

CALL TO ORDER                      The meeting was called to order at 5:30pm 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  
Robbin Cromer-Tyler, M.D., Chief of Staff  
Douglas Buchanan, District Legal Counsel  
Sandy Blumberg, Executive Assistant

ALSO PRESENT FOR  
RELEVANT PORTIONS              Dianne Shirley, R.N., Performance Improvement Coordinator

OPPORTUNITY FOR  
PUBLIC COMMENT                      Mr. Watercott proposed moving the final opportunity for public comment (on any items listed on the agenda for this meeting or on any items of interest) to the start of this meeting in order the allow those present for this purpose to speak at this time and not have to stay for the remainder of the meeting.

Many individuals were present to speak on the subject of the separation of employment of long-term Northern Inyo Hospital (NIH) per diem employee, Donise Costello, LVN. Ms. Costello was separated from employment when her leave of absence for medical reasons exceeded NIH's 16 week allowed leave policy. The following persons spoke to the Board on this subject:

- Lori Forehand, Med Surg Ward Clerk gave a recap of the details surrounding the separation of Ms. Costello, after "one surgery became two surgeries" and she was separated from employment. Ms. Forehand stated that the separation took NIH staff on the whole by surprise, especially in light of the fact that numerous other employees have been out on longer leaves of absence without losing their jobs. Ms. Forehand stated that this incident has left NIH staff "shaken" and fearful of losing their own jobs in the event that they experience a similar extended medical leave of absence. She also stated she has been unable to locate the personnel policy that addresses this topic, and she feels Administration needs to review and reconsider this issue. Ms. Forehand additionally stated that Ms. Costello is a per diem employee who has greatly exceeded the minimum number of hours she is required to work within a calendar year, and as a per diem employee who does not work full time she should not be held to the same policies that apply to full-time staff.
- Donise Costello spoke next, stating she is grateful that she has

been hired back effective as of December 18<sup>th</sup>, but she feels there are a lot of errors in the time-off policy that need to be addressed. She also stated she could go quietly back to work and put this incident in her past, but she does not feel that is the correct thing to do because this issue will no doubt affect other NIH employees in the future. She stated that in her case, she feels this situation was handled very poorly. She also expressed her feeling that decisions regarding changes to the leave policy should involve adequate employee input and representation. She also stated that she far surpassed the 200 hours she was required to work in calendar year 2012, and she does not understand why a per diem employee would be separated from employment. She also agreed with Ms. Forehand's statement regarding other employees exceeding the 16 week medical leave of absence without being separated from employment.

- Chris Cauldwell, NIH Surgery Technician spoke next, stating this same leave policy is now affecting her due to the fact that she has been out on leave for shoulder surgery, and now finds she needs a second, unrelated surgery as well. Ms. Cauldwell has worked at NIH for 29 years, and the two week absence needed for her 2<sup>nd</sup> surgery would result in her separation from employment. Ms. Cauldwell feels she will be forced to delay a surgery that should take place now until September of 2013, in order to avoid separation. She does not feel it is fair that she be terminated and have to return to new employee status because of the 2<sup>nd</sup> surgery.
- Retired NIH Surgery Unit Nurse Manager Barbara Stuhaan, RN also spoke regarding Ms. Cauldwell's (her daughter) health and employment situation, stating her feeling that her situation is grossly unfair and not in the interest of Chris's well being. She additionally commented that Chris could probably have claimed her first (shoulder) surgery as a Workman's Comp case, and in hindsight it appears that perhaps she should have. Ms. Stuhaan also spoke to the amount of stress this type of situation places on employees who are already in a compromised medical condition, and stated that in her 42 years of employment at NIH she has never seen anything similar to this happen. Ms. Stuhaan also stated that she does not believe NIH employees ever received notice that this policy would be going into effect. She additionally stated that she was personally out on a medical leave of absence for a four month period, and she was not separated from employment. She further stated that it is difficult to obtain quality employees and the time and investment that their training requires needs to be part of the financial consideration. Even if separated employees are likely to get their jobs back (once they are able to return to work) it is unfair for them to also be subjected to the stress of potentially losing their job when they are already in a

compromised state of health. Ms. Stuhaan also stated that without quality employees a workplace is nothing more than walls, concrete, and paint. She additionally stated that in her daughter's case, if she is separated from employment, Cobra insurance coverage will cost her family approximately \$2,100 per month, which she simply cannot afford. At this time, Chris plans to wait until September 2013 before having her next surgery, which is not in the best interest of her health. Ms. Stuhaan further stated that in regard to the hospitals' motto "*People you know, caring for people you love*", the employees, who are the "*People you know*" are not feeling cared for at this time.

- Martha Reynolds, NIH Case Manager RN2, spoke next, stating that what this matter has brought in ill will to the Hospital cannot possibly be compensated for in dollars. She stated that when NIH loses a valuable employee they cannot always be replaced, and she feels that the burden the new leave policy places on our employees is grossly unfair. Ms. Reynolds stated that NIH is known for its' fabulous care and excellent nursing, and that this policy is not worth any amount of money that it may save. She additionally stated that Administration provides monthly reports stating that the hospital is financially sound, so she would not understand if this policy is being enforced due to financial concerns.
- Nita Eddy, NIH Surgery Tech and 25 year Hospital employee spoke next, stating that she also shares the concerns of her co-workers. Ms. Eddy is a PPAC (Personnel Payroll Advisory Committee) representative who has received many correspondences from concerned staff members that she represents. It is her feeling that we may have lost sight of the employee representation element regarding personnel policy decisions, and she feels that the PPAC Committee should have been more involved in this decision. She additionally stated that she feels that management needs to be more aware of just how important NIH's employees are. Ms. Eddy also mentioned that the PPAC Committee has not met for over a year, due to the hospital being caught up in a computer conversion and with the move into the new hospital building. John Ungersma, MD asked if a meeting of the PPAC Committee can be called now, and Ms. Eddy responded was that a meeting has been scheduled for January 15, 2013.
- Long-term Emergency Department RN Pam Spector spoke next, stating that everyone who works at NIH is considered to be 'family', and that our hospital family should never be treated unfairly. NIH staff cares for and about the people in our community, of which we are all a part. Ms. Spector stated the federal government requires that employers allow employees a minimum of 12 weeks of medical leave absence, but nowhere does the government require that we terminate employees if they

exceed the allowed amount of medical leave. Ms. Spector stated her feeling that we “grow people here”, and that those people (and certainly our long-term employees) should always be treated fairly.

- Cindy Wahrenbrock, NIH EKG Tech stated she is also concerned about the separation policy, and she feels we need to come up with different solutions to the issue of medical leave. She does not feel it is necessary for management to separate employees who have the misfortune to be out on more than 16 weeks of medical leave, and she suggested looking into the possibility of a catastrophic medical leave insurance program, and other possible solutions rather than “giving up on our people”.
- Donise Costello spoke again, asking why this matter was not placed on the agenda for this meeting. Administrator John Halfen replied that in the past, anyone who has requested that an item be placed on the Board agenda has had that request honored; however Ms. Costello’s letter did not specifically make that request. Since this is not an agenda item, the Board is not allowed to discuss it at this time, but they are able to hear any public comment on this topic. Ms. Costello asked that this item be placed on the agenda for the January 16<sup>th</sup> 2013 Board of Directors’ meeting, and Mr. Halfen assured her that it will be agenda item.
- Chris Costello, Pastor and husband of Donise Costello spoke next, stating that he also does not understand the handling of Donise’s separation from employment, noting that her employee evaluations have been exemplary and she is clearly considered to be a model employee. Especially in light of the fact that Ms. Costello is a per diem employee, he wants the Board of Directors and Administration to understand that he feels that Donise’s is clearly a case of wrongful termination. He is also concerned that his wife’s employment record does not contain information that may be questioned in the future regarding her being “terminated from employment”, and he would like to see her termination retracted.
- NIH Dietary Manager Glen Forehand spoke next, asking what will happen to Ms. Cauldwell, who is waiting for surgery, if it takes 6 months to arrive at a solution to this issue. The Board was again unable to respond (due to the fact that this item is not on the agenda for this meeting) and no one else present offered a response to this question.
- Ms. Stuhaan then asked why Donise’s employment separation decision was made, inquiring as to whether or not this was a financial decision made by management. The Board again was unable to respond, and no one else present responded to the question.

At the conclusion of public comment, Mr. Watercott thanked everyone who showed up to express their concern, acknowledging that it is difficult for people to show up and comment on this topic. He also stated that

every Hospital District Board of Directors Meeting is open to the public, and that any employee or interested members of the public is welcome to attend and address the Board at any meeting.

APPROVAL OF  
CONSENT AGENDA  
ITEMS

The proposed consent agenda for this meeting included the following items:

1. Approval of the minutes of the October 17, 2012 regular meeting (*action item*)
2. Approval of the Financial and Statistical Reports for the months of August, September, and October 2012 (*action items*)
3. Policy and Procedure approvals, as follows (*action items*):
  - A. *Anesthesia Clinical Standards and Professional Conduct*
  - B. *Anesthesia in Ancillary Departments*
  - C. *Anesthesia Philosophy*
  - D. *Anesthesia Privileges for Staff Physicians*
  - E. *Anesthesia Record*
  - F. *Pre and Post Operative Anesthesia Visits*
  - G. *Quality Improvement Program Anesthesia Service*
  - H. *Responsibility of Service Perioperative*
  - I. *Restocking and maintenance of Anesthesia Equipment*
  - J. *Scope of Anesthesia Practice*
  - K. *Staffing Patterns Anesthesia*
  - L. *Cleaning and Disinfection of Anesthesia Equipment*
  - M. *Organization of Surgical/Anesthesia Equipment*
  - N. *Postpartum Hemorrhage Policy*
  - O. *HUGS Policy*
  - P. *Activity Program Pediatrics*
  - Q. *Hiring – Identification Badges (03-04)*
  - R. *ED Standing Orders Policy*
  - S. *Emergency Department Narcotic Prescription Guidelines*
  - T. *In-House Transport of Ventilator Dependant Patient*
  - U. *Radiologist Peer Review Program*
  - V. *Mammography – Self Referral*
  - W. *Playroom*

These 23 Policies and Procedures have been reviewed by the appropriate

Medical Staff Committees and are being forwarded to the Board with recommendation for approval.)

It was moved by M.C. Hubbard, seconded by D. Scott Clark, M.D. and passed to approve all proposed consent agenda items as presented.

#### ADMINISTRATOR'S REPORT

#### ORTHOPEDIC SERVICES UPDATE

Mr. Halfen reported that as a result of recent changes made regarding orthopedic services coverage at Mammoth Hospital, Mark Robinson M.D. intends to move his practice to Northern Inyo Hospital essentially on a full-time basis. The orthopedic office located at 152 Pioneer Lane, Suite A will now be managed by NIH, and the support staff employed there will be asked to become NIH employees. Doctor Robinson is interested in possibly developing industrial medicine as part of his Bishop orthopedic practice, and he will work to obtain a second orthopedist to practice sports medicine and perform arthroscopies at NIH as well. Mr. Halfen noted that Mammoth Hospital also intends to locate an orthopedic office in the Bishop area as well.

#### SECURITY REPORTS

Mr. Halfen called attention to the Security Reports for the months of September and October 2012, which reveal no new security issues of significance.

#### PHYSICIAN RECRUITING UPDATE

Mr. Halfen also reported that we continue to recruit for family practice and internal medicine physicians, as well as for one locums hospitalist.

#### LETTER REQUESTING COLLABORATION WITH MAMMOTH HOSPITAL

Mr. Halfen also called attention to a letter received from a member of the public requesting that NIH collaborate with Mammoth Hospital in order to bring a specific family practice and psychiatrist physician here to practice medicine. The author of the letter had been informed that NIH welcomes any physician who would like to practice in this community to submit an application for Medical Staff membership.

#### OTHER

Mr. Halfen also stated we can expect to see an increasing amount of information on the subject of NIH becoming an Accountable Care Organization (ACO), and that this topic will definitely affect the future of Northern Inyo Hospital. He additionally mentioned that the hospital Christmas party was a great success, and that a good time was had by all.

#### CHIEF OF STAFF REPORT

Chief of Staff Robbin Cromer-Tyler, M.D. reported following careful review and consideration by the appropriate committees, the Medical Executive Committee recommends the following Medical Staff reappointments and repriviliging (*action items*):

1. Lara Jeanine Arndal, M.D.
2. Thomas J. Boo, M.D.
11. Mark K. Robinson, M.D.
12. Anthony Shapera, M.D.

3. Tomi L. Bortolazzo, M.D.
4. John Daniel Cowan, M.D.
5. Robbin Cromer-Tyler, M.D.
6. James Englesby, M.D.
7. Charlotte C. Helvie, M.D.
8. Sonia Johnson, M.D.
9. Gregg McAninch, M.D.
10. John C. Meher, M.D.
13. Jeanette Schneider, M.D.
14. Shiva Shabnam, M.D.
15. Stuart Souders, M.D.
16. Gary Turner, M.D.
17. Jennie G. Walker, M.D.
18. Edrick B. Willes, M.D.
19. John Williamson, M.D.

Doctor Cromer-Tyler additionally reported that following careful review and consideration the Medical Executive Committee also recommends the reprivileging of the following Allied Health Professions (*action items*):

1. Lois Alexander, NP
2. Brett Davis, P.A.
3. Sarah Starosta, P.A.
4. Mara Yolken, N.P.
5. Tracy Drew, P.A.

Doctor Cromer-Tyler also reported that following careful review and consideration the Medical Executive Committee also recommends appointment to the Provisional Medical Staff with privileges for the following physicians (*action items*):

1. Sandra Althaus, M.D.
2. John Erogul, M.D.
3. Victor Lopez-Cuenca, M.D.

It was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve all Medical Staff recommendations regarding appointments, reprivileging, and reappointments as requested.

1998 REVENUE BOND  
REFINANCING,  
RESOLUTION 12-08

Mr. Halfen then called attention to proposed District Board Resolution 12-08 which would authorize the refinancing of the District's 1998 revenue bonds at a lower interest rate. The proposed Resolution specifically allows for approval of the following: *"The form and authorizing the execution and delivery of a second supplemental indenture of trust, an escrow agreement, a preliminary official statement, and a bond purchase agreement in connection with the issuance, sale and delivery of Northern Inyo County Local Hospital District revenue bonds and approving certain other actions"*. The new Bond issue has not yet been priced, and the documents submitted for approval are being presented per the recommendation of Hospital bond counsel. Counsel is requesting Board approval of the documents with the specific dates and amounts to be filled-in at a later date, upon actual issuance of the bonds. Mr. Halfen explained that this bond offering was given a B- minus rating, due to current market conditions and a general reluctance to invest in most California hospitals. The proposed refinance is expected to take place at the start of January, and Mr. Halfen will update the Board regarding the specific numbers once they are arrived at. Once offered, the bonds are expected to be sold within a matter of minutes (partially due to the fact that they are tax exempt bonds), and an effort is being made to save a portion out for purchase by any interested local investors. The interest

rate for the existing bonds is over 4 percent, and it is expected that the reissue will come in at approximately 2.8%. Following review of the information provided it was moved by Doctor Clark, seconded by Ms. Hubbard, and passed to approve District Board Resolution 12-08 for refinancing of the 1998 revenue bonds as requested.

APPROVAL OF 6/30/12  
AUDIT REPORTS IN  
RELATION TO THE 1998  
REVENUE BOND  
REFINANCING

Mr. Halfen also requested approval of the June 30 2012 audit reports in relation to the 1998 Revenue Bond refinancing, which contain no significant adjustments from the previously approved reports. It was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve the June 30 2012 audit reports as requested.

BREAST ULTRASOUND  
CONTRACT  
AGREEMENT

Stuart Souders, M.D. called attention to a proposal to lease *U Systems* automated breast ultrasound equipment from General Electric. Doctor Souders is passionate about acquiring this equipment, which is absolutely state-of-the-art (life saving) equipment which can result in a 38% increase in the detection of cancers in dense breast tissue. Doctor Souders stated that as of April 1 2013, hospitals will be required to inform patients of which type of breast tissue they have (fatty vs. dense), and that NIH must be prepared to provide the correct type of exam for each patient. The proposed ultrasound system is extremely accurate and cutting edge, and it should bring many test referrals to NIH. Following review of the information provided, it was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to authorize an expenditure of up to \$200,000 for the lease of the *U Systems* automated breast ultrasound equipment as requested.

APPROVAL OF ZEISS  
MICROSCOPE  
PURCHASE

Mr. Halfen then asked for Board ratification of the purchase of Zeiss microscope equipment used for eye surgeries, that has already been purchased due to an emergent need. The microscope previously used for eye surgeries was 17 years old and failing, and there was no way to repair or replace that existing equipment. Surgery Unit Nurse Manager Phyllis Meneses, RN explained that the need to replace our existing equipment became urgent and necessary in order to facilitate Dr. Reid's eye surgeries. It was moved by Ms. Hubbard, seconded by Ms. Hubbard, and passed to ratify the purchase of the Zeiss microscope for use in the surgery unit as requested, with Doctor Clark voting "no" in regard to the ratification.

PAYROLL AND  
PERSONNEL POLICY  
AND PROCEDURE  
APPROVALS

Mr. Halfen called attention to the following Payroll and Personnel Policies & Procedures being recommended for Board approval:

1. *Employee Complaints and the Grievance Process*
2. *Punch Detail Responsibilities*
3. *Payroll Policies and Guidelines, change to on-duty meal agreement*

Mr. Halfen explained that the existing grievance procedure has been

reworked and slightly modified with the approval of the PPAC Committee. The punch detail policy clarifies the guidelines for use of the new Kronos time stamp feature; and the on-duty meal agreement allows for review of those employees who have this type of agreement on an annual basis. Following review of the information provided it was moved by Doctor Ungersma, seconded by Ms. Hayden, and passed to approve all three personnel and payroll policies and procedures as requested. Mr. Watercott stated his feeling that the new grievance policy is well written, and that it better clarifies the details regarding employee grievances.

APPROVAL OF  
ADMINISTRATOR'S  
SUCCESSION PLAN

Mr. Halfen called attention to his proposed *CEO Succession Plan*, which contains the following schedule and sequence of events:

- A. 1<sup>st</sup> quarter of 2013: Create and post the position of Assistant Hospital Administrator; with qualifications, experience, and requirements to be the same as the CEO. Job responsibilities of the successful candidate will increase over a period of approximately one year.
- B. 5/1/13 through 7/15/13: Start time for the Assistant Administrator. Backfill any other management openings that may be created by selection of the successful candidate.
- C. Existing CEO submits resignation effective 7/15/14. Training of Assistant Administrator continues, and a continuing relationship with the outgoing CEO will be explored.
- D. 7/16/14: CEO resignation becomes effective. Continuing relationship with exiting CEO begins if and as appropriate.

Mr. Halfen stated his succession plan essentially involves hiring an Assistant Administrator who will be groomed to be the next Chief Executive Officer (CEO) of Northern Inyo Hospital once he retires. Based on who is selected to be the future CEO, the Board will decide whether or not we will need a CEO only, or if we should hire both a CEO and a CFO (Chief Financial Officer) to replace Mr. Halfen. Mr. Halfen asked the Board how broad a net they would like to cast in order to obtain a suitable replacement, and also asked if they would prefer to hire a top level recruiter, a mid level, or a lower level recruiter. Following brief discussion, the Board decided to utilize a top level recruiter, and to cast a wide net in order to fill this position. Doctor Ungersma asked if Controller Carrie Petersen is interested in the CFO position, and Ms. Petersen replied with thanks, that she is not. District Legal Counsel was asked if a Board subcommittee might be convened in order to take on the task of CEO succession, and Mr. Buchanan stated it is his belief that a subcommittee of two Board members can be utilized for this purpose. It was moved by Doctor Ungersma, seconded by Ms. Hayden, and passed to approve the basics of the *CEO Succession Plan* as presented, and to hire a top level recruiter to assist in filling this position.

AGREEMENT FOR  
ORTHOPEDIC  
SERVICES WITH MARK  
ROBINSON, M.D.

Mr. Watercott suggested rearranging the agenda to address item H under New Business next, in order to allow Mark Robinson M.D. to go home for the day as soon as possible. Mr. Halfen then called attention to a draft agreement for orthopedic services with Mark Robinson, M.D., which utilizes the same boiler-plate contract we have used for other physician specialties in the past. The only significant difference with this particular agreement is that the suggested compensation rate is higher than 50% of the industry standard, due to the urgent need to establish improved orthopedic services in this community (the suggested compensation rate in this agreement is between 60 and 65 percent of the industry standard). Doctor Robinson stated that he has purchased a home in the Bishop area and he is ready to dedicate himself to a practice in this community. His plan is to build an orthopedic program for patients in this area, and to enhance orthopedic services for all Bishop area residents. Mr. Halfen requested Board approval of the draft agreement presented, pending housekeeping changes being made as requested by District Legal Counsel Douglas Buchanan. If approved, this agreement will become effective no later than January 21<sup>st</sup> of 2013. It was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve the Draft Agreement for the Orthopedic Services of Mark Robinson, MD, as requested, including Mr. Buchanan's housekeeping changes.

BOARD OFFICER  
ANNUAL ELECTIONS

Mr. Watercott then addressed the subject of election of Board officers for the 2013 calendar year, expressing his belief that Board members should begin rotating through all of the Board positions rather than retaining the same offices from year to year. Following brief discussion it was moved by Doctor Clark, seconded by Ms. Hubbard, and passed to approve the following slate of District Board officers for the calendar year 2013: President: John Ungersma, M.D.; Vice President: M.C. Hubbard; Secretary: Denise Hayden; Treasurer: D. Scott Clark, M.D.; Member at Large: Peter Watercott. It was noted that the signature designation on NIH checks will need to be changed from Mr. Watercott to Doctor Ungersma, and Ms. Petersen will look into having that change made as quickly as possible.

REPORT ON LAB  
DRAWING  
PROFICIENCY

Laboratory Manager Leo Freis presented information regarding wait times for patients coming to the Hospital for lab draws; including suggestions for changes to improve the process and create shorter wait times for our patients. Mr. Fries explained the current registration and lab draw procedure, including the changes that have been implemented as a result of the change to the Paragon computer system. He suggested that a focus be placed on educating physicians and their offices, (as well as patients) regarding what is needed to make the lab draw process flow more smoothly and efficiently. Administration and Laboratory Management will continue to work on streamlining the lab draw process as much as possible, and to improve wait times for our patients.

BOARD MEMBER  
REPORTS

Mr. Watercott asked if any members of the Board of Directors wished to report on any items of interest. Doctor Ungersma reported that Mammoth Hospital CEO Gary Boyd has been diagnosed with an inoperable malignant brain tumor in his frontal lobe, but with chemotherapy treatment his prognosis for recovery is expected to be excellent.

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 7:52pm 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 pending litigation based on stop notice filed by Strocac, Inc. (Government Code Sections 910 et seq., 54956.9).

RETURN TO OPEN  
SESSION AND REPORT  
OF ACTION TAKEN

At 8:32pm the meeting returned to open session. Mr. Watercott reported that the Board took no reportable action.

OPPORTUNITY FOR  
PUBLIC COMMENT

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

ADJOURNMENT

The meeting was adjourned at 8:33pm.

---

Peter Watercott, President

Attest:

---

M.C. Hubbard, Secretary