

**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., March 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 Vratis	Director

All said Board members were present, except for Director Vratis, 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
Mrs. MaKayla Vidal	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
Mr. Chris Rutledge	LTC Group

## 5. Review and minutes of the February 15, 2023 Regular Meeting.

President Murrell then called on the Board to return to review and approve the minutes from the February 15, 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 February 15, 2023 Regular Meeting. This motion was seconded by Director Rollo, 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, Mrs. MaKayla Vidal was asked to present the February 2023 Profit & Loss Budget vs. Actual and the. (*See Exhibit "A-1" & "A-2"*). According to Mrs. Vidal, the financials all appeared to be in order as no amendments needed to be made in March. Moreover, Mrs. Vidal reported that she had been working extensively with the District's Administrator and LTC Group to assist with updating the District's financials.

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 \$199,989.66. 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 \$439,989.66. A complete list of the invoices to be paid is as follows:

Pending Expenses	For	Amount
Brookshire Brothers	Indigent Care	\$2,431.02
Wilcox Pharmacy	Indigent Care	\$1,511.64
UTMB at Galveston	Indigent Care	\$8,659.17
UTMB Faculty Group	Indigent Care	\$1,386.58
Thompson Outpatient Clinic	Indigent Care	\$1,330.72
Barrier Reef EM Phy	Indigent Care	\$121.20
Indigent Healthcare Solutions	IC Inv#75446	\$1,109.00
Dr. June Stanky, Optometrist	SP Program	\$60.00
\$25 Optical	SP Program	\$145.00
Penelope (Polly) Butler	Youth Counseling	\$170.00
Nieki Holtzman	Youth Counseling	\$425.00
Kalos Counseling (Benjamin Odom)	Youth Counseling	\$680.00
Benckenstein & Oxford	Inv # 50699	\$21,290.00
Hubert Oxford	Legal Retainer	\$1,000.00
David Sticker	Inv #96	\$2,468.75
Makayla Vidal	Inv #00015	\$6,475.00
Technology Solutions of Tx	Inv # 1757	\$75.00
Felipe Ojedia-Yard Service	Inv # 1035	\$300.00
Graciela Chavez-Office Cleaning	Inv #965956	\$120.00
American Education Services	S Stern-Student Loan	\$150.14
WSVEMS	Grant Inv (Feb Payroll)	\$10,752.00
Coastal Gateway	Mar 2023 Grant Request	\$108,955.08
Fitz & Shipman	Inv #0085474	\$762.50
Chambers City Road & Bridge	Inv #2023-36 (HWY 124)	\$1,293.00
Marcelous-Williams Resource Center	Grant Inv 2nd Qtrly pmt	\$14,435.53
Stellar Bank	LOC Interest-Auto Pay Mar 23	\$13,883.33
<b>Total Pending Expenses:</b>		<b>\$199,989.66</b>

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

Funds Summary	Totals
Prosperity Operating (Unrestricted)	\$404,718.17
First Financial (Unrestricted)	\$6,388,583.88
First Financial (Restricted)	\$9,642,659.66
TexStar	\$705,981.78
Allegiance Bank LOC (Available)	\$29,152.70
Total District Funds	<b>\$17,171,096.18</b>
Less First Financial (Restricted)	(\$9,642,659.66)
Less TexStar Reserve Account	(\$705,981.78)
Less Committed Funds ( <i>See below-Balance remaining on funds owed</i> )	(\$5,462,204.76)
Cash Position ( <i>Less First Financial Restricted</i> )	<b>\$1,360,249.99</b>
Pending Expenses	(\$199,989.66)
Ending Balance ( <i>Cash Position-Pending Expenses</i> )	<b>\$1,160,260.33</b>
Total Funds ( <i>Ending Balance+LOC Outstanding+QIPP Funds Outstanding+CHOW Loans</i> )	<b>\$19,616,710.91</b>

In addition, Attorney Oxford discussed the First Financial Bank reconciliation section of the Treasurer’s report. This month staff explained to the Board that they recently received the Component 3, 4, and Lapsing fund scorecard for the 1<sup>st</sup> Quarter of Year 6-Quality Improvement Payment Program (“QIPP”). Likewise, staff advised the District received notice of the December 2022 Component 1 and 2 payments, which had been lagging for over a month and they anticipated receiving January and February’s Component 1 and 2 score card in the near future. Otherwise put, it was staff’s understanding that the HHSC was catching up on past due score cards.

Concerning the QIPP Component 3, 4, and Lapsing fund payment, Chris Rutledge, with LTC, reported that this quarter was lower than usual with the District’s facilities only hitting 86.5% of their metrics. However, once Regency clears up a reporting issue with their Component 4 payments and their four (4) facilities show that Component 4 was achieved, the overall average for the District will be 88.5%. During this quarter, HMG did great, as usual, but Caring Healthcare’s facilities were down to 80% achievement rates, and SLP’s Oakland Manor facility had an awful quarter at 20%.

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 Rollo, and with unanimous approval of the Board members to approve: a) the February 2023 financials presented by Mrs. Vidal; 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. The Indigent Care Committee noted that they had met before the meeting, but the substance of the meeting was going to be discussed when the Board gets to Agenda Item No. 12. Otherwise, since there were no other reports, President Murrell called on staff to give their reports.

**8. Receive reports, by:**

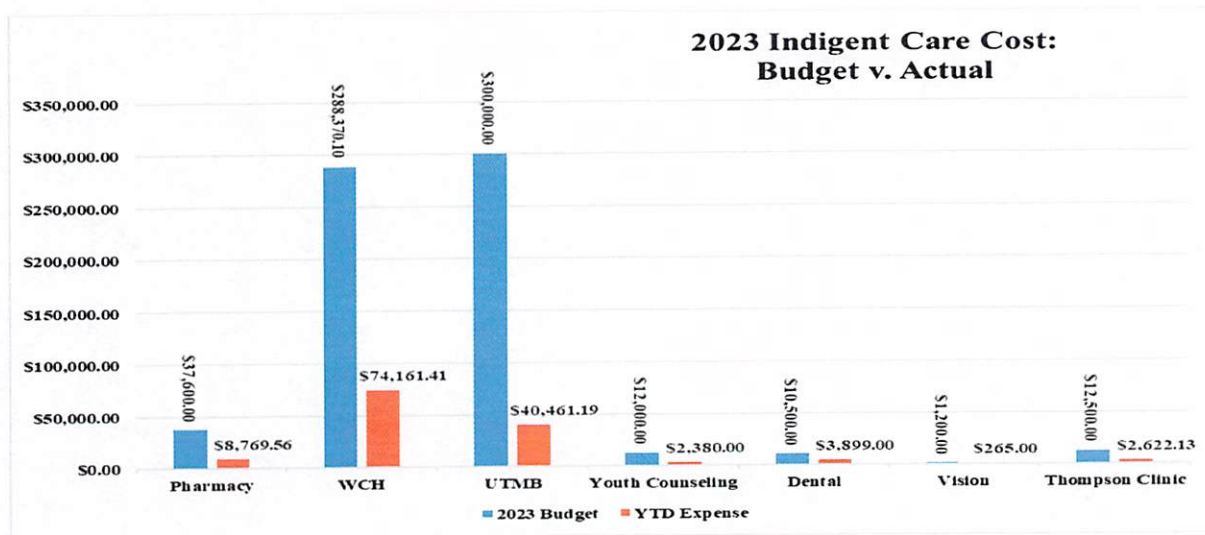
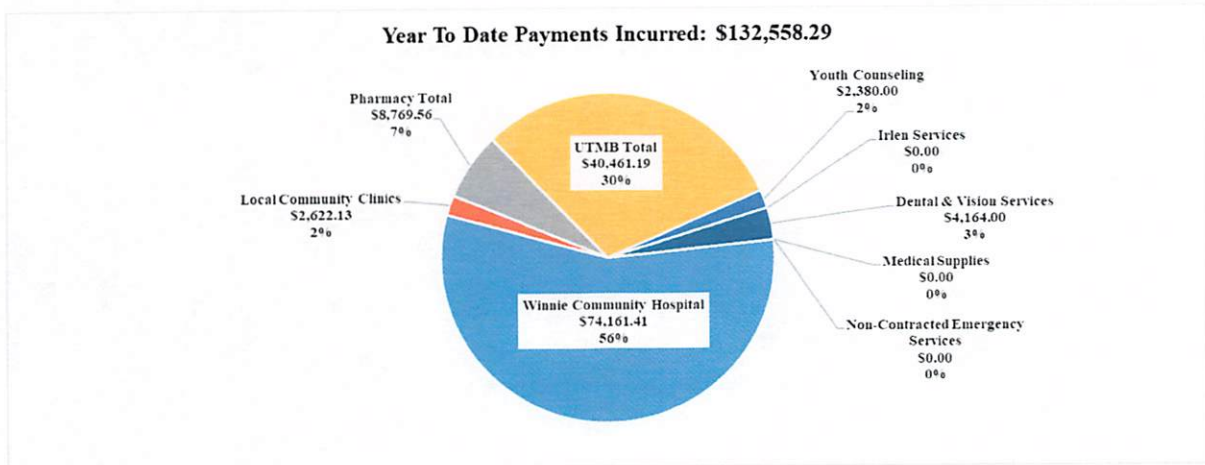
**a. Administrator's Report**

Mrs. Norris informed the Board that she planned on hiring Christina Dickerson, who works at the District part-time for Marcellous Williams, to assist the District as a part-time assistant who would work all day Monday, and Tuesday through Friday from 8:00 p.m. to 9:30 p.m. and from 3:30 p.m. to 5:00 p.m. Per Ms. Norris, the pay for this position was going to be \$16.00 per hour, which is the same as the previous assistant.

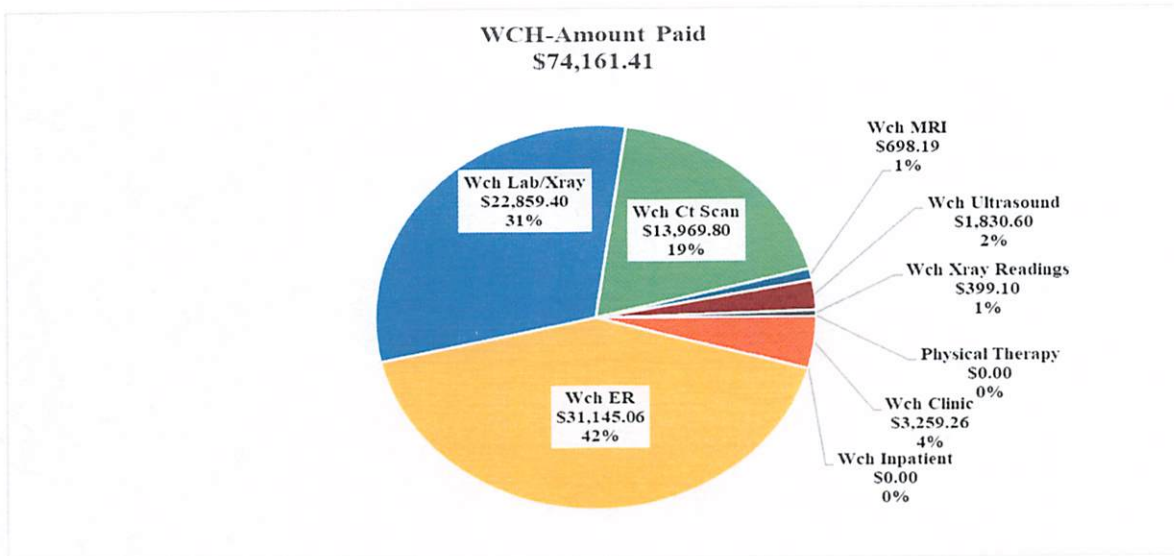
**b. District Indigent Care Director Report**

Next, Mrs. Ojeda was called on to give the Indigent Care report. Mrs. Ojeda reported that in February 2023, there were ninety-two (92) indigent clients enrolled in the District's Indigent Care Program. This is a decrease of one (1) client from the previous month. Mrs. Ojeda then informed the Board that the number of children who received youth counseling in February increased by one student to eighteen (18) children. Furthermore, in February, the District did not provide any Irlen services, vision benefits, or dental benefits. (See Exhibit "B").

Mrs. Ojeda then went through a series of reports and graphs relating to indigent cost incurred year to date, indigent care budget comparisons, and Winnie Community Hospital indigent care incurred expenses. Summaries are as follows:



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Thereafter, Mrs. Ojeda presented reports on the County Van, Marcelous Williams, and the Winnie Stowell Emergency Medical Services (“WSEMS”). A summary of activity for February 2023 is as follows:

<b>District Program</b>	<b>Residents Served</b>	<b>District Indigent Clients</b>
County Van	92	2
Marcelous Williams	27	21
	<b>Transports by WSVEMS</b>	<b>Transports From Riceland</b>
WSEMS Transport Van	9	5

Lastly, regarding the WSEMS Transport Van, Mrs. Ojeda reported that the February monthly report submitted by the Administrator for the Winnie Stowell Volunteer Emergency Medical Services (“WSVEMS”) was incorrect and the WSVEMS did not use the updated report prepared for the WSVEMS by the District. When the Administrator was asked to resubmit the proper report, she stated that the report submitted was sufficient. However, the report, as submitted, does not reconcile. Moreover, when asked about the progress of the District’s six (6) demands from the December 14, 2022 Regular Meeting, Mrs. Ojeda provided the following summary:

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December 14, 2022 Six Month Requests:		
a. The WSVEMS will enter into an agreement with Hospital to provide transport services on an expedited basis; or provide proof that the WSVEMS has made a good faith attempt to secure an agreement.	NO	Hospital provided the attached report showing no response from WSEMS since mid-December 2022 where the Hospital requested the contract include the 2023 rates be based on rural, not urban Medicaid Rates. Otherwise, we have received nothing from WSVESM.
b. The District's funds shall not be used for overtime.	NO	There was no documentation provided that the District's funds were not used for overtime.
c. WSVESM shall implement a payment system for employees as required by the grant agreement.	NO	There was no documentation provided that the WSVESM has implemented a payment system for employees as required by the grant agreement.
d. The WSVEMS shall operate on a fully staffed basis (i.e., three employees) separate and apart from the transport ambulance staff so as to ensure that the District's funds were being used to only pay for the transport ambulance staff as required in grant agreement.	NO	There was no documentation provided that the WSVEMS has operated on a fully staffed basis (i.e., three employees) separate and apart from the transport ambulance staff.
e. The WSVEMS agrees to provide proof that they were billing timely for the transport ambulance because the WSVEMS's current collection rate was only twenty-one percent (21%).	NO	There was no documentation provided that the WSEMS is billing timely for the transport ambulance.
f. The WSVEMS shall timely provide completed reports without the District's staff having to assist with preparing the reports.	NO	The District's staff did not assist in completing the WSEMS Monthly report, but the report also was not completed accurately in all areas.

For additional details of the information prepared by the Indigent Care Director, 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 advised that he did not have any reports to discuss at this time.

### 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 "C"**). This month, the two (2) reported on the following:

- The Health Center is having a Strategic Planning Retreat for the health center which is scheduled for **Friday, March 25th** and **Saturday, March 26<sup>th</sup>**;
- The Health Center is performing interviews for support staff - Medical Assistants and Patient Service;
- Coastal Gateway is still waiting for a response from Riceland Hospital for the Laboratory, Radiology, and Inpatient Services;





After the review of the monthly statistics, Mr. Danishmund informed the Board that the Hospital signed the agreement with the WSVEMS to provide transport services to the Hospital's patients. However, according to Mr. Danishmund, in February 2023, the Hospital called on the WSVEMS to make ten (10) transport calls, not nine (9) transport calls and of the ten (10) calls made, the WSVEMS was only able to make five (5) of the calls. Per Mr. Danishmund, the reason the calls were not made by WSVEMS, according to the Hospital's records were due to "no staff being available" or "no PALs unit available". In response, the Board reviewed the previously discussed WSVEMS report and questioned why the District was paying for staff everyday but at the same time, the WSVEMS was unable to make two (2) of the five (3) calls missed because they did not have personnel.

**9. Discuss and take-action, if necessary, on the following matters involving the District's nursing facilities and participation in the Quality Improvement Payment Program:**

- a. Engage Municipal Advisory Agreement with Government Capital Securities Corporation;**
- b. Consider closing the certificate of deposit at Allegiance Bank and then open a certificate of deposit at Prosperity Bank;**
- c. Discuss upcoming Loan 24 for nursing home operations in May 2023; and**
- d. Amend the incentive fee provisions in the District's Management Agreements with its nursing facility managers.**
- e. Discuss and take-action, if necessary, on approving amendments to the Management Agreements for the Senior Care facilities.**

Before addressing Agenda Item No. 9, President Murrell called the Board into Executive Session pursuant to Chapter 551.085 of the Texas Government Code-Health Care Services at 7:09 p.m. The Board returned from Executive Session at 8:21 p.m.

Thereafter, a motion was made by Director Rollo to authorize: 1) the execution of the Advisory Agreement with Government Capital (*See Exhibit "E"*);

2) the closing of the Certificate of Deposit and Line of Credit at Stellar Bank and to open a Certificate of Deposit and Line of Credit at Prosperity Bank in the amount of \$8,200,000.00; 3) LTC Group to explore future participation partners for the QIPP program; 4) Approve the Assignment Agreement for Oak Manor Nursing facility from Senior Living Properties to Nexion Health (*See Exhibit "F"*); and 5) to fund \$8,200,000.00 of the June 2023 QIPP IGT with funds in the newly established line of credit at Prosperity and to utilize third party lenders for the balance of the IGT. This motion was seconded by Director Rollo and unanimously approved by all the Board members present.

**10. Discuss and take-action, if necessary, on approving bank collateral agreements with Stellar Bank.**

Attorney Oxford was called on to discuss this agenda item. Per Attorney Oxford, he requested that this agenda item be tabled because he has not received a response for an updated bank collateral agreement for Stellar Bank, formerly Allegiance Bank.

The Board concurred and then a motion was made by Director Stramecki to table this agenda item. This motion was seconded by Director Way and unanimously approved by the Board members present.

**11. 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 informed the Board there were no change orders for the new health center facility at this time and requested that this agenda item be tabled.

In response, Director Stramecki, made motion to table this agenda item. This motion was seconded by Director Way and unanimously approved by the Board members present.

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

President Murrell then called on the members of the Indigent Care Committee to address this agenda item. According to Directors Way and Rollo, they met with the Indigent Care Director prior to the meeting to discuss several issues. Specifically, they discussed whether the District's indigent clients would still have the option to use one of the three (1) primary care clinics within the District after Coastal Gateway the opens or if all the District's indigent clients were going to be directed to the Coastal Gateway clinic. In addition, the Committee discussed whether the District was interested in entering into a provider agreement with the new Winnie Family Dental Clinic and if so, whether the District wanted to discontinue its existing agreement for dental care with Chambers Health. In addition, Mrs. Ojeda informed the Board that the cost of preventative services matched Chambers Health but the cost for the other services such as fillings, extractions, crowns, and dentures were ten percent (10%) higher. After some discussions on questions presented, the Board agreed that the District's indigent clients should still be able to have a choice of any of the three (3) healthcare providers in the District. Furthermore, the District's Board encouraged the Indigent Care Director to enter into a Healthcare Services agreement with Winnie Family Dental Clinic but instructed the Indigent Care Director to maintain the District's existing agreement with Chambers Health and to make sure the District's indigent clients understand that they had a choice of dentist.

Lastly, Attorney Oxford reminded the Board members that they previously authorized the Indigent Care Director to enter into Provider Agreements and consequently, there was no need to authorize the Healthcare Services Agreement with Winnie Family Dental Clinic. Additionally, per Attorney Oxford there was no need to make a motion on the ability of the District's indigent clients to have healthcare choices because Section X(C)(1)(a) of the District's Indigent Healthcare Policy states that all healthcare providers operating within the District were mandated providers with authority to provide healthcare services to the District's indigent clients.

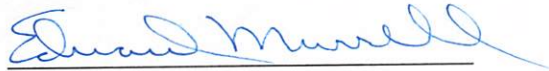
**13. Discuss and take-action, if necessary, on approving Intergovernmental Transfer for DY 11 for Withheld and Additional Hospital Payment.**

Staff were called on to address the last action item, the need for an IGT for DY 11 Withheld and Additional Hospital Uncompensated Care Payment. (*See Exhibit "G"*). Staff reviewed the correspondence with the Hospital and information

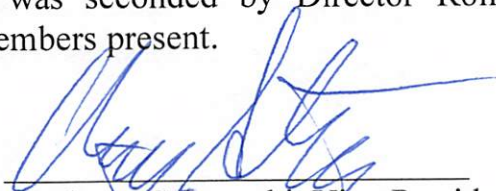
provided by the State of Texas and explained that the Hospital was due \$43,965.14 in unrecognized Uncompensated Care Payments and per the State of Texas no IGT was due. However, staff requested \$20,000.00 in authority to make an IGT to avoid a special meeting if the State were to send a revised spreadsheet calling for an IGT.

The Board agreed with staff's recommendation and Director Stramecki made a motion to authorize staff to make an IGT up to \$20,000.00 if requested by the State of Texas for the DY 11 Withheld and Additional Hospital Uncompensated Care Payment. Director Stramecki's motion was seconded by Director Way 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 April 19, 2023. A motion was made by Director Stramecki at 8:56 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