

CALL TO ORDER The meeting was called to order at 5:35 p.m. by Peter Watercott, President.

PRESENT Peter Watercott, President
John Ungersma, M.D., Vice President
M. C. Hubbard, Secretary
D. Scott Clark, M.D., Director

ALSO PRESENT John Halfen, Administrator
Richard Nicholson, M.D., Chief of Staff
Douglas Buchanan, Esq., District Legal Counsel
Sandy Blumberg, Administrative Secretary

ABSENT Michael Phillips, M.D., Treasurer

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

MINUTES The minutes of the October 15, 2008 and December 3, 2008 regular meetings; and the minutes of the December 3, 2008 special meeting were approved.

ADMINISTRATOR'S
REPORT

FINANCIAL AND
STATISTICAL REPORTS John Halfen, Chief Financial Officer reviewed with the Board the financial and statistical reports for the month of November 2008. Mr. Halfen noted the statement of operations shows a bottom line excess of revenues over expenses of \$7,984. Mr. Halfen called attention to the following:
–Inpatient and outpatient service revenue were both under budget
–Total expenses were slightly under budget
–Salaries and wages were over budget
–Professional fees expense was over budget
–The Balance Sheet showed no significant change
–Year-to-date net income is \$1,717,777
Mr. Halfen noted it is not surprising for revenue to be down during the months of November and December. He also reviewed the status Hospital investments, including cash and cash equivalent assets that will be needed to help fund the Hospital rebuild project. Mr. Halfen also reported he has moved most of Northern Inyo Hospital (NIH)'s money out of the Local Agency Investment Fund (LAIF). He reviewed a new monthly report detailing revenue earned per hospital department, which also compares this year's totals to prior year totals. It was moved by M.C. Hubbard, seconded by John Ungersma, M.D. and passed to approve the

financial and statistical reports for the month of November 2008 as presented.

ADVANCE
BENEFICIARY NOTICE

Mr. Halfen reported the Hospital Laboratory Department has developed a method to deal with Advance Beneficiary Notices for Medicare patients, which advises those patients prior to tests being done if Medicare is not likely to approve payment for those services.

FYI SECTION

22,443

Mr. Halfen informed the group that 22,443 is the number of cookies the Dietary Department produced in the kitchen during the 2008 calendar year.

EMPLOYMENT
APPLICATIONS

Mr. Halfen referred to an article about Starbucks Corporation, which reports that employers may no longer ask prospective employees about their history of conviction of certain types of felonies.

ECONOMY UPDATE

Mr. Halfen also called attention to information regarding current economic conditions, and reported that unemployment in Inyo County has reached 11%. It is expected that the current recession may effect the hospital in several ways, including fewer patients coming in for non-emergent services; an increase in bad debt and collections issues; and the possibility that the State of California may issue warrants (instead of checks) for payment to hospitals for services.

FOUNDATION
DONATION, DR. REID

Mr. Halfen reported that Tom Reid, M.D. has donated \$2,500 of Everest Challenge bike race proceeds to the Northern Inyo Hospital Foundation. The Board expressed its gratitude to Dr. Reid for his generosity.

OTHER

Mr. Halfen also reported the Hospital is in the process of changing the appearance and content of patient billing statements, in order to make them easier for patients to read and understand.

CHIEF OF STAFF
REPORT

Chief of Staff Richard Nicholson, M.D. reported the Medical Staff Executive Committee recommends the appointment and privileging of radiologist Leon S. Jackson, M.D. to the NIH Active Medical Staff. It was moved by Ms. Hubbard, seconded by D. Scott Clark, and passed to approve the appointment of Doctor Jackson as recommended. Doctor Nicholson also reported the resignation of Staff physician Catherine Leja, M.D., who recently moved out of the area. It was moved by John Ungersma, M.D. seconded by Doctor Clark, and passed to (regretfully) accept the resignation of Doctor Leja as requested.

Doctor Nicholson also reported the Medical Staff and appropriate Committees recommend Board approval of the following policies and procedures:

1. Muscle Biopsy

2. Use of Fentanyl Patches
3. Ventilators in the Emergency Room
4. Versa Med I-Vent
5. Drawing of Arterial Blood Gases
6. Nasotracheal Suctioning
7. Back-Feeding Oxygen
8. Patient-Ventilator System Checks
9. Contact Precautions
10. Multidrug Resistant Organism (MDRO) Control Plan

OLD BUSINESS

It was moved by Doctor Ungersma, seconded by Doctor Clark, and passed to approve all 10 policies and procedures as recommended.

REAFFIRMATION OF
NEGOTIATOR

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 Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve the reaffirmation as requested.

COST OF LIVING
ADJUSTMENT

Mr. Halfen also requested approval of a 1.1 percent Cost of Living Adjustment (COLA) for Hospital employees, which was tabled at the January District Board meeting due to the lack of a quorum. Mr. Halfen stated the Consumer Price Index (CPI) suggests justification of such an increase, and with the increase salaries would still remain within budget. It was moved by Doctor Ungersma, seconded by Doctor Clark, and passed to approve the Cost of Living Adjustment as recommended, to become effective as of the first full pay period in February. Mr. Watercott abstained from the vote.

NEW BUSINESS

PURCHASE OF
EXISTING MODULAR
BUILDING AND BOARD
RESOLUTION 09-02

Mr. Halfen referred to proposed Board Resolution 09-02, which establishes the need for purchasing a previously leased modular building located on Hospital property. The building currently houses Community Relations and Employee Health, and Administration has determined that the modular is only building that can meet the present need of Northern Inyo County Local Hospital District (NICLHD). It was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve Resolution 09-02 establishing the need to purchase the modular building. It was then moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve the purchase of said building from ModSpace Corporation, at a cost of \$31,114.

BOARD RESOLUTION
09-02

Mr. Halfen also called attention to proposed Board Resolution 09-01 which establishes that it is in the best interest of the public health of the communities served by the District to recruit and retain qualified licensed physicians and surgeons to this area, and to enter into agreements with those physicians in order to retain them. The Resolution also establishes that the Board has done reasonable and due diligence in regard to

physician recruitment and retention. It was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve Resolution 09-02 as presented.

PRACTICE
MANAGEMENT
AGREEMENTS

Mr. Halfen also referred to proposed agreements with the following physicians, which would help to retain those physicians in this area:

- Alice Casey, M.D.
- Clifford Beck, M.D.
- Amr Ramadan, M.D.
- Charlotte Helvie, M.D.
- David L. Greene, M.D.

The agreements with Doctors Beck and Casey allow for the Hospital taking over management of their practice in exchange for part of the proceeds of the practice. It was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve the practice management agreements with Doctors Beck and Casey as presented. The agreement with Doctor Helvie allows for the Hospital establishing an income guarantee for the Doctor in order to help insure that she continues to practice in this area. It was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve the agreement with Dr. Helvie as presented. The agreements with Doctors Greene and Ramadan are practice management agreements, which allow for the Hospital incurring some of the costs of the practice as an inducement for the physicians to stay in this area. It was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve the practice management agreements with Doctors Greene and Ramadan as presented.

LAPRASCOPIC VIDEO
EQUIPMENT
PURCHASE

Surgery Unit Nurse Manager Barbara Stuhaan, R.N. presented information on a proposed purchase of laparoscopic video equipment for a total cost of \$254,000. Ms. Stuhaan noted the equipment currently in use at NIH was purchased in 1995, and changes in technology have improved high definition video equipment to a very high quality. NIH surgeons have used the equipment proposed for purchase and found it to be exceptional, and if purchased the new equipment is expected to last for approximately 7 years. Following discussion it was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve purchase of the laparoscopic video equipment as requested.

TURNER CONTRACT
APPROVAL

Mr. Halfen called attention to a Guaranteed Maximum Price (GMP) contract with Turner Construction for the remainder of the hospital rebuild project, at a total cost of \$42,600,000. The bidding process for Phase II is well under way and construction managers are pleased with the results so far. It was noted that the changes made to the foundation of the building by the Office of Statewide Healthcare Planning and Development (OSHPD) increased the cost of the project by 3.6 million dollars. Mr. Halfen requested Board approval a total GMP of \$43,000,000 for Phase II, to include a small amount of fluctuation for change orders. It was moved by Ms. Hubbard, seconded by Doctor

Ungersma, and passed to approve the Guaranteed Maximum Price of \$43,000,000 for the remainder of the building project as requested. Mr. Halfen also reviewed projected cash flow for the project in order to illustrate how the balance of the project would be paid for. He noted that \$14,500,000 of the funding is still forthcoming, in the form of the second general obligation bond issue.

IT PLANNING
CONSULTANTS

Information Technology (IT) Director Adam Taylor referred to a proposal to hire IT Planning Consultants to prepare for future technology needs, in particular for planning ahead for low voltage equipment. Following review of the proposal it was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve the agreement with PlanNet Consulting as recommended, at a total cost of \$76,350.

IT SERVICE
AGREEMENTS

Mr. Taylor also referred to a proposal from Zones Corporation to purchase Cisco service agreements for existing IT equipment at a cost of \$15,189. Following brief discussion it was moved by Doctor Ungersma seconded by Ms. Hubbard and passed to approve the purchase of service agreements as requested.

POSSIBLE DISCUSSION
OF A PATIENT
COMPLAINT

Mr. Halfen stated the Board recently received a patient complaint from a patient who requested the matter be reviewed by the District Board. Following careful consideration it was determined the matter dealt with a misunderstanding between a physician's private practice and a patient, and that the matter should appropriately be resolved between the two. The Board will compose a letter expressing their concern for the patient's well being, and will suggest the matter might be resolved by contacting the physician.in question.

LANGUAGE SERVICES
QUARTERLY REPORT

Language Services Manager Jose Garcia presented the Language Services quarterly report for the fourth quarter of 2008. He reported a 60% increase in the delivery of language services and noted this is partially due to improved documentation of interpreting sessions. It was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to accept the Language Services quarterly report for the fourth quarter of 2008.

BOARD MEMBER
REPORTS

Mr. Watercott asked if any member of the Board of Directors wished to report on any items of interest. Mr. Watercott then noted the NIH Foundation fundraiser "Groundhog A-Go-Go" will be held January 31 at the Tri-County Fairgrounds.

OPPORTUNITY FOR
PUBLIC COMMENT

In keeping with the Brown Act, Mr. Watercott again asked if any members of the public wished to address the Board of Directors on any items on this agenda, and/or on any items of interest. Tomi Bortolazzo, M.D. stated the patient complaint previously discussed involved her

practice, and she has spoken to the patient in an attempt to reach an understanding or resolution to the problem.

CLOSED SESSION

At 7:11p.m. Mr. Watercott 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. Instruct negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of a real property (Government Code Section 54956.8).
- C. Confer with legal counsel regarding pending litigation against the District by an employee (Government Code Section 54956.9(a)).
- D. Conduct CEO Annual Performance Evaluation (Government Code Section 54957).
- E. Discussion of a patient complaint.

RETURN TO OPEN SESSION

At 7:27 p.m. the meeting was returned to open session. Mr. Watercott reported the Board approved the Hospital quality assurance report during closed session.

OPPORTUNITY FOR PUBLIC COMMENT

Mr. Watercott again asked if any members of the public wished 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 7:35 p.m.

Peter Watercott, President

Attest:

M.C. Hubbard, Secretary