

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

PRESENT Peter Watercott, President
D. Scott Clark, M.D., Vice President
John Ungersma, M.D., Treasurer
Pat Calloway, Secretary
Taema Weiss, M.D., Chief of Staff

ALSO PRESENT John Halfen, Administrator
Douglas Buchanan, Esq., Hospital District Legal Counsel
Dianne Shirley, R.N., Performance Improvement Coordinator
Sandy Blumberg, Administrative Secretary

ABSENT Michael Phillips, M.D.

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

MINUTES The minutes of the October 30 2006 special meeting; the November 14 2006 special meeting; the December 6 2006 regular meeting, and the December 20 2006 special meeting were approved.

FINANCIAL AND
STATISTICAL REPORTS John Halfen, Chief Financial Officer, reviewed with the Board the financial and statistical reports for the month of November 2006. Mr. Halfen noted the statement of operations shows a bottom line excess of revenues over expenses of \$921,181. Mr. Halfen called attention to the following:

Inpatient revenue was over budget
Outpatient revenue was under budget
Total expenses were under budget
Employee salaries were under budget
Contractual adjustments were under budget
Assets and Liabilities remain relatively unchanged

Mr. Halfen noted the increased profit for the month was largely a result of the change to Critical Access Hospital (CAH) status. The increase to Accounts Receivable on the Balance Sheet was also a result of the CAH change, due to the rebilling of patient charges at higher a reimbursement rate. Mr. Halfen additionally stated at this time he has no concerns about the expenses part of the budget, but on the revenue side gross patient revenue being under budget is of some concern. It was moved by Pat Calloway, seconded by D. Scott Clark, M.D., and passed to approve the financial and statistical reports for November 2006.

ADMINISTRATOR'S
REPORT

BUILDING UPDATE

Mr. Halfen stated that extreme cold weather has created challenges for Hospital construction crews, and he deferred to John Haas from Turner Construction to explain those challenges. Mr. Haas explained the site for the support building had to be dug deeper than expected and when the crew excavated deeper, they hit groundwater. The soil had to initially be refilled and re-compacted, then freezing conditions compromised the compacting process and it had to be re-done a second time. Mr. Haas has decided to delay the soil work until temperatures are warmer, so the crew is currently doing alternate work in order to keep the project on schedule. Mr. Haas additionally stated he is committed to saving the Hospital as much money as possible and he will not waste additional time trying to work with frozen soil. Another reason an attempt is being made to keep the project on schedule is to avoid further inflation of building costs.

CHARITY CARE
LEGISLATION

Mr. Halfen stated that per legislation titled AB 774, effective January 1 2007 hospitals are required to provide reduced rate fee schedules equal to what Medicare pays, for uninsurable poverty-level patients. Patients who meet the criteria to fall into this category will be considered charity care. Mr. Halfen feels the legislation will not have significant financial impact on Northern Inyo Hospital (NIH) and that only a small number of patients will fall into this category. Mr. Halfen additionally stated he would like to see NIH increase charity care to around four percent for IRS purposes.

AL NORRIS

Mr. Halfen informed the Board of the passing of Al Norris, a pharmacist employed by NIH for nearly 40 years. Mr. Norris was well loved by his co-workers and the Hospital is flying its flag at half-mast in his honor. Mr. Halfen extends the Hospital's deepest sympathy to the Norris family.

16, 875

Mr. Halfen informed the Board that Dietary Department employee Marty Taylor produced a total of 16,875 cookies during the 2006 calendar year, earning herself the title of NIH "Cookie Monster".

CHIEF OF STAFF
REPORT

Chief of Staff Taema Weiss, M.D. reviewed the following policies and procedures for the Board: *Propofol Use in Critical Care Areas*; and *Adult Immunizations in the Health Care Worker*. It was moved by Doctor Clark, seconded by Ms. Calloway, and passed to approve both policies and procedures as presented. Doctor Weiss also reported that Director of Nursing Susan Batchelder has finalized the swing bed policies and procedures, and they are progressing through the committee approval process at this time.

OLD BUSINESS

COMMUNICATIONS
TOWER LEASE

District Legal Counsel Douglas Buchanan Esq. stated he is continuing to negotiate with Alltel Communications to renew their lease of the communications tower located on Hospital property. Mr. Buchanan is currently countering Alltel's proposed agreement in regard to renewal terms and in regard to agreement termination details. Mr. Buchanan presented his recommendations for changes to the lease and asked the Board for guidance in continuing negotiations with Alltel. It was moved by Doctor Clark, seconded by Ms. Calloway, and passed to allow Mr. Buchanan to continue negotiations with Alltel per the terms he considers to be reasonable for the lease.

CHIEF OF SERVICES
CONTRACT /
RESOLUTION

Mr. Halfen referred to proposed Board Resolution 07-01 establishing compensation for the following Chiefs of Medical Services for a period of two years, as follows:

Medical Services/ICU Service	\$ 250 per month
Peri-Peds Service Chief	\$ 250 per month
Surgery/Tissue Service Chief	\$ 250 per month
Chief of Staff	\$ 1,250 per month

It was moved by Ms. Calloway, seconded by Doctor Clark, and passed to approve Resolution 07-01 as presented.

NEW BUSINESS

EKG SERVICES
AGREEMENT

Mr. Halfen stated the agreement for the EKG services of Vasuki Sittampalam, M.D. is currently being reviewed and will be brought back to the Board for approval at the February 21st regular meeting.

QUICK PAY SYSTEM

Mr. Halfen also stated the Quick-Pay system listed on the agenda for this meeting will be tabled for discussion at the February 21 regular meeting of the District Board as well.

GENERAL SURGEON
CONTRACT AND
RESOLUTION

Mr. Halfen referred to proposed Board Resolution 07-02 for the contract services of general surgeon Robbin Cromer-Tyler, M.D., who is expected to come on board at NIH in March of this year. Dr. Cromer-Tyler will visit the area next week, and a dinner event has been planned for her to "meet and greet" the NIH Medical Staff. It was moved by Doctor Clark, seconded by Ms. Calloway, and passed to approve Resolution 07-02 to retain the services of General Surgeon Robbin Cromer-Tyler, M.D..

REAL ESTATE
TRANSACTION
NEGOTIATION

Mr. Halfen asked for Board approval to be assigned as negotiator on NIH's behalf regarding a potential real estate purchase / lease at 152 Pioneer Lane, Bishop, in whole or in part. He noted negotiation will be with Pioneer Medical Associates singly or collectively and / or their designee. It was moved by Ms. Calloway, seconded by John Ungersma, M.D. and passed to assign NIH Administrator John Halfen to negotiate on the Hospital's behalf in a potential real estate purchase/lease with Pioneer Medical Associates, with Doctor Clark abstaining from the vote.

BOARD MEMBER
REPORTS

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

OPPORTUNITY FOR
PUBLIC COMMENT

Mr. Watercott asked if any members of the public wished to address the Board on any items listed on the agenda for this meeting. Kay O'Brien, NIH Foundation Chairperson informed the Board of the resignation of three Foundation members. She also informed the Board that a donation of a \$2,500 wheelchair was made in the Hospital's name to a child in need in the Los Angeles area. The Foundation continues to work on its annual fundraising events and on scheduling educational seminars. The group is currently in the process of reviewing its bylaws as well.

CLOSED SESSION

At 6:05 pm, Mr. Watercott announced the meeting was being adjourned to closed session to allow the Board of Directors to:

- A. Hear reports on the hospital quality assurance activities, and hear a report from the Medical Staff Executive Committee (Section 32155 of the Health and Safety Code, and Government Code Section 54962).
- B. Confer with legal counsel regarding claim filed by Patrick Plunkett, M.D. against Northern Inyo County Local Hospital District (Government Code Section 54956.9(a)).
- C. Confer with legal counsel regarding claim filed by Diane Grace against Northern Inyo County Local Hospital District (Government Code Section 54956.9(a)).
- D. Discuss the CEO's Annual Performance Evaluation (Government Code Section 54957).
- E. Discuss a Real Estate Opportunity (Government Code Section 54956.8).

RETURN TO OPEN
SESSION

At 6:53 p.m., the meeting was returned to open session. Mr. Watercott announced the Board took no reportable action.

PUBLIC COMMENT

In keeping with the Brown Act, Mr. Watercott again asked if any members of the public wished to address the Board 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 6:54 p.m.

Peter Watercott, President

Attest:

Patricia Ann Calloway, Secretary