

CALL TO ORDER The meeting was called to order at 5:43 p.m. by Peter Watercott, President.

PRESENT Peter Watercott, President
D. Scott Clark, M.D., Vice President
John Ungersma, M.D., Treasurer
Michael Phillips, M.D., Secretary
Richard Nicholson, M.D., Chief of Staff

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

ALSO PRESENT FOR
RELEVANT PORTION(S) Dianne Shirley, R.N., Performance Improvement Coordinator

ABSENT M.C. Hubbard, Director

PUBLIC COMMENT ON
THE 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 October 17th regular meeting were approved.

NEW BUSINESS Mr. Watercott stated the Board would hear agenda item M listed under New Business prior to reviewing the financial and statistical reports for the month.

Hospital employee Marie Boyd, R.N. addressed the Board on the subject of a grievance she filed regarding what she considers to be a hostile work environment in Northern Inyo Hospital's (NIH's) surgery unit. Ms. Boyd read a prepared statement addressing her concerns regarding the conduct of staff anesthesiologist Curtis Schweizer, M.D., who in her opinion has displayed hostile and disruptive behavior in the operating room for several years. Ms. Boyd expressed her wish to continue working in the surgery unit, yet stated she feels she should no longer be expected to be a "victim" of what she considers to be Doctor Schweizer's inappropriate behavior. Ms. Boyd further expressed her wish to perform her assigned job duties and be treated with respect and professional courtesy by her co-workers, including Doctor Schweizer. Following brief discussion, the Board expressed its belief that further efforts by Hospital management to remedy this situation would probably not meet with satisfactory results, and asked that the matter be referred to the Medical Staff for resolution. It was moved by Michael Phillips, M.D., seconded by John Ungersma, M.D., and passed to refer Ms. Boyd's grievance to the Medical Staff for further

consideration and action. Ms. Boyd stated she is satisfied with the Board's decision to refer the matter to the Medical Staff for handling.

FINANCIAL AND
STATISTICAL REPORTS

John Halfen, Chief Financial Officer reviewed with the Board the financial and statistical reports for the month of October 2007. He noted he would not review the September 2007 financial and statistical reports (that were mailed to the Board during November in the absence of a November meeting) unless there were questions on their content. No questions were asked regarding the September financial and statistical reports.

Mr. Halfen noted the statement of operations for the month of October 2007 shows a bottom line excess of revenues over expenses of \$672,056.

Mr. Halfen called attention to the following:

- *Net patient service revenue was over budget*
- *Total expenses were over budget*
- *Wages, salaries, and benefits were under budget*
- *The Balance Sheet did not experience significant change*
- *Total Assets continue to grow steadily*
- *Year-to-date net income is \$1,890,122*

Mr. Halfen noted professional fees and bad debt expense are still over budget and contractals continue to be under budget. He also noted that assets are moved at times in order to allow for funding portions of the building project. It was moved by Doctor Phillips, seconded by D. Scott Clark, M.D., and passed to approve the financial and statistical reports for the month of October as presented.

ADMINISTRATOR'S
REPORT

BUILDING UPDATE

Mr. Halfen referred to an updated building project cost estimate provided by Turner Construction. Cost projections for the rebuild project are much higher than originally projected but the project will proceed as planned at this time. Final construction costs will not become reality until bids are received and it is hoped that actual costs will be lower than what is being predicted. If costs come in as high as expected the overall project might be divided into smaller parts and adjustments to the building plan may be made as necessary. At this time Hospital Administration will continue with the project using as much revenue from operations as possible to fund project overages. Mr. Halfen is also investigating debt service options and the possibility of borrowing money to complete the project if the need arises. It is hoped that the current mini-recession in the construction industry will help drive costs lower than what is currently being predicted. Mr. Halfen also noted Phase I of the project is nearing completion and that the first Phase remains on budget at this time. Mr. Halfen will continue to update the Board on the progress of the building project and on any new developments that arise.

EMPLOYEE PATIENT
ADVOCATE

Mr. Halfen introduced Lucy Alarid, Employee and Patient Advocate to the Board. Ms. Alarid comes to NIH with extensive experience in personnel and social services, and Hospital Administration feels very fortunate to have her on board. Ms. Alarid will act as an advocate for NIH employees and patients alike.

NEW EMPLOYEE

Mr. Halfen also introduced Solomon Eboigbodin, the Hospital's new Medical Records Director to the Board. Mr. Eboigbodin was educated in Nigeria and was formerly employed at Renown Hospital in Reno. Mr. Halfen noted Mr. Eboigbodin has made improvements to NIH's Medical Records department in a short amount of time and has already succeeded in significantly lowering the Hospitals' Accounts Receivable.

FYI SECTION

Mr. Halfen noted information on the following topics was included in the Board packet for review rather than discussion, unless discussion was requested:

- Fires triggered hospital evacuations in Southern California
- Information was provided on Health Care Reform Proposals
- There is a possibility of a moratorium on Medicare RAC
- Board members will begin receiving a free subscription to the publication *Healthcare Finance News*

CHIEF OF STAFF
REPORT

Chief of Staff Richard Nicholson, M.D. reported the Medical Staff Executive Committee met twice since the last regular meeting of the District Board, and the group recommends approval of the following three policies and procedures (included in the Board Packet for review):

1. *Maternal & Infant Drugs of Abuse Screening*
2. *Reporting of Adverse Events to the State*
3. *Medical Staff Professional Conduct*

It was moved by Doctor Ungersma, seconded by Doctor Clark, and passed to approve all three policies and procedures as recommended.

Doctor Nicholson reported the Credentials Committee met and recommends approval of two year reappointments for 39 staff physicians whose privileges are due to expire January 1 2008, provided they complete their required paperwork. It was moved by Doctor Ungersma, seconded by Doctor Clark, and passed to approve the reappointments of all of the staff physicians as recommended.

Doctor Nicholson also reported six Medical Staff proctoring assignments have been made as follows:

- Lara Jeanine Arndal, M.D.; Proctor: David Greene, M.D.
- J. Daniel Cowan, M.D.; Proctor: Curtis Schweizer, M.D.
- Robbin Cromer-Tyler, M.D.; Proctor: D. Scott Clark, M.D.
- Vasuki Sittampalam, M.D.; Proctor Nickoline Hathaway, M.D.
- Reda Tadros, M.D.; Proctor: Kenneth Saeger, M.D.

- Bret Winter, M.D.; Proctor: John Perry, M.D.

Doctor Nicholson additionally reported the Medical Staff will donate \$1,000 to the NIH Employees "Sunshine Committee" to pay for the band at the Hospital employee's Christmas party, and to help pay for the annual employees Children's Christmas Party as well.

OLD BUSINESS

REAFFIRMATION OF NEGOTIATOR FOR TWO POTENTIAL ACQUISITIONS

Mr. Halfen asked for reaffirmation of himself as negotiator regarding the potential acquisition of real property at 2957 Birch Street, Bishop, California. Negotiation will be with the designee(s) of Southern Mono County Healthcare District. Mr. Halfen also asked for reaffirmation of himself as negotiator regarding the potential acquisition of a real property at 152-H Pioneer Lane, Bishop, California. Negotiation will be with the designee(s) of Pioneer Medical Associates and/or Alice Casey, M.D. and Clifford Beck, M.D.. It was moved by Doctor Ungersma, seconded by Doctor Clark, and passed to reaffirm Mr. Halfen as negotiator for both potential acquisitions.

NEW BUSINESS

ELECTION OF OFFICERS, BOARD OF DIRECTORS

Discussion opened on the subject of election of new District Board Officers for the upcoming calendar year. A suggestion was made to table this agenda item until the next regular meeting of the Board, so that all Board members could be present for the vote. It was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve tabling this agenda item until the next regular meeting of the District Board.

CONTRACT AMMENDMENT, LARA JEANINE ARNDAL, M.D.

Mr. Halfen referred to a proposed contract amendment to the Hospital's agreements with Lara Jeanine Arndal, M.D.. The amendment contains corrections to the details of Doctor Arndal's agreements including term of the agreements, malpractice reimbursement allowance, benefits, and wording regarding the doctor's privileges. It was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve the proposed amendment to the agreements with Doctor Arndal as presented.

CONTRACT AMMENDMENT FOR RHC CALL, GEORGE KIBLER, M.D.

Mr. Halfen called attention to a proposed amendment to the Agreement for RHC Call with George Kibler, M.D. which includes the following changes:

1. Increasing Dr. Kibler's compensation to \$1,500 per week
2. Elimination of the reference to Mandatory Call
3. Elimination of mention of a need for additional physician recruitment
4. Change of effective date of the agreement to December 24, 2007

It was moved by Doctor Ungersma, seconded by Doctor Clark, and passed to approve the proposed amendment to the Agreement for RHC Call with Doctor Kibler as presented.

- GE MASTER LEASE FOR RADIOLOGY EQUIPMENT Mr. Halfen referred to a proposed Master Lease Agreement with GE Government Finance to finance Radiology equipment for the new Radiology building. Following review of the agreement, it was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve the proposed Master Lease Agreement with GE Government Finance as presented.
- FORKLIFT PURCHASE Mr. Halfen called attention to a proposal to purchase an electric forklift not previously included in the annual budget. As the rebuild project has progressed it has become apparent that an additional forklift is needed to conduct work in both the Purchasing and Maintenance departments. The forklift currently being used utilizes an internal combustion engine, and the fumes and noise it produces makes in impractical for indoor use. It was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve the purchase of an electric forklift as proposed, at a cost of \$33,000.
- EMPLOYEE COST OF LIVING ADJUSTMENT (COLA) Mr. Halfen noted an employee cost of living adjustment (COLA) was scheduled for consideration in January of 2008, if financial conditions at the Hospital remain positive at that time. Mr. Halfen recommends a 1.75 increase to employee salaries effective as of the first full pay period in January. Following discussion, it was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve a 1.75 percent cost of living adjustment to employee salaries effective in January of 2008.
- AMMENDMENT TO 457B PLAN Mr. Halfen referred to a proposed amendment to Lincoln Life's 457 B plan. The plan provides a supplemental retirement vehicle for Hospital employees, and the Hospital has no direct financial interest in the plan. The amendment includes a borrowing provision that allows employees the option of borrowing from their own investment account if they choose to do so. It was moved by Doctor Ungersma, seconded by Doctor Clark, and passed to approve the amendment to the employee Lincoln Life 457 B plan as presented.
- BECK & CASEY PURCHASE AND LEASE BACK AGREEMENT Mr. Halfen informed the Board that discussion of a possible purchase and lease back agreement with Alice Casey, M.D. and Clifford Beck, M.D. will be tabled until the next regular meeting of the District Board.
- DEMOLITION BID AND CONTRACT Mr. Halfen asked the Board for ratification of the contract for demolition of the existing Hospital building for Phase II of the building project. Following review of the contract it was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve ratification of the contract for demolition services as presented.
- HCS LAUNDRY LEASE Mr. Halfen referred to proposed Board Resolution 07-05 and a corresponding Master Tax-Exempt Lease/Purchase Agreement with

Healthcare Capital Services, LLC for the lease of Laundry equipment for the new Support building. The five-year lease has been reviewed and approved by Hospital Administration and District Legal Counsel with an interest percentage of 4.73 percent. It was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve Resolution 05-07 and the Master Tax-Exempt Lease/Purchase Agreement with Healthcare Capital Services LLC as presented. Mr. Halfen also noted that once new laundry equipment is in operation he will contact Mammoth Hospital regarding the possibility of providing laundry services for their facility.

PURCHASE OF
ADDITIONAL SIEMANS
MONITOR

Intensive Care Unit (ICU) and Obstetrics (OB) Unit Manager Jan Kneip, R.N. referred to a proposal to purchase an additional Siemans monitor for use in the ICU. Ms. Kneip noted that following the remodel of the Emergency Room (ER), a Siemans monitor normally used in the ICU has been on loan to the ER.. While the monitor improves the quality of patient care in the ER its absence negatively affects patient care in the ICU. Ms. Kneip proposes the purchase of a refurbished monitor at a price of \$8,000. It was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve the purchase of an additional Siemans monitor for use in the ICU as presented.

PURCHASE OF
PORTABLE
ULTRASOUND
MACHINE

Ms. Kneip then presented a proposal to purchase portable ultrasound equipment for use in the OB unit as requested by Lara Jeanine Arndal, M.D.. The portable equipment is needed for patient assessment including emergency situations and is essential to maintain the quality of care for OB patients. Doctor Arndal has researched ultrasound equipment with the input of hospital staff and has selected GE equipment for a total purchase price just under \$36,000. It was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve the purchase of a portable ultrasound machine as presented.

BOARD MEMBER
REPORTS

Mr. Watercott asked if any members of the Board of Directors wished to report on any items of interest. No reports were heard.

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 any items of interest. Director of Nursing Susan Batchelder, R.N. reported that Pioneer Home Health Care recently presented Rural Health Clinic (RHC) Nurse Manager Tracy Aspel, R.N. with a plaque of appreciation for the Clinic's quality patient care. Ms. Batchelder also reported the Licensed Vocational Nursing (LVN) training program will begin on January 22 2008 and 15 students have been enrolled into the program.

CLOSED SESSION

At 6:50 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. Instruct negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of real property (Government Code Section 54956.8).
- C. Instruct negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of a second real property (Government Code Section 54956.8).
- D. Discuss with counsel 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).
- E. Discuss with counsel pending litigation and whether or not the District shall initiate a second litigation. This discussion will be held under the authority of Government Code Section 54956.9(c).
- F. Confer with legal counsel regarding Worker's Compensation and Disability litigation brought against the District by Scott Wright (Government Code Section 54956.9(a)).
- G. Confer with legal counsel regarding pending litigation against the District by an employee (Government Code Section 54956.9(a)).

RETURN TO OPEN
SESSION

At 8:15 pm the meeting was returned to open session. Mr. Watercott announced 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 8:16 p.m.

Peter Watercott, President

Attest:

Michael Phillips, M.D., Secretary