

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

October 24, 2017

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 training room with the following trustees and personnel, to wit:

David Hargett, Trustee District One
Ike Sayle, Trustee District Two
Gerry Speir, Trustee District Three
Morris Murphey, Trustee District Four
Willie Lockett, Trustee District Five (joined via Skype)
Jim Blackwood, Administrator
Buddy McRae, Chief Operating Officer
Joey Brunson, Chief Financial Officer
Rani Richard, Finance

Trustee Sayle opened the meeting with prayer.

The minutes of the September 26, 2017 meeting were presented. A motion was made by Trustee Hargett to approve the minutes from the last meeting. The motion was seconded by Trustee Lockett with all Trustees voting "Aye" in favor of the motion.

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 September 2017. The Board reviewed the statistics and questions were asked and answered.

Mr. Brunson presented the report of the Finance Committee for September 2017 financials to the Board. Questions were asked and answered about the statements. The Board approved the financials for September 2017.

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.

Trustee Sayle made a motion that the Board enter into executive session to discuss strategic business issues and legal matters. The motion was seconded by Trustee Murphey. The Board then entered into executive session to discuss strategic business matters and legal matters. Upon conclusion of these discussions, Trustee Hargett made a motion that the Board exit executive session. The motion was seconded by Trustee Sayle and the Board then adjourned executive session and resumed the general meeting.

Mr. Blackwood requested that he be allowed to negotiate with Fred's Pharmacy to enter into what is referred to as a "winners only" model as well as a reduction in the flat dispensing fee for indigents with a 60 day unilateral termination without cause notice. A motion was made by Mr. Hargett authorizing Mr. Blackwood to enter into a "winners only" model contract with Fred's Pharmacy along with a flat dispensing fee for indigents with a 60 day unilateral termination without cause notice. The motion was seconded Trustee Murphey with all Trustees voting "Aye" in favor of this motion.

Mr. Blackwood discussed with the Board the dispute between North Sunflower Medical Center and the Division of Medicaid which affects the reimbursement of compensation and expenses for the Screen Team employees. A motion was made by Trustee Sayle that Mr. Blackwood be allowed to take such actions that are necessary to either suspend or discontinue the Screen Team services if a resolution has not been reached with the Division of Medicaid by November 4, 2017. The motion was seconded by Trustee Hargett, with all Trustees voting "Aye" in favor of the motion.

Mr. Blackwood presented to the Board for their review the proposed employee incentives for the 2018 incentive program. A copy of the proposed 2018 incentive program is attached hereto as Exhibit 2, and incorporated herein by reference. After a review of these incentives, a motion was made by Trustee Sayle to approve the 2018 incentive program. The motion was seconded by Trustee Lockett with all Trustees voting "Aye" in favor of the motion.

Mr. McRae circulated the Quality Report and HCAHPS Report for September 2017. Questions were asked and answered concerning the quality metrics for the month.

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

Administrator's Comments – Meeting of October 24, 2017

Nursing Home – We have 98 residents in the nursing home at 100% occupancy.

Holcomb Clinic – Volumes for the relocated Holcomb Clinic continue to improve. Strategic ads are in place educating the public that Casey Ward, FNP is working in the new location. Signage is also in place. We are still in discussions with Chubb on the business interruption claim from our fire loss at the clinic's original location.

New Services -- We continue to move forward with the development of our new services. We will not launch CCM in October as hoped. However, we have made progress in securing a favorable contract for the CCM management software. We have also arranged for some initial training from an outside consultant who is experienced in the field. We hope to be online with CCM in the next 3-4 weeks. We anticipate vacating the current administrative space next week, at which time we will be making the necessary modifications to use that space for infusion. We have also interviewed two LCSWs who are interested in working with us on our LTC counseling program. That service should also be ready in the next 3-4 weeks.

New Administrative Space – By this time next month, Administration will be housed in the former Floyd Shankerman house adjacent to the hospital. All telephone and fax numbers will remain the same.

New 340B Pharmacy Participant – We have received notice that Fred's drug store is moving to a new reimbursement model. I have received their proposed contract and am in the process of reviewing it. I have also reached out to Rob Nahoopii, a 340B consultant, to discuss the proposed model. I will discuss our impressions of Fred's proposed contract at our meeting. This model may have some relevance to the request for a different fee structure by Southern Discount Drugs.

DNV Survey – DNV conducted its annual survey of our facility the week of October 9. All prior tags were cleared, and they cited three new lower level tags. In general, we received very positive feedback from our surveyors, and they indicated our facility is positioned well to achieve ISO compliance this time next year.

Screen Team – We have received notice that North Sunflower is currently in a dispute with the Mississippi Division of Medicaid over payment of its dental and school screening visits. Currently, North Sunflower is not receiving any reimbursement for its visits, which has a direct impact on North Sunflower's payments to us as its subcontractor. We will continue to monitor this situation closely. However, if this matter is not resolved soon, we will be required to suspend, if not, discontinue this service.

Tutwiler Clinic – As part of our ongoing review of expenses, we have identified several opportunities for improvement at the Tutwiler Clinic. The first is a redundancy in laboratory. The Tutwiler Clinic lab is outdated and the reagents for the lab equipment is 3-4 times what the cost for the identical test conducted in our lab in Charleston. We have decided to close the lab in the Tutwiler Clinic and transport their samples to TGH where the tests can be performed at a lower cost. We anticipate this change will save the organization \$7,000 to \$8,000 per month.

Corporate Compliance Program – We continue to move forward with the implementation of our corporate compliance program. A compliance committee has been selected and is meeting on a monthly basis. It will conduct its second meeting next Wednesday. Before the end of the calendar year, the committee intends to adopt the policies and procedures governing the program and will conduct a comprehensive in-service for all current employees on basic compliance practices.

Wellness Center Department – We have completed the transition of the Wellness Center from a hospital department to a program operated by the TGH Medical Foundation. Going forward, this programming will be a function of the Foundation.

New Therapy Space – Due to continuing growth in inpatient therapy, we once again have a need for additional therapy space. To that end, we

have decided to use the dining room in the ECF for both dining and activities, thereby freeing up the current activities space for a larger inpatient therapy gym.

Line of Credit – We recently made a significant pay down on the line of credit to TCB. We now have approximately \$340,000 available to us on the credit line.

Legal Matters:

The Estate of William Brewer, Sr. – Plaintiffs have taken the deposition of Dr. Jeff Evans, the pulmonologist who was responsible for Mr. Brewer's care when he was in ICU at Oxford Baptist. I attended the deposition and will report in more detail in executive session.

EMPLOYEE INCENTIVE GOALS FOR 2018

TGH is pleased to announce that there will be a continuation of the Incentive Program that began in 2014. **The requirements for participation in the program are as follows:**

- You must be contributing to the **Hospital Foundation** at the end of the Fiscal Year, September 30, 2018.
- We must meet our financial and organizational goals:
 - **\$ Departmental Spending – less than 5% increase over prior year’s budget. Exceptions may be made for unforeseen circumstances at the discretion of the Board of Trustees.**
 - **⌚ Absenteeism and Tardiness = a total of 60 or less.**
 - **☠ Employee Injuries = less than 4 per month**
 - **😊 Healthy You = >75% participation**
 - **👤 Patient Satisfaction Score = >State/National Average Score**
 - **↑ Gross Revenue = increase by 3%**
- Distribution of the incentive will be based on the number of **continuous months** the employee has contributed to the Hospital Foundation **prior to the end of the fiscal year.**
- You must be an employee of TGH at the end of the Fiscal Year. However, if you cease to be an employee of TGH after September 30, 2018 and prior to the distribution of the incentive checks in November, 2018, then the incentive payment you would receive in November, 2018 will be included in your last paycheck.
- Since the 2018 Fiscal Year began on October 1, 2017, those employees who were not participating will have until December 1, 2017, to sign up for the Hospital Foundation contributions. **For those that enroll by this date, they may elect to have donations for October, 2017 and November, 2017 deducted from their check so they can receive 100% of the incentive in November 2018.**
- If you are currently participating in the Incentive Program and contributing to the Hospital Foundation, you **do not** need to re-enroll.