

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., February 15, 2023 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.

At approximately 6:02 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 Vratiss	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	District Administrator
Mrs. Patricia Ojeda	Indigent Care Director
Mr. Hubert Oxford, IV	General Counsel for the District
Mr. David Sticker	District’s CPA
Mrs. MaKayla Vida	Proposed District CPA
Ms. Kaley Smith	Coastal Gateway Health Center
Dr. Michael Lyons	Coastal Gateway Health Center
Mr. Robert Jacobs	Clinical Manager for Riceland
Mr. Mo Danishmundt	Chief Financial Officer, Riceland Hospital
Ms. Gloria Roemer	The Seabreeze Beacon
Mr. Robert A. Pascasio	OmniPoint Health
Mr. Nolan George	Winnie Stowell Emergency Medical Services
Mr. David Smith	LTC Group

5. Review and minutes of the January 18, 2023 Regular Meeting.

President Murrell then called on the Board to return to review and approve the minutes from the January 18, 2023 Regular Meeting. The Board reviewed the minutes and had no further changes.

Consequently, Director Stramecki made a motion to approve the minutes of from the January 18, 2023 Regular Meeting . This motion was seconded by Director Way, 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 present the January 2023 Balance Sheet and Profit & Loss Budget vs. Actual. (*See Exhibit "A-1"*). In addition, Mr. Sticker presented an updated year end Balance Sheet and Income Statement that was updated to include actual QIPP Year 5 payments and expenses so that the year-end numbers more accurately reflected the actual year-end figures instead of the accrued (i.e., estimated) amounts previously used. (*See Exhibit "A-2"*). However, even after making the adjustments, Attorney Oxford and Mr. Sticker stated that the year-end net profit of \$5,796,053.06 was still \$1,286,281.41 less than the final budgeted net profit of \$7,044,211.16. Attorney Oxford then explained the reason for the discrepancy was due to the fact that the budgeted amount for line item 631 NH Program IGT was pulling from the incorrect row in a separate worksheet (i.e., IGT Component 1 Line instead of the Loan Repayment) and due to circumstances in the Quality Incentive Payment Program ("QIPP") for Year 5, the discrepancy between these numbers was larger than normal. Attorney Oxford then advised the Board that the wrong formula was used for the 2023 budget and would need to be amended.

Attorney Oxford then asked the Board to turn to the Treasurer's Report in their binders. (*See Exhibit "A-3"*). Per Attorney Oxford, the total invoices presented at the meeting amounted to \$264,495.86. However, he did note that the

LTC Invoice of \$240,000.00 had been previously paid earlier in the month. Therefore, the total expenses for the month amounted to \$504,495.86. A complete list of the invoices to be paid is as follows:

Reporting Date:		Wednesday, February 15, 2023
Pending Expenses	For	Amount
Brookshire Brothers	Indigent Care	\$3,141.06
Wilcox Pharmacy	Indigent Care	\$1,685.84
UTMB at Galveston	Indigent Care	\$26,987.90
UTMB Faculty Group	Indigent Care	\$3,208.85
Thompson Outpatient Clinic	Indigent Care	\$1,291.41
Riceland Medical Center	Indigent Care (Dec 2022)	\$67,782.76
Barrier Reef EM Phy	Indigent Care	\$97.49
Indigent Healthcare Solutions	IC Inv#75278	\$1,109.00
Dr. June Stanky, Optometrist	SP Program	\$60.00
Omnipoint Health-Dental	SP Program	\$3,899.00
Penelope (Polly) Butler	Youth Counseling	\$85.00
Nicki Holtzman	Youth Counseling	\$510.00
Kalos Counseling (Benjamin Odom)	Youth Counseling	\$510.00
Benckenstein & Oxford	Inv # 50660	\$25,730.00
Hubert Oxford	Legal Retainer	\$1,000.00
David Sticker	Inv #94	\$2,781.25
Technology Solutions of Tx	Inv #1748	\$75.00
Felipe Ojedia-Yard Service	Inv #1034	\$300.00
Graciela Chavez-Office Cleaning	Inv #965954	\$120.00
American Education Services	S Stern-Student Loan	\$150.14
Chambers Cty Road & Bridge	Inv #2023-17 (HWY 124)	\$414.00
WSVEMS	Grant Inv (Jan Payroll)	\$11,904.00
Coastal Gateway	Feb 2023 Grant Request	\$96,282.32
Allegiance Bank	LOC Interest-Auto Pay Feb 23	\$15,370.84
Texas Mutual Insurance Company	WC Renewal #0001302975	\$390.00
Total Pending Expenses:		\$264,495.86

Next, Attorney Oxford referred the Board to the Funds Summary section of the Treasurer’s report, which is set forth below.

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Funds Summary	Totals
Prosperity Operating (Unrestricted)	\$233,513.80
First Financial (Unrestricted)	\$8,517,013.81
First Financial (Restricted)	\$9,664,446.51
TexStar	\$703,557.42
Allegiance Bank LOC (Available)	\$19,421.67
Total District Funds	\$19,137,953.20
Less First Financial (Restricted)	(\$9,664,446.51)
Less TexStar Reserve Account	(\$703,557.42)
Less Committed Funds (<i>See below</i>)	(\$7,914,112.00)
Cash Position (Less First Financial Restricted)	\$855,837.28
Pending Expenses	\$264,885.86
Ending Balance (Less expenses-Available Cash, not Committed)	\$1,120,723.14
Total Funds (Ending Balance+LOC Outstanding+QIPP Funds Outstanding)	\$9,017,077.24

In addition, Attorney Oxford discussed the First Financial Bank reconciliation section of the Treasurer’s report. This month staff explained to the Board that this portion of the report has not changed much because the State of Texas was over a month behind in announcing the payment for December 2022 Component 1 funds and the District still has not received a payment notice for the QIPP Year 6, Quarter 1, Component 3, 4, and Lapsing funds. Staff then explained that the reason the Ending Balance was lower than in past Februarys, was due to the lack of the Component 3, 4, and Lapsing funds but they have been working with LTC to find out the status of the payment. According to LTC representatives participating on the phone call, they have been communicating with the State of Texas to inquire why there was a delay with the quarterly scorecard for QIPP Year 6 and the December 2022 Component 1 payment. So far, they have not received much clarification. In response to questions regarding the estimated Component 3, 4, and Lapsing Funds payment, LTC advised they, believed based on past payments, the amount due to the District would be approximately \$3,200,000.00.

In addition, LTC was asked to also discuss changes in forecast for Intergovernmental Transfers (“IGTs”) for QIPP Years 6 and 7. In particular, to explain why the District no longer showed such a large difference between the IGT for the second half of QIPP Year 6 and the Component 1 payments received. In the previous month, the District showed a shortfall of \$1,400,000.00, and this month

that difference was reduced to \$611,352.17. In response, LTC explained that the new estimates were based on updated information from Texas Health and Human Services Commission (“THHSC”); changes in the FMAP; and modifications to assumptions in the modeling spreadsheets.

Lastly, Attorney Oxford referred the Board to the Check Register and other supporting financial information found in **Exhibit “A-4”**.

President Murrell then called for a motion to approve the financials, 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 approve: a) the revised year end financials for 2022; b) the January 2023 financials; b) the Treasurer’s Report; c) pay the outstanding invoices; and d) approve the Check Register. (*See Exhibit “A-1”, “A-2”, “A-3” and “A-4”*).

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. There being none, President Murrell called on staff to give their reports.

8. Receive reports, by:

a. Administrator’s Report

Mrs. Norris updated the Board members regarding attending the Chambers County Day on the hotel reservations and itinerary.

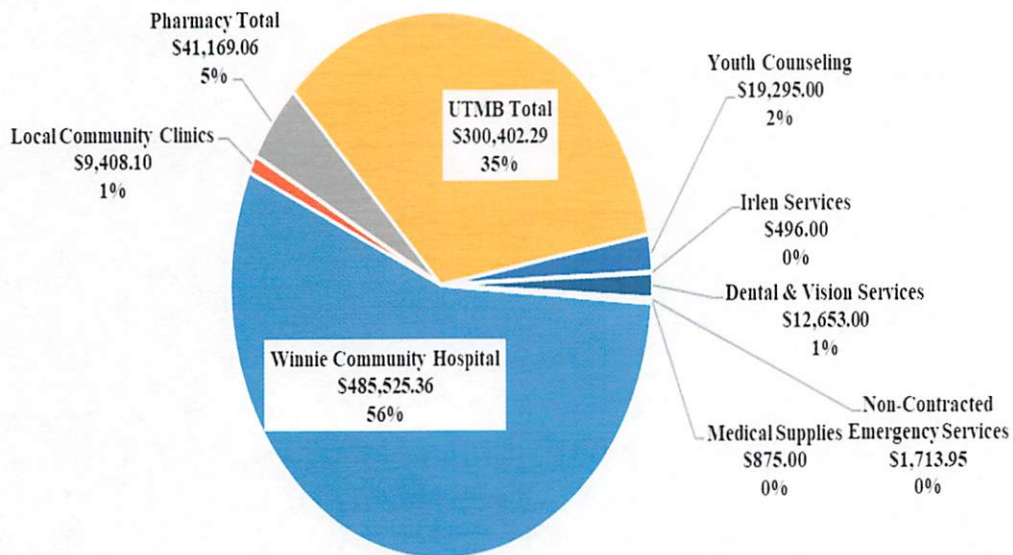
b. District Indigent Care Director Report

Next, Mrs. Ojeda was called on to give the Indigent Care report. Mrs. Ojeda reported that in January 2023, there were ninety-three (93) indigent clients enrolled in the District’s Indigent Care Program. This is an increase of three (3) clients from the previous month. Mrs. Ojeda then informed the Board that the number of children

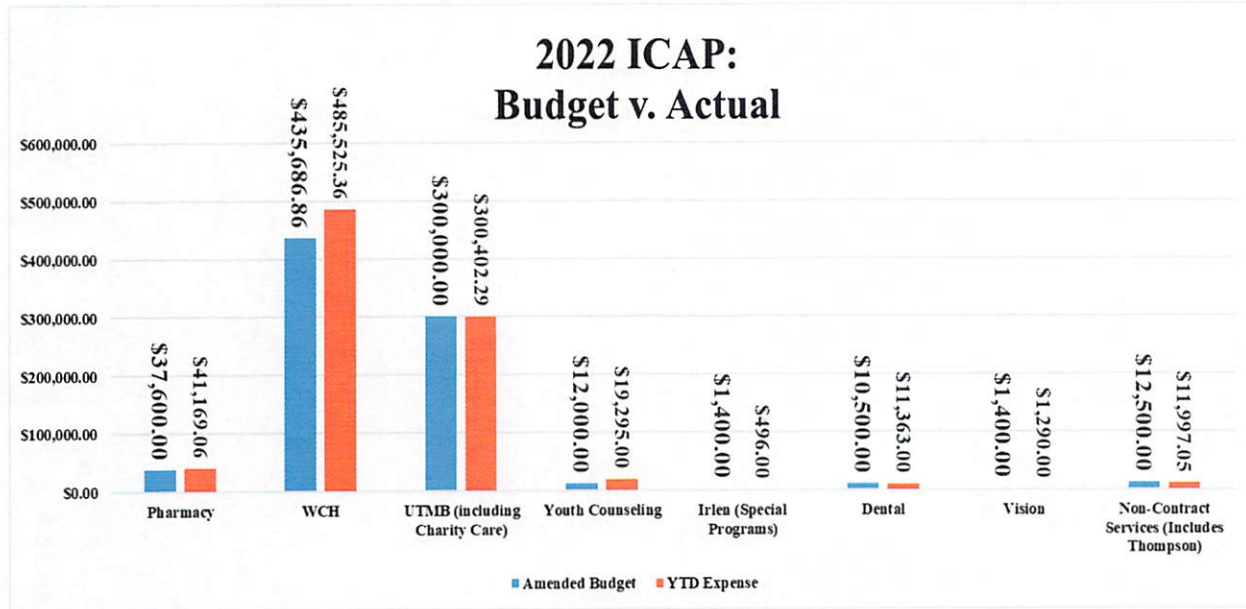
who received youth counseling in January remained at seventeen (17) children. Furthermore, as in the prior month, the District did not provide any Irlen services, but in January, two (2) residents used the vision benefits and seven (7) used the dental benefits. (See **Exhibit “B”**).

Mrs. Ojeda then informed the Board that she has prepared the year to date indigent cost but since the reports were for only one (1) month and because she received the final 2022 invoice for Riceland, she was going to spend time focusing on the year end indigent care cost since all the invoices from the various vendors have been received for 2022. A summary of these reports is set forth in the following graphs and tables.

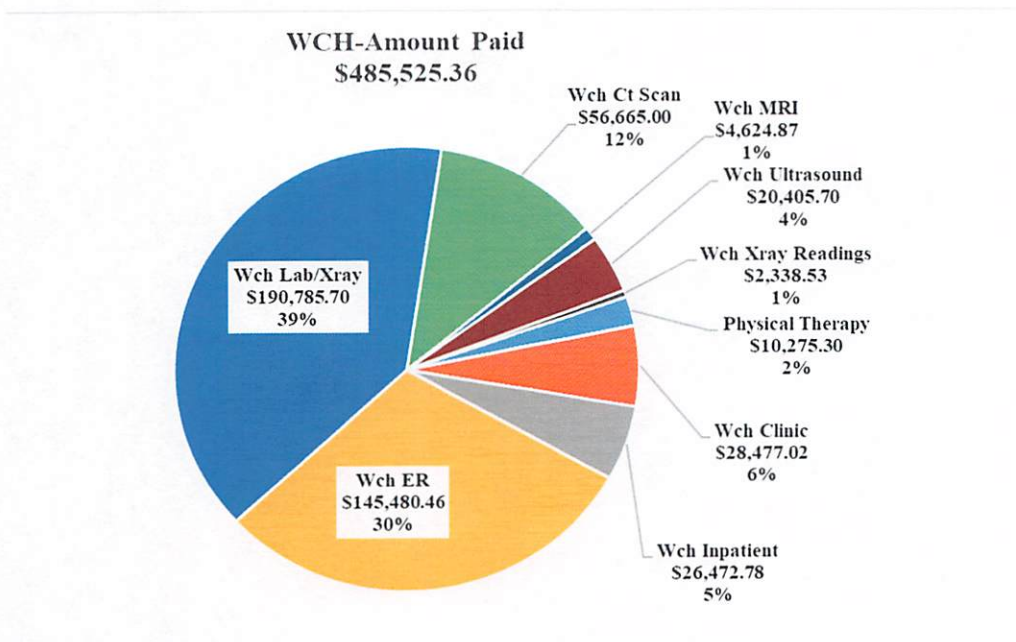
2022 Year End ICAP Incurred Cost: \$871,537.76



In addition, Mrs. Ojeda provided the Board with the year-end budget to actual numbers for indigent care costs, less the December invoice from the Hospital. These costs are also set forth below:



Regarding the Hospital specific expenses, year to date, the District incurred \$485,525.36 in Hospital expenses for 2022. The chart below identifies how these funds were spent by the various departments at the Hospital.



In comparison, to 2021, this is an increase of \$234,238.81 as explained in the chart below.

	2021 Year End			2022 Year End			Difference bw 2021 & 2022
		Total Unduplicated	Average		Total Unduplicated	Average	CLIENTS
Indigent Clients:	Clients Enrolled:	106	58	Clients Enrolled:	132	79	21
Youth Counseling:	YC Enrolled:	28	11	YC Enrolled:	48	23	12
Irlen Services:	IS Enrolled:	10	7	IS Enrolled:	3	2	-5
Winnie Community Hospital							RICELAND
WCH Clinic	\$78,608.00	\$31,957.86	\$24,665.60	\$75,742.03	\$28,477.02	\$28,477.02	\$3,811.42
WCH Observation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WCH ER	\$133,676.01	\$54,807.16	\$46,870.79	\$247,560.00	\$145,480.46	\$145,480.46	\$98,609.67
WCH Lab/Xray	\$203,646.00	\$83,261.98	\$71,744.67	\$273,645.00	\$190,785.70	\$190,785.70	\$119,041.03
WCH CT Scan	\$111,594.00	\$45,753.54	\$35,818.84	\$80,950.00	\$56,665.00	\$56,665.00	\$20,846.16
WCH Labs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WCH Xray (MRI)	\$106,227.00	\$43,142.25	\$41,697.82	\$93,512.00	\$4,624.87	\$4,624.87	(\$37,072.95)
WCH Lab/Xray Reading	\$21,370.00	\$8,577.61	\$7,494.39	\$17,392.00	\$2,338.53	\$2,338.53	(\$5,155.86)
WCH Inpatient	\$35,317.00	\$14,479.97	\$14,242.99	\$43,398.00	\$26,472.78	\$26,472.78	\$12,229.79
WCH Physical Therapy	\$4,820.00	\$1,976.20	\$1,976.20	\$14,679.00	\$10,275.30	\$10,275.30	\$8,299.10
WCH Ultrasound	\$17,493.00	\$7,172.13	\$6,775.25	\$29,151.00	\$20,405.70	\$20,405.70	\$13,630.45
WCH Totals	\$712,751.01	\$291,128.70	\$251,286.55	\$876,029.03	\$485,525.36	\$485,525.36	\$234,238.81

After a review of the cost differences, Mrs. Ojeda highlighted that the increased costs were attributed to three things: 1) increased enrollment in the indigent care program; 2) the payment rate increased from 41% to 70% as set forth in the County Indigent Healthcare Program Handbook; and 3) increases in lab and emergency services provided.

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

District Program	Residents Served	District Indigent Clients
County Van	94	7
Marcelous Williams	21	19
	Transports by WSVEMS	Transports From Riceland
WSEMS Transport Van	5	1

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

c. District General Counsel Report

Attorney Oxford presented an invoice submitted to HMG for legal fees incurred to refinance their working capital line of credit from CIBC Bank to Oxford Financial. (See **Exhibit “C”**). Mr. Oxford explained he submitted this invoice and copied the Board President and staff on the transmittal e-mail.

d. Coastal Gateway Report

Turning to the Coastal Gateway report, Ms. Kaley Smith, Coastal Gateway’s (“Health Center”) Chief Executive Officer, and Dr. Lyons, the Chief Medical Officer for Coastal Gateway, presented their monthly District report. (See **Exhibit “D”**). This month, the two (2) reported on the following:

- Strategic Planning Retreat for the health center is scheduled for Friday, March 25th and Saturday, March 26th. Meanwhile, the *Needs Assessment Survey* is still underway, the deadline has been extended another week to allow more responses.
- All of the ‘big ticket’ IT items have been ordered (i.e., server, relay switches, access points, laptops/desktops, etc.). Endpoint will start configuring once items begin to arrive. Then, once the building is ready, it will mostly be a matter of setting them up. Additionally, Coastal Gateway still has three (3) iPads/tablets to purchase, for the kiosks/check-in and one for the Language Line translation cart.
- The smaller medical equipment and supplies are one of the main items(s) left to be ordered. Most of these items are not expensive as individual items, with the exception of the refrigerators and freezers that will be used to store medications and vaccines.
- Building update.
 - The drainage engineering plan was approved by the County on January 26th.

9. Discuss and take-action, if necessary, on engaging CPA to assist the District.

Mrs. Norris then introduced Mrs. Makayla Vidal, CPA, to the Board and stated that the Finance Committee, staff, Attorney Oxford, and Mr. Sticker have been meeting with Mrs. Vidal as a possible replacement for Mr. Sticker. As a result of these meetings, Directors Way and Stramecki informed the Board members that they were prepared to recommend the District engage Mrs. Vidal as the District's CPA. Mrs. Norris then presented the Board with an engagement letter and resume for Mrs. Vidal. (See **Exhibit "F"**). The Board reviewed the engagement letter and discussed with Mrs. Vidal her past work and was pleased to learn that she had the experience necessary to assume the role of the District's CPA, who announced his retirement during the prior meeting. Mr. Sticker confirmed his recommendation to engage Mrs. Vidal and told the Board that he would be available to assist the District and Mrs. Vidal as needed.

Upon the conclusion of a discussion with Mrs. Vidal, Director Stramecki made a motion to engage Mrs. Makayla Vidal as the District's CPA pursuant to the terms of her engagement letter set forth in **Exhibit "F"**. The motion was seconded by Director Rollo, and unanimously approved by all the Board members.

10. Discuss and take-action on grant for the Winnie Stowell Volunteer Emergency Medical Services.

Turning to Agenda Item No. 10, President Murrell called on Nolan George with the Winnie Stowell Emergency Medical Services' ("WSVEMS") to present the WSEMS's position on moving forward with WSEMS's grant. Mr. George engaged in a contested conversation with the Board regarding WSEMS's compliance with the grant criteria and the status of the ambulance service agreement with the Hospital. Mr. George was quickly given accurate facts surrounding the District's attempts to assist the WSEMS with complying with the District's grant. Afterwards, he was advised that the deadline to comply with the District's conditions for continuation of the grant from the December meeting was June 2023 and to date, the District has little to no effort by the WSEMS to comply with the District's terms.

As for the agreement with the Hospital, both parties were strongly advised to secure an agreement before the next meeting. Otherwise, no action was taken.

11. Discuss and take-action, if necessary, on making a contribution to partnership facilitated by Chambers County Public Hospital District to establish a countywide Meals on Wheels program.

President Murrell then called on Mr. Robert A. Pascasio, Chief Executive Officer of Omnipoint Health to discuss the status of the proposed Meals on Wheels program and the status of Chamber's Health's attempts to secure additional funding as discussed at the last meeting. According to Mr. Pascasio, he has secured commitments from Chambers County and an insurance company affiliated with TORCH to contribute \$25,000.00 each and he was still waiting to hear from Mount Belvieu on whether they wanted to participate. He then presented the Board with a proposed budget and asked for any questions. (See Exhibit "G"). The Board reviewed the proposed budget and confirmed that the request that was approved was for a one-time only payment. Mr. Pascasio confirmed the one-time payment. Thereafter, he was advised that since the Board previously approved the grant request subject to Chambers Health securing two addition partners and Chambers Health had secured the grant, they were free to request funding whenever the program was ready to be launched. Otherwise, no action was taken as this request was previously approved at the prior meeting.

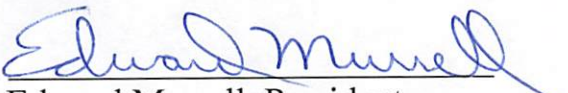
12. Discuss and take-action, if necessary, on receiving proposals from contractors to assist with the installation of the new facility on Highway 124 (i.e., foundation, electricity, plumbing, and concrete) and consider request for foundation change orders for the facility.

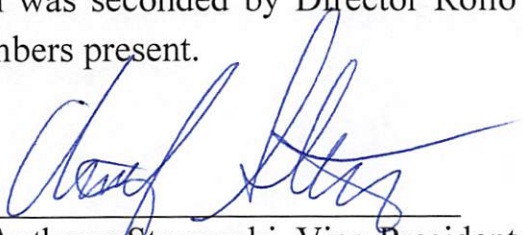
President Murrell asked that this agenda item be tabled because there were no change orders to discuss at this time. Consequently, a motion was made by Director Stramecki to table this agenda item. Director Stramecki's motion was seconded by Director Vratiss, and unanimously approved by all the Board members.

13. Discuss and take-action, on indigent care health treatment options and cost.

Mrs. Ojeda also asked to table this agenda item because she was still waiting on prices from the new dental clinic in Winnie. The Board agreed, and then Director Stramecki made a motion to table this agenda item. Director Stramecki's 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 March 15, 2023. A motion was made by Director Stramecki at 8:12 p.m., to adjourn the meeting. This motion was seconded by Director Rollo and unanimously approved by all the Board members present.


Edward Murrell, President


Anthony Stramecki, Vice-President