

**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., May 18, 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 6:01 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. 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
Ms. Kaley Smith	Coastal Gateway
Mr. Mo Danishmund	Chief Financial Officer, Winnie Community Hospital (“Hospital”)
Ms. Amber Lucia	Winnie Stowell EMS
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.

**5. Review and Approve Minutes of Previous Meeting on April 20, 2022 Regular Meeting; and May 6, 2022 Special Meeting.**

The Board then was asked to return to Agenda Item No. 5, to review and approve minutes for the April 20, 2022 Regular Meeting; and May 6, 2022 Special Meeting.. The Board reviewed the minutes and had no further changes.

Consequently, Director Stramecki made a motion to approve the minutes of the April 20, 2022 Regular Meeting; and May 6, 2022 Special 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 April 2022 Balance Sheet and Income Statement. (*See Exhibit "A-1"*). Regarding the financial reports, Mr. Sticker reviewed the Balance Sheet and Income statement and advised the Board that through April 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.

Upon the completion of the District’s April 2022 Financial Statements by Mr. Sticker, President Murrell called on Attorney Oxford to review the District’s Treasurer’s report through May 18, 2022. (See **Exhibit “A-2”**). First, Attorney Oxford and Mrs. Norris asked the Board to review the invoices in the attached table and asked if there were any questions.

Pending Expenses	For	Amount
Brookshire Brothers	Indigent Care	\$1,377.79
Wilcox Pharmacy	Indigent Care	\$1,517.69
UTMB at Galveston	Indigent Care	\$16,337.05
UTMB Faculty Group	Indigent Care	\$3,891.09
Alliance Medical Services	IC Medical Supplies	\$320.00
Dr. June Stansky, Opt	SP Program	\$240.00
Penelope (Polly) Butler	Youth Counseling	\$85.00
Nicki Holtzman	Youth Counseling	\$510.00
Kalos Counseling (Benjamin Odom)	Youth Counseling	\$1,275.00
Indigent Healthcare Solutions	IC Inv #73725	\$1,109.00
Benckenstein & Oxford	Inv #50440(3/2022)	\$32,963.92
Hubert Oxford	Legal Retainer	\$1,000.00
David Sticker	Inv #76	\$2,562.50
Technology Solutions of Tx	Indigent Care	\$75.00
Felipe Ojedia-Yard Service	Indigent Care	\$300.00
Graciela Chavez-Office Cleaning	Inv #8018608	\$120.00
Function4	Inv #939803	\$48.17
WSVEMS (dated )	Grant Inv Apr 2022	\$10,080.00
Caring Healthcare	1/2 VMG Inv #0051686	\$5,665.12
American Education Services	S Stern-Student Loan	\$150.14
Wells Land Survey	2626 Hwy 124 Survey	\$2,091.38
<b>Total Pending Expenses:</b>		<b>\$81,718.85</b>

There being none, 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 \$18,615,470.05. Of the total funds deposited in this account, the District’s Unrestricted funds balance was \$9,918,454.01. Next, Staff advised the Board that of the Restricted Funds, \$870,268.63 was due to HMG for the Mission and Red Oak Facility. Likewise, per the agreement with the District regarding the use of QIPP

funds for these facilities, HMG should have set aside \$1,310,039.69 in the Cap X account for repairs and improvements to all the Abri Health facilities.

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

Funds Summary	Totals
Prosperity Operating (Unrestricted)	\$435,499.89
First Financial (Unrestricted)	\$11,386,944.55
TexStar	\$690,736.03
Allegiance Bank LOC (Available)	\$6,026,134.42
First Financial (Restricted)	\$7,228,525.51
Total District Funds	<b>\$25,767,840.39</b>
Less First Financial (Restricted)	<b>(\$7,228,525.51)</b>
Less TexStar Reserve Account	<b>(\$690,736.03)</b>
Less Committed Funds (Capital Acquisition and Grant Funding-See below)	<b>(\$5,341,436.33)</b>
Cash Position (Less First Financial Restricted)	<b>\$12,507,142.53</b>
Pending Expenses	<b>(\$163,437.70)</b>
Ending Balance (Less expenses)	<b>\$12,343,704.83</b>
Total Funds (Ending Balance+LOC Outstanding+QIPP Funds Outstanding)	<b>\$12,343,704.83</b>

Lastly, Attorney Oxford told the Board that since the last meeting, Staff informed the Board that Loan 19 had been paid in full, and then he referred the Board to 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 May 18, 2022; the Treasurer’s Report; and payment of invoices. In response, Director Stramecki made a motion, which was seconded by Director Way, and with unanimous approval of the Board members to: a) approve the financials for May 18, 2022; b) approve the Treasurer’s Report; and c) pay the outstanding invoices. (See Exhibit “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 gave the Board notice that the District needed to hire an additional Licensed Professional Counselors because of the demand for assistance through the program. The Board encouraged her to initiate the process and reminded Mrs. Norris she had authority to engage a counselor.

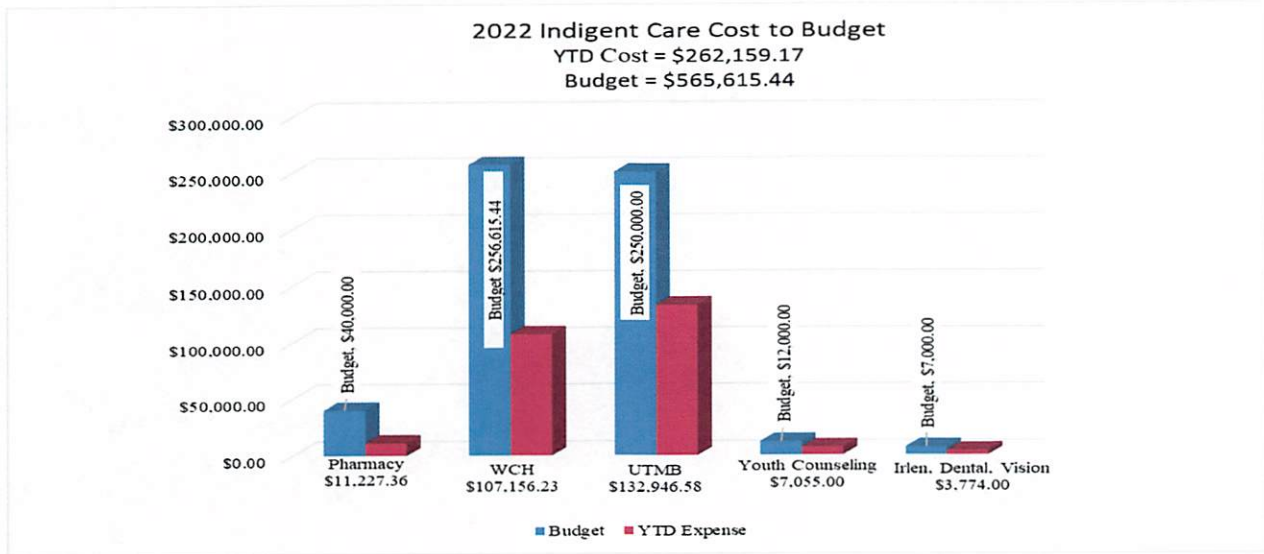
**b. District Indigent Care Director Report**

Next, Mrs. Ojeda was called on to give the Indigent Care report. Mrs. Ojeda reported that in April 2022, there were sixty-six (66) indigent clients enrolled in the District's Indigent Care Program. In addition, year to date, the District provided Youth Counseling to twenty-seven (27) children; provided Irlen Services to three (3) children; and had four (4) 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:

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<b>2022 YTD Percentage of Total Service Charges for Riceland Services</b>				
Source	Description	Amount Billed	Amount Paid	% of Total
20	Physical Therapy	\$1,994.00	\$1,395.80	1.30%
21	Wch Clinic	\$26,795.00	\$11,567.77	10.80%
23	Wch Inpatient	\$20,847.00	\$12,716.67	11.87%
24	Wch ER	\$40,493.00	\$23,325.47	21.77%
25	Wch Lab/Xray	\$54,115.00	\$37,880.50	35.35%
26	Wch Ct Scan	\$15,210.00	\$10,647.00	9.94%
28	Wch MRI	\$37,167.00	\$1,814.99	1.69%
29	Wch Ultrasound	\$10,271.00	\$7,189.70	6.71%
44	Wch Xray Readings	\$4,356.00	\$618.33	0.58%
<b>Expenditures/Reimbursements/Adjustments</b>		\$211,248.00	\$107,156.23	100%
<b>Grand Total</b>		<b>\$211,248.00</b>	<b>\$107,156.23</b>	<b>100%</b>

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	41	7
WSEMS Transport Van	14	10
Marcelous Williams	21	11

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.

Before concluding her report, Mrs. Ojeda informed the Board that she has met with the Arboretum, Mr. Danny Thompson, who serves as the medical provider for the Arboretum, and the Winnie Stowell Emergency Medical Services (“WSEMS”) to discuss utilizing the WSEMS for transfers between the Arboretum and Riceland Hospital. Per Mrs. Ojeda, in April 2022, there eighteen (18) transfers and a total of forty-five (45) transfers in the last ninety (90) days. Additionally, Mrs. Ojeda was pleased to report that the Arboretum agreed to use their best efforts to call the WSEMS for transfers between the Arboretum and Hospital before contacting Acadian. However, the Arboretum needed a contract with the WSEMS detailing the cost for transports and insurance coverage requirements for patients being transported. In response, the Board thanked Mrs. Ojeda for following through with their request to arrange the meeting.

**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**

Speaking on behalf of Coastal Gateway Health center (“Coastal Gateway”), Ms. Kaley Smith presented the Board with Coastal Gateway monthly report. (See **Exhibit “C”**). Thereafter, she reviewed the various line items in the report and asked for any questions. There being none, Ms. Smith thanked the District’s Board for all the support.

**e. LTC Report**

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

**f. Hospital Report**

President Murrell then called on Mr. Danishmund to provide the Hospital's monthly report for April 2022.

<b>Census</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>Average</b>	<b>Texas Average</b>
ER Visits	210	161	215	229	204	
Conversion to Inpatient/observation	17	18	26	24	21	
<i>Percentage</i>	8%	11%	12%	10%	10%	
Transferred out	13	10	12	12	12	
<i>Percentage</i>	6%	6%	6%	5%	6%	
ER shifts covered by doctors	3%	4%	3%	3%	3%	
Number Inpatient days	187	171	127	74	140	
Number Hospice days	0	4	8	5	4	
Number Swingbed days	27	47	53	60	47	
Number Observation days	47	38	29	24	35	
Total All Inpt. Days	261	260	217	163	225	
Average Inpatient days per day	8.42	9.29	7.00	5.43	7.53	1.63
CTs	70	56	85	77	72	
Xrays	268	241	228	198	234	
Ultrasounds	29	41	35	25	33	
Encounters - Adult Clinic	471	445	499	262	419	
Encounters - Pediatric Clinic	188	232	316	245	245	
Behavioral Health patients	30	29	31	32	31	
Physical Therapy	1	1	0	0	1	

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

- IOP is open and serving Nursing Home patients (Arboretum), both therapists are at 90%+ capacity and thus, the Hospital is recruiting another therapist;
- Covid testing provided daily;
- Pulmonary Care's ventilator weaning program remains on hold pending recruitment of a nephrologist to cover hemodialysis; and
- The State of Texas recently completed its hospital survey and the minor deficiencies identified have all been addressed.



**9. Discuss and take-action, if necessary, on approving tuition loan repayment request for healthcare providers.**

Following the reports, President Murrell called on the Board to address Agenda Item No. 9, and then called on staff to explain the various requests for student loan assistance recently received from the WSEMS set forth in **Exhibit “E”**. Staff then presented the various requests and expressed concern that several of the request for student loan assistance were not in the spirit of the policy adopted by the District’s Board during the May 17, 2017 Regular Meeting.

In response, the Board concurred, and President Murrell appointed Directors Vratiss and Stramecki to a temporary committee to review the previously adopted policy and to recommend any needed changes to reflect the District’s intent of paying for local healthcare providers’ student loan payments for the education received to qualify for the individual’s healthcare provider status. The two (2) directors agreed and intended to provide a revised policy at the next meeting.

Thereafter, Director Stramecki made a motion to table this agenda item until the next meeting. This motion was seconded by Director Way and unanimously approved by all Board members present.

**10. Discuss and take-action, if necessary, on potential request by Thompson Outpatient Clinic for an additional month of financial assistance as considered by the District during the April 20, 2022 Regular Meeting.**

President Murrell then called on Mr. Thompson to make a follow up request for one (1) additional month of staff funding as discussed during the April 20, 2022 Regular Meeting. Mr. Thompson informed the Board that his clinic opened on May 1, 2022 and they have had a favorable response because many of Dr. Boutte’s and his clients transferred from the clinic at the Hospital to Thompson Outpatient Clinic. In addition, pursuant to the grant agreement with the District that was approved during the April 20, 2022 Regular Meeting, Mr. Thompson was going to prepare to submit the required reconciliation of funds by the month end. In the meantime, estimated that the monthly cost for May 2022 was going to be approximately \$58,684.09, which is less than the grant award of \$61,000.00 for the month.

Nevertheless, despite a strong opening, Mr. Thompson did request a second payment on June 1<sup>st</sup>, 2022 for the final May 2022 payroll cost incurred as contemplated by the grant agreement. If awarded, Mr. Thompson agreed to provide a reconciliation of this account at the end of the month as required by the grant agreement.

After a discussion to inquire about the success of the new Thompson Outpatient Clinic, Director Stramecki made a motion to authorize the payment of a grant award for the June 2022 payroll expenses as contemplated by the grant agreement entered into between the District Agreement for Thompson Outpatient Clinic. This motion was seconded by Director Rollo and unanimously approved by all Board members present.

**11. Discuss and take-action, if necessary, on considering request by Riceland Hospital for assistance in repaying Overpayment of Demonstration Year 7 Uncompensated Care and Demand for Refund of Overpayment Amount for Winnie Community Hospital.**

Turning to Agenda Item No 11, President Murrell called on Mr. Danishmund, with the Hospital, to present Riceland Hospital's request for assistance in repaying Overpayment of Demonstration Year 7 Uncompensated Care and Demand for Refund of Overpayment Amount for Winnie Community Hospital. Mr. Danishmund then referred the Board to e-mail correspondence between the District's counsel and Riceland Hospital explaining the basis for repayment demand by the Texas Health and Human Services Commission ("HHSC") and the letter received from the HHSC demanding the repayment of \$580,527.00 for Year 7 of the Uncompensated Care program of which \$250,323.24 as repayment of the Intergovernmental Transfer that was overpaid. (See **Exhibit "F"**). Furthermore, as provided for in the correspondence from HHSC, Mr. Danishmund told the Board that the Hospital requested, and received a ten (10) month extension and the monthly payment was 1/10<sup>th</sup> of the total fund due, or \$58,527.00 per month. After presenting the information, Mr. Danishmund then requested assistance with repaying the refund demand request.

In response, since this was a grant request and the Hospital received an extension, President Murrell referred the request to the Finance Committee and

asked that all the procedures for grant request be followed for this request. The Finance Committee and Mr. Danishmund agreed to arrange a meeting upon receipt of the grant request and to make a recommendation at the June 15, 2022 Regular Meeting.

A motion was then made by Director Stramecki to table this agenda item. This motion was seconded by Director Rollo and unanimously approved by all Board present.

**12. Discuss and take-action, if necessary, on authorizing the District's Administrator to serve as the District's election officer for the November 2022 election and to prepare and post all notices orders required by the Texas Elections Code.**

Attorney Oxford informed the Board the District's next election is on November 8, 2022 and there are the two (2) at-large positions held by Director Vratiss and Director Way which are up for election. As such, Attorney Oxford advised that the District needed to appoint Mrs. Norris as the District's election Administrator with authority to prepare and post notices as required by the Texas Election Code. He then presented the Board with Notice of Appointment of Agent Regarding the November 8, 2022 Election that he explained was required by Section 31.123, Texas Election Code. (See Exhibit "G"). Once appointed, Attorney Oxford informed the Board that staff was prepared to post the District's Notice of Deadline to File an Application for Place on the Ballot before the June 23, 2022 deadline. Before concluding, Attorney Oxford reminded the Board that the deadline to file for a place on the ballot was between July 23, 2022 and August 22, 2022, which is also the last day to Order the Election.

Subsequent, a motion was made by Director Stramecki to authorize Mrs. Norris to serve as the District's Elections Administrator and to authorize her to prepare and post all notices and orders required by the Texas Elections Code in anticipation of the November 8, 2022 General Election. This motion was seconded by Director Rollo and unanimously approved by all the Board.

**13. Discuss and take-action, if necessary, on authorizing intergovernmental transfer for the first half of the Year 6, Quality Improvement Payment Program.**

Attorney Oxford informed the Board that the Intergovernmental Transfer (“IGT”) for the first half of QIPP, Year 6 was coming up on June 3, 2022 and the District is obligated to make an IGT of \$16,014,433.31. According to Attorney Oxford, the amount of the IGT increased from the previous IGT because of the addition of fourteen (14) new facilities. He then recommended the approval of the IGT.

In addition, Attorney Oxford presented the Board with a Resolution to increase its CD and Line of Credit for Allegiance Bank to assist with the payment of the IGT from \$6,000,000.00 to \$7,000,000.00 and asked the Board to approve the Resolution. (See **Exhibit “H”**).

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 \$16,014,433.31 on June 3, 2022 and to authorize the Resolutions set forth in **Exhibit “H”** to increase the District’s CD and Line of Credit at Allegiance Bank from \$6,000,000.00 to \$7,000,000.00. Director Vratis seconded the motion, and it was unanimously approved by the Board members present.


**14. Discuss and take-action, if necessary, on approving Loan 21 with Salt Creek Capital for nursing home operations.**

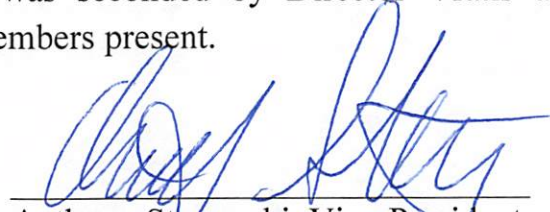
After the approval of the first half QIPP Year 6, IGT, Attorney Oxford referred the Board members to the loan documents with Salt Creek Capital for Loan 21. He then explained the loan was to be used for nursing home operations, including making an IGT for the first half of QIPP, Year 6. Next, the Board and Attorney discussed the terms of the Loan 21 and the term starting on May 31, 2022 and ending on April 30, 2023.

At the end of the discussion on Loan 21 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 21 agreements as presented. 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 June 15, 2022. A motion was made by Director Stramecki at 8:01 p.m., to adjourn the meeting. This motion was seconded by Director Vratiss and unanimously approved by all the Board members present.

  
Edward Murrell, President

  
Anthony Stramecki, Vice-President