

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

October 23, 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 conference room at the Admin 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
Jim Blackwood, Administrator
Buddy McRae, Chief Operating Officer
Joey Brunson, Chief Financial Officer
Rani Richard, Finance

Trustee Hargett opened the meeting with prayer.

The minutes of the September 25, 2018 meeting were presented. A motion was made by Trustee Lockett to approve the minutes from the last meeting. The motion was seconded by Trustee Hargett 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 September 2018. The Board reviewed the statistics and questions were asked and answered.

Mr. Brunson presented the report of the Finance Committee for September 2018 financials to the Board. Questions were asked and answered about the statements. A motion was made by Trustee Sayle to approve the financial summary report of the Finance Committee. 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 reported that the incentive program for 2018 had ended and that 5 of the 6 goals had been met. After a discussion of the incentive program, a motion was made by Trustee Sayle to pay 83% of a 40 hour week as the employee incentive for 2018. 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 Report for September 2018. Questions were asked and answered concerning the quality metrics for the month.

Mr. McRae presented certain ER policies for review by the Board. These policies are as follows: 1) Emergency Department Security, 2) Code Orange in the Emergency Department, 3) Use of Restraints in the Emergency Department, and 4) Suicide Precautions. A motion was made by Trustee Murphey to approve these policies. The motion was seconded by Trustee Sale with all Trustees voting "Aye" in favor of the policies.

Mr. McRae also presented the new Moon Notice for review and approval by the Board. A motion was made by Trustee Hargett to approve the new Moon Notice. The motion was seconded by Trustee Lockett with all Trustees voting "Aye" in favor of the notice.

Trustee Hargett made a motion that the Board enter into executive session to discuss the renewal of the management contracts between the hospital and Sunflower Management Group. The motion was seconded by Trustee Lockett. Upon conclusion of the discussion, Trustee Hargett made a motion that the Board exit executive session. The motion was seconded by Trustee Sayle and the Board then adjourned executive session and resumed the general meeting.

A motion was made by Trustee Lockett that the management contracts be renewed with the addition of the following verbiage:

- 1) Renewal on the same terms as prior agreements, but with continuation of 10% discount;
- 2) Credit full salary and benefits of CFO (Joey Brunson) and Director of Finance (Drew Weissinger), retroactive to October 1, 2017;
- 3) 3-Year Term with no 120 day notice without cause;
- 4) Two 1-year automatic renewals; and
- 5) Annual performance review based on financial performance, quality, and patient satisfaction and the Board is giving Mr. Blackwood the discretion to set the parameters for this review.

The motion was seconded by Trustee Sayle with all Trustees voting "Aye" in favor of this motion.

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

Administrator's Comments – Meeting of October 23, 2018

Nursing Home Census – We have 95 residents in the nursing home with one semi-private bed open on the general care side and 2 beds open on the special care side. This is up from a census of 93 last month. We have seen an increase in the use of agency for CNA staffing, which is not the preferred staffing method. We are working with our nursing home leadership to recruit more quality CNAs and are investigating re-introduction of an in-house CNA training program.

Population Health Initiatives – We continue to see growth in our population health initiative. The growth has been such that we are bringing in a PRN nurse to help with a backlog in enrollment. We currently have 95 patients enrolled with an additional 47 who have consented to enrollment.

TGH Discount Pharmacy – We had 3,591 prescriptions filled in the month of September, up from 3,485 in August. We have continued to see growth in volume to this point in October. Currently we have filled 2,612 prescriptions through October 17 for an average of 153 prescriptions per day. We continue to meet weekly on enrollment on all applicable insurance plans. We have been enrolled with BCBS. However, we still have not received word from CVS/Caremark. We have inquired further, but have been told that we can take no further action and are simply required to await their determination.

We continue to have discussions with Terminix regarding the termite damage to the building. Based on our most recent discussions, we believe that Terminix will be sending their own contractors to perform the work at their expense, rather than our hiring a contractor and submitting them a bill. We hope to have a resolution of this issue next week. Terminix has retreated the building at their expense.

DNV Survey – DNV completed their annual hospital survey on October 4, 2018. DNV cleared us of all deficiencies noted last year. However, they did cite us with additional deficiencies on this survey, most of which were

low level citations. The one exception was in relation to a new CMS regulation addressing ligatures in the emergency room. As this is a brand new regulation, it is receiving heightened scrutiny by all surveyors, and we have learned anecdotally that there is a great deal of confusion among other hospitals on the requirements to satisfy this new regulation. We have received guidance from the surveyors on how to comply with this regulation going forward, and we are currently preparing our plan of correction.

Gateway to the Delta Festival – We had a good hospital turnout at our tent for the Gateway to the Delta Festival. As in years past, we provided blood pressure and glucose screenings for those in attendance.

Management Contract Renewal – Effective November 10, 2018, the current management contracts between TGH and Sunflower Management Group will conclude. We have a proposal for renewal that we would like to discuss with you at the meeting.

Legal Matters:

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