

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

June 26, 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 at the hospital boardroom 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
Jim Blackwood, Administrator
Joey Brunson, CFO
Buddy McRae, COO
Rani Richard, Finance

Trustee Hargett opened the meeting with prayer.

The minutes of the May 22, 2018 meeting were presented. A motion was made by Trustee Lockett to approve the minutes of this meeting. The motion was seconded by Trustee Murphey with all trustees voting "Aye" approving the minutes of the meeting.

The minutes of the special meeting held on June 14, 2018 were presented. A motion was made by Trustee Hargett to approve the minutes of this meeting. The motion was seconded by Trustee Murphey 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 May 2018. The Board reviewed these statistics and questions were asked and answered.

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

Mr. Brunson circulated the proposed budget for the Budget Year 2018-2019. A motion was made by Trustee Hargett to approve the budget for the upcoming fiscal year. The motion was seconded by Trustee Murphey 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 gave an update to the Board as to the proposed pharmacy purchase and that all the documents have been prepared, but due to an issue with the current wholesaler Amerisource Bergen, we cannot complete the purchase until this matter is resolved.

Mr. Blackwood presented to the Board information as to the Accountable Care Organization that is being sponsored by the Mississippi Hospital Association and the fact that we have been asked to join. Mr. Blackwood requested that he be allowed to execute the necessary documents for TGH to implement this program. A motion was made by Trustee Lockett requesting that Mr. Blackwood be given authority to execute the necessary document to implement this program. The motion was seconded by Trustee Murphey with all Trustees voting "Aye" in favor of the motion.

Mr. McRae circulated the Quality and HCAHPS reports for the month of May, 2018. Questions were asked and answered concerning the quality metrics for the month.

Mr. McRae presented to the Board the Zoledronic Acid (RECLAST) Protocol, Infusion Instruction, After Infusion Instructions and Infusion Orders policy for review. A 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 to the Board the Gastrostomy Site Care (G-Tube) Policy. A 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 further presented to the Board the Death of a Resident Policy. A 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.

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

Administrator's Comments – Meeting of June 26, 2018

Population Health Initiatives – We continue to enroll patients in our Chronic Care Management (“CCM”) program. We currently have a census of 64 patients. Our existing clinic staff is receiving training on Annual Wellness Visits. We will be introducing this program to the Holcomb and Tutwiler Clinics on July 11 and 18 respectively.

Infusion Service – Our volume is slowly increasing in the infusion center. We performed 22 infusions in May, and we have performed 18 for June as of June 21, with several pending referrals. We are continuing to market to the area providers.

Acquisition of Southern Discount Drugs – All documentation has been prepared to close on the purchase of the pharmacy. However, we have hit a potential snag with Southern's current wholesaler Amerisource Bergen. Southern's counsel advised us that we would be able to continue forward with all of Southern's wholesale contracts through the use of a power of attorney. This was confirmed by the Amerisource sales representative in our discussions with him to this point. However, on Monday, we received a call from the sales person stating that Amerisource will not honor the power of attorney, and we would be required to submit an application to continue under the existing contract. Southern's counsel insists that this is not accurate, and explained that he closed a pharmacy transaction earlier this week with Amerisource as the wholesaler using a power of attorney. He is attempting to get approval from someone in Amerisource management.

MHA Accountable Care Organization – The Mississippi Hospital Association is sponsoring a state-wide Accountable Care Organization and TGH has been asked to join. I will explain the workings of an ACO in more detail at the Board meeting. However, in summary, ACO's are organizations that collectively work to improve the overall health of a community, thereby reducing the more expensive treatments, procedures, and hospitalizations that often occur in the advanced stages of chronic diseases. Once the programs are implemented and the associated

savings are achieved, the participating members share in a portion of the overall savings. The key to success within an ACO is to implement population health initiatives, which we are already doing. Thus, in a nutshell, participation in the ACO may provide significant additional revenue for services that we are already providing. Joey, Buddy, Rani and I have evaluated the pro forma and have concluded that TGH should enroll in the ACO. We will be requesting Board approval for enrollment at the meeting.

Health Insurance Renewal – Our appeal for rate relief was granted by Blue Cross. They reduced the rate increase from 35% to 25%, which with the adjustments to our out-of-pocket and maximum deductible limits leaves the premiums approximately where they were last year.

Nursing Home Survey – We remain in our survey window, but our annual survey has not yet been conducted. We are told that the survey teams are running as much as two months behind. Our nursing home staff has informed me that we are survey-ready.

Legal Matters:

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