

- CALL TO ORDER** The meeting was called to order at 5:30 pm by Peter Watercott, President.
- PRESENT** Peter Watercott, President  
John Ungersma, M.D., Vice President  
M.C. Hubbard, Secretary  
Denise Hayden, Treasurer  
D. Scott Clark, M.D., Director
- ALSO PRESENT** John Halfen, Administrator  
Robbin Cromer-Tyler, Chief of Staff  
Douglas Buchanan District Legal Counsel
- ALSO PRESENT FOR RELEVANT PORTION(S)** Dianne Shirley, R.N. Performance Improvement Coordinator
- OPPORTUNITY FOR PUBLIC COMMENT** Mr. Watercott asked if any members of the public wished to comment on any items listed on the agenda for this meeting. Hospital employee Gretchen Schumacher, R.N. spoke in support of Deborah Morales, whose employment has been terminated. She stated her feeling that Deborah handles patients in a very professional and caring manner, and she feels that Ms. Morales is a tremendous asset to the hospital. Ms. Schumacher asked that the Board consider overturning the termination of Ms. Morales.
- Mr. Halfen also introduced potential incoming orthopedic surgeon Peter Godleski M.D., who is in town to meet with members of the Medical Staff, and with hospital staff. Doctor Godleski stated he looks forward to managing orthopedic services at Northern Inyo Hospital (NIH), and to enhancing the hospital's orthopedic practice as much as possible.
- MINUTES** The minutes of the December 21 2011 regular meeting were approved.
- FINANCIAL AND STATISTICAL REPORTS** Mr. Halfen called attention to the financial and statistical reports for the month of October 2011. He noted the statement of operations shows a bottom line excess of expenses over revenues of \$888,000. Mr. Halfen additionally called attention to the following:
- *Inpatient service revenue was under budget*
  - *Outpatient service revenue was under budget*
  - *Total Expenses were over budget*
  - *Salaries and wages were over budget*
  - *Professional Fees expense was over budget*
  - *The Balance Sheet showed no significant change*
  - *Total net assets decreased during the month*
  - *Year to date net income totals \$569,000*
- Mr. Halfen noted cash and cash equivalents are down from last year as a result of the hospital rebuild project, and they are expected to continue to decline until the building project is complete. Total assets are in good

ADMINISTRATOR'S REPORT	shape, and current liabilities are up as a result of timing issues. The average number of days patient accounts are in receivables is 53.42, and there has been no change to the status of the hospital's investments. The hospital realized a significant loss in the month of November, largely due to a shortage of patient revenue. Expenses were also over budget for the month but are in good shape year-to-date. December is expected to be a better month in regard to revenue, and January has also been good so far. Following review of the reports provided it was moved by Denise Hayden, seconded by John Ungersma, M.D., and passed to accept the financial and statistical reports for the month of November as presented.
BUILDING UPDATE	John Hawes with Turner Construction Company reported the chillers in the new hospital building are up and running, and the new boilers and hot water heaters are also up and ready for final cleaning. All of the ceiling tiles have been dropped on the first floor, and tiles on the 2 <sup>nd</sup> floor will go in next week. Air handling units are being installed and the Information Technology (IT) room is being cleaned in preparation for bringing in the servers. Signs for the new building will also start coming in next week. Doctor Ungersma inquired about plans for an opening ceremony for the new building, and Mr. Halfen reported Grant Writing and Marketing Director Angie Aukee is coordinating that event.
ORTHOPEDIC SERVICES UPDATE	Mr. Halfen reported we are waiting for the appropriate Medical Staff approvals and credentialing needed in order to have orthopedic surgeon Peter Godleski M.D. come on board.
PHYSICIAN RECRUITMENT UPDATE	Mr. Halfen also reported that Lyn Leventis, M.D. will join the OB/Gyn practice of Lara Jeanine Arndal, M.D. in the next three to four months. Until Dr. Leventis comes on board, Arathi Veerswamy, M.D. with Renown Hospital in Reno will provide one week of OB/Gyn coverage a month for Dr. Arndal. Additionally, Kristin Collins, M.D. has agreed to join the pediatric practice of Doctors Beck, Casey, and Helvie, and she is expected to arrive sometime in June or July. Asao Kamei, M.D. additionally reported we have new hospitalist physicians coming on board in the near future, and now that our need for hospitalists has been met we will concentrate more on recruiting new internal medicine candidates.
23,052	Mr. Halfen reported that 23,052 is the number of cookies prepared by the NIH Dietary Department during the 2011 calendar year.
CHIEF OF STAFF REPORT	Chief of Staff Robbin Cromer-Tyler, M.D. reported the Medical Executive Committee has not met during the last month, and there is no Medical Staff news or action to report at this time.
OLD BUSINESS BIANNUAL COST OF LIVING ADJUSTMENT	Mr. Halfen reported the request for an employee Cost of Living Adjustment (COLA) has been withdrawn at this time, due to the fact that hospital revenue is currently not meeting budgeted projections.

MANDATORY  
AMENDMENT TO  
VALIC 457(B) PLAN

Mr. Halfen also called attention to a mandatory amendment to the hospital's Valic 457(B) plan, which needs to be adopted in order to maintain tax benefits of the plan. It was moved by Doctor Ungersma, seconded by M.C. Hubbard, and passed to approve the mandatory amendment to the Valic 457(B) plan as requested, with Mr. Watercott abstaining from the vote.

DISCUSSION OF AN  
EMPLOYEE  
GRIEVANCE

District Legal Counsel Douglas Buchanan reviewed the guidelines for discussing an employee grievance during closed session. It was noted that the grievance filed by Ms. Sandra Lund will be heard in closed session at the request of Ms. Lund. Closed session rules allow for only the Board of Directors and whomever the Board needs present to help with discussion of the grievance to be present, as well as the employee, and their attorney, if desired. If witnesses are called, they are heard one at a time, and the Chairman of the Board has control over the conduct of the grievance.

It was also reported that management has not had adequate time to fully investigate a second employee grievance filed by Ms. Deborah Morales, therefore Administration requests discussion of that grievance be tabled to a special meeting of the District Board, to be held at Northern Inyo Hospital on January 25<sup>th</sup> 2012 at noon. It was moved by Dr. Ungersma, seconded by Ms. Hubbard, and passed to table discussion of the employee grievance and appeal of termination filed by Ms. Deborah Morales until January 25 2012, with the consent of Ms. Morales.

NEW BUSINESS

CONSTRUCTION  
CHANGE ORDER  
REQUESTS

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

1. COR 168.2; IB 223 and 256, EJ Head of Wall, \$10,881
2. COR 263.1; IB 267, Revise curb and gutter location. Removal and replacement west side of Support, \$10,929
3. COR 270.1; IB 294, Add furred wall in front of shaft wall, \$4,274
4. COR 275.1; IB 315, Line for Humidification for CRAH, \$4,487
5. COR 278; IB 309, Electrical for FSD, \$4,365
6. COR 279.1; IB 317, Handrails at Walkways and Radiology, 7,298
7. COR 281; IB 332, Boiler, APC and Flue Anchorage, \$4,754
8. COR 282; IB 328, 325, 339, Equipment Anchorage, \$0
9. COR 283; IB 337, Canopy Support Attachment, \$2,287
10. COR 284; IB279, Added Door for Display Area Gift Shop, \$3,126
11. COR 285; RFI 1216, CRAH Floor Stand, \$7,117
12. COR 286; IB331, TV Bracket Anchorage, \$856
13. COR 287; IB 271, Various Minor RFI revisions (RFI 1034, 1058, 1066, 1074, 1074.1,1108B, 1037)
14. COR 288; IB 312, 323, 324, 326 at Zero and remove and replace sidewalk adjacent to south side of Support, \$5,993

Ms. Sherry noted all of the COR's represent either design changes; Office of Statewide Health Care Planning and Development (OSHPD) requirements; or code changes necessary for completion of the project. Mr. Halfen asked if the cost of some of the design changes can be covered by the architect who created the original design, and the response was that they cannot. Following review and discussion of the information provided it was moved by D. Scott Clark, M.D., seconded by Ms. Hubbard, and passed to approve all 14 Construction Change Orders as requested.

EXTENSION OF  
TURNER CONTRACT

Ms. Sherry also called attention to COR 289 which allows for an extension of Turner Construction's contract from January 3 2012 to March 28 2012, so Turner can continue to manage the project until it is complete. Ms. Sherry explained that Turner has exhausted all possible ways to save the hospital money on the building project, and they cannot continue to absorb any additional costs. Mr. Halfen provided a cash flow projection illustrating where the money for the \$367,330 contract extension will come from, and also showed how the hospital intends to pay the remainder of building project expenses. He also noted the hospital has established two lease lines of credit in order to help cover the cost of equipment for the new building, if necessary. Following review of the information provided, it was moved by Doctor Clark, seconded by Ms. Hubbard, and passed to approve COR 289 to allow for extension of the Turner Construction Management contract as requested.

PURCHASE OF  
PARAGON PHYSICIAN  
DOCUMENTATION  
MODULE

Information Technology Director Adam Taylor called attention to a proposal to purchase the Paragon Physician Documentation Module for NIH's new Hospital Information System (HIS). Mr. Taylor noted the module is an important part of the hospital's electronic medical records package, which was originally budgeted for at \$190,000, but will actually come in at a cost of \$137,000. A demonstration of the system will be provided for the Medical Staff on January 23, and Mr. Taylor requests approval of this purchase pending the acceptance of the Medical Staff. It was moved by Doctor Clark, seconded by Ms. Hubbard, and passed to approve the purchase of the Paragon Physician Documentation module, pending the approval of the NIH Medical Staff.

ALLIANT INSURANCE  
RENEWAL

Mr. Halfen called attention to a renewal of the Alliant *All Risk Property Insurance* policy for NIH. The Alliant proposal represents a renewal of the existing policy, with a small reduction to the cost of the premium. Mr. Halfen noted the new policy will not include earthquake insurance coverage, since the new hospital building will essentially be considered to be 'earthquake proof'. The contents of the new building will be insured, however the building itself will not have earthquake insurance coverage. It was moved by Dr. Ungersma, seconded by Ms. Hayden, and passed to approve the Alliant *All Risk Property Insurance* policy renewal as requested.

PRACTICE  
MANAGEMENT  
AGREEMENTS FOR  
COLLINS & NGUYEN

Mr. Halfen reported approval of the proposed *Practice Management Agreement* and *Relocation Expense Agreement* with Kristen Collins, M.D. will be tabled to the February regular meeting. He additionally reported the proposed *Practice Management* and *Relocation Expense* agreements with John Nguyen, M.D. have been retracted and will not be presented for approval now or at any time in the future.

PRACTICE  
MANAGEMENT  
AGREEMENT, CASEY

Mr. Halfen also called attention to a renewal of the existing *Private Practice Physician Practice Management Agreement* with Alice Casey, M.D.. The new agreement is identical to Doctor Casey's existing agreement, with a change being made only to the date. It was moved by Dr. Clark, seconded by Ms. Hayden, and passed to approve the renewal agreement with Alice Casey M.D. as requested.

ORTHOPEDIC  
CONTRACT  
AMENDMENT

Mr. Halfen also called attention to a proposed amendment to the *Agreement for Orthopedic Services* with Peter Godleski, M.D., which specifies that Dr. Godleski will make every attempt to use existing Medical Staff members to help provide orthopedic coverage. It was moved by Dr. Ungersma, seconded by Ms. Hayden, and passed to approve the amendment to the *Agreement for Orthopedic Services* with Peter Godleski, M.D. as requested.

BOARD MEMBER  
REPORTS

Mr. Watercott asked if any members of the District Board wished to comment on any items of interest. Ms. Hayden commented that a family member recently had surgery at Northern Inyo Hospital, and Ms. Hayden and her family were thrilled with the care provided by Doctor Clark, and with every member of the hospital staff that they encountered. No other comments were heard.

OPPORTUNITY FOR  
PUBLIC COMMENT

In keeping with the Brown Act, Mr. Watercott again asked if any members of the public wished to comment on any items of interest or on any items listed on the agenda for this meeting. Mr. Buchanan reported he recently received an anonymous letter sent to him and to every member of the District Board, and it is his policy that any letter or correspondence that is not signed does not exist. Anonymous correspondences will not be taken seriously, and anyone wanting to get the attention of District Legal Counsel should sign their letter in order for it to be considered.

CLOSED SESSION

At 6:45 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 action filed by John Nesson M.D. against Northern Inyo County Local Hospital District and other

- Defendants (Government Code Section 54956.9(a)).
- C. Confer with legal counsel regarding pending litigation based on stop notice filed by Strocal, Inc. (Government Code Sections 910 et seq., 54956.9).
  - D. Discussion to determine whether or not to initiate litigation (Government Code Section 54956.9(c)).
  - E. 1. Discussion of an employee grievance and appeal of an employee termination (Government Code Section 54957).  
2. Discussion of a second employee grievance and appeal of an employee termination (Government Code Section 54957).
  - F. Conduct CEO Annual Performance Evaluation (Government Code Section 54957).

RETURN TO OPEN  
SESSION AND REPORT  
OF ACTION TAKEN

At 8:37p.m. the meeting returned to open session. Mr. Watercott reported that the District Board took action to uphold the termination of former employee Sandra Lund. Ms. Lund expressed her disappointment with the Board's ruling, but thanked them for their time and consideration. She also stated her lack of respect for management personnel who issued her termination notice, and stated her belief that the manager in question should hold a position of importance at the hospital.

Mr. Watercott again asked if anyone present wished to comment on any items listed on the agenda for this meeting, or on any items of interest. No additional comments were heard.

The meeting was adjourned at 8:42 p.m..

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Peter Watercott, President

Attest:

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M.C. Hubbard, Secretary