

- CALL TO ORDER The meeting was called to order at 5:34 p.m. by Peter Watercott, President.
- Peter Watercott, President
 John Ungersma, M.D., Vice President
 M.C. Hubbard, Secretary
 D. Scott Clark, M.D., Director
- ALSO PRESENT John Halfen, Administrator
 Douglas Buchanan, Esq., District Legal Counsel
 Sandy Blumberg, Administrative Secretary
- ABSENT Michael Phillips, M.D., Treasurer
 Charlotte Helvie, M.D., Chief of Staff
- ALSO PRESENT FOR
RELEVANT PORTION(S) Dianne Shirley, R.N., Performance Improvement Coordinator
- PUBLIC COMMENTS
ON AGENDA Mr. Watercott asked if any members of the public wished to address the Board on any items listed on the agenda for this meeting. No comments were heard.
- MINUTES The minutes of the December 2 2009 regular meeting and the December 11 2009 special meeting were approved.
- FINANCIAL AND
STATITISTICAL
REPORTS Mr. Halfen called attention to the financial and statistical reports for the month of November 2009. He stated that reports for the month of October were also included in the Board packet but would not be addressed unless there were questions on their content. Mr. Halfen noted the statement of operations for November shows a bottom line excess of expenses over revenues of \$200,785. He additionally called attention to the following:
- *Inpatient Service revenue was over budget*
 - *Outpatient Service revenue was under budget*
 - *Total expenses were over budget*
 - *Salaries and wages and employee benefits were both over budget*
 - *Professional fees expense was over budget*
 - *The Balance Sheet showed a small decrease in total assets*
 - *Year-To-Date Net Revenue totals \$1,116,931*
- Mr. Halfen noted short-term investments are lower due to the fact that the Hospital has liquidated assets in order to help provide funding for the Hospital rebuild project. He also reported the Hospital realized the loss resulting from the CIT Group bankruptcy during the month of November. He also noted salaries and wages and employee benefits are often high during the months of November and December, and those figures should return to normal after the start of the year. It was moved by M.C.

Hubbard, seconded by John Ungersma, M.D. and passed to approve the financial and statistical reports for the months of October and November 2009 as presented.

ADMINISTRATOR'S
REPORT

BUILDING PROJECT
BUDGET & CASH FLOW

Mr. Halfen reviewed with the Board the current budget for the Hospital rebuild project, and he identified the sources of funding for the project as well as the expected timeline for cash expenditures.

SECURITY REPORT

Mr. Halfen also called attention to the monthly security report, which revealed no significant security issues.

MEDI-CAL CUTS

Mr. Halfen noted Medi-Cal has cut its reimbursement rate for inpatient services by ten percent, and additional cuts are expected in the future.

CIT GROUP
BANKRUPTCY

Mr. Halfen stated the Hospital realized a loss of \$149,393.81 as a result of the CIT group bankruptcy, but Northern Inyo Hospital (NIH) still holds bonds from that investment which will have monetary value in the future.

BONDS UPDATE

Mr. Halfen also reported the next series of revenue bonds have yet to be issued, and market conditions are still being watched in order to choose the most beneficial time to present the bond offering.

CHIEF OF STAFF
REPORT

On behalf of Chief of Staff Charlotte Helvie, M.D., Medical Staff Coordinator Maggie Egan informed the Board the Medical Executive Committee has met and recommends acceptance of the voluntary Staff resignation of Radiologist Farhad Keliddari, M.D.. It was moved by D. Scott Clark, M.D., seconded by Doctor Ungersma, and passed to accept the voluntary resignation of Dr. Farhad Keliddari as recommended. Ms. Egan also reported the Medical Staff is working with Administration to develop a Hospitalist program, and the Medical Executive Committee is in the process of developing a Performance Improvement plan for the Medical Staff. Additionally, Vice Chief of Staff Helena Black, M.D. recently attended a Medical Staff boot camp, and she is interested in holding a similar boot camp for the NIH Medical Staff.

OLD BUSINESS

HEALTH PLAN
RENEWAL REPORT

Mr. Halfen referred to the Health Plan Renewal Report from Barry Miller and Associates for the 2010 policy year. Mr. Halfen called attention to a 3.5 percent increase in the cost of the plan, and stated the Hospital may have to look into alternative insurance solutions in the future. It was suggested NIH might look into the possibility of combining insurance membership with other area hospitals, and Mr. Halfen stated he has discussed this possibility with Ridgecrest Hospital and Southern Mono Healthcare District, and neither are interested in combining membership. Following review of the report it was moved by Doctor Clark, seconded

by Ms. Hubbard, and passed to approve the Health Plan Renewal Report from Barry Miller and Associates as presented.

NEW BUSINESS

RHC STAFF AGREEMENT AMENDMENT, J. SCOTT

Mr. Halfen called attention to a proposed Amendment to the Rural Health Clinic (RHC) Staff Physician Agreement with Jennifer Scott, M.D.. He noted the proposed amendment is an attempt to reimburse Dr. Scott in a logical and fair way compared to other physicians who do not perform as many female physicals. Mr. Halfen stated the proposed agreement allows for a 60-day trial at a 70/30 reimbursement rate for the physician. It was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve the proposed Amendment with Dr. Scott as recommended.

PLATELET FUNCTION TEST MACHINE

Laboratory Manager Leo Freis, RPH referred to a proposal to purchase a Platelet Function Analyzer for the Laboratory Department at a cost of \$9,000. Mr. Freis stated the Hospital's current machine is obsolete and considered to be old technology, and it is in the best interest of the Hospital to obtain newer equipment. Following review of the proposal it was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve the purchase of the Platelet Function Analyzer as requested.

TURNER MOBILIZATION CONTRACT

Mr. Halfen called attention to a proposed agreement with Turner Logistics Corporation to initiate the process of purchasing equipment for the new Hospital building. The agreement authorizes Turner to negotiate on behalf of the Hospital in order to obtain the best possible equipment prices. Following review of the agreement it was moved by Doctor Clark, seconded by Ms. Hubbard, and passed to approve the agreement with Turner Logistics Corporation to mobilize the process of purchasing equipment for the new Hospital building.

VSM & NIH AGREEMENT; & KAMEI/HATHAWAY OPERATIONS AGREEMENT RE: MUTUHI MUGO, M.D.

Mr. Halfen called attention to a proposed agreement between VSM Medical Group and Northern Inyo Hospital; and to a proposed Operations Agreement between Nickoline Hathaway M.D. and Asao Kamei, M.D. and Northern Inyo Hospital; which would facilitate bringing Mutuhi Mugo M.D. to this area to practice internal medicine with Doctors Kamei and Hathaway. Mr. Halfen explained that Doctor Mugo needs to be employed by an independent company (VSM) per the terms of her J-1 visa, and that these two agreements will help facilitate Dr. Mugo establishing her practice in this area. Mr. Halfen noted the Hospital consulted with Wolfsdorf Immigration Law firm when drawing up these agreements, and District Legal Counsel Doug Buchanan noted he will make housekeeping corrections to the agreements prior to them being signed. Following review of the agreements it was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve the proposed agreements between VSM Medical Group and Northern Inyo Hospital; and the proposed Operations Agreement between Nickoline

Hathaway, M.D. and Asao Kamei, M.D. and Northern Inyo Hospital as requested.

MID-YEAR COST OF
LIVING ADJUSTMENT

Mr. Halfen called attention to statistics on current inflation rates and on the consumer price index, which do not appear to support the need for a mid-year cost-of-living increase to the salaries of NIH employees. Following review of the statistics provided it was moved by Doctor Clark, seconded by Doctor Ungersma and passed to approve the management suggestion that a mid-year cost of living adjustment (COLA) to employee salaries is not warranted for mid-year 2010.

SERVICE AGREEMENT
WITH TAHOE CARSON
RADIOLOGY

Mr. Halfen introduced representatives from Tahoe Carson Radiology, the physician group selected to provide Radiology coverage for Northern Inyo Hospital. He explained the selection process and the careful consideration given to the matter, and stated he is confident Tahoe Carson is well suited to meet the needs of NIH. Mr. Halfen additionally noted the group's financial statements are positive, and that a rotation of 5 or 6 physicians will be used to provide coverage. Doctor Clark stated he is pleased to recommend the selection of Tahoe Carson Radiology, and it was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve the service agreement with Tahoe Carson Radiology as recommended.

ARCADIA PATHOLOGY
AGREEMENT
EXTENSION

Mr. Halfen also called attention to a proposed extension to the Pathology and Clinical Laboratory Service Agreement with Arcadia Pathology Medical Group, which would extend the current agreement to June 30, 2010. It was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve the extension with Arcadia Pathology Medical Group as requested.

TURNER
CONSTRUCTION
CHANGE ORDERS

Kathy Sherry with Turner Construction Company called attention to the following (proposed) change orders for Phase II of the hospital rebuild project:

1. COR 23: Food Service Equipment Contract, \$88,870.70

Ms. Sherry explained that this change order is needed to bring the Hospital's new standby kitchen up to code. It was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve COR 23 for a Food Service Equipment Contract as requested.

2. COR 24: Underground pre-insulated pipe, \$78,219.82

This change order allows for the purchase of pre-insulated pipe as recommended by NIH's construction project mechanical engineer. Pre-insulated piping was not included in the original building plan but has been determined to be prudent and necessary for this project. It was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve COR 24 for pre-insulated piping as recommended.

3. COR 25; Lab Waste UG Decon Waste Piping, \$39,119.30

This change order allows for improvement being made to the system that will be used for disposal of Laboratory Department waste. It was moved by Doctor Clark, seconded by Ms. Hubbard, and passed to approve COR 25 as recommended.

4. COR 26: Additional trades, \$148,653.34

This change order allows for additional equipment, materials, and labor to be performed by RHP Mechanical, which was not included in the original construction project budget. It was moved by Doctor Clark, seconded by Ms. Hubbard, and passed to approve COR 26 as requested.

BOARD MEMBER
REPORTS

Mr. Watercott asked if any members of the Board of Directors wished to report on any items of interest. Doctor Ungersma gave a report on the Association of California Healthcare Districts (ACHD) Leadership Day, and updated the Board on the progress of various ACHD projects. Mr. Watercott expressed his appreciation of Doctor Ungersma's dedication to ACHD and thanked him for serving as a member of the ACHD Board. Doctor Ungersma additionally mentioned the NIH Board might consider conducting an annual self-evaluation, a concept discussed at the ACHD meeting.

OPPORTUNITY FOR
PUBLIC COMMENT

In keeping with the Brown Act, Mr. Watercott again asked if any members of the public wished to comment on any items listed on the agenda and/or on any items of interest. Medical Staff Coordinator Maggie Egan stated the Northern Inyo Hospital Foundation's fundraising event "Groundhog-A-Go-Go" will be held on February 6 at the Tri-County Fairgrounds.

CLOSED SESSION

At 7:04p.m. Mr. Watercott announced the meeting was being adjourned to closed session to allow the Board of Directors to:

- A. Hear reports on the hospital quality assurance activities, and hear a report from the Medical Staff Executive Committee (Section 32155 of the health and Safety code, and Government Code Section 54962).
- B. Confer with legal counsel regarding claim filed by John Nesson M.D. against Northern Inyo County Local Hospital District and other Defendants (Government Code section 54956.9(a)).
- C. Consider employment, evaluation of performance, discipline or dismissal of a District employee (Government Code Section 54957).
- D. Confer with legal counsel regarding application to present a late claim against Northern Inyo County Local Hospital District filed by Steven Johnson and Elizabeth Monahan-Johnson (Government Code Section 54956.9(a)).
- E. Conduct CEO Annual Performance Evaluation (Government Code Section 54957).

RETURN TO OPEN
SESSION AND REPORT
OF ACTION TAKEN

At 8:33 p.m. the meeting returned to open session. Mr. Watercott reported the Board voted to deny the application to present a late claim filed by Steven Johnson and Elizabeth Monahan-Johnson.

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. Director of Nursing Susan Batchelder, R.N. commented that members of her family recently had occasion to obtain healthcare services at Northern Inyo Hospital, and their experience here was extremely positive.

ADJOURNMENT

The meeting was adjourned at 8:37 p.m..

Peter Watercott, President

Attest:

M.C. Hubbard, Secretary