

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): November 9, 2017

COMPUTER PROGRAMS AND SYSTEMS, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State of Incorporation)

000-49796
(Commission File Number)

74-3032373
(IRS Employer
Identification No.)

6600 Wall Street, Mobile, Alabama 36695
(Address of Principal Executive Offices, including Zip Code)

(251) 639-8100
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Director or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On November 9, 2017, upon the recommendation of the Nominating and Corporate Governance Committee (the “Nominating Committee”) of the Board of Directors (the “Board”) of Computer Programs and Systems, Inc. (the “Company”), the Board increased the size of the Board from seven (7) directors to ten (10) directors and elected Glenn P. Tobin, Denise W. Warren and Regina M. Benjamin to fill the newly created directorships, effective November 9, 2017. Information regarding each new director of the Company is set forth below:

- Glenn P. Tobin will serve as a Class I director until the expiration of his term on the date of the Company’s annual meeting of shareholders in 2018, when he is expected to stand for re-election as a director, and until his successor is elected and qualified if he is not re-elected. Mr. Tobin was appointed to the Compensation Committee of the Board effective November 9, 2017. Mr. Tobin’s business experience for the past five years includes serving as the Senior Vice President—Accountable Care Solutions and then Chief Executive Officer (Crimson business) of the Advisory Board Company, a health care consulting company, from 2012 until his retirement in early 2017.
- Denise W. Warren will serve as a Class II director until the expiration of her term on the date of the Company’s annual meeting of shareholders in 2019, when she is expected to stand for re-election as a director, and until her successor is elected and qualified if she is not re-elected. Ms. Warren was appointed to the Audit Committee of the Board effective November 9, 2017. Ms. Warren’s business experience for the past five years includes serving as the Chief Financial Officer of Capella Healthcare, Inc. from 2005 to 2015, and serving as the Executive Vice President and Chief Operating Officer of WakeMed Health & Hospitals, a large healthcare system based in Raleigh, North Carolina, since 2015.
- Regina M. Benjamin will serve as a Class III director until the expiration of her term on the date of the Company’s annual meeting of shareholders in 2020, when she is expected to stand for re-election as a director, and until her successor is elected and qualified if she is not re-elected. Dr. Benjamin was appointed to the Nominating Committee of the Board effective November 9, 2017. Dr. Benjamin’s business experience for the past five years includes serving as the 18th U.S. Surgeon General within the U.S. Department of Health and Human Services (2009 to 2013) and Vice Admiral of the U.S. Public Health Service, as well as chair of the National Prevention Council (which consists of 17 cabinet-level heads of federal agencies), which released the first ever National Prevention Strategy. She serves as the CEO of Bayou La Batre Rural Health Clinic (a/k/a BayouClinic, Inc.), a Federally Qualified Health Center Look-Alike which she founded in 1990. She also holds an endowed chair in Public Health Sciences at Xavier University of Louisiana.

The Company expects that the size of the Board will decrease from ten (10) directors to nine (9) directors at the 2018 annual meeting of shareholders upon the expiration of the term of William R. Seifert, II, a Class I director of the Company who notified the Company on November 9, 2017 that he will not stand for re-election as a director.

There are no arrangements or understandings between any of Mr. Tobin, Ms. Warren and Dr. Benjamin and any other person pursuant to which each of them was selected as a director of the Company. There are no related person transactions (within the meaning of Item 404(a) of Regulation S-K promulgated by the Securities and Exchange Commission) between any of Mr. Tobin, Ms. Warren or Dr. Benjamin and the Company. Each of Mr. Tobin, Ms. Warren and Dr. Benjamin will receive compensation in accordance with the Company’s standard compensation arrangements for non-employee directors, which are described under the caption “Non-Management Director Compensation” in the Company’s definitive proxy statement on Schedule 14A filed with the Securities and Exchange Commission on March 31, 2017, as adjusted by the Board from time to time.

On November 14, 2017, the Company issued a press release announcing the election of Glenn P. Tobin, Denise W. Warren and Regina M. Benjamin to the Company’s Board of Directors. A copy of this press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 8.01 Other Events

On November 14, 2017, the Company also announced the following changes in advancement of the Company's commitment to sound corporate governance: (i) election of a lead independent director of the Board, (ii) formalization of the requirement to consider diversity when evaluating director candidates, (iii) increased stock ownership guidelines for the Company's non-employee directors, (iv) establishment of equity retention requirements for the Company's non-employee directors and executive officers and (v) increased focus on long-term performance in the Company's incentive compensation program.

Election of a Lead Independent Director

The Board determined that it is in the best interest of the Company and its stockholders to designate an independent director to serve in a lead capacity (the "Lead Director") if the Chairperson of the Board is not independent under Nasdaq listing standards to help ensure robust independent leadership of the Board. The Lead Director will coordinate the activities of the other independent directors and perform such other duties and responsibilities as the Board may determine. These duties and responsibilities are set forth in the Company's Lead Director Charter, which was adopted by the Board on October 30, 2017 and is available on the Company's website.

The Board elected Charles P. Huffman to this position on November 9, 2017. As reflected in the Lead Director Charter, the Lead Director's responsibilities include, but are not limited to: (i) presiding at all meetings of the Board at which the Chairperson of the Board is not present and all executive sessions of the independent directors; (ii) serving as the principal liaison between (a) the Chairperson and the independent directors and (b) the Chief Executive Officer of the Company and the independent directors; (iii) providing input from the Board to the Chairperson with regard to the preparation of agendas for Board meetings; (iv) being available, when appropriate, for consultation and direct communication with the Company's major stockholders; and (v) overseeing the process of hiring and employing the Chief Executive Officer of the Company.

Formalization of the Requirement to Consider Diversity

The Board approved amendments to the Company's Corporate Governance Guidelines (the "Amended Corporate Governance Guidelines") and the Charter of the Nominating Committee on October 30, 2017 to (i) include diversity as a characteristic that will be considered by the Nominating Committee when evaluating director candidates for membership on the Board and (ii) add a requirement that director searches will include qualified candidates from diverse backgrounds. The Amended Corporate Governance Guidelines and the amended Charter of the Nominating Committee are available on the Company's website.

Increased Stock Ownership Guidelines for Non-Employee Directors

Also on October 30, 2017, the Board approved an increase in the stock ownership guidelines for the Company's non-employee directors, from requiring that each non-employee director beneficially own shares of the Company's common stock valued at four (4) times such director's annual retainer to five (5) times such director's annual retainer. The non-employee directors will have five years to obtain such increased level of ownership. The Company believes that these increased guidelines ensure that the non-employee directors hold a sufficient amount of the Company's common stock to further strengthen the long-term link between the results achieved for the Company's stockholders and the compensation provided to the directors. Further details of the Company's stock ownership requirements are set forth in the Amended Corporate Governance Guidelines, which are available on the Company's website.

Equity Retention Requirements for Non-Employee Directors and Executive Officers

The Amended Corporate Governance Guidelines also provide for equity retention requirements for the Company's non-employee directors and executive officers. Until a non-employee director or executive officer achieves the applicable level of ownership under the stock ownership guidelines, such non-employee director or executive officer is required to retain all of his or her net shares (as defined in the amended Corporate Governance Guidelines) obtained through the Company's equity plans. Further details of the Company's equity retention requirements are set forth in the Amended Corporate Governance Guidelines, which are available on the Company's website.

Increased Focus on Long-Term Performance

At a meeting of the Compensation Committee of the Board (the "Compensation Committee") on October 24, 2017, the Compensation Committee approved two (2) conceptual changes to the Company's long-term incentive compensation program in order to further strengthen the long-term link between the results achieved for the Company's stockholders and the compensation paid to the executive officers. The Compensation Committee determined that it is in the best interest of the Company and its stockholders to (i) transition from a one-year performance period to a three-year performance period for the performance share awards granted to the Company's executive officers on an annual basis and (ii) increase the percentage of the equity awards granted to the Company's executive officers on an annual basis that are subject to performance-based vesting from fifty percent (50%) to sixty percent (60%) and decrease the percentage of the equity awards that are subject to time-based vesting from fifty percent (50%) to forty percent (40%). The Compensation Committee expects to begin implementing these conceptual changes to the Company's long-term incentive compensation program in 2018.

The information contained on the Company's website is not incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit

Number

Description

99.1

Press release dated November 14, 2017

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COMPUTER PROGRAMS AND SYSTEMS, INC.

Dated: November 14, 2017

By: /s/ J. Boyd Douglas
J. Boyd Douglas
President and Chief Executive Officer

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

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Number**

Description

[99.1](#)

[Press release dated November 14, 2017](#)

CPSI Adds Three Experienced Directors to Board

Former U.S. Surgeon General Regina Benjamin, Finance Expert Denise Warren and Health Strategist Glenn Tobin Appointed to the Board of Directors

MOBILE, Ala.--(BUSINESS WIRE)--November 14, 2017--CPSI (NASDAQ: CPSI), a community healthcare solutions company, today announced that, effective November 9, 2017, Regina Benjamin, Denise Warren and Glenn Tobin joined the CPSI Board of Directors. Additionally, William Seifert has decided to retire from the Board at the 2018 Annual Shareholders Meeting that is scheduled for May.

"We are very pleased to bring a high caliber of talent to our board," said David Dye, chairman of the Board of Directors of CPSI. "Their collective experience and knowledge will help guide us as we continue our evolution in the community healthcare market."

Regina Benjamin, MD, MBA, was United States Surgeon General from 2009 to 2013 and is currently a non-executive director of Diplomat Pharmacy, Inc, Kaiser Foundation Hospitals and Health Plan, and ConvaTec. She is a former non-executive director of Alere, Inc. In 1995, Dr. Benjamin became the first person under age 40 elected to the American Medical Association Board of Trustees, and in 2004 she became President of the Medical Association of Alabama, making her the first African American female president of a state medical society in the nation. In 2008, she was Chair of the Federation of State Medical Licensing Boards. Dr. Benjamin is the CEO and a practicing physician at the Bayou La Batre Rural Health Clinic in Alabama, which she founded in 1990. She holds an endowed chair in Public Health Sciences at Xavier University of Louisiana. Dr. Benjamin has an M.D. from the University of Alabama School of Medicine, and an MBA from Tulane University.

"I have devoted my career to community medicine and am very pleased to join an organization that contributes to the well-being of rural hospitals and their communities across the country," said Benjamin. "My fellow board members and I look forward to working together to ensure continued growth and success."

Denise Warren is the executive vice president and chief operating officer of WakeMed Health & Hospitals, a 919-bed healthcare system with multiple facilities in the Raleigh, North Carolina, area. Ms. Warren brings more than 30 years of experience in operations, finance and executive management and has an extensive track record working with both public and private equity companies. She currently serves as a member of the board of directors of Rockroom Insurance Group, HeartCare+, CancerCare+ and the Vizient Central Atlantic Executive Board. Previously she served as chairman of the board of Auriga Insurance Group and as a board member of Dogwood Insurance. Ms. Warren received a B.S. in economics at Southern Methodist University and an MBA from Harvard Business School.

Throughout his career, Glenn Tobin has focused on leading a variety of organizations to improve the delivery of healthcare. From 2012 to 2017, Dr. Tobin served as executive vice president of The Advisory Board Company (ABC), a research, technology and consulting firm serving the healthcare and education industries. While there, Dr. Tobin served as the chief executive officer of Crimson, ABC's health analytics division. Dr. Tobin also served as the chief operating officer for CodeRyte, Inc. from 2010 to 2012 and Cerner Corporation from 1988 to 2004, where he drove the rollout of Cerner's enterprise-wide electronic medical records solution. Additionally, he was a general manager for Corporate Executive Board and was a consultant for McKinsey and Company. Dr. Tobin graduated magna cum laude with a B.S. in business administration from Kansas State University and earned his M.P.P. and Ph.D. from Harvard University.

William Seifert, a 16-year member of the CPSI Board of Directors, will not stand for re-election at the 2018 Annual Shareholders Meeting in order to pursue other personal and professional interests.

"I have found great value in working with the leadership of CPSI as the Company has grown to become a national leader in community healthcare," said Seifert. "After being an active member of the CPSI family for many years, I decided it was time to allow others to have the opportunity to work with this exciting company."

"We look forward to working with our new and existing board members as we continue to expand our reach in community healthcare," said Boyd Douglas, president and chief executive officer of CPSI. "CPSI and our family of companies will benefit greatly from their combined knowledge and expertise in the healthcare industry, and we are confident they will be instrumental in the Company's future success."

About CPSI

CPSI is a leading provider of healthcare solutions and services for community hospitals plus other healthcare systems and post-acute care facilities. Founded in 1979, CPSI is the parent of four companies – Evident, LLC, TruBridge, LLC, Healthland Inc., and American HealthTech, Inc. Our combined companies are focused on helping improve the health of the communities we serve, connecting communities for a better patient care experience, and improving the financial operations of our customers. Evident provides comprehensive EHR solutions and services for community hospitals. TruBridge focuses on providing business, consulting, and managed IT services along with their RCM product, Rycan, providing revenue cycle management workflow and automation software to hospitals, other healthcare systems, and skilled nursing organizations. Healthland provides integrated technology solutions and services to small rural and critical access hospitals. American HealthTech is one of the nation's largest providers of financial and clinical technology solutions and services for post-acute care facilities. For more information, visit www.cpsi.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified generally by the use of forward-looking terminology and words such as "expects," "anticipates," "estimates," "believes," "predicts," "intends," "plans," "potential," "may," "continue," "should," "will" and words of comparable meaning. We caution investors that any such forward-looking statements are only predictions and are not guarantees of future performance. Certain risks, uncertainties and other factors may cause actual results to differ materially from those projected in the forward-looking statements. Such factors may include: overall business and economic conditions affecting the healthcare industry, including the potential effects of the federal healthcare reform legislation enacted in 2010, and implementing regulations, on the businesses of our hospital customers; government regulation of our products and services and the healthcare and health insurance industries, including changes in healthcare policy affecting Medicare and Medicaid reimbursement rates and qualifying technological standards; changes in customer purchasing priorities, capital expenditures and demand for information technology systems; saturation of our target market and hospital consolidations; general economic conditions, including changes in the financial and credit markets that may affect the availability and cost of credit to us or our customers; our substantial indebtedness, and our ability to incur additional indebtedness in the future; our potential inability to generate sufficient cash in order to meet our debt service obligations; restrictions on our current and future operations because of the terms of our senior secured credit facilities; market risks related to interest rate changes; our ability to successfully integrate the businesses of Healthland, American HealthTech and Rycan with our business and the inherent risks associated with any potential future acquisitions; our ability to remediate a material weakness in our internal control over financial reporting; competition with companies that have greater financial, technical and marketing resources than we have; failure to develop new or enhance current technology and products in response to market demands; failure of our products to function properly resulting in claims for losses; breaches of security and viruses in our systems resulting in customer claims against us and harm to our reputation; failure to maintain customer satisfaction through new product releases or enhancements free of undetected errors or problems; interruptions in our power supply and/or telecommunications capabilities, including those caused by natural disaster; our ability to attract and retain qualified customer service and support personnel; failure to properly manage growth in new markets we may enter; misappropriation of our intellectual property rights and potential intellectual property claims and litigation against us; changes in accounting principles generally accepted in the United States; fluctuations in quarterly financial performance due to, among other factors, timing of customer installations; and other risk factors described from time to time in our public releases and reports filed with the Securities and Exchange Commission, including, but not limited to, our most recent Annual Report on Form 10-K. We also caution investors that the forward-looking information described herein represents our outlook only as of this date, and we undertake no obligation to update or revise any forward-looking statements to reflect events or developments after the date of this press release.

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