

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 20, 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 6:09 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 Jordon	Indigent Care Director
Mrs. Patricia Ojeda	Contracted Program Consultant
Mr. Hubert Oxford, IV	General Counsel for the District
Mrs. MaKayla Vidal	District’s CPA
Dr. Michael Lyons	Coastal Gateway Health Clinic
Mr. Saad Javed	CEO, Riceland Hospital (“Hospital”)
Mr. Mo Danishmund	Chief Financial Officer, Riceland Hospital
Wade Thibodeaux	Hometown Press
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 February 21, 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 February 21, 2024 Regular Meeting. The Board then reviewed the minutes and did not have changes.

Thus, Director Stramecki made a motion to approve the minutes from the February 21, 2024 Regular Meeting. This motion was seconded by Director Vratis, 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 District's Income Statement and Balance Sheet for February 2024. (See **Exhibit "A-1"**). Mrs. Vidal then presented the Balance Sheet and Income Statement for February 2024 and asked the Board if there were any questions but there were none.

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"**.

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Pending Expenses	For	Amount
Indigent Healthcare Solutions	Inv #77450	\$1,566.00
Brookshire Brothers	Indigent Care	\$2,621.07
Wilcox Pharmacy	Indigent Care	\$1,913.09
UTMB at Galveston	Indigent Care	\$40,274.91
UTMB Faculty Group	Indigent Care	\$14,263.81
Thompson Outpatient Clinic	Indigent Care	\$1,422.82
Coastal Gateway Health Center	Indigent Care	\$467.12
Barrier Reef	Indigent Care	\$121.20
Winnie Family Dental	SP Program	\$140.00
Bayside Dental	SP Program	\$440.00
Dr June Stansky, Optometrist	SP Program	\$180.00
Caba Therapy Svcs (Physio)	SP Program	\$466.61
\$25 Optical		\$250.00
Kalos Counseling (Benjamin Odom)	Youth Counseling	\$425.00
Function4	In#1102170 & #82206983	\$304.05
Technology Solutions of Tx	Inv #1849	\$225.00
Graciela Chavez-Office Cleaning	Inv #965969	\$120.00
Felipe Ojedia-Yard Service	Inv #1047	\$350.00
Benckenstein & Oxford	Inv #51023	\$30,540.37
Hubert Oxford	Legal Retainer	\$1,000.00
Makayla Vidal	Inv #00048	\$9,187.50
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 #607062	\$9,400.34
Patricia Ojeda	Inv #3003 (Contract)	\$4,800.00
Total Pending Expenses:		\$204,873.23

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

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Funds Summary	Totals
Prosperity Operating (Unrestricted)	\$523,690.87
First Financial DACA (Unrestricted)	\$3,188,593.13
First Financial DACA (Restricted)	\$4,939,317.67
First Financial Money Market	\$9,332,407.12
TexStar (Restricted)	\$740,248.71
FFB CD Balance	\$8,200,000.00
Total District Funds	\$26,924,257.50
Less First Financial (Restricted)	(\$4,939,317.67)
Less TexStar Reserve Account	(\$740,248.71)
Less LOC Outstanding	(\$4,433,740.99)
Less First Financial Money Market	\$0.00
Less Committed Funds (<i>See Total Commitment</i>)	(\$1,145,476.63)
Cash Position (<i>Less First Financial Restricted</i>)	\$20,099,214.49
Pending Expenses	(\$409,746.46)
Ending Balance (<i>Cash Position-Pending Expenses</i>)	\$19,689,468.03
*Total Funds (<i>Ending Balance+LOC Outstanding+QIPP Funds Outstanding+Outstanding Chow Loans</i>)	\$30,361,652.80

Mrs. Vidal then explained that the Total Funds as of the meeting were \$30,361,652.80 but the total liquid funds for the District were \$20,099,214.49. In compared to the previous month, these numbers were roughly the same but then Ms. Vidal explained that because of the acquisition of the new facilities, the District had increased cost incurred without additional income until revenues for the District began to be recognized through the nursing facilities who had previously participated in QIPP and QIPP Year 8 started.

Lastly, Mrs. Vidal updated the Board on the District's Committed Funds; Advance to Hospital for DY-8 Repayment; Interim Working Capital ("CHOW") advances; and outstanding loan balances. A summary of each is as follows:

- Committed Funds: For 2024, the District approved a total of \$1,508,207.40 in committed funds for the Coastal Gateway Grant; the Coastal Gateway Marketing Grant; the Winnie Stowell Volunteer Emergency Medical Service ("WSVEMS") grant; and the Marcelous William Grant. Year to date, the District has paid \$362,730.77 of the Committed Funds and there remains \$1,145,476.63 available.
- Advance to Hospital for DY-8: The total advanced to the Hospital for the DY-8 Repayment demand by the Texas Health and Human Services

Commission was \$1,626,424.00. Since October 2023, the District has received \$225,347.27 and the balance owed is \$1,401,076.73.

- Interim Working Capital Advances: As of the meeting, the District had advanced \$6,528,852.71 of the \$15,000,000.00 allocated for the fifteen (15) facilities. Of the amount advanced, Mrs. Vidal explained to the Board that \$1,411,554.17 was utilized by HSM and they were going to repay in full within the next week. Otherwise, Mrs. Vidal stated that all prior advances from the first round of advances had been repaid.
- Outstanding Short-Term Working Capital Loans: Regarding Loan 23 that was made in June 2023 for \$14,353,948.46, the District anticipates repayment of this loan in April of 2024. Thereafter, the District will have one (1) working capital loan outstanding (i.e., Loan 24) in the amount of \$15,421,032.78 and will begin making payments on this loan in March 2024. Lastly, Mrs. Vidal reported that the District has advanced \$4,433,740.99 from the Line of Credit for Interim Working Capital advances. She then advised that the Line of Credit will be paid down as the vendor holds for the various nursing facilities was lifted and the nursing facilities were required to repay 100% of the funds that had been held by Medicaid and Medicare.

Lastly, Mrs. Vidal asked the Board to review the bank reconciliations, which also include the invoices previously listed. (See **Exhibit “A-3”**). After reviewing the reconciliations, the Board members had no questions.

Therefore, 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 Stramecki made a motion to approve: (i) the February 2024 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 Vratis 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. In response, Director Stramecki asked the Board to provide a brief report on a call he and staff had with Mrs. Ojeda, the District's Indigent Care Consultant. Per Director Stramecki, he had a call with Mrs. Ojeda to clarify her role as a consultant, which was to train Mr. Carson Jordan, and going forward, those on the call agreed on an internal process to get assistance from Mrs. Ojeda going forward.

8. Receive reports, by:

a. Administrator's Report

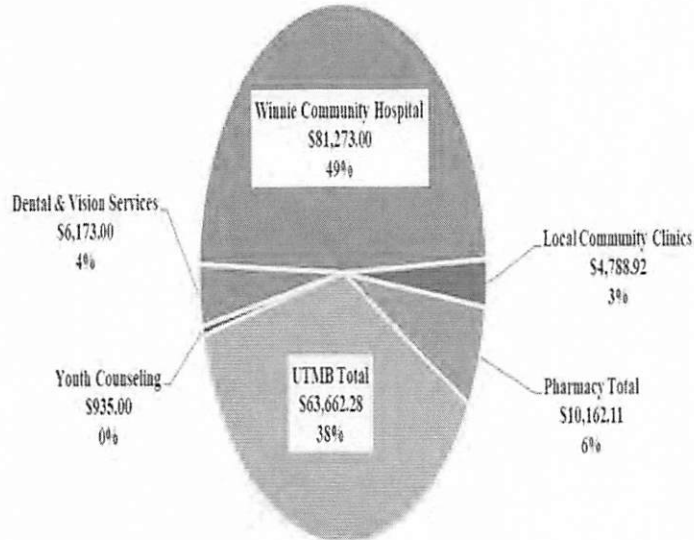
The District's Administrator advised the air conditions at the District's offices were leaking freon and the coils needed to be replaced. She has received a quote for \$3,800.00 and conferred with President Murrell who recommended she get the air conditioning fixed.

b. District Indigent Care Director Report

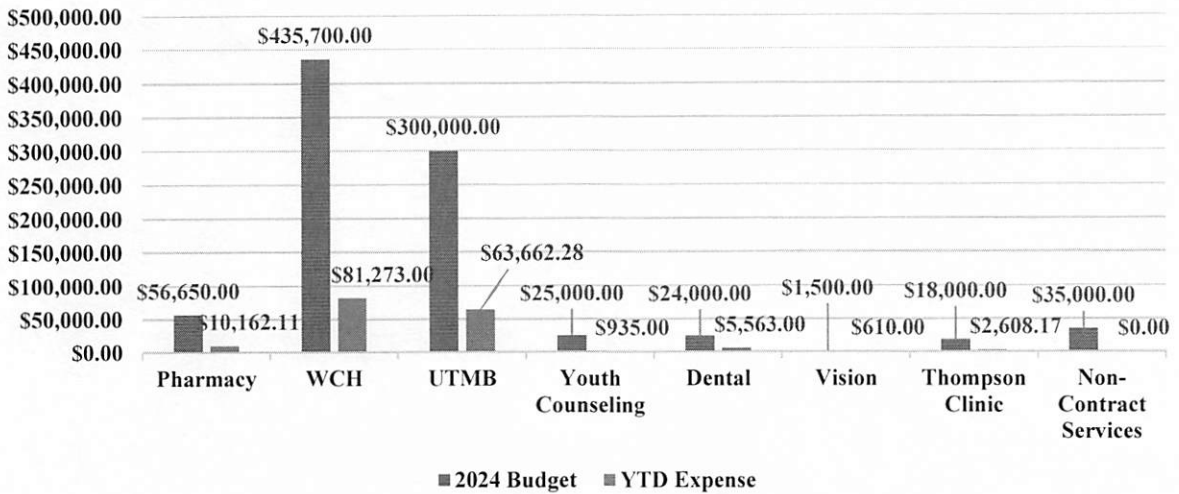
Next, President Murrell called on Mr. Carson Jordan to present the Indigent Care Director Report. Mr. Jordan reviewed the monthly reports on active clients and the District's programs and then directed the Board to his monthly reports and the following charts and asked if there were any questions. (*See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

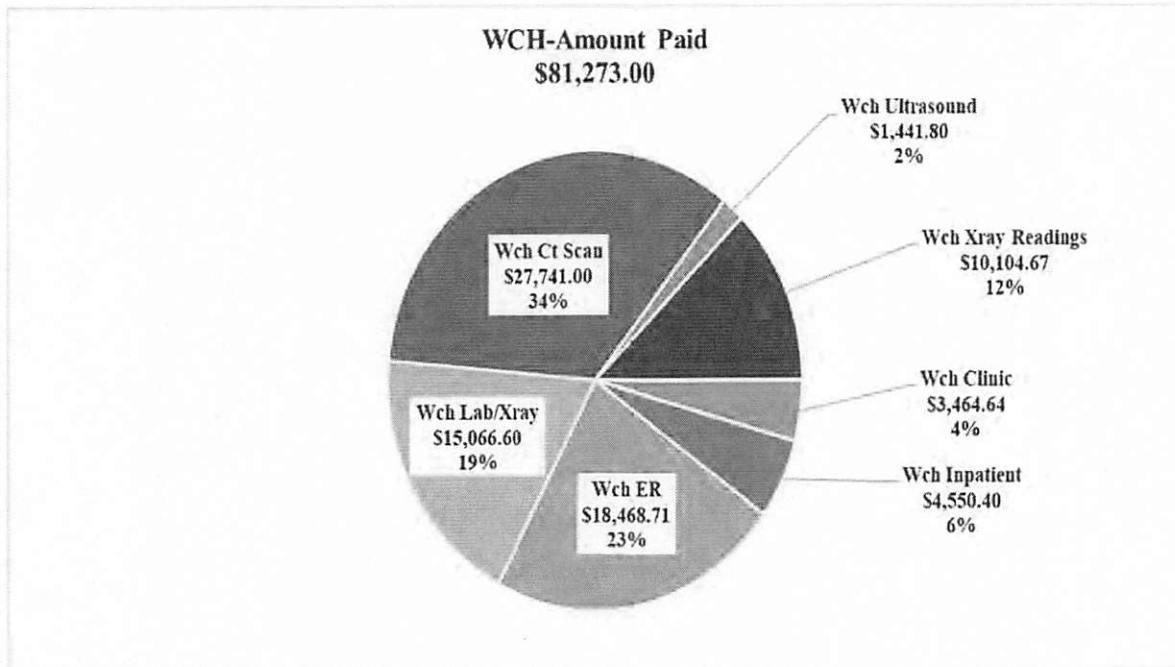
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Year To Date Payments Incurred: \$167,339.31



**Indigent Care Cost:
Budget - \$1,068,766.76
compared to
Actual - \$166,245.07**





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 some of the matters discussed is as follows:

- Formal quotes for a generator at the Clinic will be presented at the April board meeting.
- The lab interface with Riceland is complete and is ready to go-live but the parties are waiting on a contract and a BAA between us and Riceland before they can officially begin sending labs.
- The Clinics FY 2023 Audit is well underway, the auditors are completing the field work.
- The new billboard on northbound HWY 124 was installed during the first part of March.
- Texas Vaccine for Children (TVFC) application was submitted, waiting on approval.

- In addition, Ms. Smith reviewed a list of upcoming events, grant status, and census data.

e. Grant Report

Following the Coastal Gateway Report, President Murrell called on Mrs. Victoria Carlo to give the Grant Report. Mrs. Carlo then reviewed the status of all the various outstanding grants and summaries of her report can be found in **Exhibit “C”**.

f. LTC Report

The Board was then directed to the February 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 request by the Texas Health and Human Services Commission (“HHSC”) 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 to HHSC.

g. Hospital Report

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

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2024													
Census	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD Monthly Average
ER Visits	254	204											229
Conversion to Inpatient/observation	28	26											27
Percentage	11%	13%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	12%
Transferred out of ER	7	7											7
Percentage	3%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%
ER shifts covered by doctors	0%	0%											0%
Number Inpatient days	149	66											108
Number Hospice days	0	0											0
Number Swingbed days	60	7											34
Number Observation days	31	72											52
Total All Inpt. Days	240	145											193
Average Inpatient days per day	7.74	5.00											6.37
CTs	94	86											90
Xrays	287	229											258
Ultrasounds	33	25											29
Labs-Covid (#encounters)	71	69											70
Labs-RPP (#encounters)	44	22											33
Labs-All Other (# encounters)	501	547											524
Encounters - Adult Clinic	202	225											214
Encounters - Pediatric Clinic	140	175											158
Behavioral Health patients	44	42											43
Physical Therapy	1	1											1

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

Census	Yearly Averages						Average
	2019	2020	2021	2022	2023	2024-YTD	
ER Visits	190	174	220	229	249	229	220
Conversion to Inpatient/observation	10	13	21	20	26	27	21
Percentage of Converted Patients	5%	7%	9%	9%	10%	12%	10%
Transferred out of ER	10	12	11	11	10	7	10
Percentage Transferred out of ER	5%	7%	5%	5%	4%	3%	5%
ER shifts covered by doctors	79%	65%	56%	4%	2%	0%	25%
Number Inpatient days	58	115	191	154	81	108	130
Number Hospice days	12	5	9	4	2	0	4
Number Swingbed days	16	47	48	65	22	34	43
Number Observation days	18	23	25	33	39	52	34
Total All Inpt. Days	104	190	273	255	144	193	211
Average Inpatient days per day	3.42	6.23	8.96	8.41	4.76	6.37	6.95
CTs	42	57	64	67	80	90	72
Xrays	204	228	287	249	211	258	247
Ultrasounds	23	16	37	35	20	29	28
Labs-Covid (#encounters)	0	0	0	460	47	70	115
Labs-RPP (#encounters)	0	0	0	120	77	33	46
Labs-All Other (# encounters)	0	0	0	331	633	524	297
Encounters - Adult Clinic	576	479	486	294	230	214	340
Encounters - Pediatric Clinic	283	209	225	252	208	158	210
Behavioral Health patients	57	11	13	38	43	43	30
Physical Therapy	5	0	0	1	3	1	1

Otherwise, Mr. Danishmund advised that he did not have anything further to report that was not going to be addressed later in the meeting.

9. Discuss and take-action, if necessary, on approving Winnie Hospital grant request.

Following the discussion of the various reports, President Murrell called on Mr. Danishmund's grant request for funds for aesthetic and safety improvements at the Hospital and a request for the payment of the State's Share of the DY-9 Uncompensated Care demand by the HHSC.

First, the Board discussed with Mr. Danishmund the Hospital's request for a grant to make aesthetic and safety improvements at the Hospital. (See **Exhibit "E"**). Specifically, Mr. Danishmund requested assistance with the installation of flooring that encapsulated asbestos-containing materials safely; and to repaint doors, door frames, and other affected areas with high-quality durable paint. Mr. Danishmund then reviewed the bids received by the Hospital and recommended the bid in the amount of \$65,299.00. After reviewing of the bids submitted, the Board inquired why the Hospital was recommended the highest bid; the differences in amount of material used; and the proposal to recommend bids for repairs to the Hospital using a contractor to perform the work but to purchase materials from a third-party supplier. In response, Mr. Danishmund explained that the recommendation was the staff's after interviewing the various proposed contractors, but he understood the concerns about the high bidder; the inconsistent amount of material needed; and the proposal to use a third-party supplier of materials without other bids for the materials. As a result of the outstanding questions and concerns, the group agreed that the Hospital would obtain more consistent bids from the different proposed contractors and to ask the contractors to include materials in their bid. Thereafter, the Board would discuss and consider at next month's meeting.

Turning to Hospital request for the State's Share of the DY-9 repayment demand by the HHSC for uncompensated care in the amount of \$39,821.17, Mr. Danishmund requested the District advance the State Share which totaled \$13,105.15. In the past, the District agreed to fund the State's Share of the repayment demand for DY-7 and DY-8 with the understanding that the State's Share would be repaid to the District once the Hospital paid the Federal Share of \$26,716.02. However, unlike the past, the District demanded that the Federal Share be paid in one (1) lump sum as opposed to a payment plan arranged with HHSC. Moreover, if approved, the

Board asked Attorney Oxford to prepare an agreement with the Hospital that provides that the District assist in payment of the District's share but once the total repayment was made by the Hospital, the District shall receive the refund of the State's Share.

After a review of the grant request, a motion was made by Director Stramecki to table the Hospital's grant request for the aesthetic and safety improvements until the next meeting but agreed to fund the State's Share of the DY-9 reimbursement request by the Hospital in the amount of \$13,105.15. This motion was seconded by Director Way and unanimously approved by all the Board Members.

10. Discuss and take-action, if necessary, on considering interlocal agreement and/or consent for Chamber's Health to serve congregate meals within the district.

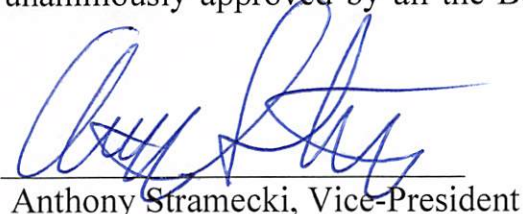
Moving to Agenda Item No. 10, President Murrell advised that he had been working with the Board President of Chambers Health to work together on Chambers Health's request for consent and an interlocal agreement with Chambers Health to serve congregate meals within the District's boundaries as contemplated in the settlement agreement with Chambers Health. The Board agreed that this is a good service and expressed their interest in participating in the congregate meals but needed to meet with Chambers Health to discuss the details of the services provided and who would provide the services. In the meantime, the Board agreed that it was willing to give consent to Chambers Health to continue to provide the meals within the District.

Consequently, a motion was made by Director Vratil to give Chambers Health consent to continue providing congregate meals within the District and to work with Chambers Health to enter into an agreement whereby the District and Chambers Health would work together to partner on this congregate meal program. 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 April 17, 2024. A motion

was then made by Director Vratiss at 8:27 p.m., to adjourn the meeting. This motion was seconded by Director Stramecki and unanimously approved by all the Board Members present.


Edward Murrell, President


Anthony Stramecki, Vice-President