

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

PRESENT Peter Watercott, President
John Ungersma, M.D., Vice President
D. Scott Clark, M.D., Director
Charlotte Helvie, M.D., Chief of Staff

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

ABSENT M.C. Hubbard, Secretary

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.

INTERVIEWS,
DISTRICT ZONE II
BOARD VACANCY Mr. Watercott announced at this time the Board would conduct interviews to fill the Board vacancy for District Zone II, which was previously represented by Michael Phillips, M.D.. He noted that three interested persons were present to be interviewed for the position, and that each candidate would be an excellent choice for the job. The Board asked several questions of each candidate, then following a vote it was announced that Ms. Denise Hayden would fill the Zone II vacancy until the November 2 2010 general election. The Board again expressed their feeling that all three candidates would have made excellent Directors, and Mr. Watercott thanked each of them for their interest in the Hospital District. Ms. Hayden was then sworn into office and took her seat with the other members of the District Board for the remainder of the meeting.

MINUTES The minutes of the May 19 2010 regular meeting were approved.

FINANCIAL AND
STATISTICAL REPORTS Mr. Halfen called attention to the financial and statistical reports for the month of April 2010. He noted the statement of operations shows a bottom line excess of revenues over expenses of \$669,228. Mr. Halfen additionally called attention to the following:
- *Inpatient service revenue was under budget, however outpatient service revenue was over budget*
- *Total expenses were over budget*
- *Salaries and wages expense was over budget and employee benefits expense was under budget*
- *Professional fees expense was over budget*
- *The Balance Sheet showed no significant change*

-Year-to-date net revenue totals \$2,560,271

Mr. Halfen noted short term investments are lower than the previous fiscal year and assets continue to be moved in order to help provide funding for the hospital rebuild project. Total net assets are up \$3,000,000 from the prior fiscal year, and accounts receivable are currently running at 53 days. Mr. Halfen additionally noted the hospital has experienced a couple of low revenue months, yet payments received from Medicare have helped to make the hospital's bottom line profitable. It was moved by D. Scott Clark, M.D. seconded by John Ungersma, M.D. and passed to approve the financial and statistical reports for the month of April 2010 as presented.

ADMINISTRATOR'S
REPORT

BUILDING UPDATE

Mr. Halfen provided a cash flow update for the hospital rebuild project which showed costs remaining and expected sources of funding to cover those costs. He stated his feeling that funding for the project remains sound, however he additionally stated that cash expenditures not associated with the project will have to be watched carefully. He also noted it is probably a good idea for the District to obtain a working capital line of credit that can be used in the event that additional money is needed as the building project progresses. Mr. Halfen also stated that Turner Logistics has saved the hospital 1.5 million on equipment purchase costs, and that some variances to current projections are likely to occur. He also mentioned that the cost of the hospital's new voice grade communications system will be discussed later on this agenda.

John Hawes with Turner Construction Company reported the under-slab for sewer services for the new building is being installed now, and the first floor slab will be laid immediately following that installation. The second floor deck is also being worked on and the decontamination tank has been installed. RBB Architects continue to work through peer review comments and they have already dealt with the most difficult challenges resulting from the architect transition.

SECURITY REPORT

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

PHYSICIAN
RECRUITING
PARAMETERS

Mr. Halfen stated it is his recommendation that a couple of changes be made to Northern Inyo Hospital's (NIH's) physician recruiting parameters. He requested Board approval to offer incoming physicians a \$25,000 signing bonus provided they do not come to the hospital through a physician recruiter. He additionally requested that the amount of relocation expense agreements offered to incoming physicians be raised from \$16,000 to \$24,000, noting that an increase to that amount has not been made for the last ten years. Following discussion and upon the recommendation of District Legal Counsel Mr. Watercott reported the Board had determined it is in the best interest of the public communities

served by the Northern Inyo County Local Hospital District to obtain qualified physicians to serve the residents of the community. In light of this finding he asked for a motion to approve the changes to the physician recruiting parameters as requested, and it was moved by Doctor Ungersma, seconded by Doctor Clark, and passed to approve increasing the physician relocation expense agreement amount from \$16,000 to \$24,000; and to allow a \$25,000 signing bonus to physicians obtained without the use of a physician recruiter.

MEDI-CAL APPEAL

Mr. Halfen reported following receipt of the cost report settlement for fiscal year 2003-2004 the hospital filed an appeal to obtain improved MediCal reimbursement for c-section and c-section call provided during that year. Administration recently received notification that the appeal was successful and the hospital will receive a \$40,000 per year settlement for a period of 6 years.

CHIEF OF STAFF REPORT

Chief of Staff Charlotte Helvie, M.D. reported following careful review and consideration the Medical Staff Executive Committee recommends approval of the following hospital-wide policies and procedures:

POLICIES AND PROCEDURES

1. *NIH 2010 Surge Plan*
2. *Multidrug Resistant Organism (MDRO) Control Plan*
3. *Respiratory Care Infection Control General Policies*
4. *Respiratory Care – Infection Control; Personal protection*

Following review of the proposed policies it was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve all four policies and procedures as recommended.

STAFF ADVANCEMENT

Doctor Helvie also reported the Medical Executive Committee recommends the advancement of Thomas J. Boo, M.D. from Provisional Medical Staff to Active Medical Staff. It was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve the Medical Staff advancement of Thomas J. Boo M.D. from Provisional to Active Medical Staff as requested.

MEDICAL STAFF ELECTION RESULTS

Doctor Helvie additionally reported that as a result of the recently held Medical Staff election the following are the Medical Staff officers for the upcoming fiscal year: Chief of Staff Helena Black, M.D.; Vice Chief of Staff Robbin Cromer-Tyler, M.D.; Member at Large Thomas J. Boo, M.D.. Mr. Watercott thanked Doctor Helvie for her service as Chief of Staff and the Board expressed its appreciation of the fine job she has done on behalf of the Hospital and the Medical Staff.

PERFORMANCE IMPROVEMENT PLAN

Doctor Helvie also called attention to a proposed hospital-wide Performance Improvement Plan which is intended to help ensure quality patient care and patient services at NIH, and to help meet requirements established by the Joint Commission and other outside regulatory agencies. Following review of the plan it was moved by Doctor Clark,

seconded by Doctor Ungersma, and passed to approve the hospital-wide Performance Improvement Plan as requested.

OLD BUSINESS

There was no Old Business scheduled for discussion at this meeting.

NEW BUSINESS

WE CARE!
COMMUNITY
OUTREACH PROGRAM

Pharmacy Director Jillene Freis called attention to a proposal to establish a community outreach program for area residents that will be known as the *We Care! Early Breast Cancer Detection Program*. The program represents a collaboration between Northern Inyo Hospital (NIH) and the Eastern Sierra Breast Cancer Association (ESBCA), and is intended to provide financial support for screening and diagnostic mammograms for local residents. The mission of the *We Care! Early Breast Cancer Detection Program* is to reduce breast cancer mortality rates in our community and encourage screenings as recommended by the American Cancer Society. Ms. Freis reported the ESBCA has pledged \$10,000 as start up funding for the program, and the Hospital District is being asked to cover the cost of baseline and annual screenings, diagnostic mammograms, radiology studies, and biopsies as needed. A question was asked regarding whether not services would be provided only for District residents, or if they would be available to all residents of Inyo County. Discussion followed and the possibility of involving Mono County and Inyo County Health and Human Services in the collaboration was suggested. The Board and Hospital staff present felt it is important to do everything possible not to exclude any area residents in need of services. Acknowledging the urgent need for this type of program especially in light of recent governmental cutbacks, it was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve establishing the *We Care! Early Breast Cancer Detection Program* to serve Northern Inyo County Local Hospital District (NICLHD) residents, with possible future expansion to serve an increased number of area residents. Mr. Watercott also acknowledged ESBCA President and founder Pat Ramirez, R.N. for her ten years of dedicated service to the ESBCA.

BOARD RESOLUTION
10-01

Mr. Watercott called attention to proposed Board Resolution 10-01 which would consolidate the November Hospital District Election with the November General Election. It was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve Board Resolution 10-01 as requested.

APPROPRIATIONS
LIMIT

Mr. Watercott also called attention to proposed Board Resolution 10-2 which establishes the annual appropriations limit for fiscal year July 1 2010 to June 30 2011. Following review of the information provided it was moved by Doctor Ungersma, seconded by Doctor Clark, and passed to approve Board Resolution 10-2 as presented.

MILLIMAN
ACTUARIAL
VALUATION

Mr. Halfen stated NIH's pension plan Actuarial Valuation as of January 1 2010 will be discussed at the next regular meeting of the District Board.

MRI UPGRADE

Radiology Director Patty Dickson called attention to a proposed MRI upgrade for a total cost of \$299,320.00. She noted the equipment presently in use at NIH is seven years old and significant improvements to technology have been made in recent years. The proposed upgrade would improve test processing time by 350%, and would significantly improve the image resolution and quality of numerous patient scans. Dr. Clark noted back studies produced by NIH's current machine are substandard, and it is his opinion that the purchase is in the best interest of the healthcare of Hospital patients. Following discussion it was moved by Doctor Ungersma, seconded by Doctor Clark, and passed to approve the MRI software upgrade as requested.

VOICE GRADE
COMMUNICATIONS
NETWORK

Mr. Halfen called attention to a proposal to purchase a new voice grade communications network for the Hospital at a total cost of \$958,766. The proposed network includes all of the communication systems within the hospital including the phone system; overhead paging; infant security; patient TV's; emergency radio system; wireless access points; computers and printers; and server room equipment. The proposed purchase would provide a communications network capable of bringing the Hospital forward into the future and would greatly improve NIH's capacity for future technological expansion. IT Director Adam Taylor and NIH Property Manager Scott Hooker answered questions on the system, and additionally noted it is highly expandable and resilient to breakage. Mr. Taylor also mentioned the new hospital building will require the purchase of a new system, and he stated that this proposal was developed following extensive research and in consideration of the recommendations of an outside consultant. While costly, the proposed system is not considered to be top of the line, but it is the system that has been determined to be the most appropriate to suit the needs of this Hospital. It was additionally noted that the purchase price includes set up, training, and future upgrades to the program. Following further discussion it was moved by Doctor Ungersma, seconded by Ms. Hayden and passed to approve the purchase of the Nexus network communications system 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 reported that SB 726 is still in Committee and this is a crucial time to contact our representatives and urge passage of the bill.

OPPORTUNITY FOR
PUBLIC COMMENT

In keeping with the Brown Act, Mr. Watercott again asked if any members of the public wished to comment on any items listed on the agenda for this meeting or on any items of interest. Information Technology Director Adam congratulated Denise Hayden on her

appointment to the Board and stated his feeling that Ms. Hayden is an excellent choice for the job. RHC Director Stacey Brown M.D. commented that in these difficult economic times, it is important for the Hospital to promote its services and to make sure that the general public is aware of all of the healthcare services available to them locally.

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. Confer with legal counsel regarding action filed by John Nesson M.D. against Northern Inyo County Local Hospital District and other Defendants (Government Code Section 54956.9(a)).
- C. Confer with legal counsel regarding action filed by Stephen Johnson and Elizabeth Monahan-Johnson against Northern Inyo County Local Hospital District and other Defendants (Government Code Section 54956.9(a)).

RETURN TO OPEN
SESSION AND REPORT
OF ACTION TAKEN

At 8:24 p.m. the meeting returned to open session. Mr. Watercott reported the Board took no reportable action.

OPPORTUNITY FOR
PUBLIC COMMENT

Mr. Watercott again asked if any members of the public wished to comment on any items listed on the agenda for this meeting, or on any items of interest. No comments were heard.

ADJOURNMENT

The meeting was adjourned at 8:25 p.m..

Peter Watercott, President

Attest:

John Ungersma, M.D. Vice President