



Northern Inyo County Local Hospital District

Board of Directors Regular Meeting

Wednesday January 20, 2010 5:30pm

Board Room

Northern Inyo Hospital

DRAFT AGENDA
NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT
BOARD OF DIRECTORS MEETING
January 20, 2010 at 5:30 P.M.
In the Board Room at Northern Inyo Hospital

1. Call to Order (at 5:30 P.M.).
2. Opportunity for members of the public to comment on any items on this Agenda.
3. Approval of minutes of the December 2 2009 regular meeting and the December 11 2009 special meeting.
4. Financial and Statistical Reports for the months of October and November 2009; John Halfen.
5. Administrator's Report; John Halfen.
 - A. Building Update
 1. Project Budget and Cash flow
 - B. Security Report
 - C. Medi-Cal Cuts
 - D. CIT Group Bankruptcy update
 - E. Bonds update
 - F. Other
6. Chief of Staff Report – Charlotte Helvie, M.D..
 - A. Staff resignation, Farhad Keliddari, M.D. (*action item*).
 - B. Other
7. Old Business
 - A. Northern Inyo Hospital Health Plan Renewal Report, Barry G. Miller & Associates (*action item*).
8. New Business
 - A. Amendment to Rural Health Clinic Staff agreement with Jennifer Scott, M.D. (*action item*).
 - B. Proposal to purchase platelet function test machine for Laboratory Department for \$9,000 (*action item*).
 - C. Turner Mobilization Contract (*action item*).
 - D. Proposed Agreement between VSM Medical Group Inc. and Northern Inyo Hospital for Mutuhi Mugo, M.D.; and proposed Operations Agreement between Nickoline Hathaway, M.D. and Asao Kamei, M.D. and Northern Inyo Hospital for Mutuhi Mugo, M.D. (*action items*).
 - E. Mid-Year Cost of Living Adjustment (*action item*).
 - F. Service Agreement with Tahoe Carson Tahoe Radiology (*action item*).

- G. Arcadia Pathology Clinical Laboratory and Pathology Service Agreement extension (*action item*).
- H. Turner Construction Change orders (*action items*):
 - 1. COR 23; Food Service Equipment Contract, \$88,870.70
 - 2. COR 24; Underground pre-insulated pipe, \$78,219.82
 - 3. COR 25: Lab Waste UG Decon Waste Piping, \$39,119.30
 - 4. COR 26; Additional trades, \$148,653.34
- 9. Reports from Board members on items of interest.
- 10. Opportunity for members of the public to comment on any items on this Agenda, and/or on any items of interest.
- 11. Adjournment to closed session 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 John Nesson M.D. against Northern Inyo County Local Hospital District and other Defendants (Government Code Section 54956.9(a)).
 - C. Consideration of employment, evaluation of performance, discipline, or dismissal of a District employee (Government Code Section 54957).
 - D. Confer with legal counsel regarding application to present late claim against Northern Inyo County Local Hospital District filed by Stephen Johnson and Elizabeth Monahan-Johnson (Government Code Section 54956.9(a)).
 - E. Conduct CEO Annual Performance Evaluation (Government Code Section 54957).
- 12. Return to open session, and report of any action taken in closed session.
- 13. Opportunity for members of the public to address the Board of Directors on items of interest.
- 14. Adjournment.

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- CALL TO ORDER The meeting was called to order at 5:30 p.m. by Peter Watercott, President.
- PRESENT Peter Watercott, President
Michael Phillips, Treasurer
D. Scott Clark, M.D., Director
Charlotte Helvie, M.D., Chief of Staff
- ALSO PRESENT Carrie Petersen, Controller
Douglas Buchanan, District Legal Counsel
Sandy Blumberg, Administration Secretary
- ABSENT John Ungersma, M.D., Vice President
M.C. Hubbard, Secretary
John Halfen, Administrator
- 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 October 21 2009 regular meeting were approved.
- FINANCIAL AND
STATISTICAL REPORTS Carrie Petersen, Controller called attention to the financial and statistical reports for the month of September 2009. Ms. Petersen noted the statement of operations shows a bottom line excess of revenues over expenses of \$542,222. She additionally called attention to the following:
- *Inpatient service revenue was under budget*
 - *Outpatient service revenue was over budget*
 - *Total expenses were under budget*
 - *Salaries and wages and employee benefits were both under budget*
 - *Professional fees expense was over budget*
 - *The Balance Sheet showed no significant change*
 - *Total assets continue to grow*
 - *Year-To-Date Net Revenue totals \$1,520,622*
- ADMINISTRATOR'S
REPORT Ms. Petersen noted Radiologist professional fees expense will continue until such time as a permanent Radiology solution has been reached. She additionally noted Medicare cost report payments are currently three years behind, and Northern Inyo Hospital (NIH) expects it will be owed a significant amount of Medicare money once the final figures have been calculated. It was moved by D. Scott Clark, M.D., seconded by Michael Phillips, M.D., and passed to approve the September 2009 financial and statistical reports as presented.
- BUILDING UPDATE,
BUDGET & CASH FLOW Ms. Petersen noted the building project update regarding budget and cash flow will be presented at the next regular meeting of the District Board.

John Hawes with Turner Construction Company reported 188 piers for the foundation of the new hospital building have been poured, and the remainder should be completed around the middle of December. Kathy Sherry, also with Turner Construction introduced Kevin Boots with RBB Architects, the architectural firm that has replaced NTD Stichler Architects for the remainder of the building project. She noted that RBB is half-way through peer review comments and the peer review process has proven to be a valuable undertaking.

SECURITY REPORT

Ms. Petersen noted the monthly Security Report was included in the Board packet for Board members to review.

RADIOLOGY STATE
INSPECTION

She additionally noted the California Department of Public Health recently conducted an unannounced inspection of the Hospital's Radiology Department and no violations were observed.

PATIENT COMPLAINT

A patient complaint regarding the operation of a pain management clinic in Southern Inyo County was also included in the packet.

CIT GROUP
BANKRUPTCY

Ms. Petersen reported the Hospital should find out in the near future how much of a loss it will take as a result of the CIT Group bankruptcy. The loss incurred is likely to be recognized during the month of December.

BONDS UPDATE

Ms. Petersen also reported Hospital Administration continues to watch market conditions for the most beneficial time to issue the next series of revenue bonds, and there is no new update on that subject at this time.

CHIEF OF STAFF
REPORT

Chief of Staff Charlotte Helvie, M.D. reported that following careful review and consideration the Medical Executive Committee recommends the following:

- A. Renewal of NIH Rural Health Clinic (RHC) privileges for Allied Health Professional Nurse Practitioners Tracy Drew, Mara Yolken, Joshua Vendig, and Norma Kryder, based on the recommendations of Director of Nursing Susan Batchelder, R.N., and RHC Medical Director Stacey Brown, M.D., for the period not to exceed January 1, 2010 through December 31, 2011.
- B. Reappointment to the NIH Medical Staff with requested privileges, for a maximum term of two years beginning January 1, 2010 in the Staff category noted, contingent upon satisfaction of noted deficiencies on or before December 31, 2009:

Active Medical Staff:

Clifford S. Beck, M.D., Pediatrics and Allergy Medicine
Helena L. Black, M.D., Emergency Medicine
Stacey L. Brown, M.D., Family Medicine
Alice E. Casey, M.D., Pediatrics
D. Scott Clark, M.D., General/Vascular Surgery

Michael L. Dillon, M.D., Emergency Medicine
Emery J. Duncan, D.D.S., Dentistry
Anne Gasior, M.D., Family Medicine
David L. Greene, M.D., Obstetrics/Gynecology
Nickoline M. Hathaway, M.D., Internal Medicine
Andrew D. Hewchuck, D.P.M., Podiatry
Asao Kamei, M.D., Internal Medicine
George K. Kibler, M.D., Family/Emergency Medicine (upon
documentation of 50 CME hours)
Doris Lin, M.D., Emergency Medicine
Richard Nicholson, M.D., Family Medicine
Michael W. Phillips, M.D., Emergency and Family Medicine
Amr H. Ramadan, M.D., Family Medicine/C-Sections
Thomas K. Reid, M.D., Ophthalmology
James A. Richardson, M.D., Internal Medicine
Kenneth L. Saeger, M.D., Pathology
Curtis Schweizer, M.D., Anesthesiology
Jennifer A. Scott, M.D., Emergency and Family Medicine
Vasuki Sittampalam, M.D., Internal Medicine
Gregory M. Taylor, M.D., Emergency Medicine
Carolyn J. Tiernan, M.D., Emergency Medicine
Taema F. Weiss, M.D., Family Medicine

Consulting Medical Staff:

Jonathan C. Bourne, M.D., Anesthesiology
Natalie Z. Mills, M.D., Pathology
Miguel Palos, M.D., Radiology (upon payment of Staff dues)
Leo M. Pisculli, M.D., Psychiatry
Anthony Schapera, M.D., Anesthesiology
Eva S. Wasef, M.D., Pathology
A. Douglas Will, M.D., Neurology

C. Renewal of Hospital privileges for NIH Medical Staff Allied
Professional Donna McAuley, FNP, CNM, for the period not to
exceed January 1, 2010 through December 31, 2011.

Doctor Helvie additionally reported the Medical Executive Committee
agreed to accept the voluntary resignations of Staff members Kenneth
Gilliland, M.D.; Leon Jackson, M.D.; and Victoria Nguyen, D.O..

Following careful review and consideration, the Medical Executive
Committee also recommends approval of the following Hospital Policies
and Procedures:

1. *Medical Students in the OR*
2. *Surgical Procedural Site Identification*
3. *Misoprostol for Cervical Ripening*
4. *Patient Admission to ICU*

It was moved by Doctor Phillips, seconded by Doctor Clark, and passed to

approve all reappointments and reprivileging, three Medical Staff resignations, and all four policies and procedures as recommended.

OLD BUSINESS

REAFFIRMATION OF
NEGOTIATOR

Ms. Petersen asked for reaffirmation of John Halfen as negotiator regarding the potential acquisition of a real property at 2957 Birch Street, Bishop California. Negotiation will be with the designee(s) of Mammoth Hospital. It was moved by Doctor Clark, seconded by Doctor Phillips, and passed to approve John Halfen as negotiator as requested.

FINANCIAL REPORTS
PROVIDED FOR THE
BOARD OF DIRECTORS

Mr. Watercott opened discussion on the financial reports provided for the Board on a monthly basis. Following review it was decided the reports will remain the same, but the patient statistics and non-emergency outpatient visit reports will now be provided on a quarterly basis.

EMPLOYEE
SATISFACTION
SURVEY

Human Resources Director Georgan Stottlemire reviewed with the Board the results of a recent Employee Satisfaction Survey conducted at NIH. Surveys were completed by 129 employees, and in comparison to other companies it appears job satisfaction at NIH is similar to comparable businesses. Teamwork and communication are the two areas NIH employees would like to focus on for future improvement.

NEW BUSINESS

BOARD OFFICER
ANNUAL ELECTIONS

Mr. Watercott asked Directors present for their suggestions regarding holding the annual election of District Board Officers with two Directors absent. Following brief discussion it was moved by Doctor Clark, seconded by Doctor Phillips, and passed to table this agenda item to the December special meeting of the District Board.

HEALTH PLAN
RENEWAL REPORT

Ms. Petersen reported Administrator John Halfen has asked that discussion of the Health Plan Renewal Report provided by Barry Miller and Associates be tabled to the next meeting of the District Board, so that he may be present for the discussion.

PHYSICIAN
AGREEMENTS WITH
LARA JEANINE
ARNDAL, M.D.

Mr. Watercott referred to a proposed Rural Health Clinic Staff Physician agreement and a NIH Private Practice Physician Income Guarantee and Practice Management Agreement with Lara Jeanine Arndal, M.D.. Following review of both agreements it was moved by Doctor Phillips, seconded by Doctor Clark, and passed to approve both agreements as presented with the note that Dr. Arndal's mailing address will be added to the documents.

STAY OF PIONEER
MEDICAL ASSOCIATES
CCR'S FOR MUTUHI
MUGO, M.D.

District Legal Counsel Douglas Buchanan suggested discussion of a stay of Pioneer Medical Associates CC & R's for Mutuhi Mugo, M.D. be tabled to the next regular meeting of the District Board, and that this agenda item be placed under the closed session portion of the agenda.

- BUILDING PROJECT CHANGE ORDERS** Turner Construction project manager Kathy Sherry requested approval of the following (three) building project change orders:
1. COR 20, allowing for a contract cost reduction of \$2,627,272.
 2. COR 21, for foundation under-slab piping at a cost of \$59,460
 3. COR 22, an adjustment for differing site conditions at a cost of \$756,333.
- Following discussion of the changes needed it was moved by Doctor Clark, seconded by Doctor Phillips, and passed to approve COR 20 for a savings of \$2,627,272 as recommended. It was then moved by Doctor Phillips, seconded by Doctor Clark, and passed to approve COR 21 for under-slab piping for \$59,460; and it was moved by Doctor Phillips, seconded by Doctor Clark, and passed to approve COR 22 resulting from unexpected site conditions at a cost of \$756,333 as recommended.
- BOARD MEMBER REPORTS** Mr. Watercott asked if any members of the Board of Directors wished to report on any items of interest. Doctor Clark commented that performing high resolution laparoscopic surgery can be challenging during times when the Hospital is shaking as a result of construction.
- PUBLIC COMMENT** In keeping with the Brown Act, Mr. Watercott again asked if any members of the public wished to comment on any items listed on the agenda or on any items of interest. No comments were heard.
- CLOSED SESSION** At 6:30 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 54963).
 - B. Instruct negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of a real property (Government Code Section 54956.8).
 - C. Confer with legal counsel regarding claim filed by John Nesson, M.D. 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 7:33 p.m. the meeting returned to open session. Mr. Watercott reported the Board took no reportable action.
- 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 Board briefly stated their availability for attendance at a possible December special meeting of the District Board, after which the meeting was adjourned at 7:37 p.m..

Peter Watercott, President

Attest:

Michael Phillips, M.D., Treasurer

- CALL TO ORDER The meeting was called to order at 5:30 p.m. by Peter Watercott, President.
- PRESENT Peter Watercott, President
John Ungersma, M.D., Vice President
D. Scott Clark, M.D., Director
- ALSO PRESENT John Halfen, Administrator
Douglas Buchanan, District Legal Counsel
Sandy Blumberg, Administration Secretary
- ABSENT Charlotte Helvie, M.D., Chief of Staff
M.C. Hubbard, Secretary
Michael Phillips, Treasurer
- OPPORTUNITY FOR
PUBLIC COMMENT Mr. Watercott asked if any members of the public wished to comment on any items of interest and/or on any items listed on the agenda for this meeting. No comments were heard.
- APPROVAL OF
RESOLUTION 09-07 FOR
REVENUE BONDS
PURCHASE Mr. Watercott referred to Proposed Northern Inyo County Local Hospital District (NICLHD) Resolution 09-07 allowing for issuance of revenue bonds for the purpose of financing the remodeling, expansion, improvement and equipping of Northern Inyo Hospital, as approved by District voters with the passage of Measure H. The Resolution allows for issuance of tax-exempt "Build America Bonds", under the provisions of the American Recovery and Reinvestment Act of 2009. Hospital Administration has been studying market conditions and expects to issue these bonds in the near future, pending approval of this Resolution. Mr. Halfen noted he expects the interest percentage for the revenue bonds to be approximately 4.25 percent upon issuance. Following brief discussion it was moved by D. Scott Clark, M.D., seconded by John Ungersma, M.D. and passed to approve Resolution 09-07 as requested.
- ADDENDUM TO
PROPOSED PURCHASE
AGREEMENT FOR 2957
BIRCH STREET,
BISHOP, CALIFORNIA District Legal Counsel Douglas Buchanan referred to proposed Addendum "A" to the commercial property purchase agreement and joint escrow instructions with Southern Mono Healthcare District (SMHD) for purchase of a property located at 2957 Birch Street in Bishop, California. Mr. Buchanan noted the Addendum allows for purchase of the property on an "as is" basis per the request of SMHD; and also allows for NICHLD to pay \$10,000 in damages should they decide to withdraw from the purchase agreement for any reason. Following review of the Addendum it was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve Addendum "A" to the proposed purchase agreement for 2957 Birch Street as requested.

BOARD OFFICER
ANNUAL ELECTIONS

Mr. Watercott opened nominations for the following Board Officer positions for the 2010 calendar year: President; Vice President; Treasurer; and Secretary. It was moved by Dr. Ungersma, seconded by Doctor Clark, and passed to retain the current slate of Board Officers for another calendar year.

Mr. Halfen stated District Board bylaws allow for the appointment of an Assistant Treasurer who can act in the absence of the Board Treasurer if necessary. He suggested it may be helpful during the Bond issuance process to appoint an Assistant Treasurer to act on behalf of Michael Phillips, M.D. in the event that Doctor Phillips is absent. Following brief discussion it was moved by Peter Watercott, seconded by Doctor Ungersma, and passed to approve appointing D. Scott Clark, M.D. to be the District's Assistant Treasurer for the 2010 calendar year.

OPPORTUNITY FOR
PUBLIC COMMENT

In keeping with the Brown Act, Mr. Watercott again asked if any member of the public wished to address the Board on any items of interest, and/or on any items listed on the agenda for this meeting. No comments were heard.

ADJOURNMENT

The meeting was adjourned at 5:45 p.m..

Peter Watercott, President

Attest:

John Ungersma, M.D., Vice President

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BUDGET VARIANCE ANALYSIS

Oct-09 PERIOD ENDING After Audit

In the month, NIH was

		0%	at budget in IP days;
	(	-0.03%	) under in IP Ancillary Revenue and
	(	12.1%	) over in OP Revenue resulting in
\$ 451,520	(	6.3%	) over in gross patient revenue from budget &
\$ 221,637	(	5.2%	) over in net patient revenue from budget

Total Expenses were:

\$ 656,521	(	15.7%	) over budget. Wages and Salaries were
\$ 56,316	(	3.7%	) over budget and Employee Benefits
\$ 180,716	(	19.7%	) over budget.
\$ 30,664			of other income resulted in a net loss of
\$ (202,906)	\$ (473,734)		under budget.

The following expense areas were over budget for the month:

\$ 56,316	4%	Employee Benefits
\$ 180,716	20%	Employee Benefits
\$ 139,042	41%	Professional Fees; registry staff & Physicians
\$ 45,697	9%	Supplies
\$ 104,097	47%	Purchased Services
\$ 148,317	102%	Bad Debt

Other Information:

44.67%	Contractual Percentages for month
41.80%	Contractual Percentages for Year

\$ 1,317,716 Year-to-date Net Revenue

Special Notes:

**Radiology Professional Fee Revenue and Expense were not budgeted.
The HIS Pros and Plan Net Services were not budgeted.**

NORTHERN INYO HOSPITAL

Balance Sheet

October 31, 2009

Assets

	<u>Current Month</u>	<u>Prior Month</u>	<u>FYE 2009</u>
Current assets:			
Cash and cash equivalents	1,719,819	1,769,427	881,651
Short-term investments	27,502,238	28,014,036	29,519,296
Assets limited as to use	1,679,388	478,489	738,740
Plant Expansion and Replacement Cash	8,396,035	8,395,903	10,439,607
Other Investments (Partnership)	961,824	961,824	961,824
Patient receivable, less allowance for doubtful accounts \$511,638	8,073,629	8,736,813	7,591,694
Other receivables (Includes GE Financing Funds)	1,206,917	1,151,807	867,584
Inventories	2,472,449	2,482,957	2,456,265
Prepaid expenses	1,262,413	1,269,190	1,057,280
Total current assets	53,274,713	53,260,446	54,513,940
Assets limited as to use:			
Internally designated for capital acquisitions	658,179	658,130	657,814
Specific purpose assets	54,477	594,722	564,033
	712,656	1,252,852	1,221,847
Revenue bond construction funds held by trustee	978,365	930,926	788,610
Less amounts required to meet current obligations	1,679,388	478,489	738,740
Net Assets limited as to use:	11,632	1,705,289	1,271,716
Long-term investments	1,595,933	1,595,933	100,000
Property and equipment, net of accumulated depreciation and amortization	37,751,477	36,708,281	35,316,271
Unamortized bond costs	677,503	680,118	687,964
Total assets	93,311,257	93,950,067	91,889,892

NORTHERN INYO HOSPITAL

Balance Sheet

October 31, 2009

Liabilities and net assets

	<u>Current Month</u>	<u>Prior Month</u>	<u>FYE 2009</u>
Current liabilities:			
Current maturities of long-term debt	694,394	903,904	1,103,540
Accounts payable	1,779,926	990,786	1,523,288
Accrued salaries, wages and benefits	2,841,657	3,153,059	2,807,675
Accrued interest and sales tax	344,291	615,093	247,663
Deferred income	398,679	442,390	48,991
Due to third-party payors	2,678,771	3,064,097	2,940,964
Due to specific purpose funds	-	-	-
Total current liabilities	<u>8,737,718</u>	<u>9,169,328</u>	<u>8,672,120</u>
Long-term debt, less current maturities	38,609,004	38,609,004	38,624,386
Bond Premium	1,464,216	1,468,559	1,481,587
Total long-term debt	<u>40,073,220</u>	<u>40,077,563</u>	<u>40,105,973</u>
Net assets:			
Unrestricted	44,445,842	44,108,454	42,547,767
Temporarily restricted	54,477	594,722	564,033
Total net assets	<u>44,500,319</u>	<u>44,703,176</u>	<u>43,111,799</u>
Total liabilities and net assets	<u>93,311,257</u>	<u>93,950,067</u>	<u>91,889,892</u>

NORTHERN INYO HOSPITAL

Statement of Operations

As of October 31, 2009

	MTD Actual	MTD Budget	MTD Variance \$	MTD Variance %	YTD Actual	YTD Budget	YTD Variance \$	YTD Variance %	Prior YTD
Unrestricted revenues, gains and other support:									
In-patient service revenue:									
Routine	608,099	658,282	(50,183)	(7.6)	2,376,171	2,633,104	(256,933)	(9.8)	2,454,471
Ancillary	2,085,875	2,114,566	(28,691)	(1.4)	7,918,214	8,458,130	(539,916)	(6.4)	8,056,298
Total in-patient service revenue	2,693,974	2,772,848	(78,874)	(0.03)	10,294,385	11,091,234	(796,849)	-7.2%	10,510,769
Out-patient service revenue	4,925,259	4,394,865	530,394	12.1	19,894,686	17,579,307	2,315,379	13.2	17,317,750
Gross patient service revenue	7,619,233	7,167,713	451,520	6.30	30,189,071	28,670,541	1,518,530	5.3	27,828,519
Less deductions from patient service revenue:									
Patient service revenue adjustments	187,119	233,200	46,081	19.8	744,829	932,797	187,968	20.2	1,029,517
Contractual adjustments	3,307,945	2,688,600	(619,345)	(23.0)	11,406,600	10,754,389	(652,211)	(6.1)	10,911,490
Prior Period Adjustments	(385,047)	(41,666)	343,381	100.0	(392,680)	(166,666)	226,014	100.0	(301,089)
Total deductions from patient service revenue	3,110,017	2,880,134	(229,883)	(8.0)	11,758,750	11,520,520	(238,230)	(2.1)	11,639,918
Net patient service revenue	4,509,216	4,287,579	221,637	5%	18,430,322	17,150,021	1,280,301	7%	16,188,601
Other revenue	29,467	40,123	(10,656)	(26.6)	117,804	160,477	(42,673)	(26.6)	172,648
Transfers from Restricted Funds for Other Operating Expenses	64,666	64,666	-	-	258,664	258,663	1	0.0	262,164
Total Other revenue	94,133	104,789	(10,656)	(10.2)	376,468	419,140	(42,672)	(10.2)	434,812
Total revenue, gains and other support	4,603,349	4,392,368	210,981	(10.1)	18,806,790	17,569,161	1,237,629	(10.1)	16,623,413
Expenses:									
Salaries and wages	1,562,723	1,506,407	(56,316)	(3.7)	6,001,647	6,025,589	23,942	0.4	5,446,272
Employee benefits	1,099,057	918,341	(180,716)	(19.7)	3,848,394	3,673,323	(175,071)	(4.8)	3,383,623
Professional fees	478,274	339,232	(139,042)	(41.0)	1,756,547	1,356,917	(399,630)	(29.5)	1,379,321
Supplies	552,808	507,111	(45,697)	(9.0)	2,123,927	2,028,396	(95,531)	(4.7)	1,972,590
Purchased services	327,368	223,271	(104,097)	(46.6)	1,006,551	893,039	(113,512)	(12.7)	741,157
Depreciation	222,834	230,399	7,565	3.3	889,014	921,594	32,580	3.5	848,491
Interest	109,435	105,660	(3,775)	(3.6)	433,719	422,634	(11,085)	(2.6)	432,564
Bad debts	293,824	145,507	(148,317)	(101.9)	860,277	582,027	(278,250)	(47.8)	377,723
Other	190,595	204,470	13,875	6.8	831,349	817,823	(13,526)	(1.7)	933,328
Total expenses	4,836,919	4,180,398	(656,521)	(15.7)	17,751,425	16,721,342	(1,030,083)	(6.2)	15,515,068
Operating income (loss)	(233,570)	211,970	(445,540)	5.6	1,055,365	847,819	207,546	(3.9)	1,108,345
Other income:									
District tax receipts	43,711	47,650	(3,939)	(8.3)	174,844	190,600	(15,756)	(8.3)	190,600
Interest	36,724	43,339	(6,615)	(15.3)	175,496	173,354	2,142	1.2	372,726
Other	3,900	-	3,900	N/A	12,428	-	12,428	N/A	34,347
Grants and Other Non-Restricted Contributions	-	1,224	(1,224)	(100.0)	36,963	4,895	32,068	655.1	9,105
Partnership Investment Income	-	-	-	N/A	-	-	-	-	-
Net Medical Office Activity	(53,671)	(33,355)	(20,316)	(47.9)	(137,380)	(133,400)	(3,980)	(3.0)	(5,330)
Total other income, net	30,664	58,858	(28,194)	(48)	262,351	235,449	26,902	11.4	601,448
Excess (deficiency) of revenues over expenses	(202,906)	270,828	(473,734)	(175)	1,317,716	1,083,268	234,448	22	1,709,794

NORTHERN INYO HOSPITAL
Statement of Operations--Statistics
As of October 31, 2009

	Month		Month		Variance		YTD Actual		YTD Budget		Year		Year
	Actual	Budget	Variance	Budget	Percentage	Percentage	Actual	Budget	Variance	Percentage	Variance	Percentage	Percentage
Operating statistics:													
Beds	25	25	N/A	N/A	N/A	1.00	25	25	N/A	N/A	N/A	0.97	
Patient days	264	265	(1)	(1)	(1)	1.00	1,024	1,059	(35)	(35)	N/A	0.97	
Maximum days per bed capacity	775	775	N/A	N/A	N/A	1.00	3,075	3,075	N/A	N/A	N/A	0.97	
Percentage of occupancy	34.06	34.19	(0.13)	(0.13)	(0.13)	1.00	33.30	34.44	(1.14)	(1.14)	(1.14)	0.97	
Average daily census	8.52	8.55	(0.03)	(0.03)	(0.03)	1.00	8.33	8.61	(0.28)	(0.28)	(0.28)	0.97	
Average length of stay	3.03	3.01	0.02	0.02	0.02	1.01	2.97	3.01	(0.04)	(0.04)	(0.04)	0.99	
Discharges	87	88	(1)	(1)	(1)	0.99	345	352	(7)	(7)	(7)	1	
Admissions	82	88	(6)	(6)	(6)	0.93	341	350	(9)	(9)	(9)	1	
Gross profit-revenue depts.	4,916,978	4,741,562	175,416	175,416	175,416	1.04	20,052,592	18,966,061	1,086,531	1,086,531	1,086,531	1.06	
Percent to gross patient service revenue:													
Deductions from patient service revenue and bad debts	44.67	42.21	2.46	2.46	2.46	1.06	41.80	42.21	(0.41)	(0.41)	(0.41)	0.99	
Salaries and employee benefits	34.68	33.81	0.87	0.87	0.87	1.03	32.37	33.81	(1.44)	(1.44)	(1.44)	0.96	
Occupancy expenses	4.82	5.10	(0.28)	(0.28)	(0.28)	0.95	4.81	5.10	(0.29)	(0.29)	(0.29)	0.94	
General service departments	5.94	5.90	0.04	0.04	0.04	1.01	5.56	5.90	(0.34)	(0.34)	(0.34)	0.94	
Fiscal services department	5.23	5.13	0.10	0.10	0.10	1.02	4.79	5.13	(0.34)	(0.34)	(0.34)	0.93	
Administrative departments	5.43	5.23	0.20	0.20	0.20	1.04	4.99	5.23	(0.24)	(0.24)	(0.24)	0.95	
Operating income (loss)	(4.64)	1.41	(6.05)	(6.05)	(6.05)	(3.29)	2.08	1.41	0.67	0.67	0.67	1.48	
Excess (deficiency) of revenues over expenses	(2.66)	3.78	(6.44)	(6.44)	(6.44)	(0.70)	4.36	3.78	0.58	0.58	0.58	1.15	
Payroll statistics:													
Average hourly rate (salaries and benefits)	45.75	44.47	1.27	1.27	1.27	1.03	42.75	44.47	(1.73)	(1.73)	(1.73)	0.96	
Worked hours	50,033.57	46,852.00	3,181.57	3,181.57	3,181.57	1.07	196,514.28	187,376.00	9,138.28	9,138.28	9,138.28	1.05	
Paid hours	57,763.07	54,496.00	3,267.07	3,267.07	3,267.07	1.06	228,633.14	217,984.00	10,649.14	10,649.14	10,649.14	1.05	
Full time equivalents (worked)	284.28	269.26	15.02	15.02	15.02	1.06	280.73	269.99	10.74	10.74	10.74	1.04	
Full time equivalents (paid)	328.20	313.20	15.00	15.00	15.00	1.05	326.62	314.10	12.52	12.52	12.52	1.04	

NORTHERN INYO HOSPITAL

Statements of Changes in Net Assets

As of October 31, 2009

	<u>Month-to-date</u>	<u>Year-to-date</u>
Unrestricted net assets:		
Excess (deficiency) of revenues over expenses	(202,905.74)	1,317,715.79
Net Assets due/to transferred from unrestricted	-	-
Interest posted twice to Bond & Interest	-	(47.40)
Net assets released from restrictions used for operations	540,245.00	579,995.00
Net assets released from restrictions used for payment of long-term debt	(64,666.00)	(258,664.00)
Contributions and interest income	48.45	364.56
Increase in unrestricted net assets	<u>272,721.71</u>	<u>1,639,363.95</u>
Temporarily restricted net assets:		
District tax allocation	-	54,928.54
Net assets released from restrictions	(540,245.00)	(579,995.00)
Restricted contributions	-	15,450.00
Interest income	-	108.17
Net Assets for Long-Term Debt due from County	64,666.00	258,664.00
Increase (decrease) in temporarily restricted net assets	<u>(475,579.00)</u>	<u>(250,844.29)</u>
Increase (decrease) in net assets	(202,857.29)	1,388,519.66
Net assets, beginning of period	44,703,176.07	43,111,799.12
Net assets, end of period	<u>44,500,318.78</u>	<u>44,500,318.78</u>

NORTHERN INYO HOSPITAL

Statements of Cash Flows

As of October 31, 2009

	<u>Month-to-date</u>	<u>Year-to-date</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	(202,857.29)	1,388,519.66
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities: (correcting fund deposit)		47.40
Depreciation	222,834.01	889,014.36
Provision for bad debts	293,824.31	860,276.85
Loss (gain) on disposal of equipment	-	4,137.56
(Increase) decrease in:		
Patient and other receivables	314,249.25	(1,681,546.19)
Other current assets	17,285.13	(221,317.75)
Plant Expansion and Replacement Cash	(132.35)	2,043,571.66
Increase (decrease) in:		
Accounts payable and accrued expenses	163,225.53	736,937.41
Third-party payors	(385,325.45)	(262,192.45)
Net cash provided (used) by operating activities	<u>423,103.14</u>	<u>3,757,448.51</u>
Cash flows from investing activities:		
Purchase of property and equipment	(1,266,029.61)	(3,324,220.06)
Purchase of investments	511,798.19	521,125.81
Proceeds from disposal of equipment	-	(4,137.56)
Net cash provided (used) in investing activities	<u>(754,231.42)</u>	<u>(2,807,231.81)</u>
Cash flows from financing activities:		
Long-term debt	(213,852.74)	(441,899.53)
Issuance of revenue bonds	(47,438.75)	(189,755.00)
Unamortized bond costs	2,615.43	10,461.72
Increase (decrease) in donor-restricted funds, net	540,196.55	509,143.73
Net cash provided by (used in) financing activities	<u>281,520.49</u>	<u>(112,049.08)</u>
Increase (decrease) in cash and cash equivalents	(49,607.79)	838,167.62
Cash and cash equivalents, beginning of period	<u>1,769,426.82</u>	<u>881,651.41</u>
Cash and cash equivalents, end of period	<u><u>1,719,819.03</u></u>	<u><u>1,719,819.03</u></u>

NORTHERN INYO HOSPITAL

Statement of Operations

As of October 31, 2009

	MTD Actual	MTD Budget	MTD Variance \$	MTD Variance %	YTD Actual	YTD Budget	YTD Variance \$	YTD Variance %	Prior YTD
Unrestricted revenues, gains and other support:									
In-patient service revenue:									
Routine	608,099	658,282	(50,183)	(7.6)	2,376,171	2,633,104	(256,933)	(9.8)	2,454,471
Ancillary	2,085,875	2,114,566	(28,691)	(1.4)	7,918,214	8,458,130	(539,916)	(6.4)	8,056,298
Total in-patient service revenue	2,693,974	2,772,848	(78,874)	(0.03)	10,294,385	11,091,234	(796,849)	-7.2%	10,510,769
Out-patient service revenue	4,925,259	4,394,865	530,394	12.1	19,894,686	17,579,307	2,315,379	13.2	17,317,750
Gross patient service revenue	7,619,233	7,167,713	451,520	6.30	30,189,071	28,670,541	1,518,530	5.3	27,828,519
Less deductions from patient service revenue:									
Patient service revenue adjustments	187,119	233,200	46,081	19.8	744,829	932,797	187,968	20.2	1,029,517
Contractual adjustments	3,307,945	2,688,600	(619,345)	(23.0)	11,406,600	10,754,389	(652,211)	(6.1)	10,911,490
Prior Period Adjustments	279	(41,666)	(41,945)	100.0	(7,354)	(166,666)	(159,312)	100.0	(301,089)
Total deductions from patient service revenue	3,495,343	2,880,134	(615,209)	(21.4)	12,144,075	11,520,520	(623,555)	(5.4)	11,639,918
Net patient service revenue	4,123,891	4,287,579	(163,688)	-4%	18,044,996	17,150,021	894,975	5%	16,188,601
Other revenue	29,467	40,123	(10,656)	(26.6)	117,804	160,477	(42,673)	(26.6)	172,648
Transfers from Restricted Funds for									
Other Operating Expenses	64,666	64,666	-	-	258,664	258,663	1	0.0	262,164
Total Other revenue	94,133	104,789	(10,656)	(10.2)	376,468	419,140	(42,672)	(10.2)	434,812
Total revenue, gains and other support	4,218,023	4,392,368	(174,345)	(10.2)	18,421,464	17,569,161	852,303	(10.1)	16,623,413
Expenses:									
Salaries and wages	1,562,723	1,506,407	(56,316)	(3.7)	6,001,647	6,025,589	23,942	0.4	5,446,272
Employee benefits	1,099,057	918,341	(180,716)	(19.7)	3,848,394	3,673,323	(175,071)	(4.8)	3,383,623
Professional fees	478,274	339,232	(139,042)	(41.0)	1,756,547	1,356,917	(399,630)	(29.5)	1,379,321
Supplies	552,808	507,111	(45,697)	(9.0)	2,123,927	2,028,396	(95,531)	(4.7)	1,972,590
Purchased services	327,368	223,271	(104,097)	(46.6)	1,006,551	893,039	(113,512)	(12.7)	741,157
Depreciation	222,834	230,399	7,565	3.3	889,014	921,594	32,580	3.5	848,491
Interest	109,435	105,660	(3,775)	(3.6)	433,719	422,634	(11,085)	(2.6)	432,564
Bad debts	293,824	145,507	(148,317)	(101.9)	860,277	582,027	(278,250)	(47.8)	377,723
Other	190,595	204,470	13,875	6.8	831,349	817,823	(13,526)	(1.7)	933,328
Total expenses	4,836,919	4,180,398	(656,521)	(15.7)	17,751,425	16,721,342	(1,030,083)	(6.2)	15,515,068
Operating income (loss)	(618,896)	211,970	(830,866)	5.5	670,040	847,819	(177,779)	(3.9)	1,108,345
Other income:									
District tax receipts	43,711	47,650	(3,939)	(8.3)	174,844	190,600	(15,756)	(8.3)	190,600
Interest	36,724	43,339	(6,615)	(15.3)	175,496	173,354	2,142	1.2	372,726
Other	3,900	-	3,900	N/A	12,428	-	12,428	N/A	34,347
Grants and Other Non-Restricted Contributions	-	1,224	(1,224)	(100.0)	36,963	4,895	32,068	655.1	9,105
Partnership Investment Income	-	-	-	N/A	-	-	-	-	-
Net Medical Office Activity	(53,671)	(33,355)	(20,316)	(47.9)	(137,380)	(133,400)	(3,980)	(3.0)	(5,330)
Total other income, net	30,664	58,858	(28,194)	(48)	262,351	235,449	26,902	11.4	601,448
Excess (deficiency) of revenues over expenses	(588,231)	270,828	(859,059)	(317)	932,390	1,083,268	(150,878)	(14)	1,709,794

NORTHERN INYO HOSPITAL
Statement of Operations--Statistics
As of October 31, 2009

	Month		Year		YTD Budget	YTD Actual	Variance		Year	Year
	Actual	Budget	Budget	Variance			Percentage	Variance			Percentage
Operating statistics:										
Beds	25	25	N/A	N/A	25	25	N/A	N/A		0.97
Patient days	264	265	(1)	N/A	1,024	1,059	(35)	N/A		0.97
Maximum days per bed capacity	775	775	N/A	N/A	3,075	3,075	N/A	N/A		0.97
Percentage of occupancy	34.06	34.19	(0.13)	N/A	33.30	34.44	(1.14)	N/A		0.99
Average daily census	8.52	8.55	(0.03)	N/A	8.33	8.61	(0.28)	N/A		1
Average length of stay	3.03	3.01	0.02	N/A	2.97	3.01	(0.04)	N/A		1
Discharges	87	88	(1)	N/A	345	352	(7)	N/A		1
Admissions	82	88	(6)	N/A	341	350	(9)	N/A		1
Gross profit-revenue depts.	4,836,831	4,741,562	95,269	N/A	19,972,446	18,966,061	1,006,385	N/A		1.05
Percent to gross patient service revenue:										
Deductions from patient service revenue and bad debts	49.73	42.21	7.52	N/A	43.08	42.21	0.87	N/A		1.02
Salaries and employee benefits	34.68	33.81	0.87	N/A	32.37	33.81	(1.44)	N/A		0.96
Occupancy expenses	4.82	5.10	(0.28)	N/A	4.81	5.10	(0.29)	N/A		0.94
General services departments	5.94	5.90	0.04	N/A	5.56	5.90	(0.34)	N/A		0.94
Fiscal services department	5.23	5.13	0.10	N/A	4.79	5.13	(0.34)	N/A		0.93
Administrative departments	4.96	5.23	(0.27)	N/A	4.88	5.23	(0.35)	N/A		0.93
Operating income (loss)	0.40	1.41	(1.01)	N/A	0.87	1.41	(0.54)	N/A		0.62
Excess (deficiency) of revenues over expenses	(7.72)	3.78	(11.50)	N/A	3.09	3.78	(0.69)	N/A		0.82
Payroll statistics:										
Average hourly rate (salaries and benefits)	45.75	44.47	1.27	N/A	42.75	44.47	(1.73)	N/A		0.96
Worked hours	50,033.57	46,852.00	3,181.57	N/A	196,514.28	187,376.00	9,138.28	N/A		1.05
Paid hours	57,763.07	54,496.00	3,267.07	N/A	228,633.14	217,984.00	10,649.14	N/A		1.05
Full time equivalents (worked)	284.28	269.26	15.02	N/A	280.73	269.99	10.74	N/A		1.04
Full time equivalents (paid)	328.20	313.20	15.00	N/A	326.62	314.10	12.52	N/A		1.04

Northern Inyo Hospital
Summary of Cash and Investment Balances
Calendar Year 2009

Month	<u>Operations Checking Account</u>				<u>Time Deposit Month-End Balances</u>								
	Balance at Beginning of Month	Deposits	Disbursements	Balance at End of Month	Investment Operations Fund	Bond and Interest Fund (2)	Equipment Donations Fund	Childrens Fund	Scholarship Settlement Fund	Tobacco Settlement Fund	Total Revenue Bond Fund (1)	Project Revenue Bond Fund (1)	General Obligation Bond Fund
January	910,403	3,465,150	3,801,871	573,681	25,688,066	557,358	26,212	3,137	8,014	521,838	729,992	18,350	974
February	573,681	5,073,277	4,962,667	684,291	25,701,675	557,358	26,212	3,137	8,014	521,965	759,081	-	-
March	684,291	6,979,617	5,689,346	1,974,563	23,604,971	557,497	26,218	3,138	8,016	530,337	806,520	-	-
April	1,974,563	9,529,952	9,189,387	2,315,128	24,919,927	167,252	26,218	3,138	8,016	630,495	853,958	-	14,464,947
May	2,315,128	3,264,722	4,556,036	1,023,814	28,168,905	552,617	26,218	3,138	8,016	631,411	934,534	-	11,007,929
June	1,023,814	3,947,195	3,990,630	980,379	29,618,958	552,753	26,225	3,184	8,018	631,589	788,610	-	10,122,651
July	980,379	7,052,713	7,416,364	616,727	30,121,668	574,431	26,225	2,639	18,468	631,762	836,048	-	9,398,497
August	616,727	6,367,182	5,462,850	1,521,059	29,615,171	574,431	26,225	2,639	18,468	631,852	883,487	-	8,652,655
September	1,521,059	4,571,506	4,221,577	1,870,988	29,609,631	574,537	26,230	2,639	17,470	631,900	930,926	-	8,074,645
October	1,870,988	6,700,748	6,690,198	1,881,538	29,097,832	34,292	26,230	2,639	17,470	631,949	978,365	-	8,074,772
Prior Year November	488,851	3,294,047	3,600,921	181,977	24,595,851	89,165	25,805	3,037	8,963	521,554	1,000,949	18,350	491,657
December	181,977	4,947,737	4,219,311	910,403	24,670,653	557,358	26,222	3,037	8,014	521,703	682,553	18,350	882

Notes: (1) The difference between the Total and Project Revenue Bond Funds represents amounts held by the trustee to make payments on the District's behalf and about \$575,000 to cover the Bond Reserve Account Requirement with respect to the Series 1998 Bonds. The Project is exhausted.
(2) The Bond and Interest Fund now contains the Debt Service amount from the County for both the original Bond and the 2005 Bond.

Investments as of October 31, 2009

Institution	Certificate ID	Purchase Dt	Maturity Dt	Principal	YTM	Broker
LAI (Walker Fund)	20-14-002 Walker	15-Oct-09	01-Nov-09	\$317,003.92	0.65%	Northern Inyo Hospital
Union Bank-Money Market	2740028807	30-Sep-09	01-Oct-09	\$22,100,780.84	0.10%	Union Bank
Citigroup Med Term Note	12560PCL3	21-Sep-07	01-Nov-09	\$702,986.88	6.88%	Multi-Bank Service
Federal Home Loan Mtg Corp--MBS	31282VBY0	02-Aug-09	01-Nov-09	\$23,235.85	4.50%	Multi-Bank Service
Bear Stearns Co Note	073902BR8	22-Feb-08	07-Dec-09	\$933,927.36	4.58%	Multi-Bank Service
1st Financial Bank USA (FNC CD)	5X42582	12-Dec-08	12-Dec-09	\$249,000.00	3.55%	Financial Northeast Corp.
Discover Bank (FNC CD)	5x42584	12-Dec-08	12-Dec-09	\$250,000.00	3.15%	Financial Northeast Corp.
M&T Bank N.A. (FNC CD)	5X42577	12-Dec-08	12-Dec-09	\$250,000.00	3.15%	Financial Northeast Corp.
World Savings Bank Note	98151GAA3	18-Aug-08	15-Dec-09	\$492,950.00	5.24%	Multi-Bank Service
Capital City Bank and Trust	9N01713	30-Dec-04	30-Dec-09	\$99,000.00	4.75%	Financial Northeast Corp.
Gulf Cost Community Bank IFNC CD)	5X42841	05-Jan-09	05-Jan-10	\$99,000.00	2.64%	Financial Northeast Corp.
Berkshire Hathaway Fin Corp GRD Sr Note	084664AR2	11-Dec-08	15-Jan-10	\$203,510.00	2.49%	Multi-Bank Service
Citigroup Inc	172967CU3	11-Dec-08	22-Feb-10	\$97,308.00	6.49%	Multi-Bank Service
Schwab Medium Term Note	80851QCX0	25-Jul-08	01-Mar-10	\$528,440.00	4.33%	Multi-Bank Service
Greater Bay Bancorp Sr Note	391648AT9	11-Dec-08	15-Apr-10	\$101,688.00	3.82%	Multi-Bank Service
Bank of Waukegan	065563AR9	22-Apr-05	22-Apr-10	\$99,000.00	4.75%	Financial Northeast Corp.
Toyota Motor Credit Corp Note	829233PV60	11-Dec-08	28-Apr-10	\$200,164.00	2.79%	Multi-Bank Service
American General Finance Corp Note	02635PSV6	24-Apr-08	15-May-10	\$503,905.00	4.47%	Multi-Bank Service
Worlds Foremost Bank (FNC CD)	5X42688	18-Dec-08	18-Dec-10	\$100,000.00	4.40%	Financial Northeast Corp.
Total Short Term Investments				\$27,351,899.85		
National Rural Utilites Corporate Bond	63743FLH7	13-Aug-09	15-Aug-11	\$250,000.00	2.35%	Financial Northeast Corp.
Union National Bank & Trust Company	5L27278	19-Oct-09	19-Oct-11	\$250,000.00	2.00%	Financial Northeast Corp.
HSBC Financial Corp	40429XWB8	15-Sep-09	15-Sep-12	\$250,000.00	3.85%	Financial Northeast Corp.
United States Treasure Note	912828LK4	31-Aug-09	31-Aug-14	\$995,932.50	2.46%	Financial Northeast Corp.
Total Long Term Investments				\$1,745,932.50		
Grand Total Investments				\$29,097,832.35		

Financial Indicators

	Target	Oct-09	Sep-09	Aug-09	Jul-09	Jun-09	May-09	Apr-09	Mar-09	Feb-09	Jan-09	Dec-08	Nov-08
Current Ratio	>1.5-2.0	6.10	5.81	6.05	6.39	6.29	6.56	7.53	4.20	4.09	3.89	4.13	3.92
Quick Ratio	>1.33-1.5	5.53	5.27	5.51	5.85	5.78	6.04	6.96	3.74	3.66	3.50	3.69	3.47
Days Cash on Hand	>75	307.60	364.93	344.81	349.84	388.66	289.03	337.98	227.43	222.55	230.22	223.53	223.62

NORTHERN INYO HOSPITAL
DEPARTMENTAL NON-EMERGENCY OUTPATIENT VISITS

10 MONTHS 2009	DIAGNOSTIC RADIOLOGY		MAMMOGRAPHY		NUCLEAR MEDICINE		ULTRASOUND		CT SCANNING		MRI		LABORATORY		EKG/EEG		PHYSICAL THERAPY		RESPIRATORY THERAPY		RURAL HEALTH CLINIC		TOTALS			
	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09		
JANUARY	308 / 544 / 606	198 / 193 / 434	36 / 71 / 96	166 / 205 / 206	112 / 170 / 165	88 / 89 / 470	1621 / 1809 / 1635	139 / 103 / 120	335 / 335 / 363	19 / 10 / 10	841 / 1057 / 1457	3961 / 4586 / 5562														
FEBRUARY	263 / 593 / 477	194 / 193 / 182	38 / 63 / 51	157 / 205 / 195	102 / 217 / 153	71 / 85 / 435	1662 / 1744 / 1643	84 / 113 / 116	302 / 364 / 314	19 / 11 / 10	965 / 1150 / 1374	3857 / 4738 / 4950														
MARCH	269 / 529 / 581	122 / 311 / 261	29 / 133 / 1	144 / 223 / 201	95 / 233 / 152	76 / 403 / 472	1734 / 1774 / 1904	100 / 149 / 121	340 / 346 / 428	16 / 12 / 13	1095 / 1211 / 1477	4020 / 5324 / 5611														
APRIL	258 / 697 / 600	246 / 199 / 378	46 / 183 / 68	139 / 196 / 198	123 / 264 / 161	105 / 453 / 483	1767 / 1984 / 1824	85 / 121 / 108	300 / 410 / 380	14 / 14 / 16	883 / 1318 / 1423	3986 / 5639 / 5639														
MAY	262 / 613 / 650	230 / 479 / 391	85 / 167 / 87	150 / 213 / 187	131 / 230 / 131	100 / 424 / 656	1743 / 1758 / 1811	112 / 137 / 103	295 / 349 / 354	18 / 9 / 12	1007 / 1308 / 1373	4133 / 5687 / 5755														
JUNE	264 / 616 / 594	243 / 486 / 455	37 / 118 / 37	149 / 186 / 224	128 / 156 / 150	101 / 542 / 461	2203 / 1752 / 1881	90 / 123 / 120	260 / 314 / 388	7 / 19 / 19	864 / 1247 / 1387	4346 / 5559 / 5716														
JULY	275 / 604 / 610	192 / 477 / 444	46 / 71 / 84	155 / 196 / 210	109 / 157 / 179	113 / 443 / 505	1618 / 1716 / 1805	94 / 142 / 102	276 / 357 / 328	17 / 15 / 11	887 / 1190 / 1116	3782 / 5368 / 5394														
AUGUST	256 / 561 / 528	255 / 402 / 398	59 / 86 / 73	149 / 190 / 193	126 / 150 / 165	130 / 542 / 392	1850 / 1647 / 1779	115 / 145 / 103	289 / 325 / 386	17 / 11 / 12	1064 / 1284 / 1071	4311 / 5353 / 5100														
SEPTEMBER	224 / 567 / 505	218 / 464 / 402	75 / 70 / 113	149 / 191 / 200	101 / 157 / 61	55 / 502 / 360	1667 / 1822 / 1743	83 / 131 / 116	254 / 322 / 363	9 / 13 / 11	1047 / 1268 / 1209	3882 / 5527 / 5083														
OCTOBER	287 / 639 / 546	223 / 511 / 434	58 / 82 / 88	173 / 210 / 176	101 / 167 / 155	92 / 464 / 423	1877 / 1793 / 1685	116 / 118 / 112	284 / 367 / 413	12 / 15 / 12	1129 / 1422 / 1297	4352 / 5788 / 5341														
NOVEMBER	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /														
DECEMBER	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /														
CALENDAR YEAR	2666 / 5963 / 5637	2122 / 3715 / 3779	509 / ### / 698	1531 / 2015 / 1990	1128 / 1901 / 1472	929 / 3947 / 4657	17742 / 17799 / 17710	1018 / 1282 / 1121	2935 / 3489 / 3717	148 / 129 / 126	9882 / 12485 / 13184	40610 / 53769 / 54151														
MONTHLY AVERAGES	267 / 596 / 570	212 / 372 / 378	51 / 104 / 70	153 / 202 / 199	113 / 190 / 147	93 / 395 / 466	1774 / 1780 / 1771	102 / 128 / 112	294 / 349 / 372	15 / 13 / 13	988 / 1249 / 1316	4061 / 5377 / 5415														

*Radiology has changed their methodology for capturing statistics and feel these are more accurate. They are much higher than previously reported.

**Northern Inyo Hospital
 Monthly Report of Capital Expenditures
 Fiscal Year Ending JUNE 30, 2010
 As of October 31, 2009**

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
FY 2008-09	Coagulation Analyzer	25,000
	Zeiss Ophthalmic Argon Laser	42,642 *
	AMOUNT APPROVED BY THE BOARD IN PRIOR FISCAL YEARS TO BE EXPENDED IN THE CURRENT FISCAL YEAR	<u>67,642</u>
FY 2009-10	STAT Centrifuge	3,317
	QuickThaw Plasma Thawing System	5,736 *
	Blood Gas Analyzer	16,028 *
	Shredding Machine	32,718
	CommVault IT Data Backup	75,031
	Zumasys NetApp IT Data Storage	76,722
	CDW-G IT Network Switches	74,382
	AMOUNT APPROVED BY THE BOARD IN THE CURRENT FISCAL YEAR TO BE EXPENDED IN THE CURRENT FISCAL YEAR	<u>283,933</u>
	Amount Approved by the Board in Prior Fiscal Years to be Expended in the Current Fiscal Year	67,642
	Amount Approved by the Board in the Current Fiscal Year to be Expended in the Current Fiscal Year	<u>283,933</u>
	Year-to-Date Board-Approved Amount to be Expended	287,170
	Year-to-Date Administrator-Approved Amount	97,757 *
	Actually Expended in Current Fiscal Year	<u>64,405 *</u>
	Year-to-Date Completed Building Project Expenditures	0 *
	TOTAL FUNDS APPROVED TO BE EXPENDED	<u><u>449,332</u></u>
	Total-to-Date Spent on Incomplete Board Approved Expenditures	0

**Northern Inyo Hospital
 Monthly Report of Capital Expenditures
 Fiscal Year Ending JUNE 30, 2010
 As of October 31, 2009**

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
<hr/>		
Reconciling Totals:		
	Actually Capitalized in the Current Fiscal Year Total-to-Date	162,162
	Plus: Lease Payments from a Previous Period	0
	Less: Lease Payments Due in the Future	0
	Less: Funds Expended in a Previous Period	0
	Plus: Other Approved Expenditures	<u>287,170</u>
	ACTUAL FUNDS APPROVED IN THE CURRENT FISCAL YEAR TOTAL-TO-DATE	<u><u>449,332</u></u>

Donations by Auxiliary	0
Donations by Hospice of the Owens Valley	0
+Tobacco Funds Used for Purchase	0
	<u>0</u>
	<u><u>0</u></u>

*Completed Purchase

(Note: The budgeted amount for capital expenditures for the fiscal year ending June 30, 2006, is \$3,600,000 coming from existing hospital funds.)

**Completed in prior fiscal year

**Northern Inyo Hospital
 Monthly Report of Capital Expenditures
 Fiscal Year Ending JUNE 30, 2010
 As of October 31, 2009**

Administrator-Approved Item(s)	Department	Amount	Month Total	Grand Total
Dome Network Camera	SECURITY	2,904		
ASHLEY MCKENNA END TABLE	EMPLOYEE HOUSING	216		
MALLONE NIGHT STAND	EMPLOYEE HOUSING	238		
MALLONE CHEST	EMPLOYEE HOUSING	619		
ASHLEY CROSS ISLAND SOFA TABLE	EMPLOYEE HOUSING	293		
ASHLEY CITYSCAPE SOFA	EMPLOYEE HOUSING	525		
LAZY BOY PINNACLE RECLINER	EMPLOYEE HOUSING	488		
SIMMONS BEAUTYREST QUEEN SET	EMPLOYEE HOUSING	943		
ASHLEY WOODBORO LIFT TOP TABLE	EMPLOYEE HOUSING	380		
BOOKCASE W/DOORS	EMPLOYEE HOUSING	412		
BARRISTER DINING SET	EMPLOYEE HOUSING	520		
CISCO CATALYST 3750 48PT	IT	8,419		
CISCO CATALYST 3750 48PT	IT	8,419		
EPXON POWERLITE PRO LCD PROJECTOR	IT	5,539		
MONTH ENDING OCTOBER 31, 2009			29,915	97,757

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BUDGET VARIANCE ANALYSIS

Nov-09 PERIOD ENDING After Audit

In the month, NIH was

13% over budget in IP days;
(0.04%) over in IP Ancillary Revenue and
(-2.7%) under in OP Revenue resulting in
\$ (18,073) (-0.3%) under in gross patient revenue from budget &
\$ 27,924 (0.7%) over in net patient revenue from budget

Total Expenses were:

\$ 454,127 (10.9%) over budget. Wages and Salaries were
\$ 16,259 (1.1%) over budget and Employee Benefits
\$ 275,175 (30.0%) over budget.
\$ 30,425 of other income resulted in a net loss of
\$ (200,785) \$ (471,548) under budget.

The following expense areas were over budget for the month:

\$ 16,259 1% Wages & Salaries

\$ 275,175 30% Employee Benefits; PTO Cash-out for November
\$ 94,050 28% Professional Fees; registry staff & Physicians
\$ 19,433 4% Supplies
\$ 10,445 5% Purchased Services
\$ 25,970 18% Bad Debt

Other Information:

42.04% Contractual Percentages for month
41.85% Contractual Percentages for Year

\$ 1,116,931 Year-to-date Net Revenue

Special Notes:

Radiology Professional Fee Revenue and Expense were not budgeted.
November contained the first of the pay period where employees are allowed to cash-out their PTO balances. This hits Employee Benefits.

NORTHERN INYO HOSPITAL

Balance Sheet

November 30, 2009

Assets

	<u>Current Month</u>	<u>Prior Month</u>	<u>FYE 2009</u>
Current assets:			
Cash and cash equivalents	1,548,684	1,719,819	881,651
Short-term investments	27,007,412	27,502,238	29,519,296
Assets limited as to use	1,735,974	1,679,388	738,740
Plant Expansion and Replacement Cash	6,879,234	8,396,035	10,439,607
Other Investments (Partnership)	961,824	961,824	961,824
Patient receivable, less allowance for doubtful accounts \$509,930	7,986,333	8,073,629	7,591,694
Other receivables (Includes GE Financing Funds)	1,269,130	1,206,917	867,584
Inventories	2,463,151	2,472,449	2,456,265
Prepaid expenses	1,240,982	1,262,413	1,057,280
Total current assets	<u>51,092,724</u>	<u>53,274,713</u>	<u>54,513,940</u>
Assets limited as to use:			
Internally designated for capital acquisitions	658,229	658,179	657,814
Specific purpose assets	54,477	54,477	564,033
	<u>712,706</u>	<u>712,656</u>	<u>1,221,847</u>
Revenue bond construction funds held by trustee	1,045,102	978,365	788,610
Less amounts required to meet current obligations	<u>1,735,974</u>	<u>1,679,388</u>	<u>738,740</u>
Net Assets limited as to use:	<u>21,834</u>	<u>11,632</u>	<u>1,271,716</u>
Long-term investments	<u>1,595,933</u>	<u>1,595,933</u>	<u>100,000</u>
Property and equipment, net of accumulated depreciation and amortization	<u>39,514,474</u>	<u>37,751,477</u>	<u>35,316,271</u>
Unamortized bond costs	<u>674,887</u>	<u>677,503</u>	<u>687,964</u>
Total assets	<u><u>92,899,852</u></u>	<u><u>93,311,257</u></u>	<u><u>91,889,892</u></u>

NORTHERN INYO HOSPITAL

Balance Sheet

November 30, 2009

Liabilities and net assets

	<u>Current Month</u>	<u>Prior Month</u>	<u>FYE 2009</u>
Current liabilities:			
Current maturities of long-term debt	634,665	694,394	1,103,540
Accounts payable	965,908	1,779,926	1,523,288
Accrued salaries, wages and benefits	3,270,545	2,841,657	2,807,675
Accrued interest and sales tax	626,534	344,291	247,663
Deferred income	354,968	398,679	48,991
Due to third-party payors	2,678,771	2,678,771	2,940,964
Due to specific purpose funds	-	-	-
Total current liabilities	<u>8,531,391</u>	<u>8,737,718</u>	<u>8,672,120</u>
Long-term debt, less current maturities	38,609,004	38,609,004	38,624,386
Bond Premium	1,459,873	1,464,216	1,481,587
Total long-term debt	<u>40,068,877</u>	<u>40,073,220</u>	<u>40,105,973</u>
Net assets:			
Unrestricted	44,245,107	44,445,842	42,547,767
Temporarily restricted	54,477	54,477	564,033
Total net assets	<u>44,299,584</u>	<u>44,500,319</u>	<u>43,111,799</u>
 Total liabilities and net assets	 <u>92,899,852</u>	 <u>93,311,257</u>	 <u>91,889,892</u>

NORTHERN INYO HOSPITAL

Statement of Operations

As of November 30, 2009

	MTD Actual	MTD Budget	MTD Variance \$	MTD Variance %	YTD Actual	YTD Budget	YTD Variance \$	YTD Variance %	Prior YTD
Unrestricted revenues, gains and other support:									
In-patient service revenue:									
Routine	678,357	658,262	20,095	3.1	3,054,528	3,291,366	(236,838)	(7.2)	1,751,143
Ancillary	2,192,813	2,114,459	78,354	3.7	10,111,027	10,572,589	(461,562)	(4.4)	5,826,038
Total in-patient service revenue	2,871,170	2,772,721	98,449	0.04	13,165,555	13,863,955	(698,400)	-5.0%	7,577,181
Out-patient service revenue	4,278,211	4,394,733	(116,522)	(2.7)	24,172,897	21,974,040	2,198,857	10.0	12,844,372
Gross patient service revenue	7,149,381	7,167,454	(18,073)	(0.30)	37,338,452	35,837,995	1,500,457	4.2	20,421,553
Less deductions from patient service revenue:									
Patient service revenue adjustments	169,747	233,195	63,448	27.2	914,576	1,165,992	251,416	21.6	807,430
Contractual adjustments	2,664,409	2,688,593	24,184	0.9	14,071,009	13,442,982	(628,027)	(4.7)	7,854,082
Prior Period Adjustments	(32)	(41,667)	(41,635)	100.0	(392,711)	(208,333)	184,378	100.0	(225,418)
Total deductions from patient service revenue	2,834,124	2,880,121	45,997	1.6	14,592,874	14,400,641	(192,233)	(1.3)	8,436,094
Net patient service revenue	4,315,257	4,287,333	27,924	1%	22,745,578	21,437,354	1,308,224	6%	11,985,459
Other revenue	23,210	40,111	(16,901)	(42.1)	141,014	200,588	(59,574)	(29.7)	80,503
Transfers from Restricted Funds for									
Other Operating Expenses	64,666	64,666	-	-	323,330	323,329	1	0.0	196,623
Total Other revenue	87,876	104,777	(16,901)	(16.1)	464,344	523,917	(59,573)	(11.4)	277,126
Total revenue, gains and other support	4,403,132	4,392,110	11,022	(16.1)	23,209,922	21,961,271	1,248,651	(11.3)	12,262,585
Expenses:									
Salaries and wages	1,522,633	1,506,374	(16,259)	(1.1)	7,524,280	7,531,963	7,683	0.1	4,028,479
Employee benefits	1,193,489	918,314	(275,175)	(30.0)	5,041,883	4,591,637	(450,246)	(9.8)	2,558,560
Professional fees	433,272	339,222	(94,050)	(27.7)	2,189,819	1,696,139	(493,680)	(29.1)	1,021,724
Supplies	526,508	507,075	(19,433)	(3.8)	2,650,435	2,535,471	(114,964)	(4.5)	1,454,408
Purchased services	233,686	223,241	(10,445)	(4.7)	1,240,237	1,116,280	(123,957)	(11.1)	557,762
Depreciation	222,834	230,397	7,563	3.3	1,111,848	1,151,991	40,143	3.5	635,224
Interest	108,466	105,657	(2,809)	(2.7)	542,185	528,291	(13,894)	(2.6)	321,006
Bad debts	171,477	145,507	(25,970)	(17.9)	1,031,754	727,534	(304,220)	(41.8)	266,552
Other	221,978	204,428	(17,550)	(8.6)	1,053,326	1,022,251	(31,075)	(3.0)	731,156
Total expenses	4,634,342	4,180,215	(454,127)	(10.9)	22,385,767	20,901,557	(1,484,210)	(7.1)	11,574,870
Operating income (loss)	(231,210)	211,895	(443,105)	(5.2)	824,155	1,059,714	(235,559)	(4.2)	687,715
Other income:									
District tax receipts	43,711	47,650	(3,939)	(8.3)	218,555	238,250	(19,695)	(8.3)	142,950
Interest	28,257	43,338	(15,081)	(34.8)	203,754	216,692	(12,938)	(6.0)	273,857
Other	12,775	-	12,775	N/A	25,203	-	25,203	N/A	34,347
Grants and Other Non-Restricted Contributions	-	1,223	(1,223)	(100.0)	36,963	6,118	30,845	504.2	9,105
Partnership Investment Income	-	-	-	N/A	-	-	-	-	-
Net Medical Office Activity	(54,319)	(33,343)	(20,976)	(48.3)	(191,699)	(166,743)	(24,956)	(15.0)	(16,433)
Total other income, net	30,425	58,868	(28,443)	(48)	292,775	294,317	(1,542)	(0.5)	443,826
Excess (deficiency) of revenues over expenses	(200,785)	270,763	(471,548)	(174)	1,116,931	1,354,031	(237,100)	(18)	1,131,541

NORTHERN INYO HOSPITAL

Statement of Operations--Statistics

As of November 30, 2009

	Month		Month		Variance		YTD Actual		YTD Budget		Year	
	Month Actual	Month Budget	Variance	Percentage	Month	Variance	Percentage	YTD Actual	YTD Budget	Variance	Percentage	
Operating statistics:												
Beds	25	25	N/A	N/A	25	25	N/A	25	25	N/A	N/A	1.00
Patient days	297	264	33	1.13	1,321	1,321	1.13	1,321	1,323	(2)	N/A	1.00
Maximum days per bed capacity	750	750	N/A	N/A	3,825	3,825	N/A	3,825	3,825	N/A	N/A	1.00
Percentage of occupancy	39.60	35.20	4.40	1.13	34.54	34.54	1.13	34.54	34.59	(0.05)	1.00	1.00
Average daily census	9.90	8.80	1.10	1.13	8.63	8.63	1.13	8.63	8.65	(0.01)	1.00	1.00
Average length of stay	3.76	3.00	0.76	1.25	3.12	3.12	1.25	3.12	3.01	0.11	1.04	1.04
Discharges	79	88	(9)	0.90	424	424	0.90	424	440	(16)	1	1
Admissions	82	87	(5)	0.94	423	423	0.94	423	437	(14)	1	1
Gross profit-revenue depts.	4,501,907	4,741,395	(239,488)	0.95	24,554,500	24,554,500	0.95	24,554,500	23,707,456	847,044	1.04	1.04

Percent to gross patient service revenue:

Deductions from patient service revenue and bad debts	42.04	42.21	(0.17)	1.00	41.85	41.85	1.00	41.85	42.21	(0.36)	0.99
Salaries and employee benefits	37.73	33.81	3.92	1.12	33.40	33.40	1.12	33.40	33.81	(0.41)	0.99
Occupancy expenses	5.45	5.10	0.35	1.07	4.94	4.94	1.07	4.94	5.10	(0.16)	0.97
General service departments	6.28	5.90	0.38	1.06	5.70	5.70	1.06	5.70	5.90	(0.20)	0.97
Fiscal services department	5.93	5.13	0.80	1.16	5.01	5.01	1.16	5.01	5.13	(0.12)	0.98
Administrative departments	5.79	5.23	0.56	1.11	5.15	5.15	1.11	5.15	5.23	(0.08)	0.98
Operating income (loss)	(4.94)	1.41	(6.35)	(3.50)	0.74	0.74	(3.50)	0.74	1.41	(0.67)	0.52
Excess (deficiency) of revenues over expenses	(2.81)	3.78	(6.59)	(0.74)	2.99	2.99	(0.74)	2.99	3.78	(0.79)	0.79

Payroll statistics:

Average hourly rate (salaries and benefits)	44.18	44.47	(0.29)	0.99	43.05	43.05	0.99	43.05	44.47	(1.43)	0.97
Worked hours	49,295.23	46,826.00	2,469.23	1.05	245,809.51	245,809.51	1.05	245,809.51	234,202.00	11,607.51	1.05
Paid hours	61,063.52	54,496.00	6,567.52	1.12	289,696.66	289,696.66	1.12	289,696.66	272,480.00	17,216.66	1.06
Full time equivalents (worked)	286.60	270.67	15.93	1.06	281.89	281.89	1.06	281.89	270.13	11.76	1.04
Full time equivalents (paid)	355.02	315.01	40.01	1.13	332.22	332.22	1.13	332.22	314.28	17.94	1.06

NORTHERN INYO HOSPITAL

Statements of Changes in Net Assets

As of November 30, 2009

	<u>Month-to-date</u>	<u>Year-to-date</u>
Unrestricted net assets:		
Excess (deficiency) of revenues over expenses	(200,785.23)	1,116,930.56
Net Assets due/to transferred from unrestricted	-	-
Interest posted twice to Bond & Interest	-	(47.40)
Net assets released from restrictions used for operations	-	579,995.00
Net assets released from restrictions used for payment of long-term debt	(64,666.00)	(323,330.00)
Contributions and interest income	50.07	414.63
Increase in unrestricted net assets	<u>(265,401.16)</u>	<u>1,373,962.79</u>
Temporarily restricted net assets:		
District tax allocation	-	54,928.54
Net assets released from restrictions	-	(579,995.00)
Restricted contributions	-	15,450.00
Interest income	-	108.17
Net Assets for Long-Term Debt due from County	64,666.00	323,330.00
Increase (decrease) in temporarily restricted net assets	<u>64,666.00</u>	<u>(186,178.29)</u>
Increase (decrease) in net assets	(200,735.16)	1,187,784.50
Net assets, beginning of period	44,500,318.78	43,111,799.12
Net assets, end of period	<u>44,299,583.62</u>	<u>44,299,583.62</u>

NORTHERN INYO HOSPITAL

Statements of Cash Flows

As of November 30, 2009

	<u>Month-to-date</u>	<u>Year-to-date</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	(200,735.16)	1,187,784.50
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities: (correcting fund deposit)		47.40
Depreciation	222,834.03	1,111,848.39
Provision for bad debts	171,476.73	1,031,753.58
Loss (gain) on disposal of equipment	-	4,137.56
(Increase) decrease in:		
Patient and other receivables	(146,393.21)	(1,827,939.40)
Other current assets	30,729.55	(190,588.20)
Plant Expansion and Replacement Cash	1,516,800.60	3,560,372.26
Increase (decrease) in:		
Accounts payable and accrued expenses	(146,598.43)	590,338.98
Third-party payors	-	(262,192.45)
Net cash provided (used) by operating activities	<u>1,448,114.11</u>	<u>5,205,562.62</u>
 Cash flows from investing activities:		
Purchase of property and equipment	(1,985,831.93)	(5,310,051.99)
Purchase of investments	494,826.30	1,015,952.11
Proceeds from disposal of equipment	-	(4,137.56)
Net cash provided (used) in investing activities	<u>(1,491,005.63)</u>	<u>(4,298,237.44)</u>
 Cash flows from financing activities:		
Long-term debt	(64,071.40)	(505,970.93)
Issuance of revenue bonds	(66,737.19)	(256,492.19)
Unamortized bond costs	2,615.43	13,077.15
Increase (decrease) in donor-restricted funds, net	(50.07)	509,093.66
Net cash provided by (used in) financing activities	<u>(128,243.23)</u>	<u>(240,292.31)</u>
 Increase (decrease) in cash and cash equivalents	<u>(171,134.75)</u>	<u>667,032.87</u>
 Cash and cash equivalents, beginning of period	<u>1,719,819.03</u>	<u>881,651.41</u>
 Cash and cash equivalents, end of period	<u>1,548,684.28</u>	<u>1,548,684.28</u>

Financial Indicators

	Target	Nov-09	Oct-09	Sep-09	Aug-09	Jul-09	Jun-09	May-09	Apr-09	Mar-09	Feb-09	Jan-09	Dec-08
Current Ratio	>1.5-2.0	5.99	6.10	5.81	6.05	6.39	6.29	6.56	7.53	4.20	4.09	3.89	4.13
Quick Ratio	>1.33-1.5	5.41	5.53	5.27	5.51	5.85	5.78	6.04	6.96	3.74	3.66	3.50	3.69
Days Cash on Hand	>75	306.58	307.60	364.93	344.81	349.84	388.66	289.03	337.98	227.43	222.55	230.22	223.53

Northern Inyo Hospital
Summary of Cash and Investment Balances
Calendar Year 2009

Month	Operations Checking Account				Time Deposit Month-End Balances								
	Balance at Beginning of Month	Deposits	Disbursements	Balance at End of Month	Investment Fund	Bond and Interest Fund (2)	Equipment Donations Fund	Childrens Fund	Scholarship Fund	Tobacco Settlement Fund	Total Revenue Bond Fund (1)	Project Revenue Bond Fund (1)	General Obligation Bond Fund
January	910,403	3,465,150	3,801,871	573,681	25,688,066	557,358	26,212	3,137	8,014	521,838	729,992	18,350	974
February	573,681	5,073,277	4,962,667	684,291	25,701,675	557,358	26,212	3,137	8,014	521,965	759,081	-	-
March	684,291	6,979,617	5,689,346	1,974,563	23,604,971	557,497	26,218	3,138	8,016	530,337	806,520	-	-
April	1,974,563	9,529,952	9,189,387	2,315,128	24,919,927	167,252	26,218	3,138	8,016	630,495	853,958	-	14,464,947
May	2,315,128	3,264,722	4,556,036	1,023,814	28,168,905	552,617	26,218	3,138	8,016	631,411	934,534	-	11,007,929
June	1,023,814	3,947,195	3,990,630	980,379	29,618,958	552,753	26,225	3,184	8,018	631,589	788,610	-	10,122,651
July	980,379	7,052,713	7,416,364	616,727	30,121,668	574,431	26,225	2,639	18,468	631,762	836,048	-	9,398,497
August	616,727	6,367,182	5,462,850	1,521,059	29,615,171	574,431	26,225	2,639	18,468	631,852	883,487	-	8,652,655
September	1,521,059	4,571,506	4,221,577	1,870,988	29,609,631	574,537	26,230	2,639	17,470	631,900	930,926	-	8,074,645
October	1,870,988	6,700,748	6,690,198	1,881,538	29,097,832	34,292	26,230	2,639	17,470	631,949	978,365	-	8,074,772
November	1,881,538	14,574,637	14,781,591	1,674,584	28,603,006	34,292	26,230	2,639	17,470	631,999	1,045,102	-	6,395,453
Prior Year December	181,977	4,947,737	4,219,311	910,403	24,670,653	557,358	26,222	3,037	8,014	521,703	682,553	18,350	882

Notes:

(1) The difference between the Total and Project Revenue Bond Funds represents amounts held by the trustee to make payments on the District's behalf and about \$575,000 to cover the Bond Reserve Account Requirement with respect to the Series 1998 Bonds. The Project is exhausted.

(2) The Bond and Interest Fund now contains the Debt Service amount from the County for both the original Bond and the 2005 Bond.

Investments as of November 30, 2009

Institution	Certificate ID	Purchase Dt	Maturity Dt	Principal	YTM	Broker
Citigroup Inc	1260PCL3	02-Nov-09	01-Dec-09	\$702,987	0.00%	Multi-Bank Service
LAI (Walker Fund)	20-14-002	02-Nov-09	01-Dec-09	\$317,004	0.61%	Northern Inyo Hospital
Union Bank-Money Market	2740028807	30-Nov-09	01-Dec-09	\$13,602,107	0.09%	Union Bank
Bear Stearns Co Note	073902BR8	22-Feb-08	07-Dec-09	\$933,927	4.58%	Multi-Bank Service
1st Financial Bank USA (FNC CD)	5X42582	12-Dec-08	12-Dec-09	\$249,000	3.55%	Financial Northeast Corp.
Discover Bank (FNC CD)	5X42584	12-Dec-08	12-Dec-09	\$250,000	3.15%	Financial Northeast Corp.
M&T Bank N.A. (FNC CD)	5X42577	12-Dec-08	12-Dec-09	\$250,000	3.15%	Financial Northeast Corp.
World Savings Bank Note	98151GAA3	18-Aug-08	15-Dec-09	\$492,950	5.24%	Multi-Bank Service
Capital City Bank and Trust	9N01713	30-Dec-04	30-Dec-09	\$99,000	4.75%	Financial Northeast Corp.
Gulf Cost Community Bank (FNC CD)	5X42841	05-Jan-09	05-Jan-10	\$99,000	2.64%	Financial Northeast Corp.
Berkshire Hathaway Fin Corp GRD Sr Note	084664AR2	11-Dec-08	15-Jan-10	\$203,510	2.49%	Multi-Bank Service
Citigroup Inc	172967CUC3	11-Dec-08	22-Feb-10	\$97,308	6.49%	Multi-Bank Service
Schwab Medium Term Note	80851QCX0	25-Jul-08	01-Mar-10	\$528,440	4.33%	Multi-Bank Service
Greater Bay Bancorp Sr Note	391648AT9	11-Dec-08	15-Apr-10	\$101,688	3.82%	Multi-Bank Service
Bank of Waukegan	065563AR9	22-Apr-05	22-Apr-10	\$99,000	4.75%	Financial Northeast Corp.
Toyota Motor Credit Corp Note	829233PV60	11-Dec-08	28-Apr-10	\$200,164	2.79%	Multi-Bank Service
American General Finance Corp Note	02635PSV6	24-Apr-08	15-May-10	\$503,905	4.47%	Multi-Bank Service
Total Short Term Investments				\$18,729,990		
Federal Home Loan Mtg Corp-MBS	313397L82	10-Nov-09	25-Oct-10	\$3,988,333	0.31%	Multi-Bank Service
United States Treasury Note-FNC	912828IS0	10-Nov-09	30-Nov-10	\$4,038,750	0.33%	Financial Northeast Corp.
Worlds Foremost Bank (FNC CD)	5X42688	18-Dec-08	18-Dec-10	\$100,000	4.40%	Financial Northeast Corp.
National Rural Utilities Corp Bond-FNC	63743FLH7	13-Aug-09	15-Aug-11	\$250,000	2.35%	Financial Northeast Corp.
Union National Bank & Trust CO-FNC	5L27278	19-Oct-09	19-Oct-11	\$250,000	2.00%	Financial Northeast Corp.
HSBC Financial Corp	40429XWB8	15-Sep-09	15-Sep-12	\$250,000	3.85%	Financial Northeast Corp.
United States Treasury Note-FNC	912828LK4	31-Aug-09	31-Aug-14	\$995,933	2.46%	Financial Northeast Corp.
Total Long Term Investments				\$9,873,016		
Grand Total Investments				\$28,603,006		

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NORTHERN INYO HOSPITAL
SECURITY REPORT
11/25/09 THRU 12/15/09

Access security during this period revealed eight occasions of open or unsecured exterior doors being located during those hours when doors were to be locked or secured. Two interior doors were found during this same period.

Main building roof access was found unsecured on two instances.

HUMAN SECURITY

On November 25th a transient subject was found loitering about the cafeteria and lobby. After some discussion with Security Staff the subject was provided a cup of coffee and left campus as requested.

On November 26th, Inyo County Sheriff's Office was investigating a local homicide that resulted in the arrest of a possible suspect. This individual was transported to the Hospital for medical clearance. Security locked down the Hospital upon the arrival of the suspect and maintained the lock down until such time the suspect was transferred to the County Jail.

On November 27th the Inyo County Sheriff's Office brought a combative 5150 suspect to the Hospital for medical clearance. This subject was restrained with the assistance of Security Staff until such time a transfer was made to a 72 hour Facility.

On November 28th an intoxicated individual was located sleeping in a vehicle parked in the main parking lot. A sober friend took this subject home.

On November 29th a subject presented in the Emergency Department with a complaint of pain. It was determined that this subject was seeking narcotics and had done so on at least two previous occasions. This individual became disruptive and belligerent upon being refused drugs. This individual was escorted from the property by Security without further incident.

On November 29th family members of an A Floor patient became angered and unsatisfied with the general care provided by Staff. These individuals refused to comply with the requests of staff and attempted to manage their family member on their own and against the requests of Staff. Security was contacted and with the cooperation of Staff was able to gain the compliance of these individuals.

On December 4th a Hospital employee was terminated. After termination this individual threatened a former co-worker to the extent that this employee felt truly threatened. Inyo County Sheriff's Office was contacted at the request of the employee and a crime report was filed.

On December 4th an individual with activity restrictions at the Hospital was present during the treatment of his wife. During this time he once again felt it necessary to take liberties with Hospital privileges. Upon contact with Staff he was argumentative and aggressive. The Police Department was contacted as well as Security Staff. This subject was counseled by Police personnel and advised that his failure to comply with Hospital restrictions subjected him to arrest. Security Staff came on duty early. The remainder of his stay was without incident.

On December 6th an agitated patient presented in the Emergency Department. The Police Department was contacted as it was suspected that the subject was under the influence of illegal drugs. The subject fled the ED once he determined the Police had been contacted.

On December 7th an extremely intoxicated, fall, victim presented in the Emergency Department. The Police Department was contacted and after treatment and discharge the subject was taken into custody for Public Intoxication and transported for custody.

On December 11th an Emergency Department patient became aggressive and combative. Security Staff responded and stood by with the subject until treatment and discharge was complete.

On December 12th a Law Enforcement vehicle pursuit terminated on Pioneer Lane in front of the Hospital. The Law Enforcement actions resulted in the arrest of two individuals, and the loss of one subject during a foot pursuit on Campus. Security Staff stood by during the final phases of the investigation and during the blood draw of the driver.

NIH Security Staff provided Law Enforcement standby in thirteen instances during this period. Of these, three were for suspected 5150 individuals and two were for Lab BAC's.

Security Staff provided patient assists on thirteen occasions during this period.

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p 952.595 1100
f 952.942 3361
www.virtualrad.com

11995 Singletree Lane, Suite 500
Minneapolis, MN 55344

November 19, 2009

Northern Inyo Hospital
150 Pioneer Lane
Bishop, CA 93514

Re: Voluntary Resignation

To Whom It May Concern:

This letter is written to inform you that I wish to voluntarily withdraw my application at Northern Inyo Hospital effective 12/04/2009. Please shred the documents you previously obtained.

If you have any questions or concerns please contact Jen Chicos at 952-595-1324.
Thanks so much.

Sincerely,

A handwritten signature in black ink, appearing to read 'Farhad Keliddari', with a long horizontal flourish extending to the right.

Farhad Keliddari
Associate Staff Radiologist
Virtual Radiologic Professionals, LLC

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Northern Inyo Hospital Health Plan Renewal Report

Barry G. Miller & Associates
License #0B20769
October 28, 2009

**NORTHERN INYO HOSPITAL
RENEWAL REPORT
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NORTHERN INYO HOSPITAL
Current Year-to-Date Totals
Plan Year 2009
January 1, 2009 – September 30, 2009

	<u>Current Maximum Liability</u>	<u>Actual Costs</u>	<u>Percentage of Total</u>
Claims:	\$3,164,480	\$1,974,311	87.6%
Stop-Loss Premiums:	\$ 16,468	\$ 16,468	.5%
Individual Stop-Loss:	\$ 324,616	\$ 324,616	9.0%
Administration:	\$ 89,033	\$ 89,033	2.5%
ASO Fees:	\$ 16,048	\$ 16,048	.4%
TOTALS	\$3,610,645	\$2,420,476	100%
Dollar Savings (Nine Months)		\$1,190,169	
Percentage Savings			33%

Assumptions:

Current Worst Case aggregate claims liability was calculated using the actual aggregate for the first nine months.

Actual paid claims were calculated using nine months of claims minus \$13,888 reimbursed by the stop-loss carrier for those amounts over the specific deductible.

Stop-loss and individual stop-loss premiums were based on actual premiums paid over nine months and assumes counts of 1,380 single employees and 1,234 families for the months of January through September 2009.

Administration was based on actual employee counts for eight months of 1,380 singles and 1,234 families.

NORTHERN INYO HOSPITAL

Claims Comparison by Plan Year

<u>Plan Year</u>	<u>Total Annual Claims</u>	<u>Average Monthly Claims</u>	<u>Average Claims Per Employee</u>
1996-97	\$ 715,755	\$ 62,239	\$ 327.57
1997-98 (Jan.-Dec.)	\$ 697,224	\$ 73,392	\$ 365.13
1998-99 (Jan. 98-March 99)	\$ 849,624	\$ 70,802	\$ 317.50
1999-00 (Jan. 99 -March 00)	\$1,080,348	\$ 99,029	\$ 444.08
2000-01 (Jan. 00 – March 01)	\$1,363,511	\$113,626	\$ 465.68
2001-02 (Jan. 01 – Mar. 02)	\$1,500,462	\$125,039	\$ 529.83 +14%
2002-03 (Jan. 02 – Mar. 03)	\$2,037,981	\$169,832	\$ 696.03 +31%
2003-04 (Jan. 03 – Mar. 04)	\$1,829,263	\$154,239	\$ 621.93 - 11%
2004-05 (Jan. 04 – Mar. 05)	\$2,622,830	\$218,569	\$ 827.91 + 33%
2005-06 (Jan. 05 – Mar. 06)	\$2,257,946	\$188,162	\$ 704.73 – 15%
2006-07 (Jan. 06 – Mar. 07)	\$2,453,238	\$204,437	\$ 759.99 + 7.8%
2007-08 (Jan. 07 – Mar. 08)	\$2,486,818	\$207,235	\$ 790.97 + 4%
2008-09 (Jan. 08 – Mar. 09)	\$2,830,300	\$235,858	\$ 863.95 + 9%
2009-10 (Jan. 09 – Sept. 09)	\$1,974,311	\$219,368	\$ 756.44 -12%

* Numbers based on actual claims experience and employee counts.

CONFIDENTIAL
Northern Inyo Hospital
Large Claims

Taken from Pinnacle Claims Mgmt. stop-loss report through September 2009:

Employee	\$ 112,816
Dependent	\$ 85,056
Employee	\$ 82,094
Employee	\$ 46,572
Employee	\$ 35,840
Employee	\$ 60,646
Employee	\$ 80,515
Sub-Total	\$ 503,540 or 26% of total claims paid
Reimbursed by Stop-Loss Company	\$ 13,888

PINNACLE

CLAIMS MANAGEMENT, INC.
Technology Driven. Subscribers Respected.

Northern Inyo Hospital
Aggregate Summary 01/01/09 thru 12/31/09

Month	Coverage	Total Family	Monthly Agg Deductible	Cumulative Agg Deductible	Medical Foreign	Medical Domestic	Medical 80% Domestic	Dental	Rx	Total Paid Claims	Specific Reimbursement	Net Claims
Jan-09	Med & Rx Dental	282	\$ 308,790.00 \$ 31,400.00	\$ 340,190.00	\$ 1,797.84	\$ -	\$ -	\$ 6,366.70	\$ 21,076.66	\$ 29,241.22	\$ -	\$ 29,241.22
Feb-09	Med & Rx Dental	314	\$ 313,170.00 \$ 31,800.00	\$ 685,160.00	\$ 12,096.78	\$ 81,929.72	\$ 65,543.78	\$ 20,088.60	\$ 32,395.56	\$ 130,124.72	\$ -	\$ 159,365.94
Mar-09	Med & Rx Dental	318	\$ 312,075.00 \$ 32,000.00	\$ 1,029,235.00	\$ 56,223.29	\$ 140,209.68	\$ 112,167.74	\$ 281,393.30	\$ 29,831.04	\$ 479,555.37	\$ -	\$ 638,921.31
Apr-09	Med & Rx Dental	320	\$ 321,930.00 \$ 32,500.00	\$ 1,383,665.00	\$ 5,716.41	\$ 44,672.21	\$ 35,737.77	\$ 12,587.50	\$ 35,973.03	\$ 90,014.71	\$ -	\$ 728,936.02
May-09	Med & Rx Dental	294	\$ 321,930.00 \$ 32,500.00	\$ 1,738,095.00	\$ 81,188.69	\$ 125,370.68	\$ 100,296.54	\$ 26,118.45	\$ 30,049.41	\$ 237,663.09	\$ -	\$ 966,599.11
Jun-09	Med & Rx Dental	325	\$ 321,930.00 \$ 32,500.00	\$ 2,092,525.00	\$ 69,855.35	\$ 177,217.49	\$ 141,773.99	\$ 28,224.60	\$ 33,051.53	\$ 272,905.47	\$ -	\$ 1,239,504.56
Jul-09	Med & Rx Dental	294	\$ 323,025.00 \$ 32,500.00	\$ 2,446,955.00	\$ 130,193.58	\$ 128,214.33	\$ 102,571.46	\$ 21,979.21	\$ 26,759.14	\$ 281,503.39	\$ -	\$ 1,521,007.88
Aug-09	Med & Rx Dental	295	\$ 328,500.00 \$ 33,200.00	\$ 2,802,780.00	\$ 120,434.48	\$ 196,837.45	\$ 148,469.96	\$ 18,994.90	\$ 34,040.37	\$ 322,939.71	\$ -	\$ 1,843,947.69
Sep-09	Med & Rx Dental	300	\$ 316,480.00 \$ 33,200.00	\$ 3,164,480.00	\$ 42,122.12	\$ 56,090.70	\$ 44,872.56	\$ 19,293.35	\$ 37,863.34	\$ 144,251.37	\$ 13,888.18	\$ 1,974,310.88
Oct-09	Med & Rx Dental	332	\$ 3,164,480.00 \$ -	\$ 3,164,480.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,974,310.88
Nov-09	Med & Rx Dental	332	\$ 3,164,480.00 \$ -	\$ 3,164,480.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,974,310.88
Dec-09	Med & Rx Dental	332	\$ 3,164,480.00 \$ -	\$ 3,164,480.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,974,310.88
Jan-10				\$ 3,164,480.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,974,310.88
Feb-10				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,974,310.88
Mar-10				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,974,310.88
Total				\$ 519,638.54	\$ 940,542.26	\$ 752,403.81	\$ 281,140.10	\$ 434,966.61	\$ 1,988,199.06	\$ 13,888.18	\$ -	\$ 1,988,199.06

Coverage Effective: January 1, 2009
 Average Number of Medical Employees: 2,624
 Average Number of Single Dental Employees: 2,912

Aggregate Claim Factors: Medical, Dental & Rx
 Factors Include: I-12/ P-15
 Contract Basis: \$ 1,095.00
 Med & Rx Family: \$ 100.00
 Dental Family: \$ -

Net Claims: \$ 1,988,199.06
 Less Payments Outside the Aggregate Contract: \$ -
 Less Specific Reimbursement: \$ 13,888.18
 Less Final Reimbursements Due: \$ -
Net Claims: \$ 1,974,310.88

\$70,000 Individual Excess Loss Rates: Medical, Rx
 Factors Include: I-12/ P-15
 Contract Basis: \$ 77.76
 Single: \$ 176.10
 Family: \$ -

Annual Aggregate Deductible: \$ 3,763,462.00
 Cumulative Aggregate Deductible: \$ 3,164,480.00
 Net Claims less greater Deductible: \$ (1,789,171.12)

PINNACLE

CLAIMS MANAGEMENT, FIC
Technology, Drive, Customer Excluded

Northern Inyo Hospital
Aggregate Summary 01/01/08 thru 12/31/08

Month	Coverage	Total Family	Monthly Agg Deductible	Cumulative Agg Deductible	Medical Foreign	Medical Domestic	Medical 80% Domestic	Dental	Rx	Total Paid Claims	Specific Reimbursement	Net Claims
Jan-08	Med & Rx	269	\$ 273,035.00	\$ 303,135.00	\$	\$ 24,751.35	\$ 19,801.08	\$ 10,368.50	\$ 33,862.70	\$ 64,032.28	\$	\$ 64,032.28
	Dental	301	\$ 30,100.00									
Feb-08	Med & Rx	269	\$ 273,035.00	\$ 606,170.00	\$ 4,672.22	\$ 25,183.04	\$ 20,146.43	\$ 12,110.50	\$ 32,574.92	\$ 69,503.77	\$	\$ 133,556.05
	Dental	300	\$ 30,000.00									
Mar-08	Med & Rx	270	\$ 274,050.00	\$ 910,320.00	\$ 122,638.05	\$ 162,029.81	\$ 129,623.05	\$ 28,034.90	\$ 31,909.37	\$ 312,206.57	\$	\$ 445,742.62
	Dental	301	\$ 30,100.00									
Apr-08	Med & Rx	272	\$ 276,080.00	\$ 1,216,600.00	\$ 64,101.75	\$ 63,559.49	\$ 50,847.59	\$ 23,991.70	\$ 31,981.21	\$ 170,922.25	\$	\$ 616,964.87
	Dental	302	\$ 30,200.00									
May-08	Med & Rx	272	\$ 276,080.00	\$ 1,522,880.00	\$ 101,637.24	\$ 120,347.68	\$ 96,278.14	\$ 16,335.95	\$ 31,560.42	\$ 245,831.75	\$	\$ 862,496.62
	Dental	302	\$ 30,200.00									
Jun-08	Med & Rx	270	\$ 274,050.00	\$ 1,826,930.00	\$ 76,278.82	\$ 115,464.05	\$ 92,371.24	\$ 22,342.10	\$ 43,373.55	\$ 234,365.71	\$	\$ 1,096,862.33
	Dental	300	\$ 30,000.00									
Jul-08	Med & Rx	271	\$ 275,065.00	\$ 2,132,195.00	\$ 136,881.74	\$ 117,001.24	\$ 93,800.99	\$ 19,799.90	\$ 28,079.36	\$ 278,352.01	\$	\$ 1,347,113.85
	Dental	302	\$ 30,200.00									
Aug-08	Med & Rx	271	\$ 275,065.00	\$ 2,437,460.00	\$ 155,103.80	\$ 87,693.65	\$ 70,154.92	\$ 17,231.90	\$ 26,525.38	\$ 269,016.00	\$	\$ 1,592,909.74
	Dental	302	\$ 30,200.00									
Sep-08	Med & Rx	273	\$ 277,095.00	\$ 2,744,955.00	\$ 71,246.45	\$ 128,247.28	\$ 102,597.82	\$ 27,109.50	\$ 33,907.50	\$ 234,761.27	\$	\$ 1,756,370.38
	Dental	304	\$ 30,400.00									
Oct-08	Med & Rx	278	\$ 282,170.00	\$ 3,059,025.00	\$ 119,844.45	\$ 120,902.84	\$ 96,722.27	\$ 21,924.15	\$ 31,648.62	\$ 270,139.69	\$	\$ 2,026,510.07
	Dental	309	\$ 30,900.00									
Nov-08	Med & Rx	279	\$ 283,185.00	\$ 3,372,210.00	\$ 142,184.37	\$ 91,290.71	\$ 73,052.57	\$ 19,187.02	\$ 28,135.57	\$ 292,539.53	\$	\$ 2,276,525.51
	Dental	310	\$ 31,000.00									
Dec-08	Med & Rx	278	\$ 282,170.00	\$ 3,685,480.00	\$ 89,213.98	\$ 95,687.56	\$ 76,550.13	\$ 26,279.04	\$ 33,051.09	\$ 224,099.14	\$	\$ 2,451,563.98
	Dental	311	\$ 31,100.00									
Jan-09		RunOut		\$ 3,685,480.00	\$ 66,169.64	\$ 124,213.25	\$ 99,370.60	\$ 12,093.95	\$ 13,692.01	\$ 190,315.20	\$	\$ 2,661,418.68
Feb-09					\$ 78,193.17	\$ 90,685.79	\$ 72,592.63	\$ 4,868.90	\$ (42.01)	\$ 155,552.59	\$	\$ 2,830,300.58
Mar-09					\$ 57,362.09	\$ 94,931.81	\$ 75,945.45	\$ 863.30	\$	\$ 134,190.84	\$	\$ 2,962,996.94
Total					\$ 1,283,532.57	\$ 1,461,968.65	\$ 1,169,574.92	\$ 262,551.31	\$ 400,169.81	\$ 3,115,828.71	\$	\$ 152,931.77

Coverage Effective January 1, 2008
Average Number of Medical Employees 3,272
Average Number of Single Dental Employees 3,644

Aggregate Claim Factors
Factors Include: Medical, Dental & Rx
Contract Basis: 1-12/P-15
Med & Rx Family \$ 1,015.00
Dental Family \$ 100.00
Total Paid Claims \$ 3,115,828.71
Less Payments Outside the Aggregate Contract \$
Less Specific Reimbursement \$ 152,931.77
Less Final Reimbursements Due \$
Net Claims \$ 2,962,896.94

\$60,000 Individual Excess Loss Rates
Factors Include: Medical, Rx
Contract Basis: 1-12/P-15
Single \$ 72.35
Family \$ 163.65
Annual Aggregate Deductible \$ 3,366,762.00
Cumulative Aggregate Deductible \$ 3,685,480.00
Net Claims less greater Deductible \$ (722,583.06)

NORTHERN INYO HOSPITAL
Reinsurance Renewal
12/15 Contract effective January 1, 2010

		Current \$70,000 <u>Specific</u>	Negotiated \$70,000 <u>Renewal</u>	Optional \$75,000 <u>Renewal</u>	Optional \$80,000 <u>Specific</u>
Individual Stop-Loss:					
Individual Stop-Loss Rates **	Single	\$ 77.76	\$ 87.86	\$ 83.60	\$ 73.12
	Family	\$ 176.10	\$ 198.96	\$ 189.34	\$ 165.60
Annual Premium		\$ 443,967	\$ 501,611	\$477,334	\$417,489
Contract Basis (Gapless/No Laser)		12/15	12/15	12/15	12/15
Administration: (claims processing)***					
	Employee Composite	\$ 34.06	\$ 35.02	\$ 35.02	\$ 35.02
Annual		\$ 122,616	\$ 126,072	\$ 126,072	\$ 126,072
Aggregate Premium:					
	Employee Composite	\$ 6.30	\$ 6.52	\$ 6.52	\$ 6.52
Annual		\$ 22,680	\$ 23,472	\$ 23,472	\$ 23,472
ASO Fees: Annual**		\$ 21,398	\$ 23,688	\$ 23,688	\$ 23,688
Claims:					
Aggregate Claims Rate	Medical	\$ 905.00	\$ 925.00	\$ 933.00	\$ 954.00
	RX	\$ 190.00	\$ 190.00	\$ 190.00	\$ 190.00
	Dental	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Contract Basis		12/15	12/15	12/15	12/15
Annual Claims Maximum**		\$4,302,000	\$4,374,000	\$4,402,800	\$4,478,400

* Renewal shown on an incurred and paid (24/12) contract basis.

** Current and renewal annual premium based on 161 single employees and 139 family units. Specific coverage includes prescription drugs. ASO fee based on \$6.58 PEPM and remains the same as last plan year. Specific stop-loss contract is on a 12/15 gapless coverage basis with no lasers on any individuals. The original stop-loss increase, before negotiations, was 17%.

*** Medical, dental and RX administration.

Renewal Costs (Reinsurance, Administration and Claims Costs)
Annual Totals
Sun Life Insurance Company
Reinsurance Renewal
12/15 Contract

	<u>Current</u> <u>\$70,000</u> <u>Specific</u>	<u>Negotiated</u> <u>\$70,000</u> <u>Renewal</u>	<u>Optional</u> <u>\$75,000</u> <u>Renewal</u>	<u>Optional</u> <u>\$80,000</u> <u>Specific</u>
Individual Stop-Loss:	\$ 443,967	\$ 501,611	\$ 477,334	\$ 417,489
Administration:	\$ 122,616	\$ 126,072	\$ 126,072	\$ 126,072
Aggregate Premium:	\$ 22,680	\$ 23,472	\$ 23,472	\$ 23,472
ASO Fees:	\$ 21,398	\$ 23,688	\$ 23,688	\$ 23,688
Annualized Current Claims:	\$2,632,415	\$2,632,415	\$2,632,415	\$2,632,415
FIXED COSTS TOTAL	\$ 610,661	\$ 674,843	\$ 650,566	\$ 590,721
% Difference from Current Rates		+10.5%	+6.5%	-3%
"Worst Case" Claims Liability:	\$4,302,000	\$4,374,000	\$4,402,800	\$4,478,400
"Worst Case" Total Costs:	\$4,912,661	\$5,048,843	\$5,053,366	\$5,069,121
TOTAL COSTS (If claims equal this plan year – \$2,632,415)	\$3,243,076	\$3,307,258	\$3,282,981	\$3,233,136
% Difference from Current		+2%	+1.2%	-1%

Sun Life's Proposal Qualifications and Contingencies

Renewal acceptance is subject to possible revision based upon receipt and review of the following items:

Paid claims experience through 12/31/09 including monthly enrollment figures.

Updated shock loss information through 10/31/09. Shock loss information should include injuries, illnesses, diseases, diagnoses or other losses of the type which are reasonably likely to result in a significant medical expense claim or disability, regardless of current claim dollar amount.

Proposal assumes that benefits will be administered by Pinnacle Claims Management and that the Blue Cross Prudent Buyer network will be utilized.

Renewal rates assume the underlying plan will be brought into compliance with the Mental Health Parity Act and that covered expenses as defined under the Act will be covered "as any other illness".

Health Plans Surveyed

<u>Insurance Company</u>	<u>Response</u>
Intermediary Insurance Services	10% higher than negotiated renewal
Sun Life Assurance Company	Shown in proposal
Best re	Declined to quote – not competitive
Cairnstone re	Declined to quote
OptumHealth	Declined to quote
HCC Life	Declined to quote



October 2, 2009

Mr. John Halfen
Northern Inyo Hospital
150 Pioneer Lane
Bishop, CA 93514-2599

Re: Pinnacle Contract Renewal

Dear Mr. Halfen:

Our records indicate that the Northern Inyo Hospital contract with Pinnacle Claims Management, Inc. (Pinnacle) is scheduled to renew on January 1, 2010. Your administrative fee will increase by 3.5% which reflects the increase in our internal cost of doing business. Although Pinnacle strives to achieve affordability and cost savings for clients whenever possible, there are impacts on our operating and administrative costs that must be considered. Within the last year, Pinnacle has added new technology and increased its programming efficiency; in addition, we administered the federally regulated COBRA subsidy on behalf of you and your employees. This rate modification will therefore be executed to accommodate the increased charges in the administration of services we provide to your organization.

Pinnacle's administrative fee per employee per month (pepm) will increase from \$18.98 to the new monthly rate of \$19.64 pepm.

Additionally, Anthem Blue Cross will be increasing their network fee from the current rate of \$15.08 to \$15.38 pepm.

Please sign, date and return the provided amendment at your earliest convenience. These rates will automatically take effect January 1, 2010 unless we otherwise hear from you.

Pinnacle truly respects the relationship we have formed and welcomes all communication. If there are any questions or concerns, please contact me directly at 949-885-2209.

Sincerely,

A handwritten signature in cursive script that reads "David Zanze".

David Zanze
President

Cc: Georgan Stottlemire, Northern Inyo Hospital
Terri Zinchiak, Barry G. Miller & Associates

AMENDMENT X

ADMINISTRATIVE SERVICE AGREEMENT

The following Amendment to the Administrative Service Agreement between Pinnacle Claims Management, Inc. and Northern Inyo Hospital is made to **ATTACHMENT C - SCHEDULE OF SERVICE FEES** to the rate schedule for administrative services performed by TPA as follows:

PINNACLE ADMINISTRATIVE MONTHLY SERVICE FEE \$19.64
PER SINGLE OR FAMILY UNIT

ANTHEM BLUE CROSS MONTHLY NETWORK ACCESS FEE \$15.38
PER SINGLE OR FAMILY UNIT

All other terms of the Agreement shall remain unchanged. The above amendment is agreed upon by ADMINISTRATOR and TPA effective as of January 1, 2010, and is duly executed by their respective officers duly authorized to do so:

FOR THE PLAN ADMINISTRATOR:

FOR PINNACLE CLAIMS MANAGEMENT, INC.:

By: _____

By: David Zanze

Printed Name: _____

Printed Name: David Zanze

Title: _____

Title: President

Dated at: _____

Dated at: Irvine, CA

This _____ day of _____, 2009

This 2nd day of October, 2009

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**NORTHERN INYO HOSPITAL
RURAL HEALTH CLINIC STAFF PHYSICIAN
PROFESSIONAL SERVICES AGREEMENT**

This Professional Services Agreement (this "Agreement"), dated as of January 20, 2010 is entered into by and between Northern Inyo Hospital Local Hospital District ("Hospital") and Jennifer Scott, M.D. ("Physician").

RECITALS

A. Hospital operates a general acute care hospital, which, among other things, owns and operates a Rural Health Clinic (the "Clinic"), located at 153 Pioneer Lane, Bishop, California.

B. Physician is an individual duly licensed to practice medicine in the State of California, and he desires to relocate his practice to Bishop, California.

C. Hospital desires to obtain professional medical services from Physician for the patients of Clinic, and Physician desires to furnish such services upon the terms and conditions set forth in this Agreement.

D. Hospital believes that high standards of patient care can be achieved if Physician assumes the responsibilities set out further in this Agreement.

THEREFORE, THE PARTIES AGREE:

I. PHYSICIAN RESPONSIBILITIES.

1.01 Services. Hospital hereby engages Physician to serve as Clinic staff physician, and Physician hereby accepts such engagement on the terms and conditions set forth in this Agreement. In his capacity as staff physician, Physician shall provide Hospital with the benefit of his direct patient care expertise and experience, and shall render those services necessary to enable Hospital to achieve its goals and objectives for the Clinic. The scope of services to be performed by Physician are described in Exhibit A attached hereto and incorporated by reference herein. Physician shall provide Hospital with patient medical record documentation of all direct patient care services rendered hereunder; such documentation shall be submitted to Hospital on an ongoing basis, and shall be in the form, and contain the information, requested by the Hospital such that a complete medical record can be assembled.

1.02 Limitation on Use of Space. No part of the Clinic's premises shall be used at any time by Physician as an office for the private practice of medicine or to see patients other than Clinic patients.

1.03 Covenants of Physician: Physician shall:

(a) Apply for and maintain Provisional or Active Medical Staff membership and the aforesaid family practice privileges for the term of this Agreement.

(b) Provide on-call coverage to the Hospital's Emergency Service within the scope of privileges granted him by Hospital.

(c) Maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred, and revenue acquired, pursuant to this Agreement to the extent, and in such detail, as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies, and services, and other costs and expenses of whatever nature, for which he may claim payment or reimbursement from the District. Physician acknowledges and agrees that any federal office authorized by law shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of Physician which are relevant to this Agreement, at all reasonable times for a period of four (4) years following the termination of this Agreement, during which period Physician shall preserve and maintain said books, documents, papers, and records. Physician further agrees to transfer to the District, upon termination of this Agreement, any books, documents, papers or records which possess long-term [*i.e.*, more than four (4) years] value to the Hospital. Physician shall include a clause providing similar access in any sub-contract he may enter with a value of more than Ten Thousand Dollars (\$10,000) or for more than a 12-month period, when said sub-contract is with a related organization.

(d) At all times comply with all relevant policies, rules and regulations of the Hospital, subject to California and federal statutes governing the practice of medicine.

(e) As much as is practical, Physician shall be on call or in actual physical presence to provide the emergency coverage required by this Agreement. However, District expressly agrees that said such other qualified physicians might perform services as the Physician may employ or otherwise provide so long as each such physician has received proper training, is properly licensed, and has received approval in writing by the Hospital.

(f) Assist in monitoring and reviewing the clinical performance of Clinic non-physician providers (nurse practitioners)

II. HOSPITAL RESPONSIBILITIES.

2.01 Hospital Services.

A. Space. Hospital shall make available for Physician reasonably necessary facilities for the operation of Clinic.

B. Equipment. In consultation with Physician, Hospital shall make all decisions regarding the acquisition of all equipment as may be reasonably necessary for the proper operation and conduct of Clinic. Hospital shall repair, replace or supplement such equipment and maintain it in good working order.

- 2.02 General Services. Hospital shall furnish ordinary janitorial services, maintenance services, and utilities, including telephone service, as may be required for the proper operation and conduct of Clinic.
- 2.03 Supplies. Hospital shall purchase and provide all supplies as may be reasonably required for the proper treatment of Clinic patients. Physician shall inform Hospital of supply needs in a timely manner and shall manage the use of supplies in an efficient manner that promotes quality and cost-effective patient care.
- 2.04 Personnel. Hospital shall determine and furnish all other personnel required to operate Clinic.
- 2.05 Business Operations. Hospital shall be responsible for all business operations related to operation of the Clinic, including personnel management, billing and payroll functions.
- 2.06 Hospital Performance. The responsibilities of Hospital under this Article shall be subject to Hospital's discretion and its usual purchasing practices, budget limitations and applicable laws and regulations.
- 2.07 Clinic Hours. Specific shifts will be scheduled according to normal operating procedures of the Clinic.

III. COMPENSATION.

- 3.01 Compensation. Hospital shall pay Physician \$70.00 per hour and \$30.00 per patient encounter for patients scheduled to be seen in the Clinic by Physician. Said sums are payable on the 20th day of the calendar month immediately following the service performed.
- 3.02 Community Pool. In addition to 3.01 above, Hospital shall contribute \$2.50 per patient seen into a pool of all patients seen by all participating contracted providers. Funds in the pool shall be distributed amongst all the contracted and eligible Physician providers quarterly (paid within 10 working days of the end of each quarter) in accordance with a Quality Assurance and Performance Plan established by the RHC Medical Director. The Hospital District Board will adjudicate disputes.
- 3.03 Malpractice Insurance. Physician agrees to secure his own malpractice insurance with limits and coverage's appropriate for the physician to provide services under this agreement.
- 3.04 Billing for Professional Services. Physician assigns to Clinic all claims, demands and rights of Physician to bill and collect for all professional services rendered to Clinic patients. Physician acknowledges that Clinic shall be solely responsible for billing and collecting for all professional services provided by Physician to Clinic patients at Clinic, and for managing all Clinic receivables and payables, including those related to Medicare and Medi-Cal beneficiaries. Physician shall not bill or collect for any services rendered to Clinic patients, and all Clinic receivables and billings shall be the sole and exclusive property of Clinic. In particular, any payments made pursuant to a payer agreement (including co-payments made by patients) shall constitute revenue of the Clinic. In the event payments are made to

Physician pursuant to any payer agreement, Physician shall promptly remit the payments directly to Clinic.

IV. TERM AND TERMINATION.

4.01 Term. The term of this Agreement shall be for a period of two years beginning on the first day of the first shift scheduled for the physician to work ("Effective Date"), and ending on the last day of the twenty-fourth month thereafter.

4.02. Termination. Notwithstanding the provisions of section 4.01, this Agreement may be terminated:

- A. By either party, at any time, without cause or penalty, upon sixty (30) days' prior written notice to the other party;
- B. Immediately by Hospital in its sole discretion if Physician fails to maintain the professional standards described in Article V of this Agreement;
- C. Immediately upon closure of the Hospital or Clinic;
- D. By either party upon written notice to the other party in the event that any federal, state or local government or agency passes, issues or promulgates any law, rule, regulation, standard or interpretation at any time while this Agreement is in effect that prohibits, restricts, limits or in any way substantially changes the arrangement contemplated herein or which otherwise significantly affects either party's rights or obligations under this Agreement; provided that in such event, Hospital must give notice to Physician equal to that provided to Hospital by the relevant federal, state or local government or agency. If this Agreement can be amended to the satisfaction of both parties to compensate for any such prohibition, restriction, limitation or change, this clause shall not be interpreted to prevent such amendment-

4.03 Rights Upon Termination. Upon any termination or expiration of this Agreement, all rights and obligations of the parties shall cease except those rights and obligations that have accrued or expressly survive termination.

V. PROFESSIONAL STANDARDS.

5.01 Medical Staff Standing. Prior to performing services pursuant to this Agreement, Physician must obtain full Medical Staff privileges on the Medical Staff of Hospital, and maintain such membership throughout the term of this Agreement. Such membership shall be subject to all of the privileges and responsibilities of Medical Staff membership.

5.02 Licensure and Standards. Physician shall:

- A. At all times be licensed to practice medicine in the State of California;

- B. Comply with all policies, bylaws, rules and regulations of Hospital and Clinic and its Medical Staff, including those related to documenting all advice to patients and proper sign-off of lab and X-ray reports;
- C. Be a member in good standing of the Active Medical Staff of the Hospital;
- D. Maintain professional liability coverage in an amount required for membership on the Active Medical Staff of the Hospital;
- E. Participate in continuing education as necessary to maintain licensure and the current standard of practice; and
- F. Comply with all applicable laws, rules and regulations of any and all governmental authorities, and applicable standards and recommendations of the Joint Commission on Accreditation of Healthcare Organizations.

VI. RELATIONSHIP BETWEEN THE PARTIES.

6.01 Professional Relations.

- A. Independent Contractor. No relationship of employer and employee is created by this Agreement. In the performance of Physician's work and duties, Physician is at all times acting and performing as an independent contractor, practicing the profession of medicine. Hospital and Clinic shall neither have nor exercise control or direction over the methods by which Physician performs professional services pursuant to this Agreement; provided, however, that Physician agrees that all work performed pursuant to this Agreement shall be in strict accordance with currently approved methods and practices in Physician's professional specialty and in accordance with the standards set forth in this Agreement. The sole interest of Hospital is to insure that such services are performed and rendered in a competent and cost effective manner.
- B. Benefits. Except as specifically set forth in this Agreement, it is understood and agreed that Physician shall have no claims under this Agreement or otherwise against Hospital for social security benefits, worker's compensation benefits, disability benefits, unemployment benefits, sick leave, or any other employee benefit of any kind. In addition, Hospital shall have no obligation to reimburse Physician for any costs or expenses associated with Physician's compliance with continuing medical education requirements.

6.02 Responsibility for Own Acts. Each party will be responsible for its own acts or omissions and all claims, liabilities, injuries, suits, demands and expenses for all kinds which may result or arise out of any malfeasance or neglect, caused or alleged to have been caused by either party, their employees or representatives, in the performance or omission of any act or responsibility of either party under this contract. In the event that a claim is made against both parties, it is the intent of both parties to cooperate in the defense of said claim and to cause their insurers to do likewise. However, both parties shall have the right to take any and all actions they believe necessary to protect their interest.

VII. GENERAL PROVISIONS.

- 7.01 No Solicitation. Physician agrees that he will not, either directly or indirectly, during and after the term of this Agreement, call on, solicit or take away, or attempt to call on, solicit or take away any patients or patient groups with whom Physician dealt or became aware of as a result of Physician's past, present or future affiliation with Hospital and Clinic.
- 7.02 Access to Records. To the extent required by Section 1861(v)(i)(I) of the Social Security Act, as amended, and by valid regulation which is directly applicable to that Section, Physician agrees to make available upon valid written request from the Secretary of HHS, the Comptroller General, or any other duly authorized representatives, this Agreement and the books, documents and records of Physician to the extent that such books, documents and records are necessary to certify the nature and extent of Hospital's costs for services provided by Physician.

Physician shall also make available such subcontract and the books, documents, and records of any subcontractor if that subcontractor performs any of the Physician's duties under this Agreement at a cost of \$10,000 or more over a twelve-month period, and if that subcontractor is organizationally related to Physician.

Such books, documents, and records shall be preserved and available for four (4) years after the furnishing of services by Physician pursuant to this Agreement. If Physician is requested to disclose books, documents or records pursuant to this subsection for purposes of an audit, Physician shall notify Hospital of the nature and scope of such request, and Physician shall make available, upon written request of Hospital, all such books, documents or records. Physician shall indemnify and hold harmless Hospital in the event that any amount of reimbursement is denied or disallowed because of the failure of Physician or any subcontractor to comply with its obligations to maintain and make available books, documents, or records pursuant to this subsection. Such indemnity shall include, but not be limited to the amount of reimbursement denied, plus any interest penalties and legal costs.

This section is intended to assure compliance with Section 1861 of the Social Security Act, as amended, and regulations directly pertinent to that Act. The obligations of Physician under this section are strictly limited to compliance with those provisions, and shall be given effect only to the extent necessary to insure compliance with those provisions. In the event that the requirements or those provisions are reduced or eliminated, the obligations of the parties under this section shall likewise be reduced or eliminated.

- 7.03 Amendment. This Agreement may be amended at any time by mutual agreement of the parties, but any such amendment must be in writing, dated, and signed by the parties.
- 7.04 Arbitration and Dispute Resolution.
- A. Non Medical Disagreements. In the event that disagreements arise between the parties concerning their performance under this Agreement, or on other matters, such disagreements shall be the subject of negotiations between Physician and the

Hospital Administrator. In the event Physician is not satisfied with the decision of the Administrator, the dispute shall be submitted to the Hospital's Board of Directors and the decision of the Board shall be final.

B. Medical Disagreement. Any questions or disagreements concerning standards of professional practice or the medical aspects of the service furnished in Clinic shall be referred to a peer group of qualified physicians recommended by the Medical Executive Committee, which shall recommend a resolution of the matter to the Administrator. In the event Physician is not satisfied with the decision of the Administrator, the dispute shall be submitted to the Hospital Board of Directors and the decision of the Board shall be final.

7.05 Assignment. Physician shall not assign, sell, transfer or delegate any of the Physician's rights or duties, including by hiring or otherwise retaining additional physicians to perform services pursuant to this Agreement, without the prior written consent of Hospital.

7.06 Attorneys' Fees. If any legal action or other proceeding is commenced, by either party, to enforce rights, duties, and/or responsibilities under this Agreement, the prevailing party shall be entitled to recover a reasonable attorney's fee and costs. As used in this Section 7.06, the term "prevailing party" shall have the meaning assigned by Section 1032(a)(4) of the California Code of Civil Procedure.

7.07 Choice of Law. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California.

7.08 Exhibits. All Exhibits attached and referred to herein are fully incorporated by this reference.

7.09 Notices. All notices or other communications under this Agreement shall be sent to the parties at the addresses set forth below:

Hospital: Administrator
Northern Inyo Hospital
150 Pioneer Lane
Bishop, CA 93514

Physician: Jennifer Scott, MD
153B Pioneer Lane
Bishop, CA 93514

7.10 Records. All files, charts and records, medical or otherwise, generated by a Medical Professional in connection with services furnished during the term of this Agreement are the property of Clinic. Physician agrees to maintain medical records according to Clinic policies and procedures and in accordance with community standards. Each party agrees to maintain the confidentiality of all records and materials in accordance with all applicable state and federal laws. Hospital agrees to permit Physician to have access during or after the term of the Agreement, to medical records generated by Physician if necessary in connection with claims, litigation, investigations, or treatment of patients.

- 7.11 Prior Agreements. This Agreement represents the entire understanding and agreement of the parties as to those matters contained in it. No prior oral or written understanding shall be of any force or effect with respect to the matters contained in this Agreement.
- 7.12 Referrals. This Agreement does not impose any obligation or requirement that Hospital shall make any referral of patients to Physician or that Physician shall make any referral of patients to Hospital. The payment of compensation pursuant to section 3.01 is not based in any way on referrals of patients to Hospital.
- 7.13 Severability. If any provision of this Agreement is determined to be illegal or unenforceable, that provision shall be severed from this Agreement, and the remaining provisions shall remain enforceable between the parties.
- 7.14 Waiver. The failure of either party to exercise any right under this Agreement shall not operate as a waiver of that right.
- 7.15 Gender and Number. Use of the masculine gender shall mean the feminine or neuter, and the plural number the singular, and vice versa, as the context shall indicate.
- 7.16 Authority and Executive. By their signature below, each of the parties represent that they have the authority to execute this Agreement and do hereby bind the party on whose behalf their execution is made.

NORTHERN INYO COUNTY
LOCAL HOSPITAL DISTRICT

PHYSICIAN

By _____
Peter J. Watcrott, President
Board of Directors

By _____
Jennifer Scott, MD

EXHIBIT A

POSITION DESCRIPTION

TITLE

Staff Physician

DEPARTMENT

Rural Health Clinic

POSITION SUMMARY

The Rural Health Clinic Staff Physician is a Member of the Northern Inyo Hospital Active Medical Staff and the Clinic multi-disciplinary care team. He/she provides direct primary medical diagnostic and treatment to patients. The Staff physician will:

1. Provide high quality primary medical care services.
2. Direct the need for on-going educational programs that serve the patient.
3. Evaluate and develop treatment plans to facilitate the individual healthcare needs of each patient.
4. Work with all office personnel to meet the healthcare needs of all patients.
5. Assess, evaluate, and monitor on-going health care and medication of Clinic patients.
6. Manage all medical and surgical emergencies.
7. Participate in professional development activities and maintain professional affiliations.
8. Participate with Hospital to meet all Federal and State Rural Health Clinic regulations.
9. Monitor and review clinical performance of non-physician providers (Nurse Practitioners)
10. Provide on-site clinical consultation to non-physician providers (Nurse Practitioners)

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Platelet Function Analyzer

As over 80 million Americans have one or more type of cardiovascular disease¹ and an additional 15 million people suffer from neurovascular disease worldwide². Antiplatelet agents (such as aspirin and clopidogrel) are widely prescribed in patients with acute coronary syndrome (ACS) to prevent heart attacks, strokes and other potentially life-threatening cardiovascular events:

- 50 million Americans are on chronic aspirin therapy³
- Over 25 million prescriptions are written annually for Plavix, making it the second largest selling drug in America.⁴

Studies have shown that patients **Do Not** respond equally to antiplatelet therapy.

- Up to 1/3 of patients on antiplatelet medications may not respond adequately to antiplatelet medications⁵
- Patients who are not responding adequately to their antiplatelet medications may be at 5 to 10 times greater risk for ischemic events.⁶⁻⁹

Therefore, early assessment of your patient's response to antiplatelet therapy is crucial to improving patient care.

Sophisticated Science, Easy-To-Operate Package

Utilizing an automated analyzer with single-use, disposable assays, the VerifyNow[®] System offers numerous advantages over the other methods of measuring platelet response.

- **Simple** - Whole blood, closed-tube samples require no preparation for analysis.
- **Rapid** - Platelet response is reported in five minutes or less.
- **Reliable** - Results are consistent across a wide range of patients and settings.
- **Accurate** - Measurements correlate with optical aggregometry.
- **Convenient** - Assays can be used at the patient point-of-care and VerifyNow Aspirin is CLIA waived for use in physician offices.

VerifyNow results are comparable to platelet aggregometry but are far less time- and labor-intensive.



1 Open the cover



2 When prompted, insert the assay device until it clicks.



3 When prompted, insert the tube onto the assay device needle.



4 After inserting the tube, close the cover and read results within 2 to 5 minutes.

Replacement instrument for broken old analyzer: \$9000.00

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Turner Logistics

Building Supply Chain Solutions

Turner Logistics, LLC
4 Skyline Drive
Hawthorne, NY 10532
Phone: 914-593-6500
Cell: 914-420-2955
Fax: 914-457-4588

December 14, 2009

John Halfen, CEO
Northern Inyo Hospital
150 Pioneer Lane
Bishop, CA 93514

**RE: Change Order #002,
Northern Inyo Hospital (NIH), Phase II – Turner Logistics Contract, 7Y-0039**

**Subject: Turner Logistics Change Order Request No. COR-002 for additional
services - Northern Inyo Hospital, Phase II, Added Services FF & E**

Dear Mr. Halfen,

Turner Logistics (TL) is pleased to present our proposal for the additional services for the FF&E for the NIH Phase II project. We will be working in conjunction with RBB Architects whose Furniture Design Add Service Fee Proposal is included in this correspondence. The intent is to present you with a budgetary number inclusive of services by RBB Architects for design and specification of Furniture, Artwork and Plants as well as Turner Logistics services as outlined below:

Our pricing includes the following Scope of Work:

Phase 1 - Preconstruction:

- Design Kick-off Meeting with RBB Architects
- Survey of Existing FF&E currently in Hospital
- Attend Validation Design meetings with RBB and User Committee
- Placement drawings of miscellaneous items not included in Architects Scope of Work
- Mock-ups / evaluations as required
- Update Room by Room lists

Phase 2 - Procurement:

- Solicit proposals / bids from vendors
- Identify Alternates and review w/ Architect and Owner
- Level proposals / bids and review w/ Architect and Owner
- Issue POs to vendors

Phase 3 - Delivery/Installation:

- Coordinate and manage delivery
- Coordinate and manage installation
- Turnover and Close out

The duration of this work is based on the 11-17-09 Construction Schedule, with TL work beginning with the Survey of existing FF&E in January 2010 and Closeout in January 2012 after Completion of Construction in November 2011. See attached 12-14-09 Turner Logistics Staffing Study for back up for Phases of work.

NIH shall compensate TL for services and deliverables per the following Payment Schedule:

Phase	TL COS	TL Fixed Expenses	Subtotal	Payment Schedule
1- Preconstruction – Design validation	\$30,000.	\$6,500.	\$36,500.	February 2010
2 - Procurement	\$25,000.	\$3,500.	\$28,500.	August 2010
3 - Delivery/Installation	\$43,360.	\$3,500.	\$46,860.	November 2011
Total	\$98,360.	\$13,500.	\$111,860.	

Please refer to the included attachments for supporting documentation:

1. 12-02-09 RBB Architects - Preliminary Furniture Budget – Preliminary Room by Room List Furniture list. This Preliminary Budget includes; Furniture, Plantscape and Artwork and assumes all is purchased new until further determination is made to use any surveyed existing Furniture. Also included are cost estimates for freight, delivery and installation, sales tax, contingency and escalation. Please refer to the “Notes” on page 8 of this document for further exclusions.
2. 11-23-09 RBB Architects – Furniture Design Add Services Fee Proposal
3. 12-14-09 Turner Logistics Estimated Budgetary Summary – Summary of FF&E Estimated Budget
4. 12-14-09 Turner Logistics Staffing Study NIH FF&E - Back up summary of TL work: hours, duration and deliverables.

Please indicate your approval for this request to increase the original Contract amount by one hundred eleven thousand eight hundred and sixty dollars (\$98,360.00 COS and \$13,500.00 Fixed Reimbursable Expenses) for the above additional services by signing in the space provided below.

Turner Logistics

Building Supply Chain Solutions

Turner Logistics, LLC
4 Skyline Drive
Hawthorne, NY 10532
Phone: 914-593-6500
Cell: 914-420-2955
Fax: 914-457-4588

Sincerely,



Linda Balabuch
Turner Logistics
Project Manager

Approved by:

Northern Inyo Hospital

John Halfen

Date

Attachments:

Cc:

Neil Lynch
Scott Hooker
Rick Kasa
Kathy Sherry
Anne Pernell

Turner Logistics, LLC
4 Skyline Drive
Hawthorne, NY 10532
Phone: 914-593-6500
Cell: 914-420-2955
Fax: 914-457-4588

December 14, 2009

Northern Inyo Phase II – FF&E Preliminary Budget Summary

- Estimated Furniture / Artwork / Plantscape – high and low range:
\$ 520,002.00 to \$ 575,000.00
- Estimated Copiers cost for faxes, printers, waste receptacles, file cabinets, mobile carts:
\$ 130,000.00
- RBB Architects Cost of Services for Furniture Design
Additional Services:
\$ 50,000.00
- RBB Architects estimated Reimbursable Expenses:
\$ 4,000.00
- Turner Logistics Cost of Services for FF&E Pre-Procurement, Procurement, Delivery and Installation Management:
\$ 98,360.00**
- Turner Logistics Fixed Reimbursable Expenses:
\$13,500.00

****Insurance is NOT included since the total is dependant on the final volume of the purchase but will be billed in accordance with the original Turner Logistics contract. Taxes will be billed at the existing rate and Insurance at the rate of 1.15% per contract.**



November 23, 2009

Mr. John Halfen, CEO
Northern Inyo Hospital
150 Pioneer Lane
Bishop, CA 93514

**Re: Northern Inyo Hospital
RBB # 0913700
Furniture Design Add Service Fee Proposal**

RBB ARCHITECTS INC

Dear John:

Joseph A. Balbona, AIA
Deneys Purcell, AIA
Arthur E. Border, AIA
Sylvia Botero, AIA
Kevin S. Boots, AIA

As discussed with Turner Construction and Turner Logistics we are pleased to offer the following add service for design and specification of Furniture Artwork, and Plants for the new Hospital Project. We will work with Turner Logistics who will supplement the services we provide to complete procurement and installation services.

10980 Wilshire Boulevard
Los Angeles, California
90024-3905

SCOPE OF SERVICES

Telephone 310 473 3555
Facsimile 310 312 3646
www.rbbinc.com

- Program the spaces where furnishings are appropriate.
- Review survey of existing furniture performed by Turner Logistics for potential of re-use in either the current Hospital Project or the future Increment 3.
- Develop furniture design criteria based on the Interior Design standards developed in the original NTD plans.
- Review the revised furniture space plan studies with the owner for compliance with the user's operational requirements. Two meetings are expected for this process.
- Prepare Furniture Plans with symbols and legends identifying and locating each item of furniture / artwork / plantscapes in the space based on the standards previously developed for this project.
- Prepare bid ready specifications.
- Prepare color and material boards for any furniture finishes specified.
- Coordinate any potential and review revisions with proposed by Turner Logistics.
- Review final Procurement list prepared by Turner Logistics.
- Respond to Request For Information (RFI's) regarding FF&E design during construction.
- Punchlist Furniture / Artwork / Plantscape installation upon completion.

FEE

Our fee for the above outlined scope of services is **Fifty Thousand Dollars (\$50,000)**

Reimbursable expenses will be billed at cost, which we estimate to be approximately \$4,000. Typical reimbursable expenses include charges for items such as printing, reproduction, messenger services, special mail, plotting, delivery service, and travel expenses for two trips during design and one during construction.

Payment schedule – Time will be billed monthly as the work is completed.



ADDITIONAL SERVICES

RBB is prepared to provide Additional Design Services, as required, to be performed if authorized by owner in writing, including:

- Design illustrations/renderings
- Selection, documentation, and coordination of graphic programs such as signage, logos, and display materials
- Selection, documentation, and coordination of accessory items such as; conference serving sets, kitchen utensils, dining service, and general office accessories such as desk pads, waste baskets, and in/out trays, etc.
- A change in the original scope of services or additional work requested; any rework of or change in previously approved work

Additional services will be billed at an hourly rate based on the existing RBB hourly fee schedule:

RBB was asked for an idea of an appropriate budget for Furniture / Artwork / Plantscapes for projects of a similar size and type. Given the size of the project we took the time and began a space by space program of the furniture needs of the project for budgetary purposes. Attached you will find an estimate of the Furniture / Artwork / Plantscape budget for the project for budgetary consideration.

Thank you for the opportunity to submit our proposal, and we are looking forward to beginning this phase of the project. If you have any questions or comments, please feel free to call me.

Respectfully submitted,

Accepted by,

A handwritten signature in black ink that reads "Kevin S. Boots".

Kevin Boots, AIA
Senior Vice President
RBB ARCHITECTS INC

John Halfen, CEO
NORTERN INYO HOSPITAL

Enc: FF&E Budget Estimate

NORTHERN INYO HOSPITAL
PARTIAL REPLACEMENT & RENOVATION
Preliminary Furniture Budget
December 2, 2009

Item #	Description	Qty	Unit Cost \$	Yds Per Unit	Qty COM	COM \$ Per Yd.	COM \$ Per Unit	COM \$ Total	COM \$ Total (List)
B-1	Bench with COM Upholstery	1	\$ 1,300.00	0.00		\$ -	\$ -	\$ -	\$ 1,300.00
								Subtotal	\$ 1,300.00
B-2	Bench - (lockers) 36"x18"	2	\$ 550.00	0.00		\$ -	\$ -	\$ -	\$ 1,100.00
								Subtotal	\$ 1,100.00
BC-1	Bedside Cabinet	18	\$ 375.00	-		\$ -	\$ -	\$ -	\$ 6,750.00
								Subtotal	\$ 6,750.00
CH-1	Multiple Seating COM Upholstery (Back) COM Upholstery #1 and #2	32	\$750.00	-		\$ -	\$ -	\$ -	\$ 24,000.00
				0.00		\$ -	\$ -	\$ -	\$ -
				0.00		\$ -	\$ -	\$ -	\$ -
								Subtotal	\$ 24,000.00
CH-2	Side Chair-ED Exam room (COM)	15	\$ 600.00	-		\$ -	\$ -	\$ -	\$ 9,000.00
								Subtotal	\$ 9,000.00
CH-3	Stacking Chair-Staff Lounge	23	\$ 300.00	-		\$ -	\$ -	\$ -	\$ 6,900.00
								Subtotal	\$ 6,900.00
CH-4	Lounge Chair-Staff Lounge, Waiting (COM)	8	\$ 1,300.00	0.00		\$ -	\$ -	\$ -	\$ 10,400.00
								Subtotal	\$ 10,400.00
CH-5	Task Chair (COM Upholstery)	44	\$ 450.00	0.00		\$ -	\$ -	\$ -	\$ 19,800.00
								Subtotal	\$ 19,800.00

NORTHERN INYO HOSPITAL
PARTIAL REPLACEMENT & RENOVATION
Preliminary Furniture Budget
December 2, 2009

Item #	Description	Qty	Unit Cost \$	Yds Per Unit	COM \$ Per Yd.	COM \$ Per Unit	COM \$ Total	COM \$ Total (List)
CH-6	Guest Chair-Office (COM Upholstery)	23	\$ 500.00	0.00	\$ -	\$ -	\$ -	\$ 11,500.00
							Subtotal	\$ 11,500.00
CH-7	Task Chair (Non-Ferrous)	1	\$ 500.00	-	-	-	\$ -	\$ 500.00
							Subtotal	\$ 500.00
CH-8	Side Chair-Interview	12	\$ 450.00	-	-	-	\$ -	\$ 5,400.00
							Subtotal	\$ 5,400.00
CH-9	Lounge Chair-Main Lobby	20	\$ 1,500.00	-	-	-	\$ -	\$ 30,000.00
							Subtotal	\$ 30,000.00
CH-10	Child's Chair-Side	4	\$ 300.00	0.00	\$ -	\$ -	\$ -	\$ 1,200.00
							Subtotal	\$ 1,200.00
CH-11	Child's Chair-Task	2	\$ 400.00	0.00	\$ -	\$ -	\$ -	\$ 800.00
							Subtotal	\$ 800.00

NORTHERN INYO HOSPITAL
PARTIAL REPLACEMENT & RENOVATION
Preliminary Furniture Budget
December 2, 2009

Item #	Description	Qty	Unit Cost \$	Yds Per Unit	Qty COM	COM \$ Per Yd.	COM \$ Per Unit	COM \$ Total	COM \$ Total (List)
CH-12	Chair-Patient room guest	10	\$ 800.00	-	-	-	-	-	\$ 8,000.00
								Subtotal	\$ 8,000.00
CH-13	Chair-Conference	12	\$ 500.00	0.00		\$ -	\$ -	\$ -	\$ 6,000.00
								Subtotal	\$ 6,000.00
CH-14	Patient Chair	16	\$ 800.00	-	-	-	-	-	\$ 12,800.00
								Subtotal	\$ 12,800.00
CH-15	Chair w/ottoman	1	\$ 1,000.00	0.00		\$ -	\$ -	\$ -	\$ 1,000.00
								Subtotal	\$ 1,000.00
F-1	Articulating Keyboard	24	\$ 500.00	-	-	\$ -	\$ -	\$ -	\$ 12,000.00
								Subtotal	\$ 12,000.00
F-2	Literature Rack	2	\$ 400.00	-	-	\$ -	\$ -	\$ -	\$ 800.00
								Subtotal	\$ 800.00
F-3	Table Lamp	8	\$ 250.00	-	-	\$ -	\$ -	\$ -	\$ 2,000.00
								Subtotal	\$ 2,000.00
F-4	Coat Hook	22	\$ 50.00	-	-	\$ -	\$ -	\$ -	\$ 1,100.00

NORTHERN INYO HOSPITAL
PARTIAL REPLACEMENT & RENOVATION
Preliminary Furniture Budget
December 2, 2009

Item #	Description	Qty	Unit Cost \$	Yds Per Unit	Qty COM	COM \$ Per Yd.	COM \$ Per Unit	COM \$ Total	COM \$ Total (List)
MB-1	Patient Room Board	25	\$ 390.00	-	-	-	-	\$ -	\$ 9,750.00
								Subtotal	\$ 9,750.00
S-1	Sofa, 2-seat (COM Upholstery)	2	\$ 1,400.00	-	-	-	-	\$ -	\$ 2,800.00
								Subtotal	\$ 2,800.00
S-2	Sofa, 3-seat (COM Upholstery)	1	\$ 1,800.00	-	-	-	-	\$ -	\$ 1,800.00
								Subtotal	\$ 1,800.00
S-3	Sofa-Main Lobby	1	\$ 2,000.00	0.00	-	-	-	\$ -	\$ 2,000.00
								Subtotal	\$ 2,000.00
S-4	Sleepover Sofa	20	\$ 2,500.00	-	-	-	-	\$ -	\$ 50,000.00
								Subtotal	\$ 50,000.00
ST-1	Mobile Pedestal (BBF)	12	\$ 450.00	-	-	-	-	\$ -	\$ 5,400.00
								Subtotal	\$ 5,400.00
ST-2	Lateral File-48"W	2	\$ 250.00	-	-	-	-	\$ -	\$ 500.00
								Subtotal	\$ 500.00
ST-3	Overhead cabinet	11	\$ 1,000.00	-	-	-	-	\$ -	\$ 11,000.00
								Subtotal	\$ 11,000.00
								Subtotal	\$ 1,100.00

NORTHERN INYO HOSPITAL
PARTIAL REPLACEMENT & RENOVATION
Preliminary Furniture Budget
December 2, 2009

Item #	Description	Qty	Unit Cost \$	Yds Per Unit	Qty COM	COM \$ Per Yd.	COM \$ Per Unit	COM \$ Total	\$ Total (List)
ST-4	Lateral File-42"W x 2-dwr high	9	\$ 250.00	-	-	-	-	-	\$ 2,250.00
								Subtotal	\$ 2,250.00
ST-5	Bookcase - 80"H	1	\$ 533.00	-	-	-	-	-	\$ 533.00
								Subtotal	\$ 533.00
T-1	Table-Staff Dining	2	\$ 750.00	-	-	-	-	-	\$ 1,500.00
								Subtotal	\$ 1,500.00
T-2	Table-Occasional rectangle	1	\$ 500.00	-	-	-	-	-	\$ 500.00
								Subtotal	\$ 500.00
T-3	Table-Occasional (Waiting)	25	\$ 500.00	-	-	-	-	-	\$ 12,500.00
								Subtotal	\$ 12,500.00
T-4	Desk	11	\$ 1,000.00	-	-	-	-	-	\$ 11,000.00
								Subtotal	\$ 11,000.00
T-5	Return-24"x48"	10	\$ 800.00	-	-	-	-	-	\$ 8,000.00
								Subtotal	\$ 8,000.00

NORTHERN INYO HOSPITAL
PARTIAL REPLACEMENT & RENOVATION
Preliminary Furniture Budget
December 2, 2009

Item #	Description	Qty	Unit Cost \$	Yds Per Unit	Qty COM	COM \$ Per Yd.	COM \$ Per Unit	COM \$ Total	COM \$ Total (List)
T-6	Table-Dining 48" diameter	2	\$ 600.00	-	-	-	-	-	\$ 1,200.00
								Subtotal	\$ 1,200.00
T-7	Credenza	2	\$ 800.00	-	-	-	-	-	\$ 1,600.00
								Subtotal	\$ 1,600.00
T-8	Table-Occasional 24"x24"	3	\$ 400.00	-	-	-	-	-	\$ 1,200.00
								Subtotal	\$ 1,200.00
T-9	Table-42" diameter (interview)	2	\$ 530.00	-	-	-	-	-	\$ 1,060.00
								Subtotal	\$ 1,060.00
T-10	Table-Console	1	\$ 650.00	-	-	-	-	-	\$ 650.00
								Subtotal	\$ 650.00
T-11	Table-Dining 54"x54"	1	\$ 650.00	-	-	-	-	-	\$ 650.00
								Subtotal	\$ 650.00
T-12	Table-Child	1	\$ 350.00	-	-	-	-	-	\$ 350.00
								Subtotal	\$ 350.00

NORTHERN INYO HOSPITAL
PARTIAL REPLACEMENT & RENOVATION
Preliminary Furniture Budget
December 2, 2009

Item #	Description	Qty	Unit Cost \$	Yds Per Unit	Qty COM	COM \$ Per Yd.	COM \$ Per Unit	COM \$ Total	\$ Total (List)
T-13	Computer Hutch	1	\$ 1,000.00	-	-	-	-	Subtotal	\$ 1,000.00
								Subtotal	\$ 1,000.00
T-14	Table-Patient room	29	\$ 450.00	-	-	-	-	Subtotal	\$ 13,050.00
								Subtotal	\$ 13,050.00
T-15	Table-24"x48" conference	4	\$ 1,000.00	-	-	-	-	Subtotal	\$ 4,000.00
								Subtotal	\$ 4,000.00
TB-1	Tack Board (at desk)	3	\$ 450.00	-	-	-	-	Subtotal	\$ 1,350.00
								Subtotal	\$ 1,350.00
VB-1	Visual Board (conference)	1	\$ 2,500.00	-	-	-	-	Subtotal	\$ 2,500.00
								Subtotal	\$ 2,500.00

SUBTOTAL \$ 320,493.00

BUILDING AREA (S.F.)

54,662

- Freight (6%) \$ 19,229.58
- Delivery and Installation (12%) \$ 38,459.16
- Bishop Cty. Sales Tax (8.75%) \$ 28,043.14
- Contingency (15%) \$ 48,073.95
- Escalation (3%) \$ 9,614.79

SUBTOTAL \$ 463,913.62

NORTHERN INYO HOSPITAL
PARTIAL REPLACEMENT & RENOVATION
Preliminary Furniture Budget
December 2, 2009

Item #	Description	Qty	Unit Cost \$	Yds Per Unit	Qty COM	COM \$ Per Yd.	COM \$ Per Unit	COM \$ Total	\$ Total (List)
								Cost/S.F. Total Cost	
	ESTIMATED FURNITURE TOTAL							\$ 8.49	\$ 463,914
	ESTIMATED ARTWORK TOTAL							\$ 1.59	\$ 86,723
	ESTIMATED PLANTSCAPE TOTAL							\$ 0.25	\$ 13,666
	ESTIMATED TOTAL FURNITURE/ARTWORK/PLANTSCAPE BUDGET							\$ 10.32	\$ 564,302

Notes:

1. Does not include medical equipment, clocks, toilet accessories, trash receptacles, or estimated and shall be verified. Budget assumes all new furniture, but could be adjusted depending on the percent of re-use of existing furniture.
2. Artwork based on 75% of total S.F. being usable for artwork and one piece of Art every 260 S.F. (average cost of \$550 per piece and 160 Pieces)
3. Budgeting does not include OSHPD required backing or anchorage for any fixed furniture or artwork.

**THIS SHEET
INTENTIONALLY
LEFT BLANK**

**NORTHERN INYO HOSPITAL
PRIVATE PRACTICE PHYSICIAN
INCOME GUARANTEE AND PRACTICE MANAGEMENT AGREEMENT**

This Agreement is made and entered into on this 28th day of December, 2009 by and between Northern Inyo County Local Hospital District (“District”) and VMS Medical Group, Inc. (“Group”).

RECITALS

- A. District, which is organized and exists under the California Local Health Care District Law, *Health & Safety Code section 32000, et seq.*, operates Northern Inyo Hospital (“Hospital”), a general acute care hospital serving northern Inyo County, California, including the communities of Bishop and Big Pine.
- B. Group is a professional medical corporation organized under the laws of the State of California, consisting of shareholders, employees, and contractors, each of whom is a physician duly licensed and qualified to practice medicine in the State of California.
- C. The District Board of Directors has found, by Resolution No. _____, that it will be in the best interests of the public health of the aforesaid communities to obtain/retain a licensed physician and Internist who is a board-certified/eligible specialist in the practice of Internal Medicine, to practice in said communities, on the terms and conditions set forth below.
- D. Hospital desires to retain Group to provide professional services through qualified employees who are engaged by Group to provide such services at the Practice locations (collectively, the “**Group Physicians**” and each, a “**Group Physician**”).
- E. Group Physician is a physician and Internist, engaged in the practice of medicine, licensed to practice medicine in the State of California, and a member of the American College of Internal Medicine. Group Physician desires to relocate to Bishop, California, and practice Internal Medicine in the aforesaid communities.

IN WITNESS WHEREOF, THE PARTIES AGREE AS FOLLOWS:

**I.
COVENANTS OF GROUP PHYSICIAN**

Group Physician (Exhibit B) shall provide professional services at medical offices (“Offices”) provided by District at a place to be mutually agreed upon in Bishop, California and shall, for the term of this Agreement, do the following:

- 1.01. Services.** Group Physician shall provide Hospital with the benefit of their direct patient care expertise and experience, and shall render those services necessary to enable Hospital to achieve its goals and objectives for the provision of Internal Medicine services. The scope of services to be performed by Group Physician is described in Exhibit A attached hereto and incorporated by reference herein. Group Physician shall provide Hospital with patient medical

record documentation of all direct patient care services rendered hereunder; such documentation shall be submitted to Hospital on an ongoing basis, and shall be in the form, and contain the information, requested by the Hospital such that a complete medical record can be assembled.

1.02. Limitation on Use of Space. No part of any offices provided by the District either by lease or other arrangement shall be used at any time by Group and/or Group Physician as anything other than the private practice of Internal Medicine unless specifically agreed to, in writing, by the parties.

1.03. Medical Staff Membership and Service: Group Physician shall:

- a) Apply for and maintain Provisional or Active Medical Staff ("Medical Staff") membership with Internal Medicine privileges sufficient to support a full time Internal Medicine practice, for the term of this Agreement.
- b) Provide on-call coverage to the Hospital's Emergency Services within the scope of privileges granted to Group Physician by Hospital and as required by the Hospital Medical Staff. Group Physician shall not be required to provide more than one week in four of Emergency Room call in weekly increments unless otherwise agreed upon from time to time. Group Physician shall be solely responsible for call coverage for Group Practice.
- c) Maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred, and revenue acquired, pursuant to this Agreement to the extent, and in such detail, as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies, services, and other costs and expenses of whatever nature, for which Group may claim payment or reimbursement from the District. Group acknowledges and agrees that any federal office authorized by law shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of Group and/or Group Physician which are relevant to this Agreement, at all reasonable times for a period of four (4) years following the termination of this Agreement, during which period Group shall preserve and maintain said books, documents, papers, and records. Group further agrees to transfer to the District, upon termination of this Agreement, any books, documents, papers or records which possess long-term [*i.e.*, more than four (4) years] value to the Hospital. Group shall include a clause providing similar access in any sub-contract he may enter with a value of more than Ten Thousand Dollars (\$10,000) or for more than a twelve (12) month period, when said sub-contract is with a related organization.
- d) At all times comply with all relevant policies, rules and regulations of the Hospital, subject to California and federal statutes governing the practice of medicine.
- e) District expressly agrees that said services might be performed by such other qualified Group Physicians as the Group may employ or otherwise provide so long as each such Group Physician has received proper training, is properly licensed, has been granted privileges by the Hospital Medical Staff, and has received approval in writing from the Hospital.

II.
COVENANTS OF THE DISTRICT

2.01. Hospital Services.

- a) Space. Hospital shall make the Offices available for the operation of Group's Practice either through a direct let at no cost to the Group or through an arrangement with a landlord, also at no cost to the Group, other than the fees retained by the hospital (3.05).
- b) Equipment. In consultation with Group and the Group Physician, Hospital shall provide all equipment as may be reasonably necessary for the proper operation and conduct of Group's practice. Hospital shall repair, replace or supplement such equipment and maintain it in good working order.

2.02. General Services. District shall furnish ordinary janitorial services, maintenance services, and utilities, including telephone service, as may be required for the proper operation and conduct of Group's Practice.

2.03. Supplies. District shall purchase and provide all supplies as may be reasonably required for the proper treatment of Group's Practice patients. Group and/or Group Physician shall inform Hospital of supply needs in a timely manner and shall manage the use of supplies in an efficient manner that promotes quality and cost-effective patient care.

2.04. Personnel. District shall determine the initial number and types of employees and place them in the Group Practice initially. Group, Group Physician and Hospital will mutually agree to subsequent staffing requirements. Group and Group Physician shall not be required to maintain any personnel that they do not feel are appropriate for the practice.

2.05. Business Operations. District shall be responsible for all business operations related to operation of the Group Practice, including personnel management, billing and payroll functions. Group Physician will provide the appropriate billing codes, which will be used unless changed by mutual consent of the Group and Hospital. Hospital will incur and pay all operating expenses of the Group Practice.

2.06. Hospital Performance. The responsibilities of District under this Article shall be subject to District's discretion and its usual purchasing practices, budget limitations and applicable laws and regulations.

2.07. Practice Hours. The District desires, and Group agrees, that Group's Practice shall operate on a full time basis, maintaining at least Forty (40) hours of operation per week in keeping with the full time practice of one Internist. Specific shifts will be scheduled according to normal operating procedures of the Group Practice and will be mutually agreed upon with Group Physician.

III. **COMPENSATION**

1. **3.01. Compensation.** District will guarantee the Group they will realize gross annual income of at least \$244,400.00 without having any liability with respect to the payment and incurrence of operating expenses of the Group Practice. This will be accomplished as follows:
 - a. The district will remit to the Group \$9,400 every two weeks.
 - b. The district will arrange for the patients of the Group Physician to be billed and collected. Group and Group Physician will agree to all assignments necessary to accomplish this.
 - c. District will retain all collections and pay all Group Practice expenses.
 - d. At the end of each calendar quarter the District will compare Qualifying Payments to the Group of \$45,500.00 (a portion of 3.01.a) against the collections received for that quarter (3.01.c). If 50% of the collections exceed the Qualifying Payments made to the Group, the District will remit that difference plus 28% of that difference to the Group. If 50% of the collections are less than the qualified Payments made to the Group, that amount will be carried forward and calculated in the subsequent quarter's analysis. In no event will the Group owe money to the District as a result of these quarterly calculations.
 - e. At the end of each calendar year, all carry forwards will cease and new reconciliations will begin.
 - f. In the event that the Group terminates or elects not to renew their relationship with the District, Group shall be entitled to the maintaining uncollected balance of the Accounts Receivable less any Qualifying Payments made to the Group to satisfy the guarantee.

- 3.02. Malpractice Insurance.** Group will secure and maintain malpractice insurance for Group and Group Physician with limits of no less than \$1 million per occurrence and \$3 million per year. Group shall invoice Hospital for 80% of annual malpractice insurance expense for Group Physician on the day Group Physician begins working under this contract and annually thereafter until termination of the agreement.

- 3.03. Health Insurance.** During the first year of the term of this Agreement, and no longer, Group will be allowed to purchase access to Hospital's self-funded Medical Dental Vision Benefit Plan for the Group Physician providing services under this agreement. Group Physician shall be provided the benefits contained therein.

- 3.04. Billing for Professional Services.** Subject to section 2.05 above, Group and Group Physician assigns to District all claims, demands and rights of Group and Group Physician to bill and collect for all professional services rendered to Practice patients, for all billings for Internal Medicine services, for all billings consulting performed or provided by the Group Physician. Group and Group Physician acknowledges that Hospital shall be solely responsible for billing and collecting for all professional services provided by Group Physician to Practice patients and for all Internal Medicine services performed at the Hospital, and for managing all Practice receivables and payables, including those related to Medicare and MediCal beneficiaries. Group and/or Group Physician shall not bill or collect for any services rendered to Practice patients or Hospital patients, and all Practice receivables and billings shall be the sole and exclusive property of the Hospital. In particular, any payments made pursuant to a payer agreement (including co-payments made by patients) shall constitute revenue of the practice. In the event payments are made to Group and/or Group Physician pursuant to any payer

agreement, Group and/or Group Physician shall promptly remit the payments directly to Hospital.

- 3.05. **Retention.** Hospital will retain 50% of all fees collected from the activities of Group, Group Physician/practice in exchange for the services rendered in II above.

IV. **TERM AND TERMINATION**

- 4.01. **Term.** The term of this Agreement shall be three (3) years beginning on the Monday next following the day upon which Physician is granted clinical privileges at Hospital, provisional membership on the Active Medical Staff of Hospital and has met all requirements for legally working in the United States. The Agreement may be renewed, by written instrument signed by both parties, no later than 120 days before its expiration date.
- 4.02. **Termination.** Notwithstanding the provisions of section 4.01, this Agreement may be terminated:
- a) By either party, at any time, without cause or penalty, upon ninety (90) days' prior written notice to the other party;
 - b) Immediately by Hospital in its sole discretion if Group Physician fails to maintain the professional standards described in Article V of this Agreement;
 - c) Immediately upon closure of the Hospital or Group Practice;
 - d) By either party upon written notice to the other party in the event that any federal, state or local government or agency passes, issues or promulgates any law, rule, regulation, standard or interpretation at any time while this Agreement is in effect that prohibits, restricts, limits or in any way substantially changes the arrangement contemplated herein or which otherwise significantly affects either party's rights or obligations under this Agreement; provided that in such event, Hospital must give notice to Group equal to that provided to Hospital by the relevant federal, state or local government or agency. If this Agreement can be amended to the satisfaction of both parties to compensate for any such prohibition, restriction, limitation or change, this clause shall not be interpreted to prevent such amendment; or
 - e) By either party in the event of a material breach by the other party and, in such event, the non-breaching party shall have the right to terminate this Agreement after providing thirty (30) days' written notice to the breaching party, explaining the breach, unless such breach is cured to the satisfaction of the non-breaching party within the thirty (30) days.

In the event that this contract is terminated in accordance with 4.02 a) or 4.02 b) the hospital administrator must present the circumstances surrounding the anticipated termination to the Medical Executive Committee prior to any final action to the District Board. The Medical Executive Committee may support, decline to support, or not take a position relative to the matter. In any event the decision of the District Board will be final.

- 4.03. **Rights Upon Termination.** Upon any termination or expiration of this Agreement, all rights and obligations of the parties shall cease except those rights and obligations that have

accrued or expressly survive termination. The Hospital shall retain the Accounts Receivable to offset the expense of any performance required under 3.01. Funds remaining after that shall be remitted to the Group within 60 days of termination.

V. PROFESSIONAL STANDARDS

5.01. Medical Staff Membership. It is a condition of this Agreement that Group Physician obtains Provisional or Active Medical Staff membership on the Hospital Medical Staff with appropriate clinical privileges and maintain such membership and privileges throughout the term of this Agreement.

5.02. Licensure and Standards. Group Physician shall:

- a) At all times be licensed to practice medicine in the State of California;
- b) Comply with all policies, bylaws, rules and regulations of Hospital, Hospital Medical Staff, and Practice, including those related to documenting all advice to patients and proper sign-off of lab and X-ray reports;
- c) Be a member in good standing of the Provisional or Active Medical Staff of Hospital;
- d) Maintain professional liability coverage in an amount required for membership on the Active Medical Staff of Hospital;
- e) Participate in continuing education as necessary to maintain licensure and the current standard of practice; and
- f) Comply with all applicable laws, rules and regulations of any and all governmental authorities, and applicable standards and recommendations of the Joint Commission on Accreditation of Healthcare Organizations.
- g) At all times conduct them self, professionally and publicly, in accordance with the standards of the medical profession, the American College of Internists, the Hospital Medical Staff, and the District. Further, they shall not violate any California law which prohibits (1) driving a motor vehicle under the influence of alcohol or prescription drugs or the combined influence of such substances, (2) unlawful use of controlled substances, (3) being intoxicated in a public place in such a condition as to be a danger to himself or others, and/or (4) conduct justifying imposition of an injunction prohibiting harassment of Hospital employees in their workplace. Entry of any injunction, judgment, or order against Group Physician based upon facts, which constitutes the above offenses, shall be a material breach of this Agreement.

VI. RELATIONSHIP BETWEEN THE PARTIES

6.01. Professional Relations.

- a) Independent Contractor. No relationship of employer and employee is created by this Agreement. In the performance of Group's work and duties, Group and Group Physician

are at all times acting and performing as an independent contractor, practicing the profession of medicine. District shall neither have nor exercise control or direction over the methods by which Group and/or Group Physician performs professional services pursuant to this Agreement; provided, however, that Group and/or Group Physician agree that all work performed pursuant to this Agreement shall be in strict accordance with currently approved methods and practices in Group and/or Group Physician's professional specialty and in accordance with the standards set forth in this Agreement.

- b) **Benefits.** Except as specifically set forth in this Agreement, it is understood and agreed that Group and/or Group Physician shall have no claims under this Agreement or otherwise against Hospital for social security benefits, worker's compensation benefits, disability benefits, or any other employee benefit of any kind. In addition, Hospital shall have no obligation to reimburse Group and/or Group Physician for any costs or expenses associated with Group and/or Group Physician's compliance with continuing medical education requirements.

- 6.02. **Responsibility for Own Acts.** Each party will be responsible for its own acts or omissions and all claims, liabilities, injuries, suits, demands and expenses for all kinds which may result or arise out of any malfeasance or neglect, caused or alleged to have been caused by either party, their employees or representatives, in the performance or omission of any act or responsibility of either party under this contract. In the event that a claim is made against both parties, it is the intent of both parties to cooperate in the defense of said claim and to cause their insurers to do likewise. However, both parties shall have the right to take any and all actions they believe necessary to protect their interest.

VII. **GENERAL PROVISIONS**

- 7.01. **No Solicitation.** Group and/or Group Physician agrees that they will not, either directly or indirectly, during and after the term of this Agreement, call on, solicit or take away, or attempt to call on, solicit or take away any patients or patient groups with whom Group Physician dealt or became aware of as a result of Group Physician's past, present or future affiliation with Hospital and Practice.
- 7.02. **Access to Records.** To the extent required by Section 1861(v)(i)(I) of the Social Security Act, as amended, and by valid regulation which is directly applicable to that Section, Group and/or Group Physician agree to make available upon valid written request from the Secretary of HHS, the Comptroller General, or any other duly authorized representatives, this Agreement and the books, documents and records of Group and/or Group Physician to the extent that such books, documents and records are necessary to certify the nature and extent of Hospital's costs for services provided by Group Physician.

Group and/or Group Physician shall also make available such subcontract and the books, documents, and records of any subcontractor if that subcontractor performs any of the Group and/or Group Physician's duties under this Agreement at a cost of \$10,000.00 or more over a twelve (12) month period, and if that subcontractor is organizationally related to Group and/or Group Physician.

Such books, documents, and records shall be preserved and available for four (4) years after the furnishing of services by Group Physician pursuant to this Agreement. If Group and/or Group Physician is requested to disclose books, documents or records pursuant to this subsection for purposes of an audit, Group and/or Group Physician shall notify Hospital of the nature and scope of such request, and Group and/or Group Physician shall make available, upon written request of Hospital, all such books, documents or records. Group shall indemnify and hold harmless Hospital in the event that any amount of reimbursement is denied or disallowed because of the failure of Group and/or Group Physician or any subcontractor to comply with its obligations to maintain and make available books, documents, or records pursuant to this subsection. Such indemnity shall include, but not be limited to the amount of reimbursement denied, plus any interest, penalties and legal costs.

This section is intended to assure compliance with Section 1861 of the Social Security Act, as amended, and regulations directly pertinent to that Act. The obligations of Group and/or Group Physician under this section are strictly limited to compliance with those provisions, and shall be given effect only to the extent necessary to insure compliance with those provisions. In the event that the requirements or those provisions are reduced or eliminated, the obligations of the parties under this section shall likewise be reduced or eliminated.

- 7.03. **Amendment.** This Agreement may be amended at any time by mutual agreement of the parties, but any such amendment must be in writing, dated, and signed by both parties.
- 7.04. **No Referral Fees.** No payment or other consideration shall be made under this Agreement for the referral of patients, by Group and/or Group Physician, to Hospital or to any nonprofit corporation affiliated with District.
- 7.05. **Repayment of Inducement.** The parties stipulate and agree that the income guaranteed to Group under this Agreement, and the covenants of the District to provide office space, personal, equipment, and certain other benefits, are the minimum required to enable Group and Group Physician to relocate them self to Bishop, California; that they are not able to repay such inducement, and no such repayment shall be required.
- 7.06. **Assignment.** Group and/or Group Physician shall not assign, sell, transfer or delegate any of the Group and/or Group Physician's rights or duties, including by hiring or otherwise retaining additional physicians to perform services pursuant to this Agreement, without the prior written consent of Hospital.
- 7.07. **Attorneys' Fees.** If any legal action or other proceeding is commenced, by either party, to enforce rights, duties, and/or responsibilities under this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs. As used in this Section 7.07, the term "prevailing party" shall have the meaning assigned by Section 1032(a)(4) of the California Code of Civil Procedure.
- 7.08. **Choice of Law.** This Agreement shall be construed in accordance with, and governed by, the laws of the State of California.
- 7.09. **Exhibits.** All Exhibits attached and referred to herein are fully incorporated by this reference.

7.10. Notices. All notices or other communications under this Agreement shall be sent to the parties at the addresses set forth below:

Hospital: Administrator
Northern Inyo Hospital
150 Pioneer Lane
Bishop, CA 93514

Group: VMS Medical Group, Inc.
Attn: Michael B. Conley, CEO
3685 Mt. Diablo Blvd. Suite #351
Lafayette, CA 94549

Notice may be given either personally or by first-class mail, postage prepaid, addressed to the party designated above at the address designated above, or an address subsequently specified in writing by the relevant party. If given by mail, notice shall be deemed given two (2) days after the date of the postmark on the envelope containing such notice.

7.11. Records. All files, charts and records, medical or otherwise, generated by Group and/or Group Physician in connection with services furnished during the term of this Agreement are the property of Practice. Group and/or Group Physician agrees to maintain medical records according to Practice policies and procedures and in accordance with community standards. Each party agrees to maintain the confidentiality of all records and materials in accordance with all applicable state and federal laws. Hospital agrees to permit Group and/or Group Physician to have access, during or after the term of the Agreement, to medical records generated by Group and/or Group Physician if necessary in connection with claims, litigation, investigations, or treatment of patients.

7.12. Prior Agreements. This Agreement represents the entire understanding and agreement of the parties as to those matters contained in it. No prior oral or written understanding shall be of any force or effect with respect to the matters contained in this Agreement. This Agreement may be modified only by a writing signed by each party or her/its lawful agent.

7.13. Referrals. This Agreement does not impose any obligation or requirement that Hospital shall make any referral of patients to Group and/or Group Physician or that Group and/or Group Physician shall make any referral of patients to Hospital. The payment of compensation pursuant to section 3.01 is not based in any way on referrals of patients to Hospital.

7.14. Severability. If any provision of this Agreement is determined to be illegal or unenforceable, that provision shall be severed from this Agreement, and the remaining provisions shall remain enforceable between the parties.

- 7.15. **Waiver.** The failure of either party to exercise any right under this Agreement shall not operate as a waiver of that right.
- 7.16. **Gender and Number.** Use of the masculine gender shall mean the feminine or neuter, and the plural number the singular, and vice versa, as the context shall indicate.
- 7.17. **Authority and Executive.** By their signature below, each of the parties represent that they have the authority to execute this Agreement and do hereby bind the party on whose behalf their execution is made.
- 7.18. **Construction.** This Agreement has been negotiated and prepared by both parties and it shall be assumed, in the interpretation of any uncertainty, that both parties caused it to exist.

NORTHERN INYO COUNTY
LOCAL HOSPITAL DISTRICT

VMS MEDICAL GROUP, INC.

By _____
Peter J. Watercott, President
Board of Directors

By _____
Michael B. Conley, CEO
VMS Medical Group, Inc.

EXHIBIT A

SCOPE OF DUTIES OF THE PHYSICIAN

POSITION SUMMARY

The Physician is a Member of the Northern Inyo Hospital Active Medical Staff. Physician provides direct primary medical diagnosis and treatment to Practice and Hospital patients. The Physician will provide services commensurate with the equivalent of a full time Internal Medicine Practice. Full time shall mean regularly scheduled office hours to meet the service area demand for office visitations (minimum of 40 hours of coverage per week) as may be required. Full time shall also mean the provision of no more than four (4) weeks of vacation and two (2) weeks of time to acquire CME credits, if needed, as well as all recognized national holidays. All time off will be coordinated with Call coverage such that scheduled time off will not conflict with the Physician's call requirement.

Specifically, the Physician will:

1. Provide high quality primary medical care services.
2. Direct the need for on-going educational programs that serve the patient.
3. Evaluate and develop treatment plans to facilitate the individual healthcare needs of each patient.
4. Work with all Practice personnel to meet the healthcare needs of all patients.
5. Assess, evaluate, and monitor on-going health care and medication of Practice patients.
6. Manage all medical emergencies.
7. Participate in professional development activities and maintain professional affiliations.
8. Participate with Hospital to meet all federal and state regulations.
9. Accept emergency call as provided herein.

By _____
Peter J. Watercott, President
Board of Directors

By _____
Michael B. Conley, CEO
VMS Medical Group, Inc.

EXHIBIT B

GROUP PHYSICIAN

The Group will employ Mutuhi Mugo, MD to provide the services as Group Physician under the terms and conditions of this agreement.

By _____
Peter J. Watercott, President
Board of Directors

By _____
Michael B. Conley, CEO
VMS Medical Group, Inc.

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**NORTHERN INYO HOSPITAL
PHYSICIAN PLACEMENT OPERATIONS AGREEMENT**

*****DRAFT*****

This Agreement is made and entered into on this 20th day of January, 2010 by and between Northern Inyo County Local Hospital District ("District") and physicians Nicoline Hathaway and Asao Kamei (Group).

RECITALS

- A. District, which is organized and exists under the California Local Health Care District Law, *Health & Safety Code section 32000, et seq.*, operates Northern Inyo Hospital ("Hospital"), a general acute care hospital serving northern Inyo County, California, including the communities of Bishop and Big Pine.
- B. The District Board of Directors has found, by Resolution No. 09-01 that it will be in the best interests of the public health of the aforesaid communities to obtain/retain a licensed physician and Internist who is a board-certified/eligible specialist in the practice of Internal Medicine, to practice in said communities, on the terms and conditions set forth below.
- C. Dr. Muithine Mugo (Physician) is a physician and Internist, engaged in the private practice of medicine, licensed to practice medicine in the State of California, and a member of the American College of Internal Medicine. Physician desires to locate her practice ("Practice") to Bishop, California, and practice Internal Medicine in the aforesaid communities.

IN WITNESS WHEREOF, THE PARTIES AGREE AS FOLLOWS:

**I.
COVENANTS OF GROUP**

Physician shall relocate her Practice to medical offices ("Offices") provided by District through this agreement at 152 Pioneer Lane, Suite C, in Bishop, California. Group shall, for the term of this Agreement, do the following:

- 1.01. Offices, Equipment, and Personal, Group shall make their Offices, Equipment, and Personnel available for the full time operation of Physician's Practice. **In consultation with Physician, Group shall provide all equipment as may be reasonably necessary for the proper operation and conduct of Physician's practice. Group shall repair, replace or supplement such equipment and maintain it in good working order.****

- 1.02. Limitation on Use of Space.** No part of any offices provided by the Group either by lease or other arrangement shall be used at any time by Physician as anything other than the private practice of Internal Medicine unless specifically agreed to, in writing, by the parties.
- 1.03 General Services.** Group shall furnish ordinary janitorial services, maintenance services, and utilities, including telephone service, as may be required for the proper operation and conduct of Physician's Practice.
- 1.04 Supplies.** District shall purchase and provide all supplies as may be reasonably required for the proper treatment of Physician's Practice patients. Physician shall inform Group of supply needs in a timely manner and shall manage the use of supplies in an efficient manner that promotes quality and cost-effective patient care.
- 1.05 Business Operations** Group shall be responsible for all business operations related to operation of the Practice, including personnel management, billing and payroll functions. Physician will provide the appropriate billing codes, which will be used unless changed by mutual consent of the Physician and Group.
- 1.06 Practice Hours.** The District desires, and Physician agrees, that Physician's Practice shall operate on a full time basis, maintaining hours of operation in keeping with the full time practice of one Internist. Specific shifts will be scheduled according to normal operating procedures of the Group and will be mutually agreed upon with Physician.

II. **COMPENSATION**

- 2.01 Compensation.** Group will bill for all the services of the Physician. The group shall remit to the District all collections for said billings after reimbursing itself for all of the overhead and expenses of the physician. Overhead shall consist of rent, depreciation, personnel, office supplies, general maintenance, interest, and other overhead expenses that may be agreed to from time to time between the parties. Additionally, any other expenses incurred by the physician, for her own use, will be retained by the Group. Any remaining funds will be remitted to the District.

In no event will the Group be required to make remittances to the Physician.

- 2.02 Malpractice Insurance.** Physician will secure and maintain her own malpractice insurance.
- 2.03 Benefits.** The group will not be required to provide any employee benefits of any kind to the Physician.
- 2.04 Billing for Professional Services.** Group shall perform all billing for Physician.

III.
TERM AND TERMINATION

3.01 Termination. Notwithstanding the provisions of section _____, this Agreement may be terminated:

- a) By either party, at any time, without cause or penalty, upon ninety (90) days' prior written notice to the other party;
- b) Immediately upon closure of the Hospital or Group;
- c) By either party upon written notice to the other party in the event that any federal, state or local government or agency passes, issues or promulgates any law, rule, regulation, standard or interpretation at any time while this Agreement is in effect that prohibits, restricts, limits or in any way substantially changes the arrangement contemplated herein or which otherwise significantly affects either party's rights or obligations under this Agreement. If this Agreement can be amended to the satisfaction of both parties to compensate for any such prohibition, restriction, limitation or change, this clause shall not be interpreted to prevent such amendment; or

3.02 Rights Upon Termination. Upon any termination or expiration of this Agreement, all rights and obligations of the parties shall cease except those rights and obligations that have accrued or expressly survive termination.

IV.
RELATIONSHIP BETWEEN THE PARTIES

4.01 Professional Relations.

- a) No relationship of employer and employee between Group and Physician is created by this Agreement. In the performance of Physician's work and duties, Physician is at all times acting and performing as an employee of Valley Physician Resources, practicing the profession of medicine. District shall neither have nor exercise control or direction over the methods by which Physician performs professional services pursuant to this Agreement; provided, however, that Physician agrees that all work performed pursuant to this Agreement shall be in strict accordance with currently approved methods and practices in Physician's professional specialty and in accordance with the standards set forth in this Agreement.
- b) Benefits. Except as specifically set forth in this Agreement, it is understood and agreed that Physician shall have no claims under this Agreement or otherwise against the Group or District for social security benefits, worker's compensation benefits, disability benefits, or any other employee benefit of any kind. In addition, District or Group shall have no obligation to reimburse Physician for any costs or expenses associated with Physician's compliance with continuing medical education requirements.

4.02 Responsibility for Own Acts. Each party will be responsible for its own acts or omissions and all claims, liabilities, injuries, suits, demands and expenses for all kinds which may result or arise out of any malfeasance or neglect, caused or alleged to have been caused by either party, their employees or representatives, in the performance or omission of any act or responsibility of either party under this contract. In the event that a claim is made against both parties, it is the intent of both parties to cooperate in the defense of said claim and to cause their insurers to do likewise. However, both parties shall have the right to take any and all actions they believe necessary to protect their interest.

V. GENERAL PROVISIONS

5.01 Access to Records. To the extent required by Section 1861(v)(i)(I) of the Social Security Act, as amended, and by valid regulation which is directly applicable to that Section, Physician agrees to make available upon valid written request from the Secretary of HHS, the Comptroller General, or any other duly authorized representatives, this Agreement and the books, documents and records of Physician to the extent that such books, documents and records are necessary to certify the nature and extent of Hospital's costs for services provided by Physician.

Physician shall also make available such subcontract and the books, documents, and records of any subcontractor if that subcontractor performs any of the Physician's duties under this Agreement at a cost of \$10,000.00 or more over a twelve (12) month period and if that subcontractor is organizationally related to Physician.

Such books, documents, and records shall be preserved and available for four (4) years after the furnishing of services by Physician pursuant to this Agreement. If Physician is requested to disclose books, documents or records pursuant to this subsection for purposes of an audit, Physician shall notify Hospital of the nature and scope of such request, and Physician shall make available, upon written request of Hospital, all such books, documents or records. Physician shall indemnify and hold harmless Hospital in the event that any amount of reimbursement is denied or disallowed because of the failure of Physician or any subcontractor to comply with its obligations to maintain and make available books, documents, or records pursuant to this subsection. Such indemnity shall include, but not be limited to the amount of reimbursement denied, plus any interest, penalties and legal costs.

This section is intended to assure compliance with Section 1861 of the Social Security Act, as amended, and regulations directly pertinent to that Act. The obligations of Physician under this section are strictly limited to compliance with those provisions, and shall be given effect only to the extent necessary to insure compliance with those provisions. In the event that the requirements or those provisions are reduced or eliminated, the obligations of the parties under this section shall likewise be reduced or eliminated.

5.02 Amendment. This Agreement may be amended at any time by mutual agreement of the parties, but any such amendment must be in writing, dated, and signed by both parties.

- 5.03. No Referral Fees.** No payment or other consideration shall be made under this Agreement for the referral of patients, by Group, to District or to any nonprofit corporation affiliated with District.
- 5.04 Assignment.** Group shall not assign, sell, transfer or delegate any of its duties, including by hiring or otherwise retaining additional physicians to perform services pursuant to this Agreement, without the prior written consent of District.
- 5.05 Attorneys' Fees.** If any legal action or other proceeding is commenced, by either party, to enforce rights, duties, and/or responsibilities under this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs. As used in this Section 7.07, the term "prevailing party" shall have the meaning assigned by Section 1032(a)(4) of the California Code of Civil Procedure.
- 5.06 Choice of Law.** This Agreement shall be construed in accordance with, and governed by, the laws of the State of California.
- 5.07 Exhibits.** All Exhibits attached and referred to herein are fully incorporated by this reference.
- 5.08 Notices.** All notices or other communications under this Agreement shall be sent to the parties at the addresses set forth below:

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Northern Inyo Hospital
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Bishop, CA 93514

Group: Nicoline Hathaway, MD
Asao Kamei, MD
152 Pioneer Lane, Suite C
Bishop, CA 93514

Notice may be given either personally or by first-class mail, postage prepaid, addressed to the party designated above at the address designated above, or an address subsequently specified in writing by the relevant party. If given by mail, notice shall be deemed given two (2) days after the date of the postmark on the envelope containing such notice.

- 5.09 Records.** All files, charts and records, medical or otherwise, generated by Physician in connection with services furnished during the term of this Agreement are the property of District. Physician agrees to maintain medical records according to Group policies and procedures and in accordance with community standards. Each party agrees to maintain the confidentiality of all records and materials in accordance with all applicable state and federal laws. Hospital agrees to permit Physician to have access, during or after the term of the Agreement, to medical records generated by Physician if necessary in connection with claims, litigation, investigations, or treatment of patients.

- 5.10 Prior Agreements.** This Agreement represents the entire understanding and agreement of the parties as to those matters contained in it. No prior oral or written understanding shall be of any force or effect with respect to the matters contained in this Agreement. This Agreement may be modified only by a writing signed by each party or her/its lawful agent.
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- 5.12 Severability.** If any provision of this Agreement is determined to be illegal or unenforceable, that provision shall be severed from this Agreement, and the remaining provisions shall remain enforceable between the parties.
- 5.13 Waiver.** The failure of either party to exercise any right under this Agreement shall not operate as a waiver of that right.
- 5.14 Gender and Number.** Use of the masculine gender shall mean the feminine or neuter, and the plural number the singular, and vice versa, as the context shall indicate.
- 5.15 Authority and Executive.** By their signature below, each of the parties represent that they have the authority to execute this Agreement and do hereby bind the party on whose behalf their execution is made.
- 5.16 Construction.** This Agreement has been negotiated and prepared by both parties and it shall be assumed, in the interpretation of any uncertainty, that both parties caused it to exist.

NORTHERN INYO COUNTY
LOCAL HOSPITAL DISTRICT

PHYSICIAN(S)

By _____
Peter J. Watercott, President
Board of Directors

By _____
Nickoline Hathaway, M.D.

By _____
Asao Kamei, MD

APPROVED AS TO FORM:

Douglas Buchanan
NICLHD Legal Counsel

EXHIBIT A

SCOPE OF DUTIES OF THE PHYSICIAN

POSITION SUMMARY

The Physician is a Member of the Northern Inyo Hospital Active Medical Staff. Physician provides direct primary medical diagnosis and treatment to Practice and Hospital patients. The Physician will provide services commensurate with the equivalent of a full time Internal Medicine Practice. Full time shall mean regularly scheduled office hours to meet the service area demand for office visitations as may be required. Full time shall also mean the provision of no more than four (4) weeks of vacation and two (2) weeks of time to acquire CME credits, if needed, as well as all recognized national holidays. All time off will be coordinated with Call coverage such that scheduled time off will not conflict with the Physician's call requirement.

Specifically, the Physician will:

1. Provide high quality primary medical care services.
2. Direct the need for on-going educational programs that serve the patient.
3. Evaluate and develop treatment plans to facilitate the individual healthcare needs of each patient.
4. Work with all Practice personnel to meet the healthcare needs of all patients.
5. Assess, evaluate, and monitor on-going health care and medication of Practice patients.
6. Manage all medical emergencies.
7. Participate in professional development activities and maintain professional affiliations.
8. Participate with Hospital to meet all federal and state regulations.
9. Accept emergency call as provided herein.

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Thursday, January 7, 2010
% CHG FROM

Inflation	Nov. index level	Oct. '09	Nov. '08
U.S. consumer price index			
All items	216.330	0.1	1.8
Core	220.384	-0.2	1.7

International rates	Latest	Wk ago	52-WEEK High	Low
Prime rates [U.S. Effective Date: 12/16/2008]				
U.S.	3.25	3.25	3.25	3.25
Canada	2.25	2.25	3.50	2.25
Euro zone	1.00	1.00	2.50	1.00
Japan	1.475	1.475	1.675	1.475
Switzerland	0.53	0.54	0.58	0.51
Britain	0.50	0.50	1.50	0.50
Australia	3.75	3.75	4.25	3.00
Hong Kong	5.25	5.25	5.25	5.00
Overnight repurchase				
U.S.	0.06	0.05	0.33	0.03
U.K. (BBA)	0.503	0.493	1.558	0.407
Euro zone	0.30	0.32	2.09	0.30

U.S. government rates

Discount [Effective Date: 12/16/2008]	0.50	0.50	0.50	0.50
Federal funds [Effective Date: 12/16/2008]				
Effective rate	0.12	0.11	0.27	0.09
Target rate	0-0.25	0-0.25	0-0.25	0-0.25
High	0.3800	0.3800	0.5000	0.2500
Low	0.0500	0.0100	0.3200	0.0000
Bid	0.1250	0.0000	0.3125	0.0000
Offer	0.2500	0.0200	0.5000	0.0200
Treasury bill auction [Auction Date: 1/7/2010]				
4 weeks	0.025	0.010	0.285	0.000
13 weeks	0.080	0.110	0.340	0.040
26 weeks	0.180	0.200	0.495	0.140

Secondary Market

Freddie Mac

30-year mortgage yields				
30 days	4.88	4.92	5.95	3.98
60 days	4.93	4.98	5.55	4.14
One-year RNY	2.500	2.500	3.375	2.500

Fannie Mae

30-year mortgage yields				
30 days	4.854	4.895	5.502	4.144
60 days	4.928	4.969	5.591	4.240

Bankers acceptance

30 days	0.22	0.22	0.75	0.21
60 days	0.25	0.25	1.03	0.23
90 days	0.26	0.26	1.25	0.25
120 days	0.28	0.28	1.43	0.26
150 days	0.33	0.33	1.63	0.31
180 days	0.36	0.36	1.80	0.35

Other short-term rates

Call money [Effective Date: 12/16/2008]	2.00	2.00	2.00	2.00
Commercial paper				
30 to 59 days	0.11
60 to 89 days	0.12
90 to 104 days	0.16

Thursday, January 7, 2010
% CHG FROM

Inflation	Nov. index level	Oct. '09	Nov. '08
U.S. consumer price index			
All items	216.330	0.1	1.8
Core	220.384	-0.2	1.7

International rates	Latest	Wk ago	52-WEEK High	Low
Prime rates [U.S. Effective Date: 12/16/2008]				
U.S.	3.25	3.25	3.25	3.25
Canada	2.25	2.25	3.50	2.25
Euro zone	1.00	1.00	2.50	1.00
Japan	1.475	1.475	1.675	1.475
Switzerland	0.53	0.54	0.58	0.51
Britain	0.50	0.50	1.50	0.50
Australia	3.75	3.75	4.25	3.00
Hong Kong	5.25	5.25	5.25	5.00
Overnight repurchase				
U.S.	0.06	0.05	0.33	0.03
U.K. (BBA)	0.503	0.493	1.558	0.407
Euro zone	0.30	0.32	2.09	0.30

U.S. government rates

Discount [Effective Date: 12/16/2008]	0.50	0.50	0.50	0.50
Federal funds [Effective Date: 12/16/2008]				
Effective rate	0.12	0.11	0.27	0.09
Target rate	0-0.25	0-0.25	0-0.25	0-0.25
High	0.3800	0.3800	0.5000	0.2500
Low	0.0500	0.0100	0.3200	0.0000
Bid	0.1250	0.0000	0.3125	0.0000
Offer	0.2500	0.0200	0.5000	0.0200
Treasury bill auction [Auction Date: 1/7/2010]				
4 weeks	0.025	0.010	0.285	0.000
13 weeks	0.080	0.110	0.340	0.040
26 weeks	0.180	0.200	0.495	0.140

Secondary Market

Freddie Mac

30-year mortgage yields				
30 days	4.88	4.92	5.95	3.98
60 days	4.93	4.98	5.55	4.14
One-year RNY	2.500	2.500	3.375	2.500

Fannie Mae

30-year mortgage yields				
30 days	4.854	4.895	5.502	4.144
60 days	4.928	4.969	5.591	4.240

Bankers acceptance

30 days	0.22	0.22	0.75	0.21
60 days	0.25	0.25	1.03	0.23
90 days	0.26	0.26	1.25	0.25
120 days	0.28	0.28	1.43	0.26
150 days	0.33	0.33	1.63	0.31
180 days	0.36	0.36	1.80	0.35

Other short-term rates

Call money [Effective Date: 12/16/2008]	2.00	2.00	2.00	2.00
Commercial paper				
30 to 59 days	0.11
60 to 89 days	0.12
90 to 104 days	0.16

Thursday, January 7, 2010
% CHG FROM

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Core	220.384	-0.2	1.7

International rates	Latest	Wk ago	52-WEEK High	Low
Prime rates [U.S. Effective Date: 12/16/2008]				
U.S.	3.25	3.25	3.25	3.25
Canada	2.25	2.25	3.50	2.25
Euro zone	1.00	1.00	2.50	1.00
Japan	1.475	1.475	1.675	1.475
Switzerland	0.53	0.54	0.58	0.51
Britain	0.50	0.50	1.50	0.50
Australia	3.75	3.75	4.25	3.00
Hong Kong	5.25	5.25	5.25	5.00
Overnight repurchase				
U.S.	0.06	0.05	0.33	0.03
U.K. (BBA)	0.503	0.493	1.558	0.407
Euro zone	0.30	0.32	2.09	0.30

U.S. government rates

Discount [Effective Date: 12/16/2008]	0.50	0.50	0.50	0.50
Federal funds [Effective Date: 12/16/2008]				
Effective rate	0.12	0.11	0.27	0.09
Target rate	0-0.25	0-0.25	0-0.25	0-0.25
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Inflation	Nov. index level	Oct. '09	Nov. '08
U.S. consumer price index			
All items	216.330	0.1	1.8
Core	220.384	-0.2	1.7

International rates	Latest	Wk ago	52-WEEK High	Low
Prime rates [U.S. Effective Date: 12/16/2008]				
U.S.	3.25	3.25	3.25	3.25
Canada	2.25	2.25	3.50	2.25
Euro zone	1.00	1.00	2.50	1.00
Japan	1.475	1.475	1.675	1.475
Switzerland	0.53	0.54	0.58	0.51
Britain	0.50	0.50	1.50	0.50
Australia	3.75	3.75	4.25	3.00
Hong Kong	5.25	5.25	5.25	5.00
Overnight repurchase				
U.S.	0.06	0.05	0.33	0.03
U.K. (BBA)	0.503	0.493	1.558	0.407
Euro zone	0.30	0.32	2.09	0.30

U.S. government rates

Discount [Effective Date: 12/16/2008]	0.50	0.50	0.50	0.50
Federal funds [Effective Date: 12/16/2008]				
Effective rate	0.12	0.11	0.27	0.09
Target rate	0-0.25	0-0.25	0-0.25	0-0.25
High	0.3800	0.3800	0.5000	0.2500
Low	0.0500	0.0100	0.3200	0.0000
Bid	0.1250	0.0000	0.3125	0.0000
Offer	0.2500	0.0200	0.5000	0.0200
Treasury bill auction [Auction Date: 1/7/2010]				
4 weeks	0.025	0.010	0.285	0.000
13 weeks	0.080	0.110	0.340	0.040
26 weeks	0.180	0.200	0.495	0.140

Secondary Market

Freddie Mac

30-year mortgage yields				
30 days	4.88	4.92	5.95	3.98
60 days	4.93	4.98	5.55	4.14
One-year RNY	2.500	2.500	3.375	2.500

Fannie Mae

30-year mortgage yields				
30 days	4.854	4.895	5.502	4.144
60 days	4.928	4.969	5.591	4.240

Bankers acceptance

30 days	0.22	0.22	0.75	0.21
60 days	0.25	0.25	1.03	0.23
90 days	0.26	0.26	1.25	0.25
120 days	0.28	0.28	1.43	0.26
150 days	0.33	0.33	1.63	0.31
180 days	0.36	0.36	1.80	0.35

Other short-term rates

Call money [Effective Date: 12/16/2008]	2.00	2.00	2.00	2.00
Commercial paper				
30 to 59 days	0.11
60 to 89 days	0.12
90 to 104 days	0.16

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Britain	0.50	0.50	1.50	0.50
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DEPARTMENT OF RADIOLOGY
SERVICE AGREEMENT

THIS AGREEMENT IS MADE AND ENTERED INTO this 20th day of January 2010, by and between Northern Inyo County Local Hospital District (hereinafter "District") and Landis, Kop, Carlevato, Loos, Shonnard and McNamara, Ltd a professional corporation dba Tahoe Carson Radiology (TCR) (hereinafter "Radiologist"). TCR also provides professional interpretations to Great Basin Imaging, an outpatient imaging center located in Carson City, NV, which is owned by the same individuals as TCR.

The effective date of this agreement is April 1, 2010, unless a different date is agreed to by both parties.

I
RECITALS

- 1.01 District is a California Healthcare District organized and operating under the authority of Health & Safety Code Section 32000, et seq. (hereinafter "The Healthcare District Law"), and governed by a Board of Directors (hereinafter "Board").
- 1.02 District operates Northern Inyo Hospital (hereinafter "Hospital"), a Critical Access Hospital located at 150 Pioneer Lane, Bishop, Inyo County, California, which includes a Radiology Service (hereinafter "Department"). The operation and administration of the Department is governed, in relevant parts, by the Healthcare District Law and applicable California and federal Department licensure statutes and regulations.
- 1.03 Radiologist is a qualified and licensed physician, licensed to practice medicine in the State of California, certified by the American Board of Radiology, and qualified for and practicing the medical specialties of Radiology, Nuclear Medicine, Ultrasound and related fields.
- 1.04 The District desires to retain the services of Radiologist as the Hospital's Medical Director of Radiology, to oversee, operate and administer the Department in accordance with applicable law. Radiologist desires to provide such services.

WHEREFORE, in consideration of the promises set forth below, the parties covenant and agree as follows:

II
COVENANTS OF THE PARTIES

2. 01 **Covenants of the District.** The District shall:

- a) **Space:** Furnish, at its expense, space for operation of the Department, which space shall be designated by the District.
- b) **Equipment:** Furnish, at its expense, all equipment, supplies, environmental safety mechanisms, and such other goods and administrative services for the Department as are being furnished on the date of this Agreement. District shall, at its expense, keep and maintain all equipment in good order and repair, and repair and replace such equipment, or

any part of it, as may become obsolete. District shall consult Radiologist prior to, and in connection with, the purchase of any equipment.

- c) Hospital Services: Furnish, at its expense, all hospital services, including but not limited to, ordinary janitor and in-house messenger services, hospital business telephone service, laundry, gas, water, heat, air conditioning, and such electricity for light and power as may be required for the proper operation and conduct of the Department. District shall also provide the services of such Hospital departments, including but not limited to, nursing, personnel, administrative, accounting, engineering, purchasing, and medical records, as may be required to support the operation of the Department.
- d) Personnel: Employ, at its expense, all non-physician personnel required for the proper operation of the Department in accordance with state and federal law. In addition, staff the radiology department in a manner that provides resources to Radiologist to ensure that the appropriate efficiencies and service levels are accomplished. For example, personnel who's responsibilities would include hanging films (if necessary), getting referring physicians on the phone, managing incoming and outgoing calls and facilitating referring physician's questions, etc. Radiologist shall have no liability for payment of wages, payroll taxes, or other obligations or liabilities arising from District's performance of its obligations or exercise of its rights as an employer. Should the District and its employees become subject to any collective bargaining agreements during the term of this Agreement, this subdivision 2.01(d) shall be subject thereto. Radiologist, as director of the Department, shall establish clinical qualifications for Department personnel, and oversee and direct the activities of such personnel, in accordance with state and federal standards, departmental protocols, and District policies and procedures applicable to all employees. District shall be solely and ultimately responsible for all decisions with respect to the engagement, discipline, and termination of Department personnel, provided, however, that District shall consult with Radiologist prior to taking any action with respect to Department personnel (A) that relates to the clinical competency or clinical performance of such personnel, or (B) that would materially and adversely affect the levels of clinical staffing of the Department. The term "clinical" refers to those job positions, activities, and duties that are required by state law or the Joint Commission to be performed by licensed or certified individuals. Radiologist may request discipline or removal of a District employee from assignment to the Department, subject to approval of the District, its established personnel policies and procedures, and applicable requirements of collective bargaining agreements, if any. At least once a year, in the annual budget process, District and Radiologist shall review and agree upon the appropriate numbers, job positions, and qualifications of personnel required to meet the needs of the Hospital, the Department, and applicable law.
- e) Supplies: Purchase and provide all necessary supplies for the Department, including, but not limited to, chemicals, glassware, forms, and similar expendable items, and shall maintain accurate records of the costs of said supplies.
- f) The District shall give the Radiologist reasonable notice and opportunity to comment, or provide written recommendations, before taking action that would materially change or alter the space, equipment, Hospital Services or supplies which the District covenants to provide pursuant to subdivisions (a), (b), (c) and (e) of this Section 2.01.
- g) Exclusive Agreement: District agrees that, so long as Radiologist is not in breach of their obligations under this Agreement, they shall have the exclusive right to perform the services required by this Agreement at the Hospital. This agreement is exclusive relative to the

current and future practice of radiology in the Hospital or imaging center located on the hospital campus. The only exception to exclusivity is for the provision of stereotactic breast biopsies, which can also be performed by the general surgeons on staff with the appropriate training and qualifications as determined by Med Exec. Any disputes regarding "turf issues" or "new" services offered by hospital will be handled by Administrator or Med Exec Committee.

- h) During the term of this Agreement and any extensions or renewals hereof, or any new agreement between the parties as to the subject matter of this Agreement, Radiologist shall have a right of first refusal to provide exclusive diagnostic imaging services to any medical facilities which Hospital owns or controls. If Hospital establishes, acquires, or agrees to participate in any such facility, it will promptly notify Radiologist of its intent to do so in writing. Such notice shall contain sufficient information concerning the facilities and the diagnostic imaging services to be provided at such facility to enable Radiologist to make a reasonably informed decision concerning its rights under this Section.

- i) Furthermore, during the term of this Agreement and any extensions or renewals hereof, or any new agreement between the parties as to the subject matter of this Agreement, District shall use its best efforts to see that Radiologist is offered a right of first refusal to provide exclusive diagnostic imaging services to each medical facility in which District does not have a controlling interest, but in which District has an ownership or management interest. If District establishes or agrees to an arrangement to participate in or manage any such facility, it will notify Radiologist of its intent to do so in writing. Such notice shall contain sufficient information concerning the facility and the diagnostic imaging services to be provided at such facility to enable Radiologist to make a reasonably informed decision concerning its rights under this Section.

2.02 **Covenants of Radiologist.** The Radiologist shall:

- a) **Staff Membership:** During the term of this Agreement, maintain their membership on the Hospital's Active Medical Staff and privileges appropriate for the Radiology services they are required to provide pursuant to this Agreement, and abide by the Hospital's Medical Staff Bylaws, participate actively in Medical Staff functions, and contribute to the overall well being of the Medical Staff. In addition, Radiologist agrees to attend Medical Staff Meetings (currently four per year) and take appropriate share of Committee's duties and responsibilities.

- b) **Responsibility:** Have authority and responsibility in conjunction with the Radiology Department Manager for the operation and administration of the Department with respect to the provision of Radiology and related services for the care of Hospital's patients, subject to the District's superior authority and responsibility for the operation and administration of the Department as set forth in this Agreement and by law. Radiologist shall be or designate the Radiation Safety Officer and shall be the Custodian of Sealed Sources and all other materials that require licensure.

- c) **Operational and Administrative Services:** Provide professional services for operation and administration of, and only within the scope of, the Radiology services provided by the Department, which operational and administrative services shall include, but not necessarily be limited to, making all reasonable efforts in conjunction with the Radiology

Department Manager to:

1. Perform those duties set forth in Title XXII and Medicare's Conditions of Participation.
 2. Assure that tests, examinations, and procedures are properly performed, recorded, and reported.
 3. Interact with members of the medical staff regarding issues of Department operations, quality, and test/procedure availability.
 4. Design protocols and establish parameters for performance of clinical testing.
 5. Recommend appropriate follow-up diagnostic tests when appropriate.
 6. Supervise Department personnel in their performance of tests, procedures, recording, and reporting functions.
 7. Select, evaluate, and validate test methodologies and control procedures.
 8. Direct, supervise or perform and evaluate quality assurance.
 9. Evaluate clinical Department data and establish, implement, and maintain a process for review of test results prior to issuance of patient reports.
 10. Make all reasonable efforts to assure the Department is operated and administered in compliance with California licensure, Federal Medicare, and other applicable law, and applicable accreditation standards including, but not limited to, standards of the Joint Commission on Accreditation of Healthcare Organizations.
 11. Assure that physical facilities, including space and the Department physical environment, are appropriate and include appropriate environmental safety mechanisms.
 12. Assure that the Department is staffed by an adequate number of personnel who are qualified and competent.
 13. Determine and specify in writing which tests and other procedures each Department staff member is qualified and authorized to perform, and the level of supervision warranted for each test and other procedure.
 14. Establish, implement, and maintain quality control and quality improvement programs in the Department.
 15. Assure that appropriate policies and procedures for Department Operations and personnel monitoring, evaluation, and remedial training, if needed, are developed and implemented.
 16. Assure that appropriate training and continuing education are provided for Department personnel within the Board's determination of District resources available for such purpose.
- d) Professional Work: Perform the medical professional work of the Department, or, in the alternative employ licensed Radiologists who have been granted appropriate clinical privileges in accordance with the Hospital's Medical Staff Bylaws. Train and orient to the department said alternative Radiologists. Radiologist agrees to perform two CME talks per year. One for Community and one for Medical Staff. District agrees to cover all costs associated with CME talks.

- e) Procedures: Be responsible to see that all procedures designated above, and all other procedures requiring a Radiologic license, shall be performed only under the supervision of a licensed and qualified Radiologist. Radiologist shall be responsible to see that any necessary procedure, which, for any reason, is not performed by the Department, is promptly referred to another clinical Department.
- f) Insurance: Carry professional liability insurance in such amounts as may be required, from time to time, by the Medical Staff Bylaws. Certificates of such insurance shall be furnished to the Hospital Administrator and shall provide for notification ten (10) days prior to cancellation thereof.
- g) Coverage: Assure that a Radiologist is on call and willing to respond in person if possible; telephonically or via tele-radiography, or PACS if a physical presence is not possible. This applies only when Radiologist has a member of their group living in the community and said member is willing and available to respond in person. Radiologist and District agree this is not required. The District expressly agrees that the work of the Radiologist may be done by such Radiologists as Radiologist may employ, at their sole expense, with the exception of the transition period defined in section 4.16 of this agreement. District agrees that Radiologist may perform remote interpretations or consultations for their group practice as long as said work does not interfere with required interpretations at Hospital. In addition, District agrees that exams from Hospital may be sent to other offices of Radiologists via teleradiology for interpretation as long as interpreting Radiologist has appropriate State licensing and Medical Staff privileges. Radiologist and District agree to work together in determining the most appropriate means of paying for and maintaining a teleradiology system to be used to transmit radiology/diagnostic imaging images from the Department for interpretation by Radiologist. During the term of this Agreement, Radiologist shall provide "on-site" and teleradiology coverage according to the table listed above in Exhibit "C".

The Radiologist shall provide other Practitioners who exercise privileges at the Hospital with such consultation as required by the Hospital's Medical Staff Bylaws, Rules and Regulations, and Hospital policies and as otherwise reasonably requested by individual practitioners for patients at the Hospital.

- h) Notice of Absence. Provide 30 days notice to Administration and the Medical Staff of any planned absences. If coverage is to be provided by a non-credentialed physician, Radiologist will submit, or cause to be submitted, a proper and complete application for Medical Staff Privileges to the Medical Staff Office 30 days prior to the absence for said physician to acquire appropriate privileges.
- i) Access to Books and Records: Provide access to books and records that are necessary to certify the nature and extent of Radiologist's costs to the Secretary of the U.S. Department of Health and Human Services ("HHS"), or their duly authorized representatives, until the expiration of four years after the furnishing of services under this Agreement. Access granted by this subdivision 2.02(h) is limited to that required by Section 952 of the Omnibus Reconciliation Act of 1980, Public Law 96-499, Section 1861 (v)(1)(I) of the Social Security Act, and regulations issued hereunder. This access provision shall be of no force and effect if regulations issued by HHS do not require Radiologist to provide such access or if the regulations so issued are found to be legally invalid.
- j) Cooperation: In providing the services required by this Agreement, Radiologist shall cooperate with the District, the Hospital staff, and the members of the Medical Staff to

maintain the integrity of the Hospital and to achieve the Hospital's and Department's mission and operational goals. Radiologist shall advise District management regarding all aspects of Department operations to assure high quality, cost effective, customer-oriented service.

2.03 **Medicare Allocation and Time Records**

- a) District and Radiologist agree to maintain a written allocation agreement in accordance with the applicable Medicare regulations in effect specifying reasonable estimates of the time Radiologist will spend in rendering:
 - 1. Services to the District, which are reimbursable by Part A of Medicare;
 - 2. Professional services to patients of the District which are reimbursable by Part B of Medicare; and,
 - 3. Services, which are not reimbursable by Medicare.
- b) Radiologist agrees to maintain adequate time records in order to substantiate the aforementioned allocation agreement. A sample of the time records is attached as Exhibit "B" to this agreement. Maintenance of said time records shall not imply any employer/employee relationship between District and Radiologist.
- c) Radiologist shall provide written notice to District whenever the time records maintained in connection with any allocation agreement fail to substantiate, or appear to fail to substantiate, the allocations made in such an agreement. As soon as practicable after notice has been provided by Radiologist the parties shall execute, or cause to be executed, a new allocation agreement that reflects the actual time records.

2.04 **Licensure and Certification.** District shall be responsible, along with Radiologist, for matters relating to licensing of the Department under State law and its accreditation by the Joint Commission and by the American College of Radiology. Radiologist shall direct the Department and perform professional Radiology services in accordance with District Bylaws, the Medical Staff Bylaws, Rules and Regulations, and the standards established by the Executive Committee of the Medical Staff. In addition, Radiologist and District shall operate the Department in accordance with the standards established by the California State Department of Health Services, the Joint Commission on Accreditation of Health Care Organizations (JCAHO), the HHS, and all other governmental laws and authorities relating to licensure and practice of Radiology in hospitals.

III

BILLING AND COMPENSATION

3.01 **Compensation to Radiologist for Administrative, Supervisor, Teaching and Other Services.**

District shall pay Radiologist \$2,000.00 a month for Radiologist's administrative, supervisory, teaching and other services reasonably required for the orderly, timely and cost-effective operation of the Department. Payment of this monthly fee shall be made on or before the fifteenth day of the month following the month in which the Radiologist's services are rendered.

3.02 **Service Charges.**

- a) District shall prepare a schedule of District charges for the services of the Department, which may be modified from time to time.
- b) Radiologist shall prepare a schedule of professional fees for services of the Radiology Department, which shall be in general accord with usual and customary local fees for comparable services, but which also shall be subject to the discounts and other accommodations to which District may agree pursuant to its contracts and other arrangements with third party payers. Said schedule for professional fees is attached as Exhibit A hereto and is incorporated by reference into this Agreement. The schedule for professional fees may be altered by Radiologist upon thirty (30) days' written notice to District, subject to District approval.

3.03. **Billing and Compensation for Professional Services.**

- a) Radiologist shall bill and collect for Radiology services provided to Hospital inpatients and outpatients pursuant to this Agreement in accordance with the fee schedule in Exhibit A. District agrees that it will provide a one-million (\$1,000,000) income guarantee per year for such professional services. At the end of each twelve (12) month period of the contract in the event Radiologist's collections were less than the one-million dollar (\$1,000,000) income guarantee, Radiologist will provide District a reconciliation of cash collections less refunds. District will have an opportunity to audit said reconciliation, which must be completed within thirty (30) days of being provided report from Radiologist. If no dispute exists, payment by District for the difference between the actual cash collections less refunds will be due to Radiologist within 10 business days. In the event a dispute exists, parties agree to contract with a mutually agreed independent accountant for resolution of dispute. Determination by accountant is binding and if monies are due, payment is to be made within three (3) business days of accountant's decision. In the event the contract is terminated, the reconciliation period will be extended to include cash collections for ninety (90) days after the termination date. For example, if the termination date is March 31, 2012 and the District has paid radiologist \$200,000 for that contract year's guarantee shortfall and during the period of April 1, 2012 to June 30, 2012 Radiologist collects \$300,000, Radiologist will owe back to the district the \$200,000. In the event Radiologist collects \$100,000 during said period, Radiologist will owe District \$100,000. The desired result is for Radiologist to collect at least \$1,000,000 during the 12-month contract period and for the District to pay no more than the difference between the \$1,000,000 income guarantee and the actual cash collected below \$1,000,000. District will provide Radiologist all information for billing in an electronic format. To assist Radiologist in billing patients District shall do the following:
 - 1. Distribute to each patient receiving Radiology Services materials provided by Radiologist describing the separate billing arrangement;
 - 2. Assist Radiologist in obtaining patient's signature on assignments of insurance benefits and other similar forms, which Radiologist may provide to District;
 - 3. Provide Radiologist with appropriate access to face sheet information, in electronic form; and,
 - 4. Provide Radiologist with transcription services necessary for the provision of

professional services provided in the Service.

- b) Radiologist shall bill and collect for professional services in compliance with applicable laws, customary professional practices, and the Medicare and MediCal Programs, and other third-party payer programs, whether public or private.
- c) Radiologist shall, at District's request, make periodic accountings to the District of billings and collections, which identify patients, services, and fees. District shall request such information from Radiologist only to the extent necessary to comply with an inquiry concerning services provided by Radiologist to a particular patient or patients.
- d) Should Radiologist place a billing clerk at the Hospital, Radiologist shall compensate District for the costs of copying, computer access and any other such services utilized by billing clerk.
- e) District shall have reasonable access to Radiologist's records in order to assure Radiologist's compliance with this Agreement, subject to compliance with applicable law regarding the confidentiality of medical records and only to the extent reasonably necessary to assure Radiologist's compliance with applicable law regarding the confidentiality of medical records and only to the extent reasonably necessary to assure Radiologist's compliance with this Agreement.
- f) Radiologist shall promptly correct any billing errors documented by District.
- g) Radiologist shall accept Medi-Cal patients, and assignments with respect to services provided to Medicare beneficiaries.
- h) Failure of District to provide Radiologist with requested information that is necessary for Radiologist's billing for services hereunder within forty five (45) days of service shall be remedied by District paying Radiologist for those specific services at Medicare rates then in effect, with reconciliation and appropriate refund to District in the event that Radiologist collects payment for such specific services in the future. This would include Hospital's failure to obtain prior authorization for procedures and signed ABN from patients.
- i) Radiologist will work with District to obtain consistent contracts with various payers.

IV

GENERAL PROVISIONS

- 4.01 **Intent and Construction.** Nothing in this Agreement is intended to require, or shall be construed as requiring, the District to do any act or adopt any course of action which the District Board, either directly or through its lawful designee, determines to be not in the best interests of the District or the Hospital.
- 4.02 **Independent Contractor.** In the performance of the work, duties and obligations under this Agreement, it is mutually understood and agreed that Radiologist is at all times acting and performing as an independent contractor practicing his profession of medicine and specializing in Radiology. District shall neither have nor exercise any control or direction over the methods by which Radiologist shall perform his work and function; the sole interest and responsibility of District being to assure that the services covered by this Agreement are performed and rendered in a competent, efficient and satisfactory manner. The standards of medical practice and professional duties of Radiologist shall be determined by the medical staff of the Hospital. All applicable provisions of law and other rules and regulations of any and all governmental

authorities relating to licensure and regulation of physicians and hospitals and to the operation of the Department shall be fully complied with by all parties hereto.

- 4.03 **Records.** The originals of all medical records prepared by Radiologist shall be the property of District and shall be retained at the Hospital premises. Radiologist shall have access to and may photocopy relevant documents and records upon reasonable notice. All charts shall be duly posted in a timely manner.
- 4.04 **Assignment.** Except as expressly provided in subdivisions (d), (e), and (g) of Section 2.02 above, nothing in this Agreement shall be construed to permit assignment by Radiologist of any rights or duties under this Agreement. Such assignment is expressly prohibited without the written consent of the District.
- 4.05 **Term of Agreement.** Except as set forth in Section 4.06, this Agreement shall remain in full force and effect for a term of thirty-six months commencing April 1, 2010 ending March 31, 2013.
- 4.06 **Termination.** Either party may terminate this Agreement without cause upon ninety (90) days written notice to the other. Either party may terminated this agreement with sixty (60) days notice in the event Radiologist is unsuccessful in the recruitment of a radiologist to reside in the service area within nine-months(9) of the effective date of this agreement. Service area is defined as within the boundaries of Independence, Mammoth and Tonopah. District may terminate this Agreement and all rights of Radiologist hereunder, immediately and without notice upon the occurrence of any of the following events:
- a) Upon determination by the Board, following a recommendation of the Executive Committee of the Hospital's Medical Staff before which Executive Committee Radiologist shall be given an opportunity to appear and be heard, that Radiologist has not performed in a medically professional manner, or that Radiologist has failed to satisfactorily maintain and operate the Department in a manner consistent with reasonable legal and medical standards established for the operations of such Departments, all to such effect that the termination of this Agreement would be in the best interests of the District. Prior to any Board action, Radiologist shall be given the opportunity to meet with the Executive Committee to discuss any alleged defaults or defects. If it is determined by the Executive Committee that the alleged defaults or defects are curable, Radiologist shall be given a reasonable time to cure such defaults or defects excluding a willful violation of Section 16 (g). Hearings and determinations occurring pursuant to this subdivision shall not constitute, and shall not be subject to the requirements of, a procedural rights hearing as provided by the Hospital's Medical Staff By-Laws.
 - b) The appointment of a receiver of Radiologist's assets, an assignment by Radiologist for the benefit of his creditors, or any adjudication of the Radiologist as a bankrupt or insolvent.
 - c) Closure of the Hospital.
- 4.07 **Integration and Modification.** This is the entire Agreement of the parties. Any modification of this Agreement may only be made in a writing signed by both parties.
- 4.08 **Severability.** In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.
- 4.09 **Binding on Successors.** Subject to the restrictions against transfer or assignment set forth above, this Agreement shall inure to the benefit of, and shall be binding upon, the assigns, successors in

interest, personal representatives, estates, heirs, legatees, agents, trustees, conservators, and personal representatives of the parties, and all persons claiming by, through, or under them.

4. 10 **Waiver.** The waiver by a party of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition. A party's subsequent acceptance of performance by the other shall not be deemed to be a waiver of any preceding breach of any term, covenant, or condition of this Agreement, regardless of knowledge of such preceding breach at the time of acceptance of such performance.
4. 11 **Notice.** Any notice required or permitted to be given hereunder shall be written, and may be delivered personally to the addressee or sent to it by United States mail, first class postage prepaid, and addressed to each of the parties at the following respective addresses (or such other address as may hereafter be designated by a party by written notice thereof to the other party):

HOSPITAL

John Halfen, Administrator
Northern Inyo Hospital
Bishop, California 93514

RADIOLOGIST

Steve Mims, Administrator
2874 N Carson Street, Suite 300
Carson City, NV 89706

Notice shall be effective on the third day after mailing.

4. 12 **Attorney's Fees.** If any litigation or proceeding is commenced between the parties to this Agreement, concerning this Agreement and/or the rights and duties of either party in relation to this Agreement, the party prevailing in that litigation shall be entitled, in addition to such other relief granted, to a reasonable sum as and for its attorney's fees in the litigation, which shall be determined by the Court in that litigation or in a separate action brought for that purpose.
4. 13 **Gender and Number.** In the construction of this Agreement the gender shall include the feminine and neuter, and the singular the plural, and *vice versa*, as the context may indicate.
4. 14 **Mutual Preparation.** Preparation of this Agreement shall be deemed to have been by both parties.
4. 15 **Non-Compete.** Radiologist agrees not to become involved in any manner in engaging in the business of providing or rendering radiology/diagnostic imaging services at any location within thirty (30) miles from Hospital unless approved by District. District agrees not to hire or contract directly or indirectly with any physician either employed or contracted with Radiologist.
4. 16 **Transition Period.** District and Radiologist understand that there will be a "transition period" where certain responsibilities exist for both parties that are temporary and not specifically part of the three year term of said Agreement. The "transition period" is defined as nine months from the effective date of this agreement. The "transition" period may be extended by mutual agreement of the parties. The responsibilities of the parties during the transition period are for the sole purpose of assisting the District in transitioning to a new Radiology provider and Radiologist transition to providing services in said Agreement at a new location. The responsibilities of each party are as follows:

DISTRICT

- a) Work with Radiologist in recruiting a permanent resident radiologist and equally share in

the costs.

- b) Contract with and compensate Dr. Stuart Souders for the provision of mammography services until a permanent resident radiologist is in place at Hospital.
- c) Assist if necessary in hiring locums until a permanent radiologist is in place at Hospital. This could include the sharing of costs.
- d) Commit necessary resources to implement teleradiology.
- e) Commit necessary resources to implement electronic transfer of patient demographic and financial information for purposes of billing.

RADIOLOGIST

- (a) Primarily responsible for recruiting a permanent resident radiologist and equally share in all costs. Examples of costs are payment to recruiting firm and costs associated with
- (b) Work with Dr. Stuart Sounders as if he were a member of our group to ensure services are provided at levels acceptable to District and Medical Staff.
- (c) Primarily responsible for the hiring of locums.
- (d) Commit necessary resources to implement teleradiology.
- (e) Commit necessary resources to implement electronic transfer of patient demographic and financial information for purposes of billing.
- (f) Provide a minimum of two weeks coverage from a member of group. This could include independent contractors and regular locum providers of group.

IN WITNESS WHEREOF, the parties have executed this Agreement at Bishop, California, on the day, month and year first above stated.

NORTHERN INYO COUNTY
LOCAL HOSPITAL DISTRICT:

PETER WATERCOTT, President
District Board of Directors

Date

RADIOLOGIST:

STEVE MIMS
Administrator

Date

Exhibit "A"

Pro Fee Schedule

CPT	PROCEDURE	CHARGE
10021	SU FNA W/O IMAGE GUIDE	\$415
10160	SU PUNC ASPIR ABCESS/CYST	\$165
19000	SU PUNC ASPIR BREAST	\$115
19001	SU PUNC ASP CYST, BREAST ADDIT	\$57
19030	SU INJECT DUCTO/GLACTO GRAM	\$450
19102	SU BIOP BREAST W/IMAGE GUIDE	\$270
19103	SU STEREO BREST BIOP VAC ASST	\$491
19103-51	SU STER BRST BIO VAC ADD SITES	\$500
19290	SU NEEDLE LOCAL WIRE	\$170
19291	SU STEREO NEDLE LOC ADD LESION	\$84
19295	SU STEREO PLACE LOCAL CLIP	\$269
20206	SU EXCISION BX MUSCLE, PERCUT.	\$742
20225	SU BIOPSY BONE DEEP	\$2,612
20500	SU INJECT SINUS TRACT THERAPY	\$497
20501	SU INJECT FISTULAGRAM	\$100
20600	SU INJECT ARTHOCENTESIS ASP	\$104
20605	SU ASP INTERMED JOINT	\$106
20610	SU ASP MAJOR JOINT	\$125
21116	SU INJECT TMJ ARTHROGRAM	\$110
22520	SU VERTEBROPLASTY THORACIC ONE	\$925
22521	SU VERTEBROPLASTY ONE	\$925
22522	SU VERTEBROPLASTY ADD LEVEL	\$566
23350	SU INJECT SHOULDER ARTHROGRAM	\$133
24220	SU INJECT ELBOW ARTHROGRAM	\$175
25246	SU INJECT WRIST ARTHROGRAM	\$194
27093	SU INJECT HIP ARTHROGRAM	\$182
27095	SU INJECT HIP W ANES ARTHRGRM	\$209
27096	SU INJECT SACRILIAC ARTHROGRAM	\$174
27370	SU INJECT KNEE ARTHROGRAM	\$130
27648	SU INJECT ANKLE ARTHROGRAM	\$130
31708	SU CONTRAST LARYNGOGRAPHY	\$200
32000	SU THORA PUNCT PLEURAL CAVITY	\$201
32095	SU BIOPSY OF LUNG LTD	\$1,600
32400	SU EXC PLEURA BX, PERCUTANEOUS	\$230
32405	SU EXCISION LUNG BX PERCUT.	\$229
32420	SU PENUMOCENT PUNCT LUNG	\$301

35456	SU REPAIR ARTERIAL BLOCKAGE	\$900
35471	SU TRANS ANGIO PER RENAL/ VIS	\$8,733
35472	SU TRANS ANGIO PERC AORTIC	\$5,651
35473	SU TRANS ANGIO PERC ILIAC	\$5,223
35474	SU TRANS ANGIO PERC FEMOREAL	\$7,529
35475	SU TRANS ANGIO PERC TRUNK EACH	\$5,200
35476	SU TRANS ANGIO PERC VENOUS	\$4,020
36000	SU INTRACATHETER VEIN	\$25
36002	SU INJECTION PERC PSEUDOANEUR	\$486
36005	SU INJECT VENOGRAM	\$126
36010	SU INTRO CATH VENA CAVA	\$2,154
36011	SU CATHETER FIRST ORDER BRANCH	\$2,457
36012	SU CATH SECOND ORDER BRANCH	\$2,227
36013	SU INTRO CATH R HEART/PUL ART	\$2,370
36014	SU CATH PLACE PULMONARY ARTERY	\$2,291
36015	SU CATH SEG/SUB SEG PULM ART.	\$2,690
36100	SU INTRACATH CAROTID/VERTEBRAL	\$1,505
36120	SU INTRACATH RET BRACHIAL ART.	\$1,262
36140	SU INTRACATH RETRO EXTREM ART.	\$1,467
36145	SU INTRACATH ART/VENOUS SHUNT	\$1,442
36160	SU INTRACATH AORT TRANS LUMBAR	\$1,595
36200	SU INTRODUCTION CATHETER AORTA	\$1,941
36215	SU CATH ART 1ST ORDER THORAC	\$2,514
36216	SU CATH ART 2ND ORDER THORAC	\$2,725
36217	SU CATH ART 3RD ORDER THORAC	\$4,890
36218	SU CATH ADDL ARTERIAL THORACIC	\$606
36245	SU CATH 1ST ORD ABD/LOW EXTREM	\$2,914
36246	SU CATH 2ND ORD ABD/LOW EXT	\$2,797
36247	SU CATH 3RD ORDER ABD/LOW EXT	\$4,424
36248	SU CATH ADDL ABD/LOW EXT	\$503
36400	SU VENIPUNCT <3YRS FEM/JUGULAR	\$47
36405	SU VENIPUNCT 3YRS SCALP VEIN	\$39
36406	SU VENIPUNCT< 3YRS OTHER VEIN	\$25
36410	SU VENIPUNCT> 3YRS BY MD	\$25
36415	SU VENIPUNCTURE	\$25
36420	SU VENIPUNCTURE CUTDOWN <AGE1	\$136
36425	SU VENIPUNCTURE CUTDOWN>AGE1	\$93
36478	SU EV ABLATION FIRST VIEN	\$3,172
36479	SU EV ABLATION 2ND & SUB VEIN	\$677
36489	SU PLACE CENT VENOUS CATH	\$311
36500	SU VENOUS CATH SELECT ORGAN	\$472
36556	SU INSERT NON TUNNEL CATH	\$487
36558	SU INSERT TUNNEL CATH	\$2,071
36569	SU INSERT PICC W/O PORT OR PUM	\$194

36571	SU INSERT PERIP CVAD W/ PORT	\$2,409
36575	SU REPAIR CVA CATH W/O PORT	\$484
36576	SU REPAIR CVA CATH W/ PORT	\$1,008
36578	SU REPLACE CATH CVA DEVICE	\$1,450
36580	SU REPLACE NON TUNNEL CATH	\$828
36581	SU REPLACE TUNNEL CATH	\$1,002
36582	SU REPLACE TUNNELED CVAD	\$1,878
36583	SU REPLACE TUNNEL CVA W/PUMP	\$2,469
36585	SU REPLACE PERIP CVAD W/PORT	\$2,370
36589	SU REMOVAL TUNNEL CATH W/O POR	\$225
36590	SU REMOVAL TUNNEL CVA DEVICE	\$400
36597	SU REPOSITION CVC UNDER FLUORO	\$130
36870	SU THROMBECTOMY PERC	\$654
37182	SU INSERT TIPS	\$2,347
37200	SU TRANSCATH BIOPSY	\$477
37201	SU TRANS CATH INFUSION	\$744
37204	SU TRANSCATH OCC EMBOL	\$1,912
37205	SU TRANS CATH STENT INITIAL	\$1,071
37206	SU TRANSCATH STENT EA ADD VESS	\$565
38792	NM INJ SENTINEL NODE	\$80
42550	SU INJECT SIALOGRAM	\$166
43752	SU PLACE NASOGASTRIC TUBE	\$60
43760	SU GASTROSTOMY TUBE CHANGE	\$155
47000	SU BIOPSY LIVER PERCUTANEOUS	\$252
47001	SU NEEDLE BX LIVER ADD ON ONLY	\$210
47380	SU ABLATION LIVER RADIOFREQ	\$3,600
47382	SU ABLATION 1 OR + LIVER TUMOR	\$1,548
47399	SU UNLISTED LIVER PROCEDURE	\$600
47500	SU INJECT CHOLANGIOGRAM	\$260
47505	SU INJECT CHOLANGIOGRAM T TUBE	\$100
47510	SU INTRO CATH TRANSHEP BIL DRA	\$1,675
47511	SU INTRO CATH TRANSHEP STENT	\$2,046
47525	SU CHANGE PERCUT BILIARY CATH	\$1,639
47530	SU TRANSHEP TUBE REVI/REINSERT	\$1,065
47630	SU EXTRACT BILIARY STONE, PERC	\$1,213
48102	SU BIOPSY PANCREA, PERC NEEDLE	\$696
49020	SU DRAIN OF ABSCESS TRANSABD	\$3,378
49021	SU DRAIN OF ABCESS TRAN ABD	\$1,934
49040	SU DRAIN SUBDIAP ABCESS	\$2,126
49041	SU DRAIN SUBDIAPHR ABCESS,PERC	\$1,862
49060	SU DRAIN RETROPER ABCESS	\$2,493
49061	SU DRAIN RETRPERT ABCES,PERCUT	\$1,847
49080	SU PERITONEOCENTESIS ABD	\$180
49180	SU BIOPSY ABD RETROPERI MASS	\$230

49400	SU INJECT AIR OR CONT PERITON	\$267
49420	SU INSERT INTRAPERI CATH	\$316
49423	SU EXCHANGE DRAINAGE CATHETER	\$1,536
49427	SU INJECT CONT PERI SHUNT	\$137
50200	SU BIOPSY RENAL PERC NEEDLE	\$352
50390	SU INJECT RENAL CYST, PERC	\$260
50392	SU INTRA CATH RENAL PERC	\$447
50393	SU INTRO CATH/STENT URETER PER	\$549
50394	SU INJECT NEPHRO THRU TUBE	\$100
50395	SU INTRO GUIDE W/DILATE PERC	\$447
50398	SU NEPHROSTOMY TUBE CHANGE	\$1,405
50684	SU INJECT URETER THRU CATH	\$101
50690	SU INJECT ILEAL CONDUIT	\$154
51600	SU INJECT CYSTOGRAM	\$116
51610	SU INJECT URETHROCYST RETRO	\$139
58340	SU INJECT & CATH HSG	\$122
58345	SU INTRO FALLOPIAN TUBE CATH	\$641
58823	SU DRAIN PELVIC ABCESS, PERCUT	\$1,959
60100	SU EXC BIOPSY THYROID PERC	\$206
60540	SU BIOPSY ADRENAL GLAND	\$2,014
61055	SU SPINAL PUNC W/INJ DRUGS	\$383
62270	SU SPINAL PUNC LUMBAR DIAG	\$159
62272	SU SPINAL PUNC THERAP	\$200
62273	SU INJECT EPIDURAL BLOOD PATC	\$338
62280	SU INJECT NEUROLYTIC SUBARACN	\$332
62281	SU INJECT NEUROLYTIC EPI C/T	\$326
62282	SU INJECT NEUROLYTIC EPI LS	\$294
62284	SU INJECT MYLEOGRAM	\$208
62287	SU ASPIRATION DISC	\$1,102
62290	SU INJ DISKOGRAPHY LUMBAR	\$382
62291	SU INJECT DISKOGRAPHY CERVICAL	\$406
62310	SU INJECT SING DX OR THER C/T	\$233
62311	SU INJECT SING DX OR THER LS	\$190
62318	SU INJ W/CATH DX/THER C OR T	\$247
62319	SU INJ W/CATH DX/THER LS	\$226
64450	SU INJ DACRYOSCSTO CONT	\$160
64470	SU INJ FACET C/T SINGLE	\$157
64472	SU INJ ANES C/T ADD LEVEL	\$110
64475	SU INJ ANES FACET LUMBAR SING	\$395
64476	SU INJ ANES FACET LUMBAR ADD	\$158
64479	SU INJ ANES CERV SINGLE LEVEL	\$283
64480	SU INJ ANES CERV ADD LEVEL	\$202
64483	SU INJ ANES / L/S SINGLE LEVEL	\$971
64484	SU INJ ANES LS ADD LEVEL	\$172

64530	SU INJ ANES AGENT CELIAC PLEX	\$403
70010	IR MYELOGRAM POST FOSSA S & I	\$233
70015	IR CISTERNOGRAM S & I	\$232
70030	XR EYE FOREIGN BODY	\$34
70100	XR MANDIBLE LESS THAN 4 VIEW	\$35
70110	XR MANDIBLE COMP 4 VWS	\$49
70120	XR MASTOIDS LESS THAN 3 VIEWS	\$35
70130	XR MASTOIDS COMP 3 VWS	\$66
70134	XR INT AUDITORY MEATI COMPL	\$64
70140	XR FACIAL BONES <3 VIEWS	\$38
70150	XR FACIAL BONES COMP 3 VWS	\$50
70160	XR NASAL BONES COMPLETE	\$34
70170	XR DACRYOCYST NASOLAC S & I	\$59
70190	XR OPTIC FORAMINA	\$41
70200	XR ORBITS 4+ VIEWS	\$55
70210	XR SINUSES LESS THAN 3VIEWS	\$34
70220	XR SINUSES COMP	\$50
70240	XR SELLA TURCICA	\$38
70250	XR SKULL LESS THAN 4 VIEWS	\$46
70260	XR SKULL COMP	\$66
70300	XR TEETH SINGLE VIEW	\$58
70310	XR TEETH PARTIAL EXAM	\$34
70320	XR TEETH COMPLETE EXAM	\$43
70328	XR TMJ OPEN & CLOSED UNILAT	\$35
70330	XR TMJ BILATERAL	\$46
70332	XR ARTHROGRAM TMJ S & I	\$105
70336	MR TMJ	\$289
70360	XR NECK, SOFT TISSUE	\$34
70370	FL PHARYNX OR LARYNX	\$62
70371	FL PHARYNGEAL & SPEECH EVAL	\$165
70373	FL LARYNGOGRAPH W/CONT S & I	\$85
70380	XR SALIVARY GLAND CALCULUS	\$34
70390	FL SIALOGRAM S& I	\$75
70450	CT HEAD W/O CONTRAST	\$166
70460	CT HEAD WITH CONTRAST	\$222
70470	CT HEAD W&WO	\$250
70480	CT ORB, SELLA, POST FOSSA W/O	\$250
70481	CT ORB, SELLA, POST FOSSA WITH	\$268
70482	CT ORB, SELLA, POST FOSSA W&WO	\$282
70486	CT MAXILLOFACIAL W/O CONTRAST	\$223
70487	CT MAXILLOFACIAL WITH CONTRAST	\$255
70488	CT MAXILLOFACIAL W& WO	\$277
70490	CT SOFT TISSUE NECK W/O CONTR	\$250
70491	CT SOFT TISSUE NECK WITH CONTR	\$268

70492	CT SOFT TISSUE NECK W&WO	\$282
70496	CT ANGIOGRAM HEAD W&WO	\$354
70498	CT ANGIOGRAM NECK W&WO	\$354
70540	MR MRI ORBIT, FACE, NECK W/ O	\$260
70542	MR MRI ORB, FACE, NECK, W/ CON	\$313
70543	MR MRI ORB, FACE, NECK W&WO	\$415
70544	MR MRA HEAD W/O CONTRAST	\$233
70545	MR MRA HEAD W/ CONTRAST	\$233
70546	MR MRA HEAD W&WO	\$351
70547	MR MRA NECK W/O CONTRAST	\$233
70548	MR MRA NECK WITH CONTRAST	\$233
70549	MR MRA NECK W&WO	\$351
70551	MR MRI BRAIN W/O CONTRAST	\$289
70552	MR MRI BRAIN W/CONTRAST	\$350
70553	MR MRI BRAIN W& WO	\$460
71010	XR CHEST 1VIEW	\$35
71015	XR CHEST STEREO, FRONTAL	\$41
71020	XR CHEST 2 VIEWS	\$44
71021	XR CHEST 2 VIEWS W / APICAL	\$52
71022	XR CHEST WITH OBLIQUE	\$62
71023	XR CHEST 2VIEW W / FLUORO	\$75
71030	XR CHEST 4 VIEWS	\$60
71034	XR CHEST 4 VIEWS W FLUORO	\$91
71035	XR CHEST LAT DECUBITIS	\$35
71040	FL BRONCHOGRAPHY UNILAT S & I	\$113
71060	FL BRONCOGRAPHY BILAT S & I	\$144
71100	XR RIBS UNILAT, TWO VIEWS	\$43
71101	XR RIBS UNI, 3 VWS W PA CXR	\$52
71110	XR RIBS BILATERAL, 3 VIEWS	\$52
71111	XR RIBS BILAT4 VWS W PA CXR	\$62
71120	XR STERNUM	\$40
71130	XR STERNOCLAVICULAR JOINT	\$43
71250	CT CHEST W/O CONTRAST	\$226
71260	CT CHEST WITH CONTRAST	\$240
71270	CT CHEST W&W/O CONTRAST	\$268
71275	CT ANGIOGRAM CHEST W&W/O	\$385
71550	MR MRI CHEST WO CONTRAST	\$281
71551	MR MRI CHEST W/CONTRAST	\$335
71552	MR MRI CHEST W&WO	\$438
71555	MR MRA CHEST W& WO CONT	\$354
72010	XR SPINE SURVEY 2 VIEWS	\$90
72020	XR SPINE SINGLE VIEW	\$30
72040	XR C SPINE 2 OR 3 VIEWS	\$44
72050	XR C SPINE 4 + VIEWS	\$62

72052	XR C SPINE W/ FLEX EXT	\$72
72069	XR SPINE SCOLOSIS STANDING	\$46
72070	XR THORACIC SPINE 2 V	\$43
72072	XR THORACIC SPINE 3 V	\$43
72074	XR THORACIC SPINE 4 VIEWS	\$43
72080	XR SPINE THORACOLUMBAR 2 V	\$45
72090	XR SCOLIOSIS W SUPINE ERECT	\$56
72100	XR L SPINE 2 OR 3 VIEWS	\$45
72110	XR L SPINE 4+ VIEWS	\$62
72114	XR L SPINE W/ BENDING	\$73
72120	XR L SPINE BENDING ONLY	\$45
72125	CT C SPINE W/O CONTRAST	\$226
72126	CT C SPINE WITH CONTRAST	\$238
72127	CT C SPINE W&WO	\$250
72128	CT T SPINE W/O CONTRAST	\$226
72129	CT T SPINE WITH CONTRAST	\$238
72130	CT T- SPINE W&WO	\$250
72131	CT L SPINE W/O CONTRAST	\$226
72132	CT L SPINE WITH CONTRAST	\$240
72133	CT LSPINE W&WO	\$250
72141	MR MRI C SPINE W/O CONT	\$312
72142	MR MRI C SPINE WITH CONT	\$378
72146	MR TSPINE W/O CONT	\$312
72147	MR T SPINE WITH CONT	\$289
72148	MR MRI L SPINE W/O CONT	\$289
72149	MR MRI L SPINE WITH CONT	\$351
72156	MR MRI C SPINE W&WO	\$502
72157	MR T SPINE W&WO	\$501
72158	MR L SPINE W&WO	\$462
72159	MR MRA SPINE W OR W/O CONT	\$364
72170	XR PELVIS 1 OR 2 VIEWS	\$35
72190	XR PELVIS COMPLETE 3 VIEWS	\$40
72191	CT ANGIOGRAM PELVIS W&W/O	\$362
72192	CT PELVIS W/O CONTRAST	\$212
72193	CT PELVIS WITH CONTRAST	\$226
72194	CT PELVIS W&W/O CONTRAST	\$238
72195	MR MRI PELVIS W/O CONT	\$282
72196	MR MRI PELVIS WITH CONT	\$333
72197	MR MRI PELVIS W&WO	\$438
72198	MR MRA PELVIS W OR W/O CONT	\$364
72200	XR SACROILIAC JOINTS < 3 V	\$34
72202	XR SACROILIAC JTS 3+ VIEWS	\$38
72220	XR SACRUM/ COCCYX	\$98
72240	IR MYELOGRAM CERVICAL S& I	\$176

72255	IR MYELOGRAM THORACIC S& I	\$175
72265	IR MYELOGRAM L SPINE S & I	\$161
72270	IR MYELO 2 OR MORE REGIONS	\$260
72275	IR EPIDUROGRAPHY S & I	\$140
72285	IR DISKOGRAPHY C OR T SP S & I	\$225
72295	IR DISKOGRAPHY L SPINE S & I	\$163
73000	XR CLAVICLE	\$32
73010	XR SCAPULA	\$34
73020	XR SHOULDER 1 VIEW	\$30
73030	XR SHOULDER 2 PLUS VIEWS	\$35
73040	FL ARTHROGRAM SHOULDER S& I	\$106
73050	XR ACROMIOCLAVICULAR JT BIL	\$41
73060	XR HUMERUS	\$34
73070	XR ELBOW 2 VIEWS	\$30
73080	XR ELBOW 3 + VIEWS	\$34
73085	FL ARTHROGRAM ELBOW S & I	\$108
73090	XR FOREARM 2 V	\$33
73092	XR UP EXT INFANT 2 VIEWS	\$33
73100	XR WRIST 2 VIEWS	\$34
73110	XR WRIST 3 PLUS VIEWS	\$34
73115	FL ARTHROGRAM WRIST S & I	\$108
73120	XR HAND 2 VIEWS	\$33
73130	XR HAND 3 V PLUS	\$34
73140	XR FINGER(S) 2 V PLUS	\$30
73200	CT UPPER EXT W/O CONTRAST	\$213
73201	CT UPPER EXT WITH CONTRAST	\$226
73202	CT UPPER EXT W&W/O CONTRAST	\$240
73206	CT ANGIOGRAM UP EXT W&W/O	\$362
73218	MR UP EXT NON JT W/O CONT	\$260
73219	MR UP EXT NON JT W/CONT	\$313
73220	MR UP EXT NON JT W/O & W	\$417
73221	MR UP EXT JOINT W/O CONT	\$260
73222	MR UPPER EXT JOINT W/CONT	\$313
73223	MR UP EXT JOINT W/O&W/CONT	\$415
73225	MR MRA UP EXT JT W/O&W/CONT	\$350
73500	XR HIP UNI 1 VIEW	\$34
73510	XR HIP UNIL COMPLETE 2+V	\$109
73520	XR HIPS BILAT w/ AP PELVIS	\$52
73525	FL ARTHROGRAM HIP S& I	\$108
73530	XR HIP DURING OPERATIVE PROC	\$56
73540	XR PELVIS & HIPS CHILD 2+ V	\$41
73542	FL ARTHRO SACROILIAC JT S & I	\$300
73550	XR FEMUR 2 VIEWS	\$34
73560	XR KNEE 1 OR 2 VIEWS	\$35

73562	XR KNEE 3 VIEWS	\$37
73564	XR KNEE COMPLETE 4+ V	\$45
73565	XR KNEES BIL STANDING AP	\$37
73580	FL ARTHROGRAM KNEE S & I	\$108
73590	XR TIBIA FIBULA 2 VIEWS	\$34
73592	XR TIBIA FIBULA, INFANT 2 V	\$34
73600	XR ANKLE 2 VIEWS	\$34
73610	XR ANKLE COMPLETE 3 PLUS V	\$34
73615	FL ARTHROGRAM ANKLE S & I	\$108
73620	XR FOOT 2 VIEWS	\$34
73630	XR FOOT COMPLETE 3 + VIEWS	\$34
73650	XR CALCANEUS 2 PLUS V	\$34
73660	XR TOE(S) 2 PLUS VIEWS	\$30
73700	CT LOWER EXT W/O CONTRAST	\$212
73701	CT LOWER EXT WITH CONTRAST	\$226
73702	CT LOWER EXT W&W/O CONTRAST	\$238
73706	CT ANGIOGRAM LOWER EXT W& W/O	\$380
73718	MR MRI LOW EXT NON- JT W/O	\$260
73719	MR MRI LOW EXT NON-JT W/CON	\$312
73720	MR MRI LOW EXT NON-JT W&WO	\$417
73721	MR MRI LOW EXT JT W/O CONT	\$260
73722	MR MRI LOW EXT JT W/CONT	\$315
73723	MR MRI LOWER EXT JOINT W&WO	\$380
73725	MR MRA LOWER EXT W/ OR W/O	\$355
74000	XR ABDOMEN AP	\$35
74010	XR ABD AP WITH OBLIQ & CONE	\$45
74020	XR ABD INCLUD DECUB/ERECT	\$52
74022	XR ABD COMPLETE SERIES	\$62
74150	CT ABDOMEN W/O CONTRAST	\$232
74160	CT ABDOMEN WITH CONTRAST	\$247
74170	CT ABDOMEN W& W/O CONTRAST	\$273
74175	CT ANGIOGRAM ABDOMEN W&W/O	\$380
74181	MR MRI ABDOMEN W/O CONT	\$281
74182	MR MRI ABDOMEN WITH CONT	\$334
74183	MR MRI ABD W/O & W/ CONT	\$438
74185	MR MRA ABD W OR W/O CONT	\$351
74190	FL PERITONEOGRAM S & I	\$94
74210	FL PHARYNX / CERVICAL ESOPH	\$72
74220	FL ESOPHAGRAM	\$90
74230	FL VIDEO SWALLOW STUDY	\$104
74235	FL REM FOREIGN BODY ESO S & I	\$231
74240	FL UGI LTD W/O AIR & W/O KUB	\$135
74241	FL UGI W/O AIR & W/ KUB	\$135
74245	FL UGI W/O AIR OR KUB W/SBFT	\$178

74246	FL UGI W/ AIR & W/O KUB	\$135
74247	FL UGI W/ AIR W/ KUB	\$135
74249	FL UGI W/ AIR & SBFT	\$178
74250	FL SMALL BOWEL SERIES	\$91
74251	FL SBFT VIA ENTEROCLYSIS	\$135
74270	FL BARIUM ENEMA W OR W/O KUB	\$135
74280	FL BARIUM ENEMA WITH AIR	\$193
74283	FL THERAP ENEMA FOR OBSTRUCT	\$390
74290	FL CHOLECYSTOGRAM ORAL	\$62
74291	FL CHOLECYSTOGRAM REPEAT	\$40
74300	FL CHOLANGIOGRAM INTRAOP S & I	\$60
74301	FL CHOLANGIO INTRAOP ADD S&I	\$30
74305	FL CHOLANGIOGRAM POST OP S&I	\$82
74320	FL CHOLANGIOGRAM S & I	\$105
74327	FL CHOLANGIOGRAM POST OP	\$136
74328	IR ENDO CATH BILIARY S & I	\$138
74329	IR ENDO CATH PANCREATIC S & I	\$138
74330	IR ENDO CATH BILI/PANCREAS S&I	\$176
74340	IR INTRO GI TUBE W/ FLUORO	\$105
74350	IR GASTROSTOMY TUBE S & I	\$148
74355	IR ENTEROCLYSIS TUBE S & I	\$147
74360	IR INTRALUMIN DILATE OBSTR S&I	\$105
74363	IR BILIARY DUCT DILATION S & I	\$173
74400	FL IVP W/ OR W/O KUB	\$96
74410	FL UROGRAPHY INFUSION	\$96
74420	FL UROGRAM RETRO W OR WO KUB	\$72
74425	FL UROGRAM ANTEGRADE S & I	\$74
74430	FL CYSTOGRAM S& I	\$56
74440	FL VASOGRAPHY, VESICULO S & I	\$75
74450	FL URETHROCYSTO RETRO S&I	\$66
74455	FL VOID CYSTOURETHROGRAM S&I	\$65
74470	IR RENAL CYST STUDY S & I	\$105
74475	IR INTRO RENAL INTRACATH S&I	\$105
74480	IR INTRO URETE CATH PERCUT S&I	\$105
74485	IR DILAT URETER/URETHRA S & I	\$106
74710	XR PELVIMETRY	\$67
74740	FL HYSTEROSALPINGOGRAM S& I	\$75
74742	FL CATH FALLOPIAN TUBES S & I	\$122
74775	FL PERINEOGRAM / VAGINOGRAM	\$123
75552	MR MRI CARDIAC IMAG W/O CONT	\$312
75553	MR MRI CARDIAC IMAG W CONTR	\$392
75554	MR MRI CARDIAC FUNCTION COMP	\$362
75555	MR MRI CARDIAC FUNCTION LTD	\$348
75556	MR MRI CARD VELOCITY FLOW MAP	\$400

75600	IR AORTOGRAM THORACIC S & I	\$100
75605	IR AORTOGRAM THOR SERIAL S&I	\$227
75625	IR AORTOGRAM ABD SERIAL S&I	\$224
75630	IR AORT ABD+BIL ILIOFEMORAL	\$355
75635	CT ANGIO ABD AORTA/BIL ILIOFEM	\$483
75650	IR ANGIO CERVICOCEREBRAL S&I	\$293
75658	IR ANGIO BRACHIAL RETRO S & I	\$259
75660	IR ANGIO EXT CAROTID UNI S&I	\$259
75662	IR ANGIO EXT CAROTID BIL S & I	\$333
75665	IR ANGIO CAROTD/CERB UNIL S&I	\$259
75671	IR ANGIO CAROTID/CEREB BIL S&I	\$326
75676	IR ANGIO CARTID CERV. UNI S& I	\$259
75680	IR ANGIO CAROTD CERV. BIL S&I	\$326
75685	IR ANGIO VERT, CERB, INTRACRAN	\$257
75705	IR ANGIO SPINAL S & I	\$432
75710	IR ANGIO EXTREMITY UNI S & I	\$226
75716	IR ANGIO EXTREMITY BIL S & I	\$257
75722	IR ANGIO RENAL UNI S & I	\$227
75724	IR ANGIO RENAL BIL S & I	\$300
75726	IR ANGIO VISCERAL S & I	\$222
75731	IR ANGIO ADRENAL UNI S & I	\$222
75733	IR ANGIO ADRENAL BIL S & I	\$258
75736	IR ANGIO PELVIC S & I	\$224
75741	IR ANGIO PULMONARY S & I	\$256
75743	IR ANGIO PULMONARY BIL S & I	\$323
75746	IR ANGIO PULM NON SELECTIVE	\$223
75756	IR ANGIO INTERNAL MAM S & I	\$232
75774	IR ANGIO ADD VESSEL S & I	\$72
75790	IR ANGIO ARTERIOVEN SHUNT	\$360
75801	IR LYMPHANGIOGRAM EXT UNI	\$160
75803	IR LYMPHANGIOGRAM EXT BIL	\$228
75805	IR LYMPHANGIO PELVIC/ABD UNI	\$160
75807	IR LYMPHANGIO PELVIC/ABD BIL	\$229
75809	IR SHUNTOGRAM NON VAS S & I	\$93
75810	IR SPLENOPORTOGRAM S & I	\$224
75820	IR VENOGRAM EXT UNI S & I	\$140
75822	IR VENOGRAM EXT BIL S & I	\$207
75825	IR VENOGRAM INF CAVAL S & I	\$224
75827	IR VENOGRAM SUP CAVAL S & I	\$222
75831	IR VENOGRAM RENAL UNILAT S & I	\$222
75833	IR VENOGRAM RENAL BILAT S & I	\$292
75840	IR VENOGRAM ADRENAL UNI S&I	\$228
75842	IR VENOGRAM ADRENAL BILAT S&I	\$291
75860	IR VENOGRAM SINUS OR JUG	\$228

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**NORTHERN
INYO HOSPITAL**
Northern Inyo County Local Hospital District

150 Pioneer Lane
Bishop, California 93514
(760) 873-5811 voice
(760) 872-2768 fax

January 21, 2010

Arcadia Pathology Medical Group
Attn: Kenneth Saeger, M.D.
4800 Indianola Way
La Canada, California 91011

Dear Dr. Saeger:

The Northern Inyo Hospital District Board, at its 1/20/10 meeting agreed to extend the PATHOLOGY AND CLINICAL LABORATORY SERVICE AGREEMENT entered into on May 1, 2006 under the same terms and conditions. The new expiration date will now be June 30, 2010.

If this is acceptable to you please counter-sign these documents and return one to me.

Thank you.

Sincerely,

John Halfen
Administrator

Kenneth Saeger, M.D.
Arcadia Medical Group

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Turner Construction
Northern Inyo Hospital Construction
 150 Pioneer Lane
 Bishop, CA 93514
 phone: 760-873-7214
 fax: 760-873-7246

January 12, 2010

Mr. John Halfen
 Northern Inyo Hospital
 150 Pioneer Lane
 Bishop, CA 93514

RE: Northern Inyo Hospital Construction
 150 Pioneer Lane
 Bishop, CA 93514
Project # 1495401
Change Order Request Number COR - 023

Dear Mr. Halfen,

We have finalized the bid analysis of the Food Service scopes of work and determined that Perfection Stainless Fabrication is the responsible low bidder. Please see the attached supporting documentation. The work on FS drawings was originally excluded from Turner's GMP contract with the exception of specialty items which had been accounted for by allowance only. This COR includes the elimination of the \$5,000 in Provisional Allowance I. included in the 1/14/09 GMP for miscellaneous food service items. The items covered by the intent of this allowance have been bid and included in the low bidder's scope of work. Upon approval of this COR, a contract will be issued to above noted subcontractor.

The following exclusions apply to the awarding subcontractor and Turner Construction. Extended warranties beyond the manufacturer's 1 year warranty are excluded as follows: 10 – Hand Sink with Faucet, 19 – Accessible Hand Sink with Faucet, 28 – Microwave Oven, 32 – Industrial Blender, 44 – Air Curtain, 46 – Pellet Base Heater, and 47 – Mobile Table. Extended warranties are not offered by the manufacturers.

Note, this is the second bid for Food Service. The original bid was based on the 10/7/09 documents. This contract will be based on the OSHPD Permit documents. The savings achieved by the rebid equates to over \$20,000.

PCO No	Description	Amount
008	Food Service Equipment Contract	\$88,870.70
Total Amount	\$88,870.70	

Please return one (1) copy of this letter indicating your approval of this Change Order Request which **increases** our Contract by **Eighty eight thousand eight hundred seventy and 70/100 dollars (\$88,870.70)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,

Kathy Sherry

Kathy Sherry
Project Manager

Approved By: _____ Date: _____

John Halfen
CEO - Northern Inyo Hospital

cc: File

PCO No	Bdgt Code No	Description	COR/ TCO	Estimated Budget			Indicated Cost			Sub Cntr	(Savings) Overrun											
				Apprv Rev	Pend Rev	Approx Rev	Adjusted Estimate	Auth Doc	Com Doc			Committed Cost	Uncommitted Cost	Indicated Cost								
008 - 001	02-11-11400-10S-06-001	Food Service Equipment Contract	023/	0	89,167	0	89,167	0	89,167	89,167	0	0	0	0	0	0	0	0	0	0	0	0
008 - 003	02-11-11400-10S-08-020	Food Service Equipment Contract	023/	0	(5,000)	0	(5,000)	0	(5,000)	(5,000)	0	0	0	0	0	0	0	0	0	0	0	0
008 - 004	02-01-01837-3SD-02-001	Provisional Allowance for misc items.	023/	0	1,025	0	1,025	0	1,025	1,025	0	0	0	0	0	0	0	0	0	0	0	0
008 - Level 001	02-01-01837-3SD-02-001	Subguard on Food Service Equipment C	023/	0	980	0	980	0	980	980	0	0	0	0	0	0	0	0	0	0	0	0
008 - Level 002	02-01-01831-3SD-06-001	Subguard	023/	0	862	0	862	0	862	862	0	0	0	0	0	0	0	0	0	0	0	0
008 - Level 003	02-01-01840-3SD-06-001	General Liability	023/	0	870	0	870	0	870	870	0	0	0	0	0	0	0	0	0	0	0	0
008 - Level 004	02-01-01860-3SD-06-001	Builder's Risk	023/	0	967	0	967	0	967	967	0	0	0	0	0	0	0	0	0	0	0	0
008 - Level 004	02-01-01860-3SD-06-001	Payment and Performance Bond	023/	0	967	0	967	0	967	967	0	0	0	0	0	0	0	0	0	0	0	0
Total 008	Open/Closed: Open			0	88,871	0	88,871	0	88,871	88,871	0	0	0	0	0	0	0	0	0	0	0	0
Project Totals:				0	88,871	0	88,871	0	88,871	88,871	0	0	0	0	0	0	0	0	0	0	0	0

NORTHERN INYO HOSPITAL
PHASE II
BISHOP, CA.
TURNER CONTRACT #:

Item No. 05

BID FORM

BIDS DUE OCTOBER 15, 2009 @ 2pm FAX (916) 444-9214

SUBMITTED BY: (Company Name/Address)

TRADE CONTRACTOR INFORMATION:

<u>Perfection Stainless Fabrication, Inc</u>	License No. <u>462114</u>
<u>901 Sumner Street</u>	Unemployment Insurance No. <u>296-6020-6</u>
<u>Bakersfield, Ca. 93305</u>	State Sales Tax I.D. No. <u>99855525</u>
Phone No. <u>(661) 324-5466</u>	State of Incorporation <u>CA</u>
Fax No. <u>(661) 324-7714</u>	Federal I.D. No. <u>95-3680513</u>
Company Contact <u>Odilia Torres</u>	

In accordance with the Drawings, Specifications and Invitation to Bid dated September 1, 2009, we submit the following bid:

Bid Package # 11A Bid Package Description: Food Service Equipment

1. BID PRICE

Base Bid	\$ <u>89,167.00</u>
Subguard Insurance @ 1.15%	\$ <u>1,025.42</u>
TOTAL LUMP SUM BID	\$ <u>90,192.42</u>

Lump Sum in Words (Total including bond) (subguard insurance)

Ninety thousand one hundred ninety two dollars and forty-two cents.

2. ADDENDA NOTED:

- Addenda noted: No.'s 1-4 **PLEASE SEE NOTES ON PAGE 3.**

3. PAYMENT AND PERFORMANCE BONDS:

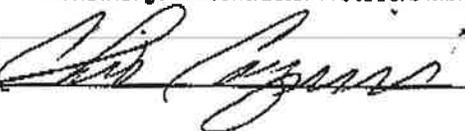
Payment and Performance bonds may be required and will be reimbursed at actual cost. **DO NOT** include the cost of bonds in your price unless Bid Instructions state otherwise.

- Your payment and performance bond rates is 3 % (bonds not in bid price.)

4. ACKNOWLEDGEMENT OF CONTRACT FORM

- Bid is submitted with acknowledgement of Trade Contractor Agreement, and the Assignment Agreement both without modification, as the form of Contract. CC Initial Acknowledgment
- Acknowledge Formula for Changes attached to this bid form CC Initial Acknowledgment
- Acknowledge Attachment B without modification CC Initial Acknowledgment
- Acknowledge Attachment D insurance requirements CC Initial Acknowledgment
- Acknowledge Subcontractor Procedure Manual CC Initial Acknowledgment

AUTHORIZED SIGNATURE



TITLE President

NORTHERN INYO HOSPITAL
 PHASE II
 BISHOP, CA.
 TURNER CONTRACT #:

Item No. 05

BID FORM ATTACHMENT

SUBMITTED BY: Perfection Stainless Fabrication (Trade Contractor)
Inc.

A. Mandatory Alternate Pricing.

AL1	Bid Pkg#7C-Provide waterproofing at the elevator pit and showers	ADD	\$	<u>n/a</u>
AL2	Bid Pkg #9A.1 & 9A.2 - Add or Delete providing scaffolding at building exterior	ADD/DEDUCT	\$	<u>n/a</u>
AL3	Bid Pkg #9A.1 - Provide <u>engineered header system</u> in lieu of head and jamb details 14 & 20/A9.1.D	DEDUCT	\$	<u>n/a</u>
AL4	Bid Pkg# 9A.1 and 9E -Eliminate drywall soffits and provide ACT per Alternate drawing	ADD/DEDUCT	\$	<u>n/a</u>
AL5	Bid Pkg# 9A.1-Provide substituted mold and moisture resistant drywall	DEDUCT	\$	<u>n/a</u>
AL6	Bid Pkg# 9A.1, 9A.2 and 9D-Provide framing, drywall, lath, plaster and paint as required by drawings CD-3, 4 and 5	ADD	\$	<u>n/a</u>
AL7	Bid Pkg# 9E-Continue ACT through locations where soffits shown to be deleted on Soffit Alternate drawings.	ADD	\$	<u>n/a</u>
AL8	Bid Pkg #10D -Add signage at existing buildings	ADD	\$	<u>n/a</u>
AL9	Bid Pkg# 9A.1 - Provide lateral bracing per details 1-A770 and 5-A772.	ADD	\$	<u>n/a</u>
AL10	Bid Pkg# 9A.1 - Provide 6" batt insulation on the underside of roof deck.	ADD	\$	<u>n/a</u>

B. Unit Prices:

UP1	_____	ADD	\$	_____	SF
UP2	_____	ADD	\$	_____	EA
UP3	_____	ADD	\$	_____	EA

C. Labor Rates:

Description	Straight	Overtime	Double Time
Foreman	<u>\$60.00/HR</u>	<u>\$90.00 \$/HR</u>	<u>\$120.00 \$/HR</u>
Journeyman	<u>\$60.00/HR</u>	<u>\$90.00 \$/HR</u>	<u>\$120.00 \$/HR</u>
Apprentice	<u>\$45.00/HR</u>	<u>\$67.50 \$/HR</u>	<u>\$90.00 \$/HR</u>

NORTHERN INYO HOSPITAL
PHASE II
BISHOP, CA.
TURNER CONTRACT #:

Item No. 05

D. Voluntary Value Engineering Alternates: Include any suggestions that could be incorporated after contract award.

VE1	_____	ADD/DEDUCT \$	_____	LS
VE2	_____	ADD/DEDUCT \$	_____	LS

1. Additional warranty not available for items: 10,19,28,32,44,46 and 47--Per the manufacturers.
2. Owner furnished items: Installation, testing, storing not included in bid.
3. Items 14,15--BY HVAC (per specs); Items 2, 40--BY PLUMBING (per specs).

NA

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NORTHERN INYO HOSPITAL
PHASE II
BISHOP, CA.
TURNER CONTRACT #:

Item No. 5.1

NONCOLLUSION DECLARATION BY BIDDER

State of California
County of Inyo

"I, Chris Carmignani, declare that I am the party making the foregoing bid, that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true, and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid."

"I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct."


Signature

10-13-09
Date

--END OF NONCOLLUSION DECLARATION BY BIDDER--

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Turner Construction
Northern Inyo Hospital Construction
 150 Pioneer Lane
 Bishop, CA 93514
 phone: 760-873-7214
 fax: 760-873-7246

January 12, 2010

Mr. John Halfen
 Northern Inyo Hospital
 150 Pioneer Lane
 Bishop, CA 93514

RE: Northern Inyo Hospital Construction
 150 Pioneer Lane
 Bishop, CA 93514
Project # 1495401
Change Order Request Number COR - 024

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
040	Underground pre-insulated pipe per RFI response 247	\$78,219.82
Total Amount	\$78,219.82	

We have reviewed the scopes of work and have verified that they are in compliance with our contract agreement. See the attached for a detailed breakdown of the costs included in this Change Order Request.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Seventy eight thousand two hundred nineteen and 82/100 dollars (\$78,219.82)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,

Kathy Sherry
 Project Manager

Approved By: _____ Date: _____
 John Halfen
 CEO - Northern Inyo Hospital

cc: File

PCO No	Bdgt Code No	Description	COR/ TCO	Estimated Budget				Indicated Cost				Sub Cntr	(Savings) Overrun
				Apprv Rev	Pend Rev	Approx Rev	Adjusted Estimate	Auth Doc	Com Doc	Committed Cost	Uncommitted Cost		
040 - 001	02-15-15000-3SD-08-001	Underground pre-insulated pipe per RFI	024/	0	74,982	0	74,982	0	74,982	74,982	CO	RAYHEA	0
040 - Level 001	02-01-01837-3SD-02-001	Subguard	024/	0	862	0	862	0	862	862	CO		0
040 - Level 002	02-01-01831-3SD-06-001	General Liability	024/	0	758	0	758	0	758	758	CO		0
040 - Level 003	02-01-01840-3SD-06-001	Builder's Risk	024/	0	766	0	766	0	766	766	CO		0
040 - Level 004	02-01-01860-3SD-06-001	Payment and Performance Bond	024/	0	851	0	851	0	851	851	CO		0
Total	040	Open/Closed: Open		0	78,220	0	78,220	0	78,220	78,220			0

Project Totals: 0 78,220 0 78,220 0 78,220



Turner Construction
Northern Inyo Hospital Construction
 150 Pioneer Lane
 Bishop, CA 93514
 phone: 760-873-7214
 fax: 760-873-7246

January 12, 2010

Mr. John Halfen
 Northern Inyo Hospital
 150 Pioneer Lane
 Bishop, CA 93514

RE: Northern Inyo Hospital Construction
 150 Pioneer Lane
 Bishop, CA 93514
Project # 1495401
Change Order Request Number COR - 023

Dear Mr. Halfen,

We have finalized the bid analysis of the Food Service scopes of work and determined that Perfection Stainless Fabrication is the responsible low bidder. Please see the attached supporting documentation. The work on FS drawings was originally excluded from Turner's GMP contract with the exception of specialty items which had been accounted for by allowance only. This COR includes the elimination of the \$5,000 in Provisional Allowance I. included in the 1/14/09 GMP for miscellaneous food service items. The items covered by the intent of this allowance have been bid and included in the low bidder's scope of work. Upon approval of this COR, a contract will be issued to above noted subcontractor.

The following exclusions apply to the awarding subcontractor and Turner Construction. Extended warranties beyond the manufacturer's 1 year warranty are excluded as follows: 10 – Hand Sink with Faucet, 19 – Accessible Hand Sink with Faucet, 28 – Microwave Oven, 32 – Industrial Blender, 44 – Air Curtain, 46 – Pellet Base Heater, and 47 – Mobile Table. Extended warranties are not offered by the manufacturers.

Note, this is the second bid for Food Service. The original bid was based on the 10/7/09 documents. This contract will be based on the OSHPD Permit documents. The savings achieved by the rebid equates to over \$20,000.

PCO No	Description	Amount
008	Food Service Equipment Contract	\$88,870.70
Total Amount	\$88,870.70	

Please return one (1) copy of this letter indicating your approval of this Change Order Request which **increases** our Contract by **Eighty eight thousand eight hundred seventy and 70/100 dollars (\$88,870.70)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,



Kathy Sherry
Project Manager

Approved By: _____ Date: _____

John Halfen
CEO - Northern Inyo Hospital

cc: File

PCO No	Bdgt Code No	Description	COR/ TCO	Estimated Budget				Indicated Cost				Sub Cntr	(Savings) Overrun		
				Apprv Rev	Pend Rev	Approx Rev	Adjusted Estimate	Committed Cost	Uncommitted Cost	Indicated Cost	Type				
008 - 001	02-11-11400-105-08-001	Food Service Equipment Contract	023/	0	89,167	0	89,167	0	89,167	0	89,167	89,167	CO	TURCON	0
008 - 003	02-11-11400-105-08-020	Food Service Equipment Contract	023/	0	(5,000)	0	(5,000)	0	(5,000)	0	(5,000)	(5,000)	CO	TURCON	0
008 - 004	02-01-01837-3SD-02-001	Provisional Allowance for misc items.	023/	0	1,025	0	1,025	0	1,025	0	1,025	1,025	CO	TURCON	0
008 - Level 001	02-01-01837-3SD-02-001	Subguard on Food Service Equipment C	023/	0	980	0	980	0	980	0	980	980	CO		0
008 - Level 002	02-01-01831-3SD-06-001	Subguard	023/	0	862	0	862	0	862	0	862	862	CO		0
008 - Level 003	02-01-01840-3SD-06-001	General Liability	023/	0	870	0	870	0	870	0	870	870	CO		0
008 - Level 004	02-01-01860-3SD-06-001	Builder's Risk	023/	0	967	0	967	0	967	0	967	967	CO		0
008 - Level 004	02-01-01860-3SD-06-001	Payment and Performance Bond	023/	0	967	0	967	0	967	0	967	967	CO		0
Total 008	Open/Closed: Open			0	88,871	0	88,871	0	88,871	0	88,871	88,871			0
Project Totals:				0	88,871	0	88,871	0	88,871	0	88,871	88,871			0

From:

Page 4 of 8

NORTHERN INYO HOSPITAL
PHASE II
BISHOP, CA.
TURNER CONTRACT #:

Item No. 05

BID FORM

BIDS DUE OCTOBER 15, 2009 @ 2pm FAX (916) 444-9214

SUBMITTED BY: (Company Name/Address)

TRADE CONTRACTOR INFORMATION:

<u>Perfection Stainless Fabrication, Inc</u>	License No. <u>462114</u>
<u>901 Sumner Street</u>	Unemployment Insurance No. <u>296-6020-6</u>
<u>Bakersfield, Ca. 93305</u>	State Sales Tax I.D. No. <u>99855525</u>
Phone No. <u>(661) 324-5466</u>	State of Incorporation <u>CA</u>
Fax No. <u>(661) 324-7714</u>	Federal I.D. No. <u>95-3680513</u>
Company Contact <u>Odilia Torres</u>	

In accordance with the Drawings, Specifications and Invitation to Bid dated September 1, 2009, we submit the following bid:

Bid Package # 11A Bid Package Description: Food Service Equipment

1. BID PRICE

Base Bid	\$ <u>89,167.00</u>
Subguard Insurance @ 1.15%	\$ <u>1,025.42</u>
TOTAL LUMP SUM BID	\$ <u>90,192.42</u>

Lump Sum in Words (Total including ~~base~~) (subguard insurance)

Ninety thousand one hundred ninety two dollars and forty-two cents.

2. ADDENDA NOTED:

- Addenda noted: No.'s 1-4 **PLEASE SEE NOTES ON PAGE 3.**

3. PAYMENT AND PERFORMANCE BONDS:

Payment and Performance bonds may be required and will be reimbursed at actual cost. **DO NOT** include the cost of bonds in your price unless Bid Instructions state otherwise.

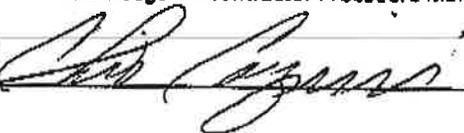
- Your payment and performance bond rates is 3 % (bonds not in bid price.)

4. ACKNOWLEDGEMENT OF CONTRACT FORM

- Bid is submitted with acknowledgement of Trade Contractor Agreement, and the Assignment Agreement both without modification, as the form of Contract.
- Acknowledge Formula for Changes attached to this bid form
- Acknowledge Attachment B without modification
- Acknowledge Attachment D insurance requirements
- Acknowledge Subcontractor Procedure Manual

<u>CC</u>	Initial Acknowledgment

AUTHORIZED SIGNATURE



TITLE President

FROM:

**NORTHERN INYO HOSPITAL
PHASE II
BISHOP, CA.
TURNER CONTRACT #:**

Item No. 05

BID FORM ATTACHMENT

SUBMITTED BY: Perfection Stainless Fabrication (Trade Contractor)
Inc.

A. Mandatory Alternate Pricing.

AL1	<u>Bid Pkg#7C-Provide waterproofing at the elevator pit and showers</u>	ADD	\$	<u>n/a</u>
AL2	<u>Bid Pkg #9A.1 & 9A.2 - Add or Delete providing scaffolding at building exterior</u>	ADD/DEDUCT	\$	<u>n/a</u>
AL3	<u>Bid Pkg #9A.1 - Provide <u>engineered header system</u> in lieu of head and jamb details 14 & 20/A9.1.D</u>	DEDUCT	\$	<u>n/a</u>
AL4	<u>Bid Pkg# 9A.1 and 9E -Eliminate drywall soffits and provide ACT per Alternate drawing</u>	ADD/DEDUCT	\$	<u>n/a</u>
AL5	<u>Bid Pkg# 9A.1-Provide substituted mold and moisture resistant drywall</u>	DEDUCT	\$	<u>n/a</u>
AL6	<u>Bid Pkg# 9A.1, 9A.2 and 9D-Provide framing, drywall, lath, plaster and paint as required by drawings CD-3, 4 and 5</u>	ADD	\$	<u>n/a</u>
AL7	<u>Bid Pkg# 9E-Continue ACT through locations where soffits shown to be deleted on Soffit Alternate drawings.</u>	ADD	\$	<u>n/a</u>
AL8	<u>Bid Pkg #10D -Add signage at existing buildings</u>	ADD	\$	<u>n/a</u>
AL9	<u>Bid Pkg# 9A.1 - Provide lateral bracing per details 1-A770 and 5-A772.</u>	ADD	\$	<u>n/a</u>
AL10	<u>Bid Pkg# 9A.1 - Provide 6" batt insulation on the underside of roof deck.</u>	ADD	\$	<u>n/a</u>

B. Unit Prices:

UP1	_____	ADD	\$	_____	SF
UP2	_____	ADD	\$	_____	EA
UP3	_____	ADD	\$	_____	EA

C. Labor Rates:

Description	Straight	Overtime	Double Time
Foreman	<u>\$60.00/HR</u>	<u>\$90.00 \$/HR</u>	<u>\$120.00 \$/HR</u>
Journeyman	<u>\$60.00/HR</u>	<u>\$90.00 \$/HR</u>	<u>\$120.00 \$/HR</u>
Apprentice	<u>\$45.00/HR</u>	<u>\$67.50 \$/HR</u>	<u>\$90.00 \$/HR</u>

NORTHERN INYO HOSPITAL
PHASE II
BISHOP, CA.
TURNER CONTRACT #:

Item No. 05

D. Voluntary Value Engineering Alternates: Include any suggestions that could be incorporated after contract award.

VE1	_____	ADD/DEDUCT \$	_____	LS
VE2	_____	ADD/DEDUCT \$	_____	LS

1. Additional warranty not available for items: 10,19,28,32,44,46 and 47--Per the manufacturers.
2. Owner furnished items: Installation, testing, storing not included in bid.
3. Items 14,15--BY HVAC (per specs); Items 2, 40--BY PLUMBING (per specs).

NA

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NORTHERN INYO HOSPITAL
PHASE II
BISHOP, CA.
TURNER CONTRACT #:

Item No. 5.1

NONCOLLUSION DECLARATION BY BIDDER

State of California
County of Inyo

"I, Chris Carmignani, declare that I am the party making the foregoing bid, that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true, and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid."

"I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct."


Signature

10-13-09
Date

--END OF NONCOLLUSION DECLARATION BY BIDDER--

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Turner Construction
Northern Inyo Hospital Construction
 150 Pioneer Lane
 Bishop, CA 93514
 phone: 760-873-7214
 fax: 760-873-7246

January 12, 2010

Mr. John Halfen
 Northern Inyo Hospital
 150 Pioneer Lane
 Bishop, CA 93514

RE: Northern Inyo Hospital Construction
 150 Pioneer Lane
 Bishop, CA 93514
Project # 1495401
Change Order Request Number COR - 025

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined by RFI 146. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
073	Lab Waste UG Decon Waste Piping	\$39,119.30
Total Amount	\$39,119.30	

We have reviewed the scopes of work and have verified that they are in compliance with our contract agreement. See the attached for a detailed breakdown of the costs included in this Change Order Request.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Thirty nine thousand one hundred nineteen and 30/100 dollars (\$39,119.30)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,

Kathy Sherry
 Project Manager

Approved By: _____ Date: _____
 John Halfen
 CEO - Northern Inyo Hospital

cc: File

PCO No	Bdgt Code No	Description	COR/ TCO	Estimated Budget				Indicated Cost				Sub Cntr	(Savings) Overrun			
				Apprv Rev	Pend Rev	Approx Rev	Adjusted Estimate	Auth Doc	Com Doc	Committed Cost	Uncommitted Cost			Indicated Cost		
073 - 001	02-15-15000-3SD-06-001	Lab Waste UG Decon Waste Piping	/	0	37,500	0	37,500	0	37,500			0	37,500	0	0	0
073 - Level 001	02-01-01837-3SD-02-001	Lab Waste UG Decon Waste Piping	/	0	431	0	431	0	431			0	431	0	0	0
073 - Level 002	02-01-01831-3SD-06-001	Subguard	/	0	379	0	379	0	379			0	379	0	0	0
073 - Level 003	02-01-01840-3SD-06-001	General Liability	/	0	383	0	383	0	383			0	383	0	0	0
073 - Level 004	02-01-01860-3SD-06-001	Builder's Risk	/	0	426	0	426	0	426			0	426	0	0	0
		Payment and Performance Bond	/	0	426	0	426	0	426			0	426	0	0	0
Total 073	Open/Closed: Open			0	39,119	0	39,119	0	39,119			0	39,119	0	0	0
Project Totals:				0	39,119	0	39,119	0	39,119			0	39,119	0	0	0



RFI No. 146

To: David Smith
 NTD Architecture
 9655 Granite Ridge Drive, Ste. 400
 San Diego, CA 92123

Date: 2/5/2009

**RFI
 TRANSMITTAL**

From: Kevin A. McQuaid
Project: Northern Inyo Hospital

Project No.: 2005-0179-13
Agency App No.: HS060053-14
Agency File No.: -----

Cc: File Co. Abbrev. Fax Notes

Transmitted via:

- | | | | |
|---|--------------------|---|--|
| <input type="checkbox"/> Fax: (858) 569-3433 | Page 1 of 1 | <input type="checkbox"/> US Mail | <input checked="" type="checkbox"/> Email |
| <input type="checkbox"/> Overnight Delivery | | <input type="checkbox"/> Hand Delivery | |
| Phase No: 2006 | R/NR: R | <input type="checkbox"/> Other | |

RFI Date Received: 2/5/2009

Contr. No.:

Brief Question:

Spec Section:

Decontamination Tank Piping

Description:

Sheet P-2.01 shows the decontamination tank (DT-1) to be installed near gridlines H and 1. There is no listing in the specifications that I could find covering this tank, fittings, piping and alarms. See below a list of questions pertaining to the tank and piping.

1. Please indicate the type of piping materials to be used to convey the waste from the drains to the tank and the vent piping back to the building. Per Detail 33 on P-5.4 it appears to be double wall pipe.
2. Are the drains in the building required to be constructed of chemical resistant materials?
3. The size of the tank and the bury depth shown on detail #3 on P-5.4 indicates the placement shown on P-2.01 may be too close to the building in relationship to the footings. Please confirm.
4. The 2" vent shown on P-5.4 does not continue on P-2.01. Does the vent re-enter the building?
5. Please clarify the alarm system shown on P-5.4 detail #3 such as make and model of unit, sensor type, voltage requirements, etc.
6. Location of power source for alarm panel.

Contractor's Proposed Solution:

Answer:

Remarks:

For your review and coordination.

NCRFI:

Status: Pend. Mech.

IB/AS/PR/CCD No:

Sheet P-2.01 shows the decontamination tank (DT-1) to be installed near gridlines H and 1. There is no listing in specifications that I could find covering this tank, fittings, piping and alarm. See below a list of questions pertaining to the tank piping.

Response: Tank to be Xerxes 2,500gal with all accessories/options listed per attached spec. Revised drawings to follow.

1. Please indicate the type of piping materials to used to convey the waste from the drains to the tank and the vent piping back to the building. Per detail 3 on P-5.4, it appears to be double wall pipe.

Response: Waste & below grade vent piping from the drains to the tank to be double wall polypropylene containment per attached specifications. Vent piping above grade to be single wall polypropylene.

2. Are the drains in the building required to be constructed of chemical resistant materials?

Response: No, the drains are to be same as specified throughout the rest of the building.

3. The size of the tank and the bury depth shown on detail #3 on P-5.4 indicates the placement shown on P-2.01 may be too close to the building in relationship to the footings. Please confirm.

Response: Location of DT-1 moved to accommodate footing locations. See attached sketch. Revised drawings to follow.

4. The 2" vent shown on P-5.4 does not continue on P-2.01. Does the vent re-enter the building?

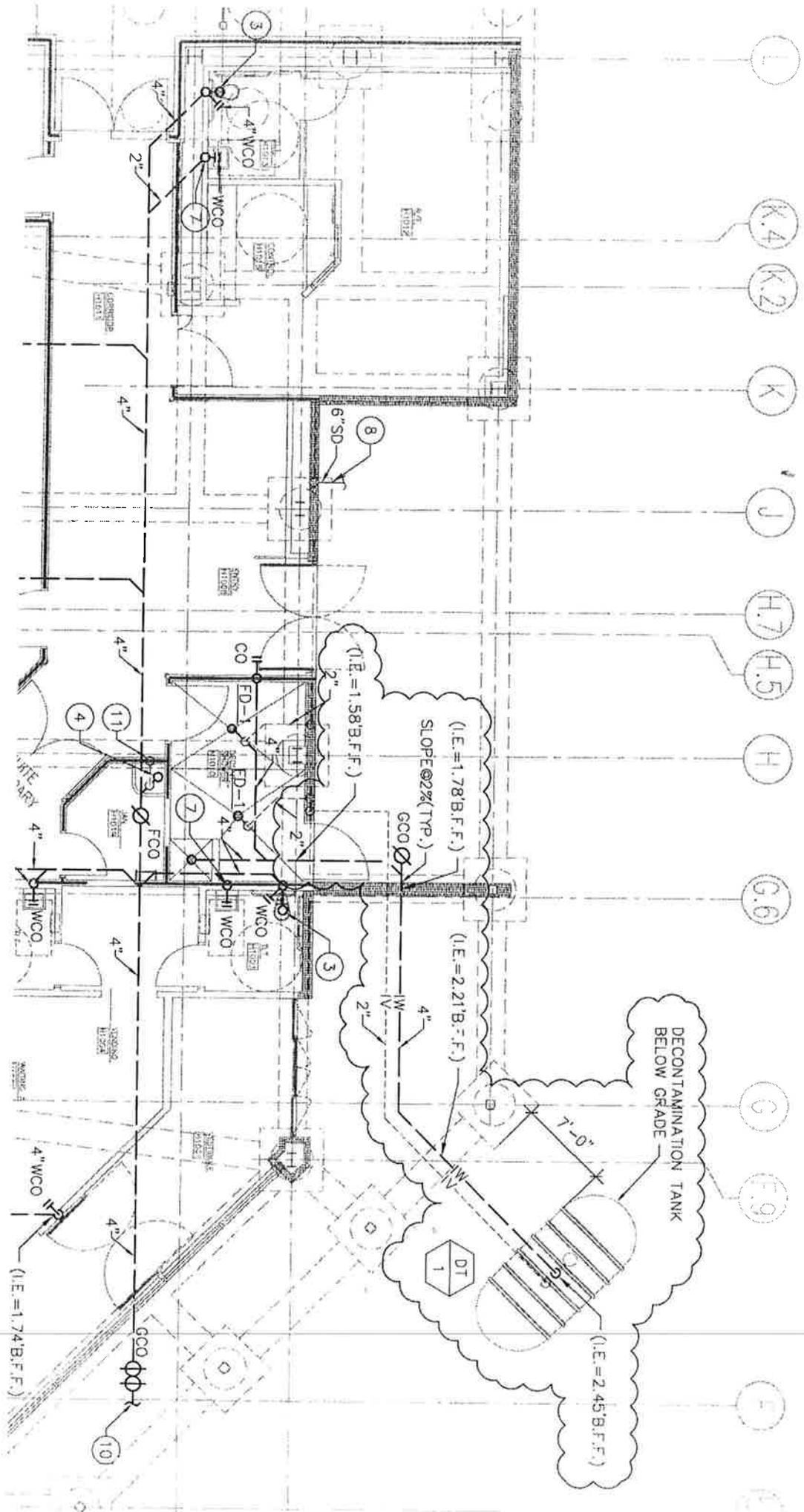
Response: Yes, vent re-enters building and terminates on roof. Revised drawings to follow.

5. Please clarify the alarm system shown on P-5.4 detail #3 such as make and model of unit, sensor type, voltage requirements, etc.

Response: Provide high level alarm per attached specifications. Voltage requirement to the control panel is 120V/1/60, 16 watts.

6. Location of power source for alarm panel.

Response: Omntec LU control panel to be located in the central plant. RA-1 alarm panel to be located in Nurses Station H1029. Coordinating power source location with electrical. Revised drawings to follow.



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Turner Construction
Northern Inyo Hospital Construction
 150 Pioneer Lane
 Bishop, CA 93514
 phone: 760-873-7214
 fax: 760-873-7246

January 12, 2010

Mr. John Halfen
 Northern Inyo Hospital
 150 Pioneer Lane
 Bishop, CA 93514

RE: Northern Inyo Hospital Construction
 150 Pioneer Lane
 Bishop, CA 93514
Project # 1495401
Change Order Request Number COR - 026

Dear Mr. Halfen,

We have finalized the required quotations for the additional work issued in Addendum 5 for trades not previously included in COR 12. Specifically this includes RHP Mechanical. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
011A	Addendum 5 - additional trades	\$148,653.34
Total Amount	\$148,653.34	

We have reviewed the scopes of work and have verified that they are in compliance with our contract agreement. See the attached for a detailed breakdown of the costs included in this Change Order Request.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **One hundred forty eight thousand six hundred fifty three and 34/100 dollars (\$148,653.34)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,

Kathy Sherry
 Project Manager

Approved By: _____ Date: _____

John Halfen
 CEO - Northern Inyo Hospital

Turner Construction
 Project No.: 1495401
 Project Name: Northern Inyo Hospital Construction

PCO DETAILED REPORT
 Potential Change Orders

Print Date: 12-Jan-2010
 Print Time: 3:41 pm

PCO No	Bdgt Code No	Description	COR/ TCO	Estimated Budget				Indicated Cost				Sub Cntr	(Savings) Overrun
				Apprv Rev	Pend Rev	Approx Rev	Adjusted Estimate	Committed Cost	Uncommitted Cost	Indicated Cost	Type		
011A - 001	02-15-15000-3SD-06-001	Addendum 5 - additional trades	/	0	142,500	0	142,500	0	142,500	142,500	CO	RAYHEA	0
011A - 002	02-09-09450-3SD-06-001	Mechanical - cost transferred from PCO	/	0	0	0	0	0	0	0	CO	ROYWHI	0
011A - Level 001	02-01-01837-3SD-02-001	All-Glass Entrances and Storefronts - co	/	0	1,687	0	1,687	0	1,687	1,687	CO		0
011A - Level 002	02-01-01831-3SD-06-001	Subguard	/	0	1,484	0	1,484	0	1,484	1,484	CO		0
011A - Level 003	02-01-01840-3SD-06-001	General Liability	/	0	1,499	0	1,499	0	1,499	1,499	CO		0
011A - Level 004	02-01-01860-3SD-06-001	Builder's Risk	/	0	1,665	0	1,665	0	1,665	1,665	CO		0
011A - Level 004	02-01-01860-3SD-06-001	Payment and Performance Bond	/	0	1,665	0	1,665	0	1,665	1,665	CO		0
Total	011A	Open/Closed: Open		0	148,834	0	148,834	0	148,834	148,834			0
Project Totals:				0	148,834	0	148,834	0	148,834	148,834			0

RHP Mechanical Systems

1008 E. 4th Street

Reno, NV 89512

Phone: 775-322-9434

Fax: 775-322-9228

PROPOSED CHANGE ORDER

No: 0003

TITLE: Rev 4 & 5 Drawings

DATE: 5/24/2009

PROJECT: Inyo Hospital Phase II #1495401

JOB: 12476

TO: Attn: Kathy Sherry
Turner Construction
150 Pioneer Ln
Bishop, CA 93514
Phone: 760-873-7214 Fax: 760-873-7246

CONTRACT NO: 16

RE:

To:

From:

Number:

DESCRIPTION OF PROPOSAL

Materials Are Based On Current Market Condishions, we reserve the right to make adjustments as needed due to escalation. Please review the following drawing changes:

P-0.2

Added Fixtures

P-1.1

Add 04" Plug Valve On Underground LP Line

Add 04" Storm With Two Way Clean Out

Add Two 03" Storm Lines

Upsize Domestic Water (03" To 04")

P-2.0.1

Add 02" Sanitary Near 3-4 Line, C. Line G.6

Extend 04" U.G Sanitary Storage Room, C. Line K

P-2.1.1

Add 03" Storm And Overflow 6 Line Near C. Line H

Add 04" Riser 1.8 Line Near C. Line A.2

Add 02" Storm Line With 02" Vent 4 Line Near C. Line G

Add Sanitary Riser 6 Line Near C. Line F

P-2.1.2

Re-Locate 08" Storm & Overflow Risers, 6 Line Near C. Line B.2

Added 03" Storm & Overflow Drains

Added 03" Storm & Overflow Risers, 6 Line Near C Line

Added 03" Storm & Overflow, D.5 Line, Near 9.5 C. Line

P-2.1.3

Increase 02" HW To 2-1/2"

Re-Rough 2-1/2" HW, And Install Future 02" Tap

P-2.2.1

Install Dedicated Vent Off 02" Roof Drain, E Line, Near 8 Line

Install Dedicated Vent Off 02" Roof Drain, E Line, Near 5 Line

APPROVAL:

By: _____
Kathy Sherry

Date: _____

By: 
R.L. Reddy

Date: 5-28-09

RHP Mechanical Systems

1008 E. 4th Street

Reno, NV 89512

Phone: 775-322-9434

Fax: 775-322-9228

PROPOSED CHANGE ORDER

No. 00003

TITLE: Rev 4 & 5 Drawings

DATE: 5/24/2009

PROJECT: Inyo Hospital Phase II #1495401

JOB: 12476

TO: Attn: Kathy Sherry
Turner Construction
150 Pioneer Ln
Bishop, CA 93514
Phone: 760-873-7214 Fax: 760- 873-7246

CONTRACT NO: 16

RE: To: From: Number:

DESCRIPTION OF PROPOSAL

Fixture Change PCU-1 Floor Outlet
Install Dedicated Vent Off 02" Roof Drain. D Line, Near 6 Line
Install Dedicated Vent Off 02" Roof Drain. B.2 Line, Near 4 Line

P-2.2.2
Increase 02" HW To 2-1/2"
Fixture Taged S-1
Increase 2-1/2" C.W To 03"

P-2.3.2
Three Roof Vents Added

P-2.42.1
Add Two Medical Alarm Panels
Control Hook Up

Seismic install 32 locations

Shop Drawings And Coordination Drawings

Item	Description	Stock#	Quantity	Units	Unit Price	Tax Rate	Tax Amount	Net Amount
00001	Proposed Cost		1.000		\$167,255.00	0.00%	\$0.00	\$167,255.00

Unit Cost: \$167,255.00

Unit Tax: (INCL.) \$0.00

Total: \$167,255.00

APPROVAL:

By: _____
Kathy Sherry

By: 
R.L. Reddy

Date: _____

Date: 5-28-09

Job

Inyo Rev 4 & 5

#

12476

Department:

Plumbing

Code:

03

Date:

05/27/09

LABOR	HOURS	WAGES	AMOUNT	% O.H.	S. TOTAL	% PROFIT	S-TOTAL	TOTAL
ENGINEER						0.150		
CAD						0.150		
PROJ. MAN.	18	\$91.50	\$1,647			0.150	\$247	\$1,894
PROJ. ENG.						0.150		
SERVICE						0.150		
PIPING	785	\$75.50	\$59,268			0.150	\$8,890	\$68,158
INSTALL						0.150		
SUPER	86	\$91.50	\$7,869			0.150	\$1,180	\$9,049
CAD/SHOP DWG.	184	\$91.50	\$16,836			0.150	\$2,525	\$19,361
OTHER						0.150		
Siesmic	158	\$75.50	\$11,929			0.150	\$1,789	\$13,718
TEMP CNTRLS						0.150		
Total Field Hrs:	1213							
Total Hrs:	1231		Total Labor Cost: \$97,549				Total Labor:	\$112,181
		TAX		% O.H.	S. TOTAL	% PROFIT	SUBTOTAL	
MATERIAL		\$0.08750						
PIPING	\$36,900	\$3,229	\$40,129	0.100	\$4,013			\$44,142
INSTALL				0.100				
SERVICE				0.100				
INSULATION				0.100				
Siesmic	\$5,400	\$473	\$5,873	0.100	\$587			\$6,460
EQUIP.				0.100				
		Total Materials/Equip. Cost:	\$46,001			Total Materials & Equipment:	\$50,601	
SUBCONTRACTORS			AMOUNT		S. Total with Tax	% PROFIT	SUBTOTAL	TOTAL
CRANE						0.050		
RENTAL						0.050		
SPECIAL TOOLS						0.050		
BALANCE						0.050		
INSULATION			\$4,260			0.050	\$213	\$4,473
TEMP. CONTROLS						0.050		
SUBSISTENCE						0.050		
EXCAVATION & BACKFILL						0.050		
WATER TREATMENT						0.050		
OTHER						0.050		
						0.050		
						0.050		
Total Subs Costs:			\$4,260			Total Subcontractors:	\$4,473	
							SUBTOTAL	\$167,255
							GAS SURCHARGE	
							BONDING	
Total Cost:			\$147,810					

TOTAL BID AMOUNT:

\$167,255

END