

- CALL TO ORDER The meeting was called to order at 5:30 p.m. by D. Scott Clark M.D., Member at Large.
- PRESENT D. Scott Clark M.D., Member at Large
M.C. Hubbard, Secretary
Denise Hayden, Treasurer
- ALSO PRESENT John Halfen, Administrator
Douglas Buchanan, District Legal Counsel
Helena Black M.D., Chief of Staff
Sandy Blumberg, Administration Secretary
- ABSENT Peter Watercott, President
John Ungersma, M.D., Vice President
- ALSO PRESENT FOR
RELEVANT PORTION(S) Dianne Shirley, R.N., Performance Improvement Coordinator
- PUBLIC COMMENTS
ON THE AGENDA Doctor Clark 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 July 21 2010 regular meeting were approved.
- FINANCIAL AND
STATISTICAL REPORTS Mr. Halfen called attention to the financial and statistical reports for the month of July 2010. He noted the statement of operations shows a bottom line excess of revenues over expenses of \$365,559. Mr. Halfen additionally called attention to the following:
- *Inpatient service revenue was under budget and outpatient service revenue was over budget*
 - *Total expenses were under budget*
 - *Salaries and wages and employee benefits expense were both under budget*
 - *Professional Fees Expense was over budget*
 - *The Balance Sheet showed no significant change*
 - *Total net assets are \$47,259,000*
 - *Year-to-date net income totals \$365,559*
- Mr. Halfen commented that cash reserves have been fluctuating on a regular basis due to money being disbursed to help fund the hospital rebuild project. He stated the hospital's investments remain stable at this time, and Northern Inyo Hospital (NIH) is on track financially to be able to provide the funding necessary to complete the building project. He additionally reported he recently moved \$23,000,000 in investments out of Union Bank and into treasury securities with Multibank Securities, whose financial performance has been exemplary during difficult financial times.

ADMINISTRATOR'S REPORT	Mr. Halfen also noted that bad debt expense continues to be a concern however it is manageable at this time. Following review of the statements provided it was moved by M.C. Hubbard, seconded by Denise Hayden, and passed to approve the financial and statistical reports for the month of July 2010 as presented.
BUILDING UPDATE	John Hawes with Turner Construction Company reported the concrete for all levels of the new hospital building has been poured and fireproofing of the steel structure is currently under way. Within the next month scaffolding will go up and the exterior of the building will be framed. Kathy Sherry, also with Turner Construction provided a chart of remaining project expenditures along with the expected dates that funds will be needed for each portion of the project. Mr. Halfen provided a chart which illustrated the sources of funding for the project as well as the estimated dates for major monetary disbursements.
SECURITY REPORT	Mr. Halfen referred to the monthly Security reports for the months of June and July 2010, which revealed no significant security issues.
ANNUAL AUDIT RESULTS	Mr. Halfen reported the hospital's annual audit has been completed, and as a result of the diligent efforts of NIH Controller Carrier Petersen, no audit adjustments were needed this year. The Board congratulated Ms. Petersen on a job well done and it was moved by Ms. Hayden, seconded by Ms. Hubbard, and passed to approve the annual audit of K.C. Miller and Associates as reported.
INYO COUNTY TREASURY POOL STATEMENT	Mr. Halfen referred to a correspondence received from Inyo County reporting the market valuation of the County Treasury Pool as of June 30, 2010. This item was provided for informational purposes only.
KITCHEN INSPECTION	Mr. Halfen informed the Board the Dietary Department recently underwent another unannounced inspection, and once again the kitchen passed the inspection with flying colors.
NOVEMBER ELECTION	Mr. Halfen informed the Board that Board members Hayden, Watercott, and Hubbard had no opponents file to run against them to represent their Hospital District Zones, so the terms of those three Board members will automatically renew as of the November 2 2010 election.
CALIFORNIA PHYSICIAN FACTS AND FIGURES	Mr. Halfen called attention to a publication titled <i>California Physician Facts and Figures</i> which provides current statistics on California physician numbers, education, practices, and compensation rates. The publication was provided as an item of interest only.
HOSPITAL LICENSE RENEWAL	Mr. Halfen informed the Board that the State of California will not be issuing license renewal paperwork for California hospitals until the annual

budget has been signed. Northern Inyo Hospital's license is scheduled to expire on October 31 2010, and the Department of Licensing and

Certification assures hospital administration that if the budget is not signed by that time NIH will not be penalized for late renewal.

HIS SYSTEM
SELECTION

Mr. Halfen also reported management is in the final stages of choosing a new Hospital Information System (HIS) and the final selection will be presented for Board approval at the regular October meeting. The two vendors still in the running for consideration are MediTech and McKesson. NIH is discontinuing use of the Quadramed system due to concerns about the company's future and their ability to continue to support their products. Members of the Board commented that they would like to hear from HIS users at the October meeting, in order to help make their decision easier.

CHIEF OF STAFF
REPORT

Chief of Staff Helena Black, M.D. reported the Medical Executive Committee recommends the granting of cancer chemotherapy privileges to Thomas Boo, M.D., to manage chemotherapy patients in consultation with an oncologist per protocol. It was moved by Ms. Hayden, seconded by Ms. Hubbard and passed to approve the granting of additional privileges for Dr. Boo as requested.

ADDITIONAL
PRIVILEGES, DR. BOO

POLICIES AND
PROCEDURES

Doctor Black also reported the Medical Staff and appropriate committees recommend approval of the following two OB/Gyn policies and procedures:

1. *Prostaglandin or Cervidil Vaginal Insert for Cervical Ripening*
2. *Pitocin Induction or Augmentation of Labor*

Following brief review of the policies it was moved by Ms. Hubbard, seconded by Ms. Hayden, and passed to approve both policies and procedures as recommended.

PHYSICIAN ASSISTANT
PROTOCOLS

Doctor Black called attention to the following Rural Health Clinic Physician Assistant Protocols also recommended for approval by the Medical Staff and appropriate Medical Staff Committees:

1. *General Policy for RHC Physician Assistants*
2. *Adult Health Maintenance for Rural Health Clinic Physician Assistants*
3. *Adult Health Maintenance for Rural Health Clinic Physician Assistants*
4. *Management of Chronic Illness for Rural Health Clinic Physician Assistants*
5. *Emergency Care Policy for Rural Health Clinic Physician Assistants*
6. *Laboratory & Diagnostic Testing for RHC Physician Assistants*

7. *Minor Surgical Policy for Rural Health Clinic Physician Assistants*
8. *Management of Minor Trauma for Rural Health Clinic Physician Assistants*
9. *Well Child Care Policy for Rural Health Clinic Physician Assistants*

Doctor Black noted that Physician Assistants (P.A.s) require different protocols than nurse practitioners, and these protocols have been reworded to be specifically appropriate for P.A.s. It was moved by Ms. Hayden, seconded by Ms. Hubbard, and passed to approve all nine Physician Assistant protocols as recommended.

RHC P.A.s

Rural Health Clinic (RHC) Director Stacey Brown M.D. reported the RHC has hired two Physician Assistants who will begin work later this month. The hiring process has been delayed due to the fact that credentialing criteria and requirements have yet to be established for NIH Physician Assistants. Doctor Brown will work with the Medical Staff to expedite credentialing of the P.A.s in order to get them on board and seeing patients as soon as possible. A special meeting of the District Board may be called in order to approve the credentialing paperwork prior to the next regular meeting.

OTHER

Doctor Black reported as an informational item only that Donna McCauley, FNP is no longer working at the Family Health Center.

OLD BUSINESS

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

NEW BUSINESS

CONSTRUCTION
CHANGE ORDERS

Kathy Sherry with Turner Construction Company presented the following construction change orders for the review of the Board:

1. COR 52: \$144,979.25 in extra costs for the central plant chiller and condenser
2. COR 56: \$82,746.00 for exterior framing and support steel changes needed to meet code
3. COR 59: \$100,276.84 for central plant electrical changes/improvements

Ms. Sherry noted the change orders are a result of design changes and upgrades to the central plant, which have been carefully reviewed by the project's mechanical engineers. Following review of the information provided it was moved by Ms. Hubbard, seconded by Ms. Hayden and passed to approve all three construction change orders as presented.

CONTRACT RENEWALS
AND EXTENSIONS

Mr. Halfen called attention to the following contract renewals and extensions that are being presented for Board approval:

1. Pathology Agreement, *Kenneth Saeger, M.D.* and sidebar regarding *Natalie Z. Mills, M.D.*

2. Security Officer Agreements (*S. Day, D. Nolan, F. Gomez, and C. Carter*)
3. Lead Security Officer Agreement (*S. Day*)
4. Chief of EKG Agreement, *Asao Kamei, M.D.*
5. Director of Respiratory therapy, *Asao Kamei, M.D.*
6. M.O.U. with *Tomi Bortolazzo, M.D.*
7. Real Estate Lease for 331 Clarke Street
8. Real Estate Lease for 768 W. Pine Street
9. Office Lease for 152-D Pioneer Lane
10. Rural Health Clinic Director Agreement, *Stacey Brown M.D.*
11. Rural Health Clinic Staff Physician Agreement, *Michael Phillips, M.D.*

Mr. Halfen noted that items 2 through 11 do not contain any financial or service level changes and are simple contract renewals that could be approved in one motion. It was moved by Ms. Hubbard, seconded by Ms. Hayden, and passed to approve agreements 2 through 11 as requested. Mr. Halfen also noted there is a proposed change to agreement #1 for the Pathology services of Kenneth Saegar M.D., and he will review those changes (which also do not involve financial or service level changes) with District Legal Counsel Douglas Buchanan. Mr. Buchanan commented that he would like to make housekeeping changes to agreement 5 for the Respiratory Therapy Director services of Asao Kamei, M.D., and it was moved by Ms. Hubbard, seconded by Ms. Hayden and passed to also approve agreements 1 and 5 including Mr. Buchanan's changes.

EMERGENCY
DEPARTMENT
PHYSICIAN COVERAGE
PROPOSALS

Doctor Black called attention to two proposals for emergency department physician coverage presented by Valley Emergency Physicians and by Jennie Walker M.D. on behalf of Eastern Sierra Emergency Physicians. Doctor Black stated the emergency department (E.D.) physicians have been dissatisfied with some aspects of Valley management in recent years, however in an effort to keep the NIH contract Valley is offering to make changes and improvements to the doctors' agreement. Doctor Black stated the emergency department physicians will continue to work with Valley in an attempt to come up with a suitable agreement, and the proposed ED contract will be resubmitted for approval at the next regular meeting of the District Board.

NON-DISCRIMINATION
POLICY & PROCEDURE

Mr. Halfen referred to the Hospital's proposed hospital-wide Non-discrimination policy, which states that no patient will be discriminated against on the basis or ground of race, color, sex (gender), sexual orientation, age, religion, or national origin. It was moved by Ms. Hayden, seconded by Ms. Hubbard, and passed to approve the NIH Nondiscrimination Policy as presented.

**AUXILIARY BYLAWS
APPROVAL**

Mr. Halfen also referred to the N.I.H. Auxiliary bylaws which were submitted for annual approval with no changes being made from the previous year. It was moved by Ms. Hubbard, seconded by Ms. Hayden, and passed to approve the NIH Auxiliary bylaws as presented.

**POLICY & PROCEDURE
MANUAL APPROVALS**

Mr. Halfen called attention to the following Policy and Procedure manuals which were on hand for the review and approval of the Board:

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|------------------------|----------------------------|
| 1. Central Supply | 13. MRI Safety |
| 2. Emergency Room | 14. Nuclear Medicine |
| 3. ICU Unit | 15. Nursing Administration |
| 4. Infection Control | 16. OB Unit |
| 5. Laboratory Manual | 17. Pharmacy |
| 6. Language Services | 18. Radiation Safety |
| 7. Outpatient Unit | 19. Respiratory Therapy |
| 8. PACU Unit | 20. Rural Health Clinic |
| 9. Pediatric Unit | 21. Safety |
| 10. Radiology | 22. Staff Development |
| 11. Mammography & MSQA | 23. Surgical Services Unit |
| 12. Med-Surg Unit | |

It was moved by Ms. Hubbard, seconded by Ms. Hayden, and passed to approve all 23 policy and procedure manuals as presented.

MDV RATE INCREASE

Mr. Halfen informed the Board that in spite of the fact that employee benefit costs have been increasing for the last three years, no increase has been made to the employee contribution for medical, dental, and vision insurance. Mr. Halfen proposes a 2 percent increase be made to the current employee contribution which will result in an increased cost to employees of \$1.60 per month or less. Following brief discussion it was determined this agenda item will be discussed at the next meeting of the District Board where a quorum of Board members who do not need to abstain from the vote are present.

**BATTERY BACK UP
FOR CT SCANNER**

Radiology Director Patty Dixon referred to a proposal to purchase a back-up battery for the Hospital's CT scanner at a cost of \$22,950. Ms. Dixon stated that multiple power fluctuations have resulted in repeated repair calls to General Electric, and it is doubtful that GE will continue to provide repair service without billing NIH for the cost. It has been determined that it would be financially prudent to purchase a battery backup for the CT scanner in order to avoid future damage to the equipment and to avoid costly repairs. It was moved by Ms. Hayden, seconded by Ms. Hubbard, and passed to approve the purchase of a battery back-up for the hospital's CT scanner as requested.

**BOARD MEMBER
REPORTS**

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

OPPORTUNITY FOR
PUBLIC COMMENT

In keeping with the Brown Act, Doctor Clark 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.

CLOSED SESSION

At 6:22 p.m. Doctor Clark 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 6:32 p.m. the meeting returned to open session. Doctor Clark reported the Board took no reportable action.

OPPORTUNITY FOR
PUBLIC COMMENT

Doctor Clark 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 6:34 p.m..

D. Scott Clark, M.D., Member at Large

M.C. Hubbard, Secretary