

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

November 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 TGH Training Room 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
Jim Blackwood, Administrator
Joey Brunson, Chief Financial Officer
Buddy McRae, Chief Operating Officer
Rani Richard, Finance Department

Trustee Sayle opened the meeting with prayer.

A discussion was held prior to this meeting as to the need to change the December 2018 Board meeting date. The meeting has been moved from December 25, 2018, to Thursday, December 20, 2018, with the Finance Committee to meet at 9:30 a.m. with the regular Board meeting to follow thereafter.

The minutes of the October 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 Sayle 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 October 2018. The Board reviewed the statistics and questions were asked and answered.

Mr. Brunson presented the report of the Finance Committee for October 2018 financials to the Board. Questions were asked and answered about the statements. A motion was made by Trustee Sayle to approve the report of the

Finance Committee as presented for October, 2018. 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 presented the drafts of the new management contract and revenue cycle contract that was previous discussed at the prior meeting. A summary of the terms of the proposal is as follows:

- Renewal of both contracts for a three-year term, with an option to renew for two, one-year periods.
- Management contract responsibilities remain the same; fees remain the same at 5% of collections, but with a 10% discount for entire contract term.
- SMG continues to be responsible for providing at its cost the Chief Executive Officer, but will now also provide at its cost a Chief Operating Officer and IT Solutions Analyst.
- Revenue cycle contract responsibilities remain the same at 7% of collections for hospital and clinic operations only (excludes nursing home revenues) with continuation of SMG providing Revenue Cycle Director, Business Office Manager, one Biller and one Coder, but will now also provide at its cost the full salary and benefits for the Chief Financial Officer and Director of Finance.
- New requirement of annual performance review by the Board in the areas of quality of care, financial performance, and patient satisfaction, with the option to terminate if deficiencies noted and not cured to Board's satisfaction.

A motion was made by Trustee Sayle to approve the management contract renewal. The motion was seconded by Trustee Murphey with all Trustees voting "Aye" in favor of the execution of these contracts. Further, a motion was made by Trustee Murphey to approve the revenue cycle contract renewal. The motion was seconded by Trustee Sayle with all Trustees voting "Aye" in favor of the motion.

Mr. Blackwood presented for approval the purchase of the Mobile Endoscopy System and requested authority to enter into a Mentorship Agreement. Mr.

Blackwood explained that the endoscopy machine is a specialty piece of equipment and is needed for a new service that is being implemented at Tallahatchie General Hospital. A motion was made by Trustee Sayle to approve the purchase of this equipment and also approval to enter into the Mentorship Agreement. The motion was seconded by Trustee Murphey with all Trustees voting "Aye" in favor of the motion.

In connection with the implementation of new endoscopic procedure, Mr. Blackwood introduced the policy entitled "Fiberoptic Endoscopic Evaluation of Swallowing (FEES): Use by Speech Language Pathologists" for review and approval by the Board. A 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. Blackwood also presented to the Board that during our recent review for our audit, it was discovered that a surplus piece of laboratory equipment owned by Tutwiler Clinic was sold by our sales rep. Mr. Blackwood requested that the Board approve this sale of surplus equipment. A motion was made by Trustee Murphey to approve the sale of this piece of equipment. The motion was seconded by Trustee Sayle with all Trustees voting "Aye" in favor of the motion.

Mr. McRae presented to the Board that during the recent survey of our ECF there were some deficiencies noted as to the fire doors and certain repairs that were needed. Mr. McRae requested that the Board approve the emergency purchase for the fire door repairs pursuant to the ECF survey deficiencies. A motion was made by Trustee Hargett to approve this emergency purchase. The motion was seconded by Trustee Murphey with all Trustees voting "Aye" in favor of the motion.

Mr. McRae further presented for review and approval the Annual Employee Evaluation form. A motion was made by Trustee Murphey to approve this form. The motion was seconded by Trustee Sayle with all Trustees voting "Aye" in favor of the motion.

Mr. McRae also presented for review and approval the Employee Self-Evaluation form. A motion was made by Trustee Murphey to approve this form. The motion was seconded by Trustee Sayle with all Trustees voting "Aye" in favor of the motion.

Mr. Blackwood reminded the Trustees of the annual Christmas party to be held at the Wellness Center on December 14, 2018, from the hours 6:00 p.m. to 10:00 p.m.

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

Administrator's Comments – Meeting of November 27, 2018

Nursing Home Census – We have 96 residents in the nursing home with one semi-private bed open on the general care side and one bed open on the special care side. This is up from a census of 95 last month and 93 the prior month.

Population Health Initiatives – In recent weeks, our CCM census has remained flat at approximately 100 patients. We are exploring how to utilize existing clinic staff to also conduct CCM calls as well as PRN staff who will be paid on a per encounter basis.

TGH Discount Pharmacy – We had 4,294 prescriptions filled in October, an increase from 3,591 prescriptions in September and 3,485 in August. We have continued to see growth in volume to this point in October. We have been approved as an in-network provider with Humana, but still have not received any word from CVS/Caremark. We email them weekly, to which we are told we will be notified of their decision in writing.

We are waiting for final approval for work to commence by Terminix to repair the damage to the building. The request has been approved by two lower level managers, and we are awaiting final approval by one of its vice-presidents. If we do not receive final approval by the end of the month, I will recommend proceeding to perform the repairs at our expense and seek reimbursement from Terminix, which may require assertion of a claim.

DNV Survey – As we reported last month, DNV completed their annual hospital survey on October 4, 2018. The week of November 5, the State Department of Health arrived to conduct a “validation survey” to ensure the DNV survey was sufficiently thorough. Validation surveys occur in approximately 5% of DNV surveys. The validation survey went well with only one low-level deficiency relating to a potential MORA (organ transplant) harvest.

Annual Audit – Watkins, Ward & Stafford recently completed their field work for our annual audit. Our accounting and finance department were well-prepared for this field work which translated into a smooth survey process. There were two issues that arose in the audit process that will require board action. The first is that we are requesting that the Board identify a piece of lab equipment as surplus property. Typically, this type of equipment is traded for new equipment which does not require board action. However, this equipment was actually sold by our equipment rep which should have been discarded using the surplus process. The second issue relates to some door frames for our fire doors in the hospital. The frames are required to be heavier duty and require replacement. Because the frames relate to fire safety, we are requesting that that purchase be treated as an emergency purchase so that the frames can be installed sooner than later.

Legal Matters:

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