**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,

20 December 2017, 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; Willie M. Burton and Phil McNeer, Trustees; Billy Marlow, Executive Director; Sam Miller, CEO; Rodney Clark COO; Arie Chandler, Administrative Assistant; and Sandra Britt, Administrative Assistant.

Absent: Drew Weissinger, CFO, and Lawson Holladay, Esquire

Guest: Johnny McWilliams, Esquire

 Mr. Waldrup called the meeting to order at noon and asked Mrs. Britt to open the meeting with a word of prayer. The minutes of the 29 November 2017 Regular Board Meeting were approved as distributed by motion offered by Mr. McNeer and seconded by Mr. Miller and unanimously approved.

 There was no unfinished business to bring before the Board for consideration.

The first order of New Business was the Re-credentialing of five Providers for a two year term to the Medical Staff. All Provider files were reviewed as well as the recommendations of the Medical Staff. After discussion, the following motion was made:

 **MOTION: I move that we grant two year privileges ending 31 December 2019, for the**

**following Providers: Patrick Brent Smith, M.D; Spencer Sullivan, M.D.; James Bennett Edwards, M.D.; Jerry Tankersley, D.M.D.; and Frederick Flowers, FNP-BC.**

 **Maker: Phil McNeer Seconder: Willie Burton Motion Unanimously Adopted**

The Board reviewed and discussed the three quotes received for Workers’ Comp Insurance. Arie Chandler and Rodney Clark presented the following information to the Board for consideration:

 BancorpSouth Insurance Services, Inc. presented the following quote from Eastern Alliance Insurance Company, (an A M Best Rating of “A”). Limits of Coverage were $1,000,000.00 for all categories and the Workers Comp Benefits- as required by law for the covered states. The total estimated premium is $177,615.00 with a final audit of the policy made at the end of the policy period.

 HPICO presented the following quote. The Limits of Coverage were $1,000,000.00 for all categories and the Workers Comp Employee Benefits – as required by law. The total estimated premium is $184,074.00 with no deductible or $161,801.00 with a $5,000 deductible per each claim. Premiums will be calculated monthly based on actual payrolls utilizing an audit sheet. No additional taxes or fees. Premiums will be paid one month in arrears with no annual audit. Annual equity returns to member hospitals that provide a significant reduction in overall costs.

Wellington Associates, Inc. presented the following quote from LUBA Insurance Company, (an A M Best Rating of “A”). Limits of Coverage were $1,000,000.00 for all categories and the Workers Comp Benefits-as required by law. The total estimated premium is $199,459 with no deductible with a final audit of the policy made at the end of the policy period.

 After discussion of all facets of the policy, it was determined that the HPICO quote through Tollison Insurance Agency was more attractive because of the annual equity returns to member hospitals. After discussion, the Board decided they would consider the quote in the amount of $184,074.00 with no deductible rather than the one with the $5,000.00 deductible for each claim that was also offered.

**MOTION: I move to accept the best bid from HPICO in the amount of an estimated premium of $184,074.00 with no deductible with premiums calculated monthly based on actual payrolls utilizing an audit sheet and annual equity returns to member hospitals.**

 **Maker: Phil McNeer Seconded by H. T. Miller, III**

 **Motion Unanimously Approved**

At this time Mrs. Allen askedMr. Miller to give a report on the recent news article that stated NSMC was in poor financial condition. Mr. Miller explained that in 2014 the Governmental Accounting Standard Board issued a new Rule known as GASB 68. This Rule requires the unfunded PERS liability, which used to exist only on the financial statement of PERS, be posted on member participant’s financials. This huge liability that legally belongs to the State causes the hospital’s financial condition to appear poor. The liability is not an actual expense, but to auditors and lenders, it’s treated as one causing potential devastation. The liability hurts the credit potential of NSMC and other PERS participants. Absent the PERS liability, NSMC’s financials are stable.

Rodney Clark, COO, presented the financial information as attached to the minutes. The entire Facility has a cash balance of $14 Million, total assets of $47 Million, and a Total Liabilities and Fund balance of $47 Million for the month of November. November’s Gross Revenue for the Hospital was $7.8 Million. The Hospital had a Net Income of $311,992 in the month of November and a Net Loss of $1Million Year to Date. Hospice had a Net Income of $26,329 for November, Sunflower Diagnostic Center had a Net income of $5,559, Sunflower Eye Station had a Net Income of $6,847, Sunflower Dental Clinic had a Net Income of $3,545, Simply Sunflower had a Net Loss of $1,334, Sunflower DME had a net income of $31,247, NSMC Pharmacy had a net income of $31,412 and TRINA Health had a net income of $9,256 for the month of November.

 Mr. Sam Miller began his Administrator’s report by sharing that he visited with a Podiatrist recently that has shown interest in coming to work at NSMC. The Podiatrist has an office in Grenada and is considering providing his service at NSMC one day per week. We have a need for a Podiatrist due to the group from Oxford no longer coming to NSMC.

 Mr. Miller and Mr. Clark recently attended a Legislative Reception hosted by MHA and were able to speak directly with Senator Simmons about our concerns with Managed Care Groups. NSMC and Greenwood Leflore Hospital were the only two hospitals that came to the event.

 Mr. Billy Marlow gave an update on TRINA next. Medicare and Blue Cross are still not paying for TRINA services. We are doing everything we can to keep TRINA open because it is helping so many patients. Operating expenses have been cut to $10,000 per month. Patients have been able to purchase their Insulin that is used in TRINA treatment from the Retail Pharmacy through the 340B program at $12 a vial when it normally costs $125 per vial. Dr. Ford Gilbert, Founder, is currently working to provide white paper studies to CMS to prove that TRINA treatment is making a difference in the lives of diabetic patients.

Mr. Johnny McWilliams, Esquire, gave a presentation to the Board on behalf of Lawson Holladay, Board Attorney, regarding opioid Litigation.

Mr. McWilliams informed the Board that Mr. Holladay has been contacted by Kirk Povall, an attorney in Cleveland, who is working with Don Barrett, an attorney in Lexington, to see if NSMC would like to join the Opioid Litigation. Mr. McWilliams explained that the attorney’s fees will be on a contingent fee basis, or will be awarded by the Court out of any recovery and the hospital will not owe any attorney’s fees if it loses its case. The hospital will not be required to advance any money for attorney’s fees of costs. Mr. McWilliams explained that as far as the hospital goes, its damages would probably be claims for non-compensated expenses associated with treating patients with opioid addictions and side effects. These law firms have retained an economist with major experience in mass tort cases to assist in developing the measure of damages. They believe that they can identify certain codes that relate to opioid treatment, plus they plan to include lost overhead of the hospital due to support personnel having to perform work tasks and activities due to the hospital having to treat opioid patients. The attorneys believe that their team will be able to correlate certain codes in creating the measure of damages applicable to each hospital’s provider system.

After much discussion and many questions, the Board authorized that Mr. Miller, Mr. Marlow, Mr. Holladay, and Mr. Povall meet and discuss all aspects of the case in more detail prior to making a motion to move forward with joining the litigation. After the above mentioned people meet, a Special Board Meeting or a Conference Call will be scheduled to discuss and make the final decision regarding the litigation.

 Upon Motion made by Phil McNeer and seconded by Bobbie Allen, the Board adjourned, subject to the call of the Chairman.

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Billy Joe Waldrup, Chairman Bobbie Bounds Allen, Secretary