

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 6:38 p.m. on the 19nd day of August 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. In addition, to the above named Board members, also present at the meeting was: Sherrie Norris, District Administrator; Hubert Oxford, IV, Attorney; Mary Ellen Robertson, CPA District; Deputy Tony King, Chambers County Sherriff's Office; Mo Danishmund and Chris Portner on behalf of the Winnie Community Hospital.

At approximately 6:35 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 minutes from the following meetings:

- July 15, 2015 Regular Meeting; and
- August 06, 2015 Special Meeting.

After the minutes were reviewed, Director Murrell made motion to approve the July 15, 2015 Regular Meeting; and the August 6, 2015 Special Meeting. This motion was seconded by Director Rollo, with the unanimous consent of all Board members.

Next, Chairman Henry asked the Board to consider Agenda Item No. 4 as part of the consent agenda, the approval of the financial reports and payment of invoices attached hereto as **Exhibit "A"**. In regard to the financial reports summary, Mary Ellen Robertson, the District's CPA, advised that she would review the District's finances when she gives her report pursuant to Agenda Item 6(c). Following a review of the invoices, Director Murrell made a motion to approve the bills payable. This motion was seconded by Director Espinoza with the unanimous consent of all Board members.

Chairman Henry then called on the Committee Chairman to give committee reports as called for in Agenda Item No. 5. The reports by each Committee Chair are as follows:

- **Building Committee:** Chairman Espinoza reported that he would discuss his report when the Board addressed Agenda Item No. 8.
- **Finance Committee:** Chairman Murrell advised that the Finance Committee had nothing to report.
- **Indigent Healthcare Committee:** Chairwoman Burgess requested to defer any discussion on the Indigent Care until the Board discussed Agenda Item Nos. 11 and 12.
- **Personnel Committee:** Likewise, Chairwoman Burgess requested to defer any discussion on personnel until the Board discussed Agenda Item No. 12.
- **Hospital Liaison:** Dir. Espinoza reported that he and Mary Ellen Robertson met with Mo Danishmund regarding the District's grant funds made pursuant to the Indigent Care Agreement with the Winnie Community Hospital but he asked that this be discussed during Agenda Item No. 7.

Following the brief committee reports, Chairman Henry called for reports by the District's Administrator, Attorney, and Certified Public Accountant. Their reports were as follows:

- a. **District Administrator:** Sherrie Norris reported that she was going to attend the Indigent Care Training seminar in Conroe, Texas on August 25th and 26th 2015. Moreover, she reported that Genesis Healthcare was requesting that they be allowed to deposit checks by way of remote deposit capture into the respective District Depository Account as this would reduce the time that the checks were received, then

mailed to the District and then deposited to the District. After some discussion on this matter, some issues were raised concerning the accountability of all of the funds not directly deposited into one of the District's depository accounts and what safeguards should be put in place to make sure all the money not directly deposited into the accounts were actually deposited. Attorney Oxford advised that he would raise the issue with the Managers and inquire as to a possible solution.

- b. **District General Counsel:** Attorney Oxford briefly advised the Board that he was scheduled to have a conference call with Genesis and the HUD Lenders on August 20, 2015 to get an update on the status of the payment of attorney's fees and the requested changes to the documents submitted to the District to review for the Woodlands and Clairmont facilities.
- c. **District Accountant/CPA:** Mary Ellen Robertson presented the Board with the District's financial report and informed the Board that District had \$533,613.00 in its checking account and \$152,445.00 in its TexStart account as of July 31, 2015. Mrs. Robertson also reported that even though her reports show \$587,857.00 in the Wells Fargo accounts, that money was swept out the next day, leaving a minimum balance. Moreover, Mrs. Robertson also advised that as of July 31, 2015, the District had received 46.89% of its anticipated sales revenue but also advised the Board that typically the state reconciles its figures at the end of the year that brings the revenue received more in line with the budget. (*See Exhibit "A"*).
- d. **District Nursing Home Consultants:** David Smith was unable to attend the meeting because he was on vacation but Sherrie Norris reported to the Board that the District has received all of the LTC Monthly reports for each of the nursing homes and these had all been uploaded to the Board's electronic folders.

Upon conclusion of various reports, Chairman Henry then asked Board to turn its attention to Agenda Item No. 7, 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 conversation by reporting to the Board that he and Mary Ellen Robertson met with Mo Danishmund to confirm the status of the various projects funded by the District in exchange for treatment of the District's Indigent. Both Director Espinoza and Mrs. Robertson reported that they were pleased with the information received by the Hospital and the status of each project. Specifically, the two reported that the Hospital presented the two with invoices for the various costs associated with each project and the numbers reconciled with the cost reported by the

Hospital. In addition, Mrs. Robertson stated that she requested the Hospital please provide proof of payment for each invoice and Mr. Danishmund agreed to provide this information immediately. Because of the request for outstanding proof of payment, Director Espinoza and Mrs. Robertson informed the Board that they would have a comprehensive report at the next Board meeting that would include an agreed to monthly report by the Hospital. Mr. Danishmund concurred. Otherwise, no action was taken on this Agenda Item

Thereafter, the Board was directed to Agenda Item No. 9, to discuss and take action on the Distribution of Minimum Payment Amount Program ("MPAP") funds. Attorney Oxford explained that it had been expected that the District would receive its initial monthly MPAP payment in August for the first quarter of Eligibility Period No. 1 but this is not going to happen because he was notified for the first time on August 17, 2015 of a letter dated July 20, 2015 from the Center for Medicaid and Medicaid Services ("CMS") to the Texas Health and Human Services Commission deferring payment of any MPAP funds until some discrepancies with Hospital ownership and Upper Payment Limit ("UPL") funds were reconciled. (*See Exhibit "B"*). Attorney Oxford advised the Board that he had been in discussions with LTC, and Texas Association of Public Nursing Homes ("TAPNH") and was informed that the underlying issues involved the fact that unlike the Texas Department of Aging and Disability Services, CMS had not reconciled the change of ownership ("CHOW") forms that had to be filed with Medicare for the Nursing Facilities and CMS was inquiring how a nursing home could be owned by a political entity in the state's records but still owned by a private entity in the CMS database. In addition, Attorney Oxford reported that he had researched the District's thirteen nursing facilities on the Medicare website and the website showed the District as the owner of the facilities. Overall, Attorney Oxford told the Board that he had been told the deferral of the MPAP proceeds

should not be as long as allowed for in the letter dated July 20, 2015 and Hospital should be expecting, at a minimum, its initial IGT funds for the first quarter of Eligibility Period 1 soon. No action was taken.


Next, Chairman Henry asked Administrator Norris to address Agenda Item No. 10, to discuss and take action on obtaining an Employee Dishonesty Bond. Mrs. Norris reported that she had received quotes from a number of insurance agents but recommended the quote given by J.S. Edwards & Sherlock for a three year \$100,000.00 bond that is to be prepaid for \$2,713.00. Mrs. Norris made the recommendation based on the fact that this was the best price received and it was the most comprehensive. Director Murrell made a motion to approve the \$100,000.00 three year bond submitted by J.S. Edwards & Sherlock for \$2,713.00. This motion was seconded by Director Espinoza with the unanimous consent of all Board members.

Chairman Henry then turned to Agenda Item No. 11, to discuss and take action on obtaining control of Indigent Care files from the Chambers County Indigent Care Department. Discuss and take action on replacing the Indigent Care Director. Administrator Norris reported to the Board that she was going to act on the Board's decision to transfer the files from the Chambers County Indigent Care Department once she attends the August 25th and 26th Indigent Care conference in Conroe, Texas. No action was taken.

Lastly, the Board was asked to consider and take action on Agenda Item 12, to replace the Indigent Care Director. Sharron Burgess informed the Board that the Personnel Committee interviewed three candidates for the job but after the interviews, questions were raised as to the scope of the job description and the need to have a more dynamic description to also include assisting with nursing home matters and other administrative duties. The reasoning for this was that until the indigent numbers increased substantially, there was a concern that the new

employee would have extra time to assist the Administrator with some of her functions. Therefore, the Committee recommended that it be given time to revise the Job Description for this position to include duties in addition to the Indigent Care coordinator and then present this revised job description at the next Board meeting. No action was taken.

In closing, the Board advised the next regularly scheduled meeting would be held on August 16, 2015. A motion was then made by Director Espinoza and was seconded by Director Murrell, with the unanimous consent of all Board members to adjourn at 8:05 p.m.


Elroy Henry, Chairman


Jeff Rolfe, Vice-Chairman