



Northern Inyo County Local Hospital District

Board of Directors Regular Meeting

Wednesday December 19, 2012; 5:30pm

Board Room

Birch Street Annex

2957 Birch Street, Bishop CA

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CALL TO ORDER The meeting was called to order at 5:30pm by Peter Watercott, President.

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

ALSO PRESENT John Halfen, Administrator
Robbin Cromer-Tyler, M.D., Chief of Staff
Will Richmond, Attorney at Law (on behalf of District Legal Counsel)
Sandy Blumberg, Administration Secretary

ALSO PRESENT FOR
RELEVANT PORTIONS Dianne Shirley, R.N., Performance Improvement Coordinator

PUBLIC COMMENT Mr. Watercott 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.

CONSENT AGENDA The proposed consent agenda for this meeting included the following items:

1. Approval of the minutes of the September 19, 2012 regular meeting (*action item*).
2. Financial and Statistical reports for the month of July 2012 (*action item*).
3. Policy & Procedure manuals annual approval (*action items*):
 - A. Clinical Diet Manual D. Pulmonary Function
 - B. Employee Health E. Social Services
 - C. Environmental Services F. Utilization Review

It was moved by Denise Hayden, seconded by John Ungersma, M.D., and passed to approve the proposed consent agenda items as presented.

EARTHQUAKE
INSURANCE Mr. Halfen asked that the Board address agenda item 8A next, in order to allow the insurance agents present for discussion of the possible purchase of earthquake insurance to not have to stay for the entire meeting. At that time, Board member D. Scott Clark, M.D. moved to table this agenda item due to the fact that he does not feel it is necessary for the District to purchase earthquake insurance. The motion was seconded by Ms. Hayden, but prior to a vote discussion took place including insurance agent Robert Beach presenting his explanation regarding why it may be prudent for the District to purchase insurance. Mr. Beach also explained that he has extended his quote several times for the District already, and he may not be able to extend it any further. Following further discussion, which included comments regarding the new hospital building being designed to be essentially earthquake proof, and the value of the old

ADMINISTRATOR'S
REPORT

hospital building possibly not being worth insuring, and it was moved by Doctor Clark, seconded by Ms. Hayden and passed to decline acceptance of earthquake insurance coverage, with Mr. Watercott abstaining from the vote.

BUILDING UPDATE

Interim Chief Nursing Officer Sharon Tourville updated the Board on the State licensing visit for the new hospital building, and on the move out of the old hospital facility and into the new one. Ms. Tourville gave kudos to hospital staff; to Chief of Staff Robbin Cromer-Tyler, M.D.; and to Administrator John Halfen for their hard work and dedication during the licensing visit and move. The State survey team consisted of a total of three people who stayed for a total of three days to complete the survey, and Ms. Tourville noted that the survey was extremely thorough and the team stayed longer than they had originally anticipated. There were several sticking points that surfaced during the State visit, and hospital staff joined forces and worked quickly to correct those items that the surveyors felt were issues. Changes were made in the Dietary Department and in the standby kitchen; and a playroom was created for pediatric patients. Several new policies and procedures were developed at the request of the surveyors, who also informed us that we will be required to add the Radiology building; Lab; Purchasing; MRI; and all other hospital outbuildings to our license. The survey was conducted utilizing a temporary command center, and was run in the format of a disaster drill for hospital staff. Doctor Cromer-Tyler stated that she felt that management and hospital staff did an exemplary job during both the licensing visit and during the efficiently organized move into the new hospital building. We continue to make improvements to signage in the new building, and will continue to tie up loose ends as we prepare for the Joint Commission survey that will take place by March of next year. Mr. Halfen mentioned that we will also begin discussion of Phase III of the hospital rebuild project in the next month.

ORTHOPEDIC
SERVICES UPDATE

Mr. Halfen reported there is no change to the status of orthopedic recruitment, and the District still plans to move forward with establishing a Memorandum of Understanding (MOU) with Mammoth Hospital in order to coordinate orthopedic service coverage between the two facilities.

HOSPITALIST
PROGRAM UPDATE

There is also no change to the status of Northern Inyo Hospital's (NIH's) current Hospitalist program, and Shiva Shabnam M.D. is expected to take over as Director of the Hospitalist Program effective as of November 1.

PHYSICIAN
RECRUITMENT
UPDATE

Mr. Halfen also reported that we continue to recruit for family practice and internal medicine physicians, and that Catherine Leja, M.D. plans to return to this area to practice medicine at NIH's Rural Health Clinic (RHC). We have also recently met with a potential general surgery

candidate, and we intend to meet with a family practitioner during the next couple of weeks as well.

CHIEF OF STAFF
REPORT

Chief of Staff Robbin Cromer-Tyler M.D. reported that following careful review and consideration by the appropriate committees, the Medical Executive Committee recommends the following Medical Staff appointments:

1. Kristin Collins, D.O.; Staff Appointment, Clinical Privileges
2. Robert Frankel, P.A.; Delegation of Services Agreement, Clinical Privileges
3. Lyn Leventis, M.D.; Resignation of Staff Appointment, Clinical Privileges

It was moved by Doctor Ungersma, seconded by Ms. Hayden, and passed to approve all three Medical Staff recommendations as requested.

NEW BUSINESS

CONSTRUCTION
CHANGE ORDER
REQUEST

Mr. Halfen called attention to Construction Change Order Request (COR) #349, for chiller piping replacement. He requested Board approval to settle payment of this COR in an amount not to exceed \$85,000, because he does not feel the District should be responsible for the entire amount of this COR, and he would like to negotiate with the parties involved to settle for a lesser amount. It was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to allow Mr. Halfen to negotiate the cost of COR #349, and to process payment in an amount not to exceed \$85,000.

EMPLOYEE INCENTIVE
STORE PROPOSAL

Mr. Halfen reported that this agenda item will be tabled for discussion to the next regular meeting.

PHYSICIAN
AGREEMENTS WITH
CATHERINE LEJA, MD

Mr. Halfen called attention to the following proposed agreements with Catherine Leja, M.D.:

1. Rural Health Clinic Staff Physician Agreement
2. Relocation Expense Agreement
3. Private Practice Income Guarantee

The proposed agreements are typical of those we have previously entered into with other physicians who have relocated to this area in order to practice medicine. Following review of the information provided it was moved by Doctor Clark, seconded by Ms. Hubbard, and passed to approve all three agreements with Catherine Leja, M.D. as requested.

CHIEF OF EKG
SERVICES
AGREEMENT, ASAO
KAMEI, M.D.

Mr. Halfen also called attention to a proposed renewal agreement for the Services of Chief of the Electrocardiographic (EKG) Department with Asao Kamei, M.D.. The proposed agreement constitutes a straight renewal of Dr. Kamei's existing contract, with no changes being made except to the term of the agreement. It was moved by Ms. Hubbard,

seconded by Ms. Hayden, and passed to approve the proposed agreement for Chief of EKG Services with Dr. Kamei as requested.

ORTHOPEDIC
SERVICES M.O.U. WITH
MAMMOTH HOSPITAL

Mr. Halfen then called attention to a list of bullet points he would like approved to be incorporated into a Memorandum of Understanding (MOU) for orthopedic services between NIH and Mammoth Hospital. The proposed MOU will allow for sharing orthopedic surgeons Mark Robinson, M.D., and Timothy Crall, M.D. amicably between the two hospital facilities. The intent of the MOU is to allow the surgeons to provide services at both facilities with no incentive being given to encourage patients to receive services at either facility over the other. Once the Boards of both hospitals approve the MOU bullet points, they will have attorneys draft an agreement. NIH will bill for the facility component of services provided here, and will provide staff and office space at 152 Pioneer Lane, Suite A. The physicians will bill for their own professional fees, and Dr. Crall will be asked to apply for Medical Staff privileges at NIH as soon as possible. The bottom line will be that patients can be seen at whichever facility they prefer, and NIH will have additional orthopedic coverage. Following brief discussion it was moved by Doctor Ungersma, seconded by M.C. Hubbard and passed to approve the bullet points for the Draft MOU for Orthopedic Services with Mammoth Hospital as requested

RENEWAL OF PRIVATE
PRACTICE PHYSICIAN
INCOME GUARANTEE
& PRACTICE
MANAGEMENT
AGREEMENT , LARA
JEANINE ARNDAL, MD

Mr. Halfen called attention to a proposed Private Practice Physician Income Guarantee and Practice Management Agreement with OB/Gyn Lara Jeanine Arndal, M.D.. Her renewal salary is slightly above 50% of the industry standard, and this agreement includes minor changes to equalize the practice in the event that a new partner comes on board. It was moved by Doctor Ungersma, seconded by Ms. Hayden, and passed to approve the renewal agreement with Lara Jeanine Arndal, M.D. as requested.

EXTENSION OF RURAL
HEALTH CLINIC
AGREEMENTS WITH
TOM BOO, M.D. AND
STACEY BROWN, M.D.

Mr. Halfen also called attention to proposed extensions of the agreement for the Services of the Director of the Rural Health Clinic with Stacy Brown, M.D., and for the RHC Staff Physician Agreement with Thomas Boo, M.D.. Mr. Halfen is still negotiating some of the details in both renewal agreements, and the extensions will allow him additional time in which to do so. It was moved by Ms. Hayden, seconded by Ms. Hubbard and passed to approve the extensions of both agreements as requested.

RENEWAL OF EKG
SERVICES
AGREEMENTS WITH
JAMES RICHARDSON,
MD, AND NICKOLINE
HATHAWAY, MD

Mr. Halfen also called attention to renewal agreements for the Electrocardiographic services of James Richardson, M.D. and Nickoline Hathaway, M.D.. Both agreements constitute straight renewals of the physicians' existing agreements, with a change only being made to the term of each agreement. It was moved Ms. Hubbard, seconded by Ms. Hayden, and passed to approve the EKG renewal agreements with

Doctors Richardson and Hathaway as requested.

DISTRICT BOARD
RESOLUTION 12-07
AND DISTRICT BOARD
ORDINANCE 12-01

Mr. Halfen called attention to proposed District Board Resolution 12-07, and proposed District Ordinance 12-01, which would allow for the issuance of bonds and the sale of bonds required to refinance the Districts' 1998 revenue bond issue. The refinance would save the District approximately \$800,000 over the life of the bonds, and would change the covenants of the existing bonds to be less restrictive. Bond counsel is currently reviewing the documents involved, and Quint and Thimmig LLP will be processing the transaction. A question was asked regarding whether or not the refinanced bonds will be available for purchase by persons in our local community, and Mr. Halfen responded that it is possible, but not likely, because the bonds are typically sold as a block. Following review and discussion of the proposed transaction it was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve both District Board Resolution 12-07 and District Board Ordinance 12-01 as requested, in order to allow for the refinancing of the 1998 revenue bonds.

BOARD MEMBER
REPORTS

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

OPPORTUNITY FOR
PUBLIC COMMENT

In keeping with the Brown Act, Mr. Watercott 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.

CLOSED SESSION

At 6:53pm 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 pending litigation based on stop notice filed by Strocal, Inc. (Government Code Sections 910 et seq., 54956.9).

RETURN TO OPEN
SESSION AND REPORT
OF ACTION TAKEN

At 7:12pm the meeting returned to open session. Mr. Watercott reported that the Board took no reportable action.

OPPORTUNITY FOR
PUBLIC COMMENT

Mr. Watercott again asked if any members of the public or anyone present wished to comment on any items listed on the agenda or on any items of interest. He then commented that he has heard rumors regarding members of the community, in particular Inyo County employees, having to go out of the area for medical services, due to changes in their insurance policies, and due to the fact that costs are lower at other facilities. Mr. Halfen

responded that he has also heard of an increased number of District residents traveling to the Carson City area for Radiology services, because of the low cost. He additionally stated that unfortunately, there is nothing we can do to compete with the prices offered by free-standing imaging centers, who can provide services at a much lower cost than hospitals can. We will continue to make every effort to keep our costs as low as possible, and to provide as many services as possible for our local residents. No other comments were heard.

ADJOURNMENT

The meeting was adjourned at 7:20pm.

Peter Watercott, President

Attest:

M.C. Hubbard, Secretary

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Northern Inyo Hospital

Balance Sheet

For Period: 2-2013 (08/01/2012 - 08/31/2012)

YTD Balance

Current Assets:

Cash and Equivalents	\$666,813
Short-Term Investments	\$4,043,329
Assets Limited as to Use	\$0
Plant Replacement and Expansion Fund	\$1
Other Investments	\$1,278,079
Patient Receivable	\$41,393,268
Less: Allowances	\$-28,101,726
Other Receivables	\$706,713
Inventories	\$2,653,120
Prepaid Expenses	\$1,218,903
Total Current Assets	\$23,858,500

Internally Designated for Capital Acquisitions	\$826,931
Special Purpose Assets	\$759,044

Revenue Bonds Held by a Trustee	\$2,540,105
Less Amounts Required to Meet Current Ob	\$0
Assets Limited as to use	\$4,126,079

Long Term Investments	\$100,000
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Property & equipment, net Accumulated Dep	\$86,752,917
Unamortized Bond Costs	\$896,159

Total Assets	\$115,733,654
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Northern Inyo Hospital
Balance Sheet
For Period: 2-2013 (08/01/2012 - 08/31/2012)

YTD Balance

Liabilities and Net Assets

Current Liabilities:

Current Maturities of Long-Term Debt	\$-1,734,168
Accounts Payable	\$-1,713,119
Accrued Salaries, Wages & Benefits	\$-3,454,165
Accrued Interest and Sales Tax	\$-599,213
Deferred Income	\$-423,967
Due to 3rd Party Payors	\$-2,516,566
Due to Specific Purpose Funds	\$-58,539
Total Current Liabilities	\$-10,499,735
Long Term Debt, Net of Current Maturities	\$-47,792,043
Bond Premium	\$-1,316,567
Total Long Term Debt	\$-49,108,610
Net Assets	
Unrestricted Net Assets	\$-55,366,265
Temporarily Restricted	\$-759,044
Net Income	
Total Net Assets	\$-56,125,309
Total Liabilities and Net Assets	\$-115,733,654

Statement of Operation
Monthly Statement of Operations
For Period: 2-2013 (08/01/2012 - 08/31/2012)

	<u>August</u>	<u>MTD Budget</u>	<u>MTD Variance</u>	<u>Actual YTD</u>	<u>YTD Budget</u>	<u>YTD Variance</u>
Unrestricted Revenues, Gains & Other Support						
Inpatient Service Revenue						
Ancillary	678,056	580,728	97,328	1,378,794	1,161,456	217,338
Routine	2,723,929	1,921,142	802,787	5,419,472	3,842,284	1,577,188
Total Inpatient Service Revenue	3,401,986	2,501,870	900,116	6,798,266	5,003,740	1,794,526
Outpatient Service Revenue	5,691,688	5,710,301	(18,613)	11,584,301	11,420,602	163,699
Gross Patient Service Revenue	9,093,674	8,212,171	881,503	18,382,566	16,424,342	1,958,224
Less Deductions from Revenue						
Patient Service Revenue Deductions	(129,435)	(178,677)	49,242	(238,878)	(357,354)	118,476
Contractual Adjustments	(3,484,156)	(3,025,793)	(458,363)	(6,685,771)	(6,051,586)	(634,185)
Prior Period Adjustments		157,464	(157,464)	859,102	314,928	544,174
Total Deductions from Patient Service Revenue	(3,613,591)	(3,047,006)	(566,585)	(6,065,546)	(6,094,012)	28,466
Net Patient Service Revenue	5,480,083	5,165,165	314,918	12,317,020	10,330,330	1,986,690
Other revenue						
Other revenue	13,485	27,782	(14,297)	45,462	55,564	(10,102)
Transfers from Restricted Funds for Operating Exp	102,014	98,467	3,547	204,027	196,934	7,093
Total Other Revenue	115,498	126,249	(10,751)	249,489	252,498	(3,009)
Expenses:						
Salaries and Wages	1,765,365	1,799,842	(34,477)	3,526,074	3,599,684	(73,610)
Employee Benefits	1,353,660	1,119,159	234,501	2,121,226	2,238,318	(117,092)
Professional Fees	463,145	499,061	(35,916)	867,613	998,122	(130,509)
Supplies	525,610	526,582	(972)	1,282,993	1,053,164	229,829
Purchased Services	204,510	237,467	(32,957)	408,830	474,934	(66,104)
Depreciation	196,192	322,518	(126,326)	392,254	645,036	(252,782)
Interest Expense	186,555	185,593	962	373,190	371,186	2,004
Bad Debts	381,251	203,071	178,180	547,242	406,142	141,100
Other Expense	299,838	252,857	46,981	579,271	505,714	73,557
Total Expenses	5,376,128	5,146,150	229,978	10,098,693	10,292,300	(193,607)
Operating Income (Loss)	219,453	145,264	74,189	2,467,817	290,528	2,177,289
Other Income:						
District Tax Receipts	42,397	44,530	(2,133)	84,793	89,060	(4,267)
Partnership Investment Income		3,822	(3,822)	0	7,644	(7,644)
Grants and Other Contributions Unrestricted		21,233	(21,233)	45,576	42,466	3,110
Interest Income	10,193	7,252	2,941	19,155	14,504	4,651
Other Non-Operating Income	22,098	3,144	18,954	30,406	6,288	24,118
Net Medical Office Activity	(62,471)	(84,931)	22,460	(244,041)	(169,862)	(74,179)
340B Net Activity	31,607	47,254	(15,647)	12,021	94,508	(82,487)
Non-Operating Income/Loss	43,825	42,304	1,521	(52,091)	84,608	(136,699)
Net Income/Loss	263,278	187,568	75,710	2,415,726	375,136	2,040,590

Investments as of 8/31/2012

ID	Purchase Date	Maturity Date	Institution	Broker	Rate	Principal Invested
1	02-Aug-12	01-Sep-12	LAIF (Walker Fund)	Northern Inyo Hospital	0.04%	321,120.05
2	15-Aug-12	01-Sep-12	Multi-Bank Securities	Multi-Bank Service	0.01%	3,572,208.83
3	20-May-10	20-May-13	First Republic Bank-Div of BOFA FNC	Financial Northeaster Corp.	2.40%	150,000.00
4	20-May-10	20-May-15	First Republic Bank-Div of BOFA FNC	Financial Northeaster Corp.	3.10%	100,000.00
						<u>\$4,143,328.88</u>

Northern Inyo Hospital
 Monthly Report of Capital Expenditures
 Fiscal Year Ending JUNE 30, 2012
 As of August 31, 2012

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
FY 2011-12	Transport Monitor for PACU to be purchased by NIH Auxillary Donation	15,000 *
	Additional Coppber and Fiberoptic Cable	29,884
	Paragon Physician Documentation Module	137,254
	Ultrasound Machine	153,000
	AMOUNT APPROVED BY THE BOARD IN THE PRIOR FISCAL YEARS TO BE EXPENDED IN THE CURRENT FISCAL YEAR	335,138
	AMOUNT APPROVED BY THE BOARD IN THE CURRENT FISCAL YEAR TO BE EXPENDED IN THE CURRENT FISCAL YEAR	0
	Amount Approved by the Board in Prior Fiscal Years to be Expended in the Current Fiscal Year	335,138
	Amount Approved by the Board in the Current Fiscal Year to be Expended in the Current Fiscal Year	0
	Year-to-Date Board-Approved Amount to be Expended	335,138
	Year-to-Date Administrator-Approved Amount	9,906 *
	Actually Expended in Current Fiscal Year	0 *
	Year-to-Date Completed Building Project Expenditures	0 *
	TOTAL FUNDS APPROVED TO BE EXPENDED	345,044
	Total-to-Date Spent on Incomplete Board Approved Expenditures	0
Reconciling Totals:		
	Actually Capitalized in the Current Fiscal Year Total-to-Date	9,906
	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	335,138
	ACTUAL FUNDS APPROVED IN THE CURRENT FISCAL YEAR TOTAL-TO-DATE	345,044

Northern Inyo Hospital
Monthly Report of Capital Expenditures
Fiscal Year Ending JUNE 30, 2012
As of August 31, 2012

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
	Donations by Auxiliary	20,000
	Donations by Hospice of the Owens Valley	0
	+Tobacco Funds Used for Purchase	0
		0
		20,000

*Completed Purchase

(Note: The budgeted amount for capital expenditures for all priority requests for the fiscal year ending June 30, 2013, is \$943,036 coming from existing hospital funds.)

**Completed in prior fiscal year

Northern Inyo Hospital
Monthly Report of Capital Expenditures
Fiscal Year Ending JUNE 30, 2012
As of August 31, 2012

Administrator-Approved Item(s)	Department	Amount	Month Total	Grand Total
COMPACT AIRWAY GAS MODULE	BIOMEDICAL ENGINEERING	5,340		
Sonosite Ultrasound; Sales Tax (part of a June Board Approved Asset)	EMERGENCY ROOM	4,567		
MONTH ENDING JULY 2012			9,906	9,906

Northern Inyo Hospital

Balance Sheet

For Period: 3-2013 (09/01/2012 - 09/30/2012)

YTD Balance

Current Assets:

Cash and Equivalents	\$748,872
Short-Term Investments	\$4,043,360
Assets Limited as to Use	\$0
Plant Replacement and Expansion Fund	\$2
Other Investments	\$1,278,079
Patient Receivable	\$40,467,400
Less: Allowances	\$-27,658,377
Other Receivables	\$810,434
Inventories	\$2,735,191
Prepaid Expenses	\$1,263,599
Total Current Assets	\$23,688,561

Internally Designated for Capital Acquisitions	\$826,963
Special Purpose Assets	\$744,063

Revenue Bonds Held by a Trustee	\$2,677,092
Less Amounts Required to Meet Current Ob	\$0
Assets Limited as to use	\$4,248,118

Long Term Investments	\$100,000
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Property & equipment, net Accumulated Dep	\$88,617,769
Unamortized Bond Costs	\$892,534

Total Assets	\$117,546,981
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Northern Inyo Hospital
Balance Sheet
For Period: 3-2013 (09/01/2012 - 09/30/2012)

YTD Balance

Liabilities and Net Assets

Current Liabilities:

Current Maturities of Long-Term Debt	\$-1,732,832
Accounts Payable	\$-2,139,138
Accrued Salaries, Wages & Benefits	\$-3,783,930
Accrued Interest and Sales Tax	\$-770,513
Deferred Income	\$-381,570
Due to 3rd Party Payors	\$-2,516,566
Due to Specific Purpose Funds	\$-58,539
Total Current Liabilites	\$-11,383,088

Long Term Debt, Net of Current Maturities	\$-48,406,570
Bond Premium	\$-1,312,224
Total Long Term Debt	\$-49,718,794

Net Assets

Unrestricted Net Assets	\$-55,701,037
Temporarily Restricted	\$-744,063
Net Income	
Total Net Assets	\$-56,445,100

Total Liabilities and Net Assets	\$-117,546,981
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Statement of Operation
Monthly Statement of Operations
For Period: 3-2013 (09/01/2012 - 09/30/2012)

	<u>September</u>	<u>MTD Budget</u>	<u>MTD Variance</u>	<u>Actual YTD</u>	<u>YTD Budget</u>	<u>YTD Variance</u>
Unrestricted Revenues, Gains & Other Support						
Inpatient Service Revenue						
Ancillary	468,426	561,994	(93,568)	1,847,220	1,723,450	123,770
Routine	1,673,389	1,859,170	(185,781)	7,092,861	5,701,454	1,391,407
Total Inpatient Service Revenue	2,141,815	2,421,164	(279,349)	8,940,081	7,424,904	1,515,177
Outpatient Service Revenue	5,432,162	5,526,088	(93,926)	17,016,462	16,946,690	69,772
Gross Patient Service Revenue	7,573,977	7,947,252	(373,275)	25,956,543	24,371,594	1,584,949
Less Deductions from Revenue						
Patient Service Revenue Deductions	(207,416)	(172,913)	(34,503)	(446,294)	(530,267)	83,973
Contractual Adjustments	(2,808,079)	(2,928,189)	120,110	(9,493,850)	(8,979,775)	(514,075)
Prior Period Adjustments	(898)	152,384	(153,282)	858,204	467,312	390,892
Total Deductions from Patient Service Revenue	(3,016,393)	(2,948,718)	(67,675)	(9,081,939)	(9,042,730)	(39,209)
Net Patient Service Revenue	4,557,583	4,998,534	(440,951)	16,874,604	15,328,864	1,545,740
Other revenue						
Transfers from Restricted Funds for Operating Exp	102,014	95,290	6,724	306,041	292,224	13,817
Total Other Revenue	617,879	122,173	495,706	867,368	374,671	492,697
Expenses:						
Salaries and Wages	1,674,868	1,741,779	(66,911)	5,200,941	5,341,463	(140,522)
Employee Benefits	1,228,906	1,083,053	145,853	3,350,132	3,321,371	28,761
Professional Fees	493,051	482,967	10,084	1,360,664	1,481,089	(120,425)
Supplies	498,018	509,590	(11,572)	1,781,012	1,562,754	218,258
Purchased Services	212,435	229,801	(17,366)	621,265	704,735	(83,470)
Depreciation	197,312	312,114	(114,802)	589,565	957,150	(367,585)
Interest Expense	186,228	179,606	6,622	559,418	550,792	8,626
Bad Debts	170,888	196,520	(25,632)	718,130	602,662	115,468
Other Expense	320,855	244,701	76,154	900,126	750,415	149,711
Total Expenses	4,982,560	4,980,131	2,429	15,081,253	15,272,431	(191,178)
Operating Income (Loss)	192,902	140,576	52,326	2,660,719	431,104	2,229,615
Other Income:						
District Tax Receipts	42,397	43,093	(696)	127,190	132,153	(4,963)
Partnership Investment Income		3,699	(3,699)	0	11,343	(11,343)
Grants and Other Contributions Unrestricted		20,548	(20,548)	45,576	63,014	(17,438)
Interest Income	8,585	7,019	1,566	27,740	21,523	6,217
Other Non-Operating Income	2,116	3,043	(927)	32,522	9,331	23,191
Net Medical Office Activity	(111,206)	(82,188)	(29,018)	(355,247)	(252,050)	(103,197)
340B Net Activity	183,066	45,730	137,336	195,087	140,238	54,849
Non-Operating Income/Loss	124,958	40,944	84,014	72,867	125,552	(52,685)
Net Income/Loss	317,860	181,520	136,340	2,733,586	556,656	2,176,930

Investments as of 9/30/2012

	Purchase Dt	Maturity Dt	Institution	Broker	Rate	Principal
1	9/2/2012	10/1/2012	LAIF (Walker Fund)	Northern Inyo Hospital	0.03%	321,120.05
2	9/16/2012	10/3/2012	Multi-Bank Securities	Multi-Bank Service	0.01%	3,572,240.06
3	5/20/2010	5/20/2013	First Republic Bank-Div of BOFA	Financial Northeaster Corp.	2.40%	150,000.00
4	5/20/2010	5/20/2015	First Republic Bank-Div of BOFA	Financial Northeaster Corp.	3.10%	100,000.00
			Total			\$4,143,360.11

**Northern Inyo Hospital
Balance Sheet**

For Period: 4-2013 (10/01/2012 - 10/31/2012)

YTD Balance

Current Assets:	
Cash and Equivalents	\$2,269,920
Short-Term Investments	\$3,043,672
Assets Limited as to Use	\$0
Plant Replacement and Expansion Fund	\$2
Other Investments	\$1,278,079
Patient Receivable	\$38,232,491
Less: Allowances	\$-26,885,031
Other Receivables	\$210,770
Inventories	\$2,822,391
Prepaid Expenses	\$1,282,941
Total Current Assets	<u>\$22,255,234</u>
Internally Designated for Capital Acquisitions	\$826,999
Special Purpose Assets	\$37,755
Revenue Bonds Held by a Trustee	\$2,814,075
Less Amounts Required to Meet Current Obligations	\$0
Assets Limited as to use	<u>\$3,678,830</u>
Long Term Investments	\$100,000
Property & equipment, net Accumulated Depreciation	\$89,523,875
Unamortized Bond Costs	\$888,908
Total Assets	<u><u>\$116,446,847</u></u>

**Northern Inyo Hospital
Balance Sheet**

For Period: 4-2013 (10/01/2012 - 10/31/2012)

YTD Balance

Liabilities and Net Assets

Current Liabilities:

Current Maturities of Long-Term Debt	\$-1,393,862
Accounts Payable	\$-1,708,606
Accrued Salaries, Wages & Benefits	\$-3,981,675
Accrued Interest and Sales Tax	\$-410,267
Deferred Income	\$-339,174
Due to 3rd Party Payors	\$-1,900,000
Due to Specific Purpose Funds	\$-58,539
Total Current Liabilities	<u>\$-9,792,123</u>

Long Term Debt, Net of Current Maturities	\$-48,997,228
Bond Premium	\$-1,307,882
Total Long Term Debt	<u>\$-50,305,109</u>

Net Assets

Unrestricted Net Assets	\$-56,311,860
Temporarily Restricted	\$-37,755
Net Income	
Total Net Assets	<u>\$-56,349,615</u>

Total Liabilities and Net Assets	<u><u>\$-116,446,847</u></u>
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Statement of Operation
Monthly Statement of Operations
For Period: 4-2013 (10/01/2012 - 10/31/2012)

	<u>October</u>	<u>MTD Budget</u>	<u>MTD Variance</u>	<u>Actual YTD</u>	<u>YTD Budget</u>	<u>YTD Variance</u>
Unrestricted Revenues, Gains & Other Support						
Inpatient Service Revenue						
Ancillary	488,249	580,728	(92,479)	2,335,469	2,304,178	31,291
Routine	2,042,715	1,921,142	121,573	9,135,575	7,622,596	1,512,979
Total Inpatient Service Revenue	2,530,963	2,501,870	29,093	11,471,044	9,926,774	1,544,270
Outpatient Service Revenue	5,784,500	5,710,301	74,199	22,800,962	22,656,991	143,971
Gross Patient Service Revenue	8,315,463	8,212,171	103,292	34,272,006	32,583,765	1,688,241
Less Deductions from Revenue						
Patient Service Revenue Deductions	(311,857)	(178,677)	(133,180)	(758,151)	(708,944)	(49,207)
Contractual Adjustments	(3,067,534)	(3,025,793)	(41,741)	(12,561,384)	(12,005,568)	(555,816)
Prior Period Adjustments	830,699	157,464	673,235	1,688,903	624,776	1,064,127
Total Deductions from Patient Service Revenue	(2,548,693)	(3,047,006)	498,313	(11,630,632)	(12,089,736)	459,104
Net Patient Service Revenue	5,766,771	5,165,165	601,606	22,641,374	20,494,029	2,147,345
Other revenue						
Other revenue	14,172	27,782	(13,610)	575,500	110,229	465,271
Transfers from Restricted Funds for Operating Exp	102,014	98,467	3,547	408,054	390,691	17,363
Total Other Revenue	116,186	126,249	(10,063)	983,554	500,920	482,634
Expenses:						
Salaries and Wages	1,808,168	1,799,842	8,326	7,009,109	7,141,305	(132,196)
Employee Benefits	1,038,064	1,119,159	(81,095)	4,388,196	4,440,530	(52,334)
Professional Fees	523,952	499,061	24,891	1,884,616	1,980,150	(95,534)
Supplies	291,326	526,582	(235,256)	2,072,338	2,089,336	(16,998)
Purchased Services	338,520	237,467	101,053	959,785	942,202	17,583
Depreciation	198,060	322,518	(124,458)	787,626	1,279,668	(492,042)
Interest Expense	190,664	185,593	5,071	750,082	736,385	13,697
Bad Debts	412,266	203,071	209,195	1,130,396	805,733	324,663
Other Expense	281,629	252,857	28,772	1,181,755	1,003,272	178,483
Total Expenses	5,082,648	5,146,150	(63,502)	20,163,902	20,418,581	(254,679)
Operating Income (Loss)	800,308	145,264	655,044	3,461,027	576,368	2,884,659
Other Income:						
District Tax Receipts	42,397	44,530	(2,133)	169,587	176,683	(7,096)
Partnership Investment Income		3,822	(3,822)	0	15,165	(15,165)
Grants and Other Contributions Unrestricted		21,233	(21,233)	45,576	84,247	(38,671)
Interest Income	10,273	7,252	3,021	38,013	28,775	9,238
Other Non-Operating Income	4,076	3,144	932	36,597	12,475	24,122
Net Medical Office Activity	(123,462)	(84,931)	(38,531)	(478,709)	(336,981)	(141,728)
340B Net Activity	(120,925)	47,254	(168,179)	74,162	187,492	(113,330)
Non-Operating Income/Loss	(187,641)	42,304	(229,945)	(114,774)	167,856	(282,630)
Net Income/Loss	612,667	187,568	425,099	3,346,253	744,224	2,602,029

NORTHERN INYO HOSPITAL GROSS REVENUE BY DEPARTMENT
AS OF OCTOBER 31, 2012

REVENUE DEPARTMENT	OCT ACTUAL	OCT BUDGET	YTD ACTUAL	YTD BUDGET
Surgery Inpatient Revenue	567,127	396,743	2,131,879	1,574,174
Surgery Outpatient Revenue	697,551	604,091	2,633,754	2,396,878
Total Surgery Revenue	1,264,678	1,000,834	4,765,633	3,971,052
Lab Inpatient Revenue	281,204	259,867	1,237,759	1,031,086
Lab Outpatient Revenue	989,519	1,063,795	4,066,163	4,220,860
Total Laboratory Revenue	1,270,722	1,323,662	5,303,922	5,251,946
Radiology Inpatient Revenue	137,668	100,348	600,058	398,157
Radiology Outpatient Revenue	1,547,311	1,436,965	5,944,989	5,701,506
Total Radiology Revenue	1,684,979	1,537,313	6,545,047	6,099,663
Pharmacy Inpatient Revenue	472,879	567,934	2,467,609	2,253,415
Pharmacy Outpatient Revenue	879,524	888,596	3,465,797	3,525,719
Total Pharmacy Revenue	1,352,402	1,456,530	5,933,406	5,779,134
All Other IP Revenue	1,072,086	1,176,978	5,033,739	4,669,942
All Other OP Revenue	1,670,596	1,716,854	6,690,260	6,812,028
Total All Other Revenue	2,742,681	2,893,832	11,723,999	11,481,970
Total Gross Revenue	8,315,463	8,212,171	34,272,006	32,583,765

Northern Inyo Hospital
Monthly Report of Capital Expenditures
Fiscal Year Ending JUNE 30, 2012
As of October 31, 2012

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
FY 2011-12	Transport Monitor for PACU to be purchased by NIH Auxillary Donation	15,000 *
	Additional Copper and Fiberoptic Cable	29,884
	Paragon Physician Documentation Module	137,254
	Ultrasound Machine	165,694 *
	AMOUNT APPROVED BY THE BOARD IN THE PRIOR FISCAL YEARS TO BE EXPENDED IN THE CURRENT FISCAL YEAR	347,832
	AMOUNT APPROVED BY THE BOARD IN THE CURRENT FISCAL YEAR TO BE EXPENDED IN THE CURRENT FISCAL YEAR	0
	Amount Approved by the Board in Prior Fiscal Years to be Expended in the Current Fiscal Year	347,832
	Amount Approved by the Board in the Current Fiscal Year to be Expended in the Current Fiscal Year	0
	Year-to-Date Board-Approved Amount to be Expended	347,832
	Year-to-Date Administrator-Approved Amount Actually Expended in Current Fiscal Year	189,651 * 0 *
	Year-to-Date Completed Building Project Expenditures TOTAL FUNDS APPROVED TO BE EXPENDED	0 * 537,483
	Total-to-Date Spent on Incomplete Board Approved Expenditures	0
Reconciling Totals:		
	Actually Capitalized in the Current Fiscal Year Total-to-Date	189,651
	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	347,832
	ACTUAL FUNDS APPROVED IN THE CURRENT FISCAL YEAR TOTAL-TO-DATE	537,483

Northern Inyo Hospital
Monthly Report of Capital Expenditures
Fiscal Year Ending JUNE 30, 2012
As of October 31, 2012

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
	Donations by Auxiliary	20,000
	Donations by Hospice of the Owens Valley	0
	+Tobacco Funds Used for Purchase	0
		0
		20,000

*Completed Purchase

(Note: The budgeted amount for capital expenditures for all priority requests for the fiscal year ending June 30, 2013, is \$943,036 coming from existing hospital funds.)

**Completed in prior fiscal year

**Northern Inyo Hospital
Monthly Report of Capital Expenditures
Fiscal Year Ending JUNE 30, 2012
As of October 31, 2012**

Administrator-Approved Item(s)	Department	Amount	Month Total	Grand Total
DSG SYSTEM UPGRADE	BILLINGS OFFICE	20,800		
PHILIPS AVALON FM30 FETAL MONITOR	OBSTETRICS	13,789		
EXCELCARE BARIATRIC BED	OBSTETRICS	29,622		
MONTH ENDING OCTOBER 2012			64,211	189,651

Northern Inyo Hospital

Investments as of 10/31/2012

	Purchase Dt	Maturity Dt	Institution	Rate	Principal
1	10/13/2012	11/1/2012	LAIF (Walker Fund)	0.34%	321,406.75
2	10/15/2012	11/1/2012	Multi-Bank Securities	0.01%	2,572,264.81
3	5/20/2010	5/20/2013	First Republic Bank-Div of BOFA FNC	2.40%	150,000.00
4	5/20/2010	5/20/2015	First Republic Bank-Div of BOFA FNC	3.10%	100,000.00
			Total		\$3,143,671.56

NORTHERN INYO HOSPITAL
 ACCOUNTS RECEIVABLE OUTSTANDING AND NUMBER OF DAYS OUTSTANDING
 FISCAL YEAR ENDING JUNE 30, 2013

	OTHER INSURANCE	PRIVATE PAY	MEDICARE	MEDI-CAL	CMSP	TOTAL
JULY						
AMOUNT	6,423,825.29	3,043,986.10	6,709,768.57	4,478,088.68	772,591.13	21,428,259.77
NUMBER OF DAYS	65.10	204.20	59.90	98.80	78.50	76.30
AUGUST						
AMOUNT	6,633,217.05	2,988,625.79	7,053,126.50	4,443,211.66	925,030.13	22,043,211.13
NUMBER OF DAYS	67.90	166.90	60.10	108.80	99.20	77.90
SEPTEMBER						
AMOUNT	6,076,788.83	3,066,774.62	6,121,031.30	4,465,892.20	1,239,575.13	20,970,062.08
NUMBER OF DAYS	60.80	204.40	52.60	115.90	100.90	74.30
OCTOBER						
AMOUNT	6,018,947.43	2,735,377.84	5,213,500.89	3,224,631.35	1,175,060.70	18,367,518.21
NUMBER OF DAYS	61.90	228.70	45.70	88.00	101.10	67.60
NOVEMBER						
AMOUNT						
NUMBER OF DAYS						
DECEMBER						
AMOUNT						
NUMBER OF DAYS						
JANUARY						
AMOUNT						
NUMBER OF DAYS						
FEBRUARY						
AMOUNT						
NUMBER OF DAYS						
MARCH						
AMOUNT						
NUMBER OF DAYS						
APRIL						
AMOUNT						
NUMBER OF DAYS						
MAY						
AMOUNT						
NUMBER OF DAYS						
JUNE						
AMOUNT						
NUMBER OF DAYS						

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NEW

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Anesthesia Clinical Standards and Professional Conduct	
Scope:	Department: Anesthesia
Source: OR Nurse Manager	Effective Date:

PURPOSE:

To assure all peri-operative patients receive the same quality of care when undergoing a surgical intervention requiring an anesthetic.

POLICY:

1. The anesthesiologist shall test and calibrate the anesthesia machine and monitoring equipment prior to starting each case.
 - Any fault or leakage is immediately corrected, or equipment is removed from service until appropriately repaired.
2. Patient identification and surgical consents are checked prior to the patient's being admitted to the operating room.
3. Elective procedures on infants, small children and patients with diabetics should be placed first on the operating room schedule and other procedures may be moved to facilitate this process. As soon as the anesthesiologist has completed his pre-operative visit and the surgeon is present the patient may be transported to the operating room. The first patient of the day should be transferred to the operating room by 07:30 am, subsequent procedures will be done on a "to follow" basis.
4. Emergency anesthesia care is provided by 24 hour coverage by anesthesia staff.
5. The Anesthesiologist shall constantly attend and monitor the patient during anesthesia. The methods of monitoring used and the data obtained from them shall be recorded on the anesthetic record. Basic monitoring shall include: blood pressure, EKG, temperature, capnographic and oxygen saturation. Safety warning systems and alarms should be used.
6. The anesthesiologist shall review the patient's condition immediately prior to the induction of anesthesia.
7. The surgeon shall be present and available in the hospital prior to the induction of anesthesia.
8. Patients are transported to the operating room on a gurney with the side rails up, and are not left unattended. Children may be carried to the "Red Line" by their parent with consent of Anesthesiologist.
9. Only members of the operating team and authorized observers shall be present in the operating room during the administration of anesthesia and surgical procedure.
10. No flammable anesthetic agents will be used. All electrical equipment shall be properly grounded and attention paid promptly to the audiovisual electrical isolation monitor signals. All

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Anesthesia Clinical Standards and Professional Conduct	
Scope:	Department: Anesthesia
Source: OR Nurse Manager	Effective Date:

anesthetic waste gasses are scavenged through the suction system directly to the external environment.

11. Elective surgical patients who are to receive general or regional anesthesia should be **"NOTHING BY MOUTH"** as determined by the Guidelines for NPO Status. This does not apply to patients considered to be surgical emergencies. Exception to the regulation may be made by the anesthesiologist if, in his/her opinion, such an exception does not create an additional hazard to the patient.
12. Pre-operative medication shall be ordered or reviewed by the anesthesiologist responsible for each case and be specific for each patient.
13. Patients receiving anesthesia will have appropriate lab work on their chart. EKG, urinalysis and x-ray may be ordered at the discretion of the attending surgeon or anesthesiologist. For elective procedures all women under the age of 50 with intact tubo/ovarian/uterine anatomy will have an HCG (pregnancy test) unless they refuse. A copy of these records may be an acceptable substitute if the patient had these studies done elsewhere.
14. The postoperative status of the patient is evaluated on admission to and discharge from the post anesthesia recovery area. A verbal report will be given to the PACU Nurse upon patient arrival by the anesthesiologist providing care for that patient.
15. Anesthesia personnel will familiarize themselves with the methods of air exchange in the operating rooms.

DOCUMENTATION:

Documentation of patient care and monitoring utilized will be recorded on the anesthetic record as specified in policy concerning anesthetic record.

COMMITTEE APPROVAL NEEDED: NO YES SURGERY/TISSUE/ANESTHESIA
RESPONSIBILITY FOR REVIEW AND MAINTENANCE: Surgery Nurse Manager/PACU Nurse
Manager/ Service Chief/ Staff Anesthesiologists

INDEX LISTINGS: Standards and Professional Conduct Anesthesia / Conduct of Anesthesia/
Anesthesia Standards

REVISED 01/01 ; 12/2011 BS, 10/21/12 PM

NEW

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Anesthesia in Ancillary Departments	
Scope:	Department: Anesthesia /OB/ER
Source: Surgery Nurse Manager	Effective Date:

PURPOSE:

To provide direction and clarification of requirements when anesthesia is administered in any department other than the Operating Room.

POLICY:

It is standard of practice at Northern Inyo Hospital to do procedures requiring anesthesia in the Surgical Suites. In the event that an anesthetic must be done in an ancillary department, such as the Emergency Room or Obstetrical Unit, the following procedure will be utilized.

SPECIAL CONSIDERATIONS:

Physician order required.

Procedure may be performed by a qualified Anesthesiologist with medical staff privileges.

EQUIPMENT:

1. Anesthesia Machine (from Operating room if necessary)
2. Appropriate monitoring equipment (Cardiac, Oximeter, CO2)
3. Suction equipment available
4. Emergency Medications available
5. Crash cart

PROCEDURE:

1. No flammable agents shall be used for administration of anesthesia
2. All electrical equipment must be fitted with grounding devices
3. The anesthetic equipment must be tested by the anesthesiologist prior to use
4. The anesthesia record must be maintained by the Anesthesiologist and become a part of the medical record. It must include dosage and duration of all anesthesia agents, other medication and all intravenous fluids including components.
5. All patients shall be monitored during the anesthetic in a way that is appropriate for the patient's condition and the anesthetic administered.
6. The anesthesiologist must remain with the patient as long as required by his condition and until responsibility for his care has been assumed by a qualified individual.
7. Patients must be rendered the same level of care as all anesthetized recovery patients. (See Post Anesthesia Care Unit for recovery guidelines.)
8. The release of the patient from an ancillary department following anesthesia may only be made by a physician.
9. Patients having received anesthesia must be discharged to a responsible individual

DOCUMENTATION:

Documentation of pertinent patient information must be noted on the anesthetic record following guidelines established for patients receiving anesthesia (see policy on Anesthesia record)

Reference: Title #22, #70237, # 70235, #70233, JCAHO 1933 SA. 1.5, SA. 1.6 JCAHO 1933 SA.2

Committee Approval Needed: Yes X Surgery Tissue/Anesthesia 2/95

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Anesthesia in Ancillary Departments	
Scope:	Department: Anesthesia /OB/ER
Source: Surgery Nurse Manager	Effective Date:

Responsibility for Review and Maintenance: Surgery Nurse Manager/PACU Nurse Manager/
Anesthesiologist

Index Listings: Anesthesia in Ancillary Departments; Anesthesia in Perinatal Unit; Anesthesia in Emergency
Room

Revised: 4/94

Reviewed: 01/98, 01/01; 12/2011BS TS, 10/21/12 PM

Draft

NEW

NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE

Title: Anesthesia Philosophy	
Scope:	Department: Anesthesia/ Surgery
Source: Surgery Nurse Manager/PACU Nurse Manager	Effective Date:

It is the philosophy and goal of the Surgical/Anesthesia Service of Northern Inyo Hospital to provide each individual patient the highest quality of care and to meet his physiological and psychological needs **both intraoperative and immediate postoperative phase in the Post Anesthesia Care Unit.**

We promote a safe and aseptic environment by implementation of established techniques and procedures and by executing established policies.

We assure the highest quality of anesthesia care by fostering professional growth through continuing education.

COMMITTEE APPROVAL NEEDED: YES NO Surgery Tissue Committee

Review and consent of approval by anesthesiologist

RESPONSIBILITY FOR REVIEW AND MAINTENANCE: Surgery Nurse Manager/PACU Nurse Manager
Staff Anesthesiologists

INDEX LISTINGS: Philosophy of Surgical/Anesthesia Department

REVISED: 01/01 8/2010BS 12/12 BS TS, 10/21/12 PM

NEW

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Anesthesia Privileges for Staff Physicians	
Scope: Surgery Nurse Manager/PACU Nurse Manager/Staff Anesthesiologists	Department: Anesthesia
Source: Surgery /PACU Nurse Managers	

PURPOSE:

To clarify anesthesia privileges for staff physicians.

POLICY:

All credentialing for medical staff is completed by the Medical Staff Department.

CLASS I PRIVILEGES:

Such privileges are to be granted to those members of the Medical Staff who are permitted to perform local infiltration anesthesia, topical application and minor nerve blocks.

CLASS II PRIVILEGES:

This class of privileges is assigned to those members of the Medical Staff who are qualified to perform specific anesthetic procedures under specified condition in addition to those stated in Class I Privileges.

CLASS III PRIVILEGES:

Privileges granted to those individuals who by training and experience are competent in:

1. The management of procedures for rendering a patient insensible to pain and emotional stress during surgical, obstetrical and certain medical privileges.
2. The support for life functions under the stress of anesthetic and surgical manipulation.
3. The clinical management of the patient unconscious from *any cause*.
4. The management of *analgesia* pain relief.
5. The management of problems in cardiac and respiratory resuscitation.
6. The application of specific methods of respiratory *support*.
7. The clinical management of various fluid, electrolyte and metabolic disturbances. When Class III privileges are granted, they should be accompanied by specific limitations where indicated.

DOCUMENTATION:

Anesthesia privileges granted to practitioners of the Medical Staff are specified on the "Clinical Privilege" form completed by each individual physician and approved by the Governing Body of the Medical Staff.

A current copy of Clinical Privileges for each Practitioner on the Medical Staff is located in the Operating Room Nurse Manager's Office for clarification if necessary. They are kept in a large Black Binder labeled Physician Privileges.

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Anesthesia Privileges for Staff Physicians	
Scope: Surgery Nurse Manager/PACU Nurse Manager/Staff Anesthesiologists	Department: Anesthesia
Source: Surgery /PACU Nurse Managers	

REFERENCE: Current and Relevant JCAHO and Title 22 Standards /Medical Staff Bylaws

COMMITTEE APPROVAL NEEDED: YES NO **SURGERY TISSUE COMMITTEE**

RESPONSIBILITY FOR REVIEW AND MAINTENANCE: Surgery Nurse Manager/PACU

Nurse Manager Staff Anesthesiologists

INDEX LISTINGS: Anesthesia Privileges for Staff Physicians/ Privileges, Anesthesia for Staff
Physicians

REVISED: 01/01 12/12 BS TS, 10/21/12 PM

Draft

NEW

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Anesthesia Record	
Scope:	Department: Anesthesia
Source: Surgery Nurse Manager	Effective Date:

PURPOSE:

To assure pertinent patient information is appropriately documented on the anesthetic record according to hospital requirements.

POLICY:

PRE-ANESTHETIC:

- The pre-anesthetic information is recorded on the Pre-Anesthesia Evaluation Form or progress notes.

It will include but not limited to:

- Patient's previous drug history.
- Previous anesthesia experience and problems.
- Potential anesthesia problems identified.
- The anticipated surgical or obstetrical procedure.
- The specific anesthetic technique anticipated.
- Notation of anesthesia risk.
- Anesthesia, drug and allergy history.
- Patient's condition prior to induction of anesthesia.

ANESTHESIA RECORD:

The anesthesia record of the anesthesiology section should be filled out in detail including but not limited to:

1. Identification.
2. Physical status (A.S.A. Class)
3. Pre-Medication and effect
4. Recording of all pertinent events taking place during the induction of, maintenance of, and emergence from anesthesia.
5. Serial recording of vital signs.
6. Monitors used.
7. Use of airways.
8. The drugs used for anesthesia and other medications with time and dose.
9. The position of the patient during the anesthesia.
10. The details of the anesthetic technique.
11. Estimated blood loss and urinary output.
12. Condition of patient at time of termination of procedure.
13. Fluids given, type and amount, identification of any blood components given.
14. Surgeon and surgery performed.
15. Anesthesiologist in attendance.
16. Beginning and ending time of anesthetic and surgery.
17. Documentation of tourniquet pressures and length of time inflated.

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Anesthesia Record	
Scope:	Department: Anesthesia
Source: Surgery Nurse Manager	Effective Date:

18. Verification of "Time Out."

POST-ANESTHESIA:

1. Post-operative visits will be recorded on the evaluation form.
2. At least one note will describe the presence or absence of anesthesia related complications.
3. Post-anesthesia notes will specify time and date.
4. Post anesthesia assessment will be noted on the evaluation form or progress notes on all patients discharged directly from the PACU and must include at a minimum.
 - Cardiopulmonary status
 - Level of Consciousness
 - Any follow-up care and/or observations
 - Any complications occurring during post- anesthesia recovery

DOCUMENTATION:

The pertinent information noted above is to be documented on the anesthetic record or the progress notes and will become a part of the patient's medical record.

REFERENCE: Current and Relevant JCAHO and Title 22 Standards

COMMITTEE APPROVAL: YES NO SURGERY TISSUE/ANESTHESIA

RESPONSIBILITY FOR REVIEW AND MAINTENANCE: Surgery Nurse Manager/PACU Nurse Manager/Staff Anesthesiologist/Chief of Service

NDEX LISTINGS: Anesthetic Record / Record Anesthetic

REVISED: 01/01 ; 12/2011 BS TS, 10/21/12 PM

NEW

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Pre and Post Operative Anesthesia Visits	
Scope:	Department: Anesthesia
Source: Surgery Nurse Manager	Effective Date:

PURPOSE:

To clarify requirements for pre and post operative anesthesia visits.

POLICY:

PRE- ANESTHESIA:

1. The preoperative visit shall be conducted personally, whenever possible, by the anesthesiologist who is scheduled to provide care for the patient.
2. The pre-operative visit shall include a disclosure of risks and options, a formulation of the plan of anesthesia and informed consent given to the patient and/or patient representative, if the patient is not competent.
3. A pre-operative note of the findings relating to anesthesia including the plan of anesthesia, and the patient's informed consent shall be placed in the medical record.
4. A history and physical examination will be available in the patient's medical record at the time of the anesthesiologist's visit. This document shall not replace the anesthesiologist's responsibility for personally evaluating the patient.

POST-OPERATIVE:

1. Post-operative visits are recorded on the evaluation form or progress notes.
2. At least one note will describe the presence or absence of anesthesia related complications.
3. The number and timing of post-anesthesia visits will be determined by the status of the patient. It is recommended that a visit be made early in the post-operative period and after complete recovery from anesthesia.
4. Post-anesthesia notes should specify time and date.
5. Post-anesthetic assessment by an anesthesiologist shall be performed and entered in the medical records of all patients discharged directly from the PACU.

DOCUMENTATION:

Documentation of pertinent patient information as designated above in the medical record.

COMMITTEE APPROVAL NEEDED: YES NO **SURGERY TISSUE/ANESTHESIA**

REFERENCE: Current and Relevant JCAHO and Title 22 Standards

RESPONSIBILITY FOR REVIEW AND MAINTENANCE: Surgery Nurse Manager/PACU Nurse
Manager/Service Chief/Staff Anesthesiologists

INDEX LISTINGS: Pre and Post Operative Anesthesia Visits
Anesthesia Visits/ Visits Anesthesia

REVISED: 01/01; 12/2011 BS TS, 10/21/12 PM

~~NEW~~ NEW

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Quality Improvement Program Anesthesia Service	
Scope:	Department: Anesthesia, PACU, Surgery
Source: Surgery Nurse Manager	Effective Date:

Definition of quality patient care: The degree to which anesthetic care increases the probability of desired outcomes and reduce the probability of undesirable outcomes, given the current status of knowledge.

OBJECTIVES:

1. To objectively and systematically monitor and evaluate the quality and appropriateness of patient care on the Anesthesia Service.
2. To identify problem areas and opportunities for improvement.
3. To develop corrective action programs and implement when appropriate.
4. To document corrective actions taken.
5. To evaluate the effectiveness of the corrective action using follow up devices.
6. To ensure appropriate dissemination of quality management information.

RESPONSIBILITIES OF THE ANESTHESIA SECTION OF THE SURGICAL SERVICE

The members of the anesthesia staff will:

1. Delineate the scope of care provided within the Anesthesia Service
2. Develop critical indicators to be used as screening devices in reviewing Anesthesia patient care and services.
3. Establish thresholds used to trigger physician review after cases have been isolated using critical indicators.
4. Collect and organize this data.
5. Identify areas for improvement.
6. Evaluate the appropriateness of the care administered.
7. Determine appropriate action for identified problems.
8. Report all incidents and actions taken by this committee to the Executive/Quality Improvement committee.

SCOPE OF CARE

The Anesthesia Service provides elective and emergency anesthetic care to patients of all ages on a 24 hour basis, elective anesthesia services are provided all weekdays, except holidays, and emergency services are provided with an on-call anesthesiologist available within 30 minutes during all off hours.

Anesthesia services are provided primarily in the surgical suite. Limited anesthesia care may be provided in the E.R., Perinatal Unit, ICU and Radiology following established policies and procedures for ensuring patient safety. All patients are appropriately monitored and all necessary resuscitative supplies and equipment are readily available. Surgical anesthesia care in the Operating Room is provided by anesthesiologists who by education and training are board certified or board eligible. All other anesthesia services are provided by physicians having privileges approved by the credentialing process.

Services provided include provision of general, regional or sedation /monitored anesthesia care and may be selected by the anesthesiologist as is indicated by the dictates of the patient's condition and the procedure or surgical intervention to be performed. Equipment includes: Anesthesia machines, Cardiac, Co2, and Oximetry monitors, which are checked and maintained daily by trained surgery personnel and quarterly by a licensed and accredited anesthesia repair and maintenance company.

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Quality Improvement Program Anesthesia Service	
Scope:	Department: Anesthesia, PACU, Surgery
Source: Surgery Nurse Manager	Effective Date:

IMPORTANT ASPECTS OF CARE:

1. Pre and post operative-patient assessment
2. Intra-operative anesthesia management, to include:
 - Monitoring and maintenance of adequate anesthesia and adequacy of physiologic homeostasis.
 - Positioning of patients to prevent neurologic damage
3. Checking and calibration of Anesthetic equipment and monitors.
4. Providing medical direction to the Post Anesthesia Care Unit; including participation in development of standards, policies and procedures and nursing staff inservice programs and education.

ANESTHESIA SENTINAL INDICATORS:

1. Unexpected unanticipated mortality within the same hospital stay, CNS complications
2. Cardiac arrest or Respiratory arrest within the same hospital stay
3. Failure to emerge from general anesthesia within 2 hours or regional anesthesia within 6 hours
4. Development of injury to the brain, spinal cord or peripheral nervous system within the same hospital stay
5. Clinically apparent Acute MI within the same hospital stay
6. Pulmonary edema or CHF within the same hospital stay
7. Aspiration of gastric contents
8. Ocular injury during Anesthesia care
9. Reintubation in the operating room or PACU or unplanned use of ventilator in the Recovery Room.
10. Anaphalaxis
11. SAO₂ less than 90% for more than 10 minutes
12. Complicated or Traumatic Airway Management
 - Unplanned Intubation taking longer than 5 minutes (defined as from the time the physical act of intubation begins)
 - O₂ saturation less than 85 for more than 5 minutes (during intubation)
 - Intubation requiring more than 3 attempts
 - Dental or mouth injury
 - Unplanned needed for surgical airway

THRESHOLDS FOR EVALUATION: Presently 100% of all cases listed under critical indicators

COLLECTION AND ORGANIZATION OF DATA:

- Concurrent chart review
- Incident reports
- Infection control reports
- Patient's complaints / questionnaires
- Direct observation
- Quality improvement indicator flow sheets

EVALUATION OF CARE:

- Preliminary screen by Chief of Anesthesia Service and QI Coordinator
- Review by Anesthesia Service Chief, or designated physician
- Peer Review at Anesthesia Committee
- Identification of possible causes for inappropriate care:

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Quality Improvement Program Anesthesia Service	
Scope:	Department: Anesthesia, PACU, Surgery
Source: Surgery Nurse Manager	Effective Date:

- Lack of knowledge or skill
- Knew what to do, but did not act
- Equipment deficiency
- Inappropriate delay in problem management
- Inappropriate diagnostics and therapies
- Inappropriate utilization of hospital or medical staff services

ACTION TAKEN:

After a problem and cause is identified:

- Identify who or what needs to change
- Identify who is responsible to implement the change
- Identify appropriate action for problem cause, scope, and severity
- Identify goal for when change will occur
- Establish monitoring program for the specific problem within concurrent review
- Determine when follow up monitoring is to be evaluated
- Document all of the above in Anesthesia committee minutes

ASSESS ACTIONS AND DOCUMENT IMPROVEMENT:

- Evaluate concurrent monitoring at predetermined time to assess success or failure of action taken
- If successful and problem appears resolved, continue monitoring and evaluation to ensure maintenance of quality of care.
- If failure, re-evaluate problem and determine what action needs to be taken, with subsequent use of monitoring and evaluation process.
- Document results in the committee minutes.

COMMUNICATION OF RELEVANT INFORMATION

If the above process is thoroughly completed, and the problem continues to exist without expected improvements, the appropriate quality management information will be reported to the Quality Improvement Coordinator and the Quality Improvement Committee for further evaluation and action.

Revised 5/00; 12/2011 TS BS, 10/21/12 PM

NEW

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Responsibility of Service Perioperative	
Scope:	Department: Anesthesia, PACU, Surgery
Source: Surgery Nurse Manager	Effective Date:

PURPOSE:

To assure understanding of responsibility of service of Perioperative area.

POLICY:

SURGICAL/ ANESTHESIA SERVICE:

The Chief of Surgery/Anesthesia is responsible for all medical and surgical professional standards and activities in the operating room and ambulatory surgery area including enforcement of Medical Staff Bylaws and Rules and Regulations.

The chief of surgery serves as the chairman of the Surgery, Anesthesia, Ambulatory Care and Tissue Transfusion Committee, and has overall responsibility for the monitoring and evaluation of patient care, including collecting data and taking appropriate action.

The Chief of Surgery/Anesthesia is elected annually by the members of the committee.

The Chief of Surgery/Anesthesia is responsible for all professional standards and activities in the Anesthesia Service and is assisted with medical administration of the Post-Anesthesia Care Unit by the Staff Anesthesiologists.

MEDICAL SERVICE:

The Chief of Medical Services is responsible for all professional standards and activities for non-surgical outpatient procedures.

The Chief of Medical Staff serves as the chairman for the Medical Services Committee.

NURSING DEPARTMENT:

Operating Room Nurse Manager:

The Operating Room Nurse Manager is responsible to the Chief Nursing Officer and Administration for developing, maintaining, monitoring and evaluating a high quality of nursing care in the Perioperative area, and taking action as needed to ensure optimum quality care.

The Operating Room Nurse Manager is responsible to the Chief of Surgery for monitoring that surgical privileges are strictly enforced and that there is adherence to the Rules of Surgery and of keeping him informed of any problems in a timely manner.

The Operating Room Nurse Manager is assisted in maintenance of high quality care standards in the PACU / Ambulatory Care unit by a PACU Nurse Manager who is responsible for coordination of schedules ensuring patient safety and infection control practices, as well as ensuring the proper function of equipment and the availability of required patient care supplies.

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Responsibility of Service Perioperative	
Scope:	Department: Anesthesia, PACU, Surgery
Source: Surgery Nurse Manager	Effective Date:

The PACU/OPD Nurse Manager is responsible to the Chief of Surgery/Anesthesia and the Staff Anesthesiologists and the Chief Nursing Officer for maintenance of PACU Nursing Standards of Care and for enforcement of PACU/Ambulatory Care Policies and Procedures.

The PACU/OPD Nurse Manager is responsible to the Chief of Medical Services and the Chief Nursing Officer for maintenance of the Nursing Standards and enforcement of Policies and Procedures for the outpatient department for medical patients receiving OP procedures such as chemotherapy, blood transfusions, etc.

The Operating Room Nurse Manager is a member of the Surgery, Anesthesia, Tissue Transfusion, Ambulatory Care Committee, Infection Control/Pharmacy Committee and the Safety Committee. She coordinates with these committees in monitoring the quality of the Surgical service.

The PACU/OPD Nurse Manager attends the Surgery/Anesthesia Tissue Committee meetings, Medical Services Committee, Pharmacy Committee and actively participates in problems related to these areas.

The PACU/OPD Nurse Manager attends the Medical Services Committee Meetings as a member and actively participates in problems related to this area.

Registered Nurses in the Perioperative area are currently licensed in the State of California, oriented to their job and are responsible to the Nurse Managers of their Perioperative area.

Expertise in Perioperative nursing is maintained through continuing education programs both internal and external.

Reference: Medical Staff Rules & Regulations
Current and Relevant JCAHO and Title 22 Standards

Committee approval needed: X Yes Surgery/Tissue Committee

Responsibility for review and maintenance: Surgery Nurse Manager

Index listing: Perioperative/Anesthesia Responsibility of Service
Responsibility of Service Perioperative
Anesthesia Responsibility of Service

Revised: 02/01 BS 12/11 TS BS, 10/21/2012

NEW

NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE

Title: Restocking and Maintenance of Anesthesia Equipment	
Scope:	Department: Anesthesia, Surgery
Source: Surgery Nurse Manager	Effective Date:

PURPOSE:

To ensure that anesthesia machines are adequately supplied with pertinent equipment and supplies to facilitate ultimate patient care.

To ensure that anesthesia machine is in working order and monitor equipment has been turned off at end of each day and O2 sensor has been **left open to room air.** (per Drager service representative.)

POLICY:

At Anesthesiologist request or when RN is monitoring a patient receiving Procedural Sedation Anesthesia or Local Anesthesia without the presence of an anesthesiologist present the following guidelines will be utilized to calibrate anesthesia machines for use to administer oxygen.

When restocking anesthesia supplies daily the following guidelines will be utilized.

SPECIAL CONSIDERATIONS:

- Physician order not required
- Procedure may be performed by: RN LVN OR TECH
- Special education required to perform procedure: NO YES
- Orientation and inservice on calibration of O2 sensor on Drager
- Orientation and inservice on anesthesia carts

PRECAUTIONS:

The following measures are performed in order to help the anesthesiologist and at no time is the registered nurse performing this function responsible for the machine or its function if there is an Anesthesiologist present, as this is the direct responsibility of the Anesthesiologist.

EXCEPTION is when the registered nurse is monitoring a patient receiving Procedural Sedation or Local Anesthesia and there is no anesthesiologist present, then the RN is responsible for the proper function of the machine to administer oxygen to the patient.

PROCEDURE:

1. The anesthesia machine is to be turned on and all gas and suction hoses are to be connected into proper outlets in ceiling console. At the beginning of each day the O2 sensor on the anesthesia machine is to be placed on the workspace of machine for at least two minutes, open side up for calibration, press the 21% on calibration panel, after green light comes on indicating that it Calibrated to 21%, secure the sensor into its port labeled **OXYGEN SENSOR ONLY** on the inspiration side of machine. Turn oxygen flow meter to 3-4 liters to keep alarm from alarming. Check that O2 monitor displays 100% during oxygen flow.
2. Assure that the suction for anesthesiologist has been connected and that O2 is functional and is ready for use.
3. At the start of, and end of, each day the designated nurse responsible for restocking the anesthesia machine with medications and labels, etc. will ensure that the machine is adequately supplied with:

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Restocking and Maintenance of Anesthesia Equipment	
Scope:	Department: Anesthesia, Surgery
Source: Surgery Nurse Manager	Effective Date:

- Sufficient oral airways in specified sizes by the labels.
 - A full set of both regular and fiberoptic laryngoscope handle and blades in multiple sizes, both MacIntosh and Miller.
 - Nasal airways are supplied in sizes ranging from 28-36 and are restocked as necessary when used.
 - Adapters for supplying oxygen by cannula or mask are supplied in each room.
 - Stylets for endotracheal tube insertion are supplied in both anesthesia machines and at least two are maintained at all times.
 - Masks are restocked in anesthesia machines.
 - Mc Gill forceps are provided in each room.
 - Disposable humidifiers are supplied in each room.
 - There are inhalation agents with pin safety fillers provided in each machine. CO₂ sampling adapters are provided in each machine.
 - Esophageal temperature probes are disposable.
 - All equipment listed is color coded for each room to promote designated equipment being returned to proper area.
 - There is an **Inspiratory Force Meter and Wright Respirometer** supplied which is kept on the **BRONCHOSCOPY CART**.
4. The battery backup system for the anesthesia machine is checked daily to assure proper function. If not functioning properly, the Nurse Manager is notified and she will notify Biomedical to have problem resolved as soon as possible.
 5. The Pediatric anesthesia supplies including all necessary equipment to intubate pediatrics is maintained on a separate movable cart, in a designated location. This cart is checked routinely and restocked after each use.
 6. The D-Fend Water Trap is emptied as necessary and changed monthly per manufacture guidelines.
 7. Every two weeks, replace the suction filter under the suction controller that is connected to the Drager Fabius GS anesthesia machine, per Drager manufacture literature.
 8. The Drager anesthesia machines are serviced quarterly by a reputable company associated with the repair, maintenance and calibration of anesthesia machines. If there is a malfunction of a machine between services, the machine is pulled from service. In house Biomedical person will be notified and if necessary the service representative is called immediately and summoned on an emergency basis to remedy the problem.
 9. There is a registered nurse and surgical assistant assigned to the restocking and maintenance of anesthesia equipment and will restock machines with proper equipment before leaving for the day to ensure ultimate patient care. In their absence, there will be another registered nurse, or the

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Restocking and Maintenance of Anesthesia Equipment	
Scope:	Department: Anesthesia, Surgery
Source: Surgery Nurse Manager	Effective Date:

Registered Nurse on call, assigned to this position with the approval of the surgical Nurse Manager.

10. There is a list of all supplies stocked daily in the folder marked Anesthesia Supplies and Drugs located on each anesthesia cart. There are manuals on all Anesthesia monitors and Drager anesthesia machines kept in the Perioperative Area for reference.

REFERENCE: Current and Relevant JCAHO and TITLE 22 Standards. AORN Standards of Care
COMMITTEE APPROVAL NOT NEEDED

RESPONSIBILITY FOR REVIEW AND MAINTENANCE: Nurse Manager Operating Room

INDEX LISTINGS: Restocking and Maintenance of Anesthesia Equipment/
Anesthesia Equipment Restocking of/ Calibration of 02
Sensor Anesthesia Machine

REVISED: 01/01 BS 12/2011 BS TS, 10/21/12 PM

NEW

Title: Scope of Anesthesia Practice	
Scope:	Department: Anesthesia
Source: Surgery Nurse Manager/ Anesthesiologists	Effective Date:

POLICY:

Anesthesiology is a discipline within the practice of medicine dealing with but not limited to, and specializing in:

- 1. The preoperative, intraoperative and postoperative evaluation and treatment of patients who are rendered unconscious and/or insensible to pain and emotional stress during surgical, obstetrical, therapeutic and diagnostic or other medical procedures.**
- 2. The protection of life functions and vital organs (e.g., brain, heart, lungs, kidneys, liver, endocrine, skin integrity, nerve (sensory and muscular) under the stress of anesthetic, surgical and other medical procedures;**
- 3. Monitoring and maintenance of normal physiology during the perioperative period;**
- 4. Diagnosis and treatment of acute, chronic and cancer-related pain;**
- 5. Clinical management of cardiac and pulmonary resuscitation;**
- 6. Evaluation of respiratory function and application of respiratory therapy;**
- 7. Management of critically ill patients;**
- 8. Conduct of clinical, translational and basic science research;**
- 9. Supervision, teaching and evaluation of performance of both medical and paramedical personnel involved in perioperative care and cardiac and pulmonary resuscitation.**

Anesthesiologist's responsibilities to patients include:

- 1. Assessment of, consultation for and preparation of patients for anesthesia;**
- 2. Medical management of patients and the anesthetic for the planned procedures;**
- 3. Post anesthetic evaluation and treatment;**
- 4. Perioperative pain management**

Committee Approval Needed: YES Surgery Tissue/Anesthesia

Responsibility for review and maintenance: Surgery Nurse Manager/Service Chief/Staff Anesthesiologists

Index Listings: Anesthesia Scope of Practice, Scope of Practice Anesthesia

Revised: 01/01 1/3/2011 BS, 10/21/12 PM

NEW

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Staffing Patterns Anesthesia	
Scope:	Department: Anesthesia
Source: Surgery Nurse Manager	Effective Date:

PURPOSE:

To assure adequate staffing to meet patient needs.

To assure the anesthesia department is covered for emergency procedures 24 hours a day.

POLICY:

- Generally there are two anesthesiologists available during normal working hours four days a week (Monday to Thursday) to accommodate both surgical suites for scheduled cases. There is to be one anesthesiologist available on Fridays.
- An anesthesiologist will be on call at all times for emergency procedures.
- The anesthesiologist on call must be available within 30 minutes for emergency procedures.

Anesthesia Coverage:

- Anesthesia coverage is scheduled by the Anesthesiologists on Staff.
- The Medical Staff Coordinator will e-mail the upcoming schedule to the Surgery Clerk and Surgery Nurse Manager.
- This information will be reflected on the surgery schedule maintained in the Surgical Unit Clerk's office

Surgery Schedule:

- Surgical procedures will be scheduled with the surgical clerk and special requests for an anesthesiologist will be noted on the surgical schedule.
- If there is no special request, the first initial of each anesthesiologist's last name will be specified.
- The anesthesiologist on call for that day will choose the cases for his room accordingly. The second anesthesiologist will be responsible for the procedures the second room.
- Emergency cases will ordinarily follow in the first available room.
- If only one room is in use and there is an emergency procedure the surgical clerk will attempt to contact the Anesthesiologist who is "second" to come in for the emergency.
- The schedule will reflect the procedures scheduled for each room and the order they will proceed beginning with 7:30 for the first procedure.
- Surgical procedures requiring the presence of an anesthesiologist will be scheduled to follow each other for the remaining anesthesiologist for each day that there is only one anesthesiologist available.

REFERENCE: Current and Relevant JCAHO and Title 22 Standards

COMMITTEE APPROVAL NEEDED: ___ NO ___ YES **SURGERY TISSUE/ANESTHESIA**

RESPONSIBILITY FOR REVIEW AND MAINTENANCE: Surgery Nurse Manager/PACU Nurse Manager

INDEX LISTINGS: Anesthesia Staffing Pattern/Staffing Pattern Anesthesia

REVISED: 01/01 12/2011 TS BS, 10/21/12 PM

NEW

NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE

Title: Cleaning and Disinfection of Anesthesia Equipment	
Scope:	Department: Anesthesia, Infection Control Blue Manual, Surgery
Source: Surgery Nurse Manager	Effective Date:

PURPOSE:

Anesthesia equipment is a potential vector in the transmission of microorganisms. Proper handling and processing of medications, supplies, and equipment can reduce the risk of infection to the patient. These recommended practices provide guidelines for the handling, cleaning, disposal, and reprocessing of anesthesia equipment and instrumentation.

POLICY:

When cleaning the anesthesia equipment the following procedure will be followed, and universal precautions will be utilized as with any other cleaning process. Organic material must be removed before disinfection to reduce bioburden and to ensure proper exposure of equipment for disinfection.

SPECIAL CONSIDERATIONS:

Physician order not required.

Procedure may be performed by: RN LVN OR TECH
 OR HOUSEKEEPER CS TECHNICIAN

Special education required to perform procedure: NO YES

Understanding of infection control measures, Inservice and orientation with return demonstration of proper cleaning and disinfection of anesthesia equipment.

Cleaning and disinfection of absorber and ventilator system including bellows will be maintained by the designated NURSE in charge of anesthesia equipment.

EQUIPMENT:

Enzymatic cleaning solution

Cidex OPA solution or Steris processor, or Steris V-Pro

Detergent/germicide cleaning solution for external parts of anesthesia machine

Assorted brushes for internal cleaning of airways

Eye protection and gloves and gown

PRECAUTIONS:

Blood & Body Fluid Precautions will be utilized at all times when discarding and cleaning/disinfecting anesthesia equipment.

PROCEDURE:

1. Anesthesia equipment that comes in contact with the vascular system or sterile body tissue should be sterile at the time of use.

- Items such as IV catheters, tubing, and stopcocks; syringes and needles; and medication vials and ampoules are considered critical items.
- Aseptic technique should be used when preparing medications.
- Aseptic technique should be used when administering medications.

2. Anesthesia equipment that comes in contact with mucous membranes should be sterilized or undergo high-level disinfection before use

- Reusable items (eg, airways, breathing circuits, connectors, fiberoptic endoscopes, forceps, laryngoscope blades, masks, self-inflating bags, some laryngeal mask airways [LMAs], transducer tubing, transesophageal probes) are considered semicritical.
- Reusable semicritical items should be cleaned as the first step in reprocessing.
- Removal of organic material provides optimal conditions for proper exposure of equipment to disinfectants and sterilants.
- Rigid laryngoscopes should be disassembled and all components cleaned, including handles. All laryngoscope blades will be wrapped individually and sterilized in the Steris V-Pro.

3. Anesthesia equipment contacting intact skin should be clean at the time of use.

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Cleaning and Disinfection of Anesthesia Equipment	
Scope:	Department: Anesthesia, Infection Control Blue Manual, Surgery
Source: Surgery Nurse Manager	Effective Date:

- Items such as blood pressure cuffs, electrocardiogram(ECG) leads, and oximeter probes that contact only intact skin are considered noncritical.
 - Reusable items and surfaces contacting intact skin (eg, blood pressure cuffs, ECG leads, skin temperature probes) should be cleaned between use on patients.
 - Reusable laryngoscope handles should be cleaned with hospital germicidal solution and wrapped in Cavi Wipe and remain visibly wet for 3 minutes before re-using.
 - Laryngoscope blades will be washed in hospital germicide solution and processed in the Steris or V-Pro per policy.
 - Reusable noncritical items should be low-level disinfected between patients.
 - Disinfected semi-critical items should be stored in a clean location in a manner that prevents recontamination or damage.
 - Surfaces of anesthesia equipment that are touched by personnel while they are providing patient care or handling contaminated items should be cleaned and low-level disinfected between use on patients,
 - Exterior surfaces of anesthesia equipment (eg, anesthesia cart, machine, monitors) that are not knowingly contaminated during patient care should be terminally low-level disinfected at the end of the day
4. **Single-use items (eg, breathing circuits, humidifiers, endotracheal tubes, filters, needles, some LMAs, stylets, suction catheters, syringes) should be used once and discarded in accordance with local, state, and federal regulations.**
- Patients are given a blood pressure cuff upon arrival to hospital and this is to follow the patient through their stay. These blood pressure cuffs are to accompany the patient from the holding room to the operating room to the post anesthesia care room.
 - If they become soiled with body fluids, they are to be disposed of and replaced with another cuff of the same size. These blood pressure cuffs are for single patient use.
5. **Anesthesia equipment should meet performance and safety criteria established by the practice setting and that is consistent with the manufacturer's written instructions.**
6. **Internal components of the anesthesia machine breathing circuit should be cleaned regularly. ANY TIME YOU DISASSEMBLE AN ANESTHESIA MACHINE WHETHER IT IS TO CLEAN A PART OR TO CHANGE THE SODA LIME ASSURE THE MACHINE IS FUNCTIONING PROPERLY AFTER REASSEMBLING.**
- Reusable absorbers and valves should be cleaned on a regular basis according to manufacturers' written instructions. Particular attention should be given to the valves.
 - Anesthesia ventilator bellows should be cleaned regularly according to manufacturers' written instructions. Bellows should be disassembled and cleaned with enzymatic solution, rinsed thoroughly with distilled water, disinfected and thoroughly dried before reassembling.
 - When reassembling bellows, **ASSURE THEY ARE WORKING PROPERLY BY TURNING ON VENTILATOR AND INFLATING THEM WITH OXYGEN.**
 - Reassemble all parts.
 - Turn machine and oxygen on.
 - Close system by placing another bag over connector for end tracheal tube end (end of Y on anesthesia circuit) and forcing oxygen through system watch gauge for leaks, pressure should hold without dropping. Or you can make a closed system by connecting one hose between inspiration and expiration system. **IF THERE IS A LEAK, CONSULT WITH THE OR NURSE MANAGER OR ONE OF THE ANESTHESIOLOGISTS. DO NOT LEAVE THE MACHINE WITHOUT ASSURING IT IS FUNCTIONING PROPERLY. CONSULT THE DRAGER ANESTHESIA MACHINE MANUAL FOR REFERENCE.**
 - Soda lime should be changed according to the manufacturer's written instructions when purple discoloration 2" deep is evident in the canister.
7. **Waste must be disposed of in a manner consistent with local, state, and federal regulations.**
- Disposable items should be discarded in suitable containers immediately after use

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Cleaning and Disinfection of Anesthesia Equipment	
Scope:	Department: Anesthesia, Infection Control Blue Manual, Surgery
Source: Surgery Nurse Manager	Effective Date:

- 8. Potential hazards to perioperative personnel that are associated with handling and processing clean and contaminated anesthesia equipment (eg, exposure to infectious organisms, chemicals) should be identified, and practices should be established to reduce the risk of injury.**
- Non-disposable equipment should be set aside after use for cleaning and terminal disinfection, thereby diminishing the risk of contaminating clean equipment needed for subsequent patients.
 - Anesthesia equipment should be processed using methods that reduce the risk of exposure to pathogens and injury.
 - Personnel Protective Equipment must be provided to minimize the risk of exposure to bloodborne pathogens, and chemicals used in the workplace.
 - Contaminated sharps must be discarded in a puncture-resistant container at the point of use to prevent injury to people unaware of the location of sharps.
- 9. Anesthesia equipment should be handled, cleaned, processed, or discarded in the same manner in all areas of the practice setting.**
- Surfaces of anesthesia machines, carts and monitors should be disinfected after each patient use. The specific work area used for airways, endotracheal tubes etc. should be cleaned. The top of the cart should be draped with a disposable impervious towel and changed between patients. All equipment for maintenance of airway should be set up on and returned to this drape
 - All equipment that comes in contact with the patient must be terminally cleaned and disinfected with a high-level disinfection such as Cidex OPA glutaraldehyde solution or processed in Steris.
 - Mc Gill forceps are to be cleaned and processed by sterilization.
 - Laryngoscope blades should be cleaned in an enzymatic solution, rinsed thoroughly and then dried before soaking in Cidex OPA solution following procedure for disinfection of heat sensitive items, or processed in Steris following procedure.
 - Laryngeal Mask Airways need to have a brush run through them during the cleaning process to assure all organic material is removed before disinfection. Follow manufacturer information for proper cleaning technique. LMAs may be sterilized by steam per manufacturer directions.
 - Care must be taken to assure all organic material is removed from laryngoscope blades with a soft brush and enzymatic solution during the cleaning process before disinfection.

REFERENCE: AORN Standards and Recommended Practices for Peri-operative Nursing
Operating Room Technique
Current and Relevant JCAHO and Title 22 Standards

COMMITTEE APPROVAL NEEDED: NO x YES Infection Control

RESPONSIBILITY FOR REVIEW AND MAINTENANCE: Surgery Nurse Manager

INDEX LISTINGS: Cleaning of Anesthesia Equipment/
Anesthesia Equipment Cleaning of

REVISED: 01/01 BS ;05/11 ; 12/2011 BS TS, 9/12 BS , 10/21/2012 PM

NEW

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Organization of Surgical/Anesthesia Services	
Scope:	Department: Anesthesia
Source: Surgery Nurse Manager	Effective Date:

PURPOSE:

To assure understanding of responsibility of service for anesthesia care.

POLICY:

EXTERNAL:

The Chief of the Surgical/ Anesthesia Service is a physician responsible for all professional standards and professional activities in the Surgical/Anesthesia service and the medical administration of the Post-Anesthesia Care Unit.

The Chief of the Surgical/ Anesthesia Service is elected annually by the Surgery Tissue Committee.

The Chief of The Surgical/Anesthesia Service is responsible to the Chief of Staff and the Administrator for all anesthesia related decisions, professional staffing and training within the hospital including surgical, obstetrical, outpatient, emergency and special care areas. This shall include the development and enforcement of regulations concerning anesthesia safety.

PERSONNEL:

The chief of the Surgical/Anesthesia Service will supervise the professional activities of the members of this service. This includes evaluation through the Hospital's Quality Assurance Program and review of anesthesia records for documentation of quality care. Consultants may be utilized for assistance in reviews of the Anesthesia Section.

1. Anesthetics are administered by the following:
 - a. Full time Anesthesiologists on Medical Staff.
 - b. Temporary Anesthesiologists with credentials approved by the Medical Staff.

REFERENCE: Current and Relevant JCAHO and Title 22 Standards

COMMITTEE APPROVAL NEEDED: SURGERY TISSUE COMMITTEE

RESPONSIBILITY FOR REVIEW AND MAINTENANCE: Surgery Nurse Manager
PACU Nurse Manager/ Chief of Service

INDEX LISTINGS: Surgical/Anesthesia Service Organization / Service Surgical /Anesthesia Organization

REVISED 01/01 ; Reviewed 12/2011 TS BS, 10/21/12 PM

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Postpartum Hemorrhage Policy	
Scope:	Department: OB/Gyn
Source: Kneip, Jan	Effective Date:

Purpose:

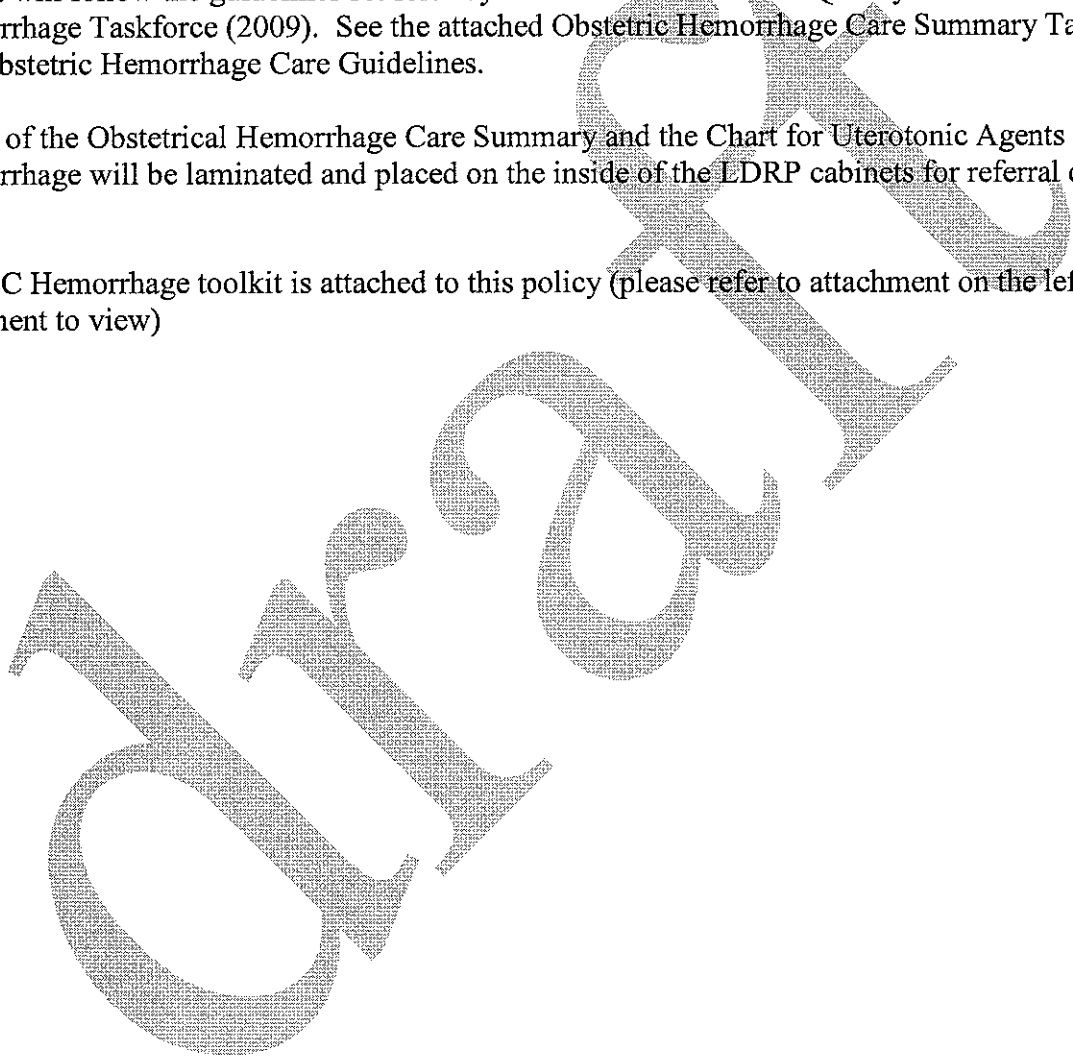
To have a universally accepted procedure for managing women with an obstetrical hemorrhage.

Policy:

The Perinatal Unit will follow the guidelines set forth by the California Maternal Quality Care Collaborative (CMQCC): Hemorrhage Taskforce (2009). See the attached Obstetric Hemorrhage Care Summary Table Chart, Flow Chart and Obstetric Hemorrhage Care Guidelines.

In addition copies of the Obstetrical Hemorrhage Care Summary and the Chart for Uterotonic Agents for Postpartum Hemorrhage will be laminated and placed on the inside of the LDRP cabinets for referral during delivery.

The entire CMQCC Hemorrhage toolkit is attached to this policy (please refer to attachment on the left side and click on the statement to view)



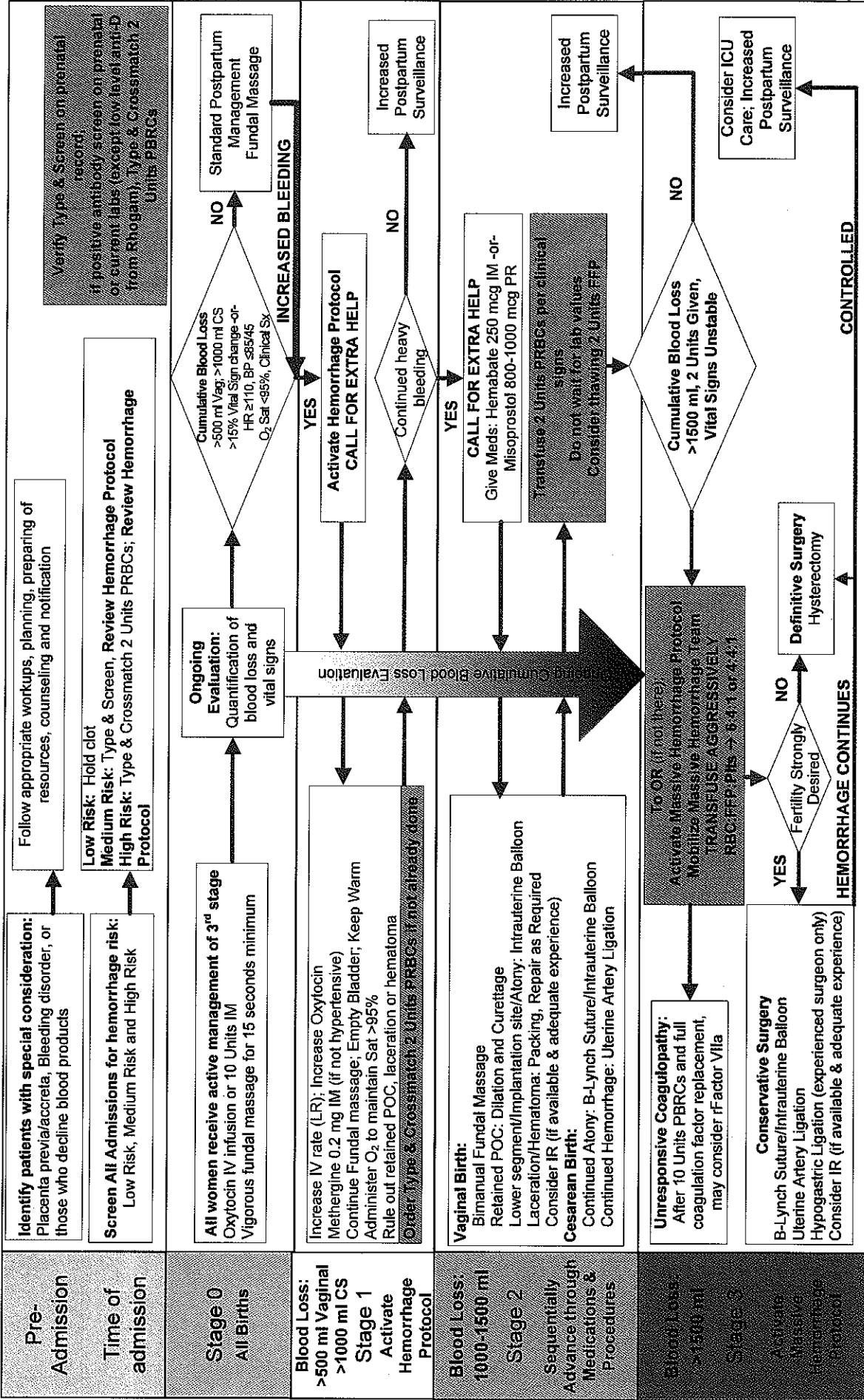
Approval	Date
Peri-Peds Committee	10/30/2012

Revised: 10/30/2012 jk
Reviewed:

	Assessments	Meds/Procedures	Blood Bank
Stage 0	Every woman in labor/giving birth		
<i>Stage 0 focuses on risk assessment and active management of the third stage.</i>	<ul style="list-style-type: none"> Assess every woman for risk factors for hemorrhage Ongoing quantitative evaluation of blood loss on every birth 	Active Management 3rd Stage: <ul style="list-style-type: none"> Oxytocin IV infusion or 10u IM Fundal Massage- vigorous, <u>15 seconds min.</u> 	<ul style="list-style-type: none"> If Medium Risk:T&Scr If High Risk: T&C 2 U If Positive Antibody Screen (prenatal or current, exclude low level anti-D from RhoGam):T&C 2 U
Stage 1	Blood loss: >500 ml vaginal <u>or</u> >1000 ml Cesarean, <u>or</u> VS changes (by >15% <u>or</u> HR ≥110, BP ≤85/45, O2 sat <95%)		
<i>Stage 1 is short: activate hemorrhage protocol, initiate preparations and give Methergine IM.</i>	<ul style="list-style-type: none"> Activate OB Hemorrhage Protocol and Checklist Notify Charge nurse, Anesthesia Provider VS, O2 Sat q5' Calculate cumulative blood loss q5-15' Weigh bloody materials Careful inspection <u>with good exposure</u> of vaginal walls, cervix, uterine cavity, placenta 	<ul style="list-style-type: none"> IV Access: at least 18gauge Increase IV fluid (LR) and Oxytocin rate, and repeat fundal massage Methergine 0.2mg IM (if not hypertensive) May repeat if good response to first dose, BUT otherwise move on to 2nd level uterotonic drug (see below) Empty bladder: straight cath or place foley with urimeter 	<ul style="list-style-type: none"> T&C 2 Units PRBCs (if not already done)
Stage 2	Continued bleeding with total blood loss under 1500ml		
<i>Stage 2 is focused on sequentially advancing through medications and procedures, mobilizing help and Blood Bank support, and keeping ahead with volume and blood products.</i>	OB back to bedside (if not already there) <ul style="list-style-type: none"> Extra help: 2nd OB, Rapid Response Team (per hospital), assign roles VS & cumulative blood loss q 5-10 min Weigh bloody materials Complete evaluation of vaginal wall, cervix, placenta, uterine cavity Send additional labs, including DIC panel If in Postpartum: Move to L&D/OR Evaluate for special cases: <ul style="list-style-type: none"> -Uterine Inversion -Amn. Fluid Embolism 	2nd Level Uterotonic Drugs: <ul style="list-style-type: none"> Hemabate 250 mcg IM <u>or</u> Misoprostol 800-1000 mcg PR 2nd IV Access (at least 18gauge) <ul style="list-style-type: none"> Bimanual massage Vaginal Birth: (typical order) <ul style="list-style-type: none"> Move to OR Repair any tears D&C: r/o retained placenta Place intrauterine balloon Selective Embolization (Interventional Radiology) Cesarean Birth: (still intra-op) (typical order) <ul style="list-style-type: none"> Inspect broad lig, posterior uterus and retained placenta B-Lynch Suture Place intrauterine balloon 	<ul style="list-style-type: none"> Notify Blood Bank of OB Hemorrhage Bring 2 Units PRBCs to bedside, transfuse per clinical signs – do not wait for lab values Use blood warmer for transfusion Consider thawing 2 FFP (takes 35+min), use if transfusing >2u PRBCs Determine availability of additional RBCs and other Coag products
Stage 3	Total blood loss over 1500ml, <u>or</u> >2 units PRBCs given <u>or</u> VS unstable <u>or</u> suspicion of DIC		
<i>Stage 3 is focused on the Massive Transfusion protocol and invasive surgical approaches for control of bleeding.</i>	<ul style="list-style-type: none"> Mobilize team <ul style="list-style-type: none"> -Advanced GYN surgeon -2nd Anesthesia Provider -OR staff -Adult Intensivist Repeat labs including coags and ABG's Central line Social Worker/ family support 	<ul style="list-style-type: none"> Activate Massive Hemorrhage Protocol Laparotomy: <ul style="list-style-type: none"> -B-Lynch Suture -Uterine Artery Ligation -Hysterectomy Patient support <ul style="list-style-type: none"> -Fluid warmer -Upper body warming device -Sequential compression stockings 	Transfuse Aggressively Massive Hemorrhage Pack <ul style="list-style-type: none"> Near 1:1 PRBC:FFP 1 PLT pheresis pack per 6units PRBCs Unresponsive Coagulopathy: After 10 units PRBCs and full coagulation factor replacement may consider rFactor VIIa

OBSTETRIC HEMORRHAGE CARE SUMMARY: FLOW CHART FORMAT

v 1.4 5/7/2010



Obstetric Hemorrhage Care Guidelines: Checklist Format

Prenatal Assessment & Planning

- Identify and prepare for patients with special considerations: Placenta Previa/Accreta, Bleeding Disorder, or those who Decline Blood Products
- Screen and aggressively treat severe anemia: if oral iron fails, initiate IV Iron Sucrose Protocol to reach desired Hgb/Hct, especially for at risk mothers.

Admission Assessment & Planning

- Verify Type & Antibody Screen** from prenatal record
If not available,
- Order Type & Screen (lab will notify if 2nd clot needed for confirmation)
- If prenatal or current antibody screen positive (if not low level anti-D from Rho-GAM),*
- Type & Crossmatch 2 units PRBCs
- All other patients,**
- Send Clot to blood bank

Evaluate for Risk Factors (see below)
If medium risk:

- Order Type & Screen
- Review Hemorrhage Protocol

If high risk:

- Order Type & Crossmatch 2 units PRBCs
- Review Hemorrhage Protocol
- Notify OB Anesthesia

Identify women who may decline transfusion

- Notify OB provider for plan of care
- Early consult with OB anesthesia
- Review Consent Form

Ongoing Risk Assessment

- Evaluate for development of additional risk factors in labor:
 - Prolonged 2nd Stage labor
 - Prolonged oxytocin use
 - Active bleeding
 - Chorioamnionitis
 - Magnesium sulfate treatment
- Increase Risk level (see below) and convert to Type & Screen or Type & Crossmatch
- Treat multiple risk factors as High Risk

Admission Hemorrhage Risk Factor Evaluation

Low (Clot only)	Medium (Type and Screen)	High (Type and Crossmatch)
No previous uterine incision	Prior cesarean birth(s) or uterine surgery	Placenta previa, low lying placenta
Singleton pregnancy	Multiple gestation	Suspected Placenta accreta or percreta
≤4 previous vaginal births	>4 previous vaginal births	Hematocrit <30 AND other risk factors
No known bleeding disorder	Chorioamnionitis	Platelets <100,000
No history of PPH	History of previous PPH	Active bleeding (greater than show) on admit
	Large uterine fibroids	Known coagulopathy
	Estimated fetal weight greater than 4 kg	
	Morbid obesity (BMI >35)	

STAGE 0: All Births: Prevention & Recognition of OB Hemorrhage

Active Management of Third Stage

- Oxytocin infusion: 10-20 units oxytocin/1000ml solution titrate infusion rate to uterine tone; or 10 units IM; do not give oxytocin as IV push
- Vigorous fundal massage for at least 15 seconds

Ongoing Quantitative Evaluation of Blood Loss

- Using formal methods, such as graduated containers, visual comparisons and weight of blood soaked materials (1gm = 1ml)

Ongoing Evaluation of Vital Signs

if: Cumulative Blood Loss >500ml vaginal birth or >1000ml C/S -OR- Vital signs >15% change or HR ≥ 110, BP ≤85/45, O2 sat <95% -OR- Increased bleeding during recovery or postpartum, proceed to STAGE 1

STAGE 1: OB Hemorrhage

Cumulative Blood Loss >500ml vaginal birth or >1000ml C/S **-OR-**
Vital signs >15% change or HR ≥110, BP ≤85/45, O2 sat <95% -OR-
Increased bleeding during recovery or postpartum

MOBILIZE	ACT	THINK
<p>Primary nurse, Physician or Midwife to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Activate OB Hemorrhage Protocol and Checklist <p>Primary nurse to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Notify obstetrician (in-house and attending) <input type="checkbox"/> Notify charge nurse <input type="checkbox"/> Notify anesthesiologist 	<p>Primary nurse:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Establish IV access if not present, at least 18 gauge Increase IV fluids rates (Lactated Ringers preferred) and increase Oxytocin rate (500 mL/hour of 10-40 units/1000mL solution); Titrate Oxytocin infusion rate to uterine tone <input type="checkbox"/> Continue vigorous fundal massage <input type="checkbox"/> Administer Methergine 0.2 mg IM per protocol (if not hypertensive); give once, if no response, move to alternate agent; if good response, may give additional doses q 2 hr <input type="checkbox"/> Vital Signs, including O2 sat & level of consciousness (LOC) q 5 minutes <input type="checkbox"/> Weigh materials, calculate and record cumulative blood loss q 5-15 minutes <input type="checkbox"/> Administer oxygen to maintain O2 sats at >95% <input type="checkbox"/> Empty bladder: straight cath or place Foley with urimeter <input type="checkbox"/> Type and Crossmatch for 2 units Red Blood Cells STAT (if not already done) <input type="checkbox"/> Keep patient warm <p>Physician or midwife:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Rule out retained Products of Conception, laceration, hematoma <p>Surgeon (if cesarean birth and still open)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Inspect for uncontrolled bleeding at all levels, esp. broad ligament, posterior uterus, and retained placenta 	<p>Consider potential etiology:</p> <ul style="list-style-type: none"> • Uterine atony • Trauma/Laceration • Retained placenta • Amniotic Fluid Embolism • Uterine Inversion • Coagulopathy • Placenta Accreta • Uterine Rupture <p>Once stabilized: Modified Postpartum management with increased surveillance</p>

If: Continued bleeding or Continued Vital Sign instability, and <1500 mL cumulative blood loss proceed to STAGE 2

UTEROTONIC AGENTS for POSTPARTUM HEMORRHAGE

Drug	Dose	Route	Frequency	Side Effects	Contraindications	Storage
Pitocin® (Oxytocin) 10 units/ml	10-40 units per 1000 ml, rate titrated to uterine tone	IV infusion	Continuous	Usually none Nausea, vomiting, hyponatremia ("water intoxication") with prolonged IV admin. ↓ BP and ↑ HR with high doses, esp IV push	Hypersensitivity to drug	Room temp
Methergine® (Methylergonovine) 0.2mg/ml	0.2 mg	IM (not given IV)	-Q 2-4 hours -if no response after first dose, it is unlikely that additional doses will be of benefit	Nausea, vomiting Severe hypertension, esp. with rapid administration or in patients with HTN or PIH	Hypertension, PIH, Heart disease Hypersensitivity to drug Caution if multiple doses of ephedrine have been used, may exaggerate hypertensive response w/possible cerebral hemorrhage	Refrigerate Protect from light
Hemabate® (15-methyl PG F2a) 250mcg/ml	250 mcg	IM or intra-myometrial (not given IV)	-Q 15-90 min -Not to exceed 8 doses/24 hrs -If no response after 3 doses, it is unlikely that additional doses will be of benefit.	Nausea, vomiting, Diarrhea Fever (transient), Headache Chills, shivering Hypertension Bronchospasm	Caution in women with hepatic disease, asthma, hypertension, active cardiac or pulmonary disease Hypersensitivity to drug	Refrigerate
Cytotec® (Misoprostol) 100 or 200mcg tablets	800-1000mcg	Per rectum (PR)	One time	Nausea, vomiting, diarrhea Shivering, Fever (transient) Headache	Rare Known allergy to prostaglandin Hypersensitivity to drug	Room temp

STAGE 2: OB Hemorrhage

Continued bleeding or Vital Sign instability, and <1500 mL cumulative blood loss

MOBILIZE	ACT	THINK
<p>Primary nurse (or charge nurse):</p> <ul style="list-style-type: none"> <input type="checkbox"/> Call obstetrician to bedside <input type="checkbox"/> Call Anesthesiologist <input type="checkbox"/> Activate Response Team: <p>PHONE #: _____</p> <ul style="list-style-type: none"> <input type="checkbox"/> Notify Blood bank of hemorrhage; order products as directed <p>Charge nurse:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Notify Perinatologist or 2nd OB <input type="checkbox"/> Initiate OB Hemorrhage Record <input type="checkbox"/> If selective embolization, call in Interventional Radiology Team and second anesthesiologist <input type="checkbox"/> Notify nursing supervisor <input type="checkbox"/> Assign single person to communicate with blood bank <input type="checkbox"/> Call medical social worker or assign other family support person 	<p>Team leader (OB physician):</p> <ul style="list-style-type: none"> <input type="checkbox"/> Additional uterotonic medication: Hemabate 250 mcg IM [if not contraindicated] OR Misoprostol 800-1000 mcg PR <ul style="list-style-type: none"> o Can repeat Hemabate up to 3 times every 20 min; (note-75% respond to first dose) <p>Do not delay other interventions (see right column) while waiting for response to medications</p> <ul style="list-style-type: none"> <input type="checkbox"/> Bimanual uterine massage <input type="checkbox"/> Move to OR (if on postpartum unit, move to L&D or OR) <input type="checkbox"/> Order 2 units PRBCs and bring to the bedside <input type="checkbox"/> Order labs STAT (CBC/Plts, Chem 12, PT/aPTT, Fibrinogen, ABG) <input type="checkbox"/> Transfuse PRBCs based on clinical signs and response, do not wait for lab results <p>Primary nurse:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Establish 2nd large bore IV, at least 18 gauge. Maintain adequate fluid volume with Lactated Ringers and adequate uterine tone with oxytocin infusion <input type="checkbox"/> Assess and announce Vital Signs and cumulative blood loss q 5-10 minutes <input type="checkbox"/> Set up blood administration set and blood warmer for transfusion <input type="checkbox"/> Administer meds, blood products and draw labs, as ordered <input type="checkbox"/> Keep patient warm <p>Second nurse (or charge nurse):</p> <ul style="list-style-type: none"> <input type="checkbox"/> Place Foley with urimeter (if not already done) <input type="checkbox"/> Obtain portable light and OB procedure tray or Hemorrhage cart <input type="checkbox"/> Obtain blood products from the Blood Bank <input type="checkbox"/> Assist with move to OR (if indicated) <p>Blood Bank:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Determine availability of thawed plasma, fresh frozen plasma, and platelets; initiate delivery of platelets if not present on-site <input type="checkbox"/> Consider thawing 2 FFP (takes 30 min), use if transfusing >2 units PRBCs <input type="checkbox"/> Prepare for possibility of massive hemorrhage 	<p>Sequentially advance through procedures and other interventions based on etiology:</p> <p>Vaginal birth</p> <p>If trauma (vaginal, cervical or uterine):</p> <ul style="list-style-type: none"> • Visualize and repair <p>If retained placenta:</p> <ul style="list-style-type: none"> • D&C <p>If uterine atony or lower uterine segment bleeding:</p> <ul style="list-style-type: none"> • Intrauterine Balloon <p>If above measures unproductive:</p> <ul style="list-style-type: none"> • Selective embolization (Interventional Radiology if available & adequate experience) <p>C-section:</p> <ul style="list-style-type: none"> • Uterine hemostatic suture, e.g., B-Lynch Suture, O'Leary, Multiple Squares • Intrauterine Balloon <p>If Uterine Inversion:</p> <ul style="list-style-type: none"> • Anesthesia and uterine relaxation drugs for manual reduction <p>If Amniotic Fluid Embolism:</p> <ul style="list-style-type: none"> • Maximally aggressive respiratory, vasopressor and blood product support <p>If vital signs are worse than estimated or measured blood loss: possible uterine rupture or broad ligament tear with internal bleeding; move to laparotomy</p> <p>Once stabilized: Modified Postpartum management with increased surveillance</p>

Re-Evaluate Bleeding and Vital Signs
If cumulative blood loss >1500ml, >2 units PRBCs given, VS unstable or suspicion for DIC, proceed to STAGE 3

STAGE 3: OB Hemorrhage

Cumulative blood loss >1500ml, >2 units PRBCs given, VS unstable or suspicion for DIC

MOBILIZE	ACT	THINK
<p>Nurse or Physician:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Activate Massive Hemorrhage Protocol <p>PHONE #: _____</p> <p>Charge Nurse or designee:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Notify advanced Gyn surgeon (e.g. Gyn Oncologist) <input type="checkbox"/> Notify adult intensivist <input type="checkbox"/> Call-in second anesthesiologist <input type="checkbox"/> Call-in OR staff <input type="checkbox"/> Reassign staff as needed <input type="checkbox"/> Call-in supervisor, CNS, or manager <input type="checkbox"/> Continue OB Hemorrhage Record (In OR, anesthesiologist will assess and document VS) <input type="checkbox"/> If transfer considered, notify ICU <p>Blood Bank:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Prepare to issue additional blood products as needed – stay ahead 	<p>Establish team leadership and assign roles</p> <p>Team leader (OB physician + OB anesthesiologist, anesthesiologist and/or perinatologist and/or intensivist):</p> <ul style="list-style-type: none"> <input type="checkbox"/> Order Massive Hemorrhage Pack (RBCs + FFP + 1 pheresis pack PLTS—see note in right column) <input type="checkbox"/> Move to OR if not already there <input type="checkbox"/> Repeat CBC/PLTS, Chem 12, PT/aPTT, Fibrinogen, ABG STAT q 30-60 min <p>Anesthesiologist (as indicated):</p> <ul style="list-style-type: none"> <input type="checkbox"/> Arterial blood gases <input type="checkbox"/> Central hemodynamic monitoring <input type="checkbox"/> CVP or PA line <input type="checkbox"/> Arterial line <input type="checkbox"/> Vasopressor support <input type="checkbox"/> Intubation <p>Primary nurse:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Announce VS and cumulative measured blood loss q 5-10 minutes <input type="checkbox"/> Apply upper body warming blanket if feasible <input type="checkbox"/> Use fluid warmer and/or rapid infuser for fluid & blood product administration <input type="checkbox"/> Apply sequential compression stockings to lower extremities <input type="checkbox"/> Circulate in OR <p>Second nurse and/or anesthesiologist:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Continue to administer meds, blood products and draw labs, as ordered <p>Third Nurse (or charge nurse):</p> <ul style="list-style-type: none"> <input type="checkbox"/> Recorder 	<p>Selective Embolization (IR)</p> <ul style="list-style-type: none"> • Interventions based on etiology not yet completed • Prevent hypothermia, Acidemia <p>Conservative or Definitive Surgery:</p> <ul style="list-style-type: none"> • Uterine Artery Ligation • Hysterectomy <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>For Resuscitation: Aggressively Transfuse Based on Vital Signs, Blood Loss</p> <p>KEY: HIGH RATIO of FFP to RBC Either: 6:4:1 PRBCs: FFP: Platelets Or: 4:4:1 PRBCs: FFP: Platelets</p> </div> <p>Unresponsive Coagulopathy:</p> <ul style="list-style-type: none"> • After 8-10 units PRBCs and coagulation factor replacement may consider risk/benefit of rFactor VIIa <p>Once Stabilized: Modified Postpartum Management; consider ICU</p>

BLOOD PRODUCTS

<p>Packed Red Blood Cells (PRBC) <i>(approx. 35-40 min. for crossmatch—assuming no sample is in the lab and assuming no antibodies are present)</i> Transfuse O Negative blood if you cannot wait</p>	<p>Best first-line product for blood loss 1 unit = 450ml volume If antibody positive, may take 1-24 hrs. for crossmatch 1 unit=450 ml volume and typically increases Hct by 3%</p>
<p>Fresh Frozen Plasma (FFP) <i>(approx. 35-45 min. to thaw for release)</i></p>	<p>Highly desired if >2 units PRBCs given, or for prolonged PT, aPTT >1.5x control 1 unit = 180ml volume and typically increases Fibrinogen by 10mg/dL</p>
<p>Platelets (PLTS) <i>Local variation in time to release (may need to come from regional blood bank)</i></p>	<p>Priority for women with Platelets <50,000 Single-donor Apheresis unit (= 6 units of platelet concentrates) provides 40-50k transient increase in platelets</p>
<p>Cryoprecipitate (CRYO) <i>(approx. 35-45 min. to thaw for release)</i></p>	<p>Priority for women with Fibrinogen levels <80 10 unit pack typically raises Fibrinogen 80-100mg/dL Best for DIC with low fibrinogen and don't need volume replacement Caution: 10 units come from 10 different donors, so infection risk is proportionate.</p>

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: HUGS Policy	
Scope:	Department: ICU/CCU, Medical/Surgical, OB/Gyn
Source: Kneip, Jan	Effective Date:

HUGS Policy

Purpose: To proficiently utilize our HUGS Infant Protection System in order to provide and maintain a safe environment for infants, children and adults who are unable to stay in their assigned rooms.

Policy: Infants

1. Attach the tag to the infant's lower extremity. Tags must be loose enough to rotate, but tight enough to avoid slipping off. Apply the band to the tag by inserting one side of the band to the tag via the back of the tag. The white side faces out, beige towards baby. Wrap the tag around the baby's ankle with the rounded end of the tag pointing up towards the baby's knee. Trim straps leaving approximately ¼ inch above tag face.
2. Once securely placed, the tag automatically activates. If it does not work properly place a new tag but do not throw the defective tag away. Return it to the unit manager so it can be traded in for new one.
3. Log in to the HUGS workstation and enter patient information as prompted.
4. If a tag is loose, tampered with, or the baby is taken near an exciter, an alarm will sound. Appropriate action will need to be taken on the computer to clear the alarm or initiate a Code Amber. RN's, LVN's and/or CNA's and unit secretaries have the ability to clear the alarm once the safety of the infant is confirmed.
5. A variety of alarms and alerts are utilized by the HUGS system. ALWAYS ensure the safety of the infant/child/adult prior to troubleshooting or clearing the alarm. The episode will be audible and displayed on the HUGS workstation. Please refer to the Quick Reference Guide located by the tag holder on the meaning and handling of the alarms.
6. Tags are waterproof, and infants may be bathed with the tag in place.
7. Discharge the tag from the computer just prior to the infant leaving the unit. A tag must also be discharged if a strap is initially placed too tight and needs to be replaced.
8. Do not pull backwards on the strap to try and loosen them if they are inadvertently placed too tight. The gold prongs in the slots will be damaged, potentially rendering the tag permanently damaged.
9. When the tag is removed from a patient wipe it with a Sani-Cloth. If debris is inside the slots and/or on the gold prongs, dampen the bristles of a toothbrush with a Sani-Cloth and gently clean inside of the slots.
10. Once clean, place the tag back into the tag holder.

Pediatrics/Adults

1. Follow the above directions. Tags may be placed on the arms or legs of children or adults. On the Medical/Surgical Unit, larger straps are available. (This tag may only be used if the patient does not play with the tag.)
2. A PEDZ tag should be used if the older child or adult that would possibly be manipulating the tag. These tags and corresponding bands are located in the medication room on the Medical Surgical unit. To apply them the following must be completed.
 - a) What you will need:
 1. Sizing guide
 2. Pre-cut length of band (we have 14in and 8 inch band lengths)
 3. Band clippers
 4. PEDZ tag
 5. Removal key

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: HUGS Policy	
Scope:	Department: ICU/CCU, Medical/Surgical, OB/Gyn
Source: Kneip, Jan	Effective Date:

- b) Follow the band sizing instructions found with the bands. (located with the bands in the Medication room)
- c) Follow the printed instructions on how to apply the band and tag.(located with the bands and tags in the medication room)
- 3. Once the tag is activated it will automatically be on the computer at the nursing station. Log into the computer and enter the required specific information specific to that patient. The computer is used to manage the tag and should be used to suspend time when taking a patient off the unit and any other activities that could hamper the tag. Do not remove the tag .
- 4. Once the child or adult is discharged and the tag is no longer required then discharge the patient off the HUGS computer and remove the tag. You will need the following:
 - a) The PEDZ removal key (Found in the medication room with the tags)
 - b) See printed instructions for removal of the tag.
 - c) Clean the tag per instructions on the sheet, use the following wipe (PDI SANI-CLOTH PLUS--- Must be wet for 3 min and allowed to dry)
 - d) Return the tag and tag key to the Medication room on the unit.

Approval	Date

Revised:
Reviewed:

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Activity Program Pediatrics	
Scope:	Department: Pediatric
Source: Med/Surg Nurse Manager	Effective Date:

PURPOSE: To ensure inpatient pediatric patients have appropriate activities for diversion stimulation, proper development and clinical observation

POLICY: An age appropriate individualized activity program appropriate to the needs of the pediatric patients will be provided on a daily basis upon the approval of the attending physician. The activity program shall be under the direction of the Nurse Manager Medical Surgical (pediatric services).

Committee Approval	Date
Pediatrics/Perinatal Committee	10/30/12
Medical Staff	
Board of Directors	

Revised
Reviewed
Supersedes

**NORTHERN INYO HOSPITAL
EMPLOYEE HANDBOOK – PERSONNEL POLICY**

Title: Hiring - IDENTIFICATION BADGES (03-04)	
Scope: Hospital Wide	Department: Human resources – Employee Handbook
Source: Human Resources	Effective Date:

PURPOSE:

Identification badges function as electronic keys, cash cards and allow access to other important job functions; therefore, the purpose of this policy is to define controls and safeguards of identification badges.

POLICY:

When you work at Northern Inyo Hospital, you will be issued an identification badge. Identification badges may function as an electronic key to secured doors and may have a barcode badge number that allows using the hospital's time and attendance system, charging cafeteria purchases, and carrying out other important job functions.

You are required to wear your identification badge while on hospital properties. This allows you to get to know those you work with and them to know you, and it helps patients and the public to identify you.

Worn or outdated badges must be replaced. Requests for badges may be placed with your immediate supervisor, department head, the Medical Staff Office (physicians), or Human Resources.

You must take care to handle your identification badge as you would a cash card or key that must be protected and secured. Do not share or lend your badge or provide unauthorized access to another with your badge. Please report lost/misplaced or forgotten identification badges immediately to your supervisor or department head or Medical Staff Office (physicians) and report to Human Resources (Nursing Supervisor outside of HR office hours) for a replacement at the current fee of \$10 set by Administration.

Reference - Identification Badges Procedure

Approval	Date
Human Resources	
Medical Executive Committee	
Administration	
Board of Directors	

Northern Inyo Hospital ED Standing Orders Policy

Purpose:

- To provide a set of Standing Orders that the Emergency Department (ED) Registered Nurse (RN) can initiate to address urgent/emergent medical conditions of patients presenting to the ED prior to evaluation by the ED physician.

Definitions:

- Standing Order – an order approved by the Emergency Services Committee that may be executed prior to initial physician evaluation. Standing Orders are limited to a subset of orders addressing specific medical conditions or patient circumstances that are necessary for timely and efficient care.

Policy:

- A. Prior to implementation, the Emergency Services Committee must approve all ED Standing Orders. These order sets are not intended to replace more detailed order sets, guidelines or protocols.
- B. The ED RN will initiate orders off the Standing Orders sets if the assessment findings warrant the Standing Order intervention within their scope of competency and within the resources of the ED.
 1. The Standing Order sets are complaint-specific.
 2. The RN may not alter the content of any Standing Order.
 3. A Standing Order set does not need to be implemented in its entirety. The RN should implement applicable sections of each set based on the patient assessment.
 4. More than one set may be used for a patient as appropriate per patient need and the RN assessment.
- C. The RN may consult with the ED physician at any time if clarification is needed in initiating a Standing Order.
- D. The RN is accountable and responsible for the delegation of any intervention in the Standing Order set.
- E. The RN must document all assessment findings, interventions and outcomes as required by Hospital policies and procedures.
- F. ED Standing Orders must be entered into the patient's medical record and authenticated by the ED physician.

Procedure:

- A. Patient presents to the ED with specific symptoms that align with a current ED Standing Order set.
- B. RN assessment confirms the symptoms or condition that warrants initiation of one or more sets.
- C. RN initiates corresponding set and consults with the ED physician if additional clarification is needed.

- D. The ED physician authenticates the orders in the medical record during the patient's ED treatment course.
- E. Standing Order Sets – see Appendix A for detailed sets
 - 1. Abdominal/Flank Pain
 - 2. Allergic Reaction
 - 3. Altered Level of Consciousness
 - 4. Chest Pain – Adult
 - 5. Dysuria
 - 6. Eye Problems
 - 7. Fever
 - 8. Gastrointestinal Bleeding
 - 9. Laceration
 - 10. Orthopedic Injuries
 - 11. Pain Control
 - 12. Seizure
 - 13. Shortness of Breath
 - 14. Shock
 - 15. Syncope
 - 16. Vomiting

Appendix A Standing Order Sets

1. Abdominal/Flank Pain

- Saline Lock IV
- NPO
- Labs – CBC, CMP
- UA – dip and hold
- For females of child-bearing age, add serum qual HCG
- For upper abdominal pain, add serum lipase and amylase
- For upper abdominal pain and >40 yo, add EKG

2. Allergic Reaction

- Notify physician immediately for any respiratory distress.
- Oxygen saturation and Cardiac Monitor
- IV NS or saline lock
- Epinephrine (1:1000) 0.3mg IM for adults and 0.01mg/kg IM for peds
 - For any patient with wheezing, difficulty breathing, difficulty swallowing, swollen tongue or history of prior severe allergic reaction.
- Benadryl 25-50mg IVP for adults and 1mg/kg IVP for peds
- Albuterol 2.5mg/3cc NS nebulized, may repeat x1

3. Altered Level of Consciousness

- Notify physician immediately for any unstable vital signs or respiratory distress.
- Oxygen saturation and Cardiac Monitor
- Accucheck
- Saline lock IV with bloods to hold
- Dextrose for BS <60 – D50 25gm IVP for adults and D25 1mg/kg for peds

4. Chest Pain – Adult

- Oxygen saturation – O₂ via Nasal Cannula for sats < 95%
- Cardiac Monitor
- Saline lock IV, Antecubital 18g if possible
- ECG
- Labs – CBC, CMP, Trop, MB
 - Add PT/PTT if on Coumadin
- 1 view portable CXR
- Aspirin 162 mg PO chew tab
- NTG SL 0.4mg q5min prn, may repeat x 2
 - Hold for SBP < 100
 - Contraindicated for patients who have recently taken phosphodiesterase inhibitors (i.e. Viagra)

5. Dysuria

- UA w/culture if indicated

- For females of child-bearing age, add urine qual HCG

6. Eye Problems

- Visual acuity with corrective eyewear
- Proparacaine and fluorescein strips to bedside
 - May instill 1-2 gtts Proparacaine q30min to affected eye
- For chemical injuries, irrigate affected eye with 1L NS through Morgan lens
 - Start immediately in triage before checking visual acuity

7. Fever

- For pediatric patients under 14 years old and based on prior antipyretic given
 - Tylenol 15mg/kg PO or PR
 - Motrin 10mg/kg PO
 - May give both for Temp>102
- For adult patients, Tylenol 1000mg PO or PR

8. Gastrointestinal Bleeding

- Saline Lock IV
- Cardiac Monitor
- Labs – CBC, CMP, PT/PTT, Type & Screen

9. Laceration

- For adults with tetanus immunization >10 years or unknown, give Tdap 0.5ml IM
- For pediatric patients, apply LET topical anesthetic to wound for 20-30min
- Irrigate wound as tolerated

10. Orthopedic Injuries

- The ED physician should be notified immediately for open fractures, dislocations or injuries with vascular compromise.
- Ice, elevate and stabilize
- Urine or serum HCG as needed
- Saline Lock IV for moderate to severe pain or obvious deformities
- Examine extremity and document neurovascular status, deformity, instability, crepitus, bony tenderness, ecchymosis, or swelling
 - Always examine joints above and below as well for associated injuries
- Order appropriate Xrays – special considerations:
 - Ankle, Foot, Toes, Heel
 - Xray entire foot for toe injuries
 - Add calcaneal views for heel tenderness or fall from height
 - Add knee xrays for tenderness over proximal fibula
 - Elbow, Forearm, Wrist, Fingers
 - Xray wrist for distal forearm tenderness
 - Add navicular view for snuffbox tenderness
 - No xrays for peds <6 yo with arm pain or loss of function and no obvious deformity

- Shoulder, Clavicle
 - Notify physician immediately for SOB or low sats
- Chest (Ribs)
 - Order 1vw upright CXR

11. Pain control

- For acute orthopedic injuries and illnesses only. Patients with chronic pain issues must be seen by the ED physician prior to medication.
- IV narcotics require initial review by the ED physician
- For adults
 - Mild to moderate pain – Motrin 600mg PO
 - Moderate pain – Percocet-5 1 tab PO
 - Severe pain – Fentanyl 50ucg IVP q5min prn, max 200 ucg
- For pediatrics >2 years old
 - Mild to moderate pain – Motrin 10mg/kg PO
 - Moderate pain – Vicodin elixir 0.1mg/kg hydrocodone PO
 - Severe pain – Fentanyl 1ucg/kg intranasal, may repeat 0.5ucg after 5 minutes

12. Seizure

- Oxygen saturation and Cardiac Monitor
- Saline Lock IV
- Accucheck
- Dextrose for BS <60 – D50 25gm IVP for adults and D25 1mg/kg for peds
- For active seizures notify physician immediately then Ativan 2mg IVP for adults and 0.05mg/kg IVP for peds, may repeat x1 prn

13. Shortness of Breath

- Oxygen saturation and Cardiac Monitor
- Saline Lock IV
- Titrate oxygen to keep sats >90%
- Labs – draw and hold
- 2 view CXR
 - 1 view portable if patient unstable
- Albuterol 2.5mg/3cc NS nebulized, may repeat x1
- ECG for patients >40 yo

14. Shock/Sepsis

- Oxygen saturation and Cardiac Monitor
- Large-bore IV
- Titrate oxygen to keep sats >90%
- Fluid bolus NS in 500ml increments for SBP<90
 - Pediatric patients – NS 20mg/kg for AMS or SBP<70
- Labs – CBC, CMP, Trop, MB, Lactate, Blood Cx x2, UA

- 1 view portable CXR

15. Syncope

- Oxygen saturation and Cardiac Monitor
- Saline Lock IV
- Orthostatic vital signs
- ECG
- Accucheck

16. Vomiting

- Saline Lock IV
- Labs – draw and hold
- For adults without a history of CHF or CKD, 1L NS Bolus
- Zofran 8mg PO or 4mg IV for >16kg and 2mg PO for <16kg

Northern Inyo Hospital Emergency Department Narcotic Prescription Guidelines

Purpose:

Due to increasing concerns about the abuse and overuse of narcotics in our community, the Emergency Department (ED) has developed the following guidelines with regard to prescribing narcotic and sedating medications. This policy pertains to patients who, after an appropriate medical screening exam, are found not to have an Emergency Medical Condition.

Policy:

1. The emergency physician is required by law to evaluate any patient who reports to the ED for evaluation. Once it is determined an Emergency Medical Condition does not exist, the law allows the physician to use their clinical judgment when treating pain and does not require the use of opioids.
2. When patients come to the ED with acute medical conditions that may require narcotic or sedative medications, the physician should prescribe these medications in very limited quantities. The amount of medication will be sufficient to last until the patient can see a primary care physician or specialist. Any patient who returns to the ED seeking refills for the same complaint should only be given non-narcotic pain medications. If opioids are prescribed on a repeat visit, they should only prescribe a maximum of 3-days worth.
3. Prescriptions for narcotic or sedative medication that have been lost, stolen or expired will not be refilled in the ED. Extended-release and long-acting opioids, such as Oxycontin, fentanyl patches and methadone, in general, should not be prescribed from the ED.
4. Patients who have frequent visits to the ED seeking relief from painful conditions will be considered to have chronic pain syndromes. These pain syndromes may include, but are not limited to, migraine headaches, back pain, dental pain, and fibromyalgia. Patients presenting with chronic pain should be given non-narcotic pain prescriptions only.
5. The administration of intravenous and intramuscular opioids for the relief of acute exacerbations of chronic pain is discouraged. These medications provide a very short duration of relief and have more addictive potential due to euphoria.
6. For exacerbations of chronic pain, the Emergency physician should attempt to contact the patient's primary opioid prescriber prior to giving the patient further opioids. If possible, the primary physician should maintain a copy of the patient's pain contract on file in the Emergency Department.
7. Physicians should review the California Department of Justice Prescription Drug Monitoring Program (PDMP) to determine the extent of narcotic and sedative prescriptions being obtained by the patient. The PDMP is an online database record of controlled substance medications that the patient has received. It was created to identify and deter drug abuse and diversion through accurate and rapid tracking of Schedule II-IV controlled substances.

8. In the event the ED physician feels a narcotic or sedative agent is clinically indicated, the patient must have a responsible adult driver present prior to being given the medication.
9. The ED physician can request a Social Worker consult in the ED, if available, for patients with suspected prescription opiate abuse problems.
10. The ED will maintain lists of available Primary Care Providers accepting new patients. Every effort will be made to help patients obtain follow-up care within a reasonable time frame.

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: In-House Transport of Ventilator Dependant Patient	
Scope: Respiratory Therapists, ICU RN, ED RN	Department: Emergency Department, ICU/CCU, Radiology Respiratory Care
Source: Director of Respiratory Care	Effective Date: 10-15-2012

PURPOSE:

To maintain ventilatory support on all ventilated patients that are being transferred from ICU/ED to X-ray or any other department for diagnostic or therapeutic procedures and from ED to ICU. There are no MRI capable Ventilators at Northern Inyo Hospital. Patients that are on ventilatory support and need to go to MRI will be hand ventilated in the MRI suite. The attending physician needs to approve of this.

Transportation of mechanically ventilated patients for diagnostic or therapeutic procedures is always associated with a degree of risk. Every attempt should be made to assure that monitoring, ventilation, oxygenation, and patient care remain constant during movement. Patient transport includes preparation, movement to and from and time spent at destination.

INDICATIONS:

Transportation of mechanically ventilated patients should only be undertaken following a careful evaluation of the risk-benefit ratio.

POLICY:

When transporting any patient in house that is on a ventilator, a Respiratory Care Practitioner, and a Registered Nurse must accompany the patient.

CONTRAINDICATIONS:

1. Inability to provide adequate oxygenation and ventilation during transport either by manual ventilation, portable ventilator or standard ventilator.
2. Inability to maintain acceptable hemodynamic performance during transport.
3. Inability to maintain airway control during transport.
4. Transport should not be undertaken unless all the necessary members of the transport team are present.

HAZARDS & COMPLICATIONS:

1. Hyperventilation during manual ventilation.
2. Loss of PEEP.
3. Inadvertent disconnection of intravenous access.
4. Movement may cause disconnection from the ventilatory support and respiratory compromise.
5. Movement may result in accidental extubation.
6. Loss of oxygen supply may lead to hypoxemia.
7. Ventilator-associated pneumonia has been associated with transport.

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: In-House Transport of Ventilator Dependant Patient	
Scope: Respiratory Therapists, ICU RN, ED RN	Department: Emergency Department, ICU/CCU, Radiology Respiratory Care
Source: Director of Respiratory Care	Effective Date: 10-15-2012

PROCEDURE:

1. Nursing staff will notify the Respiratory Therapist of the time and location of the transport.
2. The Respiratory Therapist will obtain the necessary equipment for the transport including but not limited to:
 - a. VersaMed I Vent
 - b. Resuscitation-bag with mask.
 - c. Peep adaptor if necessary
 - d. Full O2 E cylinder on I Vent
 - e. Spo2 monitor
 - f. Stethoscope

There are two methods of transporting patients, the preferred way:

1. If the patient is in the ICU on the PB 840 it is acceptable to use the VersaMed I-vent. Use the same settings as the PB 840, or as close as possible on the I-Vent. It is preferable to place the patient on the I-Vent for 5-10 minutes before transporting to monitor the patient on a different ventilator. If the patient is not tolerating the I-Vent and the patient still needs to be transported follow procedure # 2.
2. The I-Vent can be used as a transport ventilator; it has an internal battery that will last approximately 2 hours on a full charge and an E Oxygen Cylinder that will last approximately 2 hours at 100% FiO2.
3. When transporting the patient be aware of the possible pull on the endotracheal tube from the ventilator. If necessary have someone push the ventilator while you are holding the ET tube.
4. When reaching you destination it is preferable to connect to piped in oxygen if available and plug the ventilator in.

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: In-House Transport of Ventilator Dependant Patient	
Scope: Respiratory Therapists, ICU RN, ED RN	Department: Emergency Department, ICU/CCU, Radiology Respiratory Care
Source: Director of Respiratory Care	Effective Date: 10-15-2012

Option # 2 If the patient is not tolerating the I-Vent and the patient still needs to be transported.

1. If two therapists are working one will manually ventilate the patient while the other therapist moves the PB 840 ventilator to desired location.
2. If one therapist is working, the nurse or the therapist can bag the patient while someone else moves the PB 840 ventilator to the desired location.
3. Once at the desired location the patient will be connected to the ventilator on the same settings.

RESPIRATORY DOCUMENTATION

1. The patient should be monitored on a Cardiac and Spo2 monitor during the procedure.
2. Document the transfer, ventilator check and breath sounds after moving the patient and then after the return trip back to ICU/ED.

References: AARC Clinical Practice Guideline "In-Hospital Transport of the Mechanically Ventilated Patient"

Committee Approval	Date
Respiratory Care	9-12-2012

Revised
Reviewed
Supercedes

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Radiologist Peer Review Program	
Scope: Departmental	Department: Medical Staff, Radiology
Source: ACR/JCO	Effective Date:

PURPOSE: To define, in accordance with 2005 ACR Guidelines and Technical Standards, the Northern Inyo Hospital Radiology Peer Review Program

Policy:

1. The peer review process will include a double reading by two M.D.s - the interpreting radiologist and the reviewing radiologist.
2. A representative sample equal to 5 % of the monthly exams per modality will be randomly selected by the department manager or designee for review. Additional cases will be reviewed upon request of a consulting physician or by a radiologist in cases of complications, adverse events, cases with potential for sentinel events and cases identified by critical indicators.
3. The reviewing radiologist will document the level of agreement with the original interpretation in accordance with the following 4-point scale
 - a. 1 - Concur with interpretation
 - b. 2 - Difficult diagnosis, not ordinarily expected to be made
 - c. 3 - Diagnosis should be made most of the time
 - d. 4 - Diagnosis should be made almost every time - misinterpretation of findings
4. Subgroups 3 and 4 will be considered significant discrepancies. [Suggested courses of action for subgroups 3 and 4 are as follows. Other actions can be substituted as medical staff sees fit]
 - a. Subgroup 3 – reviewing radiologist and interpreting radiologist discuss review. Addendum should be added to original exam report, referred for Peer Review to Radiology Services.
 - b. Subgroup 4 – reviewing radiologist and interpreting radiologist discuss review, referring physician should be notified, and an addendum should be added to original exam report referred for Peer Review to Radiology Services.
5. Summary statistics and comparison data will be generated for each radiologist interpreting for NIH.
6. Summary statistics contain confidential Medical Staff information and will be distributed to the Medical Staff Office

Committee Approval	Date
Radiology Services Committee	
Medical Executive Committee	
Administration	
Board of Directors	

Responsibility for review and maintenance:

Index Listings:

Initiated:

Revised/Reviewed:

Supersedes:

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Mammography - Self Referral	
Scope:	Department: Radiology
Source: Radiology Director	Effective Date:

PURPOSE: The purpose of this policy is to serve the patients in this community that need a mammogram but do not have a referring physician or do not have an order from their primary care physician.

Definitions:

- Self-referrals – patients requesting a screening mammogram who do not have a referring physician
- Self-requests – patients referring themselves for a screening mammogram who do have a primary care physician
- Screening Mammogram- mammogram on a patient who is asymptomatic and has not had previous breast cancer.

POLICY:

1. Self-referrals will be scheduled for screening mammography.
 - a. Self-referrals may have a screening mammogram once a year.
 - b. If the patient has any complaints or diagnoses other than screening, they need to see a healthcare provider.
2. Self-requests will be scheduled for screening mammography.
 - a. Self-requests may have a screening mammogram once a year.
 - b. If the patient has any complaints or diagnoses other than screening, they need to see their healthcare provider.
3. Self-referrals shall receive the mammography report, in addition to the summary of report written in lay terms.
4. Self-requests shall have the mammography report sent to their primary care physician. A summary of the written report in lay terms shall be sent to the patient.
 - a. In the event that the healthcare provider declines to accept the mammography report then we will treat the patient as a self-referred.
5. Self-referrals with abnormal results will be referred to the physician or group of physicians that has agreed to provide medical care to these patients. A list of physicians who have agreed to accept these patients is on file and may be provided upon request.
6. Follow-up contact will be made to self-referrals with abnormal results (BIRADS 0, 3, 4, 5) to determine that they have consulted a healthcare provider for follow-up care.
7. In the event that a self-referred or a self-requested patient is having a screening mammogram when the interpreting radiologist is onsite and determines a need for additional workup, the imaging department will contact either the healthcare provider who has agreed to accept the patient or primary healthcare provider provided by the patient to obtain an order for additional diagnostic workup.

Committee Approval	Date
Radiology Services Committee	
Medical Executive Committee	
Administration	
Board of Directors	

J. L. ...
15/06/12

**NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE**

Title: Playroom	
Scope:	Department: Medical/Surgical
Source: MedSurg Nurse Manager	Effective Date:

PURPOSE: To ensure our pediatric patients have a safe place to play

POLICY: Nursing Services will provide a designated space for pediatric patients to play.

Parents/Nursing Staff or Volunteer must be in attendance while child is playing.

Parents are instructed to place any toy their child uses that was not brought in by the patient and or family into the dirty toy bin.

Only basic toys are supplied by the hospital (i.e., paper, color crayons and washable books); all other toys and electronics will be supplied by the patient and family and will be removed by the patient and family at discharge.

All toys are inspected after use for loose parts, cracks or breaks, and/or any hazardous components.

Following placement into the dirty toy receptacle, the playroom toys are cleaned with hospital approved cleaner.

All plastic and washable toys are cleaned with a non-phenolic-based cleaner when removed from patient rooms or upon discharge of the patient.

All non-washables (e.g., stuffed animals) are sent home with patient at discharge.

Accountable party: Nurse Manager Medical Surgical (pediatric beds) Unit

Committee Approval	Date
Pediatrics/Perinatal Committee	10/30/12
Medical Staff	
Board of Directors	

Revised
Reviewed
Supercedes

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NORHTERN INYO HOSPITAL

SECURITY REPORT

SEPTEMBER 2012

FACILITY SECURITY

Access security during this period revealed twenty four instances of open or unsecured entry doors being located during those hours when doors were to be secure. 10 interior doors were found unsecure during this period.

The Old Building roof access was found open twice during this period.

Two Hospital vehicles were found unlocked this month.

HUMAN SECURITY

On September 10th, Environmental Services Staff reported seeing an unknown person enter Dr. Reed's Office on Pioneer Lane. Security Staff responded, located and identified the subject as a family member of Dr. Reed.

On September 14th, Security stood by with a disruptive, belligerent, ED patient throughout treatment and discharge.

On September 15th, ED Staff requested Security for an intoxicated, uncooperative patient. Security Staff stood by throughout treatment and discharge.

On September 18th, OB Staff requested Security for an angry, uncooperative, Father who was being asked to leave. The Father left Campus without incident.

On September 18th a student's backpack was located on the north lawn of the Pioneer Building. Paperwork identified a possible owner. Pine Street School was contacted and the backpack was returned to the owner.

On September 19th, Security Staff stood by with a couple having a dispute regarding an OB issue.

On September 21st. Security was called to the ED for a disruptive patient. Security Staff stood by during treatment until discharge.

On September 26th, Inyo County Sheriff and Bishop Police personnel arrived in the ED with a combative arrestee for Medical Clearance. Security Staff assisted in the restraint during treatment of the patient until Medical Clearance and discharge was complete.

On September 27th, ED Staff requested Security standby while a potential drug seeking, patient was advised, no narcotics would be prescribed. The advisement, although not satisfactory with the patient, went without incident.

Security Staff provided Law Enforcement assistance twelve times this month. One instance was for a Lab BAC.

Security Staff provided patient assistance on 53 occasions this month.

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NORTHERN INYO HOSPITAL

SECURITY REPORT

OCTOBER 2012

FACILITY SECURITY

Access security during this period revealed eighteen instances of open or unsecured entry doors being located during those hours when doors were to be secure. Three interior doors were found unsecured during this period.

The Old Building roof access was found unsecured on one occasion.

One Hospital Vehicle was found with the keys present in the vehicle.

ALARMS

On October 19th, the Infant Security System activated. It was determined that a Staff member approached too closely to a sensor with a newborn.

On October 21st, Security Staff identified a Tube System alarm sounding in the Outpatient Lab. The system checked OK and the alarm was cleared.

HUMAN SECURITY

On October 1st, a Staff member reported a loud and obnoxious individual sitting near the Oxygen Plant adjacent to W. Line Street. Security responded to the area and was unable to locate the subject.

On October 2nd, Security Staff responded to the ED and stood by for a volatile ICSO in-custody, being med cleared for transportation to the jail.

On October 6th, Security Staff was called to ICU for a combative OD Patient. The patient was controlled and placed in 4-way restraints.

On October 21st, an eighteen year old female presented into the ED with self inflicted forearm lacerations. Once triaged and shortly thereafter, this patient left without treatment. Security Staff was advised and Law Enforcement was contacted. The patient was located and contacted at a family's residence, where it was determined by Law Enforcement that she was not 5150. Medical Staff made contact by phone and encouraged the patient to return for further treatment.

On October 21st, ICSO Staff presented with an in-custody for med-clearance. Upon leaving the ED after evaluation, the arrestee became combative and received additional minor injuries. Security Staff was present when the fight broke out and assisted with control of the subject. The subject was treated for the new injuries and again cleared for transport to the jail.

On October 27th, Security stood by with a potential 5150 while Inyo County Mental Health Staff evaluated the subject. The subject was later transported to the Progress House.

On October 28th, Security Staff was advised of a subject staying in a motorhome to the north side of RHC. It was reported that the subject was a patient of the Hospital and had been given permission to stay for a short period of time while receiving treatment. It was later determined that the subject was using electricity from Hospital buildings and was dumping gray-water into the creek at the rear of RHC. This subject was advised with regard to the dumping of gray-water and in the interim it was determined that the subject might not have a legitimate need to stay on Campus.

Prior to any decision with regard to the stay, a Hospital employee reported to Security, what sounded like a loud and violent fight taking place in the motorhome between a male and female. Security Staff responded to the area and confirmed a possible fight was in progress in the motorhome. Bishop Police were notified and responded, whereupon their arrival the parties were contacted. The parties denied any such fight.

While investigating the matter, a member of the Bishop Tribal Police arrived at the scene and advised that the parties had been recently removed from Tribal Lands for Trespass. The removal had been spurred by an act of Domestic Violence allegedly committed by the male party in this matter, who was subsequently taken into custody by the Sheriff's Department.

The investigation in this matter did not determine if a crime had been committed, however it was determined that any future stay on Campus was not beneficial to the Hospital interests and the parties were asked to leave. They were advised that they were welcome to return for any future medical needs.

On November 2nd, the individuals in the above matter returned and the male party was receiving treatment in the ED. Security was advised and the parties requested permission to camp to the rear of RHC. Security advised that camping was not an option. The patient became volatile and stormed out of the ED. Security Staff followed the patient to observe him leaving Campus when the patient confronted the Security Officer and challenged him to fight. The Police Department was immediately called. The patient drove off prior to the arrival of Law Enforcement. At the time and date of this report the parties have not returned.

Security Staff provided Law Enforcement assistance in eleven instances this month. Four occasions were for Lab BAC's.

Security Staff assisted with three potential 5150 Patients during this period.

Security Staff provided well over 100 patient assists this month. Many of which were attributed to the opening of the new facility.

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NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT

RESOLUTION NO. 12-08

RESOLUTION APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL INDENTURE OF TRUST, AN ESCROW AGREEMENT, A PRELIMINARY OFFICIAL STATEMENT AND A BOND PURCHASE AGREEMENT IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT REVENUE BONDS AND APPROVING CERTAIN OTHER ACTIONS

RESOLVED, by the Board of Directors (the "Board") of the Northern Inyo County Local Hospital District (the "District"), as follows:

WHEREAS, the District has heretofore issued its \$8,000,000 Northern Inyo County Local Hospital District (Inyo County, California) Revenue Bonds, Series 1998, currently outstanding in the principal amount of \$6,025,000 (the "1998 Bonds"), for the purpose of financing and refinancing the remodeling, expansion, improvement and equipping of the health facilities owned and operated by the District;

WHEREAS, the 1998 Bonds were issued pursuant to that certain Indenture of Trust, dated as of December 1, 1998 (the "Original Indenture"), by and between the District and U.S. Trust Company, National Association (since succeeded by The Bank of New York Mellon Trust Company, N.A.), as trustee (the "Trustee");

WHEREAS, the District has also heretofore issued its \$11,600,000 Northern Inyo County Local Hospital District (Inyo County, California) Revenue Bonds, Series 2010, currently outstanding in the principal amount of \$11,090,000 (the "2010 Bonds"), for the purpose of financing and refinancing the remodeling, expansion, improvement and equipping of health facilities owned and operated by the District;

WHEREAS, the 2010 Bonds were issued pursuant to the Original Indenture, as amended and supplemented by that certain First Supplemental Indenture, dated as of April 1, 2010, by and between the District and the Trustee;

WHEREAS, the District desires to (a) finance the remodeling, expansion, improvement and equipping of health facilities owned and operated by the District and reimburse the District for costs thereof previously made, including but not limited to any or all expenses incidental thereto or connected therewith (the "2013 Project") and (b) refund the 1998 Bonds;

WHEREAS, to finance the 2013 Project and refund the 1998 Bonds, the District has determined to issue its Northern Inyo County Local Hospital District (Inyo County, California) Revenue Bonds, Series 2013 (the "2013 Bonds"), on a parity as to payment and security with the 2010 Bonds;

WHEREAS, the District has determined to take all necessary action to accomplish the issuance, sale and delivery of the 2013 Bonds;

WHEREAS, the District has determined that certain provisions of the Original Indenture are inconsistent and defective relating to the ability of the District to secure a borrowing with its accounts receivable and to calculate its debt service coverage ratio; and

WHEREAS, Section 12.01(b) of the Original Indenture provides that the Indenture and the rights and obligations of the District, of the Trustee and of the Owners of the Bonds (as defined in the Original Indenture) may be modified or amended from time to time and at any time by a supplemental indenture, which the District and the Trustee may enter into without the consent of any Bondowners but only to the extent permitted by law and only for certain purposes including to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the District may deem necessary or desirable and not inconsistent with the Indenture, and which shall not materially adversely affect the interests of the Owners of the Bonds;

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

Section 1. The plan to finance the 2013 Project and refund the 1998 Bonds is hereby authorized and approved with such changes as are finally approved by the President or the Chief Executive Officer/Chief Financial Officer, or the designee thereof.

Section 2. The issuance of the 2013 Bonds in the aggregate principal amount of not to exceed \$17,000,000 to finance the 2013 Project, refund the 1998 Bonds, deposit moneys in the Bond Reserve Account under the Original Indenture and pay the costs of issuance of the 2013 Bonds is hereby authorized and approved.

Section 3. The form of a second supplemental indenture of trust, by and between the District and the Trustee, amending and supplementing the Original Indenture, as previously amended and supplemented (the "Second Supplemental Indenture"), on file with the Board Secretary, is hereby approved. The Board President or the Chief Executive Officer/Chief Financial Officer, or the designee thereof, is hereby authorized and directed, for and in the name of the District, to execute and deliver the Second Supplemental Indenture in the form presented to this meeting, with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery of the Second Supplemental Indenture. The date, maturity dates, interest rates, interest payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of the 2013 Bonds shall be as provided in the Second Supplemental Indenture, as finally executed. The provisions of the Second Supplemental Indenture relating to the correction of the defective portions of the Original Indenture relating to the ability of the District to secure a borrowing with its accounts receivable and a change in the calculation of the debt service coverage ratio are hereby approved.

Section 4. The form of escrow deposit and trust agreement, by and between the District and The Bank of New York Mellon Trust Company, N.A., as escrow bank, providing for the defeasance of the 1998 Bonds (the "Escrow Agreement"), on file with the Board Secretary, is hereby approved. The Board President or the Chief Executive Officer/Chief Financial Officer, or the designee thereof, is hereby authorized and directed, for and in the name of the District, to execute and deliver the Escrow Agreement in the form presented to this meeting, with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery of the Escrow Agreement.

Section 5. The form of official statement relating to the 2013 Bonds, on file with the Board Secretary, is hereby approved. The Board President or the Chief Executive Officer/Chief Financial Officer, or the designee thereof, is hereby authorized and directed, for and in the name of the District, to execute and deliver an official statement in substantially the form presented to this meeting, with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery of such official statement and to certify or represent that prior to purchase, offer or sale of the 2013 Bonds, the official statement in preliminary form is deemed final by the District for purposes of Rule 15(c)2-12 of the Securities and Exchange Commission. Distribution of the official statement to the purchasers of the 2013 Bonds is hereby authorized and distribution of the official

statement in preliminary form to persons interested in the purchase of the 2013 Bonds is hereby approved.

Section 6. The form of bond purchase agreement by and between the District and Piper Jaffray & Co. and Southwest Securities Inc., as underwriters (the "Underwriters"), on file with the Secretary, is hereby approved. The Board President or the Chief Executive Officer/Chief Financial Officer, or the designee thereof, is hereby authorized and directed for and in the name of the District, to execute and deliver a bond purchase agreement, in substantially the form presented to this meeting, with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery of such bond purchase agreement, so long as the Underwriters' discount for purchase of the 2013 Bonds does not exceed 0.85% (not including any original issue discount which does not constitute compensation to the Underwriters).

Section 7. The 2013 Bonds shall be executed by the manual or facsimile signature of the Board President or the Chief Executive Officer/Chief Financial Officer, or the designee thereof, and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Board, in the form set forth in and otherwise in accordance with the Second Supplemental Indenture of trust.

Section 8. The 2013 Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the 2013 Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the 2013 Bonds, when duly executed and authenticated, to the order of the Underwriters in accordance with written instructions of the District. Said instructions shall provide for the delivery of the 2013 Bonds to the order of the Underwriters upon payment of the purchase price thereof.

Section 9. The Board President or the Chief Executive Officer/Chief Financial Officer, or the designee thereof, is hereby authorized and directed, for and in the name of the District, to execute and deliver any other documents as may be deemed necessary or appropriate to issue the 2013 Bonds, such approval to be conclusively evidenced by the execution and delivery of such documents.

Section 10. The Secretary or the Assistant Secretary of the Board is hereby authorized and directed to attest the signature of the President or the Chief Executive Officer/Chief Financial Officer, or the designee thereof, as may be required in connection with the execution and delivery of the Second Supplemental indenture, the bond purchase agreement, the official statement and the 2013 Bonds in accordance with this resolution.

Section 11. The Board President or the Chief Executive Officer/Chief Financial Officer, or the designee thereof, are each hereby authorized and directed to do the following with respect to the issuance of the 2013 Bonds:

(a) take any and all actions and execute, acknowledge, deliver and file any and all agreements, instruments or other documents of any kind required of the District; and

(b) act as an agent to the District for the purposes of issuing the 2013 Bonds and any additional negotiations, authorizations, approval, executions, consents, notices, deliveries or other acts required to issue such 2013 Bonds.

Section 12. All actions taken by the Board President or the Chief Executive Officer/Chief Financial Officer, or the designee thereof, and other officers or directors of the District which have been undertaken to date or which will be undertaken with respect to the planning, negotiation, authorization, approvals and implementation of the financing plan are hereby ratified, confirmed and approved in all respects.

Section 13. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 19th day of December, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

By _____
President, Board of Directors
Northern Inyo County Local Hospital
District

I hereby certify that the foregoing resolution was duly adopted at a meeting of the Board of Directors of the Northern Inyo County Local Hospital District held on the 19th day of December, 2012

By _____
Secretary, Board of Directors
Northern Inyo County Local Hospital
District

§
NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT
(Inyo County, California)
REVENUE BONDS, SERIES 2013

BOND PURCHASE AGREEMENT

January 9, 2013

Northern Inyo County Local Hospital District
1500 Pioneer Lane
Bishop, California 93514

Ladies and Gentlemen:

The undersigned, Piper Jaffray & Co. (the "Representative") on behalf of itself and Southwest Securities Inc., as underwriters (collectively, the "Underwriters"), offers to enter into this Bond Purchase Agreement (the "Bond Purchase Agreement") with the Northern Inyo County Local Hospital District (the "District"), which, upon acceptance of this offer, will be binding upon the District and the Underwriters.

The District hereby acknowledges and agrees that (a) the purchase and sale of the Bonds (as defined herein) pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the District and the Underwriters, (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriters are and have been acting solely as principals and are not acting as the agents or fiduciaries of the District, (c) the Underwriters have not assumed an advisory or fiduciary responsibility in favor of the District with respect to the offering and sale of the Bonds contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the District on other matters) and the Underwriters have no obligation to the District with respect to the offering and sale of the Bonds contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement, and (d) the District has consulted its own legal, financial and other advisors to the extent it has deemed appropriate, in connection with the issuance of the Bonds and the other matters contemplated by this Bond Purchase Agreement. The undersigned Representative has been duly authorized to execute this Bond Purchase Agreement on behalf of the Underwriters and to act hereunder.

This offer is made subject to acceptance by the District at or before 11:59 p.m., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon written notice delivered to the District at any time prior to such acceptance.

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Indenture, dated as of December 1, 1998, by and between the District and U.S. Trust Company, National Association, since succeeded by The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as amended and supplemented by the

First Supplemental Indenture, dated as of April 1, 2010 (the "First Supplemental Indenture"), between the District and the Trustee, and as further amended and supplemented by the Second Supplemental Indenture, dated as of January 1, 2013 (the "Second Supplemental Indenture"), between the District and the Trustee. Said Indenture as so supplemented is hereinafter referred to as the "Indenture."

The Bonds are being issued to (a) finance the remodeling, expansion, improvement and equipping of the health facilities owned and operated by the District and reimburse the District for costs thereof previously made, including but not limited to any or all expenses incidental thereto or connected therewith, (b) refund the District's outstanding Northern Inyo County Local Hospital District (Inyo County, California) Revenue Bonds, Series 1998 (the "1998 Bonds"), (c) make a deposit to the reserve fund under the Indenture, if required, and (d) pay certain costs and expenses related to the issuance and sale of the Bonds.

Section 1. Purchase, Sale, Offering and Delivery of Bonds.

(a) Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase from the District, and the District hereby agrees to sell to the Underwriters, all (but not less than all) of the District's \$_____ aggregate principal amount of Northern Inyo County Local Hospital District (Inyo County, California) Revenue Bonds, Series 2013 (the "Bonds"), at a purchase price of \$_____ (representing the \$_____ aggregate principal amount of the Bonds, less the Underwriters' discount of \$_____, less net original issue discount of \$_____). The Bonds shall be dated the date of their delivery, and shall mature, subject to prior redemption, on the dates and bear interest from the date thereof at the rates per annum set forth in Schedule A attached hereto. The Bonds shall be subject to redemption as described in Schedule A attached hereto.

(b) The Bonds shall be as described in and shall be issued pursuant to the Indenture, substantially in the form previously submitted to the Representative, with only such changes therein as shall be mutually agreed upon. The proceeds from the sale of the Bonds will be used to (i) fund the Project (as such term is defined in the Preliminary Official Statement), (ii) fund the Bond Reserve Account, and (iii) pay certain costs and expenses related to the issuance and sale of the Bonds. The Bonds will be limited obligations of the District payable solely from Revenues and secured by a pledge of the District's Gross Revenues and of amounts held in certain funds and accounts established pursuant to the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

(c) The District has heretofore prepared and delivered to the Representative the Preliminary Official Statement dated December 31, 2012 (together with all appendices thereto, the "Preliminary Official Statement"), with respect to the Bonds, which the District confirms it has "deemed final" for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The District ratifies and consents to the distribution by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds.

(d) Concurrently with its acceptance hereof, or as soon thereafter as practicable but not later than seven (7) business days, the District shall deliver to the Representative two executed copies of the Official Statement (including the appendices attached thereto) relating to the Bonds, dated the date hereof (such Official Statement, together with all Appendices thereto and any amendments or supplements thereto, is herein referred to as the "Official Statement") substantially in the same form as the Preliminary Official Statement with only such changes

therein as shall have been accepted by the Representative, signed on behalf of the District by the President of its Board of Directors, the Chief Executive Officer or such other official of the District as shall be acceptable to the Representative. The District hereby authorizes the use by the Underwriters of the Indenture and the Official Statement and the information contained therein in connection with the offering and sale of the Bonds. The District agrees to provide to the Underwriters within seven (7) business days of the date hereof sufficient copies of the Official Statement to enable the Underwriters to comply with the requirements of paragraph (b)(4) of Rule 15c2-12 of the Commission and with requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

(e) The Underwriters agree to make an initial public offering of the Bonds at not in excess of the initial public offering prices set forth on the cover page of the Official Statement; *provided, however*, the Underwriters reserve the right to make concessions to dealers and to change such initial public offering prices as the Underwriters shall deem necessary in connection with the marketing of the Bonds. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at prices lower than such public offering prices. In connection with the offering of the Bonds, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time by the Underwriters without prior notice.

(f) At 8:00 a.m., California time, on January 29, 2013, or on such earlier or later date as shall be agreed upon in writing by the District and the Representative (the "Closing Date"), the District shall direct the Trustee to deliver the Bonds (which may be typewritten) to the Representative, at the office of The Depository Trust Company ("DTC") in definitive form, duly executed and authenticated, in New York, New York (or with the Trustee in the event of a Fast Automated Securities Transfer (F.A.S.T.)), or at such other location as may be designated by the Representative and approved by the District, and shall deliver to the Representative the other documents herein mentioned at the offices of Quint & Thimmig LLP, San Francisco, California ("Bond Counsel"), or such other location as may be mutually agreed upon by the District and the Representative. The Representative will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1(a) hereof in immediately available funds by federal funds or wire transfer to the order of the Trustee. The Bonds shall be issued in the form of one fully registered Bond for each serial and term maturity of the Bonds, and shall be registered in the name of Cede & Co., as nominee for DTC.

(g) It shall be a condition to the obligation of the Underwriters to purchase and accept delivery of the Bonds that all Bonds be sold and delivered by the District to the Underwriters at the Closing and that all obligations of the parties to this Bond Purchase Agreement shall have been satisfied or waived in writing prior to the Closing.

Section 2. Representations, Warranties and Agreements of the District. The District represents and warrants to and agrees with the Underwriters that:

(a) The District is and will be at the Closing Date a political subdivision of the State of California and a local health care district duly organized and existing under The Local Health Care District Law, constituting Division 23 of the California Health and Safety Code, with the full power and authority to issue the Bonds and to execute this Bond Purchase Agreement, the Indenture, the Continuing Disclosure Certificate, dated as of January 1, 2013 (the "Disclosure Certificate"), and the Escrow Deposit and Trust Agreement, dated the Closing Date (the "Escrow Agreement"), by and between the District and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "Escrow Bank"), relating to the defeasance of the 1998 Bonds, and to carry out and consummate all transactions on its part contemplated by this Bond

Purchase Agreement, the Indenture, the Disclosure Certificate, the Escrow Agreement and the Official Statement;

(b) When delivered to and paid for by the Underwriters at the Closing in accordance with the provisions of this Bond Purchase Agreement, the Bonds will have been duly authorized, executed, issued and delivered and will constitute valid and binding limited obligations of the District in conformity with, and entitled to the benefit and security of, the Indenture;

(c) By official action of the District prior to or concurrently with the acceptance hereof, the District has adopted and authorized the distribution of the Official Statement, and authorized and approved the execution and delivery of, and the performance by the District of the obligations on its part contained in, the Bonds, the Indenture, the Disclosure Certificate, the Escrow Agreement and this Bond Purchase Agreement and the consummation by the District of all other transactions contemplated by the Official Statement and this Bond Purchase Agreement;

(d) Except for any matter described under "LITIGATION" in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or administrative body pending or, to the knowledge of the District, threatened against or affecting the District or to the knowledge of the District, any meritorious basis therefor, wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition of the District, the operation by the District of its properties or the transactions contemplated by this Bond Purchase Agreement and the Preliminary Official Statement, or would have an adverse effect on the validity or enforceability of the Bonds, the Indenture, the Disclosure Certificate, the Escrow Agreement or any agreement or instrument by which the District is or may be bound or in any way adversely affect the existence or powers of the District or in any way adversely affect the excludability from gross income for federal income tax purposes of interest on the Bonds, except litigation, proceedings or claims involving professional liability claims or general liability claims in which the probable ultimate recoveries and the estimated costs and expenses of defense, in the opinion of counsel to the District, will be entirely within applicable insurance policy limits (subject to applicable deductibles) or not in excess of the total available reserves held under applicable self-insurance programs;

(e) The information contained in the Preliminary Official Statement relating to (i) the District and the Hospital Facilities, (ii) the District's operations and financial and other affairs, (iii) the application of the proceeds of sale of the Bonds and (iv) the participation by the District in the transactions contemplated by this Bond Purchase Agreement and the Preliminary Official Statement was, as of its date, and will be, as of the Closing Date, true and correct in all material respects. The Preliminary Official Statement does not contain, and the Official Statement, as of its date and as of the Closing Date, will not contain any untrue statement of a material fact, and the Preliminary Official Statement does not omit and the Official Statement, as of its date and as of the Closing Date, will not omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(f) The District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Representative may reasonably request in order for the Underwriters (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate, and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification in effect so long as required for distribution of the Bonds; provided,

however, that in no event shall the District be required to take any action that would subject it to general or unlimited service of process in any jurisdiction in which it is not now so subject;

(g) If between the date of this Bond Purchase Agreement and 90 days following the Closing Date any event shall occur which might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the District shall notify the Underwriters and if, in the opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the District will supplement or amend the Official Statement in a form and in a manner approved by the Representative, provided all expenses thereby incurred will be paid by the District. If the Official Statement is so supplemented or amended prior to the Closing, such approval by the Representative of a supplement or amendment to the Official Statement shall not preclude the Representative from thereafter terminating this Bond Purchase Agreement, and if the Official Statement is so amended or supplemented subsequent to the date hereof and prior to the Closing, the Representative may terminate this Bond Purchase Agreement by notification to the District at any time prior to the Closing if, in the reasonable judgment of the Representative, such amendment or supplement has or will have a material adverse effect on the marketability of the Bonds;

(h) The issuance of the Bonds and the execution and delivery of the Second Supplemental Indenture, the Disclosure Certificate, the Escrow Agreement and this Bond Purchase Agreement, and compliance with the provisions on the District's part contained therein or herein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, nor will any such issuance, execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the District under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture;

(i) To the best of its knowledge, the District is not in breach of or in default under any existing law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, mortgage, resolution, agreement or other instrument to which the District is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, in either case in any manner or to any extent which could have a material adverse effect on the financial condition of the District, the operation by the District of the Hospital Facilities or the transactions contemplated by this Bond Purchase Agreement and the Official Statement, or have an adverse effect on the validity or enforceability in accordance with their respective terms of the Bonds, the Disclosure Certificate, the Indenture or the Escrow Agreement, or in any way adversely affect the existence or powers of the District or in any way materially adversely affect the excludability from gross income for federal income tax purposes of interest on the Bonds;

(j) The District is not, nor has it been at any time subsequent to June 30, 2012, in default in the payment of principal of or interest on any obligation issued or guaranteed by the District;

(k) After the Closing, the District will (i) not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Representative shall reasonably object in writing or which shall be disapproved by counsel to the Underwriters and (ii) for so long as the Underwriters are obligated to deliver final Official Statements to prospective purchasers, if any event relating to or affecting the

District shall occur as a result of which it is necessary, in the opinion of counsel for the Underwriters, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a prospective purchaser, forthwith prepare and furnish to the Underwriters (at the expense of the District for 25 days from the Closing Date) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriters) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to prospective purchasers, not misleading. For the purposes of this subsection, the District will furnish such information with respect to itself as the Representative may from time to time reasonably request. Unless otherwise notified by the Representative, the District can assume that the end of the underwriting period (as defined in Rule 15c2-12) is the Closing Date;

(l) No consent or approval of any trustee or holder of any indebtedness of the District, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except in connection with Blue Sky proceedings, as to which no representation is being made) is necessary in connection with the execution and delivery of this Bond Purchase Agreement, the Second Supplemental Indenture, the Disclosure Certificate, the Escrow Agreement, the Official Statement or the consummation of any transaction therein or herein contemplated, except as have been obtained or made and are in full force and effect. The District makes no representation as to any approvals or actions as may be required under any state or federal blue sky or securities laws;

(m) The District has received and there remain currently in full force and effect, or will receive prior to the delivery of the Bonds, all governmental consents and approvals (i) that would constitute a condition precedent to the performance by the District of its obligations hereunder, the Disclosure Certificate, the Escrow Agreement or the Indenture or the consummation of the transactions contemplated by the Official Statement or this Bond Purchase Agreement, and (ii) to qualify the District for reimbursement for its costs and expenses under all third party payor programs accounting for a significant portion of the District's Gross Revenues, including without limitation, Medicare and Medi-Cal;

(n) The District has met all of its continuing disclosure obligations with respect to the 1998 Bonds and its outstanding Northern Inyo County Local Hospital District (Inyo County, California) Revenue Bonds, Series 2010, and with respect to any other obligations subject to similar continuing disclosure undertakings, including its previously issued general obligation bonds;

(o) Between the date hereof and the Closing Date, the District will not, without the prior written consent of the Representative, except as described in or contemplated by the Official Statement, incur any material liabilities, direct or contingent, other than in the ordinary course of business;

(p) To the extent permitted by law, the District agrees to indemnify and hold harmless the Underwriters, each director, trustee, member, officer, official, employee thereof, attorneys therefor and each person, if any, who controls the Underwriters within the meaning of Section 15 of the Securities Act of 1933, as amended (the "Securities Act"), or Section 20(a) of the Exchange Act (collectively, the "Indemnified Parties") against any and all judgments, losses, claims, damages, liabilities and expenses (i) to which any such Indemnified Party may become subject, under federal laws or regulations or otherwise, insofar as such judgments, losses, claims, damages or liabilities (or actions with respect thereto) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact set forth in the Official

Statement, or any amendment or supplement thereto, or the Preliminary Official Statement, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or which is necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading in any material respect, and (ii) to the extent of the aggregate amount paid in settlement of any litigation or other action commenced or threatened arising from a claim based upon any such untrue statement or alleged untrue statement or omission or alleged omission if such settlement is effected with the written consent of the District; and will reimburse any legal or other expenses reasonably incurred by any such Indemnified Party in connection with investigating or defending any such judgment, loss, claim, damage, liability or action; provided, however, that (A) such indemnity shall not extend to information provided to the District in writing by the Underwriters, included on the cover page of the Preliminary Official Statement or the Official Statement regarding the principal amounts, interest rates, maturities and initial public offering prices of the Bonds or included therein under the caption "Annual Debt Service Requirements" and (B) such indemnity with respect to information in the Preliminary Official Statement shall not inure to the benefit of the Underwriters (or any person controlling the Underwriters within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act) from whom the person asserting such losses, claims, damages, liabilities or actions purchased the Bonds which are the subject thereof, if the Underwriters failed to send or give a copy of the Official Statement at or prior to the settlement of a sale of such Bonds to such person and the Official Statement would have corrected the alleged untrue statement or omission in the Preliminary Official Statement. Promptly after receipt by an Indemnified Party under this subsection of notice of the commencement of any action, such Indemnified Party will, if a claim with respect thereto is to be made against the District under this subsection, give notice to the District of the commencement thereof; but the omission so to notify the District will not relieve the District from any liability which it may have to any Indemnified Party otherwise than under this subsection. Upon receipt of such notice, the District shall assume the defense thereof, including the retaining of counsel acceptable to the Underwriters and the payment of all expenses. The Underwriters or any such controlling person shall have the right to retain separate counsel in any such action and to participate in the defense thereof but shall bear the fees and expenses of such counsel unless (I) the District shall have specifically authorized the retaining of such counsel or (II) the parties to such suit include the Underwriters or controlling person or persons, and the District and the Underwriters or controlling person or persons have been advised by such counsel that one or more legal defenses may be available to it or them that may not be available to the District, in which case the District shall not be entitled to assume the defense of such suit notwithstanding its obligation to bear the fees and expenses of such counsel. Notwithstanding anything herein to the contrary, any obligation of the District to pay indemnification as provided in this subsection (p) shall be paid solely from moneys legally available for such purpose;

(q) To provide for just and equitable contribution in circumstances in which the indemnification provided for in subsection (p) above is applicable but for any reason is held to be unavailable from the District, the District and the Underwriters shall contribute to the aggregate losses, claims, damages and liabilities (including any investigation, legal and other expenses incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claims asserted, but after deducting any contribution received by the District from persons who control the District within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act, or officials of the District who sign the Official Statement, who also may be liable for contribution) to which the District and the Underwriters may be subject in such proportions that the Underwriters is responsible for that portion represented by the percentage that the underwriting discount set forth in the Official Statement bears to the aggregate offering price appearing thereon and the District is responsible for the balance; provided, however, that (i) in no case shall the Underwriters be responsible for any amount in excess of the underwriting discount applicable to the Bonds purchased by the Underwriters

pursuant to this Bond Purchase Agreement, and (ii) no person responsible for a material misstatement or omission in the Official Statement shall be entitled to contribution from any person who was not responsible for such material misstatement or omission. For purposes of this subsection (q), each person, if any, who controls the Underwriters within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act, shall have the same rights to contribution as the Underwriters, each person, if any, who controls the District within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act, and each official of the District who has signed the Official Statement shall have the same rights to contribution as the District, subject in each case to clauses (i) and (ii) of this subsection (q). Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this subsection (q), notify such party or parties from whom contribution may be sought, but the omission to so notify such party or parties from whom contribution may be sought shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under this subsection (q). No party shall be liable for contribution with respect to any action or claim settled without its consent. Notwithstanding anything herein to the contrary, any obligation of the District for contribution as provided in this subsection (q) shall be paid solely from moneys legally available for such purpose;

(r) The Hospital Facilities are owned or leased and operated by the District. The District has all necessary leases, licenses, permits, accreditations and certifications required to carry on and operate the Health Facilities. The District has all power and authority to consummate the transactions contemplated by this Bond Purchase Agreement and the Official Statement, including the execution, delivery and/or approval of all documents and agreements referred to herein or therein. The District has not received notice of an alleged violation and, to the best of its knowledge, the District is not in violation of any zoning, land use, environmental or other similar law or regulation applicable to any of the District's property or the Hospital Facilities that could adversely affect the District's operations or financial condition;

(s) The District duly authorized all necessary action to be taken by it for: (i) the issuance and sale of the Bonds by the District upon the terms and conditions set forth herein, in the Official Statement and in the Indenture and the approval of the Official Statement and the Bonds; and (ii) the execution, delivery and receipt of this Bond Purchase Agreement, the Indenture, the Disclosure Certificate, the Escrow Agreement and the Official Statement, and any and all such agreements, certificates and documents as may be required to be executed, delivered and received by the District to carry out, effect and consummate the transactions contemplated hereby and by the Official Statement, including but not limited to such certifications as may be necessary to establish and preserve excludability from gross income for federal income tax purposes of interest on the Bonds;

(t) The District's audited financial statements as of June 30, 2012, and for the period then ended, are a fair presentation of the financial position of the District as of the dates indicated and the results of its operations and changes in its net assets for the periods specified. Except as described in the Official Statement, since June 30, 2012, there has been no material adverse change in the condition, financial or otherwise, of the District from that set forth in the audited financial statements as of and for the period ended that date; and the District has not, since June 30, 2012, incurred any material liabilities, directly or indirectly, except in the ordinary course of its operations;

(u) The District will not take or omit to take any action that will in any way cause the proceeds from the sale of the Bonds to be applied or result in such proceeds being applied in a manner other than as provided in the Indenture; and

(v) Each representation, warranty or agreement stated in any certificate signed by any official of the District and delivered to the Representative on or before the Closing Date shall constitute a representation, warranty or agreement by the District upon which the Underwriters shall be entitled to rely.

Section 3. Conditions to the Obligations of the Underwriters. The obligation of the Underwriters to purchase, accept delivery of, and pay for the Bonds on the Closing Date shall be subject to the performance prior to or concurrently with the Closing Date by the District of its obligations to be performed under this Bond Purchase Agreement and the accuracy of the representations and warranties of the District contained herein as of the date hereof and as of the Closing Date, and shall also be subject to the following additional conditions:

(a) At the time of Closing, (i) each of the Second Supplemental Indenture, the Official Statement, the Disclosure Certificate, the Escrow Agreement, this Bond Purchase Agreement and the Bonds shall have been duly authorized, executed and delivered, and each of the foregoing shall be in full force and effect in the form heretofore submitted to the Representative and shall not have been amended, modified or supplemented except as may have been agreed to by the Representative, (ii) the proceeds of sale of the Bonds shall be paid to the Trustee for deposit or use as described in the Official Statement and (iii) there shall have been taken in connection with the issuance of the Bonds and with the transactions contemplated thereby and by this Bond Purchase Agreement all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate.

(b) Between the date hereof and the Closing Date, the market price or marketability of the Bonds, at the initial offering prices set forth in the Official Statement, shall not have been materially adversely affected, in the judgment of the Representative (evidenced by a written notice by the Representative to the District terminating the obligations of the Underwriters to purchase, accept delivery of and pay for the Bonds), by reason of any of the following:

(1) legislation shall have been enacted by the Congress of the United States or the Legislature of the State of California or favorably reported thereto for passage by any Committee to which such legislation has been referred for consideration or be pending before any such Committee or shall have been recommended to the Congress of the United States for passage by the President of the United States or recommended to the Legislature of the State of California for passage by the Governor of the State of California, or a decision shall have been rendered by a court of the United States, including the Tax Court of the United States, or of the State of California, or a ruling or an official release shall have been made or a regulation shall have been proposed or made by the Treasury Department of the United States or the Internal Revenue Service or other federal or State of California authority having jurisdiction over tax matters, with respect to federal or State of California taxation upon revenues or other income of the District or upon interest on obligations of the general character of the Bonds, or other actions or events shall have transpired that would, in the reasonable judgment of the Representative, have the purpose or effect, directly or indirectly, of changing the federal or State of California tax consequences of any of the transactions contemplated in connection herewith and that in the reasonable judgment of the Representative, affects materially and adversely (i) the market price or marketability of the Bonds, or (ii) the ability of the Underwriters to enforce contracts for the sale of the Bonds;

(2) legislation shall have been enacted or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the Securities and

Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act");

(3) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war or the occurrence of any other national emergency or calamity relating to the effective operation of the government of or the financial community in the United States;

(4) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

(5) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds or obligations of the general character of the Bonds or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or any change to the net capital requirements of, the Underwriters;

(6) an order, decree or injunction of any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed) or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect; or

(7) any event occurring, or information becoming known which, in the reasonable judgment of the Representative, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(c) At or prior to the Closing, the Representative shall have received the following, in each case satisfactory in form and substance to the Representative:

(1) The Official Statement signed on behalf of the District by the President of its Board of Directors, the Chief Executive Officer or other duly authorized officer of the District acceptable to the Representative and fully executed copies of the Second Supplemental Indenture, the Escrow Agreement and the Disclosure Certificate.

(2) A certificate, dated the Closing Date, signed by an authorized officer of the District to the effect that (A) since June 30, 2012, the District has not incurred any material liabilities, direct or contingent, nor has there been any material adverse change in the financial position, results of operation or condition of the District that is not described in the Official Statement, unless arising from transactions in the ordinary course of business; (B) no litigation is pending or, to such officer's best knowledge, threatened (i) to restrain or enjoin the collection of Gross Revenues pledged or to be pledged under the Indenture, (ii) in any way contesting or affecting any authority for the

issuance of the Bonds, the validity of the Bonds, the Indenture, the Disclosure Certificate, the Escrow Agreement or this Bond Purchase Agreement or the exemption from federal income taxation of interest on the Bonds or (iii) in any way contesting the powers or operations of the District; (C) to the best of such officer's knowledge, the descriptions and information contained in the Official Statement relating to the District, the Hospital Facilities, the District's other property, the District's operations and financial and other affairs, and the application of the proceeds of sale of the Bonds are correct in all material respects, as of the date of the Official Statement and as of the Closing Date; (D) such descriptions and information, as of the date of the Official Statement did not, and as of the Closing Date do not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; (E) there has been no change or threatened change in the governmental status of the District; (F) at the time of Closing, no default or event of default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default under the Indenture, this Bond Purchase Agreement, the Disclosure Certificate, the Escrow Agreement, or any other material agreement or material instrument to which the District is a party or by which it is or may be bound or to which any of the District's property or other assets is or may be subject; (G) the resolutions of the Board of Directors of the District authorizing and approving the execution and delivery of the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, this Bond Purchase Agreement, the Disclosure Certificate, the Escrow Agreement and the Official Statement and the form of the Bonds has been duly adopted by such Board of Directors and has not been modified, amended or repealed; (H) no event affecting the District has occurred since the date of the Official Statement that either makes untrue or incorrect, as of the date of Closing, any statement or information relating to the same and contained in the Official Statement or that should be disclosed therein in order to make the statements and information therein, in the light of the circumstances under which they were made, not misleading; and (I) the representations of the District herein and in the Indenture are true and correct in all material respects as of the date of Closing.

(3) A certificate, satisfactory in form and substance to the Representative, of one or more duly authorized officers of the Trustee, dated the Closing Date, as to the due acceptance, execution and delivery of the Indenture by the Trustee and the due authentication and delivery of the Bonds by the Trustee thereunder.

(4) A certificate, satisfactory in form and substance to the Representative, of one or more duly authorized officers of the Escrow Bank, dated the Closing Date, as to the due acceptance, execution and delivery of the Escrow Agreement by the Escrow Bank.

(5) The approving opinion, dated the Closing Date, of Bond Counsel, in substantially the form of Appendix D to the Official Statement, together with a reliance letter addressed to the Underwriters.

(6) An opinion, dated the Closing Date, addressed to the District and the Underwriters, of Douglas Buchanan, Esq., counsel to the District, in substantially the form attached hereto as Exhibit A.

(7) A supplemental opinion of Bond Counsel, dated the Closing Date, addressed to the District and the Underwriters to the effect that: (A) this Bond Purchase Agreement has been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by and validity against the Underwriters, is a

valid and binding agreement of the District, subject to bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance and other laws relating to or affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases in the State of California; (B) the statements contained in the Official Statement under the captions "INTRODUCTORY STATEMENT," "THE 2013 BONDS," "SECURITY FOR THE 2013 BONDS," "TAX MATTERS," APPENDIX C—"SUMMARY OF THE INDENTURE" and APPENDIX D—"FORM OF OPINION OF BOND COUNSEL," insofar as such statements purport to summarize certain provisions of the Bonds, the Indenture and their opinion concerning certain federal tax matters relating to the Bonds are accurate in all material respects; and (C) the Bonds are not subject to the registration requirements of the Securities Act and the Indenture is exempt from qualification under the Trust Indenture Act.

(8) An opinion of Jennings, Strouss & Salmon, PLC, as disclosure counsel to the District, dated the Closing Date and addressed to the Underwriters, to the effect that based upon information made available to such counsel in the course of such counsel's participation in the transaction and without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come to such counsel's attention which would lead them to believe that the Official Statement (excluding therefrom the financial, statistical or economic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion and information about The Depository Trust Company and the book-entry system included in the Official Statement, as to which no opinion need be expressed), as of the date thereof or the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(9) A tax certificate and agreement by the District in form and substance satisfactory to Bond Counsel.

(10) A copy of the executed Information Return for Tax-Exempt Governmental Bond Issues, Form 8038-G (current revision), and evidence of the filing thereof with the Internal Revenue Service regarding the Bonds.

(11) A certified copy of the resolution of the Board of Directors of the District approving and authorizing the execution and delivery of the Official Statement, the Indenture, the Second Supplemental Indenture, the Disclosure Certificate, the Escrow Agreement and this Bond Purchase Agreement.

(12) An opinion of counsel to the Trustee in form and substance acceptable to Bond Counsel and the Representative.

(13) An opinion of counsel to the Escrow Bank in form and substance acceptable to Bond Counsel and the Representative.

(14) Evidence that the Bonds have received a rating of at least "BBB-" by Standard & Poor's Ratings Services.

(15) The Certificate of the District required by Section 3.06(b) of the Indenture.

(16) Original or certified copies of the documents required pursuant to Section 3.06(c) of the Indenture.

(17) The opinion of Bond counsel required by Section 3.06(d) of the Indenture.

(18) Such additional certificates, proceedings, opinions, instruments and other documents as the Representative may reasonably request in connection with the transactions contemplated by this Bond Purchase Agreement, including, but not limited to, such additional certificates, proceedings, instruments and opinions as the Representative may reasonably request to evidence the consummation of the transactions contemplated by this Bond Purchase Agreement and all matters relating to this Bond Purchase Agreement, the Bonds and the sale thereof, and the Indenture.

If the District shall be unable to satisfy the conditions to the obligation of the Underwriters contained in this Bond Purchase Agreement, or if the obligation of the Underwriters shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement may be canceled by the Underwriters, and, upon such cancellation, neither the Underwriters nor the District shall be under any further obligation hereunder except as provided in Section 4 hereof.

Section 4. Expenses. All reasonable expenses and costs of the District incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriters, including printing costs, fees and expenses of the Trustee, fees and expenses of the Escrow Bank, fees and expenses of consultants and reasonable fees and expenses of Bond Counsel, counsel to the District and disclosure counsel, shall be paid by the District. All fees and expenses to be paid by the District pursuant to this Bond Purchase Agreement may be paid from Bond proceeds to the extent permitted by the Indenture. All out-of-pocket expenses of the Underwriters, including travel and other expenses, CUSIP Service Bureau charges and California Debt Advisory Commission fees, shall be paid by the Underwriters.

Section 5. Notices. Any notice or other communication to be given to the District under this Bond Purchase Agreement may be given by delivering the same in writing at the District's address set forth above; any notice or other communication to be given to the Underwriters under this Bond Purchase Agreement may be given by delivering the same in writing to Piper Jaffray & Co., 8235 Forsyth Boulevard, Suite 600, St. Louis, MO 63105, Attention: Mr. Stephen W. Woodard, Managing Director. The approval of the Underwriters when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing signed by the Representative and delivered to the District.

Section 6. Parties in Interest; Survival of Representations and Warranties. This Bond Purchase Agreement is made solely for the benefit of the District and the Underwriters (including the successors or assigns of the Underwriters), and no other person shall acquire or have any right hereunder or by virtue hereof. All the representations, warranties and agreements made by the District in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriters, (ii) delivery of and payment for the Bonds hereunder, and (iii) any termination of this Bond Purchase Agreement.

Section 7. Governing Law. This Bond Purchase Agreement shall be governed by the laws of the State of California.

Section 8. Miscellaneous. The headings of the sections of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be part hereof.

Section 9. Counterparts. This Bond Purchase Agreement may be signed in two or more counterparts (including counterparts represented by facsimile copies and/or containing facsimile signatures); all of such counterparts, when signed by the parties, shall constitute but one single agreement.

Very truly yours,

PIPER JAFFRAY & CO. and
SOUTHWEST SECURITIES INC., as
Underwriters

By PIPER JAFFRAY & CO., as
Representative

By _____
Stephen W. Woodard
Managing Director

The foregoing is hereby accepted as of the
date first written above.

NORTHERN INYO COUNTY LOCAL
HOSPITAL DISTRICT

By _____
John Halfen
Chief Executive Officer

SCHEDULE A

\$ _____
 NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT
 (Inyo County, California)
 REVENUE BONDS, SERIES 2013

<u>Maturity Date</u> (December 1)	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>
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Optional Redemption. The Bonds maturing on or before December 1, _____, shall not be subject to optional redemption prior to maturity. The Bonds maturing on or after December 1, _____, shall be subject to redemption prior to their respective maturity dates, at the option of the District, as a whole or in part, in such order of maturity as shall be selected by the District (or in inverse order of maturity if the District shall fail to select a particular order) and by lot within a maturity, on any date on or after December 1, _____, from any source of available funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption.

Mandatory Sinking Fund Account Redemption. The Bonds maturing on December 1, _____, are also subject to mandatory redemption, on December 1 in each year, commencing December 1, _____, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, from mandatory sinking fund account payments made by the District under the Indenture in the years and amounts as follows:

Sinking Fund Account Redemption Date (December 1)	Sinking Fund Installments Redeemed or Purchased
---	--

_____†Maturity

The Bonds maturing on December 1, _____, are also subject to mandatory redemption, on December 1 in each year, commencing December 1, _____, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, from mandatory sinking fund account payments made by the District under the Indenture in the years and amounts as follows:

Sinking Fund Account
Redemption Date
(December 1)

Sinking Fund Installments
Redeemed or Purchased

†Maturity

The Bonds maturing on December 1, ____, are also subject to mandatory redemption, on December 1 in each year, commencing December 1, ____, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, from mandatory sinking fund account payments made by the District under the Indenture in the years and amounts as follows:

Sinking Fund Account
Redemption Date
(December 1)

Sinking Fund Installments
Redeemed or Purchased

†Maturity

Extraordinary Redemption. The Bonds are subject to redemption prior to their respective stated maturities at the option of the District as a whole on any date or in part by such maturities as are selected by the District (or if the District fails to designate such maturities, in inverse order of maturity) and by lot within a maturity on any Interest Payment Date, from hazard insurance or condemnation proceeds received with respect to the Hospital Facilities of the District, in each case under the circumstances described and as provided in the Indenture, at a Redemption Price equal to 100% of the principal amount thereof together with interest accrued thereon to the date fixed for redemption, without premium.

EXHIBIT A
OPINION OF DISTRICT COUNSEL

[Closing Date]

Piper Jaffray & Co.
8235 Forsyth Boulevard, Suite 600
St. Louis, MO 63105

Southwest Securities, Inc
2533 South Coast Highway 101, Suite 210
Cardiff, CA 92007

Re: \$_____ Northern Inyo County Local Hospital District (Inyo County, California)
Revenue Bonds, Series 2013

Ladies and Gentlemen:

We have served as special counsel for Northern Inyo County Local Hospital District (the "District") in connection with the issuance of Northern Inyo County Local Hospital District (Inyo County, California) Revenue Bonds, Series 2013 (the "Bonds"), by the District in the aggregate principal amount of \$_____. The Bonds are issued pursuant to the provisions of The Local Health Care District Law and are issued under and secured by an Indenture, dated as of December 1, 1998, by and between the District and U.S. Trust Company, National Association, since succeeded by The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as amended and supplemented by the First Supplemental Indenture, dated as of April 1, 2010 (the "First Supplemental Indenture"), as further amended and supplemented by the Second Supplemental Indenture, dated as of January 1, 2013 (the "Second Supplemental Indenture" and, together with the Original Indenture and the First Supplemental Indenture, the "Indenture"), between the District and the Trustee. The Bonds are being sold pursuant to a bond purchase agreement, dated January 9, 2013 (the "Bond Purchase Agreement"), by and between the District and Piper Jaffray & Co. and Southwest Securities Inc., as underwriters. Capitalized terms used herein, unless otherwise defined, shall have the meanings set forth in the Bond Purchase Agreement or the Indenture.

In connection with this opinion, we have assumed the authenticity of all records, documents, and instruments submitted to us as originals, the genuineness of all signatures, the legal capacity of natural persons and the conformity to the originals of all records, documents, and instruments submitted to us as copies. We also have assumed that there are no facts or circumstances relating to you that might prevent you from enforcing any of the rights to which our opinion relates. We have based our opinion upon our review of the following records, documents and instruments:

- (a) An executed counterpart of the Indenture;
- (b) An executed counterpart of the Bond Purchase Agreement;
- (c) An executed counterpart of the Escrow Agreement;

(d) An executed counterpart of the Disclosure Certificate;

(e) A copy of the Preliminary Official Statement, dated December 31, 2012, and the Official Statement, dated January 9, 2013 (the "Official Statement") relating to the Bonds; and

(f) Resolutions adopted by the District authorizing the execution and delivery of the Bonds.

The documents and instruments listed in items (a) through (f) above are collectively referred to herein as the "Transaction Documents."

Where our opinion relates to our "knowledge," such knowledge is based upon our examination of the records, documents, instruments, and certificates enumerated or described above and the actual knowledge of attorneys in this firm who are currently involved in substantive legal representation of the District. With your consent, we have not examined any records of any court, administrative tribunal or other similar entity in connection with our opinion expressed in paragraph 4 below. Except as described herein, we have undertaken no investigation or verification of such matters and any limited inquiry undertaken by us during the preparation of this opinion letter should not be regarded as such an investigation.

Based upon the foregoing and our examination of such questions of law as we have deemed necessary or appropriate for the purpose of this opinion, and subject to the limitations and qualifications expressed below, it is our opinion that:

(1) The District is a local health care district duly existing under the laws of the State of California, has full legal right, power and authority to enter into the Indenture, the Bond Purchase Agreement, the Escrow Agreement, the Disclosure Certificate and the Official Statement and to carry out and consummate all transactions contemplated by the Indenture, the Bond Purchase Agreement, the Escrow Agreement, the Disclosure Certificate and the Official Statement.

(2) The Official Statement has been duly authorized, executed and delivered by the District.

(3) To our knowledge, except for litigation disclosed in the Official Statement, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the District to restrain or enjoin the issuance or delivery of the Bonds or the collection of revenues pledged under the Indenture, in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds, the Indenture, the Escrow Agreement, the Disclosure Certificate, or the Bond Purchase Agreement, in any way contesting the existence or powers of the District with respect to the issuance of the Bonds or the security therefor or affecting the assets, properties or operations of the District wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Official Statement, the Indenture, the Escrow Agreement, the Disclosure Certificate or the Bond Purchase Agreement, the validity of the Bonds.

(4) The execution and delivery of the Bonds, the Indenture, the Disclosure Certificate, the Escrow Agreement, the Official Statement and the Bond Purchase Agreement, the consummation of the transactions therein contemplated and the fulfillment of or compliance with the terms and conditions thereof, do not and will not in any material respect conflict with or constitute a material violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order known to us, or, to our knowledge, any material contract,

agreement or instrument to which the District is a party or by which it or its properties are otherwise subject or bound or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Bond Purchase Agreement, the Indenture, the Disclosure Certificate or the Official Statement.

(5) To our knowledge, no consent or approval of any trustee or holder of any indebtedness of the District, and no consent, permission, authorization, order of, license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of the Indenture, the Bond Purchase Agreement, the Escrow Agreement, the Disclosure Certificate or the Official Statement, or the consummation of any transaction therein contemplated, except as have been obtained or made and as are in full force and effect. We express no opinion as to any approvals or consents as may be required under any state or federal blue sky or securities laws.

(6) The Bonds, the Indenture, the Escrow Agreement, the Official Statement, the Disclosure Certificate and the Bond Purchase Agreement have been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the other parties thereto where applicable, are valid and binding limited obligations of the District, enforceable in accordance with their terms.

This opinion is limited to the federal laws of the United States of America and the laws of the State of California. We disclaim any opinion as to the laws of any other jurisdiction and we further disclaim any opinion as to any statute, rule, regulation, ordinance, order or other promulgation of any regional or local governmental body. This opinion is based upon the law in effect on the date hereof, and we assume no obligations to revise or supplement this opinion should such law be changed by legislative action, judicial decision, or otherwise. In connection with this opinion letter, we also have assumed the following: (a) consideration has been duly given under the Transaction Documents, (b) the District is the legal, beneficial and record owner of the collateral described in any Transaction Documents and the descriptions of collateral in the Transaction Documents sufficiently describe the collateral intended to be covered by such documents, (c) any lien documents are in suitable form, notarized if required, and duly filed or recorded with the appropriate government offices, (d) the Transaction Documents accurately describe the mutual understanding of the parties thereto, and that there are no oral or written statements that modify, amend, or vary, or purport to modify, amend, or vary, any of the terms of the Transaction Documents, (e) the information, factual matters, representations and warranties contained in the Transaction Documents, records, certificates and other documents we have reviewed are true, correct and complete and (f) the other parties to Transaction Documents have the proper authority to engage in the transactions contemplated thereunder and at all times have complied and will comply with the Transaction Documents and related documents and with all applicable requirements governing their actions and will act in a commercially reasonable manner.

In connection with this opinion, we advise you that:

A. Enforceability is subject (i) to bankruptcy, insolvency, reorganization, arrangement, moratorium, and other laws of general applicability relating to or affecting creditors' rights, (ii) to general principles of equity, whether such enforcement is considered in a proceeding in equity or at law, (iii) to limitations imposed by applicable law or public policy on the enforceability of the indemnification provisions, and (iv) to the qualification that certain waivers, procedures, remedies, and other provisions of the Transaction Documents may be unenforceable under or limited by applicable law.

B. The enforceability of the Transaction Documents is further subject to the effect of general principles of equity. These principles include, without limitation, concepts of commercial reasonableness, materiality and good faith and fair dealing. These principles require the parties to act reasonably, in good faith and in a manner that is not arbitrary or capricious in the administration and enforcement of the Transaction Documents and will preclude them from invoking penalties for defaults that bear no reasonable relation to the damage suffered or that would otherwise work a forfeiture.

C. The enforceability of any Transaction Documents is also subject to the effects of (i) Section 1102 of the California Uniform Commercial Code (the "Code"), which provides that obligations of good faith, diligence, reasonableness and care prescribed by the Code may not be disclaimed by agreement, although the parties may by agreement determine the standards by which the performance of such obligations is to be measured if those standards are not manifestly unreasonable, (ii) Section 1203 of the Code, which imposes an obligation of good faith in the performance or enforcement of a contract and (iii) California Civil Code Section 1670.5, which provides that a court may refuse to enforce, or may limit the enforcement of, a contract or any clause of a contract that a court finds as a matter of law to have been unconscionable at the time it was made.

D. The effectiveness of indemnities, rights of contribution, exculpatory provisions and waivers of the benefits of statutory provisions may be limited on public policy grounds.

E. Section 1717 of the California Civil Code provides that, in any action on a contract where the contract specifically provides that attorneys' fees and costs incurred to enforce that contract shall be awarded either to one of the parties or to the prevailing party, then the party who is determined to be the party prevailing in the action, whether that party is the party specified in the contract or not, shall be entitled to reasonable attorneys' fees in addition to other costs.

F. Any provisions of the Transaction Documents requiring that waivers must be in writing may not be binding or enforceable if a non-executory oral agreement has been created modifying any such provision or an implied agreement by trade practice or course of conduct has given rise to a waiver.

G. Section 9109(d)17 of the Code provides that the secured transactions provisions of the Code do not apply to transfers by a government or governmental unit, and, therefore, the rights and remedies of the Trustee under the Transaction Documents which purport to incorporate rights and remedies under the Code may not be enforceable.

H. Any provisions of the Transaction Documents regarding another party's right to apply proceeds of fire or other casualty insurance policies or awards of damages in condemnation proceedings against the District's secured obligations will not be enforceable unless application of such proceeds or damages is reasonably necessary to protect such security interests.

I. We assume that in the enforcement of any lien documents, all parties will act in accordance with applicable statutory and other legal requirements, including applicable case law and that enforcement of rights or remedies thereunder may be limited when imposing fees and charges in the event of default, upon acceleration of the District's obligations for transfers of interests, leases, or grants of junior encumbrances, attempting to secure a deficiency claim before exhausting the secured property or other remedies, among other things.

J. We have further relied on certain representations, warranties and covenants of the District in the Transaction Documents. Any variations may affect the opinions we are giving.

K. In connection with our opinion, we have not reviewed and express no opinion on (i) financial statements or covenants, financial or audit reports or the consents related thereto or similar provisions requiring financial calculations or determinations, (ii) provisions relating to the occurrence of a "material adverse effect" or similar words, or (iii) parol evidence bearing on interpretation or construction.

We express no opinion as to: (a) the priority of any lien or security interest created, or purported to be created, by any of the Transaction Documents or the enforceability of any lien in the real property of the District; (b) any securities, tax, anti-trust, land use, export, safety, environmental, hazardous materials, choice of law, insurance company or banking laws, rules or regulations; (c) applicable interest rate limitations of California law for loans or forbearances; or (d) the effect on the District's obligations, and any other party's rights, under the Transaction Documents of laws relating to fraudulent transfers and fraudulent obligations set forth in Sections 544 and 548 of the federal Bankruptcy Code and Sections 3439 et seq. of the California Civil Code.

In rendering our opinion, we are expressing no opinion on the validity of the Bonds.

We furnish this opinion as counsel to the District and only the Underwriters and Quint & Thimmig LLP may rely upon it. This letter shall not be used, quoted, distributed, circulated or relied upon by any other person or entity for any purpose, without our prior written consent.

Respectfully submitted,

ESCROW DEPOSIT AND TRUST AGREEMENT

by and between the

NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Escrow Bank

Dated January 29, 2013

Relating to Refunding of the Outstanding
Northern Inyo County Local Hospital District
(Inyo County, California)
Revenue Bonds, Series 1998

ESCROW DEPOSIT AND TRUST AGREEMENT

This ESCROW DEPOSIT AND TRUST AGREEMENT (this "Escrow Agreement") is made and entered into this 29th day of January, 2013, by and between the NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT, a public body corporate and politic, organized and existing under the laws of the State of California (the "District"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as escrow bank, with a corporate trust office in San Francisco, California, and being qualified to accept and administer the trusts hereby created as escrow bank hereunder (the "Escrow Bank");

WITNESSETH:

WHEREAS, the District has heretofore issued its \$8,000,000 Northern Inyo County Local Hospital District (Inyo County, California) Revenue Bonds, Series 1998, currently outstanding in the principal amount of \$6,025,000 (the "1998 Bonds"), for the purpose of financing and refinancing the remodeling, expansion, improvement and equipping of the health facilities owned and operated by the District;

WHEREAS, the 1998 Bonds were issued pursuant to that certain Indenture of Trust, dated as of December 1, 1998 (the "Original Indenture"), by and between the District and U.S. Trust Company, National Association (since succeeded by The Bank of New York Mellon Trust Company, N.A.), as trustee (the "Trustee");

WHEREAS, the District has determined to provide for the refunding of the 1998 Bonds;

WHEREAS, for the purpose of providing funds for the refunding of the 1998 Bonds and for other purposes, the District has determined to issue its Northern Inyo County Local Hospital District Revenue Bonds, Series 2013, in the aggregate principal amount of \$_____ (the "2013 Bonds"), all pursuant to and secured by the Original Indenture, as amended and supplemented by that certain first supplemental indenture, dated as of April 1, 2010 (the "First Supplemental Indenture"), as further amended and supplemented by that certain second supplemental indenture, dated as of January 1, 2013 (the "Second Supplemental Indenture" and, with the Original Indenture and the First Supplemental Indenture, the "Indenture"), each by and between the District and the Trustee;

WHEREAS, the District wishes to make a deposit with the Escrow Bank and to enter into this Escrow Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited for the refunding of the 1998 Bonds; and

WHEREAS, the Escrow Bank has full powers to act with respect to the irrevocable escrow and trust created herein and to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement;

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

Section 1. Appointment of Escrow Bank. The District hereby appoints the Escrow Bank as escrow bank for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement, and the Escrow Bank hereby accepts such appointment.

Section 2. Establishment of Escrow Fund. There is hereby created by the District with, and to be held by, the Escrow Bank, as security for the payment of the principal of and interest on the 1998 Bonds as hereinafter set forth, an irrevocable escrow to be maintained in trust by the Escrow Bank on behalf of the District and for the benefit of the owners of the 1998 Bonds, said escrow to be designated the "Escrow Fund." All moneys deposited in the Escrow Fund shall constitute a special fund for the payment of the principal of and interest on the 1998 Bonds in accordance with the provisions of the Indenture. If at any time the Escrow Bank shall receive actual knowledge that the moneys in the Escrow Fund will not be sufficient to make any payment required by Section 4 hereof, the Escrow Bank shall notify the District of such fact and the District shall immediately cure such deficiency.

Section 3. Deposit into Escrow Fund; Investment of Amounts.

(a) Concurrently with delivery of the 2013 Bonds, the District shall cause to be transferred to the Escrow Bank for deposit into the Escrow Fund the amount of \$_____ in immediately available funds, derived as follows:

(i) \$_____ derived from the proceeds of sale of the 2013 Bonds;

(ii) \$_____ released from the debt service reserve fund held for the 1998 Bonds (the "1998 Reserve Fund"); and

(iii) \$_____ released from the debt service fund held for the 1998 Bonds (the "1998 Debt Service Fund").

(b) The moneys deposited in the Escrow Fund shall be held by the Escrow Bank in cash, uninvested. Such moneys shall be held by the Escrow Bank in the Escrow Fund solely for the uses and purposes set forth herein.

(c) The Escrow Bank shall not be liable or responsible for any loss resulting from its full compliance with the provisions of this Escrow Agreement.

Section 4. Instructions as to Application of Deposit.

(a) The total amount of moneys deposited in the Escrow Fund pursuant to Section 3 hereof shall be applied by the Escrow Bank for the sole purpose of paying the redemption price of the 1998 Bonds on the date and in the amount set forth in Exhibit A attached hereto and by this reference incorporated herein.

(b) The District has previously instructed the Escrow Bank, in its capacity as trustee for the 1998 Bonds, to give notice of conditional redemption of the 1998 Bonds, and the Escrow Bank, as trustee for the 1998 Bonds, has given notice of conditional redemption of the 1998 Bonds in accordance with the applicable provisions of the Indenture on the redemption date set forth in Exhibit A attached hereto and by this reference incorporated herein.

Section 5. Application of 1998 Bond Funds. On the date of original delivery of the 2013 Bonds and the deposit of a portion of the proceeds thereof in the Escrow Fund pursuant to Section 3, the Escrow Bank, as trustee for the 1998 bonds, is hereby directed to (a) withdraw \$_____ from the amounts on deposit in the 1998 Reserve Fund and transfer such sum to the Escrow Fund, and (b) withdraw \$_____ from the amounts on deposit in the 1998 Debt Service Fund and transfer such sum to the Escrow Fund.

Any amounts remaining on deposit in the Escrow Fund following the redemption of the 1998 Bonds shall be transferred by the Escrow Bank, as trustee for the 1998 Bonds, to the Trustee

for deposit in the Revenue Fund created and maintained by the Trustee pursuant to the Indenture and applied as a credit against payments of principal of and interest on the 2013 Bonds.

Section 6. Application of Certain Terms of Indenture. All of the terms of the Indenture relating to the making of payments of principal of and interest on the 1998 Bonds are incorporated in this Escrow Agreement as if set forth in full herein.

Section 7. Compensation to Escrow Bank. The District shall pay the Escrow Bank full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, legal fees and other costs and expenses relating hereto. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Section 8. Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Agreement unless the District shall have deposited sufficient funds with the Escrow Bank. The Escrow Bank may rely and shall be protected in acting upon the written or oral instructions of the District or its agents relating to any matter or action as Escrow Bank under this Escrow Agreement.

The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the acceptance of the moneys deposited therein, the sufficiency of the uninvested moneys held hereunder to accomplish the defeasance of the 1998 Bonds, or any payment, transfer or other application of moneys by the Escrow Bank in accordance with the provisions of this Escrow Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "whereas" clauses herein shall be taken as the statement of the District, and the Escrow Bank assumes no responsibility for the correctness thereof (except the final "whereas" clause). The Escrow Bank makes no representations as to the accuracy of any calculations or to the sufficiency of any uninvested moneys to accomplish the payment of the 1998 Bonds pursuant to the Indenture or to the validity of this Escrow Agreement as to the District and, except as otherwise provided herein, the Escrow Bank shall incur no liability in respect thereof. The Escrow Bank shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Escrow Agreement. In no event shall the Escrow Bank be liable for any special indirect or consequential damages. The Escrow Bank may consult with counsel, who may or may not be counsel to the District, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith.

The District hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated), to the extent permitted by law, to indemnify, protect, save and hold harmless the Escrow Bank and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other

application of moneys by the Escrow Bank in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in good faith in the conduct of its duties; *provided, however*, that the District shall not be required to indemnify the Escrow Bank against the Escrow Bank's own negligence or willful misconduct. The indemnities contained in this Section 8 and the compensation and reimbursement of expenses set forth in Section 7 shall survive the termination of this Escrow Agreement.

Whenever, in the administration of this Escrow Agreement, the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Escrow Bank, be deemed to be conclusively proved and established by a certificate of an authorized representative of the District, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Escrow Bank, be full warrant to the Escrow Bank for any action taken or suffered in good faith by it under the provisions of this Escrow Agreement.

The Escrow Bank may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Escrow Bank agrees to accept and act upon instructions or directions pursuant to these Instructions sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Bank shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the District elects to give the Escrow Bank e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Bank in its discretion elects to act upon such instructions, the Escrow Bank's understanding of such instructions shall be deemed controlling. The Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Bank, including without limitation the risk of the Escrow Bank acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The Escrow Bank may at any time resign by giving written notice to the District of such resignation. The District shall promptly appoint a successor Escrow Bank by the resignation date. Resignation of the Escrow Bank will be effective upon acceptance of appointment by a successor Escrow Bank. If the District does not appoint a successor, the Escrow Bank may petition any court of competent jurisdiction for the appointment of a successor Escrow Bank, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Escrow Bank.

Section 9. Amendment. This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the 1998 Bonds then outstanding shall have been filed with the Escrow Bank. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the District, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, or (3) in

regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not materially adversely affect the interests of the owners of the 1998 Bonds or the 2013 Bonds, and that such amendment will not cause interest on the 1998 Bonds or the 2013 Bonds to become subject to federal income taxation.

Section 10. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

Section 11. Notice of Escrow Bank; District. Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the principal corporate trust office of the Escrow Bank at 100 Pine Street, Suite 3100, San Francisco, CA 94111, Attention: Corporate Trust Department (or such other address as may have been filed in writing by the Escrow Bank with the District). Any notice to or demand upon the District shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to such party, at 1500 Pioneer Lane, Bishop, CA 93514, Attention: Chief Executive Officer (or such other address as may have been filed in writing by the District with the Escrow Bank).

Section 12. Merger or Consolidation of Escrow Bank. Any company into which the Escrow Bank may be merged or converted or with which may it be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as trustee under the Indenture, shall be the successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

Section 13. Execution of Counterparts. This Escrow Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Section 14. Governing Law. This Escrow Agreement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT has caused this Escrow Agreement to be signed in its name by its officer identified below and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., in token of its acceptance of the trust created hereunder, has caused this Escrow Agreement to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

NORTHERN INYO COUNTY LOCAL
HOSPITAL DISTRICT

By _____
John Halfen
Chief Executive Officer

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Escrow Bank

By _____
Gonzalo Urey
Vice President

EXHIBIT A

PAYMENT SCHEDULE OF 1998 BONDS

<u>Redemption Date</u>	<u>Maturing Principal</u>	<u>Called Principal</u>	<u>Interest</u>	<u>Premium</u>	<u>Total Payment</u>
2/11/13	—	\$6,025,000		—	

SECOND SUPPLEMENTAL INDENTURE OF TRUST

by and between the

NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

Dated as of January 1, 2013

**Amending and Supplementing that certain
Indenture of Trust, dated as of December 1, 1998,
by and between the
Northern Inyo County Local Hospital District
and
U.S. Trust Company, National Association,
as previously amended and supplemented**

**Relating to
\$ _____
Northern Inyo County Local Hospital District
(Inyo County, California)
Revenue Bonds, Series 2013**

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS; AUTHORIZATION AND PURPOSE OF BONDS; EQUAL SECURITY

Section 1.01. Definitions.3
Section 1.02. Rules of Construction.4
Section 1.03. Authorization and Purpose of 2013 Bonds.4

ARTICLE II

ISSUANCE OF 2013 BONDS

Section 2.01. Issuance of the 2013 Bonds; Terms of the 2013 Bonds.5
Section 2.02. Redemption of the 2013 Bonds.6
Section 2.03. Book-Entry System.9

ARTICLE III

APPLICATION OF PROCEEDS

Section 3.01. Application of Proceeds of Sale of 2013 Bonds.11
Section 3.02. 2013 Project Account.11
Section 3.03. 2013 Costs of Issuance Account.11
Section 3.04. Satisfaction of Requirements of Additional Bonds.11
Section 3.05. Validity of 2013 Bonds.11

ARTICLE IV

REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Pledge of Revenues, Revenue Fund.13
Section 4.02. Administration of Funds and Accounts.13
Section 4.03. Application of Sinking Fund Account.13
Section 4.04. Fees, Charges and Expenses of Trustee.13
Section 4.05. Investments.13
Section 4.06. Acquisition; Valuation and Disposition of Investments.14

ARTICLE V

COVENANTS

Section 5.01. Tax Covenants.15
Section 5.02. Confirmation of Indenture.16
Section 5.03. Continuing Disclosure.16

ARTICLE VI

MISCELLANEOUS

Section 6.01. Amendments to Original Indenture.17
Section 6.02. Notices.17
Section 6.03. Execution in Several Counterparts.18
Section 6.04. Force Majeure.18
Section 6.05. Electronic Communications.18

EXHIBIT A—FORM OF 2013 BOND

SECOND SUPPLEMENTAL INDENTURE OF TRUST

THIS SECOND SUPPLEMENTAL INDENTURE OF TRUST, is dated as of January 1, 2013 (the "Second Supplemental Indenture"), by and between the NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT, a local health care district organized and existing under the constitution and laws of the State of California (the "District"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, with a corporate trust office in San Francisco, California, as successor to U.S. Trust Company, National Association, and being qualified to accept and administer the trusts hereby created, as trustee (the "Trustee"), amending and supplementing that certain Indenture of Trust, dated as of December 1, 1998, by and between the District and the Trustee (the "Original Indenture"), as amended and supplemented by that certain First Supplemental Indenture, dated a of April 1, 2010 (the "First Supplemental Indenture"), by and between the District and the Trustee and, with the Second Supplemental Indenture, the "Indenture");

WITNESSETH:

WHEREAS, the District has heretofore issued its \$8,000,000 Northern Inyo County Local Hospital District (Inyo County, California) Revenue Bonds, Series 1998, currently outstanding in the principal amount of \$6,025,000 (the "1998 Bonds"), for the purpose of financing and refinancing the remodeling, expansion, improvement and equipping of the health facilities owned and operated by the District;

WHEREAS, the 1998 Bonds were issued pursuant to the Original Indenture;

WHEREAS, the District has also heretofore issued its \$11,600,000 Northern Inyo County Local Hospital District (Inyo County, California) Revenue Bonds, Series 2010, currently outstanding in the principal amount of \$11,090,000 (the "2010 Bonds"), for the purpose of financing and refinancing the remodeling, expansion, improvement and equipping of the health facilities owned and operated by the District;

WHEREAS, the 2010 Bonds were issued pursuant to the Original Indenture, as amended and supplemented by the First Supplemental Indenture;

WHEREAS, the District desires to (a) finance the remodeling, expansion, improvement and equipping of the health facilities owned and operated by the District and reimburse the District for costs thereof previously made, including but not limited to any or all expenses incidental thereto or connected therewith (the "2013 Project") and (b) refund the 1998 Bonds;

WHEREAS, to finance the 2013 Project and refund the 1998 Bonds, the District has determined to issue its Northern Inyo County Local Hospital District (Inyo County, California) Revenue Bonds, Series 2013 (the "2013 Bonds"), on a parity as to payment and security with the 2010 Bonds;

WHEREAS, the District has determined that certain provisions of the Original Indenture are inconsistent and defective relating to the ability of the District to secure a borrowing with its accounts receivable; and

WHEREAS, Section 12.01(b) of the Original Indenture provides that the Indenture and the rights and obligations of the District, of the Trustee and of the Owners of the Bonds (as

defined in the Original Indenture) may be modified or amended from time to time and at any time by a supplemental indenture, which the District and the Trustee may enter into without the consent of any Bondowners but only to the extent permitted by law and only for certain purposes including to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the District may deem necessary or desirable and not inconsistent with the Indenture, and which shall not materially adversely affect the interests of the Owners of the Bonds;

WHEREAS, in order to provide for the authentication and delivery of the 2013 Bonds, to establish and declare the terms and conditions upon which the 2013 Bonds are to be issued and secured and to secure the payment of the principal thereof and of the interest and premium, if any, thereon, the Board of Directors of the District has authorized the execution and delivery of this Second Supplemental Indenture; and

WHEREAS, the District has determined that all acts and proceedings required by law necessary to make the 2013 Bonds, when executed by the District, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the District, and to constitute the Second Supplemental Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of the Second Supplemental Indenture have been in all respects duly authorized;

NOW, THEREFORE, THE SECOND SUPPLEMENTAL INDENTURE WITNESSETH, that in order to secure the payment of the principal of and the interest and premium (if any) on all 2013 Bonds at any time issued and Outstanding under the Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the 2013 Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the 2013 Bonds by the Bondowners thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the District does hereby covenant and agree with the Trustee, for the benefit of the respective Bondowners from time to time of the 2013 Bonds, as follows:

ARTICLE I

DEFINITIONS; AUTHORIZATION AND PURPOSE OF BONDS; EQUAL SECURITY

Section 1.01. Definitions. All terms which are defined in Section 1.01 of the Original Indenture, as amended by the First Supplemental Indenture, shall have the same meanings in this Second Supplemental Indenture as such terms are given in said Section 1.01. Unless the context otherwise requires, the additional terms defined in this Section 1.01 or in the preambles hereof shall for all purposes of this Second Supplemental Indenture and of the 2013 Bonds and of any certificate, opinion, request or other documents herein mentioned have the meanings specified in the recitals and in this Section 1.01.

"Authorized Denomination" means \$5,000 or any integral multiple thereof.

"Business Day" means (a) any day that is not a Saturday, Sunday or legal holiday on which banking institutions in the State or in any state in which the principal corporate trust office of the Trustee is located, or (b) a day on which the New York Stock Exchange is closed.

"Closing Date" means, January 29, 2013, the date upon which there is a physical delivery of the 2013 Bonds in exchange for the amount representing the purchase price of the 2013 Bonds by the Original Purchaser.

"Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced in the Indenture or this Second Supplemental Indenture) as it may be amended to apply to obligations issued on the Closing Date, together with applicable temporary and final regulations promulgated under the Code.

"Escrow Agreement" means that certain Escrow Deposit and Trust Agreement, dated the Closing Date, by and between the District and the Escrow Bank, which agreement provides for the defeasance of the 1998 Bonds.

"Escrow Bank" means The Bank of New York Mellon Trust Company, N.A., as trustee for the 1998 Bonds and as escrow bank under and pursuant to the Escrow Agreement.

"Escrow Fund" means the fund by that name created pursuant to the Escrow Agreement and maintained by the Escrow Bank thereunder.

"Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is the Local Corporation Investment Fund of the State but only if at all times during which the investment is held its yield is

reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States of America.

"Interest Payment Date" means, with respect to the 2013 Bonds, June 1 and December 1 in each year, beginning June 1, 2013, and continuing so long as any 2013 Bonds remain Outstanding.

"Local Health Care District Law" means Division 23 of the California Health and Safety Code.

"Original Purchaser" means the first purchaser of the 2013 Bonds upon their authentication and delivery by the Trustee on the Closing Date.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., or another trustee, which must be a banking association, banking corporation or trust company acting in the capacity of trustee under this Second Supplemental Indenture.

"2013 Bonds" means the Bonds authorized by Article II hereof.

"2013 Costs of Issuance Account" means the account by that name established and held by the Trustee pursuant to Section 3.03 hereof.

"2013 Project Account" means the account by that name established and held by the Trustee pursuant to Section 3.02 hereof.

Section 1.02. Rules of Construction. All references in this Second Supplemental Indenture to "Articles," "Sections," and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Second Supplemental Indenture; and the words "herein," "hereof," "hereunder," and other words of similar import refer to this Second Supplemental Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

Section 1.03. Authorization and Purpose of 2013 Bonds. The District has reviewed all proceedings heretofore taken relative to the authorization of the 2013 Bonds and has found, as a result of such review, and hereby finds and determines that all things, conditions, and acts required by law to exist, happen and/or be performed precedent to and in the issuance of the 2013 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the District is now authorized, as an exercise of the municipal affairs power of the District under the constitution and laws of the State and pursuant to the Local Health Care District Law and each and every requirement of law, to issue the 2013 Bonds in the manner and form provided in this Second Supplemental Indenture. Accordingly, the District hereby authorizes the issuance of the 2013 Bonds pursuant to the Local Health Care District Law, the Indenture and this Second Supplemental Indenture.

ARTICLE II

ISSUANCE OF 2013 BONDS

Section 2.01. Issuance of the 2013 Bonds; Terms of the 2013 Bonds.

(a) *Issuance of the 2013 Bonds.* The 2013 Bonds authorized to be issued by the District under and subject to the Local Health Care District Law, the Original Indenture, the First Supplemental Indenture and this Second Supplemental Indenture shall be designated the "Northern Inyo County Local Hospital District (Inyo County, California) Revenue Bonds, Series 2013" and shall be issued in the original aggregate principal amount of _____ dollars (\$_____). A portion of the 2013 Bonds, in the principal amount of \$_____, are being issued pursuant to the provisions of section 32315 *et seq.* of the California Health and Safety Code and the remaining portion of the 2013 Bonds, in the principal amount of \$_____, constitute "promissory notes" and are being issued pursuant to the provisions of section 32130.2 of the California Health and Safety Code.

(b) *Terms of the Bonds.* The 2013 Bonds shall be registered initially in the name of "Cede & Co.," as nominee of The Depository Trust Company as the initial Securities Depository, and shall be evidenced by one Bond for each maturity of the 2013 Bonds in the principal amount of the respective maturities of the 2013 Bonds. Registered ownership of the 2013 Bonds, or any portion thereof, may not thereafter be transferred except as set forth herein.

The 2013 Bonds shall be issued as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof. The 2013 Bonds shall be dated as of the Closing Date and interest thereon shall be payable semiannually on each Interest Payment Date. The 2013 Bonds shall mature on December 1 in the following years in the following amounts and shall bear interest at the following rates per annum:

Maturity Date (December 1)	Principal Amount	Interest Rate
-------------------------------	---------------------	------------------

The principal or sinking fund installments of, and redemption premium, if any, of the Bonds shall be payable in lawful money of the United States of America at the Principal Corporate Trust Office or such other place as designated by the Trustee. Payment of the interest on any Bond shall be made to the person whose name appears on the bond registration books of the Trustee as the Owner thereof as of the Record Date for each Interest Payment Date, such interest to be paid by check or draft mailed on each Interest Payment Date to the Owner at his or her address as it appears on such registration books; provided that such interest shall be paid by wire transfer to any Owner of at least \$1,000,000 in aggregate principal amount of Bonds if

the Owner makes a written request of the Trustee prior to the Record Date for an Interest Payment Date specifying the account address in the United States.

The 2013 Bonds shall be numbered consecutively, beginning with number R-1, and shall bear interest from the Closing Date. Interest shall be calculated on the basis of a three hundred sixty (360) day year of twelve thirty (30) day months.

Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Owners on such Record Date and shall be paid to the person in whose name the 2013 Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice of which shall be given to the Owners by first class mail not less than ten (10) days prior to such Special Record Date.

Section 2.02. Redemption of the 2013 Bonds.

(a) *Optional Redemption of 2013 Bonds.* The 2013 Bonds maturing on or before December 1, ____, are not subject to redemption prior to their respective stated maturities. The 2013 Bonds maturing on or after December 1, ____, are subject to redemption prior to their respective stated maturities, at the option of the District, in whole or in part on any date by such maturities as are selected by the District (or if the District fails to designate such maturities, in inverse order of maturity) and by lot within a maturity, on or after December 1, ____, at a redemption price equal to the principal amount of 2013 Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

(b) *Extraordinary Redemption.* The 2013 Bonds are subject to redemption prior to their respective stated maturities at the option of the District as a whole on any date or in part by such maturities as are selected by the District (or if the District fails to designate such maturities, in inverse order of maturity) and by lot within a maturity on any Interest Payment Date, from hazard insurance or condemnation proceeds received with respect to the Facilities of the District, in each case under the circumstances described and as provided in the Indenture, at a Redemption Price equal to 100% of the principal amount thereof together with interest accrued thereon to the date fixed for redemption, without premium.

(c) *Mandatory Sinking Fund Redemption of 2013 Bonds.*

(i) The 2013 Bonds maturing on December 1, ____ (the "____ Term Bonds"), are subject to mandatory redemption on December 1 in each year on and after December 1, ____, from mandatory sinking fund installments to be paid by the District with respect to each such redemption date, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium, as follows:

Sinking Fund Account
Redemption Date
(December 1)

Sinking Fund Installments
Redeemed or Purchased

†Maturity

In the event that the Trustee shall redeem ____ Term Bonds in part but not in whole pursuant to subsections (a) or (b) of this Section 2.02, the amount of the ____ Term

Bonds to be redeemed in each subsequent year pursuant to this subsection (c)(i) shall be reduced *pro rata*.

(ii) The 2013 Bonds maturing on December 1, ____ (the “ ____ Term Bonds”), are subject to mandatory redemption on December 1 in each year on and after December 1, ____, from mandatory sinking fund installments to be paid by the District with respect to each such redemption date, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium, as follows:

Sinking Fund Account Redemption Date (December 1)	Sinking Fund Installments <u>Redeemed or Purchased</u>
---	---

†Maturity

In the event that the Trustee shall redeem ____ Term Bonds in part but not in whole pursuant to subsections (a) or (b) of this Section 2.02, the amount of the ____ Term Bonds to be redeemed in each subsequent year pursuant to this subsection (c)(ii) shall be reduced *pro rata*.

(iii) The 2013 Bonds maturing on December 1, ____ (the “ ____ Term Bonds”), are subject to mandatory redemption on December 1 in each year on and after December 1, ____, from mandatory sinking fund installments to be paid by the District with respect to each such redemption date, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium, as follows:

Sinking Fund Account Redemption Date (December 1)	Sinking Fund Installments <u>Redeemed or Purchased</u>
---	---

†Maturity

In the event that the Trustee shall redeem ____ Term Bonds in part but not in whole pursuant to subsections (a) or (b) of this Section 2.02, the amount of the ____ Term Bonds to be redeemed in each subsequent year pursuant to this subsection (c)(iii) shall be reduced *pro rata*.

(d) *Partial Redemption; Selection.* All or a portion of any 2013 Bond may be redeemed, by lot but only in a principal amount equal to an Authorized Denomination. In the event that less than all of the 2013 Bonds outstanding are to be redeemed, the Trustee shall select the 2013 Bonds to be redeemed in such order of redemption as shall be selected by the District. Upon surrender of any 2013 Bond for redemption in part, the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the District, a new 2013 Bond or 2013 Bonds of Authorized

Denominations of the same type and maturity and in an aggregate principal amount equal to the unredeemed portion of the 2013 Bond so surrendered.

(e) *Notice of Redemption.* The District shall provide the Trustee of notice of redemption 45 days prior to the date fixed for redemption. Notice of any such redemption shall be given by the Trustee on behalf and at the expense of the District by mailing a copy of a redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to each Owner of the 2013 Bond or 2013 Bonds to be redeemed at the address shown on the Registration Books; *provided, however*, that neither the failure to receive such notice nor any defect in any notice shall affect the sufficiency of the proceedings for the redemption of the 2013 Bonds.

All notices of redemption shall be dated and shall state: (i) the redemption date, (ii) the redemption price, (iii) if less than all Outstanding 2013 Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the 2013 Bonds to be redeemed, (iv) that on the redemption date the redemption price will become due and payable with respect to each such 2013 Bond or portion thereof called for redemption, and that interest with respect thereto shall cease to accrue from and after said date, (v) the place where such 2013 Bonds are to be surrendered for payment of the redemption price, and (vi) in the case of a redemption pursuant to Section 2.02(b), that such notice of redemption is revocable, no later than five days prior to the date set for redemption, notification of such revocation to be provided in the same manner as notice of redemption had been provided.

Notice of redemption having been given as aforesaid, the 2013 Bonds or portions of 2013 Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) interest with respect to such 2013 Bonds or portions of 2013 Bonds shall cease to accrue and be payable. Upon surrender of such 2013 Bonds for redemption in accordance with said notice, such 2013 Bonds shall be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any 2013 Bond, there shall be prepared for the Owner a new 2013 Bond or 2013 Bonds of the same maturity in the amount of the unpaid principal. All 2013 Bonds which have been redeemed shall be canceled by the Trustee, shall not be reissued and shall be destroyed pursuant to Section 12.04 of the Indenture.

In addition to the foregoing notice to the Owners, notice shall also be given by the Trustee at least thirty (30) days before the redemption date, by telecopy, registered, certified or overnight mail or by such other acceptable means, to all Securities Depositories and to an Information Service which shall state the information set forth above, but no defect in said notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given the Owners as described above.

The Trustee shall have no responsibility for a defect in the CUSIP number that appears on any 2013 Bond or in the redemption notice. The redemption notice may provide that the CUSIP numbers have been assigned by an independent service and are included in the notice solely for the convenience of 2013 Bondowners and that the Trustee and the District shall not be liable in any way for inaccuracies in said numbers.

Section 2.03. Book-Entry System. Notwithstanding any provision of this Second Supplemental Indenture to the contrary:

(a) The 2013 Bonds shall be initially issued registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, the depository designated by the Original Purchaser, and shall be evidenced by one certificate in a denomination corresponding to the total principal of the 2013 Bonds. Registered ownership of such 2013 Bonds, or any portions thereof, may not thereafter be transferred except:

(i) to any successor of The Depository Trust Company or its nominee, or of any substitute depository designated pursuant to paragraph (ii) of this subsection (a) ("substitute depository"); provided that any successor of The Depository Trust Company or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) to any substitute depository designated in a written request of the District, upon (A) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository or (B) a determination by the District that The Depository Trust Company or its successor is no longer able to carry out its functions as depository; provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) to any person as provided below, upon (A) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository or (B) a determination by the District that The Depository Trust Company or its successor is no longer able to carry out its functions as depository; provided that no substitute depository which is not objected to by the District and the Trustee can be obtained.

(b) In the case of any transfer pursuant to paragraph (i) or paragraph (ii) of subsection (a) of this Section 2.03, upon receipt of all Outstanding 2013 Bonds by the Trustee, together with a written request of an Authorized Representative of the District to the Trustee, a single new 2013 Bond shall be issued, authenticated and delivered for each maturity of such 2013 Bond then outstanding, registered in the name of such successor or such substitute depository or their nominees, as the case may be, all as specified in such written request of an Authorized Representative of the District. In the case of any transfer pursuant to paragraph (iii) of subsection (a) of this Section 2.03, upon receipt of all Outstanding 2013 Bonds by the Trustee together with a written request of an Authorized Representative of the District, new 2013 Bonds shall be issued, authenticated and delivered in such denominations and registered in the names of such persons as are requested in a written request of the District provided the Trustee shall not be required to deliver such new 2013 Bonds within a period less than sixty (60) days from the date of receipt of such a written request of an Authorized Representative of the District.

(c) In the case of partial redemption or an advance refunding of any 2013 Bonds evidencing all of the principal maturing in a particular year, The Depository Trust Company shall, at the District's expense, deliver the 2013 Bonds to the Trustee for cancellation and re-registration to reflect the amounts of such reduction in principal.

(d) The District and the Trustee shall be entitled to treat the person in whose name any 2013 Bond is registered as the absolute Owner thereof for all purposes of this Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the District; and the District and the Trustee shall have no responsibility for transmitting payments to, communication with, notifying or otherwise dealing with any beneficial owners of the 2013

Bonds. Neither the District nor the Trustee will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including The Depository Trust Company or its successor (or substitute depository or its successor), except for the registered owner of any 2013 Bond.

(e) So long as all outstanding 2013 Bonds are registered in the name of Cede & Co. or its registered assign, the District and the Trustee shall reasonably cooperate with Cede & Co., as sole registered Owner, or its registered assign in effecting payment of the principal and redemption premium, if any, and interest due with respect to the 2013 Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

(f) So long as all Outstanding 2013 Bonds are registered in the name of Cede & Co. or its registered assigns (hereinafter, for purposes of this paragraph (f), the "Owner"):

(i) All notices and payments addressed to the Owners shall contain the 2013 Bonds' CUSIP number.

(ii) Notices to the Owner shall be forwarded in the manner set forth in the form of blanket issuer letter of representations (prepared by The Depository Trust Company) executed by the District and received and accepted by The Depository Trust Company.

ARTICLE III

APPLICATION OF PROCEEDS

Section 3.01. Application of Proceeds of Sale of 2013 Bonds. Upon the receipt of payment for the 2013 Bonds on the Closing Date, the Trustee shall apply the proceeds of sale thereof (being \$_____) as follows:

(a) The Trustee shall deposit in the 2013 Project Account the amount of \$_____, which represents the amount necessary for the payment of the costs of the 2013 Project;

(b) The Trustee shall deposit in the 2013 Costs of Issuance Account the amount of \$_____, which represents the amount necessary for the payment of the Costs of Issuance of the 2013 Bonds;

(c) The Trustee shall deposit in the Bond Reserve Account the amount of \$_____, being the amount required to increase the amount therein to the Bond Reserve Account Requirement; and

(d) The Trustee shall transfer to the Escrow Bank for deposit in the Escrow Fund the amount of \$_____, being the amount required, together with other available moneys, to defease the 1998 Bonds.

The Trustee may, in its discretion, establish a temporary fund or account to facilitate the foregoing transfers.

Section 3.02. 2013 Project Account. There is hereby created a separate account within the Project Fund to be known as the "2013 Project Account," to be held in trust by the Trustee. The Trustee shall disburse moneys in the 2013 Project Account for the purpose of paying or reimbursing the payment of the costs of the 2013 Project, in accordance with the provisions of the Indenture.

Section 3.03. 2013 Costs of Issuance Account. There is hereby created a separate account within the Costs of Issuance Fund to be known as the "2013 Costs of Issuance Account," to be held in trust by the Trustee. The Trustee shall disburse moneys in the 2013 Costs of Issuance Account for the purpose of paying or reimbursing the payment of the Costs of Issuance of the 2013 Bonds, in accordance with the provisions of the Indenture. The moneys in the 2013 Costs of Issuance Account shall be used and withdrawn by the Trustee to pay the Costs of Issuance of the 2013 Bonds, first from amounts deposited therein derived from the District's contribution and second from 2013 Bond proceeds.

Any amounts remaining in the 2013 Costs of Issuance Account after the date six months after the Closing Date, shall be transferred by the Trustee to the 2013 Project Account and applied to the purposes thereof.

Section 3.04. Satisfaction of Requirements of Additional Bonds. The District hereby certifies that all provisions of Sections 3.05 and 3.06 of the Indenture relating to the issuance of Additional Bonds have been satisfied and that the 2013 Bonds are payable from Revenues and secured by the pledge made under the Indenture equally and ratably with the 1998 Bonds.

Section 3.05. Validity of 2013 Bonds. The validity of the authorization and issuance of the 2013 Bonds shall not be affected in any way by any proceedings taken by the District and the

recital contained in the 2013 Bonds that the same are issued pursuant to the Law shall be conclusive evidence of their validity and of the regularity of their issuance.

ARTICLE IV

REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Pledge of Revenues, Revenue Fund. The District has heretofore transferred, placed a charge upon, assigned and set over to the Trustee, for the benefit of the Bondowners, that portion of the Revenues which is necessary to pay the principal or Redemption Price of and interest on the Bonds (including the 2013 Bonds) in any year, together with all moneys on deposit in the Revenue Fund, to the punctual payment of the principal or Redemption Price of and interest on the Bonds (including the 2013 Bonds).

Section 4.02. Administration of Funds and Accounts. All funds and accounts created pursuant to the Indenture shall continue to be administered by the Trustee in the manner provided by the Indenture and this Second Supplemental Indenture as if there were a single issue of Bonds concurrently sold and delivered.

Section 4.03. Application of Sinking Fund Account.

(a) The Trustee shall establish and maintain a separate account within the Principal Account, such account to be designated "Series 2013 Sinking Fund Account."

(b) All amounts in the Series 2013 Sinking Fund Account shall be used and withdrawn by the Trustee solely to purchase or redeem or pay at maturity the Series 2013 Term Bonds as provided herein and in the Indenture.

(c) Subject to the terms and conditions set forth in the Indenture and in this Section 4.03, the 2013 Bonds shall be redeemed (or paid at maturity, as the case may be) by application of sinking fund installments in the amounts and upon the dates set forth in Section 2.02(c) hereof.

Section 4.04. Fees, Charges and Expenses of Trustee. Notwithstanding the provisions of Sections 8.04 and 9.06 of the Indenture, the Trustee shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, if any, including interest on all such advances at its prime rate then in effect, reasonable external counsel fees (including expenses), the reasonable allocated cost of internal legal services (to the extent such services are not redundant of services performed by external counsel) and all reasonable disbursements of internal counsel, and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services and, in the Event of Default, the Trustee shall have a first and prior lien on the funds held hereunder to secure the same; *provided, however,* that in no event shall the Trustee have a lien on premiums paid in connection with an optional redemption of 2013 Bonds or of any moneys held for the benefit of Bondowners of the 2013 Bonds. The Trustee's compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust. The Trustee's rights hereunder shall survive its resignation or removal and final payment of the 2013 Bonds.

Section 4.05. Investments.

(a) All moneys in any of the funds or accounts established with the Trustee pursuant to this Second Supplemental Indenture shall be invested by the Trustee solely in Permitted Investments, as directed pursuant to the Request of the District filed with the Trustee at least two (2) Business Days in advance of the making of such investments. In the absence of any such directions from the District, the Trustee shall invest any such moneys in Permitted Investments described in clause (g) of the definition thereof; provided that as long as the Trustee is The Bank of New York Mellon Trust Company, N.A., the Trustee shall invest such money in the money

market fund set forth in the letter of authorization and direction executed by the District and delivered to the Trustee. If no specific money market fund has been specified by the District, the Trustee shall make a request to the District for investment directions. Such moneys shall be held in cash, uninvested, until specific investment directions are provided by the District to the Trustee. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the fund or account from which such investment was made. The Trustee may act as principal or agent in the acquisition of any investment. The Trustee shall incur no liability for losses arising from any investments made pursuant to this Section 4.08. The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District with monthly account statements as provided herein which include detail for all investment transactions made by the Trustee hereunder.

(b) For investment purposes, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately.

Section 4.06. Acquisition; Valuation and Disposition of Investments. Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the 2013 Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture of the Code) by the District at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued at their present value (within the meaning of section 148 of the Code).

ARTICLE V
COVENANTS

Section 5.01. Tax Covenants.

(a) *Federal Guarantee Prohibition.* The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the 2013 Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(b) *Rebate Requirement.* The District shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the 2013 Bonds.

(c) *No Arbitrage.* The District shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the 2013 Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the 2013 Bonds would have caused the 2013 Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

(d) *Prohibited Facilities.* No portion of the proceeds of the 2013 Bonds shall be used to provide any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises. No portion of the proceeds of the 2013 Bonds shall be used for an office unless the office is located on the premises of the facilities constituting the 2013 Project and unless not more than a *de minimis* amount of the functions to be performed at such office is not related to the day-to-day operations of the 2013 Project.

(e) *Use Covenant.* The District shall not use or knowingly permit the use of any proceeds of 2013 Bonds or any other funds of the District, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would result in any of the 2013 Bonds being treated as an obligation not described in section 145 of the Code by reason of such 2013 Bond not meeting the requirements of section 145 of the Code.

(f) *Maintenance of Tax-Exemption.* The District shall take all actions necessary to assure the exclusion of interest on the 2013 Bonds from the gross income of the Owners of the 2013 Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the 2013 Bonds.

(g) *Rebate of Excess Investment Earnings to United States.* The District hereby covenants to calculate or cause to be calculated excess investment earnings to the extent required by section 148(f) of the Code and shall cause payment of an amount equal to excess investment earnings to the United States in accordance with the Regulations, in each case at the sole expense of the District.

In order to provide for the administration of this Section 5.01(g), the District may provide for the employment of independent attorneys (including Bond Counsel), accountants and consultants compensated on such reasonable basis as the District or the Trustee may deem appropriate, and in addition to and without limitation of the provisions hereof, the Trustee may rely conclusively upon and shall be fully protected from all liability in relying upon the opinions, calculations, determinations, directions and advice of such attorneys, accountants and consultants employed by the District or the Trustee hereunder. The Trustee may rely conclusively upon the District's determinations, calculations and certifications required by this

Section 5.01. The Trustee shall have no responsibility to independently make any calculation or determination or to review the District's calculations hereunder.

Section 5.02. Confirmation of Indenture. Except as otherwise provided herein, all covenants made in Article VII of the Indenture are hereby confirmed as applicable to the 2013 Bonds under this Second Supplemental Indenture.

Section 5.03. Continuing Disclosure. The District shall undertake the continuing disclosure requirements promulgated under S.E.C. Rule 15c2-12, as it may from time to time hereafter be amended or supplemented. Notwithstanding any other provision of this Second Supplemental Indenture, failure of the District to comply with the requirements of S.E.C. Rule 15c2-12, as it may from time to time hereafter be amended or supplemented, shall not be considered an Event of Default hereunder.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Amendments to Original Indenture.

(a) Paragraph (o) of the definition of "Permitted Encumbrances" set forth in Section 1.01 of the Original Indenture is hereby amended in full as follows:

(o) liens on the District's accounts receivable securing Short-Term Indebtedness, subject to the requirements of Section 6.05(d) of this Indenture, and provided that upon the date of creation of any such lien on accounts receivable the Short-Term Indebtedness secured thereby shall be no more than 35% of the value of the District's accounts receivable.

(b) Effective only when the 2010 Bonds are no longer outstanding, the definition of "annual Debt Service" shall be amended as follows:

"Annual Debt Service" means, for each Fiscal Year, the aggregate amount (without duplication) of principal and interest scheduled to become due (either by maturity or by mandatory redemption) and sinking fund payments required to be paid in that Fiscal Year on all Long Term Indebtedness, but excluding debt service on voter-approved general obligation bonds secured by ad valorem tax revenues.

(c) Effective only when the 2010 Bonds are no longer outstanding, the definition of "Income Available for Debt Service" shall be amended as follows:

"Income Available for Debt Service" means, with respect to the District, as to any period of time, the excess of revenues over expenses of the District for such period, to which shall be added depreciation, amortization and interest, all as determined in accordance with generally accepted accounting principles; provided that no such determination shall include any gain or loss resulting from either the extinguishment of Indebtedness, any disposition of capital assets not made in the ordinary course of business, or ad valorem tax revenues received for the payment of voter-approved general obligation bonds included in excess of revenues over expenses of the District.

Section 6.02. Notices. All written notices to be given under this Second Supplemental Indenture shall be given by mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received upon actual receipt.

If to the District: Northern Inyo County Local Hospital District
1500 Pioneer Lane
Bishop, CA 93514
Attention: Chief Financial Officer
Phone: (559) 788-6102
Fax: (559) 788-6135

If to the Trustee: The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street, Suite 400
Los Angeles, CA 90071
Attention: Corporate Trust Department
Phone: (213) 630-6247
Fax: (213) 630-6215

Section 6.03. Execution in Several Counterparts. This Second Supplemental Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the District and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 6.04. Force Majeure. From the effective date of this Second Supplemental Indenture, the Trustee, or any successor in interest, shall not be considered in breach of or in default in its obligations with respect to any obligations created hereunder or progress in respect thereto, in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God, or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

Section 6.05. Electronic Communications. The Trustee agrees to accept and act upon instructions or directions pursuant to this Second Supplemental Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; *provided, however,* that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the District elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of interception and misuse by third parties.

IN WITNESS WHEREOF, the NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT has caused this Second Supplemental Indenture to be signed in its name by its Chief Executive Officer, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee, in token of its acceptance of the trusts created hereunder, has caused this Second Supplemental Indenture to be signed in its corporate name by its authorized officers, all as of the day and year first above written.

NORTHERN INYO COUNTY LOCAL
HOSPITAL DISTRICT

By _____
John Halfen
Chief Executive Officer

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By _____
Gonzalo Urey
Vice President

EXHIBIT A
FORM OF SERIES 2013 BOND

STATE OF CALIFORNIA
 INYO COUNTY

NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT
Revenue Bond, Series 2013

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
%	December 1, _____	January 29, 2013	665297 _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

The NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT, a local health care district, duly organized and existing under the laws of the State of California (herein called the "District"), for value received, hereby promises to pay (but only out of the Revenues and other moneys and securities hereinafter referred to) to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter mentioned), the Principal Amount stated above, in lawful money of the United States of America; and to pay interest thereon in like lawful money from the Interest Payment Date (as herein defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before May 15, 2013, in which event it shall bear interest from the Dated Date stated above) until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned, at the Interest Rate per annum stated above, payable semiannually on each June 1 and December 1, commencing June 1, 2013 (each, an "Interest Payment Date"). The principal (or redemption price) hereof is payable at the Principal Corporate Trust Office (as such term is defined in the hereinafter defined Indenture) of The Bank of New York Mellon Trust Company, N.A. (together with any successor trustee under the indenture, the "Trustee"). Interest hereon is payable by check of the Trustee mailed by first class mail on each Interest Payment Date to the Registered Owner as of the fifteenth (15th) day of the month preceding each Interest Payment Date (except as otherwise provided in the Indenture with respect to defaulted interest) at the address shown on the registration books maintained by the Trustee; *provided however*, that payment of interest will be made by wire transfer in immediately available funds to an account in the United States of America to any Registered Owner of Bonds (hereinafter defined) in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee before the fifteenth day of the month preceding the applicable Interest Payment Date. Interest on the Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

This Bond is one of a duly authorized issue of bonds of the District designated as Northern Inyo County Local Hospital District (Inyo County, California) Revenue Bonds" (herein called the "Bonds"), unlimited in aggregate principal amount, except as otherwise provided in the Indenture hereinafter mentioned, which issue consists or may consist of one or more series of varying dates, maturities, interest rates, redemption and other provisions, all issued pursuant to the provisions of the Local Health Care District Law, constituting Division

23 of the California Health and Safety Code (herein called the "Law"), and pursuant to an indenture, dated as of December 1, 1998, between the District and the Trustee (the "Original Indenture"), as amended and supplemented by a First Supplemental Indenture, dated as of April 1, 2010, by and between the District and the Trustee (the "First Supplemental Indenture"), as further amended and supplemented by a Second Supplemental indenture, dated as of January 1, 2013, by and between the District and the Trustee (the "Second Supplemental Indenture" and, with the Original Indenture and the First Supplemental Indenture, the "Indenture").

This Bond is also one of a duly authorized series of Bonds designated "Northern Inyo County Local Hospital District (Inyo County, California) Revenue Bonds, Series 2013" (herein called the "2013 Bonds"), in the aggregate principal amount of _____ dollars (\$_____), issued to finance and refinance the remodeling, expansion, improvement and equipping of the health facilities owned and operated by the District in Bishop, California. The 2013 Bonds are secured on a parity with the District's outstanding Northern Inyo County Local Hospital District (Inyo County, California) Revenue Bonds, Series 2010.

Reference is hereby made to the Indenture (a copy of which is on file at the Principal Corporate Trust Office of the Trustee) and all indentures supplemental thereto and to the Law for a description of the rights thereunder of the registered owners of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the District thereunder, to all the provisions of which Indenture the registered owner of this Bond, by acceptance hereof, assents and agrees.

The 2013 Bonds are subject to redemption prior to their respective stated maturities at the option of the District as a whole on any date, or in part by such maturities as are selected by the District (or if the District fails to designate such maturities, in inverse order of maturity and by lot within a maturity) on any Interest Payment Date, from moneys deposited in the Special Redemption Account derived from the proceeds of insurance or condemnation awards with respect to the Facilities, at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium.

The 2013 Bonds maturing on or before December 1, ____, shall not be subject to optional redemption prior to maturity. The 2013 Bonds maturing on or after December 1, ____, shall be subject to redemption prior to their respective maturity dates, at the option of the District, as a whole or in part, in such order of maturity as shall be selected by the District (or in inverse order of maturity if the District shall fail to select a particular order) and by lot within a maturity, on any date on or after December 1, ____, from any source of available funds, at a redemption price equal to the principal amount of the 2013 Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption.

The 2013 Bonds maturing on December 1, ____, are also subject to mandatory redemption, on December 1 in each year, commencing December 1, ____, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, from mandatory sinking fund account payments made by the District under the Indenture in the years and amounts as follows:

Sinking Fund Account
Redemption Date
(December 1)

Sinking Fund Installments
Redeemed or Purchased

†Maturity

The 2013 Bonds maturing on December 1, ____, are also subject to mandatory redemption, on December 1 in each year, commencing December 1, ____, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, from mandatory sinking fund account payments made by the District under the Indenture in the years and amounts as follows:

Sinking Fund Account
Redemption Date
(December 1)

Sinking Fund Installments
Redeemed or Purchased

†Maturity

The 2013 Bonds maturing on December 1, ____, are also subject to mandatory redemption, on December 1 in each year, commencing December 1, ____, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, from mandatory sinking fund account payments made by the District under the Indenture in the years and amounts as follows:

Sinking Fund Account
Redemption Date
(December 1)

Sinking Fund Installments
Redeemed or Purchased

†Maturity

Extraordinary Redemption. The Bonds are subject to redemption prior to their respective stated maturities at the option of the District as a whole on any date or in part by such maturities as are selected by the District (or if the District fails to designate such maturities, in inverse order of maturity) and by lot within a maturity on any Interest Payment Date, from hazard insurance or condemnation proceeds received with respect to the Facilities of the District, in each case under the circumstances described and as provided in the Indenture, at a Redemption Price equal to 100% of the principal amount thereof together with interest accrued thereon to the date fixed for redemption, without premium.

If an Event of Default (as that term is defined in the Indenture) shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such declaration

and its consequences may be rescinded by the registered owners of not less than a majority in aggregate principal amount of the Bonds then outstanding, or by the Trustee.

The Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the office of the Trustee but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, of the same series and maturity for the same aggregate principal amount, will be issued to the transferee in exchange herefor.

The District and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, and the District and the Trustee shall not be affected by any notice to the contrary.

The Bonds are issuable as fully registered Bonds in "Authorized Denominations." The term Authorized Denominations means \$5,000 or any integral multiple thereof. Subject to the limitations provided in the Indenture, Bonds may be exchanged, at said corporate trust office of the Trustee, for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity.

The Indenture and the rights and obligations of the District and of the registered owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (i) extend the fixed maturity of this Bond, or reduce the amount of principal hereof, or extend the time of payment or reduce the amount of any Mandatory Sinking Account Payment provided for in the Indenture for the payment of this maturity of Bonds, or reduce the rate of interest thereon, or extend the time of payment of interest hereon, or reduce any premium payable upon the redemption hereof, without the consent of the registered owner hereof, or (ii) reduce the percentage of Bonds the consent of the registered owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged as security for the Bonds prior to or on a parity with the lien created by the Indenture, or deprive the registered owners of the Bonds of the lien created by the Indenture on such Revenues and other assets (except as expressly provided in the Indenture), without the consent of the registered owners of all Bonds then outstanding, all as more fully set forth in the Indenture.

The Bonds and the interest thereon are payable from Revenues (as that term is defined in the Indenture) and are secured by a pledge and assignment of said Revenues and of amounts held in the funds and accounts established pursuant to the Indenture (except any amounts held in the Rebate Fund, as such term is defined in the Indenture), subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

The Bonds are limited obligations of the District and are not a lien or charge upon the funds or property of the District, except to the extent of the aforementioned pledge and assignment. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the District or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of

DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

It is hereby certified and recited that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Law and by the Constitution and laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the District, does not exceed any limit prescribed by the Law, or by the Constitution and laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Trustee.

IN WITNESS HEREOF, the Northern Inyo County Local Hospital District has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its President and attested by the facsimile signature of its Secretary, all as of the dated date identified above.

NORTHERN INYO COUNTY LOCAL
HOSPITAL DISTRICT

By _____
President

Attest:

Secretary

FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the 2013 Bonds described in the within-mentioned Indenture and registered on the registration books of the Trustee.

Dated:

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within-registered Bond and hereby irrevocably constitute(s) and appoints(s)

attorney, to transfer the same on the Bond register of the Trustee with full power of substitution in the premises.

Dated: _____

Signature:

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Note: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agents Medallion Program ("STAMP"), the Stock Exchanges Medallion Program ("SEMP") or the New York Stock Exchange, Inc. Medallions Securities Program ("MSP") or an "eligible guarantor."

**THIS SHEET
INTENTIONALLY
LEFT BLANK**

Cust Account #:

PURCHASE ORDER

PO Number: 81034

Corporation: NORTHERN INYO HOSPITAL CORPORATION

Tax Exempt ID:

Vendor: CARL ZEISS MEDITEC Vnd No: 601 Phone: 800-442-4020 Fax No: Address: ONE ZEISS DR THORNWOOD, NY 10594 Est Arr Date:	Ship To: 150 PIONEER LN BISHOP, CA 93514 Phone: 760-873-5811 3264 Fax: -- Contact: RYAN MCVEITTY E-mail: Ship Via:	Bill To: 150 PIONEER LN BISHOP, CA 93514 Phone: 760-873-5811 3264 Fax: -- Contact: E-mail: Terms: No Discount/Net30	Created On: 07/19/2012 Printed On: 07/19/2012 15:03:34 Special Instructions: emailed 7/19/12
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Line	Qty / UOM	Item ID / Vendor Catalog #	Description Notes	GL Acct / Corporation Deliver to Location	Order Price	Line Total	1st	2nd	3rd	4th
1	1 EA	6415600	ZEISS OPMI LUMERA I	1241-1201 NIH2	\$74,499.46000	\$74,499.46000				
KIMAT OPMI LUMERA										
7420C - SURGERY AND RECOVERY SERVICES CONSUMABLE										

Complete
 SEP 07 2012
 J.D.

Authorized Signature	PO Total: \$74,499.46
----------------------	-----------------------

Cust Account #:

PURCHASE ORDER

PO Number: 81034

Corporation: NORTHERN INYO HOSPITAL CORPORATION

Tax Exempt ID:

Vendor: CARL ZEISS MEDITEC	Ship To: 150 PIONEER LN BISHOP, CA 93514	Bill To: 150 PIONEER LN BISHOP, CA 93514	Created On: 07/19/2012
Vnd No: 601	Phone: 800-442-4020	Phone: 760-873-5811 3264	Printed On: 07/19/2012 10:26:41
Phone: 800-442-4020	Fax: --	Fax: --	Special Instructions:
Fax No:	Contact: RYAN MCVEITTY	Contact:	
Address: ONE ZEISS DR THORNWOOD, NY 10594	E-mail:	E-mail:	
Est Arr Date:	Ship Via:	Terms: No Discount/Net30	

Line	Qty / UOM Pck Ref	Item ID / Vendor Catalog #	Description Notes	GL Acct / Corporation Deliver to Location	Order Price	Line Total	1st	2nd	3rd	4th
1	EA	6415600	ZEISS OPMI LUMERA I	1241-1201 NIH2	\$74,499.46000	\$74,499.46000				
KMAT OPMI LUMERA 7420C - SURGERY AND RECOVERY SERVICES CONSUMABLE										

Authorized Signature	PO Total: \$74,499.46
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Carl Zeiss Meditec, Inc.
5160 Hacienda Drive
Dublin, CA 94568 U.S.A

Billing site: 641560
Northern Inyo Hospital
Phyllis Meneses
150 Pioneer Ln
Bishop CA 93514-2556

Instrument site: 641560
Northern Inyo Hospital
Phyllis Meneses
150 Pioneer Ln
Bishop CA 93514-2556

Price quotation / purchase agreement
Prepared by:

Carl Zeiss Meditec, Inc.
Carl Zeiss Meditec Group
Tax ID # 94-3374401
DUNS: 362747011

Toll Free: (877) 486-7473
Telephone: (925) 557-4100
Fax: (925) 557-4393
On the web:
www.meditec.zeiss.com

For assistance contact:
Nancy Jones
714-972-9499

Quotation No.: 7740041849
Quotation date: 29.06.2012
Page: 1/3

US:USA-Preisliste				
Pos	Description	Qty	List Price (\$)	Ext. Price (\$)
10	Kmat OPMI Lumera I	1.00	105,071.54	105,071.54
20	OPMI Lumera I With Floor Stand	1.00		
30	Dust Cover For OPMIá® Blue	1.00		
40	22 mm asepsis caps, pack of 6	2.00		
50	6-pack resterilizable handgrips VISU 150/160/200/210	1.00		
60	Foot Control Panel Wireless Fcp WI	1.00		
70	Tilttable Binocular Tube F=170Mm, 180 Degrees	1.00		
80	2 grips for 180° tilttable tube and 6-pack of 22mm asepsis caps	1.00		
90	6 pack asespsis caps, for PD adjustment, 180° tilttable tube	1.00		
100	Widefield, Push-In Eyepiece 10X	2.00		
110	Objective lens f=175 mm, apochromatic, outer diameter 65 mm	1.00		
120	Beamsplitter 20	1.00		



Quotation No.: 7740041849
Quotation date: 29.06.2012
Page: 2/3

Pos	Description	Qty	List Price (\$)	Ext. Price (\$)
130	6-pack resterilizable handgrips VISU 150/160/200/210	1.00		
140	Halogen Lamp 12V 100W	2.00		
150	Integrated Medillive Trio Eye 3 Ccd C-Mount Ntsc	1.00		
160	Video objective lens, f=60 mm, C-mount for 1/2" 1 CCD, 1/3" 1 CCD, 1/3" 3 CCD	1.00		
170	Cable 10M S-Vhs Connecting 2X4	1.00		
180	Pack. F. Syst. Lumera-I Solid Wood-Free	1.00		

Add. Trade in Dis.	\$ 2,500.00-
Order Discount	\$ 30,572.08
Sub Total	\$ 74,499.46
Freight	\$ 700.00
Tax	\$ 5,827.94
Grand Total	\$ 81,027.40

Thank you for considering our LOW rates on Financing Options

Carl Zeiss Meditec, Inc is licensed and required to collect applicable sales taxes in all states.
Actual taxes may differ from quoted amounts.
If Sales Tax has been added to your Quote and you are tax exempt, please submit a current Tax Exempt Certificate with your order.
Actual taxes will be calculated at the time of invoice in accordance with the current tax rates/regulations.
Prices are valid for 30 days from Quotation Date.
One year warranty unless otherwise specified.
This quotation is valid only in the USA and will be null and void if intended for Resale or Export.
Prices shown in connection with a Trade-in shall be null and void in the event Buyer elects to retain, or for any reason not provide, the specified Trade-In.
Any equipment accepted as a Trade-In may be immediately disposed of by Carl Zeiss Meditec.
Payment Terms are Deposit with Balance due on receipt.
Software ONLY sales require payment in full with order.
www.zeiss.com/meditectandc



Quotation No.: 7740041849
Quotation date: 29.06.2012
Page: 3/3

In signing this agreement, buyer agrees to all Carl Zeiss Meditec Inc Sales Terms and Conditions, as attached.

Authorized Customer Signature	Date
Select Payment Method P.O. No. _____ Deposit with Balance due on invoice _____ Lease _____	
Deposit Amount to be charged to Credit Card: \$ _____	Total Deposit: \$ _____
Credit Card No./P.O. No./Check No.	Credit Card Expiration Date
Printed Name on Credit Card and Credit Card Billing Address including Zip Code if different from above	

Ship To Contact: _____

If the Billing Site (Bill-To) or the Instrument Site (Ship-To) information is different from the information listed above, please specify correct information below.

Terms and Conditions of Sale

These Terms, combined with the information on the front or attached pages ("Front") constitute an agreement with Carl Zeiss Meditec, Inc. ("Zeiss") in which the purchaser named on the Front ("Buyer", "You", "Your") will purchase the product(s) described on the Front ("Product(s)"). Terms on the Front will supersede these terms below.

1. PRICES AND TAXES - All prices in this Agreement ("Price(s)") are in U.S. dollars. Quotations are only valid for thirty (30) days from the date of quote. The Price does not include applicable sales, excise, use, or other taxes in effect or later levied. Zeiss is licensed and required by law to collect sales tax in all states. Except for those taxes attaching to Zeiss (e.g. income taxes), Buyer is responsible for payment of all taxes associated with its purchase of the Product(s), including (but not limited to) sales or excise taxes, duties, or property taxes.

2. TRADE-IN POLICY - If Buyer's "trade-in" equipment ("Trade-In(s)") is part of the Price, Buyer warrants that Buyer owns the Trade-In(s) free of any liens, security interests or other encumbrances. Buyer must complete the de-installation of the Trade-In(s). Trade-In(s) must be in the condition as noted on the Quotation, and must include all hardware, software, components, and applicable license(s), and are the model and serial number listed on the Quotation ("Complete"). Trade-In(s) are subject to Zeiss' inspection and acceptance. If Trade-In(s) are not delivered to Zeiss within 60 days of delivery of the Product(s), are not Complete or otherwise unacceptable to Zeiss, Zeiss may recalculate the Price and Buyer agrees to pay Zeiss the adjusted Price. Buyer will bear the risk of loss for Trade-In(s) until they are delivered to Zeiss or its carrier. If accepted, Zeiss may immediately dispose of the Trade-In and Buyer will have no right to a return of the Trade-In. If this Agreement is terminated, or the Product(s) are returned, then Buyer agrees that Buyer will only receive a credit for the Trade-In(s) value toward Buyer's next purchase of Zeiss product(s).

3. TERMS AND METHOD OF PAYMENT - Unless stated otherwise on the Front, payment in full will be due thirty (30) days from the date of invoice. Zeiss may require a deposit upon placement of the order, and may further require the balance to be Due On Delivery (including applicable sales tax, freight, insurance, etc.). Zeiss reserves the right to require payment in full, in advance or C.O.D., or otherwise modify credit terms either before or after acceptance of any order if for any reason Buyer's credit is or becomes objectionable to Zeiss. Pending correction of any objectionable credit situation, Zeiss may withhold shipments without incurring any liability to Buyer. All balances not paid when due shall be subject to a service charge equal to one-and-one-half percent (1 1/2%) per month, or the highest rate permitted by law, whichever is less. For Zeiss to extend tax exempt status to Buyer, Buyer must provide a tax-exemption certificate based upon the jurisdiction of the installation location prior to acceptance of the order. In the event of a transaction in which the Buyer delays installation of Product(s) for more than sixty (60) days, Buyer will accept Zeiss's invoice for the Product(s) and tender payment timely regardless of installation.

4. CREDIT STATEMENT - Buyer certifies that the information submitted pertaining to its credit worthiness is accurate. Buyer, its owners and/or principals, and all individuals whose names appear on the Agreement expressly authorize consumer reporting agencies and other persons to furnish credit information to Zeiss, separately or jointly with other creditors, for use in connection with this Agreement. Zeiss and joint users of such information are authorized to receive and exchange credit information and to update such information as appropriate for the express purpose of assessing Buyer's credit worthiness.

5. SHIPMENT, RISK OF LOSS, SHIPPING DATE - All shipments will be made FCA. Zeiss's shipping points. Absent specific agreement, Zeiss will select the carrier. Title and Risk of Loss to the Product(s) passes to the Buyer upon Zeiss' delivery to the designated carrier or delivery service. Buyer shall reimburse Zeiss for any insurance proceeds obtained covering losses associated with delivering the Product(s) to the carrier. If a shipment date is indicated on this Agreement, such date is only an estimated delivery date, and not a material term of this Agreement. Zeiss will make all reasonable efforts to meet the delivery date. If (i) Zeiss does not deliver the Product(s) within sixty (60) days of the delivery date, then Buyer may terminate this Agreement or (ii) if Buyer does not take delivery from Zeiss within ninety (90) days of the delivery date, then Zeiss may terminate this Agreement; and in neither circumstance will Buyer or Zeiss have any further obligations to the other.

6. ACCEPTANCE - Buyer will be deemed to have accepted the Product(s) on the earlier of (i) delivery of the Product(s) to the Buyer (if installation is not priced separately on the Front) or (ii) confirmation by Zeiss that the Product(s) have been installed and conform to Zeiss' specifications and requirements for operation or (iii) Buyer's use of the Product(s).

7. SECURITY INTEREST - Until the Product(s) are paid for in full, Buyer gives Zeiss a security interest in the Product(s), all monies received for the Product(s), or in any chattel paper regarding the Product(s) (e.g.: lease agreements).

8. LIMITED WARRANTY - This is a limited warranty that gives Buyer specific legal rights. Non-institutional Buyers may have other rights, which vary from state to state. Warranty is void outside the U.S.A.

Duration of Warranty: This Limited Warranty will last, unless otherwise stated on the Front, for one (1) year from shipment date ("Warranty Period"). **What Is Covered:** All parts defective in material and workmanship. **What Zeiss Will Do:** Zeiss will, at its sole option, repair or replace any parts it reasonably determines to have failed due to defects in material or workmanship during the Warranty Period, free of any charge for either parts or labor. **What is Not Covered:** Consumable items nor the servicing/replacement of other manufacturer's equipment or accessories. These items, as well as any third-party supplied items (software or hardware) will be covered by their manufacturer's warranty and any arrangements for service or replacement of such items must be made through that manufacturer. This Limited Warranty does not cover failure that has resulted from improper or unreasonable use or maintenance, accident, unauthorized transportation from the initial installation location or environmental conditions outside of those prescribed in the Product specifications, improper packaging or shipment, electrical failure, or unauthorized tampering, alteration or modification. Consumables and items with a limited expected useful life are not subject to this Limited Warranty. On-site planned or preventive maintenance activities are not included as a part of this Limited Warranty. **Exclusive Warranty:** The provisions of this Limited Warranty are in lieu of any other warranty, whether expressed or implied, written or oral, including any warranty of fitness for a particular purpose. **Exclusive Remedy:** Zeiss' obligation to repair, replace, or at its sole option refund the value of such defective parts, are the only remedies available under this Limited Warranty. Some jurisdictions do not allow limitations on exclusion of or limitation of remedies so the foregoing limitations and exclusions may not apply.

9. SERVICE AGREEMENT - If this Agreement includes the purchase of a Service Agreement, then the Zeiss Service Agreement Terms and Conditions will apply to those services.

10. TRAINING - Zeiss may provide training related to certain Product(s), the form, duration and content of which will be at Zeiss' discretion. Training commitments expire 6 months after the Product(s) are shipped.

11. LICENSE FOR USE OF SOFTWARE - Zeiss grants Buyer a non-exclusive, non-transferable license to use the software incorporated in the Product(s) ("Software"), solely for Buyer's internal practice uses. This license does not include the right to make copies of Software, extract, modify or incorporate any part of the Software, nor reverse engineer, decompile, or disassemble the Software. Zeiss does not claim that the Software is free from defects and shall have no obligation to supply software upgrades (i.e., new versions, or new, or in-line releases). This limitation will not apply to required corrective actions.

12. RETURN POLICY - Unless it has given its written consent, Zeiss will not accept any Product returns. If Zeiss consents to the return, Buyer may be charged a twenty percent (20%) restocking fee for all Zeiss authorized Product(s) returns. Risk of Loss, and Shipping and Handling fees for returned Product(s) are the Buyer's responsibility. Unless Zeiss agrees otherwise, returned Product(s) must be in new condition and packaged in the original packaging. Consumable Product(s), such as bulbs, lamps, fuses, fiber optic cables, etc., are not returnable.

13. CANCELLATION POLICY - This Agreement can only be cancelled prior to shipment by written agreement of Buyer and Zeiss. If Buyer cancels this Agreement, Buyer may be charged a 20% cancellation fee. If Buyer only cancels part of Buyer's order under this Agreement, Zeiss may adjust the Price of the remaining Product(s) being purchased, which may mean discounts offered on the original order will not be available.

14. FORCE MAJEURE - Zeiss will make every reasonable effort to complete shipment, but shall not be liable for any loss or damage for delay in delivery, or any other failure to perform due to causes beyond its reasonable control including but not limited to, fire, storm, flood, earthquake, explosion, accident, acts of a public enemy, war, rebellion, insurrection, sabotage, epidemic, quarantine restrictions, labor disputes, labor or material shortages, embargo, failure or delays in transportation, unavailability of components or parts for machinery used for manufacture of its Product(s), acts of God, acts of the Federal Government or any agency thereof, acts of any state or local government or any agency thereof, and judicial action. Should such a delay occur, Zeiss may reasonably extend delivery or production schedules or, at its option, cancel the order in whole or part without any liability other than to return any unearned deposit or prepayment.

15. ASSIGNMENT - Buyer shall not assign or transfer any rights, duties or obligations under this Agreement without Zeiss' prior written consent.

16. GOVERNING LAW; DISPUTE RESOLUTION - The substantive laws of the State of New York will govern the construction of this Agreement. Both parties agree to waive any right to a trial by jury.

17. LIMITATION OF LIABILITY - Notwithstanding anything contained in this or any other agreement between Zeiss and Buyer, neither party will be liable to the other for any loss, damage, cost of repairs, incidental, punitive, exemplary, indirect or consequential damages of any kind, including (without limitation) loss of profit, revenues or business opportunity, (all of which each party expressly waive to the fullest extent permitted by law) even if either party has been advised of the possibility of such damages, whether or not based upon express warranty or implied warranty (except for the obligations assumed by Zeiss under the Limited Warranty Clause), contract, tort, negligence, strict liability or other cause of action arising in connection this Agreement or with the design, manufacture, sale, use or repair of the Product(s). This provision may not affect third party claims for bodily injury or death arising in Product(s) liability or from Zeiss' gross negligence. Some states do not allow the exclusion or limitation of consequential or incidental damages, so the above limitation or exclusion may not apply.

18. PATENT INDEMNITY - Zeiss will defend or settle any claim, suit or proceeding brought against Buyer based on allegations that the Product(s) infringe on a third party patent, provided that: Zeiss is notified timely of such claim, suit or proceeding; Buyer renders all reasonable cooperation to Zeiss; Buyer gives Zeiss the sole authority to defend or settle the same. If the Product(s) are held to infringe on any patent and the use of the Product(s) is enjoined, Zeiss will have the option, at its discretion (i) to procure Buyer the right to use the Product(s) or (ii) to modify the Product(s) so that they no longer infringe or (iii) upon the return of the Product(s), refund Buyer the depreciated value of the Product(s) and accept the return thereof. This indemnification will not apply to changes made by Zeiss at Buyer's instruction or by Buyer, or by the use of third party items in conjunction with the Product(s) (unless sold or directed by Zeiss). In no event will Zeiss' total liability to Buyer with respect to any infringement or misappropriation exceed the depreciated value of the Product(s).

20. **ENTIRE AGREEMENT** - This Agreement constitutes the final and complete agreement between the parties and supersedes all prior agreements and understandings, whether written or oral, relating to the purchase or sale of the Product(s). The terms and conditions of this Agreement shall prevail over any variance with the terms and conditions of any order submitted by the Buyer for the Product(s), regardless of any provisions to the contrary. No claimed additions to or modifications or amendments of this Agreement, nor any claimed waiver of any of its terms or conditions, shall be effective unless in writing and signed by the party against whom the same may be asserted.



CARL ZEISS MEDITEC

Original

Division

Carl Zeiss Meditec Inc.
Attn. Accounts Payable
5160 Hacienda Drive
DUBLIN CA 94568
USA

Packing list

Please always indicate:
Division/Number/Date
30/2050996518/08/13/2012

Contact
Nathan Gonzalez
Phone/Fax
925-557-4674 / 925-557-4183
e-mail
n.gonzalez@meditec.zeiss.com

Consignee

Northern Inyo Hospital
PO# 81034
Att: Ryan McVeitty
Phn: 760-873-5811 X-3264
150 Pioneer Ln
BISHOP CA 93514-2556
USA

Order confirmation 30 / 1024001582 of 07/26/2012
Delivery note 30 / 1033754031 of 08/09/2012

Your order 81034 from 07/25/2012

Unless it has given its written consent, Zeiss will not accept any Product returns. If Zeiss consents to the return, Buyer may be charged a twenty percent (20%) restocking fee for all Zeiss authorized Product(s) returns. Risk of Loss, and Shipping and Handling fees for returned Product(s) are the Buyer's responsibility. Unless Zeiss agrees otherwise, returned Product(s) must be in new condition and packaged in the original packaging. Consumable Product(s), such as bulbs, lamps, fuses, fiber optic cables, etc., are not returnable.

CZ 10234001582
PO 81034

COMPLETE

SEP 07 2012

RAYTHOMAS

No. 1 (CZ-Code 6547881)
cardboard on a palett
gross 253 KG, net 168 KG
size 120 x 80 x 195 CM

Item.	PH Article-No.	Description	Quantity	packed in
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**NORTHERN INYO HOSPITAL
EMPLOYEE HANDBOOK – PERSONNEL POLICY**

Title: Required - EMPLOYEE COMPLAINTS AND THE GRIEVANCE PROCESS (23-02)	
Scope: Hospital Wide	Department: Human resources – Employee Handbook
Source: Human Resources	Effective Date:

PURPOSE:

To outline the Employee Complaints and the Grievance Process policy and procedure to provide methods: 1) for employees to register complaints about discrimination, harassment, or problems concerning wages, hours, working conditions, the interpretation or application of policies and procedures, disciplinary action employees feel was not for just cause, or any other matters related to their employment; and 2) to afford management the opportunity to explain, respond, and take corrective action in a timely manner.

POLICY:

All employees have the right to voice their complaints.

We recognize the meaningful value and importance of full discussion in resolving misunderstandings and preserving good relations between management and our employees. As such we encourage employees to communicate problems arising from work situations in an open manner, without fear of recrimination or retaliation. Accordingly, we believe that the following procedure will ensure that complaints receive full consideration.

Should a condition exist that an employee feels is unsatisfactory, it is important that he or she bring it to the attention of the appropriate person in the proper manner. Normally that person is the employee's immediate supervisor. If the supervisor is the source of the complaint (e.g., unlawful harassment), the employee is to contact human resources. Any employee who perceives problems in the course of their work or who believes their rights and privileges under hospital policies and rules have been applied unfairly must adhere to this procedure to file a complaint and enter the grievance process.

It is the intent of this policy that complaint resolution be accomplished by supervisory levels described in Step 1 of the procedure (preferably the immediate supervisor). Matters more appropriately resolved at the first step are not to be deferred to succeeding steps of the procedure and grievance process. Human Resources will assess complaints as: i) discrimination or unfair treatment relating to or caused by gender, race, religious beliefs, age, or other legally protected status; ii) harassment; iii) problems concerning wages or hours; iv) working conditions; v) interpretation or application of policies and procedures; vi) disciplinary action employee(s) feel was not for just cause; or vii) any other matters related to employment.

Nothing in this policy alters or should be interpreted as altering the at-will employment relationship between Northern Inyo Hospital and its employees.

**NORTHERN INYO HOSPITAL
EMPLOYEE HANDBOOK – PERSONNEL POLICY**

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PROCEDURE:

1. Employees are encouraged, but not required to discuss problems and complaints in an informal manner with their immediate supervisor, department head, Human Resources Manager and/or the Employee Advocate. (Reference note b.)
2. If not resolved in step 1, a written formal complaint must be filed with the Human Resources Department within thirty (30) working days of the occurrence of the event. (Reference note a.) Employee Written Formal Complaint Form
3. Within five (5) working days of receipt (Reference note a.): 1) the Human Resources Department will initially respond to the formal written complaint assessing the complaint as: i) discrimination or unfair treatment relating to or caused by gender, race, religious beliefs, age, or other legally protected status; ii) harassment; iii) problems concerning wages or hours; iv) working conditions; v) interpretation or application of policies and procedures; vi) disciplinary action employee(s) feel was not for just cause; or vii) any other matters related to employment. Then, accordingly, 2) copies of the written complaint and HR response will be forwarded as appropriate to the employee's department head by HR.
4. The department head will discuss the written complaint with Human Resources and respond to the employee in writing within five (5) working days of receipt of the written complaint from Human Resources. (Reference note a.)
5. If the employee does not accept the decision of the department head, the employee may appeal the decision in writing to the Administrator within five (5) working days of the employee's receipt of the decision of the department head. (Reference note a.)
6. The Administrator or designee will completely and impartially investigate the complaint and within (5) working days provide the employee with a written decision. (Reference note a.)
7. If the employee is not satisfied with the Administrator's decision, the employee may request, in writing, of the Administrator, a hearing before the Board of Directors.
8. Upon receipt of the written request for a hearing before the Board of Directors, the Administrator shall place the item as a filed grievance on the next available Board of Director's meeting agenda. The grievance item will be assessed and placed on the agenda for open or closed session accordingly. (Reference note a.)
9. All decisions of the Board of Directors shall be final and not subject to further appeal.
10. Throughout the complaint and grievance process stated in the policy, if still scheduled to work, the employee is required to continue to perform his/her duties in a satisfactory manner or be subject to disciplinary action.
11. Employees terminated or suspended, as the result of disciplinary action will remain terminated or suspended during the grievance process stated in this policy.

**NORTHERN INYO HOSPITAL
EMPLOYEE HANDBOOK – PERSONNEL POLICY**

Title: Required - EMPLOYEE COMPLAINTS AND THE GRIEVANCE PROCESS (23-02)	
Scope: Hospital Wide	Department: Human resources – Employee Handbook
Source: Human Resources	Effective Date:

12. At each stage of the grievance process, if the employee prevails, he/she shall be reinstated. Back pay, in whole or in part, may or may not be granted at the discretion of the Administrator.
13. Human Resources will receive a copy of all communication related to the grievance process, for inclusion in the employees personnel file.
14. Retaliation against the employee making a complaint or using the grievance process is prohibited and will lead to disciplinary action up to and including termination.

Notes:

- a. There may be occasions when, because of the time or the particular circumstances involved, either the employee or management of the hospital may request that the time requirements in this procedure be waived or extended.
- b. The Employee Advocate may be engaged or disengaged at any time or point in the grievance process.
- c. In order to most appropriately or effectively investigate or resolve a complaint/grievance, management may invoke other options during the grievance process, e.g. use of a Task Force or outside consultant or mediator.

Committee Approval	Date
Human Resources	
Administration	
Board of Directors	

**NORTHERN INYO HOSPITAL
EMPLOYEE HANDBOOK – PERSONNEL POLICY**

Title: Wages - PUNCH DETAIL REPORT (06-01)	
Scope: Hospital Wide	Department: Human resources – Employee Handbook
Source: Human Resources	Effective Date:

POLICY:

Your punch detail report from the timekeeping system is an accurate record of your working time and is the basis for computing your paycheck. It is your responsibility to insure that your punch detail report is accurate. Employees who knowingly swipe or time stamp in or out for another employee, or manually sign in or out for another employee, are subject to discharge.

You must swipe or time stamp in closest to your actual assigned work area at a timekeeping terminal or a computer using time stamp. Time stamp may be used **ONLY** while working on Northern Inyo Hospital properties not while working from home. You may only work from home with Administrator approval and that time must be submitted manually on an edit sheet.

You must not swipe or time stamp in more than six minutes before your scheduled starting time, nor swipe out more than six minutes after the time that your shift ends without prior written approval of your supervisor. Further details are listed in the Payroll Policies and Guidelines.

If any corrections are needed regarding your punch detail, please complete and submit a manual payroll edit sheet.

Approval	Date
Human Resources	
Administration	
Board of Directors	

Whenever possible, department heads, supervisors and head nurses should schedule designated non-exempt employees who must regularly receive pay for their meal periods to come to work a half an hour "late" or leave work a half an hour "early" in order to minimize overtime expenses. Employees in these positions should enter into an "Agreement For On-Duty Meal Period" with the hospital. (See form titled AGREEMENT FOR ON-DUTY MEAL PERIOD.) Effective January 1, 2013, all AGREEMENTS FOR ON-DUTY MEAL PERIOD's will expire annually and must be resigned to remain in effective.

EXEMPT EMPLOYEES

Employees whose positions are mainly executive, administrative or professional may be classified as exempt employees by administration.

- A. Exempt employees do not receive extra pay for overtime hours, hours worked on holidays, or on-call time.
 - B. Exempt employees are not entitled to "compensatory time off."
 - C. In order to be classified as exempt, employees must meet certain conditions set by the federal government.
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NORTHERN INYO HOSPITAL

CEO SUCCESSION PLAN

12-12-12

- a. **1/2013 thru 4/31/2013.** Create and post position of Assistant Administrator.
AA position will be structured as training and preparation to take over as CEO.
Qualifications, experience, requirements to be the same as CEO.
Job responsibilities would increase over a year or so until takeover event as would reporting relationships.
Compensation negotiable.
Conduct interviews.
- b. **5/1/2013 thru 7/15/2013.** Start date of AA (probably negotiable with candidate).
Backfill vacant positions as determined necessary. Possibilities include Chief Nursing Officer and Chief Financial Officer.
Job descriptions and responsibilities to be updated as needed.
Conduct interviews.
Interim CNO remains in place until CNO hired if applicable.
Contracts for all Officers executed.
- c. **7/16/2013 thru 7/15/2014.** CEO submits resignation effective 7/15/2014.
Training of AA continues.
Continuing relationship with CEO explored, executed.
- d. **7/16/2014.** CEO resignation becomes effective.
Continuing relationship with CEO begins as appropriate.

END