

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

March 27, 2018

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 in the boardroom at the Administration House with the following trustees and personnel, to wit:

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

Trustee Sayle opened the meeting with prayer.

The minutes of the February 27, 2018 meeting were presented. A motion was made by Trustee Hargett to approve the minutes from the last regular meeting. The motion was seconded by Trustee Murphey 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 February 2018. The Board reviewed the statistics and questions were asked and answered.

Mr. Brunson presented the report of the Finance Committee for the February 2018 financials. Questions were asked and answered about the report. A motion was made by Trustee Sayle to approve the summary report of the Finance Committee.

The motion was seconded by Trustee Hargett with all Trustees voting “Aye” in favor of the motion.

Rani Richard gave a brief update as to the benefits from the medical foundation to the hospital.

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 suggested that the Board enter into executive session to discuss certain strategic business matters. Trustee Sayle made a motion that the Board enter into executive session to discuss these matters. The motion was seconded by Trustee Hargett with all Trustees voting “Aye” in favor of the motion. Upon conclusion of this discussion, Trustee Lockett made a motion that the Board exit executive session. The motion to exit executive session was seconded by Trustee Hargett with all Trustees voting “Aye” in favor of the motion.

Trustee Hargett made a motion that Mr. Blackwood be given the authority to discuss the possible purchase of Southern Discount Drugs from Robert Salmon. The motion was seconded by Trustee Sayle with all Trustees voting “Aye” in favor of the motion.

Mr. McRae circulated the Quality Report and HCAHPS for February, 2018. 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 March 27, 2018

Nursing Home – We have 97 residents in the nursing home with one bed open on the general care side. We have a candidate for placement for this bed from swing bed on Thursday and will be full. We are in our “survey window” for annual survey. Our nursing home staff has been diligent in preparing for the new nursing home regulations that were implemented earlier this year and feel confident in terms of survey readiness.

Population Health Initiatives – We are currently enrolling patients in our Chronic Care Management (“CCM”) program. We currently have 6 referrals with a goal of completing all requirements for CCM reimbursement for 5 patients before April 1 and 25 patients in the following months. Our mid-term goal is to build this census to 250 patients per month, which is about as much as we should reasonably expect one CCM nurse to handle per month. We will keep you updated on CCM census going forward. We are also dropping claims on annual wellness visit claims and tracking reimbursement to ensure that claims are going out clean and that claims are paid properly.

Infusion Service – Everything is in place for our infusion service. We are only accepting local infusion patients at this time in order to ensure all processes are correct. We will be marketing this service to our other clinics and other area providers after this initial test period.

New 340B Dispensing Formula for Fred's Pharmacy – Our second month of reimbursement under Fred's new dispensing fee agreement was again in excess of what we historically experienced under the prior agreement. The average profit for January and February is approximately \$5,000 per month more than our monthly profits under the prior arrangement. We do not have any updates regarding Southern Discount's request to change dispensing fee agreements.

Cost Containment Projects – We are continuing to see progress on our cost containment projects. We have not had any new layoffs; however, we

are expecting some additional staff reductions through attrition in positions that we do not currently intend to replace.

Cardiology Service – We have begun the process of discontinuing our cardiology specialty clinic. As I explained in our last meeting, our costs exceeded our revenues for this service. The wind down on this service will conclude in mid-April.

Therapy Gym Open House – We held an open house demonstrating our new therapy space and equipment last week. We had bad weather that day, which we feel may have prevented some people from coming out to view the space. However, we received very positive feedback from those who were in attendance.

Conclusion of Audit and Cost Report – We timely filed our annual cost report. We are showing a receivable on the year in the amount of approximately \$250,000. Joey will discuss this in more detail next week. Our audit is also complete. We are planning for our auditors to make the audit presentation next month.

Legal Matters:

The Estate of William Brewer, Sr. – Plaintiffs have requested to take Dr. Carter's deposition. That deposition will take place the third week in May.