



Northern Inyo County Local Hospital District

Board of Directors Regular Meeting

Wednesday, April 18, 2007

*Conference Room, Hospice of the
Owens Valley*

DRAFT AGENDA

NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT BOARD OF DIRECTORS MEETING

April 18, 2007 at 5:30 P.M.

In the Conference Room of the Hospice of the Owens Valley

1. Call to Order (at 5:30 P.M.).
2. Opportunity for members of the public to comment on any items on this Agenda.
3. Approval of minutes of the March 21 2007 regular meeting.
4. Financial and Statistical Reports for the month of February 2007 – John Halfen.
5. Administrator’s Report – John Halfen.
 - A. Building Update
 - B. Parking
 - C. Grants
 - D. FYI Section:
 - CHA Health Advocacy Update
6. Chief of Staff Report – Taema Weiss, M.D.:
 - A. Medical Staff appointment with privileges, Robbin Cromer-Tyler, M.D. (*action item*)
 - B. Medical Staff appointment with privileges, William M. Carter, D.D.S. (*action item*)
 - C. Medical Staff resignation, Stephen A. Kobayashi, M.D. (*action item*)
 - D. Other
7. Old Business
 - A. Reaffirmation of Assignment of John Halfen as negotiator on NIH’s behalf regarding potential real estate purchase/lease at 152 Pioneer Lane, Bishop, California in whole or in part. Negotiations may be with Stephen Kobayashi, M.D., Pioneer Medical Associates, a partnership, or its designee, singly or collectively.
8. New Business
 - A. Policy and Procedure Manual Approval, “Mammography & MQSA” (*action item*)
 - B. Hologic Stereotactic Breast Biopsy system (pro forma to be distributed separately)

(*action item*)
 - C. National Patient Safety Goals at NIH (Leon Freis)

- D. EKG Agreement, Vasuki Sittampalam, M.D. (*action item*)
 - E. Identification of John Halfen as negotiator regarding potential acquisition of real property at 2957 Birch Street, Bishop, California. Negotiation will be with the Southern Mono County Healthcare District.
9. Reports from Board Members on Items of Interest
10. Opportunity for members of the public to comment on any items on this Agenda, and/or on any items of interest.
11. Adjournment to closed session 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 Patrick Plunkett, M.D. against Northern Inyo County Local Hospital District (Government Code Section 54956.9(a)).
 - C. Confer with legal counsel regarding claim filed by April Villalobos against Northern Inyo County Local Hospital District and other defendants (Government Code Section 54956.9(a)).
 - D. Confer with legal counsel regarding claim received from XXXX XXXX against Northern Inyo County Local Hospital District (Government Code Section 54956.9(a)).
 - E. Confer with legal counsel regarding clam received from Landon and Lisa Kleeman against Northern Inyo County Local Hospital District and other defendants (Government Code Section 54956.0(a)).
 - F. Instruction of negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of real property (Government Code Section 54956.8).
 - G. Instruction of negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of real property (Government Code Section 54956.8).
12. Return to open session, and report of any action taken in closed session
13. Opportunity for Members of the Public to Address the Board of Directors on Items of Interest.
14. Adjournment

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

PRESENT Peter Watercott, President
D. Scott Clark, M.D., Vice President
Michael Phillips, M.D.

ALSO PRESENT John Halfen, Administrator
Douglas Buchanan, Esq., Hospital District Legal Counsel
Sandy Blumberg, Administrative Secretary

ABSENT John Ungersma, M.D., Treasurer
Taema Weiss, M.D., Chief of Staff

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

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 February 21, 2007 regular meeting were approved.

FINANCIAL AND
STATISTIAL REPORTS John Halfen, Chief Financial Officer, reviewed with the Board the financial and statistical reports for the month of January 2007. Mr. Halfen noted the statement of operations shows a bottom line excess of revenues over expenses of \$650,754. Mr. Halfen called attention to the following:

- *Inpatient days were over budget*
- *Ancillary service revenue was under budget*
- *Total expenses were under budget*
- *Employee Salaries and Wages were over budget, due to a January COLA adjustment and an adjustment to pay grades 1-7*
- *Employee Benefits were under budget*
- *Total Assets continue to grow steadily*
- *Year-to-date net revenue is \$3,201,261*

Mr. Halfen noted by the end of the fiscal year he expects year-to-date net revenue to be approximately 20 to 30 percent higher than it is at this time. He additionally noted that cash reserves have reached the amount he hoped to have by the end of the fiscal year. It was moved by D. Scott Clark, M.D., seconded by Michael Phillips, M.D. and passed to approve the financial and statistical reports for the month of January 2007.

ADMINISTRATOR'S
REPORT

BUILDING UPDATE Mr. Halfen reported the building project is running slightly ahead of schedule and everything is going smoothly at this time. Board members were provided with a monthly construction project report from Turner

Construction, which provided detailed information on the progress of the project. The new Support building is expected to be completed during September of this year, and the new Radiology building is expected to be completed by the end of December.

DIETARY QUALITY
ASSURANCE REVIEW

Mr. Halfen referred to a Dietary Quality Assurance Review for the first Quarter of 2006 that was prepared for Northern Inyo Hospital (NIH) by Dietitian Barbara Higginbotham. Dietary QA Reports will be provided on a quarterly basis in order to comply with suggestions made during the Hospital's recent unannounced audit by the Joint Commission on Accreditation of Hospital Organizations (JCAHO).

FOOD FACILITY
INSPECTION REPORT

Mr. Halfen called attention to a recent Food Facility Inspection Report that was issued following an unannounced County inspection of the Hospital kitchen that took place on March 8th. The inspector found the Hospital kitchen to be "*clean and well maintained, conscientiously operated*".

CHIEF OF STAFF
REPORT

Maggie Egan, Medical Staff Coordinator stated the Medical Staff Executive Committee did not meet this month, and because Chief of Staff Taema Weiss, M.D. was not present at this meeting there would be no Chief of Staff report at this time.

OLD BUSINESS

There was no Old Business to report on at this meeting.

NEW BUSINESS

POLICY & PROCEDURE
MANUAL APPROVAL

Mr. Halfen stated that the following items listed on the agenda for this meeting under the heading of *New Business* will be tabled to the next regular meeting of the District Board:

HOLOGIC
STEREOTACTIC BREAST
BIOPSY SYSTEM

- Policy and Procedure Manual Approval, "Mammography & MQSA"
- Hologic Stereotactic Breast Biopsy system

NATIONAL PATIENT
SAFETY GOALS

- National Patient Safety Goals at NIH

ELECTION OF
OFFICERS, SECRETARY
VACANCY

Mr. Halfen stated that as a result of the recent resignation of Board Secretary Pat Calloway a new Secretary must be elected to fulfill the duties of that office. It was moved by Peter Watercott, seconded by Doctor Clark, and passed to elect Doctor Phillips as the new Secretary of the District Board. Mr. Watercott thanked Doctor Phillips for agreeing to fulfill the duties of this office.

DECISION ON FILLING
BOARD OF
DIRECTOR'S VACANCY

District Legal Counsel Douglas Buchanan Esq. asked that the Board decide on the manner in which a replacement for outgoing Board Member Pat Calloway will be found. The Board may either choose to appoint a

replacement for Ms. Calloway or they may chose to hold a special election in order to fill the vacancy. It was moved by Doctor Clark, seconded by Doctor Phillips, and passed to approve that the Board appoint a new representative from Zone 5 of the Hospital District. A Notice of Vacancy will be posted in at least there conspicuous locations within the District and an announcement will be placed in the Inyo Register requesting that interested parties submit an application and letter of interest to fill the position. The vacancy must be filled by appointment of the Board by May 5 2007, or the task of appointment will default to the Inyo County Board of Supervisors.

BOARD MEMBER
REPORTS

Mr. Watercott asked if any members of the Board of Directors wished to report on any items of interest.

Mr. Watercott stated that per a recent discussion with City of Bishop Public Works Director David Grah and City of Bishop Public Services Officer Gary Schley, the City is pleased with the progress of the rebuild project and commends Turner Construction for the fine job they are doing on the project. Mr. Watercott additionally stated that Mr. Grah and Mr. Schley have been extremely helpful to the efforts of the rebuild project.

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.

Medical Staff Coordinator Maggie Egan reported that the Hospital Foundation's annual *Spring Fling* will be held at the Tri-County Fairgrounds on April 14th. The Hospice of The Owens Valley will also hold its annual *5K & 10K Walk/Run* on that same day.

Mr. Halfen also noted that the NIH Employee Recognition Breakfast will be held on April 19th at Whiskey Creek Restaurant

CLOSED SESSION

At 5:42 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 a claim filed by Patrick Plunkett, M.D. against Northern Inyo County Local Hospital District (Government Code Section 54956.9(a)).
- C. Confer with legal counsel regarding a claim filed by Diane Grace against Northern Inyo County Local Hospital District (Government Code Section 54956.9(a)).
- D. Confer with legal counsel regarding a claim filed by April Villalobos against Northern Inyo County Local Hospital District and other defendants (Government Code Section 54956.9(a)).

- E. Confer with legal counsel regarding a claim filed by XXXXX XXXX against Northern Inyo County Local Hospital District (Government Code Section 54956.9(a)).
- F. Confer with legal counsel regarding a claim filed by Landon and Lisa Kleeman against Northern Inyo County Local Hospital District (Government Code Section 54956.9(a)).
- G. To discuss a Real Estate Opportunity (Government Code Section 54956.9(a)).

OPEN SESSION

At 5:55 p.m., the meeting was returned to open session. Mr. Watercott reported that the Board voted to reject the claim filed by April Villalobos against Northern Inyo County Local Hospital District and other defendants as late.

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 5:56 p.m.

Peter Watercott, President

Attest:

Michael Phillips, M.D., Secretary

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BUDGET VARIANCE ANALYSIS

Feb-07 PERIOD ENDING

In the month, NIH was

**under budget in IP days; under in IP Ancillary
and under in OP Revenue resulting in**
-7%
\$ (1,197,899) (-19.9%) under in gross patient revenue from budget and
\$ (1,078,909) (-29.9%) under in net patient revenue from budget

Total Expenses were:

\$ (92,101) (-2.8%) under budget. Wages and Salaries were
\$ (78,857) (-6.5%) under budget and Employee Benefits were
\$ (144,998) (-18.6%) under budget
\$ 106,274 of other income resulted in a net Loss of
\$ (193,448) \$ (673,773) under budget.

The following expense areas were over budget for the month:

\$ 43,762 20% Professional Fees; registry staff
\$ 62,220 40% Other Expenses; hospital-wide Inservice
\$ 30,467 22% Bad Debt; correcting for year after rebill

Other Information:

**51.24% Contractual Percentages for month (correcting for year after
Medicare rebill was complete)**
43.26% Contractual Percentages for Year

\$ 3,007,813 Year-to-date Net Revenue

NORTHERN INYO HOSPITAL

Statement of Operations

As of February 28, 2007

	MTD Actual	MTD Budget	MTD Variance \$	MTD Variance %	YTD Actual	YTD Budget	YTD Variance \$	YTD Variance %
Unrestricted revenues, gains and other support:								
In-patient service revenue:								
Routine	484,572	557,910	(73,338)	(13.2)	4,470,468	4,463,280	7,188	0.2
Ancillary	1,397,734	2,122,312	(724,578)	(34.1)	14,462,036	16,978,496	(2,516,460)	(14.8)
Total in-patient service revenue	1,882,306	2,680,222	(797,916)	-29.8%	18,932,504	21,441,776	(2,509,272)	-11.7%
Out-patient service revenue	2,950,231	3,350,214	(399,983)	(11.9)	26,210,514	26,801,712	(591,198)	(2.2)
Gross patient service revenue	4,832,537	6,030,436	(1,197,899)	(19.90)	45,143,018	48,243,488	(3,100,470)	(6.4)
Less deductions from patient service revenue:								
Patient service revenue adjustments	85,469	131,706	46,237	35.1	960,517	1,053,648	93,131	8.8
Contractual adjustments	2,221,632	2,294,385	72,754	3.2	17,429,403	18,355,080	925,677	5.0
Total deductions from patient service revenue	2,307,101	2,426,091	118,990	4.9	18,389,919	19,408,728	1,018,809	5.3
Net patient service revenue	2,525,436	3,604,345	(1,078,909)	-30%	26,753,099	28,834,760	(2,081,661)	-7%
Other revenue	25,342	20,957	4,385	20.9	212,603	167,656	44,947	26.8
Transfers from Restricted Funds for Other Operating Expenses	394,745	-	394,745	N/A	394,745	-	394,745	N/A
Total Other revenue	420,087	20,957	399,130	1,904.5	607,348	167,656	439,692	262.3
Total revenue, gains and other support	2,945,523	3,625,302	(679,779)	1,904.2	27,360,447	29,002,416	(1,641,969)	262.2
Expenses:								
Salaries and wages	1,139,062	1,217,919	78,857	6.5	9,273,959	9,743,352	469,393	4.8
Employee benefits	635,854	780,852	144,998	18.6	5,615,007	6,246,816	631,809	10.1
Professional fees	260,480	216,718	(43,762)	(20.2)	1,892,029	1,733,744	(158,285)	(9.1)
Supplies	470,964	475,251	4,287	0.9	3,514,654	3,802,008	287,354	7.6
Purchased services	165,285	161,810	(3,475)	(2.2)	1,144,791	1,294,480	149,689	11.6
Depreciation	132,363	136,247	3,884	2.9	1,040,048	1,089,976	49,928	4.6
Interest	33,043	33,043	(0)	-	264,346	264,344	(2)	-
Bad debts	169,290	138,823	(30,467)	(22.0)	1,137,223	1,110,584	(26,639)	(2.4)
Other	216,692	154,472	(62,220)	(40.3)	1,323,633	1,235,776	(87,857)	(7.1)
Total expenses	3,223,034	3,315,135	92,101	2.8	25,205,690	26,521,080	1,315,390	5.0
Operating income (loss)	(277,512)	310,167	(587,679)	1,901.4	2,154,757	2,481,336	(326,579)	257.2
Other income:								
District tax receipts	35,168	102,713	(67,545)	(65.8)	281,344	821,704	(540,360)	(65.8)
Interest	69,310	70,588	(1,278)	(1.8)	604,898	564,704	40,194	7.1
Other	1,796	15,785	(13,989)	(88.6)	29,892	126,280	(96,388)	(76.3)
Grants and Other Non-Restricted Contributions	-	121	(121)	(100.0)	92,528	968	91,560	9,458.7
Partnership Investment Income	-	-	-	N/A	-	-	-	N/A
Total other income, net	106,274	189,207	(82,933)	(44)	1,008,662	1,513,656	(504,994)	(33.4)
Non-Operating Expense								
Medical Office Expense	13,809	13,858	49	0.4	84,563	110,864	26,301	23.7
Urology Office	8,401	5,191	(3,210)	(61.8)	71,043	41,528	(29,515)	(71.1)
Total Non-Operating Expense	22,210	19,049	(3,161)	(16.6)	155,605	152,392	(3,213)	(2.1)
Excess (deficiency) of revenues over expenses	(193,448)	480,325	(673,773)	(140.3)	3,007,813	3,842,600	(834,787)	(21.7)

NORTHERN INYO HOSPITAL

Balance Sheet

February 28, 2007

<u>Assets</u>	<u>Current Month</u>	<u>Prior Month</u>	<u>FYE 2006</u>
Current assets:			
Cash and cash equivalents	934,100	2,395,469	3,148,845
Short-term investments	9,822,703	9,122,703	6,637,435
Assets limited as to use	1,441,334	528,550	603,039
Plant Expansion and Replacement Cash	15,392,697	15,347,991	15,515,948
Other Investments (Partnership)	369,561	369,561	369,561
Patient receivable, less allowance for doubtful accounts 654,675	6,998,998	7,475,202	6,374,400
Other receivables	291,951	382,404	212,005
Inventories	1,877,885	1,945,318	1,897,120
Prepaid expenses	641,187	648,665	470,018
Total current assets	<u>37,770,415</u>	<u>38,215,863</u>	<u>35,228,370</u>
Assets limited as to use:			
Internally designated for capital acquisitions	741,183	740,527	652,606
Specific purpose assets	534,571	534,471	474,914
	<u>1,275,754</u>	<u>1,274,998</u>	<u>1,127,520</u>
Revenue bond construction funds held by trustee	786,899	744,735	1,632,595
Less amounts required to meet current obligations	<u>1,441,334</u>	<u>528,550</u>	<u>603,039</u>
Net Assets limited as to use:	<u>621,319</u>	<u>1,491,183</u>	<u>2,157,076</u>
Long-term investments	<u>8,307,321</u>	<u>8,307,321</u>	<u>8,307,321</u>
Property and equipment, net of accumulated depreciation and amortization	<u>13,069,432</u>	<u>12,173,184</u>	<u>10,895,169</u>
Unamortized bond costs	<u>340,387</u>	<u>340,873</u>	<u>344,269</u>
Total assets	<u><u>60,108,874</u></u>	<u><u>60,528,423</u></u>	<u><u>56,932,206</u></u>

NORTHERN INYO HOSPITAL

Balance Sheet

February 28, 2007

Liabilities and net assets

	<u>Current Month</u>	<u>Prior Month</u>	<u>FYE 2006</u>
Current liabilities:			
Current maturities of long-term debt	-	-	235,000
Accounts payable	580,156	587,304	683,397
Accrued salaries, wages and benefits	3,206,723	3,181,233	2,954,330
Accrued interest and sales tax	356,794	261,848	168,166
Deferred income	238,510	273,678	97,853
Due to third-party payors	2,682,500	2,591,528	2,864,110
Due to specific purpose funds	-	-	-
Total current liabilities	<u>7,064,685</u>	<u>6,895,592</u>	<u>7,002,857</u>
Long-term debt, less current maturities	22,450,000	22,450,000	22,450,000
Bond Premium	411,093	412,298	431,586
Total long-term debt	<u>22,861,093</u>	<u>22,862,298</u>	<u>22,881,586</u>
Net assets:			
Unrestricted	29,648,526	30,236,063	26,572,849
Temporarily restricted	534,571	534,471	474,914
Total net assets	<u>30,183,097</u>	<u>30,770,534</u>	<u>27,047,763</u>
Total liabilities and net assets	<u>60,108,874</u>	<u>60,528,423</u>	<u>56,932,206</u>

NORTHERN INYO HOSPITAL
Statement of Operations--Statistics
As of February 28, 2007

	Month Actual	Month Budget	Month Variance	Month Percentage	YTD Actual	YTD Budget	YTD Variance	Year Percentage
Operating statistics:								
Beds								
Patient days	25.00	32.00	N/A	N/A	25.00	32.00	N/A	N/A
Maximum days per bed capacity	251.00	271.00	(20.00)	0.93	2,397.00	2,168.00	229.00	1.11
Percentage of occupancy	700.00	960.00	N/A	N/A	6,075.00	7,680.00	N/A	N/A
Average daily census	35.86	28.23	7.63	1.27	39.46	28.23	11.23	1.40
Average length of stay	8.96	9.03	(0.07)	0.99	9.86	9.03	0.83	1.09
Discharges	2.92	3.08	(0.16)	0.95	3.11	3.08	0.03	1.01
Admissions	86.00	88.00	(2.00)	0.98	770.00	704.00	66.00	1.09
Gross profit-revenue depts.	88.00	89.00	(1.00)	0.99	777.00	712.00	65.00	1.09
	2,870,713.30	3,937,409.00	(1,066,695.70)	0.73	29,228,713.96	31,499,272.00	(2,270,558.04)	0.93
Percent to gross patient service revenue:								
Deductions from patient service revenue and bad debts								
Salaries and employee benefits	51.24	42.63	8.61	1.20	43.30	42.63	0.67	1.02
Occupancy expenses	36.68	33.14	3.54	1.11	32.94	33.14	(0.20)	0.99
General service departments	3.76	3.08	0.68	1.22	3.19	3.08	0.11	1.04
Fiscal services department	6.26	5.17	1.09	1.21	5.53	5.17	0.36	1.07
Administrative departments	5.18	4.54	0.64	1.14	4.34	4.54	(0.20)	0.96
Operating income (loss)	7.37	5.16	2.21	1.43	4.99	5.16	(0.17)	0.97
Excess (deficiency) of revenues over expenses	(6.20)	4.83	(11.03)	(1.28)	4.63	4.83	(0.20)	0.96
	(4.00)	7.97	(11.97)	(0.50)	6.66	7.97	(1.31)	0.84
Payroll statistics:								
Average hourly rate (salaries and benefits)	39.72	40.34	(0.62)	0.98	37.76	40.34	(2.58)	0.94
Worked hours	41,011.16	42,120.00	(1,108.84)	0.97	345,402.51	334,956.00	10,446.51	1.03
Paid hours	44,629.28	49,534.00	(4,904.72)	0.90	393,803.66	396,272.00	(2,468.34)	0.99
Full time equivalents (worked)	256.32	243.47	12.85	1.05	249.57	242.02	7.55	1.03
Full time equivalents (paid)	278.93	286.32	(7.39)	0.97	284.54	286.32	(1.78)	0.99

Critical Access Hospital status equal 25 beds; note changes to Occupancy percentages due to change in maximum beds.

NORTHERN INYO HOSPITAL

Statements of Changes in Net Assets

As of February 28, 2007

	Month-to-date	Year-to-date
Unrestricted net assets:		
Excess (deficiency) of revenues over expenses	(193,448.22)	3,007,813.23
Net Assets due/to transferred from unrestricted	-	(82,714.25)
Net assets released from restrictions used for operations	-	456,745.00
Net assets released from restrictions used for payment of long-term debt	(394,745.00)	(394,745.00)
Contributions and interest income	656.01	88,577.48
Increase in unrestricted net assets	(587,537.21)	3,075,676.46
Temporarily restricted net assets:		
District tax allocation	-	515,515.55
Net assets released from restrictions	-	(456,745.00)
Restricted contributions	100.00	354.91
Interest income	-	531.62
Increase (decrease) in temporarily restricted net assets	100.00	59,657.08
Increase (decrease) in net assets	(587,437.21)	3,135,333.54
Net assets, beginning of period	30,770,533.74	27,047,762.99
Net assets, end of period	30,183,096.53	30,183,096.53

NORTHERN INYO HOSPITAL

Statements of Cash Flows

As of February 28, 2007

	Month-to-date	Year-to-date
Cash flows from operating activities:		
Increase (decrease) in net assets	(192,692.21)	2,740,588.54
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities: (correcting debt payment)	-	-
Depreciation	(394,745.00)	394,745.00
Provision for bad debts	132,363.35	1,040,047.68
Loss (gain) on disposal of equipment	169,290.42	1,137,223.21
(Increase) decrease in:	-	100.00
Patient and other receivables	397,366.50	(1,841,767.06)
Other current assets	74,911.66	(151,933.88)
Plant Expansion and Replacement Cash	(44,705.49)	123,251.66
Increase (decrease) in:		
Accounts payable and accrued expenses	78,121.12	478,437.35
Third-party payors	90,972.14	(181,609.35)
Net cash provided (used) by operating activities	310,882.49	3,739,083.15
Cash flows from investing activities:		
Purchase of property and equipment	(1,028,611.22)	(3,214,310.00)
Purchase of investments	(700,000.00)	(3,185,268.21)
Proceeds from disposal of equipment	-	(100.00)
Net cash provided (used) in investing activities	(1,728,611.22)	(6,399,678.21)
Cash flows from financing activities:		
Long-term debt	(1,205.55)	(255,493.65)
Issuance of revenue bonds	(42,163.66)	845,696.41
Unamortized bond costs	485.24	3,881.92
Increase (decrease) in donor-restricted funds, net	(756.01)	(148,234.56)
Net cash provided by (used in) financing activities	(43,639.98)	445,850.12
Increase (decrease) in cash and cash equivalents	(1,461,368.71)	(2,214,744.94)
Cash and cash equivalents, beginning of period	2,395,469.01	3,148,845.24
Cash and cash equivalents, end of period	934,100.30	934,100.30

NORTHERN INYO HOSPITAL

Statements of Changes in Net Assets

As of February 28, 2007

	<u>Month-to-date</u>	<u>Year-to-date</u>
Unrestricted net assets:		
Excess (deficiency) of revenues over expenses	(193,448.22)	3,007,813.23
Net Assets due/to transferred from unrestricted	-	(82,714.25)
Net assets released from restrictions used for operations	-	456,745.00
Net assets released from restrictions used for payment of long-term debt (correcting YTD)	(394,745.00)	(394,745.00)
Contributions and interest income	656.01	88,577.48
Increase in unrestricted net assets	<u>(587,537.21)</u>	<u>3,075,676.46</u>
Temporarily restricted net assets:		
District tax allocation	-	515,515.55
Net assets released from restrictions	-	(456,745.00)
Restricted contributions	100.00	354.91
Interest income	-	531.62
Increase (decrease) in temporarily restricted net assets	<u>100.00</u>	<u>59,657.08</u>
Increase (decrease) in net assets	(587,437.21)	3,135,333.54
Net assets, beginning of period	30,770,533.74	27,047,762.99
Net assets, end of period	<u>30,183,096.53</u>	<u>30,183,096.53</u>

NORTHERN INYO HOSPITAL

Statements of Cash Flows

As of February 28, 2007

	<u>Month-to-date</u>	<u>Year-to-date</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	(587,437.21)	3,135,333.54
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities: (correcting debt payment)	-	-
Depreciation	132,363.35	1,040,047.68
Provision for bad debts	169,290.42	1,137,223.21
Loss (gain) on disposal of equipment	-	100.00
(Increase) decrease in:		
Patient and other receivables	397,366.50	(1,841,767.06)
Other current assets	74,911.66	(151,933.88)
Plant Expansion and Replacement Cash	(44,705.49)	123,251.66
Increase (decrease) in:		
Accounts payable and accrued expenses	78,121.12	478,437.35
Third-party payors	90,972.14	(181,609.35)
Net cash provided (used) by operating activities	<u>310,882.49</u>	<u>3,739,083.15</u>
Cash flows from investing activities:		
Purchase of property and equipment	(1,028,611.22)	(3,214,310.00)
Purchase of investments	(700,000.00)	(3,185,268.21)
Proceeds from disposal of equipment	-	(100.00)
Net cash provided (used) in investing activities	<u>(1,728,611.22)</u>	<u>(6,399,678.21)</u>
Cash flows from financing activities:		
Long-term debt	(1,205.55)	(255,493.65)
Issuance of revenue bonds	(42,163.66)	845,696.41
Unamortized bond costs	485.24	3,881.92
Increase (decrease) in donor-restricted funds, net	(756.01)	(148,234.56)
Net cash provided by (used in) financing activities	<u>(43,639.98)</u>	<u>445,850.12</u>
Increase (decrease) in cash and cash equivalents	(1,461,368.71)	(2,214,744.94)
Cash and cash equivalents, beginning of period	<u>2,395,469.01</u>	<u>3,148,845.24</u>
Cash and cash equivalents, end of period	<u>934,100.30</u>	<u>934,100.30</u>

Northern Inyo Hospital
Summary of Cash and Investment Balances
Calendar Year 2007

Operations Checking Account

Time Deposit Month-End Balances

Month	Balance at Beginning of Month	Deposits	Disbursements	Balance at End of Month	Premium Interest Checking	Investment Operations Fund	Bond and Interest Fund (2)	Equipment Donations Fund	Childrens Fund	Scholarship Fund	Tobacco Settlement Fund	Total Revenue Bond Fund (1)	Project Revenue Bond Fund (1)	General Obligation Bond Fund
January	936,738	3,349,146	3,230,137	1,055,747	519	17,418,118	525,863	25,122	2,798	5,734	715,405	744,735	16,654	15,331,544
February	1,055,747	3,012,726	3,529,773	538,700	8	18,118,118	525,863	25,122	2,789	5,834	716,060	786,899	16,717	15,376,250
March	855,830	3,154,458	3,317,840	692,448	1,528,083	14,462,252	405,677	19,086	2,791	5,465	620,684	1,893,590	1,092,699	15,330,565
April	692,448	4,468,398	3,568,419	1,592,427	1,533,222	14,281,849	201,464	19,086	2,791	5,465	626,433	1,939,392	1,092,702	15,382,132
May	1,592,427	2,852,264	3,493,876	950,815	1,539,308	14,932,849	466,295	19,086	2,791	5,465	627,096	1,779,338	867,196	15,443,286
June	950,815	3,272,613	3,109,328	1,114,100	1,544,902	14,932,849	466,576	24,896	2,793	5,469	627,709	1,632,595	867,200	15,489,501
July	1,114,100	2,592,650	2,845,491	861,259	1,550,786	15,713,474	434,758	24,896	2,793	5,724	628,384	1,121,978	310,860	15,558,623
August	861,259	3,563,476	3,206,915	1,217,820	1,556,826	15,588,531	466,576	24,896	2,793	5,724	629,066	1,167,917	310,864	15,619,307
September	1,217,820	2,891,026	2,829,293	1,279,553	1,562,539	16,338,426	435,194	24,970	2,796	5,729	629,705	1,214,051	310,866	15,676,672
October	1,279,553	3,513,782	3,902,742	890,593	1,568,930	17,134,630	16,934	24,970	2,796	5,729	713,160	965,952	16,501	15,740,837
November	890,593	4,105,103	4,512,789	482,906	74,468	17,384,630	16,934	25,100	2,796	5,729	713,912	1,032,481	16,530	15,802,765
December	482,906	3,745,997	3,292,165	936,738	545	17,384,630	528,988	25,122	2,798	5,734	714,632	702,720	16,591	15,802,073

Notes:

(1) The difference between the Total and Project Revenue Bond Funds represents amounts held by the trustee to make payments on the District's behalf and about \$575,000 to cover the Bond Reserve Account Requirement with respect to the Series 1998 Bonds. The Project amount represents the balance available to spend on the building project; however, the district accumulates invoices and only requests reimbursement quarterly.

(2) The Bond and Interest Fund now contains the Debt Service amount from the County for both the original Bond and the 2005 Bond.

Financial Indicators

	Target	Feb-07	Jan-07	Dec-06	Nov-06	Oct-06	Sep-06	Aug-06	Jul-06	Jun-06	May-06	Apr-06	Mar-06
Current Ratio	>1.5-2.0	5.35	5.54	5.48	5.43	4.77	4.65	4.77	4.71	5.03	4.99	5.05	4.76
Quick Ratio	>1.33-1.5	4.95	5.11	5.06	5.01	4.44	4.33	4.41	4.36	4.66	4.70	4.75	4.44
Days Cash on Hand	>75	331.37	327.96	349.52	339.70	363.56	324.75	330.63	305.76	390.80	336.95	330.17	284.11
Debt Service Coverage	>1.5-2.0												

Northern Inyo Hospital

Investments as of 2/28/2007

	Purchase Dt	Maturity Dt	Institution	Rate	Principal
1	2/26/2007	3/1/2007	Local Agency Investment Fund	5.18%	5,081,980.39
2	2/2/2007	3/1/2007	Local Agency Investment Fund	5.18%	285,750.12
3	3/11/2004	3/12/2007	Commercial Savings Bank	2.75%	98,000.00
4	12/19/2003	3/19/2007	Camden National Bank ME	3.00%	97,000.00
5	3/19/2004	3/19/2007	Summit State Bank	3.00%	99,000.00
6	3/28/2005	3/23/2007	Discover Bank	4.00%	100,000.00
7	1/26/2007	4/26/2007	United States Treasury Bills	4.94%	749,865.44
8	7/27/2005	4/27/2007	Federal Home Loan Bank-MBS	4.00%	250,000.00
9	5/7/2004	5/7/2007	Five Star Bank Natomas	3.31%	99,000.00
10	5/11/2004	5/11/2007	Bear Stearns Security	3.25%	1,000,000.00
11	6/22/2005	6/22/2007	Federal Home Loan Bank-FNC	4.00%	1,000,000.00
12	7/8/2005	6/29/2007	FANNIE MAE FNMA-MBS	4.00%	500,000.00
13	7/5/2005	7/5/2007	Federal Home Loan Bank-MBS	4.00%	500,000.00
14	3/14/2006	9/14/2007	Federal Home Loan Bank-FNC	5.13%	600,000.00
15	11/28/2005	11/28/2007	Federal Home Loan Bank-MBS	5.00%	500,000.00
16	1/5/2007	12/1/2007	Cantella & Co., Inc	4.50%	81,676.09
17	12/27/2005	12/27/2007	Federal Home Loan Bank-FNC	5.00%	500,000.00
18	1/24/2003	1/24/2008	Capital One Bank	4.31%	100,000.00
19	1/24/2003	1/24/2008	Capital One, F.S.B.	4.30%	100,000.00
20	1/24/2003	1/24/2008	Key Bank USA	3.50%	100,000.00
21	3/18/2005	3/18/2008	First Federal Bank	4.00%	100,000.00
22	12/14/2004	5/27/2008	Cantella & Co., Inc	3.50%	225,000.00
23	3/11/2005	6/11/2008	Community Bank	4.00%	98,000.00
24	3/11/2005	6/11/2008	Equity Bank	4.00%	100,000.00
25	1/30/2006	7/28/2008	Federal Home Loan Bank-FNC	5.00%	500,000.00
26	4/21/2005	10/7/2008	Federal Home Loan Bank-MBS	4.00%	1,335,000.00
27	10/15/2003	10/15/2008	R-G Crown Bank	4.00%	97,000.00
28	10/31/2005	10/27/2008	Federal Home Loan Bank-MBS	5.00%	500,000.00
29	5/26/2005	11/26/2008	Federal Home Loan Bank-FNC	4.50%	1,000,000.00
30	12/15/2003	12/15/2008	Bear, Stearns Securities	3.00%	300,000.00
31	1/4/2005	1/5/2009	Mututal Bank	4.36%	99,000.00
32	1/7/2004	1/7/2009	Bear Stearns Security	4.08%	100,000.00
33	2/20/2007	2/20/2009	Federal Home Loan Bank-FNC	5.28%	500,000.00
34	1/5/2007	11/1/2009	Cantella & Co., Inc	4.50%	123,845.50
35	12/30/2004	12/30/2009	Capital City Bank and Trust	4.75%	99,000.00
36	4/22/2005	4/22/2010	Bank of Waukegan	4.75%	99,000.00
37	2/24/2006	2/24/2011	Federal Home Loan Bank-MBS	6.00%	1,000,000.00
			Total		\$18,118,117.54

**Northern Inyo Hospital
 Monthly Report of Capital Expenditures
 Fiscal Year Ending JUNE 30, 2005
 As of FEBRUARY 28, 2007**

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
FY 1995-96	Hospital Information System	\$1,300,000
	AMOUNT APPROVED BY THE BOARD IN PRIOR FISCAL YEARS TO BE EXPENDED IN THE CURRENT FISCAL YEAR	<u>1,300,000</u>
FY 2006-07	Philips Biphasic Defibrillators (eight)	101,388 *
	Crash Carts	15,735 *
	Urology Office Equipment & Charts (Purchased from Dr. Evantov) (Half of \$35,000 buy-up amount)	18,856 *
	Platelet Incubator/Agitator Purchase (non-budget)	2,600
	Computer Backup/Disaster Recovery Upgrade	77,124 *
	Virtual Servers	40,677 *
	QuadraMed Tempus One Scheduling System (Includes Surgery Module)	233,750
	Honda CRV	23,292 *
	GE Digital Mammography	363,546
	BECKMAN COULTER Blood Analyzer LH500 (Price ??)	50,000
	GE Centricity RHC Electronic Health Record Software	75,950
	Terason t3000 Ultrasound System	43,396 *
	QuickPay System	13,700
	AMOUNT APPROVED BY THE BOARD IN THE CURRENT FISCAL YEAR TO BE EXPENDED IN THE CURRENT FISCAL YEAR	<u>1,060,014</u>
	Amount Approved by the Board in Prior Fiscal Years to be Expended in the Current Fiscal Year	1,300,000
	Amount Approved by the Board in the Current Fiscal Year to be Expended in the Current Fiscal Year	1,060,014

**Northern Inyo Hospital
 Monthly Report of Capital Expenditures
 Fiscal Year Ending JUNE 30, 2005
 As of FEBRUARY 28, 2007**

**MONTH
 APPROVED**

BY BOARD DESCRIPTION OF APPROVED CAPITAL EXPENDITURES

AMOUNT

Year-to-Date Board-Approved Amount to be Expended	2,039,546
Year-to-Date Administrator-Approved Amount	425,233 *
Actually Expended in Current Fiscal Year	<u>320,468 *</u>
TOTAL FUNDS APPROVED TO BE EXPENDED	<u><u>2,785,246</u></u>
Total-to-Date Spent on Incomplete Board Approved Expenditures (Hospital Information System and Building Project)	1,199,399

Reconciling Totals:

Actually Capitalized in the Current Fiscal Year Total-to-Date	745,701
Plus: Lease Payments from a Previous Period	0
Less: Lease Payments Due in the Future	0
Less: Funds Expended in a Previous Period	0
Plus: Other Approved Expenditures	<u>2,039,546</u>
ACTUAL FUNDS APPROVED IN THE CURRENT FISCAL YEAR TOTAL-TO-DATE	<u><u>2,785,246</u></u>

Donations by Auxiliary	0
Donations by Hospice of the Owens Valley	0
Donations by Others	<u>0</u>
	<u><u>0</u></u>

Completed Purchase

Note: The budgeted amount for capital expenditures for the fiscal year ending June 30, 2006, is \$3,600,000 coming from existing hospital funds.)

Completed in prior fiscal year

**Northern Inyo Hospital
 Monthly Report of Capital Expenditures
 Fiscal Year Ending JUNE 30, 2005
 As of FEBRUARY 28, 2007**

MONTH	APPROVED	AMOUNT
BY BOARD DESCRIPTION OF APPROVED CAPITAL EXPENDITURES		
Board Approved Construction and Remodel amounts to be Reimburse from Revenue Bonds:		
FY 1996-97	Central Plant and Emergency Power Generator	3,000,884 **
FY 1997-98	Administration/Office Building (Includes Furniture and Landscaping)	1,617,772 **
FY 2000-01	New Water Line Construction	89,962 **
FY 2001-02	Siemens ICU Patient Monitoring Equipment	170,245 **
	Central Plant and Emergency Power Generator OSHPD Fee	18464.5 **
FY 2003-04	Emergency Room Remodel (Included in New Building & Remodel)	0
FY 2004-05	Emergency Room Remodel (add to \$500,000) (In New Building & Remodel)	0
FY 2005-06	Hospital Building and Remodel	39,500,000
FY 2005-06	Construction Cost Overrun Approval	15,250,000
Total-To-Date Board Approved Construction Amounts to be reimbursed from Revenue Bonds & General Obligation Bond		<u><u>59,647,328</u></u>
Total-To-Date Spent on Construction In Progress from Rev Bonds for Incomplete Projects (Includes Architect Fees for Future Phases)		
Completed Purchase		

Northern Inyo Hospital
Monthly Report of Capital Expenditures
Fiscal Year Ending JUNE 30, 2005
As of FEBRUARY 28, 2007

Administrator-Approved Item(s)	Department	Amount	Month Total	Grand Total
Month Ending January 31, 2007			5,379	421,733
BI-DIRECTIONAL COULTER LH1500 INTERF/LAB		3,500		
Month Ending February 28, 2007			3,500	425,233

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Legislative UPDATE



March 23, 2007

LATEST NEWS ON KEY BILLS IN THE STATE LEGISLATURE

Health Advocacy Update

CHA is tracking the following key health-related bills this legislative session. Additional bills will be added to this list as they are analyzed. For a complete list of bills CHA is tracking, visit the CHA website at www.calhospital.org, under CHA Interactive, then "Alerts & Legislation."

Bill No.	Author	Summary/Title	Location/Action	CHA Position	Staff Contact
Coronary Intervention Pilot Program					
SB 891	Correa (D-Anaheim)	Would establish the Elective Percutaneous Coronary Intervention Pilot Program in the Department of Public Health, which would authorize certain eligible acute-care hospitals that meet specified requirements and are licensed to provide cardiac catheterization laboratory services to perform elective and scheduled primary percutaneous coronary intervention.	To be heard in Senate Health Committee April 18.	CHA-Sponsored	Dorel Harms/ Connie Delgado Alvarez
Emergency Services					
AB 113	Beall (D-San Jose)	Would require hospitals that plan to reduce or eliminate emergency medical services to notify various entities at least 180 days before a planned reduction or elimination of those services.	To be heard in Assembly Health Committee April 10.	Oppose	Debby Rogers/ Connie Delgado Alvarez
Health Coverage					
AB 8	Núñez (D-Los Angeles)	Would state the Legislature's intent to make quality, affordable health care coverage available to all state residents.	To be heard in Assembly Rules Committee.	Follow	Dietmar Grellmann/ David van der Griff
SB 48	Perata (D-Oakland)	Would create the Health Insurance Connector, which would function as a purchasing pool for health care coverage, administered by the Managed Risk Medical Insurance Board; would require employers to provide health care coverage to employees and dependents resulting in the expenditure of an unspecified percentage of employers' payrolls.	To be heard in Senate Health Committee.	Follow	Dietmar Grellmann/ David van der Griff
SB 236	Runner (R-Lancaster)	Would state the Legislature's intent to enact the Cal CARE program to improve access to health care services.	To be heard in Senate Rules Committee.	Follow	Dietmar Grellmann/ David van der Griff
SB 840	Kuehl (D-Santa Monica)	Would establish the California Universal Healthcare System to be administered by the newly created California Universal Healthcare Agency under the control of a universal health care commissioner; would make all California residents eligible for specified health care benefits under the California Universal Healthcare System, which would, on a single-payer basis, negotiate or set fees for health care services provided through the system, and pay claims for those services.	To be heard in Senate Rules Committee.	Oppose	Doug Hitchcock/ Martin Gallegos
Homeless Patients and Supportive Services					
SB 275	Cedillo (D-Los Angeles)	Would prohibit general acute-care, acute psychiatric or special hospitals from transporting patients to a location other than the patients' residences without the informed consent of the patients; would apply this prohibition to staff members of health care facilities who are responsible for the discharge of patients; violation would result in penalties of up to \$10,000 for the facility and up to \$1,000 for employees who authorize a non-compliant transport.	To be heard in Senate Health Committee March 28.	Oppose, Unless Amended	Peggy Broussard Wheeler/Barbara Glaser

Bill No.	Author	Summary/Title	Location/Action	CHA Position	Staff Contact
Seismic Safety					
SB 306	Ducheny (D-San Diego)	Would state the Legislature's intent to enact legislation that would establish a lease revenue bond program to provide financial assistance to health facility buildings classified as Non-Conforming Structural Performance Category 1 buildings.	To be heard in Senate Health Committee.	Support	Roger Richter/ Kathryn Scott
SB 211	Cox (R-Fair Oaks)	As currently written, would allow for postponement of application fees for projects that result from damage due to a disaster; actually a vehicle for the Schwarzenegger administration if it needs a bill to implement OSHPD reform of the project review process.	To be heard in Senate Health Committee April 11.	Support	Roger Richter/ Kathryn Scott
Skilled-Nursing Facilities					
AB 1142	Salas (D-Chula Vista)	Would require SNFs to provide private rooms or a room in the facility designated as a hospice room to teach residents diagnosed with terminal conditions or illnesses.	To be heard in Assembly Health Committee April 10.	Oppose	Patricia Blaisdell/ Barbara Glaser
Workforce Issues					
AB 371	Huffman (D-San Rafael)	Would require every general acute-care hospital that applies to the Health Facilities Financing Authority for financing from tax-exempt bonds to provide the authority with a copy of the hospital's injury and illness prevention program; would require hospitals without a zero lift policy to commit 1 percent of any funding proceeds to purchase equipment, and hire and train staff to implement a lift team policy that includes a zero lift component.	To be heard in Assembly Health Committee March 27.	Oppose	Gail Blanchard- Saiger/Connie Delgado Alvarez
AB 520	Brownley (D-Santa Monica)	Would require general acute-care, acute psychiatric or special hospitals to adopt, and annually review, a plan or procedure for determining the staffing of professional and technical classifications — plan or procedure would not apply to the staffing of nursing personnel; would authorize the state public health officer to levy administrative penalties against health facilities for a violation of staffing provisions.	To be heard in Assembly Health Committee April 10.	Oppose	Gail Blanchard- Saiger/Connie Delgado Alvarez
AB 1201	Leno (D-San Francisco)	Would give direct-care RNs the right to organize, form or join a union, and to bargain collectively through chosen representatives with the health care employer; would require health care employers to recognize a direct-care RN bargaining unit if a majority of the RNs in that unit desire representation; would provide for the implementation of an agency shop arrangement between a health care employer and a direct-care RN bargaining unit.	To be heard in Assembly Labor and Employment Committee.	Oppose	Gail Blanchard- Saiger/Connie Delgado Alvarez
SB 171	Perata (D-Oakland)	Would require each general acute-care hospital to establish a patient protection and health care worker back injury-prevention plan; would require each hospital to conduct a needs assessment to identify patients needing lift teams; would require hospitals to use lift teams, and to train health care workers on the appropriate use of lift devices.	To be heard in Senate Labor and Industrial Relations Committee March 28.	Oppose, Unless Amended	Gail Blanchard- Saiger/Connie Delgado Alvarez
Workers' Compensation					
AB 1269	Hernandez (D-Baldwin Park)	Would state the Legislature's intent to enact legislation that would require the administrative director of the Division of Workers' Compensation to review the reimbursement rates for implantable medical devices, hardware and instrumentation for certain inpatient burn DRGs to ensure rates are commensurate with the cost of inpatient burn treatment.	To be heard in Assembly Rules Committee.	CHA-Sponsored	Sherreta Lane/ Kathryn Scott

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**HOLOGIC
STEREOTACTIC
BREAST BIOPSY
SYSTEM**

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independently of Board Packet)*

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Health-system Safety

National Patient Safety Goals
Progress Report

NIH

April 2007

National Patient Safety Goals

- Improve the accuracy of patient identification
- Improve the effectiveness of communication among caregivers
- Improve the safety of using medications
- Reduce the risk of health care-associated infections
- Accurately and completely reconcile medications across the continuum of care
- Reduce the risk of patient harm resulting from falls
- **Encourage patients' active involvement in their own care as a patient safety strategy**

Improve the accuracy of patient identification

- Use at least two patient identifiers when providing care, treatment or services.
 - We do this very well.
 - Name and date of birth are asked by almost everyone

Improve the effectiveness of communication among caregivers

- Record and "read-back" the complete order or test result
- Standardize a list of abbreviations, acronyms, symbols, and dose designations that are not to be used throughout the organization.
- Timeliness of receipt by the responsible licensed caregiver, of critical test results and values.
- Implement a standardized approach to "hand off" communications, including an opportunity to ask and respond to questions.

Improve the effectiveness of communication among caregivers

- Reading back verbal orders is not consistently done
- Banned abbreviation avoidance is improving somewhat
- Critical test resulting is generally timely in Bishop
- Hand off of patients needs improvement and is being addressed

Improve the safety of using medications

- Standardize and limit the number of drug concentrations used by the organization
- Identify and, at a minimum, annually review a list of look-alike/sound-alike drugs used by the organization, and take action to prevent errors involving the interchange of these drugs.
- Label all medications, medication containers (for example, syringes, medicine cups, basins), or other solutions on and off the sterile field

Improve the safety of using medications

- We have a computerized standard drug concentration program on all desk tops.
- We use TALL MAN lettering to distINGuish look-alike, sound-alike drugs. We also segregate them in the automated dispensing system.
- Labeling of medications in surgery is very well done at NIH.

Reduce the risk of health care-associated infections

- Comply with current Centers for Disease Control and Prevention (CDC) hand hygiene guidelines.
- Manage as sentinel events all identified cases of unanticipated death or major permanent loss of function associated with a health care-associated infection.

Reduce the risk of health care-associated infections

- Hand hygiene can always be improved. The healthcare industry is enlisting patients to demand that everyone who touches them including their doctor wash their hands before doing so.
- We have not had infection related deaths, but if we do we will treat them as sentinel events as required.

Accurately and completely reconcile medications across the continuum of care

- There is a process for comparing the patient's current medications with those ordered for the patient while under the care of the organization
- A complete list of the patient's medications is communicated to the next provider of service when a patient is referred or transferred to another setting, service, practitioner or level of care within or outside the organization. **The complete list of medications is also provided to the patient on discharge from the facility**

Accurately and completely reconcile medications across the continuum of care

- Big challenge. Change in culture is needed. Patient cooperation is essential. We are working on this cooperatively between pharmacy and nursing. The whole health system must encourage patients to keep good records of what they take and how they take it.
- This standard requires that doctors address all medications while in the hospital. Patients should go over their regimens completely on every visit to the doctor.
- The complete list upon discharge standard is a change in paradigm for physicians responsible for a specialized admission and are not the patient's primary care provider.

Reduce the risk of patient harm resulting from falls

- Implement a fall reduction program including an evaluation of the effectiveness of the program
 - Fall prevention is successful at NIH
 - We continually evaluate the effectiveness of our program

Encourage patients' active involvement in their own care as a patient safety strategy

- **Define and communicate the means for patients and their families to report concerns about safety and encourage them to do so.**
 - This is a new National Patient Safety Goal
 - The intent is to involve the patient in their own safety
 - We will obtain more information from the industry and make changes that are called for

Summary of Challenges

- Reading back verbal orders
- Banned abbreviations
- Hand off
- Hand hygiene
- Reconcile medications
- Patients' active involvement

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**AGREEMENT FOR SERVICES TO THE
NORTHERN INYO HOSPITAL
ELECTROCARDIOGRAPHIC DEPARTMENT**

THIS AGREEMENT MADE AND ENTERED INTO this ____ day of _____, 20 __, by and between NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT (hereinafter "Hospital") and Vasuki Sittampalam, M.D. (hereinafter "Physician").

**I
RECITALS**

- A. Hospital is located at 150 Pioneer Lane, Bishop, California, and operates therein a service designated as the Electrocardiograph Department (hereinafter "EKG Department").
- B. Physician is a sole practitioner licensed to practice medicine in the State of California, and is eligible for certification by the American Board of Internal Medicine. Physician has represented and does represent to the Hospital that, on the basis of his or her training or experience, he or she is knowledgeable in the interpretation of electrocardiographs (hereinafter "EKGs") and is readily available to interpret EKGs.
- C. Hospital desires to contract with Physician to provide professional interpretation of EKGs done on patients at the Hospital.
- D. The parties desire to enter this Agreement to provide a complete statement of their respective duties and obligations.
- E. The term "EKG" shall mean all products of the EKG Department including, but without limitation, electrocardiographs, rhythm strips, stress tests, event recorders, and telemetry strips.

NOW, THEREFORE, in consideration of the covenants and agreements set forth below, the parties agree as follows:

**II
COVENANTS OF PHYSICIAN**

- 1. Physician shall perform the follow services:

- a. Be available to provide interpretation of all full and partial cardiac function studies performed by the EKG Department on Physician's patients. Said interpretations are to be done within 24 hours of the time the EKG studies are performed. Physician shall have no exclusive right to read studies hereunder, and acknowledges that EKGs and treadmill studies may be read by any other physician deemed qualified to do so by the Medical Staff Executive Committee.
 - b. Physician acknowledges that Hospital has retained the services of Asao Kamei, M.D. (hereinafter "Dr. Kamei"), to serve as Chief of the EKG Department and agrees that, should Physician fail to read and interpret any EKG which he or she is obligated to read within 24 hours of its creation, or should Physician fail to read and interpret any EKG done in preparation for any surgery, whether emergency or elective, if said EKG has not been read within a reasonable time prior to the time scheduled for said surgery, said EKG will be read and interpreted by Dr. Kamei, and he shall receive compensation from the Hospital for such service. Physician acknowledges and agrees that in such event, Physician will not be compensated by the Hospital, but nonetheless may read and interpret the relevant EKG as may be required for the care of his or her own patients. In regard to the circumstances set forth in this sub-paragraph (b), Physician further acknowledges and agrees that Dr. Kamei may designate another qualified physician (who must also be a Diplomate of the American Board of Internal Medicine) to perform such services for him in the event of his or her absence or inability to perform such services.
 - c. Physician acknowledges and agrees that Dr. Kamei, acting in his role as Chief of the EKG Department, may read any EKG done in the Hospital.
 - d. Participate in retrospective evaluation of care provided in the EKG Department.
 - e. Be available to provide interpretation of EKGs for patients under the care of Physician who were seen in the Hospital's Emergency Department, whether or not said patient was seen by the Physician in the Emergency Department.
 - f. Be available to provide interpretation of EKGs for emergent pre-operative patients under the care of the Physician.
2. Physician shall at all times comply with the policies, rules and regulations of the Hospital, subject to State and Federal statutes covering his or her practice. No part of the Hospital premises shall be used, at any time, by Physician for the general practice of medicine except during the exercise of privileges granted Physician as a member of the Hospital Medical Staff.
 3. Physician agrees to maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred, and revenue acquired, pursuant to this

agreement to the extent, and in such detail, as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies and services, and other costs and expenses of whatever nature, for which he or she may claim payment or reimbursement from the Hospital. Physician acknowledges and agrees that any federal office authorized by law shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of Physician which are relevant to this Agreement, at all reasonable times for a period of four (4) years following the termination of this Agreement, during which period Physician shall preserve and maintain said books, documents, papers and records. Physician further agrees to transfer to the Hospital, upon termination of this Agreement, any books, documents, papers or records which possess long-term (i.e., more than four (4) years) value to the Hospital. Physician shall include a clause providing similar access in any subcontract he or she may enter with a value of more than \$10,000, or for more than a 12-month period, when said sub-contract is with a related organization.

4. Physician acknowledges, covenants, and agrees that Hospital shall have no obligation to compensate him or her for EKGs read in the following cases:
 - a. When a patient seen in the Emergency Department is not identified as being in the care of Physician and the EKG is subsequently read by the Chief;
 - b. When a patient first seen in the Emergency Department and who has not previously been under the care of Physician, is admitted to the Hospital to the care of Physician after the patient's EKG has been read by the Chief;
 - c. When any member of the Hospital Medical Staff requests Physician to consult on a patient after the patient's EKG is read by the Chief;
 - d. When Physician has not been identified as the primary physician of a patient at the time a patient's pre-operative EKG is read by the Chief;
 - e. When an EKG has not been read within 24 hours of its creation.

III

COVENANTS OF THE HOSPITAL

5. Hospital shall furnish, for the use of Physician in rendering services hereunder:
 - a. Sufficient space in the Hospital to enable him or her to perform his or her duties under this Agreement; and,
 - b. Ordinary janitorial and in-house messenger service, and such electricity for light and power, gas, water, and heat as may be required by him or her to perform his or her duties under this Agreement.

6. Hospital shall pay Physician \$20.50 per EKG interpreted, \$16.25 per EKG rhythm strip interpreted, \$29.95 per cardiac event recorder strip interpreted, and \$102.35 per treadmill study directly supervised. Said sums are payable on the twentieth (20th) day of the calendar month immediately following the service performed. Payments made pursuant to this Paragraph 6 shall be deemed Physician's full, complete, and reasonable compensation for services under this Agreement.
7. Hospital shall allow any member of the Hospital Medical Staff to designate, in writing, any physician who is (a) also a member of the Hospital Medical Staff and (b) a diplomate of the American Board of Internal Medicine, as the physician who shall be entitled to read EKGs for any patient admitted to the Hospital to the care of said physician, and Hospital shall compensate said physician for the services thereafter rendered provided that (c) said physician has executed an agreement with Hospital identical to this Agreement and (d) the written designation described in this subdivision is renewed, in writing, annually.
8. Hospital will attempt, insofar as is reasonably possible in the circumstances, to identify and notify the primary physician of any patient treated in the Hospital's Emergency Room Department and/or Surgery Department.

IV GENERAL PROVISIONS

9. Services to be performed by Physician under this Agreement may be performed by other physicians who are approved in writing (which approval is revocable) by Hospital and who shall be members of the Hospital Medical Staff. If Physician is absent, services required to be performed by Physician under this Agreement shall be performed by Dr. Kamei or his designee. Notwithstanding anything to the contrary contained herein, Physician shall not have the right to assign this Agreement, or any rights or obligations thereunder, without the written consent of Hospital first had and obtained.
10. In the performance of his or her duties and obligations under this Agreement, it is further mutually understood and agreed that:
 - a. Physician is at all times acting and performing as an independent contractor, that Hospital shall neither have nor exercise any control or direction over the methods by which he or she shall perform his or her work and functions (except that Physician shall do so at all times in strict compliance with currently approved methods and practices of internal medicine and cardiology, and in accord with the Hospital's Bylaws and with the Hospital Medical Staff Bylaws and Rules and Regulations), and that the sole interest of Hospital is to assure that the services of

Physician shall be performed and rendered, and the EKG Department shall be operated, in a competent, efficient, and satisfactory manner in accord with the highest medical standards possible.

- b. No act, commission, or omission of Physician pursuant to the terms and conditions of this Agreement shall be construed to make or render Physician an agent, employee, or servant of the Hospital.
- c. It is the intent of the parties that Physician be an independent contractor, and not an employee, in the performance of his or her duties under this Agreement. In order to protect the Hospital from liability, Physician shall defend, indemnify, and hold harmless the Hospital from liability for any and all claims arising out of the performance of his or her duties under this Agreement.

11. Physician shall, at all relevant times, be a member of the Hospital Medical Staff.

12. Each party shall comply with all applicable requirements of law relating to licensure and regulation of both physicians and hospitals.

13. This is the entire agreement of the parties, and supersedes any and all prior oral and/or written agreements. It may be modified only by a written instrument signed by both parties.

14. Whenever, under the terms of this Agreement, written notice is required or permitted to be given, such notice shall be deemed given when deposited in the United States mail, first class postage prepaid, addressed as follows:

HOSPITAL: Administrator
Northern Inyo Hospital
150 Pioneer Lane
Bishop, California 93514

PHYSICIAN: Vasuki Sittampalam, M.D.
Family Health Centre
686 West Line Street
Bishop, California 93514

or to such other address as either party may notify the other, in writing.

15. The term of this Agreement is three (3) years, commencing on 12-1-2006 and ending at midnight on 12-1-2009.

16. Notwithstanding the aforesaid term, Hospital may terminate this Agreement immediately upon the occurrence of any of the following events:
- a. Physician's death, loss of Hospital Medical Staff membership, loss of license to practice medicine, or loss of Active Medical Staff privileges required to render services under this Agreement;
 - b. Physician's inability to render services hereunder;
 - c. The appointment of a receiver of the assets of Physician, an assignment by him or her for the benefit of his or her creditors, or any action taken or suffered by him or her (with respect to him or her) under any bankruptcy or insolvency law;
 - d. Closure of the Hospital;
 - e. Sixty (60) days after written notice of termination without cause is given by Hospital to Physician.

However, the parties understand and acknowledge that termination of this Agreement shall not affect Physician's membership on the Hospital Medical Staff.

17. Originals of medical records of the EKG Department are the property of the Hospital and shall be retained on Hospital premises. Physician shall have access to, and may photocopy, such documents and records as may be required for the care of his or her patients or to perform his or her duties under this Agreement, provided only that he or she gives reasonable notice. Physician shall complete all reports required of him or her by Hospital, for the performance of his or her duties under this Agreement, within 24 hours of the time the EKG is performed. Physician acknowledges that, should he or she remove an original EKG from the custody of the EKG Department, he or she shall return it to the custody of the EKG Department within the 24 hour period required for reading as set forth in Article II, section 1(a) above. "Custody" includes, but is not limited to, the physical premises occupied by the EKG Department and any EKG machines, carts, or collection or storage vehicles located within the Hospital but outside the EKG Department physical premises. Physician shall not destroy or mutilate originals of medical records or EKGs.
18. This Agreement is for the personal services of Physician and Physician may not assign his or her rights, duties, obligations or responsibilities thereunder.
19. Subject to the restrictions against transfer or assignment set forth above, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the heirs, successors, assigns, agents, personal representatives, conservators, executors and administrators of the parties.

20. Use of the masculine, feminine or neuter gender, and/or of the singular or plural number, shall include the other when the context shall indicate.

IN WITNESS WHEREOF, the parties have executed this Agreement at Bishop, California on the day, month and year first above written.

NORTHERN INYO COUNTY
LOCAL HOSPITAL DISTRICT

PHYSICIAN

By _____
Peter Watercott, President
Board of Directors

By _____
Vasuki Sittampalam, M.D.

Date _____

Date _____

EXHIBIT A

EKG Interpretation Rates

1.	EKG Interpretation	20.50
2.	Rhythm Strip	16.25
3.	Tele Strip	19.00
4.	Cardiac event recorder	29.95
5.	Treadmill Study	102.35
6.	Cardiac Nuclear	125.00
7.	Adenosine Nuclear	150.00

END