

**MINUTES OF 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 6:30 p.m. on the ~~13th~~^{20th} day of May 2015, at the Winnie Community Hospital (“Hospital”)-Conference Room, Broadway, Winnie Texas (a copy of said Notice being placed amongst the files of the District).

The roll was called of the members of the Board, to wit:

Elroy Henry, Chair
Jeff Rollo, Vice-Chair
Ed Murrell, Secretary
Sharron Burgess, Director
Raul Espinosa, Director

All said Board members were present, except Sharron Burgess. In addition, to the above named Board members, also present at the meeting was: Sherrie Norris, District Administrator; Donna Sonnier, Indigent Care Coordinator; Hubert Oxford, IV, District Attorney; Deputy Tony King, Chambers County Sherriff’s Office; Dan Yancy, with the Hospital and a number of interested citizens listed on **Exhibit “A”**.

At approximately 6:38 p.m., a quorum was established and Chairman Henry made introductions that were followed by a request for public comment. There being no public comment, Chairman Henry asked the Board to consider and take action on Agenda Item No. 3, to review and approve the Consent Agenda which included approving the minutes for:

- April 15, 2015 18, 2015 Regular Board meeting; and
- May 7, 2015 Special Meeting.

In addition, he asked the Board to review and approve the financial reports and payment of invoices attached hereto as **Exhibit “B”**. In regard to the financial reports summary,

Administrator Norris presented the Board with bills payable and balances for the various District accounts. According to Ms. Norris, prior to the payments of any expenses, which totaled \$34,889.29, the District had \$814,354.60 in its Operations Account. However, once the District's monthly revenue from sales tax was deposited by the Texas Comptroller of Public Accounts and expenses were accounted for, the new balance in the District's Operations Account would be \$847,570.24. In addition, there was \$103,637.07 in a CD at Prosperity Bank and \$152,418.22 in its TexStar account. Mrs. Norris deferred to the Financial Committee report for Mary Ellen Robertson, the District's CPA, to give the Board a more detailed financial analysis and status of the Budget. Following a review of the minutes and the financial statements, Director Murrell made a motion to approve the consent agenda. This motion was seconded by Director Espinoza with the unanimous consent of all Board members present.

Chairman Henry then asked the Board to move to Agenda Item 10, to discuss and take action, if necessary on obtaining a status report by the Winnie Community Hospital on projects funded by the District. Director Espinoza initiated the discussion by informing the Board that he took a tour of the Hospital and was pleased to announce that the difference in the hospital's condition before the closing of the Hospital's bankruptcy and the present was "night and day". In addition, he was still working with the County to obtain assistance in the drainage issue for the west parking lot of the hospital. Following, Dan Yancy, an Administrator for the Hospital advised the Board that the new CT Scan was ordered and scheduled for delivery during the first week of June 2015. In addition, the Hospital was able to purchase a second van thanks to the donation by the District. The new van is a ten (10) passenger/2 handicap accessible van with a lift for unloading and loading patients. In regard to the Operating Rooms, Mr. Yancy reported to the Board that the Hospital was working with two Architectural firms on getting bids for

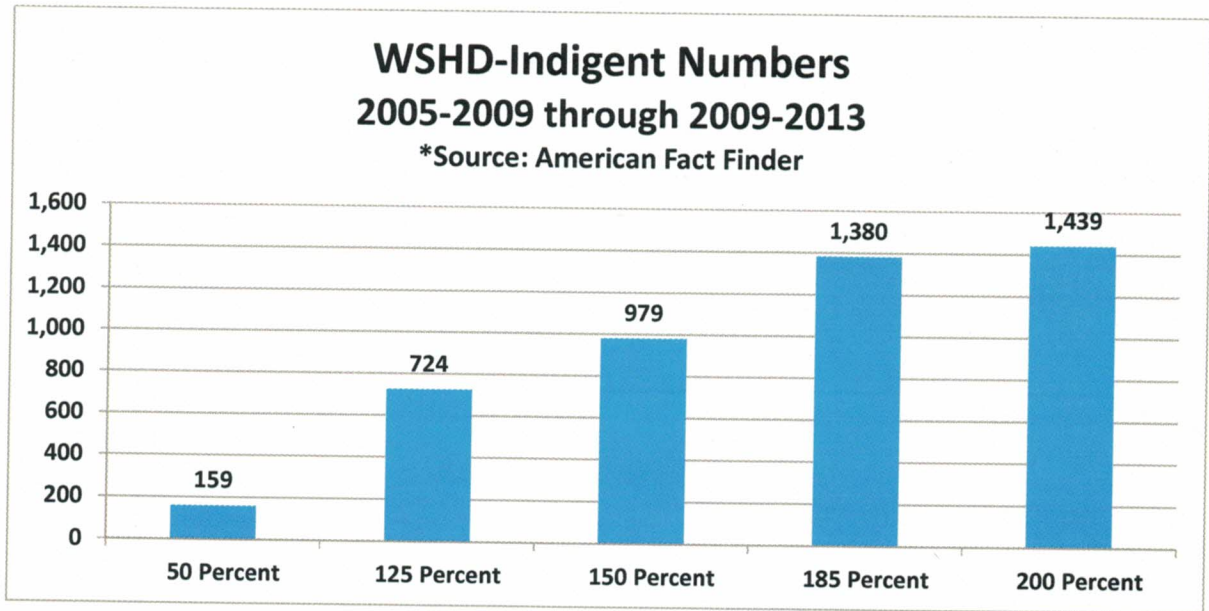
updating the existing rooms but upon further review, the hospital is also asking these firms to assist in developing a master plan for the entire hospital campus because of space considerations resulting from the number of existing and upcoming services. *See Exhibit "C"*. Otherwise, no action was taken on this agenda item.

Returning to Agenda Item No. 4, Chairman Henry asked Committee Chairs for a Committee report. Director Espinoza was again called on to give a report for the Building Committee, in particular, to give a report on the status of the repairs on the building located on the Highway 124 Property. According to Director Espinoza, the District was still waiting bid package from Neches Engineers and confirmed that the engineering firm had been given all the requested information. Next, Mary Ellen Robertson was asked to speak on behalf of the Finance Committee and Mary Ellen returned to **Exhibit "B"** to explain potential budget amendments and the status of the District's financials as of April 30, 2015. *See Exhibit "B"*. As for the other committees, Personnel and Indigent Care Committee, the Board deferred to subsequent agenda items for a discussion on issues before the Committees and therefore, there no committee reports were presented.

In regard to reports by the staff, as set forth in Agenda Item No. 5, Chairman Henry first called Administrator Norris to give the Administrator's report. Ms. Norris advised the Board that she received an extensive e-mail from Lisa Stramecki concerning the status of the web page that she was hired to develop. *See Exhibit "D"*. In this e-mail, Ms. Stramecki reported to the Board that the development of the web page had been slowed by her having a newborn but she anticipated being able to return to work in the next couple of weeks.

Next, the District's Indigent Care Director and Attorney Oxford gave the Board an extensive presentation on their analysis of the District's indigent program going back to 2010.

According to the two, since 2010 the District enrolled approximately 298 residents into the indigent program. In total, 507 residents applied giving the District a 60% application success rate. Meanwhile, the District had spent \$149,295.35 for non-hospital related cost such as prescriptions and review of x-rays and lab work during this same period and, according to the Hospital, the Hospital had written off \$817,474.00 in expenses for the District's indigent during this same time period. According to Attorney Oxford, with these figures, Ms. Sonnier and he were able to come up with figures for an average per client cost on annual basis. The average cost was calculated using the actual number of patients that visited the hospital times the average cost of non-hospital care set at \$587.49 added to the average per patient 100%, 75%, 60%, and 50% of the Hospital's written off figures and taking into consideration of whether to include the cost for emergency room care. Based on these numbers, at 60% of the write off cost, the average cost per patient, including emergency room care was \$1,971.51 and without emergency room care, was \$1,240.41. Therefore, applying these numbers as a foundation for an average cost per patient, the two reported that the District's budget for 2015 for Indigent care was \$280,000.00 and if the cost per patient was \$1,971.51, the District could serve approximately 141 residents or, 225 residents at \$1,250.41. With these numbers in mind, Attorney Oxford presented the Board with the following table prepared using the U.S. Census Bureau figures.



Applying the Census Figures to the average costs per patient figures, Attorney Oxford explained that if the District maintained its current poverty rate level of 150%, the District could potentially enroll up to 1,000 of the 6,000 residents of the District onto the indigent program and the cost to do this would be approximately \$1,240,000.00 to \$1,970,000.00 per year, depending on the average cost per patient used. In the alternative, if the District were to lower its indigent poverty rate level to 50% of the poverty level, which is still above the state mandated 21%, the District could enroll up to 159 residents costing and the cost would be between \$197,000.00 to \$313,000.00 using these same figures and potentially leave space in the 2016 budget and future budgets for specialty care. After the presentation, it was agreed that the 2010 numbers were not consistent with the subsequent years and that the numbers would be more accurate utilizing the figures for 2011-2015. Otherwise, no action was taken but Ms. Sonnier informed the Board that she would arrange a meeting with the hospital to review the logic and numbers.

Following the Indigent Care Report, Attorney Oxford briefly advised the board of his conversations with the report for the Dallas Morning News and gave the status of HB 3332 relating to the ability of a hospital district to acquire nursing facilities anywhere in the State of

Texas. Also, Ms. Sonnier reported that the District had received all the LTC Reports through April 2015.

Following the reports, the District turned to action items starting with Agenda Item No. 6, to Discuss and take action, if necessary, on adopting a Public Information Policy. Attorney Oxford asked the Board to review the proposed policy he prepared and explained the statutes on the Public Information Act are very clear about charges incurred in preparing responses to public information request and these statutes are incorporated in the proposed policy set forth in **Exhibit "E"**. No action was taken on this agenda item and the Board was asked to review the policy before the next regular meeting.

Next, the Board was asked to consider Agenda Item No. 7, to discuss and take action, if necessary on adopting a personnel manual. No action taken on this item but Chairman Henry requested that this agenda item please be taken care of by the Personnel Committee and report back at the next meeting. Likewise, the Board was asked to consider Agenda Items Nos. 8 and 9, to consider and take action on adopting a patient confidentiality policy and a HIPPA Business Association Agreement with the hospital. Attorney Oxford advised that a confidentiality policy was essential to be in compliance with the various HIPPA laws and to facilitate the free flow of secured information between the hospital and the District. As such, he presented a proposed Agreement and requested the Indigent Care Director's assistance in working with the hospital to obtain a copy of their HIPPA policies and procedures. *See Exhibit "F"*. Again, no action was taken as these matters and concerns were introduced to the Board for consideration.

Lastly, the Board was asked to consider and take action on Agenda Item No. 11, to discuss and take action, if necessary, on funding the upcoming Uncompensated Care

Intergovernmental Transfer for the Winnie Commie Community Hospital. Administrator Norris and Attorney Oxford advised that the Intergovernmental Transfer (“IGT”) for Uncompensated Care program on behalf of the Winnie Community Hospital was coming up and the District needed to make an IGT of up to \$80,000.00 to maximize the program benefits. Therefore, a motion was made by Director Rollo to transfer up to \$80,000.00 for the upcoming IGT on behalf of the Winnie Community Hospital for their participation in the Uncompensated Care Program. This motion was seconded by Director Rollo with the unanimous consent of all board members present.

In closing, the Board discussed that the next regularly scheduled meeting would be held on June 17, 2015, and then a motion was made by Director Murrell and was seconded by Director Espinoza, with the unanimous consent of all Board members to adjourn at 9:35 p.m.



Elroy Henry, Chairman



Jeff Rollo, Vice-Chairman