

CALL TO ORDER The meeting was called to order at 5:35 p.m. by Peter Watercott, President.

PRESENT Peter Watercott, President
D. Scott Clark, M.D., Vice President
Pat Calloway, Secretary
John Ungersma, M.D., Treasurer

ALSO PRESENT John Halfen, Administrator
Taema Weiss, M.D., Chief of Staff
Douglas Buchanan, Esq., Hospital District Legal Counsel
Sandy Blumberg, Administrative Secretary

ABSENT Michael Phillips, M.D.

PUBLIC COMMENTS ON AGENDA 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 June 21, 2006 regular meeting were approved.

FINANCIAL AND STATISTICAL REPORTS John Halfen, Chief Financial Officer, reviewed with the Board the financial and statistical reports for the month of May, 2006. Mr. Halfen noted the statement of operations shows a bottom line excess of revenues over expenses of \$341,430. Mr. Halfen called attention to the following:

In- patient revenue was 38% over budget
The revenue overage was partially offset by contractual adjustments being higher than expected
Total Expenses were under budget
Employee benefits were under budget
Total Assets continue to grow steadily
Year-to-date net revenue is \$4,685,576

A motion was made by Pat Calloway, seconded by D. Scott Clark, M.D., and passed to approve the financial reports for the month of May, 2006.

ADMINISTRATOR'S REPORT

BUILDING UPDATE Mr. Halfen reported the design for the new Radiology unit has been finalized and only minor design issues remain unresolved on the plans for the rebuild project. Parking allowances for the new Hospital facility are currently being reviewed, with the current plan allowing for 40 percent more parking than what currently exists.

REGIONAL SERVICE
PLANNING REPORT

Mr. Halfen reported representatives from Northern Inyo Hospital (NIH), Mammoth Hospital, and the Bishop Care Center recently met with personnel from Cerro Coso Community College to discuss the possibility of reinstating an LVN training program in this area, and starting-up an LVN to RN program as well. The meeting was productive and it is likely that by combining the census of both hospitals it might be possible to instate LVN and RN programs as early as September of 2007. It is hoped these programs will help encourage healthcare as a profession in general, and that the programs may eventually help increase the number of available RNs and LVNs in our local community.

CHIEF OF STAFF
REPORT

Chief of Staff Taema Weiss, M.D., reported that the results of the 2006-2007 Medical Staff Election are as follows:

- Chief of Staff; Taema Weiss, M.D.
- Vice Chief of Staff; Richard Nicholson, M.D.
- Immediate Past Chief of Staff; Catherine Leja, M.D.
- Chief of Surgery; Stephen Kobayashi, M.D.
- Chief of Pediatrics; Charlotte Helvie, M.D.
- Chief of Medicine/Intensive Care Services; unassigned at this time
- Member-At-Large; Alice Casey, M.D.

It was moved by Ms. Calloway, seconded by Doctor Clark and passed to approve the 2006-2007 Medical Staff Officers and Chiefs as presented.

Doctor Weiss also reported the following:

- Non-resident orthopaedic surgeon Eliot Carlisle, M.D. has withdrawn his application for Consulting Staff membership
- The application of William Wayne Hooper, M.D. is still incomplete, therefore his application is considered to have been withdrawn at this time
- Michael Dillon, M.D. has applied for reinstatement to Active Medical Staff following a three-month leave of absence
- Family Health Centre Internist Vasuki Sittampalam, M.D. has applied for Active Medical Staff membership and privileges.

Doctor Weiss additionally reported that temporary privileges have been granted to Doctors Dillon and Sittampalam, following review by applicable Service Chiefs, until such time as the Credentials and Executive Committees are able to meet and make their recommendation to the District Board.

OLD BUSINESS

RECONSIDERATION OF
DEFIBRILLATOR AND
EMERGENCY CART
PURCHASE

Director of Nursing Susan Batchelder, R.N. asked that the District Board reconsider the purchase of biphasic defibrillators and new emergency carts as presented at the last regular meeting of the Board. Ms. Batchelder feels both purchases should be made in order to maintain the

integrity of emergency services available at NIH. She noted that the Hospital's existing defibrillators are old and need to be replaced. The defibrillators currently in use at NIH average 10 years of age, with the life expectancy of the equipment normally being only 7 years. Though new equipment would be costly, Ms. Batchelder feels the purchase should be made in the best interest of Hospital patients. Additionally, per the NIH BioMed Department, the aging equipment currently in use is becoming increasingly difficult to repair and to find replacement parts for.

Following discussion, it was moved by Doctor Clark, seconded by Ms. Calloway, and passed to approve the purchase of new defibrillators and new emergency carts as presented.

NEW BUSINESS

Mr. Halfen reviewed a proposed agreement with Daniel Eventov, M.D. to purchase inventory from his former urology practice in Bishop, and to terminate his tenancy at 157 Pioneer Lane, Bishop, California. Following discussion, it was moved by John Ungersma, M.D., seconded by Doctor Clark, and passed to approve the agreement with Doctor Eventov as presented.

AUTOLOGUS BLOOD PROGRAM

Laboratory Director Cathy Creekmur informed the Board that the autologus blood draw program at NIH will be discontinued in the near future. The Hospital is experiencing difficulty maintaining qualified personnel to administrate the program, and new technology makes the program no longer necessary.

CHANGE TO SHIFT DIFFERENTIAL SECTION OF PAYROLL POLICIES AND GUIDELINES

Carrie Petersen, Controller asked that a section of the Payroll Policies and Guidelines be changed to correctly state the current shift differential pay allowance at NIH. The corrected section of the Policy Guidelines will read as follows in regard to shift differential pay: *"The shift differential is excluded from pay for vacations, holidays, sick leave, and paid absence. In designated non-patient care departments of the hospital, employees may sign a "No-Shift Differential Agreement" when an employer requests a flexible schedule option. This agreement excludes hours worked at any time of the day from shift differential."* It was moved by Ms. Calloway, seconded by Doctor Ungersma, and passed to restate the section of the Payroll Policies and Guidelines as presented.

PLATELET INCUBATOR/AGITATOR PURCHASE

Laboratory Director Cathy Creekmur presented information regarding the proposed purchase of blood platelet incubator/agitator equipment for Laboratory Department. The equipment would lengthen the life of stored platelets and decrease the need to destroy platelets that are not used within a short period of time. The cost of the platelet incubator/agitator is relatively low and the machine requires very little space for storage. It was moved by Ms. Calloway, seconded by Doctor Ungersma, and passed to approve the purchase of the platelet incubator/agitator as presented.

COMPUTER LICENSING
AGREEMENT, BACKUP
DISASTER RECOVERY
UPGRADE, AND
VIRTUAL SERVERS
PURCHASES

Information Technology Director Adam Taylor presented three proposals to purchase computer software for the Hospital. The first purchase would update the Hospital's computer licensing agreement and bring NIH into compliance with Microsoft standards regarding the number of software licenses owned and operated by the Hospital. The second proposal allows for upgrading the Hospital's computer backup and disaster and recovery systems to an adequate level to meet current needs. The third proposal allows for the purchase of virtual servers to improve communication between existing computer programs and keep Hospital computer operations up and running at an improved level. Mr. Taylor feels each purchase is necessary in order to prepare NIH's computer systems for future technology.

It was moved by Doctor Clark, seconded by Ms. Calloway and passed to approve the three purchases of computer software as presented.

SUBORDINATION, NON-
DISTURBANCE, AND
ATTORNMENT
AGREEMENT, GOLDEN
STATE CYCLE LEASE

Mr. Halfen referred to a *Subordination, Non-Disturbance, and Attornment Agreement* that RJG Investments, leasor of NIH's warehouse/storage space has asked the Board to approve. The building the Hospital's storage space is located in is being refinanced, and NIH as lessee of the space is being asked to sign the agreement for the new financing company. The document has been reviewed by District Legal Counsel Doug Buchanan and meets with his approval. It was moved by Doctor Ungersma, seconded by Doctor Clark, and passed to approve signing the agreement for RJG Investments (dba Golden State Cycle) as requested.

NIH PERFORMANCE
IMPROVEMENT PLAN

Mr. Halfen reported that the NIH Performance Improvement Plan will be presented at the next regular meeting of the District Board.

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 he was unable to attend the mandatory ethics training offered by Inyo County last month, so he will take a similar course on August 10th that will be held in Mountain View, California.

Michael Phillips, M.D. complimented Mr. Halfen on his response to the negative letter to the editor recently published in the Inyo Register. Doctor Phillips also suggested it may be a good idea to issue a press release on the subject of the 8 percent increase to Hospital rates, in order to inform the public that the increase is being made to offset MediCal and Medicare payment shortages, rather than to increase the profit made by the Hospital.

OPPORTUNITY FOR
PUBLIC COMMENT

In keeping with the Brown Act, Mr. Watercott asked if any members of the public wished to address the Board of Directors on items of interest. No comments were heard.

CLOSED SESSION

At 6:50 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 claim filed by Noam E. Scott against Northern Inyo County Local Hospital District and other Defendants (Government Code Section 54956.9(a)).
- C. Confer with legal counsel regarding claim filed by Jeffrey L. Montgomery against Northern Inyo County Local Hospital District and other Defendants (Government Code Section 54956.9(a)).

OPEN SESSION

At 6:54 p.m., the meeting was returned to open session. Mr. Watercott announced the Board voted to reject the claim filed by Jeffrey L. Montgomery against Northern Inyo County Local Hospital District and other Defendants.

OTHER

Mr. Halfen requested the Board approve proposed Resolution 06-02 to combine the Hospital District Board election with the General Election held on November 7, 2006. It was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve Resolution 06-02 to combine the elections on November 7.

PUBLIC COMMENT

Mr. Watercott again 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.

ADJOURNMENT

The meeting was adjourned at 6:55 p.m.

Peter Watercott, President

Attest:

Patricia Ann Calloway, Secretary