

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

May 22, 2018

On this date at the hour of 11:30 a.m., The Board of Trustees and Board of Trustees Executive Committee met for their regular session in the Board room at the Admin House. Trustee Speir called the meeting to order. The following trustees and personnel were present, 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
Jim Blackwood, Administrator
Rani Richard, Finance

Trustee Lockett opened the meeting with prayer.

The minutes of the April 24, 2018 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. Blackwood gave the Board copies of the statistics for the providers showing their production in the hospital and the clinic for the month of April 2018. The Board reviewed these statistics and questions were asked and answered.

Rani Richard presented the report of the Finance Committee for the April 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 Lockett with all Trustees voting "Aye" in favor of the motion.

Ms. Richard also reported to the Board that a notice had been published in the local newspaper advertising for bids for the hospital depository for the year 2018 and that only one bid was submitted and that being the bid of Tallahatchie County Bank now Bank of Commerce, a copy of the bid is attached hereto as Exhibit 1. Ms. Richard requested that this bid be accepted. A motion was made by Trustee Lockett to accept the bid of the Bank of Commerce, formerly Tallahatchie County

Bank, as the hospital depository. The motion was seconded by Trustee Sayle with all Trustees voting "Aye" in favor of the motion.

Mr. Blackwood circulated the Administrator's comments, a copy of which appears as Exhibit 2 hereto and is incorporated herein by reference. Questions were asked and answered concerning the Administrator's comments.

A motion was made by Trustee Sayle for the Board to enter executive session to discuss a new business line. The motion was seconded by Trustee Lockett. The Board then entered executive session to discuss this new business line. Upon conclusion of that discussion, Trustee Hargett made a motion that the Board exit executive session. The motion was seconded by Trustee Murphey and the Board then adjourned executive session and resumed the general meeting.

Mr. Blackwood reported to the Board that he has been in negotiations with Robert Salmon for the purchase of Southern Discount Drugs and discussed the preliminary terms that have been agreed upon. Mr. Blackwood requested that he negotiate the final purchase terms with Mr. Salmon subject to final approval by the Board. Trustee Murphey made the motion that Mr. Blackwood proceed with the final negotiations upon the terms discussed with the Board subject to final approval by the Board. The motion was seconded by Trustee Lockett with all Trustees voting "Aye".

Mr. Blackwood presented the health insurance renewal quote which reflected a 35% increase in premiums. Mr. Blackwood advised that he has requested an appeal of this rate and we would not have a decision on this appeal until after the May claims have been processed. Mr. Blackwood and Buddy McRae met with the BCBS regional representative along with Ms. Linda Rowland to discuss alternatives to lower the hospital rates as well as the employee's portion of the insurance premiums. Mr. Blackwood reported that in order to keep the employee's portion of the premiums at the same rate as last year that an increase in the deductible and out-of-pocket expenses would have to be made. The deductible would be raised to \$5,000 and the out-of-pocket expenses raised to \$7,250. Mr. Blackwood also reported that hopefully after this claim year, the rates would decrease and we could also lower the deductibles and expenses at that time. Mr. Blackwood requested approval to renew our health insurance with Blue Cross and Blue Shield under these terms. Trustee Hargett made a motion to renew the health insurance with Blue Cross Blue Shield under the terms as presented by Mr. Blackwood. The motion was seconded by Trustee Sayle with all trustees voting "Aye" in favor of the motion.

Mr. Blackwood circulated the Quality and HCAHPS Report for April 2018. Questions were asked and answered concerning the quality metrics for the month.

Mr. Blackwood presented the following policies for review and approval: 1) Informed Consent for Radiology Imaging During Pregnancy; 2) Laboratory Code of Ethics; 3) Panic Values; and 4) Incident Report for Resident/Patient/Visitor/Staff. After a discussion of these proposed policies, a motion was made by Trustee Murphey to approve these policies. The motion was seconded by Trustee Sayle with all Trustees voting "Aye" in favor of the motion.

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



January 26, 2018

Mr Jim Blackwood
Tallahatchie General Hospital
P O Box 230
Charleston, MS 38921

Dear Mr Blackwood:

This letter will serve as Tallahatchie County Bank's bid to serve as a Hospital Depository for the year 2018.

All money on deposit will be insured by the Federal Deposit Insurance Corporation up to \$250,000.00. The bank will pledge securities to cover any amounts over \$250,000.00 up to 105% of the amounts on deposit.

The bank will pay .10% on checking account balances.

The bank will also make competitive bids on interest rates on any time deposits.

Trusting this is satisfactory for your information, I am

Sincerely,

A handwritten signature in black ink, appearing to read 'W.D. McKellar', is written over a faint, larger version of the same signature.

William D McKellar
President

WDM/nw

EXHIBIT 1

Administrator's Comments – Meeting of May 22, 2018

Population Health Initiatives – We continue to enroll patients in our Chronic Care Management (“CCM”) program. We currently have a census of 37 patients, but have an additional 25 patients who have signed consents to participate in the program. Our existing clinic staff is receiving training on Annual Wellness Visits. Next month, we intend to introduce the program to the Tutwiler and Holcomb Clinics.

Infusion Service – We began seeing patients in our outpatient infusion center on April 8. We saw 10 patients in April. We have seen 20 so far this month to date. We have received several referrals from one of the primary care doctors in Batesville. Marketing efforts continue. We are administering red blood cells, IV Lasix, fluids, and antibiotics.

New 340B Dispensing Formula for Fred's Pharmacy – Our profit under the new Fred's formulary is consistent with the first three months. The monthly 340B profit was \$59,000, with \$35,000 coming from Fred's, with the remaining \$24,000 coming from Southern Discount Drugs.

Health Insurance Renewal – We have received notice of our health insurance renewal for next year. Unfortunately, we had a bad claims year last year, which would result in a premium increase of 35% if our employee contributions, deductibles, and out-of-pocket limits remained the same. In order to contain this cost increase, we are recommending an increase in deductibles and out of pocket limits, but leaving our employee contribution and copay amounts the same. The recommended increase on deductible would go from \$1,000 to \$5,000. The recommended increase on out-of-pocket limits would go from \$3,500 to \$7,350. By taking these steps, we can contain the premium increase to approximately 10%.

We have submitted a request for a rate reduction on the grounds that the bulk of our claims took place in the first three months of the policy period, and normalized the remainder of the year. We will not know whether this request will be granted until June. In the meantime, we believe we can reasonably expect that our claims history will improve due to the increase

in deductibles and out-of-pocket limits by their very nature results in a reduction in claims payable by Blue Cross. If these assumptions prove accurate, we could see decreases in premium in our next policy period.

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.

Employee Appreciation Day – We held our employee appreciation day on May 11. We had a good turn-out, good weather, and a lot of fun.

Legal Matters:

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