

CALL TO ORDER The meeting was called to order at 5:30pm 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, M.D., Chief of Staff
Will Richmond, Attorney at Law (on behalf of District Legal Counsel)
Sandy Blumberg, Administration Secretary

ALSO PRESENT FOR
RELEVANT PORTIONS Dianne Shirley, R.N., Performance Improvement Coordinator

PUBLIC COMMENT Mr. Watercott asked if any members of the public wished to comment on any items listed on the agenda for this meeting, or on any items of interest. No comments were heard.

CONSENT AGENDA The proposed consent agenda for this meeting included the following items:
1. Approval of the minutes of the September 19, 2012 regular meeting (*action item*).
2. Financial and Statistical reports for the month of July 2012 (*action item*).
3. Policy & Procedure manuals annual approval (*action items*):
 A. Clinical Diet Manual D. Pulmonary Function
 B. Employee Health E. Social Services
 C. Environmental Services F. Utilization Review
It was moved by Denise Hayden, seconded by John Ungersma, M.D., and passed to approve the proposed consent agenda items as presented.

EARTHQUAKE
INSURANCE Mr. Halfen asked that the Board address agenda item 8A next, in order to allow the insurance agents present for discussion of the possible purchase of earthquake insurance to not have to stay for the entire meeting. At that time, Board member D. Scott Clark, M.D. moved to table this agenda item due to the fact that he does not feel it is necessary for the District to purchase earthquake insurance. The motion was seconded by Ms. Hayden, but prior to a vote discussion took place including insurance agent Robert Beach presenting his explanation regarding why it may be prudent for the District to purchase insurance. Mr. Beach also explained that he has extended his quote several times for the District already, and he may not be able to extend it any further. Following further discussion, which included comments regarding the new hospital building being designed to be essentially earthquake proof, and the value of the old

ADMINISTRATOR'S
REPORT

hospital building possibly not being worth insuring, and it was moved by Doctor Clark, seconded by Ms. Hayden and passed to decline acceptance of earthquake insurance coverage, with Mr. Watercott abstaining from the vote.

BUILDING UPDATE

Interim Chief Nursing Officer Sharon Tourville updated the Board on the State licensing visit for the new hospital building, and on the move out of the old hospital facility and into the new one. Ms. Tourville gave kudos to hospital staff; to Chief of Staff Robbin Cromer-Tyler, M.D.; and to Administrator John Halfen for their hard work and dedication during the licensing visit and move. The State survey team consisted of a total of three people who stayed for a total of three days to complete the survey, and Ms. Tourville noted that the survey was extremely thorough and the team stayed longer than they had originally anticipated. There were several sticking points that surfaced during the State visit, and hospital staff joined forces and worked quickly to correct those items that the surveyors felt were issues. Changes were made in the Dietary Department and in the standby kitchen; and a playroom was created for pediatric patients. Several new policies and procedures were developed at the request of the surveyors, who also informed us that we will be required to add the Radiology building; Lab; Purchasing; MRI; and all other hospital outbuildings to our license. The survey was conducted utilizing a temporary command center, and was run in the format of a disaster drill for hospital staff. Doctor Cromer-Tyler stated that she felt that management and hospital staff did an exemplary job during both the licensing visit and during the efficiently organized move into the new hospital building. We continue to make improvements to signage in the new building, and will continue to tie up loose ends as we prepare for the Joint Commission survey that will take place by March of next year. Mr. Halfen mentioned that we will also begin discussion of Phase III of the hospital rebuild project in the next month.

ORTHOPEDIC
SERVICES UPDATE

Mr. Halfen reported there is no change to the status of orthopedic recruitment, and the District still plans to move forward with establishing a Memorandum of Understanding (MOU) with Mammoth Hospital in order to coordinate orthopedic service coverage between the two facilities.

HOSPITALIST
PROGRAM UPDATE

There is also no change to the status of Northern Inyo Hospital's (NIH's) current Hospitalist program, and Shiva Shabnam M.D. is expected to take over as Director of the Hospitalist Program effective as of November 1.

PHYSICIAN
RECRUITMENT
UPDATE

Mr. Halfen also reported that we continue to recruit for family practice and internal medicine physicians, and that Catherine Leja, M.D. plans to return to this area to practice medicine at NIH's Rural Health Clinic (RHC). We have also recently met with a potential general surgery

candidate, and we intend to meet with a family practitioner during the next couple of weeks as well.

CHIEF OF STAFF
REPORT

Chief of Staff Robbin Cromer-Tyler M.D. reported that following careful review and consideration by the appropriate committees, the Medical Executive Committee recommends the following Medical Staff appointments:

1. Kristin Collins, D.O.; Staff Appointment, Clinical Privileges
2. Robert Frankel, P.A.; Delegation of Services Agreement, Clinical Privileges
3. Lyn Leventis, M.D.; Resignation of Staff Appointment, Clinical Privileges

It was moved by Doctor Ungersma, seconded by Ms. Hayden, and passed to approve all three Medical Staff recommendations as requested.

NEW BUSINESS

CONSTRUCTION
CHANGE ORDER
REQUEST

Mr. Halfen called attention to Construction Change Order Request (COR) #349, for chiller piping replacement. He requested Board approval to settle payment of this COR in an amount not to exceed \$85,000, because he does not feel the District should be responsible for the entire amount of this COR, and he would like to negotiate with the parties involved to settle for a lesser amount. It was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to allow Mr. Halfen to negotiate the cost of COR #349, and to process payment in an amount not to exceed \$85,000.

EMPLOYEE INCENTIVE
STORE PROPOSAL

Mr. Halfen reported that this agenda item will be tabled for discussion to the next regular meeting.

PHYSICIAN
AGREEMENTS WITH
CATHERINE LEJA, MD

Mr. Halfen called attention to the following proposed agreements with Catherine Leja, M.D.:

1. Rural Health Clinic Staff Physician Agreement
2. Relocation Expense Agreement
3. Private Practice Income Guarantee

The proposed agreements are typical of those we have previously entered into with other physicians who have relocated to this area in order to practice medicine. Following review of the information provided it was moved by Doctor Clark, seconded by Ms. Hubbard, and passed to approve all three agreements with Catherine Leja, M.D. as requested.

CHIEF OF EKG
SERVICES
AGREEMENT, ASAO
KAMEI, M.D.

Mr. Halfen also called attention to a proposed renewal agreement for the Services of Chief of the Electrocardiographic (EKG) Department with Asao Kamei, M.D.. The proposed agreement constitutes a straight renewal of Dr. Kamei's existing contract, with no changes being made except to the term of the agreement. It was moved by Ms. Hubbard,

seconded by Ms. Hayden, and passed to approve the proposed agreement for Chief of EKG Services with Dr. Kamei as requested.

ORTHOPEDIC
SERVICES M.O.U. WITH
MAMMOTH HOSPITAL

Mr. Halfen then called attention to a list of bullet points he would like approved to be incorporated into a Memorandum of Understanding (MOU) for orthopedic services between NIH and Mammoth Hospital. The proposed MOU will allow for sharing orthopedic surgeons Mark Robinson, M.D., and Timothy Crall, M.D. amicably between the two hospital facilities. The intent of the MOU is to allow the surgeons to provide services at both facilities with no incentive being given to encourage patients to receive services at either facility over the other. Once the Boards of both hospitals approve the MOU bullet points, they will have attorneys draft an agreement. NIH will bill for the facility component of services provided here, and will provide staff and office space at 152 Pioneer Lane, Suite A. The physicians will bill for their own professional fees, and Dr. Crall will be asked to apply for Medical Staff privileges at NIH as soon as possible. The bottom line will be that patients can be seen at whichever facility they prefer, and NIH will have additional orthopedic coverage. Following brief discussion it was moved by Doctor Ungersma, seconded by M.C. Hubbard and passed to approve the bullet points for the Draft MOU for Orthopedic Services with Mammoth Hospital as requested

RENEWAL OF PRIVATE
PRACTICE PHYSICIAN
INCOME GUARANTEE
& PRACTICE
MANAGEMENT
AGREEMENT , LARA
JEANINE ARNDAL, MD

Mr. Halfen called attention to a proposed Private Practice Physician Income Guarantee and Practice Management Agreement with OB/Gyn Lara Jeanine Arndal, M.D.. Her renewal salary is slightly above 50% of the industry standard, and this agreement includes minor changes to equalize the practice in the event that a new partner comes on board. It was moved by Doctor Ungersma, seconded by Ms. Hayden, and passed to approve the renewal agreement with Lara Jeanine Arndal, M.D. as requested.

EXTENSION OF RURAL
HEALTH CLINIC
AGREEMENTS WITH
TOM BOO, M.D. AND
STACEY BROWN, M.D.

Mr. Halfen also called attention to proposed extensions of the agreement for the Services of the Director of the Rural Health Clinic with Stacy Brown, M.D., and for the RHC Staff Physician Agreement with Thomas Boo, M.D.. Mr. Halfen is still negotiating some of the details in both renewal agreements, and the extensions will allow him additional time in which to do so. It was moved by Ms. Hayden, seconded by Ms. Hubbard and passed to approve the extensions of both agreements as requested.

RENEWAL OF EKG
SERVICES
AGREEMENTS WITH
JAMES RICHARDSON,
MD, AND NICKOLINE
HATHAWAY, MD

Mr. Halfen also called attention to renewal agreements for the Electrocardiographic services of James Richardson, M.D. and Nickoline Hathaway, M.D.. Both agreements constitute straight renewals of the physicians' existing agreements, with a change only being made to the term of each agreement. It was moved Ms. Hubbard, seconded by Ms. Hayden, and passed to approve the EKG renewal agreements with

Doctors Richardson and Hathaway as requested.

DISTRICT BOARD
RESOLUTION 12-07
AND DISTRICT BOARD
ORDINANCE 12-01

Mr. Halfen called attention to proposed District Board Resolution 12-07, and proposed District Ordinance 12-01, which would allow for the issuance of bonds and the sale of bonds required to refinance the Districts' 1998 revenue bond issue. The refinance would save the District approximately \$800,000 over the life of the bonds, and would change the covenants of the existing bonds to be less restrictive. Bond counsel is currently reviewing the documents involved, and Quint and Thimmig LLP will be processing the transaction. A question was asked regarding whether or not the refinanced bonds will be available for purchase by persons in our local community, and Mr. Halfen responded that it is possible, but not likely, because the bonds are typically sold as a block. Following review and discussion of the proposed transaction it was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve both District Board Resolution 12-07 and District Board Ordinance 12-01 as requested, in order to allow for the refinancing of the 1998 revenue bonds.

BOARD MEMBER
REPORTS

Mr. Watercott asked if any members of the Board of Directors wished to report on any items of interest. No reports 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 listed on the agenda for this meeting or on any items of interest. No comments were heard.

CLOSED SESSION

At 6:53pm 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 pending litigation based on stop notice filed by Strocal, Inc. (Government Code Sections 910 et seq., 54956.9).

RETURN TO OPEN
SESSION AND REPORT
OF ACTION TAKEN

At 7:12pm the meeting returned to open session. Mr. Watercott reported that the Board took no reportable action.

OPPORTUNITY FOR
PUBLIC COMMENT

Mr. Watercott again asked if any members of the public or anyone present wished to comment on any items listed on the agenda or on any items of interest. He then commented that he has heard rumors regarding members of the community, in particular Inyo County employees, having to go out of the area for medical services, due to changes in their insurance policies, and due to the fact that costs are lower at other facilities. Mr. Halfen

responded that he has also heard of an increased number of District residents traveling to the Carson City area for Radiology services, because of the low cost. He additionally stated that unfortunately, there is nothing we can do to compete with the prices offered by free-standing imaging centers, who can provide services at a much lower cost than hospitals can. We will continue to make every effort to keep our costs as low as possible, and to provide as many services as possible for our local residents. No other comments were heard.

ADJOURNMENT

The meeting was adjourned at 7:20pm.

Peter Watercott, President

Attest:

M.C. Hubbard, Secretary