Northern Inyo County Local Hospital District

Board of Directors Regular Meeting

Wednesday January 21, 2008 5:30pm

Board Room
Northern Inyo Hospital

DRAFT AGENDA

NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT
BOARD OF DIRECTORS MEETING
January 21, 2009 at 5:30 P.M.
In the Board Room at Northern Inyo Hospital

1. Call to Order (at 5:30 P.M.).
2. Opportunity for members of the public to comment on any items on this Agenda.
3. Approval of minutes of the October 15, 2008 and December 3, 2008 regular meetings; and the December 3, 2008 special meeting.
4. Financial and Statistical Reports for the month of November 2008; John Halfen.
5. Administrator's Report; John Halfen.

   A. Building Update

   B. Advance Beneficiary Notice

   C. F.Y.I. Section

   - 22,443
   - Employment Applications
   - Economy update
   - NIH Foundation donation, Dr. Tom Reid

   D. Other

6. Chief of Staff Report – Richard Nicholson, M.D..
   A. Medical Staff Appointment / Privileges, Leon S. Jackson, M.D. (*action item*).
   B. Resignation; Catherine Leja, M.D.
   C. Hospital wide Policies / Procedures (*action items*):
      1. Muscle Biopsy
      2. Use of Fentanyl Patches
      3. Ventilators in the Emergency Room
      4. Versa Med I-Vent
      5. Drawing of Arterial Blood Gases
      6. Nasotracheal Suctioning
      7. Back-Feeding Oxygen
      8. Patient – Ventilator System Checks
      9. Contact Precautions
      10. Multidrug Resistant Organism (MDRO) Control Plan
7. Old Business
   A. Reaffirmation of John Halfen as negotiator regarding potential acquisition of real property at 2957 Birch Street, Bishop, California. Negotiation will be with the designee(s) of Southern

Mono County Healthcare District (*action item*).

B. January Cost of Living Adjustment (*action item*).

8. New Business
   A. Purchase of existing modular building, $31,114.13 (*action item*).
   B. Board Resolution 09-01 (*action item*).
   C. Approval of Practice Management Agreements with (action items):
      - Clifford Beck, M.D.
      - Alice Casey, M.D.
      - Charlotte Helvie, M.D.
      - Amr Ramadan, M.D.
      - David Greene, M.D.
   D. Purchase of laprascopic video equipment for surgery (*action item*).
   E. Approval of Turner contract for Phase II and GMP (*action item*).
   F. Language Services Quarterly report (*action item*).
9. Reports from Board members on items of interest
10. Opportunity for members of the public to comment on any items on this Agenda, and/or on any items of interest
11. Adjournment to closed session to:
    A. Hear reports on the hospital quality assurance activities, and hear a report from the Medical Staff Executive Committee (Section 32155 of the Health and Safety Code, and Government Code Section 54962)
    B. Instruct negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of a real property (Government Code Section 54956.8).
    C. Confer with legal counsel regarding pending litigation against the District by an employee (Government Code Section 54956.9(a)).
    D. Conduct CEO Annual Performance Evaluation (Government Code Section 54957).
    E. Discuss a patient complaint.
12. Return to open session, and report of any action taken in closed session
13. Opportunity for members of the public to address the Board of Directors on items of interest
14. Adjournment

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CALL TO ORDER

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

PRESENT

Peter Watercott, President
Michael Phillips, M.D., Secretary
John Ungersma, M.D., Treasurer
M. C. Hubbard, Director
Jeff Brown, PharmD, Director
Richard Nicholson, M.D., Chief of Staff

ALSO PRESENT

John Halfen, Administrator
Douglas Buchanan, Esq., District Legal Counsel
Sandy Blumberg, Administration Secretary

PUBLIC COMMENTS ON AGENDA

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

MINUTES

The minutes of the September 17 2008 regular meeting and the September 25 special meeting were approved.

ADMINISTRATOR'S REPORT

WELDOME TO NEW DIRECTOR

Mr. Halfen welcomed Jeff Brown to the Northern Inyo Hospital (NIH) District Board of Directors. Mr. Brown has agreed to serve out the remainder of Dr. Clark's term for District Zone IV, and Board members expressed their gratitude for his service. Doctor Clark plans to run for re-election to the Zone IV vacancy in November 2008.

FINANCIAL AND STATISTICAL REPORTS

John Halfen, Chief Financial Officer reviewed with the Board the financial and statistical reports for the month of August 2008. Mr. Halfen noted the statement of operations shows a bottom line excess of revenues over expenses of $833,480. Mr. Halfen called attention to the following:

- *Inpatient and outpatient service revenue were significantly over budget*
- *Total expenses were close to budget*
- *Salaries and wages were under budget*
- *Employee benefits and professional fees expense were both over budget*
- *The Balance Sheet showed no significant change*
- *Year-to-date net income is $1,068,483*

Mr. Halfen noted patient revenue was high during the month of August but appears to have returned to normal in the month of September. Mr. Halfen also reported he has moved some of the hospital's investments in order to ensure their availability when needed to help fund the hospital rebuild project. He also stated in spite of volatile market conditions the hospital's investments remain stable and have little risk exposure at this

time. He noted the average number of days accounts are in receivables is 56 days, and reported that he recently presented the District's case for upgrading the hospital's bonds to an "A" rating to Standard and Poors Incorporated. Mr. Halfen also reported the District has a certain amount of flex time in which to issue the general obligation bonds, and if necessary he may wait several months to do the bond issue in hopes of seeing an improvement in market conditions. It was moved by M.C. Hubbard, seconded by John Ungersma, M.D., and passed to approve the financial and statistical reports for the month of August as presented.

BUILDING REPORT

Mr. Halfen reported there is no change to the status of the building project and the Hospital is still waiting for the Office of Statewide Healthcare Planning and Development (OSHPD) to approve the design plans for the rebuild. At this time the estimate for the start of demolition of the original hospital building is mid-November. Mr. Halfen noted there will be a demonstration of 3-D modeling for the new hospital building at the next regular meeting of the District Board.

RED FLAG REGULATIONS

Mr. Halfen reported the hospital has received notice that Red Flag Regulations are expected to apply to District hospitals, and they will require Districts to adopt certain measures to be taken in the event of suspected identity theft or fraud involving patient accounts.

UPDATED CAMPUS MAP

Mr. Halfen referred to an updated NIH campus map which shows the current locations of patient services, hospital entrances, and available parking. The campus map will continue to be updated throughout Phase II of construction.

CHIEF OF STAFF REPORT

Chief of Staff Richard Nicholson, M.D. reported the NIH Medical Staff has nothing new of significance to report at this time.

OLD BUSINESS

REAFFIRMATION OF NEGOTIATOR

Mr. Halfen asked for reaffirmation of himself as negotiator regarding the potential acquisition of real property at 2857 Birch Street, Bishop, California. Negotiation will be with the designee(s) of Southern Mono County Healthcare District. Mr. Halfen also asked for reaffirmation of himself as negotiator regarding the potential acquisition of real property at 2296 N. Sierra Highway, Bishop, California. Negotiation will be with owner of said property. It was moved by Dr. Ungersma, seconded by Ms. Hubbard, and passed to approve the reaffirmations of the negotiator as requested.

NEW BUSINESS

POLICY AND PROCEDURE MANUAL APPROVALS

Mr. Halfen referred to the following Hospital Policy and Procedure manuals which were presented to the District Board for annual approval:

1. Laboratory
2. Pharmacy
3. Anesthesia
4. Pathology

Mr. Halfen noted the District Board has previously approved all policies and procedures included in these manuals. It was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve all four policy and procedure manuals as presented.

APPROVAL OF 2008 AUDIT

Mr. Halfen referred to the financial audit for fiscal year 2008 received from K.C. Miller, CPA. The audit approved the hospital's financial statements for the year with no adjustments needed, a compliment to the efforts of NIH Controller Carrie Petersen. It was moved by Jeff Brown, seconded by Doctor Ungersma, and passed to approve the audit of the financial statements for fiscal year 2008 as presented.

RENTALS ON HOSPITAL PROPERTY

Mr. Halfen opened discussion on possible options to rent available office space located on hospital property. The hospital is currently holding open a doctor's "swing" office which is available for use by physicians transitioning into this area. David Greene, M.D. is interested in renting that vacant modular building, and while Mr. Halfen would like to do that he is concerned that if the available space is gone it may impede the District's ability to attract new physicians to the area. Asao Kamei, M.D. noted that his office has available space at this time and that other space might also be found for incoming physicians without using the vacant modular building. Following discussion the Board expressed its desire to rent the property to Doctor Greene in light of his years of service to the District and the local community. Mr. Halfen will proceed with drafting a proposed agreement to rent the modular building to Dr. Greene.

LEASE BACK AGREEMENT, 152-F PIONEER LANE

Mr. Halfen called attention to the following proposed lease agreements submitted for approval of the District Board:

- Lease back agreement with Pioneer Medical Associates for NIH to lease 152 Pioneer Lane, Suite F
- Lease back agreement between NIH and D. Scott Clark, M.D. to lease back 152 Pioneer Lane, Suite F to Doctor Clark
- Lease back agreement between NIH and Doctors Alice Casey, M.D. and Clifford Beck, M.D. to lease back 152 Pioneer Lane Suite H to Doctors Beck and Casey

It was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve all three lease agreements as presented.

BOARD MEMBER REPORTS

Mr. Watercott asked if any member of the Board of Directors wished to report on any items of interest. Doctor Ungersma reported he recently attended the annual meeting of the Association of California Hospital Districts (ACHD), and that he has been elected to the ACHD Board.of Directors for a term of three years. The Board congratulated Doctor Ungersma on his election.

OPPORTUNITY FOR PUBLIC COMMENT	In keeping with the Brown Act, Mr. Watercott again asked if any members of the public wished to address the Board of Directors on any items on this agenda and/or on any items of interest. No comments were heard.
CLOSED SESSION	At 6:26 p.m. Mr. Watercott announced the meeting was being adjourned to closed session to allow the Board of Directors to: A. Hear reports on the hospital quality assurance activities, and hear a report from the Medical Staff Executive Committee (Section 32155 of the Health and Safety Code, and Government Code Section 54962). B. Instruct negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of two real properties (Government Code Section 54956.8). C. Confer with legal counsel regarding pending litigation against the District by an employee (Government Code Section 54956.9(a)).
RETURN TO OPEN SESSION	At 6:44 pm the meeting was returned to open session. Mr. Watercott reported the Board took no reportable action.
OPPORTUNITY FOR PUBLIC COMMENT	Mr. Watercott again asked if any members of the public wished to comment on any items listed on the agenda for this meeting, or on any items of interest. No comments were heard.
ADJOURNMENT	The meeting was adjourned at 6:45 p.m.

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Peter Watercott, President

Attest:

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Michael Phillips, M.D., Secretary

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CALL TO ORDER	The meeting was called to order at 5:15pm by Peter Watercott, President.
PRESENT	Peter Watercott, President Michael Phillips, M.D., Secretary John Ungersma, M.D., Treasurer Jeff Brown, PharmD, Director
ALSO PRESENT	John Halfen, Administrator Richard Nicholson, M.D., Chief of Staff Douglas Buchanan, Esq., Hospital District Legal Counsel Sandy Blumberg, Administration Secretary
ABSENT	M.C. Hubbard, Vice President
PUBLIC COMMENTS ON AGENDA	Mr. Watercott asked if any members of the public wished to address the Board on any items listed on the agenda for this meeting. No comments were heard.
MEDICAL STAFF REAPPOINTMENTS	Chief of Staff Richard Nicholson, M.D. reported the Medical Staff Executive Committee recommends approval of the following physician reappointments to the Northern Inyo Hospital Active Medical Staff: - Lara Jeanine Arndal, M.D. - Tomi Bortolazzo, M.D. - William M. Carter, D.D.S. - John Daniel Cowan, M.D. - Robbin Cromer-Tyler, M.D. - Charlotte C. Helvie, M.D. - Sudhir P. Kakarla, M.D. - Michael M. Karch, M.D. - Thomas J. Kozak, M.D. - John J. Perry, M.D. - Mark K. Robinson, M.D. - Marilou Terpenning, M.D. - Jennie G. Walker, M.D. - Edric B. Willes, M.D. Doctor Nicholson additionally noted that reappointment and/or reprivileging has not been requested by the following: - Amanda J. Garner, M.D. - Gary N. Garshfield, M.D. - Reda M. Tadros, M.D. It was moved by Michael Phillips, M.D., seconded by Jeff Brown, Pharm D, and passed to approve all physician reappointments as recommended.
PUBLIC COMMENT	Mr. Watercott again asked if any members of the public wished to comment on any items listed on the agenda or on any items of interest. No comments were heard.
ADJOURNMENT	The meeting was adjourned at 5:21p.m.

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Peter Watercott, President

Attest: _____
Michael Phillips, M.D., Secretary

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CALL TO ORDER	The meeting was called to order at 5:35pm by Peter Watercott, President.
PRESENT	Peter Watercott, President Michael Phillips, M.D., Secretary John Ungersma, M.D., Treasurer Jeff Brown, PharmD, Director
ALSO PRESENT	John Halfen, Administrator Richard Nicholson, M.D., Chief of Staff Douglas Buchanan, Esq., Hospital District Legal Counsel Sandy Blumberg, Administration Secretary
ABSENT	M.C. Hubbard, Vice President
ALSO PRESENT FOR RELEVANT PORTION(S)	Dianne Shirley, R.N., Performance Improvement Coordinator
PUBLIC COMMENTS ON AGENDA	Mr. Watercott asked if any members of the public wished to address the Board on any items listed on the agenda for this meeting. No comments were heard.
MINUTES	Mr. Watercott noted that the minutes of the October 15, 2008 regular meeting were not available for review and therefore will be approved at the next regular meeting of the District Board.
ADMINISTRATOR'S REPORT	
3-D MODELING FOR PHASE II OF CONSTRUCTION	Representatives from NTD Stichler Architecture and Turner Construction were present to give a demonstration of 3-D modeling for Phase II of the hospital rebuild project. 3-D modeling has been made available to all contractors and engineers on the project with the intent of preventing change orders and corrections by identifying design "clashes" before construction begins. Designs for every element of the project are overlaid into a 3-D model which creates an exact overview of what the finished product will be. The model makes it possible to identify and resolve errors before they physically happen, thereby saving the Hospital significant dollars on the overall cost of the project. The model presented at this meeting showed intricate details of what the finished building will look like, and illustrated that the tallest part of the structure will be 33 feet high, and the deepest pylon for the foundation will be 55 feet deep.
FINANCIAL AND STATISTICAL REPORTS	John Halfen, Chief Financial Officer reviewed with the Board the financial and statistical reports for the month of September 2008. Mr. Halfen noted the statement of operations shows a bottom line excess of revenues over expenses of $63,058. Mr. Halfen called attention to the following: - *Inpatient service revenue was under budget*

- *Outpatient service revenue was over budget*
- *Total expenses were under budget*
- *Salaries and wages and employee benefits were under budget*
- *Professional Fees expense was over budget*
- *Year-to-date net income was $1,131,541*

Mr. Halfen also called attention to the financial and statistical reports for the month of October 2008, and noted the statement of operations shows a bottom line excess of revenues over expenses of $578,252. Mr. Halfen additionally noted the following:

- *Inpatient and outpatient service revenue were significantly over budget*
- *The Balance Sheet showed no significant change*
- *Professional fees expense was over budget*
- *Year-to-date net income totaled $1,218,066*

Mr. Halfen reported the average number of days accounts are in receivables is 58 days. He noted that MediCal and Medicare now owe Northern Inyo Hospital (NIH) $2,000,000, and will not pay interest on that amount once it is finally paid. Mr. Halfen also called attention to the fact that the Hospital's net worth now totals $39,000,000, and the Hospital's investments remain stable in spite of a volatile economy. It was moved by John Ungersma, M.D., seconded by Michael Phillips, M.D. and passed to approve the financial and statistical reports for the months of September and October 2008 as presented.

BUILDING REPORT

Mr. Halfen stated the Office of Statewide Healthcare Planning and Development (OSHPD) has issued the permit for the demolition of the 1949 building, and though it is not actually in hand OSHPD has indicated its consent to proceed with demolition. The subcontractor for demolition has not increased prices during the 3-month construction delay, and takedown will begin on Monday, December 15. The Hospital's current Emergency Entrance will be closed on December 15 and relocated to the main entrance during construction.

2nd BOND ISSUE

Mr. Halfen noted the 2nd Bond issue has not taken place and will likely be delayed until financial conditions improve. Mr. Halfen noted money from the bonds will not be needed for funding the rebuild project for another 12 to 14 months, and it is hoped that in that amount of time market conditions will improve to some extent.

SETTLEMENT WITH ANTHEM BLUE CROSS

Mr. Halfen reported the Hospital has received a check from Anthem Blue Cross in the amount of $36,884.78, as settlement of a class action lawsuit involving various infractions.

TOBACCO FUNDS DISBURSEMENT

Mr. Halfen reported the Hospital has disbursed approximately $12,000 of County Tobacco tax funds in order to purchase respiratory mask equipment for use at NIH. Tobacco tax dollars are intended for use for tobacco or cancer related health issues, and the Board agreed that the

purchase of respiratory equipment was an appropriate use of these dollars.

INTERSECTION OF PIONEER AND WEST LINE

Mr. Halfen called attention to a petition to install a traffic signal at the intersection of Pioneer Lane and West Line Street. The intersection has been the location of numerous injury accidents in recent years, and increased traffic in the area has made that intersection increasingly dangerous over time. Previous conversations with local government have not resulted in an improvement to traffic handling in the area, and Mr. Halfen asked for Board and employee support of the stoplight petition. Board members present voiced their support of the stoplight petition.

ADVANCE BENEFICIARY NOTICE

Mr. Halfen reported that though the subject of Advance Beneficiary Notice is on the agenda for this meeting, it will actually be discussed at a future date.

FYI SECTION

MEDICARE PROFITABILITY

Mr. Halfen referred to information received from CHA DataSuite indicating a dramatic decline in the profitability of Medicare PPS hospitals in the State of California. The information was provided for informational purposes only, and Mr. Halfen noted that NIH is not a PPS (Perspective Pay System) hospital.

JPA FOR BOND ISSUE

Mr. Halfen referred to a Joint Powers Agreement (JPA) recently signed by the Hospital for the purpose of competitively pricing its general obligation bonds. The JPA with other hospital districts will facilitate negotiation of competitive pricing for the upcoming bond issue.

BUHS DISTRICT OFFICE DEDICATION

Mr. Halfen noted the Wilford Partridge building dedication took place recently to commemorate the Hospital's donation of the building to the Bishop Joint Union High School District. The building now located on high school property will retain the Partridge name in honor of long-time Hospital District Board President Wilford Partridge.

HEALTH INFORMATION, PRIVACY BILLS

Mr. Halfen referred to information regarding new California legislature on the subject of health information privacy, which increases fines charged to hospitals for noncompliance with patient privacy regulations.

EMPLOYEE RETIREMENT

Mr. Halfen noted the retirement of long-time Medical Records employee Minta Ozolins, and expressed his appreciation of Ms. Ozolins' 28 years of dedicated service to the Hospital District.

CHIEF OF STAFF REPORT

Chief of Staff Richard Nicholson, M.D. reported the Medical Staff does not have anything of significance to report at this time.

OLD BUSINESS

REAFFIRMATIONS OF NEGOTIATOR

Mr. Halfen asked for reaffirmation of himself as negotiator regarding the potential acquisition of real property at 2957 Birch Street, Bishop, California. Negotiation will be with the designee(s) of Southern Mono County Healthcare District. Mr. Halfen additionally asked for

reaffirmation of himself as negotiator regarding the potential acquisition of a second real property located at 2296 N. Sierra Highway, Bishop, California. Negotiation will be with owner of said property. It was moved by Doctor Phillips, seconded by Jeff Brown, Pharm D, and passed to approve both reaffirmations as requested.

RHC ACTION PLAN UPDATE

Mr. Halfen reported that the Northern Inyo Hospital Rural Health Clinic (RHC) continues to proceed with its action plan to increase profitability. Notable changes to Clinic operations include implementation of a pay-for-performance plan for physicians providing services at the Clinic. RHC continues to move forward with its efforts to achieve positive financial objectives, and it was noted that approximately 14,000 patients were seen at the Clinic during the month of October 2008.

RHC DIRECTOR AGREEMENT, REVISION

Mr. Halfen called attention to a revised agreement for the RHC Director services of Stacey Brown, M.D., which includes a correction being made to the reimbursement rate included in Doctor Brown's contract. It was moved by Doctor Ungersma, seconded by Doctor Phillips, and passed to approve the revised agreement as presented.

NEW BUSINESS

EQUIPMENT PURCHASE FOR STAT LAB

Mr. Halfen called attention to a proposal to purchase a non-budgeted item for the Hospital's Stat Lab, at a cost of approximately $9,000.00. The proposed purchase is for a blood count instrument required as backup for Stat Lab operations. It was moved by Doctor Phillips, seconded by Mr. Brown, and passed to approve the purchase as recommended.

ELECTION OF 2009 DISTRICT BOARD OFFICERS

Following brief discussion the Board elected the following officers for the 2009 calendar year: President, Peter Watercott; Vice President, John Ungersma, M.D.; Treasurer, Michael Phillips M.D.; Secretary, M.C. Hubbard; Director, D. Scott Clark, M.D..

STANDARD & POOR'S BOND RATING LETTER

Mr. Halfen referred to a letter received from Standard & Poor's regarding the upgrade of the Hospital's General Obligation Bonds (election of 2005) from a "BBB+" rating to an "A-" rating. The Board complimented Mr. Halfen on successfully negotiating an upgrade for the bond issue.

RENEWAL OF EKG AGREEMENTS

Mr. Halfen referred to proposed renewal agreements for the EKG services of Doctors James Richardson M.D., and Nickoline Hathway M.D., and to a new agreement for EKG services of Vasuki Sittampalam, M.D.. It was moved by Mr. Brown, seconded by Doctor Ungersma, and passed to approve all three EKG agreements as presented.

RATIFICATION OF LEASE FOR 337 HANBY STREET

Mr. Halfen asked for ratification of a lease for 336 Hanby Street, Bishop, at a rate of $700 per month. The Hospital will lease the property in order to help provide housing for incoming nurse travelers and physicians. It was moved by Doctor Ungersma, seconded by Mr. Brown, and passed to ratify the Hanby Street lease as requested, with District Legal Counsel

Douglas Buchanan making housekeeping changes to the agreement.

LEASE FOR 153-C PIONEER LANE

Mr. Halfen referred to a proposed lease agreement with David Greene, M.D. to lease office space located at 153-C Pioneer Lane from NIH. Following review it was moved by Mr. Brown, seconded by Doctor Ungersma, and passed to approve the lease with Dr. Greene as presented.

APPROVAL OF HEALTH PLAN REPORT

Mr. Halfen also referred to a health plan renewal report for plan year 2009, received from Barry G. Miller and Associates. The report indicates there will be an approximate 15% increase to the cost of the Hospital's plan for the upcoming year. Following brief discussion it was moved by Doctor Phillips, seconded by Mr. Brown, and passed to approve the health plan renewal report for 2009 as presented.

JANUARY COST OF LIVING ADJUSTMENT

Mr. Halfen noted that due to the lack of a quorum, approval of a proposed employee Cost of Living Adjustment (COLA) will be tabled to the January 2009 meeting. Mr. Halfen also recommended that if approved in January the COLA percentage should be pro-rated to essentially back-date the increase to be effective as of the first full pay period in January.

HOSPITAL INFORMATION SYSTEMS PROPOSAL

Mr. Halfen referred to a proposed consulting agreement with *HIS Professionals, LLC* to assess whether or not NIH should continue to use QuadraMed Affinity as its Hospital Information System (HIS). There is concern regarding whether or not QuadraMed's maintenance services are adequate, and whether or not the company will progress positively into the future. Following discussion it was moved by Doctor Phillips, seconded by Mr. Brown, and passed to approve the consulting agreement with *HIS Professionals, LLC* to explore the matter in greater detail.

SECURITY OFFICER'S HOLD HARMLESS AGREEMENT

Mr. Halfen referred to a proposed hold-harmless agreement with the City of Bishop that would indemnify the City of liability in regard to active police officers providing security services at NIH. Following review of the agreement it was moved by Mr. Brown, seconded by Doctor Ungersma, and passed to approve the hold harmless agreement with the City of Bishop for active-duty police officers as presented.

INVESTMENT RISKS AND DIRECTION

Mr. Halfen opened discussion on investment risks in the current financial market, and reviewed with the Board the direction he intends to take in regard to investment of the Hospital's assets. Following review of the Hospital's current holdings, Mr. Halfen gave the Board the opportunity to provide him with direction in regard to financial investment if they chose to do so. The Board discussed current investment risks and agreed to continue a conservative approach in order to safeguard the District's interests and provide as much additional funding to the rebuild project as possible. Mr. Halfen reviewed options regarding selling investments now or continuing to hold on to them, and the Board agreed to continue the current course and hold to the securities schedule currently in place. No

action was recommended by the Board in regard to changing the District's current investment strategy.

PURCHASE OF EXISTING MODULAR BUILDING

Mr. Halfen referred to a proposal to purchase a leased modular building located on Hospital property at a buyout cost of $21,785. It was moved by Doctor Ungersma, seconded by Doctor Phillips, and passed to approve the purchase of the modular building, which currently houses the Hospital's Performance Improvement Department.

VOCERA COMMUNICATIONS PROPOSAL

Mr. Halfen reported that the possible purchase of a Vocera communications system for use at NIH is still being evaluated, and management has withdrawn the proposal for purchase at this time.

BOARD MEMBER REPORTS

Mr. Watercott asked if any member of the Board of Directors wished to report on any items of interest. Doctor Ungersma stated that following his election to the ACHD legislative committee, he will lobby for legislature to allow hospitals to hire physicians as employees.

OPPORTUNITY FOR PUBLIC COMMENT

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

CLOSED SESSION

At 7:56 p.m. Mr. Watercott announced the meeting was being adjourned to closed session to allow the Board of Directors to:

A. Hear reports on the hospital quality assurance activities, and hear a report from the Medical Staff Executive Committee (Section 32155 of the Health and Safety Code, and Government Code Section 54962).
B. Instruct negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of two real properties (Government Code Section 54956.8).
C. Confer with legal counsel regarding pending litigation against the District by an employee (Government Code Section 54956.9(a)).

RETURN TO OPEN SESSION

At 8:33 p.m. the meeting was returned to open session. Mr. Watercott reported the Board took no reportable action.

ADJOURNMENT

The meeting was adjourned at 8:34 p.m.

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Peter Watercott, President

Attest:

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Michael Phillips, M.D., Secretary

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BUDGET VARIANCE ANALYSIS

Nov-08 PERIOD ENDING PRIOR TO AUDIT

In the month, NIH was

	-5%	under budget in IP days;
(	-0.2%)	under in IP Ancillary Revenue and
(	-14.9%)	under in OP Revenue resulting in
$ (1,179,418) (	-17.9%)	under in gross patient revenue from budget &
$ (355,238) (	-9.1%)	under in net patient revenue from budget

Total Expenses were:

$ (1,045) (	0.0%)	under budget. Wages and Salaries were
$ 23,022 (	1.6%)	over budget and Employee Benefits
$ (20,807) (	-2.5%)	under budget.
$ 217,298		of other income resulted in a net income of
$ 7,984	$ (218,469)	under budget.

The following expense areas were over budget for the month:

$ 23,022	2%	Salaries and Wages
$ 21,730	8%	Professional Fees; registry staff & Physicians
$ 6,955	3%	Depreciation Expense
$ 65,693	143%	Interest Expense due to 2005 General Obligation Bond Interest payments no longer being Capitalized
$ 24,646	15%	Bad Debt Expense

Other Information:

37.85%	Contractual Percentages for month
42.32%	Contractual Percentages for Year
$ 1,717,777	Year-to-date Net Revenue

Special Notes for Month:

Interest Expense will remain high for year due to first Phase of Building Project being completed and the interest payments for the first issue of the 2005 General Obligation Bond will no longer be capitalized as it was during the construction. The depreciation expense was under estimated during the budget process and will be over budget all year.

We have added a new line on the Income Statement to show the amount of 3rd party contractuals being reduced monthly. Auditors feel we have too high of an amount booked for Medicare and Medi-Cal Cost Report settlements.

NORTHERN INYO HOSPITAL

Statement of Operations

As of November 30, 2008

	MTD Actual	MTD Budget	MTD Variance $	MTD Variance %	YTD Actual	YTD Budget	YTD Variance $	YTD Variance %	Prior YTD
Unrestricted revenues, gains and other support:									
In-patient service revenue:									
Routine	527,248	607,596	(80,348)	(13.2)	2,981,719	3,037,980	(56,261)	(1.9)	1,959,439
Ancillary	1,516,023	2,028,606	(512,583)	(25.3)	9,572,321	10,143,030	(570,709)	(5.6)	6,342,843
Total in-patient service revenue	2,043,271	2,636,202	(592,931)	-22.5%	12,554,040	13,181,010	(626,970)	-4.8%	8,302,282
Out-patient service revenue	3,362,260	3,948,747	(586,487)	(14.9)	20,680,009	19,743,735	936,274	4.7	11,346,822
Gross patient service revenue	5,405,531	6,584,949	(1,179,418)	(17.90)	33,234,050	32,924,745	309,305	0.9	19,649,104
Less deductions from patient service revenue:									
Patient service revenue adjustments	255,176	142,545	(112,631)	(79.0)	1,284,694	712,725	(571,969)	(80.3)	405,095
Contractual adjustments	1,874,654	2,535,204	660,550	26.1	12,786,144	12,676,020	(110,124)	(0.9)	8,444,707
Prior Period Adjustments	(276,262)	-	276,262	100.0	(577,351)	-	577,351	100.0	(41,889)
Total deductions from patient service revenue	1,853,568	2,677,749	824,181	30.8	13,493,487	13,388,745	(104,742)	(0.8)	8,807,914
Net patient service revenue	3,551,962	3,907,200	(355,238)	-9%	19,740,563	19,536,000	204,563	1%	10,841,190
Other revenue	60,437	28,005	32,432	115.8	233,086	140,025	93,061	66.5	81,422
Transfers from Restricted Funds for Other Operating Expenses	65,541	65,541	-	-	327,705	327,705	-	0.0	-
Total Other revenue	125,978	93,546	32,432	34.7	560,791	467,730	93,061	19.9	81,422
Total revenue, gains and other support	3,677,941	4,000,746	(322,805)	34.6	20,301,354	20,003,730	297,624	19.9	10,922,613
Expenses:									
Salaries and wages	1,430,448	1,407,426	(23,022)	(1.6)	6,876,720	7,037,130	160,410	2.3	3,831,559
Employee benefits	818,163	838,970	20,807	2.5	4,201,786	4,194,850	(6,936)	(0.2)	2,119,417
Professional fees	303,261	281,531	(21,730)	(7.7)	1,682,582	1,407,655	(274,927)	(19.5)	832,154
Supplies	416,838	474,570	57,732	12.2	2,389,427	2,372,850	(16,577)	(0.7)	1,310,138
Purchased services	196,829	194,833	(1,996)	(1.0)	937,986	974,165	36,179	3.7	459,146
Depreciation	216,105	209,150	(6,955)	(3.3)	1,064,596	1,045,750	(18,846)	(1.8)	370,096
Interest	111,529	45,836	(65,693)	(143.3)	544,093	229,180	(314,913)	(137.4)	96,812
Bad debts	192,668	168,022	(24,646)	(14.7)	570,391	840,110	269,719	32.1	459,178
Other	174,989	241,537	66,548	27.6	1,108,317	1,207,685	99,368	8.2	557,114
Total expenses	3,860,830	3,861,875	1,045	-	19,375,898	19,309,375	(66,523)	(0.3)	10,035,614
Operating income (loss)	(182,889)	138,871	(321,760)	34.6	925,456	694,355	231,101	20.2	886,998
Other income:									
District tax receipts	47,650	37,013	10,637	28.7	238,250	185,065	53,185	28.7	111,039
Interest	119,908	60,000	59,908	99.9	492,633	300,000	192,633	64.2	265,680
Other	49,740	8,333	41,407	496.9	158,667	41,665	117,002	280.8	18,839
Grants and Other Non-Restricted Contributions	-	3,333	(3,333)	(100.0)	9,105	16,665	(7,560)	(45.4)	10,000
Partnership Investment Income	-	-	-	-	-	-	-	-	-
Total other income, net	217,298	108,679	108,619	100	898,655	543,395	355,260	65.4	405,559
Non-Operating Expense									
Medical Office Expense	16,384	13,408	(2,976)	(22.2)	66,333	67,040	707	1.1	31,239
Urology Office	10,041	7,689	(2,352)	(30.6)	40,001	38,445	(1,556)	(4.1)	43,252
Pediatric Office	-	-	-	N/A	-	-	-	N/A	-
Total Non-Operating Expense	26,425	21,097	(5,328)	(25.3)	106,334	105,485	(849)	(0.8)	74,491
Excess (deficiency) of revenues over expenses	7,984	226,453	(218,469)	(96.5)	1,717,777	1,132,265	585,512	51.7	1,218,066

NORTHERN INYO HOSPITAL

Balance Sheet

November 30, 2008

Assets

	Current Month	*Prior Month*	*FYE 2008*
Current assets:			
Cash and cash equivalents	2,455,168	2,579,007	2,434,216
Short-term investments	15,682,904	15,525,972	15,199,287
Assets limited as to use	698,098	422,115	49,003
Plant Expansion and Replacement Cash	491,658	490,614	1,941,239
Other Investments (Partnership)	961,824	961,824	352,361
Patient receivable, less allowance for doubtful accounts $467,528	7,854,118	8,017,274	8,273,347
Other receivables (Includes GE Financing Funds)	812,902	888,274	571,376
Inventories	2,195,611	2,185,215	2,177,577
Prepaid expenses	634,393	655,371	602,851
Total current assets	31,786,676	31,725,667	31,601,257
Assets limited as to use:			
Internally designated for capital acquisitions	547,359	547,233	558,237
Specific purpose assets	101,240	84,140	520,160
	648,598	631,373	1,078,397
Revenue bond construction funds held by trustee	1,000,949	957,490	782,802
Less amounts required to meet current obligations	698,098	422,115	49,003
Net Assets limited as to use:	951,449	1,166,747	1,812,196
Long-term investments	8,914,638	8,914,638	8,914,638
Property and equipment, net of accumulated depreciation and amortization	31,118,006	30,972,642	29,541,929
Unamortized bond costs	301,148	302,635	308,583
Total assets	73,071,916	73,082,328	72,178,602

NORTHERN INYO HOSPITAL

Balance Sheet

November 30, 2008

Liabilities and net assets

	Current Month	*Prior Month*	*FYE 2008*
Current liabilities:			
Current maturities of long-term debt	548,941	556,414	683,626
Accounts payable	828,580	768,080	1,140,966
Accrued salaries, wages and benefits	2,762,094	2,623,784	2,600,516
Accrued interest and sales tax	251,978	155,081	172,391
Deferred income	333,558	381,208	-
Due to third-party payors	3,377,458	3,652,458	3,940,301
Due to specific purpose funds	-	-	-
Total current liabilities	8,102,609	8,137,025	8,537,799
Long-term debt, less current maturities	25,270,196	25,270,196	25,270,196
Bond Premium	385,776	386,982	391,804
Total long-term debt	25,655,972	25,657,178	25,662,000
Net assets:			
Unrestricted	39,212,096	39,203,986	37,458,642
Temporarily restricted	101,240	84,140	520,160
Total net assets	39,313,335	39,288,126	37,978,803
Total liabilities and net assets	73,071,916	73,082,328	72,178,602

NORTHERN INYO HOSPITAL

Statement of Operations--Statistics

As of November 30, 2008

	Month Actual	Month Budget	Month Variance	Variance Percentage	YTD Actual	YTD Budget	Year Variance	Year Percentage
Operating statistics:								
Beds	25.00	25.00	N/A	N/A	25.00	25.00	N/A	N/A
Patient days	252.00	265.00	(13.00)	0.95	1,435.00	1,325.00	110.00	1.08
Maximum days per bed capacity	750.00	750.00	N/A	N/A	3,825.00	3,750.00	N/A	N/A
Percentage of occupancy	33.60	35.33	(1.73)	0.95	37.52	35.33	2.19	1.06
Average daily census	8.40	8.83	(0.43)	0.95	9.38	8.83	0.55	1.06
Average length of stay	3.11	3.01	0.10	1.03	3.13	3.01	0.11	1.04
Discharges	81.00	88.00	(7.00)	0.92	459.00	440.00	19.00	1.04
Admissions	83.00	87.00	(4.00)	0.95	459.00	435.00	24.00	1.06
Gross profit-revenue depts.	3,186,627.80	4,321,007.00	(1,134,379.20)	0.74	21,905,745.83	21,605,035.00	300,710.83	1.01
Percent to gross patient service revenue:								
Deductions from patient service revenue and bad debts	37.85	43.22	(5.37)	0.88	42.32	43.22	(0.90)	0.98
Salaries and employee benefits	41.17	34.08	7.09	1.21	33.18	34.08	(0.90)	0.97
Occupancy expenses	6.61	4.38	2.23	1.51	5.43	4.38	1.05	1.24
General service departments	6.77	6.28	0.49	1.08	6.12	6.28	(0.16)	0.97
Fiscal services department	6.03	4.74	1.29	1.27	4.84	4.74	0.10	1.02
Administrative departments	6.43	5.37	1.06	1.20	5.07	5.37	(0.30)	0.94
Operating income (loss)	(3.87)	1.84	(5.71)	(2.10)	2.49	1.84	0.65	1.35
Excess (deficiency) of revenues over expenses	0.15	3.44	(3.29)	0.04	5.17	3.44	1.73	1.50
Payroll statistics:								
Average hourly rate (salaries and benefits)	38.64	43.24	(4.60)	0.89	41.25	43.24	(1.99)	0.95
Worked hours	49,008.74	47,276.00	1,732.74	1.04	234,974.12	236,380.00	(1,405.88)	0.99
Paid hours	57,594.08	51,895.00	5,699.08	1.11	267,379.47	259,475.00	7,904.47	1.03
Full time equivalents (worked)	284.93	273.27	11.66	1.04	269.47	273.27	(3.81)	0.99
Full time equivalents (paid)	334.85	299.97	34.88	1.12	306.63	299.97	6.66	1.02

NORTHERN INYO HOSPITAL

Statements of Changes in Net Assets

As of November 30, 2008

	Month-to-date	Year-to-date
Unrestricted net assets:		
Excess (deficiency) of revenues over expenses	7,983.64	1,717,777.21
Net Assets due/to transferred from unrestricted	-	12,178.75
Net assets released from restrictions used for operations	-	34,375.00
Net assets released from restrictions used for payment of long-term debt	(65,541.00)	(327,705.00)
Contributions and interest income	126.36	(10,877.60)
Increase in unrestricted net assets	(57,431.00)	1,425,748.36
Temporarily restricted net assets:		
District tax allocation	17,099.53	82,617.66
Net assets released from restrictions	-	(501,672.96)
Restricted contributions	-	-
Interest income	-	134.35
Net Assets for Long-Term Debt due from County	65,541.00	327,705.00
Increase (decrease) in temporarily restricted net assets	82,640.53	(91,215.95)
Increase (decrease) in net assets	25,209.53	1,334,532.41
Net assets, beginning of period	39,288,125.71	37,978,802.83
Net assets, end of period	39,313,335.24	39,313,335.24

NORTHERN INYO HOSPITAL

Statements of Cash Flows

As of November 30, 2008

	Month-to-date	Year-to-date
Cash flows from operating activities:		
Increase (decrease) in net assets	25,209.53	1,334,532.41
Adjustments to reconcile excess of revenues	-	-
over expenses to net cash provided by		
operating activities: (correcting debt payment)	-	-
Depreciation	216,104.87	1,064,595.53
Provision for bad debts	192,668.29	570,391.37
Loss (gain) on disposal of equipment	-	11,229.70
(Increase) decrease in:		
Patient and other receivables	45,858.98	(392,688.71)
Other current assets	10,582.79	(49,575.59)
Plant Expansion and Replacement Cash	(1,043.38)	1,449,581.34
Increase (decrease) in:		
Accounts payable and accrued expenses	248,056.36	262,336.80
Third-party payors	(275,000.00)	(562,843.00)
Net cash provided (used) by operating activities	462,437.44	3,687,559.85
Cash flows from investing activities:		
Purchase of property and equipment	(361,468.93)	(2,640,672.40)
Purchase of investments	(156,932.18)	(1,093,079.97)
Proceeds from disposal of equipment	-	(11,229.70)
Net cash provided (used) in investing activities	(518,401.11)	(3,744,982.07)
Cash flows from financing activities:		
Long-term debt	(8,677.81)	(140,712.02)
Issuance of revenue bonds	(43,459.08)	(218,146.94)
Unamortized bond costs	1,486.95	7,434.75
Increase (decrease) in donor-restricted funds, net	(17,225.89)	429,798.55
Net cash provided by (used in) financing activities	(67,875.83)	78,374.34
Increase (decrease) in cash and cash equivalents	(123,839.50)	20,952.12
Cash and cash equivalents, beginning of period	2,579,007.17	2,434,215.55
Cash and cash equivalents, end of period	2,455,167.67	2,455,167.67

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

	Operations Checking Account					Time Deposit Month-End Balances							
Month	Balance at Beginning of Month	Deposits	Disbursements	Balance at End of Month	Investment Operations Fund	Bond and Interest Fund (2)	Equipment Donations Fund	Childrens Fund	Scholarship Fund	Tobacco Settlement Fund	Total Revenue Bond Fund (1)	Project Revenue Bond Fund (1)	General Obligation Bond Fund
January	799,688	3,470,821	3,178,334	1,092,175	20,699,869	533,220	25,185	3,034	5,854	432,993	729,781	18,154	4,996,062
February	1,092,175	3,784,341	3,845,492	1,031,024	21,348,607	533,220	25,185	3,034	5,854	433,239	773,502	18,193	3,693,002
March	1,031,024	8,396,549	9,206,848	220,726	22,761,607	533,397	25,192	3,035	5,855	433,438	817,192	18,221	2,905,472
April	220,726	5,565,892	5,070,387	716,230	21,993,157	533,397	25,192	3,035	5,855	532,756	904,546	18,258	2,706,314
May	716,230	4,861,035	4,171,128	1,406,138	22,583,401	505,947	25,192	3,035	20,855	532,894	934,534	18,258	2,318,199
June	1,406,138	3,979,790	4,241,108	1,144,820	24,112,234	506,089	25,199	3,036	10,960	533,038	782,802	18,278	1,941,042
July	1,144,820	3,591,736	4,304,179	432,378	25,157,206	473,714	25,799	3,036	10,960	533,181	826,431	18,297	1,896,555
August	432,378	3,928,525	4,052,898	308,005	24,668,222	539,232	25,799	3,036	10,960	533,315	870,108	18,316	1,802,362
September	308,005	6,941,975	5,021,257	2,228,723	23,464,535	539,363	25,805	3,037	8,963	533,463	913,829	18,335	488,249
October	2,228,723	3,669,458	5,409,330	488,851	24,438,919	72,065	25,805	3,037	8,963	521,427	957,490	18,349	490,613
November	488,851	3,294,047	3,600,921	181,977	24,595,851	89,165	25,805	3,037	8,963	521,554	1,000,949	18,350	491,657
PRIOR YEAR December	639,207	4,613,761	4,453,280	799,688	19,603,236	533,220	25,185	3,034	5,849	432,642	686,080	18,106	4,973,046

Notes:
(1) The difference between the Total and Project Revenue Bond Funds represents amounts held by the trustee to make payments on the District's behalf and about $575,000 to cover the Bond Reserve Account Requirement with respect to the Series 1998 Bonds. The Project amount represents the balance available to spend on the building project; however, the district accumulates invoices and only requests reimbursement quarterly.
(2) The Bond and Interest Fund now contains the Debt Service amount from the County for both the original Bond and the 2005 Bond.

Investments as of 11/30/2008

ID	Purchase Date	Maturity Date	Institution	Certificate ID	Rate	Principal Invested
1	02-Nov-08	01-Dec-08	Local Agency Investment Fund	20-14-002	2.57%	1,717,772
2	02-Nov-08	01-Dec-08	Local Agency Investment Fund	20-14-002 Walker	2.57%	307,290
3	24-Nov-08	01-Dec-08	Prudential Instl Liquiditiy	7455350-10-9	1.68%	100,340
4	28-Nov-08	01-Dec-08	Union Bank-Money Market	2740028807	2.43%	6,509,896
5	28-Apr-08	08-Dec-08	First Tennessee Bank Note	33715WCM6	5.21%	800,000
6	12-Jun-08	12-Dec-08	Federal Home Loan Bank-Wachovia	3133XDT76	4.75%	101,361
7	04-Jan-05	05-Jan-09	Mututal Bank	9N01836	4.36%	99,000
8	04-Aug-08	17-Feb-09	Wachovia Corp Senior Note	929903AD4	5.00%	1,985,580
9	17-Jun-08	16-Mar-09	Fedl National Mtg Asso-Wachovia	31359MUQ4	3.13%	100,626
10	21-Sep-07	01-Apr-09	Citigroup Med Term Note	125581AJ7	3.38%	239,293
11	07-Aug-08	15-Jun-09	World Savings Bank Note	98153BAE4	5.17%	1,105,773
12	12-Jun-08	19-Jun-09	Federal Home Loan Bank-Wachovia	3133XFVF0	5.25%	102,703
			Current Fiscal Year Totals			**13,169,633**
13	03-Jun-08	01-Jul-09	International Lease Finance Corp	459745FM2	4.75%	1,005,500
14	10-Oct-08	09-Oct-09	Amboy Bank	023305CF0	3.75%	250,000
15	15-Oct-08	15-Oct-09	Colonial Bank, N.A.	195554PG9	3.65%	250,000
16	15-Oct-08	15-Oct-09	Comerica Bank	200339CT4	3.65%	250,000
17	15-Oct-08	15-Oct-09	Morgan Stanley Bank	61747MPB1	3.65%	250,000
18	17-Oct-08	16-Oct-09	Bank of Michigan	06424TCW9	3.60%	250,000
19	17-Oct-08	16-Oct-09	Firstbank of Puerto Rico	337629B32	3.70%	250,000
20	17-Oct-08	16-Oct-09	GMAC Bank	36185AXP8	3.65%	250,000
21	16-Oct-08	16-Oct-09	Westernbank Puerto Rico	95989QKL0	3.75%	250,000
22	21-Sep-07	01-Nov-09	Citigroup Med Term Note	12560PCL3	6.88%	702,987
23	18-Nov-08	01-Nov-09	Federal Home Loan Mtg Corp-MBS	3282VBY0	4.50%	74,509
24	22-Feb-08	07-Dec-09	Bear Stearns Co Note	073902BR8	4.58%	933,927
25	18-Aug-08	15-Dec-09	World Savings Bank Note	9515GAA3	5.24%	492,950
26	30-Dec-04	30-Dec-09	Capital City Bank and Trust	9N01713	4.75%	99,000
27	25-Jul-08	01-Mar-10	Schwab Medium Term Note	80851QCX0	4.33%	528,440
28	22-Apr-05	22-Apr-10	Bank of Waukegan	065563AR9	4.75%	99,000
29	24-Apr-08	15-May-10	American General Finance Corp Note	02635PSV6	4.47%	503,905
			Fiscal Year 2010			**6,440,218**
30	13-Nov-07	04-Aug-10	Merrill Lynch & Co Inc	59018YVV0	4.79%	986,000
			Fiscal Year 2011			**986,000**
31	12-Mar-08	12-Sep-11	Federal Home Loan Mtg Corp-FNC	3128X64J2	4.05%	1,000,000
			Fiscal Year 2012			**1,000,000**
32	18-Mar-08	01-Mar-13	Federal Home Loan Mtg Corp-FNC	3128X7BFO	4.38%	3,000,000
			Fiscal Year 2013			**3,000,000**
				TOTAL INVESTMENT		**24,595,851**

Financial Indicators

	Target	Nov-08	Oct-08	Sep-08	Aug-08	Jul-08	Jun-08	May-08	Apr-08	Mar-08	Feb-08	Jan-08	Dec-07
Current Ratio	>1.5-2.0	3.92	3.90	3.31	3.68	3.64	3.70	4.28	4.09	3.85	4.22	4.42	4.43
Quick Ratio	>1.33-1.5	3.47	3.44	2.89	3.22	3.18	3.31	3.85	3.64	3.40	3.44	3.63	3.99
Days Cash on Hand	>75	223.62	218.15	229.56	229.67	222.74	233.39	239.70	254.30	229.19	274.52	258.26	270.34

NORTHERN INYO HOSPITAL
STATISTICS

11 MONTHS	SURGERIES									BIRTHS			ER						OP REFERRALS			ADMITS (W/NB)			PT DAYS (W/O NB)			PT DAYS (W/NB)			DISCH (W/NB)		
	IP			OP			TOTAL						ADMITS			VISITS																
2008	06	07	08	06	07	08	06	07	08	06	07	08	06	07	08	06	07	08	06	07	08	06	07	08	06	07	08	06	07	08	06	07	08
JANUARY	40	38	33	72	73	106	112	111	139	19	17	16	60	47	48	563	510	573	3135	3331	3237	126	111	107	370	299	329	410	350	364	124	106	96
FEBRUARY	29	24	17	62	59	81	91	83	98	20	19	14	44	14	39	467	521	545	3100	2991	3165	106	107	86	255	251	241	303	291	274	113	105	96
MARCH	50	25	32	101	53	82	151	78	114	26	17	13	63	49	43	543	460	506	3387	3079	3285	152	117	108	333	286	318	399	322	349	149	116	102
APRIL	31	31	35	81	59	120	112	90	155	18	17	14	54	48	61	474	525	558	3145	3251	3611	114	105	112	310	245	307	346	276	338	116	112	118
MAY	31	38	41	73	95	110	104	133	151	20	19	27	53	40	68	564	580	594	3313	3343	3406	111	112	128	345	299	316	381	342	376	106	103	126
JUNE	49	27	33	76	70	83	125	97	116	16	12	18	44	41	38	552	511	580	3235	3186	3388	107	104	112	307	297	258	342	323	294	97	107	108
JULY	31	41	22	59	85	110	90	126	132	30	24	21	36	49	44	619	624	676	3012	3109	3307	129	132	99	313	388	274	371	445	317	126	127	105
AUGUST	40	35	33	117	115	114	157	150	147	26	26	20	54	46	52	580	565	642	3401	3402	3145	138	126	114	350	353	305	408	421	345	134	140	113
SEPTEMBER	35	36	25	86	90	78	121	126	103	14	18	26	42	55	33	470	515	576	2952	2897	3299	110	118	119	289	283	274	320	326	330	118	109	115
OCTOBER	26	37	39	62	94	125	88	131	164	16	15	21	43	30	73	523	560	564	3290	3378	3527	108	87	132	269	263	330	301	296	372	97	93	135
NOVEMBER	39	38	30	82	103	73	121	141	103	21	15	21	14	29	36	494	452	394	2991	3178	2868	100	100	103	323	284	252	369	320	291	103	98	100
DECEMBER																																	
CALENDAR YEAR	401	370	340	871	896	1,082	1272	1,266	1422	226	199	211	507	448	535	5849	5823	6208	34961	35145	36238	1301	1219	1220	3464	3248	3204	3950	3712	3650	1283	1216	1214
MONTHLY AVERAGE	36	34	31	79	81	98	116	115	129	21	18	19	46	41	49	532	529	564	3,178	3,195	3,294	118	111	111	315	295	291	359	337	332	117	111	110

NORTHERN INYO HOSPITAL
DEPARTMENTAL NON-EMERGENCY OUTPATIENT VISITS

11 MONTHS 2008	* DIAGNOSTIC RADIOLOGY			* MAMMOGRAPHY			* NUCLEAR MEDICINE			* ULTRASOUND			* CT SCANNING			* MRI			LABORATORY			EKG / EEG			PHYSICAL THERAPY			RESPIRATORY THERAPY			RURAL HEALTH CLINIC			TOTALS		
	06	07	08	06	07	08	06	07	08	06	07	08	06	07	08	06	07	08	06	07	08	06	07	08	06	07	08	06	07	08	06	07	08	06	07	08
JANUARY	312	308	544	229	198	193	29	36	71	107	166	205	123	112	170	85	86	89	1686	1621	1809	103	139	103	302	335	335	12	19	10	1029	941	1057	4017	3961	4586
FEBRUARY	250	263	593	211	194	193	60	38	63	135	157	205	111	102	217	92	71	85	1633	1662	1744	82	84	113	361	302	364	19	19	11	970	965	1150	3924	3857	4738
MARCH	329	269	529	83	122	311	52	29	133	133	144	223	126	95	233	105	76	403	1853	1734	1774	132	100	149	425	340	346	14	16	12	1099	1095	1211	4351	4020	5324
APRIL	254	258	697	237	246	199	35	46	183	109	139	196	107	123	264	84	105	453	1984	1767	1984	84	85	121	397	300	410	21	14	14	915	883	1318	4227	3966	5839
MAY	263	262	613	241	230	479	41	85	167	122	150	213	110	131	230	88	100	424	1741	1743	1758	95	112	137	374	295	349	18	18	9	958	1007	1308	4051	4133	5687
JUNE	257	264	616	220	243	486	32	37	118	128	149	186	119	128	156	111	101	542	1828	2203	1752	104	90	123	370	260	314	10	7	19	859	864	1247	4038	4346	5559
JULY	228	275	604	134	192	477	35	46	71	126	155	196	121	109	157	71	113	443	1615	1618	1716	93	94	142	379	276	357	13	17	15	946	887	1190	3761	3782	5368
AUGUST	269	256	561	275	256	402	47	59	86	135	149	190	120	126	150	97	130	542	1741	1850	1647	132	115	145	408	289	325	14	17	11	1020	1064	1294	4258	4311	5353
SEPTEMBER	251	224	567	229	218	464	45	75	70	126	149	191	99	101	157	78	55	502	1542	1667	1822	111	83	131	355	254	322	11	9	13	917	1047	1288	3764	3882	5527
OCTOBER	265	287	639	233	223	511	44	58	82	116	173	210	123	101	167	79	92	464	1757	1877	1793	102	116	118	345	284	367	27	12	15	923	1129	1422	4014	4352	5788
NOVEMBER	230	234	541	236	250	398	35	39	62	146	160	168	118	69	161	87	102	378	1594	1668	1449	93	93	86	269	350	311	17	6	9	991	992	1249	3816	3963	4812
DECEMBER																																				
CALENDAR YEAR	2908	2900	6504	2328	2372	4113	455	548	###	1383	1691	2183	1277	1197	2062	977	1031	4325	18974	19410	19248	1131	1111	1368	3985	3285	3800	176	154	138	10627	10874	13734	44221	44573	58581
MONTHLY AVERAGES	264	264	591	212	216	374	41	50	101	126	154	198	116	109	187	89	94	393	1725	1765	1750	103	101	124	362	299	345	16	14	13	966	989	1249	4020	4052	5326

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

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

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
FY 2006-07	NovaRad RIS (part of original NovaRad PACS System)	208,426 *
FY 2007-08	Seimens Patient Monitor SC 9000XL	7,799
	3-D FOR M.E.P.	45,000
	OMNICELL COLOR TOUCH	55,419 *
	Access II Immunoassay System (Approved 4-08 with Reagent Agreement)	64,724 *
	AMOUNT APPROVED BY THE BOARD IN PRIOR FISCAL YEARS TO BE EXPENDED IN THE CURRENT FISCAL YEAR	381,368
FY 2008-09	Beckman Coulter AcT10	9,600
	Modular Building Purchase-Quality Improvement	21,752
	AMOUNT APPROVED BY THE BOARD IN THE CURRENT FISCAL YEAR TO BE EXPENDED IN THE CURRENT FISCAL YEAR	31,352
	Amount Approved by the Board in Prior Fiscal Years to be Expended in the Current Fiscal Year	381,368
	Amount Approved by the Board in the Current Fiscal Year to be Expended in the Current Fiscal Year	31,352
	Year-to-Date Board-Approved Amount to be Expended	84,151
	Year-to-Date Administrator-Approved Amount	321,038 *
	Actually Expended in Current Fiscal Year	328,569 *
	Year-to-Date Completed Building Project Expenditures	0 *
	TOTAL FUNDS APPROVED TO BE EXPENDED	733,759
	Total-to-Date Spent on Incomplete Board Approved Expenditures	0

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

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
	Reconciling Totals:	
	Actually Capitalized in the Current Fiscal Year Total-to-Date	649,608
	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	84,151
	ACTUAL FUNDS APPROVED IN THE CURRENT FISCAL YEAR TOTAL-TO-DATE	733,759
	Donations by Auxiliary	0
	Donations by Hospice of the Owens Valley	0
	+Tobacco Funds Used for Purchase	12,179
		0
		12,179

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

**Completed in prior fiscal year

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

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
Board Approved Construction and Remodel amounts to be Reimburse from Revenue Bonds:		
FY 1996-97	Central Plant and Emergency Power Generator	3,000,884 **
FY 1997-98	Administration/Office Building (Includes Furniture and Landscaping)	1,617,772 **
FY 2000-01	New Water Line Construction	89,962 **
FY 2001-02	Siemens ICU Patient Monitoring Equipment	170,245 **
	Central Plant and Emergency Power Generator OSHPD Fee	18464.5 **
FY 2003-04	Emergency Room Remodel (Included in New Building & Remodel)	0
FY 2004-05	Emergency Room Remodel (add to $500,000) (In New Building & Remodel)	0
FY 2005-06	Hospital Building and Remodel	39,500,000
FY 2005-06	Construction Cost Overrun Approval	15,250,000
FY 2008-09	Phase II-Bid 1 (Bid Approvals-part of above original numbers)	17,580,971
	Total-To-Date Board Approved Construction Amounts to be reimbursed from Revenue Bonds & General Obligation Bond	77,228,299
	Total-To-Date Spent on Construction In Progress from Rev Bonds for Incomplete Projects (Includes Architect Fees for Future Phases)	

*Completed Purchase

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

Administrator-Approved Item(s)	Department	Amount	Month Total	Grand Total
Concrete Curb & Gutter	RADIOLOGY	4,800		
HYDROFLEX MULTI IRRI PUMP	SURGERY	2,364		
SPEAKERS IN RADIOLOGY	RADIOLOGY	3,237		
CITRIX ACCESS GATEWAY 4.5	IT	3,437		
CANON DR7080C SCANNER	MEDICAL RECORDS	5,171		
34" MATTRESS HEAT SEAL	RADIOLOGY	3,164		
SOFA	EMPLOYEE HOUSING	677		
RECLINER	EMPLOYEE HOUSING	506		
COFFEE TABLE	EMPLOYEE HOUSING	376		
BED FRAME AND MATTRESS	EMPLOYEE HOUSING	720		
HVAC SYSTEM IN PHONE ROOM	COMMUNICATIONS	4,690		
Month Ending November 30, 2008			29,141	321,038

Northern Inyo Hospital
PLANT EXPANSION AND REPLACEMENT BUILDING PROJECTS

(Completed and Occupied or Installed)

Item		Amount	Grand Total
Turner Construction; Retainer Payment for Phase I	Support Building	436,352	
Turner Construction; Retainer Payment for Phase I	Radiology Building	419,240	
MONTH ENDING AUGUST 31, 2008			855,592

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John Halfen

From: Richard Rosenberg [carol@brgs.ccsend.com] on behalf of Richard Rosenberg [rrosenberg@brgslaw.com]

Sent: Monday, December 22, 2008 6:00 PM

To: John Halfen

Subject: Starbucks Marijuana Claim Goes Up In Smoke

December 22, 2008

Compliance Matters ™

STARBUCKS MARIJUANA CLAIM GOES UP IN SMOKE

Almost every employer uses some form of written job application. However, many employers are unaware of legal requirements governing what types of questions a job seeker may be asked. Employers who do not follow these rules face stiff penalties and expensive compliance lawsuits.

For example, while employers understandably want to know whether an applicant has a criminal history, California law specifically limits what types of questions an employer may ask on the subject. Generally, an employer can ask an applicant if he or she has ever been convicted of a crime. However, California law makes it a crime for an employer to ask job seekers about any arrests which did not actually lead to a conviction.

To complicate matters even further, inquiring about certain ***convictions*** also is illegal. Specifically, in the 1970's, then Governor Jerry Brown signed legislation reducing certain marijuana possession crimes from a felony to an infraction. Following the passage of that legislation, the California Labor Code rules on job applications were changed so that persons with minor marijuana convictions could not be barred from employment. Labor Code Section 432.7

meeting photo

111
Universal Hollywood
Dr., 16th Floor
Universal City, CA
91608-1097
PH 818/508-3700

420 Lexington Ave.
Suite 1830
New York, NY
10170
PH 212/398-9500

brgslaw.com

The Management Side

Employment and Labor

Law Firm for Business

specifically prohibits employers from asking job applicants about criminal convictions for certain minor marijuana-related offenses which are more than two years old. The Labor Code also makes it a misdemeanor to even ask about the subject. An employer who uses a job application with the offending inquiry (or asks about the subject in an interview) is liable for a penalty of $200 or actual damages, whichever is ***greater***.

Still reeling from its $105 Million tip-pooling award in San Diego earlier this year, Starbucks was sued yet again in a class action challenging its right to ask job applicants if they had ever been convicted of a crime. The plaintiffs were seeking a whopping $26 Million because the Starbucks application did not conspicuously advise the applicant to omit any references to marijuana convictions when answering a general question about criminal convictions. The plaintiffs contended that the general question, without more, forced job applicants to reveal something about their past which the Legislature prohibited employers from asking. *Starbucks Corporation vs. Superior Court* (December 10, 2008).

Starbucks lost the first round. However, the State Court of Appeal in Orange County saw things differently. The Court of Appeal used the Starbucks case to clarify what an applicant must prove to recover penalties under the marijuana conviction statute. However, the case also had an ominous tone for California employers insofar as the Court cautioned that Starbucks' way of doing business could get them in trouble.

Like many multi-state employers, Starbucks used a standardized job application for all of its locations nationwide. The application asked the applicant to state whether he or she had ever been "convicted of any crime in the last 7 years". Notably, there was no statement anywhere near the question alerting the applicant not to include information about any marijuana

convictions which were less than two years old. However, Starbucks did include such a disclaimer on the reverse side of the application, buried in some small print along with other States' disclaimers, the standard at-will language and the applicant's certification that everything stated in the application was accurate.

Starbucks was sued in a class action over the job application by three unsuccessful job applicants. They purported to represent a class of 135,000 unsuccessful job applicants at 1,500 Starbucks locations throughout California. The plaintiffs asserted that the inquiry about criminal convictions violated the Labor Code and that the violation was not cured by the disclaimer language because the disclaimer was buried on the reverse side of the application where it was unlikely to be seen when the applicant was answering the conviction question.

The Court saw that this case was a set-up from the very beginning and found a way to rule for Starbucks, despite problems with the application. Specifically, none of the three named plaintiffs actually had a marijuana conviction to disclose. Nevertheless, they sought $200 for themselves and every other unsuccessful job applicant (a total of $26 Million in penalties). The Court recognized that the ones to profit from this claim were not the injured applicants, but rather the class action lawyers who sought to collect a sizable portion of the penalty.

The Court of Appeal agreed that the California disclaimer language would have been sufficient had it been more conspicuously placed (such as right after the question seeking information on criminal convictions). However, the Court criticized Starbucks for burying the disclaimer on the back side of the application and for attempting to use a "one size fits all" job application for its locations nationwide. The Court cautioned that Starbucks should have tried

to tailor the application to satisfy the specific California restrictions on what criminal conviction inquiries are appropriate.

Luckily for Starbucks, the Court concluded that the lower court erred in allowing the case to proceed when the three named plaintiffs testified under oath that they read and understood the California disclaimer, and that none of them were actually harmed because they had no convictions to disclose.

In reaching this common sense solution, the Court declined to "adopt an interpretation that would turn the statute into a veritable financial bonanza for litigants like plaintiffs who had no fear of stigmatizing marijuana convictions". The Court boldly noted "there are better ways to filter out impermissible questions on job applications than allowing 'lawyer bounty hunter' lawsuits brought on behalf of tens of thousands of unaffected job applicants". The state's "civil justice system is not well-served by turning Starbucks into Daddy Warbucks", the Court observed.

The Court also noted that since the Labor Code makes it a crime (i.e., a misdemeanor) for an employer to intentionally violate Section 432.7, this should "sufficiently deter miscreant employers from improperly intruding into job applicants' protected zone or privacy".

Although Starbucks won in the end, it no doubt cost them a fortune in legal fees to defend the case. A simple change in the application would have avoided the whole matter entirely. Moreover, Starbucks got lucky in this case because none of the named plaintiffs actually had a marijuana conviction in their past. Based on the Court's ruling, things would have turned out differently if any of the plaintiffs had a criminal record.

The Starbucks case is a wake up call for every

employer. As a matter of risk management, every employer ought to have expert labor counsel review the company's job application for legal compliance with all state laws in which the company is doing business, as other states also restrict (and even prohibit) inquiries on criminal convictions. It is also a lesson in the old adage of not being "penny wise and pound foolish." The Court cautioned that the application must be tailored to relevant state law, and that printing costs will not be an adequate justification for creating a confusing document.

Please call your contact at the Firm if you have any questions about the case or you wish us to review your job application to insure legal compliance.

For more information, call us today at **(818) 508-3700**, or visit us on the web, at www.brgslaw.com.

Sincerely,

Richard S. Rosenberg
Partner
BRG&S, LLP

Forward email

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CALIFORNIA HOSPITAL ASSOCIATION

Providing Leadership in Health Policy and Advocacy

NEWS RELEASE

FOR IMMEDIATE RELEASE

CONTACT: Jan Emerson
(916) 552-7516
(916) 804-0663 – Cell

Economic Downturn Takes Toll on California Hospitals

New Report Shows 73 Percent Increase in Patients Unable to Pay Out-of-Pocket Costs, 33 Percent Rise in Uninsured Patients Visiting Hospital ERs

SACRAMENTO (January 7, 2009) – The economic recession gripping the nation is having a dramatic impact on California's community hospitals, according to a newly released special report by the California Hospital Association (CHA).

The report, which is based on a survey conducted in November 2008 among hospital chief financial officers (CFOs), shows a 73 percent increase in consumers having difficulty paying their out-of-pocket health care costs, and a 33 percent increase in uninsured patients visiting the ER. Additionally, California hospitals are reporting a 30 percent decrease in volume for elective procedures – one of the few areas that provide hospitals an opportunity for revenue growth.

"As more people lose their jobs in this declining economy, they also are losing their job-based health insurance," said CHA's President and CEO C. Duane Dauner. "The growing number of uninsured patients, coupled with inadequate Medi-Cal payments and the ripple effects of the financial market crisis, is leading to a decline in the financial health of California's hospitals at the very time when demand for health care services is growing."

California already ranks 49th in the nation in the availability of hospital beds, with only 1.9 hospital beds per 1,000 population. And, the state comes in dead-last nationally when it comes to funding health care for Medicaid (Medi-Cal) patients. As a result of the declining economy and inadequate Medi-Cal payments, Californians may soon find their access to hospital

- more -

care further diminished. According to the CHA survey, the majority of hospitals have already made cutbacks or anticipate having to make reductions in patient care services in the near future. Among the service lines at risk are cardiology and obstetrics programs, subacute and psychiatric units and skilled nursing beds. Staff layoffs and pay cuts also are being reported.

The freezing of the credit markets is proving to be another significant hurdle for many California hospitals. More than 25 percent of hospitals report the inability to access financing for construction, remodeling, equipment purchases or working capital, according to the CHA survey. This has resulted in 41 percent of hospitals halting construction projects or equipment purchases.

The ability of California hospitals to meet the state's seismic upgrade requirements also is in jeopardy because of the economic crisis, with 38 percent reporting that they will be unable to meet the 2013 and 2015 deadlines.

The faltering economy also is beginning to take its toll on the ability of hospitals to remain viable contributors to the state's financial structure. Almost 70 percent of hospitals report that the deterioration of investment holdings has had a moderate or significant impact on their overall financial condition, with a number of hospitals concerned about their ability to comply with bond covenants related to cash and liquidity measures.

"It's clear from the survey results that the economic challenges facing all Americans are also affecting the hospitals who provide care to us when we are sick or injured," Dauner said. "When our hospitals are at risk, we are all in danger."

A full copy of the special report, called "*A Report on California Hospitals and the Economy,*" can be found on CHA's website – www.calhospital.org.

#####

CHA, based in Sacramento, is the statewide leader representing the interests of more than 450 hospitals and health systems in California.

4. Economy takes toll on CA hospitals

The economic recession is having a dramatic impact on California's community hospitals, according to a new report by the California Hospital Association. "As more people lose their jobs in this declining economy, they also are losing their job-based health insurance," said CHA President and CEO Duane Dauner. "The growing number of uninsured patients, coupled with inadequate Medi-Cal payments and the ripple effects of the financial market crisis, is leading to a decline in the financial health of California's hospitals at the very time when demand for health care services is growing." For example, hospital chief financial officers report a 73% increase in consumers having difficulty paying out-of-pocket health care costs, and a 33% increase in emergency department visits for uninsured patients. More than one-quarter of hospitals report the inability to access financing for construction, equipment or working capital, with 41% halting construction projects or equipment purchases.

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459 West Line Street
Bishop, CA 93514

November 19, 2008

Northern Inyo Hospital
150 Pioneer Ln
Bishop, CA 93514

Medical Staff,
I am writing to notify you that I will be leaving the area as of December 31st 2008. I therefore must resign my medical staff privileges as of that time. I have been offered a position with Sutter Health working at their Plymouth Family Practice clinic. It is really hard to say goodbye, I have enjoyed my past 6 years working with you.

Thank you,

Catherine A. Leja MD

NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE

Title: **Muscle Biopsy**	
Scope: Surgery	Department: **Pathology, Surgery**
Source: Stuhaan, Barbara	Effective Date:

POLICY:

When performing muscle biopsy procedure at Northern Inyo Hospital, the University of California at San Francisco instructions will be adhered to.

PURPOSE:

To provide instructions for appropriate harvesting and shipping of specimen for muscle biopsy consultation at The University of California at San Francisco.

To ensure specimen arrives at facility intact and fresh.

SPECIAL CONSIDERATIONS:

Physician order is required: Surgery consent will designate procedure to be performed.
Procedure will be performed by: Operating Surgeon
Nurse Manager or Circulating RN will complete co-ordination of Biopsy with Pathology and USCF
Special education required to perform procedure: ____Yes ____No
Review of this policy and adherence to procedure

Must have a Styrofoam container with ice for shipping.

PROCEDURE:

1. When muscle biopsy is scheduled, the Surgical Nurse Manager and Pathology must be notified.
   a. Surgery Clerk will notify the Surgical Nurse Manager both verbally and by orthopedic worksheet as soon as the procedure is scheduled.
   b. Surgery Nurse Manager will notify the pathology department of the scheduled date for the procedure.

2. **Biopsy Site:** Biopsies are best taken from the quadriceps or biceps, as these are the muscle groups that have been most widely characterized and are most consistent in their morphology. This is in contrast to the gastrocnemius muscle, which shows a wide variation in morphology; therefore, please **DO NOT** send biopsies from the gastrocnemius unless absolutely necessary. The biopsied muscle **should not** have been used for EMG studies, as the EMG procedure causes an inflammatory reaction. If local anesthetic is used, the muscle itself **should not** be infiltrated.

3. **Biopsy Handling; <u>Note to Surgeons:</u>** A 1.0 x 1.0 x 1.0 cm (minimum) biopsy is essential to allow adequate tissue for histology, histochemistry and electron microscopy. It should be excised so that we can orient it according to the muscle fibers. Please **do not** use biopsy clamps or tie the tissue to a tongue depressor, as this leads to handling/cutting/crush artifact. Multiple small fragments are not acceptable, as they are extremely difficult to orient correctly and introduce handling/cutting/crush artifact.

NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE

Title: **Muscle Biopsy**	
Scope: Surgery	Department: **Pathology, Surgery**
Source: Stuhaan, Barbara	Effective Date:

- The muscle should be gently wrapped in a piece of gauze/telpha paper, which has been dampened with saline and then **well rung out. DO NOT** place the tissue in saline solution or use a heavily dampened gauze/Telpha pad, as muscle will soak up the saline and cause substantial artifact.
- **If there is a clinical suspicion of a possible mitochrondrial myopathy, lipid or glycogen storage disease or other metabolic myopathy, and specimen transit time to UCSF might exceed 4 hours, a second portion of muscle (0.5 x 0.5 x 0.5 cm) is required. This second portion of tissue should be retained at the submitting institution until it is determined whether tissue will need to be sent out for molecular/biochemical testing.**

- **Note to Pathologist:** The muscle should be gently wrapped in a piece of gauze/telfa pad that has been dampened with saline and then **well rung out**. DO NOT place the tissue in saline solution or use a heavily dampened gauze/Telfa pad, as the muscle will soak up the saline and cause substantial artifact.

- Each sample should be placed in a sealed, waterproof, small specimen container labeled with the patient's name and the source of the biopsy (i.e. biceps or quadriceps), and date and time of the biopsy. (Please **do not** use Petri dishes taped shut as they will leak.) Placing this specimen bottle in a sealable plastic baggy is also suggested, to avoid melted ice leaking into the bottle. An insulated specimen transportation box (e.g. Styrofoam) with an adequate amount of regular **(H20) ICE (NOT DRY ICE)** to last the estimated transit time should be prepared. The specimen container should then be placed **ON TOP** of the ice (not buried in the ice as it may freeze).
  In addition, if there is clinical suspicion of a possible mitochondrial myopathy, lipid, or glycogen storage disease or other metabolic myopathy, and specimen transit time to UCSF might exceed 4 hours, a second portion of muscle (0.5 x 0.5 x 0.5 cm) should be taken by the surgeon. This small portion of tissue should be snap-frozen and retained at the submitting institution until it is determined whether tissue will need to be sent out for molecular/bioc chemical testing.

4. **Shipping address:** Please address the outside of the box with:

   ATTENTION: **Neuropathology Fellow (Muscle Biopsy)**
   Department of Pathology
   Moffitt Hospital Cutting Room M576
   University of California San Francisco
   3rd and Parnassus
   San Francisco, California
   94143

5. **Transit time:** If transit time might be longer than 4 hours, an additional 2 x 3mm piece of muscle should be placed in fresh cold glutaraldehyde solution for electron microscopy if available (if transit

Title: **Muscle Biopsy**	
Scope: Surgery	Department: **Pathology, Surgery**
Source: Stuhaan, Barbara	Effective Date:

time will be short, we will take a small piece from the larger biopsy when it arrives at UCSF). (** **This is not necessary according to Jose Javier Otero, M.D., Ph.D. from the Muscle Biopsy Department, but we do need to maintain a portion of tissue at our institution). A portion of muscle that has been snap frozen should be saved at our institution if transit time might exceed four hours and a metabolic myopathy is suspected.**

6. **Paperwork:** The following paperwork should accompany the biopsy:

   - Patient demographics (name, age, sex, date of birth).
   - Billing information (All the patient's insurance information, including policy and group numbers, billing address, subscriber name with social security number, and employer or sponsor for group policies).
   - Name and address of referring hospital (Please note: the referring hospital will be billed if other billing information is not provided).
   - Clinical history (Indication for muscle biopsy, duration of symptoms, proximal versus distal weakness, pain, rash, CPK level, EMG results, current patient medications (e.g. steroids or statins) and the clinical differential diagnosis).
   - Name, phone and FAX number of the neurologist and pathologist from whom additional clinical information can be obtained, and to whom a diagnosis can be given.

7. **Notification of UCSF:** Notify the UCSF Neuropathology Fellow about the biopsy and when it will be arriving (Phone 415-476-5236; administrative assistant or voice mail). Muscle biopsies should **arrive by 4 pm Monday through Friday**. Histochemical stains are done only once a week. Muscles must arrive by noon on Wednesday for processing the same week. Muscle biopsy conference is every Friday at 9:00AM (505 Parnassus Ave, Moffitt Hospital Building, Room M557).

Reference: UCSF Instructions for Submission of Muscle Biopsy Consultation Specimens
Committee approval needed _____Yes _____No
Responsibility for review and maintenance: Surgery Nurse Manager
Index listings: Muscle Biopsy, Biopsy Muscle

Initiated 9-8-08 BS

UCSF MEDICAL CENTER WORKSHHET

Department of Pathology/Neuropathology

Accession Number:_____

Medical Record Number:_____

PATIENT DEMOGRAPHICS

Patient's Name_____

Date of Birth_____Sex:_____

Social Security Number_____

Home Address_____

_____

SUBMITTING INSTITUTION

Insitution Name_____

Telephone_____

Address_____

_____

INSURANCE INFORMATION

Insurance Carrier (Or Medical Group Name)_____

Telephone_____

Address_____

_____

NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE

Title: Use of Fentanyl Patches	
Scope: Hospital-wide	Department:
Source: Director of Pharmacy	Effective Date: 5/7/2008

PURPOSE:

The purpose of this policy is to define the use of fentanyl patches at NIH.

POLICY:

1. Fentany patches may only be prescribed for pain that requires continuous, around-the-clock opioid administration for an extended period of time, and cannot be managed by other means such as non-steroidal analgesics, opioid combination products, or immediate-release opioids.

2. Fentanyl patches may only be prescribed for patients who are already receiving opioid therapy, who have demonstrated opioid tolerance, and who require a total daily dose at least equivalent to fentanyl 12 mcg/h. Patients who are considered opioid-tolerant are those who have been taking, for a week or longer, at least 30 mg of oral morphine daily, or at least 15 mg of oral oxycodone daily, or at least 4 mg of oral hydromorphone daily or an equianalgesic dose of another opioid. Patients who have had the opiate dosage of less than 30 mg of oral morphine daily, or at least 15 mg of oral oxycodone daily, or at least 4 mg of oral hydromorphone daily, and have demonstrated unresolved pain at their dosage levels, and who require at least these levels to reach pain control can be started on fentanyl patches at 12 mcg/hr.

3. Since fentanyl patches are contraindicated:
    a. in patients who are not opioid-tolerant
    b. in the management of acute pain or in patients who require opioid analgesia for a short period of time
    c. in the management of post-operative pain, including use after out-patient or day surgeries (e.g., tonsillectomies)
    d. in the management of mild pain
    e. in the management of intermittent pain [e.g., use on an as needed basis (prn)]

    orders for fentanyl patches for any of these conditions will not be verified by a pharmacist and thereby will not be available for patient administration at NIH.

4. Fentanyl patches will not be overridable in the automated dispensing system. A pharmacist must assess the prescribed dose in relation to the Black Box Warning of the fentanyl patch prior to dispensing.

5. Fentanyl patches will only be applied to intact skin and no damaged patch may be applied to a patient.

6. Since the peak fentanyl levels occur between 24 and 72 hours of treatment, and therefore serious or life threatening hypoventilation may occur, even in opioid-tolerant patients, during the initial application period, nursing shall monitor respiratory rate every 4 hours and patients shall be continuously monitored with pulse oximeter during the initial 72 hours of patch

application.

7. Patients recieving potent cytochrome P450 3A4 inhibitors (ritonavir, ketoconazole, itraconazole, troleandomycin, clarithromycin, nelfinavir, and nefazodone will have respiratory rate monitored by nursing every 4 hours and will be on continuous pulse oximetry during such use.

8. Fentanyl patches may only be used on pediatric patients (patients 13 years of age or less if they have been on the patches immediately prior to admission and the same dose is ordered to continue their therapy.

9. Patients whose fentanyl patch has been discontinued will be monitored for at least 17 hours post discontinuation with q4hour respiratory rate monitoring and pulse oximetry.

10. Discontinued patches must be disposed of in a sharps container and such disposal must be witnessed by a licensed person per NIH Controlled Substances Policy.

Committee Approval	**Date**
Pharmacy and Therapeutics Committee	
Emergency Department Committee	
Surgical Tissue Committee	
Perinatal/pediatrics Committee	
ICU Committtee	
Medicine Committee	
Medical Executive Committee	
Board of Directors	

Revised
Reviewed
Supercedes

℞ only

Full Prescribing Information
FOR USE IN OPIOID-TOLERANT PATIENTS ONLY

Fentanyl transdermal system contains a high concentration of a potent Schedule II opioid agonist, fentanyl. Schedule II opioid substances which include fentanyl, hydromorphone, methadone, morphine, oxycodone, and oxymorphone have the highest potential for abuse and associated risk of fatal overdose due to respiratory depression. Fentanyl can be abused and is subject to criminal diversion. The high content of fentanyl in the patches (fentanyl transdermal system) may be a particular target for abuse and diversion.

Fentanyl transdermal system is indicated for management of persistent, moderate to severe chronic pain that:

- requires continuous, around-the-clock opioid administration for an extended period of time, and
- cannot be managed by other means such as non-steroidal analgesics, opioid combination products, or immediate-release opioids

Fentanyl transdermal system should ONLY be used in patients who are already receiving opioid therapy, who have demonstrated opioid tolerance, and who require a total daily dose at least equivalent to fentanyl transdermal system 25 mcg/hr. Patients who are considered opioid-tolerant are those who have been taking, for a week or longer, at least 60 mg of morphine daily, or at least 30 mg of oral oxycodone daily, or at least 8 mg of oral hydromorphone daily or an equianalgesic dose of another opioid.

Because serious or life-threatening hypoventilation could occur, fentanyl transdermal system is contraindicated:

- in patients who are not opioid-tolerant
- in the management of acute pain or in patients who require opioid analgesia for a short period of time
- in the management of postoperative pain, including use after out patient or day surgeries (e.g., tonsillectomies)
- in the management of mild pain
- in the management of intermittent pain [e.g., use on an as needed basis (prn)]

(See CONTRAINDICATIONS for further information.)

Since the peak fentanyl levels occur between 24 and 72 hours of treatment, prescribers should be aware that serious or life-threatening hypoventilation may occur, even in opioid-tolerant patients, during the initial application period.

The concomitant use of fentanyl transdermal system with potent cytochrome P450 3A4 inhibitors (ritonavir, ketoconazole, itraconazole, troleandomycin, clarithromycin, nelfinavir, and nefazodone) may result in an increase in fentanyl plasma concentrations, which could increase or prolong adverse drug effects and may cause potentially fatal respiratory depression. Patients receiving fentanyl transdermal system and potent CYP3A4 inhibitors should be carefully monitored for an extended period of time and dosage adjustments should be made if warranted. (See CLINICAL PHARMACOLOGY: Drug Interactions, WARNINGS, PRECAUTIONS and DOSAGE AND ADMINISTRATION for further information.)

The safety of fentanyl transdermal system has not been established in children under 2 years of age. Fentanyl transdermal system should be administered to children only if they are opioid-tolerant and 2 years of age or older (see PRECAUTIONS: Pediatric Use).

Fentanyl transdermal system is ONLY for use in patients who are already tolerant to opioid therapy of comparable potency. Use in non-opioid-tolerant patients may lead to fatal respiratory depression. Overestimating the fentanyl transdermal system dose when converting patients from another opioid medication can result in fatal overdose with the first dose. Due to the mean elimination half-life of 17 hours of fentanyl transdermal system, patients who are thought to have had a serious adverse event, including overdose, will require monitoring and treatment for at least 24 hours.

Fentanyl transdermal system can be abused in a manner similar to other opioid agonists, legal or illicit. This risk should be considered when administering, prescribing, or dispensing fentanyl transdermal system in situations where the health care professional is concerned about increased risk of misuse, abuse or diversion.

Persons at increased risk for opioid abuse include those with a personal or family history of substance abuse (including drug or alcohol abuse or addiction) or mental illness (e.g., major depression). Patients should be assessed for their clinical risks for opioid abuse or addiction prior to being prescribed opioids. All patients receiving opioids should be routinely monitored for signs of misuse, abuse and addiction. Patients at increased risk of opioid abuse may still be appropriately treated with modified-release opioid formulations; however, these patients will require intensive monitoring for signs of misuse, abuse, or addiction.

Fentanyl transdermal system is intended for transdermal use (on intact skin) only. Do not cut or damage fentanyl transdermal system.

DESCRIPTION: Fentanyl transdermal system is a transdermal system providing continuous systemic delivery of fentanyl, a

DRAFT

NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE

Title: Ventilators in the Emergency Room	
Scope:	Department: Respiratory Care
Source:	Effective Date: October 2006

PURPOSE:

To maintain adequate ventilatory support to intubated patients in the Emergency Room.

POLICY:

Patients that are intubated and in need of continuing volume ventilator support shall be place on the VersaMed I-Vent or the Puritan Bennett 840 ventilator with the physicians approval.

PROCEDURE:

1. Obtain ventilator orders from the physician.
2. Place patient on the ventilator per Respiratory policy.

Committee Approval	**Date**
Respiratory Care	10-2006

Revised 9-08
Reviewed
Supercedes

Draft

NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE

Title: VersaMed I-Vent	
Scope:	Department: Respiratory Care
Source:	Effective Date:

PURPOSE:

The VersaMed I-Vent Ventilator is for the acute care of pediatric and adult patients. Refer to the Operator's and Technical Reference Manual for operating instructions.

POLICY:

After a patient has been disconnected from the ventilator the Respiratory Therapist will clean, reassemble and verify proper function of the ventilator by running an "Operational Verification Test (OVT)".

PROCEDURE:

1. Dispose of circuit, inspiratory filter, expiratory filter and humidifier.
2. Wipe down the ventilator with germicidal /disinfectant spray. Spray the germicidal onto a cloth and then wipe down the ventilator. Make sure everything is wiped off, the screen, push handles, circuit arm, electrical cord, oxygen hose, etc.
3. Reassemble with new circuit, and HME.
4. Connect ventilator to electrical source and oxygen, turn on and wait at least 10 minutes before running an OVT. If the OVT does not pass, correct the problem and rerun the OVT. Refer to Operator's manual on running an OVT.
5. The ventilator will then be labeled that it has passed the OVT with the date and therapist initials. Store covered, plugged in and with the following equipment: cuffalator, test lung, ventilator flow sheet.

Committee Approval	**Date**
Respiratory Care	9-2008

Revised
Reviewed
Supercedes

Draft

NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE

Title: Drawing of Arterial Blood Gases	
Scope: Respiratory	Department: Respiratory Care
Source:	Effective Date:

PURPOSE:

Collection of arterial blood specimen, as well as it's handling and transport, are key factors in the analysis and in delivering quality patient care. The purpose of this policy is to reduce the potential hazard to the patient and to maintain the integrity of the arterial blood specimen.
Collecting arterial blood is not only technically difficult, but can be painful and hazardous for the patient. Therefore, it is essential that individuals performing arterial puncture be familiar with the proper techniques, with the hazards / complications of the procedure and with the necessary precautions.
The Respiratory Care Department, using licensed Respiratory Care Practitioners (R.C.P.), will obtain arterial blood gas samples for analysis. Only qualified personnel who have been trained, meet established criteria, and successfully complete annual skills competencies, may draw arterial blood samples via puncture and arterial lines. The attending physician will determine who shall draw arterial blood from an infant or child.

INDICATIONS:

1. The need to evaluate the adequacy of a patient's ventilatory (PaCo2), acid base (PH and PaCO2) , and/or oxygenation (Pao2) status, the oxygen carrying capacity and intrapulmonary shunt.
2. The need to quantitate the response to therapeutic intervention (e.g. supplemental oxygen administration, mechanical ventilation) and/or diagnostic evaluation (e.g. exercise desaturation).
3. The need to monitor severity and progression of documented disease processes.

CONTRAINDICATIONS:

1. An improperly functioning analyzer.
2. A specimen containing visible air bubbles.

3. A specimen stored in a plastic syringe at room temperature for longer than 30 minutes, stored at room temperature for longer than 5 minutes for a shunt study, or stored at room temperature in the presence of an elevated leukocyte or platelet count (PaO2 in samples drawn from subjects with very high leukocyte counts can decrease rapidly. Immediate chilling and analysis is necessary).
4. An incomplete requisition.
5. An inadequately labeled specimen lacking the patients name or other unique identifier, date, and time of sampling.
6. Shunt. Do not draw from a shunt.
7. Evidence of infection or peripheral vascular disease involving limb.

NOTE: Unidentified emergency patients should be given some temporary but clear designation until positive identification can be made.

POSSIBLE HAZARDS OR COMPLICATIONS:

1. Infection of specimen handler from blood carrying the human immunodeficiency virus, or HIV, hepatitis B, other blood-borne pathogens.
2. Inappropriate patient medical treatment based on improperly analyzed blood specimen or from analysis of an unacceptable specimen of from incorrect reporting of results.
3. Arteriospasm
4. Hematoma
5. Infection
6. Trauma to vessel

LIMITATIONS OF PROCEDURE / VALIDATION OF RESULTS:

1. Sample clotting due to improper anticoagulation or improper mixing
2. Sample contamination by, air, improper anticoagulant or concentration.
3. Inadvertent sampling of venous blood.

POLICY:

1. The R.C.P. may attempt two sticks, if both are unsuccessful document and have another R.C.P. attempt. If no other R.C.P. is available notify physician.
2. The R.C.P performing the procedure will be responsible for post puncture care.
3. When, in the opinion of the R.C.P., it is not advisable to perform the puncture that practitioner will defer the procedure to the prescribing physician.
4. Conditions that might be cause for deferment are:
   a. Abnormal pro time
   b. Non palpable pulse

c. Denuding, burn or scarring of the puncture site
d. Hemodialysis patient with shunt, use another site
e. Age of patient, neonate, infant or pediatric

Recommendations from NCCLS (National Committee for Clinical Laboratory Standards) state that:
"Plastic syringes containing blood for the purpose of blood gas analysis should not be iced but kept at room temperature and should be analyzed within 30 minutes of collection. If a prolonged time delay before analysis is anticipated (more than 30 minutes), the use of glass syringes and storage in ice water is recommended".

If the Laboratory is unable to analyze an ABG within 30 minutes they will notify us and we will need to redraw the specimen. In the event of a redraw, the patient should not be charged for a second puncture and a Quality Assurance Report needs to be filled out.

PROCEDURE:

Path of Workflow for Collection of Arterial Specimens

1. Written order that should include the collection date and time, and either room air or oxygen level.
2. Identify patient using two approved forms.
3. Introduce yourself and explain procedure to patient.
4. Confirm that all precollection conditions have been met such as ordered FiO2, ventilator settings. If the Fio2 has been changed, wait at least 20-30 minutes to achieve a steady state before taking blood specimen. This is most important in patients who have chronic lung disease resulting in an abnormal ventilation/perfusion ratio.
5. Determine if the patient is on any type of anticoagulant.
6. Note and record all relevant parameters on the ABG slip and in the Respiratory Care notes, including but not limited to:
   a. Modality
   b. Fio2
   c. Site of puncture
   d. Date and time
   e. Spo2
   f. Ventilator settings if applicable
7. Prepare the syringe per manufactures guidelines.
8. Wash hands and don gloves.
9. The R.C.P. will evaluate puncture sites in the following order

A. RADIAL ARTERY

The radial artery, although small, is easily accessible at the wrist in most patients and is the most commonly used site. The ulnar artery normally provides collateral circulation to the hand, which may be absent in some individuals. The Modified Allens Test may be helpful in evaluating this collateral circulation. Inadequate blood supply to the hand may suggest the need to select another site for the puncture.

Modified Allen's Test

The patient tightly closes the hand to form a fist. Pressure is then applied at the wrist, compressing and obstructing both the radial and ulnar arteries. The hand is then opened (but not fully extended), revealing a blanched palm and fingers. The obstructing pressure is next removed only from the ulnar artery, while the palm and fingers are observed. They should become flushed within 15 seconds as the blood from the ulnar artery refills the empty capillary bed. If the ulnar artery does not adequately supply the entire hand (a Negative Allens Test), the radial artery should not be used as a puncture site. An alternate artery should be used. If the patient cannot tightly close their hand to form a fist, a pulse oximeter may be used to verify collateral circulation. Place the oximeter (on continuous), on a finger of the patient's hand, and obtain a Spo2 reading. Pressure is then applied obstructing both the radial and ulnar arteries until you lose the Spo2 reading. The obstructing pressure is then removed from the ulnar artery. The Spo2 reading should return within 15 seconds. If collateral circulation IS present document "positive Allen's Test" and proceed with puncture. If collateral circulation IS NOT present document "negative Allen's Test" in the patients chart and select another site if able.

a. The arm should be abducted with the palm facing up and the wrist extended about 30 degrees to strech and fixes the soft tissues over the firm ligaments and bone. If necessary, use a rolled towel or pad for positioning of the extremity.
b. Locate the artery just proximal to the skin crease at the wrist. Place a finger carefully over the artery and palpate for the size, direction, and depth of the artery.
c. Prepare the puncture site aseptically. Be certain that after cleansing, the puncture site is not touched again except with gloved fingers.
d. Hold the syringe in one hand as one would hold a dart and place a finger of the other hand over the artery at the exact point where the needle should enter the artery. Puncture the skin about 5 – 10 mm distal to the finger

directly over the artery with the bevel of the needle up, at an angel of approximately 30 – 45 degrees against the blood stream.

e. Advance the needle under the skin, aiming for the artery just under your finger. When the artery is entered, blood will enter the flashback chamber spontaneously. If the patient has low blood pressure it may be necessary to gently and slowly pull on the plunger in order for the blood to flow into the syringe.

f. After the required amount of blood has been obtained, place a dry gauze sponge over the puncture site, while simultaneously quickly withdrawing the attached needle and syringe.

g. Immediately, manually compress the artery at the puncture site with firm pressure for a minimum of three to five minutes. While applying pressure to the artery with one hand, immediately check the syringe for air bubbles and carefully expel any trapped bubbles, following the manufacture's recommended procedure. In order to prevent potential worker exposure, the needle safety feature should be activated immediately after specimen collection and discarded, without disassembly, into a sharps container. Mix thoroughly by rotating the syringe several times ensuring adequate anticoagulation. Pressure dressings are not an acceptable substitute. If the patient is under anticoagulant therapy or has a prolonged clotting time, hold pressure on the site for a longer time period. After relieving pressure, immediately assess the puncture site. If hemostasis has not occurred or a hematoma is developing, reapply pressure for two minutes. Continue with this process until hemostasis has occurred. If hemostasis has not occurred within a reasonable time, obtain medical assistance. Ambulatory patients should remain in the area until the test results have been assessed.

B. BRACHIAL ARTERY

The brachial artery may be more difficult to puncture due to the deeper location between muscles and connective tissues. Proper positioning of the arm with hyperextension improves the position of the brachial artery for puncture. Effective compression of the puncture site is more difficult because of the deep location in the soft tissues. The incidence of hematoma formation may be more common than at the radial site. The brachial artery is **NOT** commonly used in infants or children. Particularly in infants, it is harder to palpate then the radial artery and there is no collateral circulation.

a. The patient's arm is fully extended and the wrist rotated until the maximum pulse is palpated with the index finger. If necessary, use a rolled towel to facilitate posting of the extremity. The arterial pulse is then followed proximally by palpation with the middle finger for 2 to 3 cm.

b. Skill in performing the puncture is required to avoid hitting the median nerve, which lies very close to the brachial artery.

c. Cleanse the site as described above.

d. Spread two fingers along the coarse of the artery, which may be located by palpating the pulsations. Enter the skin just below the distal (index) finger and aim the needle along a line connecting the two fingers using a 45-degree angle of insertion with the bevel up. The artery lies deep in the tissues, especially in obese individuals.

e. After puncture, it may be necessary to compress the artery against the humerus, if possible, for a minimum of five minutes or longer, in order to stop bleeding. Effective compression of the brachial artery is often difficult, but important. (See section A. f. and g.)

C. FEMORAL ARTERY PUNCTURE

The femoral artery is a large vessel, which usually is superficially located in the groin and easily palpated and punctured. Generally, this is the last site selected. Disadvantages are poor collateral circulation to the leg and increased chance of infection if the site is not thoroughly cleansed. During circulatory collapse the femoral artery is the preferred site for A.B.G. sampling

a. The femoral artery is located quite superficially on the inguinal triangle, just below the inguinal ligament. The patient should lie flat with both legs extended. The pulsating vessel should be palpated with two fingers.

b. Cleansing of the puncture site should be very thorough because of the often-heavy contamination of this area.

c. The palpating fingers are spread 2-3 cm apart along the course of the artery to anchor the vessel. The needle puncture is made perpendicular to the skin surface, or at an angle against the blood stream, between the two fingers.

d. Compression of the artery after the puncture is required as in section A. g.

Revised September 6,2008 with AARC Clinical Practice Guideline "Blood Gas Analysis and Hemoximetry: 2001 Revision and Update" and NCCLS "Procedures for the Collection of Arterial Blood Specimens; Approved Standard—Fourth Edition"

Committee Approval	Date
Respiratory Care	9-2006

Revised
Reviewed
Supercedes

Palm of the Hand: Arteries and Nerves PLATE 67

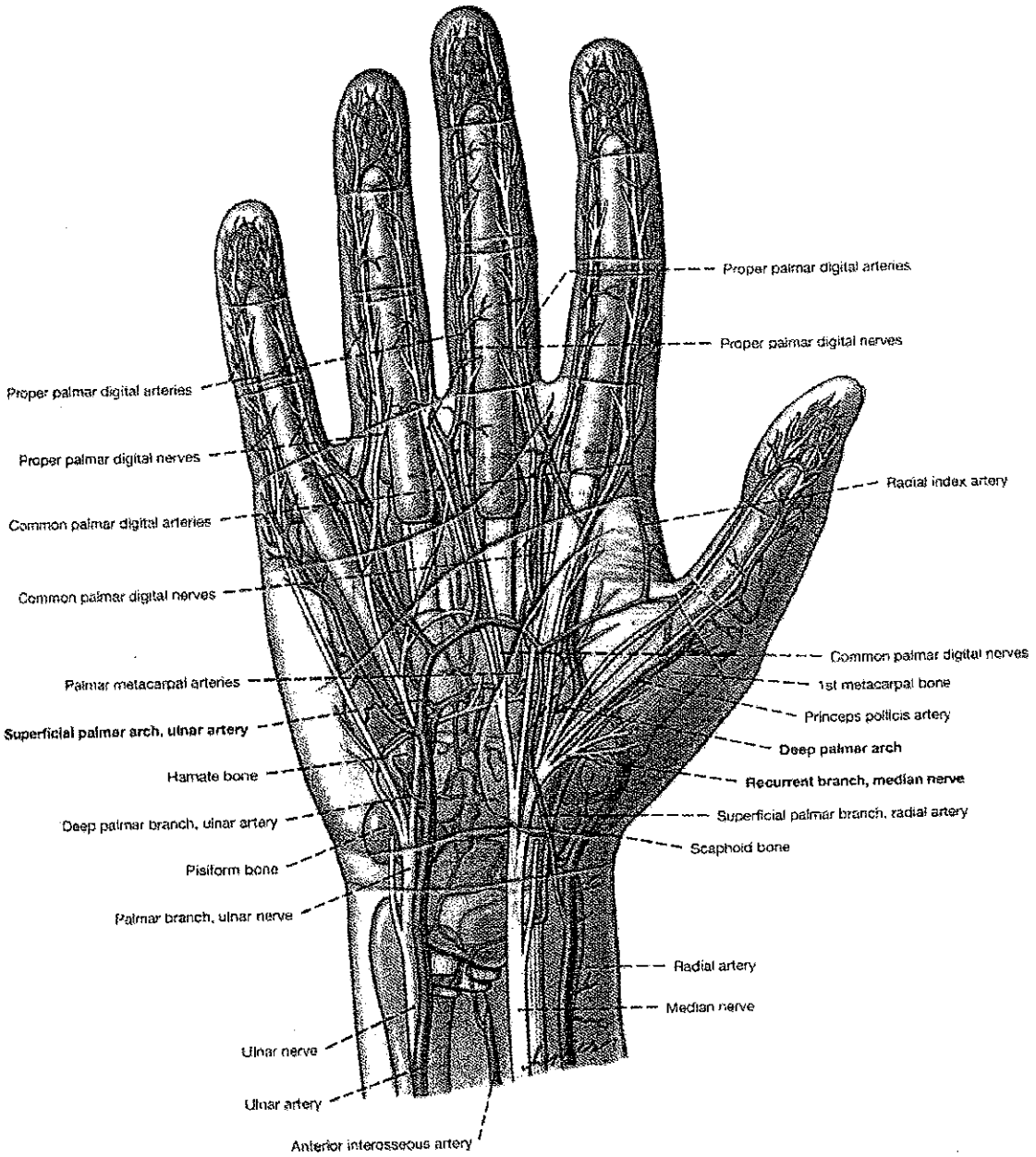

Fig. 88: Surface Projection of Arteries and Nerves to the Palm of the Hand

Interosseous Muscles (Figs. 86, 87)

Muscle	Origin	Insertion	Innervation	Action
Dorsal Interossei (four)	Each arises by two heads from the adjacent sides of metacarpal bones	Bases of the proximal phalanges and the dorsal expansions of the 2nd, 3rd, and 4th fingers	Ulnar nerve, deep palmar branch (C8, T1)	Abduct fingers; flex at metacarpophalangeal joints and extend at interphalangeal joints
Palmar Interossei (three)	Each arises by one head from the 2nd, 4th and 5th metacarpal bones	Dorsal digital expansions of the 2nd, 4th and 5th fingers	Ulnar nerve, deep palmar branch (C8, T1)	Adduct fingers; flex at metacarpophalangeal joints and extend at interphalangeal joints

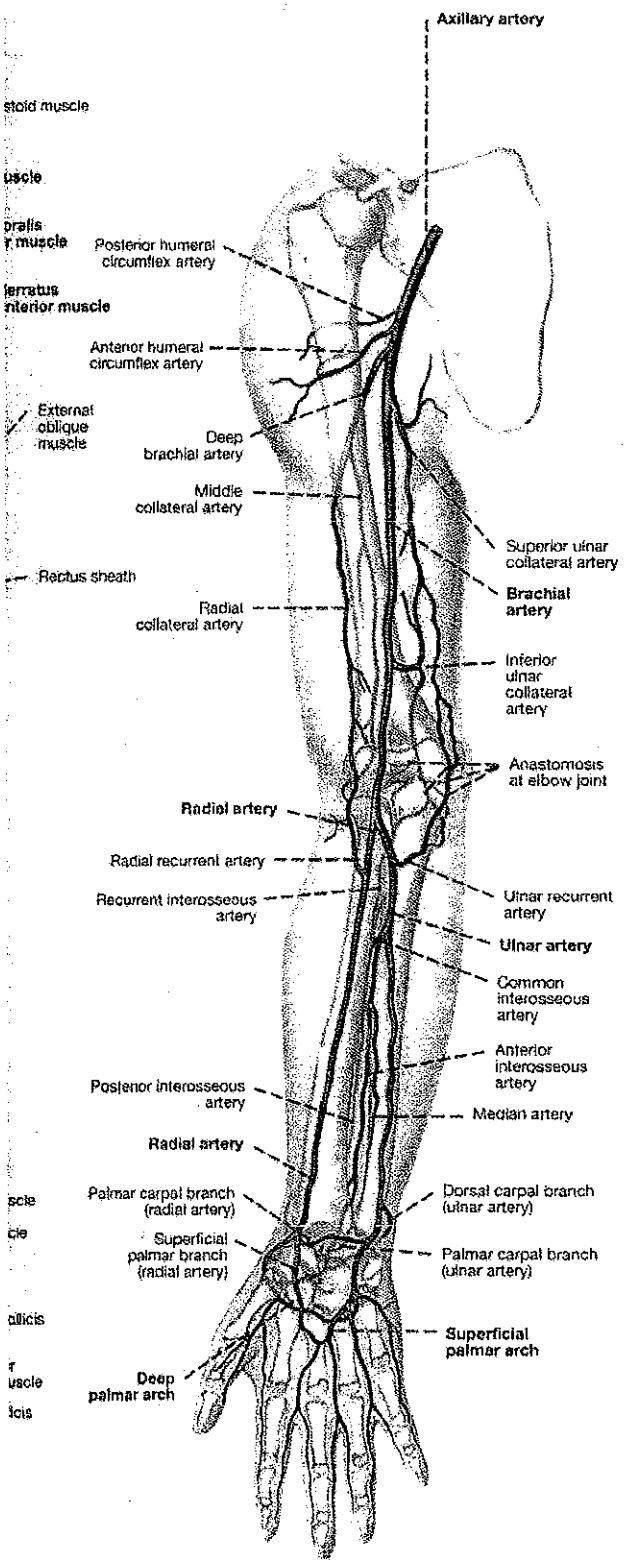

Fig. 43: Arteries of the Upper Extremity (Schematic Representation)

Draft

NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE

Title: Nasotracheal Suctioning	
Scope: Respiratory Therapist	Department: Respiratory Care
Source:	Effective Date: 3-2007

POLICY:

Nasotracheal suctioning (NTS) is a term that refers to the insertion of a suction catheter that is passed through the nasal passage and into the trachea to aspirate secretions and /or fluids from the trachea of a patient that is unable to clear his/her own secretions with a spontaneous cough or less invasive procedure

The clearance of secretions is accomplished by application of subatmospheric pressure applied to a sterile, flexible, multi-eyed catheter on withdrawal only. Appropriate subatmospheric pressures are.

a. Neonates: 60-80mm Hg
b. Infants: 80-100mm Hg
c. Children: 100-120 mmHg
d. Adults: 100-150 mmHg

Negative pressures should not exceed 150 mmHg as higher pressures have been shown to cause trauma, hypoxemia and atelectasis.

Standard Droplet Precautions should be taken, see "Infection Control Policy and Procedure Manual" located in the Respiratory Department. **Airborne Precautions** should be taken on all patients diagnosed with Pulmonary Tuberculosis or R/O TB.

INDICATIONS:

Patients without artificial airways who need to maintain a patent airway and removal of bronchial secretions from the trachea in the presence of:

1. Inability to clear secretions.
2. A patient whose prognosis makes intubation inadvisable.
3. Audible evidence of secretion in the airways that do not clear with the patients best cough effort.
4. To obtain a sputum sample for microbiological or cytological analysis.

CONTRAINDICATIONS:

1. Occluded nasal passages.
2. Nasal bleeding.
3. Epiglottitis or croup.
4. Acute head, facial or neck injury.
5. Coagulopathy or bleeding disorder.
6. Laryngospasm.
7. Irritable airway.

HAZARDS:

1. Mechanical trauma.
   a. Mucosal hemorrhage
   b. Tracheitis.
   c. Epitaxis from laceration of nasal turbinates
   d. Perforation of the pharynx.
2. Hypoxia or hypoxemia.
3. Cardiac dysrhythmias / arrest.
4. Bradycardia.
5. Hypertension.
6. Hypotension.
7. Respiratory arrest.
8. Uncontrolled coughing.
9. Gagging/vomiting.
10. Laryngospasm.
11. Bronchoconstriction / bronchospasm.
12. Discomfort and pain.
13. Nosocomial infection.
14. Atelectasis.
15. Misdirection of catheter.
16. Increased intracranial pressure.

PROCEDURE:

1. Check order, introduce self to patient, identify patient.
2. Assess patient and monitor during procedure if able, the following
   a. Breath Sounds.
   b. Heart rate.
   c. Respiratory rate.
   d. Oxygen saturation.
   e. Skin color.

3. Explain procedure to patient if possible.
4. Prepare equipment at bedside:
   a. Vacuum source.
   b. Lukens trap and tubing.
   c. Sterile, flexible, appropriate sized catheter and glove set.
   d. Sterile water.
   e. Nasopharyngeal airway when frequent NTS is required.
   f. Lubricant.
   g. Resuscitation bag with mask.
   h. Oxygen.
   i. Stethoscope
   j. Personal protective equipment

5. Hyperoxygenate patient prior to procedure.
6. Apply lubricant to catheter.
7. Adjust suction level to ensure proper pressure.
8. Tilt head into sniffing position.
9. Insert catheter into nare and slowly advance catheter to level of epiglottis, you should feel an obstruction at this point.
10. Instruct patient to take a slow deep breath, if possible and advance catheter to gain admittance into the nasotracheal area.
11. On entering the trachea, a cough is usually stimulated, apply suction to catheter and begin pulling catheter from the trachea, rotating the catheter on removal.
    a. The suction is always off when inserting the catheter
    b. Suction should be applied for no longer that 15 seconds.

12. The R.C.P. may leave the catheter in the NT area for longer than 15 seconds provided that:
    a. More secretions need to be suctioned.
    b. Suction is not applied.
    c. Patient is re-oxygenated during the rest period before suctioning again.

13. When finished suctioning the catheter is fully retrieved from the nasopharynx, and the patient is hyper-oxygenated until the patient's pulse returns to stable pre-suction level.

14. Re-assess the patient.
15. Patients requiring frequent suctioning may benefit from the placement of a nasal airway to reduce the trauma of repeated insertions of the catheter.
16. Chart and bill procedure.

Revised 3-15-2007 with AARC Guidelines
Supercedes 3-13-2001

Committee Approval	Date

Draft

NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE

Title: Back-Feeding Oxygen	
Scope: Respiratory Therapist	Department: Respiratory Care Department,
Source:	Effective Date: October 10, 2007

PURPOSE:

Oxygen supplied to the hospital is primarily delivered by a Liquid Oxygen System. If for any reason this system should fail, the hospital has a Reserve Oxygen System consisting of 15 H-type cylinders to safeguard the oxygen supply to our patients. Under normal circumstances, the Reserve Oxygen System can handle the oxygen requirements of the hospital until the cause for failure to the primary system can be identified and repaired.

This policy is in place in the event of a worst-case scenario should both the Liquid and Reserve Oxygen systems become compromised (e.g. earthquake, construction mishap, car accident, etc).

POLICY:

Complete system failure of both the Liquid Oxygen supply system and Reserve Oxygen supply system that prevents the delivery of oxygen to the following areas; ICU, Emergency Room, A-Floor, Nursery and OB.

PROCEDURE:

If the Oxygen Low-Pressure alarm sounds, the Respiratory Therapist on duty is required to confirm that the Reserve Oxygen System has been activated and is supplying oxygen throughout the hospital. If no oxygen is detected, the use of E-type cylinders is indicated to ensure oxygen delivery to all patients in need with as little interruption as possible. The Respiratory Therapist should request the assistance of the nursing staff to expedite this protective measure.

**When in use, PB 840 ventilators are another indicator that there may be an issue with the oxygen supply as the ventilator low oxygen alarm will sound.*

The following list should be considered patients with the "highest need" for oxygen delivery:

a. Ventilators
b. BiPAP
c. Nursery
d. Emergency Room
e. A-floor

The Respiratory Call list should also be initiated as soon as possible.

The best way to re-supply oxygen to the various departments, in the event of a complete compromise, is to use the "Back-Feed" method. The Back Feed method requires the use of one H-type cylinder, regulator, and a quick-connect connector.

In the Respiratory Care Department, there is a black Pelican case labeled, ***3 H Cylinder Regulator for Oxygen Back-up***. H-type cylinders are located outside in the oxygen cage. If there is a patient in the unit on the ventilator, the low oxygen alarm on the ventilator will be sounding.

How to "Back-Feed" ICU,

a. Obtain H cylinder of oxygen and attach a regulator.
b. Turn off the oxygen zone-valve in ICU.
c. In any room on the ICU floor, connect the H cylinder with regulator utilizing a quick connect to the oxygen piping.
d. Turn the cylinder on.
e. The regulator has two gages, one is the contents (how much oxygen is in the tank). The other gage is pressure; turning the knob can change the pressure. **THE PRESSURE GAGE NEEDS TO BE AT 60 PSI.**
f. Verify that you have oxygen in the ICU.

Emergency Room - Have E-type cylinders that can used for a short period of time.
Recovery Room – Have E-type cylinders that can used for a short period of time.
A-Floor / Nursery - Nursing personnel should also use E-type cylinders initially for patients on oxygen. Then when time permits this location should be configured for the "Back-Feed" method.

To "Back-Feed" A-Floor and Nursery,

Turn off the oxygen zone valve located behind A-Floor nursing station. Using the same procedure as ICU, connect the H cylinder of oxygen to a quick connect outlet in any room and turn the cylinder on. Check to make sure you have oxygen being delivered to all patients.

To "Back-Feed Emergency Room,

Turn off that oxygen zone valve, located outside the main ER door and repeat the procedure

Monitor the pressure in the H cylinders Q1 hour and replace when less than 300psi.

Loss of Medical Air

In the event the Medical Air Compressor malfunctions, we would only need to "Back-Feed" compressed air if there are any patients on Blended Oxygen. This would most likely be the Nursery. The loss of hospital medical air will not affect Puritan Bennett 840 Ventilators as they have built in air compressors.

To "Back-Feed" Air into Nursery

Turn off the zone valve for Air located behind A-Floor nursing station. Follow the same connection procedures described in the oxygen back feed setup only using an H cylinder of Air. The Respiratory Department also has a portable Allied Air Compressor that can also be used.

Committee Approval	Date
Respiratory Care	10-10-2007

Revised
Reviewed
Supercedes

DRAFT

NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE

Title: Patient – Ventilator System Checks	
Scope: Respiratory Therapist	Department: Respiratory Care
Source:	Effective Date:

DESCRIPTION:

A patient-ventilator system check is a documented evaluation of a mechanical ventilator and of the patient's response to mechanical ventilatory support. This procedure is often referred to simply as a ventilator check.

POLICY:
After a patient has been disconnected from the ventilator the Respiratory Therapist will clean, and reassemble the ventilator. Verify proper function of the ventilator by running a "Short Self Test (SST)" on the PB 840 and an Operational Verification Test (O.V.T) on the VersaMed I Vent. The ventilator will then be label that it has passed the SST or OVT with date and therapist initial. Store covered, plugged in and with the following equipment: cuffalator, test lung, sterile water, closed suction catheter, clipboard and ventilator flow sheet.

Objectives:

- To evaluate and document the patient's response to mechanical ventilation at the time that the check is preformed.
- To assure and document the proper operation of the mechanical ventilator.
- To verify and document that the ventilator is functioning and is properly connected to the patient.
- To verify and document that appropriate alarms are activated.
- To verify and document that inspired gas is properly heated and humidified.
- To verify and document that inspired oxygen concentration is correctly set.
- To verify and document that the ventilator settings comply with physician orders.

All data relevant to the patient-ventilator system check must be recorded on the appropriate hospital form at the time of performance. Must be included as an official part of the patient's medical record and include observations indicative of the ventilator's operation at the time of the check. Patient-ventilator system checks must include patient information and observations indicative of ventilator's settings at the time of the check. See Northern Inyo Hospital Ventilator Flow Sheet.

A ventilator check must be preformed on a scheduled basis, Q 2 hour. In addition, a check should be preformed:

- Prior to obtaining arterial blood gases.
- Following any change in ventilator settings.
- As soon as possible following an acute deterioration of the patient's condition.
- Any time that the ventilator performance is questionable.

Any problems with the ventilator, ventilate the patient with a resuscitation-bag until problem is rectified or a new ventilator is set-up.

Post Patient – Ventilator Set-up

- Obtain ABG'S post connection to ventilator after patient is stable.
- Continuous Spo2
- Continuous End tidal Co2
- Obtain chest x-ray to verify E.T.T. placement.
- Set ventilator alarms.
- Sputum for gram stain, culture and sensitivity if there is a question of pneumonia. Obtain order from physician.
- Confirm that resuscitation bag / mask and oral airway are in patient's room.

Secretion Management

- In line closed suction system will be connected in line to the ventilator circuit and changed Q 7 days and PRN.
- The Fio2 should be increased to 100% prior to suctioning.
- Lavage with NACL PRN for thick sputum. Check humidifier, maintain at 32 C.
- Endotracheal suction Q shift and PRN.
- Monitor and document secretions obtained and patient response.
- Therapist has the option of two-man suction with resuscitation-bag PRN. Maintain peep with peep valves.

Endotracheal Tube Reposition

- Reposition E.T.T Q am and PRN to prevent necrosis.
- Monitor and document tube placement, breath sounds, cuff pressure, Spo2, Etco2 and heart rate.
- Check chest x-ray before cutting the ET tube. Document length of ETT cut.

Ventilator Circuit Change

- Ventilator circuits will be changed when visibly soiled or malfunctioning or at 7 days. If it is anticipated that the patient might be extubated or transferred, the circuit change may be held for a few more days.
- Notify R.N. and have a resuscitation-bag / mask at bedside.
- Procedure should take no longer than 30 seconds.
- Monitor and document breath sounds, heart rate and procedure pre and post circuit change. Do a ventilator check.

Weaning

Weaning parameters will be done following a Physician order. This should include:

- MIF
- VC and VT
- Patient effort
- Minute Ventilation
- Frequency

The following weaning criteria should be considered prior to extubation:

- Hemodynamically stable.
- Fio2 < 40%
- NIF >-25cm H2o using the Boehringer Inspiratory Force Meter, the safety port should be occluded for a 15 second period.
- VC > than 1.5 ml per kilogram of body weight.
- Spontaneous respiratory rate < 30.
- Minute Ventilation < 10 liters per minute.
- RSBI < 105.

Refer to the policy "Removal of Endotracheal Tube (Extubation)" for more on weaning.

Medication Delivery

- The topical delivery of specific medication to the respiratory system may be accomplished with an MDI and an Aero Vent Chamber when ordered by the physician.

- The physician order should include:
  - Frequency
  - Number of puffs
  - Medication

Infection Control Issues

- Condensation from the patient circuit should be considered infectious waste.
- Universal Precautions should be observed during the patient-ventilator system check.

Reference: AARC Clinical Practice Guideline "Patient-Ventilator System Checks".

Committee Approval	Date
Respiratory Care	

Revised 9-08
Reviewed
Supercedes 6-02

NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE

Title: **Contact Precautions**	
Scope: All Unit	Department: **Infection Control**
Source: Erickson, Kathryn	Effective Date: February 2008

POLICY:
In addition to Standard Precautions, use Contact Precautions as recommended in Appendix A, or the equivalent, for specified patients known or suspected to be infected, or known to be colonized with epidemiological important or **multi-drug resistant** microorganisms that can be transmitted by direct contact with the patient (hand or skin-to-skin contact that occurs when performing patient-care activities that require touching the patient's dry skin) or indirect contact (touching) with environmental surfaces or patient-care items in the patient's environment. Use contact precautions for patients who exhibit evidence of syndromes that represent an increased risk for contact transmission.

1. **Patient placement:**
   a. Place the patient in a single-patient room.
   b. When a single-patient room is not available, place the patient in a room with a patient(s) who has active infection with the same microorganism but with no other infection (cohorting).
   c. When a single-patient room is not available and cohorting is not achievable, consider the epidemiology of the microorganism and the patient population when determining patient placement.
      - Prioritize patients with conditions that may facilitate transmission (e.g., uncontained drainage, stool incontinence) for single-patient room placement.
      - Place together in the same room (cohort) patients who are infected or colonized with the same pathogen and are suitable roommates.
      - If it becomes necessary to place a patient who requires Contact Precautions in a room with a patient who is not infected or colonized with the same infectious agent:
        - Avoid placing patients on Contact Precautions in the same room with patients who have conditions that may increase the risk of adverse outcome from infection or that may facilitate transmission (e.g., those who are immunocompromised, have open wounds, or have anticipated prolonged lengths of stay).
        - Ensure that patients are physically separated (i.e., >3 feet apart) from each other. Draw the privacy curtain between beds to minimize opportunites for direct contact.
        - Change protective attire and perform hand hygiene between contact with patients in the same room, regardless of whether one or both patients are on Contact Precautions.
   d. In ambulatory care settings:
      - Place patients who require Contact Precautions in an examination room or cubicle as soon as possible.

2. **Gloves and Handwashing:**
   a. In addition to wearing gloves as outlined under Standard Precautions, wear gloves (clean, non-sterile gloves are adequate) when entering the room.
   b. During the course of providing care for a patient, change gloves after having contact with infective material that may contain high concentrations of microorganisms (fecal material and wound drainage).
   c. Remove gloves before leaving the patient's environment and wash hands immediately with an antimicrobial agent or a waterless antiseptic agent.
   d. After glove removal and handwashing, ensure that hands do not touch potentially contaminated environmental surfaces or items in the patient's room to avoid transfer of microorganisms to other patients or environments.

3. **Gown:**
   a. All healthcare workers should don a gown (with gloves) upon entering the room of any patient on

Title: **Contact Precautions**	
Scope: All Unit	Department: **Infection Control**
Source: Erickson, Kathryn	Effective Date: February 2008

Contact Precautions.

b. The gown should be removed carefully, avoiding contamination of the healthcare worker's clothing, and discarded in a trash container near the exit, just as the healthcare worker exits the room.

4. **Patient Transport:**
   a. Limit the movement and transport of the patient from the room to essential purposes only.
   b. When transport or movement is necessary, ensure that infected or colonized areas of the patient's body are contained and covered.
   c. Remove and dispose of contaminated PPE and perform hand hygiene prior to transporting the patient.
   d. Don clean PPE to handle the patient at the transport destination.
   e. **Clean, Contained, and Cooperative.** Patients with prolonged length of stay who meet the 3 C's and are cognitively intact AND very co-operative may be considered for freedom to go outside of their room. This might include going outside with family members as well as going to other departments for prescribed therapies. Approval of the Nursing Supervisor, Infection Nurse or Unit Manager is required prior to granting this privilege, and must be documented.

5. **Patient-Care Equipment:**
   a. Use disposable noncritical patient-care equipment (e.g., blood pressure cuffs) or implement patient-dedicated use of such equipment.
   b. If use of common equipment or items is unavoidable, than adequately clean and disinfect them before use for another patient.

6. **Transfer or Discharge:**
   Alert as to need for contact precautions:
   a. Accepting facility – prior to transfer.
   b. Home Health / Caretaker / Family
   c. Ambulance / Air transport

7. **Additional Precautions for Preventing the Spread of Highly Resistant Organisms:**
   Consult the HICPAC report on preventing the spread of Vancomycin resistance for additional prevention strategies. (http://www.cdc.gov/mmwr/PDF/RR/RR4412.PDF).
8. Contact Precautions can be discontinued according to recommendations of CDC document Appendix A of the 2007 Guideline for Isolation Precautions (for specific organisms), or after the patient has had three successive negative screening cultures taken at least one week apart. Screening cultures must not be obtained within three weeks of antimicrobial therapy.
9. Place linen hamper with white plastic bag inside room; when ¾ full, remove entire closed white plastic bag into hall linen hamper.
10. Red bag all waste containers in the patient's room.
11. Use regular dishes.
12. For lab draws:
    a. Do not take tray into room; take needed supplies only.
    b. Gown and gloves as per policy.
    c. Draw blood as usual and place contaminated tubes into opened bag outside of room.
    d. In lab, glove and decontaminate tubes with disinfectant or disinfectant wipes.

NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE

Title: **Contact Precautions**	
Scope: All Unit	Department: **Infection Control**
Source: Erickson, Kathryn	Effective Date: February 2008

Responsibility for review and maintenance: Infection Prevention
References: Guideline for Isolation Precautions: Preventing Transmission of Infectious Agents in Healthcare Settings 2007, CDC
Index Listings: Contact Precautions
Revised/Reviewed: 3/99; 7/99, 4/2000; 9/2003; 7/2007; 2/2008; 1/2009

NORTHERN INYO HOSPITAL
POLICY AND PROCEDURE

Title: Multidrug Resistant Organism (MDRO) Control Plan	
Departments/Scope: Infection Control	
Source: Infection Prevention	Effective Date: January 2009

PURPOSE:
To identify and isolate patients infected or colonized with multi-drug resistant organisms (MDRO) and prevent the spread of MDRO infection within the hospital.

LEGAL BASIS:
California Senate Bill No. 1058, an act to add Sections 1255.8 and 1288.55 to the Health and Safety Code, relating to Health.

DEFINED POPULATION:

I. At-risk populations:
   A. Patients with a known history of MDRO.
   B. Patients with chronic, poorly healing or non-healing wounds.
   C. Dialysis patients.
   D. Patients with long-term urinary catheters, or other long-term invasive devices.
   E. Residents of long-term care facilities.
   F. Immunosuppressed (e.g.; steroid use, cachexia)

POLICY:

I. Any patient known or suspected to be infected, or known to be colonized with a MDRO shall be placed in Contact Precautions and remain in isolation for the duration of their hospital admission, or until the patient has had three successive negative screening cultures taken at least one week apart. Screening cultures must not be obtained within three weeks of antimicrobial therapy.

II. **Active Surveillance Culturing (ASC)**: Each inpatient admitted to NIH shall be tested for methicillin-resistant staph aureus (MRSA) within 24 hours of admission, in the following cases:
   A. The patient is scheduled for inpatient surgery and has a documented medical condition making the patient susceptible to infection.
   B. It has been documented that the patient has been previously discharged from a general acute care hospital within 30 days prior to the current hospital admission.
   C. The patient will be admitted to the intensive care unit.
   D. The patient is being transferred from a skilled nursing facility.
   E. Any other patient meeting the definition of at-risk populations as defined above.

PROCEDURE:

I. Patients will be screened for indications requiring ASC (See Section II of POLICY) during the admission assessment, and placed into the appropriate transmission-based isolation if the results of the screening under the above criteria are resulted as positive.

II. If a patient tests positive for any MDRO, the attending physician shall inform the patient or the patient's representative immediately or as soon as practically possible.

III. Any patient who has tested NEGATIVE and later develops risks during hospitalization (i.e.; indwelling urinary catheter, central line; see defined at-risk populations) shall again be tested for MRSA immediately prior to discharge from the facility. This requirement does not apply to a patient who has tested positive for MRSA infection or colonization upon entering the facility.

IV. A patient who tests positive for any MDRO infection shall, prior to discharge, receive oral and written instruction regarding aftercare and precautions to prevent the spread of the infection to others.

V. An active surveillance culture for MRSA screening shall consist of a nasal swab culture, and/or site specific culture as ordered by the physician.

Committee Approval	**Date**
Infection Control Committee	01/07/09
Compliance Committee	
Policy and Procedure Committee	
Medical Executive Committee	
Administration	
Board of Directors	

References:

California Senate Bill No. 1058; http://www.leginfo.ca.gov/pub/07-08/bill/sen/sb_1051-1100/sb_1058_bill_20080831_enrolled.pdf

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ModSpace®

Proposal and Agreement of Sale

SALE AGREEMENT NO.: 166887
ACCOUNT NO.: 717372
SALE AGREEMENT DATE: 12/18/2008
PAGE: 1

BAKERSFIELD
7100 DISTRICT BLVD.
BAKERSFIELD
CA 93313
Telephone: 661-397-3833
Fax: 661-397-4019

MODULAR SPACE CORPORATION, a Delaware corporation hereinafter referred to as "Seller", hereby submits for acceptance by:

NORTHERN INYO COUNTY LOCAL HOS
150 Pioneer Lane
BISHOP
CA 93512
Customer Contact: Scott Hooker
Telephone: 760 873 2832
Fax: 760 872 5824

Delivery Address:

150 Pioneer Lane
BISHOP
CA 93512

hereinafter referred to as "Buyer", the following proposal to furnish the equipment described below for the prices indicated:

QTY	DESCRIPTION	PRICE
1	Unit: 604808, S/N: WSI124413582 Unit Size: 12' x 44' 12x44 Manufacturer: WALDEN STRUCTURES, INC.	28, 350. 00
	DMV DOH CHARGES (Qty: 1 at $567.00)	567. 00 *
	Sub Total	28, 917. 00
	(State 6.250%) CA, BISHOP, INYO	1, 771. 88
	(County 1.000%)	283. 50
	(District .500%)	141. 75
	Total	31, 114. 13

Building sold "as is" with no warranty.

Payment Terms: Due upon Receipt of Invoice

* - Item(s) not taxable

Seller estimates that delivery of the equipment described above will require _____ weeks after Seller is in receipt of complete information and drawings approved by Buyer, and satisfactory financial arrangements have been made. This estimate is subject to paragraph of the General Terms and Conditions, specified later in this agreement.
This proposal by Seller must be accepted in its entirety by Buyer within fifteen (15) days from the date hereof, and acceptance shall be defined for the purposes of this Proposal and Agreement as receipt by Seller duly executed original hereof at its offices in Berwyn, Pennsylvania, or personal delivery thereof to a duly authorized agent or representative of Seller. Buyer's acceptance of this Proposal subsequent to fifteen (15) days from the date hereof shall be deemed to be a counterproposal, which shall be subject to renegotiation.
The Seller agrees to sell and the Buyer agrees to buy the above described equipment for the price and on the terms herein set forth, including the Terms and Conditions set forth specified later in this Proposal and Agreement, which Terms and Conditions are incorporated herein by reference as if hereat set out in full.
This Agreement will not become binding and effective until signed by an authorized agent of the Buyer and an authorized agent of the Seller (Subject to condition 1 specified in the Terms and Conditions). Buyer warrants that the person signing in Buyer's behalf is authorized to enter into this agreement for the Buyer.

ModSpace®

Proposal and Agreement of Sale

SALE AGREEMENT NO.: 166887
ACCOUNT NO.: 717372
SALE AGREEMENT DATE: 12/18/2008

BAKERSFIELD
7100 DISTRICT BLVD.
BAKERSFIELD
CA 93313
Telephone: 661-397-3833
Fax: 661-397-4019

IN WITNESS WHEREOF, the parties hereto have caused this Proposal to be accepted at the prices and upon the Terms and Conditions named herein and to be executed by a duly authorized agent.

SELLER
MODULAR SPACE CORPORATION

By _____

Title _____

Date _____

By _____

Title _____

Date _____

BUYER

By _____

Title _____

Date _____

Purchase Order No. _____

ModSpace®

Proposal and Agreement of Sale

SALE AGREEMENT NO.:	166887
ACCOUNT NO.:	717372
SALE AGREEMENT DATE:	12/18/2008
PAGE:	3

GENERAL TERMS AND CONDITIONS

1. Acceptance of this proposal shall constitute an agreement by the buyer to all the terms and conditions herein, subject, however, to the right of the seller at its home office to cancel this agreement within fifteen (15) days of receipt of acceptance or order by seller's home office.

2. In consideration of Seller furnishing equipment described on the front page hereof, the Buyer shall pay to the Seller the sum stipulated on the front page hereof, subject to such additions or deductions relative to changes which may hereinafter be agreed upon between the parties in writing. Payment shall be made to the Seller at its offices at 120 W Swedesford Road, Berwyn, PA 19312. The Buyer shall pay to the Seller the full sales price within ten (10) days of invoice date, or sooner if otherwise stipulated on the front page hereof. In the event delivery of equipment for the project requires more than one shipment, Seller, may, at its option, render separate invoices for each shipment. If shipment of any part of the project is delayed Buyer's obligation for the remainder of the equipment shall not be affected thereby.

3. TAXES: In addition to the total price, Buyer shall pay or reimburse Seller for any and all sales and use taxes including, but not limited to, value added taxes, personal property taxes or other direct taxes levied against or based upon the price or value of the Equipment purchased hereunder or its use or operation, or any other taxes levied against or based upon this Agreement, or the execution, filing, recording or performance thereof. The term direct taxes as used herein, shall include all taxes (except taxes related to the income of Seller), charges and fees levied, assessed or charged by any local, state or federal Taxing authority. If Customer claims any exemption from any of the Taxes, Customer will supply to ModSpace a valid exemption certificate. If at any time ModSpace determines the exemption claimed is not valid, ModSpace will invoice Customer for any tax not previously invoiced.

4. Seller's delivery of the equipment described on the front page hereof, is subject to delays in manufacture of delivery due to fire, flood, windstorm, riot civil disobedience, strike, failure to secure materials from the usual source of supply, Act of God, or any other circumstances beyond the Seller's control which shall prevent the manufacture of equipment or the making of deliveries in the normal course of business. It is further understood and agreed that Buyer will not hold Seller responsible for liquidated damages or other damages for delay which may be imposed upon Buyer pursuant to any other contract which Buyer may have entered into with respect to the project to which Seller is not a party.

5. The Buyer shall be solely responsible for any and all additional materials, labor, site preparation and all other items on the project other than those materials as specifically set forth on the front page hereof.

6. The Buyer shall be solely responsible for compliance with applicable building codes, for obtaining any type of building permits and licenses that may be required in the project, and for payment of state and local taxes which may be applicable to the sale covered by this Proposal and Agreement.

7. The Buyer agrees to indemnify and save harmless the Seller against all losses, costs or damages incurred or paid by Seller on account of any claim under Workmen's Compensation Acts or other employee benefit acts, any claim for damages because of bodily injury, including death, to Buyer's employees and all others, and any claims for damages to property caused by, resulting from, or arising out of the performance of this Agreement or any aspect hereof or of the project to which this Agreement is related. Buyer shall pay and all attorney's fees and expenses incurred or paid by the Seller on account of any such claims; and Buyer, if requested by Seller, shall assume and defend at its own expense any suit, action or other legal proceeding arising therefrom.

8. The Buyer agrees that it shall not assign or transfer this Agreement or any part hereof or any amount payable hereunder, except with the prior written consent of the Seller.

9. THE BUYER SHALL:

   a. Reimburse Seller for all costs incurred in order to correct improper or inaccurately constructed foundations, to correct misalignment or inaccuracy in anchor bolts, walls, footings, cutoffs for doors, or other work.
   b. Provide storage and be responsible for loss of or damage to materials and equipment if site and foundations are not ready or accessible in accordance with the delivery provision contained in this contract, and reimburse the Seller for all additional costs incurred by the Seller including, but not limited to, the cost of unloading, reloading, and hauling materials resulting from the Buyer's failure to perform this condition. Delay in completing foundation and inaccessibility of site may necessitate rescheduling of the order for which Seller shall not be responsible, and shall extend the period of performance by the period of delay.
   c. Schedule his operations so that the erection, by the Seller, can be carried out in one continuous operation and in proper sequence. Should delays in preparation of the foundation and the site be encountered which would delay erection, Seller must be advised thereof not less than ten (10) days in advance of the tentative shipping date set by the Seller at the time of acknowledgement of order. In the event that the provisions of this sub-paragraph are not complied with, Buyer shall reimburse the Seller for actual costs and damages incurred, including a reasonable profit for the work performed thereon resulting from such delay. Any delay resulting therefrom shall extend the period of performance under this agreement by the period of delay.
   d. Provide and maintain roadway to each building site so that trucks can drive alongside each building site; provide suitably leveled and compacted area within each building unit for the support of crane operation in erection; furnish power for the Seller's machine tools during the course of erection; and furnish necessary utility services required by the Seller in the performance of the contract at the job site.

10. Unless otherwise specified, additional expense caused by obstructions, either overhead or underground, demolition work, grading to bring site to level, or extra depth or width of concrete footings, foundations or excavations caused by earth fill, or abnormal soil conditions which may require foundations different from the standard plans approved by Building Department, are to be paid for by the Buyer.

GENERAL TERMS AND CONDITIONS

11. The Buyer warrants that he owns, or has the right to construct buildings on , the property upon which the equipment as described herein is to be delivered, constructed, or other work performed, and will designate to the Seller the location of the corner stakes of the property and will furnish the plot plan showing the boundary dimensions and angles of the property, and the proposed location of the site of the building or other work to be performed, together with all necessary information concerning contours, grades, soil conditions, tree locations, utility service lines, rights of way, easements and restrictions, dimensions and other relevant data pertaining to existing structures on the premises. Seller shall not be responsible for encroachments of any type. Buyer warrants that the said construction will not violate zoning restrictions or other laws, and the Buyer agrees to indemnify and hold the Seller harmless from all loss or damage or liability which may result by reason of the construction of the said building or other work done, of from any lack or defect of title in the Buyer, or by reason of said construction violating any zoning restrictions or other laws.

12. The Buyer agrees not to interfere with the progress of the work, and not to occupy any portion of the building until all terms and conditions herein are fulfilled by both parties. Buyer further agrees not to permit any workmen other than those of the Seller to work at or in the immediate vicinity of the building without the Seller's written consent until the Seller's work on the building is completed. Should any workmen or contractors or sub-contractors of the Buyer perform any such work, the Buyer will furnish to the Seller in writing their names before such work is commenced. The Buyer agrees to pay the Seller for any damage that may be caused by anyone other than workmen or sub-contractors of the Seller, by reason of disturbing or damaging concrete forms, grade finishing or any construction work in process whatsoever.

13. No charge for labor or material furnished by the Buyer shall be allowed as a credit under this agreement unless authorized in writing by the Seller.

14. The Buyer shall obtain insurance naming Seller as sole insured on all Seller's property located on the building site, against loss by fire, lightning, wind, storm, riot, civil disobedience, earthquake, Act of God and against other perils ordinarily included under the extended coverage endorsement as well as any other insurance which the Buyer deems necessary upon the work covered by the proposal for the full insurable value thereof. The minimum coverage of said insurance shall be the fair market value of such property as established by the contract price contained herein. Such insurance shall also cover the following items whether they be in or adjacent to the structure insured, materials in place or used to be as part of permanent construction including surplus materials, temporary structures, scaffolding and stagings, protective fence, bridging, forms and miscellaneous materials and supplies. Insurance need not cover tools or equipment owned by or rented by the Seller. Buyer shall furnish to the Seller certificates of insurance on demand by Seller.

15. Expressly incorporated herein by reference hereto are the plans and specifications relating to the equipment specified in this Proposal and Agreement of Sale.

16. In the event any act or thing required of Buyer hereunder shall not be done and performed in the manner and at the time or times required by this Agreement, Buyer shall thereby be held in default and all amounts due under the terms and conditions of this Agreement shall be payable immediately by Buyer to Seller, without demand by Seller. In addition Buyer will reimburse Seller for any legal fees and costs that become due as a direct result of Buyer's default of this Agreement and Buyer will pay to Seller interest at the rate of 18% per annum, calculated on a 360 days = equals one (1) year base, on the full sale price stipulated on the face hereof. Interest will be calculated from the date said default takes place, through and including the date of Settlement.

17. The Seller's equipment as described herein is warranted for a period of one year against structural failure due to defective material or workmanship in the equipment manufactured, unless otherwise stated by warranties of the SelThe Seller's equipment as described herein is warranted for a period of one year against structural failure due
to defective material or workmanship in the equipment manufactured, unless otherwise stated by warranties of the Seller's supplier of purchased components. Such warranties will be conveyed to Buyer and Buyer will deal directly with the Supplier if a claim arises.Seller's liability is limited to replacing (but to dismantling and installing) defective parts on an exchange basis, F.O.B. the manufacturer's factory. The warranty is limited to "Normal" usage and exposure. The following are excluded by the definition of "Normal" and therefore from this warranty if such conditions exist:

A. Improper installation affecting the structural design of the building or failure to provide drainage of water from all surfaces without internal penetration of the building.
B. Improper Maintenance.
C. Installation in an area subject to heavy fall out or corrosive chemicals, ash or fumes from chemical plants, foundries, plating works, kilns, fertilizing manufacturers, paper plants and the like.
D. Acts of God, vandalism, falling objects, external forces, explosion, fire, riots, acts of war and radiation. In the event that any defect is discovered by the Buyer, notice of the defect shall be given to the Seller in writing and such notice must be sent within the warranty period by certified registered mail. The warranty is tendered for the sole benefit of the original Buyer and is not transferable or assignable and further is void in the event the product is removed from its original location of installation. THERE ARE NO OTHER WARRANTIES EXPRESSED OR IMPLIED (INCLUDING WARRANTIES RELATING TO MERCHANTIBILITY) EXCEPT THOSE STATED HEREIN.

18. The warranty as outlined in Paragraph 17 is hereby specifically EXCLUDED as to materials and equipment currently owned and is possession of the Seller. Said material and equipment is sold in an "as is" condition with NO WARRANTIES EXPRESSED OR IMPLIED.

19. The failure by Seller to enforce at any time, or for any period of time, any one or more of the terms of this Proposal and Agreement shall not be a waiver of such terms and conditions or of the Seller's right thereafter to enforce each and every term and condition contained herein.

20. Upon acceptance of this Proposal, together with its terms and conditions, shall constitute the entire agreement between the Seller and the Buyer, there being merged all prior and collateral representations, promises and conditions in connection with this proposal, and any representation, promise or condition not incorporated herein shall not be binding on either party.

21. Manufacturer's certificate of origin or title (if applicable) to the equipment described herein will be conveyed to the Buyer within 30 days of payment in full to Seller.

GENERAL TERMS AND CONDITIONS

22. Definitions :

A. Delivery - Date that structures arrive at site address.
B. Notice of Completion - Date of written notice given by Seller to Buyer that structures are complete and available for Buyer's occupancy.
C. Equipment - The term equipment as used herein shall refer to the item or items provided by the Seller as described on the front page of this Proposal and Agreement of Sale.

23. Stenographical and clerical errors herein are subject to correction.

24.

25. This Agreement and Terms and Conditions of Sale shall be construed in accordance by the laws of the State of Pennsylvania.

THIS SHEET

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THE BOARD OF DIRECTORS
NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT
RESOLUTION 09-01

THE BOARD OF DIRECTORS of Northern Inyo County Local Hospital District ("the District"), meeting in regular session this January 21, 2009, having considered the facts set forth below does, after discussion and consideration and good cause appearing, determine and resolve as follows:

WHEREAS, the District operates Northern Inyo Hospital, a critical access hospital serving the communities located in said District, at Bishop, California and,

WHEREAS, operation of said hospital and the provision of adequate health care to the communities served by the District requires the availability of a number of Physicians and Surgeons in multiple specialties and,

WHEREAS, the District has been, at all relevant times, served by as many as 65 physicians and within the last two years have lost as many as 10% of this staff and,

WHEREAS, it is well documented that there are looming physician shortages of most specialties and competition is becoming severe in attracting new physicians and,

WHEREAS, it has become at least equally important to retain existing physicians in the community and,

WHEREAS, the District has conducted a public hearing on June 14, 2008 on the issue of physician recruitment and retention, attended by many physicians, and wherein the consensus of those present and the District Board was that the District must play the lead role and aggressively pursue Physician resources and,

Whereas the District management is capable of undertaking the task of recruiting and retaining physicians,

NOW, THEREFORE, BE IT RESOLVED that this Board finds that it will be in the best interest of the public health of the communities served by the District, and necessary to recruit and retain licensed physicians and surgeons who are qualified and board-certified to enter into any agreements, permissible by law and the ethical practice of medicine, including but not limited to:

- Income guarantees
- Rental abatements
- General office support
- Malpractice subsidies
- Compensation for Call arrangements
- Management support
- Practice management service

_____

PETER WATERCOTT, President
NICLHD Board of Directors

Attest: _____

M.C. HUBBARD
NICLHD Board Secretary

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NORTHERN INYO HOSPITAL
PRIVATE PRACTICE PHYSICIAN
PRACTICE MANAGEMENT AGREEMENT

This Agreement is made and entered into on this first day of February 2009 by and between Northern Inyo County Local Hospital District ("District") and Clifford Beck, M.D. ("Physician").

RECITALS

A. District, which is organized and exists under the California Local Health Care District Law, *Health & Safety Code section 32000, et seq.*, operates Northern Inyo Hospital ("Hospital"), a general acute care hospital serving northern Inyo County, California, including the communities of Bishop and Big Pine.

B. The District Board of Directors has found, by Resolution No. 09-01, that it will be in the best interests of the public health of the aforesaid communities to obtain a licensed physician and surgeon who is a board-certified/eligible specialist in the practice of General Pediatrics, to practice in said communities, on the terms and conditions set forth below.

C. Physician is a physician and surgeon, engaged in the private practice of medicine, licensed to practice medicine in the State of California, and a member of the American College of Pediatricians. Physician desires to maintain his practice ("Practice") in Bishop, California, and practice Pediatrics in the aforesaid communities.

IN WITNESS WHEREOF, THE PARTIES AGREE AS FOLLOWS:

I.
COVENANTS OF PHYSICIAN

Physician shall maintain his Practice in medical offices ("Offices") provided by District at a place to be mutually agreed upon in Bishop, California and shall, for the term of this Agreement, do the following:

1.01. **Services**. Physician shall provide Hospital with the benefit of his direct patient care expertise and experience, and shall render those services necessary to enable Hospital to achieve its goals and objectives for the provision of Pediatric Services. The scope of services to be performed by Physician is described in Exhibit A attached hereto and incorporated by reference herein. Physician shall provide Hospital with patient medical record documentation of all direct patient care services rendered hereunder; such documentation shall be submitted to Hospital on an ongoing basis, and shall be in the form, and contain the information, requested by the Hospital such that a complete medical record can be assembled.

1.02. **Limitation on Use of Space**. No part of any offices provided by the District either by lease or other arrangement shall be used at any time by Physician as anything other than the private practice of pediatric medicine unless specifically agreed to, in writing, by the parties.

1.03. Medical Staff Membership and Service: Physician shall:

a) Maintain Active Medical Staff ("Medical Staff") membership with Pediatric privileges sufficient to support a part time pediatric practice, for the term of this Agreement.

b) Provide on-call coverage to the Hospital's Emergency Services within the scope of privileges granted to her by Hospital and as required by the Hospital Medical Staff. Physician shall not be required to provide more than fifty percent (50%) of the annual call in weekly increments unless otherwise agreed upon from time to time. Physician shall be solely responsible for call coverage for his personal private practice.

c) Maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred, and revenue acquired, pursuant to this Agreement to the extent, and in such detail, as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies, services, and other costs and expenses of whatever nature, for which he may claim payment or reimbursement from the District. Physician acknowledges and agrees that any federal office authorized by law shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of Physician which are relevant to this Agreement, at all reasonable times for a period of four (4) years following the termination of this Agreement, during which period Physician shall preserve and maintain said books, documents, papers, and records. Physician further agrees to transfer to the District, upon termination of this Agreement, any books, documents, papers or records which possess long-term [*i.e.,* more than four (4) years] value to the Hospital. Physician shall include a clause providing similar access in any sub-contract he may enter with a value of more than Ten Thousand Dollars ($10,000) or for more than a twelve (12) month period, when said sub-contract is with a related organization.

d) At all times comply with all relevant policies, rules and regulations of the Hospital, subject to California and federal statutes governing the practice of medicine.

e) District expressly agrees that said services might be performed by such other qualified physicians as the Physician may employ or otherwise provide so long as each such physician has received proper training, is properly licensed, has been granted privileges by the Hospital Medical Staff, and has received approval in writing from the Hospital.

II.
COVENANTS OF THE DISTRICT

2.01. Practice Management Services. Hospital will provide the following services in exchange for the fees agreed to in 3.05

a) Space. Hospital shall make the Offices available for the operation of Physician's Practice either through a direct let at no cost to the physician or through and arrangement with a landlord.

b) Equipment. In consultation with Physician, Hospital shall provide all equipment as may be reasonably necessary for the proper operation and conduct of Physician's practice. Hospital shall repair, replace or supplement such equipment and maintain it in good working order.

2.02. **General Services**. District shall furnish ordinary janitorial services, maintenance services, and utilities, including telephone service, as may be required for the proper operation and conduct of Physician's Practice.

2.03. **Supplies**. District shall purchase and provide all supplies as may be reasonably required for the proper treatment of Physician's Practice patients. Physician shall inform Hospital of supply needs in a timely manner and shall manage the use of supplies in an efficient manner that promotes quality and cost-effective patient care.

2.04. **Personnel**. District shall determine the initial number and types of employees and place them in the Practice initially. Physician and Hospital will mutually agree to subsequent staffing requirements. Physician shall not be required to maintain any personnel that he does not feel is appropriate for the practice.

2.05. **Business Operations**. District shall be responsible for all business operations related to operation of the Practice, including personnel management, billing and payroll functions. Physician will provide the appropriate billing codes, which will be used unless changed by mutual consent of the Physician and Hospital. Hospital will incur and pay all operating expenses of the Practice.

2.06. **Hospital Performance**. The responsibilities of District under this Article shall be subject to District's discretion and its usual purchasing practices, budget limitations and applicable laws and regulations.

2.07. **Practice Hours**. The District desires, and Physician agrees, that Physician's Practice shall operate on a part-time basis, maintaining hours of operation in keeping with the part time practice of one general surgeon while permitting a Pediatrics schedule sufficient to service the patients of the Practice. Part time shall mean a maximum of 19.5 hours per week of scheduled patients. Specific shifts will be scheduled according to normal operating procedures of the Practice and will be mutually agreed upon with Physician.

III.
COMPENSATION

3.01. **Compensation**. During the term of this agreement, District shall remit to Physician 50% of fees collected for services rendered in Section II. Payment will be made by the tenth of the month for the following of the month.

3.02. **Malpractice Insurance**. Physician will secure and maintain his own malpractice insurance with limits of no less than $1 million per occurrence and $3 million per year. District will reimburse Physician eighty percent (80%) of the premiums for said insurance paid for by Physician.

3.03. **Health Insurance**. None provided.

3.04. **Billing for Professional Services**. Subject to section 2.05 above, Physician assigns to District all claims, demands and rights of Physician to bill and collect for all professional services rendered to Practice patients, for all billings for Pediatric services, for all billings consulting performed or provided by the Physician. Physician acknowledges that Hospital shall be solely responsible for billing and collecting for all professional services provided by Physician to Practice patients at Practice and for all Pediatric services performed at the Hospital, and for managing all Practice receivables and payables, including those related to Medicare and MediCal beneficiaries. Physician shall not bill or collect for any services rendered to Practice patients or Hospital patients, and all Practice receivables and billings shall be the sole and exclusive property of Practice. In particular, any payments made pursuant to a payer agreement (including co-payments made by patients) shall constitute revenue of the Practice. In the event payments are made to Physician pursuant to any payer agreement, Physician shall promptly remit the payments directly to Hospital.

3.05. **Retention**. Hospital will retain 50% of all fees collected from the activities of physician/practice in exchange for the services rendered in II above.

IV.
TERM AND TERMINATION

4.01. **Term**. The term of this Agreement shall be three (3) years beginning on February 1, 2009 and ending on January 31, 2012. The Agreement may be renewed, by written instrument signed by both parties, no later than 120 days before its expiration date.

4.02. **Termination**. Notwithstanding the provisions of section 4.01, this Agreement may be terminated:

a) By Physician at any time, without cause or penalty, upon one hundred and eighty (180) days' prior written notice to the other party;

b) Immediately by Hospital in its sole discretion if Physician fails to maintain the professional standards described in Article V of this Agreement;

c) Immediately upon closure of the Hospital or Practice;

d) By either party upon written notice to the other party in the event that any federal, state or local government or agency passes, issues or promulgates any law, rule, regulation, standard or interpretation at any time while this Agreement is in effect that prohibits, restricts, limits or in any way substantially changes the arrangement contemplated herein or which otherwise significantly affects either party's rights or obligations under this Agreement; provided that in such event, Hospital must give notice to Physician equal to that provided to Hospital by the relevant federal, state or local government or agency. If this Agreement can be amended to the satisfaction of both parties to compensate for any such prohibition, restriction, limitation or change, this clause shall not be interpreted to prevent such amendment; or

e) By either party in the event of a material breach by the other party and, in such event, the non-breaching party shall have the right to terminate this Agreement after providing thirty

(30) days' written notice to the breaching party, explaining the breach, unless such breach is cured to the satisfaction of the non-breaching party within the thirty (30) days.

4.03. **Rights Upon Termination**. Upon any termination or expiration of this Agreement, all rights and obligations of the parties shall cease except those rights and obligations that have accrued or expressly survive termination.

V.
PROFESSIONAL STANDARDS

5.01. **Medical Staff Membership.** It is a condition of this Agreement that Physician maintains Active Medical Staff membership on the Hospital Medical Staff with appropriate clinical privileges and maintains such membership and privileges throughout the term of this Agreement.

5.02. **Licensure and Standards**. Physician shall:

a) At all times be licensed to practice medicine in the State of California;

b) Comply with all policies, bylaws, rules and regulations of Hospital, Hospital Medical Staff, and Practice, including those related to documenting all advice to patients and proper sign-off of lab and X-ray reports;

c) Be a member in good standing of the Provisional or Active Medical Staff of Hospital;

d) Maintain professional liability coverage in an amount required for membership on the Active Medical Staff of Hospital;

e) Participate in continuing education as necessary to maintain licensure and the current standard of practice; and

f) Comply with all applicable laws, rules and regulations of any and all governmental authorities, and applicable standards and recommendations of the Joint Commission on Accreditation of Healthcare Organizations.

g) At all times conduct himself, professionally and publicly, in accordance with the standards of the medical profession, the American College of Pediatricians, the Hospital Medical Staff, and the District. Further, he shall not violate any California law which prohibits (1) driving a motor vehicle under the influence of alcohol or prescription drugs or the combined influence of such substances, (2) unlawful use of controlled substances, (3) being intoxicated in a public place in such a condition as to be a danger to himself or others, and/or (4) conduct justifying imposition of an injunction prohibiting harassment of Hospital employees in their workplace. Entry of any injunction, judgment, or order against Physician based upon facts, which constitutes the above offenses, shall be a material breach of this Agreement.

VI.
RELATIONSHIP BETWEEN THE PARTIES

6.01. **Professional Relations**.

a) Independent Contractor. No relationship of employer and employee is created by this Agreement. In the performance of Physician's work and duties, Physician is at all times acting and performing as an independent physician contractor, practicing the profession of medicine. District shall neither have nor exercise control or direction over the methods by which Physician performs professional services pursuant to this Agreement; provided, however, that Physician agrees that all work performed pursuant to this Agreement shall be in strict accordance with currently approved methods and practices in Physician's professional specialty and in accordance with the standards set forth in this Agreement.

b) Benefits. Except as specifically set forth in this Agreement, it is understood and agreed that Physician shall have no claims under this Agreement or otherwise against Hospital for social security benefits, worker's compensation benefits, disability benefits, or any other employee benefit of any kind. In addition, Hospital shall have no obligation to reimburse Physician for any costs or expenses associated with Physician's compliance with continuing medical education requirements.

6.02. **Responsibility for Own Acts**. Each party will be responsible for its own acts or omissions and all claims, liabilities, injuries, suits, demands and expenses for all kinds which may result or arise out of any malfeasance or neglect, caused or alleged to have been caused by either party, their employees or representatives, in the performance or omission of any act or responsibility of either party under this contract. In the event that a claim is made against both parties, it is the intent of both parties to cooperate in the defense of said claim and to cause their insurers to do likewise. However, both parties shall have the right to take any and all actions they believe necessary to protect their interest.

VII.
GENERAL PROVISIONS

7.01. **No Solicitation**. Physician agrees that he will not, either directly or indirectly, during and after the term of this Agreement, call on, solicit or take away, or attempt to call on, solicit or take away any patients or patient groups with whom Physician dealt or became aware of as a result of Physician's past, present or future affiliation with Hospital and Practice.

7.02. **Access to Records**. To the extent required by Section 1861(v)(i)(I) of the Social Security Act, as amended, and by valid regulation which is directly applicable to that Section, Physician agrees to make available upon valid written request from the Secretary of HHS, the Comptroller General, or any other duly authorized representatives, this Agreement and the books, documents and records of Physician to the extent that such books, documents and records are necessary to certify the nature and extent of Hospital's costs for services provided by Physician.

Physician shall also make available such subcontract and the books, documents, and records of any subcontractor if that subcontractor performs any of the Physician's duties under this Agreement at a cost of $10,000.00 or more over a twelve (12) month period, and if that subcontractor is organizationally related to Physician.

Such books, documents, and records shall be preserved and available for four (4) years after the furnishing of services by Physician pursuant to this Agreement. If Physician is requested to disclose books, documents or records pursuant to this subsection for purposes of an audit, Physician shall notify Hospital of the nature and scope of such request, and Physician shall make available, upon written request of Hospital, all such books, documents or records. Physician shall indemnify and hold harmless Hospital in the event that any amount of reimbursement is denied or disallowed because of the failure of Physician or any subcontractor to comply with its obligations to maintain and make available books, documents, or records pursuant to this subsection. Such indemnity shall include, but not be limited to the amount of reimbursement denied, plus any interest, penalties and legal costs.

This section is intended to assure compliance with Section 1861 of the Social Security Act, as amended, and regulations directly pertinent to that Act. The obligations of Physician under this section are strictly limited to compliance with those provisions, and shall be given effect only to the extent necessary to insure compliance with those provisions. In the event that the requirements or those provisions are reduced or eliminated, the obligations of the parties under this section shall likewise be reduced or eliminated.

7.03. **Amendment.** This Agreement may be amended at any time by mutual agreement of the parties, but any such amendment must be in writing, dated, and signed by both parties.

7.04. **No Referral Fees**. No payment or other consideration shall be made under this Agreement for the referral of patients, by Physician, to Hospital or to any nonprofit corporation affiliated with District.

7.05. **Repayment of Inducement**. The parties stipulate and agree that the income guaranteed to Physician under this Agreement, and the covenants of the District to provide office space, personal, equipment, and certain other benefits, are the minimum required to enable Physician to practice in Bishop, California; that he is not able to repay such inducement, and no such repayment shall be required.

7.06. **Assignment**. Physician shall not assign, sell, transfer or delegate any of the Physician's rights or duties, including by hiring or otherwise retaining additional physicians to perform services pursuant to this Agreement, without the prior written consent of Hospital.

7.07. **Attorneys' Fees**. If any legal action or other proceeding is commenced, by either party, to enforce rights, duties, and/or responsibilities under this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs. As used in this Section 7.07, the term "prevailing party" shall have the meaning assigned by Section 1032(a)(4) of the California Code of Civil Procedure.

7.08. **Choice of Law**. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California.

7.09. **Exhibits**. All Exhibits attached and referred to herein are fully incorporated by this reference.

7.10. **Notices**. All notices or other communications under this Agreement shall be sent to the parties at the addresses set forth below:

Hospital: Administrator
Northern Inyo Hospital
150 Pioneer Lane
Bishop, CA 93514

Physician: Clifford S. Beck, M.D.
684 Autumn Leaves Circle
Bishop, CA 93514

Notice may be given either personally or by first-class mail, postage prepaid, addressed to the party designated above at the address designated above, or an address subsequently specified in writing by the relevant party. If given by mail, notice shall be deemed given two (2) days after the date of the postmark on the envelope containing such notice.

7.11. **Records**. All files, charts and records, medical or otherwise, generated by Physician in connection with services furnished during the term of this Agreement are the property of Physician. Physician agrees to maintain medical records according to Practice policies and procedures and in accordance with community standards. Each party agrees to maintain the confidentiality of all records and materials in accordance with all applicable state and federal laws. Hospital agrees to permit Physician to have access, during or after the term of the Agreement, to medical records generated by Physician if necessary in connection with claims, litigation, investigations, or treatment of patients.

7.12. **Prior Agreements**. This Agreement represents the entire understanding and agreement of the parties as to those matters contained in it. No prior oral or written understanding shall be of any force or effect with respect to the matters contained in this Agreement. This Agreement may be modified only by a writing signed by each party or his/its lawful agent.

7.13. **Referrals**. This Agreement does not impose any obligation or requirement that Hospital shall make any referral of patients to Physician or that Physician shall make any referral of patients to Hospital. The payment of compensation pursuant to section 3.01 is not based in any way on referrals of patients to Hospital.

7.14. **Severability**. If any provision of this Agreement is determined to be illegal or unenforceable, that provision shall be severed from this Agreement, and the remaining provisions shall remain enforceable betweens the parties.

7.15. **Waiver**. The failure of either party to exercise any right under this Agreement shall not operate as a waiver of that right.

7.16. **Gender and Number.** Use of the masculine gender shall mean the feminine or neuter, and the plural number the singular, and vice versa, as the context shall indicate.

7.17. **Authority and Executive.** By their signature below, each of the parties represent that they have the authority to execute this Agreement and do hereby bind the party on whose behalf their execution is made.

7.18. Construction. This Agreement has been negotiated and prepared by both parties and it shall be assumed, in the interpretation of any uncertainty, that both parties caused it to exist.

NORTHERN INYO COUNTY
LOCAL HOSPITAL DISTRICT

By _____
Peter J. Watercott, President
Board of Directors

PHYSICIAN

By _____
Clifford S. Beck, M.D.

APPROVED AS TO FORM:

_____
Douglas Buchanan
NICLHD Legal Counsel

EXHIBIT A

SCOPE OF DUTIES OF THE PHYSICIAN

POSITION SUMMARY

The Physician is a Member of the Northern Inyo Hospital Active Medical Staff. Physician provides direct primary medical diagnosis and treatment to Practice and Hospital patients. The Physician will provide services commensurate with the equivalent of a part time Pediatric Practice. Part time shall mean regularly scheduled office hours to meet the service area demand and performance of surgeries as may be required.

Specifically, the Physician will:

1. Provide high quality primary medical care services.
2. Direct the need for on-going educational programs that serve the patient.
3. Evaluate and develop treatment plans to facilitate the individual healthcare needs of each patient.
4. Work with all Practice personnel to meet the healthcare needs of all patients.
5. Assess, evaluate, and monitor on-going health care and medication of Practice patients.
6. Manage all medical and Pediatric emergencies.
7. Participate in professional development activities and maintain professional affiliations.
8. Participate with Hospital to meet all federal and state regulations.
9. Accept emergency call as provided herein.

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NORTHERN INYO HOSPITAL
PRIVATE PRACTICE PHYSICIAN
PRACTICE MANAGEMENT AGREEMENT

This Agreement is made and entered into on this first day of February 2009 by and between Northern Inyo County Local Hospital District ("District") and Alice Casey, M.D. ("Physician").

RECITALS

A. District, which is organized and exists under the California Local Health Care District Law, *Health & Safety Code section 32000, et seq.*, operates Northern Inyo Hospital ("Hospital"), a general acute care hospital serving northern Inyo County, California, including the communities of Bishop and Big Pine.

B. The District Board of Directors has found, by Resolution No. 09-01, that it will be in the best interests of the public health of the aforesaid communities to obtain a licensed physician and surgeon who is a board-certified/eligible specialist in the practice of General Pediatrics, to practice in said communities, on the terms and conditions set forth below.

C. Physician is a physician and surgeon, engaged in the private practice of medicine, licensed to practice medicine in the State of California, and a member of the American College of Pediatricians. Physician desires to maintain her practice ("Practice") in Bishop, California, and practice Pediatrics in the aforesaid communities.

IN WITNESS WHEREOF, THE PARTIES AGREE AS FOLLOWS:

I.
COVENANTS OF PHYSICIAN

Physician shall maintain her Practice in medical offices ("Offices") provided by District at a place to be mutually agreed upon in Bishop, California and shall, for the term of this Agreement, do the following:

1.01. **Services**. Physician shall provide Hospital with the benefit of her direct patient care expertise and experience, and shall render those services necessary to enable Hospital to achieve its goals and objectives for the provision of Pediatric Services. The scope of services to be performed by Physician is described in Exhibit A attached hereto and incorporated by reference herein. Physician shall provide Hospital with patient medical record documentation of all direct patient care services rendered hereunder; such documentation shall be submitted to Hospital on an ongoing basis, and shall be in the form, and contain the information, requested by the Hospital such that a complete medical record can be assembled.

1.02. **Limitation on Use of Space**. No part of any offices provided by the District either by lease or other arrangement shall be used at any time by Physician as anything other than the private practice of pediatric medicine unless specifically agreed to, in writing, by the parties.

1.03. **Medical Staff Membership and Service**: Physician shall:

a) Maintain Active Medical Staff ("Medical Staff") membership with Pediatric privileges sufficient to support a part time PEDIATRIC practice, for the term of this Agreement.

b) Provide on-call coverage to the Hospital's Emergency Services within the scope of privileges granted to her by Hospital and as required by the Hospital Medical Staff. Physician shall not be required to provide more than fifty percent (50%) of the annual call in weekly increments unless otherwise agreed upon from time to time. Physician shall be solely responsible for call coverage for her personal private practice.

c) Maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred, and revenue acquired, pursuant to this Agreement to the extent, and in such detail, as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies, services, and other costs and expenses of whatever nature, for which she may claim payment or reimbursement from the District. Physician acknowledges and agrees that any federal office authorized by law shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of Physician which are relevant to this Agreement, at all reasonable times for a period of four (4) years following the termination of this Agreement, during which period Physician shall preserve and maintain said books, documents, papers, and records. Physician further agrees to transfer to the District, upon termination of this Agreement, any books, documents, papers or records which possess long-term [*i.e.*, more than four (4) years] value to the Hospital. Physician shall include a clause providing similar access in any sub-contract she may enter with a value of more than Ten Thousand Dollars ($10,000) or for more than a twelve (12) month period, when said sub-contract is with a related organization.

d) At all times comply with all relevant policies, rules and regulations of the Hospital, subject to California and federal statutes governing the practice of medicine.

e) District expressly agrees that said services might be performed by such other qualified physicians as the Physician may employ or otherwise provide so long as each such physician has received proper training, is properly licensed, has been granted privileges by the Hospital Medical Staff, and has received approval in writing from the Hospital.

II.
COVENANTS OF THE DISTRICT

2.01. **Practice Management Services.** Hospital will provide the following services in exchange for the fees agreed to in 3.05

a) Space. Hospital shall make the Offices available for the operation of Physician's Practice either through a direct let at no cost to the physician or through and arrangement with a landlord.

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2.07. **Practice Hours.** The District desires, and Physician agrees, that Physician's Practice shall operate on a part-time basis, maintaining hours of operation in keeping with the part time practice of one general surgeon while permitting a Pediatrics schedule sufficient to service the patients of the Practice. Part time shall mean a maximum of 19.5 hours per week of scheduled patients. Specific shifts will be scheduled according to normal operating procedures of the Practice and will be mutually agreed upon with Physician.

III.
COMPENSATION

3.01. **Compensation**. During the term of this agreement, District shall remit to Physician 50% of fees collected for services rendered in Section II. Payment will be made by the tenth of the month for the following of the month.

3.02. **Malpractice Insurance**. Physician will secure and maintain her own malpractice insurance with limits of no less than $1 million per occurrence and $3 million per year. District will reimburse Physician eighty percent (80%) of the premiums for said insurance paid for by Physician.

3.03. **Health Insurance**. None provided.

3.04. **Billing for Professional Services**. Subject to section 2.05 above, Physician assigns to District all claims, demands and rights of Physician to bill and collect for all professional services rendered to Practice patients, for all billings for Pediatric services, for all billings consulting performed or provided by the Physician. Physician acknowledges that Hospital shall be solely responsible for billing and collecting for all professional services provided by Physician to Practice patients at Practice and for all Pediatric services performed at the Hospital, and for managing all Practice receivables and payables, including those related to Medicare and MediCal beneficiaries. Physician shall not bill or collect for any services rendered to Practice patients or Hospital patients, and all Practice receivables and billings shall be the sole and exclusive property of Practice. In particular, any payments made pursuant to a payer agreement (including co-payments made by patients) shall constitute revenue of the Practice. In the event payments are made to Physician pursuant to any payer agreement, Physician shall promptly remit the payments directly to Hospital.

3.05. **Retention**. Hospital will retain 50% of all fees collected from the activities of physician/practice in exchange for the services rendered in II above.

IV.
TERM AND TERMINATION

4.01. **Term**. The term of this Agreement shall be three (3) years beginning on February 1, 2009 and ending on January 31, 2012. The Agreement may be renewed, by written instrument signed by both parties, no later than 120 days before its expiration date.

4.02. **Termination**. Notwithstanding the provisions of section 4.01, this Agreement may be terminated:

a) By Physician at any time, without cause or penalty, upon one hundred and eighty (180) days' prior written notice to the other party;

b) Immediately by Hospital in its sole discretion if Physician fails to maintain the professional standards described in Article V of this Agreement;

c) Immediately upon closure of the Hospital or Practice;

d) By either party upon written notice to the other party in the event that any federal, state or local government or agency passes, issues or promulgates any law, rule, regulation, standard or interpretation at any time while this Agreement is in effect that prohibits, restricts, limits or in any way substantially changes the arrangement contemplated herein or which otherwise significantly affects either party's rights or obligations under this Agreement; provided that in such event, Hospital must give notice to Physician equal to that provided to Hospital by the relevant federal, state or local government or agency. If this Agreement can be amended to the satisfaction of both parties to compensate for any such prohibition, restriction, limitation or change, this clause shall not be interpreted to prevent such amendment; or

e) By either party in the event of a material breach by the other party and, in such event, the non-breaching party shall have the right to terminate this Agreement after providing thirty (30) days' written notice to the breaching party, explaining the breach, unless such breach is cured to the satisfaction of the non-breaching party within the thirty (30) days.

4.03. **Rights Upon Termination**. Upon any termination or expiration of this Agreement, all rights and obligations of the parties shall cease except those rights and obligations that have accrued or expressly survive termination.

V.
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5.01. **Medical Staff Membership.** It is a condition of this Agreement that Physician maintains Active Medical Staff membership on the Hospital Medical Staff with appropriate clinical privileges and maintains such membership and privileges throughout the term of this Agreement.

5.02. **Licensure and Standards**. Physician shall:

a) At all times be licensed to practice medicine in the State of California;

b) Comply with all policies, bylaws, rules and regulations of Hospital, Hospital Medical Staff, and Practice, including those related to documenting all advice to patients and proper sign-off of lab and X-ray reports;

c) Be a member in good standing of the Provisional or Active Medical Staff of Hospital;

d) Maintain professional liability coverage in an amount required for membership on the Active Medical Staff of Hospital;

e) Participate in continuing education as necessary to maintain licensure and the current standard of practice; and

f) Comply with all applicable laws, rules and regulations of any and all governmental authorities, and applicable standards and recommendations of the Joint Commission on Accreditation of Healthcare Organizations.

g) At all times conduct herself, professionally and publicly, in accordance with the standards of the medical profession, the American College of Pediatricians, the Hospital Medical Staff, and the District. Further, she shall not violate any California law which prohibits (1) driving a motor vehicle under the influence of alcohol or prescription drugs or the combined influence of such substances, (2) unlawful use of controlled substances, (3) being intoxicated in a public place in such a condition as to be a danger to herself or others, and/or (4) conduct justifying imposition of an injunction prohibiting harassment of Hospital employees in their workplace. Entry of any injunction, judgment, or order against Physician based upon facts, which constitutes the above offenses, shall be a material breach of this Agreement.

VI.
RELATIONSHIP BETWEEN THE PARTIES

6.01. Professional Relations.

a) Independent Contractor. No relationship of employer and employee is created by this Agreement. In the performance of Physician's work and duties, Physician is at all times acting and performing as an independent physician contractor, practicing the profession of medicine. District shall neither have nor exercise control or direction over the methods by which Physician performs professional services pursuant to this Agreement; provided, however, that Physician agrees that all work performed pursuant to this Agreement shall be in strict accordance with currently approved methods and practices in Physician's professional specialty and in accordance with the standards set forth in this Agreement.

b) Benefits. Except as specifically set forth in this Agreement, it is understood and agreed that Physician shall have no claims under this Agreement or otherwise against Hospital for social security benefits, worker's compensation benefits, disability benefits, or any other employee benefit of any kind. In addition, Hospital shall have no obligation to reimburse Physician for any costs or expenses associated with Physician's compliance with continuing medical education requirements.

6.02. Responsibility for Own Acts. Each party will be responsible for its own acts or omissions and all claims, liabilities, injuries, suits, demands and expenses for all kinds which may result or arise out of any malfeasance or neglect, caused or alleged to have been caused by either party, their employees or representatives, in the performance or omission of any act or responsibility of either party under this contract. In the event that a claim is made against both parties, it is the intent of both parties to cooperate in the defense of said claim and to cause their insurers to do likewise. However, both parties shall have the right to take any and all actions they believe necessary to protect their interest.

VII.
GENERAL PROVISIONS

7.01. No Solicitation. Physician agrees that she will not, either directly or indirectly, during and after the term of this Agreement, call on, solicit or take away, or attempt to call on, solicit or take away any patients or patient groups with whom Physician dealt or became aware of as a result of Physician's past, present or future affiliation with Hospital and Practice.

7.02. Access to Records. To the extent required by Section 1861(v)(i)(I) of the Social Security Act, as amended, and by valid regulation which is directly applicable to that Section, Physician agrees to make available upon valid written request from the Secretary of HHS, the Comptroller General, or any other duly authorized representatives, this Agreement and the books, documents and records of Physician to the extent that such books, documents and records are necessary to certify the nature and extent of Hospital's costs for services provided by Physician.

Physician shall also make available such subcontract and the books, documents, and records of any subcontractor if that subcontractor performs any of the Physician's duties under this Agreement at a cost of $10,000.00 or more over a twelve (12) month period, and if that subcontractor is organizationally related to Physician.

Such books, documents, and records shall be preserved and available for four (4) years after the furnishing of services by Physician pursuant to this Agreement. If Physician is requested to disclose books, documents or records pursuant to this subsection for purposes of an audit, Physician shall notify Hospital of the nature and scope of such request, and Physician shall make available, upon written request of Hospital, all such books, documents or records. Physician shall indemnify and hold harmless Hospital in the event that any amount of reimbursement is denied or disallowed because of the failure of Physician or any subcontractor to comply with its obligations to maintain and make available books, documents, or records pursuant to this subsection. Such indemnity shall include, but not be limited to the amount of reimbursement denied, plus any interest, penalties and legal costs.

This section is intended to assure compliance with Section 1861 of the Social Security Act, as amended, and regulations directly pertinent to that Act. The obligations of Physician under this section are strictly limited to compliance with those provisions, and shall be given effect only to the extent necessary to insure compliance with those provisions. In the event that the requirements or those provisions are reduced or eliminated, the obligations of the parties under this section shall likewise be reduced or eliminated.

7.03. **Amendment**. This Agreement may be amended at any time by mutual agreement of the parties, but any such amendment must be in writing, dated, and signed by both parties.

7.04. **No Referral Fees**. No payment or other consideration shall be made under this Agreement for the referral of patients, by Physician, to Hospital or to any nonprofit corporation affiliated with District.

7.05. **Repayment of Inducement**. The parties stipulate and agree that the income guaranteed to Physician under this Agreement, and the covenants of the District to provide office space, personal, equipment, and certain other benefits, are the minimum required to enable Physician to relocate herself to Bishop, California; that she is not able to repay such inducement, and no such repayment shall be required.

7.06. **Assignment**. Physician shall not assign, sell, transfer or delegate any of the Physician's rights or duties, including by hiring or otherwise retaining additional physicians to perform services pursuant to this Agreement, without the prior written consent of Hospital.

7.07. **Attorneys' Fees**. If any legal action or other proceeding is commenced, by either party, to enforce rights, duties, and/or responsibilities under this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs. As used in this Section 7.07, the term "prevailing party" shall have the meaning assigned by Section 1032(a)(4) of the California Code of Civil Procedure.

7.08. **Choice of Law**. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California.

7.09. **Exhibits**. All Exhibits attached and referred to herein are fully incorporated by this reference.

7.10. **Notices**. All notices or other communications under this Agreement shall be sent to the parties at the addresses set forth below:

Hospital: Administrator
Northern Inyo Hospital
150 Pioneer Lane
Bishop, CA 93514

Physician: Alice Casey, M.D.
684 Autumn Leaves
Bishop, CA 93514

Notice may be given either personally or by first-class mail, postage prepaid, addressed to the party designated above at the address designated above, or an address subsequently specified in writing by the relevant party. If given by mail, notice shall be deemed given two (2) days after the date of the postmark on the envelope containing such notice.

7.11. **Records**. All files, charts and records, medical or otherwise, generated by Physician in connection with services furnished during the term of this Agreement are the property of Physician. Physician agrees to maintain medical records according to Practice policies and procedures and in accordance with community standards. Each party agrees to maintain the confidentiality of all records and materials in accordance with all applicable state and federal laws. Hospital agrees to permit Physician to have access, during or after the term of the Agreement, to medical records generated by Physician if necessary in connection with claims, litigation, investigations, or treatment of patients.

7.12. **Prior Agreements**. This Agreement represents the entire understanding and agreement of the parties as to those matters contained in it. No prior oral or written understanding shall be of any force or effect with respect to the matters contained in this Agreement. This Agreement may be modified only by a writing signed by each party or his/its lawful agent.

7.13. **Referrals**. This Agreement does not impose any obligation or requirement that Hospital shall make any referral of patients to Physician or that Physician shall make any referral of patients to Hospital. The payment of compensation pursuant to section 3.01 is not based in any way on referrals of patients to Hospital.

7.14. **Severability**. If any provision of this Agreement is determined to be illegal or unenforceable, that provision shall be severed from this Agreement, and the remaining provisions shall remain enforceable betweens the parties.

7.15. **Waiver**. The failure of either party to exercise any right under this Agreement shall not operate as a waiver of that right.

7.16. **Gender and Number.** Use of the masculine gender shall mean the feminine or neuter, and the plural number the singular, and vice versa, as the context shall indicate.

7.17. **Authority and Executive.** By their signature below, each of the parties represent that they have the authority to execute this Agreement and do hereby bind the party on whose behalf their execution is made.

7.18. **Construction.** This Agreement has been negotiated and prepared by both parties and it shall be assumed, in the interpretation of any uncertainty, that both parties caused it to exist.

NORTHERN INYO COUNTY
LOCAL HOSPITAL DISTRICT

By _____
Peter J. Watercott, President
Board of Directors

PHYSICIAN

By _____
Alice Casey, M.D.

APPROVED AS TO FORM:

_____
Douglas Buchanan
NICLHD Legal Counsel

EXHIBIT A

SCOPE OF DUTIES OF THE PHYSICIAN

POSITION SUMMARY

The Physician is a Member of the Northern Inyo Hospital Active Medical Staff. Physician provides direct primary medical diagnosis and treatment to Practice and Hospital patients. The Physician will provide services commensurate with the equivalent of a part time Pediatric Practice. Part time shall mean regularly scheduled office hours to meet the service area demand and performance of surgeries as may be required.

Specifically, the Physician will:

1. Provide high quality primary medical care services.
2. Direct the need for on-going educational programs that serve the patient.
3. Evaluate and develop treatment plans to facilitate the individual healthcare needs of each patient.
4. Work with all Practice personnel to meet the healthcare needs of all patients.
5. Assess, evaluate, and monitor on-going health care and medication of Practice patients.
6. Manage all medical and Pediatric emergencies.
7. Participate in professional development activities and maintain professional affiliations.
8. Participate with Hospital to meet all federal and state regulations.
9. Accept emergency call as provided herein.

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NORTHERN INYO HOSPITAL
PRIVATE PRACTICE PHYSICIAN
PRACTICE MANAGEMENT AGREEMENT

This Agreement is made and entered into on this first day of February 2009 by and between Northern Inyo County Local Hospital District ("District") and Charlotte Helvie, M.D. ("Physician").

RECITALS

A. District, which is organized and exists under the California Local Health Care District Law, *Health & Safety Code section 32000, et seq.*, operates Northern Inyo Hospital ("Hospital"), a general acute care hospital serving northern Inyo County, California, including the communities of Bishop and Big Pine.

B. The District Board of Directors has found, by Resolution No. 09-01, that it will be in the best interests of the public health of the aforesaid communities to obtain a licensed physician and surgeon who is a board-certified/eligible specialist in the practice of General Pediatrics, to practice in said communities, on the terms and conditions set forth below.

C. Physician is a physician and surgeon, engaged in the private practice of medicine, licensed to practice medicine in the State of California, and a member of the American College of Pediatricians. Physician desires to maintain her practice ("Practice") in Bishop, California, and practice Pediatrics in the aforesaid communities.

IN WITNESS WHEREOF, THE PARTIES AGREE AS FOLLOWS:

I.
COVENANTS OF PHYSICIAN

Physician shall maintain her Practice in medical offices ("Offices") provided by District at a place to be mutually agreed upon in Bishop, California and shall, for the term of this Agreement, do the following:

1.01. **Services**. Physician shall provide Hospital with the benefit of her direct patient care expertise and experience, and shall render those services necessary to enable Hospital to achieve its goals and objectives for the provision of Pediatric Services. The scope of services to be performed by Physician is described in Exhibit A attached hereto and incorporated by reference herein. Physician shall provide Hospital with patient medical record documentation of all direct patient care services rendered hereunder; such documentation shall be submitted to Hospital on an ongoing basis, and shall be in the form, and contain the information, requested by the Hospital such that a complete medical record can be assembled.

1.02. **Limitation on Use of Space**. No part of any offices provided by the District either by lease or other arrangement shall be used at any time by Physician as anything other than the private practice of PEDIATRIC medicine unless specifically agreed to, in writing, by the parties.

1.03. **Medical Staff Membership and Service**: Physician shall:

a) Maintain Active Medical Staff ("Medical Staff") membership with Pediatric privileges sufficient to support a part time PEDIATRIC practice, for the term of this Agreement.

b) Provide on-call coverage to the Hospital's Emergency Services within the scope of privileges granted to her by Hospital and as required by the Hospital Medical Staff. Physician shall not be required to provide more than fifty percent (50%) of the annual call in weekly increments unless otherwise agreed upon from time to time. Physician shall be solely responsible for call coverage for her personal private practice.

c) Maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred, and revenue acquired, pursuant to this Agreement to the extent, and in such detail, as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies, services, and other costs and expenses of whatever nature, for which she may claim payment or reimbursement from the District. Physician acknowledges and agrees that any federal office authorized by law shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of Physician which are relevant to this Agreement, at all reasonable times for a period of four (4) years following the termination of this Agreement, during which period Physician shall preserve and maintain said books, documents, papers, and records. Physician further agrees to transfer to the District, upon termination of this Agreement, any books, documents, papers or records which possess long-term [*i.e.*, more than four (4) years] value to the Hospital. Physician shall include a clause providing similar access in any sub-contract he may enter with a value of more than Ten Thousand Dollars ($10,000) or for more than a twelve (12) month period, when said sub-contract is with a related organization.

d) At all times comply with all relevant policies, rules and regulations of the Hospital, subject to California and federal statutes governing the practice of medicine.

e) District expressly agrees that said services might be performed by such other qualified physicians as the Physician may employ or otherwise provide so long as each such physician has received proper training, is properly licensed, has been granted privileges by the Hospital Medical Staff, and has received approval in writing from the Hospital.

II.
COVENANTS OF THE DISTRICT

2.01. **Practice Management Services.** Hospital will provide the following services in exchange for the fees agreed to in 3.05

a) Space. Hospital shall make the Offices available for the operation of Physician's Practice either through a direct let at no cost to the physician or through and arrangement with a landlord.

b) Equipment. In consultation with Physician, Hospital shall provide all equipment as may be reasonably necessary for the proper operation and conduct of Physician's practice. Hospital shall repair, replace or supplement such equipment and maintain it in good working order.

2.02. **General Services**. District shall furnish ordinary janitorial services, maintenance services, and utilities, including telephone service, as may be required for the proper operation and conduct of Physician's Practice.

2.03. **Supplies**. District shall purchase and provide all supplies as may be reasonably required for the proper treatment of Physician's Practice patients. Physician shall inform Hospital of supply needs in a timely manner and shall manage the use of supplies in an efficient manner that promotes quality and cost-effective patient care.

2.04. **Personnel**. District shall determine the initial number and types of employees and place them in the Practice initially. Physician and Hospital will mutually agree to subsequent staffing requirements. Physician shall not be required to maintain any personnel that she does not feel is appropriate for the practice.

2.05. **Business Operations**. District shall be responsible for all business operations related to operation of the Practice, including personnel management, billing and payroll functions. Physician will provide the appropriate billing codes, which will be used unless changed by mutual consent of the Physician and Hospital. Hospital will incur and pay all operating expenses of the Practice.

2.06. **Hospital Performance**. The responsibilities of District under this Article shall be subject to District's discretion and its usual purchasing practices, budget limitations and applicable laws and regulations.

2.07. **Practice Hours.** The District desires, and Physician agrees, that Physician's Practice shall operate on a part-time basis, maintaining hours of operation in keeping with the part time practice of one GENERAL surgeon while permitting a Pediatrics schedule sufficient to service the patients of the Practice. Part time shall mean a minimum of 15 hours per week of scheduled patients, not to exceed 19.5 hours per week. Specific shifts will be scheduled according to normal operating procedures of the Practice and will be mutually agreed upon with Physician.

III.
COMPENSATION

3.01. **Compensation**. During the term of this agreement, District shall guarantee Physician an annual income of $100,000, payable to Physician at the higher of 50% of fees collected for services rendered in Section II or the rate of $38,46.15 every two (2) weeks, adjusted quarterly to reflected 50 % of fees collected so that payments will not exceed the minimum guarantee unless 50% of the fees exceed the guarantee on an annualized basis. All payments shall be made on the same date as the District normally pays its employees and shall be adjusted for Cost of Living at the same rates and conditions as Hospital employees.

3.02. **Malpractice Insurance**. Physician will secure and maintain her own malpractice insurance with limits of no less than $1 million per occurrence and $3 million per year. District will reimburse Physician eighty percent (80%) of the premiums for said insurance paid for by Physician.

3.03. **Health Insurance**. During the first year of the term of this Agreement, and no longer, Physician will be admitted to the Hospital's self-funded Medical Dental Vision Benefit Plan and be provided the benefits contained therein as if she were an employee of District, Or, at the Physican's direction, the Physician will maintain her own health insurance and will be reimbursed by the District.

3.04. **Billing for Professional Services**. Subject to section 2.05 above, Physician assigns to District all claims, demands and rights of Physician to bill and collect for all professional services rendered to Practice patients, for all billings for Pediatric services, for all billings consulting performed or provided by the Physician. Physician acknowledges that Hospital shall be solely responsible for billing and collecting for all professional services provided by Physician to Practice patients at Practice and for all Pediatric services performed at the Hospital, and for managing all Practice receivables and payables, including those related to Medicare and MediCal beneficiaries. Physician shall not bill or collect for any services rendered to Practice patients or Hospital patients, and all Practice receivables and billings shall be the sole and exclusive property of Practice. In particular, any payments made pursuant to a payer agreement (including co-payments made by patients) shall constitute revenue of the Practice. In the event payments are made to Physician pursuant to any payer agreement, Physician shall promptly remit the payments directly to Hospital.

3.05. **Retention**. Hospital will retain 50% of all fees collected from the activities of physician/practice in exchange for the services rendered in II above.

IV.
TERM AND TERMINATION

4.01. **Term**. The term of this Agreement shall be three (3) years beginning on February 1, 2009 and ending on January 31, 2012. The Agreement may be renewed, by written instrument signed by both parties, no later than 120 days before its expiration date.

4.02. **Termination**. Notwithstanding the provisions of section 4.01, this Agreement may be terminated:

a) By Physician at any time, without cause or penalty, upon one hundred and eighty (180) days' prior written notice to the other party;

b) Immediately by Hospital in its sole discretion if Physician fails to maintain the professional standards described in Article V of this Agreement;

c) Immediately upon closure of the Hospital or Practice;

d) By either party upon written notice to the other party in the event that any federal, state or local government or agency passes, issues or promulgates any law, rule, regulation, standard or interpretation at any time while this Agreement is in effect that prohibits, restricts, limits or in any way substantially changes the arrangement contemplated herein or which otherwise significantly affects either party's rights or obligations under this Agreement; provided that in such event, Hospital must give notice to Physician equal to that provided to Hospital by the relevant federal, state or local government or agency. If this Agreement can be amended to the satisfaction of both parties to compensate for any such prohibition, restriction, limitation or change, this clause shall not be interpreted to prevent such amendment; or

e) By either party in the event of a material breach by the other party and, in such event, the non-breaching party shall have the right to terminate this Agreement after providing thirty (30) days' written notice to the breaching party, explaining the breach, unless such breach is cured to the satisfaction of the non-breaching party within the thirty (30) days.

4.03. **Rights Upon Termination**. Upon any termination or expiration of this Agreement, all rights and obligations of the parties shall cease except those rights and obligations that have accrued or expressly survive termination.

V.
PROFESSIONAL STANDARDS

5.01. **Medical Staff Membership.** It is a condition of this Agreement that Physician maintains Active Medical Staff membership on the Hospital Medical Staff with appropriate clinical privileges and maintains such membership and privileges throughout the term of this Agreement.

5.02. **Licensure and Standards**. Physician shall:

a) At all times be licensed to practice medicine in the State of California;

b) Comply with all policies, bylaws, rules and regulations of Hospital, Hospital Medical Staff, and Practice, including those related to documenting all advice to patients and proper sign-off of lab and X-ray reports;

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e) Participate in continuing education as necessary to maintain licensure and the current standard of practice; and

f) Comply with all applicable laws, rules and regulations of any and all governmental authorities, and applicable standards and recommendations of the Joint Commission on Accreditation of Healthcare Organizations.

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combined influence of such substances, (2) unlawful use of controlled substances, (3) being intoxicated in a public place in such a condition as to be a danger to herself or others, and/or (4) conduct justifying imposition of an injunction prohibiting harassment of Hospital employees in their workplace. Entry of any injunction, judgment, or order against Physician based upon facts, which constitutes the above offenses, shall be a material breach of this Agreement.

VI.
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6.01. Professional Relations.

a) Independent Contractor. No relationship of employer and employee is created by this Agreement. In the performance of Physician's work and duties, Physician is at all times acting and performing as an independent physician contractor, practicing the profession of medicine. District shall neither have nor exercise control or direction over the methods by which Physician performs professional services pursuant to this Agreement; provided, however, that Physician agrees that all work performed pursuant to this Agreement shall be in strict accordance with currently approved methods and practices in Physician's professional specialty and in accordance with the standards set forth in this Agreement.

b) Benefits. Except as specifically set forth in this Agreement, it is understood and agreed that Physician shall have no claims under this Agreement or otherwise against Hospital for social security benefits, worker's compensation benefits, disability benefits, or any other employee benefit of any kind. In addition, Hospital shall have no obligation to reimburse Physician for any costs or expenses associated with Physician's compliance with continuing medical education requirements.

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Physician shall also make available such subcontract and the books, documents, and records of any subcontractor if that subcontractor performs any of the Physician's duties under this Agreement at a cost of $10,000.00 or more over a twelve (12) month period, and if that subcontractor is organizationally related to Physician.

Such books, documents, and records shall be preserved and available for four (4) years after the furnishing of services by Physician pursuant to this Agreement. If Physician is requested to disclose books, documents or records pursuant to this subsection for purposes of an audit, Physician shall notify Hospital of the nature and scope of such request, and Physician shall make available, upon written request of Hospital, all such books, documents or records. Physician shall indemnify and hold harmless Hospital in the event that any amount of reimbursement is denied or disallowed because of the failure of Physician or any subcontractor to comply with its obligations to maintain and make available books, documents, or records pursuant to this subsection. Such indemnity shall include, but not be limited to the amount of reimbursement denied, plus any interest, penalties and legal costs.

This section is intended to assure compliance with Section 1861 of the Social Security Act, as amended, and regulations directly pertinent to that Act. The obligations of Physician under this section are strictly limited to compliance with those provisions, and shall be given effect only to the extent necessary to insure compliance with those provisions. In the event that the requirements or those provisions are reduced or eliminated, the obligations of the parties under this section shall likewise be reduced or eliminated.

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Physician: Charlotte Helvie, M.D.
218 Mesquite
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NORTHERN INYO COUNTY
LOCAL HOSPITAL DISTRICT

By _____
Peter J. Watercott, President
Board of Directors

PHYSICIAN

By _____
Charlotte Helvie, M.D.

APPROVED AS TO FORM:

_____
Douglas Buchanan
NICLHD Legal Counsel

EXHIBIT A

SCOPE OF DUTIES OF THE PHYSICIAN

POSITION SUMMARY

The Physician is a Member of the Northern Inyo Hospital Active Medical Staff. Physician provides direct primary medical diagnosis and treatment to Practice and Hospital patients. The Physician will provide services commensurate with the equivalent of a part time Pediatric Practice. Part time shall mean regularly scheduled office hours to meet the service area demand and performance of surgeries as may be required.

Specifically, the Physician will:

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2. Direct the need for on-going educational programs that serve the patient.
3. Evaluate and develop treatment plans to facilitate the individual healthcare needs of each patient.
4. Work with all Practice personnel to meet the healthcare needs of all patients.
5. Assess, evaluate, and monitor on-going health care and medication of Practice patients.
6. Manage all medical and Pediatric emergencies.
7. Participate in professional development activities and maintain professional affiliations.
8. Participate with Hospital to meet all federal and state regulations.
9. Accept emergency call as provided herein.

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NORTHERN INYO HOSPITAL
PRIVATE PRACTICE PHYSICIAN
INDUCEMENT AND PRACTICE MANAGEMENT AGREEMENT

This Agreement is made and entered into on this first day of February 2009 by and between Northern Inyo County Local Hospital District ("District") and David Greene, M.D. ("Physician").

RECITALS

A. District, which is organized and exists under the California Local Health Care District Law, *Health & Safety Code section 32000, et seq.*, operates Northern Inyo Hospital ("Hospital"), a general critical access hospital serving northern Inyo County, California, including the communities of Bishop and Big Pine.

B. The District Board of Directors has found, by Resolution No. 09-01, that it will be in the best interest of the public health of the aforesaid communities to secure a licensed physician and surgeon who is a board-certified/eligible specialist in the practice of Obstetrics and Gynecology, to practice in said communities, on the terms and conditions set forth below.

C. Physician is a physician and surgeon, engaged in the private practice of medicine, licensed to practice medicine in the State of California, and a member of the American College of Obstetrics. Physician desires to maintain his practice ("Practice") in Bishop, California, and practice Obstetrics in the aforesaid communities.

IN WITNESS WHEREOF, THE PARTIES AGREE AS FOLLOWS:

I.
COVENANTS OF PHYSICIAN

Physician shall maintain his Practice in medical offices ("Offices") provided by District at a place to be mutually agreed upon in Bishop, California and shall, for the term of this Agreement, do the following:

1.01. **Services**. Physician shall provide Hospital with the benefit of his direct patient care expertise and experience, and shall render those services necessary to enable Hospital to achieve its goals and objectives for the provision of OB/GYN Services. The scope of services to be performed by Physician is described in Exhibit A attached hereto and incorporated by reference herein.

1.02. **Limitation on Use of Space**. No part of any offices provided by the District either by lease or other arrangement shall be used at any time by Physician as anything other than the private practice of OB/GYN medicine unless specifically agreed to, in writing, by the parties.

1.03. **Medical Staff Membership and Service**: Physician shall:

a) Apply for and maintain Provisional or Active Medical Staff ("Medical Staff") membership with OB/GYN privileges sufficient to support a full time OB/GYN practice, for the term of this Agreement.

b) Provide on-call coverage to the Hospital's Emergency Services within the scope of privileges granted to him by Hospital and as required by the Hospital Medical Staff.

Physician shall not be required to provide more than fifty percent (50%) of the annual call in weekly increments unless otherwise agreed upon from time to time. Physician shall be solely responsible for call coverage for his personal private practice.

c) Maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred, and revenue acquired, pursuant to this Agreement to the extent, and in such detail, as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies, services, and other costs and expenses of whatever nature, for which he may claim payment or reimbursement from the District. Physician acknowledges and agrees that any federal office authorized by law shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of Physician which are relevant to this Agreement, at all reasonable times for a period of four (4) years following the termination of this Agreement, during which period Physician shall preserve and maintain said books, documents, papers, and records. Physician further agrees to transfer to the District, upon termination of this Agreement, any books, documents, papers or records which possess long-term [*i.e.*, more than four (4) years] value to the Hospital. Physician shall include a clause providing similar access in any sub-contract he may enter with a value of more than Ten Thousand Dollars ($10,000) or for more than a twelve (12) month period, when said sub-contract is with a related organization.

d) At all times comply with all relevant policies, rules and regulations of the Hospital, subject to California and federal statutes governing the practice of medicine.

e) District expressly agrees that said services might be performed by such other qualified physicians as the Physician may employ or otherwise provide so long as each such physician has received proper training, is properly licensed, has been granted privileges by the Hospital Medical Staff, and has received approval in writing from the Hospital.

II.
COVENANTS OF PARTIES

2.01. **Hospital Services**.

a) Space. Hospital shall make the Offices available for the operation of Physician's Practice either through a direct let at nominal rates or other agreements. This agreement will entitle physician to 50% off the rate in the rental agreement dated January 5 2009.

b) Equipment. In consultation with Physician, Hospital shall provide all equipment as may be reasonably necessary for the proper operation and conduct of Physician's practice. Hospital shall repair, replace or supplement such equipment and maintain it in good working order.

2.02. **General Services**. District shall furnish ordinary janitorial services, maintenance services, and utilities, including telephone service, as may be required for the proper operation and conduct of Physician's Practice.

2.03. **Supplies**. District shall purchase and provide routine supplies, not drugs or vaccines as may be reasonably required for the proper treatment of Physician's Practice patients. Physician shall inform Hospital of supply needs in a timely manner and shall manage the use of supplies in an efficient manner that promotes quality and cost-effective patient care.

2.04. **Personnel**. District shall determine the initial number and types of employees and place them in the Practice initially. Physician and Hospital will mutually agree to subsequent staffing requirements. Physician shall not be required to maintain any personnel that he does not feel are appropriate for the practice.

2.05. **Business Operations**. Physician shall be responsible for all business operations related to operation of the Practice, including personnel management, billing and payroll functions. Physician will provide the appropriate billing codes.

2.06. **Hospital Performance**. The responsibilities of District under this Article shall be subject to District's discretion and its usual purchasing practices, budget limitations and applicable laws and regulations.

2.07. **Practice Hours.** The District desires, and Physician agrees, that Physician's Practice shall operate on a full-time basis, maintaining hours of operation in keeping with the full time practice of one OB/GYN while permitting a surgery schedule sufficient to service the patients of the Practice. Specific shifts will be scheduled according to normal operating procedures of the Practice and will be mutually agreed upon with Physician.

III.
COMPENSATION

3.01. **Compensation**. Physician shall not receive any compensation pursuant to this arrangement.

3.02. **Malpractice Insurance**. Physician will secure and maintain his own malpractice insurance with limits of no less than $1 million per occurrence and $3 million per year. District will reimburse Physician eighty percent (80%) of the premiums for said insurance paid for by Physician.

3.03. **Health Insurance**. Physician will not receive any benefits or health insurance pursuant to this agreement.

3.04. **Billing for Professional Services**. No billing or Professional services will be provided pursuant to this agreement.

3.05. **Retention**. Hospital will retain 0% of all fees collected from the activities of physician/practice in exchange for the services rendered in II above.

IV.
TERM AND TERMINATION

4.01. **Term**. The term of this Agreement shall be three (3) years beginning on the first day of February 2009 and ending on the last day of January 2012. The Agreement may be renewed, by written instrument signed by both parties, no later than 120 days before its expiration date.

4.02. **Termination**. Notwithstanding the provisions of section 4.01, this Agreement may be terminated:

a) By Physician at any time, without cause or penalty, upon one hundred and eighty (180) days' prior written notice to the other party;

b) Immediately by Hospital in its sole discretion if Physician fails to maintain the professional standards described in Article V of this Agreement;

c) Immediately upon closure of the Hospital or Practice;

d) By either party upon written notice to the other party in the event that any federal, state or local government or agency passes, issues or promulgates any law, rule, regulation, standard or interpretation at any time while this Agreement is in effect that prohibits, restricts, limits or in any way substantially changes the arrangement contemplated herein or which otherwise significantly affects either party's rights or obligations under this Agreement; provided that in such event, Hospital must give notice to Physician equal to that provided to Hospital by the relevant federal, state or local government or agency. If this Agreement can be amended to the satisfaction of both parties to compensate for any such prohibition, restriction, limitation or change, this clause shall not be interpreted to prevent such amendment; or

e) By either party in the event of a material breach by the other party and, in such event, the non-breaching party shall have the right to terminate this Agreement after providing thirty (30) days' written notice to the breaching party, explaining the breach, unless such breach is cured to the satisfaction of the non-breaching party within the thirty (30) days.

4.03. **Rights Upon Termination**. Upon any termination or expiration of this Agreement, all rights and obligations of the parties shall cease except those rights and obligations that have accrued or expressly survive termination.

V.
PROFESSIONAL STANDARDS

5.01. **Medical Staff Membership.** It is a condition of this Agreement that Physician obtain Provisional or Active Medical Staff membership on the Hospital Medical Staff with appropriate clinical privileges and maintain such membership and privileges throughout the term of this Agreement.

5.02. **Licensure and Standards**. Physician shall:

a) At all times be licensed to practice medicine in the State of California;

b) Comply with all policies, bylaws, rules and regulations of Hospital, Hospital Medical Staff, and Practice, including those related to documenting all advice to patients and proper sign-off of lab and X-ray reports;

c) Be a member in good standing of the Provisional or Active Medical Staff of Hospital;

d) Maintain professional liability coverage in an amount required for membership on the Active Medical Staff of Hospital;

e) Participate in continuing education as necessary to maintain licensure and the current standard of practice; and

f) Comply with all applicable laws, rules and regulations of any and all governmental authorities, and applicable standards and recommendations of the Joint Commission on Accreditation of Healthcare Organizations.

g) At all times conduct herself, professionally and publicly, in accordance with the standards of the medical profession, the American College of Surgeons, the Hospital Medical Staff, and the District. Further, she shall not violate any California law which prohibits (1) driving a motor vehicle under the influence of alcohol or prescription drugs or the combined influence of such substances, (2) unlawful use of controlled substances, (3) being intoxicated in a public place in such a condition as to be a danger to himself or others, and/or (4) conduct justifying imposition of an injunction prohibiting harassment of Hospital employees in their workplace. Entry of any injunction, judgment, or order against Physician based upon facts, which constitutes the above offenses, shall be a material breach of this Agreement.

VI.
RELATIONSHIP BETWEEN THE PARTIES

6.01. Professional Relations.

a) Independent Contractor. No relationship of employer and employee is created by this Agreement. In the performance of Physician's work and duties, Physician is at all times acting and performing as an independent contractor, practicing the profession of medicine. District shall neither have nor exercise control or direction over the methods by which Physician performs professional services pursuant to this Agreement; provided, however, that Physician agrees that all work performed pursuant to this Agreement shall be in strict accordance with currently approved methods and practices in Physician's professional specialty and in accordance with the standards set forth in this Agreement.

b) Benefits. Except as specifically set forth in this Agreement, it is understood and agreed that Physician shall have no claims under this Agreement or otherwise against Hospital for social security benefits, worker's compensation benefits, disability benefits, or any other employee benefit of any kind. In addition, Hospital shall have no obligation to reimburse Physician for any costs or expenses associated with Physician's compliance with continuing medical education requirements.

6.02. Responsibility for Own Acts. Each party will be responsible for its own acts or omissions and all claims, liabilities, injuries, suits, demands and expenses for all kinds which may result or arise out of any malfeasance or neglect, caused or alleged to have been caused by either party, their employees or representatives, in the performance or omission of any act or responsibility of either party under this contract. In the event that a claim is made against both parties, it is the intent of both parties to cooperate in the defense of said claim and to cause their insurers to do likewise. However, both parties shall have the right to take any and all actions they believe necessary to protect their interest.

VII.

GENERAL PROVISIONS

7.01. **No Solicitation**. Physician agrees that he will not, either directly or indirectly, during and after the term of this Agreement, call on, solicit or take away, or attempt to call on, solicit or take away any patients or patient groups with whom Physician dealt or became aware of as a result of Physician's past, present or future affiliation with Hospital and Practice.

7.02. **Access to Records**. To the extent required by Section 1861(v)(i)(I) of the Social Security Act, as amended, and by valid regulation which is directly applicable to that Section, Physician agrees to make available upon valid written request from the Secretary of HHS, the Comptroller General, or any other duly authorized representatives, this Agreement and the books, documents and records of Physician to the extent that such books, documents and records are necessary to certify the nature and extent of Hospital's costs for services provided by Physician.

Physician shall also make available such subcontract and the books, documents, and records of any subcontractor if that subcontractor performs any of the Physician's duties under this Agreement at a cost of $10,000.00 or more over a twelve (12) month period, and if that subcontractor is organizationally related to Physician.

Such books, documents, and records shall be preserved and available for four (4) years after the furnishing of services by Physician pursuant to this Agreement. If Physician is requested to disclose books, documents or records pursuant to this subsection for purposes of an audit, Physician shall notify Hospital of the nature and scope of such request, and Physician shall make available, upon written request of Hospital, all such books, documents or records. Physician shall indemnify and hold harmless Hospital in the event that any amount of reimbursement is denied or disallowed because of the failure of Physician or any subcontractor to comply with its obligations to maintain and make available books, documents, or records pursuant to this subsection. Such indemnity shall include, but not be limited to the amount of reimbursement denied, plus any interest, penalties and legal costs.

This section is intended to assure compliance with Section 1861 of the Social Security Act, as amended, and regulations directly pertinent to that Act. The obligations of Physician under this section are strictly limited to compliance with those provisions, and shall be given effect only to the extent necessary to insure compliance with those provisions. In the event that the requirements or those provisions are reduced or eliminated, the obligations of the parties under this section shall likewise be reduced or eliminated.

7.03. **Amendment.** This Agreement may be amended at any time by mutual agreement of the parties, but any such amendment must be in writing, dated, and signed by both parties.

7.04. **No Referral Fees**. No payment or other consideration shall be made under this Agreement for the referral of patients, by Physician, to Hospital or to any nonprofit corporation affiliated with District.

7.05. **Repayment of Inducement**. The parties stipulate and agree that the covenants of the District to provide office space, personal, equipment, and certain other benefits, are appropriate for the maintenance of a medical practice in Bishop, California; that he is able to repay such inducement. Should the Physician fail to maintain an active full time practice in the

geographical boundaries of the District, the physician will repay 80% of all expenses incurred by the District in its performance of this agreement.

7.06. **Assignment**. Physician shall not assign, sell, transfer or delegate any of the Physician's rights or duties, including hiring or otherwise retaining additional physicians to perform services pursuant to this Agreement, without the prior written consent of Hospital.

7.07. **Attorneys' Fees**. If any legal action or other proceeding is commenced, by either party, to enforce rights, duties, and/or responsibilities under this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs. As used in this Section 7.07, the term "prevailing party" shall have the meaning assigned by Section 1032(a)(4) of the California Code of Civil Procedure.

7.08. **Choice of Law**. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California.

7.09. **Exhibits**. All Exhibits attached and referred to herein are fully incorporated by this reference.

7.10. **Notices**. All notices or other communications under this Agreement shall be sent to the parties at the addresses set forth below:

Hospital: Administrator
Northern Inyo Hospital
150 Pioneer Lane
Bishop, CA 93514

Physician: David Greene, M.D.
662 Snow Circle
Bishop, CA 93514

Notice may be given either personally or by first-class mail, postage prepaid, addressed to the party designated above at the address designated above, or an address subsequently specified in writing by the relevant party. If given by mail, notice shall be deemed given two (2) days after the date of the postmark on the envelope containing such notice.

7.11. **Records**. All files, charts and records, medical or otherwise, generated by Physician in connection with services furnished during the term of this Agreement are the property of Practice. Physician agrees to maintain medical records according to Practice policies and procedures and in accordance with community standards. Each party agrees to maintain the confidentiality of all records and materials in accordance with all applicable state and federal laws. Hospital agrees to permit Physician to have access, during or after the term of the Agreement, to medical records generated by Physician if necessary in connection with claims, litigation, investigations, or treatment of patients.

7.12. **Prior Agreements**. This Agreement represents the entire understanding and agreement of the parties as to those matters contained in it. No prior oral or written understanding shall be of any force or effect with respect to the matters contained in this Agreement. This Agreement may be modified only by a writing signed by each party or his/its lawful agent.

7.13. **Referrals**. This Agreement does not impose any obligation or requirement that Hospital shall make any referral of patients to Physician or that Physician shall make any referral of patients to Hospital. The payment of compensation pursuant to section 3.01 is not based in any way on referrals of patients to Hospital.

7.14. **Severability**. If any provision of this Agreement is determined to be illegal or unenforceable, that provision shall be severed from this Agreement, and the remaining provisions shall remain enforceable betweens the parties.

7.15. **Waiver**. The failure of either party to exercise any right under this Agreement shall not operate as a waiver of that right.

7.16. **Gender and Number.** Use of the masculine gender shall mean the feminine or neuter, and the plural number the singular, and vice versa, as the context shall indicate.

7.17. **Authority and Executive.** By their signature below, each of the parties represent that they have the authority to execute this Agreement and do hereby bind the party on whose behalf their execution is made.

7.18. **Construction.** This Agreement has been negotiated and prepared by both parties and it shall be assumed, in the interpretation of any uncertainty, that both parties caused it to exist.

NORTHERN INYO COUNTY
LOCAL HOSPITAL DISTRICT

By _____
Peter J. Watercott, President
NICLHD Board of Directors

PHYSICIAN

By _____
David Greene, M.D.

APPROVED AS TO FORM:

_____
Douglas Buchanan
NICLHD Legal Counsel

EXHIBIT A

SCOPE OF DUTIES OF THE PHYSICIAN

POSITION SUMMARY

The Physician is a Member of the Northern Inyo Hospital Active Medical Staff. Physician provides direct primary medical diagnosis and treatment to Practice and Hospital patients. The Physician will provide services commensurate with the equivalent of a full time OB/GYN Practice. Full time shall mean regularly scheduled office hours to meet the service area demand and performance of surgeries as may be required. Full time shall also mean the provision of no more than four (4) weeks of vacation and two (2) weeks of time to acquire CME credits, if needed, as well as all recognized national holidays. All time off will be coordinated with Call coverage such that scheduled time off will not conflict with the Physician's call requirement.

Specifically, the Physician will:

1. Provide high quality primary medical care services.
2. Direct the need for on-going educational programs that serve the patient.
3. Evaluate and develop treatment plans to facilitate the individual healthcare needs of each patient.
4. Work with all Practice personnel to meet the healthcare needs of all patients.
5. Assess, evaluate, and monitor on-going health care and medication of Practice patients.
6. Manage all medical and OB/GYN emergencies.
7. Participate in professional development activities and maintain professional affiliations.
8. Participate with Hospital to meet all federal and state regulations.
9. Accept emergency call as provided herein.

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NORTHERN INYO HOSPITAL
PRIVATE PRACTICE PHYSICIAN
INDUCEMENT AND PRACTICE MANAGEMENT AGREEMENT

This Agreement is made and entered into on this first day of February 2009 by and between Northern Inyo County Local Hospital District ("District") and Amr Ramadan, M.D. ("Physician").

RECITALS

A. District, which is organized and exists under the California Local Health Care District Law, *Health & Safety Code section 32000, et seq.*, operates Northern Inyo Hospital ("Hospital"), a general critical access hospital serving northern Inyo County, California, including the communities of Bishop and Big Pine.

B. The District Board of Directors has found, by Resolution No. 09-01, that it will be in the best interest of the public health of the aforesaid communities to secure a licensed physician and surgeon who is a board-certified/eligible specialist in the practice of Obstetrics and Gynecology, to practice in said communities, on the terms and conditions set forth below.

C. Physician is a physician and surgeon, engaged in the private practice of medicine, licensed to practice medicine in the State of California, and a member of the American College of Obstetrics. Physician desires to maintain his practice ("Practice") in Bishop, California, and practice Obstetrics in the aforesaid communities.

IN WITNESS WHEREOF, THE PARTIES AGREE AS FOLLOWS:

I.
COVENANTS OF PHYSICIAN

Physician shall maintain his Practice in medical offices ("Offices") provided by District at a place to be mutually agreed upon in Bishop, California and shall, for the term of this Agreement, do the following:

1.01. **Services**. Physician shall provide Hospital with the benefit of his direct patient care expertise and experience, and shall render those services necessary to enable Hospital to achieve its goals and objectives for the provision of OB/GYN Services. The scope of services to be performed by Physician is described in Exhibit A attached hereto and incorporated by reference herein.

1.02. **Limitation on Use of Space**. No part of any offices provided by the District either by lease or other arrangement shall be used at any time by Physician as anything other than the private practice of OB/GYN medicine unless specifically agreed to, in writing, by the parties.

1.03. **Medical Staff Membership and Service**: Physician shall:

a) Apply for and maintain Provisional or Active Medical Staff ("Medical Staff") membership with OB/GYN privileges sufficient to support a full time OB/GYN practice, for the term of this Agreement.

b) Provide on-call coverage to the Hospital's Emergency Services within the scope of privileges granted to him by Hospital and as required by the Hospital Medical Staff. Physician shall not be required to provide more than fifty percent (50%) of the annual call in weekly increments unless otherwise agreed upon from time to time. Physician shall be solely responsible for call coverage for his personal private practice.

c) Maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred, and revenue acquired, pursuant to this Agreement to the extent, and in such detail, as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies, services, and other costs and expenses of whatever nature, for which he may claim payment or reimbursement from the District. Physician acknowledges and agrees that any federal office authorized by law shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of Physician which are relevant to this Agreement, at all reasonable times for a period of four (4) years following the termination of this Agreement, during which period Physician shall preserve and maintain said books, documents, papers, and records. Physician further agrees to transfer to the District, upon termination of this Agreement, any books, documents, papers or records which possess long-term [*i.e.*, more than four (4) years] value to the Hospital. Physician shall include a clause providing similar access in any sub-contract he may enter with a value of more than Ten Thousand Dollars ($10,000) or for more than a twelve (12) month period, when said sub-contract is with a related organization.

d) At all times comply with all relevant policies, rules and regulations of the Hospital, subject to California and federal statutes governing the practice of medicine.

e) District expressly agrees that said services might be performed by such other qualified physicians as the Physician may employ or otherwise provide so long as each such physician has received proper training, is properly licensed, has been granted privileges by the Hospital Medical Staff, and has received approval in writing from the Hospital.

II.
COVENANTS OF PARTIES

2.01. Hospital Services.

a) Space. Hospital shall make the Offices available for the operation of Physician's Practice either through a direct let at nominal rates or other agreements. This agreement will entitle physician to 50% off the rate in the rental agreement dated February 1, 2009.

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2.06. **Hospital Performance**. The responsibilities of District under this Article shall be subject to District's discretion and its usual purchasing practices, budget limitations and applicable laws and regulations.

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III.
COMPENSATION

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3.05. **Retention**. Hospital will retain 0% of all fees collected from the activities of physician/practice in exchange for the services rendered in II above.

IV.
TERM AND TERMINATION

4.01. **Term**. The term of this Agreement shall be three (3) years beginning on the first day of February 2009 and ending on the last day of January 2012. The Agreement may be renewed, by written instrument signed by both parties, no later than 120 days before its expiration date.

4.02. **Termination**. Notwithstanding the provisions of section 4.01, this Agreement may be terminated:

a) By Physician at any time, without cause or penalty, upon one hundred and eighty (180) days' prior written notice to the other party;

b) Immediately by Hospital in its sole discretion if Physician fails to maintain the professional standards described in Article V of this Agreement;

c) Immediately upon closure of the Hospital or Practice;

d) By either party upon written notice to the other party in the event that any federal, state or local government or agency passes, issues or promulgates any law, rule, regulation, standard or interpretation at any time while this Agreement is in effect that prohibits, restricts, limits or in any way substantially changes the arrangement contemplated herein or which otherwise significantly affects either party's rights or obligations under this Agreement; provided that in such event, Hospital must give notice to Physician equal to that provided to Hospital by the relevant federal, state or local government or agency. If this Agreement can be amended to the satisfaction of both parties to compensate for any such prohibition, restriction, limitation or change, this clause shall not be interpreted to prevent such amendment; or

e) By either party in the event of a material breach by the other party and, in such event, the non-breaching party shall have the right to terminate this Agreement after providing thirty (30) days' written notice to the breaching party, explaining the breach, unless such breach is cured to the satisfaction of the non-breaching party within the thirty (30) days.

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PROFESSIONAL STANDARDS

5.01. **Medical Staff Membership.** It is a condition of this Agreement that Physician obtain Provisional or Active Medical Staff membership on the Hospital Medical Staff with appropriate clinical privileges and maintain such membership and privileges throughout the term of this Agreement.

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c) Be a member in good standing of the Provisional or Active Medical Staff of Hospital;

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e) Participate in continuing education as necessary to maintain licensure and the current standard of practice; and

f) Comply with all applicable laws, rules and regulations of any and all governmental authorities, and applicable standards and recommendations of the Joint Commission on Accreditation of Healthcare Organizations.

g) At all times conduct herself, professionally and publicly, in accordance with the standards of the medical profession, the American College of Surgeons, the Hospital Medical Staff, and the District. Further, she shall not violate any California law which prohibits (1) driving a motor vehicle under the influence of alcohol or prescription drugs or the combined influence of such substances, (2) unlawful use of controlled substances, (3) being intoxicated in a public place in such a condition as to be a danger to himself or others, and/or (4) conduct justifying imposition of an injunction prohibiting harassment of Hospital employees in their workplace. Entry of any injunction, judgment, or order against Physician based upon facts, which constitutes the above offenses, shall be a material breach of this Agreement.

VI.
RELATIONSHIP BETWEEN THE PARTIES

6.01. Professional Relations.

a) Independent Contractor. No relationship of employer and employee is created by this Agreement. In the performance of Physician's work and duties, Physician is at all times acting and performing as an independent contractor, practicing the profession of medicine. District shall neither have nor exercise control or direction over the methods by which Physician performs professional services pursuant to this Agreement; provided, however, that Physician agrees that all work performed pursuant to this Agreement shall be in strict accordance with currently approved methods and practices in Physician's professional specialty and in accordance with the standards set forth in this Agreement.

b) Benefits. Except as specifically set forth in this Agreement, it is understood and agreed that Physician shall have no claims under this Agreement or otherwise against Hospital for social security benefits, worker's compensation benefits, disability benefits, or any other employee benefit of any kind. In addition, Hospital shall have no obligation to reimburse Physician for any costs or expenses associated with Physician's compliance with continuing medical education requirements.

6.02. Responsibility for Own Acts. Each party will be responsible for its own acts or omissions and all claims, liabilities, injuries, suits, demands and expenses for all kinds which may result or arise out of any malfeasance or neglect, caused or alleged to have been caused by either party, their employees or representatives, in the performance or omission of any act or responsibility of either party under this contract. In the event that a claim is made against both parties, it is the intent of both parties to cooperate in the defense of said claim and to cause their insurers to do likewise. However, both parties shall have the right to take any and all actions they believe necessary to protect their interest.

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GENERAL PROVISIONS

7.01. **No Solicitation**. Physician agrees that he will not, either directly or indirectly, during and after the term of this Agreement, call on, solicit or take away, or attempt to call on, solicit or take away any patients or patient groups with whom Physician dealt or became aware of as a result of Physician's past, present or future affiliation with Hospital and Practice.

7.02. **Access to Records**. To the extent required by Section 1861(v)(i)(I) of the Social Security Act, as amended, and by valid regulation which is directly applicable to that Section, Physician agrees to make available upon valid written request from the Secretary of HHS, the Comptroller General, or any other duly authorized representatives, this Agreement and the books, documents and records of Physician to the extent that such books, documents and records are necessary to certify the nature and extent of Hospital's costs for services provided by Physician.

Physician shall also make available such subcontract and the books, documents, and records of any subcontractor if that subcontractor performs any of the Physician's duties under this Agreement at a cost of $10,000.00 or more over a twelve (12) month period, and if that subcontractor is organizationally related to Physician.

Such books, documents, and records shall be preserved and available for four (4) years after the furnishing of services by Physician pursuant to this Agreement. If Physician is requested to disclose books, documents or records pursuant to this subsection for purposes of an audit, Physician shall notify Hospital of the nature and scope of such request, and Physician shall make available, upon written request of Hospital, all such books, documents or records. Physician shall indemnify and hold harmless Hospital in the event that any amount of reimbursement is denied or disallowed because of the failure of Physician or any subcontractor to comply with its obligations to maintain and make available books, documents, or records pursuant to this subsection. Such indemnity shall include, but not be limited to the amount of reimbursement denied, plus any interest, penalties and legal costs.

This section is intended to assure compliance with Section 1861 of the Social Security Act, as amended, and regulations directly pertinent to that Act. The obligations of Physician under this section are strictly limited to compliance with those provisions, and shall be given effect only to the extent necessary to insure compliance with those provisions. In the event that the requirements or those provisions are reduced or eliminated, the obligations of the parties under this section shall likewise be reduced or eliminated.

7.03. **Amendment.** This Agreement may be amended at any time by mutual agreement of the parties, but any such amendment must be in writing, dated, and signed by both parties.

7.04. **No Referral Fees**. No payment or other consideration shall be made under this Agreement for the referral of patients, by Physician, to Hospital or to any nonprofit corporation affiliated with District.

7.05. **Repayment of Inducement**. The parties stipulate and agree that the covenants of the District to provide office space, personal, equipment, and certain other benefits, are appropriate for the

maintenance of a medical practice in Bishop, California; that he is able to repay such inducement. Should the Physician fail to maintain an active full time practice in the geographical boundaries of the District, the physician will repay 80% of all expenses incurred by the District in its performance of this agreement.

7.06. **Assignment**. Physician shall not assign, sell, transfer or delegate any of the Physician's rights or duties, including hiring or otherwise retaining additional physicians to perform services pursuant to this Agreement, without the prior written consent of Hospital.

7.07. **Attorneys' Fees**. If any legal action or other proceeding is commenced, by either party, to enforce rights, duties, and/or responsibilities under this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs. As used in this Section 7.07, the term "prevailing party" shall have the meaning assigned by Section 1032(a)(4) of the California Code of Civil Procedure.

7.08. **Choice of Law**. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California.

7.09. **Exhibits**. All Exhibits attached and referred to herein are fully incorporated by this reference.

7.10. **Notices**. All notices or other communications under this Agreement shall be sent to the parties at the addresses set forth below:

Hospital: Administrator
Northern Inyo Hospital
150 Pioneer Lane
Bishop, CA 93514

Physician: Amr Ramadan, M.D.
2531 Sunset Drive
Bishop, CA 93514

Notice may be given either personally or by first-class mail, postage prepaid, addressed to the party designated above at the address designated above, or an address subsequently specified in writing by the relevant party. If given by mail, notice shall be deemed given two (2) days after the date of the postmark on the envelope containing such notice.

7.11. **Records**. All files, charts and records, medical or otherwise, generated by Physician in connection with services furnished during the term of this Agreement are the property of Practice. Physician agrees to maintain medical records according to Practice policies and procedures and in accordance with community standards. Each party agrees to maintain the confidentiality of all records and materials in accordance with all applicable state and federal laws. Hospital agrees to permit Physician to have access, during or after the term of the Agreement, to medical records generated by Physician if necessary in connection with claims, litigation, investigations, or treatment of patients.

7.12. **Prior Agreements**. This Agreement represents the entire understanding and agreement of the parties as to those matters contained in it. No prior oral or written understanding shall be of

any force or effect with respect to the matters contained in this Agreement. This Agreement may be modified only by a writing signed by each party or his/its lawful agent.

7.13. **Referrals**. This Agreement does not impose any obligation or requirement that Hospital shall make any referral of patients to Physician or that Physician shall make any referral of patients to Hospital. The payment of compensation pursuant to section 3.01 is not based in any way on referrals of patients to Hospital.

7.14. **Severability**. If any provision of this Agreement is determined to be illegal or unenforceable, that provision shall be severed from this Agreement, and the remaining provisions shall remain enforceable betweens the parties.

7.15. **Waiver**. The failure of either party to exercise any right under this Agreement shall not operate as a waiver of that right.

7.16. **Gender and Number**. Use of the masculine gender shall mean the feminine or neuter, and the plural number the singular, and vice versa, as the context shall indicate.

7.17. **Authority and Executive.** By their signature below, each of the parties represent that they have the authority to execute this Agreement and do hereby bind the party on whose behalf their execution is made.

7.18. **Construction.** This Agreement has been negotiated and prepared by both parties and it shall be assumed, in the interpretation of any uncertainty, that both parties caused it to exist.

NORTHERN INYO COUNTY
LOCAL HOSPITAL DISTRICT

By _____
Peter J. Watercott, President
NICLHD Board of Directors

PHYSICIAN

By _____
Amr Ramadan, M.D.

APPROVED AS TO FORM:

_____
Douglas Buchanan
NICLHD Legal Counsel

EXHIBIT A

SCOPE OF DUTIES OF THE PHYSICIAN

POSITION SUMMARY

The Physician is a Member of the Northern Inyo Hospital Active Medical Staff. Physician provides direct primary medical diagnosis and treatment to Practice and Hospital patients. The Physician will provide services commensurate with the equivalent of a full time OB/GYN Practice. Full time shall mean regularly scheduled office hours to meet the service area demand and performance of surgeries as may be required. Full time shall also mean the provision of no more than four (4) weeks of vacation and two (2) weeks of time to acquire CME credits, if needed, as well as all recognized national holidays. All time off will be coordinated with Call coverage such that scheduled time off will not conflict with the Physician's call requirement.

Specifically, the Physician will:

1. Provide high quality primary medical care services.
2. Direct the need for on-going educational programs that serve the patient.
3. Evaluate and develop treatment plans to facilitate the individual healthcare needs of each patient.
4. Work with all Practice personnel to meet the healthcare needs of all patients.
5. Assess, evaluate, and monitor on-going health care and medication of Practice patients.
6. Manage all medical and OB/GYN emergencies.
7. Participate in professional development activities and maintain professional affiliations.
8. Participate with Hospital to meet all federal and state regulations.
9. Accept emergency call as provided herein.

THIS SHEET

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TO: Northern Inyo Hospital Board of Directors
FROM: Barbara Stuhaan RN, Surgery Nurse Manager
RE: Laparoscopic Video Equipment

Dear Members of the Board;

I am requesting the approval of Two Video Towers including Monitors, Light Sources, Video Processors and Printers for use in Laparoscopic/Endoscopic Procedures.

This is State of the Art, High Definition Video Equipment and would be utilized by most services on a daily basis. Gyn, General Surgery, Urology and Orthopedics if desired.

We have been evaluating this equipment for a few weeks, and the surgeons are extremely pleased with the resolution of this new equipment. It is unbelievably clear in comparison to our current equipment.

Minimally Invasive Surgery is and will continue to be the trend of the future, and since the majority of our surgeon will benefit from this system, I feel the purchase of this equipment is extremely important to the function of our surgical service.

Included is a quote for a flexible cystoscope for urology, we have been borrowing from Dr. Bortolazzo's office and her scope has gotten damaged from transporting the video equipment across the parking lot. (Her scope does not fit our current video system, so we have to bring the complete tower) One repair was over $7,000.00, and this is not the type of equipment that should be transported in this manner.

Included is a quote for an upgrade for our current video system for flexible endoscopy (Colonoscopy/UGI) which was purchased in 2003.

Our current laparoscopic video equipment was purchased in 1995 and has been well utilized. There have been multiple advances in technology in the past few years including High Definition and adequate visibility is essential to perform laparoscopic surgery.

This equipment is portable and will continue to be used when we move to the new hospital. This equipment has been a priority one for the past two years on the capital purchase list.

I realize the state of the economy and our commitment to the new hospital building, and would not ask for this equipment if I did not feel it was a need of high importance.

Thank you for your consideration of this very important issue.

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NORTHERN INYO HOSPITAL
Northern Inyo County Local Hospital District
150 Pioneer Lane · Bishop, California 93514 · Voice (760) 873-5811· Fax (760) 872-2768

LANGUAGE SERVICES DEPARTMENT

QUARTERLY REPORT

Interpreting sessions in-person or over the phone by NIH employees, and over the phone from Language Line Services during the last quarter of 2008.

Month	NIH interpreters	Language Line	Total
October	210	30	240
November	142	29	171
December	150	32	182
Total for Quarter	502	91	**593**

Language needed when using Language Line Services:
October: Spanish, German, and French.
November: Spanish.
December: Spanish, and Vietnamese.

Sincerely,

José García
Language Services Manager
Email: jose.garcia@nih.org

END