**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,

22 May 2019, 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 and Administrator; Sam Miller, Executive Vice President; Rodney Clark, COO; Joanie Perkins, CCO, Leigh Ann Armstrong, Interim CFO; Arie Chandler, Administrative Assistant; Sandra Britt, Administrative Assistant; Lawson Holladay, Esquire.

Guests: Jerry Gammel, CPA

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

Mr. Waldrup welcomed Jerry Gammel, CPA with Watkins Ward & Stafford, to the meeting and asked that he begin his presentation of the 2018 Audited Financials.

Mr. Gammel thanked Mr. Waldrup and began the presentation by stating that the audit was performed according to professional standards; an unqualified opinion was issued; and no errors or irregularities were encountered in the audit.

Adjustments made are as follows:

* Adjusted allowances to calculated amounts decreased net income by $1,107,534.00
* Adjustment to pension expense to comply with GASB 68 decreased net income by $5,885,887.00.

Mr. Gammel went on to discuss the PERS Pension Liability numbers that facilities are required by the Governmental Accounting Standards Board (GASB 68) to record.

* Total Pension Liability (PERS of MS): $16,632,971.00
* NSMC’s Portion of the Net Pension Liability: 37.6% (Decreased from 2017)
* NSMC’s Net Pension Liability: $62,632,617.00 (decreased from 2017)
* NSMC’s required contribution percentage of covered employee payroll: 15.75%

NSMC’s Statements of Revenues, Expenses, and Changes in Net Position with and without GASB 68:

* Total Operating Revenue: **With GASB 68-** $62,721,846; **Without GASB 68-** $62,721,846
* Total Operating Expense: **With GASB 68**- $71,306,495; **Without GASB 68**- $65,420,608
* Operating Loss: **With GASB 68**-($8,584,649); **Without GASB 68**- ($2,698,762)
* Total Nonoperating Revenues: **With GASB 68**- $270,835; **Without GASB 68**- $270,835
* Excess of Revenues Under Expenses: **With GASB 68**- ($8,855,484); **Without GASB 68-** ($2,969,597)
* Net deficit beginning of year: **With GASB 68**-($18,299,826.00); **Without GASB 68**- $36,665,429
* Net deficit end of year: **With GASB 68**-($27,155,310.00); **Without GASB 68**-$33,695,832

Mr. Gammel‘s presentation of the of the 2018 Drafted Audited Financials was in depth and detailed. Mr. Gammel stated that the loss of the Screen Team services revenue and TRINA Health revenue had a major impact on the financials.

 Mr. Gammel pointed out that the Attorney General’s Opinion regarding GASB 68 and PERS of MS dated March 3, 2017, states that “The facility has no obligation above or beyond the proper payment of these contributions” but that the Governmental Accounting Standards Board Statement No. 68 requires that the facility record a liability for its proportionate share of the plans net pension liability.

Mr. Waldrup thanked Mr. Gammel for his report to the Board and for the diligence with which Mr. Gammel worked on the audit. Mr. Gammel excused himself from the meeting at 12:17 P.M.

The minutes of the 24 April 2019 Regular Board Meeting were approved as distributed by motion offered by Ms. Allen and seconded by Mr. Burton and unanimously approved.

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

The first order of new business was to review the Initial Credentialing application for Carly Hazzard, FNP-BC. Carly will be working as a PRN Provider at the Sunflower Rural Health Clinic. The applicants’ education and training, professional references, employment history, and License was verified, and a query was done on the National Practitioner Data Bank and the OIG showing no exclusions or reports. The initial term will be for a period of one year and at that time Ms. Hazzard will be permitted to apply for a two-year term. The application and additional information was carefully reviewed and after discussion the following motion was made:

**MOTION: I move to approve the initial application of Carly Hazzard, FNP-BC, and that she be given initial privileges to provide care within her scope of practice as a Family Nurse Practitioner at the Sunflower Rural Health Clinic for a period of one year ending 31 May 2020 and at that time be permitted to apply for a two-year term.**

 **Maker: Mr. McNeer Seconder: Mr. Miller Motion Unanimously Adopted**

The second order of new business was to review the Re-appointment applications for seven Physicians and two Allied Health Professionals for two year terms. The applications and Data Bank queries of Bennie Wright, MD; Rodney Frothingham, MD; Michael Montesi, MD; Jason Morris, MD; Pearson Windham, MD; Robert Harris, MD; Steven Speights, MD; Brooks Rizzo, FNP-BC; and Dean Seeley, FNP-BC were carefully reviewed and the following motion was made:

**MOTION: I move to accept the re-credentialing applications for Bennie Wright, MD; Rodney Frothingham, MD; Michael Montesi, MD; Jason Morris, MD; Pearson Windham, MD; Robert Harris, MD; Steven Speights, MD; Brooks Rizzo, FNP-BC; and Dean Seeley, FNP-BC and that they be approved for a two year term ending 31 May 2021.**

**Maker: Mr. McNeer Seconder: Mr. Miller Motion Unanimously Adopted**

Joanie Perkins updated the Board on the ACO second quarter score card as the last topic of new business. NSMC scored the highest of the entire Caravan Health Organization in the category of Advanced Care Planning and had an overall score of 50%. The score card reads as follows:

* % of Traditional Medicare Beneficiaries with Annual Wellness Visits-13.5%
* % of Traditional Medicare Beneficiaries in Chronic Care Management-0.4% -patients must have 2 or more comorbidities to qualify for Chronic Care Management
* % of Traditional Medicare Beneficiaries in Advance Care Planning-10.2%
* % of Chronic Care Conditions HCC Gaps closed-25.6%

Joanie reported that there is much training to be done with the Providers, nurses, coders, etc., to increase our score percentages. The goal for the third quarter is to increase the overall score to 75% showing that we are capable of taking better care of our Medicare patients and ready to participate in a Medicare Shared Risk.

Joanie reported that she has been looking into avoidable ER visits using Lightbeam, the data mining software provided by Caravan. Joanie explained that when one of NSMC’s patients presents to any ER for unnecessary reasons, we get the blame because they are our patient. We must work to find a solution for avoidable ER visits and enroll these patients into chronic care management. Mandatory provider meetings are being held monthly for quality reporting purposes.

Next Joanie read some of the comments that patients left on the FeedTrail survey link about the excellent care they had received by the clinic and ER providers. FeedTrail is used to track patient satisfaction and complaints and to ensure that all patients keep coming to NSMC for their care. At this time FeedTrail shows that 93.65% of our patients are satisfied with the care received at NSMC. The RHC recovery team was able to save twelve patients ($66,000) from leaving our service. The recovery team is checking FeedTrail daily to respond to comments and ensure patient satisfaction.

Leigh Ann Armstrong presented the financials for April as attached to the minutes. The entire Facility has a cash balance of $14.6 Million, total assets of $47.4 Million, and a Total Liabilities and Fund balance of $47.4 Million. April’s Gross Revenue for the Hospital was $9.3 Million. The Hospital had a Net income of $246,222.00 for April and a Year to Date Net Loss of $291,750.00. Hospice had a Net Income of $32,570.00; Sunflower Diagnostic Center had a Net income of $14,978.00; Sunflower Eye Station had a Net loss of $40,643.00; Simply Sunflower had a Net income of $2,422.00; Sunflower DME had a net income of $52,569.00; NSMC Pharmacy had a net income of $64,886; and the Rural Health Clinic had a net income of $80,090.00 for the month of April.

 Mr. Billy reported that April was a good month and we look to have another good month in May. Swing Bed, Acute Care, and Senior Care continue to be full and there has been an increase in ancillary tests as well.

 Billy Marlow gave the Administrator’s report as follows:

 The Sunflower Diagnostic Center will begin offering 3D mammograms beginning in June. There is no other office or hospital within several hundred miles that offers this service.

We are looking to receive a lump sum adjustment in the amount of $1Million from Medicare within the next couple of weeks now that the new rate has been set.

We continue to look for a ruling on the $1.2 Million that was paid to Medicare as the result of an audit when NSMC sold home health. It has gone to an administrative hearing and we hope to be reimbursed that money.

Mr. Billy reported that he, Sam, and Rodney continue to work as a team to make improvements in the hospital. There has been a noticeable increase in the number of mammograms, sleep studies, radiology tests, lab tests, and hospital admissions in the past couple of months.

 Rodney Clark gave the Quality Report as follows:

 The policy committee implemented two policies this month. The Albumin Infusion Policy and the Administration of Scheduled 2 Drug Infusion Therapy Policy was reviewed, revised, and approved by Administration, Medical Staff and Pharmacy and have been implemented for patient safety.

 The quality measures for 2019 are being revised to agree with the ACO requirements. The staff is being educated on the revisions.

 The lap buddy policy has been re-implemented due to the number of falls we continue to have. The lap buddy is not considered a restraint and they help to keep patients from slipping out of their chair.

 The Birdies and Backhands fundraiser will be held at the Cleveland Country Club on Thursday, May 30th. Registration for golf begins at 11:30 AM and the registration for tennis begins at 1 PM. This is the Foundations biggest fundraiser of the year. The money raised is given to the hospital to use for education and equipment. All Board members are welcome to attend this event.

 Upon Motion made by Phil McNeer and seconded by Bobbie Allen, the Board adjourned at 1:04 P.M., subject to the call of the Chairman.

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Billy Joe Waldrup, Chairman Bobbie Bounds Allen, Secretary