

CALL TO ORDER	The meeting was called to order at 5:32 p.m. by Peter Watercott, President.
PRESENT	Peter Watercott, President D. Scott Clark, M.D., Vice President Pat Calloway, Secretary John Ungersma, M.D., Treasurer
ALSO PRESENT	John Halfen, Administrator Taema Weiss, M.D., Chief of Staff Douglas Buchanan, Esq., Hospital District Legal Counsel Sandy Blumberg, Administrative Secretary
ABSENT	Michael Phillips, M.D.
ALSO PRESENT FOR RELEVANT PORTION(S)	Dianne Shirley, R.N., Performance Improvement Coordinator
PUBLIC COMMENTS ON AGENDA	Mr. Watercott asked if any members of the public wished to address the Board on any items listed on the agenda for this meeting. No comments were heard.
NIH PERFORMANCE IMPROVEMENT PLAN	Mr. Halfen stated the Northern Inyo Hospital (NIH) Performance Improvement Plan will be discussed at the next regular meeting of the District Board.
MINUTES	The minutes of the July 2006 regular meeting were approved.
FINANCIAL AND STATISTIAL REPORTS	John Halfen, Chief Financial Officer, reviewed with the Board the financial and statistical reports for the month of July 2006. He noted that financial reports for June 2006 were mailed to the Board during the month of August and would not be reviewed unless there were questions on their content. No questions were heard. Mr. Halfen noted the statement of operations shows a bottom line excess of revenues over expenses of \$182,907 for the month of July 2006. Mr. Halfen called attention to the following: <i>Gross patient revenue was 4% under budget</i> <i>Total Expenses were under budget</i> <i>Bad-debt expense was over budget due to write offs of patient accounts</i> <i>Cash flow during the month was affected by \$1,000,000 being transferred to investments</i>

The Balance Sheet did not undergo significant change

A motion was made by Pat Calloway, seconded by D. Scott Clark, M.D. and passed to approve the financial and statistical reports for the months of June and July 2006.

ADMINISTRATOR'S
REPORT

Mr. Halfen reported that bids for the new Service building and for the new Radiology buildings went out 10 days ago, and are expected back in approximately two weeks. Bids for the Service building should be fairly straightforward while bids for Radiology will be complicated due to the nature of the requirements for that space. It is uncertain how close the actual bids will come to the original estimates, so Mr. Halfen has refrained from releasing cost information to the general public, until he has a more accurate idea of what the actual numbers will be.

BUILDING UPDATE /
BID PROCESS, TURNER
CONSTRUCTION

GROUNDBREAKING

Mr. Halfen stated that groundbreaking for the Service building should take place during the month of October, and may be planned for noon on the same day as the next regular meeting of the District Board.

Mr. Halfen also reported the City of Bishop's plan check of the Service and Radiology building plans is being held up due to concerns the City has about drainage in the area of the Hospital and Home Street School. Hospital and City representatives will meet later this week to discuss the issue in more detail.

REGIONAL SERVICE
PLANNING MEETING
REPORT

Regional Service Planning Commission meetings will resume in October, and the next meeting is scheduled for October 4 at 6:00pm at Mammoth Hospital. The Commission plans to begin work on drafting a plan for start-up of an LVN training program in this area.

CMSP CONTRACT

Mr. Halfen reported the Hospital has received its renewed CMSP contract, and that reimbursement rates are even lower than in the past. The CMSP write-off percentage is now around 90%, compared to a previous rate of 60%. Mr. Halfen intends to bring up the subject of low CMSP reimbursement rates at the upcoming ACHD conference to be held in San Diego later this month. He feels it may be time for hospitals to come together in an effort to bring CMSP reimbursement rates to level more equitable for the hospitals.

LEASED PARKING
PROPOSAL

Mr. Halfen referred to a map (included in the Board packet) which shows an area adjacent to Hospital property that Northern Inyo Hospital (NIH) may lease for the purpose of providing additional parking during rebuild construction. The Hospital is in the process of drafting an agreement with the Bishop Paiute Tribe to lease the land and add 37 new parking spaces for employee and visitor parking. Mr. Halfen will submit the proposed lease for Board approval once the preliminary details have been finalized.

OTHER

Mr. Halfen informed the Board that Mammoth Hospital recently purchased the former Cerro Coso College building in Bishop, and that contrary to popular belief there are no plans to use the building for clinical practice. Mammoth Hospital plans to use the newly acquired space for office, rather than clinical functions, and they expect to relocate part of their Administrative and clerical operations to Bishop.

CHIEF OF STAFF
REPORT

Chief of Staff Taema Weiss, M.D., reported the following:

Following careful review and consideration, the Medical Executive Committee makes the following recommendations to the District Board:

- Appointment of Asao Kamei, M.D. as Chief of Medicine/Intensive Care
- Reinstatement of Staff membership and privileges for Valley Emergency Affiliate Michael Dillon, M.D., following a three-month leave of absence
- Appointment of Family Health Centre Internist Vasuki Sittampalam, M.D. to the Northern Inyo Hospital Provisional Active Medical Staff with requested privileges related to her private practice in internal medicine.

It was moved by Doctor Clark, seconded by John Ungersma M.D. and passed to approve the Medical Executive Committee recommendations as presented.

Doctor Weiss also reported the following:

- Non-resident orthopaedic surgeon Elliot Carlisle, M.D. has withdrawn his application for Consulting Staff membership
- Valley Emergency Affiliate Doris Lin, M.D., who applied for Active Staff with privileges in emergency medicine was granted privileges for 60 days effective March 30, 2006. Doctor Lin does not currently reside in the state of California, therefore the Executive Committee recommends that her application for Staff membership continue to be deferred until such time as it is known if she plans to relocate to the area.

Doctor Weiss additionally reported that applications for advancement from Provisional to Active Staff status have been received from orthopaedist Mark Robinson, M.D., and from urologist Tomi Bortolazzo, M.D..

Reappointment packets have been sent to seventeen Medical Staff members whose Staff membership and Hospital privileges are due to expire on December 31, 2006.

OLD BUSINESS

CRITICAL ACCESS
STATUS

Mr. Halfen stated the Hospital is still awaiting Critical Access designation, and he recently discovered that CMS currently considers NIH's application to be incomplete. Following a request for review of the

application, Mr. Halfen expects a phone call any day stating that Critical Access status has been granted to NIH. After receiving Critical Access designation the Hospital will immediately begin processing its swing bed application.

NEW BUSINESS

EMPLOYEE SATISFACTION SURVEY

Mr. Halfen stated results of the Employee Satisfaction Survey were mailed to Board members for their review earlier this month, and he asked for direction regarding what action the Board would like to see taken as a result of the survey. The Board asked that the areas with the lowest employee satisfaction scores be reviewed, and that Hospital staff be asked for suggestions for improvement in those areas. Mr. Halfen stated that studies of this type are valuable when performed approximately every two years for the purpose of comparison to assess whether or not improvements have been made. The current survey revealed eight general areas where improvement might be needed, and Mr. Halfen plans to address those eight areas at a future meeting. Mr. Halfen also intends to call a meeting of the employee Personnel Policies Advisory Committee (PPAC) in order to begin addressing the areas of concern.

G.E. CENTRICITY SOFTWARE

Mr. Halfen stated that consideration of the purchase of GE Centricity software for the Rural Health Clinic will be tabled to a future date, due to the fact that new information is being considered on the subject.

POLICY & PROCEDURE MANUALS

Following review and approval by applicable committees and service chiefs, the following Policy and Procedure manuals were on hand for the review and approval of the District Board:

- Mammography
- Radiation Safety
- Radiology (2)
- MRI Safety (2)
- Nuclear Medicine

It was moved by Ms. Calloway, seconded by Doctor Clark, and passed to approve the Policy and Procedure manuals as presented.

ALLTEL LEASE PROPOSAL

Mr. Halfen updated the Board on the status on the Hospital's communications tower agreement with Alltel cellular. Mr. Halfen originally thought the Hospital was being underpaid for Alltel's use of the tower, but he now believes that this is not the case. He has reached an agreement with Alltel allowing for a lease payment to NIH of \$1,800 per month, and that agreement will be reviewed by District Legal Counsel Doug Buchanan then submitted to the Board for approval.

ACTUARIAL VALUATION AS OF JANUARY 1, 2006

Mr. Halfen referred to the Northern Inyo County Local Hospital District (NICLHD) Retirement Plan Actuarial Valuation as of January 1, 2006, prepared by Milliman Consultants and Actuaries. Mr. Halfen stated that current investment yields for the plan are not as high as he had hoped, and that the plan is being adversely affected by the aging of NIH's workforce.

Pension plan contributions are increasing, and while no action is required at this time, the pension valuation *is* a matter of concern to the financial well being of the District. Doctor Ungersma inquired as to how NIH's pension valuation compares to other hospitals, and Mr. Halfen responded that the Hospital is in a more favorable position than most.

OTHER

- None -

BOARD MEMBER
REPORTS

Mr. Watercott asked if any members of the Board of Directors wished to report on any items of interest. No reports were heard.

OPPORTUNITY FOR
PUBLIC COMMENT

In keeping with the Brown Act, Mr. Watercott asked if any members of the public wished to address the Board of Directors on items of interest. No comments were heard.

CLOSED SESSION

At 6:23 p.m., Mr. Watercott announced the meeting was being adjourned to closed session to allow the Board of Directors to:

1. Hear reports on Hospital quality assurance activities, and hear a report from the Medical Staff Executive Committee (Section 32155 of the Health and Safety Code, and Government Code Section 54962).
2. Confer with legal counsel regarding claim filed by Noam Scott against Northern Inyo County Local Hospital District and other Defendants (Government Code Section 54956.9(a)).
3. Confer with legal counsel regarding claim filed by Jeffrey L. Montgomery against Northern Inyo County Local Hospital District and other Defendants (Government Code Section 54956.9(a)).
4. To hear complaints brought against an employee (Government Code Section #54957).

OPEN SESSION

At 6:57 p.m., the meeting was returned to open session. Mr. Watercott announced the Board took no reportable action.

PUBLIC COMMENT

Mr. Watercott again asked if any members of the public wished to address the Board on any items listed on the agenda for this meeting. No comments were heard.

ADJOURNMENT

The meeting was adjourned at 7:00 p.m.

Peter Watercott, President

Attest:

Patricia Ann Calloway, Secretary