

**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., April 20, 2022 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 copy of this meeting is available upon request.

**1. Call the Meeting to Order**

At approximately 6:06 p.m., the meeting was convened, and the roll was called off 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. 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”)
Mr. Chris Portner	Counsel, for Riceland Hospital
Mr. Danny Thompson, P.A.	Thompson Outpatient Clinic
Mr. Jeff Jenkins	Citizen
Mr. Wade Thibodeaux	The Hometown Press
Mrs. Gloria Roamer	Seabreeze Beacon

**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**

President Murrell then asked those in attendance for any public comment. Since there was none, the President asked for the Board members to move to Agenda Item No. 8f to accommodate the Hospital’s staff.

**8. Receive reports, by: Hospital Report**

Since Mr. Javed was not present at the meeting, President Murrell called on Mr. Danishmund to provide the Hospital’s monthly report for March 2022.

<b>2022</b>				
<b>Census</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Average</b>
ER Visits	210	161	215	195
Conversion to Inpatient/observation	17	18	26	20
<i>Percentage</i>	<i>8%</i>	<i>11%</i>	<i>12%</i>	<i>10%</i>
Transferred out	13	10	12	12
<i>Percentage</i>	<i>6%</i>	<i>6%</i>	<i>6%</i>	<i>6%</i>
ER shifts covered by doctors	3%	4%	3%	3%
Number Inpatient days	187	171	127	162
Number Hospice days	0	4	8	4
Number Swingbed days	27	47	53	42
Number Observation days	47	38	29	38
Total All Inpt. Days	261	260	217	246
Average Inpatient days per day	8.42	8.97	7.00	8.13
CTs	70	56	85	70
Xrays	268	241	228	246
Ultrasounds	29	41	35	35
Encounters - Adult Clinic	471	445	500	472
Encounters - Pediatric Clinic	188	232	316	245
Behavioral Health patients	30	29	31	30
Physical Therapy	1	1	0	1

After a discussion Hospital's monthly statistics and trends, Mr. Danishmund highlighted the following areas of interest:

- Intensive Outpatient Program is open and serving Nursing Facility patients from Magnolia Manor, Cascades of Port Arthur, Village Creek, Arboretum, Arden Place, Beaumont Nursing and Rehab, Focused Care at Orange, Lakewood;
- Covid virus testing was very low at one (1) to five (5) test per day as is the Covid in patient census, but the Hospital was still preparing for new variants;
- New providers, Dr. Mena/ A. Cockerham, seeing patients in Winnie Health Clinic;
- The Hospital passed state inspection with excellent remarks from Surveyors;
- A new nurse call system was in place for patient care; and
- The Hospital started a new patient satisfaction program with Press Ganey.

In addition, Mr. Danishmund informed the Board that as of the meeting, the Hospital had ten (10) transfers, of which, the Winnie Stowell Emergency Medical Services ("WSEMS") executed eight (8) of the transfers. Per Mr. Danishmund, this utilization rate of the WSEMS has increased from March 2022 when only six (6) of the twelve (12) transfer were made by the WSEMS.

Thereafter, a discussion ensued with Mr. Danny Thompson regarding transfers by the WSEMS of patients from the Arboretum to the Hospital and back. Mr. Thompson explained he was responsible for arranging those transfers and would be happy to set up a meeting with the WSEMS and the Arboretum to discuss utilizing the WSEMS for the transfers. It was widely agreed that if the WSEMS were to begin making these transfers, they should be able to generate substantial revenue to assist with hiring another paramedic.

Lastly, Mr. Danishmund gave the Board an update on the procedures room. Mr. Danishmund explained that engineers inspected the Hospital and found some deficiencies in the roof that was installed prior to Riceland purchasing the Hospital. To repair the structures was going to be expensive and the Hospital staff was considering their options.

**5. Review and Approve Minutes of Previous Meeting on March 23, 2022 Regular Meeting.**

The Board then was asked to return to Agenda Item No. 5, to review and approve minutes for the March 23, 2022 Regular Meeting. The Board reviewed the minutes and had no further changes.

Consequently, Director Stramecki made a motion to approve the minutes of the March 23, 2022 Regular Meeting. This motion was seconded by Director Vratis, and unanimously approved by all the Board members present.

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

After the approval of the minutes, President Murrell called on Mr. David Sticker, the District's CPA, to present the March 2022 Balance Sheet and Income Statement. (*See Exhibit "A-1"*). Regarding the financial reports, Mr. Sticker reviewed the Balance Sheet and Income statement as usual and stated that through March 2022, the District's budget was in order, but he did foresee needing to change the budget to account for: 1) acquisition of property; 2) increased interest and LTC Expenses due to the acquisition of the Villa at Texarkana facility; 3) lower than expected Coastal Gateway Health Center ("Coastal Gateway") expenses; and several other minor line items. In regard to the LTC Fees, Attorney Oxford reviewed the proposed budget and did clarify that the fees escalate in September to account for new HMG nursing facilities participating in the Quality Incentive Payment Program.

Upon the completion of the District's February 2022 Financial Statements by Mr. Sticker, President Murrell called on Attorney Oxford to review the District's Treasurer's report through April 20, 2022. (*See Exhibit "A-2"*). First, Attorney Oxford and Mrs. Norris informed the Board the invoices to be paid were higher than usual because two (2) months of legal fees submitted by Mr. Oxford; payment of a portion of the grant for Coastal Gateway; and payment to the Thompson Outpatient Clinic grant agreement later in the meeting. A summary of the invoices to be paid are set forth below:

Pending Expenses	For	Amount
Brookshire Brothers	Indigent Care	\$1,476.18
Wilcox Pharmacy	Indigent Care	\$2,195.20
UTMB at Galveston	Indigent Care	\$37,325.13
UTMB Faculty Group	Indigent Care	\$7,130.43
Barrier Reef Emergency Physician	Indigent Care	\$121.20
Alliance Medical Services	IC Medical Supplies	\$205.00
\$25 Optical	SP Program	\$100.00
Dr. June Stansky, Opt	SP Program	\$120.00
Penelope (Polly) Butler	Youth Counseling	\$170.00
Nicki Holtzman	Youth Counseling	\$425.00
Kalos Counseling (Benjamin Odom)	Youth Counseling	\$1,275.00
Indigent Healthcare Solutions	IC Inv #73560	\$1,109.00
Benckenstein & Oxford	Inv #50396 (Jan 2022)	\$26,276.00
Benckenstein & Oxford	Inv #50428 (Feb 2022)	\$24,230.00
Hubert Oxford	Legal Retainer	\$1,000.00
David Sticker	Inv #74	\$3,031.25
Technology Solutions of Tx	Inv #1678	\$75.00
Felipe Ojedia-Yard Service	Invs #1024	\$300.00
Graciela Chavez-Office Cleaning	Inv #8018607	\$120.00
Function4	Inv #931223	\$20.18
WSVEMS (dated )	Grant Inv Mar 2022	\$10,080.00
Marcelous-Williams Resource Center	Grant Inv 2nd Qtrly pmt	\$13,887.50
Thompson Outpatient Clinic	Grant (May Payroll)	\$61,486.00
Coastal Gateway Health Center	Grant (April Req)	\$234,317.47
<b>Total Pending Expenses:</b>		<b>\$426,475.54</b>

Attorney Oxford then 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 \$22,831,548.24. Of the total funds deposited in this account, the District's unrestricted funds balance was \$9,918,454.01. Attorney Oxford showed the Board that staff since the last meeting, Staff had paid the first quarter of QIPP Year 4 funds for the Red Oak and Mission facilities. In addition, Staff explained that in the coming month, they anticipated receiving the second quarter QIPP Component 3, 4, and Lapsing funds and this will result in a substantial change to the Treasurer's Report. Likewise, Attorney Oxford informed the Board that before the next meeting, the District will have paid off Loan

19 but shortly thereafter, at the beginning of June of 2022, the District will need to execute Loan 21 to assist with nursing home operations.

Next, Attorney Oxford referred the Board to the Funds Summary section set forth in the following table:

Funds Summary	Totals
Prosperity Operating (Unrestricted)	\$197,081.33
First Financial (Unrestricted)	\$9,918,454.01
TexStar	\$690,552.95
Allegiance Bank LOC (Available)	\$6,023,197.08
First Financial (Restricted)	\$12,913,094.24
Total District Funds	<b>\$29,742,379.60</b>
Less First Financial (Restricted)	(\$12,913,094.24)
Less TexStar Reserve Account	(\$690,552.95)
Less Committed Funds (Capital Acquisition and Grant Funding-See below)	(\$5,341,436.33)
Cash Position (Less First Financial Restricted)	<b>\$10,797,296.09</b>
Pending Expenses	\$426,475.54
Ending Balance (Less expenses)	<b>\$11,223,771.63</b>
Total Funds (Ending Balance+LOC Outstanding+QIPP Funds Outstanding)	<b>\$11,887,696.25</b>

Lastly, Attorney Oxford asked the Board to review the District’s check register and all the supporting information for the financials. If there were any questions, the Directors could review with staff and the CPA. (See **Exhibit “A-3”**).

President Murrell then called for a motion to approve the financials for February 2022; the Treasurer’s Report; and payment of invoices. In response, Director Stramecki made a motion, which was seconded by Director Vratis, and with unanimous approval of the Board members to: a) approve the financials for February 2022; b) approve the Treasurer’s Report; and c) pay the outstanding invoices. (See **Exhibits “A-1”, “A-2”, and “A-3”**). This motion and seconded was unanimously approved by all the Board members present.

**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. This month, there were no reports that were not going to be discussed by the Committees outside of a remaining agenda item.

**8. Receive reports, by:**

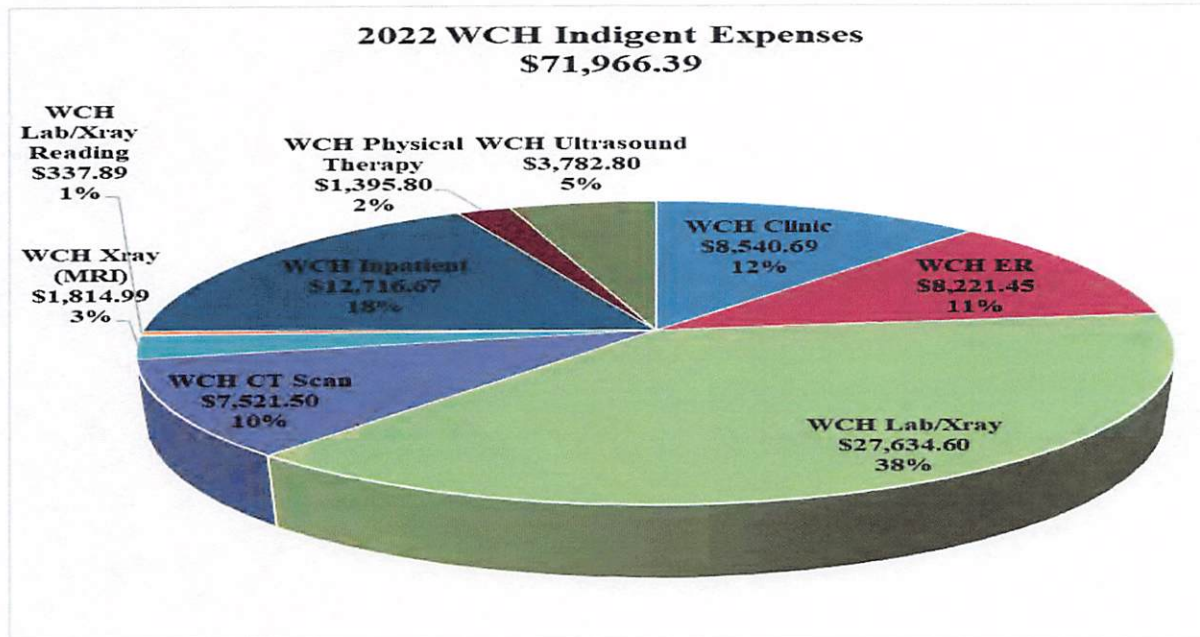
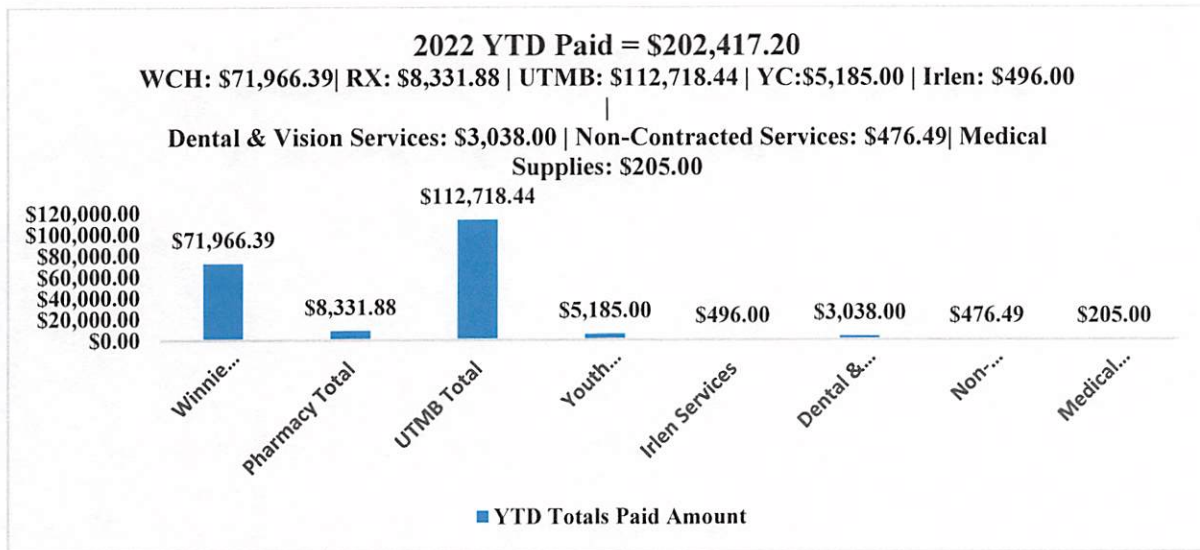
**a. Administrator's Report**

Mrs. Norris stated the District received a request from the Thompson Outpatient Clinic to continue the student loan payments for Mrs. Sherrie Sterns who moved from the Hospital to the Thompson Outpatient Clinic. After consulting with Attorney Oxford and reviewing the minutes of the May 24<sup>th</sup>, 2017 meeting whereby the District adopted a policy to pay student loans for healthcare providers, Mrs. Norris advised the Board that she was going to continue making the payments as the Thompson Outpatient Clinic had followed the adopted protocols and the Board previously approved the payments.

**b. District Indigent Care Director Report**

Next, Mrs. Ojeda was called on to give the Indigent Care report. Mrs. Ojeda reported that in March 2022, there were seventy (70) indigent clients enrolled in the District's Indigent Care Program. In addition, year to date, the District provided Youth Counseling to twenty-six (26) children; provided Irlen Services to three (3) children; and had three (3) clients utilizing the District's dental benefits. (*See Exhibit "B"*).

Mrs. Ojeda then reviewed the year-to-date indigent care cost as summarized in the following tables:



Thereafter, Mrs. Ojeda presented reports for the County Van, Marcelous Williams, and the Winnie Stowell Emergency Medical Services (“WSEMS”). A summary of activity for each is as follows:

District Program	Residents Served	District Indigent Clients
County Van	64	5
Marcelous Williams	20	17
WSEMS Transport Van	7	0



For the balance of her reports, Mrs. Ojeda referred the Board to **Exhibit “B”** and asked that after the Directors reviewed in more detail to please call her with any questions.

**c. District General Counsel Report**

Attorney Oxford did not have anything to report that was not on the agenda.

**d. Coastal Gateway Health Center Report**

Director Stramecki, speaking as the President of the Coastal Gateway Health Center (“Coastal Gateway”) Board, presented the Coastal Gateway report that included a set of financials. According to Director Stramecki:

- **Status of Board:** The active Board members include Anthony Stramecki, Edward Murrell, Gloria Roemer, Greg Fountain, and Aimee Chesson. In addition, Marilyn Green was also elected to the Board and will be joining the meetings officially within the next month. Board member onboarding, orientation, and Compliance and Financial training have begun and will continue through the full recruitment process to achieve a fully functional and compliant board of directors. Currently, the Board meets bi-weekly on Friday afternoons from 2:00 to 3:30 pm but is soon expected to begin meeting monthly.
- **Policies:** Staff is busy preparing policies and procedures necessary for governess and financial security. To date, the Board has adopted Bylaws and policies for spending, purchasing, entering into contracts, etc.
- **Employees:** The Health Center Board has received and approved an employment agreement from the interim Chief Executive Officer (“CEO), Kaley Smith. Attorney Oxford has reviewed and approved the agreement on behalf of the District.
- **Banking:** Coastal Gateway has set up an account at Texas First Bank in Winnie.

- **Software Acquisition:** Coastal Gateway has chosen Paycom to provide the payroll software for the clinic and MIP/Abila was selected for the accounting system. Looking forward, the process of selecting an Electronic Medical Record (“EMR”) is currently underway. Staff at Coastal Gateway is looking at EMR systems that are widely used in the health center environment and can support HRSA reporting requirements. Likewise, staff has prepared Request for Proposals for Information Technology (“IT”) assistance and received responses. These responses were being reviewed.
- **Office Equipment:** Discussion with vendors for medical and office equipment is underway. There is an estimated three (3) month lead time on several items, such as exam beds. The budget and project timeline has been slightly revised to correspond with delays with securing the building.
- **Chief Medical Officer:** Recruitment of a Chief Medical Officer (“CMO”) has begun. Staff at Coastal Gateway estimates it will take anywhere from two (2) to five (5) months to recruit a physician. Recruitment/hiring of support staff will not begin for several months.
- **Misc. Items.** Initial meetings have occurred with leadership at Riceland Hospital regarding collaboration and contracting on core health center program requirements (i.e., radiology, laboratory, behavioral health, hospital admitting). In addition, staff has met with Scott Campbell, Superintendent at East Chambers Independent School District and St. Vincent DePaul to discuss future collaborations

**e. LTC Report**

Staff presented the LTC Report for March 2022 and asked the Board to review and contact LTC with any questions. (*See Exhibit “C”*).

**9. Discuss and take-action, if necessary, on considering grant request.**

This month, there were no grant request and therefore, no action was taken.

10. **Discuss and take-action, if necessary, on approving Grant Agreements for: a) Winnie Community Hospital Operating Room; b) Thompson Outpatient Clinic Salaries; and c) Coastal Gateway Health Center Funding.**

Attorney Oxford reminded the Board that the grant was awarded at the last meeting and the purpose of this agenda was to receive the Board's consent to enter into an Agreement with Mr. Thompson on the administration of the grant funds. Attorney Oxford then presented the Board with the agreement and advised that Mr. Danny Thompson had reviewed the agreement and approved of the terms. (See **Exhibit "D"**). Attorney Oxford, then discussed the terms of the Agreement with the District and recommended their approval.

Attorney Oxford then advised that no action needed to be taken on the Winnie Community Hospital Operating Room or the Coastal Gateway Health Center Agreement. Per Attorney Oxford, he was unable to complete these agreements prior to the meeting.

After a brief discussion to confirm the terms of the Grant Agreement and the outstanding agreements, Director Stramecki made a motion to authorize the execution of the Grant Award Agreement for Thompson Outpatient Clinic, set forth in **Exhibit "D"**. This motion was seconded by Director Way and unanimously approved by all Board members present.

11. **Discuss and take-action, if necessary, on adopting the Second Amendment to the Districts Purchasing Policies and Procedures.**

President Murrell once again called on Attorney Oxford to present this agenda item. Attorney Oxford stated that it was necessary to amend the District's Purchasing Policy to include a section on Construction Contracts. According to Attorney Oxford, the main reason for including this section was to get Board authority to utilize alternative Construction Contract delivery models set forth in Chapter 2269 of the Texas Government Code. (See **Exhibit "E"**). In addition, the amended policy designates the Board President, or Committee, appointed by the President, to serve as the District's Authorized Representative. As the Authorized

Representative, the President, or Committee appointed by the President, the Authorized Representative was given authority approve change order for \$50,000.00 per occurrence and/or twenty-five percent (25%) of the total contract, if the contract is over \$1,000,000.00, or the change order makes the contract over \$1,000,000.00, as set forth in Section 271.060 of the Texas Local Government Code.

After reviewing and discussing the proposed policy Amendment, and a motion was made by Director Stramecki to adopt the Second Amendment to the Districts Purchasing Policies and Procedures set forth in **Exhibit “E”**. This motion was seconded by Director Way and unanimously approved by all Board present.

**12. Discuss and take-action, if necessary, on adopting amendments to the Indigent Care Provider Agreement with the Winnie Community Hospital.**

President Murrell then asked the Board to address Agenda Item No. 12 and referred to Attorney Oxford to explain the agenda item. Attorney Oxford reminded the Board that in January 2022, the District’s Board agreed to amend the Indigent Care Agreement with the Hospital to reconcile any overpayment or underpayment greater than ten percent (10%) of the contracted payment amount at the end of each. (*See Exhibit “F”*). Otherwise stated, depending on whether the District underpaid or overpaid based on the existing Indigent Care Agreement, the amendment required the District to either pay extra to compensate the Hospital for a payment shortfall of ten percent (10%) or more or be paid by the Hospital if the contracted payment amount was more than the services received by ten percent (10%).

Attorney Oxford then recommended approval of the contract amendment. Thereafter, a motion was made by Director Stramecki to adopt the Second Amendment to the Districts Indigent Care Support Agreement. (*See Exhibit “F”*). This motion was seconded by Director Way and unanimously approved by all Board present.

14. **Discuss and take-action, if necessary, on the approval of Request for Qualifications for Architectural and Engineering services and submit proposed Request to qualified firms.**

Turning to Agenda Item No 14, President Murrell asked the Board to review and consider a Request for Qualifications for Architectural and Engineer services to be adopted by the District. (See **Exhibit “G”**). Attorney Oxford informed the Board that when the Board acquires property and agrees to move forward with a permanent healthcare facility, the District was going to need to engage an architect and/or engineer to prepare drawings and bid packages. Moreover, if the District utilized an alternative construction method authorized by Chapter 2269 of the Government Code, as discussed in Agenda Item 11, the statute requires the use of an architect and/ engineer. Therefore, Attorney Oxford recommended adopting this request for proposal for architectural and/or engineering services in anticipation of needing to engage a firm.

After receiving Attorney Oxford’s recommendation, a motion was made by Director Way to adopt the proposed Request for Qualifications for Architectural and Engineering Services. (See **Exhibit “G”**). This motion was seconded by Director Stramecki and unanimously approved by all Board present.

13. **Discuss and take-action, if necessary, on authorizing the engagement of an appraisal firm to appraise properties on Highway 124 and to purchase the property.**

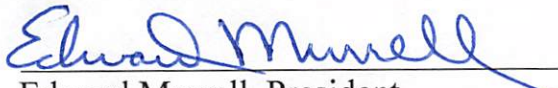
Prior to addressing Agenda Item No. 13, President Murrell called the Board into Executive Session at 7:30 p.m. to discuss real estate acquisitions pursuant to Chapter 551.072 of the Texas Government Code.

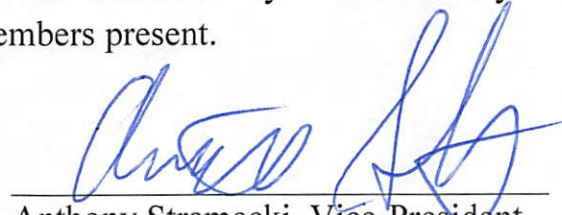
The Board returned from Executive Session at 8:28 p.m. The Executive Session was recorded by electronic device and the recording was placed in a sealed envelope.

Upon the return from Executive Session, a motion was made by Director Stramecki to have three (3) properties of interest along highway 124 appraised. This

motion was seconded by Director Vratis, and unanimously approved by all the Director's in attendance.

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 May 18, 2022. A motion was made by Director Stramecki at 8:32 p.m., to adjourn the meeting. This motion was seconded by Director Way and unanimously approved by all the Board members present.

  
Edward Murrell, President

  
Anthony Stramecki, Vice-President