**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 June 2018, 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; Jennifer Baughman, Accounting Manager; Arie Chandler, Administrative Assistant; Sandra Britt, Administrative Assistant; Lawson Holladay, Esquire.

Mr. Waldrup called the meeting to order at noon and asked Mr. Burton to open the meeting with a word of prayer.

The minutes of the 23 May 2018 Regular Board Meeting were approved as distributed by motion offered by Mrs. Allen 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 as follows:

The proposed budget to be presented to the Board of Supervisors at the July 9, 2018 meeting was carefully reviewed by the Board of Trustees. After discussion, the following motion was made:

**MOTION: I move to approve the Budget for Fiscal Year 2019 and that Mr. Sam Miller and Mr. Rodney Clark present said budget to the Board of Supervisors on 9 July 2018 as requested by the Board of Supervisors.**

**Maker: H.T. Miller, III Seconder: Willie Burton**

**Motion Unanimously Adopted**

Arie Chandler presented the application for Professional and General Liability Insurance from Healthcare Professional Insurance Company she received. The rates are as follows:

**HPICO Proposal:**

Professional Liability: $253,462.00 (includes $79,240 for physician liability)

General Liability: $ 17,422.00

Terrorism Coverage: $ 1,742.00

Employee Benefits: $ 500.00

\_\_\_\_\_\_\_\_\_\_\_\_

**$273,126.00**

Apply Equity Credit- $137,637.00

**Total Amount Due- $135,489.00**

After questions were answered regarding the quote, the following motion was made:

**MOTION: I move to accept the policy proposal from HPICO for the 2018-2019 premium year and that the total premium of $135,489.00 be paid annually.**

**Maker: Phil McNeer Seconder: Willie Burton**

**Motion Unanimously Adopted**

Next, the Board reviewed the appointment of Mrs. Bobbie Bounds Allen received from the Board of Supervisors. Mrs. Allen’s new term will expire 30 June 2023. She was congratulated by the Board.

The next item for discussion was the PERS Coalition that is being formed by eight MS hospitals. The coalition’s ultimate job is to meet with the Legislature about having something put into law that will allow State facilities to offer a different retirement plan to new and non-vested employees. The percentage that State facilities have to pay into PERS is increasing from 15.75% to 17.4% July 2019. The eight hospitals combined, NSMC being the second largest hospital in the group, has contributed $18Million to PERS. Lawson Holladay reported that he, Crane Kipp, and one other attorney recently met with Stacey Pickering, State Auditor, regarding the GASB 68 rule and the effects it has on NSMC’s financial books. Mr. Pickering stated that he understood the misrepresentation of debt having to be shown on the books and has met with the Governmental Accounting Standards Board (GASB) about this but they aren’t willing to change the requirement at this time. Rodney reported that the cost of forming the coalition will be determined by how many of the eight hospitals actually join. After discussion the following motion was made:

**MOTION: I move to approve that North Sunflower Medical Center join the PERS Coalition depending on the cost. I further move that once the cost is determined it be brought back to the Board for discussion.**

**Maker: Phil McNeer Seconder: Bobbie Allen**

**Motion Unanimously Adopted**

The next order of business was to discuss the MHA sponsored Accountable Care Organization (ACO). Mr. Clark explained that the goal of the ACO is to provide coordinated care and improved access and quality to the MS Medicare population. Mr. Clark reported that MHA is partnering with Caravan Health, a consulting company, whose job is to ensure the ACO, and ACO participants receive the services and support necessary to successfully participate in the Medicare Shared Savings Program. Caravan Health will provide in-person and remote training programs for staff to effectively manage population health and provide best practices to redesign workflow to maximize quality scores and patient outcomes. The ACO is based on quality and will save cost over time. We are expecting to see a cost savings of $2 Million within a three year period. Thirty-eight hospitals across MS have already joined the ACO and several more are seriously looking into joining. The ACO will also help negotiate Managed Care, BC/BS, and other insurance contracts. It is set to go live on January 1, 2019 which allows for six months of training and education for our staff. Mr. Clark reported that this is a three year contract with the option to opt out after the first year. After discussion, the following motion was made:

**MOTION: I move to approve that NSMC join the Mississippi Hospital Association sponsored Accountable Care Oganization.**

**Maker: Mr. Phil McNeer Seconder: Mr. Willie Burton**

**Motion Unanimously Adopted**

At this time, Mr. Waldrup excused himself from the meeting and Mr. H.T. Miller, III, took the position of Chairman.

The IRS proposed settlement was the next item for discussion. It was reported by Mr. Miller that there was a dispute between NSMC and the IRS regarding the classification of certain workers and whether they should have received a W2 or a 1099 during the time period of March 31, 2014-December 31, 2014. The IRS has proposed a settlement of $131,219.32 and if paid has agreed to not disturb NSMC’s classification of subject workers for federal employment tax purposes for any period from January 1, 2014-December 31, 2018. It was further agreed that beginning January 1, 2019, and for all periods thereafter, subject workers and persons performing equivalent duties will be treated as employees for all federal employment tax purposes. It was reported by Sam Miller that all contracts will be vetted through our attorney. After further discussion, the following motion was made:

**MOTION: I move to approve the IRS proposed settlement of $131,219.32 and that it is paid as soon as possible.**

**Maker: Mr. Willie Burton Seconder: Ms. Bobbie Allen**

**Motion Unanimously Adopted**

Next on the agenda for New Business was to review the files and recommendations of two Providers for their initial one year Medical Staff appointment. Dr. Vershern Edwards, DPM, will hold Courtesy Staff appointment and will provide Podiatry services seeing patients one to two times per month in the Cardiology Clinic. Dr. Degail Hadley, D.O., will be an Active member of the Medical Staff and will see patients every Thursday evening and one Friday evening per month at the Sunflower Rural Health Clinic. After careful review of their applications, the following motion was made:

**MOTION: I move to accept the applications for Dr. Vershern Edwards, D.P.M. and Dr. Degail Hadley, D.O., for the initial term of one year, expiring 30 June 2019 at which time they be allowed to reapply for a two year term.**

**Maker: Mr. Phil McNeer Seconder: Ms. Bobbi Allen**

**Motion Unanimously Adopted**

The final item of New Business was for the Board to review each file and Medical Staff recommendation for the three Allied Health Professionals up for re-credentialing for a two year term. After careful review, the following motion was made:

**MOTION: I move to accept the following providers for a two-year term ending 30 June 2020: Heidi Compton, FNP-BC (Sunflower Rural Health Clinic), Elizabeth Evans, AGPNP-BC (Sunflower Rural Health Clinic), and Eric Butler, CRNA (Contract with Premier Anesthesia).**

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

Jennifer Baughman, Accounting Manager, presented the financial information for May as attached to the minutes. The entire Facility has a cash balance of $14.4 Million, total assets of $47.5 Million, and a Total Liabilities and Fund balance of $47.5 Million. The Hospital’s Gross Revenue for May was $8 Million. The Hospital had a Net income of $70,393 for May and a Year to Date Net Loss of $787,219. Hospice had a Net Income of $17,970; Sunflower Diagnostic Center had a Net income of $13,009; Sunflower Eye Station had a Net loss of $3,156; Simply Sunflower had a Net income of $1,603; Sunflower DME had a net loss of $266,304; NSMC Pharmacy had a net loss of $66,072; TRINA Health had a Net loss of $2,832; and the Rural Health Clinic had a net income of $169,244 for the month of May.

Sam Miller gave the Administrator’s report as follows:

The Cleveland Clinic/NDORI team came to NSMC on June 8th to meet our staff and discuss the Obesity and Diabetes Research Study that we will be included in. The meeting went well and will allow NSMC to have a clinical link with the Cleveland Clinic. As a result of this meeting, Dr. James Turner, Dean of William Carey University College of Osteopathic Medicine, requested that the Hospital and Pharmacy (retail and hospital) become a clinical training site for Medical and Pharmacy students. The Medical Staff was in approval of this request and we plan on moving forward to make this happen.

Mr. Miller reported that the recent 340B Audit went well and the results were good.

Audrey Smith with the Critical Access Hospital Coalition was at NSMC on June 14th and spent the day touring various departments and discussing issues that CAH’s are currently being faced with. The meeting went well and Mrs. Smith expressed that she feels good about representing NSMC as part of the Coalition.

Tim Moore, President of MHA, and Susannah Luthi, Reporter for Modern Healthcare, visited NSMC on June 12th to conduct an interview on the topics of MS True, issues rural healthcare providers are being faced with, and the MHA sponsored ACO. The article has not been published at this time.

Mr. Miller reported that he recently received a proposal from the Diabetes Treatment Centers of America outlining the duties NSMC will have by being a part of this group. According to the proposal our team would have to dedicate a lot of time and resources with no guarantee of revenue which could potentially place a huge burden on the hospital. Mr. Miller expressed that he would like the Board’s approval to opt out of this group. The Board unanimously agreed that opting out would be the best decision for the facility.

Upon Motion made by Mrs. Allen and seconded by Mr. McNeer, the Board adjourned at 1:30 P.M., subject to the call of the Chairman.

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Billy Joe Waldrup, Chairman Bobbie Bounds Allen, Secretary