

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

The meeting of the Board of Directors of the Winnie-Stowell Hospital District (“District”) was noticed and filed pursuant to the Texas Open Meetings Act a full 72 hours prior to the opening of said meeting for 6:00 p.m., July 28, 2021 at the District’s Offices located at 520 Broadway, Winnie, Texas 77665, (a copy of said Notice being placed amongst the files of the District). An electronic version of this meeting is available upon request.

1. Call the Meeting to Order

At approximately 6:03 p.m., the meeting was convened, and the roll was called of the members of the Board, to wit:

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

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

Mrs. Sherrie Norris	Administrator
Mrs. Patricia Ojeda	Indigent Care Director
Mr. Hubert Oxford, IV	General Counsel for the District
Mr. Mo Danishmund	Chief Financial Officer, Winnie Community Hospital (“Hospital”)
Mr. Saad Javed	Co-Chief Operating Officer, Hospital
Mr. Chris Portner	General Counsel, Riceland Hospital
Mr. Robert Jacobs	Clinical Manager for Riceland
Mr. Wade Thibodeaux	Hometown Press

2. Pledge of Allegiance

After the introduction of the guests, President Murrell called on those present to recite the Pledge of Allegiance and the Pledge of Allegiance to the State Flag of Texas.

3. Public Comment

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

Review and Approve Minutes of Previous Meeting(s): June 16, 2021.

Following, President Murrell called on the Board to review and approve the minutes from June 16, 2021 Regular Meeting. Attorney Oxford apologized for the lack of a number for this agenda item as this was a formatting error. Afterwards, the minutes were examined by the Board and they did not request any additional changes.

Thereafter, Director Stramecki made a motion to approve the minutes of the June 16, 2021 Regular Meeting. This motion was seconded by Director Vratis, and unanimously approved by all the Board members.

4. Review and approve financials report; payment of invoices; receive Accountant's report, and amend budget, if necessary.

Turning to the District's financial reports, Attorney Oxford was asked to discuss, the District's year to date Balance Sheet and Profit & Loss Budget vs. Actual. (*See Exhibit "A-1"*). Attorney Oxford told the Board that Mr. Sticker could not be present at the meeting because of a health-related issue. Attorney Oxford then explained that the Profit & Loss statement included adjustments to Line Items 601-Pmt to Hospital and 607-WSHD Non-Hospital Grants as discussed at the prior meeting. Specifically, Attorney Oxford explained that \$147,000.00 previously paid to the Hospital but assigned to 607-WSHD Non-Hospital Grants was changed Line Item 601 as budgeted. Likewise, Attorney Oxford confirmed that the \$109,000.00 paid at the prior meeting was re-assigned to Line Item 601, not Line Item 607. This was also consistent with the budget.

Upon the conclusion of the discussion of the Balance Sheet and Profit & Loss Statement, Attorney Oxford continued the discussion on the financials by addressing the Treasurer’s Report, check register, and outstanding invoices to be considered. (See **Exhibit “A-2”**). First, Attorney Oxford asked the Board to review the invoices to be paid. These invoices totaled \$46,129.79. Per Attorney Oxford, this month, there were no bills outside of the normal, but he did highlight the Bonds and Ellis invoice and stated he would discuss the *In Re Abri Health Services* matter during the discussion on Agenda Item No. 8. Otherwise, a complete list of the invoices to be paid is as follows:

Pending Expenses	For	Amount
Brookshire Brothers	Indigent Care	\$1,361.79
Wilcox Pharmacy	Indigent Care	\$1,672.73
UTMB at Galveston	Indigent Care	\$14,495.22
UTMB Faculty Group	Indigent Care	\$3,491.15
Indigent Healthcare Solutions	IC Inv #72098	\$1,109.00
American Education Services	S Stern-Student Loan	\$150.14
Nicki Holtzman	Youth Counseling	\$765.00
Benjamin Odom	Youth Counseling	\$255.00
Chambers Cty PHD#1	IC Dental	\$210.00
Benckenstein & Oxford	Inv #50155	\$13,325.00
Hubert Oxford	Legal Retainer	\$1,000.00
David Sticker	Inv #57	\$1,312.50
Technology Solutions of Tx	Inv #1603	\$75.00
Felipe Ojedia-Yard Service	Inv #1014	\$300.00
Graciela Chavez-Office Cleaning	Inv #	\$100.00
Function4	Inv #871450	\$249.84
Bonds & Ellis (Clay Taylor)	Inv #12504 (In re Abri)	\$4,787.50
Barrier Reef Emergency Physician	Indigent Care	\$214.32
Dr. June Stansky Optometrist	IC Special Program	\$240.00
\$25 Optical	IC Special Program	\$175.00
Bobby Way	Travel Reimb	\$291.20
Anthony Stramecki	Travel Reimb	\$291.20
Kasey Vratis	Travel Reimb	\$291.20
Total Pending Expenses		\$46,162.79

Once the Board members completed their review of the invoices, Attorney Oxford referred the Board to the First Financial Bank Reconciliation section of the report. Per Attorney Oxford, the balance in the District’s Commercial Account at First Financial Bank was \$12,901,972.58. Of the total funds deposited in this account, the District’s unrestricted funds balance was \$4,085,616.60.

Turning to the Fund Summary section, the total liquid funds available as of the meeting, was \$5,655,199.38 but he explained that this balance will increase by \$978,373.36 once the remaining Year 4, third quarter Quality Incentive Payment Program (“QIPP”) Component 3, 4 and lapsing funds were received.

At the end of the discussion, the Board was asked if there were any additional questions or comments. Since there were none, Director Stramecki made a motion, which was seconded by Director Vratis, and the unanimous approval of the Board members to: a) approve the financials for June 2021; b) adopt the Treasurer’s Reports; and c) pay the invoices presented. (See Exhibits “A-1”, “A-2”, and “A-3”).

5. Discuss and take-action on Committee Reports:

No Committee had a report for this meeting.

6. Receive reports, by:

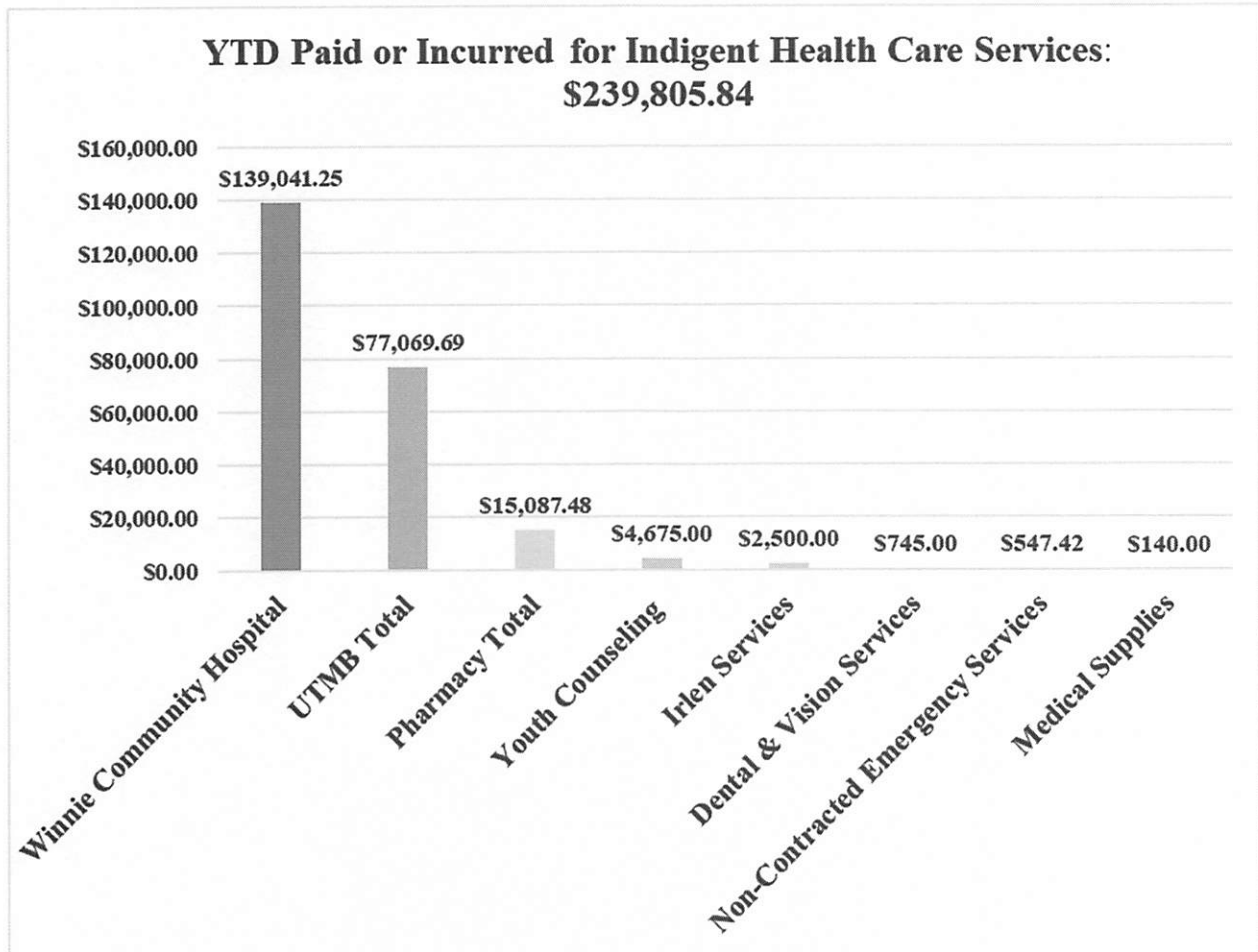
a. Administrator’s Report

This month Mrs. Norris reported that she the District was well represented at the Texas Healthcare Trustees conference in San Antonio. Those Board members that attended, as well Attorney Oxford, then discussed the various aspects of the conference that they believed were most helpful.

b. District Indigent Care Director Report

Mrs. Ojeda called on to give the Indigent Care report. Mrs. Ojeda reported that in June 2021, the number of clients enrolled in the indigent care program increased from fifty-two (52) clients to fifty-eight (58); while the Youth Counseling increased by three (3) to eleven (11) children. Meanwhile, the number of children treated for Irlens syndrome remained the same at five (5), but Mrs. Ojeda reported that she expected more students utilizing this service with the start of school

approaching. Thereafter, Mrs. Ojeda presented the Board with her monthly statistics and the reports set forth in **Exhibit “B”** and summarized below.



After her discussion of the financial aspects of the report, Mrs. Ojeda asked the Board to review her remaining reports and contact her if there were any questions.

c. District General Counsel Report

Attorney Oxford discussed a regulatory matter affecting the Marshall Manor Rehabilitation and Nursing Facility (“Facility”) and advised that during the discussion of Agenda Item No. 11, he would discuss a second regulatory issue involving the Spindletop Hill facility in home matters.

Per Attorney Oxford, the Centers for Medicare and Medicaid Services (“CMS”) instructs states to rank all facilities for purposes of enlisting facilities in the Special Focus Facility Program (“Program”). The Program uses a specified algorithm that looks at all survey citations received by a facility and ranks them based on scope and severity of prior performance on surveys. Each state is then mandated to have a specific number of facilities enrolled in the Program. As a facility graduates from the Program, the HHSC makes a recommendation to CMS for the next facility on the list for inclusion into the Program. While in the Program, the facility is subject to three (3) surveys over an eighteen (18) month period and the facility must pass each survey to keep its Medicare and Medicaid license.

Recently, there was an opening in the Program and the Marshall Manor Nursing & Rehabilitation Center was chosen to participate. Historically, this facility has always performed well but as you may recall, the facility was fined by HHSC and CMS following a complaint by a patient and a subsequent survey in August 2019. Then in 2020, the District’s Board was asked to engage the Underhill Firm to assist with negotiating the terms of the fine assessed by HHSC.

Attorney Oxford advised that he spoke with Caring Healthcare, Manager of the Marshall Manor facility, who explained the reason the Facilities score was low is because of the timing of pre-pandemic surveys and the fact that no surveys took place during the pandemic. As a result, when the Facility was assessed for the Program, the assessment was based on the prior HHSC survey from the August 2019.

Additionally, Caring Healthcare assured Attorney Oxford they have already corrected the problems identified in the August 2019 survey and intends to work through the Program in an exemplary manner. Furthermore, Caring agreed to work with the District to make sure the District was informed on the Facility’s progress while enrolled in the Program.

d. LTC Report

Staff presented the LTC Reports for May 2021 and June 2021. (See **Exhibit C-1 and C-2**). After the Board was reviewed the reports, they were informed by

Attorney Oxford that the Service Agreement with LTC was scheduled to expire in August 2021. Thus, while at the Texas Healthcare Trustees conference, Director Way, Stramecki, and Oxford met with David Smith, with LTC, to discuss the contract renewal. According to those in attendance, the group discussed the status of the QIPP program and the need to identify facilities subject to regulatory action, lawsuits, or poor performance on metric achievements and monitor them more closely. LTC agreed and Attorney Oxford stated that he was going to include language in the Service Agreement with LTC that they will visit these facilities more frequently.

e. Hospital Report

President Murrell then called on Mr. Danishmund to give the Hospital report for June 2021. Mr. Danishmund report that in 2021, the average inpatient days was 6.60, which was less than the year-to-date average but still well above the state average of 1.63 per night for rural hospitals. Looking forward, Mr. Danishmund reported that the Hospital has already seen a jump in hospitalizations due to Covid virus and expects the July averages to be much higher. A copy of the report is set forth below and attached as **Exhibit “D-1”**.

2021							
Census	Jan	Feb	Mar	Apr	May	June	Average
ER Visits	167	170	184	225	231	256	206
Conversion to Inpatient/observation	16	17	9	14	24	26	18
<i>Percentage</i>	10%	10%	5%	6%	10%	10%	9%
Transferred out	7	7	12	8	17	13	11
<i>Percentage</i>	4%	4%	7%	4%	7%	5	88%
ER shifts covered by doctors	74%	51%	55%	68%	48%	60%	59%
Average Inpatient days per day	167	172	146	117	196	135	156
Average Hospice days per day	0	13	7	22	7	5	9
Average Swingbed days per day	0	50	35	20	83	26	36
Average Observation days per day	31	12	18	33	35	32	27
Total All Inpt. Days	198	247	206	192	321	198	227
Average All Inpt. days per day	6.39	8.52	6.65	6.40	10.35	6.60	7.67
CTs	66	66	60	68	73	61	66
Xrays	248	240	309	292	250	305	274
Ultrasounds	30	42	37	39	37	32	36
Encounters - Adult Clinic	409	368	514	507	455	552	468
Encounters - Pediatric Clinic	226	171	287	279	168	179	218
Behavioral Health patients	0	0	0	0	0	11	2
Physical Therapy	1	0	0	0	1	0	0

After the review of the statistics, Mr. Danishmund introduced Mr. Robert Jacobs, the Clinical Manager for Riceland, to discuss the Hospital's recent acquisition of telemetry machine. Mr. Jacobs passed around a presentation on the telemetry machine and reviewed it with the Board. (See Exhibit "D-2"). According to Mr. Jacobs telemetry machines monitor the electrical activity of a patients' heart for an extended time. The recordings taken during telemetry monitoring show healthcare providers if there are problems with how your heart beats. Moreover, the Hospital's new machine can monitor up to sixteen (16) patients compared to the old machine that was just able to monitory a single patient. Likewise, the new machine is much more reliable and user friendly.

The Board congratulated the Hospital for the acquisition of the machine and told the representatives at the meeting that they appreciated their efforts to upgrade equipment at the Hospital. In response, Mr. Danishmund informed the Board that the machine cost \$110,000.00 and asked if the Hospital could submit a grant application to be reimbursed for the cost of the machine. As in the past, President Murrell instructed to Hospital to submit a grant application to the Finance Committee who would make a recommendation to the Board at their next meeting.

7. Discuss and take-action, if necessary, to approve funding agreement with WSEMS for operating and staffing transport van.

President Murrell asked Attorney Oxford to give an update on this agenda item. Attorney Oxford informed the Board that he has worked on an agreement, but he was informed the vehicle will not be delivered for several months. He then requested the Board table this agenda item and asked that it remain on the agenda.

The Board agreed. Director Stramecki then made a motion to table Agenda Item No. 7. This motion was seconded by Director Way, and unanimously approved by all the Board members.

8. Discuss and take-action, if necessary, on action in *In re Abri Health Services, et al* following the mediation held on May 28, 2021.

Attorney Oxford was called on to discuss this agenda item. Attorney Oxford advised the Board that there was a hearing on August 11, 2021, at 9:30 a.m. to

address LTC Properties' Motion for Relief from the bankruptcy proceedings. Per Attorney Oxford, it was his understanding that this hearing could be outcome determinative on the matter. In addition, Attorney Oxford reported that he had been working with Bankruptcy counsel on agreements for the eventual possibility that the eleven (11) homes are released from the bankruptcy court. For now, Attorney Oxford stated that no action needed to be taken but asked that the agenda item be tabled.

Once again, the Board agreed. Director Stramecki then made a motion to table Agenda Item No. 8. This motion was seconded by Director Vratis, and unanimously approved by all the Board members.

9. Discuss and take-action, if necessary, on authorizing staff to renew crime policy.

President Murrell called on staff to discuss the crime policy. Staff requested that this agenda item also be tabled because they have received proposals for various levels of coverage, deductibles, and premiums but are still waiting on a response for a third option requested prior to the meeting.

In response, Director Stramecki made a motion to table Agenda Item No. 9. This motion was seconded by Director Vratis, and unanimously approved by all the Board members.

10. Discuss and take-action, if necessary, to relocate the District's funds in the Prosperity CD.

Next, President Murrell called on staff to discuss Agenda Item No. 10. Staff provided the Board with correspondence exchanged between Prosperity Bank and District staff regarding the renew of the District's CD at Prosperity at the end of August 2021. (See **Exhibit "E"**). Included in the e-mail exchange is confirmation that the interest rate on the CD will go from 0.40% to 0.20%. Given the low interest rate, the Board discussed alternative depositories and best uses of the money. After some discussion, it was agreed that the District needed to not renew the CD; and either: 1) deposit the funds in the District's checking account, or 2) transfer the funds to Allegiance Bank so that the funds can be deposited into a CD.

Consistent with this discussion, Director Stramecki made a motion to: not renew the CD; and either: 1) deposit the funds in the District's checking account, or

2) transfer the funds to Allegiance Bank so that the funds can be deposited into a CD. This motion was seconded by Director Way, and unanimously approved by all the Board members.

11. Discuss and take-action, if necessary, on approving a letter of representation and conflict of interest waiver for the Underhill Firm to contest the fine assessed by the Texas Health and Human Services Commission against the Spindletop Hill Nursing and Rehabilitation Center.

Attorney Oxford was called on to discuss this agenda item. Attorney Oxford reported that on July 15, 2021, the District was notice by CMS and Regency Healthcare, managers for the Spindletop Hill, that the facility received a fine and notice from CMS of a cut-off date of October 1, 2021, if problems resulting from the CMS inspections performed on April 1, 2021, and May 14, 2021, are not resolved.

According to the notice received, a penalty of \$9,215.00 per day for the sixteen (16) days was assessed against Spindletop Hill totaling \$147,440.00. In addition, CMS assessed a Federal Civil Money Penalty of \$330.00 per day starting on May 14, 2021 and continuing until further notice from CMS. Presently, Attorney Oxford reported that there is no record of a State penalty.

After talking to Regency, Attorney Oxford informed the Board that the facility was fined because they allegedly failed to ensure a physician was consulted after a referral for a wound consult by a podiatrist. Nine (9) days later, a resident was transferred to the Emergency Room and diagnosed with osteomyelitis (infection of the bone). Ultimately, the resident's great toe was amputated while in the hospital.

Shortly after receiving notice of the fines, the District received a conflicts of interest letter to allow the Underwood Firm to represent the Manager in the appeal of this fine. In the past, the District entered in the same agreement when the same firm when Marshall Manor facility was fined. Attorney Oxford explained that the appeal deadline was July 27, 2021, and since the District's meeting was not until July 28, 2021, the President had to execute the letter. Therefore, the purpose of this agenda item was to ask the Board to ratify the President's authority to sign the conflicts of interest letter with the Underwood Firm.

The Board agreed, and then Director Stramecki made a motion to ratify the President's prior execution of the conflicts of interest letter for the Underwood Firm

to represent Regency Healthcare for the fine assessed against the Spindletop Hill facility. This motion was seconded by Director Way, and unanimously approved by all the Board members.

12. Discuss and take-action, if necessary, on approving grant request by Winnie Community Hospital for staffing reimbursement for Covid-19 shots.

President Murrell called on Mr. Danishmund to address this agenda item. Mr. Danishmund asked that this agenda item be tabled because the Hospital was still in the process of attempting to collect information needed to get reimbursed for the estimated 20,000 covid shots given.

As in the past, the Board encouraged the Hospital to continue all efforts possible to obtain the necessary information needed to get reimbursed for the shots. Afterwards Director Stramecki made a motion to table Agenda Item No. 12. This motion was seconded by Director Vratis, and unanimously approved by all the Board members.

President Murrell then called for any other such matters before the Board. There being none, the Board discussed the date for the upcoming meeting, and it was agreed to hold the next Regular Meeting on August 18, 2021. a motion was made by Director Stramecki at 7:33 p.m., to adjourn the meeting. This motion was seconded by Director Vratis and unanimously approved by all the Board members present.


Edward Murrell, President


Anthony Stramecki, Vice-President