



Northern Inyo County Local Hospital District

**Board of Directors Regular Meeting**

**Wednesday June 18, 2008; 5:30pm**

*Board Room  
Northern Inyo Hospital*

***DRAFT AGENDA***  
NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT  
BOARD OF DIRECTORS MEETING  
**June 18, 2008 at 5:30 P.M.**  
*In the Board Room at Northern Inyo Hospital*

1. Call to Order (at 5:30 P.M.).
2. Opportunity for members of the public to comment on any items on this Agenda.
3. Approval of minutes of the May 21 2008 regular meeting.
4. Financial and Statistical Reports for the month of April 2008; John Halfen
5. Administrator's Report; John Halfen
  - A. Building Update
    - Physician Recruitment and Retention Workshop results
  - B. F.Y.I. Section
  - C. Other
6. Chief of Staff Report – Richard Nicholson, M.D.
  - A. Policies and Procedures (*action items*)
    1. *Employee Tuberculosis Surveillance Program*
    2. *Picture Archival Communication System Direct Physician Access*
    3. *Recalls: Drugs*
    4. *Black Box Warnings*
  - B. Other
7. Old Business
  - A. Reaffirmation of John Halfen as negotiator regarding potential acquisition of real property at 2957 Birch Street, Bishop, California. Negotiation will be with the designee(s) of Southern Mono County Healthcare District (*action item*).
  - B. Reaffirmation of John Halfen as negotiator regarding potential acquisition of real property at 152-H Pioneer Lane, Bishop, California. Negotiation will be with the designee(s) of Pioneer Medical Associates and/or Alice Casey, M.D. and Clifford Beck, M.D. (*action item*).
8. New Business
  - A. Nominations for ACHD Board (*action item*)
  - B. Contracts for C-Section/OB/Gyn Call (*action item*)
  - C. Emergency Capital; C-Arm for Surgery Department, \$201,600 (*action item*).
9. Reports from Board members on items of interest.

10. Opportunity for members of the public to comment on any items on this Agenda, and/or on any items of interest.
11. Adjournment to closed session to:
  - A. Hear reports on the 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).
  - B. Instruction of negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of real property (Government Code Section 54956.8).
  - C. Instruction of negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of a second real property (Government Code Section 54956.8).
  - D. Discussion with counsel of pending litigation and whether or not the District shall initiate litigation. This discussion will be held under the authority of Government Code Section 54956.9(c).
  - E. Confer with legal counsel regarding pending litigation against the District by an employee (Government Code Section 54956.9(a)).
12. Return to open session, and report of any action taken in closed session.
13. Opportunity for members of the public to address the Board of Directors on items of interest.
14. Adjournment

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- CALL TO ORDER                    The meeting was called to order at 5:30 p.m. by D. Scott Clark, M.D., Vice President.
- PRESENT                            D. Scott Clark, M.D., Vice President  
John Ungersma, M.D., Treasurer  
Michael Phillips, M.D., Secretary  
Richard Nicholson, M.D., Chief of Staff
- ALSO PRESENT                    John Halfen, Administrator  
Douglas Buchanan, Esq., District Legal Counsel  
Sandy Blumberg, Administrative Secretary
- ABSENT                             Peter Watcott, President  
M.C. Hubbard, Director
- ALSO PRESENT FOR  
RELEVANT PORTIONS            Dianne Shirley, R.N., Performance Improvement Coordinator
- OPPORTUNITY FOR  
PUBLIC COMMENT                Doctor Clark. 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.
- MINUTES                          The minutes of the April 16, 2008 regular meeting were approved
- FINANCIAL AND  
STATISTICAL REPORTS            John Halfen, Chief Financial Officer reviewed with the Board the financial and statistical reports for the month of March 2008. Mr. Halfen noted the statement of operations shows a bottom line excess of revenues over expenses of \$114,418. Mr. Halfen called attention to the following:  
– *Inpatient revenue was over budget*  
– *Total expenses were over budget*  
– *Salaries and wages and employee benefits were over budget*  
– *The Balance Sheet did not experience significant change*  
– *Short term investments have increased in preparation for funding of Phase II of the building project*  
– *Year-to date net revenue is \$3,012,835*  
Mr. Halfen noted the average number of days accounts are in receivables is currently 60.6 days. He additionally noted it appears the Hospital will realize a profit during the month of April. It was moved by John Ungersma, M.D., seconded by Michael Phillips, M.D., and passed to approve the financial and statistical reports for the month of March as presented.
- ADMINISTRATOR’S  
REPORT                             Mr. Halfen reported planning is underway to begin the knockdown portion of Phase II of the building project. At this time Administration is waiting for approval of the knockdown and asbestos abatement plans from
- BUILDING UPDATE

the Office of Statewide Healthcare Planning and Development (OSHPD), and it is hoped that the original Hospital building will be taken down in the month of July. John Hawes with Turner Construction reported that 22 months after teardown of the existing building the new Hospital will be completed, up and running, and ready for occupation. Bids for shoring and underpinning of the existing building during demolition have been received, and a special meeting of the Board of Directors will be called as soon as possible in order to review and take action on those bids. Mr. Halfen also noted that Hospital entrances will be relocated during the next phase of construction in order to accommodate patient flow to essential services.

PARKING ISSUES

Mr. Halfen reported there is no update on the parking situation for Phase II of the building project at this time. It is expected that at least an equal number of parking spaces will be available during the next phase of construction, and the location of those spaces will change from time to time in order to accommodate construction.

SOUTHERN INYO  
HOSPITAL LEASE

Mr. Halfen also reported that Southern Inyo Hospital (SIH) has declined the lease to operate a Pain Management Clinic on Northern Inyo Hospital (NIH) property, and the clinic will instead operate out of the Wild Iris office in Bishop. Clinic operator Sandra Spiedel, MSN, NP would like to meet with NIH Medical Staff to inform practitioners in this area of the services the clinic provides.

PE SYSTEMS

Mr. Halfen referred to an audit report from PE Systems that indicates the charges the Hospital is paying for credit card transactions are within the normal range, and the company has no changes to suggest in order to save the Hospital money in this area.

RHC UPDATE

Mr. Halfen reported the Hospital has received a preliminary report from consultants who are evaluating operations at the Rural Health Clinic (RHC). The consultant report will be reviewed in great detail and an in-depth report on the findings will be presented at a future meeting of the District Board.

FYI SECTION

DIETARY  
COMPLIMENT

Mr. Halfen called attention to a Dietary Department compliment that was provided for the information of the Board.

SWING BED SURVEY

Mr. Halfen reported the Department of Health Services (DHS) recently paid a visit to NIH and completed the Hospital's long-awaited swing bed survey. The survey went smoothly and it is expected that NIH will receive licensure for its' swing beds in approximately one month.

OTHER

Mr. Halfen announced that the public workshop on the subject of NIH's role in the recruitment and retention of primary care physicians to this

area is scheduled to take place on June 14 2008 from 9am to 11am in the NIH Board Room. All interested healthcare providers and members of the general public are invited to attend.

CHIEF OF STAFF  
REPORT

Chief of Staff Richard Nicholson, M.D. reported the Medical Staff Executive Committee recommends the following three policies and procedures for approval by the District Board:

1. *Bone Graft Tissue Bank*
2. *Remodel of Endotracheal Tube (Extubation)*
3. *Emergency Department Verbal Order Policy*

It was moved by John Ungersma, M.D., seconded by Michael Phillips, M.D., and passed to approve all three policies and procedures are presented.

Doctor Nicholson also reported the Medical Staff Executive Committee recommends approval of the following appointments to the NIH Consulting Medical Staff:

1. Eric L. Goldberg, M.D.
2. James H. Sloves, M.D.
3. Robert G. Leckie, M.D.

It was moved by Doctor Phillips, seconded by Doctor Ungersma, and passed to approve all three appointments as recommended.

Doctor Nicholson also reported the Medical Staff Executive Committee recommends the advancement of Robbin Cromer-Tyler, M.D. to the Northern Inyo Hospital Active Medical Staff. It was moved by Doctor Ungersma, seconded by Doctor Phillips, and passed to approve the advancement of Doctor Cromer-Tyler as recommended.

OLD BUSINESS

Mr. Halfen asked for reaffirmation of himself as negotiator regarding the potential acquisition of real property at 2957 Birch Street, Bishop, California. Negotiation will be with the designee(s) of Southern Mono County Healthcare District. It was moved by Doctor Phillips, seconded by Doctor Ungersma, and passed to approve the reaffirmation of Mr. Halfen as negotiator as requested

Mr. Halfen also asked for reaffirmation of himself as negotiator regarding the potential acquisition of real property at 152-H Pioneer Lane, Bishop, California. Negotiations will be with the designee(s) of Pioneer Medical Associates and/or Alice Casey, M.D. and Clifford Beck, M.D.. It was noted that this reaffirmation could not be approved due to the fact that Doctor Clark's abstention from the vote will create a lack of a quorum required for approval. This agenda item will be revisited at the next regular meeting of the District Board.

NEW BUSINESS

3-D FOR MEP

Mr. Halfen referred to a proposal to approve 3-D modeling for the Mechanical, Electrical, and Plumbing design for Phase II of the building project, as recommended by Turner Construction Company. 3-D modeling could potentially uncover problems and save a significant amount of money by eliminating the need for change orders and corrections to the design after construction has begun. Following discussion of the possible money and time-saving benefits of 3-D modeling, the Board determined that the Stafford King Wiese proposal for 3-D Imaging presented at this meeting is the only proposal that will meet the Hospital's building needs in a timely manner and in order to receive the maximum possible monetary benefit. It was moved by Doctor Phillips, seconded by Doctor Ungersma, and passed to approve the proposal for 3-D Imaging services as presented. It was additionally noted that 3-D modeling is quickly becoming a standard of the industry and is likely to be included in most construction design plans in the future.

OMNICELL COLOR  
TOUCH

Mr. Halfen referred to a proposal to purchase an Omnicell medication dispensing system for use in the Hospital's outpatient unit. The machine's benefits include provision of pharmaceutical inventory records, tracking of medication expiration dates, omission of errors, and employee timesaving benefits. It was moved by Doctor Phillips, seconded by Doctor Ungersma, and passed to approve the purchase of the OmniRXCT Color Touch medication dispensing machine as presented.

PROPOSED ANNUAL  
BUDGET, FISCAL YEAR  
2009

Mr. Halfen also referred to the proposed annual budget for fiscal year 2009, which is largely similar to the budget for 2008. The proposed 2009 budget assumes a profit of 2.7 million dollars for the year. Depreciation expense will increase relative to the construction of new buildings, patient volume is expected to remain relatively unchanged, and no change is predicted to the Hospital's payor mix. Additional employee work hours have been built into the budget to allow for time inconvenience incurred during rebuild construction, and a 5% increase to the price of purchased goods has been projected. A 3% Cost of Living Adjustment (COLA) has been included dependent on the Hospital's financial performance, and three employees who should have been moved to the management pay scale previously will be moved this year. Additionally, the proposed budget allows for the management step increase scale to have an increased number of steps. Following discussion it was determined that due to a potential conflict of interest Doctor Phillips would not be able to vote, therefore this agenda item will be approved at the upcoming special meeting of the District Board. No action was taken on this agenda item at this time.

OB/GYN AND C-  
SECTION CALL

Mr. Halfen asked that the Board direct him to negotiate and/or renegotiate call arrangements with those physicians who provide C-Section call at NIH. If said agreements are accepted by the physicians and subsequently



approved by the Board, Mr. Halfen would like to make the agreement(s) effective as of June 1, 2008. Mr. Halfen explained that the existing call arrangement needs to be realigned in order to more appropriately fit the physician mix currently available for C-Section call at the Hospital. Any arrangement negotiated by Mr. Halfen will be submitted to the Board for approval before becoming effective. It was moved by Doctor Ungersma, seconded by Doctor Phillips, and passed to direct Mr. Halfen to negotiate arrangements for C-Section call as requested.

EXTENSION OF RHC  
STAFF PHYSICIAN  
CONTRACTS

Mr. Halfen asked for Board approval to extend Rural Health Clinic (RHC) Staff Physician Agreements for Kenneth Gilliland, M.D.; Michael Phillips, M.D.; and Jennifer Scott, M.D.; as well as the RHC Medical Director Agreement for Stacey Brown, M.D. to September 30, 2008. Mr. Halfen noted he intends to renew all four agreements on October 1, 2008, following an in-depth review of the consultant report on the operation of RHC. It was moved by Doctor Ungersma, seconded by Doctor Phillips, and passed to approve the extension of Doctors Gilliland, Scott, and Brown's agreements as requested, with approval of Doctor Phillip's extension being tabled to the next meeting of the District Board at which a quorum exists that is eligible to vote.

CUPOLA REMOVAL  
CONTRACT

Mr. Halfen called attention to a proposal to remove the cupolas from the original 1949 hospital building in an attempt to preserve them for future use. The Ledcor Industries proposal to perform this work comes to a total of \$17,299. Discussion followed on the feasibility of removal and it was noted that much of the wood on the pieces is rotted and not salvageable. Following further discussion it was moved by Doctor Ungersma, seconded by Doctor Phillips, and passed to reject the proposal for cupola removal as presented, with the note being made that the metal weathervane pieces at the top of the cupolas will be saved for further consideration of possible relocation or sale to interested parties.

BUYOUT OF RHC  
MODULAR BUILDING

Mr. Halfen referred to a proposal from GE ModSpace to buyout the remaining balance on the modular building located at 153-B Pioneer Lane (the current location of the hospital's Rural Health Clinic) at a total cost of \$211,749. It was moved by Doctor Phillips, seconded by Doctor Ungersma, and passed to approve the buyout of the RHC modular building as presented.

BOARD MEMBER  
REPORTS

Doctor Clark asked if any members of the Board of Directors wished to report on any items of interest. Doctor Ungersma reported he recently attended the Association of Healthcare Districts (ACHD) annual meeting in Sacramento, where critical issues such as declining MediCal reimbursements and physician shortages were addressed.

OPPORTUNITY FOR  
PUBLIC COMMENT

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

CLOSED SESSION

At 6:55pm Doctor Clark announced the meeting was being adjourned to closed session to allow the Board of Directors to:

- A. Hear reports on the 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).
- B. For instruction of negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of real property (Government Code Section 54956.8).
- C. For instruction of negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of a second real property (Government Code Section 54956.8).
- D. Discussion with counsel of pending litigation and whether or not the District shall initiate litigation. This discussion will be held under the authority of Government Code Section 54956.9(c).
- E. Confer with legal counsel regarding pending litigation against the District by an employee (Government Code Section 54956.9(a)).

RETURN TO OPEN  
SESSION

At 7:00pm the meeting was returned to open session. Doctor Clark reported the Board took no reportable action.

OPPORTUNITY FOR  
PUBLIC COMMENT

Doctor Clark again asked if any members of the public would like to comment on any items listed on the agenda for this meeting or on any items of interest. No comments were heard.

ADJOURNMENT

The meeting was adjourned at 7:01pm.

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D. Scott Clark, M.D., Vice President

Attest:

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Michael Phillips, M.D., Secretary

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BUDGET VARIANCE ANALYSIS

Apr-08 PERIOD ENDING PRIOR TO AUDIT

In the month, NIH was

over budget in IP days; over in IP Ancillary and  
over in OP Revenue resulting in  
12%  
\$ 1,091,907 ( 18.0% ) over in gross patient revenue from budget and  
\$ 1,030,609 ( 29.7% ) over in net patient revenue from budget

Total Expenses were:

\$ 24,713 ( 0.7% ) over budget. Wages and Salaries were  
\$ 54,713 ( 4.2% ) over budget and Employee Benefits  
\$ (232,887) ( -29.9% ) under budget.  
\$ 255,824 of other income resulted in a net income of  
\$ 1,293,583 \$ 1,060,659 over budget.

The following expense areas were over budget for the month:

\$ 54,713 4% Wages & Salaries  
\$ 67,400 32% Professional Fees; registry staff & Physicians  
\$ 44,371 29% Purchased Services  
\$ 14,933 46% Interest Expense due to Leases for Equipment  
from GE and Healthcare Financial Solutions  
\$ 67,662 42% Depreciation due to Radiology Equipment

Other Information:

39.24% Contractual Percentages for month  
43.40% Contractual Percentages for Year

\$ 4,306,418 Year-to-date Net Revenue

Special Notes for Month:

Interest Expense will remain high for year due to new leases for Laundry  
and Radiology Equipment

The depreciation expense is coming in line for the year; has been under budget

# NORTHERN INYO HOSPITAL

## Balance Sheet

April 30, 2008

<u>Assets</u>	<u>Current Month</u>	<u>Prior Month</u>	<u>FYE 2007</u>
<b>Current assets:</b>			
Cash and cash equivalents	2,722,435	1,647,991	1,341,678
<b>Short-term investments</b>	15,125,211	15,893,660	12,719,858
Assets limited as to use	394,690	232,879	1,057,115
Plant Expansion and Replacement Cash	2,706,314	2,905,472	10,944,955
Other Investments (Partnership)	386,880	386,880	386,880
Patient receivable, less allowance for doubtful accounts \$833,962	7,524,288	7,411,534	7,625,080
Other receivables (Includes GE Financing Funds)	871,755	821,659	207,225
Inventories	2,094,768	2,062,362	2,077,353
Prepaid expenses	654,566	885,296	620,550
<b>Total current assets</b>	<u>32,480,906</u>	<u>32,247,734</u>	<u>36,980,693</u>
<b>Assets limited as to use:</b>			
Internally designated for capital acquisitions	557,948	458,630	455,329
Specific purpose assets	557,363	542,363	482,715
	<u>1,115,311</u>	<u>1,000,994</u>	<u>938,044</u>
<b>Revenue bond construction funds held by trustee</b>	860,823	817,192	788,195
Less amounts required to meet current obligations	394,690	232,879	1,057,115
<b>Net Assets limited as to use:</b>	<u>1,581,445</u>	<u>1,585,307</u>	<u>669,125</u>
<b>Long-term investments</b>	<u>6,873,115</u>	<u>6,873,115</u>	<u>5,741,537</u>
<b>Property and equipment, net of accumulated depreciation and amortization</b>	<u>29,186,682</u>	<u>28,550,841</u>	<u>17,498,027</u>
<b>Unamortized bond costs</b>	<u>311,557</u>	<u>313,043</u>	<u>326,426</u>
<b>Total assets</b>	<u><u>70,433,704</u></u>	<u><u>69,570,039</u></u>	<u><u>61,215,807</u></u>

# NORTHERN INYO HOSPITAL

## Balance Sheet

April 30, 2008

### Liabilities and net assets

	<u>Current Month</u>	<u>Prior Month</u>	<u>FYE 2007</u>
<b>Current liabilities:</b>			
Current maturities of long-term debt	71,050	78,348	270,000
Accounts payable	622,924	850,450	559,389
Accrued salaries, wages and benefits	2,904,577	3,029,862	2,565,601
Accrued interest and sales tax	156,758	453,479	168,394
Deferred income	236,824	273,837	105,164
Due to third-party payors	3,940,301	3,690,301	3,219,011
Due to specific purpose funds	-	-	-
<b>Total current liabilities</b>	<u>7,932,434</u>	<u>8,376,276</u>	<u>6,887,558</u>
<b>Long-term debt, less current maturities</b>	25,897,454	25,897,454	22,180,000
Bond Premium	394,215	395,420	406,270
<b>Total long-term debt</b>	<u>26,291,669</u>	<u>26,292,874</u>	<u>22,586,270</u>
<b>Net assets:</b>			
Unrestricted	35,652,237	34,358,525	31,259,264
Temporarily restricted	557,363	542,363	482,715
<b>Total net assets</b>	<u>36,209,601</u>	<u>34,900,889</u>	<u>31,741,979</u>
<b>Total liabilities and net assets</b>	<u>70,433,704</u>	<u>69,570,039</u>	<u>61,215,807</u>

**NORTHERN INYO HOSPITAL**

**Statement of Operations**

*As of April 30, 2008*

			MTD	MTD			YTD	YTD
			Variance	Variance			Variance	Variance
	MTD Actual	MTD Budget	Variance \$	%	YTD Actual	YTD Budget	Variance \$	%
<b>Unrestricted revenues, gains and other support:</b>								
In-patient service revenue:								
Routine	602,942	592,334	10,608	1.8	5,800,251	5,923,376	(123,125)	(2.1)
Ancillary	2,122,474	1,926,340	196,134	10.2	19,195,963	19,263,337	(67,374)	(0.4)
Total in-patient service revenue	2,725,415	2,518,674	206,741	8.2%	24,996,214	25,186,713	(190,499)	-0.8%
Out-patient service revenue	4,427,523	3,542,358	885,165	25.0	37,897,722	35,423,496	2,474,226	7.0
<b>Gross patient service revenue</b>	7,152,939	6,061,032	1,091,907	18.00	62,893,936	60,610,209	2,283,727	3.8
<b>Less deductions from patient service revenue:</b>								
Patient service revenue adjustments	58,832	180,594	121,762	67.4	1,738,096	1,805,949	67,853	3.8
Contractual adjustments	2,590,968	2,407,909	(183,059)	(7.6)	24,045,861	24,079,081	33,220	0.1
<b>Total deductions from patient service revenue</b>	2,649,800	2,588,503	(61,297)	(2.4)	25,783,957	25,885,030	101,073	0.4
<b>Net patient service revenue</b>	4,503,138	3,472,529	1,030,609	30%	37,109,979	34,725,179	2,384,800	7%
Other revenue	26,910	26,497	413	1.6	288,147	264,954	23,193	8.8
Transfers from Restricted Funds for Other Operating Expenses	-	65,541	(65,541)	(100.0)	393,995	655,408	(261,413)	(39.9)
<b>Total Other revenue</b>	26,910	92,038	(65,128)	(70.8)	682,142	920,362	(238,220)	(25.9)
<b>Total revenue, gains and other support</b>	4,530,049	3,564,567	965,482	(70.5)	37,792,121	35,645,541	2,146,580	(25.8)
<b>Expenses:</b>								
Salaries and wages	1,358,063	1,303,350	(54,713)	(4.2)	12,991,058	13,033,502	42,444	0.3
Employee benefits	547,400	780,287	232,887	29.9	7,461,264	7,802,847	341,583	4.4
Professional fees	275,552	208,152	(67,400)	(32.4)	2,874,199	2,081,498	(792,701)	(38.1)
Supplies	481,687	467,888	(13,799)	(3.0)	4,471,775	4,678,902	207,127	4.4
Purchased services	197,959	153,588	(44,371)	(28.9)	1,664,413	1,535,816	(128,597)	(8.4)
Depreciation	230,501	162,839	(67,662)	(41.6)	1,457,492	1,628,394	170,902	10.5
Interest	47,204	32,271	(14,933)	(46.3)	400,638	322,713	(77,925)	(24.2)
Bad debts	157,330	150,682	(6,648)	(4.4)	1,514,439	1,506,821	(7,618)	(0.5)
Other	186,141	198,066	11,925	6.0	1,881,701	1,980,667	98,966	5.0
<b>Total expenses</b>	3,481,836	3,457,123	(24,713)	(0.7)	34,716,978	34,571,160	(145,818)	(0.4)
<b>Operating income (loss)</b>	1,048,212	107,444	940,768	(69.8)	3,075,142	1,074,381	2,000,761	(25.4)
<b>Other income:</b>								
District tax receipts	37,013	41,816	(4,803)	(11.5)	370,130	418,158	(48,028)	(11.5)
Interest	61,368	83,333	(21,965)	(26.4)	818,919	833,334	(14,415)	(1.7)
Other	58,255	4,663	53,592	1,149.3	132,398	46,627	85,771	184.0
Grants and Other Non-Restricted Contributions	99,189	12,500	86,689	693.5	109,189	125,000	(15,811)	(12.7)
Partnership Investment Income	-	-	-	N/A	-	-	-	N/A
<b>Total other income, net</b>	255,824	142,312	113,512	80	1,430,637	1,423,119	7,518	0.5
Non-Operating Expense								
Medical Office Expense	3,382	10,111	6,729	66.6	100,335	101,109	775	0.8
Urology Office	7,071	6,721	(350)	(5.2)	99,026	67,212	(31,814)	(47.3)
<b>Total Non-Operating Expense</b>	10,453	16,832	6,379	37.9	199,361	168,321	(31,040)	(18.4)
<b>Excess (deficiency) of revenues over expenses</b>	1,293,583	232,924	1,060,659	455.4	4,306,418	2,329,179	1,977,239	84.9



**NORTHERN INYO HOSPITAL**

**Statement of Operations--Statistics**

*As of April 30, 2008*

	Month		Year		YTD Actual	YTD Budget	Variance	Year Percentage
	Actual	Budget	Actual	Budget				
<b>Operating statistics:</b>								
Beds	25.00	25.00	N/A	N/A	25.00	25.00	N/A	N/A
Patient days	304.00	271.00	33.00		3,014.00	2,710.00	304.00	1.11
Maximum days per bed capacity	750.00	750.00	N/A	N/A	7,625.00	7,625.00	N/A	N/A
Percentage of occupancy	40.53	36.13	4.40		39.53	35.54	3.99	1.11
Average daily census	10.13	9.03	1.10		9.88	8.89	1.00	1.11
Average length of stay	2.92	3.08	(0.16)		3.36	3.08	0.28	1.09
Discharges	104.00	88.00	16.00		897.00	880.00	17.00	1.02
Admissions	98.00	89.00	9.00		892.00	890.00	2.00	1.00
Gross profit-revenue depts.	5,081,577.17	3,956,919.00	1,124,658.17		41,669,288.59	39,569,135.00	2,100,153.59	1.05
<b>Percent to gross patient service revenue:</b>								
Deductions from patient service revenue and bad debts	39.24	45.24	(6.00)		43.40	45.24	(1.84)	0.96
Salaries and employee benefits	26.59	34.38	(7.79)		32.47	34.38	(1.91)	0.94
Occupancy expenses	4.28	3.54	0.74		3.41	3.54	(0.13)	0.96
General service departments	4.89	5.65	(0.76)		5.75	5.65	0.10	1.02
Fiscal services department	3.84	4.56	(0.72)		4.49	4.56	(0.07)	0.98
Administrative departments	3.86	5.46	(1.60)		4.62	5.46	(0.84)	0.85
Operating income (loss)	15.89	1.70	14.19		4.75	1.70	3.05	2.79
Excess (deficiency) of revenues over expenses	18.08	3.84	14.24		6.85	3.84	3.01	1.78
<b>Payroll statistics:</b>								
Average hourly rate (salaries and benefits)	37.30	41.24	(3.94)		39.50	41.24	(1.74)	0.96
Worked hours	47,237.20	44,676.00	2,561.20		456,915.16	446,760.00	10,155.16	1.02
Paid hours	50,993.97	50,524.00	469.97		517,009.99	505,240.00	11,769.99	1.02
Full time equivalents (worked)	274.63	259.74	14.89		263.81	257.94	5.86	1.02
Full time equivalents (paid)	296.48	293.74	2.73		298.50	291.71	6.80	1.02

# NORTHERN INYO HOSPITAL

## Statements of Changes in Net Assets

As of April 30, 2008

	<u>Month-to-date</u>	<u>Year-to-date</u>
<b>Unrestricted net assets:</b>		
Excess (deficiency) of revenues over expenses	1,293,583.12	4,306,418.40
Net Assets due/to transferred from unrestricted	(99,188.98)	(99,188.98)
Net assets released from restrictions used for operations	-	477,120.00
<b>Net assets released from restrictions used for payment of long-term debt</b>	-	(393,995.00)
Contributions and interest income	99,317.85	102,618.86
<b>Increase in unrestricted net assets</b>	<u>1,293,711.99</u>	<u>4,392,973.28</u>
<b>Temporarily restricted net assets:</b>		
District tax allocation	-	536,218.51
Net assets released from restrictions	-	(477,120.00)
Restricted contributions	15,000.00	15,005.00
Interest income	-	544.84
<b>Increase (decrease) in temporarily restricted net assets</b>	<u>15,000.00</u>	<u>74,648.35</u>
<b>Increase (decrease) in net assets</b>	1,308,711.99	4,467,621.63
<b>Net assets, beginning of period</b>	34,900,888.58	31,741,978.94
<b>Net assets, end of period</b>	<u><u>36,209,600.57</u></u>	<u><u>36,209,600.57</u></u>

# NORTHERN INYO HOSPITAL

## Statements of Cash Flows

*As of April 30, 2008*

	<u>Month-to-date</u>	<u>Year-to-date</u>
<b>Cash flows from operating activities:</b>		
Increase (decrease) in net assets	1,308,711.99	4,467,621.63
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities: (correcting debt payment)	-	-
Depreciation	230,500.72	1,457,492.00
Provision for bad debts	157,330.33	1,514,438.68
Loss (gain) on disposal of equipment	20,100.00	27,151.87
(Increase) decrease in:		
Patient and other receivables	(320,180.27)	(2,078,176.87)
Other current assets	198,324.86	(51,430.92)
Plant Expansion and Replacement Cash	199,158.01	8,238,641.01
Increase (decrease) in:		
Accounts payable and accrued expenses	(686,543.97)	522,536.51
Third-party payors	250,000.00	721,290.00
<b>Net cash provided (used) by operating activities</b>	<u>1,357,401.67</u>	<u>14,819,563.91</u>
 <b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(866,342.07)	(13,149,352.67)
Purchase of investments	768,449.56	(3,536,930.45)
Proceeds from disposal of equipment	(20,100.00)	(23,946.87)
<b>Net cash provided (used) in investing activities</b>	<u>(117,992.51)</u>	<u>(16,710,229.99)</u>
 <b>Cash flows from financing activities:</b>		
Long-term debt	(8,503.32)	3,506,448.36
Issuance of revenue bonds	(43,630.95)	(72,628.07)
Unamortized bond costs	1,486.95	14,869.50
Increase (decrease) in donor-restricted funds, net	(114,317.85)	(177,267.21)
<b>Net cash provided by (used in) financing activities</b>	<u>(164,965.17)</u>	<u>3,271,422.58</u>
 <b>Increase (decrease) in cash and cash equivalents</b>	1,074,443.99	1,380,756.50
 <b>Cash and cash equivalents, beginning of period</b>	<u>1,647,990.82</u>	<u>1,341,678.31</u>
 <b>Cash and cash equivalents, end of period</b>	<u>2,722,434.81</u>	<u>2,722,434.81</u>

**Northern Inyo Hospital**  
**Summary of Cash and Investment Balances**  
**Calendar Year 2008**

Month	Operations Checking Account				Time Deposit Month-End Balances								
	Balance at Beginning of Month	Deposits	Disbursements	Balance at End of Month	Investment Operations Fund	Bond and Interest Fund (2)	Equipment Donations Fund	Childrens Fund	Scholarship Fund	Tobacco Settlement Fund	Total Revenue Bond Fund (1)	Project Revenue Bond Fund (1)	General Obligation Bond Fund
January	799,688	3,470,821	3,178,334	1,092,175	20,699,869	533,220	25,185	3,034	5,854	432,993	729,781	18,154	4,996,062
February	1,092,175	3,784,341	3,845,492	1,031,024	21,348,607	533,220	25,185	3,034	5,854	433,239	773,502	18,193	3,693,002
March	1,031,024	8,396,549	9,206,848	220,726	22,761,607	533,397	25,192	3,035	5,855	433,438	817,192	18,221	2,905,472
April	220,726	5,565,892	5,070,387	716,230	16,533,747	473,447	25,141	2,900	5,839	429,339	872,431	17,616	13,275,050
PRIOR YEAR													
May	1,742,790	3,030,162	4,660,401	112,551	20,225,400	473,447	25,141	3,029	5,839	429,769	934,534	17,680	10,891,486
June	1,12,551	5,152,683	4,224,606	1,040,628	18,456,227	473,766	25,157	3,031	5,842	430,173	788,259	17,745	10,944,955
July *	1,040,628	3,387,765	3,921,993	506,401	20,781,983	440,641	25,157	3,031	5,842	430,618	830,478	17,810	8,999,586
August	506,401	4,397,557	4,059,627	844,331	20,725,316	478,140	25,157	3,031	5,842	431,050	872,949	17,876	8,000,350
September	844,331	3,624,606	4,136,051	332,887	21,064,617	478,437	25,173	3,033	5,846	431,441	915,472	17,935	6,743,527
October	332,887	5,621,707	5,376,158	578,436	19,686,180	34,442	25,173	3,033	5,846	431,874	958,132	17,996	6,095,837
November	578,436	4,268,508	4,207,737	639,207	19,167,169	34,442	25,173	3,033	5,846	432,257	1,020,656	18,056	5,862,534
December	639,207	4,613,761	4,453,280	799,688	19,603,236	533,220	25,185	3,034	5,849	432,642	686,080	18,106	4,973,046

\* Cash for July corrected after report due to late posting of Medicare deposits

Notes: (1) The difference between the Total and Project Revenue Bond Funds represents amounts held by the trustee to make payments on the District's behalf and about \$575,000 to cover the Bond Reserve Account Requirement with respect to the Series 1998 Bonds. The Project amount represents the balance available to spend on the building project; however, the district accumulates invoices and only requests reimbursement quarterly.

(2) The Bond and Interest Fund now contains the Debt Service amount from the County for both the original Bond and the 2005 Bond.

## Investments as of 4/30/2008

ID	Purchase Date	Maturity Date	Institution	Yield%	Principal Invested
1	15-Apr-08	01-May-08	Local Agency Investment Fund	3.40%	6,462,993.33
2	02-Apr-08	01-May-08	Local Agency Investment Fund	3.40%	299,861.90
3	16-Feb-08	27-May-08	Cantella & Co., Inc	4.50%	93,398.98
4	11-Mar-05	11-Jun-08	Community Bank	4.00%	98,000.00
5	11-Mar-05	11-Jun-08	Equity Bank	4.00%	100,000.00
6	20-Jun-07	15-Jun-08	FANNIE MAE FNMA-MBS	5.29%	486,750.00
<b>Short Term Investments</b>					<b>7,541,004.21</b>
7	19-Dec-07	02-Jul-08	Bear Stearns Co Note	5.06%	988,600.00
8	15-Oct-03	15-Oct-08	R-G Crown Bank	4.00%	97,000.00
9	09-Oct-07	24-Nov-08	Citigroup Med Term Note	5.33%	1,330,153.95
10	28-Apr-08	08-Dec-08	First Tennessee Bank Note	5.21%	800,000.00
11	04-Jan-05	05-Jan-09	Mututal Bank	4.36%	99,000.00
12	22-Feb-08	25-Mar-09	Bear Stearns Co Note	4.43%	3,073,286.72
13	21-Sep-07	01-Apr-09	Citigroup Med Term Note	3.38%	239,293.07
<b>Maturing Fiscal Year 2009</b>					<b>6,627,333.74</b>
14	21-Sep-07	01-Nov-09	Citigroup Med Term Note	6.65%	702,986.88
15	22-Feb-08	07-Dec-09	Bear Stearns Co Note	4.58%	933,927.36
16	30-Dec-04	30-Dec-09	Capital City Bank and Trust	4.75%	99,000.00
17	22-Apr-05	22-Apr-10	Bank of Waukegan	4.75%	99,000.00
18	24-Apr-08	15-May-10	American General Finance Corp Note	4.47%	503,905.00
<b>Maturing Fiscal Year 2010</b>					<b>2,338,819.24</b>
19	23-Jul-07	23-Jul-10	Federal Home Loan Bank-MBS	5.50%	500,000.00
20	13-Nov-07	04-Aug-10	Merrill Lynch & Co Inc	5.35%	986,000.00
<b>Maturing Fiscal Year 2011</b>					<b>1,486,000.00</b>
21	12-Mar-08	12-Sep-11	Federal Home Loan Mtg Corp-FNC	4.05%	1,000,000.00
<b>Maturing Fiscal Year 2012</b>					<b>1,000,000.00</b>
22	18-Mar-08	01-Mar-13	Federal Home Loan Mtg Corp-FNC	4.38%	3,000,000.00
<b>Maturing Fiscal Year 2013</b>					<b>3,000,000.00</b>
<b>GRAND TOTAL ALL INVESTMENTS</b>					<b>21,993,157.19</b>

**Financial Indicators**

	Target	Apr-08	Mar-08	Feb-08	Jan-08	Dec-07	Nov-07	Oct-07	Sep-07	Aug-07	Jul-07	Jun-07	May-07
Current Ratio	>1.5-2.0	4.09	3.85	4.22	4.42	4.43	4.28	4.12	4.43	4.69	4.97	5.37	5.35
Quick Ratio	>1.33-1.5	3.64	3.40	3.44	3.63	3.99	3.84	3.71	4.04	4.29	4.56	4.95	4.93
Days Cash on Hand	>75	254.30	229.19	274.52	258.26	270.34	263.64	267.90	303.54	283.51	310.04	353.49	289.37

NORTHERN INYO HOSPITAL  
STATISTICS

4 MONTHS 2008	SURGERIES			TOTAL			BIRTHS			ER			OP REFERRALS			ADMITS (W/NE)			PT DAYS (W/O NB)			PT DAYS (W/NB)			DISCH (W/NB)																																																																																																																																																																																		
	IP	OP		06	07	08	06	07	08	06	07	08	06	07	08	06	07	08	06	07	08	06	07	08	06	07	08																																																																																																																																																																																
JANUARY	40 / 38 / 33	72 / 73 / 106		112 / 111 / 139	19 / 17 / 16	16	60 / 47 / 48	563 / 510 / 573	3135 / 3331 / 3237	126 / 111 / 107	370 / 299 / 329	410 / 350 / 364	124 / 106 / 96	FEBRUARY	29 / 24 / 17	62 / 59 / 81		91 / 83 / 98	20 / 19 / 14	14	44 / 14 / 39	467 / 521 / 545	3100 / 2991 / 3165	106 / 107 / 86	255 / 251 / 241	303 / 291 / 274	113 / 105 / 96	MARCH	50 / 25 / 32	101 / 53 / 82		151 / 78 / 114	26 / 17 / 13	13	63 / 49 / 43	543 / 460 / 506	3387 / 3079 / 3285	152 / 117 / 108	333 / 286 / 318	399 / 322 / 349	149 / 116 / 102	APRIL	31 / 31 / 35	81 / 59 / 120		112 / 90 / 155	18 / 17 / 14	14	54 / 48 / 61	474 / 525 / 558	3145 / 3251 / 3611	114 / 105 / 112	310 / 245 / 307	346 / 276 / 338	116 / 112 / 118	MAY	/ / /	/ / /		/ / /	/ / /		/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	JUNE	/ / /	/ / /		/ / /	/ / /		/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	JULY	/ / /	/ / /		/ / /	/ / /		/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	AUGUST	/ / /	/ / /		/ / /	/ / /		/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	SEPTEMBER	/ / /	/ / /		/ / /	/ / /		/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	OCTOBER	/ / /	/ / /		/ / /	/ / /		/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	NOVEMBER	/ / /	/ / /		/ / /	/ / /		/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	DECEMBER	/ / /	/ / /		/ / /	/ / /		/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	CALENDAR YEAR	150 / 118 / 117	316 / 244 / 389		466 / 362 / 506	83 / 70 / 57	191	221 / 158 / 191	2047 / 2016 / 2182	12767 / 12652 / 13298	498 / 440 / 413	1268 / 1081 / 1195	1458 / 1239 / 1325	502 / 439 / 412	MONTHLY AVERAGE	38 / 30 / 29	79 / 61 / 97		117 / 91 / 127	21 / 18 / 14	14	55 / 40 / 48	512 / 504 / 546	3,192 / 3,163 / 3,325	125 / 110 / 103	317 / 270 / 299	365 / 310 / 331	126 / 110 / 103

NORTHERN INYO HOSPITAL  
DEPARTMENTAL NON-EMERGENCY OUTPATIENT VISITS

4 MONTHS 2008	DIAGNOSTIC RADIOLOGY		MAMMOGRAPHY		NUCLEAR MEDICINE		ULTRASOUND		CT SCANNING		MRI		LABORATORY		EKG / EEG		PHYSICAL THERAPY		RESPIRATORY THERAPY		RURAL HEALTH CLINIC		TOTALS		
	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	
JANUARY	312 / 308 / 544	229 / 188 / 193	29 / 36 / 71	107 / 166 / 205	123 / 112 / 170	85 / 86 / 89	1686 / 1621 / 1809	103 / 139 / 103	302 / 335 / 335	12 / 19 / 10	1029 / 941 / 1057	4017 / 3961 / 4586													
FEBRUARY	250 / 263 / 593	211 / 194 / 193	60 / 38 / 63	135 / 157 / 205	111 / 102 / 217	92 / 71 / 85	1633 / 1662 / 1744	82 / 84 / 113	361 / 302 / 364	19 / 19 / 11	970 / 965 / 1150	3924 / 3857 / 4738													
MARCH	329 / 269 / 529	83 / 122 / 311	52 / 29 / 133	133 / 144 / 223	126 / 95 / 233	105 / 76 / 403	1853 / 1734 / 1774	132 / 100 / 149	425 / 340 / 346	14 / 16 / 12	1099 / 1095 / 1211	4351 / 4020 / 5324													
APRIL	254 / 258 / 697	237 / 246 / 199	35 / 46 / 183	109 / 139 / 196	107 / 123 / 264	84 / 105 / 453	1984 / 1767 / 1984	84 / 85 / 121	397 / 300 / 410	21 / 14 / 14	915 / 883 / 1318	4227 / 3966 / 5639													
MAY	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /													
JUNE	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /													
JULY	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /													
AUGUST	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /													
SEPTEMBER	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /													
OCTOBER	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /													
NOVEMBER	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /													
DECEMBER	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /													
CALENDAR YEAR	1145 / 1098 / 2363	760 / 760 / 896	176 / 149 / 450	484 / 606 / 829	467 / 432 / 884	366 / 338 / 1030	7156 / 6784 / 7311	401 / 408 / 486	1485 / 1277 / 1455	66 / 68 / 47	4013 / 3884 / 4736	16519 / 15604 / 20487													
MONTHLY AVERAGES	286 / 275 / 591	190 / 190 / 224	44 / 37 / 113	121 / 152 / 207	117 / 108 / 221	92 / 85 / 258	1789 / 1696 / 1828	100 / 102 / 122	371 / 319 / 364	17 / 17 / 12	1003 / 971 / 1184	4130 / 3951 / 5122													

\*Radiology has changed their methodology for capturing statistics and feel these are more accurate. They are much higher than previously reported.



**Northern Inyo Hospital  
 Monthly Report of Capital Expenditures  
 Fiscal Year Ending JUNE 30, 2008  
 As of April 30, 2008**

<b>MONTH APPROVED BY BOARD</b>	<b>DESCRIPTION OF APPROVED CAPITAL EXPENDITURES</b>	<b>AMOUNT</b>
FY 1995-96	Hospital Information System	\$1,300,000
FY 2006-07	Platelet Incubator/Agitator Purchase (non-budget)	2,600
	QuadraMed Tempus One Scheduling System (Includes Surgery Module)	224,634 *
	GE Centricity RHC Electronic Health Record Software	110,964 *
	Hologic Stereotactic Breast Biopsy System	122,775 *
	<b>AMOUNT APPROVED BY THE BOARD IN PRIOR FISCAL YEARS TO BE EXPENDED IN THE CURRENT FISCAL YEAR</b>	<u>1,760,973</u>
FY 2007-08	Biomerieux Blood Culture Instrument	47,275 *
	Manageware Infant Security Solution	45,001 *
	Contract Management Software	4,400 *
	GE Pelvic Ultrasound for RHC	47,351 *
	Network Switch Upgrade	171,957
	Gemstar Pain Management Devices	34,978 *
	GE Pelvic Ultrasound for OB	38,913 *
	Clark Equipment TMX 20 Forklift	33,539 *
	Seimens Patient Monitor SC 9000XL	7,799
	Node Seeker 800 System	28,106 *
	Pulmonary Function Equipment	30,965 *
	FCR Carbon XL with Lite IIP	71,889 *
	<b>AMOUNT APPROVED BY THE BOARD IN THE CURRENT FISCAL YEAR TO BE EXPENDED IN THE CURRENT FISCAL YEAR</b>	562,173

**Northern Inyo Hospital  
 Monthly Report of Capital Expenditures  
 Fiscal Year Ending JUNE 30, 2008  
 As of April 30, 2008**

<b>MONTH APPROVED BY BOARD</b>	<b>DESCRIPTION OF APPROVED CAPITAL EXPENDITURES</b>	<b>AMOUNT</b>
	Amount Approved by the Board in Prior Fiscal Years to be Expended in the Current Fiscal Year	1,760,973
	Amount Approved by the Board in the Current Fiscal Year to be Expended in the Current Fiscal Year	<u>562,173</u>
	Year-to-Date Board-Approved Amount to be Expended	1,482,356
	Year-to-Date Administrator-Approved Amount	308,466 *
	Actually Expended in Current Fiscal Year	<u>840,790 *</u>
	Year-to-Date Completed Building Project Expenditures	485,248 *
	<b>TOTAL FUNDS APPROVED TO BE EXPENDED</b>	<u><u>2,631,612</u></u>
	<b>Total-to-Date Spent on Incomplete Board Approved Expenditures</b> (Hospital Information System and Building Project)	1,354,019
 Reconciling Totals:		
	Actually Capitalized in the Current Fiscal Year Total-to-Date	1,149,256
	Plus: Lease Payments from a Previous Period	0
	Less: Lease Payments Due in the Future	0
	Less: Funds Expended in a Previous Period	0
	Plus: Other Approved Expenditures	<u>1,482,356</u>
	<b>ACTUAL FUNDS APPROVED IN THE CURRENT FISCAL YEAR TOTAL-TO-DATE</b>	<u><u>2,631,612</u></u>
	Donations by Auxiliary	0
	Donations by Hospice of the Owens Valley	0
	Donations by Others (Barry Miller & Associates for Infant Security System)	5,000
	Donations by Others (Union Bank of California for Infant Security System)	<u>1,000</u>
		<u><u>6,000</u></u>

\*Completed Purchase

(Note: The budgeted amount for capital expenditures for the fiscal year ending June 30, 2006, is \$3,600,000 coming from existing hospital funds.)

**Northern Inyo Hospital  
 Monthly Report of Capital Expenditures  
 Fiscal Year Ending JUNE 30, 2008  
 As of April 30, 2008**

<b>Administrator-Approved Item(s)</b>	<b>Department</b>	<b>Amount</b>	<b>Month Total</b>	<b>Grand Total</b>
CITRIX ACCESS PROGRAM	IT/CENTRICITY	10,077		
BTx/464 INCUBATOR	LABORATORY	10,592		
STRYKER M-SERIES STRETCHER	PACU	5,899		
LAN DESK NETWORK MANAGEMENT	IT	2,789		
CONCRETE NEXT TO HOSPICE	GROUNDS	4,500		
INFANT SECURITY ZONE SYSTEM	PERINATAL UNIT	5,420		
DIAMOND KNIFE 20* TRI-FACET	SURGERY	2,500		
DIAMOND KNIFE 20* TRI-FACET	SURGERY	2,500		
DIAMOND KNIFE 20* TRI-FACET	SURGERY	2,500		
E-SERIES DIAMOND KNIFE 90* LANCE	SURGERY	2,500		
E-SERIES DIAMOND KNIFE 90* LANCE	SURGERY	2,500		
E-SERIES DIAMOND KNIFE 90* LANCE	SURGERY	2,500		
CONTRACT ASSISTANT SOFTWARE UPGRAD	ADMINISTRATION	5,926		
ESD DESKTOP OPTIMIZATION PAC	IT	2,169		
TRUE REFRIGERATOR	DIETARY	7,635		
NETWORK SWITCHES	IT	4,615		
<b>Month Ending April 30, 2008</b>			<b>74,620</b>	<b>308,466</b>

**Northern Inyo Hospital**  
**PLANT EXPANSION AND REPLACEMENT BUILDING PROJECTS**

(Completed and Occupied or Installed)

Item		Amount	Grand Total
MILNOR 165 LB WASHER/TRACTORS	Laundry Equipment Lease	140,075	
MILNOR 100 LB WASHER/EXTRACTOR	Laundry Equipment Lease	70,038	
MILNOR M175 DRYERS	Laundry Equipment Lease	32,325	
CHICAGO 28" IRONER/FOLDER	Laundry Equipment Lease	102,363	
CHICAGO OPL ULTRA COMPACT FEED	Laundry Equipment Lease	30,170	
AIR CHICAGO TOWEL FOLDER	Laundry Equipment Lease	30,170	
PARKER BOILER WH730 W/TANK	Laundry Equipment Lease	16,163	
CLEAN CYCLE LINT FILTER	Laundry Equipment Lease	10,775	
FREIGHT AND INSTALLATION FOR LAUNDRY EQUIP	Laundry Equipment Lease	40,240	
INGERSOLL RAND AIR COMPRESSOR	Laundry Equipment Lease	12,930	
<b>Month Ending January 31, 2008</b>		<b>485,248</b>	<b>485,248</b>
INFINIA HAWKEYE 4 INTEGRATED IMAGING SYSTEM	GE RADIOLOGY LEASE	549,440	
LIGHTSPEED VCT 64 SLICE	GE RADIOLOGY LEASE	1,438,446	
DEFINIUM 8000 DUAL DIGITAL DETECTOR SYSTEM	GE RADIOLOGY LEASE	426,802	
PRECISION 500D	GE RADIOLOGY LEASE	347,072	
DEFINIUM AMX 700 SSTEM	GE RADIOLOGY LEASE	227,796	
DEXA PRODIGY ADVANCE PLUSS FULL	GE RADIOLOGY LEASE	74,463	
COMPUTER PRODIGY PREMIUM	GE RADIOLOGY LEASE	1,450	
LUNAR QC PHANTOM	GE RADIOLOGY LEASE	1,500	
UPS LUNAR	GE RADIOLOGY LEASE	1,995	
<b>Month Ending March 31, 2008</b>		<b>3,068,963</b>	<b>3,554,211</b>

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**NORTHERN INYO HOSPITAL**  
**Infection Control Policy**

**EMPLOYEE TUBERCULOSIS SURVEILLANCE PROGRAM**

The Tuberculin Skin Test (TST) is a diagnostic aid to detect infection with mycobacterium tuberculosis (M.TB).

A positive reaction to the skin test does not signify the presence of disease.

Absence of, or diminished reaction to PPD does not exclude infection with M.TB; decreased responses to tuberculin may occur during:

- febrile or viral illnesses,
- during corticosteroid or immunosuppressive therapy,
- in face of various illnesses such as Hodgkin's, measles, HIV and others,
- because of a sluggish immune system with advancing age.

**A). INITIAL EXAM**

1. A tuberculin skin test is given to all employees, including those with a history of a (old) BCG vaccination, at time of hiring unless a previously positive reaction can be documented.
2. If a prospective employee has a history of a positive TST, they will complete a Tuberculosis Screening Questionnaire (see attached) and have a screening chest x-ray done as soon as possible. The chest x-ray can be omitted if there is a record of a normal CXR done within 3 months of hiring.
3. If it has been greater than one year since testing, then a Two-Step Mantoux Test will be done.
4. New positive tests, whether considered a "Reaction" or "Conversion," will be referred to the employee's private provider and/or the Health Department.
5. A California Confidential Morbidity Report must be completed for all positive tests and faxed to Inyo County Health Department as directed on the form.
6. Conversions are reported to Human Resources so they can be recorded on the OSHA 300 log.

**B). REPEAT TUBERCULIN SKIN TESTS**

1. Because of our minimal risk category for exposure to tuberculosis, routine annual TST screening will be done only on Emergency Department and Respiratory Care staff; screening TSTs will be done every four years on all other employees
2. Tests may be done more often at the request of the employee for reasons not directly linked to his or her position. For example, an employee may need one for childcare or for school.
3. TSTs will be done after any known exposure to a patient with M. TB.

**C). ADMINISTRATION OF THE TUBERCULIN SKIN TEST**

1. The standard tuberculin skin test procedure (Mantoux Test) is an intradermal injection of 5 T.U. of PPD, 0.1 ml, on the flexor surface of the forearm.
2. It is of utmost importance that each PPD is administered correctly and only by personnel competent to perform this skin test.
3. If a definite bleb is raised, the test has been done correctly. If no bleb forms, the test should be repeated immediately in the other arm.

**D). TWO STEP MANTOUX TEST PROCEDURE**

“A second TST is not needed if the HCW has a documented TST result from any time during the previous 12 months. If a newly employed HCW has had a documented negative TST result within the previous 12 months, a single TST can be administered in the new setting (Box 1). This additional TST represents the second stage of two-step testing. The second test decreases the possibility that boosting on later testing will lead to incorrect suspicion of transmission of *M. tuberculosis* in the setting.”

A recent TST (performed in < 12 months) is not a contraindication to a subsequent TST unless the test was associated with severe ulceration or anaphylactic shock, which are substantially rare adverse events. Multiple TSTs are safe and do not increase the risk for a false-positive result or a TST conversion in persons without infection with mycobacteria.”

(From Guidelines for Preventing the Transmission of Mycobacterium tuberculosis in Health-care settings. MMWR Vol. 54/RR17)

The purpose of the Two Step Mantoux TST is to identify infected individuals, who have not been tested in a year or more, and whose sensitivity may have waned with time. Due to waned sensitivity, these persons may not react to a single tuberculin dose, but may show conversion to a subsequent does. If the second test is given a year after the initial dose, the person may appear to have been infected in the time between the tests, and be treated as a new converter, when this is not the case.

To avoid this misconception, for new employees who do not have a history of a positive TST and have not been tested  $\leq$  1 year, do the following:

1. Give initial PPD
  - a. If positive, no further testing necessary.
  - b. If negative, repeat PPD in one/two weeks.
2. Use results of 2nd test as the person's baseline result and proceed as indicated. If the second test is positive the employee is considered as previously infected and cared for accordingly. This would not be considered a skin test conversion.

**Box 1. Indications for two-step tuberculin skin tests (TSTs)**

(From Guidelines for Preventing the Transmission of Mycobacterium tuberculosis in Health-care settings. MMWR Vol. 54/RR17)

Situation	Recommended testing
No previous TST result	Two-step baseline TSTs
Previous negative TST result (documented or not) > 12 months before new employment	Two-step TSTs
Previous documented negative TST result < 12 months before new employment	Single TST needed for baseline testing; this test will be the second step
≥ 2 previous documented negative TSTs but most recent > 12 months before new employment	Single TST; two-step testing is not necessary.
Previous documented positive TST result	No TST
Previous undocumented positive TST result	Two-step baseline TST(s)
Previous BCG Vaccination	Two-step baseline TST(s)
Inconclusive TSTs	Order for the QuantiFERON-TB Gold Test to help define a true positive (see supplement)

**E). INTERPRETATION OF TUBERCULOSIS SKIN TESTS (TST)**

The interpretation of the TST is based on the California Department of Health Services/California Tuberculosis Controllers Association Joint Guidelines (see attached)

1. The TST results are read between 48 - 72 hours. In the elderly or in persons tested for the first time, reaction may develop slowly and may peak after 72 hours.
2. It is essential that local inflammatory response such as redness or edema is not interpreted as induration.
3. Immediate reactions to the tuberculin test or those occurring within 24 hours, probably indicate sensitivity to the preservative and do not indicate tuberculin infection.
4. A positive reaction is defined as an area of induration, measuring  $\geq 10$  for HCWs who have no other risk factors.
5. A positive reaction demonstrates past or recent infection with M.TB; the larger the reaction, the greater the probability that the organism is M.TB.
7. Documented recent infection (within past 2 years) is considered a "conversion", whereas infection which cannot be documented to have occurred within that time is rated as a "reaction".
8. Converters: if testing identifies a recent converter (those with an increase of at least <10mm of induration to  $\geq 10$ mm within 2 years), those individuals are presumed to have recent infection and are at a higher risk of progression from LTBI to active TB.



9. A questionable induration may be the result of an incorrectly performed test and should be repeated in 1-2 weeks.
10. An induration of 5-10 mm may be:
  - a. a cross-reaction to other mycobacteria (not tuberculosis). A repeat should be given in 1-2 weeks. A second reaction of equal size should be dismissed as cross-reaction.
  - b. may be considered positive for HCW who has had recent contact with persons with active TB or is severely immunosuppressed.
9. Test results are never recorded as positive or negative, but in mm of induration present.

**F). TREATMENT**

1. Employees who have reactions or conversions will be referred to his/her private health care provider and the Inyo County Health Department.
2. Symptoms suggestive of active disease (i.e., chronic cough, hemoptysis, night sweats, weight loss, unexplained fatigue) must be immediately investigated by the Employee Health RN or the Infection Control RN in conjunction with the Emergency Room physician. The employee's private health care provider and Inyo County Health Department may also be involved in the evaluation.

**G). CONTACT INVESTIGATION:** To be done by Inyo County Health Department.

**H). CHEST X-RAYS**

1. Yearly chest x-rays will not be repeated for HCWs known to have had a positive TST at Northern Inyo Hospital with a previously negative chest x-ray.
2. However, new, prospective employees with a history of a positive TST will have the pre-employment physical, a Tuberculosis Screening Questionnaire to assess risk, and a chest x-ray.
3. Chest x-rays will be done on employees with a positive TST, conversion or reaction, who previously have not had a chest x-ray.

**I). WORK RESTRICTIONS**

1. There is no restriction on employment for healthy personnel with a positive skin test, with or without treatment.
2. HCWs receiving treatment for LBBI can return to work immediately. HCWs with LTBI who cannot take or do not accept a full course of treatment for LTBI should not be excluded from the workplace. They should be counseled regarding the risk for developing TB disease and instructed to report any TB symptoms immediately to Employee Health and/or Infection Control Departments.
3. Removal from work is indicated for individuals with indications of active disease, such as those employees who have symptoms and/or a CXR suspicious for Tuberculosis.
4. Individuals with active disease may return to work if the following criteria are met:

- a. three consecutive sputum samples collected in 8-24 hour intervals that are negative, with at least one sample from an early morning specimen (because respiratory secretions pool overnight).
- b. the HCW has responded to antituberculosis treatment that will probably be effective (can be based on susceptibility results).
- c. The HCW is determined to be noninfectious by a physician knowledgeable and experienced in managing TB disease.

**J). RESPONSIBILITY OF TREATMENT**

1. Follow up and treatment of reactors/converters is to be managed by the employee's personal physician.
2. If infection occurred as a result of employment at Northern Inyo Hospital, or if it is suspected that the infection occurred as a result, Workman's Compensation will be responsible for expenses.

**K). QuantiFERON-TB Gold test results**

1. QFT-G is a blood assay test for tuberculosis infection. The interpretation of this test is less subjective than the TST. This test is not routinely used for screening because of the lack of availability.
2. However, in some cases of inconclusive TSTs (borderline results in those employees without any risk factors), it can be ordered. The HCW will need to travel out of town to get the test done, if they so choose. If the HCW chooses not to get the test done, then recommendations will be based on the TST. Reimbursement will be given for time, travel, and the cost of the test.

**Box 2. Interpretation of QuantiFERON-TB Gold Test (QFT-G) results:**

QFT-G result	Interpretation
Positive	<i>M. tuberculosis</i> infection probable
Negative	<i>M. tuberculosis</i> infection unlikely, but cannot be excluded, especially when: <ol style="list-style-type: none"> <li>1. any illness consistent with TB disease</li> <li>2. the likelihood of progression to TB disease is increased (e.g., because of immunosuppression)</li> </ol>
Indeterminate	Test not interpretable

**References:**

Guidelines for Preventing the Transmission of Mycobacterium tuberculosis in Health-Care Settings, 2005, published by CDC.

Title XXII, California Health and Safety Code

**Committee(s) approval needed:**  Yes (per Title 22)

Infection Control Committee

Executive Committee

Per Title 22, 70723, Section (4): "Less frequent testing for tuberculosis, but never less than every four years, may be adopted as hospital policy when documented in writing as approved by the Infection Control Committee, the medical staff and the health officer of the health jurisdiction in which the facility is located."

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Richard O. Johnson, M.D., MPH  
Interim Public Health Officer, Inyo County

**Responsibility for review and maintenance:** Infection Surveillance Nurse/Employee Health Nurse

**Index Listings:** Employee Tuberculosis Surveillance Program

**Revised:** 2/94, 6/97; 7/2000; 12/2002; 7/2005, 3/2006,2/2007,1/2008

**Definition of a positive tuberculin skin test**

The definition of a positive tuberculin skin test depends on a person's prior probability of having LTBI and the person's risk of developing active TB.

**≥ 5 mm of induration\***

- Persons known or suspected to have HIV infection.
- Recent contacts to an active case of pulmonary or laryngeal TB.
- Persons with fibrotic changes seen on chest radiograph consistent with TB.
- Immunosuppressed individuals (See page 7 **Targeted TB Testing/Chronic Immunosuppression**)

**≥ 10 mm of induction**

- All persons except those in above

*NOTE: The CDC recommends using a 15 mm cutoff for low risk reactors. However, in California, this cutoff is not recognized because California is a high incidence state and the prevalence of nontuberculous mycobacterial infections is lower than in other regions of the United States.*

**Tuberculin skin test conversion**

TST conversion is defined as an increase of at least 10 mm induration from < 10 mm to ≥ 10 mm within two years.

**Example:** a TST of 4 mm that increases in size to 14 mm or more induration within 2 years would be an example of skin test conversion.

In many cases, the exact size (in mm) of the previous tuberculin skin test may not be known. In such cases, skin test conversion is defined as a change from a negative to positive tuberculin skin test within a 2-year period.

Above is taken from the "California Department of Health Services/California Tuberculosis Controllers Association Joint Guidelines."

**NORTHERN INYO HOSPITAL  
POLICY AND PROCEDURE**

Title: Picture Archival Communication System Direct Physician Access	
Scope: Multi-Departmental	Department: Radiology, Privacy, IT
Source: Radiology PACS Manager	Effective Date:

**PURPOSE:**

To set forth the provisions and restrictions of physician access to images in the Picture Archival Communication System (PACS)


**POLICY:**

Physicians accessing the PACS through in-house access devices while at Northern Inyo Hospital (NIH) may do so within the scope and provisions of their medical staff membership.

Physicians who are not members of the NIH Medical Staff and who access the PACS through electronic connection with NIH will be allowed to do so after signing the "PICTURE ARCHIVAL COMMUNICATION SYSTEM (PACS) CONFIDENTIALITY AND DISCLOSURE OF PATIENT INFORMATION AGREEMENT BETWEEN NORTHERN INYO HOSPITAL AND PHYSICIAN."

Committee Approval	Date
Radiology Committee	
Medical Executive Committee	
Board of Directors	

Revised  
Reviewed  
Supersedes

6-2-08 : Reviewed & approved : John W. Ferson  
 6.3.08

**PICTURE ARCHIVAL COMMUNICATION SYSTEM (PACS) CONFIDENTIALITY  
AND DISCLOSURE OF PATIENT INFORMATION AGREEMENT BETWEEN  
NORTHERN INYO HOSPITAL AND PHYSICIAN**

[ \_\_\_\_\_ ] (hereinafter "Physician") whose principal offices are at [ \_\_\_\_\_ ] and Northern Inyo Local Hospital District (hereinafter "NIH") whose locations is 150 Pioneer Lane, Bishop, California 93514 enter in to this agreement to establish their relationship with respect to patient privacy while accessing the Northern Inyo Hospital Picture Archival Communication System (hereinafter "PACS").

Whereas, Northern Inyo Hospital and Physician agree that Physician may have electronic access to Northern Inyo Hospital's PACS for the purpose of providing Physician with digital radiological images made by Northern Inyo Hospital and required by Physician for the care of Physician's patients; and

Whereas, in the course of providing access to digital radiological images made by Northern Inyo Hospital, Northern Inyo Hospital discloses to Physician certain Protected Health Information ("PHI,")(as defined in 45 C.F. R. §164.501) that is subject to protection under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"); and

Whereas, Northern Inyo Hospital is a "Covered Entity" as that term is defined in the HIPAA regulations, 45 C.F.R. Part 160 and Part 164, Subparts A and E, the Standards for Privacy of Individually Identifiable Health Information ("Privacy Rule"); and

Whereas, Physician may or may not be a "Covered Entity" as that term is defined in the HIPAA regulations, 45 C.F.R. Part 160 and Part 164, Subparts A and E, the Standards for Privacy of Individually Identifiable Health Information ("Privacy Rule"); and

Whereas the parties hereto wish to protect PHI in accordance with provisions of the Privacy Rule, including, but not limited to, the Business Associate contract requirements at 45 C.F.R. §164.504(e).

NOW, THEREFORE in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

NIH will provide Physician with an NIH PACS access code and electronic authorization subject to the terms and conditions set forth herein.

1. Physician will use PHI obtained through connection to the PACS only as necessary to provide authorized patient care.
2. Physician agrees to the following terms and conditions:
  - a. Physician will only access the specific information necessary for the care of patients; and
  - b. Physician will not in any way divulge copy, release, sell, loan, review, alter or destroy any PHI except as authorized by NIH.

- c. PHI will not be disclosed to any third party except as required by applicable law, or authorized in writing by the patient whose PHI is to be disclosed.
- d. Physician will notify NIH in writing within 10 days of any inadvertent disclosure of PHI obtained through the PACS.
- e. Physician agrees to safeguard and not disclose its PACS access code to any third party.
- f. Physician accepts responsibility for all activities undertaken using its PACS access code.
- g. Physician agrees to report to NIH activities by any individual or entity that Physician suspects may have gained unauthorized access to PHI through the NIH PACS.
- h. NIH will hold in confidence, to the extent permitted by law, reports made in good faith about suspect activities including the name of the individual reporting the activities.
- i. Physician agrees that obligations for protection of PHI under this agreement survive the agreement.
- j. Physician understands and agrees that privileges with regards to viewing Images and reports through PACS maybe subject to periodic review, revision and, renewal.
- k. NIH may, at any time, revoke Physician's access code, electronic authorization, or access to the PACS.
- l. Physician understands and agrees that breach of any terms or conditions of this agreement may result in Physician's loss of access to the NIH PACS
- m. Nothing herein shall indemnify either party from legal liability with regard to the use or disclosure of PHI obtained pursuant to this agreement.

This Agreement shall be effective on the latest date of execution below.

<b>Physician</b>	<b>Northern Inyo Hospital</b>
<b>By:</b> _____	<b>By:</b> _____
<b>Name:</b> _____	<b>Name:</b> _____
<b>Title:</b> _____	<b>Title:</b> _____
<b>Date:</b> _____	<b>Date:</b> _____

## PACS User Name and Password sign up

User name should be Physician's name (ideally) all small letter with no spaces.

John Doe for example would be **johndoe**

The password must be at least 8 characters long and contain at least one number.

Name: \_\_\_\_\_

User Name: \_\_\_\_\_

Password: \_\_\_\_\_



# MM.4.70

## NORTHERN INYO HOSPITAL POLICY AND PROCEDURE

Title: Recalls: Drugs	
Scope: Multi-Departmental	Department: Pharmacy, RHC
Source: Pharmacy	Effective Date: 6/16/03

### **PURPOSE:**

To insure that patients will not be harmed by medications, dispensed by Northern Inyo Hospital, that have been recalled or discontinued for safety reasons

### **Definitions of recalls:**

1. A Class I recall is a situation in which there is a reasonable probability that the use of or exposure to a violative product will cause serious adverse health consequences or death.
2. A Class II recall is a situation in which use of or exposure to a violative product may cause temporary or medically reversible adverse health consequences or where the probability of serious adverse health consequences is remote.
3. A Class III recall is a situation in which use of or exposure to a violative product is not likely to cause adverse health consequences.

### **POLICY:**

1. The pharmacy will follow procedures to retrieve drugs dispensed by the hospital to patients in the event of a Class I or Class II recall.
2. The pharmacy will determine the danger to patients in a Class III recall and will either retrieve drugs dispensed, or remove drugs from stocks to be returned to the manufacturer.
3. All returns to the manufacturer of any recalled drugs shall be in accordance with State and Federal Laws.
4. In the event of a Class I or II recall, the nursing staff shall be notified through the hospital email system or by personal communication and by posting the recall notice. The medical staff shall be notified through a copy of the recall notice in their mailboxes.

### **PROCEDURE:**

#### **Class I and Class II recalls**

1. Upon receipt of a Class I or Class II recall, the pharmacist with the assistance of other pharmacy personnel will generate a "drug utilization" report for the recalled drug in the pharmacy computer application with a 30-day date range ending on the date the report is run.

2. In the event that the report shows patients with the recalled drug, the pharmacist will check the list of patients to determine if any of the patients are still in the hospital.
3. If the drug has been dispensed for administration to any current patients, the pharmacist will assure that all of the recalled drug is removed from patient medication bins.
4. A pharmacy technician will check the Automated Dispensing Unit's Item list to determine if any of the recalled drug is stored in any automated unit.
5. If the recalled drug is stored in any automated unit, the technician will notify the pharmacist and will remove any recalled inventory from the unit.
6. All other storage areas including Surgery, PACU, Outpatient services, radiology areas shall be checked by direct viewing of the supply by the pharmacist on duty or person designated by the pharmacist on duty.
7. A pharmacy technician will go to the Rural Health Clinic (RHC) and will check the sample log to determine if any of the recalled drug is in the sample stock of the RHC.
8. If the sample stock includes any of the recalled drug, the pharmacy technician will remove the drug, signing it out of the sample log as recalled and returned to pharmacy.
9. If the sample stock included any of the recalled drug, the pharmacy technician will inform the Nurse Manager of the RHC of the recall and the Nurse Manager will see to it that any patient, to whom a recalled sample was dispensed, is immediately telephoned and informed not to take any more of the medication and to return the remainder of the medication to the RHC.
10. Any recalled medication returned to the RHC will be turned over to the pharmacy for return to the manufacturer.
11. All recalled medication will be returned to the manufacturer according to the instructions of the recall documents.

**Class III recalls:**

1. Upon receipt of a Class III recall the pharmacist will read the recall document to determine if there is any danger to patients.
2. If the pharmacist determines that there is a danger to patients from the recalled drug, the Class I and II procedure will be followed.
3. If the pharmacist determines that there is no danger to patients, pharmacy and automated dispensing unit inventories, surgery inventories, PACU inventories, Outpatient inventories and radiology inventories will be examined to determine if there are any recalled drug lots therein.
4. If there are recalled drug lots in the examined inventories, the pharmacist will have them removed and quarantined for return to the manufacturer in accordance with the manufacturers instructions.

Committee Approval	Date
Pharmacy and Therapeutics Committee	4/17/03
Board of Directors	6/16/03

1-08

Revised

Reviewed 9/04, 10/05 , 5/15/08

Supersedes 4/03



MM.4.10

NORTHERN INYO HOSPITAL  
POLICY AND PROCEDURE

MM.5.10

Title: Black Box Warnings	
Scope: Departmental	Department: Pharmacy
Source: Director of Pharmacy	Effective Date: 5/7/2008

**PURPOSE:**

To insure that black box warnings assigned to FDA-approved prescribing information sheets are heeded in the use of medications at NIH

**POLICY:**

1. Each drug in the hospital formulary that has been assigned a black box warning will be flagged to inform anyone selecting the drug for order entry that a black box warning exists for that drug.
2. Technicians inputting orders into the pharmacy computer application will mark "BBW" on the pharmacy copy of the physician's order form next to the order being entered when a black box warning flag is encountered.
3. The pharmacist verifying orders or inputting orders will determine if the drug ordered is being prescribed in compliance with the black box warning assigned to that drug.
4. If the prescription order is outside the parameters of the black box warning, or if the monitoring and dosing of the drug does not comply with the black box warning, the pharmacist will not verify the order, but will contact the prescribing physician to bring the prescribing within compliance with the black box warning. If the warning requires monitoring of clinical parameters to ensure the safety of the use of the drug, the pharmacist will initiate the monitoring within the parameters of the Pharmacist Intervention Policy or will contact the physician for orders for such monitoring.
5. Medications that are eligible for override that have black box warnings will be flagged in the automated dispensing cabinet with the notation "Black Box Warning – contact the pharmacist on duty or on call before administering."

Committee Approval	Date
Pharmacy and Therapeutics Committee	5/15/08
Medical Executive Committee	
Board of Directors	

Revised  
Reviewed  
Supercedes

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## Do you want to help foster the *Success* of California Health Care Districts through strategic planning and active participation?

ACHD is seeking nominations for its 2008-2009 Board of Directors. Four seats will be up for election at the Annual Meeting, October 1-3, 2008, US Grant Hotel, San Diego, CA. Only one elected or appointed Trustee from each Health Care District may serve as a nominee in the election. Any elected or appointed Trustee, who is not nominated, by his /her own Board, may individually apply to the Bylaws/Nominating Committee for nomination.

Please see inside for the Association of California Healthcare Districts, *Policy and Procedures, Policy No. 1, Nomination and Appointment of Directors.*

**Nomination applications must be received by ACHD no later than Friday, June 27, 2008.**

*See inside for more details and nomination form.*



2969 Prospect Park Drive, Suite 260  
Rancho Cordova, CA 95670

**DATED MATERIAL**

**Important Information Inside**

**Please Open Immediately**

**ACHD BOARD OF DIRECTORS  
NOMINATION FORM**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Health Care District: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_  
(City) (State) (Zip)

Tel: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

***The following questions serve as a Statement of Qualifications. Please provide clear and detailed responses:***

List and briefly describe any current or prior service on the ACHD Board or its Committees:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What contribution(s) have you made in programs, initiatives, etc. that have positively impacted your District locally and/or statewide?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

How have you demonstrated professional, business or political leadership in your community?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attendance and active participation in ACHD Board meetings and events are strongly encouraged.  
*(Please see attached 2008 schedule for an idea of meeting times; all dates/times subject to change).*

Should you serve as a board member, would you be able to commit to a similar schedule?

Yes  No  Don't know

***Please attach any additional material (resumes or CV) along with this completed form and return to:  
ACHD, Attn: 2008-09 Board Nominations, 2969 Prospect Park Drive, Ste. 260, Rancho Cordova, CA 95670  
or fax to 916-266-5201.***

***All Nominations Must Be Received No Later than Friday, June 27, 2008.***



## Meetings Dates, Responsibilities and Stipends

The ACHD Board of Directors meets up to five times a year. In addition, the Board is strongly encouraged to attend the Annual Meeting and Legislative Day. ~~The schedule below (a 2008 meeting calendar excerpt) is intended to provide a general outlook of annual Board meeting dates expected in 2009. All meeting dates are subject to change.~~

Meeting	Day (s)	Date (s)	Start	End	Location	Type
Board Meeting	Friday	3/14/08	8:00 am	12:00 pm	Sacramento	Meeting
Legislative Day	Mon-Tue	4/21-4/22/08	10:00 am (M)	3:00 pm (T)	Sacramento	Meeting
Board Meeting	Friday	6/13/08	8:00 am	12:00 pm	TBD	Meeting
Board Meeting	Wednesday	7/30/08	10:00 am	12:00 pm	n/a	Call
Board Meeting	Wednesday	10/01/08	3:30 pm	5:30 pm	San Diego	Meeting
Annual Meeting	Wed-Fri	10/1-3/08	All Day	All Day	San Diego	Meeting
Board Retreat	Thur-Fri	12/11-12/08	All Day	All Day	TBD	Meeting

### **Powers & Responsibilities:**

The ACHD Board is the governing body that manages the affairs of the Association, which include all ACHD Programs and Services offered to ACHD District Members, including the ALPHA Fund. The Board is charged with, but not limited to, the following:

- ✓ Controlling and managing financial affairs
- ✓ Making Association policy
- ✓ Contracting with the Chief Executive Officer, Legal Counsel, et al.
- ✓ Performing all acts and functions consistent with the Bylaws

### **Stipends:**

Each member shall be eligible for a stipend of Two Hundred Dollars (\$200) for personal attendance at a Board meeting, or One Hundred Dollars (\$100) for participation at a Board meeting by conference call. Each member shall be eligible for a stipend of no more than Two Hundred Dollars (\$200) when participating--by personal appearance or by conference call--at more than one (1) meeting during any one (1) calendar day.

ASSOCIATION OF CALIFORNIA HEALTHCARE DISTRICTS, INC.

BOARD OF DIRECTORS POLICIES AND PROCEDURES

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Effective March 2002

POLICY NO. 1

NOMINATION AND APPOINTMENT OF DIRECTORS

1. Selection of Directors for Nomination or Appointment. The ACHD Bylaws at Article VI require that any District trustee who applies for nomination and election to the Board of Directors at the Annual Meeting must timely submit his/her name and statement of qualifications or resume to the Bylaws / Nominating Committee. In filling a vacancy on the Board, the Board shall require any District trustee seeking appointment to the Board to submit a statement of qualifications or resume to the Bylaws / Nominating Committee prior to a vote by the Board on his/her appointment.
2. Criteria for Selection of Director Nominees and Appointments. The following criteria shall be considered by the Board of Directors and its Committees in the selection of Director nominees for election at the Annual Meeting and in the appointment of Directors to fill vacancies on the Board:
  - (a) current or prior service on the ACHD Board or its Committees;
  - (b) history of leadership and service as a District trustee;
  - (c) participation or attendance at the ACHD Annual Meeting and/or regional trustee meetings;
  - (d) history of professional, business or political/community leadership;
  - (e) knowledge, skills or talents of particular value to the Board;
  - (f) educational and/or career accomplishments;
  - (g) interpersonal compatibility and diversity of viewpoint;
  - (h) political/legislative contacts and influence.

In assessing the importance or weight to be given to individual criteria, current or prior service on the ACHD Board or its Committees and/or a history of leadership and service as a District trustee are deemed to be of particular value. The criteria for selection of Directors should be communicated to District trustees interested in nomination or appointment to the Board of Directors.

**NOTE:** Pursuant to the ACHD Bylaws, Article VI, Section 3, Eligibility, ". . . No (Health Care District) Member may be represented on the (ACHD) Board (of Directors) by more than one (1) voting Director."

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# AGREEMENT FOR OBSTETRICAL AND GYNECOLOGICAL SERVICES

**THIS AGREEMENT, MADE AND ENTERED INTO** this 1st day of June 2008, by and between NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT (hereinafter "District"), and Lara Jeanine Arndal, M.D., (hereinafter "Physician").

## I

### RECITALS

**1.01.** District is a California Hospital District organized and existing pursuant to the California Health Care District Law (*Health & Safety Code, section 32000, et seq.*), with its principal place of business at 150 Pioneer Lane, Bishop, California.

**1.02.** District operates Northern Inyo Hospital (hereinafter "Hospital"), a critical access hospital, at 150 Pioneer Lane, Bishop, California.

**1.03.** The Hospital operates, and desires to continue to operate, a Perinatal Unit, and requires the services of a licensed California physician to provide emergency service coverage for said unit.

**1.04.** Physician is licensed to practice medicine in the State of California, and is certified by the American Board of Obstetrics or is eligible for same.

**1.05.** Physician desires to practice in Bishop, California.

**1.06.** Physician's obstetrical privileges are:

(a) Vaginal Delivery:

- (1) Spontaneous
- (2) Breech
- (3) Multiple
- (4) Episiotomy and repair
- (5) Repair of 4<sup>th</sup> degree extension
- (6) Repair of cervical lacerations
- (7) Repair of vaginal lacerations
- (8) Induction of labor and cervix ripening

(b) Placenta Management:

- (1) Spontaneous
- (2) Manual extraction
- (3) Manual extraction with curettage

(c) Hypertensive Disorders:

- (1) Mild pre-eclampsia
- (2) Severe pre-eclampsia
- (3) Eclampsia

(d) Premature Labor:

- (1) Oral tocolysis
- (2) IV tocolysis

(e) Forceps:

- (1) Outlet
- (2) Low
- (3) Mid
- (4) Vacuum extraction

(f) Cesarean Section:

- (1) Cesarean section

(g) Miscellaneous:

- (1) Scalp electrode application
- (2) IUPC insertion
- (3) Amniocentesis
- (4) External breech versions
- (5) Scalp Ph sampling

**1.07.** Physician is required by the Hospital's *Medical Staff By-Laws, section 2.4.13*, as a condition for obtaining and maintaining her membership on the Hospital's Provisional and/or Active Medical Staff, to "[s]erve on call to the Emergency Service on a scheduled rotating basis . . ." and provide professional services to the Hospital's patients within the scope of the privileges set forth in Section 1.06 above.

NOW, THEREFORE, THE PARTIES, in consideration of the covenants set forth below, agree as follows:

## II

### COVENANTS OF THE PARTIES

**2.01. Covenants of Physician:** Physician shall:

- (a) Maintain Provisional or Active Medical Staff membership and the aforesaid Obstetrical and Gynecological privileges for the term of this Agreement.
- (b) Provide on-call coverage to the Hospital's Emergency Service within the scope of the privileges described in Section 1.06, for the same term.
- (c) Maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred, and revenue acquired, pursuant to this Agreement to the extent, and in such detail, as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies, and services, and other costs and expenses of whatever nature, for which she may claim payment or reimbursement from the District. Physician acknowledges and agrees that any federal office authorized by law shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of Physician which are relevant to this Agreement, at all reasonable times for a period of four (4) years following the termination of this Agreement, during which period Physician shall preserve and maintain said books, documents, papers, and records. Physician further agrees to transfer to the District, upon termination of this Agreement, any books, documents, papers or records which possess long-term [*i.e.*, more than four (4) years] value to the Hospital. Physician shall include a clause providing similar access in any sub-contract she may enter with a value of more than Ten Thousand Dollars (\$10,000) or for more than a 12-month period, when said sub-contract is with a related organization.
- (d) At all times comply with all relevant policies, rules and regulations of the Hospital, subject to California and federal statutes governing the practice of medicine.
- (e) As much as is practical, Physician shall be on call or in actual physical presence to provide the emergency coverage required by this Agreement. However, District expressly agrees that said services may be performed by such other qualified physicians as the Physician may employ or otherwise provide so long as each such physician has received proper training, is properly licensed, and has received approval in writing by the Hospital.
- (f) Physician shall be excused from providing call coverage for the District in the event of illness, injury, death or other emergency which prevents her from providing such on call coverage and she is not reasonably able to secure the services of another qualified physician to provide such on call coverage.

**2.02. Covenants of District:** District shall pay Physician for any services provided by Physician or by other qualified physicians employed or provided by Physician pursuant to Section 2.01(e) above at the following rates:

- (a) Five Hundred Dollars (\$500) for each weekday of C- Section call and
- (b) \$1000 for each weekend day (defined as Friday, Saturday, and Sunday) of C-Section call, and
- (c) \$2500 per month for all other call.

during the term of this Agreement, and subject to the provisions of Section 2.03 and 2.04 below. Physician agrees to be available for one full week each month for Cesarean Section Call and three out of eight weeks per two-month period for GYN Call.

**2.03. Not an Exclusive Contract:** Each party acknowledges that the rights and obligations created under this Agreement are not exclusive to Physician; that said rights and obligations, as well as other rights and obligations, are available to any other licensed physician who may hereafter obtain and maintain membership on the Hospital's Active or Provisional Medical Staff and obtain and maintain similar privileges, including Cesarean section, as set forth in Section 1.05 above, and that, should such events occur, this Agreement will be deemed modified so as to reduce Physician's rights and obligations hereunder *pro rata*. In this regard, Physician acknowledges that District may contract with any other physician so qualified to render the identical or similar services as those described in this Agreement, and for a different term. Should the District contract with any other physician so qualified to render said services, Physician shall be entitled to provide on-call coverage to the Hospital's Emergency Service on at least sixty (60) percent of the days during the term of this Agreement.

**2.04. Recruitment and Retention:** Each party acknowledges and agrees that it is in the best interests of the parties, of the residents of the District, and of the public health, to encourage other licensed Physicians with qualifications which would allow them to obtain membership on the Hospital's Active or Provisional Medical Staff, and similar privileges to these now held by Physician and described in Section 1.06 above, including Cesarean section, to apply for and obtain such membership and privileges. Each party agrees to use its best reasonable efforts in this regard.

**2.05. No Profit or Gain:** The parties acknowledge and agree that neither has entered, nor is entering, this Agreement with the intent or contemplation that the District shall realize a profit or gain there from, and each party covenants and agrees to use its best efforts to achieve said end.

**2.06. Reasonable Fees and Charges:** Each party covenants and agrees that it will use its best efforts to insure that fees and charges to patients which result from this Agreement shall be reasonable, fair, and consistent with the basic commitment of the District to provide adequate health care to all residents within its boundaries.

**2.07. Scheduling Conflicts:** The parties agree that, should the District contract with any other qualified Physician to render identical or similar services as those described in this Agreement, and should Physician and other contracting physicians fail to agree regarding their specific obligations to serve on call to the Hospital's Emergency Service as required by Medical Staff By-Laws, section 2.4.13, the final decision in such conflicts shall be vested in the sole and absolute discretion of the District's Hospital Administrator.

**III**

**GENERAL PROVISIONS**

**3.01. Term:** The term of this Agreement is 120 days from date of making, subject to modification as set forth in Section 3.02 below.

**3.02. Integration:** This is the entire Agreement of the parties and supersedes all prior and/or contemporaneous oral and/or written agreements. It may be modified only by a writing signed by both parties.

**3.03. Independent Contractor:** In this performance of her duties and obligations under this Agreement, it is mutually acknowledged and agreed that:

(a) Physician is at all times acting and performing, and will act and perform, as an independent contractor and Hospital will neither have nor exercise any control or direction over the methods by which she shall perform the services required under this Agreement, save only that Physician shall, at all times, perform said services in compliance with currently approved Obstetrical standards and practices and in accord with the District's *By-Laws*, the Hospital's *Medical Staff By-Laws*, and the Hospital's *Rules and Regulations*;

(b) No act, commission, or omission of Physician rendered pursuant to this Agreement shall be construed to make or render Physician an agent or employee of the District or Hospital;

(c) It is the intent of the parties that Physician be an independent contractor and not an employee in the performance of her duties under this Agreement;

(d) Physician shall defend, indemnify, and hold harmless the District from liability for any and all claims arising out of her performance of duties under this Agreement.

**3.04. Notice:** Whenever, under the terms of this Agreement, written notice is required or permitted to be given, such notice shall be deemed given when it is deposited in the United States mail, first class postage prepaid, addressed as follows:

District: Administrator  
Northern Inyo Hospital  
150 Pioneer Lane  
Bishop, California 93514

Physician: Lara Jeanine Arndal, M.D.  
153-B Pioneer Lane  
Bishop, California 93514

or to such other address as either party may specify, by written notice under this section.



**3.05. Early Termination:** Notwithstanding the provision of Section 3.01 above, District may terminate this Agreement immediately upon the occurrence of any of the following:

- (a) Physician's death, loss of Hospital Active Medical Staff membership, loss of license to practice medicine, or loss of Active Medical Staff privileges required to render services under this Agreement;
- (b) Physician's inability to render services under this Agreement;
- (c) Appointment of a receiver of the assets of Physician, an assignment by Physician for the benefit of her creditors, or any action taken or suffered by her, with respect to her, under any State or federal bankruptcy or insolvency law;
- (d) Closure of the Hospital.

**3.06. Termination by the Parties:** Notwithstanding the provision of Sections 3.01 and 3.05 above, either party may terminate this Agreement, without cause, sixty (60) days after written notice of termination is given to the other party.

**3.07. Medical Records:** Originals of medical records of the Hospital's Emergency Service and Perinatal Unit are the property of the Hospital and shall be retained on the Hospital premises. Physician shall have access to, and may photocopy, such documents and records as may be required for the care of her patients or to perform her duties under this Agreement, provided only that she gives reasonable notice to the Hospital. Physician shall promptly complete all reports required of her by the Hospital for the performance of her duties under this Agreement.

**3.08. Assignment:** Except as expressly provided in Section 2.01(e), nothing contained in this Agreement shall be construed to permit assignment by Physician of any rights or duties under this Agreement, and such assignment is expressly prohibited without the written consent of the District.

**3.09. Inurement:** Subject to the provisions of Section 3.07 above, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the heirs, successors, assigns, agents, personal representatives, conservators, executors, administrations, and trustees of the parties.

**3.10. Gender and Number:** Use of the masculine, feminine, or neuter gender, and/or of the singular or plural number, shall include the other when the context shall indicate.

**IN WITNESS WHEREOF**, the parties have executed this Agreement at Bishop, California, on the day, month and year first above written.

NORTHERN INYO COUNTY  
LOCAL HOSPITAL DISTRICT

By: \_\_\_\_\_  
Peter J. Watercott, President  
Board of Directors

\_\_\_\_\_  
Lara Jeanine Arndal, M.D.

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# AGREEMENT FOR OBSTETRICAL AND GYNECOLOGICAL SERVICES

**THIS AGREEMENT, MADE AND ENTERED INTO** this 1st day of June 2008, by and between NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT (hereinafter "District"), and, David Greene, M.D., (hereinafter "Physician").

## I

### RECITALS

- 1.01.** District is a California Hospital District organized and existing pursuant to the California Health Care District Law (*Health & Safety Code, section 32000, et seq.*), with its principal place of business at 150 Pioneer Lane, Bishop, California.
- 1.02.** District operates Northern Inyo Hospital (hereinafter "Hospital"), a critical access hospital, at 150 Pioneer Lane, Bishop, California.
- 1.03.** The Hospital operates, and desires to continue to operate, a Perinatal Unit, and requires the services of a licensed California physician to provide emergency service coverage for said unit.
- 1.04.** Physician is licensed to practice medicine in the State of California, and is certified by the American Board of Obstetrics or is eligible for same.
- 1.05.** Physician desires to practice in Bishop, California.
- 1.06.** Physician's obstetrical privileges are:
- (a) Vaginal Delivery:
    - (1) Spontaneous
    - (2) Breech
    - (3) Multiple
    - (4) Episiotomy and repair
    - (5) Repair of 4<sup>th</sup> degree extension
    - (6) Repair of cervical lacerations
    - (7) Repair of vaginal lacerations
    - (8) Induction of labor and cervix ripening

(b) Placenta Management:

- (1) Spontaneous
- (2) Manual extraction
- (3) Manual extraction with curettage

(c) Hypertensive Disorders:

- (1) Mild pre-eclampsia
- (2) Severe pre-eclampsia
- (3) Eclampsia

(d) Premature Labor:

- (1) Oral tocolysis
- (2) IV tocolysis

(e) Forceps:

- (1) Outlet
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- (4) Vacuum extraction

(f) Cesarean Section:

- (1) Cesarean section

(g) Miscellaneous:

- (1) Scalp electrode application
- (2) IUPC insertion
- (3) Amniocentesis
- (4) External breech versions
- (5) Scalp Ph sampling

**1.07.** Physician is required by the Hospital's *Medical Staff By-Laws, section 2.4.13*, as a condition for obtaining and maintaining his membership on the Hospital's Provisional and/or Active Medical Staff, to "[s]erve on call to the Emergency Service on a scheduled rotating basis . . ." and provide professional services to the Hospital's patients within the scope of the privileges set forth in Section 1.06 above.

NOW, THEREFORE, THE PARTIES, in consideration of the covenants set forth below, agree as follows:

## II

### COVENANTS OF THE PARTIES

**2.01. Covenants of Physician:** Physician shall:

- (a) Maintain Provisional or Active Medical Staff membership and the aforesaid Obstetrical and Gynecological privileges for the term of this Agreement.
- (b) Provide on-call coverage to the Hospital's Emergency Service within the scope of the privileges described in Section 1.06, for the same term.
- (c) Maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred, and revenue acquired, pursuant to this Agreement to the extent, and in such detail, as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies, and services, and other costs and expenses of whatever nature, for which he may claim payment or reimbursement from the District. Physician acknowledges and agrees that any federal office authorized by law shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of Physician which are relevant to this Agreement, at all reasonable times for a period of four (4) years following the termination of this Agreement, during which period Physician shall preserve and maintain said books, documents, papers, and records. Physician further agrees to transfer to the District, upon termination of this Agreement, any books, documents, papers or records which possess long-term [*i.e.*, more than four (4) years] value to the Hospital. Physician shall include a clause providing similar access in any sub-contract he may enter with a value of more than Ten Thousand Dollars (\$10,000) or for more than a 12-month period, when said sub-contract is with a related organization.
- (d) At all times comply with all relevant policies, rules and regulations of the Hospital, subject to California and federal statutes governing the practice of medicine.
- (e) As much as is practical, Physician shall be on call or in actual physical presence to provide the emergency coverage required by this Agreement. However, District expressly agrees that said services may be performed by such other qualified physicians as the Physician may employ or otherwise provide so long as each such physician has received proper training, is properly licensed, and has received approval in writing by the Hospital.
- (f) Physician shall be excused from providing call coverage for the District in the event of illness, injury, death or other emergency which prevents him from providing such on call coverage and he is not reasonably able to secure the services of another qualified physician to provide such on call coverage.

**2.02. Covenants of District:** District shall pay Physician for any services provided by Physician or by other qualified physicians employed or provided by Physician pursuant to Section 2.01(e) above at the following rates:

- (a) Five Hundred Dollars (\$500) for each weekday of C- Section call and
- (b) \$1000 for each weekend day (defined as Friday, Saturday, and Sunday) of C-Section call, and
- (c) \$2500 per month for all other call.

during the term of this Agreement, and subject to the provisions of Section 2.03 and 2.04 below. Physician agrees to be available for one full week each month for Cesarean Section Call and three out of eight weeks per two-month period for GYN Call.

**2.03. Not an Exclusive Contract:** Each party acknowledges that the rights and obligations created under this Agreement are not exclusive to Physician; that said rights and obligations, as well as other rights and obligations, are available to any other licensed physician who may hereafter obtain and maintain membership on the Hospital's Active or Provisional Medical Staff and obtain and maintain similar privileges, including Cesarean section, as set forth in Section 1.05 above, and that, should such events occur, this Agreement will be deemed modified so as to reduce Physician's rights and obligations hereunder *pro rata*. In this regard, Physician acknowledges that District may contract with any other physician so qualified to render the identical or similar services as those described in this Agreement, and for a different term. Should the District contract with any other physician so qualified to render said services, Physician shall be entitled to provide on-call coverage to the Hospital's Emergency Service on at least sixty (60) percent of the days during the term of this Agreement.

**2.04. Recruitment and Retention:** Each party acknowledges and agrees that it is in the best interests of the parties, of the residents of the District, and of the public health, to encourage other licensed Physicians with qualifications which would allow them to obtain membership on the Hospital's Active or Provisional Medical Staff, and similar privileges to these now held by Physician and described in Section 1.06 above, including Cesarean section, to apply for and obtain such membership and privileges. Each party agrees to use its best reasonable efforts in this regard.

**2.05. No Profit or Gain:** The parties acknowledge and agree that neither has entered, nor is entering, this Agreement with the intent or contemplation that the District shall realize a profit or gain there from, and each party covenants and agrees to use its best efforts to achieve said end.

**2.06. Reasonable Fees and Charges:** Each party covenants and agrees that it will use its best efforts to insure that fees and charges to patients which result from this Agreement shall be reasonable, fair, and consistent with the basic commitment of the District to provide adequate health care to all residents within its boundaries.

**2.07. Scheduling Conflicts:** The parties agree that, should the District contract with any other qualified Physician to render identical or similar services as those described in this Agreement, and should Physician and other contracting physicians fail to agree regarding their specific obligations to serve on call to the Hospital's Emergency Service as required by Medical Staff By-Laws, section 2.4.13, the final decision in such conflicts shall be vested in the sole and absolute discretion of the District's Hospital Administrator.

### III

#### GENERAL PROVISIONS

**3.01. Term:** The term of this Agreement is 120 days from date of making, subject to modification as set forth in Section 3.02 below.

**3.02. Integration:** This is the entire Agreement of the parties and supersedes all prior and/or contemporaneous oral and/or written agreements. It may be modified only by a writing signed by both parties.

**3.03. Independent Contractor:** In this performance of his duties and obligations under this Agreement, it is mutually acknowledged and agreed that:

(a) Physician is at all times acting and performing, and will act and perform, as an independent contractor and Hospital will neither have nor exercise any control or direction over the methods by which he shall perform the services required under this Agreement, save only that Physician shall, at all times, perform said services in compliance with currently approved Obstetrical standards and practices and in accord with the District's *By-Laws*, the Hospital's *Medical Staff By-Laws*, and the Hospital's *Rules and Regulations*;

(b) No act, commission, or omission of Physician rendered pursuant to this Agreement shall be construed to make or render Physician an agent or employee of the District or Hospital;

(c) It is the intent of the parties that Physician be an independent contractor and not an employee in the performance of his duties under this Agreement;

(d) Physician shall defend, indemnify, and hold harmless the District from liability for any and all claims arising out of his performance of duties under this Agreement.

**3.04. Notice:** Whenever, under the terms of this Agreement, written notice is required or permitted to be given, such notice shall be deemed given when it is deposited in the United States mail, first class postage prepaid, addressed as follows:

District: Administrator  
Northern Inyo Hospital  
150 Pioneer Lane  
Bishop, California 93514

Physician: David Greene M.D.  
459 W. Line Street  
Bishop, California 93514

or to such other address as either party may specify, by written notice under this section.



**3.05. Early Termination:** Notwithstanding the provision of Section 3.01 above, District may terminate this Agreement immediately upon the occurrence of any of the following:

- (a) Physician's death, loss of Hospital Active Medical Staff membership, loss of license to practice medicine, or loss of Active Medical Staff privileges required to render services under this Agreement;
- (b) Physician's inability to render services under this Agreement;
- (c) Appointment of a receiver of the assets of Physician, an assignment by Physician for the benefit of his creditors, or any action taken or suffered by him, with respect to him, under any State or federal bankruptcy or insolvency law;
- (d) Closure of the Hospital.

**3.06. Termination by the Parties:** Notwithstanding the provision of Sections 3.01 and 3.05 above, either party may terminate this Agreement, without cause, sixty (60) days after written notice of termination is given to the other party.

**3.07. Medical Records:** Originals of medical records of the Hospital's Emergency Service and Perinatal Unit are the property of the Hospital and shall be retained on the Hospital premises. Physician shall have access to, and may photocopy, such documents and records as may be required for the care of his patients or to perform his duties under this Agreement, provided only that he gives reasonable notice to the Hospital. Physician shall promptly complete all reports required of him by the Hospital for the performance of his duties under this Agreement.

**3.08. Assignment:** Except as expressly provided in Section 2.01(e), nothing contained in this Agreement shall be construed to permit assignment by Physician of any rights or duties under this Agreement, and such assignment is expressly prohibited without the written consent of the District.

**3.09. Inurement:** Subject to the provisions of Section 3.07 above, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the heirs, successors, assigns, agents, personal representatives, conservators, executors, administrations, and trustees of the parties.

**3.10. Gender and Number:** Use of the masculine, feminine, or neuter gender, and/or of the singular or plural number, shall include the other when the context shall indicate.

**IN WITNESS WHEREOF**, the parties have executed this Agreement at Bishop, California, on the day, month and year first above written.

NORTHERN INYO COUNTY  
LOCAL HOSPITAL DISTRICT

By: \_\_\_\_\_  
Peter J. Watercott, President  
Board of Directors

\_\_\_\_\_  
David Greene M.D.

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# AGREEMENT FOR OBSTETRICAL SERVICES

**THIS AGREEMENT, MADE AND ENTERED INTO** this 1st day of June, 2008, by and between NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT (hereinafter “District”), and AMR H. RAMADAN, M.D., (hereinafter “Physician”).

## I

### RECITALS

**1.01.** District is a California Hospital District organized and existing pursuant to the California Health Care District Law (*Health & Safety Code, section 32000, et seq.*), with its principal place of business at 150 Pioneer Lane, Bishop, California.

**1.02.** District operates Northern Inyo Hospital (hereinafter “Hospital”), a critical access hospital, at 150 Pioneer Lane, Bishop, California.

**1.03.** The Hospital operates, and desires to continue to operate, Labor and Delivery and Peri-natal units and requires the services of a licensed California physician to provide emergency service coverage for said unit.

**1.04.** Physician is licensed to practice medicine in the State of California, and is certified by the American Board of Family Practice.

**1.05.** Physician desires to practice in Bishop, California.

**1.06.** Physician’s obstetrical privileges will be determined by the NIH District Board upon recommendation of the Medical Staff Executive Committee.

**1.07.** Physician is required by the Hospital’s *Medical Staff By-Laws, section 2.4.13*, as a condition for obtaining and maintaining his membership on the Hospital’s Provisional and/or Active Medical Staff, to “serve on call to the Emergency Service on a scheduled rotating basis . . .” and provide professional services to the Hospital’s patients within the scope of the privileges set forth in Section 1.05 above.

**NOW, THEREFORE, THE PARTIES**, in consideration of the covenants set forth below, agree as follows:

## II

### COVENANTS OF THE PARTIES

**2.01. Covenants of Physician:** Physician shall:

- (a) Maintain Provisional Active Medical Staff and Active Medical Staff membership and the aforesaid obstetrical privileges for the term of this Agreement.
- (b) Be available and provide on-call coverage to the Hospital's Emergency Service within the scope of the privileges described in Section 1.06 as scheduled, for the same term.
- (c) Maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred, and revenue acquired, pursuant to this Agreement to the extent, and in such detail, as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies, and services, and other costs and expenses of whatever nature, for which he may claim payment or reimbursement from the District. Physician acknowledges and agrees that any federal office authorized by law shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of Physician which are relevant to this Agreement, at all reasonable times for a period of four (4) years following the termination of this Agreement, during which period Physician shall preserve and maintain said books, documents, papers, and records. Physician further agrees to transfer to the District, upon termination of this Agreement, any books, documents, papers or records which possess long-term [*i.e.*, more than four (4) years] value to the Hospital. Physician shall include a clause providing similar access in any sub-contract he may enter with a value of more than Ten Thousand Dollars (\$10,000) or for more than a 12-month period, when said sub-contract is with a related organization.
- (d) At all times comply with all relevant policies, rules and regulations of the Hospital, all applicable California and federal laws governing the practice of medicine.
- (e) Physician shall be on call or in actual physical presence to provide the emergency coverage required by this Agreement. However, District expressly agrees that said services may be performed by such other qualified physicians as the Physician may employ or otherwise provide so long as each such physician has received proper training, is properly licensed, and meets the requirements for and is granted the appropriate Medical Staff privileges and has received approval in writing by the Hospital.

(f) Physician shall be excused from providing call coverage for the District, subject to section 2.4.13 of the Medical Staff By-laws, in the event of illness, injury, death or other emergency which prevents him from providing such on call coverage and he is not reasonably able to secure the services of another qualified physician to provide such on call coverage.

(g) . Physician agrees to locate his practice in Bishop, California; to apply for and use his best efforts maintain membership on the Provisional Active Medical Staff and Active Medical Staff of Northern Inyo Hospital, with privileges in Obstetrics and to maintain such memberships continuously for an aggregate period of at least two (2) years and to maintain an active practice in obstetrics and in the City of Bishop, California, for at least two (2) years.

**2.02. Covenants of District:** District shall pay Physician for the call taken for Cesarean Section provided by Physician or by other qualified physicians employed or provided by Physician pursuant to Section 2.01(e) above at the following daily rates:

- (a) Five Hundred Dollars (\$500) for each weekday of C- Section call and,
- (b) \$1000 for each weekend day (defined as Friday, Saturday, and Sunday) of C-Section call.

during the term of this Agreement, and subject to the provisions of Section 2.03 and 2.04 below.

**2.03. Not an Exclusive Contract:** Each party acknowledges that the rights and obligations created under this Agreement are not exclusive to Physician; that said rights and obligations, as well as other rights and obligations, are available to any other licensed physician who may hereafter obtain and maintain membership on the Hospital's Active or Provisional Medical Staff and obtain and maintain similar privileges, including Cesarean section, as set forth in Section 1.06 above, and that, should such events occur, this Agreement will be deemed modified so as to reduce Physician's rights and obligations hereunder *pro rata*. In this regard, Physician acknowledges that District may contract with any other physician so qualified to render the identical or similar services as those described in this Agreement, and for a different term. Should the District contract with any other physician so qualified to render said services, Physician shall be entitled to be compensated in accordance to this agreement for his availability to provide on-call coverage to the Hospital's Emergency Service on at least sixty (60) percent of the days during the term of this Agreement, even though the call schedule does not require ht Physician to actually take call, for so long as this agreement is in force.

**2.04. Recruitment:** Each party acknowledges and agrees that it is in the best interests of the parties, of the residents of the District, and of the public health, to encourage other licensed Physicians with qualifications which would allow them to obtain membership on the Hospital's Active or Provisional Medical Staff, and similar privileges to these now held by Physician and described in Section 1.06 above, including Cesarean section, to apply for and obtain such membership and privileges.

**2.05. No Profit or Gain:** The parties acknowledge and agree that neither has entered, nor is entering, this Agreement with the intent or contemplation that the District shall realize a profit or gain therefrom, and each party covenants and agrees to use its best efforts to achieve said end.

**2.06. Reasonable Fees and Charges:** Each party covenants and agrees that it will use its best efforts to insure that fees and charges to patients which result from this Agreement shall be reasonable, fair, and consistent with the basic commitment of the District to provide adequate health care to all residents within its boundaries.

**2.07. Scheduling Conflicts:** The parties agree that, should the District contract with any other qualified Physician to render identical or similar services as those described in this Agreement, and should a scheduling conflict arise regarding their specific obligations to serve on call to the Hospital's Emergency Service as required by Medical Staff By-Laws, section 2.4.13, the final decision in such conflicts shall be vested in the Medical Staff Executive Committee.

### III

#### GENERAL PROVISIONS

**3.01. Term:** The term of this Agreement is 120 days from date of making and is effective on that date, subject to modification as set forth in Section 3.02 below.

**3.02. Integration:** This is the entire agreement in all matters related to the Obstetrical Services Agreement of the parties and supersedes all prior and/or contemporaneous oral and/or written agreements. It may be modified only by a writing signed by both parties.

**3.03. Independent Contractor:** In this performance of his duties and obligations under this Agreement, it is mutually acknowledged and agreed that:

(a) Physician is at all times acting and performing, and will act and perform, as an independent contractor and Hospital will neither have nor exercise any control or direction over the methods by which he shall perform the services required under this Agreement, save only that Physician shall, at all times, perform said services in compliance with currently approved Obstetrical standards and practices and in accord with the District's *By-Laws*, the Hospital's *Medical Staff By-Laws*, all applicable State of California and Federal laws, the Hospital's *Rules and Regulations*, and *Joint Accreditation of Hospitals Standards*;

(b) No act, commission, or omission of Physician rendered pursuant to this Agreement is intended to be construed to make or render Physician an agent or employee of the District or Hospital;

(c) It is the intent of the parties that Physician be an independent contractor and not an employee in the performance of his duties under this Agreement;

(d) Physician shall defend, indemnify, and hold harmless the District from liability for any and all claims arising out of his performance of duties under this Agreement.

**3.04. Notice:** Whenever, under the terms of this Agreement, written notice is required or permitted to be given, such notice shall be deemed given when it is deposited in the United States mail, first class postage prepaid, addressed as follows:

District: Administrator  
Northern Inyo Hospital  
150 Pioneer Lane  
Bishop, California 93514

Physician: Amr H. Ramadan, M.D.  
C/O Northern Inyo Hospital  
153-A Pioneer Lane  
Bishop, California 93514

or to such other address as either party may specify, by written notice under this section.

**3.05. Early Termination:** Notwithstanding the provision of Section 3.01 above, District may terminate this Agreement immediately upon the occurrence of any of the following:

(a) Physician's death, loss of Hospital Provisional Active Medical and Active Medical Staff membership, loss of license to practice medicine, or loss of or voluntary or involuntary restriction of Provisional Active Medical Staff and Active Medical Staff privileges required to render services under this Agreement;

(b) Physician's inability or refusal or unavailability to render services under this Agreement;

(c) Appointment of a receiver of the assets of Physician, an assignment by Physician for the benefit of his creditors, or any action taken or suffered by him, with respect to him, under any State or federal bankruptcy or insolvency law;

(d) Closure of the Hospital or Sale or Transfer.



**3.06. Termination by the Parties:** Notwithstanding the provision of Sections 3.01 and 3.05 above, either party may terminate this Agreement, without cause, sixty (60) days after written notice of termination is given to the other party.

**3.07. Medical Records:** All medical records of the Hospital's Emergency Service and Perinatal Unit are the property of the Hospital and shall be retained on the Hospital premises. Physician shall have access to, and may photocopy, such documents and records as may be required for the care of his patients or to perform his duties under this Agreement, provided only that he gives reasonable notice to the Hospital. Physician shall promptly complete all reports required of him by the Hospital for the performance of his duties under this Agreement and comply with all Confidentiality laws.

**3.08. Assignment:** Except as expressly provided in Section 2.01(e), nothing contained in this Agreement shall be construed to permit assignment by Physician of any rights or duties under this Agreement, and such assignment is expressly prohibited without the written consent of the District.

**3.09. Inurement:** Subject to the provisions of Section 3.07 above, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the heirs, successors, assigns, agents, personal representatives, conservators, executors, administrations, and trustees of the parties.

**3.10. Gender and Number:** Use of the masculine, feminine, or neuter gender, and/or of the singular or plural number, shall include the other when the context shall indicate.

**3.11** This agreement shall be governed by the laws of the Sate of California and applicable Federal Statutes.

**IN WITNESS WHEREOF**, the parties have executed this Agreement at Bishop, California, on the day, month and year first above written.

NORTHERN INYO COUNTY  
LOCAL HOSPITAL DISTRICT

By: \_\_\_\_\_  
Peter J. Watercott, President  
Board of Directors

\_\_\_\_\_  
Amr H. Ramadan, M.D.

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# QUOTATION

GE Healthcare - OEC 384 Wright Brothers Drive Salt Lake City, UT 84116 805-499-1811 Fax: 805-830-0477  
Payment remit to address: GE Healthcare OEC 2984 Collections Center Drive Chicago, IL 60693

May 28, 2008

Expires: **May 30, 2008**

Direct Inquiries To: **Mark Martinez**

**Bill St. Jean**  
Northern Inyo Hospital  
150 Pioneer Lane  
Bishop, CA 93514

**Pacific Imaging Technologies, Inc.**  
12667 Alcosta Blvd., Suite 180  
San Ramon, CA 94583  
Cell: 916-838-2591  
Fax: 800-495-8616

<u>Ship Via</u> "Air Ride" Motor Van	<u>Requested Delivery</u> To be determined	<u>Warranty</u> 1 Year	<u>Freight Charge</u> OEC Pays	<u>Delivery</u> FOB Destination, Standard Terms and Conditions - Sales and Service	<u>Payment Terms</u> Net 30
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Part Number	Qty	Description	List Price	Net Price
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### 2008 Customer Loyalty Upgrade Program

00-886712-02	1	OEC 9900 Elite™ Digital Mobile C-arm ESP (Expanded Surgical Platform with 9" I.I.)		\$146,600.00
00-886724-02	1	12" image intensifier (not available with Super-C)		\$12,960.00
00-879195-07	1	12" I.I. laser aimer/localizer (with removable cross hairs) & supplement		\$4,140.00
00-887955-01	1	Sony UP-D72XR instant film/paper imager		\$9,900.00
			<b>Sub Total</b>	<b>\$173,600.00</b>
00-888334-08	1	OEC 9900 Elite™ Digital Mobile C-arm ESP to Basic Vascular (BVAS) Upgrade (BVAS Platform with 8 F/S digital disk)		\$28,000.00
			<b>SYSTEM PURCHASE PRICE</b>	<b>\$201,600.00</b> (plus tax)

If and when the BVAS configuration upgrade (as described above) becomes commercially available, the customer may, at its sole option, purchase this upgrade for an upgrade price of \$28,000. Customer is responsible for downtime, if any, associated with the installation of the BVAS configuration upgrade. This upgrade option is expressly limited to the above, specified product that is FDA-cleared, but not yet commercially available. Payment for all products currently delivered in this Quotation are due per the Quotation terms; payment for products delivered is not dependent upon the potential delivery of the BVAS upgrade, if and when that upgrade becomes commercially available. In addition, **customer has no general right of return** associated with the currently delivered product in any circumstance, including if the BVAS configuration upgrade does not become available for any reason. Customer is responsible for the proper accounting for all payments made in the manner required under any state or federal program which provides reimbursement to the customer for or related to any products or services provided under this agreement.

Standard Terms and Conditions Apply - see existing quote 08-3126-jw

Accepted By \_\_\_\_\_  
Title \_\_\_\_\_ Date \_\_\_\_\_

  
Vice President - U.S. Sales  
GE OEC Medical Systems, Inc., a GE Healthcare Business



GE Healthcare  
OEC

Quotation #08-3126-jw

# QUOTATION

GE Healthcare - OEC 384 Wright Brothers Drive Salt Lake City, UT 84116 805-499-1811 Fax: 805-830-0477  
**Payment remit to address: GE Healthcare OEC 2984 Collections Center Drive Chicago, IL 60693**

May 28, 2008

Expires: **30 Days**

Direct Inquiries To:

**Mark Martinez**

**Bill St. Jean**  
**Northern Inyo Hospital**  
**150 Pioneer Lane**  
**Bishop, CA 93514**

**Pacific Imaging Technologies, Inc.**  
 12667 Alcosta Blvd., Suite 180  
 San Ramon, CA 94583  
 Cell: 916-838-2591  
 Fax: 800-495-8616

<u>Ship Via</u> "Air Ride" Motor Van	<u>Delivery time</u> To be determined	<u>Warranty</u> 1 Year	<u>Freight Charge</u> OEC Pays	<u>Delivery terms</u> FOB Destination	<u>Payment Terms</u> NET 30
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Part Number	Qty	Description	List Price	Net Price
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00-886712-05	1	<b>OEC 9900 Elite™ Digital Mobile C-arm BVAS</b> (Basic Vascular Platform with 8 F/S digital disk and 9"i.l.)	\$194,000.00	\$174,600.00
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**Digital Image Processing and Workstation**

- **NEW!** Dynamic Range Management (DRM) controls for image management
- **NEW!** Five pre-set imaging profiles for optimized anatomical capture
- **NEW!** Dual articulating, high resolution flat screen black & white monitors (22" horizontal travel, 15° tilt, and 270° rotation)
- **NEW!** Integrated keyboard touchpad – cursor/tap controls
- **NEW!** DICOM 3.0 interface with store, print, worklist, query/retrieve
- **NEW!** CD/DVD on-board media storage, read/write compatible
- 1k x 1k x 16 bit digital image processing
- Smart window dynamic sensor for optimal image quality
- Smart metal - metal in field adjustment & software
- **AutoTrak™** automatic brightness stabilization
- Touchscreen user interface & multi-function footswitch control
- Noise filter with on-screen indicator
- Real-time motion artifact and noise reduction system
- Real-time variable DRM enhancement
- Zoom & roam
- Negate mode
- Automatic and manual contrast and brightness control
- 400 image storage with last image hold
- Save and auto save; swap & auto swap features
- Patient information / annotation and image directory
- Image annotation: markers, comments, cropping
- Cumulative skin dose, displays total patient skin dose on work station
- X-ray dose summary may be printed with hard copy documentation
- Dose Area Product (DAP) display for tungsten collimator
- Room in use indicator light system is able to connect to external circuit

**BVAs Package**

- **NEW!** On screen cine control
- Real-time subtraction
- Roadmapping
- Peak opacification
- Re-registration (pixel shifting)
- Variable landmarking
- Mask save/recall
- 8 f/s digital disk: 1, 2, 4, or 8 fps record rates with 2,400 image storage for up to 5 minutes recording capacity at 8 fps
- Frame by frame review
- Automatic digital cine run playback

<b>Qty</b>	<b>Description</b>	<b>List Price</b>	<b>Net Price</b>
	<p><b>X-ray Generator</b></p> <ul style="list-style-type: none"> <li>▪ 15kW, 60 kHz high frequency</li> <li>▪ Full power from a standard wall outlet (120V, 15amp)</li> <li>▪ Patented battery buffered design</li> <li>▪ 40 to 120kVp range</li> <li>▪ 0.2 - 10 mA range: fluoroscopy</li> <li>▪ 1 - 20 mA range: high level fluoroscopy</li> <li>▪ Pulsed fluoroscopy mode, 1, 2, 4 &amp; 8 pulses per second</li> <li>▪ Digital spot mode up to 75 mA</li> <li>▪ High level pulsed fluoro mode up to 40 mA @ 1, 2, 4 or 8 pps</li> </ul> <p><b>X-ray Tube &amp; Collimation</b></p> <ul style="list-style-type: none"> <li>▪ Rotating anode x-ray tube with 0.3 mm and 0.6 mm focal spots</li> <li>▪ 300,000 HU anode heat capacity</li> <li>▪ 1,600,000 HU housing heat capacity</li> <li>▪ Preview™ on-screen collimator position indication</li> <li>▪ Iris collimator and Tungsten dual leaf collimator</li> <li>▪ Standard C x-ray tube cooling assembly</li> </ul> <p><b>Video Imaging System</b></p> <ul style="list-style-type: none"> <li>▪ 9"/6"/4.5" (23/15/11cm) image intensifier</li> <li>▪ High resolution, 1k x 1k CCD camera with full-frame capture</li> <li>▪ 18" articulating hi-res b/w flat screen, one touch-screen monitors</li> <li>▪ Ambient room light sensor</li> </ul> <p><b>C-arm Mechanics</b></p> <ul style="list-style-type: none"> <li>▪ Counterbalanced, manual adjustment of orbital rotation, cranial-caudal rotation, wig-wag and horizontal motion</li> <li>▪ Patented flip-flop C-arm reversal</li> <li>▪ 31" free space, 26" depth in arc, 115° orbital rotation</li> <li>▪ Dual, illuminated C-arm operator control panels</li> </ul>		
00-886724-02	1 12" image intensifier (not available with Super-C)	\$14,400.00	\$12,960.00
00-879195-07	1 12" I.I. laser aimer/localizer (with removable cross hairs) & supplement	\$4,600.00	\$4,140.00
00-887955-01	1 Sony UP-D72XR instant film/paper imager	\$11,000.00	\$9,900.00
	<b>SYSTEM PURCHASE PRICE</b>	<b>\$224,000.00</b>	<b>\$201,600.00</b> (plus tax)



ITEM	DESCRIPTION	QUANTITY	AMOUNT
	<p><b>INCLUDED IN THE PRICE OF THE SYSTEM: Delivery and Installation</b>  <b>OEC Clinical Excellence Two-Day Onsite Training</b></p> <ul style="list-style-type: none"> <li>▪ Pre-training package with interactive CD-ROM (Web based interactive training and VHS tape also included)</li> <li>▪ Two days<sup>1</sup> of in-service by our ARRT certified Clinical Imaging Specialists (CIS) for a recommended maximum of ten (10) participants</li> <li>▪ Post-training skills assessment &amp; test</li> <li>▪ Participants will be eligible for Evidence of Continuing Education (ECE) credits from the American Society of Radiologic Technologists<sup>2</sup></li> <li>▪ Guaranteed<sup>2</sup> results</li> </ul> <p><b>Notes:</b>  <sup>1</sup>Onsite training provided from 8am to 5pm, Monday through Friday. Includes all CIS travel &amp; living expenses.  <sup>2</sup>Training produces the best results when a dedicated core group of technologists complete the session. We guarantee that the core group, who complete the entire OEC® Clinical Excellence curriculum, will be competent to perform the tasks required for basic operation of the system. Competency will be measured through a skills assessment completed while the CIS is on-site. The CIS will ensure that all participants meet such competency requirement.</p> <p><b>SERVICE:</b>            Post sale service is provided directly by GE OEC Medical Systems' Service Organization factory trained and equipped employees. Service is available 24 hours a day, seven days a week through our Customer Response Center at 1-800-874-7378.</p>		
00-888450-01	<p><b>EXTENDED SERVICE OPTIONS:</b>  <b>Primary Care- Full-Service:</b> (invoiced after one year warranty expiration)</p> <ul style="list-style-type: none"> <li>✓ Unlimited parts and labor (including printers if sold with equipment)</li> <li>✓ 30% discount on glass</li> <li>✓ 6 hour on-site response</li> <li>✓ Weekdays, 8am-5pm coverage</li> <li>✓ Next day parts delivery</li> <li>✓ GE OEC Recommended PM's During Contract Hours</li> <li>✓ Technical Phone Support Coverage 8am-5pm, M-F</li> <li>✓ 10% Accessories Discount (excluding NAV disposables)</li> <li>✓ 97% Uptime Guarantee</li> </ul> <p><b>X-ray tube coverage &amp; I.I. coverage provides full coverage of the system's I.I. &amp; X-ray tube</b></p>	1 year 2 years 3 years 4 years	\$17,900 \$32,220 \$45,645 \$57,820
5262597	<p><b>Basic Care:</b> (invoiced after one year warranty expiration)</p> <ul style="list-style-type: none"> <li>✓ Unlimited labor and parts (excluding glass)</li> <li>✓ 20% discount on glass</li> <li>✓ GE recommended number of PM's</li> <li>✓ Coverage 8:-00 a.m. – 5 p.m. M-F</li> </ul>	1 year 2 years 3 years 4 years	\$7,900 \$14,220 \$20,145 \$25,280

Accepted by  
Title

Purchase Order Number  
Date

References to "products" and "services" mean those (including equipment and software) identified on the applicable GE Healthcare OEC Quotation.

**Confidentiality.** GE Healthcare OEC and its contractors will treat patient information as confidential and comply with applicable privacy laws. Each party will treat the other party's written, proprietary business information as confidential if marked as confidential or proprietary and not otherwise publicly or already known or available from a lawful source. Customer will treat GE Healthcare OEC (and GE Healthcare OEC's third party vendors') software and technical information as confidential information whether or not marked as confidential and shall not use or disclose to any third parties any such confidential information except as specifically permitted in this agreement.

**Software License.** GE Healthcare OEC grants to Customer a non-exclusive, non-transferable license to use GE Healthcare OEC's proprietary software and third-party software and associated documentation provided by GE Healthcare OEC to Customer pursuant to this agreement as identified in the GE Healthcare OEC Quotation, subject to the license restrictions set forth in this agreement. This license allows Customer to use such software only for internal business for the licensed site. Customer agrees not to directly or indirectly decompile, disassemble, reverse engineer or otherwise derive the source code for, the software. Without GE Healthcare OEC's prior written consent, Customer may not copy, modify, rent, lease, loan, resell, sublicense or distribute the software. If Customer is a U.S. Government agency, Customer acknowledges that the software licensed under this agreement is a commercial item that has been developed at private expense and not under a Government contract. The Government's rights relating to the software are limited to those rights applicable to Customers as set forth herein and is binding on Government users in accordance with Federal Acquisition Regulation 48 C.F.R. Section 12.212 for non-defense agencies and/or Defense FAR Supplement 48 C.F.R. Section 227.7202-1 for defense agencies.

**Indemnification.** GE Healthcare OEC will defend, indemnify and hold harmless Customer from any third-party claims brought against Customer for infringement of intellectual property rights arising from Customer's use of the GE Healthcare OEC manufactured equipment and/or GE Healthcare OEC proprietary software in accordance with their specifications and within the license scope granted in this agreement. If any such claim materially interferes with Customer's use of the GE Healthcare OEC manufactured equipment and/or GE Healthcare OEC proprietary software, GE Healthcare OEC shall, at its option: (i) substitute functionally equivalent non-infringing products; (ii) modify the GE Healthcare OEC product so that it no longer infringes but remains functionally equivalent; (iii) obtain for Customer at GE Healthcare OEC's expense the right to continue to use the infringing GE Healthcare OEC product; or (iv) if the foregoing are not commercially reasonable, refund to Customer the purchase price, as depreciated (based on five year's straight-line depreciation), for the GE Healthcare OEC product that gave rise to the claim. The above indemnification obligation is conditional upon Customer providing GE Healthcare OEC prompt written notice of the third-party infringement claim after receipt of notice of such claim and provided that Customer reasonably cooperates with GE Healthcare OEC in the defense. GE Healthcare OEC shall not have any obligation to Customer hereunder if the infringement claim is based on or results from: the amount of revenues or profits earned or other value obtained by the use of such GE Healthcare OEC product, or the amount of use of such GE Healthcare OEC product; the use of such GE Healthcare OEC product in combination with any computer software, tools, hardware, equipment, or any other materials, or any part thereof, or services, not furnished by GE Healthcare OEC; the use of such GE Healthcare OEC product in a manner or environment, or for any purpose, for which GE Healthcare OEC did not design or license it, or in violation of GE Healthcare OEC's instructions on use; or any modification of such product by Customer or any third party.

**Termination.** Either party shall have 60 days to cure following receipt of written notice of breach from the other party. Customer shall not use or permit the products to be used in any manner that does not comply with applicable FDA or other regulations or for any non-medical purpose. Customer represents that it is purchasing the products for its own use for clinical purposes and that it does not intend to re-sell the products to any other party or to export the products outside the country to which GE Healthcare OEC delivers the products. If GE Healthcare OEC determines in good faith at any time that there are legal or regulatory compliance and/or material credit issues with the order or related service agreement, GE Healthcare OEC may terminate this agreement (including warranty services) upon written notice to Customer.

**Force Majeure.** Neither party is liable for delays or failures in performance (other than payment obligations) under this agreement due to a cause beyond

its reasonable control. In the event of such delay, the time for performance shall be extended as reasonably necessary to enable performance.

**Record Retention.** If Section 1861(v)(1)(I) of the Social Security Act applies to this agreement, subsections (i) and (ii) of such Section are made a part hereof. If applicable, GE Healthcare will retain and make available, and insert the requisite clause in each applicable subcontract requiring its subcontractors to retain and make available, the contracts, books, documents and records to the persons, upon the requests, and for the periods of time as required by such subsections.

**Cost Reporting.** Customer will (i) fully and accurately account for, and report in any applicable cost reports or otherwise fully disclose to government program payors and accurately reflect where and as appropriate to the applicable reimbursement methodology, and (ii) provide information upon request by federal or state agencies concerning, all services and other items, including any discounts, received from GE Healthcare under this agreement in compliance with all applicable laws, including the federal Social Security Act and implementing regulations relating to Medicare, Medicaid, and other federal and state health care programs.

**Customer Responsibilities.** In order for GE Healthcare OEC to perform its obligations under this agreement (including warranty obligations), Customer shall:

- Provide and maintain a suitable, safe and hazard-free location and environment for the GE Healthcare OEC products and services in material compliance with any written requirements provided by GE Healthcare OEC, perform GE Healthcare OEC recommended routine maintenance and operator adjustments, ensure that any non-GE Healthcare OEC provided service is performed by, and GE Healthcare OEC products are used by, qualified personnel in accordance with applicable user documentation.
- Provide GE Healthcare OEC prompt and unencumbered access to the products, network cabling and communication equipment as necessary to perform services. GE Healthcare OEC may separately charge Customer for a scheduled service call where Customer does not provide such access and GE Healthcare OEC is therefore required to schedule an additional service call.
- Promptly place service calls in accordance with any reasonable GE Healthcare protocols provided to Customer and designate a Customer representative and alternate as GE Healthcare OEC's support contacts with the necessary skills to assist GE Healthcare OEC in the diagnosis of service problems.
- Establish and maintain security, virus protection, backup and disaster recovery plans for any data, images, software or equipment (GE Healthcare OEC's services do not include recovery of lost data or images). This responsibility includes maintaining secure network and network security components, firewalls and security-related hardware or software, preventing unauthorized access to the product and preventing interception of communications between GE Healthcare OEC's service center and the product.

Unless expressly provided otherwise, GE Healthcare OEC shall not be responsible for any additional costs not listed on the applicable quote(s), including, without limitation, charges for relocation, interoperability, or changes in Customer's facility.

**Installation.** GE Healthcare OEC's installation services provided or identified in its Quotation will be performed in accordance with applicable GE Healthcare OEC installation guides and project plans and otherwise subject to the following additional provisions. Customer agrees to review the applicable installation guides and project plans and perform its obligations set forth in those materials.

- Customer will prepare the location for the installation consistent with GE Healthcare OEC's written specifications. Customer will install necessary system cable and assemble any necessary equipment or hardware not provided by GE Healthcare OEC. For products that will be operated on or in connection with Customer supplied hardware or software, Customer is responsible for ensuring that its hardware and software conform with GE Healthcare OEC's minimum hardware and software requirements as made available to Customer. Customer will be responsible for enabling the connectivity and interoperability between its Customer supplied hardware or software or other systems or devices and the GE Healthcare OEC product.



# GE Healthcare

including, without limitation, procuring and installing any modifications, interfaces or upgrades consistent with GE Healthcare OEC's written specifications.

- Customer is solely responsible for ensuring that Customer's network is adequate for the proper operation and performance of the products and that it otherwise meets GE Healthcare OEC's network configuration requirements provided by GE Healthcare OEC to Customer.
- If local labor conditions make it impractical to, or GE Healthcare OEC is directed not to, use GE Healthcare OEC's regular employees for the installation, all work will be performed by Customer's laborers or outside labor at Customer's expense; provided that GE Healthcare OEC will, at Customer's request, furnish supervision for proper installation.
- GE Healthcare OEC will provide Customer with the product(s) in the configuration as listed in the Quotation. Customer is responsible for modifications, if any, to the configuration due to changes in Customer's needs or for other reasons attributable to Customer.

**Taxes.** All prices exclude state and local use, sales, or similar taxes. Such taxes, if applicable, will appear as separate items on the invoice unless Customer provides a tax exemption certificate that is acceptable to taxing authorities.

**Late Payments.** Failure to make timely payment is a material breach of this agreement, for which (in addition to other available remedies) GE Healthcare OEC may suspend performance under any or all GE Healthcare OEC agreements until all past due amounts are brought current. If GE Healthcare OEC so suspends, GE Healthcare OEC will not be responsible for the completion of planned maintenance due to be performed during the suspension period and any product downtime will not be included in the calculation of any uptime commitment. Interest shall accrue on past-due amounts at a rate equal to the lesser of 1.5% per month or the maximum rate permitted by applicable law. Customer will reimburse GE Healthcare OEC for reasonable costs (including attorneys' fees) relating to collection of past due amounts. Any credits that may be due to Customer under an agreement may be applied first to any outstanding balance. If, after product delivery, Customer does not make any payments for the products within 45 days after such payments are due, GE Healthcare OEC may, upon 10 days prior written notice to Customer, either (a) enter upon Customer's site and remove the products or (b) temporarily disable the products so that they are not operational.

**Assignment; Use of Subcontractors.** Neither party may assign any of its rights or obligations under this agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that either party may transfer and assign this agreement without the other party's consent to any person or entity (except to a GE Healthcare competitor) that is an affiliate of such party or that acquires substantially all of the stock or assets of such party's applicable business if any such assignees agree, in writing, to be bound by the terms of this agreement. Subject to such limitation, this agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. GE Healthcare may hire subcontractors to perform work under this agreement; provided, however, that GE Healthcare will at all times remain responsible for the performance of its obligations and duties under this agreement.

**Medical Diagnosis and Treatment.** Customer hereby acknowledges and agrees that all clinical and medical treatment and diagnostic decisions are the responsibility of Customer and its professional healthcare providers.

**Amendment; Waiver; Survival.** This agreement may be amended only in writing signed by both parties. Any failure to enforce any provision of this agreement is not a waiver of that provision or of either party's right to later enforce each and every provision. The terms of this agreement that by their nature are intended to survive its expiration (such as the confidentiality provisions included herein) will continue in full force and effect after its expiration.

**Governing Law; Disputes; Limitation of Liability.** The law of the state where the product is installed or the service is provided will govern any dispute between the parties. EACH PARTY EXPRESSLY WAIVES ALL RIGHTS TO A JURY TRIAL IN CONNECTION WITH ANY DISPUTE ARISING UNDER THIS AGREEMENT. Disputes (other than collection matters) arising under or relating to this agreement will be submitted to the American Arbitration Association ("AAA") office located closest to the largest metropolitan area of the state where the product is installed or the service is provided for binding arbitration in accordance with the AAA's Commercial Arbitration Rules. The cost of the arbitration, including the fees and expenses of the arbitrator, will be shared

equally, with each party paying its own attorneys' fees. The arbitrator will have the authority to award damages only to the extent otherwise available under this agreement. GE HEALTHCARE OEC'S (AND ITS REPRESENTATIVES') LIABILITY UNDER THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION, SHALL NOT EXCEED THE PRICE FOR THE PRODUCT OR SERVICE THAT IS THE BASIS FOR THE CLAIM. NEITHER CUSTOMER NOR GE HEALTHCARE OEC (NOR ITS REPRESENTATIVES) SHALL HAVE LIABILITY TO THE OTHER UNDER THIS AGREEMENT FOR ANY PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES, SUCH AS EXCESS COSTS INCURRED, DATA LOSS OR LOST PROFITS.

**Contract Formation.** GE Healthcare OEC's Quotation is subject to withdrawal at any time before acceptance. Customer accepts by signing and returning the Quotation or by sending a purchase order in response to the Quotation. Upon Customer's acceptance, GE Healthcare OEC's Quotation and the related terms and conditions referred to in the Quotation shall constitute the entire agreement relating to the products and services covered by the Quotation. No terms, conditions or warranties other than those identified in the Quotation and no agreement or understanding, oral or written, in any way purporting to modify such terms and conditions whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding on GE Healthcare OEC unless hereafter made in writing and signed by GE Healthcare OEC's authorized representative. Customer is hereby notified of GE Healthcare OEC's objection to any terms inconsistent with this Quotation and to any other terms proposed by Customer in accepting this Quotation. Delivery shall not constitute an agreement by GE Healthcare OEC to any such terms.

**Products.** The following provisions shall apply only to the purchase or licensing of products:

- **Delivery:** When feasible, GE Healthcare OEC reserves the right to make delivery in installments. All such installments shall be separately invoiced and paid for when due, without regard to subsequent deliveries. Delivery dates are approximate. If Customer requests a later delivery date within 45 days of the mutually agreed scheduled delivery date, GE Healthcare OEC may, at its option, deliver the products to a storage facility designated by Customer or, if Customer fails to designate a storage facility, to a storage facility designated by GE Healthcare OEC, at Customer's expense. At the time of such delivery, Customer will pay GE Healthcare OEC for any amounts due upon delivery. If Customer fails to schedule a delivery date with GE Healthcare OEC within six months after order entry, GE Healthcare OEC may cancel Customer's order upon written notice to Customer.
- **Acceptance:** Unless expressly provided otherwise in this agreement, Customer shall be deemed to have accepted a product delivered by GE Healthcare OEC under this agreement on the earlier of: (i) if GE Healthcare OEC installs the product, 5 days after GE Healthcare OEC notifies Customer that it has completed assembly and the product is operating substantially in accordance with GE Healthcare OEC's published performance specifications; (ii) if GE Healthcare OEC does not install the product, 5 days after delivery of the product to Customer; or (iii) the date Customer first uses the product for patient use.
- **Transportation, Title and Risk of Loss:** Unless otherwise indicated in the Quotation, shipping terms are F.O.B. Destination. Title and risk of ownership to equipment passes to Customer at Customer's receiving dock. Software is licensed to Customer, but no title to or other ownership interest in such software passes to Customer.
- **Payment:** The product payment terms are stated in the GE Healthcare OEC Quotation or additional terms and conditions, as applicable. For any products requiring final assembly or installation by GE Healthcare OEC, if such assembly or installation is delayed by more than 30 days after delivery of the products for any reason for which Customer is responsible, GE Healthcare OEC will bill Customer for and Customer will pay GE Healthcare OEC any remaining payments due under this agreement. If Customer has a good faith dispute regarding payment for a particular product (or subsystem thereof), such dispute shall not entitle Customer to withhold payment for any other product (or subsystem thereof) purchased from GE Healthcare OEC. GE Healthcare OEC may revoke credit extended to Customer because of Customer's failure to pay for any products when due or for any other reason deemed good or sufficient by GE Healthcare OEC, and in such event all subsequent shipments shall be paid for on delivery. Customer grants GE Healthcare OEC a purchase money security interest in all items listed in the GE Healthcare OEC Quotation until full payment is received, and Customer agrees to perform all acts and execute all documents as may be necessary to perfect GE Healthcare OEC's security interest. Prices for upgrades and revisions assume that Customer returns the replaced component and transfers title to GE Healthcare OEC at no charge to GE Healthcare OEC.





# GE Healthcare

## WARRANTY

Services- GE Healthcare warrants that its services will be performed by trained individuals in a professional, workman-like manner. GE Healthcare will promptly re-perform any non-conforming services as long as Customer provides reasonably prompt written notice to GE Healthcare.

Products- These warranties cover the following GE Healthcare OEC products:

- Mobile C-arms (new) and Surgical Navigation systems (new)
- Fixed interventional fluoroscopic imaging system (new)
- X-ray tables (new)

In the event that any equipment acquired from GE Healthcare OEC is leased or financed through a third party, GE Healthcare OEC shall treat these warranty terms as having been transferred directly to the end user.

**Term Usage.** "Warranted Product" is a collective term which includes both the above-listed manufactured equipment and licensed software purchased by and/or licensed to Customer under the relevant GE Healthcare OEC quotation. Where an item of equipment has software code embedded in it, the code will only be considered licensed software under this warranty statement if the applicable GE Healthcare OEC quotation provides a separate part number for that software.

**One Year Equipment Warranty.** Except as indicated otherwise below, GE Healthcare OEC warrants for 1 year from the Warranty Commencement Date (as defined below) that (i) the equipment will be free from defects in title, material and workmanship under normal use and service and (ii) except for equipment manufactured in compliance with Customer's designs or specifications, the equipment will perform substantially in accordance with GE Healthcare OEC's written technical specifications for the equipment (as such specifications exist on the date the equipment is shipped) (the "Equipment Specifications"). This warranty covers both parts and labor and is available only to end-users that purchase the equipment from GE Healthcare OEC or its authorized distributors. For x-ray tables, warranty term is a minimum of one year, depending upon model.

**100% Uptime Guarantee:** In addition to the standard warranty terms, if a GE OEC product is not operating in accordance with specifications for at least one day, and that problem prevents the unit from being used to image patients, then GE OEC shall extend the warranty by one month for each full day of downtime.

### WARRANTY COMMENCEMENT

"Warranty Commencement Date" is the date of acceptance, as defined in GE Healthcare OEC's Standard Terms and Conditions. The warranty period for any Warranted Product or component furnished to correct a warranty failure will be the unexpired term of the warranty applicable to the repaired or replaced Warranted Product.

**Precedence:** This agreement is by and between the Customer and GE Healthcare OEC agrees to provide and Customer agrees to pay for the products and/or services set forth in this agreement in accordance with the terms and conditions set forth herein. This agreement is comprised of (1) this quotation, (2) any applicable addendum and (3) the included GE Healthcare OEC standard terms and conditions. In the event of conflict among the foregoing items, the order of precedence is as numbered above. This agreement constitutes the complete agreement of the parties relating to GE Healthcare's delivery of the products and/or services identified in the GE Healthcare quotation and supersedes all prior oral or written proposals.

statements, agreements, commitments, or understandings with respect to the matters provided for herein.

### REMEDIES

If Customer promptly notifies GE Healthcare OEC of Customer's warranty claim during the warranty period and makes the Warranted Product available for service, GE Healthcare OEC will, at its option (i) with respect to equipment, either repair, adjust or replace (with new or exchange replacement parts) the non-conforming Warranted Product or components of the Warranted Product and (ii) with respect to GE Healthcare OEC's licensed software, either correct the non-conformity or replace the applicable licensed software. Warranty service will be performed without charge from 8:00 a.m. to 5:00 p.m. (local site time), Monday-Friday, excluding GE Healthcare OEC's holidays, and outside those hours at GE Healthcare OEC's then prevailing service rates and subject to the availability of personnel. With respect to GE Healthcare OEC's warranty for the services it provides to Customer, Customer's exclusive remedy shall be the re-performance of the applicable services. The foregoing remedies are Customer's exclusive remedies and GE Healthcare OEC's sole liability for warranty claims. This exclusive remedy shall not have failed of its essential purpose (as that term is used in the Uniform Commercial Code) as long as GE Healthcare OEC remains willing to repair or replace defective Warranted Products within a commercially reasonable time after being notified of Customer's warranty claim.

### LIMITATIONS & EXCLUSIONS

GE Healthcare OEC shall not have any obligation to Customer hereunder if the warranty claim results from or arises out of: (i) the use of the Warranted Product in combination with any software, tools, hardware, equipment, supplies, accessories or any other materials or services not furnished by GE Healthcare OEC or recommended in writing by GE Healthcare OEC; (ii) the use of the Warranted Product in a manner or environment, or for any purpose, for which GE Healthcare OEC did not design or license it, or in violation of GE Healthcare OEC's recommendations or instructions on use; or (iii) any alteration, modification or enhancement of the Warranted Product by Customer or any third party not authorized or approved in writing by GE Healthcare OEC. In addition, this warranty does not cover the Warranted Product to the extent it is used in any country other than the country to which GE Healthcare OEC ships the Warranted Product. GE Healthcare OEC does not guarantee that licensed software will operate without error or interruption.

In addition, these warranties do not cover: (i) any defect or deficiency (including failure to conform to Equipment Specifications and/or Licensed Software Documentation, as applicable) that results, in whole or in part, from any improper storage or handling, failure to maintain the Warranted Products in the manner described in any applicable instructions or specifications, inadequate back-up or virus protection or any cause external to the Warranted Products or beyond GE Healthcare OEC's reasonable control, including, but not limited to, power failure and failure to keep Customer's site clean and free of dust, sand and other particles or debris; (ii) the payment or reimbursement of any facility costs arising from repair or replacement of the Warranted Products; (iii) any adjustment, such as alignment, calibration, or other normal preventative maintenance required of Customer; (iv) expendable supply items; and (v) stockpiling of replacement parts. For network and other installations not provided by GE Healthcare OEC or its authorized agent(s), troubleshooting services will be billable at GE Healthcare OEC's standard service rates.

EXCEPT FOR WARRANTIES ABOVE, NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT, SYSTEM INTEGRATION AND DATA ACCURACY, WILL APPLY. GE Healthcare may use refurbished parts in new products as long as it uses the same quality control procedures and warranties as for new products.

Accepted By

Title

Date



Scott Sweet, Distributor

GE OEC Medical Systems, Inc., a GE Healthcare Business Title



**END**