

- CALL TO ORDER The meeting was called to order at 5:30 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
Douglas Buchanan, Esq., Hospital District Legal Counsel
Sandy Blumberg, Administrative Secretary
- ABSENT Michael Phillips, M.D., Treasurer
Charlotte Helvie, M.D., Chief of Staff
- ALSO PRESENT FOR
RELEVANT PORTION(S) Dianne Shirley, R.N. Performance Improvement Coordinator
- PUBLIC COMMENTS
ON AGENDA Mr. Watercott asked if any members of the public wished to address the Board on any items listed on the agenda for this meeting. No comments were heard.
- MINUTES The minutes of the February 17, 2010 regular meeting were approved.
- FINANCIAL AND
STATISTICAL REPORTS Mr. Halfen called attention to the financial and statistical reports for the month of January 2010. He noted the statement of operations shows a bottom line excess of revenues over expenses of \$391,615. Mr. Halfen additionally called attention to the following:
- *Total inpatient service revenue was over budget*
 - *Outpatient service revenue was over budget*
 - *Total expenses were over budget*
 - *Salaries and wages and employee benefits expense were over budget*
 - *Professional fees expense was over budget*
 - *The Balance Sheet showed no significant change*
 - *Year-to-date net revenue totals \$1,237,345*
- Mr. Halfen noted the average number of days accounts are in receivables is currently 64 days. Cash and cash equivalents on hand are higher than usual in order to ensure funds are available to help fund the hospital rebuild project. Mr. Halfen also noted the revenue bonds have not been issued and Administration is watching market conditions in order to choose the most advantageous time to make the bond offering. The bond rating will be lower than hoped for (BBB-) due to economic conditions and due to the fact that investors are leery of investments made in the State of California. Mr. Halfen hopes to find one or two buyers for the ten million dollar bond offering. He also reviewed year-to-date revenue

- and expenses and noted the hospital's financial performance is positive, with the only significant problem with expenses involving employee benefits, which will be reviewed prior to the start of the next fiscal year. Mr. Halfen also noted the hospital's investments remain secure with the only questionable holdings being the Citigroup investments acquired as a result of the company's bankruptcy. 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 January as presented.
- ADMINISTRATOR'S REPORT
- BUILDING UPDATE
- Turner Construction project manager John Hawes reported the foundation for the new hospital building is in the final stages of completion, and per recommendations made by the Office of Statewide Healthcare Planning and Development (OSHPD) changes are being made to requirements for the structural steel for the new building. The recommended changes should be completed within one week and steel framework will begin to go up by April 1st. Mr. Hawes also noted steel work should progress rapidly and is expected to be completed in approximately two months.
- SECURITY REPORT
- Mr. Halfen noted there were no significant Security incidents to report during the last month. He additionally noted a report on the results of a recent unannounced survey by the Joint Commission will be presented at the next regular meeting of the District Board.
- CHIEF OF STAFF REPORT
- The Medical Staff had nothing of significance to report at this meeting. Helena Black, M.D., Vice Chief of Staff stated the recently held Physician Leadership Program was a great success, and she expressed her gratitude to Mr. Halfen for Administrations' support of the program. The training was well attended by the Medical Staff and was considered by all to be a very worthwhile event.
- OLD BUSINESS
- INYO COUNTY CONFLICT OF INTEREST CODE
- Mr. Halfen reported Inyo County's requirement to review, amend, or report the Hospital District's Conflict of Interest Code on a bi-annual basis has prompted a review of the Hospital's existing code, and (mostly minor) adjustments to the code will be presented for review at the next regular meeting of the District Board.
- DISTRICT BYLAWS REVIEW
- Mr. Halfen noted members of the Board, Administration, and District Legal Counsel were asked to review the existing Northern Inyo County Local Hospital District Bylaws and be prepared to discuss changes that may be necessary for the upcoming year. Following discussion on this topic it was suggested that the following changes be made:
- Allowance for a fluctuating mileage reimbursement rate for Board members equal to the rate allowed by the Internal Revenue Service
 - Change of the term "Clerk" to "Secretary" in Article IV, Section 4
 - Change the annual election of District Board officers to be held at the January regular meeting, rather than at the December meeting

- Revise the specification of authority and duties of the Administrator to include authority to approve the following contracts for services and/or maintenance:
 - a. Those less than 60 days in duration;
 - b. Those less than \$10,000 in cost when not contained in a budget adopted by the Board;
 - c. Those less than \$25,000 in cost when contained in a budget adopted by the Board
- Authorize Administrator to control inventories including promotional materials
- Authorize Administrator to approve the following:
 1. Determinations that funds owing to the Hospital for patient care be deemed uncollectible charitable write-offs;
 2. Adjustment of accounts owing to the Hospital for patient care when the amount adjusted is either (a) less than 25% of the balance due or (b) the patient has paid more than \$5,000 on the relevant account and the Administrator determines, in his sole discretion, that such adjustment is in the best interests of the District;
 3. Modifications of existing contracts for the construction of Northern Inyo Hospital (Phase II) within the now-existing \$400,000 limits of said contracts;
 4. Grant applications
- Authorize Administrator to approve and execute the following contracts with physicians:
 1. Agreements to continue existing contracts, which are about to expire, for no more than thirty (30) days;
 2. Agreements for continuing call coverage;
 3. Agreements for *locum tenens* coverage for no more than thirty (30) day periods, and
 4. Contractual agreements with a physician conditioned upon he/she obtaining Medical Staff privileges where the contract is of no more than 30 days' duration
- Authorize Administrator to approve and execute the following contracts and/or billings:
 1. Discounts on payor contracts where the discount is more than 10% provided that no single discount may be more than 50% without Board approval;
 2. Consulting contracts for less than \$10,000 if not contained in a budget adopted by the Board;
 3. Consulting contracts for less than \$25,000 if contained in a budget adopted by the Board;
 4. Attorney's fees;
 5. Interagency agreements of less than \$25,000
 6. Prices, fees and rates charged by the Hospital whose effective rate, without Board approval, may be no more than one year;
 7. Meeting, training, and travel expenses;

8. Marketing commitments of less than \$10,000
- Authorize Administrator to approve the following capital expenditures:
 1. Where included in a budget adopted by the Board: Up to \$25,000;
 2. Where not included in a budget adopted by the Board: Up to \$10,000
 3. Where neither of the above, but emergent: Immediately subject to and conditioned upon Board approval at the next-following regular or special meeting in which the expenditure may be included on the Board agenda
- Authorize Administrator to perform any other duty that may be necessary in the best interests of the District
- Further discussion is needed regarding guidelines for cancellation of a regular meeting of the District Board (Mr. Buchanan will research this topic for discussion at the next regular meeting)
- The date of the monthly meeting held in December of each year will be changed to the second Wednesday of the month in order to allow the Credentials Committee to meet in sufficient time

Mr. Buchanan noted he has supplied Medical Staff attorney Jay Christensen, Esq. with a copy of the District Bylaws for his review, but he has yet to hear back from him regarding his comments. Following discussion it was moved by Ms. Hubbard, seconded by D. Scott Clark, M.D. and passed to include the suggested changes to the District Bylaws, and to conduct a final review of the Bylaws at the next regular meeting.

NEW BUSINESS

AGREEMENT WITH ROBBIN CROMER- TYLER, M.D.

Mr. Halfen called attention to a proposed Private Practice Physician Income Guarantee and Practice Management renewal agreement with Robbin Cromer-Tyler, M.D.. Following review of the proposed agreement it was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve the agreement with Robbin Cromer-Tyler, M.D. as recommended, with a correction being made to the calculation of the bi-weekly compensation rate indicated in the agreement.

AGREEMENT WITH LARA JEANINE ARNDAL, M.D.

Mr. Halfen noted the proposed agreement with Lara Jeanine Arndal, M.D. has yet to be finalized and will be presented for approval at the next regular meeting of the District Board.

AUTHORITY DELEGATED TO THE C.E.O.

District Legal Counsel Douglas Buchanan noted the proposed list of authorities delegated to the CEO has been incorporated into the District Bylaws, and therefore it is not necessary to discuss it as a separate agenda item.

REPORTS FROM BOARD MEMBERS ON ITEMS OF INTEREST

Mr. Watercott 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 California Healthcare Districts' (ACHD) annual Legislative Day, where many pertinent healthcare topics

(including the progress of Senate Bill 726 and proposed Medi-Cal cuts) were discussed. Doctor Ungersma reported Californians can expect significant tax increases and hospitals can expect additional cuts to Medi-Cal reimbursement rates. He also noted Alpha Fund payments have increased, yet the number of claims or incidents has gone down.

OPPORTUNITY FOR
PUBLIC COMMENT

In keeping with the Brown Act, 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. Mr. Halfen noted escrow has closed on the property at 2957 Birch Street, and the Hospital District now owns that building. Mr. Watercott also commented the play *South Pacific* is currently being performed by Playhouse 395, and he feels it is well worth seeing. He also gave kudos to the Director of the play, Northern Inyo Hospital employee Martha Reynolds, R.N..

CLOSED SESSION

At 6:39 p.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. Confer with legal counsel regarding claim filed by John Nesson, M.D. against Northern Inyo County Local Hospital District and other Defendants (Government Code Section 54956.9(a)).
- C. Consideration of employment, evaluation of performance, discipline, or dismissal of a District employee (Government Code Section 54957).
- D. Confer with legal counsel regarding potential legal action against Northern Inyo County Local Hospital District filed by Stephen Johnson and Elizabeth Monahan-Johnson (Government Code Section 54956.9(a)).
- E. Conduct CEO annual performance evaluation (Government Code Section 54957).

RETURN TO OPEN
SESSION AND REPORT
OF ACTION TAKEN

At 7:01 p.m. the meeting returned to open session. Mr. Watercott reported the board took no reportable action.

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 7:02 p.m.