

North Sunflower Medical Center
Board of Trustees
Regular Meeting Minutes
23 September 2026

BE IT REMEMBERED the Chairman and the Board of Trustees of North Sunflower Medical Center, Ruleville, Sunflower County, Mississippi, met in their Regular Meeting on Wednesday, 23 September 2026, when and where the following were present:

H. T. Miller, III, Chairman and Trustee; Bobbie Bounds Allen, Secretary and Trustee; Willie M. Burton, Trustee; Mary Griffin, Trustee; Mike Myers, Trustee; Carmen Oguz, Interim Administrator; Brooks Rizzo, COO; Joanie Perkins, CCO; Sarah Williamson, Accounting Director; Kim Nesdahl, Executive Assistant, and Lawson Holladay, Esquire

Mr. H.T Miller III called the meeting of the Board of Trustees to order at 12:05 AM. and opened the meeting with a word of prayer.

The minutes of 9 September 2026, Recessed Board Meeting were approved as distributed by motion offered by Mr. Mike Myers, seconded by Mr. Willie Mays Burton, and unanimously approved.

At this time, Partrick Crum, Chief Information Officer, spoke to the Board briefly about the importance Cyber Security.

Next speaker was Danielle Ervin, Laboratory Director of North Sunflower Medical Center. Danielle informed the board of new equipment and the ability to run new lab test in house at a largely reduced rate and substantial rebates.

The first order of unfinished business was to approve the Resolution to move the Dell Optiplex 9020 Serial Number: 1ZC1942 Asset Tag: Express code 43-133-123-54 desktop into surplus. After discussion a motion was made.

MOTION: I move to approve the Resolution to move the hospice Dell Optiplex 9020 Serial Number: 1ZC1942 Asset Tag: Express code 43-133-123-54 desktop to surplus. A copy of the Resolution will be attached to these minutes.

Maker: Mrs. Mary Griffin Seconder: Mr. H.T. Miller
Motion Unanimously Adopted

The resolution so approved is set out below.

RESOLUTION

BE IT RESOLVED by the Board of Trustees of the North Sunflower Medical Center as follow,
to-wit:

WHEREAS, the North Sunflower Medical Center owns Dell Optiplex 9020
Serial Number: 1ZC1942 Asset Tag: Express code 43-133-123-54

WHEREAS, this property is no longer needed for hospital or related purposes and is not to be used in the operation of the hospital, that the sale of the property in the manner otherwise provided by law is not necessary or desirable for the financial welfare of the hospital and that the use of this hospital property for the purpose for which it is to be sold will promote and foster the development and improvement of the community in which it is located and the civic, social, educational, cultural, moral, economic welfare thereof.

NOW THEREFORE, BE IT FURTHER RESOLVED that the Dell Optiplex 9020
Serial Number: 1ZC1942 Asset Tag: Express code 43-133-123-54 desktop be sold for Fair Market
Value as determined by the Interim Administrator.

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The first order of new business was the Financials Report given by Sarah Williamson. It is as follows:

Cash for the month was \$3.5 million. Accounts receivable \$15.2 million. Fixed assets are \$13.1 million, and other assets 1.5 million. Totaling assets are \$33.5 million. Accounts payable \$2.7 million. Payroll liabilities \$3 million. notes and bonds payable, \$4.9 million other liabilities, \$10.4 million and fund balance \$12.2 million total liabilities and fund balance at \$35.5 million. Revenue for the hospital was \$8 million. Contractuals of \$4.2 million and expenses of \$6.1 million, leaving a loss of \$2.5 million. The diagnostic center had a gross revenue of \$85,000, contractuals of \$38,000, and expenses of \$175,000, leaving a net income of \$42,000. Greenwood Clinic gross revenue \$246,000 contractuals of \$2800 and expenses \$175,000 leaving a net income of \$42,000. Ruleville Clinic gross revenue \$417,000 contractuals \$5,000 and their expenses were \$332,000, leaving a net income of \$90,000. Total hospital gross revenue of \$8.5 million, contractuals of \$4.3 million, and expenses of \$6.7 million, leaving a loss of \$2.4 million. Outside clinics. total cash \$1.5 million, accounts receivable \$2.7 million, other AR \$9.5 million, fixed assets \$339,000 and other assets \$3.9 million totaling assets \$18.1 million. Accounts payable \$1.2 million payroll liabilities \$1.2

million other liabilities \$1.2 million fund balance and other \$14.2 million totaling liabilities and fund balance \$18.1 million. Cash for the hospital and the outside clinics combined \$5.1 million, AR \$17.9 million, fixed assets \$13.5 million, and other assets \$5.4 totaling assets at \$51.6 million. Total AP is \$4 million. Payroll liabilities are \$4.3 million. Notes and bonds payable \$4.9 million and other liabilities \$11.7 million. Fund balance \$26.5 million totaling liabilities and fund balance \$51.6 million. DME revenue \$193,000. Contractuals of \$30,000 and expenses of \$64,000. Net income is \$98,000. Hair gross profit \$88,000. Expenses were \$60,000, with a net income of \$27,000. Hospice's gross profit was \$121,000, contractuals of \$45,000 and expenses of \$125,000, showing a loss of \$49,000. Ruleville Pharmacy gross profit \$241,000, contractuals of \$41,000 and expenses \$256,000 showing a net income of \$26,000. Simply gross profit is \$3600. Contractuals \$178 dollars and expenses \$5900, leaving a loss of \$2100. Greenwood Pharmacy gross profit \$79,000. Contractual adjustments of \$3500 and expenses of \$85,000, showing a loss of \$2200.

The second order of new business was the CEO Report given by Interim Administrator, Carmen Oguz. It is as follows:

Financial Risks & Audit Compliance

- **Novitas/Medicare Audit:**
 - Awaiting official audit outcomes before issuing any proactive payments.
 - Recapped historical **\$140,000 Medicare overpayment** issue where double-recovery occurred via cash payment and subsequent garnishment.
- **Accounting & Reporting Refinements:**
 - Initiating standard corrections for Greenwood Pharmacy's financial statements.
 - Tightening internal cash reconciliation and month-end accounting controls.
- **Auditor Transition & Regulatory Extensions:**
 - Formally transitioning the facility to a new external audit firm.
 - Negotiating with the USDA to secure an official extension for overdue audits.

Cost Management & Strategic Investments

- **In-House Lab Expansion:**
 - Evaluating new lab director equipment proposals to transition tests in-house.
 - Aiming to capture higher margins, contingent on billing compliance reviews.
 - Addressing necessary facility electrical upgrades required for installation.
- **Expense Controls:**
 - Monitoring a recent spike in organizational legal fees.
 - Restricting non-essential discretionary spending to ensure favorable budget optics.

Clinical Operations & Revenue Growth

- **Swing-Bed Utilization:**
 - Secured placement on the **Baptist Oxford swing-bed referral list** to boost volumes.
 - Auditing swing-bed billing compliance alongside clinical patient communications.
- **Service Line Expansion:**
 - Finalizing a new nephrology clinic partnership.

- Formulating rollout plans for dedicated pulmonary services.
- Active recruitment underway for additional outpatient medical specialties.
- **Infrastructure Optimization:**
 - Implementing a streamlined, facility-wide corporate reporting structure.
 - Standardizing surgical case management, clinical staffing models, and provider credentialing workflows.

The third order of new business was the COO Report given by Brooks Rizzo, COO.

Brooks reviewed the quality and rural health clinic reports. They are as follows:

Clinical Quality Metrics & Patient Satisfaction

- **Zero Patient Safety Events:** The facility recorded **zero safety events** and **zero hospital-acquired infections** during the reporting period.
- **Patient Satisfaction:** Outpatient satisfaction achieved an exceptional score of **4.76 out of 5**.
- **Average Length of Stay (ALOS):** The average length of stay for admitted patients tracked at **84 hours**.

Regulatory Compliance

- **State Investigation:** The State Department of Health conducted a rigorous **5-day review** of the facility and concluded the investigation with **no deficiencies or issues cited**.

The fourth order of new business was to get an update on the sale of hospice.

Joanie Perkins gave the update as follows:

Transaction Timeline & Status

- **Target Closing Date:** The transition is strictly targeted for **October 1, 2026** (the fiscal year-end), though legal progress is moving slightly slower than desired.
- **Regulatory Filings:** Buyer attorney Tom Kirkland has officially filed the change-of-ownership application with the **State Department of Health**.
- **Deal Brokerage:** Chad Blaylock is actively managing and accelerating the transition process.

Operational Transition & Integration

- **Staff Management:** Representative "Amy" conducted an on-site visit two weeks ago to meet with staff, smooth out concerns, and emphasize employee empowerment.
- **Payroll Continuity:** Historical payroll data has been handed over to ensure transitioning employees experience no missing or delayed paychecks.
- **System Integration:** The buying team has been granted direct access to internal Blackbean Software and PSNR reports to streamline due diligence, though authorized official access permissions are being cross-checked.

The fifth order of new business was to discuss the potential of Specialty Clinic lease models.

Carmen led the discussion with an overview. It is as follows:

Specialty-Clinic Lease Model Overview

- **Revenue Framework:** Carmen outlined a lease model where outside medical providers pay the hospital a flat fee to utilize facility clinic space to consult with local patients.
- **Capacity & Asset Allocation:** The clinic operates on a **5-day weekly schedule**. Fridays are currently dedicated to the Wound Clinic and Mondays are fully booked, leaving Tuesdays, Wednesdays, and Thursdays available for new leases.
- **Lease Rate:** The proposed leasing rate for the remaining available clinic blocks is set at **\$2,700 per month**.

Provider Pipeline & Onboarding

- **Nephrology:** An agreement with **Dr. Chris Miller** is scheduled for execution tomorrow, with clinical services officially launching on **November 1, 2026**.
- **Pulmonology:** The hospital plans to offer one of the remaining open days to a "Plan B" pulmonology provider who has expressed strong interest in establishing a local presence.
- **Exploratory Service Lines:** Early-stage discussions are underway to potentially recruit **cardiology** and **orthopedics** specialists to fill the remaining open slots.

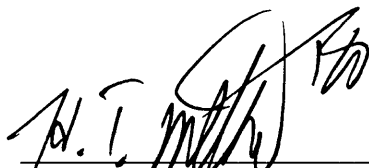
Mr. Lawson Holladay asked for a motion to determine if the board should go into executive session to discuss personnel matters.

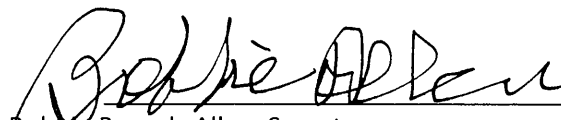
Mr. Mike Myers made the motion to consider going into an executive session to discuss personnel matters, seconded by Mrs. Mary Griffin. Motion Unanimously Approved.

On motion of Mrs. Bobbie Bounds Allen, seconded by Mrs. Mary Griffin, and unanimously approved, the Board will now go into executive session to discuss personnel. The Board went into executive session.

On motion of Mrs. Mary Griffin, seconded by Mr. Mike Myers, and unanimously approved, the board returned to regular session.

On motion of Mrs. Mary Griffin, seconded by Mr. Mike Myers, and unanimously passed the Board recessed the meeting to meet again on October 7, 2026, at 11:00 A.M.


M.T. Miller III, Chairman


Bobbie Bounds Allen, Secretary