

**MINUTES OF MEETING OF BOARD OF TRUSTEES AND BOARD OF
TRUSTEES EXECUTIVE COMMITTEE OF
TALLAHATCHIE GENERAL HOSPITAL**

April 26, 2016

On this date at the hour of 11:30 a.m., The Board of Trustees and Board of Trustees Executive Committee met in regular session at the hospital boardroom with the following trustees and personnel, to wit:

David Hargett, Trustee District One
Ike Sayle, Trustee District Two
Gerry Speir, Trustee District Three
Jim Blackwood, Administrator
Joey Brunson, CFO

Trustee Speir opened the meeting with prayer.

The minutes of the March, 2016 meeting were presented. A motion was made by Trustee Hargett to approve the minutes of the last meeting. The motion was seconded by Trustee Sayle with all trustees voting "Aye" approving the minutes of the meeting.

Mr. Brunson gave the Board copies of the statistics for the providers showing their production in the hospital and the clinic for the month of March 2016. The Board reviewed these statistics and questions were asked and answered.

Mr. Brunson presented the March 2016 financials to the Board. Questions were asked and answered about the statements. The Board approved the financials for March 2016.

Mr. Blackwood circulated the Administrator's comments, a copy of which appears as Exhibit 1 hereto and is incorporated herein by reference. Questions were asked and answered concerning the Administrator's comments.

Mr. Blackwood reported to the Board that we are not satisfied with the level of service that we have been receiving from our present retirement company. Mr. Blackwood requested approval to publish a notice for proposals for a new retirement program at the expiration of the present contract. A motion was made by Trustee Sayle to authorize Mr. Blackwood to publish a notice for proposals for a new retirement program at the expiration of the present contract. The motion was seconded by Trustee Hargett with all Trustees voting "Aye" in favor of the motion.

Mr. Blackwood further reported to the Board that we are nearing a point to decide on expansion of our in-patient capacity at both the hospital and nursing home. Mr. Blackwood proposed that we retain an architect to prepare preliminary plans for both the hospital and the nursing home and to test the market for pricing and request that the Board authorize him to conduct this preliminary work and report back at the next board meeting. A motion was made by Trustee Sayle authorizing Mr. Blackwood to conduct this preliminary work and report back to the Board. The motion was seconded by Trustee Hargett with all Trustees voting "Aye" in favor of the motion.

Mr. Blackwood circulated the Quality and HCAPS Report for March 2016. Questions were asked and answered concerning the quality metrics for the month.

Mr. Blackwood requested that the Board enter into executive session for the purpose of discussion of the employment contracts of Rob and Monica Carter. Trustee Hargett made the motion to enter into executive session for discussion of this matter. The motion was seconded by Trustee Sayle with all Trustees voting "Aye" in favor of the motion. The Board adjourned into executive session.

Trustee Sayle made the motion for the Board to enter into regular session. The motion was seconded by Trustee Hargett. The Board returned to regular session.

Mr. Blackwood requested that he be authorized to restructure Rob and Monica Carter's employment contracts as discussed in executive session. A motion was made by Trustee Sayle to authorize Mr. Blackwood to restructure Rob and Monica Carter's contracts as discussed. The motion was seconded by Trustee Hargett with all Trustees voting "Aye" in favor of the motion.

Anita Goodrum with the accounting firm of Watkins Ward & Stafford, PLLC presented the audit for the 2015 fiscal year. Questions were asked and answered. A motion was made by Trustee Hargett to approve the audit for the 2015 fiscal year. The motion was seconded by Trustee Sayle with all trustees voting "Aye" approving the audit.

There being no further matters for discussion, the board adjourned.

Administrator's Comments – Meeting of April 26, 2016

Nursing Home – We have 98 nursing home beds occupied with a waiting list. We are not currently expecting any discharges.

Nurses Station Renovation – The nurse's station renovation has fallen behind schedule. We have made the contractor aware that this is not acceptable and adjustments to the schedule have been made to bring the project back on time.

DNV Accreditation Survey – We met our April 1, 2016 deadline for our plan of correction implementation. We are now working in our QA committee to review each of the sections of NIAHO (the accreditation standards) to ensure we are meeting our conditions of participation.

FY 2015 Audit - Watkins, Ward and Stafford will present our FY 2015 audit at our April 26, 2016 board meeting. The presentation will begin immediately following lunch.

Employee Pay Raises – We are nearing completion of the implementation of the employee pay raises that you previously authorized. We hope to have those raises in place by the May 6 payroll.

Aesthetic Improvements on A-Wing – The new cabinetry has been installed at the A-wing nurse's station. Painting is in progress. The flooring that we submitted for public bid will be installed last. We hope to have these improvements complete by this time next month.

Nursing Home Generator Replacement – We have received the specifications for the generator replacement in the nursing home. We will be publishing for bids next week.

Health Insurance Renewal -- We are expecting quotes for the health insurance renewal next month. We are asking BCBS to provide some suggestions on a tiered system that rewards positive healthy behavior and penalizes unhealthy behavior. For example, we are asking if there can be

a difference in employee contribution to the plan for those who are smokers vs. non-smokers.

Retirement Plan Management – We have not been satisfied in recent months on the level of service we are receiving from the company that currently administers our retirement plan. I am proposing that we publish a request for proposals for this business upon renewal of the contract. I will ask the board to authorize this action at the meeting.

Nursing Home Administrator Training – Our current Director of Nursing, Virginia Parker, has indicated that she would like to go through the Administrator in Training (“AIT”) program. Joey Brunson has agreed to precept her through the program. Ms. Parker has over 20 years of experience working with the geriatric population, particularly those with dementia and Alzheimer’s disease. She is also a registered nurse. Upon completion of her training, we are proposing to hire Ms. Parker as our next full-time nursing home administrator. I will discuss this process in more detail at the meeting.

Nursing Home Consultant – We are new in our nursing home survey window with the State Department of Health. We have retained licensed Nursing Home Administrator, Jan Maddux, to assist us with survey readiness. Ms. Maddux will also serve as a resource for Virginia Parker as she works through the AIT program.

Extension of Contract for Dr. Wilde – I have secured a signed copy of the extension of Dr. Wilde’s contract. Dr. Wilde will continue in his current capacity for one year.

Architectural Planning – As we have discussed in prior months, we are nearing a point to where we need to decide whether and in what way to expand our in-patient capacity at both the hospital and nursing home. I am proposing to retain an architect to prepare preliminary plans for both the hospital and the nursing home and to test the market for pricing. We will then be in a position to decide whether we should proceed with either of these potential projects. I am asking the Board to authorize me to conduct this preliminary work at our next meeting.

Legal Matters:

The Estate of William Brewer, Sr. – Counsel is conducting informal discovery from our employees. No further action has taken place.