

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

February 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 board room at the Administration House with the following trustees and personnel, to wit:~~

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

Trustee Hargett opened the meeting with prayer.

The minutes of the January 23, 2018 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 January 2018. The Board reviewed the statistics and questions were asked and answered.

Mr. Brunson presented the report of the Finance Committee for January 2018 financials to the Board. Questions were asked and answered about this report. A motion was made by Trustee Murphey to approve the report of the Finance Committee for January 2018. The motion was seconded by Trustee Hargett with all Trustees voting "Aye" in favor of the motion.

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 and legal matters. Trustee Hargett made a motion that the Board enter into executive session to discuss these matters. The motion was seconded by ~~Trustee Murphey with all Trustees voting "Aye" in favor of the motion to enter into executive session.~~ Upon conclusion of this discussion, Trustee Hargett made a motion that the Board exit executive session. The motion to exit executive session was seconded by Trustee Murphey with all Trustees voting "Aye" in favor of the motion.

Mr. McRae circulated the Quality Report and HCAHPS Report for January, 2018. Questions were asked and answered concerning the quality metrics for the month.

Mr. McRae also presented the Fire Drills Policy for review and approval. The motion was made by Trustee Hargett to approve this policy. The motion was seconded by Trustee Murphey with all Trustees voting "Aye" in favor of the motion.

Mr. McRae presented the ECF Infection Control Manual for review and approval. The motion was made by Trustee Murphey to approve this policy. The motion was seconded by Trustee Hargett with all Trustees voting "Aye" in favor of the motion.

Mr. McRae presented the ECF Quality Control Manual for review and approval. The motion was made by Trustee Lockett to approve this policy. The motion was seconded by Trustee Hargett with all Trustees voting "Aye" in favor of the motion.

Mr. McRae presented the Medical Equipment Management Program Manual for Biomedical Support Services, Inc. for review and approval. The motion was made by Trustee Murphey to approve this policy. The motion was seconded by Trustee Lockett with all Trustees voting "Aye" in favor of the motion.

Mr. McRae presented the Administration Policy for review and approval. The motion was made by Trustee Hargett to approve this policy. The motion was seconded by Trustee Lockett with all Trustees voting "Aye" in favor of the motion.

Mr. McRae presented the Infusion Nursing Policy for review and approval. The motion was made by Trustee Hargett to approve this policy. The motion was seconded by Trustee Murphey with all Trustees voting "Aye" in favor of the motion.

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

Administrator's Comments – Meeting of February 27, 2018

Nursing Home – We have 96 residents in the nursing home with one bed open on the general care side and one bed open on the special care side. We have candidates for both beds and are expected to be fully occupied by Monday. We have seen some flu on the general care side, which required us to implement preventive measures to reduce the chance of the flu spreading. Those measures were effective and all cases of flu are now resolved.

Population Health Initiatives – We are running “test” patients in our chronic care management program and are readying to go live in the next two weeks. I anticipate that CCM will be fully operational this time next month.

Infusion Service – The modifications to the room we will be using for infusion is near completion and all equipment has been ordered, most of which is already on site. We are in the process of setting up our EMR to appropriately capture those charges, as well as the anticipated 340B revenue.

New 340B Dispensing Formula for Fred's Pharmacy – We have reviewed the first month of productivity for the Fred's Pharmacy pursuant to the new dispensing formula that Fred's has implemented nationwide. We saw an increase in profit under the new formula, but we will want to continue to monitor this over the next few months to see whether the new formula is actually beneficial or if it was isolated to this one month. Southern Discount Pharmacy has requested that it be placed on the same formula. We have asked the third-party administrator, SunRx, to run an analysis based on Southern's historic data to determine whether this would be advantageous for both Southern and the hospital. I expect to receive the results of that analysis in the next few days.

Cost Containment Projects – We have continued to work on our cost containment efforts. Since our last meeting, we have eliminated an additional 8 positions, 3 of which were achieved through layoffs, 5 of which

were through attrition. We are also in the process of re-working the kitchen staffing model to reduce overtime. We have also reviewed the services currently being provided at night and during weekends by our security company and have concluded we can accomplish what they are currently providing through existing staff.

We have also reviewed the performance of our cardiology specialty clinic over the course of the last year and have concluded that the service is not viable at its current cost, volumes, and payor mix. We intend to discontinue this service as currently provided and will look for a more cost effective means of service in the future. We have also been reviewing the patient volumes in the Charleston Clinic during the 6 p.m. to 8 p.m. time frame and have concluded we can eliminate some costs by closing at 6 p.m., 7 days a week. This will eliminate overtime and reliance on PRN nurse practitioners to cover those shifts.

Conclusion of Audit and Cost Report – Our auditors have concluded their field work on the audit, and the cost report preparation is in its final stages. We anticipate the cost report will be filed timely at the end of February and are tentatively scheduled for an audit presentation at our April meeting.

Legal Matters:

The Estate of William Brewer, Sr. – No new developments.