

NORTH SUNFLOWER MEDICAL CENTER

**BOARD OF TRUSTEES
MINUTES**

27 April 2016

BE IT REMEMBERED that the Chairman and the Board of Trustees of North Sunflower Medical Center, Ruleville, Sunflower County Mississippi, met in their Regular Meeting on Wednesday, 27 April 2016, when and where the following were present:

Billy Joe Waldrup, Chairman and Trustee; H. T. Miller, III, Vice Chairman and Trustee; Bobbie Bounds Allen, Secretary and Trustee; Brenda Vanlandingham and Phil McNeer, Trustees; Sam Miller, CEO; Rodney Clark, COO; Drew Weissinger, CFO; Sandra Britt, Administrative Assistant.

Absent: Billy Marlow, Executive Director

Guests: Lawson Holladay, Esquire; Anita Goodrum, CPA ; and Jerry Gammel, CPA

The meeting was called to order by Chairman Billy Joe Waldrup, who asked Sandra Britt to open the meeting with prayer.

Mr. Waldrup asked Mr. Sam Miller to introduce the CPAs from Watkins Ward & Stafford who will present the Audited Financials. Introductions were made and the meeting was turned over to Mr. Jerry Gammel and Ms. Anita Goodrum.

- Mr. Gammel began by explaining the significant audit adjustments that the hospital incurred. GASB 68 , which is an adjustment to pension expense, decreased net income by \$8,510,937.00.
- Cost report settlement adjustment- increased net income by \$1,432,524.00.
- Adjustment to capitalize renovations- increased net income by \$305,102.00.
- Adjustment to reclassify contributed property to equity – decreased net income by \$780,000.00
- Adjustment to reclassify amounts related to the sale of the pharmacy – increased net income by \$653,398.00
- Adjustment to set up allowance against pharmacy note receivable – decreased net income by \$539,146.00.

NSMC's Statements of Revenues, Expenses, and Changes in Net Position With GASB 68 :

• Total Operating Revenue	\$60,018,369.00
• Operating Expenses	\$67,560,669.00
• Operating Income (Loss)	(\$ 7,542,273.00)
• Total Nonoperating Revenues	\$ 1,212,324.00

- Excess of Revenues over (under Expenses) (\$ 6,329,949.00)
- Net Position (Deficit) Beginning of Year (\$ 2,074,509.00)
- Contributed Capital \$ 780,000.00
- Net Position (Deficit) End of Year (\$ 7,624,458.00)

The Board asked questions to clarify issues and concerns they had. Mr. Waldrup thanked Mr. Gammel and Ms. Goodrum for their report to the Board and for the diligence with which Mr. Gammel worked on getting information regarding GASB 68. The Board voiced concern that we had no option but to report the GASB 68 as all other facilities in the PERS System is doing now. Mr. Gammel and Ms. Goodrum excused themselves from the meeting.

The minutes of the Regular Meeting were approved with two minor housekeeping details that were corrected.

Mr. Waldrup Opened the floor for the Unfinished Business, which was to determine a meeting date for the Board. Mr. Waldrup updated the new Board Members that the Supervisors of Tallahatchie County had approached Mr. Marlow to see if he would help them turn their hospital around. The Board was in agreement to allow him to help a sister hospital out provided it didn't interfere with his work here. His responsibilities now requires him to be absent from our Board meetings because the other meeting is also the fourth Wednesday of each month. The Board discussed options of Tuesday, Thursday, or Friday. After discussion, it was the consensus of the Board that the Board meet on the fourth Friday of each month. The next meeting would be Friday, May 27, 2016. Mrs. Britt is to check with our attorney and get the language for changing the Bylaws to amend the meeting date.

MOTION: I move to amend the Bylaws to reflect a new meeting date to the fourth Friday of each month.

Maker: H. T. Miller, III

Seconded: Bobbie Bounds Allen

Motion Unanimously Adopted

The first item of New Business was the Bank Depository Accounts. Mrs. Britt reported that she had received only one bid and that was from Planters Bank & Trust. The Board reviewed the rates offered by Planters and their statement of no fees for the transaction accounts. After discussion, the following motion was made:

MOTION: I move to accept Planters' Bank & Trust Company as the depository for keeping funds of NSMC at the rates published in the letter of April 19, 2016. This will be in effect for two years as stated in statute.

Maker: H. T. Miller, III

Seconded: Phil McNeer

Motion Unanimously Adopted

The next order of business was to review the bids for property and auto insurance. Mrs. Britt reported that she had received only two bids: Travelers Insurance Company and Zurich Insurance Company (our current carrier).

Premium Summary for Zurich:

- Property coverage \$59,327.00
- Crime coverage Included
- Business income coverage Included
- Business auto \$36,588.00 (limits \$500,000) Uninsured motorist \$75,000

Total Premium \$95,915

Quote from Zurich is without Terrorism (additional \$1,058). Zurich does not provide flood or earthquake coverage.

Premium Summary for Travelers Insurance Company:

- Property coverage \$57,696.00
 - Crime coverage \$ 1,596.00
 - Blanket extra expense included
 - Business auto \$40,530.00 (limits \$1,000,000) Uninsured motorist \$300,000.00
- Total Premium \$99,822

Quote from Travelers includes Terrorism, Flood for buildings on hospital campus (buildings 1-4 on premium listing) limit \$5,000,000 with \$50,000 deductible; Buildings 5,6,8-12,14,15,&17 has a \$2,500,00 limit with a \$50,000 deductible. Buildings 13 and 16 have \$1,000,000 limit and a \$100,000 deductible.

Motion: I move that the hospital accept the bid from Travelers Insurance for the 2015-2016 premium year.

Maker: Bobbie Allen

Secunder: H.T. Miller, III

Motion passed by four vote "Yea" and one vote "Nay" (Brenda Vanlandingham)

The next order of business was the discussion regarding a lighting project. Mr. Sam Miller and Mr. Clark discussed their meetings with several engineers, electricians, and architects regarding a plan to update the plant to make us more energy efficient and all the experts recommend LED lighting. There are several dark places on the campus that needs immediate attention, especially around the Clinic and in the parking areas. The project will take approximately 34 plus LED lights. Several contractors have come and looked at the property and made suggestions. We want enough wattage for the future of the facility. After discussion, the following motion was made:

MOTION: I move to place a notice for bid for the lighting project to improve the aesthetics of the hospital landscape to provide adequate LED lights throughout the entire campus and that the LED lighting selected have a ten year warranty. I further move that we can accept or reject all bids.

Maker: Brenda Vanlandingham

Secunder: Bobbie Bounds Allen

Motion Unanimously Adopted

Sandra Britt presented one physician and two nurse practitioners for re-credentialing for a two year period. The records were reviewed and the recommendations of the Medical Staff was discussed.

MOTION: I move to re-credential for a two year period ending 30 April 2018 the following:

Dr. Neal Quinton, D.M.D. ; Cheryl Avent, NP; and Judy Pearce, NP.

Maker: Phil McNeer

Secunder: Brenda Vanlandingham

Motion Unanimously Adopted

Drew Weissinger, CFO, presented the Financial report. He reported that GASB 68 is now reflected on the hospital books. This is for the pension fund shortfall that all who are in PERS will pay a percentage. In the Accounts Payable, GASB 68 Pension Liability is \$52,789,675.00.

Net income Year to Date for the various hospital departments are as follows:

The Hospital - \$1,369,213.00; Hospice - \$35,129.00; Diagnostic Center - \$72,637.00; Eye Station - \$33,217.00; Dental Clinic - \$19,829.00; Simply Sunflower - \$4,480.00; Durable Medical Equipment - \$277,519.00; NSMC Pharmacy - \$149,299.00.

The next item on the agenda was the CEO's Report. Mr. Sam Miller reported that NSMC had donated 2,000 doses of Flu Vaccine to the Cleveland Clinic. They signed an agreement not to charge patients for the Flu vaccine. We fulfilled our Mission to give back to the community. The remaining Flu Vaccine will be returned to the manufacturer in June.

Mr. Sam Miller reported that his goal is to maintain the physical plant and upgrade as we are able. He believes in giving back to the community. We are working closely with the Mississippi Nursing Association, providing health fairs, and we keep moving in the direction of increasing our service line.

We now have new providers to offer new services. Mississippi Department of Corrections is interested in NSMC providing dental services and outpatient services such as scopes to the inmates at Parchman Prison. He also reported that the MDOC is also interested in a package for women's health services to be done at our Diagnostic Center. We are always seeking services that will help us maintain our cash flow.

HCAHPS (Hospital Consumer Assessment of Healthcare Providers and Systems) provides a standardized survey instrument and data collection for measuring patients' perspectives on hospital care. There are 32 questions – 21 that encompass critical aspects of the hospital experience administered to a random sample of adult patients with varying medical conditions. Hospital-level results are publicly reported on the Hospital Compare website four times per year. NSMC has hired an outside company to manage the surveys with the patients. The last quarter, the Nurses' communications with the patients was up 17%.

Mr. Miller also reported that the hospital is building a new road off Highway 49 that will go back of the clinic and come in to the ER. He also reported that the small curved bridge located on the end of the clinic by Dr. Ganpot's offices will be removed and a much larger culvert will be placed in that spot so it will be easier for cars to come through.

Mr. Miller also stated that Dr. Ganpot had seen 120 patients in the month she has been here. Vicki Peay, LCSW, is also seeing patients in the clinic as part of our Chronic Illness Program.

Mr. Miller also shared a report that presented information on what NSMC is doing to foster Community involvement. NSMC is the only hospital in Mississippi to report back. The White House Website reported on the hospitals who are working toward being a part of the local Community.

Upon motion made and seconded, the Board adjourned, subject to the call of the Chairman.

Billy Joe Waldrup, Chairman

Bobbie Bounds Allen, Secretary

