

North Sunflower Medical Center
Board of Trustees
Regular Meeting Minutes
25 March 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, 25 March 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.

Mr. Waldrup called the meeting to order at noon and asked Bobbie Allen to open the meeting with a word of prayer. The minutes of the 26 February 2020 Regular Board Meeting were approved as distributed by motion offered by Bobbie Allen and seconded by H.T. Miller, III and unanimously approved.

Under Old business Arie Chandler reported that Dr. Arvinder Uppal had withdrawn his request for ENT surgical privileges. Dr. Uppal decided to focus on the supervision of the allergy and immunotherapy program and refer all surgery cases to Dr. Windham. Dr. Windham is pleased to accept all referrals from Dr. Uppal. After discussion and on motion of H.T. Miller, III, seconded by Willie Burton, and unanimously approved the Board moved to accept Dr. Uppal's request to withdraw surgical privileges.

The first order of New Business was to review the Initial Credentialing application for Christopher Wilson, CRNA. Christopher will be working as a Certified Registered Nurse Anesthetist on an as needed basis in the Hospital's outpatient surgery department. The applicants' education and training, professional references, employment history, and license was verified, and queries from the National Practitioner Data Bank and the OIG were reviewed. Christopher's initial term will be for a period of one year at which time he 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 Christopher Wilson, CRNA and that he be given privileges to provide care within his scope of practice as a Certified Registered Nurse Anesthetist in the outpatient Surgery Department for a period of one year ending 31 March 2021 and at that time be permitted to apply for a two-year term.

Maker: H.T. Miller, III

Seconder: Bobbie Allen

Motion Unanimously Adopted

The next order of New Business was to review the Re-appointment applications for seventeen Physicians for a two year term. 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-credentialing applications for Brantley Nichols, DMD (Oral and Maxillofacial Surgeon); Richard Arriola, MD (Tele-Radiologist with Premier Radiology); Edward Giaroli, MD (Tele-Radiologist with Premier Radiology); Robert Becker, MD (Tele-

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Radiologist with Premier Radiology); William Henson, MD (Tele-Radiologist with Premier Radiology); Marshall Edmondson, MD (Tele-Radiologist with Premier Radiology); John Roberts, MD (Tele-Radiologist with Premier Radiology); Sarah Deraney, MD (Tele-Radiologist with Premier Radiology); Joseph Kelly, MD (Tele-Radiologist with Premier Radiology); William Russ Johnson, MD (Tele-Radiologist with Premier Radiology); Jeffrey Howard, MD (Tele-Radiologist with Premier Radiology); Mary Moss, MD (Tele-Radiologist with Premier Radiology); Keith Andrews, MD (Tele-Radiologist with Premier Radiology); Vernon Barrow, III, MD (Tele-Radiologist with Premier Radiology); Amanda Johnson, DO (Tele-Radiologist with Premier Radiology); Joanna Sadowska, DO (Tele-Radiologist with Premier Radiology); and James Long, MD (Tele-Radiologist with Coastal Imaging Solutions) and that they be approved for a two year term ending 31 March 2022.

Maker: Phil McNeer

Seconded: Willie Burton

Motion Unanimously Adopted

The next item under New Business was to review and approve the Resolution for the purchase of Haire Drug Center. Daniel reported that the Pharmacy appraised for \$1.3-\$1.6 Million and the listing price is \$1.6 Million which we plan to pay in full. Tim Haire, current owner, will continue to work for three months to help during the transition process. Mr. Marlow reported that we will use all of Haire Drug Center's current operating numbers until everything is officially switched over. Haire Drugs will transfer money into NSMC's account one time per week. It was reported that Haire Drug Center fills around 110,000 prescriptions per year operating under less hours than the North Sunflower Medical Center Pharmacy which fills 150,000 per year. We will analyze the current operations of the Pharmacy and may extend the operating hours. All Haire Drug Center employees will continue to work and we will look into establishing an LLC so that they can keep their current 401K retirement plan.

After review and discussion, and on motion of Phil McNeer, seconded by H.T. Miller, III, and unanimously approved the following Resolution was adopted:

WHEREAS, Tim Haire of Haire Drug Company, Incorporated operates a retail pharmacy in Cleveland, Mississippi and desires to sell his pharmacy and retire; and

WHEREAS, acquisition and continuation of operation of said pharmacy would be beneficial to North Sunflower Medical Center and the residents of its service area;

NOW, THEREFORE, it is hereby RESOLVED, that the Executive Director of North Sunflower Medical Center and Officers of the hospital be and they are hereby authorized to negotiate and purchase selected operating assets of Haire Drug Company, Incorporated without the assumption of liabilities of that Company, other than assumption of the building lease, and that they be authorized to:

- 1. Cause counsel to create a new Mississippi limited liability company of which North Sunflower Medical Center will be the sole Member, involving a capital contribution of less than \$2M to provide adequate amounts of both acquisition and initial operating capital for the acquisition and initial operation of said pharmacy.**

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2. That the new LLC would negotiate with Tim Haire, owner of Haire Drug Company, Incorporated, to purchase the operating assets of Haire Drug Company, Incorporated and enter into a non-competition agreement with Tim Haire, all for an amount not to exceed \$1.6M, which is fair market value for said assets as evidenced by an appraisal dated as of March 20, 2020 by Bill LaRose.
3. That the Executive Officers of North Sunflower Medical Center be and they are hereby authorized to execute and deliver such documents as are necessary to memorialize an agreement for such purchase and to take such other actions as are necessary to effectuate the purchase of said assets on terms and conditions approved by the Executive Director and counsel for the Board of Trustees of North Sunflower Medical Center.

The next order of business was to discuss the need to open a separate banking account for handling the funds of the Haire Drug Center.

On motion of H.T. Miller, III, seconded by Willie Burton and unanimously approved, the following Resolution was adopted:

WHEREAS, the Board of Trustees of North Sunflower Medical Center desires to meet the requirements necessary to open a new bank account for the Hospital's new Pharmacy by opening a separate bank account at Planters Bank & Trust of Ruleville, Mississippi, to be used solely for the operation of Haire Drug Center;

WHEREAS, the name of this account shall be Haire Drug Center with a new account number and new checks ordered for this account;

NOW THEREFORE, IT IS RESOLVED that the signature cards at Planters Bank & Trust shall require two signatures as the other hospital accounts and the people authorized to sign checks for the account shall be Billy Marlow, Executive Director and Administrator; Daniel Ceja, CFO; Sam Miller, Executive Vice President; Rodney Clark, COO; Jennifer Baughman; Accounting Manager, and Sandra Britt, Administrative Assistant.

The last order of New Business was the need to declare one of the DME vans as surplus and donate to the City of Ruleville's Fire Department. Mr. Marlow reported that we recently purchased 2 new vans for DME and that this particular vehicle is a 2003 Ford E350 that has 200,000 plus miles. The fire department has expressed a need for the van to haul their equipment to fires. After discussion, the following motion was made:

MOTION: I move to declare the 2003 Ford E350 with the VIN# of 1FBSS31L13HA18322 as surplus. I further move that the vehicle be donated to the City of Ruleville's Fire Department.

Maker: Phil McNeer

Seconder: H.T. Miller, III

Motion Unanimously Adopted

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At this time, Daniel Ceja, CFO, presented the financial information for February as attached to the minutes. The entire facility has a cash balance of \$17.3 Million, total assets of \$49.4 Million, and a total liabilities and fund balance of \$49.4 Million. The Hospital's Gross Revenue was \$7.3 Million for the month and \$38 Million year to date. The Hospital had a Net Loss of (\$179,873), for the month and a Year to Date Net Income of \$420,846. Hospice had a Net Income of \$10,961 for the month and a Year to Date Income of \$150,322. Sunflower Diagnostic Center had a Net Income of \$2,548 for the month and a Year to Date Net Income of \$44,803. Simply Sunflower had a Net Loss of (\$2,091) for the month and a Year to Date Net Loss of (\$858). Sunflower DME had a Net Income of \$41,699 for the month and a Year to Date Net Income of \$151,485. NSMC Pharmacy had a Net Income of \$49,306 for the month and a Year to Date Net Income of \$224,095. The Rural Health Clinic had a Net Income of \$23,798 for the month and a Year to Date Net Income of \$279,922. NSMC as a whole showed a Net Loss of (\$80,849) for the month and a Year to Date Net Income of \$973,430.

Mr. Waldrup asked what we were doing regarding bad debt. Daniel explained that we have a collection agency and 2 NSMC employees working to collect bad debt. We hope to be able to handle all collections in house soon but are continuing to use the collection agency at this time. The bad debt write offs are kept under \$300,000 each month. Daniel reported that he also revamped the debt forgiveness program that we are required to have.

For the Administrators report Mr. Marlow reported some of the steps NSMC has taken during the ongoing COVID-19 pandemic. All visitors have been restricted from entering the hospital and Walter B Crook Nursing Home. The Clinic now has a drive through screening tent that patients must enter prior to being treated. The patients that have symptoms of COVID-19 are being swabbed for the flu and if results are negative they are tested for COVID-19 and are treated in their car. If results are positive they may enter into the clinic for treatment. Mr. Marlow reported that if patients have fever and respiratory symptoms but test negative for the flu there is a good chance they may have COVID-19. Mr. Marlow reported that we have had a couple of patients to test positive for COVID-19. We are doing everything we know to do in order to keep our employees protected. Mr. Marlow reported that Ashley Williams, RN, Infection Control and Hannah Barrett, RN, CNO, have been shining stars throughout this pandemic. They have worked tirelessly and have done a fantastic job. Daniel added to this by stating how proud he was to see how the NSMC family pulled together, with Mr. Marlow's guidance, and have been on top of preparing for this COVID-19 pandemic since it was first heard of.

Rodney Clark gave the Quality Assurance Report as follows:

The administration of scheduled II medications through Infusion Therapy policy is being reviewed and changes are being made.

PI reporting requirements were attempted and Clinical Quality Measures were reported. All departments submitted monthly required criteria and the Swing Bed QI Plan in under revision.

A sign reading "Call, Do Not Fall" has been placed in a central location in each patient room as a safety measure to remind patients and family members to call the nurses station for help when a patient needs to stand up. The staff has been instructed to answer call lights immediately or to call for help from others to assist the patients in a timely manner.

All nurses giving meds are being monitored for the correct medication administration, which includes patient and medication identification, with charting as given.

Three patient rooms have been converted into negative pressure isolation rooms.

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In correspondence, Mr. Burton commented on an article that he read in the Enterprise Tocsin regarding NSMC and COVID-19. He encouraged all members to read the article if they haven't already.

Upon Motion made by Phil McNeer and seconded by Bobbie Allen, the Board adjourned at 1:13 P.M., subject to the call of the Chairman.

Billy Joe Waldrup, Chairman

Bobbie Bounds Allen, Secretary