

North Sunflower Medical Center
Board of Trustees
Regular Meeting Minutes
22 April 2020

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 April 2020, 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, EVP; Rodney Clark COO; Daniel Ceja, CFO; Arie Chandler, Administrative Assistant; Sandra Britt, Administrative Assistant; and Lawson Holladay, Esquire.

The meeting of the Hospice of North Sunflower Medical Center was conducted prior to the calling to order the meeting of the Board of Trustees.

Mr. Waldrup called the meeting of the Board of Trustees to order at noon and asked Mr. Burton to open the meeting with a word of prayer. The minutes of the 25 March 2020 Regular Board Meeting were approved as distributed by motion offered by Mr. Willie Burton and seconded by Mrs. Bobbie Allen and unanimously approved.

Under Old business Mr. Marlow reported that the purchase of Haire Drug Center has not been finalized. The contract has been reviewed but not executed. Tim Haire, current owner, contacted Mr. Marlow yesterday and told him that he would like to close in June. Mr. Marlow reported that he prefers to wait until the COVID 19 Pandemic is over to see where we land financially before signing the contract to purchase. There is a meeting scheduled this afternoon with Administration and Mike Gilbow, Pharmacy Director, to discuss.

The first order of New Business was to review the renewal quote for property and auto insurance for the May 6, 2020-May 6, 2021 policy term. Arie Chandler reported that Travelers Insurance Company was the only carrier to submit a quote. The proposal was presented by Hub International and Tollison Insurance Agency.

Travelers Quote includes Crime, Property, Auto & Inland Marine coverage as follows:

Property Coverage Breakdown:

- Real Property Value-\$34,509,549; Personal Property Value- \$19,294,978
- Valuation: Replacement Cost
- Flood coverage-liability limit range of \$1,000,000-\$5,000,000 depending on the location; deductible range of \$50,000-\$100,000 depending on the location
- Earth movement coverage- liability limit of \$5,000,000; deductible of \$50,000 or 2% of the building value-whichever is greater
- Wind and hail deductible of \$25,000
- Equipment Breakdown-Spoilage coverage-\$100,000 limit; \$25,000 deductible
- Business Income- \$2Million limit; 40% Coinsurance penalty; 48 hour waiting period; Valuation: Actual Cash Value
- All other Perils deductible: \$25,000

North Sunflower Medical Center
Board of Trustees
Regular Meeting Minutes
22 April 2020

Auto Coverage Breakdown:

- Covered autos liability-\$1Million limit any one accident
- Medical payments-\$2000 each insured
- Uninsured Motorist coverage-\$1Million
- Hired/Non-Owned Auto Liability- Included
- Physical Damage Comprehensive and Collision deductible-\$2,500

Inland Marine Breakdown:

- Mahindra Tractor Coverage-\$27,000
- Tractor Attachments Coverage-\$8,000

Crime Coverage Breakdown:

- Per occurrence policy-computer fraud, employee theft, forgery and alteration, funds transfer fraud, money and securities inside and outside buildings-\$250,000 liability limit; \$2,500 deductible

Premium Summary Breakdown and Payment Schedule:

- Property: \$66,285.00
- Business Auto: \$65,904.00
- Inland Marine: \$250.00
- Total Premium (not including Crime): \$132,439.00 to be paid monthly with \$13,243 due on 5/6/20 and 9 equal installments of \$13,244 due by the 6th of each month.
- Crime coverage \$ 1,900.00 to be paid in full

MOTION: I move to accept the Property and Auto renewal quote for the May 6, 2020-May 6, 2021 policy term from Travelers Insurance Company, presented by Hub International and Tollison Insurance Agency, with the total premium of \$132,439.00 to be paid in monthly installments. I further move to accept the Crime coverage quote from Travelers Insurance Company with the total premium of \$1,900.00 to be paid in full.

Maker: Phil McNeer

Second: Willie Burton

Motion Unanimously Adopted

The next order of New Business was to review the bids for Bank Depository Accounts for the 2020-2022 years. It was reported by Rodney Clark that after advertising in the Enterprise Tocsin for two weeks only one bid had been received and that was from Planters Bank & Trust Company. 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 for the 2020-2022 years at the rates published in the letter dated April 15, 2020 and attached hereto.

Maker: H.T. Miller, III

Second: Willie Burton

Motion Unanimously Adopted

North Sunflower Medical Center
Board of Trustees
Regular Meeting Minutes
22 April 2020

The next order of New Business was to review the Re-appointment applications for three Physicians for two year terms. The applications and Data Bank queries of all Physicians were reviewed and discussed and the following motion was made:

MOTION: I move to accept the re-appointment applications for James Warrington, Jr., DO; Jessica Lilley, MD (Pediatric Endocrinologist with MS Center for Advanced Medicine); and William Neil Quinton, DMD (Pediatric Dentist) and that they each be approved for a two year term ending 30 April 2022.

Maker: Phil McNeer

Seconded: H.T. Miller, III

Motion Unanimously Adopted

At this time, Daniel Ceja, CFO, presented the financial information for March as attached to the minutes. The entire facility has a cash balance of \$17 Million, total assets of \$47.9 Million, and a total liabilities and fund balance of \$47.9 Million. The Hospital's Gross Revenue was \$6.4 Million for the month and \$44 Million year to date. The Hospital had a Net Loss of (\$673,054), for the month and a Year to Date Net loss of (\$263,457). Hospice had a Net Income of \$16,888 for the month and a Year to Date Income of \$167,211. Sunflower Diagnostic Center had a Net loss of (\$20,337) for the month and a Year to Date Net Income of \$24,466. The Diagnostic Center did receive a \$26,000 grant that will show in April's financials. Simply Sunflower had a Net Loss of (\$2,471) for the month and a Year to Date Net Loss of (\$3,329). Daniel reported that Simply has been closed for the last month due to the COVID 19 Pandemic which contributes to the loss shown. Sunflower DME had a Net Income of \$20,105 for the month and a Year to Date Net Income of \$171,590. NSMC Pharmacy had a Net Income of \$20,613 for the month and a Year to Date Net Income of \$244,708. The Rural Health Clinic had a Net Income of \$38,061 for the month and a Year to Date Net Income of \$317,983. NSMC as a whole showed a Net Loss of (\$641,373) for the month and a Year to Date Net Income of \$321,650.

Daniel reported that a Medicare receivable was booked this month which helped the bottom line. We have seen an overall decrease in the number of patients seen, both inpatient and outpatient, over the last month causing the decrease in financials. Daniel reported that he has looked into and applied for all grants that NSMC is eligible for that are available at this time. We did receive \$1.86 Million from Medicare this week to be used specifically for supplies and other needs during the COVID 19 Pandemic. We will not be required to pay this money back but we are required to document and report how the money is used. Mr. Marlow reported that Senator Wicker plans to give \$300 Million to CAH's and we are looking to receive approximately \$2 Million of that money.

For the Administrators report Mr. Marlow began by reporting that he, Daniel, Sam and Rodney are looking into making some changes in the Senior Care Unit, Simply Sunflower, and the Sunflower Diagnostic Center once the COVID 19 Pandemic has passed. One of the changes is to possibly relocate the Diagnostic Center to the hospital where it will be cost based rather than being paid off of a fee schedule. All recommendations will be brought before the Board for approval.

On motion of H.T. Miller, III, seconded by Willie Burton, and unanimously approved, the Board voted to enter closed session to determine the need to enter into executive session to discuss personnel issues. The Board was thereafter declared in closed session.

On motion of H.T. Miller, III, seconded by Willie Burton, and unanimously approved, the Board moved to enter executive session to discuss personnel issues. The Board thereafter convened in

North Sunflower Medical Center
Board of Trustees
Regular Meeting Minutes
22 April 2020

executive session, there being present in addition to the Board of Trustees, Lawson Holladay, Board Attorney and Billy Marlow, Executive Director and Administrator. The Board thereafter discussed personnel issues. No official action was taken during the executive session.

On motion of Bobbie Allen, seconded by Mr. Phil McNeer, and unanimously approved, the Board voted to exit executive session, and thereafter convened in open and regular session. Sam Miller, EVP; Rodney Clark, COO; Daniel Ceja, CFO; Arie Chandler, Administrative Assistant; and Sandra Britt, Administrative Assistant entered back into the meeting at this time and the following motion was made:

MOTION: I move that Billy Marlow be appointed as Executive Director; Daniel Ceja be appointed CEO; Sam Miller be appointed COO; and Rodney Clark be appointed Chief Administrative Officer of North Sunflower Medical Center effective immediately.

Maker: H.T. Miller, III

Seconded: Phil McNeer

Motion Unanimously Adopted

Rodney Clark gave the Quality Assurance Report as follows:

The COVID drive through testing tent remains open and is doing well. As of last night, there have been a total of 264 COVID tests done with 225 of them being negative and 44 being positive. Of the 44 positive tests, 24 of those were done at the clinic, 2 in the ER, 9 inpatient (5 of which were repeat tests), and 9 outpatient. We currently have one positive patient in the COVID Unit, no positive patients in Walter B Crook Nursing Facility, and no presumptive patients. Rodney reported that the Nursing Home and hospital continue to be closed to visitors and everyone that must enter the hospital continues to have their temperature checked upon entrance.

At this time Mr. Marlow expressed his desire for the Board to adopt a formal Resolution to recognize and show appreciation of distinguished service by the entire NSMC Staff during the COVID 19 Pandemic. On motion by H.T. Miller, III and Seconded by Willie Burton the following Resolution was unanimously adopted:

WHEREAS, COVID-19 is a generational event that has impacted every aspect of our country;

WHEREAS, we have called on our frontline workers to serve their community and country during this pandemic, defending us against a deadly virus, keeping supply lines open, performing life-saving services, all the while putting themselves in harm's way to perform the variety of essential tasks necessary to keep everyone safe during this pandemic;

WHEREAS, we owe an immense debt of gratitude to the selfless people who are holding our Hospital, Rural Health Clinic, Nursing Home, and all Ancillary Service Centers, together in these tough times: doctors, nurse practitioners, RN's, LPN's, CNA's, ward clerks, dietary staff, environmental services, purchasing, one call schedulers, security guards, billers, coders, department managers, administrative team, EMT's, paramedics, law enforcement officers and ALL the staff of NSMC - whether they wear

North Sunflower Medical Center
Board of Trustees
Regular Meeting Minutes
22 April 2020

lab coats, or scrubs, or aprons - who have played a critical role in minimizing the spread of COVID-19, particularly in our hospital and clinic, have earned the respect and admiration of this grateful Board of Trustees;

WHEREAS, these frontline heroes are daily defending us against a deadly virus, keeping supply lines open, maintaining the highest level of care for all patients within the hospital while daily risking their lives every day to do so. The work they do is heroic and deserving of our utmost appreciation, not just during this crisis, but every single day.

Now, therefore, be it resolved, that the NSMC Board of Trustees –

1. Recognizes and applauds the contributions of frontline heroes during COVID-19
2. Appreciates the frontline workers who have risked their own health and safety, as well as the health and safety of their loved ones, to continue their work during the COVID-19 pandemic
3. Understands that frontline workers have continued their work at times without complete protections they need to minimize their own risk of exposure to COVID-19
4. Recognizes the immense debt of gratitude that we owe Healthcare HEROES for their heroic and selfless service during the COVID-19 pandemic, and thanks them and that said Resolution has been duly recorded in the Minute Book and is in full force and effect.

Daniel Ceja reported that the NSMC Foundation has done several meaningful things for the NSMC employees to show their appreciation. A few of the deeds to mention are all employees were given red bows to place at their home to show support for all healthcare providers. Also, all employees were given cupcakes with red icing to enjoy along with a red ribbon to place on their badge as well as a pin that says "I am a Healthcare Hero."

In correspondence, Mr. Burton commented on two articles that he read in the Enterprise Tocsin's 2020 Medical Guide regarding NSMC's Rural Health Clinic. Joanie Perkins, CCO and Hannah Farmer, FNP were recognized in these articles. He encouraged all members to read the articles if they had not already.

Upon Motion made by Phil McNeer and seconded by Bobbie Allen, the Board adjourned at 1:20 P.M., subject to the call of the Chairman.

Billy Joe Waldrup, Chairman

Bobbie Bounds Allen, Secretary