

December 18 2019 Regular Meeting

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AGENDA
NORTHERN INYO HEALTHCARE DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
December 18, 2019 at 5:30 p.m.
2957 Birch Street, Bishop, CA

1. Call to Order (at 5:30 pm).
2. At this time persons in the audience may speak on any items not on the agenda on any matter within the jurisdiction of the District Board. *Members of the audience will have an opportunity to address the Board on every item on the agenda, and speakers will be limited to a maximum of three minutes each. The Board is prohibited from generally discussing or taking action on items not included on the agenda.*
3. Reports from Board members (*information items*).
4. Strategic Plan update, Workforce Experience Committee report (*information item*).
5. New Business:
 - A. Governance Consultant for NIHD (*action item*).
 - B. Competitive bidding results, employee MDV Plan and NIHD Stop Loss policy (*action item*).
 - C. Review of New York Life as pension broker (*action item*).
 - D. Policy and Procedure approval, *Nursing Assessment & Reassessment* (*action item*).
 - E. Appointment of Board member to serve on NIHD Quality Council (*action item*).
 - F. Change of date for February 2020 regular Board meeting (*action item*).
 - G. Reporting structure re-org (*information item*).
 - H. Wipfli audit results and January presentation (*information item*).
 - I. Presentation monitor options review (*action item*).
 - J. Election of Board officers for 2020 calendar year (*action item*).
 - K. Discussion of a real estate transaction, 153 Pioneer Lane, Bishop, California (*action item*).
 - L. H.R. Consultant report (*information item*).
 - M. Grand Jury response (*information item*).
6. Chief of Staff Report, William Timbers, MD:
 - A. Policy and Procedure approvals (*action items*):
 1. *Obtaining Blood Bank Samples from Patients in Surgery*
 2. *Pain Management and Documentation*
 3. *Standards of Care in the Perioperative Unit*

4. *Sterilization Challenge Pack (Verify Assert)*
 5. *Disaster Management Committee*
 6. *Interdisciplinary Team – Clinical Screens Built into the Initial Nursing Assessment*
 7. *Bed Bug Infestation and Management*
 8. *Infection Prevention Plan*
 9. *Linen Laundry Processes AB 2679*
- B. Reappointment to new Staff category (*action item*):
1. Michael Rhodes, MD (*internal medicine/hospitalist*) – change from Temporary Staff to Provisional Active Staff. Privileges active through December 31, 2020.
- C. Resignation (*action item*):
1. Jennifer Figueroa, PA-C (*family practice*) – effective 10/23/19
- D. Extension of appointments – bylaws 6.13.3 (*action items*):
1. Daniel Davis, MD (*orthopedics*)
 2. Kevin Deitel, MD (*orthopedics*)
- E. Medical Staff and Advanced Practice Provider Reappointments for 2020-2021 (*action items*):
1. Farres Ahmed, MD, *Radiology*
 2. Jon Bowersox, MD, *Surgery*
 3. Stacey L. Brown, MD, *Family Medicine*
 4. Thomas Bryce, MD, *Radiology*
 5. Brandon Chan, MD, *Radiology*
 6. Alissa Dell, NP, *Family Practice*
 7. Michael L. Dillon, MD, *Emergency Medicine*
 8. John Y. Erogul, MD, *Radiology*
 9. Aamer Farooki, MD, *Radiology*
 10. Daniel Firer, MD, *Family Medicine*
 11. Nancy E. Fong, NP, *Family Practice*
 12. Benjamin Ge, MD, *Radiology*
 13. Jay K. Harness, MD, *Surgery*
 14. Nickoline M. Hathaway, MD, *Internal Medicine*
 15. John Adam Hawkins, DO, *Emergency Medicine*
 16. Andrew D. Hewchuck, DPM, *Podiatry*
 17. Kristin N. Irmiter, MD, *Pediatrics*

18. Asao Kamei, MD, *Internal Medicine*
19. Jared Kasper, MD, *Radiology*
20. Martha Kim, MD, *OB/GYN*
21. Rita Klabacha, PA-C, *Family Practice*
22. Sheila Lezcano, MD, *Rheumatology*
23. Stephen Loos, MD, *Radiology*
24. Azadeh L. Majlessi, MD, *Rheumatology*
25. Erik J. Maki, MD, *Radiology*
26. Rainier Manzanilla, MD, *Interventional Cardiology*
27. Richard Meredick, MD, *Orthopedics*
28. Jennifer Norris, CNM, *Nurse-Midwife*
29. Tammy O'Neill, PA-C, *Orthopedics*
30. Nilem Patel, MD, *Endocrinology*
31. Wilbur Peralta, MD, *Internal Medicine*
32. Michael W. Phillips, MD, *Emergency Medicine*
33. Edmund P. Pillsbury MD, *Radiology*
34. Kinsey R. Pillsbury, MD, *Radiology*
35. David Pomeranz, MD, *Emergency Medicine*
36. Truong Quach, MD, *Internal Medicine*
37. Thomas K. Reid, MD, *Ophthalmology*
38. Christopher Rowan, MD, *Cardiology*
39. Amy Saft, CRNA, *Nurse Anesthesia*
40. Curtis Schweizer, MD, *Anesthesiology*
41. Richard Seher, MD, *Cardiology*
42. Robert N. Slotnick, MD, *OB/GYN*
43. Laura Sullivan, MD, *Cardiology*
44. Robert Swackhamer, MD, *Cardiology*
45. Carolyn J. Tiernan, MD, *Emergency Medicine*
46. Ian Tseng, MD, *Radiology*
47. Gary Turner, MD, *Radiology*
48. Rajesh Vaid, MD, *Radiology*
49. Anne K. Wakamiya, MD, *Internal/Geriatric Medicine*

- 50. Eva S. Wasef, MD, *Pathology*
- 51. Stephen Wei, MD, *Radiology*
- 52. Christopher Wilson, MD, *Cardiology*
- 53. Sarah Zuger, MD, *Family Medicine*

F. Physician recruitment update (*information item*).

Consent Agenda (action items)

- 7. Approval of minutes of the November 20 2019 regular meeting
 - 8. Financial and statistical reports as of October 2019
-

9. Adjournment to Closed Session to/for:

- A. Conference with Labor Negotiators; Agency Designated Representative: Kevin S. Flanigan, MD, MBA; Employee Organization: AFSCME Council 57 (*pursuant to Government Code Section 54957.6*).
- B. Confer with Legal Counsel regarding threatened litigation, 2 matters pending (*pursuant to Government Code Section 54956.9(d)(2)*).
- C. Discussion of a personnel matter, Chief Financial Officer and ITS Service Desk Technician (*pursuant to Government Code Section 54957*).

10. Return to Open Session and report of any action taken in Closed Session.

11. Adjournment.

In compliance with the Americans with Disabilities Act, if you require special accommodations to participate in a District Board meeting, please contact administration at (760) 873-2838 at least 48 hours prior to the meeting.




Northern Inyo Healthcare District

150 Pioneer Lane
Bishop, CA 93514
(760) 873-5811
www.nih.org

December 5, 2019

To: Northern Inyo Healthcare District Board of Directors

From: John Tremble, Chief Financial Officer 

Subject: Results of Competitive Bidding of the Northern Inyo Healthcare District Medical Dental and Vision Plan Stop Loss Policy

The District has an insurance broker (Keenan) who actively markets the Medical Dental and Vision Plan offered by Northern Inyo Healthcare District to its employees. Two and half years ago, the District changed its broker and hired Keenan at an annual fixed fee to market our various benefits.

As a result of their work; the District changed Stop Loss Insurers from Sun Life to Swiss Re at a savings of \$310,000 a year. This year; the results of their work; has management proposing to change Stop Loss insurers for 2020. The final bids reflect a decrease of costs of (5.1%) to (15.0%) at the current self funding level of \$150,000 per person per year.

Additional bids were received to increase the self funding level to \$175,000 or \$200,000; with additional premium savings of (11.0%) to (40.0%). Some of the terms and conditions of the offers are different between the insurers and as such may have different impacts on the District should we have a high claim loss year in 2020.

The District had 3 claims in 2018 which exceeded \$150,000 and 3 claims in 2019. It is expected that one covered individual will incur claims of \$250,000 in 2020 at a minimum. The net loss ratio experienced by NIHD was 38.8% in 2018 and 13.2% as of 2019. It is projected that another claim will exceed \$150,000 in 2019 and raise the loss ratio for 2019 to 30.0%. In 2016, the District's loss ratio was 162% as a result of one nearly \$1 million dollar claim. Over the last six years, the loss ratio has averaged 71%.

It is my recommendation that the District select Voya Financial as the Stop Loss Carrier for 2020 with a \$200,000 Self funding threshold. The complete bid package is attached excluding page 10; which contained specific claims data; for your review.

NORTHERN INYO HOSPITAL (NIH)

2020 Stop Loss Renewal/Marketing Presentation

Presented by:

Keenan
HealthCare

NORTHERN INYO HOSPITAL (NIH)

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**NORTHERN INYO HOSPITAL (NIH)
EXECUTIVE SUMMARY
RENEWAL RESULTS**

- I. Stop Loss Marketing and Renewal Results:**
- Stop loss RFP marketed to thirteen (13) stop loss carrier partners. Eleven (11) carriers quoted and two (2) declined to quote.
- II. Swiss Re:**
- **Initial** - Renewal offer is an approximate **9.4% increase**, or an additional \$79,437, in annual premium when compared to current
 - **Final** - Renewal offer is an approximate **5.1% decrease**, or a reduction of \$43,643, in annual premium when compared to current and a savings of \$123,080 in annual premium when compared to the final renewal offer
 - Projected Experience Credit Refund of \$79,000 (Based on claims paid October 31, 2019) subject to renewal with Swiss Re.
- Alternate Renewal Deductible Options:**
- Renewal Option 1: **11.0% decrease** with a **\$175,000** Specific Deductible
 - Renewal Option 2: **27.6% decrease** with a **\$200,000** Specific Deductible
 - Includes - Experience Credit Advantage with a maximum premium refund (25% of net profit) - **Paid 12 months after the contract period**
 - No New Lasers at Renewal and a 40% Rate Cap
 - Includes Mirroring Endorsement
 - Retirees are NOT included
 - Disclosure required
- III. Voya:**
- **Proposed** - Renewal offer is an approximate **12.0% decrease**, or a reduction of \$101,689, in annual premium when compared to current
- Alternate Renewal Deductible Options:**
- Proposed Option 1: **27.6% decrease** with a **\$175,000** Specific Deductible
 - Proposed Option 2: **40.0% decrease** with a **\$200,000** Specific Deductible
 - Includes - Experience Credit Advantage with a maximum premium refund (25% of net profit) - **Paid 3 months after the contract period**
 - No New Lasers at Renewal and a 40% Rate Cap
 - Includes Mirroring Endorsement
 - Retirees are NOT included
 - Disclosure required

**NORTHERN INYO HOSPITAL (NIH)
EXECUTIVE SUMMARY
RENEWAL RESULTS**

- IV. Optum:**
- **Proposed** - Renewal offer is an approximate **15.0% decrease**, or a reduction of \$127,144, in annual premium when compared to current
 - **Alternate Renewal Deductible Options:**
 - Proposed Option 1: **26.2% decrease** with a **\$175,000** Specific Deductible
 - Proposed Option 2: **38.2% decrease** with a **\$200,000** Specific Deductible
 - Includes - Experience Credit Advantage with a maximum premium refund (25% of net profit) - **Paid 6 months after the contract period**
 - No New Lasers at Renewal and a **50% Rate Cap**
 - Includes Mirroring Endorsement
 - Retirees are NOT included
 - Disclosure required

**NORTHERN INYO HOSPITAL (NIH)
 Stop Loss RFP Analysis
 Carrier Responses
 Effective Date: January 1, 2020**

Carrier	Financial Rating	Status	Note
Swiss Re (Incumbent)	A+ (Superior)	Quoted	Finalist
Voya Financial	A (Excellent)	Quoted	Finalist
Optum	A (Excellent)	Quoted	Finalist
Anthem	A (Excellent)	Quoted	Uncompetitive with proposed rates
Berkshire Hathaway	A++ (Superior)	Quoted	Uncompetitive with proposed rates
Evolution Risk	A (Excellent)	Decline	Uncompetitive with current rates
Liberty Insurance	A (Excellent)	Quoted	Uncompetitive with proposed rates
Partner Re	A (Excellent)	Quoted	Uncompetitive with proposed rates
QBE	A (Excellent)	Quoted	Uncompetitive with proposed rates
Reliance Standard	A+ (Superior)	Quoted	Uncompetitive with proposed rates
Sun Life	A+ (Superior)	Quoted	Uncompetitive with proposed rates
Symetra	A (Excellent)	Quoted	Uncompetitive with proposed rates
Tokio Marine HCC	A++ (Superior)	Decline	Uncompetitive with current rates

**NORTHERN INYO HOSPITAL (NIH)
FINANCIAL SUMMARY**

Effective Date: January 1, 2020

Swiss Re Assumptions/Contingencies

- This proposal is subject to review and acceptance of the employer's signed plan document (within 60 days of the effective date) confirming that all plan document provisions associated with this proposal have been met. Please review your plan document as reimbursements will be limited to the lesser of the benefit maximum reflected in the plan document or the Maximum Reimbursement amount reflected in this proposal.
- This proposal assumes a minimum of 75% participation of all eligible employees as stated in the plan document. Should the 75% minimum participation or the current eligibility differ in any way, verification will be needed and this offer may be re-evaluated.
- This proposal assumes that Medicare is primary for retirees age 65 and over. If Medicare is not primary, we reserve the right to reevaluate the terms of this proposal.
- Unless otherwise noted within these Qualifications & Contingencies, this proposal is subject to receipt, review and approval of updated claim information to include paid, pending, held and suspended reports. In addition, diagnosis, current and future treatment plan, and prognosis is required for known or expected shock claimants.
- This proposal is subject to information on any individual who previously exhausted the employer benefit plan lifetime maximum who will be reinstated because the lifetime maximum cap has been eliminated. Disclosure of information must include any dependent under age 26 being added who was previously deemed not eligible under the employer benefit plan and whose claims could potentially exceed 50% of the specific deductible.
- This proposal is subject to information on claims under assessment by an Independent Review Organization (IRO).
- The renewal Rate Cap is 40%. This means that the Specific rates and Aggregating Specific Deductible, if applicable, will not increase by more than 40% upon renewal for like terms.
- Retirees are not covered
- Organ transplant coverage is included
- No New Laser (NLI) feature has been included; No new claimants will be lasered in the second contract year. Claimants with a higher Specific deductible in the first contract year will have the deductible level continued in the second contract year unless there is medical information that allows Swiss Re Corporate Solutions to reduce or eliminate the claimant's deductible.
- Domestic claims will be reimbursed at 80%.
- Gapless: The option is reflected in this renewal proposal. Gapless coverage provides protection for claims incurred in the prior contract period but paid after the prior run-out period. Claims are now eligible in the renewal period subject to renewal terms i.e., deductible. Contact your Sales Executive for more information.
- Experience Refund Option is included in the pricing of this proposal. Certain restrictions apply: Must have a minimum of \$200,000 in Specific premium prior to the Experience Refund load being applied; Experience refund applies to Specific coverage only and does not apply to Aggregate coverage; Must renew and stay in force for the entire subsequent year to be eligible for a refund.

Voya Assumptions/Contingencies

- No fully insured lives are covered.
- In addition to base commissions, certain brokers and/or service providers may receive compensation related to factors such as overall sales of Company products, total premium for products sold through the broker/service provider, growth in the number of customers, and retention of existing customers. Compensation and fees may also be paid to brokers and/or service providers for administrative services in connection with Company products. Please contact us if you would like additional detail on compensation and fees payable on your case.
- Plan must have medical case management and utilization review.
- All claims are reported/paid in U.S. dollars.
- Any costs charged by the claim administrator for reports required to substantiate claims will be paid by the employer.
- The proposal is based on the data submitted. Any changes to this data may allow us to modify the proposal.
- There is no coverage for retirees.
- We reserve the right to re-underwrite if an increase or decrease in the number of Covered Persons and Covered Dependents exceeds 15%.
- This proposal includes a Dividend Eligible Agreement.
- Renewal Rate Cap Endorsement guarantees your subsequent year's renewal will be capped at 40% and no new individual adjusted deductible will apply (laser free renewal).
- Renewal Rate Cap Upon contract renewal, premium will not exceed an agreed upon percentage. Also, no new Individual Adjusted Deductible will apply (laser free).
- The Disclosure Reports must be provided to us no earlier than 90 calendar days prior to the policy's effective date or renewal date, as applicable. Should we require any additional information, we will notify the plan sponsor and/or its designated representative in writing no later than 20 calendar days following receipt of the Disclosure Reports. Any firm quote is void unless accepted by the plan sponsor in writing within 35 days from the date we have provided a firm quote.

**NORTHERN INYO HOSPITAL (NIH)
FINANCIAL SUMMARY**

Effective Date: January 1, 2020

QUOTED DEDUCTIBLE OPTIONS	\$150,000 Current Annual Premium	\$150,000 Initial Renewal	\$150,000 Final Renewal	\$175,000 Renewal Option 1	\$200,000 Renewal Option 2
Swiss Re	\$847,454	\$926,891 9.4%	\$803,811 -5.1% (\$43,643)	\$754,558 -11.0% (\$22,896)	\$613,174 -27.6% (\$234,280)
% Increase/Decrease over Current					
\$ Increase/Decrease over Current					
Voya					
% Increase/Decrease over Current					
\$ Increase/Decrease over Current					
Optum					
% Increase/Decrease over Current					
\$ Increase/Decrease over Current					
			Proposed Option	Proposed Option 1	Proposed Option 2
			\$745,765	\$613,291	\$508,851
			-12.0%	-27.6%	-40.0%
			(\$101,669)	(\$234,162)	(\$338,603)
			Proposed Option	Proposed Option 1	Proposed Option 2
			\$720,310	\$625,001	\$523,581
			-15.0%	-26.2%	-38.2%
			(\$127,144)	(\$222,453)	(\$323,873)

Note: Lowest cost options highlighted based on rates an contract terms.

**NORTHERN INYO HOSPITAL (NIH)
FINANCIAL SUMMARY
Effective Date: January 1, 2020**

Optum Assumptions/Contingencies

- 12/24 contract for Specific Coverage covers the actual amount of claims incurred within the Policy Period and Paid within the Policy Period plus twelve (12) months following, or within the next Policy Periods, upon renewal with the Company.
- This quote includes a Rate Cap provision which guarantees that the Subsequent Policy Period beginning January 1, 2021 will not contain any new lasers. In addition, the Specific Monthly Premium Rate and Aggregating Specific Deductible (if applicable) will not increase more than 50%.
- The Rate Cap will not apply if the Company determines there is a material change to the Policyholder's Plan, the Excess Loss Policy, or the composition of the group. Continuation of the Rate Cap will be assessed annually.
- Other compensation or bonuses may be indirectly reflected in this quote. Contact your broker/agent if you have any questions relating to their compensation for this proposal.
- Option(s) 1, 2, and 3 of this proposal include(s) an Experience Refund which will allow for a refund of 25 % of Net Profit provided this stop loss coverage continues for a subsequent Policy Period and is in force at the time of refund.
- The Plan will have Network: Anthem Blue Cross of California Case Manager. REQUIRED TPA: Keenan & Associates
- The Plan will have Pharmacy Benefit Manager: Express Scripts
- Covered Expenses billed by Northern Inyo Hospital are limited to 80 % of the PPO network repriced charges Paid.
- A minimum of 50 % of those employees eligible under the terms of the plan document will be covered by the Excess Loss Insurance Policy. If final enrollment changes by more than 10 %, Optum reserves the right to revise this quote.
- Retirees are not considered Covered Persons for benefits under the Excess Loss Policy.
- This document may contain Protected Health Information (PHI) and should only be shared with individuals designated to view such information per HIPAA regulations.
- This proposal is based upon data submitted, plus other information furnished relevant to underwriting the risk, including all claims or possible claims, paid, pending or denied pending additional information, or which the employer or its authorized representative should otherwise be aware of. Any inaccuracy in the data submitted or failure to disclose any such information can change the rates, terms, or conditions of this proposal or can void the proposal or coverage.
- This proposal assumes there is pre-notification and/or pre-certification of inpatient hospitalizations. If this is not the case, the above specific rates will be increased by 5.3%.
- This proposal assumes the Plan does not cover experimental treatments, Phase I and II Clinical Trials and benefits that are not medically necessary.
- Specific Accommodation Reimbursement is available at no additional cost.
- This proposal includes, at no additional cost, the IRO Extended Liability Endorsement which provides a 12-month extension of coverage for any paid claim that is denied and subsequently overturned by an IRO upon appeal.

