

North Sunflower Medical Center
Board of Trustees
Regular Meeting Minutes
20 December 2023

BE IT REMEMBERED the Vice Chairman and the Board of Trustees of North Sunflower Medical Center, Ruleville, Sunflower County, Mississippi, met in their Regular Meeting on Wednesday, 20 December 2023, when and where the following were present:

H. T. Miller, III, Vice Chairman and Trustee; Bobbie Bounds Allen, Secretary and Trustee; Willie M. Burton and Phil McNeer, Trustees; Daniel Ceja, CEO; Sam Miller, COO; Rodney Clark CAO; Billy Marlow, Executive Director; Sarah Toole, Accounting Director; Lindsay Williams, Administrative Assistant; Lawson Holladay, Esquire; and Brooks Rizzo, RHC Clinic Director

ABSENT: Billy Joe Waldrup, Chairman and Trustee

Mr. Miller called the meeting of the Board of Trustees to order at noon and asked Mr. Willie Burton to open the meeting with a word of prayer. The minutes of the 21 November 2023 Regular Board Meeting were approved as distributed by motion offered by Bobbie Allen Bounds, seconded by Willie Burton, and unanimously approved.

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

The first order of New Business was for the Board to review the quote received for the renewal of the Workers' Comp Insurance Policy. Rodney Clark presented the following information to the Board for consideration:

Healthcare Provider Insurance Company (HPIC) and Tollison Insurance Agency presented the following quote: Limits of Coverage are \$1,000,000.00 for all categories and the Workers Comp Employee Benefits – as required by law. The total estimated premium is \$181,268.66 and a year-end audit. It was explained that NSMC's Experience Modifier based on claims from years past increased from 0.72 to 0.80. No additional taxes or fees. Dividends are not returned at this time but will be in the future. The payment options included an annual payment, quarterly payments, or equal monthly payments of \$15,105.72.

After reviewing all facets of the policy, it was determined that the quote presented by Healthcare Provider Insurance Company (HPIC) and Tollison Insurance Agency was best for NSMC. After discussion, the Board decided to consider this quote in the amount of \$181,268.66. It was the Board's decision that the premium should be paid in equal monthly installments of \$15,105.72.

MOTION: I move to accept the bid from Healthcare Provider Insurance Company (HPIC) and Tollison Insurance Agency in the amount of \$181,268.66 with no deductible. I further move that the premium be paid in twelve equal installments of \$15,105.72.

Maker: Mr. Phil McNeer

Seconded by: Mr. Willie Burton

Motion Unanimously Approved

The next order of New Business was to review the Initial Credentialing application of Lori Fulton, MD; Gerard Guerin, DPM; Amanda Barry, CVNP-BC; Carol Moses, FNP-C. The applicants'

education and training, professional references, and License were verified, and a query was done on the National Practitioner Data Bank and the OIG. The applications were carefully reviewed and after discussion, the following motion was made:

MOTION: I move to approve the initial applications of Lori Fulton, MD; Gerard Guerin, DPM; Amanda Barry, CVNP-BC; Carol Moses, FNP-C and that they be given initial privileges for a period of one year ending 20 December 2024 and at that time be permitted to apply for a two-year term.

Maker: Willie Burton

Seconder: Phil McNeer

Motion Unanimously Adopted

The last order of new business was to review the Re-appointment applications for two Physicians and one Allied Health Professional for two year terms. The applications and Data Bank queries of James Edwards, M.D. (Tele Radiologist with Global Imaging Solutions); Mark Ellis, MD (Tele-Radiologist with Premier Radiology) and Frederick Flowers, FNP-C (ER Provider) were reviewed. After review and discussion, the following motion was made:

MOTION: I move to accept the re-credentialing applications for James Edwards, M.D.; Mark Ellis, MD; and Frederick Flowers, FNP-C and that they be approved for two year terms ending 31 December 2025.

Maker: Willie Burton

Seconder: Phil McNeer

Motion Unanimously Adopted

On motion of H.T. Miller, III, seconded by Willie Burton, and unanimously approved, the Board voted to consider going into executive session to discuss litigation.

On motion of Willie Burton, seconded by Phil McNeer, and unanimously approved, the Board moved to enter executive session to discuss litigation.

On motion of H.T. Miller, III, seconded by Willie Burton, and unanimously approved, the Board voted to exit executive session, and thereafter convened in open and regular session.

The next order to discuss two separate Resolutions with the first being the Resolution of the Board of Trustees of North Sunflower Medical Center regarding Indemnification and secondly the Resolution of the Board of Trustee of North Sunflower Medical Center regarding Indemnification of Hospital Employee in which the following motion was made after discussion:

MOTION: To approve the Resolution of the Board of Trustees of North Sunflower Medical Center regarding Indemnification a copy of which is attached to these minutes.

Maker: H.T. Miller, III

Seconded by: Willie Burton

Motion Unanimously Approved

MOTION: To approve the Resolution of the Board of Trustee of North Sunflower Medical Center regarding Indemnification of Hospital Employee a copy of which is attached to these minutes.

Maker: H.T. Miller, III

Seconded by: Willie Burton

Motion Unanimously Approved

Sarah Toole presented the financial information for October as follows. The entire facility had a cash balance of \$10 Million; total assets of \$45 Million, and a total liabilities and fund balance of \$45 Million. The Hospital's Gross Revenue was \$10.5 Million for the month and \$16.2 Million Year to Date. The Hospital had a Net Loss of (\$499,440) for the month and a Year to Date Net Loss of (\$499,440) Million. Haire Drug Center, LLC had a Net Income of \$167,268 for the month and a Year to Date Net Income of \$167,268. Hospice had a Net Income of \$17,549 for the month and a Year to Date Net Income of \$17,549. Simply Sunflower had a Net Loss of (\$736) for the month and a Year to Date Net Loss of (\$736). Sunflower DME had a Net Income of \$65,476 for the month and a Year to Date Net Income of \$65,476. NSMC Pharmacy had a Net Income of \$194,220 for the month and a Year to Date Net Income of \$194,220. The Rural Health Clinic had a Net Income of \$1,851 for the month and a Year to Date Net Income of \$1,851. NSMC as a whole showed a Net Loss of (\$55,662) for the month and a Year to Date Net Loss of (\$55,662).

Sarah Toole presented the financial information for November as follows. The entire facility had a cash balance of \$7 Million; total assets of \$45 Million, and a total liabilities and fund balance of \$45 Million. The Hospital's Gross Revenue was \$8.5 Million for the month and \$18 Million Year to Date. The Hospital had a Net Income of \$25,418 for the month and a Year to Date Net Loss of (\$474,022) Thousand. Haire Drug Center, LLC had a Net Income of \$17,953 for the month and a Year to Date Net Income of \$185,222. Hospice had a Net Loss of (\$11,556) for the month and a Year to Date Net Income of \$5,993. Simply Sunflower had a Net Income of \$16,004 for the month and a Year to Date Net Income of \$15,268. Sunflower DME had a Net Loss of (\$78) for the month and a Year to Date Net Income of \$65,399. NSMC Pharmacy had a Net Income of \$71,529 for the month and a Year to Date Net Income of \$265,749. The Rural Health Clinic had a Net Loss of (\$9,814) for the month and a Year to Date Net Loss of (\$7,963). NSMC as a whole showed a Net Income of \$119,270 for the month and a Year to Date Net Income of \$63,608.

The Administrative report was given as follows:

Daniel stated that a couple of surgeons have shown interest in coming to do procedures at NSMC. Administration will look further into this. He also mentioned the possibility of changes in the employees Blue Cross Blue Shield Insurance. He stated that the ERC money is coming and the AR will be paid. There are also still issues with the new EMR that are being addressed and corrected.

Rodney Clark presented the Quality Assurance Report as follows:

He stated 935 tested for Covid, 68 positive for Covid (positivity rate (7.30%)), 3 positive employees. There were 3 medication errors with no injuries, 4 deaths, no seclusions, 2 patient falls with no injuries, and 1 patient incident in Infusion Department.

Brooks Rizzo presented the Rural Health Clinic Report as follows:

She stated that the clinic saw 4,800 patients in November. The average daily walk in was 155 patients. The positivity rate for the flu in October was 9.5% and November was 20%. So far the clinic has seen 200 patients per day for December.

Upon Motion made by Willie Burton and seconded by Phil McNeer, the Board adjourned at 1:45P.M., subject to the call of the Chairman.

Billy Joe Waldrup, Chairman

Bobbie Bounds Allen, Secretary

**RESOLUTION OF THE BOARD OF TRUSTEES OF
NORTH SUNFLOWER MEDICAL CENTER
REGARDING INDEMNIFICATION**

WHEREAS, the Board of Trustees (the "Board") of North Sunflower Medical Center (the "Hospital") has determined that it is in the best interest of the Hospital for the Board to clarify and reconsider certain actions previously taken by the Board concerning the indemnification of certain officers, employees and/or agents of the Hospital in certain litigation as described below, and to take such further action as necessary to preserve the financial integrity of the Hospital;

WHEREAS, Section 41-13-11(4) of the Mississippi Code (the "Statute") provides that the Board is authorized, in its discretion, to obtain and pay for liability insurance of such kinds deemed advisable by the Board, as further described in the Statute;

WHEREAS, The Statute further provides that such insurance shall cover such employees and agents of the Hospital as the Board, in its discretion, shall determine;

WHEREAS, The Statute further provides that the Board may likewise indemnify, either through the purchase of insurance or, directly, where funds are available, in whole or in part, certain officers, employees and agents (among others) for actual personal expenses incurred in the defense of any suit, or judgments resulting from said suit brought against certain officers, employees or agents for alleged negligent or wrongful conduct committed while under the employment of or while providing service to the Hospital;

WHEREAS, by unanimous Board action taken at its regular meeting on September 22, 2021, the Board determined that the Hospital "will indemnify Billy Marlow and Wayne Walters for their actions on behalf of [the Hospital] in regard to the lawsuit brought against them by Mitch Monsour and Steve Vaughan" in the United States District Court for the Southern District of Mississippi, bearing Civil Action No. 1:16-cv-0038 HSO-JCG (the "Lawsuit");

WHEREAS, at the time the Board resolved to indemnify Messrs. Marlow and Walters in the Lawsuit, the Hospital had, or expected to have, available to it liability insurance provided by Great American Insurance Company (the "Policy"), which, by the terms of the Policy, the coverage amount would be eroded by the cost of defending the Lawsuit, and thereafter the costs of defending Messrs. Marlow and Walters in the Lawsuit were paid by the Hospital's insurer under the Policy obtained by the Board for the Hospital;

WHEREAS, by notification received on or about October 6, 2023 from the Hospital's insurer, the Hospital was advised that the limits of liability under the Great American Policy had been exhausted for this matter;

WHEREAS, the Hospital has no other insurance coverage responsive to the claims asserted in the Lawsuit, and the discretionary funds otherwise available to the Hospital for indemnification of the costs of defending the claims asserted in the Lawsuit or in satisfying any resulting judgments are limited; and,


WHEREAS, this Board remains cognizant that its action with respect to indemnification

at its September 22, 2021 regular meeting, as well as any other Board actions or resolutions concerning grants of indemnity pursuant to the Statute, are necessarily limited by the Statute to funds available to the Hospital *for the purpose of indemnification*, considering the totality of the relevant circumstances facing the Hospital at any given time, and that the Hospital may not commit to pay, and may not pay out, any sum that reasonably could or would impair the financial integrity of the Hospital. The Board considers that to make such an open-ended commitment would be violative of the Statute and the policy of this State as expressed therein;

NOW THEREFORE, BE IT RESOLVED THAT the Board hereby clarifies that its intent in extending indemnification to Messrs. Marlow and Walters on September 22, 2021 was that such indemnification was to be co-extensive with, and not to exceed, the limits of liability insurance available to the Hospital for the claims asserted in the Lawsuit; and,

BE IT FURTHER RESOLVED THAT, the Board, in the exercise of its discretion, and to protect the financial integrity of the Hospital, determines that the indemnification extended by the Board on September 22, 2021 with respect to the claims asserted against Messrs. Marlow and Walters in the Lawsuit, should be, and hereby is, **revoked**, effective October 6, 2023.

This the 20 day of December, 2023.



BILLY J. WALDRUP, CHAIRMAN,
BY AND FOR THE BOARD OF TRUSTEES OF
NORTH SUNFLOWER MEDICAL CENTER

**RESOLUTION OF THE BOARD OF TRUSTEES OF
NORTH SUNFLOWER MEDICAL CENTER
REGARDING INDEMNIFICATION OF HOSPITAL EMPLOYEE**

WHEREAS, the Board of Trustees (the "Board") of North Sunflower Medical Center (the "Hospital") has determined that it is in the best interest of the Hospital for the Board to clarify and reconsider certain actions previously taken by the Board concerning the indemnification of certain officers, employees and/or agents of the Hospital in certain litigation as described in a foregoing resolution of this Board presented and passed this day, and in furtherance of such action as is necessary to preserve the financial integrity of the Hospital;

WHEREAS, Pursuant to a foregoing resolution of this Board presented and passed this day for the reasons set forth therein, the Board has clarified its intentions and revoked, effective October 6, 2023, the indemnification extended by this Board on September 22, 2021 with respect to the claims asserted against Hospital officer and employee Billy Marlow and Wayne Walters, the employee of former Hospital contractor Jen-Way, Inc., in that certain lawsuit brought against them and others by Mitch Monsour and Steve Vaughan in the United States District Court for the Southern District of Mississippi, bearing Civil Action No. 1:16-cv-0038 HSO-JCG (the "Lawsuit");

WHEREAS, the Lawsuit is ongoing and is presently set for trial commencing on or about February 5, 2024;

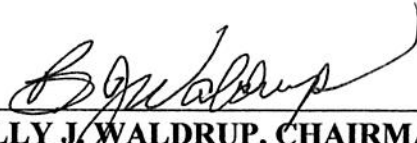
WHEREAS, Billy Marlow has rendered long, faithful and valuable service to the Hospital, and continues to do so, and in recognition of such service, and consistent with the discretion afforded this Board pursuant to Section 41-13-11(4) of the Mississippi Code, the Board desires to extend such indemnification to Mr. Marlow regarding the claims asserted against him in the Lawsuit as is allowed by the Hospital's financial condition and to the extent necessary funds are available; and

WHEREAS, this Board remains cognizant that its action with respect to indemnification at its September 22, 2021 regular meeting, as well as any other Board actions or resolutions concerning grants of indemnity pursuant to the Statute, are necessarily limited by the Statute to funds available to the Hospital *for the purpose of indemnification*, considering the totality of the relevant circumstances facing the Hospital at any given time, and that the Hospital may not commit to pay, and may not pay out, any sum that reasonably could or would impair the financial integrity of the Hospital. The Board considers that to make such an open-ended commitment would be violative of the Statute and the policy of this State as expressed therein;

NOW THEREFORE, BE IT RESOLVED THAT the Board, in the exercise of its statutory discretion, determines that the Hospital shall indemnify Billy Marlow for all reasonable costs and expenses of litigation, including attorney's fees, incurred in defending the claims asserted against him in the Lawsuit, to the extent such claims arise from actions taken while Mr. Marlow was under the employment of or while providing service to the Hospital; such indemnification to be effective from and after October 6, 2023 through the conclusion of the trial of the Lawsuit; and,

BE IT FURTHER RESOLVED THAT the Board hereby reserves its statutory right, in its sole discretion, to hereafter either revoke this extension of indemnification to Mr. Marlow OR to extend its indemnification to include the Hospital's payment of available funds to settle the claims asserted against Mr. Marlow or to satisfy any judgment entered against him in the Lawsuit, as circumstances and the financial integrity of the Hospital may warrant at the time.

This the 20 day of December, 2023.



BILLY J. WALDRUP, CHAIRMAN,
BY AND FOR THE BOARD OF TRUSTEES OF
NORTH SUNFLOWER MEDICAL CENTER