

- CALL TO ORDER The meeting was called to order at 5:33 p.m. by Peter Watercott, President.
- PRESENT Peter Watercott, President
D. Scott Clark, M.D., Vice President
Michael Phillips, M.D., Secretary
John Ungersma, M.D., Treasurer
M.C. Hubbard, Member
- ALSO PRESENT John Halfen, Administrator
Taema Weiss, M.D., Chief of Staff
Douglas Buchanan, Esq., Hospital District Legal Counsel
Sandy Blumberg, Administrative 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.
- MINUTES The minutes of the May 16, 2007 regular meeting were approved.
- FINANCIAL AND
STATISTIAL REPORTS John Halfen, Chief Financial Officer, reviewed with the Board the financial and statistical reports for the month of April, 2007. Mr. Halfen noted the statement of operations shows a bottom line excess of revenues over expenses of \$902,893. Mr. Halfen called attention to the following:
- *Inpatient, outpatient, and ancillary service revenue was under budget*
 - *Total Expenses were under budget*
 - *Wages and Salaries and Employee benefits were under budget*
 - *The Balance Sheet did not experience significant change*
 - *Total Assets continue to grow steadily*
 - *Year-to-date net revenue is \$3,878,492*
- The excess for the month was realized due to a correction being made to Alpha Fund charges, and as a result of a transfer being made from restricted funds for interest payment on the 2005 Revenue Bonds. Mr. Halfen noted the cost of employee benefits appears to be stabilizing and accounts receivable are running at an average of 61 days. Net assets continue to grow, which will help Northern Inyo Hospital (NIH) to meet funding requirements for the Hospital rebuild project. 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 2007 as presented.
- ADMINISTRATOR'S
REPORT Mr. Halfen informed the Board that the building project is running into cost overruns, and after more cost figures have been received a detailed review of the projects' status will be presented at the July regular meeting

- BUILDING UPDATE of the District Board. It is unclear if scheduling overruns will be incurred due to delays with the Office of Statewide Healthcare Planning and Development (OSHPD) approval of the rebuild plans. Mr. Halfen called attention to building reports and timeline updates included in this month's Board packet, and noted he will update the Board on change orders and timing issues for the project at the July regular meeting as well.
- UNEMPLOYMENT INSURANCE REVIEW Mr. Halfen called attention to a letter received from the California Association of Hospitals and Health Systems (CAHHS) unemployment insurance program, informing NIH that based on performance the Hospital's unemployment insurance contribution for the upcoming quarter will be reduced to approximately one half of the previously amount.
- FYI SECTION Mr. Halfen called attention to the following items included in the FYI section of the Board packet:
- OTHER
- An article about significant increases to the salaries of Registered Nurses (RNs) in the Boston area
 - A letter of compliment to the Physical Therapy Department
 - An agency review schedule for OSHPD plan approvals for the hospital rebuild project
 - Information from the California Healthcare Advocacy (CHA) on the following: a summary of single-payer proposals; information on Senate Bill (SB) 306 proposing financial assistance to hospitals in need of seismic safety improvements; and information on Assembly Bill (AB) 371 proposing California hospitals be required to adopt zero lift policies
- CHIEF OF STAFF REPORT Chief of Staff Taema Weiss, M.D. reported the Medical Executive Committee did not meet this month and there is no Medical Staff news of significance to report at this time.
- OLD BUSINESS
- REAFFIRMATION OF ASSIGNMENT OF NEGOTIATOR IN TWO REAL ESTATE TRANSACTIONS Mr. Halfen asked the Board for reaffirmation of the assignment of himself as negotiator on the Hospital's behalf regarding a potential real estate purchase or lease at 152 Pioneer Lane, Bishop, California, in whole or in part. Negotiations may be with Stephen Kobayashi, M.D., Pioneer Medical Associates, a partnership, or its designee, singly or collectively. Mr. Halfen additionally asked the Board to reaffirm the assignment of himself as negotiator on the Hospital's behalf regarding a potential real estate purchase at 2957 Birch Street, Bishop, California. Negotiation will be with the designee(s) of Southern Mono County Healthcare District. It was moved by Michael Phillips, M.D., seconded by M.C. Hubbard, and passed to approve both affirmations as requested, with Doctor Clark abstaining from the vote.
- ER CONTRACT Mr. Halfen informed the Board that following extensive discussion the Hospital's Emergency Room (ER) physicians have elected to re-sign with Valley Emergency Physicians for the period of July 1, 2007 to December

31, 2008. Physician pay rates included in the proposed Valley Emergency agreement have been approved by the District Board at a previous meeting. Following review and discussion of the Emergency Care Agreement it was recommended that the following changes be made:

- Paragraph 2 on page 1 under *Recitals* should be modified to read:
“Group is a corporation, organized and existing under the laws of the State of California which employs qualified and licensed physicians and surgeons having had experience in the operation of emergency facilities and the rendition of emergency and primary care.”
- Paragraph 2 on page 4 under *Agreements*, in the section titled *Daily Memoranda and Billing* should be changed to read as follows: “Within 10 days of the receipt of an invoice, the District shall present to Group a check representing their fees for services rendered in the preceding month.”

It was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve the Emergency Care Agreement with Valley Emergency Physicians including the amendments suggested, with Doctor Phillips abstaining from the vote.

NEW BUSINESS

REVISION OF NIH MISSION STATEMENT

Mr. Halfen stated that following review of the NIH Mission Statement with Grant Writing and Marketing Director Georgan Stottlemire, they have decided to recommend that the statement be reworded to read as follows:

“The purpose of Northern Inyo Hospital is: to provide Quality Healthcare by maintaining an environment that is positive and caring for the Patients, Staff, and Community we serve, in a financially responsible manner.”

It was noted that the only change to the Statement was the addition of the words “in a financially responsible manner” at the end of the sentence. It was moved by Doctor Phillips, seconded by Ms. Hubbard and passed to approve amending the NIH Mission statement as suggested.

PENSION AUDIT

Mr. Halfen called attention to the Hospital’s annual pension audit provided by Milliman Consultants and Actuaries. The current audit is nearly identical to the one provided for the previous year, with no significant changes to report. Milliman recommends that NIH raise its plan funding contribution to \$176,000 per month, effective July 1, 2007. It was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to accept the annual pension audit as presented.

PACS SYSTEM APPROVAL

PACS Administrator Bill St Jean informed the Board that following extensive research by the Radiology Department the Novarad Picture Archival Communication System (PACS) has been selected as the best system to purchase for NIH. PACS equipment is the final piece of digital equipment needed to create a filmless imaging department at NIH. Mr. St Jean provided an overview of the reasons for selecting the Novarad

system over the other products available, and Novarad representatives were on hand to answer questions for the Board. The PACS system was budgeted as a priority one purchase item at a cost of over \$700,000, however the Novarad system will cost roughly half that amount and is expected to pay for itself in approximately two years. Southern Inyo Hospital (SIH) has expressed an interest in entering into an agreement with NIH to store their radiology images at NIH, and it is possible Toiyabe Indian Health project may be interested as well. The new equipment will make it possible for physicians to look at images from remote locations, creating a quicker turnaround for reading and diagnosis of patient exams. It was moved by Doctor Clark, seconded by M.C. Hubbard, and passed to approve the purchase of the Novarad PACS system as recommended.

BOARD RESOLUTION
07-05 (LAUNDRY
EQUIPMENT
FINANCING)

Mr. Halfen called attention to Board Resolution 07-05, which is necessary to facilitate the financing of new laundry equipment previously approved for purchase by the Board. The financing agreement is a tax-exempt lease with a dollar buyout option at the end of the term. It was moved by Doctor Clark, seconded by Ms. Hubbard, and passed to approve Resolution 07-05 as presented.

BOARD MEMBER
REPORTS

Mr. Watercott asked if members of the Board of Directors wished to report on any items of interest. Doctor Ungersma reported he received a financial report from BETA Healthcare, the Hospital's risk management carrier, which indicates the company had a successful year. Doctor Ungersma also noted the Beta correspondence included information on new medical staff case law dealing with anti-slap legislation, the case that was successfully argued by NIH legal counsel.

OPPORTUNITY FOR
PUBLIC COMMENT

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

CLOSED SESSION

At 6:22 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 April Villalobos against Northern Inyo County Local Hospital District and other defendants (Government Code Section 54956.9(a)).
- C. Confer with legal counsel regarding claim received from Xxxxx Xxxx against Northern Inyo County Local Hospital District (Government Code Section 54956.9(a)).
- D. Confer with legal counsel regarding claim received from Landon and Lisa Kleeman against Northern Inyo County Local Hospital District and other defendants (Government Code Section 54956.0(a)).

- E. Instruction of negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of real property (Government Code Section 54956.8).
- F. Instruction of negotiator regarding price and terms of payment for a second purchase, sale, exchange, or lease of real property (Government Code Section 54956.8).

OPEN SESSION

At 6:39 p.m., the meeting was returned to open session. Mr. Watercott announced the Board took no reportable action.

PUBLIC COMMENT

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. District Legal Counsel Douglas Buchanan stated his concerns about the content of an article recently published in the Inyo Register regarding an action of the Inyo County Board of Supervisors relative to that share of Tobacco Settlement Funds due the District pursuant to Measure B (2002). Mr. Buchanan stated he will conduct research into the legal issues governing the division of such funds including the effect, if any, of a California Court of Appeals decision entitled Totten v Board of Supervisors.

ADJOURNMENT

The meeting was adjourned at 6:43 p.m..

Peter Watercott, President

Attest:

Michael Phillips, M.D. Secretary