

MINUTES FOR THE SPECIAL 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 8:00 a.m., July 30, 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.

1. Call the Meeting to Order

At approximately 8:03 p.m., the meeting was convened, and the roll was called of 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. In addition, to the above-named Board members, also present at the meeting were:

Mrs. Victoria Carlo	Administrator’s Assistant
Mr. Hubert Oxford, IV	General Counsel for the District
Mrs. MaKayla Vidal	District CPA
Mr. Mo Danishmund	Riceland Hospital (“Hospital”)

4. Public Comment

Following the introduction of guest and the Pledge of the Allegiance, President Murrell then asked those in attendance for any public comment. Since there was none, the President asked for the Board members to move to Agenda Item No. 5.

5. Discuss and take-action, if necessary, on considering request for an Interim Working Capital Advance for new facilities.

President Murrell then called on Attorney Oxford to discuss the request by Afton Oaks for an interim working capital advance (“Advance”). Attorney Oxford explained that when the District was approached to make a change of ownership (“CHOW”) for Afton Oaks, Afton Oaks did not make a request for an advance but following some discussion regarding the change in the State’s regulations regarding the timing of CHOWs, Afton Oaks began making inquiries. However, Attorney Oxford explained that it was recently learned that the proposed regulation was delayed for a year and even after learning of the delay, Afton Oaks was still making the request. As such, unlike the previous Advances, Attorney Oxford suggested that if the Board approved the request, that the amount of the Advance be capped at a firm \$1,000,000.00 to be paid back by the tenth month following the CHOW and if the funds were not repaid, the District would keep fifty percent (50%) of the ordinary revenue and one hundred percent (100%) of the facilities Quality Incentive Payment Program (“QIPP”) revenues. Thereafter, if additional funds were needed after the payment of the \$1,000,000.00 in Advances, then the request would have to be approved by the Board. In addition, Attorney Oxford informed the Board that a second new facility was making a similar request but since they did not advise of their needs before the meeting, staff was not prepared to make a recommendation.

After some discussion on the request, a motion was made by Director Stramecki to authorize an advance for interim working capital to Afton Oaks for a maximum of \$1,000,000.00 to be repaid within ten (10) months of the CHOW date and if not repaid, the District had authority to keep fifty percent (50%) of the facility’s ordinary revenue and one hundred percent (100%) of the QIPP revenue after the tenth month. This motion was seconded by Director Way and unanimously approved by all the Board members.

6. Discuss and take-action, if necessary, on considering request for Intergovernmental Transfer on behalf of Riceland Hospital for DY-13 Uncompensated Care payment.

Next, President Murrell asked the staff to present Agenda Item 6. Staff then reminded the Board that prior to the last Board meeting, staff received a request by the Hospital to make an Intergovernmental Transfer (“IGT”) for the DY-13 on behalf

of the Hospital in the amount of \$426,991.25 for the Uncompensated Care Program, which would return an estimated \$1,071,496.00. Staff then explained that the concern was the amount of the IGT because in prior years, the total IGTs for the Hospital were closer to \$140,000.00. As such, Staff exchanged multiple e-mails with the Hospital requesting an explanation, which are attached to **Exhibit “A”**. In short, per the Staff and Attorney Oxford, they were informed by the Hospital that the IGT was more than anticipated because:

- Charity care write offs, for which Uncompensated Care is based, increased 244% from DY12 to DY13 due to the expansion of lab services; high dollar observation admissions; and an expanding self-pay population; and
- The Hospital made an adjustment to their DY13 application by using the increased actual 2023 write offs versus the 2023 estimated write offs and because of this adjustment, the Hospital received credit for an additional estimated \$400,000.00 in charity costs.

In response, a motion was made by Director Stramecki to authorize staff to make an IGT on behalf of the Hospital for up to \$475,000.00 with the understanding that if the IGT resulted in an overpayment, the overpayment would be the sole responsibility of the Hospital (i.e., the Hospital District would not front the State’s Share of the IGT if a repayment demand is made). This motion was seconded by Director Rollo and unanimously approved by all the Board members.

7. Discuss and take-action, if necessary, on considering the acquisition of the Groveton Nursing Home.


Next, the Board turned their attention to Agenda Item No. 7 and called on Attorney Oxford to make a recommendation on the acquisition of the Groveton Nursing Facility. Per Attorney Oxford, the District was approached by Gulf Coast to acquire facility on behalf of a friend and if acquired, Gulf Coast would informally oversee the operation of the facility. However, since the facility was not in a neighboring county, and after learning of the requirements for facilities not in neighboring counties, the owner of the facility decided it was best to explore partnering with a hospital district closer to the facility. Therefore, no action was taken on this agenda item.

8. Discuss and take-action, if necessary, on proposal by TCDRS retirement plan offer.


The Board was then asked to return to the issue of the retirement plan that was previously discussed during the July 24, 2024 Regular Meeting. Per the District's CPA, she updated the amounts submitted by the Texas County & District Retirement System ("TCDRS") from the prior meeting to account for the District's administrator's salary increase. As a result of the new salary amounts, the District's CPA advised that the cost for the various retirement plan options with TCDRS increased by approximately \$2,000.00 per year. (See Exhibit "B"). The Board and staff then reviewed the various options, and it was agreed that the District would start retirement plans for the District's employees at TCDRS and the employees would deposit 5% of their salaries and the District would make a 200% match at a contribution rate of 8.49% for a total cost to the District of \$13,846.00 per year.

Thereafter, a motion was made by Director Stramecki to authorize staff to participate in the TCDRS retirement plan at a rate of 5% of the staff's salaries and the District would make a 200% match at a contribution rate of 8.49% for a total cost to the District of \$13,846.00 per year. This motion was seconded by Director Vratis and unanimously approved by all the Board members.

Thereafter, President Murrell then called for any other such matters before the Board. There being none, the President Murrell confirmed the next Regular Meeting was scheduled for August 21, 2024 at 6:00 p.m. A motion was then made by Director Stramecki at 8:34 a.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