

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., September 20, 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 6:00 p.m., the meeting was convened, and 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 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	District CPA
Mr. Mo Danishmund	Chief Financial Officer, Riceland Hospital
Mr. David Smith	LTC Group
Mr. Lee Hughes	LTC Group
Mr. Saad Javed	Winnie Community Hospital
Mr. Josh Wahleithner	Winnie Stowell Volunteer Emergency Medical Service (“WSVEMS) Staff
Mrs. Gloria Roemer	Seabreeze Beacon
Mr. Ben Odom	Healthcare Provider in District

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4. Public Comment

President Murrell called on those present at the meeting to make any public comment.

Ms. Gloria gave public comment and stated, “thank you for all you do!” to the District’s Board for the Board’s foresight in developing healthcare opportunities within the District.

5. Review and approve minutes of August 16, 2023 Regular Meeting.

President Murrell then called on the Board to return to Agenda Item 5, and to review and approve the minutes from the August 16, 2023 Regular Meeting. The Board then reviewed the minutes and did not have changes.

Consequently, Director Stramecki made a motion to approve the minutes from the August 16, 2023 Regular Meeting. This motion was seconded by Director Way, and unanimously approved by all the Board Members present.

6. Review and approve Accountant’s report and financials report for monthly payment of invoices; and adopt any budget amendments, if necessary.

Following the review and approval of the Minutes, President Murrell called on Mrs. MaKayla Vidal, the District’s CPA, to present the financial reports for August 2023. (*See Exhibit “A-1”*). According to Mrs. Vidal, the financials for August were in order and she was evaluating budget amendments subject to finalizing the analysis on the income and expenses associated with the acquisitions of additional nursing facilities; buy out loans; reduced interest rates; and grant payments that the District was considering.

Upon the completion of financials for August 2023, Mrs. Vidal was also called on to present the Treasurer’s Report. (*See Exhibit “A-2”*). According to Mrs. Vidal, the total invoices presented at the meeting amounted to \$340,282.78. She then reviewed the individual invoices and answered questions. A complete list of the invoices to be paid is as follows:

Pending Expenses	For	Amount
Indigent Healthcare Solutions	Inv #76450	\$1,566.00
Brookshire Brothers	Indigent Care (Jul RXs)	\$3,124.64
Brookshire Brothers	Indigent Care (Aug RXs)	\$2,769.38
Wilcox Pharmacy	Indigent Care (Jul RXs)	\$1,529.75
Wilcox Pharmacy	Indigent Care (Aug RXs)	\$1,563.81
UTMB at Galveston	Indigent Care	\$42,705.17
UTMB Faculty Group	Indigent Care	\$7,409.81
Thompson Outpatient Clinic	Indigent Care	\$1,424.13
Winnie Stowll Volunteer EMS	Indigent Care (Ambulance Svs)	2093.45
Winnie Community Hospital (RMC)	Indigent Care	\$33,551.64
Bayside Dental	SP Program	\$770.00
Winnie Family Dental	SP Program	\$2,867.60
Nicki Holtzman	Youth Counseling	\$85.00
Kalos Counseling (Benjamin Odom)	Youth Counseling	\$510.00
Technology Solutions of Tx	Inv #1806	\$95.00
Felipe Ojedia-Yard Service	Inv #1041	\$350.00
Graciela Chavez-Office Cleaning	Inv #965963	\$120.00
Benckenstein & Oxford	Inv #50879	\$19,550.00
Hubert Oxford	Legal Retainer	\$1,000.00
Makayla Vidal	Inv #26	\$9,625.00
American Education Services	Grant S Stern-Student Loan	\$150.14
Vaughns AC	Inv #WO1037	\$180.00
The Hometown Press	Inv # 3939	\$600.00
The Seabreeze Beacon	Inv # 6758	\$350.00
Durbin & Company (Outstanding Balance)	Inv # 9669	\$10,000.00
Winnie Community Hospital	WCH DY8 Recoup Demand	\$147,856.73
Marcelous-Williams Resource Center	Grant Inv 4nd Qtrly pmt	\$14,435.53
Durbin & Company (2022 Audit)	Invoice # 12093	\$34,000.00
Total Pending Expenses:		\$340,282.78

Next, Mrs. Vidal referred the Board to the Funds Summary section of the Treasurer's report, which is set forth below.

Funds Summary	Totals
Prosperity Operating (Unrestricted)	\$545,327.51
First Financial DACA (Unrestricted)	\$10,715,837.16
First Financial DACA (Restricted)	\$1,685,496.75
First Financial Money Market (Restricted)	\$13,565,151.77
TexStar (Restricted)	\$723,947.12
FFB CD Balance	\$8,200,000.00
Total District Funds	\$35,435,760.30
Less First Financial (Restricted)	(\$1,685,496.75)
Less TexStar Reserve Account	(\$723,947.12)
Less LOC Outstanding	(\$1,745,740.56)
Less First Financial Money Market (Restricted)	(\$13,565,151.77)
Less Committed Funds (See Total Commitment)	(\$1,573,783.47)
Cash Position (Less First Financial Restricted)	\$17,887,381.20
Pending Expenses	\$340,282.78
Ending Balance (Cash Position-Pending Expenses)	\$18,227,663.98
*Total Funds (Ending Balance+LOC Outstanding+QIPP Funds Outstanding+Outstanding Chow Loans)	\$25,669,698.06

According to Mrs. Vidal, the Total Funds in August were \$566,727.21 more than in August 2023. Concerning the outstanding loan payments for the Five Month Note, Mrs. Vidal stated that she confirmed the minimum payment due for September 2023 was \$1,235,584.81, which has been received, and after making the payment, \$190,021.49 would remain on the loan, which would be paid on October 31, 2023.

Lastly, Mrs. Vidal 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, Treasurer’s Report, and payment of invoices. In response, Director Stramecki made a motion to approve: (i) the August 2023 financials; (ii) the Treasurer’s Report; (iii) pay the outstanding invoices; and (iv) approve the Check Register. (*See Exhibit “A-1”, “A-2”, and “A-3”*). This motion was seconded by Director Rollo and 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.

Next, President Murrell asked the Committees if there were any reports but there was none. He then called on staff to present their reports.

8. Receive reports, by:

a. Administrator’s Report

The District’s Administrator advised that she had nothing to report.

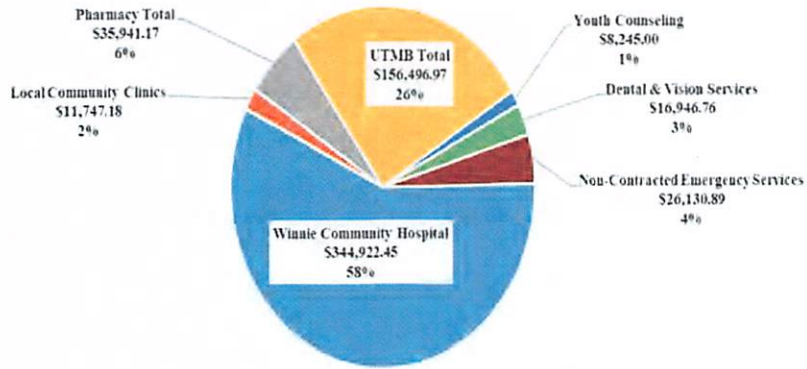
b. District Indigent Care Director Report

Next, Mrs. Ojeda was called on to give the Indigent Care report. Mrs. Ojeda reported that in August 2023, there were one hundred and two (102) indigent clients enrolled in the District’s Indigent Care Program, which is three (3) more than in July 2023. Likewise, the number of children enrolled in youth counseling in August 2023 went up by one (1) to twenty-three (23) patients. In addition, in August 2023, the District provided dental benefits to eight (8) clients, and no clients utilized the District’s vision benefits. (*See Exhibit “B”*).

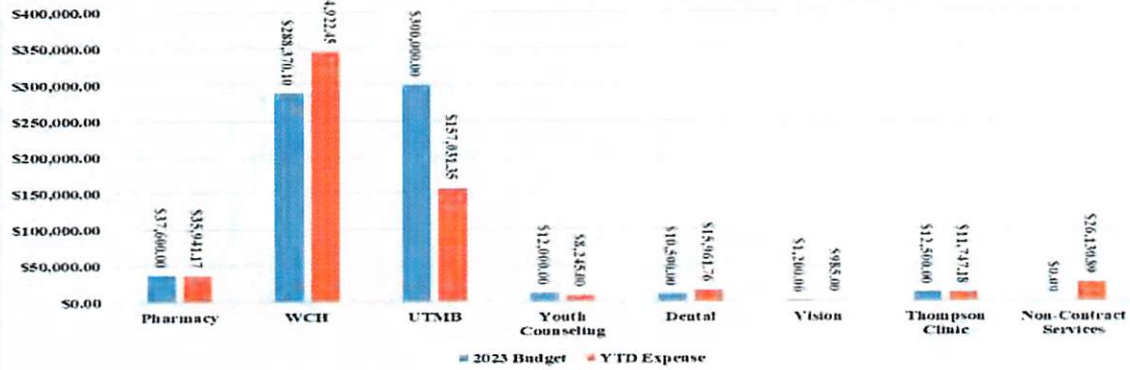
Mrs. Ojeda then went through a series of reports and graphs relating to indigent cost incurred year to date, indigent care budget comparisons, and Winnie Community Hospital indigent care incurred expenses. Summaries are as follows:

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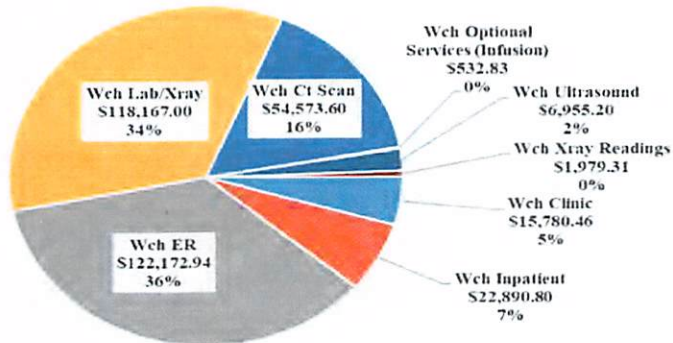
Year To Date Payments Incurred: \$602,160.42



Indigent Care Cost: Budget v. Actual



WCH-Amount Paid \$344,922.45



Thereafter, Mrs. Ojeda presented reports on the County Van, Marcelous Williams, and the East Chambers School District . A summary of activity for County

Van and Marcelous Williams for August 2023 is as follows and the East Chambers Independent School District report is found in **Exhibit “C”**:

District Program	District Indigent Clients	Residents Served
County Van	5	91
Marcelous Williams	41	41

Additionally, in anticipation of the District reconsidering the WSVEMS personnel grant, Mrs. Ojeda was happy to inform the Board that in August 2023, the WSVEMS made nine (9) of the ten (10) transports from the Winnie Community Hospital.

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 contact her with any questions once they have had a chance to review them in more detail.

c. District General Counsel Report

Attorney Oxford advised that he had nothing to report.

d. Coastal Gateway Report

Turning to the Coastal Gateway report, Ms. Kaley Smith, Coastal Gateway’s (“Clinic”) Chief Executive Officer presented the Coastal Gateway’s monthly report. Some of the matters discussed were as follows:

- Final Fire Marshall/Occupancy inspection is scheduled for Thursday, September 21st at 1:00 pm.
- All equipment and supplies have arrived, been assembled, setup, etc. The Clinic anticipates beginning to see patients and are looking at Monday, September 25, 2023 as the official ‘go-live’ date.
- The Clinic was planning to host an Open House event, most likely towards the end of October 2023.
- The first Mobile Mammo day is October 31st. The Clinic will need a minimum of twenty (20) women to schedule in order for the bus to come onsite.
- The Clinic scheduled and held a four (4) hour training session on Electronic Medical Records (“EMR”) training session last week to ask additional questions and test various areas of the system for functionality.

- Furthermore, the laboratory interface with Riceland for the EMR is currently underway and progress is being made.
- The week before the meeting, the Clinic staff conducted a couple of small community clinics in which twenty-one (21) flu vaccines were administered.

e. LTC Report

The Board was then directed to the August 2023 LTC Report and President Murrell called on Mr. David Smith with LTC to review the report. Mr. Smith then went through the monthly report and highlighted areas of improvement and concern for the various District nursing facilities. (See Exhibit “C”).

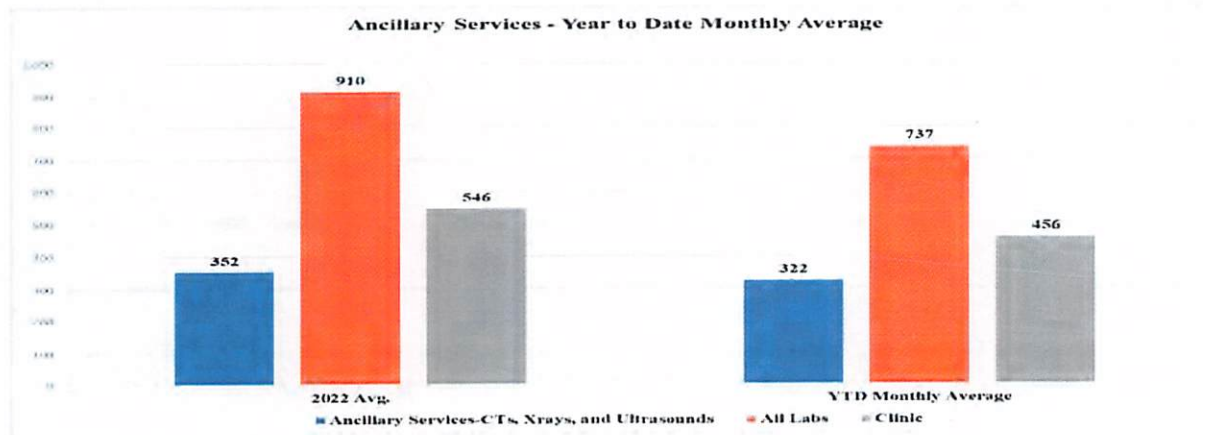
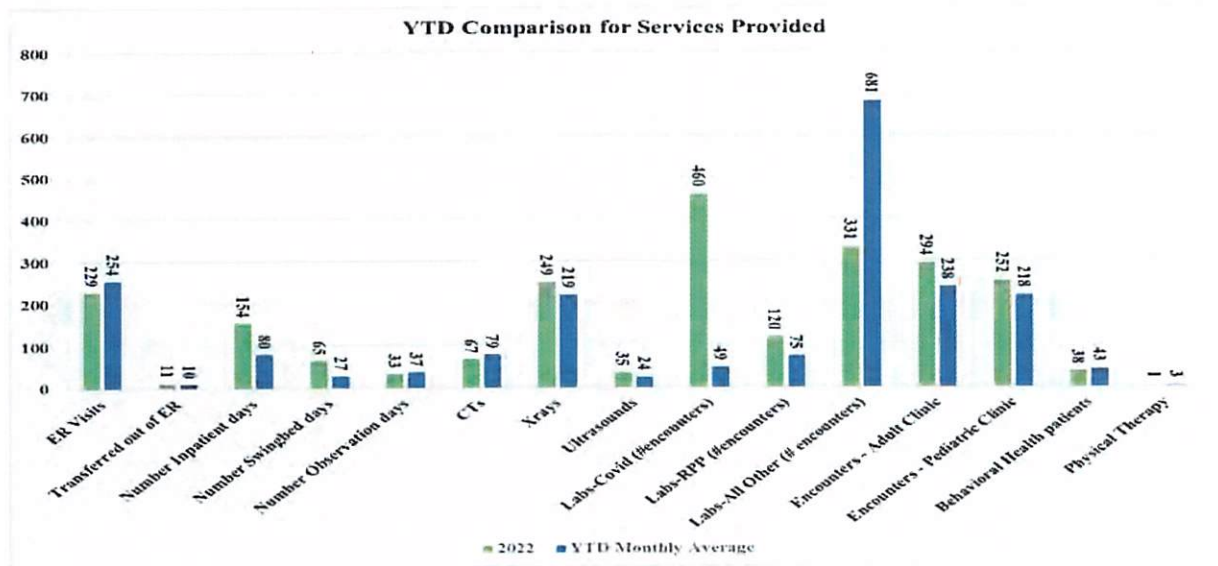
f. Hospital Report

President Murrell then asked the Board to move forward to Agenda Item 8(f) and called on Mr. Javed to present the Hospital report. Mr. Javed thanked President Murrell for the courtesy and then distributed and discussed the Hospital’s monthly report for August 2023:

Census	2023								Average	Texas Average
	Jan	Feb	Mar	Apr	May	June	July	Aug		
ER Visits	220	207	256	233	278	280	291	268	254	
Conversion to Inpatient/observation	26	26	29	14	23	29	23	27	25	
Percentage	12%	13%	11%	6%	8%	10%	8%	10%	10%	
Transferred out of ER	10	8	13	11	7	6	11	12	10	
Percentage	5%	4%	5%	5%	3%	2%	4%	4%	4%	
ER shifts covered by doctors	0%	0%	0%	13%	0%	0%	3%	0%	2%	
Number Inpatient days	108	130	83	58	65	66	56	77	80	
Number Hospice days	5	0	5	2	10	0	0	0	3	
Number Swingbed days	14	59	16	16	20	26	32	33	27	
Number Observation days	48	23	46	20	50	33	36	40	37	
Total All Inpt. Days	175	212	150	96	145	125	124	150	147	
Average Inpatient days per day	5.65	7.57	4.84	3.20	4.68	4.17	4.00	4.84	4.87	1.63
CTs	58	80	78	106	92	75	88	54	79	
Xrays	203	215	282	216	214	188	209	228	219	
Ultrasounds	33	27	41	29	21	11	19	12	24	
Labs-Covid (#encounters)	90	72	48	11	16	29	23	100	49	
Labs-RPP (#encounters)	179	184	87	34	54	27	9	25	75	
Labs-All Other (# encounters)	669	611	714	655	705	678	707	709	681	
Encounters - Adult Clinic	225	208	297	225	246	241	240	227	239	
Encounters - Pediatric Clinic	210	236	268	226	181	157	169	298	218	
Behavioral Health patients	40	47	46	45	44	42	42	39	43	
Physical Therapy	1	2	1	2	4	4	2	4	3	

The following are charts summarizing the report set forth above:

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Mr. Danishmund then completed the Hospital’s Report by informing the Board that the Hospital’s CT scan is operational and working well.

Next, President Murrell called on the Board to address the remainder of the agenda and action items. Before starting, President Murrell informed the Board that he was going to call on agenda items out of order.

9. Discuss and take-action, if necessary, on authorizing the execution of the eighth Amendment to the LTC Service Agreement.

The Finance Committee informed the Board that they met with the LTC Group to discuss the proposed changes to the prior agreement Service Agreement (i.e., the 7th Amendment to the Service Agreement). Per the Finance Committee,

they agreed to recommend keeping the per facility price the same but LTC has agreed to ramp up there staff by engaging a former nursing home administrator to help oversee the District's nursing facility operations to ensure patient care was improving as well as to assist the District to mitigate and improve Quality Improvement Payment Program ("QIPP") compliance issues. Attorney Oxford then presented the Second Amendment to the Fifth Amended and Restated Service Agreement (i.e., 8th Amendment to the Service Agreement) with the LTC Group and explained that the provisions discussed were included in the draft amendment. (See Exhibit "D").

After a review of the proposed Amendment to the LTC Service Agreement, sent forth in Exhibit "D", a motion was made by Director Stramecki to approve the Second Amendment to the Fifth Amended and Restated Service Agreement. This motion was seconded by Director Way and unanimously approved by all the Board Members present.

18. Discuss and take-action, if necessary, on acquiring additional nursing facilities; to open depository accounts at Stellar Bank; and authorize the necessary Change of Ownership advances.

Attorney Oxford and the LTC Group reviewed with the Board the proposed rules of the QIPP program for Year 8 by the Texas Health and Human Services Commission ("HHSC") regarding active ownership of nursing facilities and in particular, HHSC's concerns regarding ownership of facilities outside of 150 miles from the District's boundaries. According to LTC Group, the HHSC is currently proposing that Non-State Government Owned ("NSGO") facilities, or nursing facilities owned by hospital districts, be owned by hospital districts who can demonstrate active participation six (6) months prior to the QIPP filing deadline of February 1, 2023, or September 1, 2023. Practically speaking, since this was being considered, the District needed to hold off on acquiring facilities outside of 150 miles from the boundaries until the rule is clarified because if the rule is adopted and if the District cannot show active ownership since September 1, 2023, the nursing facilities acquired could be penalized by having to sit out of the QIPP program for QIPP Year 8.

However, Attorney Oxford did advise the Board that Gulf Coast nursing homes asked if the District would go ahead and acquire four (4) facilities, Clute LTC Partners, Inc.; Creekside Village Healthcare, LTC Partners, Inc.; Wells LTC

Partners, Inc.; and Sheperd LTC Partners, Inc. Attorney Oxford explained that these facilities were within 150 miles of the District and therefore not subject to the proposed rule for QIPP Year 8. Attorney Oxford and LTC then reviewed the revenue estimates if the four (4) facilities were acquired by the District. According to the group, if the District acquired these facilities, the estimated QIPP income for QIPP Year 8 would be approximately \$311,278.00 assuming a seventy-five percent (75%) achievement rate.

Furthermore, Attorney Oxford advised that if the District were to acquire the nursing facilities, Gulf Coast requested that the District advance Change of Ownership (“CHOW”) fundings to assist the four (4) facilities with the lack of revenue during the CHOW period. Per Attorney Oxford, the terms of the CHOW would be for up to \$1,166,666.00 per facility with similar terms as the first six (6) nursing facilities acquired from Gulf Coast except that the District would be entitled to keep fifty percent (50%) of the revenues received by Medicare and Medicaid for up to eight (8) months following the CHOW and then would be fifty percent (50%) of all revenues received after eight (8) months until the advance was repaid by the four (4) facilities.

After a review of the estimated QIPP revenues, the group recommended the acquisition of the four (4) facilities. In response, Director Stramecki made a motion to acquire the four (4) additional nursing facilities, Clute LTC Partners, Inc.; Creekside Village Healthcare, LTC Partners, Inc.; Wells LTC Partners, Inc.; and Sheperd LTC Partners, Inc; open depository accounts at Stellar Bank; and authorize the necessary Change of Ownership advances. This motion was seconded by Director Rollo and unanimously approved by all the Board Members present.

14. Discuss and take-action, if necessary, on considering grant request by Benjamin Odom, the District’s licensed professional counselor, for financial assistance to pay for a certification as a Psychiatric Nurse Practitioner.

The Board was then called on to address Agenda Item 14, a grant request by Benjamin Odom, to assist with the payment of a certification as a Psychiatric Nurse Practitioner. President Murrell called on the Finance Committee to make a recommendation. The Finance Committee referred the Board to Mr. Odom’s grant request set forth in **Exhibit “E”**. They then reminded the rest of the Board that Mr. Odom provided healthcare services to the Winnie Community Hospital and served

as the District's primary youth counselor. Moreover, they explained that if Mr. Odom secured the certification, he would be able to dispense medicine to his clients.

On the other hand, the Committee informed the Board that Mr. Odom already had a significant amount of loans and because of these loans, Mr. Odom was concerned during their meeting that he would not be able secure more loans for the certification. In response, Mr. Odom informed the group that he checked with his student loan lender who advised that he had sufficient room within his loan borrowing authority to secure a loan for this certification. Consequently, he revised his request for the request from a grant to reimbursing him for the loan payments after completion of the certification and to pay for his existing student loans pursuant to the District's existing student loan reimbursement program. In response, the Committee stated that they preferred to provide the assistance through the student loan reimbursement program.

Upon the conclusion of the discussion on the request, Director Stramecki made a motion to authorize the payment of Mr. Odom's existing student loan pursuant to the guidelines of the District's student loan program, and to repay the loan for the certification as provided for in the student loan program upon the receipt of the certification as a Psychiatric Nurse Practitioner. This motion was seconded by Director Rollo and unanimously approved by all the Board Members present.

13. Discuss and take-action, if necessary, to approve the Winnie Community Hospital's request for assistance with the Federal Share of the DY-8 Uncompensated Care repayment demand.

President Murrell then called on Attorney Oxford and the Hospital representatives present to address the Hospitals request for assistance with the Federal Share of the DY-8 Uncompensated Care repayment demand. Attorney Oxford reported that this matter was discussed during the January 21, 2023 Regular Meeting and at the time, the Board approved the repayment of the State's Share of the repayment demand and stated that they would consider a request for assistance with the Federal Share if the Hospital was able to produce sufficient collateral to cover the nearly \$1,000,000.00 needed to repay the Federal Share.

As such, Mr. Danishmund stated that the Hospital was prepared to secure the District's advance by putting up the real property on which the Hospital is located

as well as the Hospital as collateral. In addition, Mr. Danishmund informed the Board that the Hospital would repay the District by way of giving credit each month for the services provided to the District's indigent clients. If the average annual amounts paid to the Hospital by the District remained consistent, the District should receive approximately \$400,000.00 credit per year and therefore, he asked that the term of the agreement be for three (3) years.

After considering the request, the District's Board made it clear that if they approved the request, the District's lien on the Hospital and its real property would have to be a first lien in the amount of \$1,000,000.00 and prior to entering into an agreement to repay the loan, the District would need a title policy. Furthermore, the Board stated that the repayment period would be for three (3) years but if the Hospital defaulted, the Hospital would be responsible for the District's legal fees to secure its collateral. In response, Mr. Danishmund, on behalf of the Hospital, agreed to these terms.

A motion was then made by Director Stramecki to approve the Hospital's request for assistance with the repayment of the Federal Share of the DY-8 Uncompensated Care Repayment Demand by the HHSC subject to the execution of documents and collateral necessary to secure the repayment of the advance over three (3) years using the monthly payment for healthcare services. Moreover, per Director Stramecki, the motion includes the requirement that the District's collateral be a first lien holder on the Hospital and the real property upon which the Hospital is located and if the Hospital fails to repay the District in the specified time, the Hospital would be responsible for the District's attorney fees for securing its collateral. This motion was seconded by Director Rollo and unanimously approved by all the Board Members present.

12. Discuss and take-action, if necessary, on authorizing the engagement of the Snider Law Firm to assist with financial assistance request by the Winnie Community Hospital for the DY-8 Uncompensated Care Federal Share repayment demand.

Given the Board's decision on Agenda Item 13, Attorney Oxford requested authority to engage Wyatt Snider to assist with preparing the necessary agreements and title opinion for the advance of the Federal Share of the DY-8 Uncompensated Care repayment demand by the HHSC. Attorney Oxford then explained that Mr.

Snider was Board Certified in real estate law and was much better equipped to protect the District's interest. Attorney Oxford then presented the Board with an engagement letter for Mr. Snider and requested that the Board approve Mr. Snider's engagement. (See **Exhibit "F"**).

Once the Board reviewed the proposed engagement letter for Mr. Snider, on behalf of the Snider Law Firm, a motion by Director Stramecki to engage the Snider Law Firm to assist the District and to prepare the documents necessary to secure its \$1,000,000.00 advance to the Hospital for the Federal Share of the DY-8 Uncompensated Care repayment demand. This motion was seconded by Director Way and unanimously approved by all the Board Members present.

10. Discuss and take-action, if necessary, on authorizing a resolution to give the District's CPA authority to access and to approve transactions/transfers in the District's accounts at Stellar Bank, Prosperity Bank, First Financial Bank, and Texstar.

Due to the Administrator's anticipated retirement in June of 2024, Staff requested that the District's CPA be added to the District's bank accounts Stellar Bank, Prosperity Bank, First Financial Bank, and Texstar, so that she can make wire transfers and ACH transactions in the Administrator's absence subject to the District's existing policy and procedures. Currently, the Administrator and Charice Short with the LTC Group are the only persons who have the transfer authority, but since two authorized signers are required to complete a transaction, having a third authorized signer would be helpful if the Administrator or Mrs. Short was not available to authorize a transfer.

Once staff finished with their explanation, Attorney Oxford presented the Board with a resolution for each bank and recommended that this agenda item be approved. (See **Exhibit "G"**). Subsequently, Director Stramecki made a motion to authorize the Resolutions set forth in **Exhibit "G"** that will enable the District's CPA to be added a signer on the District's bank accounts so that she can authorize wire transfers and ACH payments. This motion was seconded by Director Way and unanimously approved by all the Board Members present.

11. Discuss and take-action, if necessary, on considering reinstating, or pursuing other alternatives, for the Winnie Stowell Emergency Medical Services staffing grant.

To follow up on the discussion of the WSVEMS EMS grant requests, President Murrell advised that he, Director Way, Mrs. Michelle Hardy, Mr. Walheithner, Mr. Chris Leavins, and Attorney Oxford met to discuss the two (2) outstanding grant request by the WSVEMS. (See Exhibits “H-1” and “H-2”).

By way of background, Attorney Oxford reminded the Board that prior to the WSVEMS personnel grant being terminated on June 14, 2023, the WSVEMS was to use their best efforts to have three (3) full time paid paramedics on duty 24 hours a day seven (7) days a week (“Full Time”). In addition, the District’s grant funds were to be used to pay for a fourth (4th) Full Time EMT Basic to assist the paramedics and to operate the transport ambulance or regular ambulance, if needed. However, given the current manager’s inability to work as a paramedic, the manager has not been able to fill the role of one (1) of the paramedic positions and therefore, the WSVEMS has been paying for a full-time paramedic to serve in the manager’s role as a paramedic. That is, the position of Manager has not been utilized as a dual role position (i.e., manager and paramedic) because the manager has been unable to perform the duties of a paramedic due to her physical limitations. It is estimated the cost for this paramedic to be on duty in order to relieve the manager of the manager’s paramedic duties was approximately \$45,000.00 per year.

However, upon review of the information submitted by the WSVEMS, except for one (1) month, it is generally believed and understood that during the course of the District’s grant payments, the District’s grant funds were being used to fund an “one (1) additional Emergency Medical Technician Basic” as required in the Grant Agreement. While the employee paid for by the District may not have been an EMT Basic, but instead a paramedic, the District’s funds have been used to pay up to the agreed upon hourly rate set forth in the grant agreement.

Therefore, despite the representations by the manager, prior manager, and certain volunteers, that the WSVEMS employed three (3) full time paramedics, given the plain language of the Grant Agreement (i.e., District would fund one (1) additional EMT basic), it was agreed that technically, the WSVEMS had not breached the agreement even though their actions were not within the spirit of the

agreement. However, moving forward, it was agreed that if the grant agreement were to be continued, the grant agreement would clearly state that the District's funds were to pay for a fourth (4th) full time responder and the monthly reports would include supporting documentation from a third-party payroll company that the WSVEMS was actually paying for three (3) full time paramedics.

Otherwise, President Murrell and Attorney Oxford reported that the group addresses the following issues.

1. **Separate Bank Account:** In the past, the grant agreement provided for a reimbursement-based system, but at the same time, required a separate bank account for the District's funds. Given the fact that the District reimbursed the WSVEMS monthly, the reimbursements were not deposited back into an account designated for the District's funds. In fact, no account was ever established until recently but practically, this account was not needed, nor would it have been utilized given the monthly payment structure. In the future, if the grant was renewed, the group agreed to recommend quarterly advance payments to the WSVEMS Hospital District account to be used for the payroll payments subject to the receipt of monthly reconciliations of the bank account for the District's funds along with monthly bank statements that reconcile with the other required reports.
2. **Long-Term Grant Renewal Request:** Those present for the District agreed to recommend to the District's Board to renew the WSVEMS grant for personnel depending on the WSVEMS's decision on two options set forth below:
 - a. **Option 1:** If the WSVEMS were to engage a manager that was able to serve dual roles (i.e., manager and paramedic), the District would reinstate the grant by making quarterly payments to the District's payroll account recently opened by the WSVEMS upon the receipt of adequate reports and supporting information. By doing this, the WSVEMS would save approximately \$45,000.00 which could then be used to engage an abled bodied manager. Therefore, if a new manager were hired at a cost of \$180,000.00 per year and if the WSVEMS was currently paying its manager \$90,000.00 per year, this additional \$45,000.00 would free up \$135,000.00 leaving the WSVEMS approximately \$45,000.00 short of the \$180,000.00 needed. Consequently, the District's Board members agreed to recommend increasing the District

grant from \$152,744.40 to \$200,000.00 in order to cover the difference needed to hire an abled bodied manager for \$180,000.00 per year.

- b. **Option 2:** If the WSVEMS does not agree to engage a new manager that is able to serve dual roles as a Manager and paramedic, the District would still continue the grant, subject to its Board's approval and if Mr. Walheithner is assigned to administer the grant by the WSVEMS, but the amount of the grant payment would be reduced from \$152,774.40 to \$107,774.40 because the WSVEMS will not have relieved itself of having to hire a paramedic to serve as a replacement for the manager. Furthermore, if the WSVEMS votes to go with Option 2, the District would still pay on a quarterly basis, subject to the same conditions discussed above.
3. **Short-Term Gap Grant Renewal Request:** Once again, subject to District Board approval, the Board members present at the meeting with the WSVEMS agreed to recommend the approval of a separate grant agreement set forth in Exhibit "H-2" to reinstate the grant for July through August 2023 to fund the WSVEMS's shortfall resulting from the District's termination of the WSVEMS grant agreement regardless of whether the WSVEMS Board decided to go with either Option 1 or Option 2. However, prior to any payment, the District needed the required reports and supporting information that the WSVEMS had paid four (4) full time employees during this time period or adequate payroll records that reflect the payment of those employed during this time.

During the meeting, all of these issues were discussed, and the Board was informed by Mr. Walheithner that the WSVEMS Board met and authorized a request for Option 2 for the long-term funding of the grant and authorized a separate grant request for the Short-Term Gap Grant requests. Regarding the Short-Term Grant request, the group discussed that the payment should be \$30,628.00 and the Indigent Care Director confirmed that the required reports had been received and approved. Concerning the Long-term grant request, Mr. Walheithner requested an up-front payment on October 1, 2023 for \$35,924.67 to pay for the fourth (4th) employee for September through December 2023.

In response, the District's Board agreed to approve the request subject to the receipt of an agreement prepared by counsel for the WSVEMS by October 15, 2023 and the agreement needs to clearly state that the agreement was terminable if Mr. Walheithner was no longer overseeing the grant and if the grant is terminated, the

WSVEMS shall return the transport ambulance to the District or buy out the District for the fair market value of the transport ambulance.

With these understandings in place, Director Way made a motion to approve (i) the restatement of the WSVEMS Grant Request for June through August in the amount of \$30,628.00; (ii) authorize a new long-term grant funding agreement consistent with terms set forth in Option 2 above subject to the (a) an agreement to be prepared by counsel for the WSVEMS to be executed by October 15, 2023; (b) the agreement would be terminable if Mr. Walheithner was no longer responsible for the grant's administration; and (c) if the grant was terminated, the WSVEMS would either return the transport ambulance purchased by the District or purchase the transport ambulance for the fair market value within thirty (30) days of grant's termination; and (iii) the District was authorized to make an interim payment for the personnel grant in the amount of \$35,924.67 for the months of September through December 2023. This motion was seconded by Director Rollo and unanimously approved by all the Board Members present.

15. Discuss and take-action, if necessary, on approving amendments to the District's Indigent Care Policy to add adult counseling as an optional service.

The Indigent Care Director was called upon to address Agenda Item No. 15, to discuss and take action on amending the Indigent Care Policy. Mrs. Ojeda requested that the Board amend the District's Indigent Care policy so that Section IX(B) be amended to include adult counseling for the District's Indigent Care Clients as an extended healthcare service. (*See Exhibit "I"*). The District already provides youth counseling and Mrs. Ojeda believes now that the District has a healthcare provider within the District, UHPHEALTH INC, that can provide adult counseling, the District should provide this service to expand the healthcare opportunities for the District's indigent.

The Board concurred and a motion was made by Director Stramecki to amend the District's Indigent Care Policy to include adult counseling services as an extended service provided to the District's indigent clients. This motion was seconded by Director Way and unanimously approved by all the Board Members present.

16. Discuss and take-action, if necessary, on approving UHPHEALTH INC. behavioral health agreement.

President Murrell then asked Mrs. Ojeda to continue her discussion on behavioral health by addressing Agenda Item 16. Mrs. Ojeda then told the Board that she had prepared a provider agreement with UHPHELATH, INC to provide behavioral health services to the District's eligible youth. (See Exhibit "J"). Attorney Oxford advised that he had reviewed the agreement and confirmed that it was ready to be executed by the District.

Therefore, a motion was made by Director Stramecki to authorize the provider agreement with UHPHEALTH, Inc to provide behavior health services to the District's indigent clients. This motion was seconded by Director Rollo and unanimously approved by all the Board Members present.

17. Discuss and take-action, if necessary, on approving Amendments to Management Agreements for Senior Living Properties and Nexion.

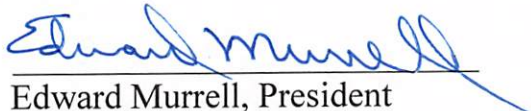
Turning to the final action item on the Agenda, President Murrell asked Attorney Oxford to discuss. According to Attorney Oxford, the District received calls from Senior Living Properties ("SLP") and Nexion to adjust their QIPP Fee rates. SLP is the owner of Oakland Manor Nursing Facility and Nexion is the Manager of the Oak Manor facility. Over the last several months when the District was discussing changing the fee percentages, the District intentionally did not discuss changing QIPP Fee rates for these nursing facilities because the historic achievement rates for Oak Manor and Oakland Manor had not been good.

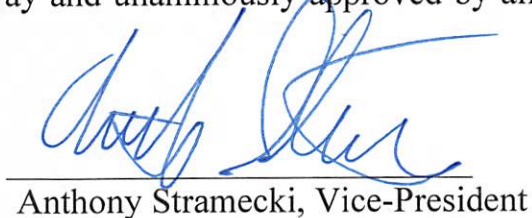
However, after having discussions with SLP and Nexion and reviewing the two (2) facilities' more recent performance in QIPP, the LTC Group and Attorney Oxford recommended changing the percentages paid for QIPP Year 7 to a staggered achievement rate fee percentage based on the quarterly achievement rates for QIPP Year 7, so that if one of the facilities achieved eighty percent (80%) for the three metrics in Component 3, and the two (2) metrics for Component 4, then the District would pay out seventy percent (70%) of the Component 2, 3, 4 and lapsing funds ("Quarterly QIPP Funds") QIPP payments for the quarter to the two (2) facilities, but if the facilities achieve less than eighty percent (80%), then the District would pay sixty percent (60%) of the Quarterly QIPP Funds received. Moving forward, if

the Managers for the facilities achieve eighty percent (80%) in all four (4) quarters during QIPP Year 7, then the QIPP payment percentages for Quarterly QIPP Funds for QIPP Year 8 and subsequent years would be changed to seventy percent (70%) for both set of Managers.

After hearing Attorney Oxford and LTC's explanation, the Board agreed to the changes in the amounts paid to SLP and Nexion for the Quarterly QIPP Funds as suggested. Thus, a motion was made by Director Stramecki to amend the Management Agreements for SLP as the Manager of the Oakland Manor Nursing Facility and Nexion, as the Manager of the Oak Manor facility to reflect the payment percentages discussed above. This motion was seconded by Director Rollo and unanimously approved by all the Board Members present.

At the end of the discussion of the agenda items, President Murrell called for any other such matters before the Board. There being none, the Board then confirmed the date for the next Regular Meeting to be on October 18, 2023. A motion was then made by Director Stramecki at 8:34 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