

CALL TO ORDER The meeting was called to order at 5:34 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
Michael Phillips, M.D.
Taema Weiss, M.D., Chief of Staff

ALSO PRESENT John Halfen, Administrator
Sandy Blumberg, Administrative Secretary

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 January 17 2007 regular meeting were approved.

EMERGENCY ROOM
CONTRACTS Mr. Watercott informed those present there would be a change in the order of the agenda for this meeting and that Emergency Room (ER) contracts would be discussed at this time. He introduced Peter Beoris, M.D. on behalf of *EM3*, a company currently soliciting the Northern Inyo Hospital (NIH) ER physician contract. The current ER contract is held by Valley Emergency Physicians, who has also submitted a proposal to resign the ER physicians to their group.

Doctor Beoris reviewed the potential benefits of switching to *EM3*, and stated the company's main goals are to ensure quality patient care and to provide service to the Hospital and its physicians. He additionally stated his hope that the switch to *EM3* could create a true local group of ER physicians who are devoted to the community, and he informed the group there would be no barriers to the Hospital's existing physicians switching over to *EM3*. Discussion followed on the pros and cons of contracting with either company and Mr. Halfen stated that financially the potential benefit to the Hospital appears to be equal. Chief of Emergency Services Carolyn Tiernan, M.D. stated she personally may be interested in staying with Valley Emergency in order to maintain retirement and seniority benefits with that group. Following additional discussion, it was suggested by Mr. Halfen that the Board approve both contracts at this time, and that a committee of ER physicians be formed to make the decision on which company the group prefers to go with. It was moved by Pat Calloway, seconded by D. Scott Clark M.D., and passed to approve both contracts with the stipulation that the ER physicians will decide on which proposal to accept, and Hospital Administration will oversee

negotiations and final details of the successful contract. Michael Phillips, M.D. abstained from the vote.

FINANCIAL AND
STATISTICAL REPORTS

John Halfen, Chief Financial Officer, reviewed with the Board the financial and statistical reports for the month of December 2006. Mr. Halfen noted the statement of operations shows a bottom line excess of revenues over expenses of \$442,849. Mr. Halfen called attention to the following:

- *Inpatient revenue was over budget*
- *Ancillary and outpatient service revenue was under budget*
- *Total expenses were under budget*
- *Employee salaries and benefits were under budget*
- *Contractual adjustments were under budget*
- *Total Assets continue to grow steadily*

It was moved by Ms. Calloway, seconded by Doctor Phillips and passed to approve the financial and statistical reports for December 2006.

ADMINISTRATOR'S
REPORT

BUILDING UPDATE

Mr. Halfen stated that John Haas with Turner Construction was present at this meeting and was available to answer questions on the building project. Mr. Haas informed the Board that construction of the Support and Radiology buildings is running on schedule, and the budget for that portion of the project appears realistic at this time. Mr. Haas stated his desire to keep construction of the Radiology building on schedule in order to allow the new imaging center to bring revenue into the Hospital as soon as possible. Concrete work for both buildings is currently in progress and local contractor Truhls Concrete is doing a fine job on that portion of the project. Employee parking is currently being negatively impacted by construction, but additional parking for employees is still available across Line Street at the Church of the Nazarene. Mr. Halfen continues to negotiate with the Paiute tribe to lease additional parking space in an area west of the Hospital. Other parking solutions are being considered and the Maintenance Department will likely chalk dirt areas around the Hospital to create temporary parking spaces for employees.

JCAHO SURVEY

Mr. Halfen stated NIH recently underwent an unannounced JCAHO survey following designation as a Critical Access Hospital. The survey went extremely well in that the Hospital did not receive any dings related to patient care. Deficiencies noted involve corrections being made to the interior of the Hospital building, and work is already in progress to make the modifications JCAHO requested.

SWING BED STATUS

Mr. Halfen stated NIH has applied for swing bed certification but the process is somewhat unclear for hospitals with fewer than 49 beds. NIH is awaiting swing bed certification and expects to receive it within the

next 30 days. Billing in-services will be held on the subject of the correct method for handling swing bed charges.

**PROPOSED MEDICARE
AND MEDICAID
BUDGET CUTS**

Mr. Halfen called attention to an American Hospital Association (AHA) article on proposed Medicare and Medicaid budget cuts. The budget cuts would potentially reduce payments to hospitals for services provided to the poor, the elderly, and the disabled. Because Northern Inyo Hospital has been designated a Critical Access Hospital (CAH) the reduction in Medicare and Medicaid payments will affect NIH less than if it would have if the Hospital were still considered an Acute Care Hospital.

**OFFER TO PURCHASE
NORTHERN INYO
HOSPITAL**

Mr. Halfen stated that due to NIH's healthy financial condition, management occasionally receives inquiries from investor groups regarding the possibility of purchasing the Hospital. Since NIH is not for sale, these inquiries are disregarded and are not pursued further.

**ADDITIONAL PARKING
LEASE**

As previously reported in the building report portion of this meeting, negotiations continue with the Bishop Paiute tribe to lease land for supplemental parking in an area adjacent to the Hospital. It is hoped a lease agreement can be reached to establish 32 additional parking spaces to help ease parking congestion during construction.

**NIH FOUNDATION
ACTIVITIES**

NIH Foundation Secretary Maggie Egan reported on upcoming Foundation activities including the annual Spring Fling and the Bishop High Sierra Ultramarathon. Marie Boyd, R.N. gave an update on preparations for the Ultramarathon and stated that planning is going well and good attendance is expected at the event by participants from all over the world.

OTHER

Mr. Halfen stated that NIH will have digital mammography equipment up and running by the end of March. He reminded the group that the new equipment is being purchased using money from the Tobacco Tax program.

**CHIEF OF STAFF
REPORT**

Chief of Staff Taema Weiss, M.D. stated there is nothing new to report from the Medical Staff at this time.

OLD BUSINESS

**COMMUNICATIONS
TOWER LEASE**

Mr. Halfen referred to a final draft of a renewal lease with Alltel Communications to lease the communications tower located on Hospital property. It was moved by Doctor Clark, seconded by Ms. Calloway, and passed to approve the lease with Alltel Communications as presented.

QUICK PAY SYSTEM

Mr. Halfen stated the Hospital would like to purchase a Quick Charge system for direct payroll deductions from employee paychecks for meals

purchased in the Hospital dining room. The Quick Pay system would replace the meal tickets currently in use and would allow for quicker and more accurate charging of employee meals. Use of the Quick Pay system would not be mandatory and meal tickets would still be available for purchase by employees and Hospital guests. There would, however be incentives to employees to use the new system rather than continuing to purchase meal tickets. The cost of the Quick Pay system is approximately \$13,700 and Mr. Halfen feels it will pay for itself within 18 months because all meals will be correctly charged. It was moved by Doctor Clark, seconded by John Ungersma, M.D., and passed to approve the purchase of the Quick Pay system as presented.

NEW BUSINESS

SWING BED POLICY AND PROCEDURE APPROVALS

Director of Nursing Susan Batchelder, R.N. referred to the following proposed Swing Bed Policies and Procedures which were included in the Board packet for review:

1. "Services for Swing-Bed Patients: Activities, Social Services, Speech and Occupational Therapy, Physical Therapy, Mental Health Services, and Dental Services"
2. "Rights of Swing-Bed Patients"
3. "Admission, Documentation, Assessment, Discharge, and Transfer of Swing-Bed Patients"
4. "Prevention of Abuse of Swing-Bed Patients"
5. "Nutrition for Swing-Bed Patients"

It was moved by Doctor Phillips, seconded by Doctor Clark, and passed to approve the Swing Bed Policies and Procedures as presented.

AGREEMENTS WITH LARA JEANINE ARNDAL. M.D.

Mr. Halfen referred to a proposed contract for the services of Lara Jeanine Arndal, M.D. to practice obstetrics and gynecology at NIH, and to a Relocation Expense agreement for Doctor Arndal's move to this area. Additionally, proposed Board Resolution 07-03 was presented to establish the basis for Doctor Arndal's agreement and her move to this area. It was moved by Doctor Phillips, seconded by Doctor Ungersma, and passed to approve the Agreement for the services of Doctor Arndal. It was moved by Ms. Calloway, seconded by Doctor Clark, and passed to approve the Relocation Expense agreement for Doctor Arndal as presented. It was also moved by Doctor Clark, seconded by Ms. Calloway, and passed to approve Board Resolution 07-03 as presented.

CLARIFICATION OF MEAL TIME COMPENSATION FOR 12-HOUR SHIFT AGREEMENTS

Mr. Halfen referred to a proposed clarification of the NIH 12-Hour Shift Agreement, which includes specification that employees who have signed 12-Hour Shift Agreements are obligated to take breaks and meal periods the same as other employees, as required by law. The proposed rewording of the agreement makes it clear that meal breaks are a requirement rather than an option. It was moved by Doctor Ungersma,

seconded by Ms. Calloway, and passed to approve the clarification of the 12-Hour Shift Agreement as presented.

**PROPOSED LEASE FOR
157 PIONEER LANE**

Mr. Halfen also referred to a proposed lease for 157 Pioneer Lane with Thomas Reid, M.D. Doctor Reid is interested in obtaining a larger office space than that he is currently occupying, at a location closer to NIH. It was moved by Ms. Calloway, seconded by Doctor Ungersma, and passed to approve the lease with Doctor Reid as presented. Doctor Reid expects to move to 157 Pioneer Lane some time during the summer.

**NIH FOUNDATION
RESIGNATIONS**

NIH Foundation Executive Director Kay O'Brien referred to several letters of resignation received from members of the NIH Foundation Board. Ms. O'Brien also tendered her own resignation from the Board effective February 22 2007, and stated she found it difficult to make positive changes for the Foundation during her tenure. Maggie Egan, NIH Foundation Secretary stated there has been difficulty moving forward with Foundation activities due to attendance at Foundation meetings not being adequate to establish a quorum. It is possible that a downsizing of the Board may help to remedy that situation. Mr. Watercott thanked Ms. O'Brien and the other outgoing Foundation Board members for their service and dedication to the Hospital and to the NIH Foundation. It was moved by Doctor Phillips, seconded by Doctor Clark, and passed to accept the resignations of the NIH Foundation Board members as presented.

**ACTIVITIES DIRECTOR
AGREEMENT**

Mr. Halfen announced that District Board Secretary Pat Calloway has agreed to accept a consulting position with NIH and will act as the Hospital's Activities Director (AD), a position required in order to accommodate swing bed patients. Ms. Calloway is the only certified Activities Director in this area able to fill the position, and she feels at this time she can best serve the Hospital District by accepting this job. Her acceptance of the AD position creates a conflict of interest that will require her to resign from the District Board, and her resignation will become effective March 1 2007. Mr. Watercott thanked Ms. Calloway for her years of invaluable service as a member of the Board and stated that she will be greatly missed by her fellow Board members. Ms. Calloway currently represents District Zone V, and Hospital Administration will begin the process of appointing a replacement for her in the near future.

**BOARD MEMBER
REPORTS**

Mr. Watercott asked if any members of the Board of Directors wished to report on any items of interest. Doctor Ungersma stated he will attend ACHD Legislation Day in Sacramento on March 5 and 6, and he asked if any Board members would like him to report on any items of interest at the conference. No reports were given.

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

CLOSED SESSION

At 7:12 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 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. Real Estate Opportunity / Discussion (Government Code Section 54956.8).
- E. Annual performance evaluation of CEO (Government Code Section 54957).

RETURN TO OPEN
SESSION

At 7:53 p.m., the meeting was returned to open session. Mr. Watercott announced the Board took no reportable action.

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 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 7:54 p.m.

Peter Watercott, President

Attest:

Patricia Ann Calloway, Secretary