

## **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 21, 2024 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 6:11 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, thus constituting a quorum. In addition, to the above-named Board Members, also present at the meeting were:

Mrs. Sherrie Norris	District Administrator
Mrs. Victoria Carlo	District Administrator’s Assistant
Mr. Carson Jordan	Incoming Indigent Care Director
Mrs. Patricia Ojeda	Contracted Program Consultant
Mr. Hubert Oxford, IV	General Counsel for the District
Mrs. MaKayla Vidal	District’s CPA
Ms. Kaley Smith	Coastal Gateway Health Clinic
Dr. Michael Lyons	Coastal Gateway Health Clinic
Mr. Mo Danishmund	Chief Financial Officer, Riceland Hospital
Mrs. Gloria Way	The Seabreeze Beacon

#### **4. Public Comment**

President Murrell called on those present at the meeting to make any public comment but there were no public comments to be made.

**5. Review and approve minutes of January 17, 2024 Regular Meeting.**

President Murrell then called on the Board to return to Agenda Item 5, and to review and approve the minutes from the January 17, 2024 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 January 17, 2024 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 January 2024. (*See Exhibit "A-1"*). Because January was the beginning of the Fiscal Year, Mrs. Vidal did not have much to report.

After the review of the District's financials, Mrs. Vidal then asked the Board to turn to the Treasurer's Report and first reviewed the invoices to be paid as set forth below and in **Exhibit "A-2"**. In addition, Mrs. Vidal asked the Board to review the bank reconciliations and invoices within the Board packet. (*See Exhibit "A-3"*).

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Pending Expenses	For	Amount
Indigent Healthcare Solutions	Inv #77279	\$1,566.00
Brookshire Brothers	Indigent Care	\$3,366.78
Wilcox Pharmacy	Indigent Care	\$2,261.17
UTMB at Galveston	Indigent Care (Nov & Dec)	\$5,746.12
UTMB Faculty Group	Indigent Care (Nov & Dec)	\$3,127.34
Thompson Outpatient Clinic	Indigent Care	\$1,185.35
Coastal Gateway Health Center	Indigent Care	\$964.39
Alliance Medical	Indigent Care	\$345.00
Barrier Reef ER	Indigent Care	\$128.90
Winnie Family Dental	SP Program	\$147.00
Bayside Dental	SP Program	\$4,836.00
Dr June Stansky, Optometrist	SP Program	\$180.00
Caba Therapy Svcs (Physio)	SP Program	\$282.63
Kalos Counseling (Benjamin Odom)	Youth Counseling	\$510.00
Technology Solutions of Tx	Inv #1843 & 1845	\$831.25
Graciela Chavez-Office Cleaning	Inv #965968	\$120.00
Felipe Ojedia-Yard Service	Inv #1046	\$350.00
Benckenstein & Oxford	Inv #51008	\$31,700.00
Hubert Oxford	Legal Retainer	\$1,000.00
Makayla Vidal	Inv #00044	\$10,692.50
American Education Services	Grant S Stern-Student Loan	\$150.14
US Department of Education	Grant B Odom-Student Loan	\$760.62
Coastal Gateway	Grant	\$83,483.58
Hall Render	Inv #604565	\$15,414.73
Patricia Ojeda	Inv #3002 (Contract)	\$13,200.00
LisaRae	Inv #1246	\$510.00
Torch	Inv #2230801 (Membership Dues)	\$1,895.00
<b>Total Pending Expenses:</b>		<b>\$184,754.50</b>

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

Funds Summary	Totals
Prosperity Operating (Unrestricted)	\$507,325.18
First Financial DACA (Unrestricted)	\$3,878,114.77
First Financial DACA (Restricted)	\$3,651,197.36
First Financial Money Market	\$9,303,900.65
TexStar (Restricted)	\$736,919.51
FFB CD Balance	\$8,200,000.00
<b>Total District Funds</b>	<b>\$26,277,457.47</b>
Less First Financial (Restricted)	(\$3,651,197.36)
Less TexStar Reserve Account	(\$736,919.51)
Less LOC Outstanding	(\$4,433,740.99)
Less First Financial Money Market	\$0.00
Less Committed Funds (See Total Commitment)	(\$1,228,960.21)
<b>Cash Position (Less First Financial Restricted)</b>	<b>\$20,660,380.39</b>
Pending Expenses	(\$184,754.50)
<b>Ending Balance (Cash Position-Pending Expenses)</b>	<b>\$20,475,625.89</b>
<b>*Total Funds (Ending Balance+LOC Outstanding+QIPP Funds Outstanding+Outstanding Chow Loans)</b>	<b>\$29,857,807.93</b>

Mrs. Vidal then explained that the Total Funds as of the meeting were \$29,857,807.93 which is slightly more/less than the prior month. However, Mrs. Vidal did note that the quarterly Component payments for QIPP Year 7 were expected soon and by the time of the March 2024 meeting, this balance should increase by slightly over \$2,000,000.00.

Lastly, Mrs. Vidal updated the Board on the District's Committed Funds and Change of Ownership ("CHOW") advances. As to the Committed Funds, Mrs. Vidal reported that for 2024, the District set aside \$1,508,207.40 in Committed Funds and year to date have expended \$279,247.19, most of which has been paid to the Clinic. Concerning CHOW Advances, Mrs. Vidal was happy to report that the amount advanced based on the new method of distributing the funds on a as need basis has resulted in the District having to advance less funds than expected.

Upon the completion of the discussion of the financials, President Murrell then called for a motion to approve the financials, Treasurer's Report, and payment of invoices. In response, Director Vratiss made a motion to approve: (i) the January 2024 financials subject to any changes made after the discussion of Agenda Item No. 9; (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"). Vice President Stramecki abstained, and this motion was seconded by Director Rollo and unanimously approved by all the Board Members.

**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 were none. He then called on staff to present their reports.

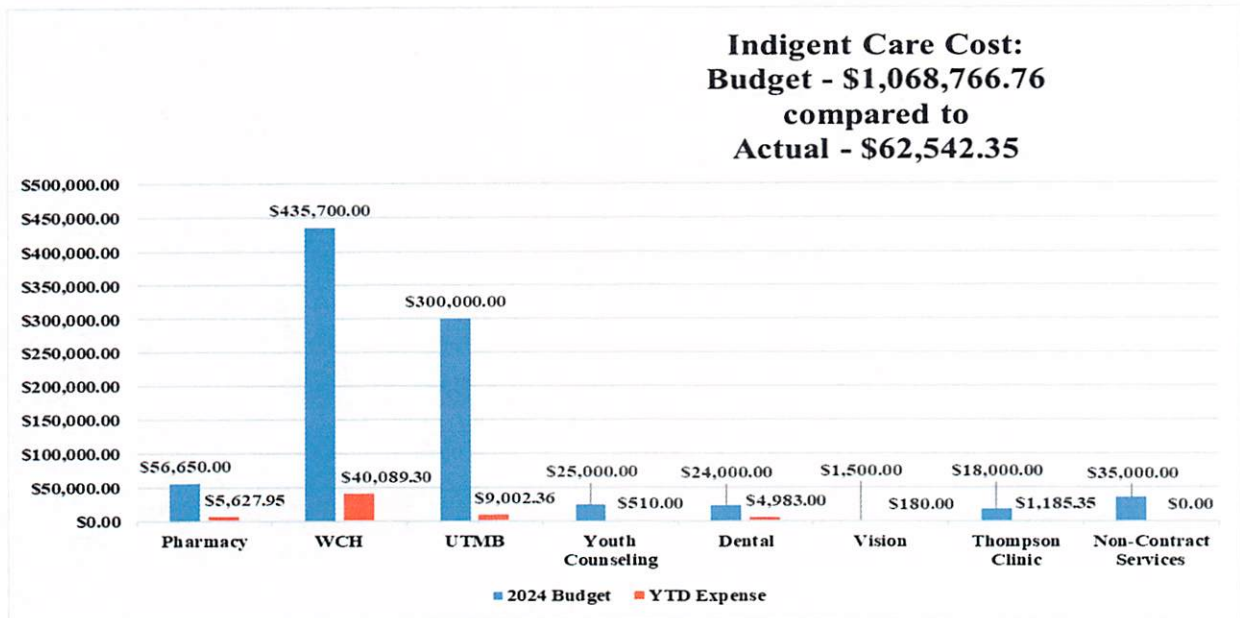
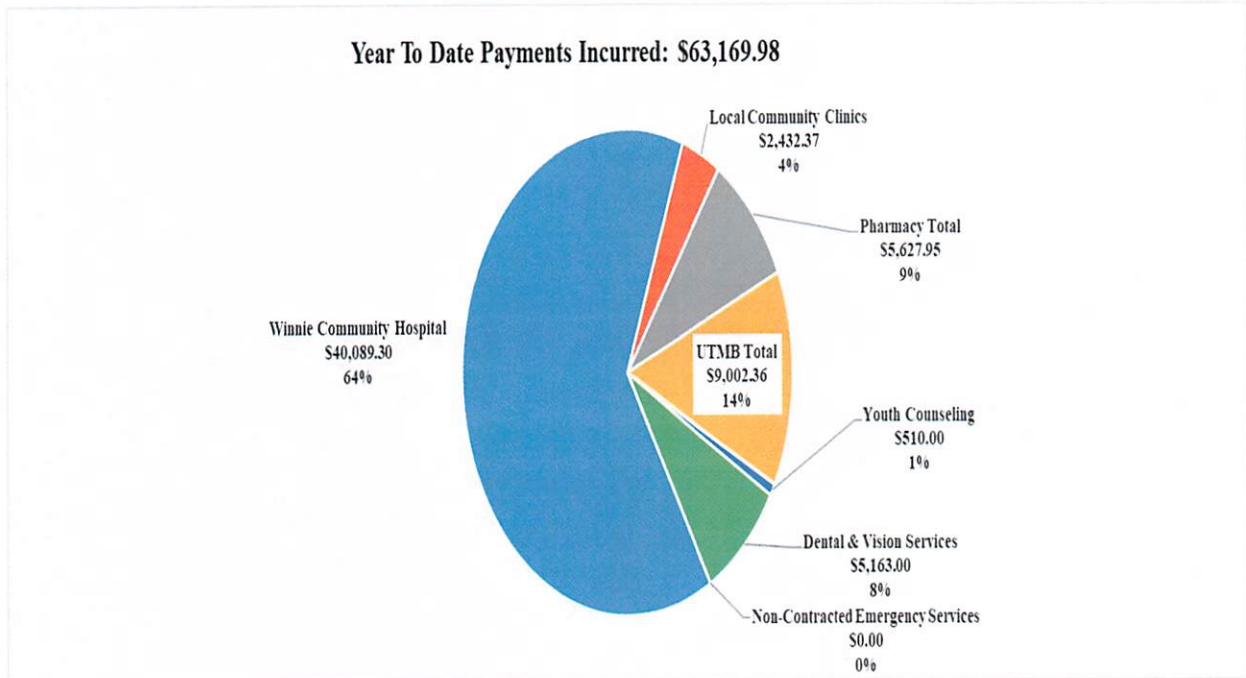
**8. Receive reports, by:**

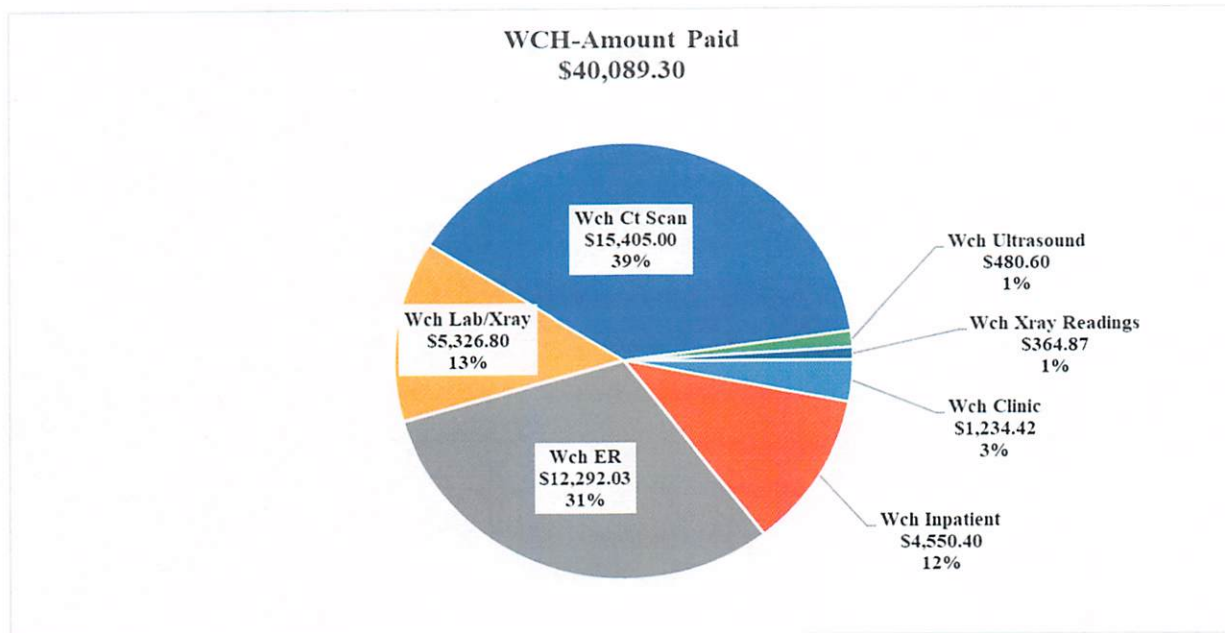
**a. Administrator's Report**

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

**b. District Indigent Care Director Report**

Next, President Murrell called on Mr. Carson Jordan for the Indigent Care Director Report. Mr. Jordan reviewed the monthly report on active clients and the District’s programs and then directed the Board to his monthly reports and the following charts and asked if there were any questions. (See Exhibit “B”). There were none.





Mr. Jordan presented an appeal that had been lodged, involving a client who had been denied assistance due to a prior felony drug conviction. Referring to our eligibility criteria, Mr. Jordan highlighted that a felony drug conviction could result in permanent disqualification from our program. In response, Mr. Oxford clarified that in the District’s Indigent policy, a felony conviction while enrolled in the program disqualifies an indigent client. Given the questions concerning this issue, President Murrell requested that that Mr. Oxford update the District’s eligibility requirements to make sure they align with those of the State of Texas.

**c. District General Counsel Report**

Attorney Oxford did not have anything to report other than what was to be discussed during an agenda item below.

**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 (“Clinic”) monthly report. A summary of the matters discussed is as follows:

- The Clinic’s application for the DSHS Incubator Grant in the amount of \$1,000,000.00 was awarded. According to Ms. Smith, the purpose of this grant is to allow new community health centers financial assistance in creating

infrastructure and increasing programs/services, as well as applying for HRSA Look Alike (LAL).

- Mrs. Smith reported that in January, of the 239 patients seen at the Clinic, eighty-four (84) were new patients, sixty-eight (68) were walk-ins, and there was one (1) telehealth visit (which was their first). On average, Mrs. Smith stated that sixty-four percent (64%) of patients have commercial insurance.
- Representatives from Aledade, the Accountable Care Organization (“ACO”), were onsite for a meeting with administrative staff and medical providers and gave an overview of the program. The ACO focuses on completing Annual Wellness Visits (“AWV”) for traditional Medicare patients. Currently, the Clinic services thirty-nine (39) Medicare patients that would be eligible for an AWV. In addition, the Clinic is currently trying to hire a Registered Nurse for this program.
- The Clinic had a site visit from the Christus PHO on February 1<sup>st</sup> and passed. Therefore, the Clinic can officially join the PHO, which not only allows the Clinic to join the network, but the network will also handle insurance credentialing for several other plans on Clinic’s behalf.
- Texas Vaccine for Children (“TVFC”) application is still in process. If approved, the TVFC will allow the Clinic to participate in a statewide program that provides vaccines to Medicaid and uninsured children at no cost.
- Lastly, Ms. Smith discussed a number of events that the Clinic participated in as well as upcoming events.

#### **e. Grant Report**

Following the Coastal Gateway Report, President Murrell called on Mrs. Victoria Carlo to give the Grant Report. Historically, this report was included in the Indigent Care Report but due to personnel changes, Mrs. Carlo was going to be responsible for presenting these reports. Mrs. Carlo then reviewed the status of all the various outstanding grants. (*See Exhibit “C”*).

#### **f. LTC Report**

The Board was then directed to the January 2024 LTC Report for the District’s nursing facilities. (*See Exhibit “D”*). After reviewing the reports, the Board asked Attorney Oxford questions about the District’s active participation and Attorney Oxford advised that the District received a request for verification of active

participation for the Hewitt Nursing and Rehabilitation facility and all the documentation was timely submitted.

**g. Hospital Report**

Following the LTC Report, President Murrell called on Mr. Danishmund to discuss the Hospital’s report. Mr. Danishmund thanked President Murrell for the opportunity present the Hospital’s January 2024 monthly report, which was as follows:

2024													
Census	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD Monthly Average
ER Visits	254												254
Conversion to Inpatient/observation	28												28
Percentage	11%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	11%
Transferred out of ER	7												7
Percentage	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%
ER shifts covered by doctors	0%												0%
Number Inpatient days	149												149
Number Hospice days	0												0
Number Swingbed days	37												37
Number Observation days	31												31
Total All Inpt. Days	217												217
Average Inpatient days per day	7.00												7.00
CTs	94												94
Xrays	287												287
Ultrasounds	33												33
Labs-Covid (#encounters)	71												71
Labs-RPP (#encounters)	44												44
Labs-All Other (# encounters)	501												501
Encounters - Adult Clinic	203												203
Encounters - Pediatric Clinic	140												140
Behavioral Health patients	44												44
Physical Therapy	1												1

A chart comparing the Hospital’s prior year end services to the current year is as follows:

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Yearly Averages							
Census	2019	2020	2021	2022	2023	2024-YTD	Average
ER Visits	190	174	220	229	249	254	225
Conversion to Inpatient/observation	10	13	21	20	26	28	21
Percentage of Converted Patients	5%	7%	9%	9%	10%	11%	9%
Transferred out of ER	10	12	11	11	10	7	10
Percentage Transferred out of ER	5%	7%	5%	5%	4%	3%	4%
ER shifts covered by doctors	79%	65%	56%	4%	2%	0%	25%
Number Inpatient days	58	115	191	154	81	149	138
Number Hospice days	12	5	9	4	2	0	4
Number Swingbed days	16	47	48	65	22	37	44
Number Observation days	18	23	25	33	39	31	30
Total All Inpt. Days	104	190	273	255	144	217	216
Average Inpatient days per day	3.42	6.23	8.96	8.41	4.76	7.00	7.07
CTs	42	57	64	67	80	94	72
Xrays	204	228	287	249	211	287	252
Ultrasounds	23	16	37	35	20	33	28
Labs-Covid (#encounters)	0	0	0	460	47	71	116
Labs-RPP (#encounters)	0	0	0	120	77	44	48
Labs-All Other (# encounters)	0	0	0	331	633	501	293
Encounters - Adult Clinic	576	479	486	294	230	203	338
Encounters - Pediatric Clinic	283	209	225	252	208	140	207
Behavioral Health patients	57	11	13	38	43	44	30
Physical Therapy	5	0	0	1	3	1	1

Otherwise, Mr. Danishmund asked the Board to include an agenda item on the next meeting’s agenda for a grant request to provide assistance with aesthetic and safety improvements at the Hospital. In response, Attorney Oxford was asked to make sure this was on the March 20, 2024 agenda.

**9. Discuss and take-action, if necessary, on terminating current Bank Depository Agreement with First Financial Bank and authorizing the District’s President to execute a replacement agreement with First Financial Bank that authorizes the Insured Sweep Accounts as authorized investments.**

Following the discussion of the various reports, President Murrell called on Attorney Oxford to discuss the need to termination of the current Bank Depository Agreement with First Financial Bank and authorize the President to execute a replacement agreement with First Financial Bank authorizing the Insured Sweep Accounts as authorized investments. (See Exhibit “E-1”). Attorney Oxford recommended that the District enter into a new Bank Depository Account Agreement that authorized the use of Insured Sweep Accounts, which is allowed pursuant to the Texas Finance Commend. (See Exhibit “E-2”). He also presented with the agreements between First Financial Bank and the District to authorize First Financial Bank to collateralize the District’s funds using the Insured Sweep Account method. Furthermore, Attorney Oxford highlighted the agreement that stated the

District would be paid interest at a rate of four percent (4%), but this interest rate is subject to the bank's discretion. In response to concerns that the bank could lower the interest rate paid, Attorney Oxford replied that the Bank was informed that the District would quickly relocate its funds.

After a review of the current Bank Depository Agreement and Insured Sweep Accounts agreements as set forth in **Exhibit "E-1" and "E-2"**, a motion was made by Director Stramecki to approve the termination of the current Bank Depository Agreement and approve the Insured Sweep Accounts agreements. This motion was seconded by Director Vratiss and unanimously approved by all the Board Members.

**10. Discuss and take action, if necessary, on authorizing a resolution to add the District's new Administrator authority to access and to approve transactions/transfers in the District's accounts at Stellar Bank, Prosperity Bank, First Financial Bank, and TexStar.**

Moving to Agenda Item No. 10, President Murrell called on Staff to discuss the need for the resolutions to add the District's new Assistant Administrator as a signor to the District's bank accounts and to grant the Assistant Administrator authority to access and approve transactions within the District's accounts (*See Exhibit "F"*). Staff then explained that since the Administrator was retiring on May 31, 2024, the Assistant Administrator needed to be approved to take over these responsibilities. In addition, Staff noted that the resolution for Prosperity Bank includes a provision to authorize the Assistant Administrator to receive a District credit card. Lastly, Attorney Oxford noted that all the Resolutions remove the Administrator from the accounts effective May 31, 2024.

After a review of the resolutions set forth in **Exhibit "F"**, a motion was made by Director Stramecki to approve the Resolutions for Stellar Bank, Prosperity Bank, First Financial Bank and TexStar. This motion was seconded by Director Way and unanimously approved by all the Board Members.

**11. Discuss and take action, if necessary, on authorizing the President to execute Housing and Urban Development loan documents for HSM and SLP facilities.**

Moving to Agenda Item No. 11, President Murrell called on Attorney Oxford to discuss the need to authorization of the President to execute Housing and Urban Development loan documents for HSM and SLP facilities. According to Attorney Oxford, he has been working with HSM, their lender, and the respective lawyers to review and consider the documents necessary for the upcoming Housing and Urban Development (“HUD”) loan for their facilities. Attorney Oxford has reported that there have been some different issues to address in this series of HUD loans but for the most part, the documents themselves are consistent with the documents previously executed by the Board President. Consequently, Attorney Oxford requested approval of the Agenda Item so that President Murrell has authority to execute, on behalf of the District, documents necessary to facilitate the transaction.

Consequently, a motion was made by Director Stramecki to the authorize the Board President to execute the documents necessary to facilitate the HUD on behalf of the HSM facilities recently acquired by the District. This motion was seconded by Director Vratiss and unanimously approved by all the Board Members.

**12. Discuss and take-action, if necessary, on authorizing HMG to execute Form 2848 Power of Attorney with Armanino LLP to assist with the IRS Penalties.**

Once again, President Murrell called on Attorney Oxford to present the Agenda Item. Attorney Oxford then asked the Board to review the documents submitted by HMG and its outside counsel, Kimberly J. Peterson with Armanino LLP, seeking authorization for Mrs. Peterson to negotiate on behalf of HMG with the Internal Revenue Service to resolve a tax matter amounting to \$58,510.00. (*See Exhibit “G”*). Attorney Oxford then explained that the cost for the assistance being requested and the outstanding tax payment due is the responsibility of HMG but since the District was the owner of the facility at issue, HMG needed the District’s authorization. He then explained that by signing Form 2848, the District would be giving Kimberly Peterson Power of Attorney to negotiate on behalf of HMG by way of the District.

As such, a motion was made by Director Stramecki to authorize President Murrell to execute Form 2848 Power of Attorney that allows Kimberly Peterson to

act on the District's behalf. This motion was seconded by Director Vratis and unanimously approved by all the Board Members.

**13. Discuss and take-action, if necessary, on approving the acquisition of Pillar Stone Nursing Facilities; authorize buy-outs; and to approve bank account resolutions for these facilities.**

Moving to Agenda Item No. 13, President Murell called on staff and Attorney Oxford to discuss the approval of the acquisition of Pillar Stone Nursing Facilities, authorize buy-outs, and to approve bank account resolutions for these facilities. Attorney Oxford reminded the Board that during the November 2023 Regular meeting, the Board authorized Attorney Oxford, working with Board President Murrell, to commit the District to the acquisition of new facilities to comply with guidelines and deadlines established by the Texas Health and Human Services Commission for QIPP Year 8. Therefore, the purpose of this Agenda Item was to get formal approval of the acquisition of two facilities owned by Pillar Stone. The first is Trinity Rehabilitation & Healthcare Center, which is currently owned by Chambers Health. The second is the Mount Belvieu Rehabilitation & Healthcare Center. Attorney Oxford then noted that the Mount Belvieu facility was not owned by a Non-State-Owned Governmental Organization ("NSGO"). Attorney Oxford then presented the estimated revenue sheets prepared by LTC and recommended formal approval of the acquisition of these two (2) facilities as well as authorization to open depository accounts for these facilities at First Financial Bank; and to make the buy-out payment to Chambers Health for the Trinity facility. (*See Exhibit "H"*).

The Board agreed, and a motion was made by Director Stramecki to approve the acquisition of Trinity Rehabilitation & Healthcare Center and the Mount Belvieu Rehabilitation & Healthcare Center; authorize buy-outs, and to approve the Bank Resolution to open accounts for these facilities at First Financial Bank. This motion was seconded by Director Rollo and unanimously approved by all the Board Members.

**14. Discuss and take-action, if necessary, on pending litigation.**

Before addressing Agenda Item No. 14, President Murrell, at 8:03 p.m., called the Board into Executive Session for consultation with the Attorney handling the case pursuant to Chapters 551.071 of the Texas Government Code.

After discussing certain matters as provided for in the sections of the Texas Government Code set forth above, the Board returned from Executive Session at 8:36 p.m.

Following the return from Executive Session, a motion was made by Director Stramecki to approve the proposed settlement Agreement discussed in Executive Session, subject to attorney Hubert Oxford, IV, and Edward Murrell's approval. This motion was seconded by Director Vratiss and unanimously approved by all the Board Members present.

**15. Discuss and take-action, if necessary, on grant request by Riceland Hospital.**

Moving to Agenda Item No. 15, President Murrell called on the Finance Committee to discuss grant request by Riceland Hospital. According to Director Stramecki, the Committee has reviewed the request by the Hospital to purchase software needed to replace its existing Picture Archiving and Communication System ("PACs") used with the CT Machine purchase by the District because the software was not operational with the new machine and was in dire need of an upgrade. (See Exhibit "J"). Following Director Stramecki's discussion of the grant request, Mr. Danishmund asked to speak and explained that the PACs enable the Hospital to transmit images electronically to the radiologist. Moreover, Mr. Danishmund highlighted that the Hospital had obtained quotations from three (3) vendors. He then recommended the acquisition of the Konica Minolta Symmetry PACs, with a purchase price of \$32,650.00. In conclusion, Director Stramecki and Director Way recommended the approval of the request.

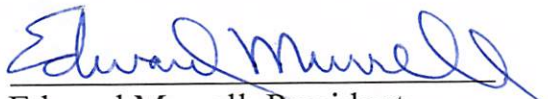
Thus, a motion was made by Director Vratiss to approve the grant request by Riceland Hospital for acquisition of the Konica Minolta Symmetry PACs in the amount of \$32,650.00. This motion was seconded by Director Stramecki and unanimously approved by all the Board Members.

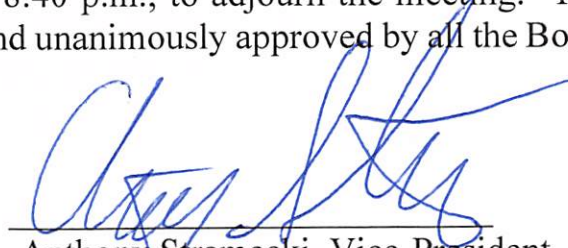
**16. Discuss and take-action, if necessary, on District Promotion.**

The Board asked to table this agenda item until the next meeting because they have not had an opportunity to discuss this Agenda Item.

Consequently, a motion was made by Director Stramecki to table Agenda Item No. 16. This motion was seconded by Director Way and unanimously approved by all the Board Members.

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 March 20, 2024. A motion was then made by Director Stramecki at 8:40 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