

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., October 19, 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 6:15 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 Directors 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
Ms. Kaley Smith	Coastal Gateway Health Center
Mr. Mo Danishmund	Chief Financial Officer, Winnie Community Hospital (“Hospital”)
Mr. Saad Javed	Winnie Community Hospital
Mr. Adam Floyd	Counsel, for Hospital

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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. There being none, he then asked the Board to address the different Agenda Items

5. Discuss and take-action, if necessary, on approving the 2021 Audit.

No action was taken on this agenda item as it was left on the agenda by mistake.

6. Review and Approve Minutes of Previous Regular Meeting on September 21, 2022.

The Board was then asked to consider Agenda Item No. 6, to review and approve minutes for the September 21, 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 September 21, 2022 Regular Meeting. This motion was seconded by Director Way, and unanimously approved by all the Board members present.

7. 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 September 2022 Balance Sheet and Income Statement. (*See Exhibit "A-1"*). Mr. Sticker reviewed the Balance Sheet and Income Statement and reported that the District's finances were in order and

within the budget, which had been amended during the prior meeting. (See **Exhibit “B-1”**).

Upon the completion of presenting the District’s September 2022 Financial Statements by Mr. Sticker, President Murrell called on Attorney Oxford to review the District’s Treasurer’s report through October 19, 2022. (See **Exhibit “A-2”**). First, Attorney Oxford and Mrs. Norris asked the Board to review the invoices in the following table and asked if there were any questions.

Pending Expenses	For	Amount
Brookshire Brothers	Indigent Care	\$1,190.56
Wilcox Pharmacy	Indigent Care	\$1,549.42
UTMB at Galveston	Indigent Care	\$2,697.92
UTMB Faculty Group	Indigent Care	\$1,568.36
Thompson Outpatient Clinic	Indigent Care	\$1,455.91
Riceland Medical Center	Indigent Care	\$48,172.84
WSVEMS	Indigent Care	\$701.80
Indigent Healthcare Solutions	IC Inv #74618	\$1,109.00
Omnipoint Health-Dental	SP Program	\$990.00
\$25 Optical	SP Program	\$50.00
Penelope (Polly) Butler	Youth Counseling	\$170.00
Nicki Holtzman	Youth Counseling	\$340.00
Kalos Counseling (Benjamin Odom)	Youth Counseling	\$765.00
Benckenstein & Oxford	Inv #50588	\$21,500.00
Hubert Oxford	Legal Retainer	\$1,000.00
David Sticker	Inv #87	\$2,281.25
Technology Solutions of Tx	Inv #1717	\$75.00
Felipe Ojedia-Yard Service	Inv #1030	\$300.00
Graciela Chavez-Office Cleaning	Inv #8018613	\$120.00
American Education Services	S Stern-Student Loan	\$150.14
WSVEMS	Grant Inv Sept 2022 Payroll	\$10,080.00
Seabreeze Beacon	Inv #6105	\$600.00
Function4 - Contract	Inv #978785	\$96.90
Allegiance Bank	LOC Interest-Auto Pay	\$14,875.00
Marcelous-Williams Resource Center	Grant Inv 4th Qtrly pmt	\$13,887.50
LTC	Inv 1596 (Oct 22) (FFB - ACH)	\$240,000.00
Total Pending Expenses:		\$365,726.60

Next, 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 \$22,980,983.87. Of the total funds deposited in this account, the District’s Unrestricted funds balance was \$9,775,523.41.

After a review of the funds in the First Financial Bank accounts and a discussion on the funds due for the Mission, Red Oak, and Villa at Texarkana facilities, ~~a.~~ According to Attorney Oxford following the receipt of all the payments for these three (3) facilities in October and upon the payment of the fourth (4th) quarter Component 3, 4, and Lapsing Payments, all three facilities will be enrolled in Quality Improvement Payment Program (“QIPP”) for year 6 and there will no longer be the need to separate their financials. Attorney Oxford then referred the Board to the Funds Summary section set forth in the following table:

Funds Summary	Totals
Prosperity Operating (Unrestricted)	\$126,912.70
First Financial (Unrestricted)	\$9,775,523.41
First Financial (Restricted)	\$13,205,460.46
TexStar	\$694,950.44
Allegiance Bank LOC (Available)	\$9,704.10
Total District Funds	\$23,812,551.11
Less First Financial (Restricted)	(\$13,205,460.46)
Less TexStar Reserve Account	(\$694,950.44)
Less Committed Funds (Capital Acquisition and	(\$1,659,284.61)
Cash Position (Less First Financial Restricted)	\$8,252,855.60
Pending Expenses	(\$365,726.60)
Ending Balance (Less expenses-Available Cash, not	\$7,887,129.00
Total Funds (Ending Balance+LOC Outstanding+QIPP Funds Outstanding)	\$15,345,546.35

In addition, Attorney Oxford referred the Board to the Check Register and other supporting financial information found in **Exhibit “A-3”**.

President Murrell then called for a motion to approve the financials for October 19, 2022; the Treasurer’s Report; and payment of invoices. In response, Director Stramecki made a motion, which was seconded by Director Vratiss, with the unanimous approval of the Board members to: a) approve the financials for October 19, 2022; b) approve the Treasurer’s Report; and c) pay the outstanding invoices. (See **Exhibit “A-1”, “A-2”, and “A-3”**).

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8. 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 items.

9. Receive reports, by:

a. Administrator's Report

Mrs. Norris informed the Board that she did not have anything to report.

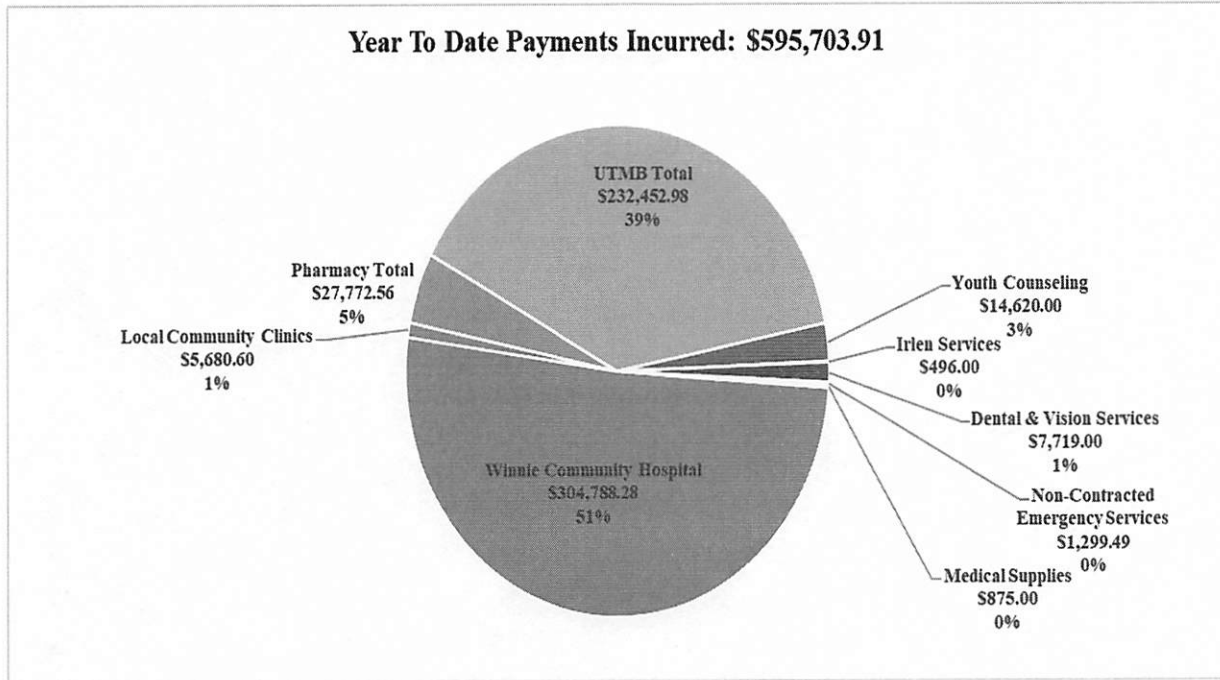
b. District Indigent Care Director Report

Next, Mrs. Ojeda was called on to give the Indigent Care report. Mrs. Ojeda reported that in September 2022, there were ninety-two (92) indigent clients enrolled in the District's Indigent Care Program. This is a increase of eight (8) clients from the previous month. Mrs. Ojeda then informed the Board that the number of children who have received youth counseling for the year increased by one (1) child to thirty-two (32) children. Furthermore, as in the prior month, the District did not provide any Irlen services, but in September, two (2) residents used the vision benefits and nine (9) used the dental benefits. (See **Exhibit "B"**).

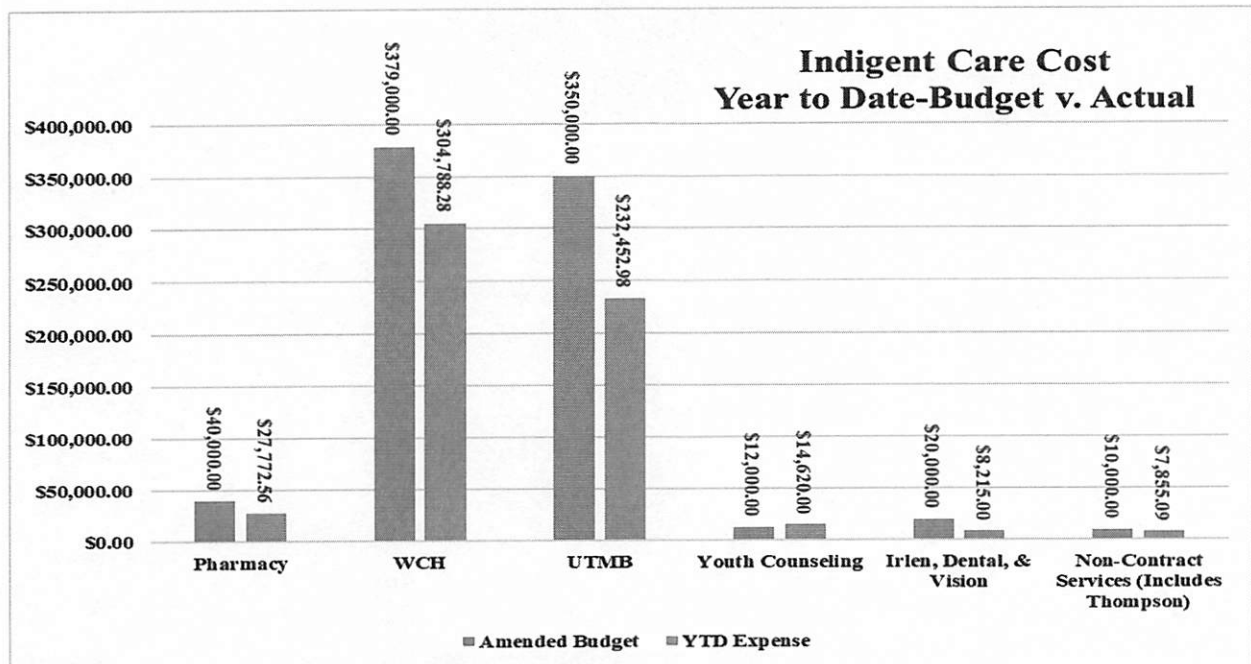
Mrs. Ojeda then reviewed the year-to-date indigent care cost as summarized in the following tables:

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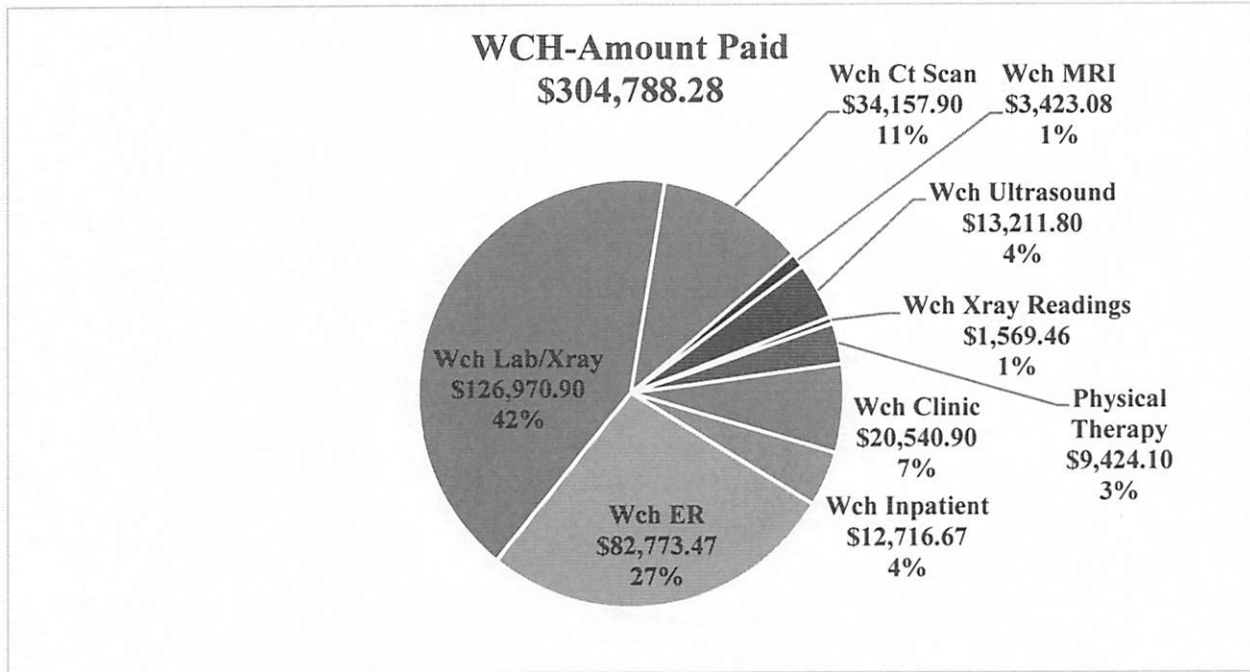
Year To Date Payments Incurred: \$595,703.91



In addition, Mrs. Ojeda advised that after taking into consideration the recent budget amendments, all of the indigent care budget items were within budget as reflected below:



Regarding the Hospital specific expenses, year to date, the District has incurred \$304,788.28 in Hospital expenses. The chart below identifies how these funds were spent by the various departments at the Hospital.



Thereafter, Mrs. Ojeda presented reports on the County Van, Marcelous Williams, and the Winnie Stowell Emergency Medical Services (“WSEMS”). A summary of activity for August 2022 is as follows:

District Program	Residents Served	District Indigent Clients
County Van	66	4
Marcelous Williams	16	15
	Transports by WSVEMS	Transports From Riceland
WSEMS Transport Van	17	10

For the balance of her reports, Mrs. Ojeda referred the Board to **Exhibit “C”** and asked that the Board members please contact her with any questions after they have had a chance to review in more detail.

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c. District General Counsel Report

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

d. Coastal Gateway Health Center Report

Turning to the Coastal Gateway report, Ms. Kaley Smith, Coastal Gateway's ("Health Center") Chief Executive Officer, presented their monthly report. (See Exhibit "D"). Some highlights of Ms. Smith's report were as follows:

- Dr. Lyons will officially start on December 12th.
- The drainage application for permitting was submitted to the county back in September with all the applicable documents. Since then, Ms. Smith has received information back through the portal with questions/comments on the drainage survey. Afterwards, Fittz and Shipman, who completed the drainage survey plans was notified and will have final revisions by Wednesday, October 19, 2022.
- Coastal Gateway's website will go-live within the next week and posting has begun, on the Facebook page.
- Implementation is underway for Coastal Gateway's Electronic Medical Record (EMR) system, which will be a multiple part process to set up.
- Clinical equipment items (vitals machine on wheels, five (5) wall mounted vital boards for each exam room, and an infant scale) have been ordered from Henry Schein.
- The Health Center has obtained its National Provider Identifier (NPI) number and the Medicare application is underway.
- Coastal Gateway has submitted their application to join the Texas Association of Community Health Centers (TACHC) and should receive notice after November 1, 2022 on whether our Interim Application has been approved.
- The Health Center has been having standing meetings with Riceland administration/staff to discuss admitting/inpatient hospital privileges for health center providers; and quality metrics for laboratory/radiology services (i.e., turnover time for routine tests; STAT order turnaround time, and critical laboratory values reporting).
- Lastly, the Health Center was continuing to plan for a January 2023 official opening and go-live with patients.

e. LTC Report

The Board was then directed to **Exhibit “D”** for a review of the LTC Report for August 2022. (See **Exhibit “D”**). After being given time to review the report, the Board was asked if there were any questions but there were none.

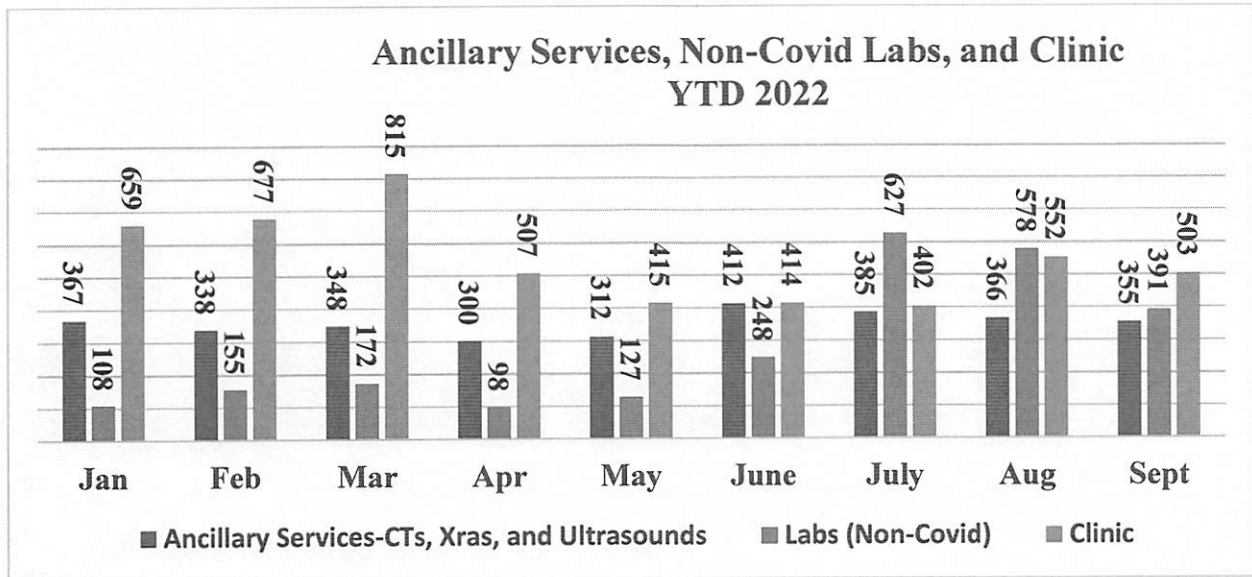
f. Hospital Report

President Murrell then called on Mr. Javed to provide the Hospital’s monthly report for August 2022. Mr. Javed distributed his monthly report, which is set forth below and began to review the statistics.

2022										
Census	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Average
ER Visits	210	161	215	229	240	245	242	194	244	220
Conversion to Inpatient/observation	17	18	26	24	20	16	19	15	18	19
<i>Percentage</i>	8%	11%	12%	10%	8%	7%	8%	8%	7%	9%
Transferred out of ER	13	10	12	12	11	15	13	7	16	12
<i>Percentage</i>	6%	6%	6%	5%	5%	6%	5%	4%	7%	6%
ER shifts covered by doctors	3%	4%	3%	3%	3%	3%	3%	10%	10%	5%
Number Inpatient days	187	171	127	74	125	163	174	191	170	154
Number Hospice days	0	4	8	5	7	0	0	8	6	4
Number Swingbed days	27	47	53	60	67	218	47	59	12	66
Number Observation days	47	38	29	24	51	14	34	39	27	34
Total All Inpt. Days	261	260	217	163	250	395	255	297	215	257
Average Inpatient days per day	8.42	9.29	7.00	5.43	8.06	13.17	8.23	9.58	7.17	8.48
CTs	70	56	85	77	47	44	86	55	68	65
Xrays	268	241	228	198	225	340	259	283	242	254
Ultrasounds	29	41	35	25	40	28	40	28	45	35
Labs-Covid (#encounters)	3,028	1,137	380	23	47	96	130	200	112	573
Labs-All Other (# encounters)	108	155	172	98	127	248	627	578	391	278
Encounters - Adult Clinic	471	445	499	262	220	227	206	236	217	309
Encounters - Pediatric Clinic	188	232	316	245	195	187	196	316	286	240
Behavioral Health patients	30	29	31	32	44	43	34	43	45	37
Physical Therapy	1	1	0	0	0	2	0	3	4	1

Otherwise, the Hospital reported that their census numbers were down due to the decrease in lower COVID-19 Positive Cases. Likewise, there was once again a discussion of ancillary services, such as lab work, clinic visits, x-rays, CT Machines, etc. Per Mr. Javid, the clinic has seen the largest decrease in numbers since the opening of the Thompson Outpatient Clinic but the other services have been

remaining steady since May. A chart depicting the different ancillary services for the year is set forth below.



10. Discuss and take-action, if necessary, to acquire additional nursing facilities.

Attorney Oxford asked that this agenda item be tabled because the District had not received any information yet on the nursing facilities and staff was not prepared to make a recommendation at the meeting.

The Board agreed and thereafter, a motion was made by Director Stramecki, to table the agenda item. This motion was seconded by Director Vratis, and unanimously approved by all the Directors present.

11. Discuss and take-action, if necessary, on authorizing President Murrell to execute agreements necessary to allow HMG to transfer accounts receivable financing from CIBC to Oxford Finance.

Attorney Oxford advised that HMG requested authority from the District to transfer their operating capital, or working capital, line of credit from CIBC to Oxford Finance. Since the request, Attorney Oxford assisted the lawyer with Oxford Finance to understand the structure of the various CIBC transactions that had previously occurred. Attorney Oxford then explained, if the Board approved the

transaction, the District would need to make sure it provided notice to the various HUD Loan Lenders and Landlords as required in their various agreements.

In response to questions concerning which nursing facilities utilized the CIBC line of credit, Attorney Oxford provided the following list:

1. Park Manor of Tomball;
2. Park Manor of The Woodlands;
3. Friendswood TRS;
4. Park Manor of College Station;
5. Cascade-Nueces Health Services;
6. Cascade-Abilene Health Services;
7. Park Manor of Deerbrook;
8. Park Manor of Southbelt;
9. Park Manor of Conroe;
10. Park Manor of Cyfair;
11. Park Manor of Cypress Station;
12. Park Manor of Humble;
13. Park Manor of Quail Valley;
14. Park Manor of Westchase; and
15. Park Manor of Willowbrook.

Upon the conclusion of the discuss, Attorney Oxford recommended that the Board approve HMG's request to allow for the transfer of HMG's line of credit from CIBC to Oxford Financial and to authorize President Murrell and the Secretary Rollo to execute the necessary conveyance documents and Secretary's Certificate to facilitate the transfer.

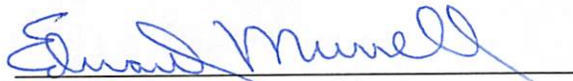
The Board agreed and then a motion was made by Director Stramecki to approve HMG's request to allow for the transfer of HMG's line of credit for the nursing facilities listed above, as well as any other HMG nursing facility owned by the District and to authorize President Murrell and Secretary Rollo to execute the necessary conveyance documents and Secretary's Certificate to facilitate the transfer. This motion was seconded by Director Way, and unanimously approved by all the Board members present.

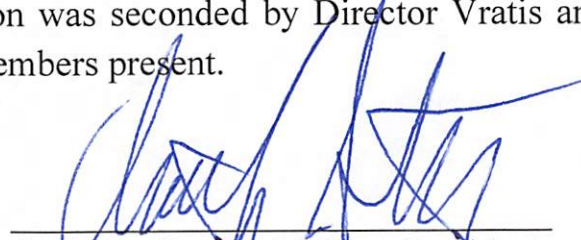
12. Discuss and take-action, if necessary, on receiving proposed change orders for the modular building on Highway 124.

The Board then turned to a discussion on the status of the installation of the modular building on Highway 124 as well as any necessary change orders. President Murrell led the discussion with an explanation that the reason for the potential change order was to include the purchase and installation of a generator but since the District was still unable to receive quotes for the foundation, electrical, and plumbing work due to the lack of the County's approval of the District's drainage plans, fire safety plans, etc., the discussion on a generator and installation of the generator was pre-mature.

Subsequently, a motion was made by Director Stramecki to table Agenda Item No. 12. This motion was seconded by Director Vratis, and unanimously approved by all the Board members present.

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 November 16, 2022. A motion was made by Director Stramecki at 7:49 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