

- *Salaries and wages and employee benefits expense were under budget*
- *Professional Fees expense was under budget*
- *The Balance Sheet showed no significant change*
- *Total net assets continue to grow*
- *Year to date net income totals \$982,000*

3. Approval of the updated Conflict of Interest Code, which does not contain any substantive changes

ADMINISTRATOR'S
REPORT

Following review of the consent agenda items presented, it was moved by M.C. Hubbard, seconded by Denise Hayden, and passed to approve all three items as presented.

BUILDING UPDATE

John Hawes with Turner Construction Company reported medical equipment for the new hospital building is arriving, and Turner is currently working through their punch list for the new building. The project is progressing well with only minor finishing changes being expected at this time. The mechanical rooms are being completed and are getting a final cleaning, and the medical gas alarm system is currently being worked on. The architect will start his punch list soon, and the punch list for the exterior of the building will also be started soon. The Information Technology (IT) data room is being completed and will be turned over in the near future. Mr. Hawes also reported the exterior brick work on the new building has been completed and comes with a 10 year warranty.

It is expected that we will receive our certificate of occupancy for the new building around March 27, and after that licensing inspections and approvals will begin. Consultant Mike Fontana has been contracted to assist with the licensing process, which is expected to take 30 to 60 days.

Mr. Halfen introduced Linda Balabuch with Turner Logistics and informed those present that Turner Logistics has saved the hospital over \$3,000,000 on the price of the medical equipment for the new building. Turner will also help to coordinate the move into the new building, in order to streamline that process as much as possible.

ORTHOPEDIC
SERVICES UPDATE,
AND PHYSICIAN
RECRUITMENT
UPDATE

Mr. Halfen stated he is currently talking with three potential orthopedic surgeons who may be interested in practicing at Northern Inyo Hospital (NIH). Additionally, OB/Gyn Lyn Leventis, M.D. is still scheduled to come on board in the next three months, and pediatrician Kristin Collins, D.O. plans to arrive sometime during the summer.

SECURITY REPORT

Mr. Halfen also called attention to the Security Report for December 2011, which revealed no Security issues of significance.

340B UPDATE

Pharmacy Director Jillene Freis, RPH provided an update on the Hospital's 340B drug plan, which has allowed a significant cost savings on prescriptions for hospital employees and patients, and has dramatically increased the revenue of the Pharmacy Department. The 340B plan is being facilitated through cooperation with Dwayne's Friendly Pharmacy in Bishop, and since its inception the program has been extremely positive for everyone involved.

OTHER

Mr. Halfen also reported that pending litigation between Strocal and Turner Construction is currently being handled by Turner, and the Hospital is not involved in negotiating a resolution on that matter at this time.

Mr. Halfen additionally noted a lot of potential changes for California hospitals are on the horizon, including threats of reimbursement reductions and governmental budget cuts. Mr. Halfen will keep the Board informed of any changes that will affect this Hospital District.

CHIEF OF STAFF
REPORT

Chief of Staff Robbin Cromer-Tyler, M.D. reported there is no Medical Staff news or action to report at this time.

OLD BUSINESS

PRACTICE
MANAGEMENT
AGREEMENT WITH
KRISTIN COLLINS, O.D.

Mr. Halfen called attention to a Practice Management Agreement and a Relocation Expense Agreement for Kristin Collins, D.O., noting they are similar to the hospital's other physician practice management agreements with the exception of a \$10,000 bonus being added due to the fact that Doctor Collins has come to us without the use of a physician recruiter. Following review of the agreements provided it was moved by John Ungersma, M.D., seconded by D. Scott Clark, M.D. and passed to approve both agreements with Doctor Kristin Collins as requested.

NEW BUSINESS

CONSTRUCTION
CHANGE ORDER
REQUESTS

Kathy Sherry with Turner Construction Company called attention to the following list of Construction Change Order requests:

1. COR 290; RFI 996.1, Backflow Device in ICU, \$3,439
2. COR 291; IB 336, Mechanical Cleanup Items, \$30,889
3. COR 292; IB 210, Signage Reconciliation, \$81,447
4. COR 293; IB 320, Ladder Rack in Server Room, \$46,653

Ms. Sherry explained the reason each change order is necessary and answered questions on each item listed. Following review of the information provided it was moved by Doctor Clark, seconded by Ms. Hubbard, and passed to approve all four Change Order Requests as requested.

PRACTICE MANAGE-
MENT AGREEMENT
WITH CHARLOTTE
HELVIE, M.D.

Mr. Halfen called attention to a renewal Private Practice Physician Practice Management Agreement with Charlotte Helvie, M.D., noting it is a straight renewal of Dr. Helvie's existing agreement, with a change being made only to the date. Mr. Halfen additionally noted that Doctor Helvie's agreement will be revised following the addition of Doctor Collins to the pediatric practice this summer. It was moved by Doctor Ungersma, seconded by Ms. Hayden, and passed to approve the Practice Management Agreement renewal with Charlotte Helvie, M.D. as requested.

CONSULTING
AGREEMENT, PAT
CALLOWAY

Mr. Halfen also called attention to a renewal agreement with Patricia Calloway to provide consulting services as Certified Activities Director for the Hospital, noting that an Activities Director must be available for the hospital's swing bed patients. This agreement is also a straight renewal, and only the dates on the agreement have been changed. It was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve the Activities Director Agreement with Patricia Calloway as requested.

CREDIT LINE, BANK OF
THE WEST

Mr. Halfen reported the agenda item titled *Approval of Line of Credit with Bank of The West* will not be discussed at this meeting.

AGREEMENT FOR
ORTHOPEDIC
SERVICES OF PETER
GODLESKI, M.D.

Mr. Halfen called attention to a letter received from Peter Godleski, M.D. requesting confirmation of a mutual verbal agreement not to proceed with or execute the contract titled *Private Practice Physician Income Guarantee and Practice Agreement for Medical Director of Orthopedic Services*, previously approved by the District Board. Doctor Godleski has retracted his request for privileges at NIH, and would like approval from the District Board not to proceed with this agreement. Following brief discussion it was moved by Ms. Hayden, seconded by Ms. Hubbard and passed to mutually agree not to proceed with the agreement for the orthopedic services of Doctor Godleski as requested.

BOARD MEMBER
REPORTS

Mr. Watercott asked if any members of the District Board wished to report on any items of interest. Doctor Ungersma commented that the Board has long appreciated the efforts and presence of John Hawes, Project Manager with Turner Construction, and he stated that Mr. Hawes will be greatly missed at future meetings of the District Board. No other reports were given.

PUBLIC COMMENT

In keeping with the Brown Act, Mr. Watercott again asked if any members of the public wished to comment on any items of interest or on any items listed on the agenda for this meeting. He then commented that he and other members of the Board may appreciate receiving regular Nursing Department reports from the hospital's new Chief Nursing Officer, Charleen Ryan. Mr. Halfen stated he will ask Ms. Ryan to

provide reports once she has had time to settle into her new position. No other comments were heard.

CLOSED SESSION

At 6:26 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. Conduct a Performance Evaluation (Government Code Section 54957).
- C. 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)).
- D. Confer with legal counsel regarding pending litigation based on stop notice filed by Strocal, Inc. (Government Code Sections 910 et seq., 54956.9).
- E. Discussion to determine whether or not to initiate litigation (Government Code Section 54956.9(c)).
- F. Confer with legal counsel regarding potential litigation (Government Code Section 54956.9(c)).

RETURN TO OPEN
SESSION AND REPORT
OF ACTION TAKEN

At 8:00p.m. the meeting returned to open session. Mr. Watercott reported the Board took no reportable action.

OPPORTUNITY FOR
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.

Mr. Halfen gave a heads-up that the handling of cash flow during the next several months will be extremely challenging, and between now and August the hospital's budget will be very tight.

ADJOURNMENT

The meeting was adjourned at 8:03p.m..

Peter Watercott, President

Attest:

M.C. Hubbard, Secretary