

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., November 17, 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 6:11 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, 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. David Sticker	District CPA
Mr. Mo Danishmund	Chief Financial Officer, Winnie Community Hospital (“Hospital”)
Ms. Crystal Payton	Assistant to Chief Financial Officer
Mr. Chris Portner	Counsel, for Riceland Hospital
Mr. Saad Javed	Co-Chief Operating Officer, Hospital
Mr. Robert Jacobs	Clinical Manager for Riceland
Ms. Tammy Guidry	Marcelous-Williams Resource Center
Ms. Christina Dickerson	Marcelous-Williams Resource Center
Ms. Romonia Williams	Marcelous-Williams Resource Center

Ms. Amber Lucia	Winnie Stowell Emergency Medical Services (“WSEMS”)
Mr. Bill Franz	THRIVE

2. Introduction of Guest

3. Pledge of Allegiance and Pledge to Texas Flag

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.

4. Public Comment

This month, there was no public comment.

5. Review and Approve Minutes of Previous Meeting(s): October 20, 2021, Regular Meeting; and October 29, 2021 Special Meeting.

President Murrell then called on the Board to return to Agenda Item No. 5 to review and approve the minutes from October 20, 2021, Regular Meeting; and October 29, 2021 Special Meeting. The Board reviewed the minutes and had no further changes.

Consequently, Director Stramecki made a motion to approve the minutes of the October 20, 2021 Regular Meeting; and the October 29, 2021 Special Meeting. This motion was seconded by Director Vratiss, and unanimously approved by all the Board members.

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

Turning to the District’s financial reports, Mr. David Sticker was asked to discuss the District’s year to date Balance Sheet and Profit & Loss Budget vs. Actual. (See [Exhibit “A-1”](#)). Mr. Sticker then reviewed the Balance Sheet and Profit & Loss Budget vs. Actual and advised the Board that everything was in order.

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”](#)). As in the past, Attorney Oxford asked the Board to review the invoices to be paid. Attorney Oxford stated that this month, the total invoices amounted to \$74,175.12. A complete list of the invoices to be paid is as follows:

Pending Expenses	For	Amount
Brookshire Brothers	Indigent Care	\$2,091.62
Wilcox Pharmacy	Indigent Care	\$1,094.70
UTMB at Galveston	Indigent Care	\$34,743.41
UTMB Faculty Group	Indigent Care	\$5,873.72
Barrier Reef Emergency Physician	Indigent Care	\$198.78
Indigent Healthcare Solutions	IC Inv #72752	\$1,109.00
American Education Services	S Stern-Student Loan	\$150.14
Penelope (Polly) Butler	Youth Counseling	\$85.00
Kalos Counseling (Benjamin Odom)	Youth Counseling	\$765.00
Benckenstein & Oxford	Inv #50259	\$22,800.00
Hubert Oxford	Legal Retainer	\$1,000.00
David Sticker	Inv #64	\$3,468.75
Technology Solutions of Tx	Inv #1638	\$75.00
Felipe Ojedia-Yard Service	Invs #1019-1020	\$600.00
Graciela Chavez-Office Cleaning	Inv #8018602	\$120.00
Total Pending Expenses		\$74,175.12

After 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 \$13,881,281.63. Of the total funds deposited in this account, the District’s unrestricted funds balance was \$7,892,342.66. After considering the unrestricted funds, including the funds in Prosperity Bank and available funds in the Allegiance Bank Line of Credit less the restricted funds and expenses to be paid, Attorney Oxford informed the Board that the District’s total unrestricted fund balance was \$14,687,046.75.

Once the Board members completed their review of the invoices, Treasurer’s Report, and supporting documents, the Board was asked if there were any additional

questions or comments. Since there were none, Director Way made a motion, which was seconded by Director Stramecki, and the unanimous approval of the Board members to: a) approve the financials for August 2021; b) approve the Treasurer's Report; and c) pay the invoices presented. (See [Exhibits "A-1"](#), and ["A-2"](#)).

7. Discuss and take-action on Committee Reports: a) Finance Committee; b) Indigent Healthcare Committee; c) Personnel Committee; and d) Hospital Liaison.

President Murrell asked the Committees if there were any reports. Per Director Stramecki, there will be a Finance Committee meeting on December 7, 2021 to discuss budget amendments for the 2021 budget and the Committee will prepare a 2022 Proposed Budget to be considered during the Public Hearing and Regular Meeting scheduled for December 15, 2021. In addition, Director Stramecki informed the Board that the Personnel Committee met to perform employee evaluations. Director Stramecki was happy to announce that both employees received good evaluations and the Committee was recommending raises that will be incorporated into next year's budget. Furthermore, the Committee agreed to change Mrs. Ojeda's title from Indigent Care Director to "Program Manager" since she is overseeing the District's Indigent Care Program as well as other outside services.

8. Receive reports, by:

a. Administrator's Report

Mrs. Norris presented the Board with a resolution of appreciation submitted to the District by the East Chambers Independent School District for the District's approval of the increase to the annual contribution for health care services to the school district's students. (See [Exhibit "B"](#)). Moreover, Mrs. Norris advised that staff prepared a job description for the part-time assistant's position, and she was going to publish the job description in both of the area newspapers.

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b. District Indigent Care Director Report

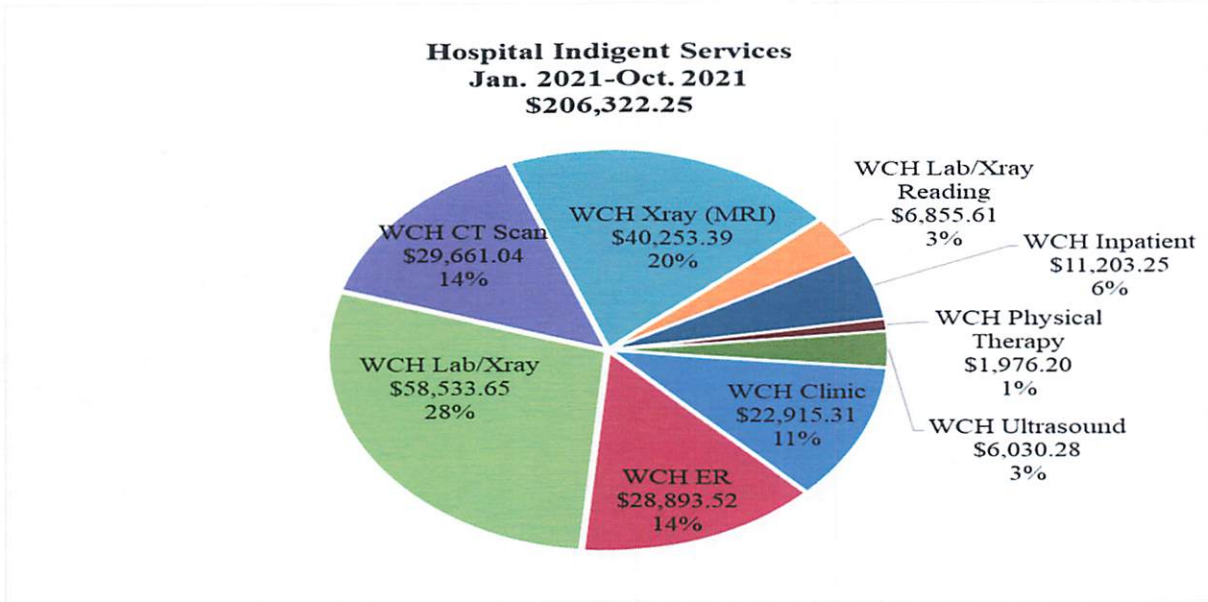
Next, Mrs. Ojeda was called on to give the Indigent Care report. Mrs. Ojeda reported that in October 2021, the number of active clients enrolled in the indigent care program increased by five (5) to seventy-one (71) clients while the Youth Counseling clients decreased by four (4) to thirteen (13) children. Meanwhile, in regard to the other programs overseen by Mrs. Ojeda, she reported that the Irlen Services program has aided ten (10) children this year and during October 2021, the District had three (3) indigent clients utilize the dental services; and one (1) client use the vision benefits. (See [Exhibit “C”](#)).

Mrs. Ojeda then presented the Board with her monthly cost report. A summary of this report is set forth below.

	May	Jun	Jul	Aug	Sep	Oct	YTD Totals
	Paid Amount	Paid Amount	Paid Amount	Paid Amount	Paid Amount	Paid Amount	Paid Amount
Winnie Community Hospital	\$26,805.80	\$27,963.23	\$15,914.15	\$24,527.43	\$23,949.33	\$652.72	\$204,084.88
Pharmacy Total	\$688.40	\$3,034.52	\$2,091.54	\$3,475.91	\$2,617.58	\$3,186.32	\$26,458.83
UTMB Total	\$21,895.91	\$17,986.37	\$14,934.36	\$0.00	\$17,358.39	\$40,617.13	\$149,979.57
Youth Counseling	\$1,020.00	\$1,190.00	\$1,105.00	\$935.00	\$850.00	\$850.00	\$8,415.00
Irlen Services	\$0.00	\$0.00	\$1,900.00	\$0.00	\$1,600.00	\$0.00	\$6,000.00
Dental & Vision Services	\$120.00	\$625.00	\$320.00	\$70.00	\$260.00	\$0.00	\$1,395.00
Non-Contracted Emergency S	\$214.32	\$214.32	\$118.78	\$95.54	\$457.62	\$198.78	\$1,418.14
Medical Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$140.00
YTD TOTAL	\$50,744.43	\$51,013.44	\$36,383.83	\$29,103.88	\$47,092.92	\$45,504.95	\$397,891.42

Regarding the Hospital expenses, since the end of the year was approaching and it was going to be necessary to calculate next year’s indigent care payment, Mrs. Ojeda, highlighted the status of the District’s budget for the year compared to year. Mrs. Ojeda reminded the Board that in 2021, the District’s contractual amount paid to the Hospital was \$225,810.35. Through October, the District incurred \$206,322.25. A pie chart of the services provided is set forth below.

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Subsequently, Mrs. Ojeda discussed highlights from her detailed report for September 2021, which are summarized below.

- Thirteen (13) clients were on the Prescription Assistance Program, which saved the District \$7,995.83 for the month.
- The Riceland Contracted Reimbursement Rate amount was down by \$23.30, from \$23,949.33.
- Otherwise, there were nineteen (19) referrals to UTMB that were approved. Of the referrals, two (2) were expected to be major totaling \$103,700.00. According to Mrs. Ojeda, one surgery was a cardiac procedure that was expected to cost \$70,620.63 and the other was a neurological surgery that cost \$33,129.11. In regard to the cardiac procedure, it was the physician’s opinion that without the surgery, the cardiac patient was at risk for a major cardiac event. In response, the Board asked Mrs. Ojeda to review the District’s Interlocal Agreement with UTMB because it was their belief that the agreement provided a cap of \$60,000.00 owed by the District for health care treatment by the hospital.

After her discussion of the indigent care report, Mrs. Ojeda asked the Board to review her complete report and contact her if there were any questions.

c. District General Counsel Report

Mr. Oxford informed the Board that on November 15, 2021, the Centers for Medicare and Medicaid Services (“CMS”) approved the Quality Incentive Payment Program (“QIPP”) Year 5. Looking forward, for QIPP Years 6-10, the State of Texas and CMS are engaged in litigation over the State’s Medicaid delivery programs and the future of the QIPP Program is tied to the outcome of the litigation.

d. LTC Report

Staff presented the LTC Report for October 2021. ([See Exhibit “D”](#)). After the Board reviewed the reports, there were no questions.

e. Hospital Report

President Murrell then called on Mr. Javed to give the Hospital report for October 2021 and attached as [Exhibit “E”](#).

Census	2021										Average
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	
ER Visits	167	170	184	225	231	256	265	248	270	204	222
Conversion to Inpatient/observation	16	17	9	14	24	26	31	31	20	21	21
<i>Percentage</i>	10%	10%	5%	6%	10%	10%	12%	13%	7%	10%	9%
Transferred out	7	7	12	8	17	13	12	5	10	13	10
<i>Percentage</i>	4%	4%	7%	4%	7%	5%	5%	2%	4%	6%	5%
ER shifts covered by doctors	74%	51%	55%	68%	48%	60%	56%	58%	70%	48%	59%
Number Inpatient days	167	172	146	117	196	135	115	262	472	180	196
Number Hospice days	0	13	7	22	7	5	18	19	0	0	9
Number Swingbed days	0	50	35	20	83	26	114	58	39	58	48
Number Observation days	31	12	18	33	35	32	36	20	19	20	26
Total All Inpt. Days	198	247	206	192	321	198	283	359	530	258	279
Average Inpatient days per day	6.39	8.52	6.65	6.40	10.35	6.60	9.13	11.58	17.67	8.32	9.16
CTs	66	66	60	68	73	61	68	47	74	54	64
Xrays	248	240	309	292	250	305	318	383	410	254	301
Ultrasounds	30	42	37	39	37	32	26	42	31	53	37
Encounters - Adult Clinic	409	368	517	507	455	550	497	490	405	663	486
Encounters - Pediatric Clinic	226	171	285	279	168	179	242	301	195	275	232
Behavioral Health patients	0	0	0	0	0	11	18	18	14	30	9
Physical Therapy	1	0	0	0	1	0	1	0	0	0	0

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At the completion of the discussion of the monthly statistics, Mr. Javed proceeded to inform the Board of Hospital activities since the last meeting. The matters discussed were:

- Ventilator/Dialysis program had first admission October 26th, 2021, and the Hospital now has three (3) patients;
- Intensive Outpatient Program (“IOP”) has grown with the addition of second therapist;
- Covid Census has decreased dramatically; and
- State supplied nursing staff ends the month of November 2021

Before the Board turned to the remaining Agenda Items, President Murrell announced that the Board would address Agenda Item No. 14 first and they would postpone Agenda Item No. 9 until the end of the meeting.

14. Discuss and take-action, if necessary, to consider Marcelous-Williams Resource Center grant request for the Outreach and Navigator Program.

President Murrell then called on Director Stramecki to introduce the Agenda Item. Director Stramecki announced that he Director Way met with Ms. Christina Dickerson and the other representatives with the Marcelous-Williams Resource Center (“Center”) to review the Center’s grant application and after the meeting, the Finance Committee recommends awarding the grant request. (See [Exhibit “F”](#)). He then called on Ms. Dickerson to present the request.

According to Ms. Dickerson, the Center, formed in 2015 addresses the challenges of the common needs for all clients regardless of clients age, gender, or disadvantaged status. The services that Center provides decrease food insecurity; provides medical referrals; provides safe environment; and improves financial literacy to stabilize, or increase, household income; identifies and brings resources to the community; educates the social service community; and creates a direct contact to assist with navigating the client’s needs.

Ms. Dickerson then explained that there was a lack of social service providers, or non-profits, in Chambers County that addresses these needs and consequently, the

Center was requesting funding to pay a well-trained social service to advocate for their client within the District to assist with providing the Center's services to the District's needy. Specifically, the Center has identified 463 residents of the Winnie Stowell area that could use the assistance and they were currently providing services to forty (40) residents.

In response to questions by the Board of the specific ask, Ms. Dickerson stated that the Center was requesting up to \$57,020.00 in grant funding to pay an advocate to serve the District needy. After reviewing the application, the Board concurred with the Finance Committee's recommendation. In addition, the Board asked Attorney Oxford to meet with the Center to prepare a Service Agreement.

Thereafter, a motion was made by Director Way to approve the Center's grant request subject to a Service Agreement to be drafted by Attorney Oxford. The motion was seconded by Director Stramecki, and unanimously approved by all the Board members.

10. Discuss and take-action, if necessary to fund the balance of the DY 10 1115 Waiver-Uncompensated Care Intergovernmental Transfer.

Attorney Oxford was called on to address Agenda Item No. 10. According to Attorney Oxford, the District was going to be asked to fund an Intergovernmental Transfer ("IGT") for the Hospital in December for the final DY 10 1115 Waiver Program-Uncompensated Care payment. Attorney Oxford explained that the IGT was a true up IGT to pay participants for the last Uncompensated Care payment. However, as of the time of the meeting, the amount of the IGT was undetermined but Attorney Oxford suggested that the expected IGT was going to be less than \$20,000.00. Consequently, since the IGT amount was unknown, he asked the Board to approve an IGT of \$100,000.00 to make sure sufficient funds were approved and thus, avoid having to call a Special Meeting.

The Board agreed and a motion was made by Director Stramecki to authorize making an IGT of up to \$100,000.00 on behalf of the Hospital to fund the final IGT payment for the DY 10 1115 Waiver-Uncompensated Care IGT. This motion was seconded by Director Way, and unanimously approved by all the Board members.

11. Discuss and take-action, if necessary to approve funding the intergovernmental transfer for second half of Year 5 Quality Improvement Payment Program.

Attorney Oxford informed the Board that the IGT for the second half of QIPP, Year 5 was coming up on December 7, 2021 and the District is obligated to make an IGT of \$11,786,158.80. According to Attorney Oxford, the amount of the IGT mirrored the IGT for the first half of QIPP, Year 5. He then recommended the approval of the IGT.

Once Attorney Oxford completed his discussion, Director Stramecki made a motion to authorize the IGT for the second half of QIPP Year 5 in an amount up to \$11,786,158.80 on December 7, 2021. Director Vratis seconded the motion, and it was unanimously approved by the Board members present.

12. Discuss and take-action, if necessary, to approve Loan agreements with Salt Creek Capital for Nursing Home Operations.

After the approval of the second QIPP Year 5, IGT, Attorney Oxford referred the Board members to the loan documents with Salt Creek Capital for Loan 20. He then explained the loan was to be used for nursing home operations, including making an IGT for the second half of QIPP, Year 5. Next, the Board and Attorney discussed the terms of the Loan 20 and the term starting on December 1, 2021 and ending on October 31, 2022.

At the end of the discussion on Loan 20 with Salt Creek Capital for nursing home operations, a motion was made by Director Stramecki to authorize the execution by the Board President of the Loan 20 agreements as presented. This motion was seconded by Director Vratis, and unanimously approved by all the Board members.

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13. Discuss and take-action, if necessary, to approve Waiver of Conflict for Regency Monument Hill and Winnie Stowell Hospital District.

Attorney Oxford asked to address this agenda item and informed the Board that the District received a Waiver of Conflict of Interest letter from the Underwood firm to represent Monument Hill in a regulatory matter involving CMS and the Texas Health and Human Services Commission (“HHSC”) stemming from a resident in the facility who had a fall and sustained a right femur fracture. The facility self-reported the incident, resulting in an investigation/survey at the building. The citations relate to the facility allegedly not reporting the fall to the attending physician in a timely manner and not updating the resident’s care plan with risk factors and interventions to prevent or decrease the risk of falls.

In addition, Attorney Oxford was informed that there was one (1) infection control-related issue involving the implementation of a respiratory protection program compliant with the OSHA respirator protections standards, which includes medical evaluations, training, and fit testing for the use of N95 respirators. Factually, the allegation is that the facility had adequate supplies of N95 masks, that staff properly wore the masks, but the staff was not “fit tested” for the masks.

Attorney Oxford continued by explaining that no fine had been issued yet but HHSC has recommended a penalty. The immediate penalty is the denial of payment for new admissions which is why the firm was hired to appeal. A copy of the conflict of interest letter is attached as [Exhibit “G”](#).

At the end of the discussion, Director Stramecki made a motion to authorize the execution of the Conflicts of Interest Waiver Letter for the Underwood Firm to represent Monument Hill in the regulatory matter discussed above. This motion was seconded by Director Rollo, and unanimously approved by all the Board members.

15. Discuss and take-action, if necessary, to renew line of credit at Allegiance Bank.

Staff reported that they received the renewal forms for the Line of Credit at Allegiance Bank and asked that the Board authorize the renewal of the Line of

Credit. (See [Exhibit “H”](#)). According to staff, the interest rate stayed the same at 2.35% and the amount of the Line of Credit also remained at \$6,000,000.00. Staff then recommended that the renewal be approved by the Board.

Following the discussion on the agenda item, Director Stramecki made a motion to authorize the renewal of the Line of Credit at Allegiance Bank. This motion was seconded by Director Rollo, and unanimously approved by all the Board members.

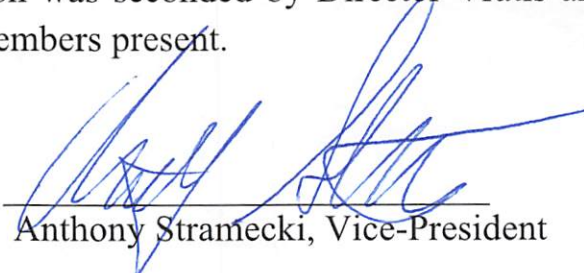
9. **Discuss and take-action, if necessary, to 1) engage THRIVE and any needed personnel to start up FQHC Look Alike; 2) authorize staff and General Counsel to assist in the creation of the FQHC Look Alike; 3) authorize President to execute creation documents; and 4) appoint directors to serve on FQHC Look Alike Board.**

Before addressing the agenda item, President Murrell called the Board into Executive Session pursuant to Chapter 551.085 of the Texas Government Code-Health Care Services at 7:55 p.m. The Board returned from Executive Session at 9:15 p.m. and announced that no action was taken in the Executive Session.

Upon returning from Executive Session, Director Stramecki then made a motion to: 1) engage THRIVE pursuant to the agreement set forth in [Exhibit “I”](#); 2) establish a non-profit health center; and 3) appoint Directors Murrell and Stramecki to non-profit board. This motion was seconded by Director Rollo and unanimously approved by all the Board members.

Thereafter, President Murrell then called for any other such matters before the Board. There being none, the Board then confirmed the date for the next Regular Meeting on December 15, 2021. A motion was made by Director Stramecki at 9: 26 p.m., to adjourn the meeting. This motion was seconded by Director Vratis and unanimously approved by all the Board members present.


Edward Murrell, Preside


Anthony Stramecki, Vice-President