

CALL TO ORDER The meeting was called to order at 5:30 pm by Peter Watercott, President.

PRESENT Peter Watercott, President
John Ungersma, M.D., Vice President
M.C. Hubbard, Secretary
Denise Hayden, Treasurer
D. Scott Clark, M.D., Director

ALSO PRESENT John Halfen, Administrator
Helena Black, M.D. Chief of Staff
Douglas Buchanan District Legal Counsel
Sandy Blumberg, Executive Assistant

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

PUBLIC COMMENT Mr. Watercott asked if any members of the public wished to comment on any items listed on the agenda for this meeting. No comments were heard.

MINUTES The minutes of the February 16 regular meeting were approved.

FINANCIAL AND
STATISTICAL REPORTS Mr. Halfen called attention to the financial and statistical reports for the month of February 2011. He noted the statement of operations shows a bottom line excess of revenues over expenses of \$228,438. Mr. Halfen additionally called attention to the following:

- *Inpatient and outpatient service revenue were both over budget*
- *Total expenses were over budget*
- *Salaries and wages and employee benefits expense were under budget*
- *Professional Fees Expense was over budget*
- *The Balance Sheet showed no significant change*
- *Total net assets continue to grow*
- *Year-to-date net income totals \$4,692,182*

Mr. Halfen noted cash on hand continues to fluctuate in order to help fund the hospital rebuild project. He also reviewed the hospital's investments which remain stable at this time. The liability side on the Balance Sheet shows no significant change, and the financials look good at this time. Inpatient and outpatient service revenue are under budget for the year; which is not surprising considering current economic conditions. The hospital is hoping to recruit an orthopedic surgeon in the near future which will hopefully increase surgery volume from what it currently is. Mr. Halfen also noted salaries and wages and employee benefits expense are currently under budget for the year-to-date. It was moved by M.C. Hubbard, seconded by John Ungersma, M.D. and passed to approve the financial and statistical reports for the month of February 2011 as presented.

ADMINISTRATORS
REPORT

BUILDING UPDATE	John Hawes with Turner Construction Company reported the hospital rebuild project is progressing slightly ahead of schedule and plaster is currently being applied to the exterior walls of the new building. Windows have now been installed and the plastic covering the building should be removed sometime around the middle of May. Site work is also going on and permanent curbs and gutters are now being poured. It is possible a tour of the job site will be offered to Board members prior to the start of the May regular meeting. Kevin Boots with RBB Architects was present to answer questions that anyone may have, however no questions were asked.
SECURITY REPORT	Mr. Halfen called attention to the Security Report for the month of February, which revealed no new security issues of significance.
ORTHOPEDIC SERVICES UPDATE	Mr. Halfen stated recruitment efforts continue in an attempt to obtain a new orthopedic surgeon by the start of June. Special incentives are being offered to potential candidates.
PMA PARTNERSHIP PURCHASE UPDATE	Mr. Halfen also reported paperwork has been completed for the hospital's purchase of a Pioneer Medical Associates (PMA) partnership interest, and escrow on the transaction is expected to close by May 1.
INYO COUNTY PROPERTY TAX ADJUSTMENT	Mr. Halfen stated Inyo County has informed the Hospital District that due to a reduction in a prior-year assessed property tax valuation, a portion of the property tax paid to the District in 2009 will now have to be paid back. Northern Inyo Hospital's (NIH's) portion of the property tax refund has been calculated to be \$8,404, which will be repaid to the County in the near future.
PHYSICIAN RECRUITING	Mr. Halfen reported the hospital continues to recruit for the following physician specialties: orthopedic surgery; obstetrics and gynecology; family practice; and internal medicine. He additionally stated Administration has accepted the resignation of Family Health Center (FHC) Physician Assistant Robert Frankle, and that Vasuki Sittampalam, M.D. is currently the only provider working at the FHC practice.
BETA LIABILITY INSURANCE	Mr. Halfen also noted the District has received a correspondence from Beta Healthcare (the hospital's liability insurance provider) stating there will not be any increase to the hospital's insurance premium in the upcoming fiscal year.
NEW BUSINESS	
CONSTRUCTION CHANGE ORDERS	Kathy Sherry, Project Manager with Turner Construction Company called attention to the following construction Change Order Requests (COR's): <ol style="list-style-type: none">1. COR 130; Signage reconciliation2. COR 134; Top Track modifications3. COR 136; Delete roof mounted lightning protection

4. COR 141; Deletion of power circuit for steam generators
5. COR 143; Electrical portion of FF&E coordination
6. COR 73R1; IB 23, M/S Patient Toilet Rooms
7. COR 135; IB 157, Revision at Decon and Server Room
8. COR 139; IB 187, Delete Terrazzo pans on plumbing
9. COR 140; IB 140, Lighting Levels
10. COR 141; IB 199, Delete Circuits for Steam Generators
11. COR 146; IB 104/173/182, AHU Vestibules and Hydronic Changes

Ms. Sherry reviewed the individual change orders and explained why each was necessary, with most changes involving improvements being made to the original plans for the new facility. Lighting levels for the new building are being improved, as are patient room accommodations and electrical wiring. The total cost of the proposed change orders will be \$151,245, which will exhaust the contingency fund originally set aside for construction cost overruns. Mr. Halfen noted there is roughly a half million dollars set aside for any additional CORs that may be deemed necessary, and he still plans to keep six million available for working capital to keep the hospital running smoothly during completion of the building project. Mr. Halfen also stated the hospital will have to look carefully at any purchases that are made in the next two years in order to keep expenditures as low as possible. Following discussion of the change orders presented, it was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve all eleven construction change orders as presented.

CHIEF OF STAFF REPORT

MEDICAL STAFF PRIVILEGING AND CREDENTIALING

Chief of Staff Helena Black, M.D. reported following careful review and consideration the Medical Executive Committee recommends approval of the following:

1. Appointment of Anthony Schapera, MD to the Provisional Active Medical Staff with privileges commensurate with his clinical practice in anesthesiology
2. Appointment of James Englesby, MD to the Provisional Consulting Medical Staff with privileges commensurate with his clinical practice in internal and family medicine
3. Granting of additional interventional radiology privileges as requested for Tahoe Carson Radiology affiliate Keith M. Shonnard, M.D.
4. Advancement of Tahoe Carson Radiology radiologists Nicholas Carlevato, MD; Sheldon Kop, MD; David Landis, MD; Stephen Loos, MD; Thomas McNamara, MD; and Keith Shonnard, MD, (certified by the American Board of Radiology) to the Consulting Medical Staff with requested privileges

It was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve all Medical Staff advancements and privileging as requested.

- POLICY & PROCEDURE APPROVALS Doctor Black also reported following careful consideration and approval by the appropriate committees the Medical Executive Committee recommends approval of the following hospital wide policies and procedures:
1. *Radiology – Patient Priority*
 2. *Discharge of Radiology Patients Following Image Guided Procedures*
 3. *IV Certification of Radiologic Technologists*
 4. *Radiology Services Pregnant Personnel*
- It was moved by D. Scott Clark, M.D., seconded by Ms. Hubbard, and passed to approve all four policies and procedures as recommended.
- EMERGENCY MEDICINE CLINICAL PRIVILEGES FORM Doctor Black also called attention to the Medical Staff *Emergency Medicine Clinical Privileges* form, which was provided for informational purposes only.
- VALLEY EMERGENCY PHYSICIANS CONTRACT Doctor Black also commented that NIH’s Emergency Room physicians will likely recommend cancellation of the contract with Valley Emergency Physicians (VEP) at a future meeting; due to concerns with contract issues that remain unresolved. A proposal for a new emergency room physician agreement may be presented at the next regular meeting, and it was noted that lack of staffing coverage is one of the main concerns with the current VEP agreement at this time.
- HOSPITALIST AGREEMENTS Mr. Halfen called attention to proposed agreements for *Medical Director of Hospitalist Program* (with Asao Kamei, M.D.), and to the *Physician Hospitalist Agreement* for physicians who rotate to provide hospitalist coverage for NIH inpatients. The hospitalist program has proved to be successful during the first several months of trial, and Administration is now ready to establish a template for how the program should run. Following review of the proposed agreements it was moved by Doctor Ungersma, seconded by Denise Hayden, and passed to approve both hospitalist agreements as presented.
- MEDICAL DIRECTOR OF PHARMACY AGREEMENT Mr. Halfen also called attention to a proposed agreement for *Medical Director of Pharmacy* with Nickoline Hathaway M.D.. Following review of the agreement presented and after two housekeeping changes were made to the contract, it was moved by Doctor Ungersma, seconded by Ms. Hayden and passed to approve the *Medical Director of Pharmacy* agreement with Nickoline Hathaway, M.D. as requested.
- POLICY & PROCEDURE: SANCTIONS FOR BREACH OF PATIENT PRIVACY Leo Freis, Compliance Officer, Laboratory Director, and Administrative Support Services called attention to a proposed policy titled *Sanctions for Breach of Patient Privacy*, which has been created to comply with Federal standards. The policy establishes guidelines to apply appropriate sanctions against members of the hospital’s workforce who fail to comply with its’ patient privacy policies. Upon review of the policy presented it

was mentioned that all hospital staff should be directed to read and understand the policy, in order to ensure that they understand the potential serious consequences for a breach of patient privacy. It was moved by Doctor Ungersma, seconded by Ms. Hayden, and passed to approve the policy titled *Sanctions for Breach of Patient Privacy* as requested.

BOARD MEMBER
REPORTS

Mr. Watercott asked if any members of the Board of Directors wished to report on any items of interest. Ms. Hayden inquired as to whether or not a mural is being planned for the new hospital building, and Mr. Halfen stated a historical mural for the wall of the new facility is currently being considered. Ms. Hayden commented that artist John Pugh, who may be in the running to produce a mural is extremely talented and more than capable of producing a mural that the District would be proud of.

OPPORTUNITY FOR
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 for this meeting, or on any items of interest. No comments were heard.

CLOSED SESSION

At 6:36 p.m. Mr. Watercott announced the meeting was being adjourned to closed session to allow the Board of Directors to:

- A. Hear reports on the hospital quality assurance activities, and hear a report from the Medical Staff Executive Committee (Section 32155 of the Health and Safety Code, and Government Code Section 54962).
- B. Confer with legal counsel regarding action filed by John Nesson M.D. against Northern Inyo County Local Hospital District and other Defendants (Government Code Section 54956.9(a)).
- C. Confer with legal counsel regarding action filed by Stephen Johnson and Elizabeth Monahan-Johnson against Northern Inyo County Local Hospital District and other Defendants (Government Code Section 54956.9(a)).

Director D. Scott Clark, M.D. was not present during closed session discussion.

RETURN TO OPEN
SESSION AND REPORT
OF ACTION TAKEN

At 7:05 p.m. the meeting returned to open session. Mr. Watercott announced that the Board took no reportable action.

PUBLIC COMMENT

Mr. Watercott again asked if anyone present wished to comment on any items listed on the agenda for this meeting, or on any items of interest. No comments were heard.

ADJOURNMENT

The meeting was adjourned at 7:05 p.m..

Peter Watercott, President

Attest: _____
M.C. Hubbard, Secretary