching Funds)</li></ul>

## Certification of Project and Matching Funds

If awarded, CIP grantees receive funding on a cost-reimbursement basis for project costs incurred during the CIP grant period. The Certification of Project and Matching Funds ensures that the entire total project costs amount for the CIP project has been secured and is available if awarded. In *Section I: Certifications and Authorizing Official Signature* of the 2020 CIP application, the applicant will certify that the entire total project cost amount is secure and available by signing in the section provided.

## Proportionate Grant Reduction

The CIP grant requires matching expenditures in an amount equal to or greater than 25% of the awarded grant amount. When awarded, grant recipients will be held accountable for maintaining the required minimum 25% match of the awarded grant amount. In the event the grant recipient's match is reduced below 25%, the Department may proportionally reduce the amount of the CIP grant funds.

## Eligible Uses of Grant Funds

Allowable expenses include activities that further, or sustain, a hospital's ability to provide healthcare. To include:

- Equipment - non-expendable personal property with a unit cost of more than \$5,000 and a useful life of more than one year.
- Contracts for non-medical services - includes, but is not limited to, contracts for designing, engineering, supervising, surveying, and other expenses incidental to the acquisition, construction or improvements of new hospitals.
- Patient transportation - includes, but is not limited to, contracts for patient transportation projects such as the purchase of ambulances.



- Construction - includes, but is not limited to, contracts for any construction on the hospital or outbuildings, remodel projects, and additions.

**NOTE:** Each application **must include** documentation supporting the costs associated with project activities. CIP funds are to be utilized specifically as proposed by an applicant within their application, if awarded. CIP funds **shall not** be utilized to reimburse an applicant for operating expenses, debt retirement, or recruitment/retention of providers.

### **Commitment of Key Personnel**

To ensure the success of the project, key personnel directly impacted by the project should be included and involved with the planning and development of the project. Their involvement is a must to ensure the project is effectively implemented, that it will meet the identified needs, and also guarantee its sustainability. For example, if an applicant has applied for funding to purchase infant warmers, the head of the nursery department would be consulted to certify the need of the equipment and its prolonged use.

Applicants are encouraged to include letters of support from key personnel that express the need of the project and their support.

### **Responsibilities and Accountability of a Grantee**

Grantees must comply with all guidelines and requirements of the CIP program, including compliance with all reporting requirements. Grantees are responsible for the administrative/financial control and management of the grant award. Grantees must ensure they have an adequate accounting system in place and acceptable internal controls to ensure expenditures and reimbursements are reported and maintained for a minimum of three (3) years after the conclusion of the project.

Grantees have full responsibility for the conduct of the project and for the results achieved. Each grantee shall monitor the day-to-day performance of the grant project to assure adherence to statutes, regulations, and grant terms and conditions. Grantees shall carry out the activities described in their scope of work to achieve project goals, objectives, and desired outcomes. Grantees will be accountable for all grant funds and must ensure all funds are used solely for authorized and eligible purposes. Each grantee must ensure:

- Funds are used only for activities covered by the approved project.
- Funds are not used in violation of the restrictions and prohibitions of applicable statutes.
- If applicable, budget and performance reports are completed in a timely manner.

### **Reporting Requirement**

#### *Project Completion Report (PCR)*

Grantees are required to submit a project completion report at the end of the project reflecting the status of the project. Copies of invoices, proof of payment documentation, project photos, and similar items related to the project must be submitted along with the completion report before grant funds will be released.

SORH staff reserves the right to request any and all documentation necessary to ensure compliance with program rules and regulations.

### **Reimbursement Procedures**

Grantees shall receive funding on a cost-reimbursement basis for project costs incurred during the CIP grant period of June 1, 2020, through May 31, 2021. Invoices for purchases outside the project period will not be reimbursed, unless prior approval is issued by the State Office of Rural Health. Once submitted, the PCR shall be reviewed and grant funds will be disbursed.

### **Annual Inventory of Property Report**

Grantees that utilize funds to purchase equipment (non-expendable property with a unit cost of more than \$5,000 and a useful life of more than one year) shall be required to maintain an inventory list of items purchased with grant funds detailing the item's location and condition and shall be made available to TDA upon request.

### **Costs Incurred Prior to Grant Award**

Pre-award costs are those incurred prior to the effective date of the award. If a situation occurs between the grant submission date (March 20, 2020) and the contract start date (June 1, 2020) whereby the applicant is forced to incur project costs such as the purchase of equipment, the applicant **MUST** contact the State Office of Rural Health and receive written approval prior to the purchase. Approval is on a case by case basis and issued based on the necessity of the purchase.

Prior to the contract start date of June 1, 2020, if costs are incurred without prior approval, TDA is not liable for any costs incurred by the applicant.

## APPLICATION REVIEW AND SELECTION

### **Application Review**

Applications received will be reviewed by SORH for completeness. An application may be disqualified for the following reasons which include, but are not limited to:

- Late or Incomplete Application
- Faxed Application
- Applicant is Ineligible
- No documentation supporting the cost associated with the project activities (quotes, estimates, or similar items)

Complete applications will be reviewed by SORH. The applications will be scored and ranked utilizing the scoring criteria.

### **Application Selection and Execution of Contract**

TDA shall determine the final funding amount and terms of a CIP award. TDA reserves the right to fund projects fully or partially and to negotiate individual elements included within an application. Contingent upon available funds, the selected applicant may be requested to submit a revised project budget and project narrative. Selected applicants will receive an official Grant Agreement from TDA. The Grant Agreement is not legally binding until a grant agreement is fully executed.

### **False Information on Applications**

If the applicant provides false information in an application that has the effect of increasing the applicant's competitive advantage, staff shall make a recommendation for action to the Director of the SORH.

Actions that the Director may make include, but are not limited to:

1. Disqualification of the application.
2. Even if an award has been made, the applicant may be liable for funds expended if adjustment to the scores would have resulted in a change in rankings for the purposes of funding.
3. Holding the applicant ineligible to apply for CIP funding for a period of (2) program years.

An applicant may request reconsideration of a decision of the SORH Director by filing a written request for reconsideration with the Administrator of the Division of Trade and Business Development. The written request should include the factual and legal basis supporting the request for reconsideration, along with supporting documentation. The Administrator shall make a written determination on applicant's request for reconsideration within sixty (60) days of TDA's receipt of the request for reconsideration.

### **Scoring Criteria**

All eligible applications received by the published deadline will be scored and ranked utilizing the following scoring criteria.

1. The majority of CIP funding will be used for which type of project:
  - a. Life Safety Code Violation<sup>1</sup> 4 pts.
  - b. Patient Care Project - Equipment and Patient Transportation 3 pts.
  - c. Construction (Repairs/Remodeling/Maintenance) Project 2 pts.
  - d. Other (contract for non-medical services) 1 pt.
2. The reporting requirements in which the hospital participates:
  - a. Hospital participates in both MBQIP and HCAHPS 2 pts.
  - b. Hospital participates only in MBQIP 1 pt.
  - c. Hospital participates only in HCAHPS 1 pt.
  - d. Hospital participates in neither MBQIP nor HCAHPS 0 pts.
3. Net revenue as a percent of gross revenue<sup>2</sup>:
  - a. Less than 3% 5 pts.
  - b. Greater than or equal to 3% 2 pts.
4. Current days in net account receivables<sup>2</sup>:
  - a. Greater than 53 days 5 pts.
  - b. Between 15-53 days 2 pts.
  - c. Less than 15 days 0 pts.
5. The hospital's current ratio of assets to liabilities<sup>2</sup>:
  - a. Less than 1.25 5 pts.
  - b. Between 1.25 to 1.75 2 pts.
  - c. Greater than 1.75 0 pts.
6. Current days cash on hand for hospital<sup>2</sup>:
  - a. Less than 15 days 5 pts.
  - b. Between 15-60 days 2 pts.
  - c. Greater than 60 days 0 pt.
7. Hospital's Operating Margin (operating income/total revenue)<sup>2</sup>:
  - a. Less than 2% 5 pts.
  - b. Greater than or equal to 2% 2 pts.
8. Previous CIP funding:
  - a. Facility not awarded in 2019, 2018, 2017 25 pts.
  - b. Facility awarded in 2017, completed project 10 pts.
  - c. Facility awarded in 2018, completed project 1 pts.
  - d. Facility awarded in 2019 0 pts.

**Footnotes:**

1. **Life Safety Code Violation** - To receive funding points in the "Life Safety Code Violation" category, the applicant must cite the code violation, provide actual violation documentation from the agency issuing the violation, must currently be in a code violation or evidence that the facility will be placed in violation during the grant award period. If supporting documentation is not provided, no points will be given for this category.
2. **Financial Data Certification** – In *Section I: Certifications and Authorizing Official Signature* of the CIP application, the applicant will certify that the financial data (Net Revenue as a Percent of Gross Revenue %, Current Days in Net Account Receivables, Current Ratio of Assets to Liabilities %, Current Days Cash on Hand, Operating Margin) provided in the application is correct and accurate by signing in the section provided.

**NOTE:** If a tie-breaker is required when awarding funds, SORH will use the county poverty rate of the county where the facility is located to determine the ranking order for these applications, with a higher poverty rate taking priority.

# APPLICATION INSTRUCTIONS

The following instructions will assist and offer guidance to the applicant in completing the various sections of the online application for submittal. **Since the form does not auto-save, it is highly recommended that the applicant have all necessary information available and ready to enter before entering data into the online application form. To save time, it is suggested that the applicant first print the form, review and obtain the required information, and then enter the information in the online form. It should be noted that the authorizing official signature is required on the online application form. The authorizing official may wish to assign the completion of the form to other staff member, but the application form should have the signature of the authorizing official. After reviewing and signing the application, the applicant may click the “Print Form” button to print a hard copy of the CIP application. The applicant **MUST** click the “Submit Form” button for the application to be submitted.**

## Section A: Eligibility Requirement

### Hospital Eligibility:

Select which type of hospital your facility is classified as according to Texas Government Code Sec. 487.301.

- Public Hospital
- Non-profit Hospital

### Rural Eligibility:

Provide the name of the county and county population where your hospital is located by clicking on the link provided in the application. Use the most current available data for the county in which the applicant facility is located. If your county population is >150,000, contact your SORH Regional Coordinator listed on page 3 of this application guide to determine rural eligibility.

## Section B: Applicant Information

Provide all of the following information concerning the applicant:

- Federal Tax ID Number
- Legal Business Name
- Hospital DBA (if applicable)
- Physical Address
- Mailing Address
- Phone number
- Indicate whether the applicant is delinquent on any federal debt
- Indicate if the applicant has or will seek federal or state funding for the project

## Section C: Contact Personnel

Provide the following information for the *Authorized Official* (the person authorized to enter into legal agreements on behalf of the applicant) and the *Project Director* (the person designated to answer questions about the project/application):

- Full name
- Title (within the organization)
- Phone number
- Email address

## Section D: Additional Information

Select the type of project for which you are requesting funding. Select only one type. If your project is composed of two types, select the type in which most of the funds is being requested. (Example: Patient Care Project Including Equipment or Patient Transportation = \$27,000, Construction = \$45,000: select Construction.)

Select the reporting requirements in which the hospital participates:

- MBQIP
- HCAHPS

Provide the applicant's financial information based on the most recent audit/financial report. If negative number, be sure to enter negative sign.

- Net Revenue As Percent of Gross Revenue (Enter nearest whole percent)
- Current Days in Net Account Receivables
- Current Ratio of Assets to Liabilities: current assets/current liabilities
- Current Days Cash on Hand
- Operating Margin: Operating Income/Total Revenue (Enter nearest whole percent)

Select the answer that describes previous CIP funding for the applicant facility.

- Facility was not awarded in 2019, 2018, 2017
- Facility was awarded in 2017, completed project
- Facility was awarded in 2018, completed project
- Facility was awarded in 2019

## Section E: Project Narrative

**Project Narrative Summary:** Provide a brief project narrative summary in response to each of the sections found within the Project Narrative. **Since the form does not auto-save, it is highly recommended that the applicant write the Project Narrative Summary in Word or other program and then copy and paste the narrative language in the space provided. This will ensure that your information is not lost should you exit the application without submitting it. The Project Narrative Summary is limited to 1,000 words.**

- **Project Description:** *Provide a brief overview that explains the purpose of the project, the proposed purchases and activities that will occur during the project, and the estimated total project cost including state and matching funds.*
- **Problem(s) and/or Need(s):** *Provide a brief description of the problem and/or need that the CIP project addresses.*
- **Key Personnel:** *Provide a brief summary of hospital personnel who will be directly involved in the implementation the project and their roles. If applicable, commitments from other organizations may also be discussed.*

## Section F: Project Budget Summary

**Budget Summary:** Complete the Budget Summary table to reflect the breakdown of costs of the proposed project. Ensure that all costs associated with the project (CIP funding and match, as well) are appropriately entered into the correct type of activity and that all rows and columns are totaled accurately.

## Section G: Project Budget Narrative

**Budget Narrative Summary:** Provide clear, detailed information for expenditures associated with the CIP project. The budget narrative should contain a detailed explanation of the equipment, patient transportation, non-medical services, and/or construction that will be funded during the project term. The total estimated expenditures should be provided and reflect the quotes/estimates provided by vendors and/or contractors. Vendor quotes, contractor estimates, and similar documentation **MUST** be uploaded in the attachment section of the application. Other documentation supporting project costs may also be uploaded in the attachment section. (equipment brochures, photos, and similar supporting documentation) **Since the form does not auto-save, it is highly recommended that the applicant write the Budget Narrative Summary in Word or other program and then copy and paste the narrative language in the space provided. This will ensure that your information is not lost should you exit the application without submitting it. The Budget Narrative Summary is limited to 1,000 words.**

## Section H: Attachment Section

**Attachments:** Applicant must upload each of the documents listed below in the attachment section of the application.

- Supporting Documentation of Project Costs (equipment/construction quotes, estimates, and other relevant supporting documentation) **(required)**
- Support Letters from Key Personnel and, if applicable, external organizations **(optional)**
- Other relevant project documents **(optional)**

## Section I: Certifications and Authorizing Official Signature

**Certifications:** Before signing and dating the Certifications page, the Authorized Official should carefully read all of the terms and notices. The signature of the Authorized Official will acknowledge the applicant's agreement (and future compliance) with all terms.

**Submission of Application:** After reviewing and signing the application, the applicant may click the **"Print Form"** button to print a hard copy of the CIP application. The applicant **MUST** click the **"Submit Form"** button for the application to be submitted.

## **ADMINISTRATIVE INFORMATION**

### **Right to Amend or Terminate Program**

TDA reserves the right to alter, amend, or clarify any provisions, terms, or conditions of this program or any grant awarded as a result thereof, or to terminate this program at any time prior to the execution of an agreement, if TDA deems any such action to be in the best interest of TDA and of the State of Texas. The decision of TDA will be administratively final in this regard.

### **Proprietary Information/Public Information**

The applicant is responsible for clearly designating any portion of the application that contains proprietary or trade secret information and must state the reason(s) the information is designated as such. Merely making a blanket claim the entire application is protected from disclosure because it contains proprietary or trade secret information is not acceptable and shall make the entire application subject to release under the Texas Public Information Act. In the event that a public information request for the application is received, TDA shall process such request in accordance with Section 552.305 of the Texas Government Code. Applicants are advised to consult with their legal counsel regarding disclosure issues and to take appropriate precautions to safeguard trade secrets or any other proprietary information.

All applications submitted under this program are subject to release as public information, unless the application or specific parts of any such application can be shown to be exempt from disclosure under the Texas Public Information Act, Chapter 552 of the Government Code.

### **Conflict of Interest**

The applicant is required to disclose any existing or potential conflicts of interest relative to this grant program. Failure to disclose any such relationship may result in the applicant's disqualification or termination of agreement.

### **General Compliance Information**

1. Grantees must comply with TDA's reporting requirements and financial procedures outlined in the grant agreement. Any delegation by the Grantee to a subcontractor regarding any duties and responsibilities imposed by the grant award must be approved in advance by TDA and shall not relieve the Grantee of its responsibilities to TDA for their performance.
2. All grant awards are subject to the availability of funds appropriated and authorized by the Texas Legislature.
3. Grantees must remain in full compliance with applicable state and federal laws and regulations. Non-compliance may result in termination of the grant or ineligibility for reimbursement of expenses.
4. Grantees must keep separate records and a bookkeeping account (with a complete record of all expenditures) for a project. Records shall be maintained for a minimum of three (3) years after the completion of the project, or as otherwise agreed upon with TDA. If any litigation, claim, negotiation, audit or other action



is initiated prior to the expiration of the three-year retention period, then all records and accounts must be retained until their destruction is authorized by TDA. TDA and the Texas State Auditor's Office (SAO), or any successor agency, reserve the right to examine all books, documents, records, and accounts relating to the project, including all electronic records, at any time throughout the duration of the agreement until all litigation, claims, negotiations, audits or other action pertaining to a grant is resolved, or until the expiration of the three-year retention period, whichever is longer. TDA and the SAO, or any successor agency, shall have access to: all electronic data or records pertaining to the grant project; the physical location where records are stored; and all locations related to project activities.

5. If the Grantee has a financial audit performed during the time the Grantee is receiving funds from TDA, upon request, TDA shall have access to information about the audit, including the audit transmittal letter, management letter, any schedules, and the final report or result of such audit.
6. Grantees must comply with Texas Government Code, Chapter 783, Uniform Grant and Contract Management, and the Uniform Grant Management Standards (UGMS).

5b. Application -Printed from Internet(Blank)



**TEXAS DEPARTMENT OF AGRICULTURE  
STATE OFFICE OF RURAL HEALTH**

**RURAL HEALTH FACILITY  
CAPITAL IMPROVEMENT PROGRAM (CIP)**

**2020 CIP APPLICATION FORM**

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**2020 Rural Health Facility Capital Improvement  
Program (CIP) Application Form**

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**2020 CIP APPLICATION DEADLINE:  
March 20, 2020  
APPLICATION INSTRUCTIONS**

Please review the CIP Application Guide before completing the CIP application to determine eligibility and obtain detailed information and instructions regarding the application form. **Since the form does not auto-save, it is highly recommended that the applicant have all necessary information available and ready to enter before entering data into the online application form. To save time, it is suggested that the applicant first print the form, review and obtain the required information, and then enter the information in the online form. It should be noted that the authorizing official signature is required on the online application form. The authorizing official may wish to assign the completion of the form to other staff member, but the application form should have the signature of the authorizing official. After reviewing and signing the application, the applicant may click the "Print Form" button to print a hard copy of the CIP application. The applicant MUST click the "Submit Form" button for the application to be submitted.**

For questions regarding submission of the application and/or Texas Department of Agriculture (TDA) State Office of Rural Health (SORH) requirements, please contact your Texas State Office of Rural Health Regional Coordinator:

Maria Bustamante: [Maria.Bustamante@TexasAgriculture.gov](mailto:Maria.Bustamante@TexasAgriculture.gov)  
Kathy Johnston: [Kathy.Johnston@TexasAgriculture.gov](mailto:Kathy.Johnston@TexasAgriculture.gov)  
Trish Rivera: [Trish.Rivera@TexasAgriculture.gov](mailto:Trish.Rivera@TexasAgriculture.gov)  
Robert Shaw: [Robert.Shaw@TexasAgriculture.gov](mailto:Robert.Shaw@TexasAgriculture.gov)  
Shari Wyatt: [Shari.Wyatt@TexasAgriculture.gov](mailto:Shari.Wyatt@TexasAgriculture.gov)

You may also call (512) 463-0018 or email [RuralHealth@TexasAgriculture.gov](mailto:RuralHealth@TexasAgriculture.gov) if you need immediate assistance.

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## SECTION A: ELIGIBILITY REQUIREMENT

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**Eligible applicants for CIP funding include public and non-profit hospitals located in rural counties as defined in Section 487.301 of the Texas Government Code.**

**What type of hospital is your facility as defined by Texas Government Code Sec. 487.301? \***

- Public Hospital  
 Non-profit Hospital

**Use the following link to provide the name of the county and county population where your hospital is located. If the county population is > 150,000, contact your SORH Regional Coordinator listed on page 3 of the CIP Application Guide to determine rural eligibility. For immediate assistance contact 512-463-0018 or [ruralhealth@texasagriculture.gov](mailto:ruralhealth@texasagriculture.gov) . Use the most recent data available:**

[www.census.gov/quickfacts/table/PSTO45216/48](http://www.census.gov/quickfacts/table/PSTO45216/48)

**Name of County: \***

Example: Jones

**County Population: \***

Example: 19817

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## SECTION B: APPLICANT INFORMATION

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**Hospital/Applicant Federal Tax Identification Number: \***

**Hospital Legal Business Name: \***

**Hospital DBA (if applicable): \***

**Physical and Mailing Address: \***

Physical Address

Mailing Address

City

County

Postal / Zip Code

**Hospital Phone Number \*** - 

Area Code

Phone Number

**Is Applicant Delinquent on Any Federal Debt?**

- NO  
 YES

**Has or will this proposal be submitted for funding consideration by another state/federal agency? \***

- NO  
 YES

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**SECTION C: CONTACT PERSONNEL**

---

**Authorized Official (This person is authorized to sign legal agreements on behalf of the hospital - CEO, COO, CFO, Etc.) \*** Mr.  

Prefix

First Name

Last Name

**Title: \*****Phone Number \*** - 

Area Code

Phone Number

**Email Address: \*****Project Director Contact (This person answers questions about the CIP application/project.) \*** Mr.  

Prefix

First Name

Last Name

**Title: \*****Phone Number \*** - 

Area Code

Phone Number

**Email Address: \***

## SECTION D: ADDITIONAL INFORMATION

Project must demonstrate financial need and effective and efficient use of funds. Provide financial information based on the most recent audit/financial report. **If negative number, be sure to enter negative sign.**

**1. What type of project are you requesting funding for? Select only one? \***

- Life Safety Code Violation (4 pts.)
- Patient Care Project Including Equipment or Patient Transportation (3 pts.)
- Construction/Building Repairs/Remodeling/Maintenance Project (2 pts.)
- Other (contract for non-medical services) (1 pts.)

**Score: 1 \***

**2. Select the reporting requirements in which the hospital participates. "Participates" is defined as reporting for at least one-quarter of the year and/or TDA has a MBQIP form on file. \***

- Hospital participates in both MBQIP and HCAHPS (2 pts.)
- Hospital participates in only MBQIP (1 pts.)
- Hospital participates in only HCAHPS (1 pts.)
- Hospital participates in neither MBQIP or HCAHPS (0 pts.)

**Score: 2 \***

**3a. Net Revenue As Percent of Gross Revenue: (Enter nearest whole percent) \***

**3. Net Revenue As A Percent of Gross Revenue: (Enter nearest whole percent) \***

- Less than 3% (5 pts.)
- Greater than or equal to 3% (2 pts.)

**Score: 3 \***

**4a. Current Days in Net Account Receivables: \***

**4. Current Days in Net Account Receivables: \***

- Greater than 53 days (5 pts.)
- Between 15 - 53 days (2 pts.)
- Less than 15 days (0 pts.)

**Score: 4 \*****5a. Hospital's Current Ratio of Assets to Liabilities: Current Assets/Current Liabilities \*****Current Assets:****Current Liabilities:****5. Hospital's Current Ratio of Assets to Liabilities: Current Assets/Current Liabilities \***

- Current Ratio is less than 1.25 (5 pts.)
- Current Ratio is between 1.25 - 1.75 (2 pts.)
- Current Ratio is greater than 1.75 (0 pts.)

**Score: 5 \*****6a. Hospital's Current Days Cash on Hand \*****6. Hospital's Current Days Cash on Hand: \***

- Less than 15 days (5 pts.)
- Between 15-59 days (2 pts.)
- Greater than or equal to 60 days (0 pts.)

**Score: 6 \*****7a. Hospital's Operating Margin: Operating Income/Total Revenue: (Enter nearest whole percent) \*****7. Hospital's Operating Margin: Operating Income/Total Revenue: \***

- Less than 2% (5 pts.)
- Greater than or equal to 2% (2 pts.)

**Score: 7 \*****8. Previous Rural Health Facility Capital Improvement Program (CIP) grant: \***

- Facility was not awarded in 2019, 2018, 2017 (25 pts.)
- Facility was awarded in 2017, completed project (10 pts.)
- Facility was awarded in 2018, completed project (1 pts.)
- Facility was awarded in 2019 (0 pts.)

**Score: 8 \*****TOTAL SCORE:**

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## SECTION E: PROJECT NARRATIVE

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**Project Narrative Summary:** Provide a brief project narrative summary in response to each of the sections found within the Project Narrative. **Since the form does not auto-save, it is highly recommended that the applicant write the Project Narrative Summary in Word or other program and then copy and paste the narrative language in the space provided. This will ensure that your information is not lost should you exit the application without submitting it. The Project Narrative Summary is limited to 1000 words.**

- **Project Description:** Provide a brief overview that explains the purpose of the project, the proposed purchases and activities that will occur during the project, and the estimated total project cost including state and matching funds.
- **Problem(s) and/or Need(s):** Provide a brief description of the problem and/or need that the CIP project addresses.
- **Key Personnel:** Provide a brief summary of hospital personnel who will be directly involved in the implementation the project and their roles. If applicable, support from other organizations may also be discussed.

**Project Narrative Summary:** \*



0/1000

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## **SECTION F: PROJECT BUDGET SUMMARY**

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The CIP grant requires matching expenditures equal to or greater than 25% of the total grant amount (CIP Funds Requested). For example, if you are requesting \$75,000 you must contribute at least \$18,750, showing a total project cost of \$93,750. When awarded, grant recipients will be held accountable for maintaining the required 25% match of the awarded grant amount. In the event the grant recipient's match is reduced below 25%, the Department may proportionally reduce the amount of the CIP grant funds.

**How to Calculate CIP Grant Amount & Matching Funds:**

**If Total Project Cost is < \$93,750: Calculate by:**

**Total Project Cost divided by 1.25 = CIP grant amount, remaining is matching funds**

Example: Total Project Cost = \$65,000  
 \$65,000/1.25 = \$52,000 (CIP Grant Amount)  
 \$65,000-\$52,000 = \$13,000 (Matching Funds)  
 (Note: 25% of \$52,000 (CIP Grant Amount) = \$13,000 (Matching Funds))

**If Total Project Cost is > \$93,750: Calculate by:**

**Total Project Cost minus (-) \$75,000 (maximum CIP grant amount) = Matching Funds**

Example: Total Project Cost = \$200,000  
 \$200,000 - \$75,000 = \$125,000 (Total Matching Funds)  
 (Note: 25% of \$75,000 = \$18,750 Required 25% Matching Funds. The additional \$106,250 contribution is needed as part of the total matching funds to complete project.)

**PROJECT BUDGET SUMMARY: \***

	CIP FUNDS REQUESTED	MATCHING FUNDS	TOTAL
A. Equipment	<input type="text"/>	<input type="text"/>	<input type="text"/>
B. Contract for Non Medical Services	<input type="text"/>	<input type="text"/>	<input type="text"/>
C. Patient Transportation	<input type="text"/>	<input type="text"/>	<input type="text"/>
D. Construction	<input type="text"/>	<input type="text"/>	<input type="text"/>
TOTAL DIRECT COSTS:	<input type="text"/>	<input type="text"/>	<input type="text"/>

**SECTION G: BUDGET NARRATIVE**

**Budget Narrative Summary:**

Provide clear, detailed information for the expenditures associated with the CIP project. The budget narrative should contain a detailed explanation of the equipment, non-medical services, patient transportation, and/or construction that will be funded during the project term. The total estimated expenditures should be provided and reflect the quotes/estimates provided by vendors and/or contractors. **Vendor and equipment quotes, and/or contractor estimates, etc. MUST be uploaded in the Attachment Section of this online CIP application. Since the form does not auto-save, it is highly recommended that the applicant write the Budget Narrative Summary in Word or other program and then copy and paste the narrative language in the space provided. This will ensure that your information is not lost should you exit the application without submitting it. The Budget Narrative Summary is limited to 1000 words.**

**Budget Narrative Summary: \***



0/1000

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## SECTION H: ATTACHMENT SECTION

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**REQUIRED: Upload Vendor and/or Contractor Quotes/Estimates \***

Browse Files

**OPTIONAL: Upload Support Letter/s from Project Key Personnel**

Browse Files

**OPTIONAL: Upload other relevant project documents**

Browse Files

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## SECTION I: Certifications and Authorizing Official Signature

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**By signing below, Applicant:**

(1) Certifies all information provided in connection with this application is true and correct to the best of Applicant's knowledge;

(2) Acknowledges any misrepresentation or false statement made by Applicant, or an authorized agent of Applicant, in connection with this application, whether intentional or not, will constitute grounds for denial of this application;

(3) Acknowledges acceptance of funds in connection with this application acts as an acceptance of the authority of the Texas Department of Agriculture (TDA) and the State Auditor's Office (SAO) or any successor agency to conduct an investigation in connection with those funds, and Applicant further agrees to cooperate fully with TDA and/or SAO or its successor in the conduct of the audit or investigation, including allowing TDA and/or SAO to inspect Applicant's premises and providing all records requested;

(4) Acknowledges this application and any payments owed to Applicant in connection with this application may be reduced or denied because of Applicant's owing any debt to the State of Texas, and if Applicant is an individual, that this application and any payments owed to Applicant in connection with this application may be denied because of delinquency in payment of a guarantee student loan and for failure to pay child support; and

(5) By submission of this application, Applicant acknowledges as a condition of receipt of grant funds under this program the Applicant will be required to execute a grant agreement with the Texas Department of Agriculture, and further acknowledges that failure to timely execute the grant agreement will result in withdrawal of any grant funds awarded, and those funds will be redistributed to other qualified applicants in accordance with state law and TDA rules.

Notice of Penalties: The penalty for knowingly making false statements or false entries, or attempts to secure money through fraudulent means, may include fines and/or incarceration and/or forfeiture of funds under applicable state or federal law.

This application becomes public record and is subject to disclosure. With few exceptions, you have the right to request and be informed about the information that the State of Texas collects about you. You are entitled to receive and review the information upon request. You also have the right to ask the state agency to correct any information that is determined to be incorrect. (Reference: Texas Government Code, Sections 552.021, 552.023, and 559.004.)

### **Certification of Applicant Financial Data**

As Authorized Official, I hereby certify that the financial data exhibited in Section D is correct, accurate, and based on the most recent data (audit, financials, etc.).

### **Certification of Applicant Project and Matching Funds**

As Authorized Official, I hereby certify that the entire total project amount, including matching funds, is secured and is available if our facility receives 2020 CIP funding for this project. If awarded, our facility will maintain the required minimum 25% match of the awarded grant amount. In the event the total project cost is reduced and our match is reduced below 25%, the Department may proportionally reduce the amount of the CIP grant funds.

**Name of Person Submitting Application: \***

Authorized Official

**Title of Person Submitting Application: \***

Authorized Official

**Date: \***

**Signature (Use mouse to provide signature) \***

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Clear

## 5c. 2019 Grant Awards

2019 RURAL HEALTH FACILITY CAPITAL IMPROVEMENT PROGRAM (CIP) APPLICATIONS RECEIVED\*

Application #	Name of Recipient	Funding Request	Project Description
	Anson General Hospital	\$67,200.00	emergency generator
	Balling Memorial Hospital District	\$73,473.00	hospital patient beds
	Baylor County Hospital District dba Seymour Hospital	\$75,000.00	renovation of patient room restrooms
	Baylor Scott and White Medical Center - Llano	\$56,250.00	x-ray equipment, remodeling clinic for x-ray equipment
	Castro County Hospital District dba Plains Memorial Hospital	\$64,000.00	exam tables, data scope, stretcher, traction table, cardiac monitor, new parking lot
	Chambers County Public Hospital District dba Bayside Community Hospital	\$42,756.90	commercial stove/oven, dishwasher, heater, refrigerator, freezer
	CHI St. Joseph Health Burleson Hospital	\$75,000.00	nurse call system
	CHI St. Joseph Health Grimes Hospital	\$50,841.00	ultrasound machine, hospital beds
	CHI St. Joseph Health Madison Hospital	\$68,588.00	LIFEPAK monitor/defibrillator system
	CHI St. Lukes Health Memorial Livingston	\$75,000.00	ICU beds, ultrasound doppler, MRI vital sign monitoring system
	Childress County Hospital District	\$75,000.00	ambulance
	CHRISTUS Jasper Memorial Hospital	\$74,885.07	operating room tables
	Coleman County Medical Center	\$75,000.00	radiographic system
	Collingsworth General Hospital District	\$75,000.00	automated chemistry analyzer
	Comanche County Medical Center	\$75,000.00	telemetry and distributed monitoring system (DMS)
	Coryell County Memorial Hospital Authority	\$75,000.00	new ambulance chassis and remount ambulance box
	Culberson County Hospital District	\$75,000.00	cardiac monitoring system
	Dallam Hartley Counties Hospital District	\$75,000.00	anesthesia and ventilator, obstetric monitor, microscope, centrifuges
	Dawson County Hospital District	\$75,000.00	new ambulance chassis and remount ambulance box
	Deaf Smith County Hospital District dba Hereford Medical Center	\$75,000.00	autoclave equipment
	Eastland Memorial Hospital	\$75,000.00	redesign/remodel emergency room
	El Campo Memorial Hospital	\$75,000.00	permanent x-ray; portable x-ray; ultrasound equipment
	Fairfield Hospital District dba Freestone Medical Center	\$74,979.70	patient beds; computer equipment; nursing staff mobile workstations
	Gainesville Hospital dba North Texas Medical Center	\$71,998.54	damper system repair/replace; disinfection system; powered air purifying respirators
	Gonzales Healthcare System	\$75,000.00	nurse call system
	Goodall-Witcher Hospital Authority	\$74,424.00	access control system
	Graham Regional Hospital District	\$75,000.00	new ambulance
	Hamilton County Hospital District	\$75,000.00	EMS vehicles, rugged terrain rescue ATV
	Hansford County Hospital District	\$73,889.06	patient beds; ED cots
	Hardeman County Hospital District	\$51,976.00	nurse call system
	Haskell Memorial Hospital	\$74,000.00	cardiac rehab telemetry system; defibrillator; ABG machine; lobby bathroom remodel
	Heart of Texas Healthcare System	\$75,000.00	3D mammography unit
	Hemphill County Hospital District	\$75,000.00	nurse call system
	Iraan General Hospital District	\$75,000.00	replace IT network hard/software that supports the EHR system
	Jack County Hospital District dba Faith Community Hospital	\$75,000.00	cardiac monitoring system
	Kimble County Hospital District	\$75,000.00	colonoscopy & gastrointestinal scopes system; infusion pumps
	Knox County Hospital District	\$75,000.00	fire sprinkler system
	Lavaca Hospital District dba Lavaca Medical Center	\$60,794.39	addition of physician clinic offices; covered walkway; washing machine; patient beds
	Liberty County Hospital District dba Dayton Regional Medical Center	\$75,000.00	new hospital roof



Limestone Medical Center		\$75,000.00	new ambulance
Lockney General Hospital District dba WJ Mangold Memorial Hospital		\$37,350.00	patient archive communication system (PACS)
Lynn County Hospital District		\$64,720.32	new security camera system; auto lock system; VoIP phone system
Marlin County Hospital District		\$75,000.00	surgical scopes; UV disinfection system
Matagorda Regional Medical Center		\$25,000.00	security/surveillance system
McCamey County Hospital District		\$75,000.00	telemetry monitoring system; patient monitors
Medina County Hospital District dba Medina Regional Healthcare System		\$75,000.00	digital radiographic equipment
Memorial Medical Center		\$75,000.00	ICU beds; medical surgical beds
Methodist Hospital Levelland dba Covenant Health Levelland		\$75,000.00	mobile digital x-ray machine
Methodist Hospital Plainview dba Covenant Health Plainview		\$66,500.00	ultrasound machines
Mitchell County Hospital District		\$75,000.00	Picture Archiving Communications System (PACS) hard/software
Moore County Hospital District		\$75,000.00	physiological monitoring system and associated equipment
Muleshoe Area Hospital District		\$73,907.59	hematology automated analyzer; patient monitors
Nocona General Hospital		\$75,000.00	hematology analyzer
Nolan County Hospital District dba Rolling Plains Memorial Hospital		\$75,000.00	crash carts; defibrillators; compression device; treatment chairs; GYN stretcher
North Wheeler County Hospital District dba Parkview Hospital		\$75,000.00	lab analyzer; EKG machine; BIPAP AVAP; autoclave; door security system; floor scrubber
Olney Hamilton Hospital		\$44,347.62	telemetry equipment
Palacios Community Medical Center		\$75,000.00	renovation of roof, storage building, and ER ambulance overhang
Refugio County Memorial Hospital District		\$75,000.00	chemical analyzer
Schleicher County Hospital District		\$75,000.00	chemistry immunoassay; hematology machine
Scurry County Hospital District dba Cogdell Hospital Memorial Hospital		\$75,000.00	MRI machine
Seton Highland Lakes Hospital		\$23,954.40	glidescope; ureter scope
Starr County Memorial Hospital District		\$75,000.00	ambulance
Stephens Memorial Hospital District		\$75,000.00	HVAC engineering/design; patient beds/chairs/tables; anesthesia machine; ventilator
Stonewall Memorial Hospital		\$75,000.00	nurse call system; telemetry monitors
Sweezy Community Hospital		\$75,000.00	hard/software cardio equipment for (EKG) services
Swisher Memorial Healthcare System		\$75,000.00	chemistry analyzer
Terry Memorial Hospital District dba Brownfield Regional Medical Center		\$74,188.00	replacement equipment for five hospital departments
Throckmorton County Memorial Hospital		\$73,297.60	ambulance stretcher; RHC repairs and improvements; parking lot repair
Titus County Memorial Hospital dba Titus Regional Medical Center		\$75,000.00	mechanical CPR devices
Tyler County Hospital District		\$45,320.67	bariatric bed; bariatric scale; bariatric no-lift booster
UT Health Quitman		\$75,000.00	relocation costs of rural health clinic
Uvalde County Hospital Authority dba Uvalde Memorial Hospital		\$75,000.00	convert/remodel building to multi-specialty clinic; clinic equipment
Ward Memorial Hospital		\$75,000.00	stream sterilizer; washer disinfectant
Wilbarger County Hospital District		\$75,000.00	centralized physiologic monitoring system
Wilson County Memorial Hospital District dba Connally Memorial Medical Center		\$64,575.00	hands free voice communication badge units
<b>*This is a list of all applications received. Some applications may be ineligible due to late submission or incomplete documentation.</b>			

Total Hospitals:

\$5,248,216.86

5d. 2019 WCH Uncompensated Care Proposed Expenditures

## ALLOCATION OF FUTURE IGT FUNDS

PROJECT/EQUIPMENT	AMOUNT	COMMENTS
Glidascope for Intubation (King Vision product preferred)– Carried by McKesson	\$ 5,000.00	Needed for ED–Will need regular disposable replacements!! Easier visualization for Intubation. Currently using old style, metal manual intubation blades.
CPAP/Bipap Machine (Go-Pap with Bountree)	\$ 4,000.00	Needed for ED & Acute Floor. <del>Will need regular disposable replacements</del> –Used for respiratory stabilization BEFORE intubation required. Currently do not have in our ER–EMS used a CPAP style mask capable of stabilization that we could utilize as well to allow us to keep some patients here if stable enough and did not need intubation.
NIO Injectors (Adult & Pediatric)–Individual Disposable Kits	\$ 1,000.00	Pneumatic shot osseous needle systems for emergency bone "IV" access–MUST ORDER INDIVIDUAL DISPOSABLE KITS–WILL NEED REGULAR DISPOSABLE REPLACEMENTS
Capnography Measuring system	\$ 3,000.00	Needed for ED–Helps determine status of respiratory patients. Could potentially keep some patients here if stable enough and did not need intubation.
Bedside ISTAT Machine–ARTERIAL BLOOD GAS CASSETTE	\$ 11,000.00	Needed for ED–Helps determine status of respiratory patients. Could potentially keep some patients here if stable enough and did not need intubation.
Bedside ISTAT Machine–HEMAGLOBIN/HEMATOCRIT	\$ 15,000.00	Needed for ED–Helps determine status of HEMATOLOGY BASICS. Would serve as back up process when Sysmick Hematology machine not functioning well or for patients that are difficult stick waiting on Vascular Access Team.
Bedside ISTAT Machine–BASIC CHEMISTRY CASSETTE	\$ 15,000.00	Needed for ED–Helps determine status of BASIC CHEMISTRY. Would serve as back up process when Integra Roche machine not functioning well or for patients that are difficult stick waiting on Vascular Access Team.
Updated suction equipment–Constant & Intermittent	\$ 10,000.00	Current suction machines are minimum standards and power, need better portable suction power and availability for both ED and Acute Floor Emergencies and Inpatients
Blanket warmer	\$ 2,000.00	Needed for ER and Acute Floor, currently nothing available for rapid warming of patients or infants
IV warmer	\$ 1,500.00	Needed for ER and Acute Floor, currently nothing available for rapid warming of IV fluids for patients
Updated Patient Lift Scale	\$ 6,000.00	Based on previous purchase > 5 years (2014)–needed for safe patient lift handling and transfer in ER, Acute & BH and source for weighing of bed bound patients. Currently sharing same machine for ER, Acute Floor and Behavioral Health departments. Need additional machine for safer patient handling in all areas and more rapid access to all departments for concurrent use.
Patient transfer Dolly	\$ 2,000.00	Safe patient handling and safer patient transferring from bed to chair, innovative system would be nice to have.
Uplifting the front of the hospital	\$ 500,000.00	The front part needs remodelled to uplift the morale of the employees and the community as a whole.
ER Physicians Budget for following year	\$ 788,400.00	
Nurse call system	\$ 80,000.00	Current system functional but not able to update or have system repair or upgrades/updates due to age. Current system is obsolete.
Pyxis system	\$ 250,000.00	Currently do not have any type of electronic delivery system for patient medications in place at hospital. This type of system is typical current mainstream practice in most facilities for patient safety, reduction of errors & cost containment of supplies and pharmaceuticals.

**TOTAL**

**\$ 1,693,900.00**

## 5e. E-mail Correspondence Regarding CIP Grant

## Hubert Oxford IV

---

**From:** Karen Horn <khorn@ricelandhealthcare.com>  
**Sent:** Thursday, March 26, 2020 3:21 PM  
**To:** mo@starcoimpex.com; Hubert Oxford IV; Julie Haire; Steve Deatrck; Zeeshan Ali; Saad Javed  
**Subject:** Re: 2020 CIP APPLICATION GUIDE FINAL APPROVED.pdf  
**Attachments:** 2020 CIP APPLICATION GUIDE FINAL APPROVED.pdf

I just got off the phone with Trish Rivera, our regional rep. for the Dept. of Agriculture.

Key points from the conversation:

1. While this CIP grant is normally only available for public and non-profit hospitals, if we have a legal document that shows a financial relationship between the hospital district and the hospital, we may be eligible. This legal document has to be submitted with the grant application. Please note, I'm not sure if us providing care for the district's indigent would be enough. It might depend on the wording of how the district supports the hospital. Regardless, Trish still encourages us to apply.
2. Sections A and B of the application would need to be completed with Hospital District information and remaining sections would be hospital specific, per Trish.
3. This grant is intended for expenses incurred AFTER the grant has been awarded and the categories of expenses are shown below. Quotes from vendors have to be included with the application. If we choose to include pre-award expenses (i.e. equipment we are purchasing now with a cost over \$5K per unit) we need to include in section E Project Narrative a request for consideration of pre-award costs due to emergency costs / situations. The only known expense I know of at this time (based on Accounts Payable queries) is the ventilators, so any additional costs to be included would need to come from Mo, Steve, or others.
4. If grant is awarded, there will be a reconciliation of expenses that will have to be filed before year end.
5. The maximum grant is \$75,000, but we can apply for more project costs, with the district making up the difference. See calculation examples in the guide.
6. The hospital district would be required to fund 25% of the project cost as shown in the application guide.
7. This is a competitive grant and from what I can tell the max number of points is 56. Per my initial calculation, our score would be at least 31, mainly because we have never received this grant before. We would need information from Julie to complete a few of these questions.
8. You can click on the below link to see what questions are on the application:  
<https://www.texasagriculture.gov/GrantsServices/CapitalImprovement/2020CIPApplication.aspx>

[2020 CIP Application - texasagriculture.gov](https://www.texasagriculture.gov/GrantsServices/CapitalImprovement/2020CIPApplication.aspx)

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[www.texasagriculture.gov](http://www.texasagriculture.gov)

**THE APPLICATION DEADLINE IS APRIL 9TH.**

I am happy to help get this completed in anyway I can, but will need direction / input from administration in order to do so.

**Eligible Uses of Grant Funds**

Allowable expenses include activities that further, or sustain, a hospital's ability to provide healthcare. To include:

- Equipment - non-expendable personal property with a unit cost of more than \$5,000 and a useful life of more than one year.
- Contracts for non-medical services - includes, but is not limited to, contracts for designing, engineering, supervising, surveying, and other expenses incidental to the acquisition, construction or improvements of new hospitals.
- Patient transportation - includes, but is not limited to, contracts for patient transportation projects such as the purchase of ambulances.

5

- 
- Construction - includes, but is not limited to, contracts for any construction on the hospital or outbuildings, remodel projects, and additions.

NOTE: Each application **must include** documentation supporting the costs associated with project activities. CIP funds are to be utilized specifically as proposed by an applicant within their application, if awarded. CIP funds **shall not** be utilized to reimburse an applicant for operating expenses, debt retirement, or recruitment/retention of providers.

Karen Horn  
Financial Analyst  
Riceland Medical Center  
*(formerly Winnie Community Hospital)*  
225-267-6966 Office  
225-715-9840 Cell

---

**From:** Mo Danishmund <mo@starcoimpex.com>  
**Sent:** Thursday, March 26, 2020 1:22 PM  
**To:** Karen Horn <khorn@ricelandhealthcare.com>  
**Subject:** Fwd: 2020 CIP APPLICATION GUIDE FINAL APPROVED.pdf

----- Forwarded message -----

From: **Hubert Oxford IV** <[hoxfordiv@benoxford.com](mailto:hoxfordiv@benoxford.com)>  
Date: Thu, Mar 26, 2020 at 1:15 PM  
Subject: RE: 2020 CIP APPLICATION GUIDE FINAL APPROVED.pdf  
To: Mo Danishmund <[mo@starcoimpex.com](mailto:mo@starcoimpex.com)>

Here is the actual application:

<https://www.texasagriculture.gov/GrantsServices/CapitalImprovement/2020CIPApplication.aspx>

Hubert Oxford, IV  
Benckenstein & Oxford, L.L.P.  
3535 Calder Avenue, Suite 300  
Beaumont, Texas 77706  
(409) 951-4721 Direct  
(409) 351-0000 Cell  
(409) 833-8819 Fax

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**From:** Mo Danishmund <[mo@starcoimpex.com](mailto:mo@starcoimpex.com)>  
**Sent:** Thursday, March 26, 2020 1:08 PM  
**To:** Hubert Oxford IV <[hoxfordiv@benoxford.com](mailto:hoxfordiv@benoxford.com)>  
**Subject:** 2020 CIP APPLICATION GUIDE FINAL APPROVED.pdf

Mo Danishmund, MAcc  
Chief Financial Officer

Riceland Healthcare  
85 i10 N Frontage rd  
Beaumont TX 77707

Starco Impex, Inc  
2710 S. 11th Street  
Beaumont TX 77701

Cell: (409)767 1003

--  
**Mohammed "Mo" Danishmund, MAcc**  
Chief Financial Officer

**Starco Impex, Inc**  
**Riceland Healthcare**  
2710 S. 11th Street  
Beaumont, TX 77701  
Ph:(409)840-9601  
Fx:(409)840-9418



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## Hubert Oxford IV

---

**From:** Karen Horn <khorn@ricelandhealthcare.com>  
**Sent:** Thursday, March 26, 2020 1:25 PM  
**To:** Patricia Rivera  
**Cc:** Steve Deatrack; mo@starcoimpex.com; Julie Haire; Robert Jacobs; Hubert Oxford IV  
**Subject:** Fw: 2020-21 Rural Health Facility Capital Improvement Program (CIP) Application Information

Trish,

Please see below message you sent to our hospital administrator regarding the CIP grant. This is definitely an avenue we are interested in pursuing.

In reviewing the online application which really pertains to public and non-profit hospitals, how would the hospital district go about applying? Would sections A-C be district information and the remaining sections hospital information?

Your assistance in getting this grant application completed would be greatly appreciated.

Sincerely,

Karen Horn  
Financial Analyst  
Riceland Medical Center  
*(formerly Winnie Community Hospital)*  
225-267-6966 Office  
225-715-9840 Cell

---

**From:** Steve Deatrack <sdeatrack@ricelandhealthcare.com>  
**Sent:** Thursday, March 26, 2020 11:33 AM  
**To:** Robert Jacobs <rjacobs@ricelandhealthcare.com>; Karen Horn <khorn@ricelandhealthcare.com>  
**Subject:** FW: 2020-21 Rural Health Facility Capital Improvement Program (CIP) Application Information

FYI

---

**From:** Patricia Rivera <trish.rivera@texasagriculture.gov>  
**Sent:** Wednesday, March 25, 2020 9:54 AM  
**To:** Steve Deatrack <sdeatrack@ricelandhealthcare.com>  
**Cc:** Jeannie Martinez <jmartinez@ricelandhealthcare.com>; Shelia Hampshire <shampshire@ricelandhealthcare.com>; Suggie Daigle <sdaigle@ricelandhealthcare.com>  
**Subject:** 2020-21 Rural Health Facility Capital Improvement Program (CIP) Application Information

Hello Mr. Deatrack,

I hope all is well with you and the hospital. I am sure you all are very busy with preparations for COVID 19 and we thank you for all you are doing to protect your community. We at the SORH office are continually seeking resources for our rural hospitals. To that end, I have been having some internal conversations about our Capital Improvement Program (CIP) grant, see below. While the grant is for public and not-profit hospitals, if you have a legal relationship with your

hospital district and can provide documentation, the district may apply on behalf of the hospital. If this is the case I would strongly encourage you to apply. The grant can provide up to \$75,000 in capital improvement funds. It is a competitive grant process. **The deadline has been moved to 4/9/2020.** I am here to answer any questions or guidance to you or your staff on the application process.

Please let me know if you have any questions or if I can help in any way. I am at your service.

Best regards,

**Trish Rivera | Rural Health Specialist**

State Office of Rural Health | Trade & Business Development  
Texas Department of Agriculture | 1700 N Congress Ave | Austin, Texas 78701  
512.657.7426 | [\\*Trish.Rivera@TexasAgriculture.gov](mailto:Trish.Rivera@TexasAgriculture.gov)

*“Due to the current public health situation, TDA is currently practicing social distancing and working primarily from remote locations. Staff will use email as the primary method of contact, and is committed to promptly responding to all concerns. Thank you for your patience and your understanding of limitations on resources immediately available in the current environment.”*

Hello East Texas Rural Hospital Administrators:

I just wanted to touch base and remind you that the State Office of Rural Health recently sent out the 2020 Rural Health Facility Capital Improvement Program (CIP) grant application. If you think your hospital might be eligible I encourage you to apply. The purpose of the CIP grant is for capital improvement needs as discussed in the 2020 CIP Application Guide. A few examples of past funding are roof repairs, medical equipment purchase, remodeling a reception area, kitchen equipment, etc. A link to the guide and proposals are below and this year the application form has been converted to an online application so submission is easier. Please do not hesitate to contact me if have any questions about the process or what might be considered an eligible request. I can also assist with filling out the application. Please note that if you plan to apply to have all the information necessary for filling out the application because once you begin it you cannot save and go back to it later.

February 14, 2020

The Texas Department of Agriculture (TDA) State Office of Rural Health (SORH) is pleased to announce the release of the 2020-21 Rural Health Facility Capital Improvement Program (CIP) Application and Guide:

- 2020-2021 Rural Health Facility Capital Improvement Program (CIP) -
  - <https://www.texasagriculture.gov/GrantsServices/CapitalImprovement.aspx>

SORH highly encourages potential applicants to fully read the CIP Application Guide to determine eligibility factors, use of grant funds, and matching fund requirements, etc. **NOTE: This year, several changes have been made to the CIP application form and process. The State Office of Rural Health has converted the CIP application to an online form to streamline the CIP application process for our rural hospitals. It is highly recommended that applicants read the CIP Application Guide for instructions and considerations in completing the new CIP online application form.**

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**Rural Health Facility Capital Improvement Program (CIP)  
2020 CIP Application Deadline: March 20, 2020**

**Purpose:** The Rural Health Facility Capital Improvement Program (CIP) provides funding for rural public and non-profit hospitals to make capital improvements to existing facilities, construction of new health facilities, or to purchase equipment.

**Eligible Applicants:** Public and non-profit hospitals located in a rural county that has a population of 150,000 or less; or with respect to a county that has a population of more than 150,000 and contains a geographic area that is not delineated as urbanized by the federal census bureau, that part of the county that is not delineated as urbanized.\*

**Award Amount:** Award amounts shall not exceed \$75,000.

**Matching Funds Amount:** 25% match of CIP funds requested

*\*Review Application and Application Guideline for more details*

For questions regarding submission of the application and/or Texas Department of Agriculture (TDA) State Office of Rural Health (SORH) requirements, please contact your Texas State Office of Rural Health Regional Coordinator:

Trish Rivera: [Trish.Rivera@TexasAgriculture.gov](mailto:Trish.Rivera@TexasAgriculture.gov)

Shari Wyatt: [Shari.Wyatt@TexasAgriculture.gov](mailto:Shari.Wyatt@TexasAgriculture.gov)

You may also call (512) 463-0018 or email [RuralHealth@TexasAgriculture.gov](mailto:RuralHealth@TexasAgriculture.gov) if you need immediate assistance.

Sincerely,

*Shari Wyatt*

Rural Health Specialist

State Office of Rural Health

Texas Department of Agriculture

P.O. Box 12847

Austin, Texas 78711

Office: 512-463-0018

[Shari.Wyatt@TexasAgriculture.gov](mailto:Shari.Wyatt@TexasAgriculture.gov)



**NOTICE OF CONFIDENTIALITY**

*The information transmitted is intended only for the person or entity to which it is addressed and may contain CONFIDENTIAL material. If you receive this material/information in error, please contact the sender and delete the material/information.*



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# Exhibit “C”

<b>\$500 Bonuses/No Covid Cases as of May 31, 2021</b>							
<b>FACILITY</b>	<b>NSGO</b>	<b>REIT</b>	<b>FT EMPLOYEES</b>	<b>\$500 BONUS</b>	<b>HMG</b>	<b>Sabra</b>	<b>Winnie</b>
<b>Divided by Three (HMG, Sabra, and District)</b>							
PM Conroe	Winnie	Sabra	100	\$50,000.00	\$16,666.67	\$16,666.67	\$16,666.67
PM Cyfair	Winnie	Sabra	94	\$47,000.00	\$15,666.67	\$15,666.67	\$15,666.67
PM Cypress Station	Winnie	Sabra	79	\$39,500.00	\$13,166.67	\$13,166.67	\$13,166.67
PM Humble	Winnie	Sabra	77	\$38,500.00	\$12,833.33	\$12,833.33	\$12,833.33
PM Quail Valley	Winnie	Sabra	86	\$43,000.00	\$14,333.33	\$14,333.33	\$14,333.33
PM Westchase	Winnie	Sabra	79	\$39,500.00	\$13,166.67	\$13,166.67	\$13,166.67
Friendshiphaven	Winnie	Summit	118	\$59,000.00	\$19,666.67	\$19,666.67	\$19,666.67
Willowbrook	Winnie	LTC	73	\$36,500.00	\$12,166.67	\$12,166.67	\$12,166.67
					<b>\$117,666.67</b>	<b>\$117,666.67</b>	<b>\$117,666.67</b>
<b>Divided by Two (HMG and District)</b>							
Deerbrook	Winnie	NA	75	\$37,500.00	\$18,750.00	-	\$18,750.00
PM The Woodlands	Winnie	NA	120	\$60,000.00	\$30,000.00	-	\$30,000.00
PM Tomball	Winnie	NA	83	\$41,500.00	\$20,750.00	-	\$20,750.00
PM South Belt	Winnie	NA	89	\$44,500.00	\$22,250.00	-	\$22,250.00
					<b>\$183,500.00</b>	<b>\$91,750.00</b>	<b>\$91,750.00</b>
<b>Totals-Maximum Exposure</b>					<b>\$536,500.00</b>	<b>\$209,416.67</b>	<b>\$209,416.67</b>

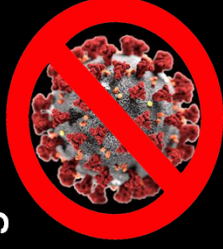
<b>\$250 Bonus/5 or less COVID 19 Cases as of May 31, 2021</b>							
<b>FACILITY</b>	<b>NSGO</b>	<b>REIT</b>	<b>FT EMPLOYEES</b>	<b>\$500 BONUS</b>	<b>HMG</b>	<b>Sabra</b>	<b>Winnie</b>
<b>Divided by Three (HMG, Sabra, and District)</b>							
PM Conroe	Winnie	Sabra	100	\$25,000.00	\$8,333.33	\$8,333.33	\$8,333.33
PM Cyfair	Winnie	Sabra	94	\$23,500.00	\$7,833.33	\$7,833.33	\$7,833.33
PM Cypress Station	Winnie	Sabra	79	\$19,750.00	\$6,583.33	\$6,583.33	\$6,583.33
PM Humble	Winnie	Sabra	77	\$19,250.00	\$6,416.67	\$6,416.67	\$6,416.67
PM Quail Valley	Winnie	Sabra	86	\$21,500.00	\$7,166.67	\$7,166.67	\$7,166.67
PM Westchase	Winnie	Sabra	79	\$19,750.00	\$6,583.33	\$6,583.33	\$6,583.33
Friendshiphaven	Winnie	Summit	118	\$29,500.00	\$9,833.33	\$9,833.33	\$9,833.33
Willowbrook	Winnie	LTC	73	\$18,250.00	\$6,083.33	\$6,083.33	\$6,083.33
					<b>\$176,500.00</b>	<b>\$58,833.33</b>	<b>\$58,833.33</b>
<b>Divided by Two (HMG and District)</b>							
Deerbrook	Winnie	NA	75	\$18,750.00	\$9,375.00	-	\$9,375.00
PM The Woodlands	Winnie	NA	120	\$30,000.00	\$15,000.00	-	\$15,000.00
PM Tomball	Winnie	NA	83	\$20,750.00	\$10,375.00	-	\$10,375.00
PM South Belt	Winnie	NA	89	\$22,250.00	\$11,125.00	-	\$11,125.00
					<b>\$91,750.00</b>	<b>\$45,875.00</b>	<b>\$45,875.00</b>
<b>Totals</b>					<b>\$268,250.00</b>	<b>\$104,708.33</b>	<b>\$104,708.33</b>

# NOT ON MY WATCH!

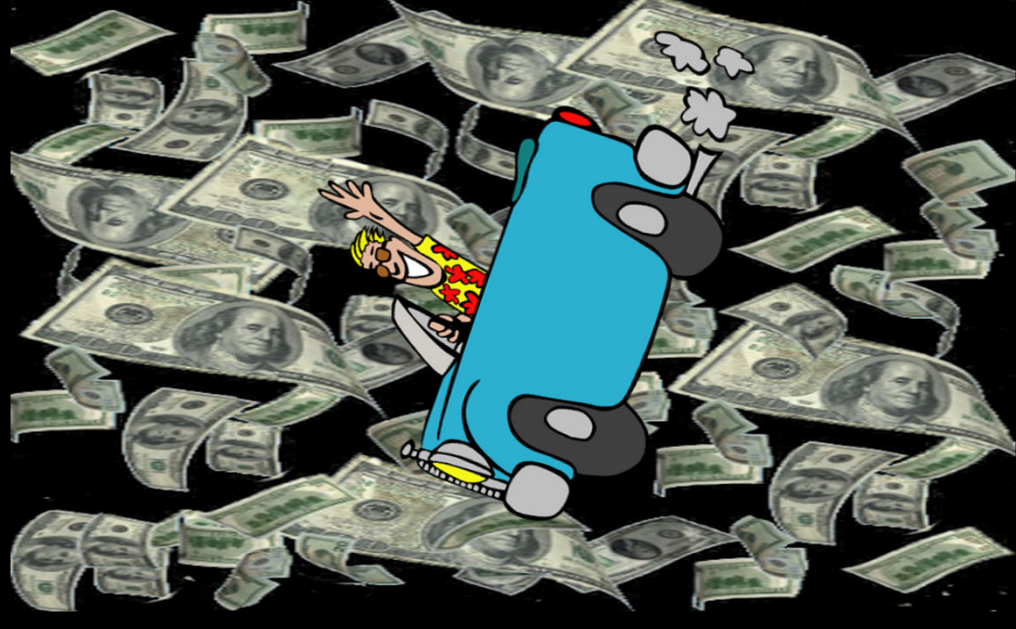
**HMG HEALTHCARE IS INCENTIVIZING TEAM MEMBERS TO KEEP COVID-19 OUT OF OUR BUILDINGS AND AWAY FROM OUR PATIENTS!**

## **BASICS**

- Full-time team members (including contract) of a facility that has no facility acquired COVID-19 cases through May 31st will receive a \$500 bonus.
- Full-time team members (including contract) of a facility that has less than 5 facility acquired COVID-19 cases through May 31<sup>st</sup> will receive a \$250 bonus.
- **ALL** full-time team members (including contract) of facilities that meet either of the above criteria, will have their names entered into a drawing for a new car.



**KEEP COVID OUT!**



**HMG**  
HEALTHCARE LLC