

- 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  
M.C. Hubbard, Director
- ALSO PRESENT                        John Halfen, Administrator  
Richard Nicholson, M.D., Chief of Staff  
Douglas Buchanan, Esq., Hospital District Legal Counsel  
Sandy Blumberg, Administrative Secretary
- ABSENT                                 Michael Phillips, M.D., Secretary  
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 June 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 May 2007. Mr. Halfen noted the statement of operations shows a bottom line excess of revenues over expenses of \$164,678. Mr. Halfen called attention to the following:
- *Inpatient and outpatient service revenue were both over budget*
  - *Total Expenses were under budget*
  - *Wages and Salaries were over budget*
  - *The Balance Sheet did not experience significant change*
  - *Net Assets continue to grow steadily*
  - *Year-to-date net income is \$4,043,170*
- Mr. Halfen noted contractual adjustments continue to be unpredictable, and supplies and bad debt expense are both higher than expected. Mr. Halfen estimates that by the end of the fiscal year, year-to-date net income will remain at a little over \$4,000,000. It was moved by MC Hubbard, seconded by John Ungersma, M.D. and passed to approve the financial and statistical reports for the month of May 2007 as presented.
- ADMINISTRATOR'S  
REPORT                                 Mr. Halfen and construction manager John Hawes of Turner Construction gave an update on the progress of the hospital rebuild project. Mr.
- BUILDING UPDATE                    Hawes informed the Board the project has run into cost overruns and timing delays, and he distributed a handout detailing change orders made to date and a list of challenges that have arisen as the project progresses. The main problems encountered include:

- A delay with the installation of the chiller for the Support building, due to late submission of plans by the design architects
- A delay with the installation of the boiler for the Support building, due to a miscalculation of specs by the design architects, resulting in the incorrect boiler being ordered for that building, and
- A delay with the design architects submitting plans to the Office of Statewide Hospital Planning and Development (OSHPD) for approval of the connectors between the new imaging center and the main hospital building.

A total of over \$600,000 in change orders have been processed to date, but the cost has fortunately been covered by budgeted allowances for overages and the project remains on budget at this time. The problems that have arisen may cause a delay in the occupation of both the Support and Radiology buildings, which would likely cause inflation of the cost for that portion of the project. At this time the best estimate is that the Support building will be occupied some time during the month of November, and the Imaging center will be occupied approximately one month later. Mr. Hawes noted the City of Bishop has been extremely cooperative on every issue and change that has arisen, and the project would no doubt have met with more extensive time delays were it not for the helpful attitude of City officials.

#### ANESTHESIA UPDATE

Mr. Halfen reported Administration has reached an agreement with anesthesiologist Daniel Cowan, M.D. to join the Northern Inyo Hospital (NIH) Medical Staff in November. Details of Dr. Cowan's contractual agreement are being finalized and credentialing is in progress. Until Dr. Cowan arrives, Doctor Schweizer will provide anesthesia coverage and locum tenens assistance will be utilized if necessary.

#### FYI SECTION

#### PRICE OF EGGS

Mr. Halfen reported the Department of Health now requires the Hospital kitchen use pasteurized eggs, which cost twice as much as the eggs used in the past. The result of this change is that the cost of preparing eggs for patients and hospital staff will now be twice what it has previously been.

#### YOU CAN BUT WE CAN'T

Mr. Halfen also reported the Hospital is now required to advise patients with CMS (Centers for Medicare & Medicaid Services) insurance prior to their discharge that even though CMS will not continue to pay for their hospital stay, they are entitled to stay longer if they choose to do so.

#### PAYMENTS TO DOCTORS

Mr. Halfen additionally reported that CMS has proposed a decrease in reimbursement rate to doctors who provide services for CMS patients. The result of this action may be that it will be more difficult for CMS patients to find doctors willing to provide services at the lower reimbursement rate.

PATIENT SECURITY  
SYSTEM

Mr. Halfen also reported the patient security system has been installed and is operational at this time. The installation and start-up of the system were relatively painless and the nursing staff is pleased with the system so far.

CHIEF OF STAFF  
REPORT

Mr. Watercott welcomed Richard Nicholson M.D. as incoming Chief of Staff for the 2007-2008 fiscal year. Other newly elected Medical Staff officers include

- Sudhir Kakarla M.D., Vice Chief of Staff
- Taema Weiss M.D., Immediate Past Chief of Staff
- Asao Kamei M.D., Chair of the Medicine/Intensive Care Committee
- Curtis Schweizer M.D., Chief of Surgery
- Charlotte Helvie M.D., Chairman of the Perinatal-Pediatrics Committee
- Alice Casey M.D., Member-at-Large.

Doctor Nicholson reported that at its regular quarterly meeting the Medical Staff agreed on the following:

1. To recommend appointment of Stephen Kobayashi, M.D. to the NIH Honorary Medical Staff;
2. To grant Charlotte Helvie M.D. temporary relief from mandatory call coverage for maternity reasons; and
3. To deny a request from Toiyabe Indian Health Project to treat their three practitioners as one relative to NIH call obligations.

It was moved by Doctor Ungersma, seconded by Ms. Hubbard and passed to approve the slate of Medical Staff officers for the 2007-2008 year as presented.

OLD BUSINESS

REAFFIRMATION OF  
NEGOTIATOR FOR  
POTENTIAL REAL  
ESTATE PURCHASE OR  
LEASE

Mr. Halfen asked the Board for reaffirmation of assignment of himself as negotiator on NIH's behalf regarding a potential real estate purchase/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.

REAFFIRMATION OF  
NEGOTIATOR FOR A  
SECOND REAL ESTATE  
PURCHASE OR LEASE

Mr. Halfen also asked for reaffirmation of himself as negotiator regarding a potential acquisition of a real property at 2957 Birch Street, Bishop California. Negotiation will be with the designee(s) of Southern Mono County Healthcare District. It was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve both affirmations as requested, with D. Scott Clark M.D. abstaining from the vote.

NEW BUSINESS

DONATION FROM  
HIGH SIERRA ULTRA-  
MARATHON

Marie Boyd, R.N., race director for the Bishop High Sierra Ultra Marathon was pleased to present a check for \$10,000 to the NIH Foundation on behalf of the race event. Ms. Boyd reported that over 240 runners registered for the race this year and once again it was a great success. Ms. Boyd thanked Mr. Watercott, Stacey Brown M.D. and all of the race volunteers for their hard work which helped make the event

possible. Mr. Halfen accepted the check on behalf of the Foundation and thanked Ms. Boyd for her generosity and for her continued hard work and dedication to the event. Mr. Halfen also commented that the ultra marathon is bigger and more successful each year, and it has raised over \$65,000 in donations made to the Hospital over the years.

CONSULTING  
CONTRACT

Mr. Halfen called attention to a proposed agreement with Clark, Koortbojian and Associates consultants to conduct a joint feasibility study to determine what benefits could be realized by increased collaboration of services between Mammoth Hospital and NIH. The firm would also look into the possibility of annexing additional areas into the Northern Inyo County Local Hospital District (NICLHD), and would assess other possibilities for collaboration in an attempt to further improve healthcare services for residents of both hospital districts. The consulting firm is highly recommended by the Association of California Hospital Districts (ACHD), and the cost of the proposed study would be split between the two districts. Mr. Halfen requested Board approval for the letting of the proposed contract for a maximum of \$15,000, of which NIH's portion would be \$7,500. Following discussion, it was moved by Dr. Ungersma, seconded by Ms. Hubbard, and passed to approve entering into an agreement with Clark, Koortbojian and Associates as recommended.

APPROPRIATIONS  
LIMIT CALCULATION

Mr. Halfen reported the appropriations limit for the 2007-2008 fiscal year has been calculated at \$549,330.47. This number represents the maximum percentage the hospital district's portion of parcel tax can increase each year, and it is calculated using census and cost of living figures that are provided annually by Inyo County. It was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve the appropriations limit for the 2007-2008 fiscal year.

RHC PHYSICIAN STAFF  
CONTRACT, JEANINE  
ARNDAL, M.D.

Mr. Halfen called attention to a proposed agreement with Lara Jeanine Arndal, M.D. for Rural Health Clinic (RHC) Staff Physician services. If approved, Dr. Arndal will begin providing obstetric and gynecological services at RHC during the month of August. Stacey Brown, M.D., RHC Director noted a correction is needed to page 2 of the agreement, so the first sentence on that page reads: "Physician shall apply for and maintain Provisional or Active Medical Staff membership for the aforesaid obstetrical and gynecological practice privileges for the term of this agreement". It was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve the agreement with Doctor Arndal as presented including the change noted by Doctor Brown.

POLICY AND  
PROCEDURE RE:  
SECTION 1279.1, CHSC

Mr. Halfen referred to a proposed Policy and Procedure titled "Reporting of Adverse Events to the State". The policy is intended to be a mechanism for compliance with new reporting laws which delineate the process for reporting the occurrence of adverse events. Medical Staff Coordinator Maggie Egan stated she believes any policy on adverse event

reporting should include notifying the Medical Staff that a possible adverse event has occurred. Doctor Clark agreed that the proposed policy should be modified to include notification of the Hospital Chief of Staff when a possible adverse event has occurred. Following discussion, it was decided the policy will be referred to the Medical Executive Committee for review, then will be resubmitted to the Board for approval at a future meeting.

**BOARD MEMBER  
REPORTS**

Mr. Watercott regrettably reported the passing of Lou Franke, who faithfully attended NIH Board meetings for many years. Mr. Watercott expressed his heartfelt sympathy to Mrs. Franke on behalf of the Hospital District and the Board of Directors.

Doctor Clark stated a concern that Radiology coverage may be inadequate when the Radiologist is out of town. He asked that Radiology coverage be placed on the agenda for discussion at the September Board meeting, in the interest of ensuring that patient safety is adequate. It was noted that this item will be placed on the agenda for the next regular meeting of the District Board.

**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 6:58 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 received from Xxxxx Xxxx against Northern Inyo County Local Hospital District (Government Code Section 54956.9(a)).
- C. 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 54956.9(a)).
- D. Instruction of negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of real property (Government Code Section 54956.8).
- E. 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).
- F. Discussion with counsel of pending litigation and whether or not the District shall initiate litigation. This discussion will be held under the authority of Government Code Section 54956.9(c).

