

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

July 23, 2019

On this date at the hour of 10:30 a.m., The Board of Trustees and Board of Trustees Executive Committee met in regular session at the boardroom in the Administration House 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 (via Skype)
Jim Blackwood, CEO
Buddy McRae, COO
Joey Brunson, CFO
Rani Richard, Finance

Trustee Lockett opened the meeting with prayer.

The minutes of the June 25, 2019 meeting were presented. A motion was made by Trustee Murphey to approve the minutes of the last meeting. The motion was seconded by Trustee Lockett 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 June 2019. The Board reviewed these statistics and questions were asked and answered.

Mr. Brunson presented the report of the Finance Committee for the June 2019 financials. Questions were asked and answered about the statements. 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.

Mr. Brunson circulated the proposed budget for the Budget Year 201-2020. A motion was made by Trustee Hargett to approve the budget for the upcoming fiscal year. 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 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 plans. Trustee Sayle made a motion that the Board enter into executive session to discuss these matters. The motion was seconded by Trustee Lockett 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 Lockett with all Trustees voting "Aye" in favor of the motion.

Mr. Blackwood requested authority to negotiate with Fred's for the purchase of the Fred's Pharmacy (Charleston, MS) prescriptions in an amount of up to \$3.00 per script with a non-disclosure agreement and receive credit for the 340B funds still owed by Fred's Pharmacy. Trustee Lockett made the motion that Mr. Blackwood be allow to enter into negotiations for the purchase of these scripts under the terms set forth above. The motion was seconded by Trustee Murphey with all Trustees voting "Aye" in favor of the motion.

Mr. McRae circulated the Quality Report and HCAHPS for June, 2019. 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 July 23, 2019

Nursing Home Census – We have 93 residents in the nursing home with two beds open on the general care side and three beds open on the special care side. In recent months we have been more selective about prospective residents, especially those with behavioral issues. Our goal is to reduce the overall acuity of residents, so that possible staffing reductions can be made as a part of continuing cost-cutting measures.

ACO and Population Health Initiatives – Our ACO and population health initiatives continue to show growth. We currently have 202 active CCM patients (up from 139 last month), and we have conducted 348 AWWs this year (up from 299 last month). Mike Chandler continues to do an excellent job of coordinating our population health and ACO activities.

New Hospital X-ray Machine – As authorized by the board last month, we have now purchased a new X-ray machine for the hospital. Further negotiations with the vendor reduced the final price from over \$70,000 to \$59,900. The vendor participates in a GPO, so advertising for bids was not required.

CVS Caremark – Our application for TGH Discount Pharmacy to participate in the CVS Caremark network has been approved. Additional required paper work, as well as an application fee, were all submitted last week. We have already prepared print and television ads to publicize this news, and they will begin running as soon as our network status is official.

Fred's Pharmacy Offer – Last week we were contacted by a broker representing Fred's Pharmacy. Fred's is offering to sell us its patient prescription files from the Charleston store. Fred's current plan is to close the store but keep the pharmacy open, hoping to identify a buyer for the pharmacy. If we were to buy the patient files, the Fred's pharmacy would be shut down completely. The broker presented us with sales statistics for the Charleston Fred's Pharmacy, but asked that we keep them confidential, owing to their proprietary nature. I will disclose these

statistics, as well as Fred's proposed terms, during new business, when I will ask the board to authorize us to continue negotiations with Fred's.

TGH Discount Pharmacy – We filled 3,101 prescriptions in the month of June, down slightly from the month before. In anticipation of the closure of Fred's, we are preparing several initiatives to increase store traffic. We have added gift items, and will begin a "First Friday" promotion where all gifts are 10% off on the first Friday of every month. We will also do some additional landscaping to make the store more attractive. For several months we have been testing a smartphone app that can be used to refill prescriptions, and it is now ready for use by the public, and this will be included in the upcoming advertising campaign we have planned.

TGH Strategic Plan – We are currently identifying and speaking to different consultants about doing a new strategic plan for TGH. It is likely that, in the next few months, the board will need to set aside a day to meet with whatever consultant is chose. We will keep you updated as this develops.

Meeting Time Reminder – As a reminder, our finance committee meeting will begin at 10:00. Our regular board meeting will begin at 10:30.

Legal Matters:

Network Services Solutions – No new developments

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