

# December 15, 2021 Regular Board Meeting

## December 15, 2021 Regular Board Meeting

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# **AGENDA**

## **NORTHERN INYO HEALTHCARE DISTRICT BOARD OF DIRECTORS REGULAR MEETING**

**December 15, 2021 at 5:30 p.m.**

As of July 1, 2021, the Board is again meeting in person at 2957 Birch Street Bishop, CA 93514. Members of the public will be allowed to attend in person or via zoom. Public comments can be made in person or via zoom:

**TO CONNECT VIA ZOOM:** *(A link is also available on the NIHD Website)*  
<https://zoom.us/j/213497015?pwd=TDIIWXRuWjE4T1Y2YVFWbnF2aGk5UT09>  
Meeting ID: 213 497 015  
Password: 608092

**PHONE CONNECTION:**  
888 475 4499 US Toll-free  
877 853 5257 US Toll-free  
Meeting ID: 213 497 015

- 
1. Call to Order (at 5:30 pm).
  2. **Public Comment:** The purpose of public comment is to allow members of the public to address the Board of Directors. Public comments shall be received at the beginning of the meeting and are limited to three (3) minutes per speaker, with a total time limit of thirty (30) minutes for all public comment unless otherwise modified by the Chair. Speaking time may not be granted and/or loaned to another individual for purposes of extending available speaking time unless arrangements have been made in advance for a large group of speakers to have a spokesperson speak on their behalf. Comments must be kept brief and non-repetitive. The general Public Comment portion of the meeting allows the public to address any item within the jurisdiction of the Board of Directors on matters not appearing on the agenda. Public comments on agenda items should be made at the time each item is considered.
  3. New Business:
    - A. Approval of the Amendment No.5 to the Northern Inyo County Local Hospital District Retirement Plan *(Board will consider the approval of this Amendment)*

- B. Approval of the Freeze Amendment Valic 457 Plan (*Board will consider the approval of this Amendment*)
  - C. Approval of the Freeze Amendment Lincoln 457 Plan (*Board will consider the approval of this amendment*)
  - D. Northern Inyo Healthcare District 2021 Annual Financial Audit Report and Document Presentation by Eide Bailly (*Board will receive this presentation and consider the approval of the Financial Audit Results and Documents*)
  - E. Approval of Revenue Bond Agreements between Quint & Thimmig, LLP and Northern Inyo Healthcare District for Refunding Revenue Bonds, Series 2021A & Taxable Refund Revenue Bonds, Series 2021B ; and approval of District Board Resolution 12-14 (*Board will consider the approval of these agreements and this District Board Resolution*)
  - F. Policy and Procedure Approval, Processing Returned Mail (*Board will consider the renewal of this Policy and Procedure*)
  - G. Policy and Procedure Approval, Processing United States Postal Service Mail (*Board will consider the renewal of this Policy and Procedure*)
  - H. Election of Board officers for calendar year 2022 (*Board will appoint Board Officer for calendar year 2022*)
  - I. Recommendation to Appoint a Board Member to the Compliance and Business Ethics Committee (*Board will consider the appointment of a representative*)
4. Chief of Staff Report, Sierra Bourne MD:
- A. Medical Staff Appointments (*Board will consider the approval of these Medical Staff Appointments*)
    - 1. Jane Yoon, MD (*pediatrics*) – Active Staff
    - 2. Milan Shah, MD (*urology*) – Courtesy Staff
    - 3. George Chiang, MD (*urology*) – Courtesy Staff
    - 4. Bridget Miranda, NP (*urology nurse practitioner*) – Advanced Practice Provider Staff
    - 5. Bradley Nelson, MD (*cardiology*) – Telemedicine Staff (Renown)
    - 6. Troy Wiedenbeck, MD (*cardiology*) – Telemedicine Staff (Renown)
  - B. Request for Additional Privileges (*Board will consider the approval of this Request for Additional Privileges*)
    - 1. Gary Turner, MD (*radiology*) – request for PICC line insertion privileges.
  - C. Medical Staff Resignations (*Board will consider the approval of these Medical Staff Resignations*)
    - 1. Anu Agarwal, MD (*telecardiology, Renown*) – 8/9/2021
    - 2. David Nicholson, CRNA (*nurse anesthesia*) – 9/30/2021
    - 3. Richard Seher, MD (*telecardiology, Renown*) – 8/4/2021



4. Sarah Zuger, MD (*family medicine*) – 12/31/2021
  - D. Members Not Submitting a Reappointment Application – Privileges to Expire 12/31/2021  
(*Board will receive this information*)
    1. Daniel Davis, MD (*orthopedics*)
    2. Kevin Deitel, MD (*orthopedics*)
    3. Elizabeth Maslow, MD (*infectious disease*)
    4. Wilbur Peralta, MD (*internal medicine/hospitalist*)
    5. Louis Rivera, MD (*general surgery*)
    6. Richard Seher, MD (*telecardiology, Renown*)
    7. Sheila Lezcano, MD (*rheumatology*)
    8. Shabnamzehra Bhojani, MD (*psychiatry*)
    9. Rajesh Vaid, MD (*teleradiology*)
  - E. Policies/Procedures (*Board will consider the approval of these Policies and Procedures*)
    1. *Emergency Department Telephone Advice Information*
    2. *Blood Alcohol Levels; Law Enforcement - Requested Collection*
    3. *Medical Staff Department Policy – Anesthesia*
    4. *Medical Staff Department Policy – Surgery*
    5. *Non-Physician First Assistant in the Operating Room*
    6. *Standardized Procedure – General Policy for the Nurse Practitioner or Certified Nurse Midwife*
    7. *Standardized Protocol – General Policy for the Physician Assistant*
    8. *Diagnostic Imaging – Radioactive Material Hot Lab Security*
  - F. Biennial Review of Radiation Safety Policies (*Board will consider the approval of these Biennial Review of Radiation Safety Policies*)
    1. *ALARA Program*
    2. *Diagnostic Imaging – Ordering Radioactive Materials*
    3. *Diagnostic Imaging – Handling of Radioactive Packages, Non-Nuclear Medicine Personnel*
    4. *Dosimetry Program – Occupational Radiation Exposure Monitoring Program*
    5. *Radiology Services Pregnant Personnel*
    6. *DI CT Radiation Safety Policy*
    7. *Diagnostic Imaging – Imaging Equipment Quality Control*
    8. *Diagnostic Imaging – Patient Priority*
    9. *DI - Venipuncture by Radiologic Technologists*
    10. *DI – CT Contrast Administration*
    11. *Sonography Ergonomics Policy*
  - G. Medical Executive Committee Meeting Report (*Board will received this information*)
- 

### ***Consent Agenda***

5. Approval of District Board Resolution 21-13, to continue to allow Board meetings to be held virtually (*Board will consider the approval of this District Board Resolution*)

6. Approval of minutes of the November 17, 2021 Regular Board Meeting (*Board will consider the approval of these minutes*)
7. Financial and Statistical reports as of October 31, 2021 (*Board will consider accepting this report*)
8. Approval of Policies and Procedures (*Board will consider the approval of these Policies and Procedures*)
  - A. *Advance Beneficiary Notice- Non-Clinical Policy and Procedure*
  - B. *Medicare Outpatient Observation Notice- Non-Clinical Policy and Procedure*
  - C. *NIHD Code of Business Ethics and Conduct- Non-Clinical Policy*
  - D. *Language Access Services Policy- Non-Clinical Policy*
  - E. *Language Access Services Program- Non-Clinical Policy*

- 
9. Reports from Board members (*Board will provide this information*).
  10. Public Comments on closed session items.
  11. Adjournment to Closed Session to/for:
    - A. Conference with legal counsel, anticipated litigation. Significant exposure to litigation (pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9) two cases.
    - B. Conference with legal counsel, existing litigation (pursuant to Gov. Code Section 54956.9(d)(1) one case.
  12. Return to Open Session and report of action taken, if any.
  12. Adjournment.

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

**NORTHERN INYO HEALTHCARE DISTRICT  
RECOMMENDATION TO THE BOARD OF DIRECTORS  
FOR ACTION**

Date: 11/29/2021

Title: **AMENDMENT NO. 5 TO THE NORTHERN INYO COUNTY LOCAL HOSPITAL  
DISTRICT RETIREMENT PLAN**

Synopsis: It is recommended that the Board of Directors approve the Amendment which matches language in both of the MOUs between AFSCME and the District in which an employee is no longer eligible to participate in the DB plan but shall be eligible for the 401(a) plan if they return unless they left employ for further education and returned within five (5) years. In addition there is clarifying language for married and unmarried participants with regard to their annuity option stating that they will have the 100% Joint & Survivor unless they elect otherwise. Finally, there is clarifying information that a married participant must get a spouse to consent to any annuity option other than 100% or 50% Joint & Survivor.

Prepared by: Alison Murray  
Acting HR Director

Approved by: Kelli Davis  
Kelli Davis  
Chief Executive Officer

**FOR EXECUTIVE TEAM USE ONLY:**

Date of Executive Team Approval: 12-6-2021 Submitted by: Kelli Davis  
Chief Officer

**AMENDMENT NO. 5 TO THE  
NORTHERN INYO COUNTY LOCAL  
HOSPITAL DISTRICT RETIREMENT PLAN**

**RECITALS**

A. The NORTHERN INYO HEALTHCARE DISTRICT (formerly known as the NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT) (the “Employer”), adopted the NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT RETIREMENT PLAN (the “Plan”) for the benefit of its Employees and their Beneficiaries, effective as of March 1, 1975, and subsequently amended and restated the Plan as of January 1, 2009.

B. The Employer wishes to amend the Plan in order to (i) clarify participation for rehired employees, (ii) remove the one-year marriage requirement for married participants, and (iii) require spousal consent if a beneficiary other than a spouse is designated.

C. Section 8.1 of the Plan provides that the Employer reserves the right to amend the Plan at any time by an instrument in writing executed in the name of the Employer by an officer or officers duly authorized to execute such instrument.

D. The Employer hereby amends the Plan effective as of the date that this Amendment No. 5 is executed in accordance with the terms set forth at Section 8.1 of the Plan.

**AMENDMENT**

NOW, THEREFORE, Employer hereby amends the NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT RETIREMENT PLAN as follows:

1. Section 2.3, “Participation After Termination of Employment or Break in Service,” is amended by adding the following Section 2.3(d) at the end:
  - (d) Notwithstanding the foregoing provisions of this Section, if any Employee who is eligible to participate in the Plan, leaves the Employer and returns to employment with the Employer, the Employee shall no longer be eligible to participate in this Plan, but shall be eligible to participate in the Northern Inyo Healthcare District 401(a) Retirement Plan. However, if any member of a bargaining unit who is eligible to participate in this Plan, leaves the Employer to further the member’s health career and returns to employment with the Employer within five (5) years, the Employee shall be eligible to participate in this Plan again if the Employee could verify that the educational degree that the Employee received during such absence is related to the Employee’s work at the Employer.

2. Section 4.3 is deleted in its entirety and replaced with the following:

4.3 Form of Benefit

- (a) Married Participants. The retirement benefit of a Participant who is married on the Participant's Annuity Starting Date shall be paid in the form of a 100% Joint and Survivor Annuity described in Section 4.4(c) unless an alternative form of payment is elected, pursuant to an election within the 180-day period ending on the date benefit payments would commence to have his benefit paid on:
  - (i) the Normal Annuity Form under Section 4.2, or
  - (ii) any other alternative form of payment permitted under Section 4.4.
- (b) Unmarried Participants. The retirement benefit of a Participant who is unmarried on the Participant's Annuity Starting Date shall be paid in the form of a Life Annuity (the Normal Annuity Form described in Section 4.2) unless the Participant elects one of the other alternative forms of payment permitted under Section 4.4.

3. Section 4.5 is amended by adding the following Section 4.5(g) at the end:

- (g) Any election by a married Participant, other than a 50% or 100% Joint and Survivor Annuity with the Participant's spouse as the joint annuitant, must be consented to by the spouse in writing during the 180-day period ending on the date benefit payments would commence. Such designation may not be changed without spousal consent (unless the spousal consent expressly permits designations by the Participant without any requirement of further spousal consent) and must be witnessed by a notary public. Such consent shall not be required if it is established to the satisfaction of the Plan Administrator that the required consent cannot be obtained because there is no spouse, the spouse cannot be located, or other circumstances that may be prescribed by Treasury regulations.

EMPLOYER

**NORTHERN INYO HEALTHCARE  
DISTRICT**

By: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM AND CONTENT  
BEST BEST & KRIEGER LLP

By: \_\_\_\_\_  
Attorneys for Employer

**NORTHERN INYO HEALTHCARE DISTRICT  
RECOMMENDATION TO THE BOARD OF DIRECTORS  
FOR ACTION**

Date: 11/29/2021

Title: **FREEZE AMENDMENT VALIC 457 PLAN**

Synopsis: It is recommended that the Board of Directors approve the Amendment which freezes the VALIC 457 plan from plan entry and ceases plan contributions and benefit accruals after December 31, 2021.

Prepared by: Alison Murray  
Acting HR Director

Approved by: *Kelli Davis*  
Kelli Davis  
Chief Executive Officer

**FOR EXECUTIVE TEAM USE ONLY:**

Date of Executive Team Approval: 12-6-2021 Submitted by: *Kelli Davis*  
Chief Officer

**AMENDMENT TO THE  
NORTHERN INYO HOSPITAL 457 PLAN  
(VALIC/AIG RETIREMENT SERVICES)**

**RECITALS**

A. The NORTHERN INYO HEALTHCARE DISTRICT (previously known as the NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT) (the “Employer”) adopted the NORTHERN INYO HOSPITAL 457(b) PLAN (the “Plan”) with Valic/AIG Retirement Services as the Service Provider for the benefit of its Employees and their Beneficiaries effective as of October 31, 2003.

B. The Employer wishes to amend the Plan to (i) freeze all participation under the Plan and prohibit entry into the Plan of any additional participants, after December 31, 2021 and (ii) cease all plan contributions and benefit accruals under the Plan effective after December 31, 2021.

C. Section 9.01 of the Plan provides that the Employer reserves the right to amend the Plan at any time.

D. The Employer hereby amends the Plan effective as of December 31, 2021 in accordance with the terms set forth at Section 9.01 of the Plan.

**AMENDMENT**

NOW, THEREFORE, effective as of December 31, 2021, the Employer hereby amends the NORTHERN INYO HOSPITAL 457(b) PLAN as follows:

A. Freeze all participation under the Plan and prohibit entry into the Plan of any additional participants after December 31, 2021 (the Freeze Date); and

B. Cease all contributions and benefit accruals under the Plan after the Freeze Date.

**EMPLOYER**

**NORTHERN INYO HEALTHCARE  
DISTRICT**

By: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM AND CONTENT  
BEST BEST & KRIEGER LLP

By: \_\_\_\_\_  
Attorneys for Employer

29788.00001\34541949.2



**NORTHERN INYO HEALTHCARE DISTRICT  
RECOMMENDATION TO THE BOARD OF DIRECTORS  
FOR ACTION**

Date: 11/29/2021

Title: **FREEZE AMENDMENT LINCOLN 457 PLAN**

Synopsis: It is recommended that the Board of Directors approve the Amendment which freezes the Lincoln 457 plan from plan entry and ceases plan contributions and benefit accruals after December 31, 2021.

Prepared by: Alison Murray  
Acting HR Director

Approved by: *Kelli Davis*  
Kelli Davis  
Chief Executive Officer

**FOR EXECUTIVE TEAM USE ONLY:**

Date of Executive Team Approval: *12-6-2021* Submitted by: *Kelli Davis*  
Chief Officer

**AMENDMENT TO THE  
NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT -  
LINCOLN FINANCIAL GROUP 457(b) DEFERRED COMPENSATION PLAN**

**RECITALS**

A. The NORTHERN INYO HEALTHCARE DISTRICT (previously known as the NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT) (the “Employer”) adopted the NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT - LINCOLN FINANCIAL GROUP 457(b) DEFERRED COMPENSATION PLAN (the “Plan”) for the benefit of its Employees and their Beneficiaries effective as of December 6, 2007.

B. The Employer wishes to amend the Plan to (i) freeze all participation under the Plan and prohibit entry into the Plan of any additional participants, after December 31, 2021 and (ii) cease all plan contributions and benefit accruals under the Plan effective after December 31, 2021.

C. Section 8.02 of the Plan provides that the Employer reserves the right to amend the Plan at any time.

D. The Employer hereby amends the Plan effective as of December 31, 2021 in accordance with the terms set forth at Section 8.02 of the Plan.

**AMENDMENT**

NOW, THEREFORE, effective as of December 31, 2021, the Employer hereby amends the NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT - LINCOLN FINANCIAL GROUP 457(b) DEFERRED COMPENSATION PLAN as follows:

A. Freeze all participation under the Plan and prohibit entry into the Plan of any additional participants after December 31, 2021 (the Freeze Date); and

B. Cease all contributions and benefit accruals under the Plan after the Freeze Date.

**EMPLOYER**

**NORTHERN INYO HEALTHCARE  
DISTRICT**

By: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM AND CONTENT  
BEST BEST & KRIEGER LLP

By: \_\_\_\_\_  
Attorneys for Employer



Basic Financial Statements and Supplementary Information  
June 30, 2021

## Northern Inyo Healthcare District

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## Independent Auditor's Report

To the Board of Directors  
Northern Inyo Healthcare District  
Bishop, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit and aggregate remaining fund information of the Northern Inyo Healthcare District (District), as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit and aggregate remaining fund information of the District, as of June 30, 2021 , and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the schedules of changes in the net pension liability and related ratios, schedules of pension contributions, and schedules of investment returns, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The combining financial statements of the District and component units and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements of the District and component units are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statement of the District and component units are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eric Sully LLP". The signature is written in a cursive, flowing style.

Sacramento, California  
December 7, 2021

Northern Inyo Healthcare District  
Statement of Net Position  
June 30, 2021

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Assets and Deferred Outflows of Resources

Current Assets

Cash and cash equivalents	\$ 55,683,295
Receivables	
Patient, net of estimated uncollectibles	14,476,697
Estimated third-party payor settlements	255,262
Other receivables	9,903,637
Inventory	3,374,846
Prepaid expenses and other assets	<u>1,401,748</u>
Total current assets	<u>85,095,485</u>

Noncurrent Cash and Investments

Restricted for specific operating purposes and capital improvements	2,589,616
Restricted by trustee for debt reserve	<u>3,055,766</u>
Total noncurrent cash and investments	<u>5,645,382</u>

Capital Assets

Capital assets not being depreciated	5,449,680
Capital assets being depreciated, net	<u>71,106,111</u>
Total capital assets	<u>76,555,791</u>

Total assets	<u>167,296,658</u>
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Deferred Outflows of Resources

Deferred outflows related to pensions	18,395,253
Deferred outflows related to acquisition	<u>573,097</u>
Total deferred outflows of resources	<u>18,968,350</u>

Total assets and deferred outflows of resources	<u><u>\$ 186,265,008</u></u>
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Northern Inyo Healthcare District  
Statement of Net Position  
June 30, 2021

Liabilities, Deferred Inflows of Resources, and Net Position

Current Liabilities	
Notes payable	\$ 917,488
Current maturities of long-term debt	2,414,499
Current maturities of CMS advance	5,261,003
Accounts payable	
Trade	4,239,494
Accrued expenses	
Salaries and wages	4,526,492
Interest and sales taxes	126,738
Self-insurance claims	766,156
Unearned revenue	<u>792,577</u>
Total current liabilities	19,044,447
Long-Term Debt, Less Current Maturities	53,462,531
CMS Advance, Less Current Maturities	8,428,956
Paycheck Protection Program Loan	9,218,579
Net Pension Liability	<u>45,570,613</u>
Total liabilities	<u>135,725,126</u>
Deferred Inflows of Resources	
Deferred inflows related to pensions	<u>2,124,655</u>
Net Position	
Net investment in capital assets	23,734,527
Restricted:	
Programs	105,460
Capital Improvements	2,484,156
Unrestricted	<u>22,091,084</u>
Total net position	<u>48,415,227</u>
Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 186,265,008</u></u>

Northern Inyo Healthcare District  
Statement of Revenues, Expenses and Changes in Net Position  
Year Ended June 30, 2021

Operating Revenues	
Net patient service revenue	\$ 85,594,197
Other revenue	18,085,492
Total operating revenues	<u>103,679,689</u>
Operating Expenses	
Salaries and wages	36,608,872
Employee benefits	23,055,461
Professional fees and purchased services	16,090,675
Supplies	10,941,818
Purchased services	4,987,821
Depreciation	4,172,841
Other	7,320,944
Total operating expenses	<u>103,178,432</u>
Operating Income	<u>501,257</u>
Nonoperating Revenues (Expenses)	
Property tax for operations	735,782
Property tax for debt service	2,005,678
Investment income	374,851
Interest expense	(3,887,538)
Noncapital contributions (and grants)	283,905
Provider relief funds	6,671,309
Gain (loss) on disposal of capital assets	(8,132)
Rental income	286,654
Net nonoperating revenues	<u>6,462,509</u>
Revenues in Excess of Expenses Before Special Item	6,963,766
Special Item - Gain on Sale of Investment in Partnership	<u>1,681,753</u>
Change in Net Position	8,645,519
Net Position, Beginning of Year	<u>39,769,708</u>
Net Position, End of Year	<u><u>\$ 48,415,227</u></u>

Northern Inyo Healthcare District  
Statement of Cash Flows  
Year Ended June 30, 2021

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Operating Activities	
Receipts from and on behalf of patients	\$ 87,214,532
Payments to suppliers and contractors	(40,833,591)
Payments to and on behalf employees	(53,153,362)
Other receipts and payments, net	<u>9,119,999</u>
Net Cash from Operating Activities	<u>2,347,578</u>
Noncapital Financing Activities	
Noncapital contributions (and grants)	288,620
Property taxes received	735,782
Reduction of CMS advance	(904,195)
Proceeds from Paycheck Protection Program loan	290,951
Contribution from Hospital	220,000
Other	<u>443,278</u>
Net Cash from Noncapital Financing Activities	<u>1,074,436</u>
Capital and Capital Related Financing Activities	
Principal payments on long-term debt	(489,005)
Interest paid	(3,894,801)
Purchase and construction of capital assets	(2,726,292)
Cash paid for acquisition of PMA	(100,000)
Property taxes received	<u>2,005,678</u>
Net Cash used for Capital and Capital Related Financing Activities	<u>(5,204,420)</u>
Investing Activities	
Investment income	374,851
Distributions from joint ventures	<u>430,946</u>
Net Cash from Investing Activities	<u>805,797</u>
Net Change in Cash and Cash Equivalents	(976,609)
Cash and Cash Equivalents, Beginning of Year	<u>62,305,286</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 61,328,677</u></u>

Northern Inyo Healthcare District  
Statement of Cash Flows  
Year Ended June 30, 2021

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Reconciliation of Cash and Cash Equivalents to the Statements of Net Position	
Cash and cash equivalents in current assets	\$ 55,683,295
Cash and cash equivalents in noncurrent cash and investments	5,645,382
	<u>5,645,382</u>
Total cash and cash equivalents	\$ 61,328,677
	<u>\$ 61,328,677</u>
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating income	\$ 501,257
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation on capital assets	4,172,841
Pension expense	107,007
Provision for bad debts	7,599,346
Changes in assets and liabilities	
Patient receivables	1,581,849
Other receivables	(8,964,085)
Inventory	(723,394)
Prepaid expenses	190,095
Accounts payable	611,607
Estimated third-party payor settlements	(26,131)
Accrued expenses	(2,702,814)
	<u>(2,702,814)</u>
Net Cash from Operating Activities	\$ 2,347,578
	<u>\$ 2,347,578</u>
Supplemental Disclosure of Noncash Capital and Capital Related Financing Activities	
Accounts payable for construction (and equipment)	\$ 1,108,656
	<u>\$ 1,108,656</u>
PMA acquisition financed through notes payable	\$ 917,488
	<u>\$ 917,488</u>

Northern Inyo Healthcare District  
Statement of Fiduciary Net Position – Pension Trust Fund  
December 31, 2020

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Assets

Investments at fair value

Fixed dollar account	\$ 806,569
Indexed bond fund	<u>9,382,290</u>

Total assets \$ 10,188,859

Net Position

Restricted for:

Pensions	<u>\$ 10,188,859</u>
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Total liabilities and net position \$ 10,188,859

Northern Inyo Healthcare District  
Statement of Changes in Fiduciary Net Position – Pension Trust Fund  
Year Ended December 31, 2020

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Additions		
Contributions		
Employer		<u>\$ 3,000,000</u>
Investment earnings		
Interest, dividends, and other		<u>597,894</u>
Total investment earnings		597,894
Less investment costs:		
Experience adjustment		<u>1,344,596</u>
Net investment loss		<u>(746,702)</u>
Deductions		
Benefits paid to participants or beneficiaries		13,117,516
Administrative expenses		<u>54,472</u>
Total deductions		<u>13,171,988</u>
Change in Net Position		(10,918,690)
Net Position, Beginning of Year		<u>21,107,549</u>
Net Position, End of Year		<u><u>\$ 10,188,859</u></u>

## **Note 1 - Reporting Entity and Summary of Significant Accounting Policies**

The financial statements of Northern Inyo Healthcare District (the District) have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the District are described below.

### **Reporting Entity**

The District was organized in 1946 under the terms of the Local Health Care District Law and is operated and governed by an elected Board of Directors. The District includes a 25-bed acute care facility that provides inpatient, outpatient, emergency care services, and a rural health clinic in Bishop, California, and its surrounding area.

Northern Inyo Hospital Foundation, Inc. (the "Foundation") is a legally separate 501(c)(3) tax-exempt nonprofit public benefit corporation. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the District. Although the District does not control the timing or amount of receipts from the Foundation, the majority of the resources, or income thereon that the Foundation holds and invests are restricted to the activities of the District by the Foundation's bylaws. The Foundation's Board of Directors may also restrict the use of such funds for capital asset replacement, expansion, or other specific purposes. The District shall appoint the Board of Directors for the Foundation per the Foundation's bylaws, and for this reason it is a blended component unit of the District. No separate financial report is prepared for the Foundation.

Northern Inyo Hospital Auxiliary, Inc. (the "Auxiliary") is also a legally separate 501(c)(3) tax-exempt public benefit corporation. The Auxiliary's actions are subject to the approval of the District and for this reason it is a blended component unit of the District. The Auxiliary's fiscal year ends May 31, 2021. No separate financial report is prepared for the Auxiliary.

Pioneer Home Health Care, Inc. (PHHC) is also a legally separate 501(c)(3) tax-exempt public benefit corporation. The District is the sole corporate owner of PHHC and for this reason it is a blended component unit of the District. PHHC's fiscal year ends December 31, 2020. No separate financial report is prepared for PHHC.

Northern Inyo Local Hospital District Retirement Plan (the "Plan") is a defined benefit retirement plan organized under Internal Revenue Code (IRC) Section 401(a) for District employees who meet certain eligibility criteria. The Pension Trust Fund - Plan is reported in the accompanying financial statements in separate statements of fiduciary net position and changes in fiduciary net position to emphasize that it is legally separate from the District. The Plan's fiscal year end is December 31, 2020. The separate financial statements for the fiduciary component unit are not available.

### **Measurement Focus and Basis of Accounting**

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recognized when earned, and expenses are recorded when the liability is incurred.

### **Basis of Presentation**

The statements of net position displays the District's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Net position is reported in the following categories/components:

*Net investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

*Restricted net position* consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

*Unrestricted net position* is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expense toward the most restrictive resources and then toward unrestricted resources.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **Cash and Cash Equivalents**

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less, excluding internally designated or restricted cash and investments. For purposes of the statement of cash flows, the District considers its investment in the Local Agency Investment Fund (LAIF) and all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents, excluding noncurrent cash and investments.



The District is authorized under California Government Code (CGC) to make direct investments in local agency bonds, notes, or warrants within the state; U.S. Treasury instruments; registered state warrants or treasury notes; securities of the U.S. government or its agencies; bankers' acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium-term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, and obligations with first-priority security; and collateralized mortgage obligations.

All investments are stated at fair value, except for guaranteed investment contracts, which are stated at amortized cost. Investment gain (loss) includes changes in fair value of investments, interest, and realized gains and losses.

### **Restricted Cash and Investments**

Restricted cash consists cash and investments held under indenture agreements or restricted for programs.  
Northern Inyo Healthcare District

### **Patient Receivables**

Patient receivables are uncollateralized customer and third-party payor obligations. The District does not charge interest on unpaid patient receivables. Payments of patient receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

Patient accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the District analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts.

For receivables associated with services provided to patients who have third-party coverage, the District analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the District records a provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates, if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts.

The District has a discount policy established for residents of the District. Details of forgone charges related to discounts are discussed further in Note 5.

### **Inventories**

Inventories are stated at the lower of cost, determined on the average cost method, or net realizable value.

## **Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as significant unobservable inputs therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on techniques that maximize the use of relevant observable inputs and minimizes the use of unobservable inputs.

Assets or liabilities measured and reported at fair value are classified and disclosed in one of the three following categories:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs, other than quoted prices, those are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified contractual term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

## **Investment Income**

Interest, dividends, gains, and losses, both realized and unrealized, on investments and deposits are included in nonoperating revenues when earned.

### Capital Assets

Capital asset acquisitions in excess of \$3,000 are capitalized and recorded at cost. Contributed capital assets are reported at their acquisition value at the date of donation. Assets under capital lease obligations are amortized on the straight-line method over the shorter period of the lease term or the estimated useful life. Such amortization is included in depreciation in the financial statements. All capital assets other than land and construction in progress are depreciated or amortized (in the case of capital leases) using the straight-line method of depreciation using the following asset lives:

Land improvements	2-25 years
Buildings and improvements	2-25 years
Equipment	3-20 years

### Accreted Interest

Interest expense on capital appreciation bonds is being accreted on the straight-line basis to maturity of the individual bonds, which approximates interest accreted on the effective interest method

### Bond Premiums and Issuance Costs

Bond premiums relating to the General Obligation Bonds are netted against the debt payable on the Statement of Net Position. Bond premiums are amortized over the period the related obligation is outstanding using the straight-line method, which approximates the effective interest method. The amortization is included in interest expense.

### Compensated Absences

The District employees earn paid-time off (PTO) at varying rates, depending on years of service. PTO accumulates up to a specific amount, as defined in the District's employee manual. Employees are paid for accumulated PTO if employment is terminated. The liability for compensated absences is included with accrued salaries and benefits in the accompanying financial statements.

### Estimated Health Claims Payable

The District provides for self-insurance reserves for estimated incurred but not reported claims for its employee health plan. These reserves, which are included in current liabilities on the Statement of Net Position, are estimated based upon historical submission and payment data, cost trends, utilization history, and other relevant factors. Adjustments to reserves are reflected in the operating results in the period in which the change in estimate is identified.

### Unemployment Compensation

The District is a part of a pooled unemployment insurance group through California Association of Hospital and Healthcare Systems (CAHHS) for unemployment insurance and does not pay state unemployment tax.

### **Retirement Plan**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Northern Inyo County Local Hospital District Retirement Plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. It is the deferred amounts related to pensions, and the deferred amounts related to acquisitions. The deferred amounts related to pensions relates to the differences between expected and actual experience, changes in actuarial assumptions and the net difference between estimated and actual investment earnings. The deferred amounts related to acquisitions relate to the District's purchase of Pioneer Medical Associates. See Note 14.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. It is the deferred amounts related to pensions for the differences between expected and actual experience and changes in actuarial assumptions.

### **Unearned Revenue**

Unearned revenue arise when resources are unearned by the District and received before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the applicable financial statement and revenue is recognized.

Unearned revenue consists of receipts of federal awards and other grants for which the earnings process was not yet completed at June 30, 2021 because the eligibility requirements were not yet met.

### **Property Tax**

Property taxes are levied by the County on the District's behalf and are intended to support operations and to service debt. The amount of property tax received is dependent upon the assessed real property valuations as determined by the County Assessor. Secured property taxes are levied July 1, and are due in two equal installments on November 1 and February 1 each year, and are delinquent if not paid by December 10 and April 10. Secured property taxes become a lien on the property on January 1.

## **Operating Revenues and Expenses**

The District's statement of revenues, expenses, and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues of the District result from exchange transactions associated with providing healthcare services – the District's principal activity, and the costs of providing those services, including depreciation and excluding interest cost. All other revenues and expenses are reported as nonoperating.

## **Net Patient Service Revenue**

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. Payment arrangements include prospectively determined rates, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered, and adjusted in future periods as final settlements are determined.

## **Charity Care**

The District provides healthcare services to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates. Since the District does not pursue collection of these amounts, they are not reported as patient service revenue. The estimated cost of providing these services was \$323 thousand for the year ended June 30, 2021, calculated by multiplying the ratio of cost to gross charges for the District by the gross uncompensated charges associated with providing charity care to its patients.

## **Grants and Contributions**

The District receives grants and contributions from governmental and private entities. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenue. Amounts restricted for capital acquisitions are reported after nonoperating revenues and expenses.

## **New Accounting Pronouncements**

### **Implementation of GASB Statement No. 84**

As of July 1, 2020, the District adopted GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) [clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The impact to the District resulted in no changes to the financial statements.

### Implementation of GASB Statement No. 97

As of July 1, 2020, the District adopted GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. This Statement's principal objectives are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The impact to the District resulted in no changes to the financial statements.

### Note 2 - Net Patient Service Revenue

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare: Inpatient acute and outpatient services rendered to Medicare program beneficiaries are reimbursed primarily under a cost reimbursement methodology pursuant to the District's designation as a critical access hospital. Costs are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare Administrative Contractor (MAC). The District's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization. Medicare cost reports have been audited by the fiscal intermediary through June 30, 2016.

Medi-Cal: Reimbursement for hospital inpatient services provided to Medi-Cal beneficiaries are based on a diagnosis-related group (DRG)-based methodology and uses the All-Patient Refined DRGs (APR-DRGs) algorithm. Medi-Cal cost reports have been audited through June 30, 2018. Outpatient services are paid at prospectively determined rates per procedure determined by the State of California. Outpatient services delivered at the clinic are reimbursed using a prospectively determined payment system.

The District has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the District under these agreements includes prospectively determined rates and discounts from established charges.

Patient revenue from the Medicare and Medi-Cal programs accounted for approximately 40% and 10% of the District's net patient service revenue for the year ended June 30, 2021.

Laws and regulations governing the Medicare, Medi-Cal, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The net patient service revenue for the year ended June 30, 2021 increased/decreased approximately \$26 thousand due to removal of allowances previously estimated that are no longer necessary as a result of final settlements, adjustments to amounts previously estimated and years that are no longer likely subject to audits, reviews, and investigations.

### **Medi-Cal Payments**

California legislation (AB-915) provides for a Medi-Cal supplemental payment for Medi-Cal outpatient hospital services. As a result of this program, payments received were \$2,033,370 in the year ended June 30, 2021.

The California Department of Healthcare Services (DHCS) implemented The Hospital Quality Assurance Fee (HQAF) program in 2010. The program provides funding for supplemental payments to California hospitals that serve Medi-Cal and uninsured patients. The District received \$743,070 in the year ended June 30, 2021, under this program.

California legislation also provides for a Nondesignated Public Hospital Intergovernmental Transfer Program (IGT) for additional payments for outpatient hospital services. As a result of this program, net payments received were \$13,473,014 in the year ended June 30, 2021. Amounts due under this program total \$7,763,035 and are recorded as other receivables on the statement of net position.

The District records these amounts as other operating revenue, when the revenue is estimable and is reasonably assured of being collected, generally when payments are received or expected to be received.

### **CMS Advanced Payment**

The CMS Advanced Payment balance consists of advanced payments received from the Centers for Medicare and Medicaid Services (CMS), in order to increase cash flow for Medicare Part A providers who were impacted by the COVID-19 pandemic. The District received \$14,594,154 in an advanced payment during April 2020, which will be recouped through the Medicare claims processed beginning 365 days after the date of issuance of the advanced payment. This recoupment process will continue until the balance of the advanced payment has been recouped, or for 29 months from the date that the advanced payment was issued, at which point any remaining unpaid balance is due. The advanced payment balance is non-interest bearing through the 29-month repayment period. The portion expected to be recouped in the next 12 months is included in current liabilities and the portion expected to be recouped in greater than 12 months is presented in long-term liabilities in the accompanying statements of net position. The outstanding balance at June 30, 2021, was \$13,689,959.

**Note 3 - Deposits and Investments**

The carrying amounts of deposits and investments as of June 30, 2021 are as follows:

Carrying Amount	
Petty cash	\$ 2,600
Cash and deposits	18,128,398
Investments	<u>43,197,679</u>
Total	<u><u>\$ 61,328,677</u></u>

Deposits and investments are reported in the following statement of net position captions:

Cash and investments	\$ 55,683,295
Restricted for nurses scholarships and debt service	2,589,616
Restricted for debt service reserve	<u>3,055,766</u>
	<u><u>\$ 61,328,677</u></u>

**Investments Authorized by the California Government Code and the Entity's Investment Policy**

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

Authorized investment type	Maximum maturity:	Maximum percentage of portfolio: *	Maximum investment in one issuer:
Local agency bonds	5 years	None	None
U.S. Treasury obligations	5 years	None	None
U.S. agency securities	5 years	None	None
Banker's acceptances	180 days	40%	30%
Commercial paper	270 days	25%	10%
Negotiable certificates of deposit	5 years	30%	None
Repurchase agreements	1 year	None	None
Reverse repurchase agreements	92 days	20% of base value	None
Medium-term notes	5 years	30%	None
Mutual funds	N/A	20%	10%
Money market mutual funds	N/A	20%	10%
Mortgage pass-through securities	5 years	20%	None
County pooled investment funds	N/A	None	None
Local agency investment fund (LAIF)	N/A	None	\$75M per account
JPA pools (other investment pools)	N/A	None	None

\* Excluding amounts held by bond trustee that are not subject to CGC restrictions.



**Investments Authorized by Debt Agreements**

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Entity’s investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized investment type	Maximum maturity:	Maximum percentage of portfolio:	Maximum investment in one issuer:
U.S. Treasury obligations	None	None	None
U.S. agency securities	None	None	None
Banker's acceptances	180 days	None	None
Commercial paper	270 days	None	None
Money market mutual funds	N/A	None	None
Investment contracts	30 years	None	None
Local agency investment fund (LAIF)	N/A	None	\$75M per account

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Entity manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the District’s investments (including investments held by bond trustee) to market interest rate fluctuation is provided by the following table that shows the distribution of the District’s investments by maturity at June 30, 2021:

Investment Type	Carrying Amount	Rating	Investment Maturities (in Years)		
			Less Than 1	1 - 5	6 - 10
Guaranteed Investment Contract	\$ 575,000	Baa1	\$ -	\$ -	\$ 575,000
Certificates of deposits	1,503,933	P-1/Aa1	1,503,933	-	-
Mutual Funds	292,864	AAAm	292,864	-	-
Money Market Mutual Funds	2,480,766	AAAm	2,480,766	-	-
Local Agency Investment Fund	38,345,116	Not Rated	38,345,116	-	-
Total	<u>\$ 43,197,679</u>		<u>\$ 42,622,679</u>	<u>\$ -</u>	<u>\$ 575,000</u>

### **Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The CGC limits the minimum rating required for each investment type. The LAIF is not rated.

### **Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Entity's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2021, \$2,818,672 of the District's deposits were covered by federal deposit insurance, and \$15,309,726 was collateralized (i.e., collateralized with securities held by the pledging financial institutions of at least 110% of the District's cash deposits, in accordance with the CGC).

### **Investment in State Investment Pool**

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**Fair Value Measurements**

Assets measured at fair value on a recurring basis and the related fair value of these assets as of June 30, 2021, are as follows:

Investments by fair value	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
District Investments:				
Certificates of Deposit	\$ 1,503,933	\$ -	\$ 1,503,933	\$ -
Mutual Funds	292,864	292,864	-	-
Money Market Mutual Funds	2,480,766	2,480,766	-	-
<b>Total District Investments Measured at Fair Value</b>	<b>4,277,563</b>	<b>\$ 2,773,630</b>	<b>\$ 1,503,933</b>	<b>\$ -</b>
Investments not measured at fair value or subject to fair value hierarchy				
Local Agency Investment Fund	38,345,116			
Guaranteed Investment Agreement	575,000			
<b>Total District Investments</b>	<b>\$ 43,197,679</b>			

The value of publicly-traded assets, which would be listed as Level 1, are based on unaffiliated industry sources believed to be reliable. Values for non-publicly traded assets, listed as Level 2, may be determined from other unaffiliated sources. Assets for which a current value is unavailable, which would be listed as Level 3, may be reflected at the last reported price or at par, using the best information available in the circumstances.

The District’s investments in traded certificates of deposit and U.S. Government obligations, which are reported in short-term and long-term investments, are based on quoted market prices for identical investments in an inactive market or similar investments in markets that are either active or inactive. Guaranteed investment contracts are valued at cost.

Deposits and withdrawals in governmental investment pools, such as LAIF are made on the basis of \$1 and not fair value. Accordingly, the District’s proportionate share in these types of investments is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

**Employees’ Retirement System**

The District's governing body has the responsibility and authority to oversee the investment portfolio. Various professional investment managers are contracted to assist in managing the District's investments; all investment decisions are subject to California law and the investment policy established by the governing body. The District’s investments are held by a trust company.

**Pension Plan Investment Policy**

The Plan’s investment policy authorizes the Plan to invest in all investments allowed by state statute. These include deposits/investments in insured commercial banks, savings and loan institutions, interest-bearing obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of California or any county, township, or municipal corporation of the State of California, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. agencies, separate accounts managed by life insurance companies, mutual funds, and California Funds (created by the State Legislature under the control of the State Treasurer that maintains a \$1 per share value, which is equal to the participant’s fair value). During the year ended June 30, 2021, there were no changes to the investment policy.

**Pension Plan Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized statistical rating organization. The Plan has an investment policy that limit investment choices by credit rating.

Investment Type	Carrying Amount	Rating	Investment Maturities (in Years)		
			Less Than 1	1 - 5	6 - 10
Indexed bond fund	\$ 9,382,290	AA+	\$ 9,382,290	\$ -	\$ -
Fixed dollar account	806,569	AA+	806,569	-	-
Total	<u>\$ 10,188,859</u>		<u>\$ 10,188,859</u>	<u>\$ -</u>	<u>\$ -</u>

**Pension Plan Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party (e.g., broker-dealer) to the transaction, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Plan’s investment policies do not limit the exposure to custodial credit risk for investments.

**Pension Plan Fair Value Measurements**

The District’s retirement system investments are stated at net asset value (NAV) and fair value. The fixed dollar fund is stated at NAV, which is determined based on the total value of all investments in its portfolio minus the value of liabilities. The index bond fund is stated at fair value and is considered a level 2 investment on the fair value hierarchy. The fixed dollar fund is stated at cost.

**Note 4 - Patient Receivables, Net**

Patient receivables - net for the District consisted of the following at June 30:

Gross accounts receivable	<u>\$ 36,012,895</u>
Less:	
Contractual adjustments	(14,678,055)
Provision for uncollectible accounts	<u>(6,858,143)</u>
Patient receivables, net	<u><u>\$ 14,476,697</u></u>

**Note 5 - Net Patient Service Revenue**

Net patient service revenue for the District consisted of the following for the year ended June 30:

Gross patient service revenue	<u>\$ 171,208,697</u>
Less:	
Contractual adjustments	(78,015,154)
Provision for uncollectible accounts	<u>(7,599,346)</u>
Net patient service revenue	<u><u>\$ 85,594,197</u></u>

**Note 6 - Capital Assets**

Capital assets additions, retirements, transfers and balances for the year ended June 30, 2021, are as follows:

	Balance June 30, 2020	Additions	Transfers and Retirements	Balance June 30, 2021
Capital assets not being depreciated				
Land	\$ 865,330	\$ 618,636	\$ -	\$ 1,483,966
Construction in progress	2,931,044	2,047,244	(1,012,574)	3,965,714
Total capital assets not being depreciated	<u>3,796,374</u>	<u>2,665,880</u>	<u>(1,012,574)</u>	<u>5,449,680</u>
Capital assets being depreciated				
Land improvements	867,086	-	-	867,086
Building and improvements	89,143,531	1,821,081	-	90,964,612
Equipment	35,937,715	1,378,049	-	37,315,764
Total capital assets being depreciated	<u>125,948,332</u>	<u>3,199,130</u>	<u>-</u>	<u>129,147,462</u>
Less accumulated depreciation for				
Land improvements	721,463	28,117	-	749,580
Building and improvements	23,172,418	2,415,237	-	25,587,655
Equipment	29,974,629	1,729,487	-	31,704,116
Total accumulated depreciation	<u>53,868,510</u>	<u>4,172,841</u>	<u>-</u>	<u>58,041,351</u>
Net capital assets being depreciated	<u>72,079,822</u>	<u>(973,711)</u>	<u>-</u>	<u>71,106,111</u>
Capital assets, net	<u>\$ 75,876,196</u>	<u>\$ 1,692,169</u>	<u>\$ (1,012,574)</u>	<u>\$ 76,555,791</u>

Construction in progress at June 30, 2021, represents the ICU Building Retrofit. The estimated cost to complete this project is \$409,000 with construction commitments of \$161,000 as of June 30, 2021, which will be financed with District funds.

**Note 7 - Long-Term Debt**

Long-term debt consists of the following at June 30, 2021:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
General Obligation Bonds					
Direct Placement - 2016 General Obligation					
Refunding Bonds	\$ 16,417,000	\$ -	\$ (299,000)	\$ 16,118,000	\$ 350,000
2009 General Obligation Bonds	8,144,947	-	(418,000)	7,726,947	417,000
Revenue Bonds					
Revenue Bonds, 2010 Series	5,895,000	-	(835,000)	5,060,000	890,000
Revenue Bonds, 2013 Series	9,090,000	-	(360,000)	8,730,000	370,000
Subtotal Bonds Payable	39,546,947	-	(1,912,000)	37,634,947	2,027,000
Bond premiums:					
2009 General Obligation Bonds	316,197	-	(37,645)	278,552	-
2013 Revenue Bonds	112,900	-	(11,884)	101,016	-
Total Bonds Payable	39,976,044	-	(1,961,529)	38,014,515	2,027,000
Accrued Interest - 2009 General					
Obligation Bonds	14,353,980	1,859,192	-	16,213,172	-
Capital lease obligations - Direct borrowings:					
Orchard Software	11,933	-	(11,933)	-	-
Intuitive Surgical	1,490,675	-	(310,553)	1,180,122	321,598
7 Medical	267,393	-	(59,336)	208,057	60,837
Total Capital Lease Obligations	1,770,001	-	(381,822)	1,388,179	382,435
Direct borrowings:					
Pioneer Home Health Mortgage	266,010	-	(4,846)	261,164	5,064
Subtotal long-term debt	56,366,035	1,859,192	(2,348,197)	55,877,030	2,414,499
Other Liabilities					
Direct borrowings:					
Notes payable - PMA Acquisition	-	917,488	-	917,488	917,488
Paycheck Protection Payment Loan - District	8,927,628	-	-	8,927,628	-
Paycheck Protection Payment Loan - PHHC	-	290,951	-	290,951	-
CMS Advance	14,594,154	-	(904,195)	13,689,959	5,261,003
Total long-term debt	\$ 79,887,817	\$ 3,067,631	\$ (3,252,392)	\$ 79,703,056	\$ 8,592,990

The terms and due dates of the District's general obligation bonds at June 30, 2021, are as follows:

**General Obligation Bonds, 2009 Series**

On April 21, 2009, the District issued \$14,464,947 in General Obligation Bonds, 2005 Election, 2009 Series to finance the construction and equipping of an expansion and renovation of the Hospital. The 2009 Bonds consist of two types of bonds, Current Interest Bonds and Capital Appreciation Bonds, issued in the amounts of \$6,320,000 and \$8,144,947, respectively. The Current Interest Bonds maturing through November 1, 2019 have been fully paid. The Term Bond maturing November 1, 2038 was partially extinguished in 2016 using proceeds from the issuance of the 2016 General Obligation Refunding Bond.

Interest on the Capital Appreciation Bonds is accreted annually and paid at maturity. The Capital Appreciation Bonds mature annually commencing on November 1, 2020, through November 1, 2038, in amounts ranging from \$1,020,000 to \$3,420,000, including interest accreted through such maturity dates. The Capital Appreciation Bonds are not subject to redemption prior to their fixed maturity dates.

The District has pledged its tax revenue as security for the General Obligation Bonds, 2009 Series and these obligations contain a provision that in an event of default, the outstanding amounts become immediately due if the District is unable to make a payment.

#### **Revenue Bonds, 2010 Series**

On April 14, 2010, the District issued \$11,600,000 in Revenue Bonds, 2010 Series to finance the replacement hospital, finance the bond reserve account, and pay certain costs of issuance related to the 2010 Bonds.

Interest on the 2010 Bonds is payable semiannually on June 1 and December 1 at rates ranging from 5.000% to 6.375%. Mandatory sinking fund deposits to retire the bonds on their term maturity dates, ranging from \$510,000 to \$1,145,000, are due annually through December 2025. The 2010 Bonds maturing on December 1, 2021, may be called by the District beginning December 1, 2016.

The District has pledged its gross revenue as security for the Revenue Bonds, 2010 Series and these obligations contain a provision that in an event of default, the outstanding amounts become immediately due if the District is unable to make a payment.

The District is required to maintain a long-term debt service coverage ratio at the end of each fiscal year that is not less than 1.25 to 1 (or 1.1 to 1.0, if the District has 75 or more days cash on hand) and provide various reporting under the agreement.

#### **Revenue Bonds, 2013 Series**

On January 17, 2013, the District issued \$11,335,000 in Revenue Bonds, 2013 Series to finance the replacement hospital, finance the bond reserve account, and pay certain costs of issuance related to the 2013 Bonds.

Interest on the 2013 Bonds is payable semi-annually on June 1 and December 1 at rates ranging from 3.875% to 5.000%. Mandatory sinking fund deposits to retire the bonds on their term maturity dates, ranging from \$295,000 to \$1,805,000, are due annually through December 2029.

The District has pledged its gross revenue as security for the Revenue Bonds, 2013 Series and these obligations contain a provision that in an event of default, the outstanding amounts become immediately due if the District is unable to make a payment.

The District is required to maintain a long-term debt service coverage ratio at the end of each fiscal year that is not less than 1.25 to 1 (or 1.1 to 1, if the District has 75 or more days cash on hand) and provide various reporting under the agreement.



**Direct placements:**

**2016 General Obligation Refunding Bond**

On May 12, 2016, the District issued \$17,557,000 in a 2016 General Obligation Refunding Bond, to refinance the General Obligation Bonds, 2005 Series in whole and to pay the term portion of General Obligation Bonds, 2009.

Interest on the 2016 bond is payable semiannually on November 1 and May 1 at a rate of 3.450%. Mandatory sinking fund deposits to retire the bonds on their term maturity dates, ranging from \$278,000 to \$1,874,000, are due annually through December 2035.

The District has pledged its tax revenue as security for the 2016 General Obligation Refunding Bond and these obligations contain a provision that in an event of default, the outstanding amounts become immediately due if the District is unable to make a payment.

**Direct borrowings:**

**Capital Lease Obligations**

Lease obligations to Intuitive Surgical are due in total monthly installments of \$24,344 in March 2022 through 2024, including interest at 3.500%.

Lease obligations to Ascension Capital for 7 Medical are due in total monthly installments of \$5,447 in October 2021 through 2025, including interest at 2.500%.

Capital lease obligations are secured by equipment and contain provisions that in an event of default, the outstanding amounts become immediately due if the District is unable to make a payment.

The general obligation bonds are general obligations of the District. The District has the power and is obligated to cause to be levied and collected the annual *ad valorem* taxes for payment of the bonds and the interest thereon upon all property within the District and without limitation as to rate or amount.

Accreted interest is to be added to the Capital Appreciation Bonds in future years. Principal maturities, which commenced October 2020, and future accreted interest on the Capital Appreciation Bonds, are included in Accreted Interest Payable.

Scheduled principal and interest payments on long-term debt are as follows:

Years Ending June 30,	General Obligation Bonds		Revenue Bonds		Direct Borrowings (Excluding PPP Loans)		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 767,000	\$ 1,232,727	\$ 1,260,000	\$ 680,019	\$ 6,565,990	\$ 53,647	\$ 8,592,990	\$ 1,966,393
2023	847,032	1,279,287	1,330,000	608,569	8,828,937	41,196	11,005,969	1,929,052
2024	1,054,855	1,201,283	1,405,000	531,203	840,186	22,330	3,300,041	1,754,816
2025	1,106,909	1,294,595	1,480,000	449,306	21,677	-	2,608,586	1,743,901
2026	1,171,947	1,383,336	1,565,000	362,559	-	-	2,736,947	1,745,895
2027-2031	7,159,135	8,275,179	6,750,000	639,388	-	-	13,909,135	8,914,567
2032-2036	10,344,869	10,604,307	-	-	-	-	10,344,869	10,604,307
2037-2041	1,393,200	8,057,095	-	-	-	-	1,393,200	8,057,095
Sub-Totals	\$ 23,844,947	\$ 33,327,809	\$ 13,790,000	\$ 3,271,044	\$ 16,256,790	\$ 117,173	53,891,737	\$ 36,716,026
							Premium on Bonds	379,568
							Paycheck Protection Program Loans	9,218,579
							Accreted Interest	16,213,172
							Total	\$ 79,703,056

Scheduled principal and interest payments on capital leases are as follows:

Years Ending June 30,	Direct Borrowings Capital Leases
2022	\$ 423,140
2023	423,140
2024	602,439
2025	21,787
Total minimum lease payments	1,470,506
Less interest	(82,327)
Present value of minimum lease payments	\$ 1,388,179

Under the terms of the revenue bonds and general obligation bonds agreements, the District is required to maintain certain deposits with a trustee. Such deposits are included with assets limited as to use in the financial statements. The loan agreement also places limits on the incurrence of additional borrowings and requires that the District satisfy certain measures of financial performance.

#### Unused Line of Credit

The District has a line of credit at one of the financial institutions where it holds deposits. As of the end of the fiscal year, the unused line of credit was \$3,500,000.

**Paycheck Protection Program Note Payable**

In May 2020, the District and PHHC were granted a \$8,927,628 and \$290,951 loan, respectively, under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. Each loan is uncollateralized and is fully guaranteed by the Federal government. The District and PHHC are eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The District has recorded a PPP loan payable and will record the forgiveness of each loan upon being legally released from the loan obligation by the SBA. No forgiveness income has been recorded for the year ended June 30, 2021. The District and PHHC have applied for and received notification from the SBA subsequent to year end that the PPP loans have been fully forgiven. As a result, the District has elected to classify the PPP loans within long-term liabilities as it is not expected to be using current resources to pay off the loan.

**Note 8 - Retirement Plans**

**Defined Benefit Plan - Plan Description**

The District sponsors a single-employer defined benefit pension plan for employees over age 21 with at least one year of service. The plan is governed by the District's Board of Directors, which may amend benefits and other plan provisions and which is responsible for the management of plan assets. The primary factors affecting the benefits earned by participants in the pension plan are employees' years of service and compensation levels. A separate financial report is not prepared for the Plan.

**Benefits Provided**

The District provides service retirement and pre-retirement death benefits to plan members, who must be District employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 55 with statutorily reduced benefits. All members are eligible for pre-retirement death benefits after five years of service. The benefit vesting schedule is 50% vesting after five years, increasing 10% per year to 100% vested after 10 years of service. The Plan was closed to new entrants effective January 1, 2013.

Active participants automatically become 100% vested upon attainment of normal retirement age or if they become totally and permanently disabled.

The Plan's provisions and benefits in effect at June 30, 2021, are summarized as follows:

Hire Date	Prior to January
Benefit payments	Life Annuity
Retirement age	65-70
Monthly benefits, as a % of eligible compensation	2.50%, not less than \$600
Required employer contribution rates	19.0%

Employees covered at December 31, 2020, by the benefit terms for the Plan are as follows:

Inactive employees or beneficiaries currently receiving benefits	76
Active employees	<u>118</u>
 Total	 <u><u>194</u></u>

**Contributions**

The employer contribution rates are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of January 1 by the Plan. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2021, the employer contribution was \$3,000,000.

**Rate of Return**

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (4.36%)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Concentration of Credit Risk**

The Plan's policy does not limit the percentage of any asset in the Plan portfolio. The composition of plan assets consisted of the following at June 30, 2021:

Asset Allocation	Percent of Total Plan Assets
Fixed dollar account	37.8%
Indexed bond fund	49.7%
Accrued contributions	<u>12.5%</u>
 Total	 <u><u>100%</u></u>

**Net Pension Liability**

The District's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial as of December 31, 2020.

*Actuarial Assumptions* - The total pension liability in the December 31, 2020 actuarial valuation were determined using the following actuarial assumptions:

Valuation Date	December 31, 2020
Measurement Date	December 31, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	4.00%
Projected salary increase	3.00%
Investment Rate of Return	4.00%

Mortality rates for pre-retirement were based on the Pri-2012 Private Retirement Plans Mortality Tables Report, using the Employee Amount-Weighted Mortality with Generational Projection from 2012 Base Year, and using Scale MP-2020. Mortality rates for post-retirement (Annuity) were based on the Pri-2012 Private Retirement Plans Mortality Tables Report, using the Retiree/Contingent-Survivor Amount-Weighted Mortality with Generational Projection from 2012 Base Year, and using Scale MP-2020. Mortality rates for post-retirement (Lump-Sum) were based date of participation (DOP). DOP before July 1, 2009 based on the 1984 Uninsured Pensioner Mortality Table (UP) set back 4 years. DOP on or after July 1, 2009 based on the RP-2000 Table for Males set back 4 years.

The long-term expected rate of return on plan investments was determined using a building block method which best estimate ranges of expected future real rates of return (expected return, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The table below reflects geometric average real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Cash	0.16%	1.57%
U.S. Fixed Income	92.08%	2.70%
U.S. Government Bonds	0.32%	2.19%
U.S. Credit Bonds	1.78%	3.40%
U.S. Mortgages	2.14%	2.82%
U.S. Municipal Bonds	0.40%	2.69%
U.S. Bank/Leverage Loans	2.10%	4.81%
U.S. High Yield Bonds	0.47%	5.67%
Private Equity	0.47%	11.62%
Hedge Funds - Multi-Strategy	0.08%	5.37%
Total	100%	

*Discount rate* – The discount rate used to measure the total pension liability was 4.00% for the plan. The project of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the District’s contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability**

The changes in the net pension liability for the plan are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020	\$ 62,008,986	\$ 21,107,549	\$ 40,901,437
Changes in the year:			
Service Cost	1,951,401	-	1,951,401
Interest on Total Pension Liability	2,298,637	-	2,298,637
Change of Assumptions	1,737,567	-	1,737,567
Differences between Expected and Actual Experience	880,397	-	880,397
Contribution - Employer	-	3,000,000	(3,000,000)
Net investment income	-	(746,702)	746,702
Benefit payments	(13,117,516)	(13,117,516)	-
Administrative Expense	-	(54,472)	54,472
Net changes	<u>(6,249,514)</u>	<u>(10,918,690)</u>	<u>4,669,176</u>
Balance at June 30, 2021	<u>\$ 55,759,472</u>	<u>\$ 10,188,859</u>	<u>\$ 45,570,613</u>

*Sensitivity of the net pension liability to changes in the discount rate* – The following presents the net pension liability of the District calculated using the discount rate of 4.00%, as well as what the District’s net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower or 1- percentage-point higher than the current rate.

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
District net pension liability	\$ 53,846,259	\$ 45,570,613	\$ 38,735,939

**Pension expenses and deferred outflows/inflows of resources related to pensions**

For the fiscal year ending June 30, 2021, the District recognized pension expense of \$7,556,212. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 11,047,364	\$ (723,043)
Differences between expected and actual experience	5,925,419	(1,401,612)
Net differences between projected and actual earnings on plan investments	1,422,470	-
Total	\$ 18,395,253	\$ (2,124,655)

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Year ended June 30	
2022	\$ 3,595,461
2023	3,297,079
2024	3,217,770
2025	1,923,133
2026	1,875,826
Thereafter	2,361,329
Total	\$ 16,270,598

**Defined Contribution Plan – Plan Description**

The District sponsors and contributes to the Northern Inyo County Local Hospital District 401(a) Retirement Plan (NICLHD), a defined contribution pension plan, for its employees. The plan covers its employees who have attained the age of 21 years and were not a participant in the District's defined benefit plan prior to January 1, 2013, and completed of one year of service. NICLHD is administered by the District.

Benefit terms, including contribution requirements, for NICLHD are established and may be amended by the District's Board of Directors. For each employee in the pension plan, the District is required to contribute 7 percent as a percent of annual salary, exclusive of overtime pay, to an individual employee account. Employees are not permitted to make contributions to the pension plan. For the year ended June 30, 2021, the District made employer contributions in the amount of \$758,381.



Each participant shall have a nonforfeitable and vested right to his or her account for each year of service completed while an employee of the employer, in accordance with the following schedule:

Years	Nonforfeitable Percentage
5	50.0%
6	60.0%
7	70.0%
8	80.0%
9	90.0%
10 or more	100.0%

**Note 9 - Risk Management**

The District is exposed to various risks of loss related to medical malpractice; torts; theft of, damage to, and destruction of assets; errors and omissions; injuries of employees; and natural disasters.

The District’s comprehensive general liability insurance covers losses of up to \$20,000,000 per claim with \$30,000,000 annual aggregate for occurrence basis during a policy year regardless of when the claim was filed (occurrence-based coverage).

The District’s professional liability insurance covers losses up to \$5,000,000 per claim with \$5,000,000 annual aggregate for claims reported during a policy year (claims-made coverage). Under a claims-made policy, the risk for claims and incidents not asserted within the policy period remains with the District.

Although there exists the possibility of claims arising from services provided to patients through June 30, 2021, which have not yet been asserted, the District is unable to determine the ultimate cost, if any, of such possible claims, and accordingly no provision has been made for them. Settled claims have not exceeded commercial coverage in any of the three preceding years.

The District is a participant in the Association of California Healthcare Districts’ ALPHA Fund, which administers a self-insured workers’ compensation plan for participating member hospitals and their employees. The District pays a premium to the ALPHA Fund; the premium is adjusted annually. If participation in the ALPHA Fund were terminated by the District, the District would be liable for its share of any additional premiums necessary for final disposition of all claims and losses covered by the ALPHA Fund.

**Note 10 - Self-Insured Healthcare Plan**

The District has a self-funded health care plan that provides medical and dental benefits to employees and their dependents. Employees share in the cost of health benefits. Health care expense is based on actual claims paid, reinsurance premiums, administration fees, and unpaid claims at year-end. The District buys reinsurance to cover catastrophic individual claims over \$200,000. The District records a liability for claims incurred, but not reported that is recorded in accrued payroll and related liabilities in the accompanying statements of net position.

Year	Beginning Liability	Current Year Claims and Changes in Estimates	Claim Payments	Ending Liability
2020	\$ 2,986,779	\$ 9,244,001	\$ (9,893,983)	\$ 2,336,797
2021	2,336,797	7,819,797	(9,390,438)	766,156

**Note 11 - Concentration of Credit Risk**

The District grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of receivables from third-party payors and patients at June 30, 2021 was as follows:

Medicare	40%
MediCal	10%
Other third-party payors	49%
Patients	1%
	100%

**Note 12 - Contingencies**

**Malpractice Insurance**

The District has malpractice insurance coverage to provide protection for professional liability losses on claims-made basis subject to a limit of \$10 million per claim and an annual aggregate limit of \$20 million. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured.

**Litigation, Claims, and Disputes**

The District is subject to the usual contingencies in the normal course of operations relating to the performance of its tasks under its various programs or operating activities, some of which could be material. In the opinion of management, the ultimate settlement of litigation, claims, and disputes will not be material to the financial position, operations, or cash flows of the District.

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Department of Health and Human Services (HHS) and the Medicare and Medi-Cal programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Federal government activity has increased with respect to investigations and allegations concerning possible violations by healthcare providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues from patient services.

#### **Paycheck Protection Program Loan Review**

Loans issued under the PPP were subject to good-faith certifications of the necessity of the loan request. Borrowers with loans issued under the program in excess of \$2 million are subject to review by the SBA for compliance with the program requirements. If the SBA determines that a borrower lacked an adequate basis for the loan or did not meet the program requirements, the loan will not be eligible for loan forgiveness and the SBA will seek repayment of the outstanding PPP loan balance.

The District and PHHC applied for and received loan forgiveness from the SBA on its PPP loans subsequent to June 30, 2021. In accordance with PPP loan requirements, the District is required to maintain PPP loan files and certain underlying supporting documents for periods ranging from three to six years. The District is also required to permit access to such files upon request by the SBA. Accordingly, there is potential the District's PPP loan could be subject to further review by the SBA and that previously recognized forgiveness could be reversed based on the outcome of this review.

#### **COVID-19 Pandemic**

During 2020 and 2021, the world-wide coronavirus pandemic impacted national and global economies. The Association is closely monitoring its operations, liquidity and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the current and future full impact to the District is not known.

#### **Note 13 - Provider Relief Funds**

The District received \$6,671,309 of Coronavirus Aid, Relief, and Economic Security (CARES) Act Provider Relief Funds administered by the Department of Health and Human Services (HHS). The funds are subject to terms and conditions imposed by HHS. Among the terms and conditions is a provision that payments will only be used to prevent, prepare for, and respond to coronavirus and shall reimburse the recipient only for healthcare-related expenses or lost revenues that are attributable to coronavirus. Recipients may not use the payments to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse. HHS currently has deadlines for incurring eligible expenses and lost revenues, varying based on the date the Hospital received the funds. Unspent funds will be expected to be repaid.

These funds are considered subsidies and recorded as a liability when received, and are recognized as revenues in the accompanying statements of revenues, expenses, and changes in net position as all terms and conditions are considered met. As these funds are considered subsidies, they are considered nonoperating activities. The terms and conditions are subject to significant interpretation, changes, and future clarification, the most recent of which have been considered through the date that the financial statements were issued. In addition, this program may be subject to oversight, monitoring, and audit. Failure by a provider that received a payment from the Provider Relief Fund to comply with any term or condition can subject the provider to recoupment of some or all of the payment. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

As of June 30, 2021, the District has recorded revenue from Provider Relief Funds of \$6,671,309, included as nonoperating activities on the statements of revenues, expenses, and changes in net position.

#### **Note 14 - Pioneer Medical Associates Acquisition**

Pioneer Medical Associates (PMA) was a partnership established by a group of physicians and practitioners in 1986 within the District campus at 152 Pioneer Lane. In an effort to support the continued recruitment for physicians and services, it has been the practice of the District to work with the PMA partners when appropriate and directed by the Board of Directors to purchase practices of individuals or groups who are leaving the area or retiring. Prior to January 27, 2021, the District owned a 66.53% interest in the partnership through acquisitions and reported its ownership of the PMA as an investment in partnership on the statement of net position.

On January 27, 2021, the District entered into a purchase agreement for the remaining partnership interests (33.47%) in PMA, consisting primarily of a medical office building and related improvements, in exchange for a contractually determined amount to the remaining partners of \$1,017,488. The total acquisition value of the partnership at the date of acquisition was determined to be \$3,040,000 (\$1,017,488/33.47%), including the District's ownership proportion. The purchase of PMA also resulted in a one time gain of \$1,681,753 on the District's previously reported investment in partnership as a result of the acquisition price of the remaining partnership equity at the date of purchase. This gain is reported as a special item on the statement of revenues, expenses and changes in net position.

As a result of the acquisition, the District will own and operate the medical office building. At the date of escrow closing, the District deposited \$100,000 into an escrow account. The remaining balance of \$917,488 will be paid to the remaining partners in two equal installments, with the first installment due on July 1, 2021 and the second installment due on January 1, 2022. The installments are reported as current notes payable on the statement of net position. The acquisition value of the net position acquired (value assigned to the related capital assets) as of the acquisition date was determined to be \$2,466,903. The difference of \$573,097 is reported as a deferred outflows of resources on the statement of net position.

**Note 15 - Condensed Combining Information**

The following summarizes combining information for the District, Foundation, Auxillary (May 31, 2021), and PHHC (December 31, 2020), which have been presented as a blended component units, as of and for the year ended June 30, 2021.

Statement of net position as of June 30, 2021:

	Hospital	Foundation	Auxillary	Pioneer Home Health Care	Total
Assets and deferred outflows of resources					
Assets					
Current assets	\$ 83,728,804	\$ 318,810	\$ 79,848	\$ 968,023	\$ 85,095,485
Capital assets, net	76,168,284	-	-	387,507	76,555,791
Other assets	5,645,382	-	-	-	5,645,382
Total assets	165,542,470	318,810	79,848	1,355,530	167,296,658
Deferred outflows of resources	18,968,350	-	-	-	18,968,350
Total assets and deferred outflows of resources	<u>\$ 184,510,820</u>	<u>\$ 318,810</u>	<u>\$ 79,848</u>	<u>\$ 1,355,530</u>	<u>\$ 186,265,008</u>
Liabilities, deferred inflows of resources, and net position					
Liabilities					
Current liabilities	\$ 18,829,039	\$ -	\$ -	\$ 215,408	\$ 19,044,447
Long-term liabilities	116,133,628	-	-	547,051	116,680,679
Total liabilities	134,962,667	-	-	762,459	135,725,126
Deferred inflows of resources	2,124,655	-	-	-	2,124,655
Net position					
Net investment in capital assets	23,608,184	-	-	126,343	23,734,527
Restricted	2,589,616	-	-	-	2,589,616
Unrestricted	21,225,698	318,810	79,848	466,728	22,091,084
Total net position	47,423,498	318,810	79,848	593,071	48,415,227
Total liabilities, deferred inflows of resources, and net position	<u>\$ 184,510,820</u>	<u>\$ 318,810</u>	<u>\$ 79,848</u>	<u>\$ 1,355,530</u>	<u>\$ 186,265,008</u>

Northern Inyo Healthcare District  
Notes to Financial Statements  
June 30, 2021

Operating results and changes in net position for the year ended June 30, 2021:

	Hospital	Foundation	Auxillary	Pioneer Home Health Care	Total
Operating revenues					
Net patient service revenue	\$ 83,759,890	\$ -	\$ -	\$ 1,834,307	\$ 85,594,197
Other operating revenue	18,075,196	-	8,888	1,408	18,085,492
Total operating revenues	<u>101,835,086</u>	<u>-</u>	<u>8,888</u>	<u>1,835,715</u>	<u>103,679,689</u>
Operating expenses					
Depreciation and amortization	4,146,505	-	-	26,336	4,172,841
Other operating expenses	97,129,697	22,992	43,482	1,809,420	99,005,591
Total operating expenses	<u>101,276,202</u>	<u>22,992</u>	<u>43,482</u>	<u>1,835,756</u>	<u>103,178,432</u>
Operating income (loss)	558,884	(22,992)	(34,594)	(41)	501,257
Net nonoperating revenues	6,233,161	22,538	-	206,810	6,462,509
Revenues in excess of (less than) expenses	6,792,045	(454)	(34,594)	206,769	6,963,766
Special item	1,681,753	-	-	-	1,681,753
Change in net position	8,473,798	(454)	(34,594)	206,769	8,645,519
Net position, beginning of year	<u>38,949,700</u>	<u>319,264</u>	<u>114,442</u>	<u>386,302</u>	<u>39,769,708</u>
Net position, end of year	<u>\$ 47,423,498</u>	<u>\$ 318,810</u>	<u>\$ 79,848</u>	<u>\$ 593,071</u>	<u>\$ 48,415,227</u>

Cash flows for the year ended June 30, 2021:

	Hospital	Foundation	Auxillary	Pioneer Home Health Care	Total
Net cash from (used for) operating activities	\$ 2,348,805	\$ (22,992)	\$ (34,594)	\$ 56,359	\$ 2,347,578
Net cash from noncapital financing activities	478,219	22,538	-	573,679	1,074,436
Net cash from used for capital and capital related financing activities	(5,186,384)	-	-	(18,036)	(5,204,420)
Net cash from investing activities	805,797	-	-	-	805,797
Net change in cash and cash equivalents	(1,553,563)	(454)	(34,594)	612,002	(976,609)
Cash and cash equivalents, beginning of year	<u>61,814,092</u>	<u>319,264</u>	<u>114,442</u>	<u>57,488</u>	<u>62,305,286</u>
Cash and cash equivalents, end of year	<u>\$ 60,260,529</u>	<u>\$ 318,810</u>	<u>\$ 79,848</u>	<u>\$ 669,490</u>	<u>\$ 61,328,677</u>

### **Note 16 - Related Party Transactions**

In the ordinary course of business, the District has and expects to continue to have transactions with its employees and elected officials. In the opinion of management, such transactions were on substantially the same terms, including interest rates and collateral, as those prevailing at the time of comparable transactions with other persons and did not involve more than a normal risk of collectibility or present any other unfavorable features to the District.

### **Note 17 - Subsequent Events**

#### **Paycheck Protection Program Loan**

The District and PHHC applied for and received loan forgiveness from the SBA on its PPP loan in August 2021 and September 2021, respectively. In accordance with PPP loan requirements, the District is required to maintain PPP loan files and certain underlying supporting documents for periods ranging from three to six years. The District is also required to permit access to such files upon request by the SBA. Accordingly, there is potential the PPP loan could be subject to further review by the SBA and that previously recognized forgiveness could be reversed based on this review.

#### **American Rescue Plan (ARP) Rural Distribution**

Subsequent to year-end, the District received approximately \$3 million from the American Rescue Plan (ARP) Rural distribution, which is a component of the HHS Provider Relief Fund program. This funding is subject to similar terms and conditions as other Provider Relief Fund distributions (Note 13). These funds have a period of availability for incurring eligible expenses and/or lost revenues of January 1, 2020 through December 31, 2022. Unspent funds will be expected to be repaid.



Required Supplementary Information  
June 30, 2021

## Northern Inyo Healthcare District



Northern Inyo Healthcare District  
Schedule of Changes in the Net Pension Liability and Related Ratios – Pension Plan  
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>							
Service Cost	\$ 1,951,401	\$ 1,781,772	\$ 2,121,997	\$ 2,281,116	\$ 2,812,178	\$ 2,219,985	\$ 2,683,298
Interest on the total pension liability	2,298,637	2,694,973	2,726,359	2,805,649	3,053,437	3,047,939	3,356,235
Differences between expected and	880,397	2,640,361	3,016,650	1,343,607	(3,295,677)	1,385,608	108,261
Changes in assumptions	1,737,567	6,850,017	(84,200)	(185,137)	(417,283)	12,966,856	(1,841,294)
Benefit payments	(13,117,516)	(8,053,422)	(8,082,821)	(5,554,354)	(7,575,753)	(8,213,871)	(9,321,220)
<b>Net change in total pension liability</b>	<b>(6,249,514)</b>	<b>5,913,701</b>	<b>(302,015)</b>	<b>690,881</b>	<b>(5,423,098)</b>	<b>11,406,517</b>	<b>(5,014,720)</b>
Total pension liability - beginning	62,008,986	56,095,285	56,397,300	56,575,151	61,998,249	50,591,732	55,606,452
<b>Total pension liability - ending (a)</b>	<b>\$ 55,759,472</b>	<b>\$ 62,008,986</b>	<b>\$ 56,095,285</b>	<b>\$ 57,266,032</b>	<b>\$ 56,575,151</b>	<b>\$ 61,998,249</b>	<b>\$ 50,591,732</b>
<b>Plan fiduciary net position</b>							
Contributions - employer	\$ 3,000,000	\$ 5,242,000	\$ 6,300,000	\$ 5,340,000	\$ 5,340,000	\$ 3,900,000	\$ 4,320,000
Net investment income	(746,702)	1,893,587	(116,063)	(292,381)	(126,769)	880,376	1,223,136
Benefit payments	(13,117,516)	(8,053,422)	(8,082,821)	(5,554,354)	(7,575,753)	(8,213,871)	(9,321,220)
Administrative expense	(54,472)	(58,625)	(64,562)	(88,502)	(55,640)	(51,336)	-
<b>Net change in plan fiduciary net position</b>	<b>(10,918,690)</b>	<b>(976,460)</b>	<b>(1,963,446)</b>	<b>(595,237)</b>	<b>(2,418,162)</b>	<b>(3,484,831)</b>	<b>(3,778,084)</b>
Plan fiduciary net position - beginning	21,107,549	22,084,009	24,047,455	26,087,619	28,505,781	31,990,612	35,768,696
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 10,188,859</b>	<b>\$ 21,107,549</b>	<b>\$ 22,084,009</b>	<b>\$ 25,492,382</b>	<b>\$ 26,087,619</b>	<b>\$ 28,505,781</b>	<b>\$ 31,990,612</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$ 45,570,613</b>	<b>\$ 40,901,437</b>	<b>\$ 34,011,276</b>	<b>\$ 31,773,650</b>	<b>\$ 30,487,532</b>	<b>\$ 33,492,468</b>	<b>\$ 18,601,120</b>
<b>Plan fiduciary net position as a</b>	<b>18.27%</b>	<b>34.04%</b>	<b>39.37%</b>	<b>44.52%</b>	<b>46.11%</b>	<b>45.98%</b>	<b>63.23%</b>
<b>Covered payroll</b>	<b>\$ 9,302,388</b>	<b>\$ 10,780,522</b>	<b>\$ 11,537,345</b>	<b>\$ 12,968,106</b>	<b>\$ 13,529,712</b>	<b>\$ 15,892,425</b>	<b>\$ 17,664,833</b>
<b>Net pension liability as percentage of</b>	<b>489.88%</b>	<b>379.40%</b>	<b>294.79%</b>	<b>245.01%</b>	<b>225.34%</b>	<b>210.74%</b>	<b>105.30%</b>
<b>Measurement date</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>	<b>December 31, 2018</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>	<b>December 31, 2015</b>	<b>December 31, 2014</b>

Notes to Schedule:

\* - Fiscal year 2015 was the 1st year of implementation; therefore only seven years are shown. Will have 10 years presented by 2024.

Northern Inyo Healthcare District  
Schedule of Contributions – Pension Plan  
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 7,752,000	\$ 6,072,000	\$ 5,484,000	\$ 4,716,000	\$ 5,340,000	\$ 3,900,000	\$ 4,320,000
Contributions in relation to the actuarially determined contributions	3,000,000	5,500,000	6,060,000	5,340,000	5,340,000	3,900,000	4,320,000
Contribution deficiency (excess)	<u>\$ 4,752,000</u>	<u>\$ 572,000</u>	<u>\$ (576,000)</u>	<u>\$ (624,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 10,780,522	\$ 11,537,345	\$ 12,968,106	\$ 13,529,712	\$ 15,892,425	\$17,664,833	\$ 19,429,332
Contributions as a percentage of covered payroll	27.83%	47.67%	46.73%	39.47%	33.60%	22.08%	22.23%

Notes to Schedule

Valuation date: December 31, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll
Remaining amortization period	15 years
Asset valuation method	Market value
Inflation	2.30%
Salary increases	3%, including inflation
Investment rate of return	4.00%
Retirement age	65, or 70

\* - Fiscal year 2015 was the 1st year of implementation; therefore only seven years are shown. Will have 10 years presented by 2024.

Northern Inyo Healthcare District  
 Schedule of Investment Returns – Pension Plan  
 Last Ten Fiscal Years

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	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	-4.36%	8.74%	-0.47%	-1.16%	-0.48%	3.11%	3.86%

\* - Fiscal year 2015 was the 1st year of implementation; therefore only seven years are shown. Will have 10 years presented by 2024.



Supplementary Information  
June 30, 2021

## Northern Inyo Healthcare District

Northern Inyo Healthcare District  
Combining Statement of Net Position  
June 30, 2021

	Hospital	Foundation	Auxillary	Pioneer Home Health Care	Total
Assets and Deferred Outflows of Resources					
Current Assets					
Cash and cash equivalents	\$ 54,615,147	\$ 318,810	\$ 79,848	\$ 669,490	\$ 55,683,295
Receivables					
Patient, net of estimated uncollectibles	14,201,346	-	-	275,351	14,476,697
Estimated third-party payor settlements	255,262	-	-	-	255,262
Other receivables	9,903,637	-	-	-	9,903,637
Inventory	3,374,846	-	-	-	3,374,846
Prepaid expenses and other assets	1,378,566	-	-	23,182	1,401,748
Total current assets	<u>83,728,804</u>	<u>318,810</u>	<u>79,848</u>	<u>968,023</u>	<u>85,095,485</u>
Noncurrent Cash and Investments					
Restricted for specific operating purposes and capital improvements	2,589,616	-	-	-	2,589,616
Restricted by trustee for debt reserve	3,055,766	-	-	-	3,055,766
Total noncurrent cash and investments	<u>5,645,382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,645,382</u>
Capital Assets					
Capital assets not being depreciated	5,319,680	-	-	130,000	5,449,680
Capital assets being depreciated, net	70,848,604	-	-	257,507	71,106,111
Total capital assets	<u>76,168,284</u>	<u>-</u>	<u>-</u>	<u>387,507</u>	<u>76,555,791</u>
Total assets	<u>165,542,470</u>	<u>318,810</u>	<u>79,848</u>	<u>1,355,530</u>	<u>167,296,658</u>
Deferred Outflows of Resources					
Deferred outflows related to pensions	18,395,253	-	-	-	18,395,253
Deferred outflows related to acquisition	573,097	-	-	-	573,097
Total deferred outflows of resources	<u>18,968,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,968,350</u>
Total assets and deferred outflows of resources	<u>\$ 184,510,820</u>	<u>\$ 318,810</u>	<u>\$ 79,848</u>	<u>\$ 1,355,530</u>	<u>\$ 186,265,008</u>

Northern Inyo Healthcare District  
Combining Statement of Net Position  
June 30, 2021

	Hospital	Foundation	Auxillary	Pioneer Home Health Care	Total
Liabilities, Deferred Inflows of Resources, and Net Position					
Current Liabilities					
Notes payable	\$ 917,488	\$ -	\$ -	\$ -	\$ 917,488
Current maturities of long-term debt	2,409,435	-	-	5,064	2,414,499
Current maturities of CMS advance	5,261,003	-	-	-	5,261,003
Accounts payable					
Trade	4,237,229	-	-	2,265	4,239,494
Accrued expenses					
Salaries and wages	4,381,141	-	-	145,351	4,526,492
Interest and sales taxes	126,738	-	-	-	126,738
Self-insurance claims	766,156	-	-	-	766,156
Unearned revenue	729,849	-	-	62,728	792,577
Total current liabilities	18,829,039	-	-	215,408	19,044,447
Long-Term Debt, Less Current Maturities	53,206,431	-	-	256,100	53,462,531
CMS Advance, Less Current Maturities	8,428,956	-	-	-	8,428,956
Paycheck Protection Program Loan	8,927,628	-	-	290,951	9,218,579
Net Pension Liability	45,570,613	-	-	-	45,570,613
Total liabilities	134,962,667	-	-	762,459	135,725,126
Deferred Inflows of Resources					
Deferred inflows related to pensions	2,124,655	-	-	-	2,124,655
Net Position					
Net investment in capital assets	23,608,184	-	-	126,343	23,734,527
Restricted:					
Programs	105,460	-	-	-	105,460
Capital Improvements	2,484,156	-	-	-	2,484,156
Unrestricted	21,225,698	318,810	79,848	466,728	22,091,084
Total net position	47,423,498	318,810	79,848	593,071	48,415,227
Total liabilities, deferred inflows of resources, and net position	\$ 184,510,820	\$ 318,810	\$ 79,848	\$ 1,355,530	\$ 186,265,008

Northern Inyo Healthcare District  
Combining Statement of Revenues, Expenses and Changes in Net Position  
Year Ended June 30, 2021

	Hospital	Foundation	Auxillary	Pioneer Home Health Care	Total
<b>Operating Revenues</b>					
Net patient service revenue	\$ 83,759,890	\$ -	\$ -	\$ 1,834,307	\$ 85,594,197
Other revenue	18,075,196	-	8,888	1,408	18,085,492
Total operating revenues	<u>101,835,086</u>	<u>-</u>	<u>8,888</u>	<u>1,835,715</u>	<u>103,679,689</u>
<b>Operating Expenses</b>					
Salaries and wages	35,390,010	-	-	1,218,862	36,608,872
Employee benefits	22,776,110	-	-	279,351	23,055,461
Professional fees and purchased services	16,086,907	3,768	-	-	16,090,675
Supplies	10,927,496	-	-	14,322	10,941,818
Purchased services	4,951,946	-	-	35,875	4,987,821
Depreciation	4,146,505	-	-	26,336	4,172,841
Other	6,997,228	19,224	43,482	261,010	7,320,944
Total operating expenses	<u>101,276,202</u>	<u>22,992</u>	<u>43,482</u>	<u>1,835,756</u>	<u>103,178,432</u>
Operating Income (Loss)	<u>558,884</u>	<u>(22,992)</u>	<u>(34,594)</u>	<u>(41)</u>	<u>501,257</u>
<b>Nonoperating Revenues (Expenses)</b>					
Property tax for operations	735,782	-	-	-	735,782
Property tax for debt service	2,005,678	-	-	-	2,005,678
Investment income	374,851	-	-	-	374,851
Interest expense	(3,874,348)	-	-	(13,190)	(3,887,538)
Noncapital contributions (and grants)	41,367	22,538	-	220,000	283,905
Provider relief funds	6,671,309	-	-	-	6,671,309
Gain (loss) on disposal of capital assets	(8,132)	-	-	-	(8,132)
Rental income	286,654	-	-	-	286,654
Net nonoperating revenues	<u>6,233,161</u>	<u>22,538</u>	<u>-</u>	<u>206,810</u>	<u>6,462,509</u>
Revenues in Excess of (Less Than) Expenses Before Special Item	6,792,045	(454)	(34,594)	206,769	6,963,766
Special Item - Gain on Sale of Investment in Partnership	<u>1,681,753</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,681,753</u>
Change in Net Position	8,473,798	(454)	(34,594)	206,769	8,645,519
Net Position, Beginning of Year	<u>38,949,700</u>	<u>319,264</u>	<u>114,442</u>	<u>386,302</u>	<u>39,769,708</u>
Net Position, End of Year	<u>\$ 47,423,498</u>	<u>\$ 318,810</u>	<u>\$ 79,848</u>	<u>\$ 593,071</u>	<u>\$ 48,415,227</u>

Northern Inyo Healthcare District  
Combining Statement of Cash Flows  
Year Ended June 30, 2021

	Hospital	Foundation	Auxillary	Pioneer Home Health Care	Total
<b>Operating Activities</b>					
Receipts from and on behalf of patients	\$ 85,369,867	\$ -	\$ -	\$ 1,844,665	\$ 87,214,532
Payments to suppliers and contractors	(40,497,890)	(22,992)	(43,482)	(269,227)	(40,833,591)
Payments to and on behalf employees	(51,634,283)	-	-	(1,519,079)	(53,153,362)
Other receipts and payments, net	9,111,111	-	8,888	-	9,119,999
<b>Net Cash from (used for) Operating Activities</b>	<b>2,348,805</b>	<b>(22,992)</b>	<b>(34,594)</b>	<b>56,359</b>	<b>2,347,578</b>
<b>Noncapital Financing Activities</b>					
Noncapital contributions (and grants)	203,354	22,538	-	62,728	288,620
Property taxes received	735,782	-	-	-	735,782
Reduction of CMS advance	(904,195)	-	-	-	(904,195)
Proceeds from Paycheck Protection Program loan	-	-	-	290,951	290,951
Contribution from Hospital to PHH	-	-	-	220,000	220,000
Other	443,278	-	-	-	443,278
<b>Net Cash from Noncapital Financing Activities</b>	<b>478,219</b>	<b>22,538</b>	<b>-</b>	<b>573,679</b>	<b>1,074,436</b>
<b>Capital and Capital Related Financing Activities</b>					
Principal payments on long-term debt	(484,159)	-	-	(4,846)	(489,005)
Interest paid	(3,881,611)	-	-	(13,190)	(3,894,801)
Purchase and construction of capital assets	(2,726,292)	-	-	-	(2,726,292)
Cash paid for acquisition of PMA	(100,000)	-	-	-	(100,000)
Property taxes received	2,005,678	-	-	-	2,005,678
<b>Net Cash used for Capital and Capital Related Financing Activities</b>	<b>(5,186,384)</b>	<b>-</b>	<b>-</b>	<b>(18,036)</b>	<b>(5,204,420)</b>
<b>Investing Activities</b>					
Investment income	374,851	-	-	-	374,851
Distributions from joint ventures	430,946	-	-	-	430,946
<b>Net Cash from Investing Activities</b>	<b>805,797</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>805,797</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(1,553,563)</b>	<b>(454)</b>	<b>(34,594)</b>	<b>612,002</b>	<b>(976,609)</b>
Cash and Cash Equivalents, Beginning of Year	61,814,092	319,264	114,442	57,488	62,305,286
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 60,260,529</b>	<b>\$ 318,810</b>	<b>\$ 79,848</b>	<b>\$ 669,490</b>	<b>\$ 61,328,677</b>



Northern Inyo Healthcare District  
Combining Statement of Cash Flows  
Year Ended June 30, 2021

	Hospital	Foundation	Auxillary	Pioneer Home Health Care	Total
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position					
Cash and cash equivalents in current assets	\$ 54,615,147	\$ 318,810	\$ 79,848	\$ 669,490	\$ 55,683,295
Cash and cash equivalents in noncurrent cash and investments	5,645,382	-	-	-	5,645,382
Total cash and cash equivalents	<u>\$ 60,260,529</u>	<u>\$ 318,810</u>	<u>\$ 79,848</u>	<u>\$ 669,490</u>	<u>\$ 61,328,677</u>
Reconciliation of Operating Income (Loss) to Net Cash from (used for) Operating Activities					
Operating income (loss)	\$ 558,884	\$ (22,992)	\$ (34,594)	\$ (41)	\$ 501,257
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities					
Depreciation on capital assets	4,146,505	-	-	26,336	4,172,841
Pension expense	107,007	-	-	-	107,007
Provision for bad debts	7,536,137	-	-	63,209	7,599,346
Changes in assets and liabilities					
Patient receivables	1,636,108	-	-	(54,259)	1,581,849
Other receivables	(8,964,085)	-	-	-	(8,964,085)
Inventory	(723,394)	-	-	-	(723,394)
Prepaid expenses	107,437	-	-	82,658	190,095
Accounts payable	652,285	-	-	(40,678)	611,607
Estimated third-party payor settlements	(26,131)	-	-	-	(26,131)
Accrued expenses	(2,681,948)	-	-	(20,866)	(2,702,814)
Net Cash from (used for) Operating Activities	<u>\$ 2,348,805</u>	<u>\$ (22,992)</u>	<u>\$ (34,594)</u>	<u>\$ 56,359</u>	<u>\$ 2,347,578</u>
Supplemental Disclosure of Noncash Capital and Capital Related Financing Activities					
Accounts payable for construction (and equipment)	<u>\$ 1,108,656</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,108,656</u>
PMA acquisition financed through notes payable	<u>\$ 917,488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 917,488</u>



Statistical Section  
June 30, 2021

# Northern Inyo Healthcare District

Northern Inyo Healthcare District  
Statistical Information  
Last 5 Years

	2021	2020	2019	2018	2017
<b>Bed Complement</b>					
Medical/surgical	11	11	11	11	11
Prenatal/obstetrics	6	6	6	6	6
Pediatric	4	4	4	4	4
Intensive care	4	4	4	4	4
Total licensed bed capacity	<u>14</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>14</u>
<b>Utilization</b>					
License beds	25	25	25	25	25
Patient days	2,931	2,968	3,257	3,474	3,777
Discharges	1,050	1,104	1,037	1,106	1,136
Occupancy percentage	32%	33%	36%	38%	41%
Average stay (days)	3	3	3	3	3
Emergency room visits	7,066	8,262	9,153	8,798	8,764
Outpatient visits	48,938	40,472	38,960	38,651	38,454
<b>Medical Staff</b>					
Active	50	54	50	53	44
Consulting	25	19	17	17	30
Honorary	2	11	11	11	10
AHP	18	18	12	10	8
Other - Telemedicine	30	33	27	-	-
Total practitioners	<u>125</u>	<u>135</u>	<u>117</u>	<u>91</u>	<u>92</u>
<b>Employees</b>					
Full-time	370	361	362	330	296
Part-time and per diem	113	124	131	126	98
Total employees	<u>483</u>	<u>485</u>	<u>493</u>	<u>456</u>	<u>394</u>
Full-time equivalents	<u>349</u>	<u>373.57</u>	<u>375.30</u>	<u>392.89</u>	<u>321.37</u>

Northern Inyo Healthcare District  
Statistical Information (Continued)  
Last 5 Years

<b>Bond Debt Service Coverage</b> <i>(In Thousands)</i>	2021	2020	2019	2018	2017
Excess (deficit) of revenue over expenses	\$ 8,650	\$ (2,641)	\$ 1,725	\$ 1,696	\$ 1,086
Add:					
Depreciation expense	4,170	4,302	4,267	4,457	5,167
Interest expense	3,890	2,377	2,912	2,893	3,299
Available to meet debt service	<u>\$ 16,710</u>	<u>\$ 4,038</u>	<u>\$ 8,904</u>	<u>\$ 9,046</u>	<u>\$ 9,552</u>
Actual debt service (principal and interest):					
2009 General obligation bonds	\$ 1,020	\$ 860	\$ 1,364	\$ 955	\$ 625
2016 General obligation bonds	865	1,242	1,178	1,179	1,182
2010 Revenue bonds	1,204	1,179	765	769	764
2013 Revenue bonds	769	762	864	814	860
Capital leases	382	-	-	-	-
Totals	<u>\$ 4,240</u>	<u>\$ 4,043</u>	<u>\$ 4,171</u>	<u>\$ 3,717</u>	<u>\$ 3,431</u>
Historical debt service coverage ratio	<u>3.94</u>	<u>1.00</u>	<u>2.13</u>	<u>2.43</u>	<u>2.78</u>

Details regarding the District's outstanding debt can be found in the notes to the financial statements. General obligation bonds are secured by ad valorem taxes on all property within the District subject to taxation by the District. Revenue bonds are secured by a pledge of revenue set forth under the indenture. The coverage calculations presented in this schedule differ from those required by the 2010 and 2013 bond indentures.



December 7, 2021

To the Board of Directors  
Northern Inyo Healthcare District  
Bishop, California

We have audited the financial statements of the Northern Inyo Healthcare District (the District) as of and for the year ended June 30, 2021 and have issued our report thereon dated December 7, 2021. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards***

As communicated in our letter dated July 27, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material weaknesses and material noncompliance, and other matters noted during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated December 7, 2021.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you, except for certain delays in report issuance due to disruptions due to the pandemic.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Collectability of Patient Receivables – Management's estimate of the realization of patient receivables is based on review of outstanding receivables and their aging, historical collection information updated for recent trends in collection and agings, and existing economic conditions and collection rates from third-party payors.

Estimated Third-Party Payor Settlements – Management's estimate of the amounts either owed to or receivable from third-party payors is based on both final and tentatively settled cost reports. Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. There is a reasonable possibility that recorded estimates will change by a material amount in the near term. Management believes that the estimates for all open years are adequate but not excessive. Any differences between the estimates and the final settlements will be recorded in the period the final settlements are made.

Provider Relief Funds – Amounts received from the CARES Act Provider Relief Fund are subject to terms and conditions, which state payments will only be used to prevent, prepare for, and respond to coronavirus and shall reimburse the recipient only for healthcare-related expenses or lost revenues that are attributable to coronavirus. Management's estimate of the funds recognized as revenue is based on meeting the terms and conditions and these terms and conditions are subject to significant interpretation and continuing updated guidance. As of June 30, 2021, \$6,671,309 was recognized for Provider Relief Funds.

Net Pension Liabilities - Amounts related to the net pension liability, related deferred inflows of resources and deferred outflows of resources, pension expense, and related disclosures, are based on actuarial valuations.

We evaluated the key factors and assumptions used to develop these accounting estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

## *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

- The disclosure of net patient service revenue is included in Note 5 to the financial statements and includes amounts recorded associated with contractual and other adjustments for amounts to or from third-party payors.
- The disclosure of long-term debt is included in Note 8 to the financial statements and describes the amounts received and recognized in the financial statements under the Paycheck Protection Program (PPP). The PPP note payable may be forgiven based upon meeting certain conditions. These conditions are subject to interpretation, and notification of forgiveness or partial forgiveness by the Small Business Administration and the approved lender. This note also discloses amounts related to Medicare advance payments received from the Center for Medicare & Medicaid Services (CMS). This disclosure identifies payments received from CMS and amounts recorded in the financial statements, as well as expected recoupment by the government.
- The disclosure of Provider Relief Funds is described in Note 14. This disclosure identifies funds administered by HHS and received by the District as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act Provider Relief Funds and amounts recorded as unearned provider relief funds included by the District in current liabilities in the financial statements. These funds may be retained upon meeting certain terms and conditions that are subject to significant interpretation and potential future guidance. As of June 30, 2021, \$6,671,309 was recognized for Provider Relief Funds.

### **Significant Difficulties Encountered During the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management which are included in the management representation letter dated December 7, 2021.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

This report is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Sacramento, California



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**ESCROW AGREEMENT**

**by and between the**

**NORTHERN INYO HEALTHCARE DISTRICT**

**and**

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Escrow Bank**

**Dated December 29, 2021**

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Relating to the current refunding of the outstanding  
Northern Inyo Healthcare District  
Revenue Bonds, Series 2010

## ESCROW AGREEMENT

This ESCROW AGREEMENT is made and entered into this 29th day of December, 2021, by and between the NORTHERN INYO HEALTHCARE DISTRICT, a local healthcare district, organized and existing under the laws of the State of California (the "District"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as escrow agent (the "Escrow Bank");

### WITNESSETH:

WHEREAS, the District has heretofore issued, on April 14, 2010, its Northern Inyo Healthcare District (Inyo County, California) Revenue Bonds, Series 2010, currently outstanding in the principal amount of \$4,170,000 (the "2010 Bonds"), to finance certain capital improvements for the District;

WHEREAS, the 2010 Bonds were executed and delivered pursuant to the terms of an indenture of trust, dated as June 1, 1998, as amended and supplemented by a first supplemental indenture, dated as of April 1, 2010 (collectively, the "Original Indenture"), each by and between the District and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee");

WHEREAS, Article 10 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53570) of the California Government Code (the "Refunding Bond Law") authorizes the District to issue refunding bonds for the purpose of refunding obligations of the District;

WHEREAS, the Indenture provides that if the District shall pay and provide for the entire indebtedness on all or any portion of the 2010 Bonds and by irrevocably depositing cash or non-callable Defeasance Obligations (as defined in the Indenture) with the Trustee in such amount as will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to the Indenture, be fully sufficient to pay and discharge the indebtedness on all or such portion of the 2010 Bonds (including all principal, interest and redemption premiums) at or before maturity, and if the 2010 Bonds are to be redeemed prior to the maturity thereof, and notice of such redemption is given pursuant to the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice, then, at the election of the District, and notwithstanding that any 2010 Bonds shall not have been surrendered for payment, the pledge of the Revenues (as defined in the Indenture) and other funds provided for in the Indenture and all other obligations of the Trustee and the District under the Indenture with respect to all or such portion of the 2010 Bonds shall cease and terminate, except only the obligations of the Trustee to transfer and exchange the 2010 Bonds thereunder and except the obligations of the District to pay or cause to be paid to the owners of the 2010 Bonds not so surrendered and paid all sums due thereon and all expenses and costs of the Trustee; and thereafter Tax Revenues shall not be payable to the Trustee;

WHEREAS, the District has determined that, as a result of favorable financial market conditions and for other reasons, it is in the best interests of the District at this time to provide for the redemption of all outstanding 2010 Bonds on January 19, 2022 (the "Redemption Date"), at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date (the "Redemption Price");

WHEREAS, to raise funds necessary to effectuate the refunding of the 2010 Bonds, and for other purposes, the District has issued its \$\_\_\_\_\_ Northern Inyo Healthcare District (Inyo County, California) Refunding Revenue Bonds, Series 2021A (the "2021A Bonds"), pursuant to the Original Indenture, as amended and supplemented by a second supplemental indenture, dated as of January 1, 2013, and as further amended and supplemented by a third supplemental indenture, dated as of December 1, 2021, each by and between the District and the Trustee (the Original Indenture, as so amended and supplemented, the "Indenture");

WHEREAS, the District wishes to make a deposit with the Escrow Bank and to enter into this Escrow Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited;

WHEREAS, the District proposes to appoint the Escrow Bank as its agent for the purpose of providing for the redemption of the 2010 Bonds and the Escrow Bank desires to accept said appointment; and

WHEREAS, the Escrow Bank has full powers to act with respect to the irrevocable escrow and escrow created herein and to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement;

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

Section 1. Definitions. Capitalized terms used, but not otherwise defined, herein, shall have the meanings ascribed thereto in the Indenture.

Section 2. Appointment of Escrow Bank. The District hereby appoints the Escrow Bank as escrow agent for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement, and the Escrow Bank hereby accepts such appointment.

Section 3. Establishment of Escrow Fund. There is hereby created by the District with, and to be held by, the Escrow Bank, as security for the redemption of the 2010 Bonds as hereinafter set forth, an irrevocable escrow to be maintained by the Escrow Bank on behalf of the District and for the benefit of the owners of the 2010 Bonds, said escrow to be designated the "Escrow Fund." All moneys deposited in the Escrow Fund shall be held as a special fund to provide for the redemption of all outstanding 2010 Bonds the Redemption Date at the Redemption Price in accordance with the provisions of this Escrow Agreement.

Section 4. Deposit into Escrow Fund.

(a) Concurrently with delivery of the 2021A Bonds, the District shall cause to be transferred to the Escrow Bank for deposit into the Escrow Fund the amount of \$\_\_\_\_\_ in immediately available funds, derived as follows:

(i) \$\_\_\_\_\_ from the proceeds of sale of the 2021A Bonds, and

(ii) \$\_\_\_\_\_ from amounts on deposit in the bond reserve account created for the 2010 Bonds (the "2010 Reserve Account"),

(b) The Escrow Bank shall hold all amounts deposited in the Escrow Fund in cash, uninvested solely for the uses and purposes set forth herein.

(c) The Escrow Bank shall not be liable or responsible for any loss resulting from its full compliance with the provisions of this Escrow Agreement.

(d) Any money left on deposit in the Escrow Fund after payment in full of the 2010 Bonds, and the payment of all amounts due to the Escrow Bank hereunder, shall be transferred to the Trustee and applied to the payment of debt service on the 2021A Bonds.

(e) If at any time the Escrow Bank shall receive actual knowledge that the moneys in the Escrow Fund will not be sufficient to make the payment required hereunder, the Escrow Bank shall notify the District of such fact and the District shall immediately cure such deficiency. The Escrow Bank shall have no liability or responsibility for such insufficiency.

Section 5. Instructions as to Application of Deposit.

(a) Except as otherwise provided herein, the moneys deposited in the Escrow Fund pursuant to Section 4 shall be applied by the Escrow Bank for the sole purpose of redeeming the outstanding 2010 Bonds in full on the Redemption Date at the Redemption Price, as set forth in Exhibit A attached hereto and by this reference incorporated herein.

(b) The Escrow Bank, in its capacity as Trustee, has been previously requested to give notice of the redemption of the 2010 Bonds in accordance with the applicable provisions of the Indenture and the Escrow Bank, in its capacity as Trustee, has provided such notice.

Section 6. Application of 2010 Funds.

(a) On the date of deposit of amounts in the Escrow Fund pursuant to Section 4, the Escrow Bank, as Trustee, is hereby directed to transfer all amounts on deposit in the 2010 Reserve Account (\$ \_\_\_\_\_) to the Escrow Fund.

Any amounts remaining in any fund or account created with respect to the 2010 Bonds, including interest earnings received by the Trustee, shall, after payment of all fees and expenses of the Trustee, be paid to the Trustee and applied to the payment of debt service on the 2021A Bonds, as described in Section 4(d) above.

Section 7. Application of Certain Terms of Indenture. All of the terms of the Indenture relating to the making of payments of principal and interest with respect to the 2010 Bonds are incorporated in this Escrow Agreement as if set forth in full herein. The provisions of the Indenture relating to the limitations from liability and protections afforded the Trustee and the resignation and removal of the Trustee are also incorporated in this Escrow Agreement as if set forth in full herein and shall be the procedure to be followed with respect to any resignation or removal of the Escrow Bank hereunder.

Section 8. Compensation to Escrow Bank. The District shall pay the Escrow Bank full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, prepayment or redemption expenses, legal fees and other costs and expenses relating hereto. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Section 9. Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Agreement unless the District shall have deposited sufficient funds with the Escrow Bank. The Escrow Bank may rely and shall be

protected in acting upon the written instructions of the District or its agents relating to any matter or action as Escrow Bank under this Escrow Agreement.

The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the acceptance of the moneys deposited therein, the sufficiency of the uninvested moneys held hereunder to accomplish the purposes set forth in Section 4 hereof, or any payment, transfer or other application of moneys by the Escrow Bank in accordance with the provisions of this Escrow Agreement or by reason of any act, omission or error of the Escrow Bank in the conduct of its duties (other than acts, omissions or errors made with gross negligence or willful misconduct). The recitals of fact contained in the "whereas" clauses herein shall be taken as the statement of the District, and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representations as to the sufficiency of the uninvested moneys to accomplish the purposes set forth in Section 4 hereof or to the validity of this Escrow Agreement as to the District and, except as otherwise provided herein, the Escrow Bank shall incur no liability in respect thereof. The Escrow Bank shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own gross negligence or willful misconduct, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Escrow Agreement. The Escrow Bank may consult with counsel, who may or may not be counsel to the District, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel) may be deemed to be conclusively established by a written certification of the District.

Anything in this Escrow Agreement to the contrary notwithstanding, in no event shall the Escrow Bank be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Bank has been advised of the likelihood of such loss or damage and regardless of the form of action.

The District hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated), to the extent permitted by law, to indemnify, protect, save and hold harmless the Escrow Bank and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys by the Escrow Bank in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in the conduct of its duties (other than acts, omissions or errors made with gross negligence or willful misconduct); provided, however, that the District shall not be required to indemnify the Escrow Bank against its own gross negligence or willful misconduct. The indemnities contained in this Section 9 shall survive the termination of this Escrow Agreement or the resignation or removal of the Escrow Bank.

The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Bank will furnish the District periodic cash transaction statements which include detail for all investment transactions made by the Escrow Bank hereunder.

No provision of this Escrow Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Bank may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care and shall not be responsible for any misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

Section 10. Amendment. This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of a majority in aggregate principal amount of the 2010 Bonds shall have been filed with the Escrow Bank. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the District, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not materially adversely affect the interests of the owners of the 2010 Bonds or the 2021A Bonds, and that such amendment will not cause interest on the 2010 Bonds or the 2021A Bonds to become subject to federal income taxation. In connection with any contemplated amendment or revocation of this Escrow Agreement, written notice thereof and draft copies of the applicable legal documents shall be provided by the District to each rating agency then rating the 2010 Bonds.

Section 11. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence clause or provision shall not affect any of the remaining provisions of this Escrow Agreement. Notice of any such invalidity or unenforceability shall be provided to each rating agency then rating the 2010 Bonds.

Section 12. Notice of Escrow Bank and District. Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the Principal Corporate Trust Office of the Escrow Bank as specified by the Escrow Bank as Trustee in accordance with the provisions of the Indenture. Any notice to or demand upon the District shall be deemed to have been sufficiently given or served for all purposes by being mailed by first class mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the Indenture (or such other address as may have been filed in writing by the District with the Escrow Bank).

Section 13. Merger or Consolidation of Escrow Bank. Any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as trustee under the

Indenture, shall be the Successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

Section 14. Execution in Several Counterparts. This Escrow Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same instrument.

Section 15. Business Days. Whenever any act is required by this Escrow Agreement to be done on a specified day or date, and such day or date shall be a day other than a business day for the Escrow Bank, then such act may be done on the next succeeding business day.

Section 16. Governing Law. This Escrow Agreement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the NORTHERN INYO HEALTHCARE DISTRICT has caused this Escrow Agreement to be signed in its name by its Chief Executive Officer and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. in token of its acceptance of the escrow created hereunder, has caused this Escrow Agreement to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

NORTHERN INYO COUNTY LOCAL  
HOSPITAL CARE DISTRICT

By \_\_\_\_\_  
Chief Executive Officer

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Escrow Bank

By \_\_\_\_\_  
Authorized Officer



**EXHIBIT A**

**PAYMENT AND REDEMPTION SCHEDULE**

<u>Date</u>	<u>Maturing Principal</u>	<u>Called Principal</u>	<u>Interest</u>	<u>Redemption Premium</u>	<u>Total Payment</u>
01/19/22	—	\$4,170,000	\$_____	—	\$_____

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**ESCROW AGREEMENT**

**by and between the**

**NORTHERN INYO HEALTHCARE DISTRICT**

**and**

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Escrow Bank**

**Dated December 29, 2021**

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Relating to the advance refunding of the outstanding  
Northern Inyo Healthcare District  
Revenue Bonds, Series 2013

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## ESCROW AGREEMENT

This ESCROW AGREEMENT is made and entered into this 29th day of December, 2021, by and between the NORTHERN INYO HEALTHCARE DISTRICT, a local healthcare district, organized and existing under the laws of the State of California (the "District"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as escrow agent (the "Escrow Bank");

### WITNESSETH:

WHEREAS, the District has also heretofore issued, on January 29, 2013, its Northern Inyo Healthcare District (Inyo County, California) Revenue Bonds, Series 2013, currently outstanding in the principal amount of \$8,360,000 (the "2013 Bonds"), to finance certain capital improvements for the District and to refund prior bonds issued in 1998 to finance capital projects;

WHEREAS, the 2013 Bonds were executed and delivered pursuant to the terms of an indenture of trust, dated as of June 1, 1998, as amended and supplemented by a first supplemental indenture, dated as of April 1, 2010, and as further amended and supplemented by a second supplemental indenture, dated as of January 1, 2013 (collectively, the "Original Indenture"), each by and between the District and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee");

WHEREAS, Article 10 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53570) of the California Government Code (the "Refunding Bond Law") authorizes the District to issue refunding bonds for the purpose of refunding obligations of the District;

WHEREAS, the Indenture provides that if the District shall pay and provide for the entire indebtedness on all or any portion of the 2013 Bonds and by irrevocably depositing cash or non-callable Defeasance Obligations (as defined in the Indenture) with the Trustee in such amount as will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to the Indenture, be fully sufficient to pay and discharge the indebtedness on all or such portion of the 2013 Bonds (including all principal, interest and redemption premiums) at or before maturity, and if the 2013 Bonds are to be redeemed prior to the maturity thereof, and notice of such redemption is given pursuant to the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice, then, at the election of the District, and notwithstanding that any 2013 Bonds shall not have been surrendered for payment, the pledge of the Revenues (as defined in the Indenture) and other funds provided for in the Indenture and all other obligations of the Trustee and the District under the Indenture with respect to all or such portion of the 2013 Bonds shall cease and terminate, except only the obligations of the Trustee to transfer and exchange the 2013 Bonds thereunder and except the obligations of the District to pay or cause to be paid to the owners of the 2013 Bonds not so surrendered and paid all sums due thereon and all expenses and costs of the Trustee; and thereafter Revenues shall not be payable to the Trustee;

WHEREAS, the District has determined that, as a result of favorable financial market conditions and for other reasons, it is in the best interests of the District at this time to provide for the payment of the principal of and interest on the 2013 Bonds to and including December 1, 2023, and for the redemption of the 2013 Bonds in full on December 1, 2023 (the "Redemption Date") at a redemption price equal to 100% of the principal amount thereof (the "Redemption Price");

WHEREAS, to raise funds necessary to effectuate the refunding of the 2013 Bonds, and for other purposes, the District has issued its \$\_\_\_\_\_ Northern Inyo Healthcare District (Inyo

County, California) Taxable Refunding Revenue Bonds, Series 2021B (the "2021B Bonds"), pursuant to the Original Indenture, as amended and supplemented by a third supplemental indenture, dated as of December 1, 2021, by and between the District and the Trustee (the Original Indenture, as so amended and supplemented, the "Indenture");

WHEREAS, the District wishes to make a deposit with the Escrow Bank and to enter into this Escrow Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited;

WHEREAS, the District proposes to appoint the Escrow Bank as its agent for the purpose of providing for the redemption of the 2013 Bonds and the Escrow Bank desires to accept said appointment; and

WHEREAS, the Escrow Bank has full powers to act with respect to the irrevocable escrow and escrow created herein and to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement;

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

Section 1. Definitions. Capitalized terms used, but not otherwise defined, herein, shall have the meanings ascribed thereto in the Indenture.

Section 2. Appointment of Escrow Bank. The District hereby appoints the Escrow Bank as escrow agent for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement, and the Escrow Bank hereby accepts such appointment.

Section 3. Establishment of Escrow Fund. There is hereby created by the District with, and to be held by, the Escrow Bank, as security for the defeasance and redemption of the 2013 Bonds, as hereinafter set forth, an irrevocable escrow to be maintained by the Escrow Bank on behalf of the District and for the benefit of the owners of the 2013 Bonds, said escrow to be designated the "Escrow Fund." All moneys and securities deposited in the Escrow Fund shall be held as a special fund for the defeasance and redemption of the 2013 Bonds in accordance with the provisions of this Escrow Agreement.

Section 4. Deposit into Escrow Fund; Investment of Amounts.

(a) Concurrently with delivery of the 2021B Bonds, the District shall cause to be transferred to the Escrow Bank for deposit into the Escrow Fund the amount of \$\_\_\_\_\_, derived as follows:

(i) \$\_\_\_\_\_ from the proceeds of the 2021B Bonds, and

(ii) \$\_\_\_\_\_ from amounts on deposit in the reserve account created for the 2013 Bonds (the "2013 Reserve Account").

(b) The Escrow Bank shall invest \$\_\_\_\_\_ of the moneys deposited into the Escrow Fund pursuant to the preceding paragraph in the securities set forth in Exhibit A attached hereto and by this reference incorporated herein (the "Escrowed Federal Securities") and shall hold the remaining \$\_\_\_\_\_ in cash, uninvested. The Escrowed Federal Securities and such cash shall be deposited with and held by the Escrow Bank in the Escrow Fund solely for the uses and purposes set forth herein.

If the Escrow Bank learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a SLGS subscription, the Escrow Bank shall promptly request alternative written investment instructions from the District with respect to escrowed funds which were to be invested in the Escrowed Federal Securities. The Escrow Bank shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Bank shall hold funds uninvested and without liability for interest until receipt of further written instructions from the District. In the absence of investment instructions from the District the Escrow Bank shall not be responsible for the investment of such funds or interest thereon. The Escrow Bank may conclusively rely upon the District selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

(c) The Escrow Bank may rely upon the conclusion of \_\_\_\_\_, as contained in its opinion and accompanying schedules (the "Report") dated December 29, 2021, that the Escrowed Federal Securities mature and bear interest payable in such amounts and at such times as, together with cash on deposit in the Escrow Fund, will be sufficient to provide for the payment of the principal of and interest on the 2013 Bonds to and including December 1, 2023, and for the redemption of the 2013 Bonds in full on the Redemption Date at the Redemption Price.

(d) The Escrow Bank shall not be liable or responsible for any loss resulting from its full compliance with the provisions of this Escrow Agreement.

(e) Any money left on deposit in the Escrow Fund after payment in full of the 2013 Bonds, and the payment of all amounts due to the Escrow Bank hereunder, shall be transferred to the Trustee and applied to the payment of debt service on the 2021B Bonds.

(f) If at any time the Escrow Bank shall receive actual knowledge that the moneys in the Escrow Fund will not be sufficient to make the payment required hereunder, the Escrow Bank shall notify the District of such fact and the District shall immediately cure such deficiency. The Escrow Bank shall have no liability or responsibility for such insufficiency.

#### Section 5. Instructions as to Application of Deposit.

(a) The moneys and Escrowed Federal Securities deposited in the Escrow Fund pursuant to Section 4 shall be applied by the Escrow Bank for the sole purpose of paying the principal of and interest on the 2013 Bonds to and including December 1, 2023, and redeeming the 2013 Bonds in full on the Redemption Date at the Redemption Price, all as set forth in Exhibit B attached hereto and by this reference incorporated herein.

(b) The Escrow Bank, in its capacity as Trustee, is hereby requested, and the Escrow Bank, in its capacity as Trustee, hereby agrees to give notice of the defeasance of the 2013 Bonds in the form of defeasance notice attached hereto as Exhibit C.

(c) The Escrow Bank, in its capacity as Trustee is hereby requested, and the Escrow Bank, as Trustee, hereby agrees to give timely notice of the redemption of the 2013 Bonds on the Redemption Date in accordance with the applicable provisions of the Indenture and in the form of redemption notice attached hereto as Exhibit D.

Section 6. Investment of Any Remaining Moneys. The Escrow Bank shall invest and reinvest the proceeds received from any of the Escrowed Federal Securities, and the cash originally deposited into the Escrow Fund, for a period ending not later than the next succeeding

interest payment date relating to the 2013 Bonds, in Defeasance Obligations pursuant to written directions of the District; *provided, however*, that (a) such written directions of the District shall be accompanied by (i) a certification of an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions that the Defeasance Obligations then to be so deposited in the Escrow Fund, together with the cash then on deposit in the Escrow Fund, together with the interest to be derived therefrom, shall be in an amount at all times at least sufficient to make the payments specified in Section 3 hereof, and (ii) an opinion of nationally recognized bond counsel ("Bond Counsel") that investment in accordance with such directions will not affect, for Federal income tax purposes, the exclusion from gross income of interest due with respect to the 2013 Bonds, and (b) if the District directs such investment or reinvestment to be made in United States Treasury Securities—State and Local Government Series, the District shall, at its cost, cause to be prepared all necessary subscription forms therefor in sufficient time to enable the Escrow Bank to acquire such securities. In the event that the District shall fail to file any such written directions with the Escrow Bank concerning the reinvestment of any such proceeds, such proceeds shall be held uninvested by the Escrow Bank. Any interest income resulting from investment or reinvestment of moneys pursuant to this Section 4 and not required for the purposes set forth in Section 2, as indicated by such verification, shall, promptly upon the receipt of such interest income by the Escrow Bank, be paid to the District for deposit in the interest account established under the Indenture.

Section 7. Substitution or Withdrawal of Federal Securities. The District may, at any time, direct the Escrow Bank in writing to substitute Defeasance Obligations for any or all of the Escrowed Federal Securities then deposited in the Escrow Fund, or to withdraw and transfer to the District any portion of the Escrowed Federal Securities then deposited in the Escrow Fund, provided that any such direction and substitution or withdrawal shall be simultaneous and shall be accompanied by (a) a certification of an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions that the Defeasance Obligations then to be so deposited in the Escrow Fund together with interest to be derived therefrom, or in the case of withdrawal, the Escrowed Federal Securities to be remaining in the Escrow Fund following such withdrawal together with the interest to be derived therefrom, together with the cash then on deposit in the Escrow Fund, shall be in an amount at all times at least sufficient to make the payments specified in Section 3 hereof; and (b) an opinion of Bond Counsel that the substitution or withdrawal will not affect, for Federal income tax purposes, the exclusion from gross income of interest on the 2013 Bonds. In the event that, following any such substitution of Escrowed Federal Securities pursuant to this Section 5, there is an amount of moneys or Escrowed Federal Securities in excess of an amount sufficient to make the payments required by Section 2 hereof, as indicated by such verification, such excess shall be paid to the District for deposit in the interest account established under the Indenture.

Section 8. Application of 2013 Funds.

(a) On the date of deposit of amounts in the Escrow Fund pursuant to Section 4, the Escrow Bank, as Trustee, is hereby directed to transfer all amounts on deposit in the 2013 Reserve Account (\$\_\_\_\_\_) to the Escrow Fund.

Any amounts remaining in any fund or account created with respect to the 2013 Bonds, including interest earnings received by the Trustee, shall, after payment of all fees and expenses of the Trustee, be paid to the Trustee and applied to the payment of debt service on the 2021B Bonds, as described in Section 4(d) above.

Section 9. Application of Certain Terms of Indenture. All of the terms of the Indenture relating to the making of payments of principal and interest with respect to the 2013 Bonds are incorporated in this Escrow Agreement as if set forth in full herein. The provisions of the Indenture relating to the limitations from liability and protections afforded the Trustee and the resignation and removal of the Trustee are also incorporated in this Escrow Agreement as if set forth in full herein and shall be the procedure to be followed with respect to any resignation or removal of the Escrow Bank hereunder.

Section 10. Compensation to Escrow Bank. The District shall pay the Escrow Bank full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, prepayment or redemption expenses, legal fees and other costs and expenses relating hereto. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Section 11. Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Agreement unless the District shall have deposited sufficient funds with the Escrow Bank. The Escrow Bank may rely and shall be protected in acting upon the written instructions of the District or its agents relating to any matter or action as Escrow Bank under this Escrow Agreement.

The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the acceptance of the moneys deposited therein, the sufficiency of the uninvested moneys held hereunder to accomplish the purposes set forth in Section 4 hereof, or any payment, transfer or other application of moneys by the Escrow Bank in accordance with the provisions of this Escrow Agreement or by reason of any act, omission or error of the Escrow Bank in the conduct of its duties (other than acts, omissions or errors made with gross negligence or willful misconduct). The recitals of fact contained in the "whereas" clauses herein shall be taken as the statement of the District, and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representations as to the sufficiency of the uninvested moneys to accomplish the purposes set forth in Section 4 hereof or to the validity of this Escrow Agreement as to the District and, except as otherwise provided herein, the Escrow Bank shall incur no liability in respect thereof. The Escrow Bank shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own gross negligence or willful misconduct, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Escrow Agreement. The Escrow Bank may consult with counsel, who may or may not be counsel to the District, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel) may be deemed to be conclusively established by a written certification of the District.

Anything in this Escrow Agreement to the contrary notwithstanding, in no event shall the Escrow Bank be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Bank has been advised of the likelihood of such loss or damage and regardless of the form of action.

The District hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated), to the extent permitted by law, to indemnify, protect, save and hold harmless the Escrow Bank and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys by the Escrow Bank in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in the conduct of its duties (other than acts, omissions or errors made with gross negligence or willful misconduct); provided, however, that the District shall not be required to indemnify the Escrow Bank against its own gross negligence or willful misconduct. The indemnities contained in this Section 9 shall survive the termination of this Escrow Agreement or the resignation or removal of the Escrow Bank.

The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Bank will furnish the District periodic cash transaction statements which include detail for all investment transactions made by the Escrow Bank hereunder.

No provision of this Escrow Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Bank may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care and shall not be responsible for any misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

Section 12. Amendment. This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the 2013 Bonds shall have been filed with the Escrow Bank. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the District and the District, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not materially adversely affect the interests of the owners of the 2013 Bonds or the 2021B Bonds, and that such amendment will not cause interest on the 2013 Bonds to become subject to federal income taxation. In connection with any contemplated amendment or revocation of this Escrow Agreement, prior written notice thereof and draft copies of the applicable legal documents shall be provided by the District to each rating agency then rating the 2013 Bonds.

Section 13. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence clause or provision shall not affect any of



the remaining provisions of this Escrow Agreement. Notice of any such invalidity or unenforceability shall be provided to each rating agency then rating the 2013 Bonds.

Section 14. Notice of Escrow Bank, Agency and District. Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the Principal Corporate Trust Office of the Escrow Bank as specified by the Escrow Bank as 2013 Trustee in accordance with the provisions of the 2013 Indenture. Any notice to or demand upon the District shall be deemed to have been sufficiently given or served for all purposes by being mailed by first class mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the 2013 Indenture (or such other address as may have been filed in writing by the District with the Escrow Bank).

Section 15. Merger or Consolidation of Escrow Bank. Any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as trustee under the 2013 Indenture, shall be the successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

Section 16. Execution in Several Counterparts. This Escrow Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same instrument.

Section 17. Governing Law. This Escrow Agreement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the NORTHERN INYO HEALTHCARE DISTRICT has caused this Escrow Agreement to be signed in its name by its Chief Executive Officer and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. in token of its acceptance of the escrow created hereunder, has caused this Escrow Agreement to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

NORTHERN INYO COUNTY LOCAL  
HOSPITAL CARE DISTRICT

By \_\_\_\_\_  
Chief Executive Officer

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Escrow Bank

By \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**SCHEDULE OF ESCROWED FEDERAL SECURITIES**

<u>Type</u>	<u>Maturity</u>	<u>Coupon</u>	<u>Principal</u>	<u>Price</u>	<u>Cost</u>	<u>Accrued</u>	<u>Total</u>
			<u>          </u>		<u>          </u>	<u>          </u>	<u>          </u>
			<u>          </u>		<u>          </u>	<u>          </u>	<u>          </u>

## EXHIBIT B

### PAYMENT AND REDEMPTION SCHEDULE

Payment Date	Scheduled Principal	Called Principal	Interest	Redemption Premium	Total Payment
06/01/22	—	—	\$180,846.88	—	\$ 180,846.88
12/01/22	\$385,000	—	180,846.88	—	565,846.88
06/01/23	—	—	173,387.50	—	173,387.50
12/01/23	400,000	\$7,575,000	173,387.50	—	8,148,387.50

## EXHIBIT C

### NOTICE OF DEFEASANCE

#### Northern Inyo Healthcare District Revenue Bonds, Series 2013

<u>Maturity Date</u>	<u>Amount Defeased</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
12/1/27	\$5,005,000	3.875%	665297 BK2
12/1/29	3,355,000	5.000	665297 BL0

NOTICE IS HEREBY GIVEN, on behalf of the Northern Inyo Healthcare District (the "District") to the owners of the outstanding Northern Inyo Healthcare District Revenue Bonds, Series 2013, as described above (the "Bonds"), that pursuant to the indenture authorizing the issuance of the Bonds (the "Indenture"), the lien of the Indenture with respect to the Bonds has been discharged through the irrevocable deposit of cash and U.S. Treasury securities in an escrow fund (the "Escrow Fund"). The Escrow Fund has been established and is being maintained pursuant to that certain Escrow Agreement, dated December 29, 2021, by and between the District and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "Escrow Bank"). As a result of such deposit, the Bonds are deemed to have been paid and defeased in accordance with the Indenture. The pledge of the funds provided for under the Indenture and all other obligations of the District to the owners of the defeased Bonds shall hereafter be limited to the application of moneys in the Escrow Fund for the payment of the Bonds as described below.

As evidenced by the verification report delivered to the Escrow Bank, the cash and U.S. Treasury securities deposited in the Escrow Fund are calculated to provide sufficient moneys to provide for the payment of the principal of and interest on the 2013 Bonds to and including December 1, 2023, and for the redemption of the 2013 Bonds in full on December 1, 2023, at a redemption price equal to 100% of the principal amount thereof.

Dated: \_\_\_\_\_, 2021

THE BANK OF NEW YORK  
MELLON TRUST COMPANY,  
N.A., as Trustee

## EXHIBIT D

### FORM OF REDEMPTION NOTICE

#### NOTICE OF FULL/FINAL REDEMPTION OF

#### Northern Inyo Healthcare District Revenue Bonds, Series 2013

Original Issue Date	Maturity Date	Amount Redeemed	Interest Rate	Redemption Premium	Redemption Price	CUSIP No.
1/29/13	12/1/27	\$4,620,000	3.875%	—	\$4,620,000	665297 BK2
1/29/13	12/1/29	3,355,000	5.000	—	3,355,000	665297 BL0

**NOTICE** is hereby given that the Northern Inyo Healthcare District (the "District") has called for redemption on December 1, 2023 (the "Redemption Date"), the outstanding Northern Inyo Healthcare District Revenue Bonds, Series 2013, as described above (the "Bonds"), at a price equal to 100% of the principal amount thereof (the "Redemption Price").

On the Redemption Date, the Redemption Price will become due and payable upon each Bond and interest with respect thereto shall cease to accrue from and after the Redemption Date.

Owners presenting their Bonds in person for the same day payment must surrender their Bonds by 1:00 p.m. on the Redemption Date and a check will be available for pickup after 2:00 p.m. Checks not picked up by 4:30 p.m. will be mailed to the Owner by first class mail.

Interest with respect to the principal amount designated to be redeemed shall cease to accrue on and after the Redemption Date.

If payment of the Redemption Price is to be made to the Owner, such Owner is not required to endorse the Bond to collect the Redemption Price.

Under the Tax Cuts and Job Act of 2017, 24% of the Redemption Price will be withheld if tax identification number is not properly certified. The Form W-9 may be obtained from the Internal Revenue Service.

Neither the District nor The Bank of New York Mellon Trust Company, N.A., as Escrow Bank, shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness as shown in the Redemption Notice. It is included solely for convenience of the Owners.

Dated: \_\_\_\_\_, 2023

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Escrow  
Bank

§ \_\_\_\_\_  
**NORTHERN INYO HEALTHCARE DISTRICT**  
**(Inyo County, California)**  
**Refunding Revenue Bonds, Series 2021A**

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**BOND PURCHASE AGREEMENT**

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December 20, 2021

Northern Inyo Healthcare District  
150 Pioneer Lane  
Bishop, CA 93514

Ladies and Gentlemen:

The undersigned, Siemens Public, Inc. (the "Purchaser") offers to enter into this Bond Purchase Agreement (the "Bond Purchase Agreement") with the Northern Inyo Healthcare District (the "District"), which, upon acceptance, will be binding upon the District and the Purchaser. The undersigned Purchaser has been duly authorized to execute this Bond Purchase Agreement on behalf of the Purchaser and to act hereunder.

The District hereby acknowledges and agrees that (a) the purchase and sale of the (as defined herein) pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the District and the Purchaser, (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Purchaser is and has been acting solely as a principal and is not acting as the agent or fiduciary of the District, (c) the Purchaser has not assumed an advisory or fiduciary responsibility in favor of the District with respect to the purchase of the contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Purchaser has provided other services or is currently providing other services to the District on other matters) and the Purchaser has no obligation to the District with respect to the purchase of the contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement, and (d) the District has consulted its own legal, financial and other advisors to the extent it has deemed appropriate, in connection with the issuance of the and the other matters contemplated by this Bond Purchase Agreement.

The District hereby acknowledges receipt from Piper Sandler & Co., as placement agent (the "Placement Agent"), of disclosures required by the Municipal Securities Rulemaking Board ("MSRB") Rule G-17 (as set forth in MSRB Notice 2012-25 (May 7, 2012), relating to disclosures concerning the Placement Agent's role in the transaction, disclosures concerning the Placement Agent's compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

1. Purchase, Sale and Delivery of the 2021A Bonds.

(a) Upon the terms and conditions and in reliance upon the representations, warranties and covenants herein, the District hereby agrees to sell to the Purchaser and the Purchaser hereby agrees to purchase from the District, all (but not less than all) of the \$\_\_\_\_\_ Northern Inyo Healthcare District (Inyo County, California) Refunding Revenue Bonds, Series 2021A (the "2021A Bonds"), at the purchase price of \$\_\_\_\_\_ (the "Purchase Price"), being the principal amount of the 2021A Bonds. The Purchase Price will be delivered on the Closing Date (as defined in Section 6 below), to The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), on behalf of the District.

(b) The 2021A Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable as provided an indenture of trust, dated as June 1, 1998, as amended and supplemented by a first supplemental indenture, dated as of April 1, 2010, as further amended and supplemented by a second supplemental indenture, dated as of January 1, 2013, and as further amended and supplemented by a third supplemental indenture, dated as of December 1, 2021, each by and between the District and the Trustee, as successor trustee (collectively, the "Indenture").

The 2021A Bonds shall be limited obligations of the District payable from Revenues (as that term is defined in the Indenture) and secured by a pledge and assignment of the Revenues and of amounts held in the funds and accounts established pursuant to the Indenture (excluding the Rebate Fund established under the Indenture), subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The 2021A Bonds will be issued on a parity with the District's Northern Inyo Healthcare District (Inyo County, California) Taxable Refunding Revenue Bonds, Series 2021A, being issued concurrently with the 2021A Bonds.

The 2021A Bonds are authorized pursuant to the provisions of Articles 9 and 11 of Chapter 3 (commencing with section 53550) of Division 2 of Title 5 of the California Government Code (the "Law"), the Indenture and a resolution adopted by the Board of Directors of the District on December 15, 2021 (the "Resolution").

The 2021A Bonds shall be dated the Closing Date, shall bear interest at the rates, shall mature on the dates and in the principal amounts and shall be subject to redemption, all as set forth in the attached Exhibit A.

If the purchase of the 2021A Bonds does not close on or before December 29, 2021, the interest rates specified in Exhibit A shall no longer be effective and the Purchaser and the District shall agree on new rates.

(c) The 2021A Bonds are being issued for the purpose of (a) providing funds to the District to refund, on a current basis, the District's Northern Inyo Healthcare District Revenue Bonds, Series 2010 (the "2010 Bonds"), and (b) paying the costs of issuing the 2021A Bonds.

Pursuant to an escrow agreement, dated the Closing Date (the "2010 Escrow Agreement"), by and between the District and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "Escrow Bank"), provision will be made for the refunding of the 2010 Bonds.

(d) At 10:00 A.M., Pacific Standard time, on December 29, 2021, or at such earlier or later time or date as shall be agreed by the District and the Purchaser (such time and date being herein referred to as the "Closing Date"), the District will direct the Trustee to deliver the 2021A Bonds to the Purchaser in the form of a separate single fully-registered Bond, duly executed by the



District and authenticated by the Trustee, in Larkspur, California, and the other documents herein mentioned; and the Purchaser will accept such delivery and pay the Purchase Price as set forth in paragraph (a) of this Section 1 by wire transfer, payable in immediately available funds (such delivery and payment being herein referred to as the "Closing").

2. Private Placement. The Purchaser represents and warrants to the District that:

(a) The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other obligations of a nature similar to the 2021A Bonds to be able to evaluate the risks and merits of the investment represented by the purchase of the 2021A Bonds.

(b) The Purchaser is acquiring the 2021A Bonds for its own account (or that of its consolidated taxpayer group) and not with a current view to, or for sale in connection with, any distribution thereof or any part thereof. The Purchaser has not offered to sell, solicited offers to buy, or agreed to sell the 2021A Bonds or any part thereof, and the Purchaser has no current intention of reselling or otherwise disposing of the 2021A Bonds *provided, however*, such representation shall not preclude the Purchaser from transferring or selling of the 2021A Bonds in accordance with the provisions of the Indenture. The Purchaser is not acting in a broker-dealer capacity in connection with its purchase of the 2021A Bonds. The Purchaser has required as a condition to the purchase of the 2021A Bonds that no application be made to make the 2021A Bonds DTC eligible.

(c) As a sophisticated investor, the Purchaser has made its own credit inquiry and analysis with respect to the District and the 2021A Bonds and has made an independent credit decision based upon such inquiry and analysis and in reliance on the truth, accuracy, and completeness of the representations and warranties of the District set forth in the Indenture and in the information set forth in any materials submitted to the Purchaser by the District. The District has furnished to the Purchaser all the information which the Purchaser, as a reasonable investor, has requested of the District as a result of the Purchaser having attached significance thereto in making its investment decision with respect to the 2021A Bonds, and the Purchaser has had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the District and the 2021A Bonds. The Purchaser is able and willing to bear the economic risk of the purchase and ownership of the 2021A Bonds.

(d) The Purchaser understands that the 2021A Bonds have not been registered under the United States Securities Act of 1933, as amended, or under any state securities laws. The Purchaser agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any disposition of the 2021A Bonds by it, and further acknowledges that any current exemption from registration of the 2021A Bonds does not affect or diminish such requirements.

(e) The Purchaser has authority to purchase the 2021A Bonds and to execute any instruments and documents required to be executed by the Purchaser in connection with the purchase of the 2021A Bonds. The undersigned is a duly appointed, qualified, and acting officer of the Purchaser and is authorized to cause the Purchaser to make the representations and warranties contained herein on behalf of the Purchaser.

(f) The Purchaser acknowledges that the 2021A Bonds are transferable with certain requirements, as described in the Indenture. The Purchaser acknowledges that the 2021A Bonds are exempt from the requirements of Rule 15c2-12 of the Securities and Exchange Commission and that the District has not undertaken to provide any continuing disclosure with respect to the

2021A Bonds but that the District has agreed to provide other ongoing information to the Purchaser as set forth in the Indenture and related documents.

3. Representations, Warranties and Agreements of the District. The District represents and warrants to, and agrees with, the Purchaser that:

(a) The District is a local health care district, organized and existing under the laws of the State of California (the "State"), and is authorized, among other things, (i) to issue the 2021A Bonds, and (ii) to secure the 2021A Bonds in the manner contemplated by the Indenture.

(b) The District has the full right, power and authority to (i) adopt the District Resolution, (ii) enter into the Indenture, the 2010 Escrow Agreement and this Bond Purchase Agreement, (iii) to issue, sell and deliver the 2021A Bonds to the Purchaser as provided herein, and (iv) to carry out and consummate all other transactions on its part contemplated by each of the aforesaid documents, and has complied with all provisions of applicable law in all matters relating to such transactions.

(c) The District has duly authorized (i) the execution and delivery of the 2021A Bonds and the execution, delivery and due performance by the District of this Bond Purchase Agreement, the 2010 Escrow Agreement and the Indenture, and (ii) the taking of any and all such actions as may be required on the part of the District to carry out, give effect to and consummate the transactions on its part contemplated by such instruments. All consents or approvals necessary to be obtained by the District in connection with the foregoing have been received, and the consents or approvals so received are still in full force and effect. have been received, and the consents or approvals so received are still in full force and effect.

(d) The 2021A Bonds, when issued, authenticated and delivered in accordance with the District Resolution and the Indenture, and sold to the Purchaser as provided herein, will constitute legal, valid and binding obligations of the District, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State, and are entitled to the benefits of the laws of the State, the Indenture and the District Resolution.

(e) Neither the execution and delivery by the District of the Indenture, the 2010 Escrow Agreement, this Bond Purchase Agreement and of the 2021A Bonds nor the consummation of the transactions on the part of the District contemplated herein or therein or the compliance with the provisions hereof or thereof will conflict with, or constitute on the part of the District a violation of, or a breach of or default under, (i) any statute, indenture, mortgage, note or other agreement or instrument to which the District is a party or by which it is bound, (ii) any provision of the State Constitution, or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the District (or the members of the District or any of its officers in their respective capacities as such) is subject.

(f) Except as disclosed to the Purchaser, the District has never been in default at any time, as to principal of or interest on any obligation which it has issued except as otherwise specifically disclosed to the Purchaser and the District has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Tax Revenues pledged to the payment of the 2021A Bonds except as otherwise specifically disclosed to the Purchaser.

(g) Except as disclosed to the Purchaser, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, which has been

served on the District or, to the best knowledge of the District, threatened, which in any way questions the powers of the District referred to in paragraph (b) above, or the validity of any proceeding taken by the District in connection with the issuance of the 2021A Bonds, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by this Bond Purchase Agreement, the 2010 Escrow Agreement or the Indenture, or which, in any way, could adversely affect the validity or enforceability of the Indenture, the 2010 Escrow Agreement, the 2021A Bonds or this Bond Purchase Agreement or, to the knowledge of the District, which in any way questions the exclusion from gross income of the recipients thereof the interest on the 2021A Bonds for federal income tax purposes or in any other way questions the status of the 2021A Bonds under federal or state tax laws or regulations or which in any way could materially adversely affect the availability of Revenues.

(h) The financial statements of, and other financial information regarding the District relating to the receipts, expenditures and cash balances of revenues by the District as of June 30, \_\_\_\_, fairly represent the receipts, expenditures and cash balances of such amounts and, insofar as presented, other funds of the District as of the dates and for the periods therein set forth. The financial statements of the District have been prepared in accordance with generally accepted accounting principles consistently applied. There has not been any materially adverse change in the financial condition of the District or in its operations since June 30, \_\_\_\_, and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(i) Any certificate signed by any official of the District and delivered to the Purchaser in connection with the offer or sale of the 2021A Bonds shall be deemed a representation, covenant and warranty by the District to the Purchaser as to the truth of the statements therein contained.

(j) The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

(k) The 2021A Bonds shall not be registered or otherwise qualified under any Blue Sky or other securities laws.

(l) All authorizations, approvals, licenses, permits, consents, elections, and orders, including without limitation, filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the District of, its obligations in connection with the Indenture have been duly obtained or made and are in full force and effect.

(m) Between the date of this Bond Purchase Agreement and the Closing Date, the District will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Purchaser.

(n) The District will apply the proceeds of the 2021A Bonds in accordance with the Indenture and any related documents.

4. Conditions to the Obligations of the Purchaser. The obligations of the Purchaser hereunder shall be subject to the performance by the District of its obligations hereunder at or prior to the Closing Date and are also subject to the following conditions:

(a) the representations, warranties and covenants of the District contained herein shall be true and correct in all material respects as of the Closing Date;

(b) as of the Closing Date, there shall have been no material adverse change in the financial condition of the District;

(c) as of the Closing Date, all official action of the District relating to this Bond Purchase Agreement, the 2010 Escrow Agreement and the Indenture shall be in full force and effect;

(d) as of the Closing Date, the Purchaser shall receive the following certificates, opinions and documents, in each case satisfactory in form and substance to the Purchaser:

(i) a copy of the Indenture, as duly executed and delivered by the District and the Trustee;

(ii) a copy of the 2010 Escrow Agreement, duly executed and delivered by the District and the Escrow Bank;

(iii) an opinions of Bond Counsel, in form acceptable to the Purchaser, dated the Closing Date and addressed to the District, with reliance letters addressed to the Purchaser and the Trustee;

(iv) a certificate, dated the Closing Date, of the District executed by the Chief Financial Officer (or other duly appointed officer of the District authorized by the District by resolution of the District) to the effect that (A) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the District or, to the knowledge of the District, threatened against or affecting the District to restrain or enjoin the District's participation in, or in any way contesting the existence of the District or the powers of the District with respect to, the transactions contemplated by this Bond Purchase Agreement, the 2010 Escrow Agreement or the Indenture, and consummation of such transactions; (B) the representations and warranties of the District contained in this Bond Purchase Agreement are true and correct in all material respects, and the District has complied with all agreements and covenants and satisfied all conditions to be satisfied at or prior to the Closing Date as contemplated by the Indenture, the 2010 Escrow Agreement and this Bond Purchase Agreement, and (C), following the issuance of the 2021A Bonds, there will be no obligations of the District secured by the Revenues on a basis senior to or on a parity with the 2021A Bonds;

(v) an opinion of counsel to the District, dated the Closing Date and addressed to the District, the Purchaser and the Trustee to the effect that:

(A) the District is a local healthcare district, organized and existing under the laws of the State;

(B) the District has full legal power and lawful authority to enter into the Indenture, the 2010 Escrow Agreement and this Bond Purchase Agreement;

(C) the District Resolution has been duly adopted at a meeting of the governing body of the District, which was called and held pursuant to the law and with all public notice required by law and at which a quorum was present and acting throughout and the District Resolution is in full force and effect and has not been modified, amended or rescinded;

(D) the Indenture, the 2010 Escrow Agreement and this Bond Purchase Agreement have been duly authorized, executed and delivered by the District and,

assuming due authorization, execution and delivery by the other parties thereof, constitute the valid, legal and binding agreements of the District enforceable in accordance with their terms; and

(E) Except as otherwise specifically disclosed to the Purchaser, there is no litigation, action, suit, proceeding or investigation (or any basis therefor) at law or in equity before or by any court, governmental agency or body, pending by way of a summons served against the District or, to our knowledge, threatened against the District, challenging the creation, organization or existence of the District, or the validity of the Indenture, the 2010 Escrow Agreement or this Bond Purchase Agreement or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby or contesting the authority of the District to enter into or perform its obligations under the Indenture, the 2010 Escrow Agreement or this Bond Purchase Agreement, or under which a determination adverse to the District would have a material adverse effect upon the availability of Pledged Revenues, or which, in any manner, questions the right of the District to enter into, and perform under, the Indenture, the 2010 Escrow Agreement or this Bond Purchase Agreement;

(vi) an opinion of counsel to the Trustee, dated the Closing Date and addressed to the District and the Purchaser, to the effect that:

(A) The Trustee is a national banking association organized and existing under the laws of the United States of America, having full power to enter into, accept and administer the trust created under the Indenture;

(B) The Indenture has been duly authorized, executed and delivered by the Trustee and the Indenture constitutes a legal, valid and binding obligation of the Trustee enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought; and

(C) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the execution and delivery of the Indenture or the consummation of the transactions contemplated by the Indenture;

(vii) an opinion of counsel to the Escrow Bank, dated the Closing Date and addressed to the District and the Purchaser, to the effect that:

(A) The Escrow Bank is a national banking association organized and existing under the laws of the United States of America, having full power to enter into, accept and administer the trust created under the 2010 Escrow Agreement;

(B) The 2010 Escrow Agreement have been duly authorized, executed and delivered by the Escrow Bank and the 2010 Escrow Agreement constitute the legal, valid and binding obligations of the Escrow Bank enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought; and

(C) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Escrow Bank that has not been obtained is or will be required for the execution and delivery of the 2010 Escrow Agreement or the consummation of the transactions contemplated by the 2010 Escrow Agreement;

(viii) a certificate, dated the Closing Date, of the Trustee, signed by a duly authorized officer of the Trustee, to the effect that (A) the Trustee is duly organized and validly existing as a national banking association, with full corporate power to undertake the trust of the Indenture; (B) the Trustee has duly authorized, executed and delivered the Indenture and by all proper corporate action has authorized the acceptance of the trust of the Indenture; and (C) to such officer's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Trustee (either in state or federal courts), or to the knowledge of the Trustee which would restrain or enjoin the execution or delivery of the Indenture, or which would affect the validity or enforceability of the Indenture, or the Trustee's participation in, or in any way contesting the powers or the authority of the Trustee with respect to, the transactions contemplated by the Indenture, or any other agreement, document or certificate related to such transactions;

(ix) a certificate, dated the Closing Date, of the Escrow Bank, signed by a duly authorized officer of the Escrow Bank, to the effect that (A) the Escrow Bank is duly organized and validly existing as a national banking association, with full corporate power to undertake the trust of the 2010 Escrow Agreement; (B) the Escrow Bank has duly authorized, executed and delivered the 2010 Escrow Agreement and by all proper corporate action has authorized the acceptance of the duties of the 2010 Escrow Agreement; and (C) to such officer's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Escrow Bank (either in state or federal courts), or to the knowledge of the Escrow Bank which would restrain or enjoin the execution or delivery of the 2010 Escrow Agreement, or which would affect the validity or enforceability of the 2010 Escrow Agreement, or the Escrow Bank's participation in, or in any way contesting the powers or the authority of the Escrow Bank with respect to, the transactions contemplated by the 2010 Escrow Agreement, or any other agreement, document or certificate related to such transactions;

(x) a supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the District and the Purchaser, to the effect that:

(A) this Bond Purchase Agreement has been duly authorized, executed and delivered by the District and, assuming the valid execution and delivery by the other party thereto, is valid and binding upon the District, subject to the laws relating to bankruptcy, insolvency, reorganization of creditors' rights generally and to the application of equitable principles, and

(B) the 2021A Bonds are exempt from registration pursuant to Section 3(a)(2) of the Securities Act of 1933, as amended, and the Indenture are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended, and

(xi) a certified copy of the District Resolution;

(xii) the specimen 2021A Bonds;

(xiii) evidence of required filings with the California Debt and Investment Advisory Commission;

(xiv) An arbitrage/tax certificate with respect to the 2021A Bonds in form satisfactory to Bond Counsel;

(xv) A copy of the completed Internal Revenue Service Form 8038-G with respect to the 2021A Bonds executed by the District;

(xvi) A defeasance opinion of Bond Counsel relating to the 2010 Bonds; and

(xvii) such additional legal opinions, certificates, instruments and other documents as the Purchaser may reasonably deem necessary to evidence the truth and accuracy as of the time of the Closing Date of the representations and warranties of the District contained in this Bond Purchase Agreement and the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District pursuant to this Bond Purchase Agreement.

If the District shall be unable to satisfy the conditions to the Purchaser' obligations contained in this Bond Purchase Agreement or if the Purchaser' obligations shall be terminated for any reason permitted herein, this Bond Purchase Agreement shall terminate and neither the Purchaser nor the District shall have any further obligation hereunder.

5. Termination. The Purchaser shall have the right to cancel its obligations to purchase the 2021A Bonds if between the date hereof and the Closing Date:

(a) legislation shall have been enacted, or considered for enactment with an effective date prior to the Closing Date, or a decision by a court of the United States shall have been rendered, the effect of which is that of the 2021A Bonds, including any underlying obligations, or the Indenture, as the case may be, is not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(b) a stop order, ruling, regulation or offering circular by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the 2021A Bonds, including any underlying obligations, or the execution of the Indenture, as contemplated hereby, is or would be in violation of any provisions of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(c) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis, including a financial crisis, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Purchaser, would materially adversely affect the market for or market price of the 2021A Bonds; or

(d) there shall be in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Purchaser, would materially adversely affect the market for or market price of the 2021A Bonds; or

(e) a general banking moratorium shall have been declared by federal, New York or California authorities; or

(f) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the District; or

(g) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(h) the New York Stock Exchange or other national securities exchange, or any governmental or regulatory authority, shall impose, as to the 2021A Bonds or obligations of the general character of the 2021A Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of the Purchaser; or

(i) any change, which in the reasonable opinion of the Purchaser, materially adversely affects the financial condition of the District.

6. Indemnity. The District shall, to the extent permitted by law, indemnify and hold harmless the Purchaser, its parent, and correspondents and each of their respective directors, officers, employees and agents (each, including the Purchaser, an "Indemnified Person") from and against any and all claims, suits, judgments, costs, losses, fines, penalties, damages, liabilities, and expenses, including expert witness fees and legal fees, charges and disbursements of any counsel (including in-house counsel fees and allocated costs) for any Indemnified Person ("Costs"), arising out of, in connection with, or as a result of: (i) purchase of the 2021A Bonds or any pre-advice of its issuance any action or proceeding arising out of or in connection with the 2021A Bonds, the Indenture or the Escrow Agreement (whether administrative, judicial or in connection with arbitration), including any action or proceeding to compel or restrain any presentation or payment under the 2021A Bonds; (ii) any unauthorized communication or instruction (whether oral, telephonic, written, telegraphic, facsimile or electronic) (each an "Instruction") regarding the 2021A Bonds or error in computer transmission; (iii) an adviser, confirmer or other nominated person seeking to be reimbursed, indemnified or compensated; (iv) the fraud, forgery or illegal action of parties other than the Indemnified Person; (v) the enforcement of this Bond Purchase Agreement or any rights or remedies under or in connection with the Indenture, the Escrow Agreement or this Bond Purchase Agreement; and (vi) the acts or omissions, whether rightful or wrongful, of any present or future de jure or de facto governmental or regulatory authority or cause or event beyond the control of such Indemnified Person; in each case, including that resulting from Purchaser's own negligence, provided, however, that such indemnity shall not be available to any Person claiming indemnification under (i) through (vi) above to the extent that such Costs are found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted directly from the gross negligence or willful misconduct of the Indemnified Person claiming indemnity. If and to the extent that the obligations of District under this paragraph are unenforceable for any reason, District shall make the maximum contribution to the Costs permissible under applicable law.

7. Contingency of Obligations. The obligations of the District hereunder are subject to the performance by the Purchaser of its obligations hereunder.

8. Duration of Representations, Warranties, Agreements and Covenants. All representations, warranties, agreements and covenants of the District shall remain operative and



in full force and effect, regardless of any investigations made by or on behalf of the Purchaser or the District and shall survive the Closing Date.

9. Expenses. The District will pay or cause to be paid all reasonable expenses incident to the performance of its obligations under this Bond Purchase Agreement, including, but not limited to, mailing or delivery of the 2021A Bonds, costs of printing the 2021A Bonds, the fees and disbursements of the Trustee, the District's municipal advisor, the placement agent, Bond Counsel and counsel to the District, the fees and expenses of the District's accountants and fiscal consultants, fees of counsel to the Purchaser and the reporting fee to the California Debt and Investment Advisory Commission. In the event this Bond Purchase Agreement shall terminate because of the default of the Purchaser, the District will, nevertheless, pay, or cause to be paid, all of the expenses specified above. The Purchaser shall pay all expenses incurred by it in connection its purchase of the 2021A Bonds.

10. Notices. Any notice or other communication to be given to the District under this Bond Purchase Agreement may be given by delivering the same in writing to its Chief Executive Officer, Northern Inyo Healthcare District, 150 Pioneer Lane, Bishop, CA 93514, and any notice or other communication to be given to the Purchaser under this Bond Purchase Agreement may be given by delivering the same in writing to Siemens Public, Inc., 170 Wood Avenue South, Iselin, NJ 08830, Attention: Mr. Mr. Jim Thoma, \_\_\_\_\_.

11. Parties in Interest. This Bond Purchase Agreement is made solely for the benefit of the District and the Purchaser (including the successors or assigns of the Purchaser) and no other person, including any purchaser of the 2021A Bonds, shall acquire or have any right hereunder or by virtue hereof.

12. Waiver of Jury Trial.

(a) TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF THE DISTRICT AND THE PURCHASER IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS PURCHASE CONTRACT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE DISTRICT FURTHER AGREES THAT, IN THE EVENT OF LITIGATION, IT WILL NOT PERSONALLY OR THROUGH ITS AGENTS OR ATTORNEYS SEEK TO REPUDIATE THE VALIDITY OF THIS SECTION 12, AND IT ACKNOWLEDGES THAT IT FREELY AND VOLUNTARILY ENTERED INTO THIS AGREEMENT TO WAIVE TRIAL BY JURY IN ORDER TO INDUCE THE PURCHASER TO ENTER INTO THIS PURCHASE CONTRACT.

(b) To the extent the foregoing waiver of a jury trial is unenforceable under applicable California law, the parties agree to refer, for a complete and final adjudication, any and all issues of fact or law involved in any litigation or proceeding (including all discovery and law and motion matters, pretrial motions, trial matter and post-trial motions up to and including final judgment), brought to resolve any dispute (whether based on contract, tort or otherwise) between the parties hereto arising out of, in connection with or otherwise related or incidental to this Purchase Contract to a judicial referee who shall be appointed under a general reference pursuant to California Code of Civil Procedure Section 638, which referee's decision will stand as the decision of the court. Such judgment will be entered on the referee's statement of judgment in the same manner as if the action had been tried by the court. The parties shall select a single neutral referee, who shall be a retired state or federal judge with at least five years of judicial experience in civil matters; provided that the event the parties cannot agree upon a referee, the referee will be appointed by the court. The referee's fees shall be borne by the party who does not prevail, as determined by the referee.

13. Governing Law. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed in California.

14. Headings. The headings of the paragraphs of this Bond Purchase Agreement are inserted for convenience of reference only and shall not be deemed to be a part hereof.

15. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

16. Effectiveness. This Bond Purchase Agreement shall become effective upon acceptance hereof by the District.

17. Counterparts. This Bond Purchase Agreement may be executed in several counterparts which together shall constitute one and the same instrument.

Very truly yours,

SIEMENS PUBLIC, INC., as Purchaser

By \_\_\_\_\_  
Title \_\_\_\_\_

Accepted and agreed to as of  
the date first above written:

NORTHERN INYO HEALTHCARE DISTRICT

By \_\_\_\_\_  
Chief Executive Officer

[Northern Inyo Healthcare District Refunding Revenue Bonds, Series 2021A and  
Northern Inyo Healthcare District Taxable Refunding Revenue Bonds, Series 2021B]

**EXHIBIT A**

\$ \_\_\_\_\_  
**NORTHERN INYO HEALTHCARE DISTRICT**  
**(Inyo County, California)**  
**Refunding Revenue Bonds, Series 2021A**

**MATURITY SCHEDULE**

Maturity Date (December 1)	Principal Amount	Interest Rate*
2036	\$ _____	____%

**REDEMPTION PROVISIONS**

*Optional Redemption.* The 2021A Bonds are subject to optional redemption prior to maturity, in whole or in part on any date, on and after January 1, 2026, from any source of funds, by paying a redemption price equal to the aggregate principal amount of 2021A Bonds to be redeemed, together with accrued interest to such date and a premium as set forth in the following table:

Redemption Period	Redemption Premium
January 1, 2026 to December 31, 2028	2%
January 1, 2028 to December 31, 2030	1
January 1, 2030 and thereafter	0

*Mandatory Sinking Fund Redemption.* The 2021A Bonds are subject to mandatory redemption, in part by lot, from Sinking Account payments set forth in the following schedule at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however,* that if some but not all of the 2021A Bonds have been optionally redeemed, the total amount of Sinking Account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the 2021A Bonds so redeemed by reducing each such future Sinking Account payment on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the District with the Trustee.

Sinking Account Redemption Date (December 1)	Principal Amount to be Redeemed
2032	
2033	
2034	
2035	
2036†	

†Maturity

\* If the 2021A Default Rate or the 2021A Taxable Rate (each as defined in the Indenture) is in effect, interest will be computed by applying such alternate rate.

\$ \_\_\_\_\_  
**NORTHERN INYO HEALTHCARE DISTRICT**  
**(Inyo County, California)**  
**Taxable Refunding Revenue Bonds, Series 2021B**

**MATURITY SCHEDULE**

Maturity Date (September 1)	Principal Amount	Interest Rate*
2032	\$ _____	_____ %

**REDEMPTION PROVISIONS**

*Optional Redemption of Bonds.* The 2021B Bonds are subject to optional redemption prior to maturity, in whole or in part on any date, on and after January 1, 2025, from any source of funds, by paying a redemption price equal to the aggregate principal amount of 2021B Bonds to be redeemed, together with accrued interest to such date and a premium as set forth in the following table:

Redemption Period	Redemption Premium
January 1, 2025 to December 31, 2027	2%
January 1, 2027 to December 31, 2029	1
January 1, 2029 and thereafter	0

*Mandatory Sinking Fund Redemption of Bonds.* The 2021B Bonds are subject to mandatory redemption, in part by lot, from Sinking Account payments set forth in the following schedule at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however,* that if some but not all of the 2021B Bonds have been optionally redeemed, the total amount of Sinking Account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the 2021B Bonds so redeemed by reducing each such future Sinking Account payment on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the District with the Trustee.

Sinking Account Redemption Date (December 1)	Principal Amount to be Redeemed
2021	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032†	

†Maturity

\* If the 2021B Default Rate (as defined in the Indenture) is in effect, interest will be computed by applying such alternate rate.

## EXHIBIT B

### FORM OF OPINION OF COUNSEL TO THE DISTRICT

[Closing Date]

Siemens Public, Inc.  
170 Wood Avenue South  
Iselin, New Jersey 08830

Re: \$\_\_\_\_\_ Northern Inyo Local Hospital District (Inyo County, California) Refunding Revenue Bonds, Series 2021A

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Ladies and Gentlemen:

We have served as counsel to the Northern Inyo Healthcare District (the "District") in connection with the issuance by the District of Northern Inyo Healthcare District (Inyo County, California) Refunding Revenue Bonds, Series 2021A, in the aggregate principal amount of \$\_\_\_\_\_ (the "2021A Bonds"). The 2021A Bonds are issued pursuant to the provisions of Article 10 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53570) of the California Government Code and are issued under and secured by an Indenture of Trust, dated as of June 1, 1998, as amended and supplemented by a first supplemental indenture of trust, dated as of April 1, 2010, as further amended and supplemented by a second supplemental indenture of trust, dated as of January 1, 2013, and as further amended and supplemented by that certain Third Supplemental Indenture of Trust, dated as of December 1, 2021, by and between the District and The Bank of New York Mellon Trust Company, N.A., as successor trustee (collectively, the "Indenture"). The 2021A Bonds are being sold pursuant to a Bond Purchase Agreement, dated December 20, 2021 (the "Bond Purchase Agreement"), by and between the District and Siemens Public, Inc., as purchaser.

The 2021A Bonds are being issued for the purpose of (a) providing funds to the District to refund, on a current basis, the District's Northern Inyo Healthcare District Revenue Bonds, Series 2010 (the "2010 Bonds"), and (b) paying the costs of issuing the 2021A Bonds.

Pursuant to an escrow agreement, dated the date of delivery of the 2021A Bonds (the "2010 Escrow Agreement"), by and between the District and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "Escrow Bank"), provision will be made for the refunding of the 2010 Bonds.

In connection with this opinion, we have assumed the authenticity of all records, documents, and instruments submitted to us as originals, the genuineness of all signatures, the legal capacity of natural persons and the conformity to the originals of all records, documents, and instruments submitted to us as copies. We also have assumed that there are no facts or circumstances relating to you that might prevent you from enforcing any of the rights to which our opinion relates. We have based our opinion upon our review of the following records, documents and instruments:

- (a) A copy of the Indenture.
- (b) Copies of the 2010 Escrow Agreement;

- (c) A copy of the Bond Purchase Agreement.
- (d) Resolution No. \_\_\_\_ (the "Resolution") adopted by the District on December 15, 2021, authorizing the execution and delivery of the 2021A Bonds and the Transaction Documents (hereinafter defined).

The documents and instruments listed in items (a) through (c) above are collectively referred to herein as the "Transaction Documents."

Where our opinion relates to our "knowledge," such knowledge is based upon our examination of the records, documents, instruments, and certificates enumerated or described above and the actual knowledge of attorneys in this firm who are currently involved in substantive legal representation of the District. With your consent, we have not examined any records of any court, administrative tribunal or other similar entity in connection with our opinion. Except as described herein, we have undertaken no investigation or verification of such matters.

Based upon the foregoing and our examination of such questions of law as we have deemed necessary or appropriate for the purpose of this opinion, and subject to the limitations and qualifications expressed below, it is our opinion that:

(1) The District is a local health care district duly existing under the laws of the State of California, has full legal right, power and authority to enter into the Indenture and the Bond Purchase Agreement and to carry out and consummate all transactions contemplated by the Indenture and the Bond Purchase Agreement.

(2) The Resolution, approving and authorizing the execution of the Indenture, the Bond Purchase Agreement and the 2021A Bonds was duly adopted at a meeting of the governing body of the District which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and voted.

(3) To our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against the District to restrain or enjoin the issuance or delivery of the 2021A Bonds or the collection of revenues pledged under the Indenture, contesting any authority for the issuance of the 2021A Bonds or the validity of the 2021A Bonds, the Indenture or the Bond Purchase Agreement, contesting the existence or powers of the District with respect to the issuance of the 2021A Bonds or the security therefor wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Indenture, the Bond Purchase Agreement or the validity of the 2021A Bonds.

(4) The 2021A Bonds, the Indenture and the Bond Purchase Agreement have been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the other parties thereto where applicable, are valid and binding limited obligations of the District enforceable in accordance with their terms.

This opinion is limited to the federal laws of the United States of America and the laws of the State of California. We disclaim any opinion as to the laws of any other jurisdiction and we further disclaim any opinion as to any statute, rule, regulation, ordinance, order or other promulgation of any regional or local governmental body. This opinion is based upon the law in effect on the date hereof, and we assume no obligations to revise or supplement this opinion should such law be changed by legislative action, judicial decision, or otherwise. In connection

with this opinion letter, we also have assumed the following: (a) consideration has been duly given under the Transaction Documents; (b) the District is the legal, beneficial and record owner of the collateral described in any Transaction Documents and the descriptions of collateral in the Transaction Documents sufficiently describe the collateral intended to be covered by such documents; (c) any lien documents are in suitable form, notarized if required, and duly filed or recorded with the appropriate government offices; (d) the Transaction Documents accurately describe the mutual understanding of the parties thereto, and that there are no oral or written statements that modify, amend, or vary, or purport to modify, amend, or vary, any of the terms of the Transaction Documents; (e) the information, factual matters, representations and warranties contained in the Transaction Documents, records, certificates and other documents we have reviewed are true, correct and complete; and (f) the other parties to Transaction Documents have the proper authority to engage in the transactions contemplated thereunder and at all times have complied and will comply with the Transaction Documents and related documents and with all applicable requirements governing their actions and will act in a commercially reasonable manner.

In connection with this opinion, we advise you that:

A. Enforceability is subject (i) to bankruptcy, insolvency, reorganization, arrangement, moratorium, and other laws of general applicability relating to or affecting creditors' rights, (ii) to general principles of equity, whether such enforcement is considered in a proceeding in equity or at law, (iii) to limitations imposed by applicable law or public policy on the enforceability of the indemnification provisions, and (iv) to the qualification that certain waivers, procedures, remedies, and other provisions of the Transaction Documents may be unenforceable under or limited by applicable law.

B. The enforceability of the Transaction Documents is further subject to the effect of general principles of equity. These principles include, without limitation, concepts of commercial reasonableness, materiality and good faith and fair dealing. These principles require the parties to act reasonably, in good faith and in a manner that is not arbitrary or capricious in the administration and enforcement of the Transaction Documents and will preclude them from invoking penalties for defaults that bear no reasonable relation to the damage suffered or that would otherwise work a forfeiture.

C. The effectiveness of indemnities, rights of contribution, exculpatory provisions and waivers of the benefits of statutory provisions may be limited on public policy grounds.

D. Section 1717 of the California Civil Code provides that, in any action on a contract where the contract specifically provides that attorneys' fees and costs incurred to enforce that contract shall be awarded either to one of the parties or to the prevailing party, then the party who is determined to be the party prevailing in the action, whether that party is the party specified in the contract or not, shall be entitled to reasonable attorneys' fees in addition to other costs.

E. Any provisions of the Transaction Documents requiring that waivers must be in writing may not be binding or enforceable if a non-executory oral agreement has been created modifying any such provision or an implied agreement by trade practice or course of conduct has given rise to a waiver.

F. Section 9109(d)17 of the California Uniform Commercial Code (the "Code") provides that the secured transactions provisions of the Code do not apply to transfers by a government or governmental unit, and, therefore, the rights and remedies of the Trustee under

the Transaction Documents which purport to incorporate rights and remedies under the Code may not be enforceable and as such, we express no opinion on such matters.

G. Any provisions of the Transaction Documents regarding another party's right to apply proceeds of fire or other casualty insurance policies or awards of damages in condemnation proceedings against the District's secured obligations will not be enforceable unless application of such proceeds or damages is reasonably necessary to protect such security interests.

H. We assume that in the enforcement of any lien documents, all parties will act in accordance with applicable statutory and other legal requirements, including applicable case law and that enforcement of rights or remedies thereunder may be limited when imposing fees and charges in the event of default, upon acceleration of the District's obligations for transfers of interests, leases, or grants of junior encumbrances, attempting to secure a deficiency claim before exhausting the secured property or other remedies, among other things.

I. We have further relied on certain representations, warranties and covenants of the District in the Transaction Documents. Any variations may affect the opinions we are giving.

J. In connection with our opinion, we have not reviewed and express no opinion on (i) financial statements or covenants, financial or audit reports or the consents related thereto or similar provisions requiring financial calculations or determinations, (ii) provisions relating to the occurrence of a "material adverse effect" or similar words, or (iii) parol evidence bearing on interpretation or construction.

We express no opinion as to: (a) the priority of any lien or security interest created, or purported to be created, by any of the Transaction Documents or the enforceability of any lien in the real property of the District; (b) any securities, tax, anti-trust, land use, export, safety, environmental, hazardous materials, choice of law, insurance company or banking laws, rules or regulations; (c) applicable interest rate limitations of California law for loans or forbearances; or (d) the effect on the District's obligations, and any other party's rights, under the Transaction Documents of laws relating to fraudulent transfers and fraudulent obligations set forth in Sections 544 and 548 of the federal Bankruptcy Code and Sections 3439 et seq. of the California Civil Code.

In rendering our opinion, we are expressing no opinion on the validity of the 2021A Bonds.

We furnish this opinion as counsel to the District and only the addressee and Quint & Thimmig LLP may rely upon it. This letter shall not be used, quoted, distributed, circulated or relied upon by any other person or entity for any purpose, without our prior written consent.

Respectfully submitted,



\$ \_\_\_\_\_  
**NORTHERN INYO HEALTHCARE DISTRICT**  
**(Inyo County, California)**  
**Taxable Refunding Revenue Bonds, Series 2021B**

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**BOND PURCHASE AGREEMENT**

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December 20, 2021

Northern Inyo Healthcare District  
150 Pioneer Lane  
Bishop, CA 93514

Ladies and Gentlemen:

The undersigned, Siemens Financial Services, Inc. (the "Purchaser") offers to enter into this Bond Purchase Agreement (the "Bond Purchase Agreement") with the Northern Inyo Healthcare District (the "District"), which, upon acceptance, will be binding upon the District and the Purchaser. The undersigned Purchaser has been duly authorized to execute this Bond Purchase Agreement on behalf of the Purchaser and to act hereunder.

The District hereby acknowledges and agrees that (a) the purchase and sale of the (as defined herein) pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the District and the Purchaser, (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Purchaser is and has been acting solely as a principal and is not acting as the agent or fiduciary of the District, (c) the Purchaser has not assumed an advisory or fiduciary responsibility in favor of the District with respect to the purchase of the contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Purchaser has provided other services or is currently providing other services to the District on other matters) and the Purchaser has no obligation to the District with respect to the purchase of the contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement, and (d) the District has consulted its own legal, financial and other advisors to the extent it has deemed appropriate, in connection with the issuance of the and the other matters contemplated by this Bond Purchase Agreement.

The District hereby acknowledges receipt from Piper Sandler & Co., as placement agent (the "Placement Agent"), of disclosures required by the Municipal Securities Rulemaking Board ("MSRB") Rule G-17 (as set forth in MSRB Notice 2012-25 (May 7, 2012), relating to disclosures concerning the Placement Agent's role in the transaction, disclosures concerning the Placement Agent's compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

1. Purchase, Sale and Delivery of the 2021A Bonds.

(a) Upon the terms and conditions and in reliance upon the representations, warranties and covenants herein, the District hereby agrees to sell to the Purchaser and the Purchaser hereby agrees to purchase from the District, all (but not less than all) of the \$\_\_\_\_\_ Northern Inyo Healthcare District (Inyo County, California) Taxable Refunding Revenue Bonds, Series 2021B (the "2021B Bonds"), at the purchase price of \$\_\_\_\_\_ (the "Purchase Price"), being the principal amount of the 2021B Bonds. The Purchase Price will be delivered on the Closing Date (as defined in Section 6 below), to The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), on behalf of the District.

(b) The 2021B Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable as provided an indenture of trust, dated as June 1, 1998, as amended and supplemented by a first supplemental indenture, dated as of April 1, 2010, as further amended and supplemented by a second supplemental indenture, dated as of January 1, 2013, and as further amended and supplemented by a third supplemental indenture, dated as of December 1, 2021, each by and between the District and the Trustee, as successor trustee (collectively, the "Indenture").

The 2021B Bonds shall be limited obligations of the District payable from Revenues (as that term is defined in the Indenture) and secured by a pledge and assignment of the Revenues and of amounts held in the funds and accounts established pursuant to the Indenture (excluding the Rebate Fund established under the Indenture), subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The 2021B Bonds will be issued on a parity with the District's Northern Inyo Healthcare District (Inyo County, California) Refunding Revenue Bonds, Series 2021A, being issued concurrently with the 2021B Bonds.

The 2021B Bonds are authorized pursuant to the provisions of Articles 9 and 11 of Chapter 3 (commencing with section 53550) of Division 2 of Title 5 of the California Government Code (the "Law"), the Indenture and a resolution adopted by the Board of Directors of the District on December 15, 2021 (the "Resolution").

The 2021B Bonds shall be dated the Closing Date, shall bear interest at the rates, shall mature on the dates and in the principal amounts and shall be subject to redemption, all as set forth in the attached Exhibit A.

If the purchase of the 2021B Bonds does not close on or before December 29, 2021, the interest rates specified in Exhibit A shall no longer be effective and the Purchaser and the District shall agree on new rates.

(c) The 2021B Bonds are being issued for the purpose of (a) providing funds to the District to refund, on an advance basis, the District's Northern Inyo Healthcare District Revenue Bonds, Series 2013 (the "2013 Bonds"), and (b) paying the costs of issuing the 2021B Bonds

Pursuant to an escrow agreement, dated the Closing Date (the "2013 Escrow Agreement"), by and between the District and the Escrow Bank, provision will be made for the refunding of the 2013 Bonds.

(d) At 10:00 A.M., Pacific Standard time, on December 29, 2021, or at such earlier or later time or date as shall be agreed by the District and the Purchaser (such time and date being herein referred to as the "Closing Date"), the District will direct the Trustee to deliver the 2021B Bonds to the Purchaser in the form of a separate single fully-registered Bond, duly executed by the

District and authenticated by the Trustee, in Larkspur, California, and the other documents herein mentioned; and the Purchaser will accept such delivery and pay the purchase price of the 2021B Bonds as set forth in paragraph (a) of this Section 1 by wire transfer, payable in immediately available funds (such delivery and payment being herein referred to as the "Closing").

2. Private Placement. The Purchaser represents and warrants to the District that:

(a) The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other obligations of a nature similar to the 2021B Bonds to be able to evaluate the risks and merits of the investment represented by the purchase of the 2021B Bonds.

(b) The Purchaser is acquiring the 2021B Bonds for its own account (or that of its consolidated taxpayer group) and not with a current view to, or for sale in connection with, any distribution thereof or any part thereof. The Purchaser has not offered to sell, solicited offers to buy, or agreed to sell the 2021B Bonds or any part thereof, and the Purchaser has no current intention of reselling or otherwise disposing of the 2021B Bonds *provided, however*, such representation shall not preclude the Purchaser from transferring or selling of the 2021B Bonds in accordance with the provisions of the Indenture. The Purchaser is not acting in a broker-dealer capacity in connection with its purchase of the 2021B Bonds. The Purchaser has required as a condition to the purchase of the 2021B Bonds that no application be made to make the 2021B Bonds DTC eligible.

(c) As a sophisticated investor, the Purchaser has made its own credit inquiry and analysis with respect to the District and the 2021B Bonds and has made an independent credit decision based upon such inquiry and analysis and in reliance on the truth, accuracy, and completeness of the representations and warranties of the District set forth in the Indenture and in the information set forth in any materials submitted to the Purchaser by the District. The District has furnished to the Purchaser all the information which the Purchaser, as a reasonable investor, has requested of the District as a result of the Purchaser having attached significance thereto in making its investment decision with respect to the 2021B Bonds, and the Purchaser has had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the District and the 2021B Bonds. The Purchaser is able and willing to bear the economic risk of the purchase and ownership of the 2021B Bonds.

(d) The Purchaser understands that the 2021B Bonds have not been registered under the United States Securities Act of 1933, as amended, or under any state securities laws. The Purchaser agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any disposition of the 2021B Bonds by it, and further acknowledges that any current exemption from registration of the 2021B Bonds does not affect or diminish such requirements.

(e) The Purchaser has authority to purchase the 2021B Bonds and to execute any instruments and documents required to be executed by the Purchaser in connection with the purchase of the 2021B Bonds. The undersigned is a duly appointed, qualified, and acting officer of the Purchaser and is authorized to cause the Purchaser to make the representations and warranties contained herein on behalf of the Purchaser.

(f) The Purchaser acknowledges that the 2021B Bonds are transferable with certain requirements, as described in the Indenture. The Purchaser acknowledges that the 2021B Bonds are exempt from the requirements of Rule 15c2-12 of the Securities and Exchange Commission and that the District has not undertaken to provide any continuing disclosure with respect to the

2021B Bonds but that the District has agreed to provide other ongoing information to the Purchaser as set forth in the Indenture and related documents.

3. Representations, Warranties and Agreements of the District. The District represents and warrants to, and agrees with, the Purchaser that:

(a) The District is a local health care district, organized and existing under the laws of the State of California (the "State"), and is authorized, among other things, (i) to issue the 2021B Bonds, and (ii) to secure the 2021B Bonds in the manner contemplated by the Indenture.

(b) The District has the full right, power and authority to (i) adopt the District Resolution, (ii) enter into the Indenture, the 2013 Escrow Agreement and this Bond Purchase Agreement, (iii) to issue, sell and deliver the 2021B Bonds to the Purchaser as provided herein, and (iv) to carry out and consummate all other transactions on its part contemplated by each of the aforesaid documents, and has complied with all provisions of applicable law in all matters relating to such transactions.

(c) The District has duly authorized (i) the execution and delivery of the 2021B Bonds and the execution, delivery and due performance by the District of this Bond Purchase Agreement, the 2013 Escrow Agreement and the Indenture, and (ii) the taking of any and all such actions as may be required on the part of the District to carry out, give effect to and consummate the transactions on its part contemplated by such instruments. All consents or approvals necessary to be obtained by the District in connection with the foregoing have been received, and the consents or approvals so received are still in full force and effect. have been received, and the consents or approvals so received are still in full force and effect.

(d) The 2021B Bonds, when issued, authenticated and delivered in accordance with the District Resolution and the Indenture, and sold to the Purchaser as provided herein, will constitute legal, valid and binding obligations of the District, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State, and are entitled to the benefits of the laws of the State, the Indenture and the District Resolution.

(e) Neither the execution and delivery by the District of the Indenture, the 2013 Escrow Agreement, this Bond Purchase Agreement and of the 2021B Bonds nor the consummation of the transactions on the part of the District contemplated herein or therein or the compliance with the provisions hereof or thereof will conflict with, or constitute on the part of the District a violation of, or a breach of or default under, (i) any statute, indenture, mortgage, note or other agreement or instrument to which the District is a party or by which it is bound, (ii) any provision of the State Constitution, or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the District (or the members of the District or any of its officers in their respective capacities as such) is subject.

(f) Except as disclosed to the Purchaser, the District has never been in default at any time, as to principal of or interest on any obligation which it has issued except as otherwise specifically disclosed to the Purchaser and the District has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Tax Revenues pledged to the payment of the 2021B Bonds except as otherwise specifically disclosed to the Purchaser.

(g) Except as disclosed to the Purchaser, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, which has been

served on the District or, to the best knowledge of the District, threatened, which in any way questions the powers of the District referred to in paragraph (b) above, or the validity of any proceeding taken by the District in connection with the issuance of the 2021B Bonds, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by this Bond Purchase Agreement, the 2013 Escrow Agreement or the Indenture, or which, in any way, could adversely affect the validity or enforceability of the Indenture, the 2013 Escrow Agreement, the 2021B Bonds or this Bond Purchase Agreement or, to the knowledge of the District, which in any way questions the exclusion from gross income of the recipients thereof the interest on the 2021B Bonds for federal income tax purposes or in any other way questions the status of the 2021B Bonds under federal or state tax laws or regulations or which in any way could materially adversely affect the availability of Revenues.

(h) The financial statements of, and other financial information regarding the District relating to the receipts, expenditures and cash balances of revenues by the District as of June 30, \_\_\_\_, fairly represent the receipts, expenditures and cash balances of such amounts and, insofar as presented, other funds of the District as of the dates and for the periods therein set forth. The financial statements of the District have been prepared in accordance with generally accepted accounting principles consistently applied. There has not been any materially adverse change in the financial condition of the District or in its operations since June 30, \_\_\_\_, and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(i) Any certificate signed by any official of the District and delivered to the Purchaser in connection with the offer or sale of the 2021B Bonds shall be deemed a representation, covenant and warranty by the District to the Purchaser as to the truth of the statements therein contained.

(j) The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

(k) The 2021B Bonds shall not be registered or otherwise qualified under any Blue Sky or other securities laws.

(l) All authorizations, approvals, licenses, permits, consents, elections, and orders, including without limitation, filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the District of, its obligations in connection with the Indenture have been duly obtained or made and are in full force and effect.

(m) Between the date of this Bond Purchase Agreement and the Closing Date, the District will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Purchaser.

(n) The District will apply the proceeds of the 2021B Bonds in accordance with the Indenture and any related documents.

4. Conditions to the Obligations of the Purchaser. The obligations of the Purchaser hereunder shall be subject to the performance by the District of its obligations hereunder at or prior to the Closing Date and are also subject to the following conditions:

(a) the representations, warranties and covenants of the District contained herein shall be true and correct in all material respects as of the Closing Date;

(b) as of the Closing Date, there shall have been no material adverse change in the financial condition of the District;

(c) as of the Closing Date, all official action of the District relating to this Bond Purchase Agreement, the 2013 Escrow Agreement and the Indenture shall be in full force and effect;

(d) as of the Closing Date, the Purchaser shall receive the following certificates, opinions and documents, in each case satisfactory in form and substance to the Purchaser:

(i) a copy of the Indenture, as duly executed and delivered by the District and the Trustee;

(ii) a copy of the 2013 Escrow Agreement, duly executed and delivered by the District and the Escrow Bank;

(iii) an opinions of Bond Counsel, in form acceptable to the Purchaser, dated the Closing Date and addressed to the District, with reliance letters addressed to the Purchaser and the Trustee;

(iv) a certificate, dated the Closing Date, of the District executed by the Chief Financial Officer (or other duly appointed officer of the District authorized by the District by resolution of the District) to the effect that (A) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the District or, to the knowledge of the District, threatened against or affecting the District to restrain or enjoin the District's participation in, or in any way contesting the existence of the District or the powers of the District with respect to, the transactions contemplated by this Bond Purchase Agreement, the 2013 Escrow Agreement or the Indenture, and consummation of such transactions; (B) the representations and warranties of the District contained in this Bond Purchase Agreement are true and correct in all material respects, and the District has complied with all agreements and covenants and satisfied all conditions to be satisfied at or prior to the Closing Date as contemplated by the Indenture, the 2013 Escrow Agreement and this Bond Purchase Agreement, and (C), following the issuance of the 2021B Bonds, there will be no obligations of the District secured by the Revenues on a basis senior to or on a parity with the 2021B Bonds;

(v) an opinion of counsel to the District, dated the Closing Date and addressed to the District, the Purchaser and the Trustee to the effect that:

(A) the District is a local healthcare district, organized and existing under the laws of the State;

(B) the District has full legal power and lawful authority to enter into the Indenture, the 2013 Escrow Agreement and this Bond Purchase Agreement;

(C) the District Resolution has been duly adopted at a meeting of the governing body of the District, which was called and held pursuant to the law and with all public notice required by law and at which a quorum was present and acting throughout and the District Resolution is in full force and effect and has not been modified, amended or rescinded;

(D) the Indenture, the 2013 Escrow Agreement and this Bond Purchase Agreement have been duly authorized, executed and delivered by the District and,

assuming due authorization, execution and delivery by the other parties thereof, constitute the valid, legal and binding agreements of the District enforceable in accordance with their terms; and

(E) Except as otherwise specifically disclosed to the Purchaser, there is no litigation, action, suit, proceeding or investigation (or any basis therefor) at law or in equity before or by any court, governmental agency or body, pending by way of a summons served against the District or, to our knowledge, threatened against the District, challenging the creation, organization or existence of the District, or the validity of the Indenture, the 2013 Escrow Agreement or this Bond Purchase Agreement or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby or contesting the authority of the District to enter into or perform its obligations under the Indenture, the 2013 Escrow Agreement or this Bond Purchase Agreement, or under which a determination adverse to the District would have a material adverse effect upon the availability of Pledged Revenues, or which, in any manner, questions the right of the District to enter into, and perform under, the Indenture, the 2013 Escrow Agreement or this Bond Purchase Agreement;

(vi) an opinion of counsel to the Trustee, dated the Closing Date and addressed to the District and the Purchaser, to the effect that:

(A) The Trustee is a national banking association organized and existing under the laws of the United States of America, having full power to enter into, accept and administer the trust created under the Indenture;

(B) The Indenture has been duly authorized, executed and delivered by the Trustee and the Indenture constitutes a legal, valid and binding obligation of the Trustee enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought; and

(C) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the execution and delivery of the Indenture or the consummation of the transactions contemplated by the Indenture;

(vii) an opinion of counsel to the Escrow Bank, dated the Closing Date and addressed to the District and the Purchaser, to the effect that:

(A) The Escrow Bank is a national banking association organized and existing under the laws of the United States of America, having full power to enter into, accept and administer the trust created under the 2013 Escrow Agreement;

(B) The 2013 Escrow Agreement have been duly authorized, executed and delivered by the Escrow Bank and the 2013 Escrow Agreement constitute the legal, valid and binding obligations of the Escrow Bank enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought; and

(C) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Escrow Bank that has not been obtained is or will be required for the execution and delivery of the 2013 Escrow Agreement or the consummation of the transactions contemplated by the 2013 Escrow Agreement;

(viii) a certificate, dated the Closing Date, of the Trustee, signed by a duly authorized officer of the Trustee, to the effect that (A) the Trustee is duly organized and validly existing as a national banking association, with full corporate power to undertake the trust of the Indenture; (B) the Trustee has duly authorized, executed and delivered the Indenture and by all proper corporate action has authorized the acceptance of the trust of the Indenture; and (C) to such officer's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Trustee (either in state or federal courts), or to the knowledge of the Trustee which would restrain or enjoin the execution or delivery of the Indenture, or which would affect the validity or enforceability of the Indenture, or the Trustee's participation in, or in any way contesting the powers or the authority of the Trustee with respect to, the transactions contemplated by the Indenture, or any other agreement, document or certificate related to such transactions;

(ix) a certificate, dated the Closing Date, of the Escrow Bank, signed by a duly authorized officer of the Escrow Bank, to the effect that (A) the Escrow Bank is duly organized and validly existing as a national banking association, with full corporate power to undertake the trust of the 2013 Escrow Agreement; (B) the Escrow Bank has duly authorized, executed and delivered the 2013 Escrow Agreement and by all proper corporate action has authorized the acceptance of the duties of the 2013 Escrow Agreement; and (C) to such officer's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Escrow Bank (either in state or federal courts), or to the knowledge of the Escrow Bank which would restrain or enjoin the execution or delivery of the 2013 Escrow Agreement, or which would affect the validity or enforceability of the 2013 Escrow Agreement, or the Escrow Bank's participation in, or in any way contesting the powers or the authority of the Escrow Bank with respect to, the transactions contemplated by the 2013 Escrow Agreement, or any other agreement, document or certificate related to such transactions;

(x) a supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the District and the Purchaser, to the effect that:

(A) this Bond Purchase Agreement has been duly authorized, executed and delivered by the District and, assuming the valid execution and delivery by the other party thereto, is valid and binding upon the District, subject to the laws relating to bankruptcy, insolvency, reorganization of creditors' rights generally and to the application of equitable principles, and

(B) the 2021B Bonds are exempt from registration pursuant to Section 3(a)(2) of the Securities Act of 1933, as amended, and the Indenture are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended, and

(xi) a certified copy of the District Resolution;

(xii) the specimen 2021B Bonds;



(xiii) evidence of required filings with the California Debt and Investment Advisory Commission;

(xiv) A defeasance opinions of Bond Counsel relating to the 2013 Bonds; and

(xv) such additional legal opinions, certificates, instruments and other documents as the Purchaser may reasonably deem necessary to evidence the truth and accuracy as of the time of the Closing Date of the representations and warranties of the District contained in this Bond Purchase Agreement and the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District pursuant to this Bond Purchase Agreement.

If the District shall be unable to satisfy the conditions to the Purchaser' obligations contained in this Bond Purchase Agreement or if the Purchaser' obligations shall be terminated for any reason permitted herein, this Bond Purchase Agreement shall terminate and neither the Purchaser nor the District shall have any further obligation hereunder.

5. Termination. The Purchaser shall have the right to cancel its obligations to purchase the 2021B Bonds if between the date hereof and the Closing Date:

(a) legislation shall have been enacted, or considered for enactment with an effective date prior to the Closing Date, or a decision by a court of the United States shall have been rendered, the effect of which is that of the 2021B Bonds, including any underlying obligations, or the Indenture, as the case may be, is not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(b) a stop order, ruling, regulation or offering circular by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the 2021B Bonds, including any underlying obligations, or the execution of the Indenture, as contemplated hereby, is or would be in violation of any provisions of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(c) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis, including a financial crisis, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Purchaser, would materially adversely affect the market for or market price of the 2021B Bonds; or

(d) there shall be in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Purchaser, would materially adversely affect the market for or market price of the 2021B Bonds; or

(e) a general banking moratorium shall have been declared by federal, New York or California authorities; or

(f) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the District; or

(g) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(h) the New York Stock Exchange or other national securities exchange, or any governmental or regulatory authority, shall impose, as to the 2021B Bonds or obligations of the general character of the 2021B Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of the Purchaser; or

(i) any change, which in the reasonable opinion of the Purchaser, materially adversely affects the financial condition of the District.

6. Indemnity. The District shall, to the extent permitted by law, indemnify and hold harmless the Purchaser, its parent, and correspondents and each of their respective directors, officers, employees and agents (each, including the Purchaser, an "Indemnified Person") from and against any and all claims, suits, judgments, costs, losses, fines, penalties, damages, liabilities, and expenses, including expert witness fees and legal fees, charges and disbursements of any counsel (including in-house counsel fees and allocated costs) for any Indemnified Person ("Costs"), arising out of, in connection with, or as a result of: (i) purchase of the 2021B Bonds or any pre-advice of its issuance any action or proceeding arising out of or in connection with the 2021B Bonds, the Indenture or the Escrow Agreement (whether administrative, judicial or in connection with arbitration), including any action or proceeding to compel or restrain any presentation or payment under the 2021B Bonds; (ii) any unauthorized communication or instruction (whether oral, telephonic, written, telegraphic, facsimile or electronic) (each an "Instruction") regarding the 2021B Bonds or error in computer transmission; (iii) an adviser, confirmer or other nominated person seeking to be reimbursed, indemnified or compensated; (iv) the fraud, forgery or illegal action of parties other than the Indemnified Person; (v) the enforcement of this Bond Purchase Agreement or any rights or remedies under or in connection with the Indenture, the Escrow Agreement or this Bond Purchase Agreement; and (vi) the acts or omissions, whether rightful or wrongful, of any present or future de jure or de facto governmental or regulatory authority or cause or event beyond the control of such Indemnified Person; in each case, including that resulting from Purchaser's own negligence, provided, however, that such indemnity shall not be available to any Person claiming indemnification under (i) through (vi) above to the extent that such Costs are found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted directly from the gross negligence or willful misconduct of the Indemnified Person claiming indemnity. If and to the extent that the obligations of District under this paragraph are unenforceable for any reason, District shall make the maximum contribution to the Costs permissible under applicable law.

7. Contingency of Obligations. The obligations of the District hereunder are subject to the performance by the Purchaser of its obligations hereunder.

8. Duration of Representations, Warranties, Agreements and Covenants. All representations, warranties, agreements and covenants of the District shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Purchaser or the District and shall survive the Closing Date.

9. Expenses. The District will pay or cause to be paid all reasonable expenses incident to the performance of its obligations under this Bond Purchase Agreement, including, but not limited to, mailing or delivery of the 2021B Bonds, costs of printing the 2021B Bonds, the fees and disbursements of the Trustee, the District's municipal advisor, the placement agent, Bond Counsel and counsel to the District, the fees and expenses of the District's accountants and fiscal

consultants, fees of counsel to the Purchaser and the reporting fee to the California Debt and Investment Advisory Commission. In the event this Bond Purchase Agreement shall terminate because of the default of the Purchaser, the District will, nevertheless, pay, or cause to be paid, all of the expenses specified above. The Purchaser shall pay all expenses incurred by it in connection its purchase of the 2021B Bonds.

10. Notices. Any notice or other communication to be given to the District under this Bond Purchase Agreement may be given by delivering the same in writing to its Chief Executive Officer, Northern Inyo Healthcare District, 150 Pioneer Lane, Bishop, CA 93514, and any notice or other communication to be given to the Purchaser under this Bond Purchase Agreement may be given by delivering the same in writing to Siemens Financial Services, Inc., 170 Wood Avenue South, Iselin, NJ 08830, Attention: Mr. Mr. Jim Thoma, \_\_\_\_\_.

11. Parties in Interest. This Bond Purchase Agreement is made solely for the benefit of the District and the Purchaser (including the successors or assigns of the Purchaser) and no other person, including any purchaser of the 2021B Bonds, shall acquire or have any right hereunder or by virtue hereof.

12. Waiver of Jury Trial.

(a) TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF THE DISTRICT AND THE PURCHASER IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS PURCHASE CONTRACT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE DISTRICT FURTHER AGREES THAT, IN THE EVENT OF LITIGATION, IT WILL NOT PERSONALLY OR THROUGH ITS AGENTS OR ATTORNEYS SEEK TO REPUDIATE THE VALIDITY OF THIS SECTION 12, AND IT ACKNOWLEDGES THAT IT FREELY AND VOLUNTARILY ENTERED INTO THIS AGREEMENT TO WAIVE TRIAL BY JURY IN ORDER TO INDUCE THE PURCHASER TO ENTER INTO THIS PURCHASE CONTRACT.

(b) To the extent the foregoing waiver of a jury trial is unenforceable under applicable California law, the parties agree to refer, for a complete and final adjudication, any and all issues of fact or law involved in any litigation or proceeding (including all discovery and law and motion matters, pretrial motions, trial matter and post-trial motions up to and including final judgment), brought to resolve any dispute (whether based on contract, tort or otherwise) between the parties hereto arising out of, in connection with or otherwise related or incidental to this Purchase Contract to a judicial referee who shall be appointed under a general reference pursuant to California Code of Civil Procedure Section 638, which referee's decision will stand as the decision of the court. Such judgment will be entered on the referee's statement of judgment in the same manner as if the action had been tried by the court. The parties shall select a single neutral referee, who shall be a retired state or federal judge with at least five years of judicial experience in civil matters; provided that the event the parties cannot agree upon a referee, the referee will be appointed by the court. The referee's fees shall be borne by the party who does not prevail, as determined by the referee.

13. Governing Law. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed in California.

14. Headings. The headings of the paragraphs of this Bond Purchase Agreement are inserted for convenience of reference only and shall not be deemed to be a part hereof.

15. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

16. Effectiveness. This Bond Purchase Agreement shall become effective upon acceptance hereof by the District.

17. Counterparts. This Bond Purchase Agreement may be executed in several counterparts which together shall constitute one and the same instrument.

Very truly yours,

SIEMENS FINANCIAL SERVICES, INC., as  
Purchaser

By \_\_\_\_\_  
Title \_\_\_\_\_

Accepted and agreed to as of  
the date first above written:

NORTHERN INYO HEALTHCARE DISTRICT

By \_\_\_\_\_  
Chief Executive Officer

[Northern Inyo Healthcare District Refunding Revenue Bonds, Series 2021B]

**EXHIBIT A**

\$ \_\_\_\_\_  
**NORTHERN INYO HEALTHCARE DISTRICT**  
**(Inyo County, California)**  
**Taxable Refunding Revenue Bonds, Series 2021B**

**MATURITY SCHEDULE**

Maturity Date (September 1)	Principal Amount	Interest Rate*
2032	\$ _____	_____ %

**REDEMPTION PROVISIONS**

*Optional Redemption of Bonds.* The 2021B Bonds are subject to optional redemption prior to maturity, in whole or in part on any date, on and after January 1, 2025, from any source of funds, by paying a redemption price equal to the aggregate principal amount of 2021B Bonds to be redeemed, together with accrued interest to such date and a premium as set forth in the following table:

Redemption Period	Redemption Premium
January 1, 2025 to December 31, 2027	2%
January 1, 2027 to December 31, 2029	1
January 1, 2029 and thereafter	0

*Mandatory Sinking Fund Redemption of Bonds.* The 2021B Bonds are subject to mandatory redemption, in part by lot, from Sinking Account payments set forth in the following schedule at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however,* that if some but not all of the 2021B Bonds have been optionally redeemed, the total amount of Sinking Account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the 2021B Bonds so redeemed by reducing each such future Sinking Account payment on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the District with the Trustee.

Sinking Account Redemption Date (December 1)	Principal Amount to be Redeemed
2021	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032†	

†Maturity

\* If the 2021B Default Rate (as defined in the Indenture) is in effect, interest will be computed by applying such alternate rate.

## EXHIBIT B

### FORM OF OPINION OF COUNSEL TO THE DISTRICT

[Closing Date]

Siemens Financial Services, Inc.  
170 Wood Avenue South  
Iselin, New Jersey 08830

Re: \$\_\_\_\_\_ Northern Inyo Local Hospital District (Inyo County, California) Taxable  
Refunding Revenue Bonds, Series 2021B

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Ladies and Gentlemen:

We have served as counsel to the Northern Inyo Healthcare District (the "District") in connection with the issuance by the District of Northern Inyo Healthcare District (Inyo County, California) Taxable Refunding Revenue Bonds, Series 2021B, in the aggregate principal amount of \$\_\_\_\_\_ (the "2021B Bonds"). The 2021B Bonds are issued pursuant to the provisions of Article 10 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53570) of the California Government Code and are issued under and secured by an Indenture of Trust, dated as of June 1, 1998, as amended and supplemented by a first supplemental indenture of trust, dated as of April 1, 2010, as further amended and supplemented by a second supplemental indenture of trust, dated as of January 1, 2013, and as further amended and supplemented by that certain Third Supplemental Indenture of Trust, dated as of December 1, 2021, by and between the District and The Bank of New York Mellon Trust Company, N.A., as successor trustee (collectively, the "Indenture"). The 2021B Bonds are being sold pursuant to a Bond Purchase Agreement, dated December 20, 2021 (the "Bond Purchase Agreement"), by and between the District and Siemens Financial Services, Inc., as purchaser.

The 2021B Bonds are being issued for the purpose of (a) providing funds to the District to refund, on an advance basis, the District's Northern Inyo Healthcare District Revenue Bonds, Series 2013 (the "2013 Bonds"), and (b) paying the costs of issuing the 2021B Bonds.

Pursuant to an escrow agreement, dated the date of delivery of the 2021B Bonds (the "2013 Escrow Agreement"), by and between the District and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "Escrow Bank"), provision will be made for the refunding of the 2013 Bonds.

In connection with this opinion, we have assumed the authenticity of all records, documents, and instruments submitted to us as originals, the genuineness of all signatures, the legal capacity of natural persons and the conformity to the originals of all records, documents, and instruments submitted to us as copies. We also have assumed that there are no facts or circumstances relating to you that might prevent you from enforcing any of the rights to which our opinion relates. We have based our opinion upon our review of the following records, documents and instruments:

- (a) A copy of the Indenture.
- (b) Copies of the 2013 Escrow Agreement;

- (c) A copy of the Bond Purchase Agreement.
- (d) Resolution No. \_\_\_\_ (the "Resolution") adopted by the District on December 15, 2021, authorizing the execution and delivery of the 2021B Bonds and the Transaction Documents (hereinafter defined).

The documents and instruments listed in items (a) through (c) above are collectively referred to herein as the "Transaction Documents."

Where our opinion relates to our "knowledge," such knowledge is based upon our examination of the records, documents, instruments, and certificates enumerated or described above and the actual knowledge of attorneys in this firm who are currently involved in substantive legal representation of the District. With your consent, we have not examined any records of any court, administrative tribunal or other similar entity in connection with our opinion. Except as described herein, we have undertaken no investigation or verification of such matters.

Based upon the foregoing and our examination of such questions of law as we have deemed necessary or appropriate for the purpose of this opinion, and subject to the limitations and qualifications expressed below, it is our opinion that:

(1) The District is a local health care district duly existing under the laws of the State of California, has full legal right, power and authority to enter into the Indenture and the Bond Purchase Agreement and to carry out and consummate all transactions contemplated by the Indenture and the Bond Purchase Agreement.

(2) The Resolution, approving and authorizing the execution of the Indenture, the Bond Purchase Agreement and the 2021B Bonds was duly adopted at a meeting of the governing body of the District which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and voted.

(3) To our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against the District to restrain or enjoin the issuance or delivery of the 2021B Bonds or the collection of revenues pledged under the Indenture, contesting any authority for the issuance of the 2021B Bonds or the validity of the 2021B Bonds, the Indenture or the Bond Purchase Agreement, contesting the existence or powers of the District with respect to the issuance of the 2021B Bonds or the security therefor wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Indenture, the Bond Purchase Agreement or the validity of the 2021B Bonds.

(4) The 2021B Bonds, the Indenture and the Bond Purchase Agreement have been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the other parties thereto where applicable, are valid and binding limited obligations of the District enforceable in accordance with their terms.

This opinion is limited to the federal laws of the United States of America and the laws of the State of California. We disclaim any opinion as to the laws of any other jurisdiction and we further disclaim any opinion as to any statute, rule, regulation, ordinance, order or other promulgation of any regional or local governmental body. This opinion is based upon the law in effect on the date hereof, and we assume no obligations to revise or supplement this opinion should such law be changed by legislative action, judicial decision, or otherwise. In connection with this opinion letter, we also have assumed the following: (a) consideration has been duly

given under the Transaction Documents; (b) the District is the legal, beneficial and record owner of the collateral described in any Transaction Documents and the descriptions of collateral in the Transaction Documents sufficiently describe the collateral intended to be covered by such documents; (c) any lien documents are in suitable form, notarized if required, and duly filed or recorded with the appropriate government offices; (d) the Transaction Documents accurately describe the mutual understanding of the parties thereto, and that there are no oral or written statements that modify, amend, or vary, or purport to modify, amend, or vary, any of the terms of the Transaction Documents; (e) the information, factual matters, representations and warranties contained in the Transaction Documents, records, certificates and other documents we have reviewed are true, correct and complete; and (f) the other parties to Transaction Documents have the proper authority to engage in the transactions contemplated thereunder and at all times have complied and will comply with the Transaction Documents and related documents and with all applicable requirements governing their actions and will act in a commercially reasonable manner.

In connection with this opinion, we advise you that:

A. Enforceability is subject (i) to bankruptcy, insolvency, reorganization, arrangement, moratorium, and other laws of general applicability relating to or affecting creditors' rights, (ii) to general principles of equity, whether such enforcement is considered in a proceeding in equity or at law, (iii) to limitations imposed by applicable law or public policy on the enforceability of the indemnification provisions, and (iv) to the qualification that certain waivers, procedures, remedies, and other provisions of the Transaction Documents may be unenforceable under or limited by applicable law.

B. The enforceability of the Transaction Documents is further subject to the effect of general principles of equity. These principles include, without limitation, concepts of commercial reasonableness, materiality and good faith and fair dealing. These principles require the parties to act reasonably, in good faith and in a manner that is not arbitrary or capricious in the administration and enforcement of the Transaction Documents and will preclude them from invoking penalties for defaults that bear no reasonable relation to the damage suffered or that would otherwise work a forfeiture.

C. The effectiveness of indemnities, rights of contribution, exculpatory provisions and waivers of the benefits of statutory provisions may be limited on public policy grounds.

D. Section 1717 of the California Civil Code provides that, in any action on a contract where the contract specifically provides that attorneys' fees and costs incurred to enforce that contract shall be awarded either to one of the parties or to the prevailing party, then the party who is determined to be the party prevailing in the action, whether that party is the party specified in the contract or not, shall be entitled to reasonable attorneys' fees in addition to other costs.

E. Any provisions of the Transaction Documents requiring that waivers must be in writing may not be binding or enforceable if a non-executory oral agreement has been created modifying any such provision or an implied agreement by trade practice or course of conduct has given rise to a waiver.

F. Section 9109(d)17 of the California Uniform Commercial Code (the "Code") provides that the secured transactions provisions of the Code do not apply to transfers by a government or governmental unit, and, therefore, the rights and remedies of the Trustee under the Transaction Documents which purport to incorporate rights and remedies under the Code may not be enforceable and as such, we express no opinion on such matters.



G. Any provisions of the Transaction Documents regarding another party's right to apply proceeds of fire or other casualty insurance policies or awards of damages in condemnation proceedings against the District's secured obligations will not be enforceable unless application of such proceeds or damages is reasonably necessary to protect such security interests.

H. We assume that in the enforcement of any lien documents, all parties will act in accordance with applicable statutory and other legal requirements, including applicable case law and that enforcement of rights or remedies thereunder may be limited when imposing fees and charges in the event of default, upon acceleration of the District's obligations for transfers of interests, leases, or grants of junior encumbrances, attempting to secure a deficiency claim before exhausting the secured property or other remedies, among other things.

I. We have further relied on certain representations, warranties and covenants of the District in the Transaction Documents. Any variations may affect the opinions we are giving.

J. In connection with our opinion, we have not reviewed and express no opinion on (i) financial statements or covenants, financial or audit reports or the consents related thereto or similar provisions requiring financial calculations or determinations, (ii) provisions relating to the occurrence of a "material adverse effect" or similar words, or (iii) parol evidence bearing on interpretation or construction.

We express no opinion as to: (a) the priority of any lien or security interest created, or purported to be created, by any of the Transaction Documents or the enforceability of any lien in the real property of the District; (b) any securities, tax, anti-trust, land use, export, safety, environmental, hazardous materials, choice of law, insurance company or banking laws, rules or regulations; (c) applicable interest rate limitations of California law for loans or forbearances; or (d) the effect on the District's obligations, and any other party's rights, under the Transaction Documents of laws relating to fraudulent transfers and fraudulent obligations set forth in Sections 544 and 548 of the federal Bankruptcy Code and Sections 3439 et seq. of the California Civil Code.

In rendering our opinion, we are expressing no opinion on the validity of the 2021B Bonds.

We furnish this opinion as counsel to the District and only the addressee and Quint & Thimmig LLP may rely upon it. This letter shall not be used, quoted, distributed, circulated or relied upon by any other person or entity for any purpose, without our prior written consent.

Respectfully submitted,

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**THIRD SUPPLEMENTAL INDENTURE OF TRUST**

**by and between the**

**NORTHERN INYO HEALTHCARE DISTRICT**

**and**

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee**

**Dated as of December 1, 2021**

**Amending and Supplementing that certain  
Indenture of Trust, dated as of June 1, 1998,  
by and between Northern Inyo Healthcare District and  
U.S. Trust Company, N.A., as Trustee**

**As amended and supplemented, by that certain  
First Supplemental Indenture of Trust, dated as of April 1, 2010,  
by and between Northern Inyo Healthcare District and  
The Bank of New York Trust Company, N.A., as Successor Trustee,**

**As amended and supplemented, by that certain  
Second Supplemental Indenture of Trust, dated as of January 1, 2013,  
by and between Northern Inyo Healthcare District and  
The Bank of New York Trust Company, N.A., as Successor Trustee,**

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**Relating to**

**\$ \_\_\_\_\_**

**Northern Inyo Healthcare District  
(Inyo County, California)**

**Refunding Revenue Bonds, Series 2021A**

**and**

**\$ \_\_\_\_\_**

**Northern Inyo Healthcare District  
(Inyo County, California)**

**Taxable Refunding Revenue Bonds, Series 2021B**

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### THIRD SUPPLEMENTAL INDENTURE OF TRUST

This THIRD SUPPLEMENTAL INDENTURE OF TRUST, is dated as of December 1, 2021 (the "Third Supplemental Indenture"), by and between NORTHERN INYO HEALTHCARE DISTRICT (the "District"), a local health care district organized and existing under the constitution and laws of the State of California (the "State"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, with a corporate trust office in Los Angeles, California, being qualified to accept and administer the trusts hereby created, as successor trustee (the "Trustee"), amending and supplementing an indenture of trust, dated as of June 1, 1998, between the District and U.S. Trust Company, National Association, as trustee (the "Original Indenture"), as amended and supplemented by a first supplemental indenture of trust, dated as of April 1, 2010, by and between the District and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), and as further amended and supplemented by a second supplemental indenture of trust, dated as of January 1, 2013, by and between the District and the Trustee (the "Second Supplemental Indenture" and, with the Original Indenture, the First Supplemental Indenture and this Third Supplemental Indenture, the "Indenture");

#### WITNESSETH:

WHEREAS, the District has heretofore issued its \$8,000,000 Northern Inyo Healthcare District (Inyo County, California) Revenue Bonds, Series 1998 (the "1998 Bonds"), for the purpose of financing and refinancing the remodeling, expansion, improvement and equipping of the health facilities owned and operated by the District;

WHEREAS, the 1998 Bonds were issued pursuant to that the Original Indenture;

WHEREAS, the District has also heretofore issued its \$11,600,000 Northern Inyo Healthcare District (Inyo County, California) Revenue Bonds, Series 2010, currently outstanding in the principal amount of \$\_\_\_\_\_ (the "2010 Bonds"), for the purpose of financing and refinancing the remodeling, expansion, improvement and equipping of health facilities owned and operated by the District;

WHEREAS, the 2010 Bonds were issued pursuant to the Original Indenture, as amended and supplemented by the First Supplemental Indenture;

WHEREAS, the District has also heretofore issued its \$11,335,000 Northern Inyo Healthcare District (Inyo County, California) Revenue Bonds, Series 2013, (the "2013 Bonds"), for the purpose of (a) refunding the 1998 Bonds and (b) financing and refinancing the remodeling, expansion, improvement and equipping of health facilities owned and operated by the District;

WHEREAS, the 2013 Bonds were issued pursuant to the Original Indenture, as previously amended and supplemented, as amended and supplemented by the Second Supplemental Indenture;

WHEREAS, pursuant to Articles 9 and 11 of Chapter 3 (commencing with section 53550) of Division 2 of Title 5 of the California Government Code (the "Act"), the District is empowered to issue refunding revenue bonds;

WHEREAS, the District has determined that it is in the best interests of the District at this time to issue its Northern Inyo Healthcare District (Inyo County, California) Refunding Revenue Bonds, Series 2021A (the "2021A Bonds") to refund the 2010 Bonds and to issue its Northern Inyo Healthcare District (Inyo County, California) Taxable Refunding Revenue Bonds, Series 2021B (the "2021B Bonds" and, with the 2021A Bonds, the "2021 Bonds") to refund the 2013 Bonds;

WHEREAS, this Indenture will constitute a "Supplemental Indenture" as defined in the Original Indenture;

WHEREAS, in order to provide for the authentication and delivery of the 2021 Bonds, to establish and declare the terms and conditions upon which the 2021 Bonds are to be issued and secured and to secure the payment of the principal thereof and of the interest thereon, the Board of Directors of the District (the "Board") has authorized the execution and delivery of this Third Supplemental Indenture; and

WHEREAS, the Board has determined that all acts and proceedings required by law necessary to make the 2021 Bonds, when executed by the District, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the District, and to constitute this Third Supplemental Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of this Third Supplemental Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS THIRD SUPPLEMENTAL INDENTURE WITNESSETH, that in order to secure the payment of the principal of and interest on all 2021 Bonds at any time issued and Outstanding under the Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the 2021 Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the 2021 Bonds by the 2021 Bond Owner, and for other valuable consideration, the receipt whereof is hereby acknowledged, the District does hereby covenant and agree with the Trustee, for the benefit of the respective 2021 Bond Owners from time to time of the 2021 Bonds, as follows:

## ARTICLE I

### DEFINITIONS; AUTHORIZATION AND PURPOSE OF BONDS; EQUAL SECURITY

Section 1.01. Definitions. All terms which are defined in Section 1.01 of the Indenture shall have the same meanings in this Third Supplemental Indenture as such terms are given in said Section 1.01 of the Indenture. Unless the context otherwise requires, the additional terms defined in this Section 1.01 or in the preambles hereof shall for all purposes of this Third Supplemental Indenture and of the 2021 Bonds and of any certificate, opinion, request or other documents herein mentioned have the meanings specified in the recitals and in this Section 1.01.

*“Business Day”* means (a) any day that is not a Saturday, Sunday or legal holiday on which banking institutions in the State or in any state in which the corporate trust office of the Trustee is located, or (b) a day on which the New York Stock Exchange is closed.

*“Closing Date”* means December 29, 2021, the date upon which there is a physical delivery of the 2021 Bonds in exchange for the amount representing the purchase price of the 2021 Bonds.

*“Code”* means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced in the Indenture or this Third Supplemental Indenture) as it may be amended to apply to obligations issued on the Closing Date, together with applicable temporary and final regulations promulgated under the Code.

*“Conversion Date”* means the date of the conversion of the interest rate on the 2021B Bonds from the 2021B Taxable Rate to the 2021B Tax-Exempt Rate upon the satisfaction of the requirements of paragraphs (g) and (h) of Section 2.01.

*“Date of Taxability”* means the date from and for which interest on the 2021A Bonds (and the 2021B Bonds after the Conversion Date) subject to federal income taxation as a result of a Determination of Taxability.

*“Default Rate”* means the interest rate then applicable plus \_\_\_%.

*“Determination of Taxability”* means any determination, decision, or decree made by the Commissioner or any District Director of the Internal Revenue Service, or by any court of competent jurisdiction, that as a result of any actions or omissions of the District with respect to the 2021A Bonds (and the 2021B Bonds after the Conversion Date) the interest payable on the 2021A Bonds (and the 2021B Bonds after the Conversion Date) is includable in the gross income for federal income tax purposes of the Owner, *provided, however*, that no such Determination of Taxability shall be deemed to have occurred if the District is contesting such determination in good faith and is diligently proceeding to prosecute such contest until the earliest of (a) a final determination from which no appeal may be taken with respect to such determination, or (b) abandonment of such appeal by the District.

*“Escrow Bank”* means The Bank of New York Mellon Trust Company, N.A., as escrow bank under the Escrow Agreement.

*“Escrow Agreements”* means, collectively, the 2010 Escrow Agreement and the 2013 Escrow Agreement.

*“Fair Market Value”* means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term *“Fair Market Value”* means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is the Local Agency Investment Fund of the State.

*“Interest Payment Date”* means, with respect to the 2021 Bonds, June 1 and December 1 in each year, beginning June 1, 2022, and continuing so long as any 2021 Bonds remain Outstanding.

*“Original Purchaser”* means Siemens Financial Services, Inc. and its successor and assigns.

*“Owners”* means the registered owners of the 2021 Bonds, initially the Original Purchaser.

*“Refunding Bond Law”* means Articles 9 and 11 of Chapter 3 (commencing with section 53550) of Division 2 of Title 5 of the California Government Code.

*“Revised 2021B Taxable Rate”* means \_\_\_\_% per annum.

*“Trustee”* means The Bank of New York Mellon Trust Company, N.A., or another trustee, which must be a banking association, banking corporation or trust company acting in the capacity of trustee under this Third Supplemental Indenture.

*“2010 Bonds”* means the District’s Northern Inyo Healthcare District (Inyo County, California) Revenue Bonds, Series 2010.

*“2010 Escrow Agreement”* means that certain Escrow Agreement, dated the Closing Date, by and between the District and the Escrow Bank, providing for the defeasance and refunding of the 2010 Bonds.

*“2010 Escrow Fund”* means the fund by that name established under and held by the Escrow Bank pursuant to the 2010 Escrow Agreement.

*“2013 Bonds”* means the District’s Northern Inyo Healthcare District (Inyo County, California) Revenue Bonds, Series 2013.

*“2013 Escrow Agreement”* means that certain Escrow Agreement, dated the Closing Date, by and between the District and the Escrow Bank, providing for the defeasance and refunding of the 2013 Bonds.

*“2013 Escrow Fund”* means the fund by that name established under and held by the Escrow Bank pursuant to the 2013 Escrow Agreement.

*“2021 Bonds”* means, collectively, the 2021A Bonds and the 2021B Bonds.

“2021A Bonds” means the Northern Inyo Healthcare District (Inyo County, California) Refunding Revenue Bonds, Series 2021A, authorized by Article II hereof.

“2021A Taxable Rate” means \_\_\_\_% per annum.

“2021A Tax-Exempt Rate” means \_\_\_\_% per annum.

“2021B Bonds” means the Northern Inyo Healthcare District (Inyo County, California) Taxable Refunding Revenue Bonds, Series 2021B, authorized by Article II hereof.

“2021B Taxable Rate” means \_\_\_\_% per annum.

“2021B Tax-Exempt Rate” means \_\_\_\_% per annum.

“2021 Costs of Issuance Account” means the account by that name established and held by the Trustee pursuant to Section 3.03.

Section 1.02. Rules of Construction. All references in this Third Supplemental Indenture to “Articles,” “Sections,” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Third Supplemental Indenture; and the words “herein,” “hereof,” “hereunder,” and other words of similar import refer to this Third Supplemental Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

Section 1.03. Authorization and Purpose of 2021 Bonds. The District has reviewed all proceedings heretofore taken relative to the authorization of the 2021 Bonds and has found, as a result of such review, and hereby finds and determines that all things, conditions, and acts required by law to exist, happen and/or be performed precedent to and in the issuance of the 2021 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the District is now authorized, as an exercise of the municipal affairs and powers of the District under the constitution and laws of the State and pursuant to the Refunding Bond Law and each and every other requirement of law, to issue the 2021 Bonds in the manner and form provided in this Third Supplemental Indenture to refund the 2010 Bonds. Accordingly, the District hereby authorizes the issuance of the 2021 Bonds pursuant to the Law, the Indenture and this Third Supplemental Indenture.

Section 1.04. Representations, Warranties and Covenants. The representations and warranties of the District contained in Section 8.01 of the Original Indenture are true and correct in all material respects as of the date hereof. The District hereby confirms and agrees to the covenants set forth in the Indenture.



## ARTICLE II

### ISSUANCE OF 2021 BONDS

#### Section 2.01. Issuance of the 2021 Bonds; Terms of the 2021 Bonds.

##### (a) *Issuance of the 2021 Bonds.*

(i) The 2021A Bonds authorized to be issued by the District under and subject to the Refunding Bond Law, the Indenture (including this Third Supplemental Indenture) shall be designated the “Northern Inyo Healthcare District (Inyo County, California) Refunding Revenue Bonds, Series 2021A” and shall be issued in the original aggregate principal amount of \_\_\_\_\_ dollars (\$\_\_\_\_\_).

(ii) The 2021B Bonds authorized to be issued by the District under and subject to the Refunding Bond Law, the Indenture (including this Third Supplemental Indenture) shall be designated the “Northern Inyo Healthcare District (Inyo County, California) Taxable Refunding Revenue Bonds, Series 2021B” and shall be issued in the original aggregate principal amount of \_\_\_\_\_ dollars (\$\_\_\_\_\_).

##### (b) *Terms of the 2021 Bonds.*

(i) The 2021A Bonds shall be issued as one bond in fully registered form without coupons in the total principal amount thereof, issued to the Original Purchaser. The 2021A Bonds shall mature on December 1, 2036, and shall bear interest at the 2021A Tax-Exempt Rate; *provided, however*, that so long as an Event of Default shall have occurred and is continuing, the interest rate may, at the option of the Owner, be increased to the Default Rate, as provided in a written notice to the Trustee and the District; *provided further, however*, that from and after the Date of Taxability following a Determination of Taxability, the interest rate may, at the option of the Owner, be increased to the 2021A Taxable Rate. Interest shall accrue, whether at the initial rate, the Default Rate or the 2021A Taxable Rate, on a 30/360 basis; that is by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding.

(ii) The 2021B Bonds shall be issued as one bond in fully registered form without coupons in the total principal amount thereof, issued to the Original Purchaser. The 2021B Bonds shall mature on December 1, 2032, and shall bear interest at the 2021B Taxable Rate per annum; *provided, however*, that so long as an Event of Default shall have occurred and is continuing, the interest rate may, at the option of the Owner, be increased to the Default Rate, as provided in a written notice to the Trustee and the District; *provided further, however*, following the Conversion Date, that from and after the Date of Taxability following a Determination of Taxability, the interest rate may, at the option of the Owner, be increased to the 2021B Taxable Rate. Interest shall accrue, whether at the Default Rate or the 2021B Taxable Rate, on a 30/360 basis; that is by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding.

(c) *No Rating, Book Entry or CUSIP Numbers.* The 2021 Bonds shall not be (i) assigned a rating by any rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement, or (iv) assigned CUSIP numbers by Standard & Poor’s CUSIP Service Bureau.

(d) Interest on the 2021 Bonds (including the final interest payment upon maturity or earlier redemption) shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by wire transfer to an account in the United States of America to the Owner. Such instructions shall remain in effect until rescinded in writing by the Owner. Principal of and redemption premium (if any) on any 2021 Bond shall be paid upon presentation and surrender thereof, at maturity or redemption, at the Principal Corporate Trust Office. Both the principal of and interest and premium (if any) on the 2021 Bonds shall be payable in lawful money of the United States of America.

(e) The 2021 Bonds shall be dated as of their date of delivery and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (i) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (ii) the 2021 Bonds are authenticated on or before June 15, 2021, in which event they shall bear interest from their date of delivery; *provided, however*, that if, as of the date of authentication of the 2021 Bonds, interest thereon is in default, the 2021 Bonds shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(f) Notwithstanding anything herein to the contrary, if any Interest Payment Date is not a Business Day, payments of principal and interest shall be due on the next succeeding Business Day with the same force and affect as if such payments were made on the Interest Payment Date.

(g) *Tax-Exempt Conversion of 2021B Bonds.* The 2021B Taxable Rate shall convert to the 2021B Tax-Exempt Rate on the Conversion Date in accordance with the provisions of this subsection (g), upon satisfaction of the following conditions:

(i) Bond Counsel delivers an opinion, addressed to the Original Purchaser to the effect that, as of the Conversion Date, interest on the 2021B Bonds is excludable from gross income for federal income tax purposes under existing law;

(ii) The District shall have received a tax certificate in form and substance satisfactory to Bond Counsel sufficient to support its opinion described in subsection (g)(i) above;

(iii) Bond Counsel shall have received a copy of the Information Return for Tax-Exempt Governmental Bonds, Form 8038-G, relating to the 2021B Bonds executed by the District;

(iv) Bond Counsel shall have received such other certifications from the District and the Original Purchaser, including an issue price certificate, as may be necessary to support its opinion described in subsection (g)(i); and

(v) Bond Counsel shall have received the fully-executed Conversion Request described in subsection (h)(ii) below.

(h) *Conversion Process.* The process for the conversion of the 2021B Taxable Rate to the 2021B Tax-Exempt Rate shall be as follows:

(i) At any time on and after August 2, 2023, the District may deliver to the Original Purchaser a written request, substantially in the form attached hereto as Exhibit D (the "Conversion Request"), requesting the conversion of the interest rate on the 2021B Bonds

from the 2021B Taxable Rate to the 2021B Tax-Exempt Rate, to be effective on a date thirty (30) days thereafter.

(ii) To consent to the conversion of the interest rate on the 2021B Bonds from the 2021B Taxable Rate to the 2021B Tax-Exempt Rate, the Original Purchaser shall sign the form of consent attached to the Conversion Request and deliver it to the District. If the Original Purchaser does not consent to the conversion of the interest rate on the 2021B Bonds from the 2021B Taxable Rate to the 2021B Tax-Exempt Rate within ten (10) Business Days after receipt of the Conversion Request, the conversion shall not occur and the 2021B Bonds shall continue to bear interest at the 2021B Taxable Rate to maturity.

(iii) If the District does not request the conversion of the interest rate on the 2021B Bonds from the 2021B Taxable Rate to the 2021B Tax-Exempt Rate on or prior to December 1, 2023, the conversion shall not occur and the interest rate on the 2021B Bonds shall increase to the Revised 2021B Taxable Rate.

(iv) If for any reason the conditions for conversion of the interest rate on the 2021B Bonds from the 2021B Taxable Rate to the 2021B Tax-Exempt Rate set forth in this subsection (h) have not or cannot been satisfied on or before the Conversion Date, the conversion shall not take place until such conditions have been satisfied and the 2021B Bonds shall continue to bear interest at the 2021B Taxable Rate until the conversion occurs.

(v) If determined by Bond Counsel to be necessary to support its opinion described in subsection (h)(i) above in connection with the conversion of the interest rate on the 2021B Bonds from the 2021B Bonds to the 2021B Tax-Exempt Rate, the District may execute and deliver in the name of the Original Purchaser a replacement 2021B Bond.

Section 2.02. Redemption of the 2021 Bonds.

(a) *Optional Redemption.*

(i) **2021A Bonds.** The 2021A Bonds are subject to optional redemption prior to maturity, in whole or in part on any date, on and after January 1, 2026, from any source of funds, by paying a redemption price equal to the aggregate principal amount of 2021A Bonds to be redeemed, together with accrued interest to such date and a premium as set forth in the following table:

Redemption Period	Redemption Premium
January 1, 2026 to December 31, 2028	2%
January 1, 2028 to December 31, 2030	1
January 1, 2030 and thereafter	0

(ii) **2021B Bonds.** The 2021B Bonds are subject to optional redemption prior to maturity, in whole or in part on any date, on and after January 1, 2025, from any source of funds, by paying a redemption price equal to the aggregate principal amount of 2021B Bonds to be redeemed, together with accrued interest to such date and a premium as set forth in the following table:

Redemption Period	Redemption Premium
January 1, 2025 to December 31, 2027	2%
January 1, 2027 to December 31, 2029	1
January 1, 2029 and thereafter	0

(b) *Sinking Fund Redemption.*

(i) **2021A Bonds.** The 2021A Bonds are subject to mandatory redemption, in part by lot, from Sinking Account payments set forth in the following schedule at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however,* that if some but not all of the 2021A Bonds have been optionally redeemed, the total amount of Sinking Account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the 2021A Bonds so redeemed by reducing each such future Sinking Account payment on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the District with the Trustee.

Sinking Account Redemption Date (December 1)	Principal Amount to be Redeemed
2032	
2033	
2034	
2035	
2036†	

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†Maturity

(ii) **2021B Bonds.** The 2021B Bonds are subject to mandatory redemption, in part by lot, from Sinking Account payments set forth in the following schedule at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however,* that if some but not all of the 2021B Bonds have been optionally redeemed, the total amount of Sinking Account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the 2021B Bonds so redeemed by reducing each such future Sinking Account payment on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the District with the Trustee.

Sinking Account Redemption Date (December 1)	Principal Amount to be Redeemed
2021	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032†	

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†Maturity

The Trustee shall not be required to give notice to the Original Purchaser of the redemption of 2021 Bonds under Section 2.02(b).

(c) *Partial Redemption; Selection.* All or a portion of any 2021 Bond may be redeemed, by lot. Upon surrender of any 2021 Bond for redemption in part, the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the District, a new 2021 Bond or 2021 Bonds of the same type and maturity and in an aggregate principal amount equal to the unredeemed portion of the 2021 Bond so surrendered.

(d) *Notice of Redemption.* Notice of any such redemption shall be given by the Trustee on behalf and at the expense of the District by mailing a copy of a redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to each Owner of the 2021 Bond or 2021 Bonds to be redeemed at the address shown on the Registration Books; *provided, however,* that neither the failure to receive such notice nor any defect in any notice shall affect the sufficiency of the proceedings for the redemption of the 2021 Bonds.

All notices of redemption shall be dated and shall state: (i) the redemption date, (ii) the redemption price, (iii) if less than all Outstanding 2021 Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the 2021 Bonds to be redeemed, (iv) that on the redemption date the redemption price will become due and payable with respect to each such 2021 Bond or portion thereof called for redemption, and that interest with respect thereto shall cease to accrue from and after said date, (v) the place where such 2021 Bonds are to be surrendered for payment of the redemption price, and (vi) in the case of a redemption pursuant to Section 2.02(b), that such notice of redemption is revocable, no later than five days prior to the date set for redemption, notification of such revocation to be provided in the same manner as notice of redemption had been provided.

Notice of redemption having been given as aforesaid, the 2021 Bonds or portions of 2021 Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) interest with respect to such 2021 Bonds or portions of 2021 Bonds shall cease to accrue and be payable. Upon surrender of such 2021 Bonds for redemption in accordance with said notice, such 2021 Bonds shall be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any 2021 Bond, there shall be prepared for the Owner a new 2021 Bond or 2021 Bonds of the same maturity in the amount of the unpaid principal. All 2021 Bonds which have been redeemed shall be canceled by the Trustee, shall not be reissued and shall be destroyed pursuant to Section 12.04 of the Indenture.

In addition to the foregoing notice to the Owners, notice shall also be given by the Trustee at least thirty (30) days before the redemption date, by telecopy, registered, certified or overnight mail or by such other acceptable means, to all Securities Depositories and to an Information Service which shall state the information set forth above, but no defect in said notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given the Owners as described above.

#### Section 2.03. Transfer of 2021 Bonds.

(a) The 2021 Bonds may, in accordance with its terms, be transferred in whole, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such 2021 Bond to the Trustee at its Principal Corporate Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any 2021 Bonds shall be surrendered for registration of transfer, the Successor Agency shall execute and

the Trustee shall deliver new 2021 Bonds, of like series, interest rate, maturity and principal amount. The Trustee shall collect from the Owner any tax or other governmental charge on the transfer of any 2021 Bonds pursuant to this Section 2.03. The cost of printing 2021 Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency.

The Trustee may refuse to transfer, under the provisions of this Section 2.03, either (a) any 2021 Bonds during the period fifteen (15) days prior to the date established by the Trustee for the selection of 2021 Bonds for redemption, or (b) any 2021 Bonds selected by the Trustee for redemption.

(b) Ownership of the 2021 Bonds may be transferred in whole only, but only to a person or persons that the Owner reasonably believes is either:

(i) a qualified institutional buyer within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended,

(ii) an accredited investor as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act of 1933, as amended, or

(iii) a trust, partnership, custodial arrangement or similar entity, interests in which are offered and sold in a private placement or limited offering only to qualified institutional buyers or accredited investors;

in each case that executes and delivers to the Trustee a letter in substantially the form attached hereto as Exhibit C.

ARTICLE III

APPLICATION OF PROCEEDS

Section 3.01. Application of Proceeds of Sale of 2021 Bonds and Other Moneys.

(a) Upon the receipt of payment for the 2021A Bonds on the Closing Date, the Trustee shall apply the proceeds of sale thereof (being \$\_\_\_\_\_ ) as follows:

(i) The Trustee shall deposit in the 2021 Costs of Issuance Account the amount of \$\_\_\_\_\_, which represents the amount necessary for the payment of the Costs of Issuance of the 2021A Bonds; and

(ii) The Trustee shall transfer to the Escrow Bank, for deposit in the 2010 Escrow Fund, the amount of \$\_\_\_\_\_, being the amount (together with certain amounts released from the Indenture relating to the 2010 Bonds) required to provide for the redemption of the 2010 Bonds on \_\_\_\_\_, 2021, at a redemption price equal to 100% of the principal amount thereof plus accrued interest.

(b) Upon the receipt of payment for the 2021B Bonds on the Closing Date, the Trustee shall apply the proceeds of sale thereof (being \$\_\_\_\_\_ ) as follows:

(i) The Trustee shall deposit in the 2021 Costs of Issuance Account the amount of \$\_\_\_\_\_, which represents the amount necessary for the payment of the Costs of Issuance of the 2021B Bonds; and

(ii) The Trustee shall transfer to the Escrow Bank, for deposit in the 2013 Escrow Fund, the amount of \$\_\_\_\_\_, being the amount (together with certain amounts released from the Indenture relating to the 2010 Bonds) required to provide for the payment of principal of and interest on the 2013 Bonds through December 1, 2023, and for the redemption of the 2013 Bonds on December 1, 2023, at a redemption price equal to 100% of the principal amount thereof.

(c) The Trustee may, in its discretion, establish a temporary fund or account to facilitate the foregoing deposit and transfer.

Section 3.02. 2021 Costs of Issuance Account.

(a) There is hereby created a separate account within the Costs of Issuance Fund to be known as the "2021 Costs of Issuance Account," to be held in trust by the Trustee. The Trustee shall disburse moneys in the 2021 Costs of Issuance Account for the purpose of paying or reimbursing the payment of the Costs of Issuance of the 2021 Bonds in accordance with the provisions of the Indenture. The moneys in the 2021 Costs of Issuance Account shall be used and withdrawn by the Trustee to pay the Costs of Issuance of the 2021 Bonds.

(b) Any amounts remaining in the 2021 Costs of Issuance Account on the date three months after the Closing Date, or such earlier date as the District shall determine all Costs of Issuance of the 2021 Bonds have been paid, shall be transferred by the Trustee to the Interest Account and applied to the purposes thereof and the 2021 Costs of Issuance Account shall be closed.

Section 3.03. Satisfaction of Requirements of Additional Bonds. The District hereby certifies that all provisions of the Indenture relating to the issuance of Additional Bonds have been satisfied such that the 2021 Bonds are payable from Revenues and secured by the pledge made under the Indenture equally and ratably with any Additional Bonds hereafter issued.

Section 3.04. Validity of Bonds.

(a) The Board has reviewed all proceedings heretofore taken relative to the authorization of the 2021 Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, happen or be performed precedent to and in the issuance of the 2021 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Board is now authorized, pursuant to each and every requirement of the Law to issue the 2021 Bonds in the form and manner provided in this Third Supplemental Indenture and the 2021 Bonds shall be entitled to the benefit, protection and security of the provisions of the Indenture.

(b) From and after the issuance of the 2021 Bonds the findings and determinations of the Board respecting the 2021 Bonds shall be conclusive evidence of the existence of the facts so found and determined in any action or proceeding in any court in which the validity of the 2021 Bonds is at issue, and no bona fide purchaser of any of the 2021 Bonds shall be required to see to the existence of any fact or to the performance of any condition or to the taking of any proceeding required prior to such issuance or to the application of the proceeds of sale of the 2021 Bonds. The recital contained in the 2021 Bonds that the same are issued pursuant to the Law and the Indenture shall be conclusive evidence of their validity and of the regularity of the issuance and all 2021 Bonds shall be incontestable from and after their issuance. The 2021 Bonds shall be deemed to be issued, within the meaning of the Indenture, whenever the definitive 2021 Bonds (or any temporary 2021 Bonds exchangeable therefor) have been delivered to the Owner thereof and the proceeds of sale thereof received.



## ARTICLE IV

### REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Pledge of Revenues, Revenue Fund. The District has heretofore transferred, placed a charge upon, assigned and set over to the Trustee, for the benefit of the Owner, that portion of the Revenues which is necessary to pay the principal or Redemption Price of and interest on the Bonds (including the 2021 Bonds) in any year, together with all moneys on deposit in the Revenue Fund, to the punctual payment of the principal or Redemption Price of and interest on the Bonds (including the 2021 Bonds).

Section 4.02. Administration of Funds and Accounts. All funds and accounts created pursuant to the Indenture shall continue to be administered by the Trustee in the manner provided by the Indenture and this Third Supplemental Indenture as if there were a single issue of Bonds concurrently sold and delivered.

Section 4.03. Application of Sinking Fund Account.

(a) The Trustee shall establish and maintain a separate account within the Principal Account, such account to be designated "2021 Sinking Fund Account."

(b) All amounts in the 2021 Sinking Fund Account shall be used and withdrawn by the Trustee solely to purchase or redeem or pay at maturity the 2021 Bonds as provided herein and in the Indenture.

(c) Subject to the terms and conditions set forth in the Indenture and in this Section 4.03, the 2021 Bonds shall be redeemed (or paid at maturity, as the case may be) by application of sinking fund installments in the amounts and upon the dates set forth in Section 2.02(b) hereof.

Section 4.04. Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, if any, including interest on all such advances at its, or one of its affiliates', prime rate then in effect, reasonable external counsel fees (including expenses), the reasonable allocated cost of internal legal services (to the extent such services are not redundant of services performed by external counsel) and all reasonable disbursements of internal counsel, and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services and, in the Event of Default, the Trustee shall have a first and prior lien on the funds held hereunder to secure the same; *provided, however*, that in no event shall the Trustee have a lien on premiums, if any, paid in connection with an optional redemption of 2021 Bonds or of any moneys held for the benefit of an Owner. The Trustee's compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust. The Trustee's rights hereunder shall survive its resignation or removal and final payment of the 2021 Bonds.

Section 4.05. Investments.

(a) All moneys in any of the funds or accounts established with the Trustee pursuant to this Third Supplemental Indenture shall be invested by the Trustee solely in Permitted Investments, as directed pursuant to the Request of the District filed with the Trustee at least two (2) Business Days in advance of the making of such investments. In the absence of any such directions from the District, the Trustee shall hold such moneys uninvested. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or

accounts established hereunder shall be deposited in the fund or account from which such investment was made. The Trustee may act as principal or agent in the acquisition of any investment. The Trustee shall incur no liability for losses arising from any investments made pursuant to this Section 4.05. The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District with monthly account statements as provided herein which include detail for all investment transactions made by the Trustee hereunder. The Trustee may conclusively rely on the investment instructions of the District as to the suitability and legality of the directed investments.

(b) For investment purposes, the Trustee may commingle the funds and accounts established hereunder but shall account for each separately.

Section 4.06. Acquisition; Valuation and Disposition of Investments. Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the 2021 Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture of the Code) by the District at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued by the District at their present value (within the meaning of section 148 of the Code). The Trustee has no duty in connection with the determination of Fair Market Value.

ARTICLE V  
COVENANTS

Section 5.01. Tax Covenants.

(a) *Private Activity Bond Limitation.* The District shall assure that the proceeds of the 2021A Bonds (and the 2021B Bonds after the Conversion Date) are not so used as to cause the 2021A Bonds to satisfy the private business tests of section 141(b) of the Code.

(b) *Private Loan Financing Limitation.* The District shall assure that the proceeds of the 2021A Bonds (and the 2021B Bonds after the Conversion Date) are not so used as to cause the 2021A Bonds (and the 2021B Bonds after the Conversion Date) to satisfy the private loan financing test of section 141(c) of the Code.

(c) *Federal Guarantee Prohibition.* The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the 2021A Bonds (and the 2021B Bonds after the Conversion Date) to be “federally guaranteed” within the meaning of section 149(b) of the Code.

(d) *Rebate Requirement.* The District shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government.

(e) *No Arbitrage.* The District shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the 2021A Bonds (and the 2021B Bonds after the Conversion Date) which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the 2021A Bonds (and the 2021B Bonds after the Conversion Date), to be “arbitrage bonds” within the meaning of section 148 of the Code.

(f) *Maintenance of Tax-Exemption.* The District shall take all actions necessary to assure the exclusion of interest on the 2021A Bonds (and the 2021B Bonds after the Conversion Date) from the gross income of the Owners to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the Closing Date.

Section 5.02. Confirmation of Indenture. Except as otherwise provided herein, all covenants made in Article VI of the Indenture are hereby confirmed as applicable to the 2021 Bonds under this Third Supplemental Indenture.

Section 5.03. Information. Within two hundred seventy (270) days following the end of each Fiscal Year of the District will provide the Owner with a copy of its audited financial statements for such Fiscal Year. Such audited financial statements shall include such information as is required by applicable Government Accounting Standards Board pronouncements and applicable State law. Within thirty (30) days following the completion thereof, the City will provide the Purchaser with a copy of its interim financial statements. Within thirty (30) days of adoption, but in no case later than thirty (30) days the end of each fiscal year, the City will provide the Purchaser with a copy of its annual budget for the following Fiscal Year. The District hereby agrees to provide the Owner with such other information as may be reasonably requested by the Owner.:

ARTICLE VI  
AMENDMENTS

Section 6.01. Amendments.

(a) The definition of “Revenues” or “Gross Revenues” set forth in Section 1.01 of the Indenture is hereby amended in full as follows:

“*Revenues*” or “*Gross Revenues*” means all revenues, income, receipts, and money received by the District in any period and all rights to receive the same, whether in the form of accounts receivable, contract rights, chattel paper, instruments, general intangibles or other rights (excluding, however, donor-restricted gifts, grants, bequests, donations and contributions to the extent that the restriction imposed by the donor or maker thereof prohibits the application thereof to the payment of principal of or interest on the Bonds), including, but without limiting the generality of the foregoing: (a) gross revenues derived from its operation and possession of and pertaining to its properties, (b) proceeds with respect to, arising from, or relating to its properties and derived from (i) insurance (including business interruption insurance) or condemnation proceeds, (ii) accounts, including but not limited to, accounts receivable, (iii) securities and other investments, (iv) inventory and intangible property, (v) payment/reimbursement programs and agreements, and (vi) contract rights, accounts, instruments, claims for the payment of moneys and other rights and assets now or hereafter owned, held or possessed by or on behalf of the District, and (c) rentals received from the lease of the District’s properties or space in its facilities. Revenues do not include income from *ad valorem* taxes on real property collected and pledged specifically for the payment of general obligation bonds or the proceeds derived from the sale of such general obligation bonds.

(b) The definition of “Indebtedness” set forth in Section 1.01 of the Indenture is hereby amended in full as follows:

“*Indebtedness*” means any Guaranty and any indebtedness or obligations for borrowed money of the District (other than accounts payable and accruals), as determined in accordance with generally accepted accounting principles, including obligations under conditional sales contracts or other title retention contracts and rental obligations under leases which are considered capital leases under generally accepted accounting principles. “Indebtedness” shall not include general obligation indebtedness payable from *ad valorem* taxes on real property.

## ARTICLE VII

### MISCELLANEOUS

Section 7.01. Notices. All written notices to be given under this Third Supplemental Indenture shall be given by mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received upon actual receipt.

If to the District: Northern Inyo County Local District  
150 Pioneer Lane  
Bishop, CA 93514  
Attention: Chief Executive Officer  
Phone: (760) 873-5811

If to the Trustee: The Bank of New York Mellon Trust Company, N.A.  
400 South Hope Street, Suite 500  
Los Angeles, CA 90071  
Attention: Corporate Trust Department  
Phone: (213) 630-6465

Initial Owner: Siemens Financial Services, Inc.  
SFS PS-AM SF  
170 Wood Avenue South  
Iselin, NJ 08830  
Attention: Mr. James Thoma, \_\_\_\_\_  
Phone: (732) 306-1295

Section 7.02. Execution in Several Counterparts. This Third Supplemental Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the District and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 7.03. Force Majeure. From the effective date of this Third Supplemental Indenture, the Trustee, or any successor in interest, shall not be considered in breach of or in default in its obligations with respect to any obligations created hereunder or progress in respect thereto, in the event of delay) in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God, or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

Section 7.04. Electronic Communications. The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means. "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder; provided, however, that the District shall provide to

the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the District whenever a person is to be added or deleted from the listing. If the District elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s reasonable understanding of such Instructions shall be deemed controlling. The District understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The District shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the District and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and /or authentication keys upon receipt by the District. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The District agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the District; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures

Section 7.05. Governing Law. This Third Supplemental Indenture shall be governed by the laws of the State of California.

IN WITNESS WHEREOF, NORTHERN INYO HEALTHCARE DISTRICT has caused this Third Supplemental Indenture to be signed in its name by its Chief Executive Officer, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee, in token of its acceptance of the trusts created hereunder, has caused this Third Supplemental Indenture to be signed in its corporate name by its authorized officers, all as of the day and year first above written.

NORTHERN INYO HEALTHCARE  
DISTRICT

By \_\_\_\_\_  
Chief Executive Officer

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Trustee

By \_\_\_\_\_  
Authorized Signatory

**EXHIBIT A**  
**FORM OF 2021A BONDS**

THE HOLDER OF THIS BOND BY ITS ACCEPTANCE HEREOF AGREES THAT NO TRANSFER OF A BOND (OR ANY INTEREST THEREIN) SHALL BE MADE EXCEPT TO (A) AN AFFILIATE OF THE ORIGINAL BOND OWNER, OR (B) ONE OR MORE BANKS, INSURANCE COMPANIES OR SIMILAR FINANCIAL INSTITUTIONS OR THEIR AFFILIATES; IN EACH CASE THAT EXECUTES AND DELIVERS A LETTER IN SUBSTANTIALLY THE FORM ATTACHED AS EXHIBIT C TO THE THIRD SUPPLEMENTAL INDENTURE (AS HEREINAFTER DEFINED)

STATE OF CALIFORNIA  
INYO COUNTY

**NORTHERN INYO HEALTHCARE DISTRICT**  
**Refunding Revenue Bond, Series 2021A**

INTEREST RATE	MATURITY DATE	DATED DATE
_____%*	December 1, 2036	December 29, 2021

REGISTERED OWNER:       SIEMENS FINANCIAL SERVICES, INC.

PRINCIPAL AMOUNT:       \_\_\_\_\_ DOLLARS

The NORTHERN INYO HEALTHCARE DISTRICT, a local health care district, duly organized and existing under the laws of the State of California (herein called the "District"), for value received, hereby promises to pay (but only out of the Revenues and other moneys and securities hereinafter referred to) to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter mentioned), the Principal Amount stated above, in lawful money of the United States of America; and to pay interest thereon in like lawful money from the Interest Payment Date (as herein defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before May 15, 2022, in which event it shall bear interest from the Dated Date stated above) until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned, at the Interest Rate per annum stated above, payable semiannually on each June 1 and December 1, commencing June 1, 2022 (each, an "Interest Payment Date"). The principal (or redemption price) hereof is payable at the Principal Corporate Trust Office (as such term is defined in the hereinafter defined Indenture) of The Bank of New York Mellon Trust Company, N.A. (together with any successor trustee under the indenture, the "Trustee"). Interest hereon is payable by on each Interest Payment Date to the Registered Owner as of the fifteenth (15th) day of the month preceding each Interest Payment Date (except as otherwise provided in the Indenture with respect to defaulted interest) by wire transfer in immediately available funds to an account in the United States of America designated by the Registered Owner. Interest on this Bond shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

\* If the Taxable Rate or the Default Rate (as such terms are defined in the Third Supplemental Indenture) is in effect, interest will be computed by applying such alternate rate.



This Bond is one of a duly authorized issue of bonds of the District designated as “Northern Inyo Healthcare District (Inyo County, California) Revenue Bonds” (herein called the “Bonds”), unlimited in aggregate principal amount, except as otherwise provided in the Indenture hereinafter mentioned, which issue consists or may consist of one or more series of varying dates, maturities, interest rates, redemption and other provisions, all issued pursuant to the provisions of the California Health and Safety Code and the California Government Code (herein called the “Law”), and pursuant to an indenture of trust, dated as June 1, 1998, as amended and supplemented by a first supplemental indenture, dated as of April 1, 2010, as further amended and supplemented by a second supplemental indenture, dated as of January 1, 2013, and as further amended and supplemented by a third supplemental indenture, dated as of December 1, 2021 (the “Third Supplemental Indenture”), each by and between the District and the Trustee, as successor trustee (collectively, the “Indenture”).

This Bond is also one of a duly authorized series of Bonds designated “Northern Inyo Healthcare District (Inyo County, California) Refunding Revenue Bonds, Series 2021A (herein called the “2021A Bonds”), in the aggregate principal amount of \_\_\_\_\_ dollars (\$\_\_\_\_\_) issued to (a) refund, on a current basis, the District’s outstanding Northern Inyo Healthcare District (Inyo County, California) Revenue Bonds, Series 2010, and (b) pay the costs of issuance of the 2021A Bonds.

The 2021A Bonds are secured on a parity with the District’s Northern Inyo Healthcare District (Inyo County, California) Taxable Refunding Revenue Bonds, Series 2021B, issued concurrently with the 2021A Bonds.

Reference is hereby made to the Indenture (a copy of which is on file at the Principal Corporate Trust Office of the Trustee) and all indentures supplemental thereto and to the Law for a description of the rights thereunder of the registered owners of the 2021A Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the District thereunder, to all the provisions of which Indenture the registered owner of this Bond, by acceptance hereof, assents and agrees.

The 2021A Bonds are subject to optional redemption prior to maturity, in whole or in part on any date, on and after January 1, 2026, from any source of funds, by paying a redemption price equal to the aggregate principal amount of Bonds to be redeemed, together with accrued interest to such date and a premium as set forth in the following table:

Redemption Period	Redemption Premium
January 1, 2026 to December 31, 2028	2%
January 1, 2028 to December 31, 2030	1
January 1, 2030 and thereafter	0

The 2021A Bonds are subject to mandatory redemption, in part by lot, from Sinking Account payments set forth in the following schedule at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however*, that if some but not all of the 2021A Bonds have been optionally redeemed, the total amount of Sinking Account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the 2021A Bonds so redeemed by reducing each such future Sinking Account payment on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the District with the Trustee.

Sinking Account Redemption Date (December 1)	Principal Amount to be Redeemed
2032	
2033	
2034	
2035	
2036†	

†Maturity

This Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the office of the Trustee but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new 2021A Bond will be issued to the transferee in exchange herefor.

The District and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, and the District and the Trustee shall not be affected by any notice to the contrary.

The 2021A Bonds are issuable as one fully registered bond in the total principal amount thereof. Subject to the limitations provided in the Indenture, 2021A Bonds may be exchanged, at said corporate trust office of the Trustee, for a like aggregate principal amount of 2021A Bonds of other authorized denominations of the same maturity.

The Indenture and the rights and obligations of the District and of the registered owners of the 2021A Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (i) extend the fixed maturity of this Bond, or reduce the amount of principal hereof, or extend the time of payment or reduce the amount of any Mandatory Sinking Account Payment provided for in the Indenture for the payment of this maturity of 2021A Bonds, or reduce the rate of interest thereon, or extend the time of payment of interest hereon, or reduce any premium payable upon the redemption hereof, without the consent of the registered owner hereof, or (ii) reduce the percentage of 2021A Bonds the consent of the registered owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged as security for the 2021A Bonds prior to or on a parity with the lien created by the Indenture, or deprive the registered owners of the 2021A Bonds of the lien created by the Indenture on such Revenues and other assets (except as expressly provided in the Indenture), without the consent of the registered owners of all 2021A Bonds then outstanding, all as more fully set forth in the Indenture.

The 2021A Bonds and the interest thereon are payable from Revenues (as that term is defined in the Indenture) and are secured by a pledge and assignment of said Revenues and of amounts held in the funds and accounts established pursuant to the Indenture (except any amounts held in the Rebate Fund, as such term is defined in the Indenture), subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

The 2021A Bonds are limited obligations of the District and are not a lien or charge upon the funds or property of the District, except to the extent of the aforementioned pledge and assignment. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2021A BONDS.

It is hereby certified and recited that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Law and by the Constitution and laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the District, does not exceed any limit prescribed by the Law, or by the Constitution and laws of the State of California, and is not in excess of the amount of 2021A Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Trustee.

IN WITNESS HEREOF, the Northern Inyo Healthcare District has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Chair and attested by the facsimile signature of its Secretary, all as of the dated date identified above.

NORTHERN INYO COUNTY LOCAL  
HOSPITAL DISTRICT

By \_\_\_\_\_  
Chair

Attest:

\_\_\_\_\_  
Secretary

**FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This is one of the 2021A Bonds described in the within-mentioned Indenture and registered on the registration books of the Trustee.

Dated:

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Trustee

By \_\_\_\_\_  
Authorized Signatory

## FORM OF ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto

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(Name, Address and Tax Identification or Social Security Number of Assignee)

the within-registered 2021A Bond and hereby irrevocably constitute(s) and appoints(s)

attorney, to transfer the same on the 2021A Bond register of the Trustee with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature:

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Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

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Note: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agents Medallion Program ("STAMP"), the Stock Exchanges Medallion Program ("SEMP") or the New York Stock Exchange, Inc. Medallions Securities Program ("MSP") or an "eligible guarantor."

**EXHIBIT A**  
**FORM OF 2021B BONDS**

THE HOLDER OF THIS BOND BY ITS ACCEPTANCE HEREOF AGREES THAT NO TRANSFER OF A BOND (OR ANY INTEREST THEREIN) SHALL BE MADE EXCEPT TO (A) AN AFFILIATE OF THE ORIGINAL BOND OWNER, OR (B) ONE OR MORE BANKS, INSURANCE COMPANIES OR SIMILAR FINANCIAL INSTITUTIONS OR THEIR AFFILIATES; IN EACH CASE THAT EXECUTES AND DELIVERS A LETTER IN SUBSTANTIALLY THE FORM ATTACHED AS EXHIBIT C TO THE THIRD SUPPLEMENTAL INDENTURE (AS HEREINAFTER DEFINED)

STATE OF CALIFORNIA  
INYO COUNTY

**NORTHERN INYO HEALTHCARE DISTRICT**  
**Taxable Refunding Revenue Bond, Series 2021B**

INTEREST RATE	MATURITY DATE	DATED DATE
_____%*	December 1, 2032	December 29, 2021

REGISTERED OWNER:           SIEMENS FINANCIAL SERVICES, INC.

PRINCIPAL AMOUNT:       \_\_\_\_\_ DOLLARS

The NORTHERN INYO HEALTHCARE DISTRICT, a local health care district, duly organized and existing under the laws of the State of California (herein called the "District"), for value received, hereby promises to pay (but only out of the Revenues and other moneys and securities hereinafter referred to) to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter mentioned), the Principal Amount stated above, in lawful money of the United States of America; and to pay interest thereon in like lawful money from the Interest Payment Date (as herein defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before May 15, 2022, in which event it shall bear interest from the Dated Date stated above) until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned, at the Interest Rate per annum stated above, payable semiannually on each June 1 and December 1, commencing June 1, 2022 (each, an "Interest Payment Date"). The principal (or redemption price) hereof is payable at the Principal Corporate Trust Office (as such term is defined in the hereinafter defined Indenture) of The Bank of New York Mellon Trust Company, N.A. (together with any successor trustee under the indenture, the "Trustee"). Interest hereon is payable by on each Interest Payment Date to the Registered Owner as of the fifteenth (15th) day of the month preceding each Interest Payment Date (except as otherwise provided in the Indenture with respect to defaulted interest) by wire transfer in immediately available funds to an account in the United States of America designated by the Registered Owner. Interest on this Bond shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

\* If the Default Rate (as such term is defined in the Third Supplemental Indenture) is in effect, interest will be computed by applying such alternate rate.

This Bond is one of a duly authorized issue of bonds of the District designated as “Northern Inyo Healthcare District (Inyo County, California) Revenue Bonds” (herein called the “Bonds”), unlimited in aggregate principal amount, except as otherwise provided in the Indenture hereinafter mentioned, which issue consists or may consist of one or more series of varying dates, maturities, interest rates, redemption and other provisions, all issued pursuant to the provisions of the California Health and Safety Code and the California Government Code (herein called the “Law”), and pursuant to an indenture of trust, dated as June 1, 1998, as amended and supplemented by a first supplemental indenture, dated as of April 1, 2010, as further amended and supplemented by a second supplemental indenture, dated as of January 1, 2013, and as further amended and supplemented by a third supplemental indenture, dated as of December 1, 2021 (the “Third Supplemental Indenture”), each by and between the District and the Trustee, as successor trustee (collectively, the “Indenture”).

This Bond is also one of a duly authorized series of Bonds designated “Northern Inyo Healthcare District (Inyo County, California) Taxable Refunding Revenue Bonds, Series 2021B (herein called the “2021B Bonds”), in the aggregate principal amount of \_\_\_\_\_ dollars (\$\_\_\_\_\_) issued to (a) refund, on an advance basis, the District’s outstanding Northern Inyo Healthcare District (Inyo County, California) Revenue Bonds, Series 2013, and (b) pay the costs of issuance of the 2021B Bonds.

The 2021B Bonds are secured on a parity with the District’s Northern Inyo Healthcare District (Inyo County, California) Refunding Revenue Bonds, Series 2021A, issued concurrently with the 2021B Bonds.

Reference is hereby made to the Indenture (a copy of which is on file at the Principal Corporate Trust Office of the Trustee) and all indentures supplemental thereto and to the Law for a description of the rights thereunder of the registered owners of the 2021B Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the District thereunder, to all the provisions of which Indenture the registered owner of this Bond, by acceptance hereof, assents and agrees.

The 2021B Bonds are subject to optional redemption prior to maturity, in whole or in part on any date, on and after January 1, 2025, from any source of funds, by paying a redemption price equal to the aggregate principal amount of Bonds to be redeemed, together with accrued interest to such date and a premium as set forth in the following table:

Redemption Period	Redemption Premium
January 1, 2025 to December 31, 2027	2%
January 1, 2027 to December 31, 2029	1
January 1, 2029 and thereafter	0

The 2021B Bonds are subject to mandatory redemption, in part by lot, from Sinking Account payments set forth in the following schedule at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however*, that if some but not all of the 2021B Bonds have been optionally redeemed, the total amount of Sinking Account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the 2021B Bonds so redeemed by reducing each such future Sinking Account payment on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the District with the Trustee.

Sinking Account Redemption Date (December 1)	Principal Amount to be Redeemed
2021	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032+	

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†Maturity

This Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the office of the Trustee but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new 2021B Bond will be issued to the transferee in exchange herefor.

The District and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, and the District and the Trustee shall not be affected by any notice to the contrary.

The 2021B Bonds are issuable as one fully registered bond in the total principal amount thereof. Subject to the limitations provided in the Indenture, 2021B Bonds may be exchanged, at said corporate trust office of the Trustee, for a like aggregate principal amount of 2021B Bonds of other authorized denominations of the same maturity.

The Indenture and the rights and obligations of the District and of the registered owners of the 2021B Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (i) extend the fixed maturity of this Bond, or reduce the amount of principal hereof, or extend the time of payment or reduce the amount of any Mandatory Sinking Account Payment provided for in the Indenture for the payment of this maturity of 2021B Bonds, or reduce the rate of interest thereon, or extend the time of payment of interest hereon, or reduce any premium payable upon the redemption hereof, without the consent of the registered owner hereof, or (ii) reduce the percentage of 2021B Bonds the consent of the registered owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged as security for the 2021B Bonds prior to or on a parity with the lien created by the Indenture, or deprive the registered owners of the 2021B Bonds of the lien created by the Indenture on such Revenues and other assets (except as expressly provided in the Indenture), without the consent of the registered owners of all 2021B Bonds then outstanding, all as more fully set forth in the Indenture.

The 2021B Bonds and the interest thereon are payable from Revenues (as that term is defined in the Indenture) and are secured by a pledge and assignment of said Revenues and of amounts held in the funds and accounts established pursuant to the Indenture (except any amounts held in the Rebate Fund, as such term is defined in the Indenture), subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

The 2021B Bonds are limited obligations of the District and are not a lien or charge upon the funds or property of the District, except to the extent of the aforementioned pledge and assignment. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2021B BONDS.

It is hereby certified and recited that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Law and by the Constitution and laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the District, does not exceed any limit prescribed by the Law, or by the Constitution and laws of the State of California, and is not in excess of the amount of 2021B Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Trustee.

IN WITNESS HEREOF, the Northern Inyo Healthcare District has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Chair and attested by the facsimile signature of its Secretary, all as of the dated date identified above.

NORTHERN INYO COUNTY LOCAL  
HOSPITAL DISTRICT

By \_\_\_\_\_  
Chair

Attest:

\_\_\_\_\_  
Secretary

### FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the 2021B Bonds described in the within-mentioned Indenture and registered on the registration books of the Trustee.

Dated:

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Trustee

By \_\_\_\_\_  
Authorized Signatory



## FORM OF ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto

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(Name, Address and Tax Identification or Social Security Number of Assignee)

the within-registered 2021B Bond and hereby irrevocably constitute(s) and appoints(s)

attorney, to transfer the same on the 2021B Bond register of the Trustee with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature:

\_\_\_\_\_  
Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

\_\_\_\_\_  
Note: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agents Medallion Program ("STAMP"), the Stock Exchanges Medallion Program ("SEMP") or the New York Stock Exchange, Inc. Medallions Securities Program ("MSP") or an "eligible guarantor."

**EXHIBIT C**  
**FORM OF PURCHASER LETTER**

Northern Inyo Healthcare District  
Bishop, California

The Bank of New York Mellon Trust Company, N.A.  
Los Angeles, California

Re: Northern Inyo Healthcare District (Inyo County, California) Refunding Revenue  
Bonds, Series 2021A

Re: Northern Inyo Healthcare District (Inyo County, California) Taxable Refunding  
Revenue Bonds, Series 2021B

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Ladies and Gentlemen:

The undersigned authorized representative of \_\_\_\_\_ (the "Purchaser"), being the purchaser of the:

\_\_\_\_\_ Northern Inyo Healthcare District (Inyo County, California) Refunding Revenue Bonds, Series 2021A, and/or

\_\_\_\_\_ Northern Inyo Healthcare District (Inyo County, California) Taxable Refunding Revenue Bonds, Series 2021B

(the "Purchased 2021 Bonds") does hereby certify, represent and warrant for the benefit of the Northern Inyo Healthcare District (the "District") and The Bank of New York Mellon Trust Company, N.A. (the "Trustee") that:

(a) The Purchaser has full power and authority to carry on its business as now conducted, deliver this certificate and make the representations and certifications contained herein.

(b) The Purchaser is a lender that regularly extends credit by purchasing loans in the form of state and local government obligations such as the Purchased 2021 Bonds; has knowledge and experience in financial and business matters that make it capable of evaluating the District, the Purchased 2021 Bonds and the risks associated with the purchase of the Purchased 2021 Bonds; has the ability to bear the economic risk of extending the credit evidenced by the Purchased 2021 Bonds; and is a limited liability company engaged in the primary business of extending credit and making loans to state and local governments and non-profit entities and has total assets in excess of \$1 billion. The Purchaser is not acting as a broker, dealer, municipal securities underwriter, municipal advisor or fiduciary in connection with its purchase of the Purchased 2021 Bonds.

(c) The Purchaser has conducted its own investigation of the financial condition of the District, the purpose for which the Purchased 2021 Bonds are being issued and delivered and of the security for the payment of the principal of and interest on Bonds, and has obtained such

information regarding the Purchased 2021 Bonds and the District and its operations, financial condition and financial prospects as the Purchaser deems necessary to make an informed investment decision with respect to the purchase of the Purchased 2021 Bonds.

(d) The Purchaser is purchasing the Purchased 2021 Bonds as a vehicle for making a commercial loan for its own loan account and without any present intention of distributing or selling any interest therein or portion thereof, provided that the Purchaser shall have the right at any time to assign, transfer or convey the Purchased 2021 Bonds or any interest therein or portion thereof, but no such assignment, transfer or conveyance shall be effective as against the District unless and until the Purchaser has delivered to the District written notice thereof that discloses the name and address of the assignee or the Loan Servicer (as hereafter provided) and such assignment, transfer or conveyance shall be made only to (i) an affiliate of the Purchaser; or (ii) one or more banks, insurance companies or similar financial institutions or their affiliates. Nothing herein or in any other document relating to the Purchased 2021 Bonds shall limit the right of the Purchaser or its assignees to sell or assign participation interests in the Purchased 2021 Bonds to one or more entities listed in (i) or (ii), provided that any participation, custodial or similar agreement under which multiple ownership interests in the Purchased 2021 Bonds are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single entity, owner, servicer or other fiduciary or agent acting on behalf of all of the assignees (herein referred to as the "Loan Servicer") to act on their behalf with respect to the rights and interests of the Purchaser under the Purchased 2021 Bonds, including with respect to the exercise of rights and remedies of the Purchaser on behalf of such owners upon the occurrence of an event of default hereunder.

(e) The Purchaser acknowledges that the Purchased 2021 Bonds (a) have not been registered under the Securities Act of 1933, as amended, and have not been registered or otherwise qualified for sale under the securities laws of any state, (b) will not be listed on any securities exchange and (c) there is no established market for the Purchased 2021 Bonds and that none is likely to develop. The Purchaser understands and acknowledges that (i) its purchase of the Purchased 2021 Bonds is not intended to be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended; and (ii) in connection with its purchase of the Purchased 2021 Bonds, the District has not prepared or caused to be prepared, any official statement, private placement memorandum or other offering document.

The Purchaser acknowledges that the sale of the Purchased 2021 Bonds to the Purchaser is made in reliance upon the certifications, representations and warranties herein by the addressees hereto. Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Indenture.

[PURCHASER]

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

**EXHIBIT D**

**FORM OF REQUEST FOR CONVERSION TO TAX-EXEMPT RATE**

\_\_\_\_\_, 2023

Siemens Financial Services, Inc.  
Iselin, New Jersey

Re: \$\_\_\_\_\_ Northern Inyo Healthcare District Taxable Refunding Revenue Bonds, Series  
2021B

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Ladies and Gentlemen:

The captioned Bonds were issued pursuant to the provisions of section 53570 *et seq.* of the California Government Code (the "Law"), a resolution adopted by the Board of Directors of the Northern Inyo Healthcare District (the "District") on December 15, 2021, and an indenture of trust, dated as of June 1, 1998, as amended and supplemented by a first supplemental indenture, dated as of April 1, 2010, as further amended and supplemented by a second supplemental indenture, dated as of January 1, 2013, and as further amended and supplemented by a third supplemental indenture, dated as of December 1, 2021 (the "Third Supplemental Indenture"), each by and between the District and The Bank of New York Mellon Trust Company, N.A., as successor trustee.

The Bonds were sold pursuant to a Bond Purchase Agreement, dated December 16, 2021 (the "Bond Purchase Agreement"), by and between the District and Siemens Financial Services, Inc., as purchaser (the "Purchaser").

Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Indenture or in the Bond Purchase Agreement.

Pursuant to Section 2.01(h)(i) of the Third Supplemental Indenture, the undersigned Authorized Representative hereby notifies the Purchaser of its intention to convert the interest rate on the 2021B Bonds from the 2021B Taxable Rate to the 2021B Tax-Exempt Rate, to be effective on \_\_\_\_\_, 2023.

NORTHERN INYO COUNTY LOCAL  
HOSPITAL CARE DISTRICT

By \_\_\_\_\_  
Chief Executive Officer

The undersigned Purchaser hereby agrees to the conversion of the interest rate on the 2021B Bonds from the 2021B Taxable Rate to the 2021B Tax-Exempt Rate on the date specified above, such conversion to be conditioned on delivery of the executed documents specified in Section 2.01(g) of the Third Supplemental Indenture.

SIEMENS FINANCIAL SERVICES, INC., as  
Purchaser

By \_\_\_\_\_  
Title \_\_\_\_\_

**NORTHERN INYO HEALTHCARE DISTRICT**

**RESOLUTION NO. 21-14**

**RESOLUTION APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE AND BOND PURCHASE AGREEMENTS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE NORTHERN INYO HEALTHCARE DISTRICT REFUNDING REVENUE BONDS, SERIES 2021A, TO REFUND THE OUTSTANDING NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT REVENUE BONDS, SERIES 2010, AND THE ISSUANCE, SALE AND DELIVERY OF THE NORTHERN INYO HEALTHCARE DISTRICT TAXABLE REFUNDING REVENUE BONDS, SERIES 2021B, TO REFUND THE OUTSTANDING NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT REVENUE BONDS, SERIES 2013, AND APPROVING CERTAIN OTHER ACTIONS**

RESOLVED, by the Board of Directors (the "Board") of the Northern Inyo Healthcare District (the "District"), as follows:

WHEREAS, the District has heretofore issued, on April 14, 2010, under its prior name, its Northern Inyo County Local Hospital District (Inyo County, California) Revenue Bonds, Series 2010, currently outstanding in the principal amount of \$4,170,000 (the "2010 Bonds"), to finance certain capital improvements for the District;

WHEREAS, the District has also heretofore issued, on January 29, 2013, under its prior name, its Northern Inyo County Local Hospital District (Inyo County, California) Revenue Bonds, Series 2013, currently outstanding in the principal amount of \$8,360,000 (the "2013 Bonds"), to finance certain capital improvements for the District and to refund prior bonds issued in 1998 to finance capital projects;

WHEREAS, pursuant to Articles 9 and 11 of Chapter 3 (commencing with section 53550) of Division 2 of Title 5 of the California Government Code (the "Act"), the District is empowered to issue refunding revenue bonds;

WHEREAS, the District has determined that it is in the best interests of the District at this time to issue its Northern Inyo Healthcare District (Inyo County, California) Refunding Revenue Bonds, Series 2021A (the "2021A Bonds") to refund the 2010 Bonds and to issue its Northern Inyo Healthcare District (Inyo County, California) Taxable Refunding Revenue Bonds, Series 2021B (the "2021B Bonds" and, with the 2021A Bonds, the "2021 Bonds") to refund the 2013 Bonds;

WHEREAS, the District's obligation to pay the principal of and interest on the 2021 Bonds will be secured by a pledge of the District's revenues (the "Revenues"), and will not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation;

WHEREAS, the District has determined to authorize the officers of the District to take all necessary action to accomplish the issuance, sale and delivery of the 2021 Bonds; and

WHEREAS, pursuant to section 5852.1 of the Government Code, which became effective on January 1, 2018 by the enactment of Senate Bill 450, certain information relating to the 2021 Bonds is set forth in Exhibit A attached to this Resolution, and such information is hereby disclosed and made public;

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

*Section 1.* The Board hereby approves the refunding of the 2010 Bonds by the issuance of the 2021A Bonds and the refunding of the 2013 Bonds by the issuance of the 2021B Bonds.

*Section 2.* The form of third supplemental indenture between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as presented to this meeting (the "Third Supplemental Indenture"), is hereby approved. The Chair, the Vice Chair, the Chief Executive Officer or the Chief Financial Officer, or the designee thereof, is hereby authorized and directed, for and in the name of the District, to execute and deliver the Third Supplemental Indenture in the form presented to this meeting, with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery of the Third Supplemental Indenture. The date, maturity date, interest rate, interest payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of the 2021 Bonds shall be as provided in the Third Supplemental Indenture, as finally executed.

*Section 3.* The form of escrow agreement relating to the refunding of the 2010 Bonds, by and between the District and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "Escrow Bank"), as presented to this meeting (the "2010 Escrow Agreement"), is hereby approved. the Chair, the Vice Chair, the Chief Executive Officer or the Chief Financial Officer, or the designee thereof, is hereby authorized and directed for and in the name of the District, to execute and deliver a 2010 Escrow Agreement in the form presented to this meeting, with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery of the 2010 Escrow Agreement.

The form of escrow agreement relating to the refunding of the 2013 Bonds, by and between the District and the Escrow Bank, as presented to this meeting (the "2013 Escrow Agreement"), is hereby approved. the Chair, the Vice Chair, the Chief Executive Officer or the Chief Financial Officer, or the designee thereof, is hereby authorized and directed for and in the name of the District, to execute and deliver a 2013 Escrow Agreement in the form presented to this meeting, with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery of the 2013 Escrow Agreement.

*Section 4.* The form of bond purchase agreement for the 2021A Bonds between the District and Siemens Public, Inc. (the “2021A Purchaser”) an institutional investor selected through a competitive process (the “2021A Bond Purchase Agreement”), is hereby approved, so long as the principal amount of the 2021A Bonds does not exceed \$3,750,000, and the true interest rate of the 2021A Bonds is not greater than 4.00%. The Chair, the Vice Chair, the Chief Executive Officer or the Chief Financial Officer, or the designee thereof, is hereby authorized and directed for and in the name of the District, to execute and deliver a 2021A Bond Purchase Agreement in the form presented to this meeting, with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery of the 2021A Bond Purchase Agreement.

The form of bond purchase agreement for the 2021B Bonds between the District and Siemens Financial Services, Inc. (the “2021B Purchaser” and, with the 2021A Purchaser, the “Purchasers”) an institutional investor selected through a competitive process (the “2021B Bond Purchase Agreement”), is hereby approved, so long as the principal amount of the 2021B Bonds does not exceed \$8,750,000 and the true interest rate of the 2021B Bonds is not greater than 5.00%. The Chair, the Vice Chair, the Chief Executive Officer or the Chief Financial Officer, or the designee thereof, is hereby authorized and directed for and in the name of the District, to execute and deliver a 2021B Bond Purchase Agreement in the form presented to this meeting, with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery of the 2021B Bond Purchase Agreement.

*Section 5.* The Chair, the Vice Chair, the Chief Executive Officer or the Chief Financial Officer, or the designee thereof, is hereby authorized and directed, for and in the name of the District, to execute and deliver any other documents as may be deemed necessary or appropriate to implement the refinancing or to issue the 2021 Bonds, such approval to be conclusively evidenced by the execution and delivery of such documents.

*Section 6.* The 2021 Bonds shall be executed by the manual or facsimile signature of the Chair, the Vice Chair, the Chief Executive Officer or the Chief Financial Officer, or the designee thereof, and attested by the manual or facsimile signature of the Secretary of the Board of the District, or the designee thereof, in the form set forth in and otherwise in accordance with said indenture.

*Section 7.* The Chair, the Vice Chair, the Chief Executive Officer or the Chief Financial Officer, or the designee thereof, are hereby authorized and directed, for and on behalf of the District, to approve any changes to the foregoing documents, such approval to be conclusively evidenced by the execution and delivery thereof.

*Section 8.* The 2021 Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the 2021 Bonds by executing the Trustee’s Certificates of Authentication appearing thereon, and to deliver the 2021 Bonds, when duly executed and authenticated, to the Purchasers in accordance with written instructions of the District. Said instructions shall provide for the delivery of the 2021 Bonds to the Purchasers upon payment of the purchase prices thereof.



*Section 9.* The Secretary of the Board of the District, or the designee thereof, is hereby authorized and directed to attest the signature of the Chair, the Vice Chair, the Chief Executive Officer or the Chief Financial Officer, or the designee thereof, as may be required in connection with the execution and delivery of the Third Supplemental Indenture, the Bond Purchase Agreement, the Escrow Agreement and the 2021 Bonds in accordance with this Resolution.

*Section 10.* The Chair, the Vice Chair, the Chief Executive Officer or the Chief Financial Officer, or the designee thereof, and the officers of the District are each hereby authorized and directed to do the following with respect to the issuance of the 2021 Bonds:

a. Take any and all actions and execute, acknowledge, deliver and file any and all agreements, instruments or other documents of any kind required of the District, including, without limitation, the motion for authority to borrow on a secured basis and issue the 2021 Bonds and expressly provide in the District's plan of adjustment that the 2021 Bonds shall be ratified and reinstated without any change or modification to their terms; and

b. Act as an agent to the District for the purposes of issuing the 2021 Bonds and any additional negotiations, authorizations, approval, executions, consents, notices, deliveries or other acts required to issue such Bonds.

*Section 11.* All actions taken by the Chair, the Vice Chair, the Chief Executive Officer, the Chief Financial Officer, the Secretary or the designee thereof, or the designee thereof, and other officers or directors of the District which have been undertaken to date or which will be undertaken with respect to the planning, negotiation, authorization, approval and implementation of the financing plan are hereby ratified, confirmed and approved in all respects.

*Section 12.* This resolution shall take effect immediately upon its passage.

\*\*\*\*\*

PASSED AND ADOPTED at the meeting of the Board of Directors of the Northern Inyo Healthcare District held on the 15th day of December, 2021, by the following vote:

AYES: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

\_\_\_\_\_

NOES: \_\_\_\_\_/\_\_\_\_\_

ABSENT: \_\_\_\_\_/\_\_\_\_\_

ABSTAIN: \_\_\_\_\_/\_\_\_\_\_

\_\_\_\_\_  
Chair, Board of Directors  
Northern Inyo Healthcare District

ATTEST:

\_\_\_\_\_  
Secretary, Board of Directors  
Northern Inyo Healthcare District

**EXHIBIT A**

**GOVERNMENT CODE SECTION 5852.1 DISCLOSURE**

The following information consists of estimates that have been provided by the District's municipal advisor which has been represented to have been provided in good faith:

	<u>2021A Bonds</u>	<u>2021B Bonds</u>
(A) <u>True Interest Cost of the 2021 Bonds:</u>	3.50%	3.06%
(B) <u>Finance Charges (Costs of Issuance):</u>	\$79,337	\$203,082
(C) <u>Net Proceeds to be Received:</u> (net of finance charges)	\$3,560,663	\$8,376,945
(D) <u>Total Payment Amount through Maturity:</u>	\$5,361,125	\$10,308,078

The foregoing estimates constitute good faith estimates only.

The principal amount of the 2021 Bonds, the true interest cost of the 2021 Bonds, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the 2021 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2021 Bonds sold being different from the estimated amount used for purposes of such estimates, (c) the actual amortization of the 2021 Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2021 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the District's financing plan, or a combination of such factors. The actual date of sale of the 2021 Bonds and the actual principal amount of 2021 Bonds sold will be determined by the District based on the timing of the need for proceeds of the 2021 Bonds and other factors. The actual interest rates with respect to the 2021 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 2021 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the District.



**NORTHERN INYO HEALTHCARE DISTRICT  
NON-CLINICAL POLICY AND PROCEDURE**

Title: Processing Returned Mail		
Owner: Admission Services Manager	Department: Admissions Services	
Scope: Admission Services		
Date Last Modified: 11/12/2021	Last Review Date: No Review Date	Version: 1
Final Approval by: NIHD Board of Directors	Original Approval Date:	

**PURPOSE:** To provide guidance in processing Northern Inyo Healthcare District Returned Outgoing United States Postal Services (USPS) mail.

**POLICY:** The Admission Services Department is responsible for handling all returned mail received from the United States Postal Service (USPS) due to insufficient address, patient no longer residing at address.

**PROCEDURE:**

1. Determine who sent mail
2. Return to Sender (Department)
3. If not identified
4. Who is it addressed to
  - A. Is it a Patient Statement?
    - a. Return to Admission Services Assistant Manager
  - B. Is it a Vendor Check?
    - a. Return to the Accounting Department
  - C. Is it addressed to a Physician?
    - a. Return to the Medical Staff Office
5. Marked Confidential and not Identified Who Sent Item
  - a. ALL MAIL MARKED CONFIDENTIAL SHOULD NOT BE OPENED
  - b. Return to the Administration Office.

**REFERENCES:** N/A

**RECORD RETENTION AND DESTRUCTION:** N/A

**CROSS REFERENCED POLICIES AND PROCEDURES:**

1. Processing United States Postal Service Mail

Supersedes: Not Set
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## NORTHERN INYO HEALTHCARE DISTRICT NON-CLINICAL POLICY AND PROCEDURE

Title: Processing United States Postal Service Mail*		
Owner: Admission Services Manager	Department: Admissions Services	
Scope: District Wide		
Date Last Modified: 11/16/2021	Last Review Date: No Review Date	Version: 2
Final Approval by: NIHD Board of Directors	Original Approval Date: 02/15/2017	

### PURPOSE:

To provide guidance on processing Northern Inyo Healthcare District (NIHD) outgoing and incoming United States Postal Service (USPS) mail.

### POLICY:

The Admission Services Department is responsible for processing all mail received from the USPS or being sent out via the USPS. FedEx and United Parcel Service transactions are handled by the Purchasing Department.

**\*\*NIHD mail processing is reserved exclusively for NIHD business mail\*\***

- Postage may NOT be applied to any employees, patients or visitors personal mail
- Employees may not send or receive mail or packages of a personal nature through NIHD mail processing with **one** exception:
  - An employee may place a **sealed, self-stamped, letter sized envelope** in the outgoing USPS letter tray
  - No personal flats or packages *of any kind* may be put in the USPS mail lug, *even if postage has been applied*. These must be deposited in a U.S. Postal Service mailbox offsite, or taken to the Post Office on personal time.
- Only trained Admission Services staff may process mail using the postal meter machine.
- Only trained Compliance Staff may process mail if Admission Services is not available to assist.

### PROCEDURE:

#### Outgoing mail:

- NIHD business mail being sent via the USPS is processed in the Central Registration work area where the postal meter machine is located.
- Admission Services staff will seal (if unsealed), stamp and sort all outgoing mail into the USPS mail lug or letter tray
  - Postage may be applied **ONLY** to NIHD business related mail

- The postal meter machine will be used to weigh and apply first class postage to all types of mail (letters, flats and parcels) both domestic and international, and to seal unsealed letter mail. Flats and packages are to be sealed by the sender.
- Any type of mail that is designated by the postal meter machine as a “*package*” (when calculating the postage) requires a USPS barcode sticker to be applied to the side of or below the mailing address. This designation will show in the view window of the postal meter machine.
  - Note: This sticker does not need to be applied in the case of items being sent by Certified mail, as there is already a barcode.
- Certified mail will be checked to make sure the appropriate USPS certified mail forms have been applied and the appropriate Certified postage will be applied taking into consideration:
  - Whether or not the sender requires a “Return Receipt”
  - Whether or not the Certified mail is being sent as “Restricted”
  - Whether or not the piece of mail is bendable. If it cannot be bent, postage must be calculated as if it were a “parcel” even if it is a regular envelope or a flat.
- Certified mail will be put into the USPS mail lug or letter tray to be picked up by the USPS carrier.
  - If the sender wishes to receive the *paper* Certified mail receipt which is stamped by the post office, they may take their certified mail directly to the post office
  - The return receipt *card*, if affixed to the back of the envelope, will be returned to NIHD once the certified mail has been delivered.
    - The return receipt card will be returned to the sender if the department or person is included as a part of the return address.
    - If the department or sender is not included in the return address on the return receipt card, it will be kept in the Central Registration work area for a period of 6 months, after which it will be shredded.

### **Incoming mail:**

- Is delivered by the USPS to the Central Registration work area, Monday through Saturday excluding Federal holidays.
- Incoming mail is sorted and delivered to the NIHD mailroom with the following exception:
  - No mail containing a payment may be left in the Mailroom, but must be delivered directly to an Accounts Receivable Technician.
- Mail received on Saturday is delivered to the mailroom on the following Monday, or the Tuesday following a Monday holiday.
- Refer to the attached document titled “Important Mail Routing Information” for tips on routing the mail to the appropriate location.

### **Downloading Postage and ordering supplies/service for the postage machine:**

The Admission Services Manager or his/her designee will be responsible for:

- Down loading postage into the postal meter machine per the company guidelines
- Notifying the Accounts Payable clerk of the amount downloaded, supplying him/her with a tape printed from the postage machine
- Ordering supplies (red ink, tape, USPS barcode stickers, and distilled water) and obtaining Certified mail stickers and cards from the Bishop Post Office for the postal meter machine.

- Arranging for service calls as necessary per the service agreement for the machine

**Postage machine downtime:**

If the Postage machine breaks down, the Admission Services manager will:

- Immediately arrange for a service call
- Coordinate the processing and delivery of outgoing mail
  - As necessary the outgoing mail will be taken directly to the US Post Office in Bishop by either the Admission Services manager or, in his/her absence, the Admission Services Coordinator.
  - Stamps are to be purchased and kept in the safe in Central Registration to be used during postage processing downtimes.
  - All receipts from the USPS are to be submitted for reimbursement along with an Accounts Payable Check Request form.

**REFERENCES:** N/A

**CROSS REFERENCE P&P:** N/A

Supersedes: v.1 Processing United States Postal Service Mail*
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**NORTHERN INYO HEALTHCARE DISTRICT  
RECOMMENDATION TO THE BOARD OF DIRECTORS  
FOR ACTION**

Date: December 3, 2021

Title: **Recommendation to appoint a Board member to the Compliance and Business Ethics Committee**

Synopsis: The Compliance Program for NIHD establishes the membership of the Compliance and Business Ethics Committee. The program establishes that a member of the Board will be on the committee. It is recommended that the Board nominate a member to serve on the committee.

Prepared by: Patty Dickson, Compliance Officer

Reviewed by: *Kelli Davis*  
Kelli Davis  
Chief Executive Officer

**FOR EXECUTIVE TEAM USE ONLY:**

Date of Executive Team Approval: *12-6-2021* Submitted by: *Kelli Davis*  
Chief Officer





TO: NIHD Board of Directors  
FROM: Sierra Bourne, MD, Chief of Medical Staff  
DATE: December 7, 2021  
RE: Medical Executive Committee Report

The Medical Executive Committee met on this date. Following careful review and consideration, the Committee agreed to recommend the following to the NIHD Board of Directors:

- A. Medical Staff Appointments (*action item*)
  - 1. Jane Yoon, MD (*pediatrics*) – Active Staff
  - 2. Milan Shah, MD (*urology*) – Courtesy Staff
  - 3. George Chiang, MD (*urology*) – Courtesy Staff
  - 4. Bridget Miranda, NP (*urology nurse practitioner*) – Advanced Practice Provider Staff
  - 5. Bradley Nelson, MD (*cardiology*) – Telemedicine Staff (Renown)
  - 6. Troy Wiedenbeck, MD (*cardiology*) – Telemedicine Staff (Renown)
  
- B. Request for Additional Privileges (*action item*)
  - 1. Gary Turner, MD (*radiology*) – request for PICC line insertion privileges.
  
- C. Medical Staff Resignations (*action item*)
  - 1. Anu Agarwal, MD (*telecardiology, Renown*) – 8/9/2021
  - 2. David Nicholson, CRNA (*nurse anesthesia*) – 9/30/2021
  - 3. Richard Seher, MD (*telecardiology, Renown*) – 8/4/2021
  - 4. Sarah Zuger, MD (*family medicine*) – 12/31/2021
  
- D. Members Not Submitting a Reappointment Application – Privileges to Expire 12/31/2021 (*information item*)
  - 1. Daniel Davis, MD (*orthopedics*)
  - 2. Kevin Deitel, MD (*orthopedics*)
  - 3. Elizabeth Maslow, MD (*infectious disease*)
  - 4. Wilbur Peralta, MD (*internal medicine/hospitalist*)
  - 5. Louis Rivera, MD (*general surgery*)
  - 6. Richard Seher, MD (*telecardiology, Renown*)
  - 7. Sheila Lezcano, MD (*rheumatology*)
  - 8. Shabnamzehra Bhojani, MD (*psychiatry*)
  - 9. Rajesh Vaid, MD (*tele-radiology*)
  
- E. Policies/Procedures (*action items*)
  - 1. *Emergency Department Telephone Advice Information*
  - 2. *Blood Alcohol Levels; Law Enforcement - Requested Collection*
  - 3. *Medical Staff Department Policy – Anesthesia*
  - 4. *Medical Staff Department Policy – Surgery*
  - 5. *Non-Physician First Assistant in the Operating Room*
  - 6. *Standardized Procedure – General Policy for the Nurse Practitioner or Certified Nurse Midwife*
  - 7. *Standardized Protocol – General Policy for the Physician Assistant*
  - 8. *Diagnostic Imaging – Radioactive Material Hot Lab Security*

F. Biennial Review of Radiation Safety Policies (*action item*)

1. *ALARA Program*
2. *Diagnostic Imaging – Ordering Radioactive Materials*
3. *Diagnostic Imaging – Handling of Radioactive Packages, Non-Nuclear Medicine Personnel*
4. *Dosimetry Program – Occupational Radiation Exposure Monitoring Program*
5. *Radiology Services Pregnant Personnel*
6. *DI CT Radiation Safety Policy*
7. *Diagnostic Imaging – Imaging Equipment Quality Control*
8. *Diagnostic Imaging – Patient Priority*
9. *DI - Venipuncture by Radiologic Technologists*
10. *DI – CT Contrast Administration*
11. *Sonography Ergonomics Policy*

G. Medical Executive Committee Meeting Report (*information item*)



## NORTHERN INYO HEALTHCARE DISTRICT CLINICAL POLICY AND PROCEDURE

Title: Emergency Department Telephone Advice Information		
Owner: Manager of ED and Disaster Planning	Department: Emergency Department	
Scope: Emergency Department RN, House Supervisors		
Date Last Modified: 11/04/2021	Last Review Date: No Review Date	Version: 4
Final Approval by: NIHD Board of Directors		Original Approval Date:

### **PURPOSE:**

To define the parameters of advice or information that may be given to a person calling the Emergency Department staff seeking advice or medical information.

### **POLICY:**

It is the policy of Northern Inyo Hospital that any person that calls the Emergency Department (ED) for telephone advice or information shall be informed that we do not give advice to persons that were not recent ED patients. It is our policy to only give information to patients calling for clarification of their discharge instructions or to relay or discuss their test results. It is our policy to give advice to emergency type of calls (911) that are put through to us by law enforcement or other EMS dispatch.

### **PROCEDURE:**

1. Any person that calls and asks to be connected to the ED (and not the clerk) should be asked if they are calling for advice. If they are calling for advice they should be asked if they are calling about a recent ER visit. If they are calling about a recent visit they should be transferred to the ED.

2. Recent ED patients calling for advice, clarification of instructions or test results will receive advice and /or results specific to their diagnosis and current symptoms or concerns. The Registered Nurse (RN) or Qualified Medical provider (QMP) will review the chart and the appropriate advice will be given. If at any time it is unclear as to what the concern or question is, or if the patient feels their condition is worsening they will be advised to call their doctor, return to the ED or call 911.

3. 911 Call patched through to the Emergency Department:

In a life-threatening situation, while waiting for medical help to arrive, law enforcement may put a call through to the ED via phone from a person that needs immediate medical assistance and information. In this case the most appropriate QMP or ED RN may give advice over the phone.

4. Emergency Services (EMS) radio or telephone patched through to the ED:

If further advice or orders are needed after initial EMS protocols are initiated on scene, the QMP may give further orders to EMS providers.

5. When a caller that is asking for advice is not asking about a recent ED visit, they should be transferred to extension 3111. They will then be given the following message.

**You have been connected to the ER telephone advice line.**

**Our policy does not allow us to give telephone advice to people that we have not seen.**

**Hang up and dial 911 if you have a medical emergency.**

**If you need to see a doctor, you may come to the ER. You can be seen and treated even if you cannot pay.**

**If you have a medical question your doctor may be able to help you**

**If you need poison control advice, that number is 1-800-876-4766.**

**If you have a question about a recent ER visit, discharge instructions or test results please call back and tell the operator you need to talk to an ER doctor or nurse about your ER visit.**

#### **Documentation:**

1. A brief note about the call and any further action will be documented as an addendum in the patient's original visit chart.

2. Any advice given over the phone or base station radio to EMS must be documented in the ambulance run sheet.

#### **REFERENCE:**

**RECORD RETENTION AND DESTRUCTION:** Documentation in medical record is maintained per the medical records department at NIHD.

#### **CROSS REFERENCED POLICIES AND PROCEDURES:**

1. Emergency Department Telephone Advice Information
2. Pre- Hospital Policy
3. MICN Policy

Supersedes: v.3 Emergency Department Telephone Advice Information
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## NORTHERN INYO HEALTHCARE DISTRICT CLINICAL POLICY AND PROCEDURE

Title: Blood Alcohol Levels; Law Enforcement - Requested Collection		
Owner: LAB MANAGER	Department: Laboratory	
Scope: Emergency Department and Laboratory Department		
Date Last Modified: 11/05/2021	Last Review Date: No Review Date	Version: 2
Final Approval by: NIHD Board of Directors	Original Approval Date: 10/16/2011	

### **PURPOSE:**

The purpose of this procedure is to outline Northern Inyo Healthcare District’s (NIHD) support for law enforcement requests to draw blood for alcohol testing in a legal, organized and consistent manner. NIHD Emergency Department and Laboratory personnel shall cooperate with Federal, State, and local law enforcement for this purpose where specifically authorized by law.

### **POLICY:**

NIHD Emergency Department (ED) personnel should promptly respond to law enforcement requests to draw blood for alcohol testing as required by law pursuant to 23612 CVC. Alcohol rapidly dissipates from the bloodstream, leading to law enforcement officials working under significant time constraints imposed by law. This cooperation may be appropriately deferred when clinical judgment indicates a priority exists to provide health care to a medically unstable, seriously ill, or injured patient.

### **PROCEDURE:**

1. The Patient (Subject) is accompanied to the ED by the Arresting Officer(s). The patient is checked in and triaged as an ED patient.
2. The patient (subject) will receive a medical screening exam by the attending ED physician. If the physician determines the patient (subject) is medically cleared and does not require medical treatment, the process of a legal blood draw will continue as detailed in the proceeding steps. Once the legal blood draw is obtained, the patient (subject) may be discharged from the ED following the normal discharge process.
3. If the attending ED physician decides the patient (subject) needs medical treatment, the legal blood draw may still be acquired during the patient (subject) stay in the ED. The patient (subject) will stay and be treated in the ED until a disposition by the physician is made.
4. In Inyo County, the Subject’s consent is not required in order to withdraw blood from DUI suspects that have been arrested. California law states that a person who drives a motor vehicle is deemed to have given consent to test his or her blood or breath to determine its alcohol content. A driver is also deemed to have

given consent to test his or her blood to determine its drug content (Vehicle Code Sections 23612 and 13384). Testing must be incidental to a lawful arrest and administered at the direction of a peace officer having reasonable cause to believe the person was driving under the influence (DUI) of alcohol or drugs (CHA Consent Manual). Notwithstanding its implied consent provision, Vehicle Code Section 23612 acknowledges that some subjects may still refuse testing. This refusal may result in penalties for the person, including loss of driving privileges. A hospital, its employees, and medical staff may (but are not legally required to) conduct testing even if the patient withdraws consent and refuses testing, if specified circumstances exist (CHA Consent Manual). The California Attorney General has issued an opinion stating that medical personnel may refuse to take a blood sample if the subject is unconscious or refuses to consent to the procedure, even though he or she does not forcibly resist. This opinion addresses only the circumstances under which medical personnel may decline to perform the test. The opinion should not be interpreted to suggest that medical personnel should or must decline to perform the test in all such instances, although it is recommended that the test not be performed on a violent or struggling subject (CHA Consent Manual).

5. Located in this Phlebotomy Station at the Main Laboratory are “Biological Specimen Kits” by Ascertain Forensics. The ED staff will call over to the lab to request a legal blood draw by a certified phlebotomist (CPT-1).
6. If laboratory staff are unavailable, one of these kits will be sent to the ED for the Registered Nurse to perform the collection. Each of these kits contain two (2) 10-ml gray top (with sodium fluoride and potassium oxalate anticoagulants) vacutainer tubes, a cardboard carrier, a plastic bag, a specimen evidence seal, a box/container for shipment of the specimen, an Ascertain Forensics Test Requisition Form (with case information), specimen information, investigating officer’s report, tests required, and the chain of custody.
7. It is important that the blood sample be properly collected.  
**Medical Personnel:**
  - a. Remove all of the components from the evidence submission kit
  - b. Using a pen, fill out all of the information requested on the test requisition form under the specimen collection section, and on the specimen container seals. Fill out the “Specimen Identification Label” in the presence of the patient. The Subject’s (patient) name, the Witnessing Officer’s signature, the initials of the employee that drew the blood, the date and time are entered onto this label.
  - c. Cleanse the blood collection site with the alcohol-free Povidone-Iodine prep pad provided in the kit. Using the blood tubes provided in the kit, withdraw blood from the subject, filling both tubes to maximum volume. Do not return the used prep pad to the kit box. Discard using the recommended Occupational Safety and Health Administration (OSHA) guidelines.
8. Once the specimen is in the plastic bag, place it in the “Chain of Possession” envelope that has been provided in the DUI kit. The Arresting Officer has filled out all the pertinent information that is required on the envelope, including the subject’s name, driver’s license number, agency, county of arrest, and offense. The Arresting Officer prints his name and badge number, and you (the person drawing the blood)

must sign, date, time, and include the location (NIHD ED) where you obtained the specimen. Once the specimen is placed into this envelope, properly seal the flap. The Arresting Officer seals the envelope flap with a piece of red security seal tape provided in the kit.

9. In order to strictly follow the “Chain of Possession” evidence laws, the back of the specimen envelope provides an area that lists “Received from”, “Received by” and “Date”. When you hand over the envelope to the Arresting Officer, you will initiate the “Chain of Possession” by signing the first line in the “Received from” column. The Officer will sign the “Received by” area, and date in the appropriate area.
10. This completes your responsibility (the person drawing the blood) of properly obtaining a blood alcohol specimen for evidence, and maintaining the proper chain of possession.

**Investigating Officer:**

- a. Fill out the information requested on the test requisition form and on the specimen seals where indicated.
- b. Remove the specimen seals from the test requisition form and affix the center of the seals to the blood tube rubber stopper, and then press the ends of the seal down on the sides of the blood tube.
- c. Return both filled and sealed blood tubes to the collection box.
- d. Place the collection box containing the blood tubes into the plastic zip top bag (keeping the liquid absorbing sheet in the bag), then squeeze out the excess air and close the bag.
- e. Use a shipping provider, U.S. Mail, or hand deliver the kit to Ascertain Forensics at Redwood Toxicology Laboratory for analysis. The address is:

▶ Ascertain Forensics  
Redwood Toxicology Laboratory  
3650 Westwind Blvd.  
Santa Rosa, CA 95403

**REFERENCE:**

1. Federal Law, EMTALA, and State Law Enforcement: Conflict in the ED? (2006)
2. EMTALA: A Guide to Patient Anti-Dumping Laws (2009).
3. CHA Consent Manual

**RECORD RETENTION AND DESTRUCTION:**

Medical Records are maintained and destroyed by the Medical Records Department at NIHD per policy.

**CROSS REFERENCED POLICIES AND PROCEDURES:**

1. EMTALA Policy
2. Evaluation and Screening of Patients Presenting to Emergency Department

Supersedes: v.1 Blood Alcohol Levels; Law Enforcement - Requested Collection
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**NORTHERN INYO HEALTHCARE DISTRICT  
CLINICAL POLICY AND PROCEDURE**

Title: Medical Staff Department Policy - Anesthesia		
Owner: MEDICAL STAFF DIRECTOR	Department: Medical Staff	
Scope: Practitioners Privileged in Anesthesia		
Date Last Modified: 10/27/2021	Last Review Date: No Review Date	Version: 1
Final Approval by: NIHD Board of Directors	Original Approval Date:	

**PURPOSE:** To delineate clear expectations for practitioners in the Department of Anesthesia within Northern Inyo Healthcare District (NIHD).

**POLICY:** All practitioners (physicians and Advanced Practice Providers) granted privileges in the Department of Anesthesia will adhere to the following procedures.

**PROCEDURE:**

1. Call
  - a. Practitioners in call coverage shall return phone calls as soon as possible and be at the bedside within 30 minutes if needed in an emergency. The exceptions would be if they are in surgery or involved in another emergency.
2. Documentation:
  - a. The practitioner shall be responsible for developing the ability to use the electronic health record of NIHD.
  - b. The practitioner shall maintain a complete anesthesia record to include evidence of pre-anesthetic evaluation and post-anesthesia follow-up of the patient’s condition as per the *Pre- and Post-Operative Anesthesia Visits* policy.
3. Credentialing:
  - a. Practitioners in the Department of Anesthesia must be board certified or board eligible.
4. Meeting Attendance:
  - a. Practitioners are to attend meetings of the Medical Staff per Medical Staff Bylaws requirements.
5. Focused Professional Practice Evaluation (FPPE):
  - a. Practitioners new to NIHD will be expected to complete FPPE as per policy and as delineated during the privileging process.
  - b. Procedural competency will be demonstrated through directly observed procedures as recommended at the time of privileging.
6. Ongoing Professional Practice Evaluation (OPPE):
  - a. Practitioners will be expected to participate in all requirements of OPPE as per Medical Staff policy.
7. Peer Review:
  - a. All anesthesia charts identified by critical indicators will be peer reviewed by the Chief of Anesthesia or delegated practitioner. Selected cases will be reviewed at the



Surgery/Tissue/Transfusion/Anesthesia committee at its next scheduled meeting. Records are confidential and will be kept by the Medical Staff Office.

8. Services Provided:

- a. The Anesthesia Department provides emergency anesthetic care to patients of all ages on a 24-hour basis. Elective anesthetic services are provided all weekdays except on observed holidays.
- b. Services provided include provision of general, regional or sedation/monitored anesthesia care and may be selected by the anesthesia practitioner as is indicated by the patient's condition and procedure or surgical intervention to be performed.
- c. Anesthesia services are primarily provided in the surgical suite. Limited anesthesia care may be provided in ancillary departments as per policy.
- d. Anesthesia practitioners should also provide consultation and management services to patients as requested by NIHD Medical Staff members, the Emergency Department, and other departments as appropriate.

9. Re-Entry:

- a. Applicants to the Department of Anesthesia are eligible for Re-entry as per policy.

**REFERENCES:**

1. N/A

**RECORD RETENTION AND DESTRUCTION:**

1. Life of policy, plus 6 years

**CROSS REFERENCED POLICIES AND PROCEDURES:**

1. Northern Inyo Healthcare District Medical Staff Bylaws
2. *Focused and Ongoing Professional Practice Evaluation Policy*
3. *Practitioner Re-Entry Policy*
4. *Anesthesia Clinical Standards and Professional Conduct*
5. *Anesthesia in Ancillary Departments*
6. *Pre- and Post-Operative Anesthesia Visits*
7. *Scope of Anesthesia Practice*

Supersedes: Not Set
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## NORTHERN INYO HEALTHCARE DISTRICT CLINICAL POLICY AND PROCEDURE

Title: Medical Staff Department Policy - Surgery		
Owner: MEDICAL STAFF DIRECTOR		Department: Medical Staff
Scope: Practitioners with Surgical Privileges		
Date Last Modified: 10/27/2021	Last Review Date: No Review Date	Version: 1
Final Approval by: NIHD Board of Directors		Original Approval Date:

**PURPOSE:** To delineate clear expectations for practitioners in the Department of Surgery within Northern Inyo Healthcare District (NIHD).

**POLICY:** All practitioners (physicians and Advanced Practice Providers) granted surgical privileges will adhere to the following procedures.

**PROCEDURE:**

1. Call
  - a. Practitioners in call coverage shall return phone calls as soon as possible and be at the bedside within 30 minutes if needed in an emergency. The exceptions would be if they are in surgery or involved in another emergency.
  - b. All surgery patients admitted will be rounded on in the hospital within 24 hours of admission and everyday thereafter.
2. Documentation:
  - a. The practitioner shall be responsible for developing the ability to use the electronic health record of NIHD.
  - b. Daily documentation is required for all surgery inpatients unless the care of the patient is taken over by another service.
3. Credentialing:
  - a. Practitioners in the Department of Surgery must be board certified or board eligible in their specialty.
4. Meeting Attendance:
  - a. Practitioners are to attend meetings of the Medical Staff per Medical Staff Bylaws requirements.
5. Focused Professional Practice Evaluation (FPPE):
  - a. Practitioners new to NIHD will be expected to complete FPPE as per policy.
  - b. Procedural competency will be demonstrated through directly observed procedures as recommended at the time of privileging.
6. Ongoing Professional Practice Evaluation (OPPE):
  - a. Practitioners will be expected to participate in all requirements of OPPE as per Medical Staff policy. Completion of evaluation forms will be the responsibility of the Department Chiefs within the Surgery/Tissue/Transfusion/Anesthesia Committee for their respective departments (e.g., Chief of Orthopedics, Chief of Surgery).
7. Peer Review:

- a. All surgical charts identified by critical indicators will be peer reviewed by the relevant Department Chief or delegated practitioner. Selected cases will be reviewed at the Surgery/Tissue/Transfusion/Anesthesia committee at its next scheduled meeting. Records are confidential and will be kept by the Medical Staff Office.
8. Services Provided:
  - a. Practitioners should address and/or manage, within the scope of their training and responsibility and blood bank limitations, adult and pediatric services to age 3. See *Pediatric Surgery Guidelines* for more details regarding pediatric surgery.
  - b. Physicians should also provide consultation and management services to patients as requested by NIHD Medical Staff members, the Emergency Department, and other departments as appropriate.
9. Re-Entry:
  - a. Applicants to the Department of Surgery are not eligible for re-entry and must demonstrate current competence as defined by the Joint Commission.

**REFERENCES:**

1. N/A

**RECORD RETENTION AND DESTRUCTION:**

1. Life of policy, plus 6 years

**CROSS REFERENCED POLICIES AND PROCEDURES:**

1. Northern Inyo Healthcare District Bylaws
2. *Focused and Ongoing Professional Practice Evaluation Policy*
3. *Practitioner Re-Entry Policy*
4. *Pediatric Surgery Guidelines*

Supersedes: Not Set
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**NORTHERN INYO HEALTHCARE DISTRICT  
CLINICAL POLICY**

Title: Non-Physician First Assistant in the Operating Room		
Owner: DON Perioperative Services		Department: PACU
Scope: Surgery		
Date Last Modified: 10/29/2021	Last Review Date: No Review Date	Version: 3
Final Approval by: NIHD Board of Directors		Original Approval Date: 01/01/1998

**BACKGROUND:**

The American College of Surgeons espouses the ideal concept that, the first assistant to the surgeon at the operative table should be another qualified surgeon. Other physicians experienced in assisting may be utilized when a second surgeon is not available. In some circumstances it is appropriate and necessary to utilize specially educated non-physicians to serve as first assistants to qualified surgeons.

The non-physician First Assistants at Northern Inyo Healthcare District (NIHD) are Physician Assistants (PA), Registered Nurse First Assistants (RNFA), or Certified Nurse Midwives (CNM) who work in collaboration with the surgeon and health care team members to achieve optimal patient outcomes.

**PURPOSE:**

To define the appropriate procedures in which the PA, RNFA, or CNM may be utilized as an assistant to a qualified surgeon.

**POLICY:**

For those surgical procedures that have a recognized significant potential for loss of life, the surgeon shall obtain as first assistant a physician qualified to assist. In all other surgical procedures, the surgeon may obtain either a PA, RNFA or CNM as the first assistant.

In the absence of a qualified physician, the PA, RNFA, or CNM who possess appropriate knowledge and technical skills is the best qualified to serve as the first assistant. This PA, RN, or CNM shall be approved under the NIHD Standardized Protocol for Physician Assistant in the Operating Room or the NIHD Standardized Procedure for RN First Assistant (RNFA).

Intraoperatively, the RNFA practices at the direction of the surgeon and does not concurrently function as a scrub nurse.

**In the case of an emergency situation requiring surgical intervention that has the potential of loss of life, where there is no qualified physician to assist a PA, RNFA, or CNM may be utilized as the first assistant.**

The operating surgeon will determine the type of assistance needed for an operative procedure. Patient safety and optimal patient outcomes will be the primary considerations in this determination.

The Surgery Manager will coordinate the schedule of the non-physician First Assist. To provide adequate staffing, it is preferred that the surgeon requests the services of the PA, RNFA, or CNM in advance, but this request may also be made the day of surgery or in emergency situations.

**CROSS REFERENCES:**

1. Standardized Procedure for the RNFA
2. Standardized Protocol – Physician Assistant in the Operating Room
3. Standardized Procedure – Certified Nurse Midwife

**REFERENCES:**

1. Title 22: Surgical Services 70223
2. TJC: NR.02.01.01

Supersedes: v.2 RN First Assistant, RNFA
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**NORTHERN INYO HEALTHCARE DISTRICT  
CLINICAL STANDARDIZED PROCEDURE**

Title: Standardized Procedure - General Policy for the Nurse Practitioner or Certified Nurse Midwife		
Owner: MEDICAL STAFF DIRECTOR	Department: Medical Staff	
Scope: Nurse Practitioners, Certified Nurse Midwives		
Date Last Modified: 11/05/2021	Last Review Date: No Review Date	Version: 4
Final Approval by: NIHD Board of Directors	Original Approval Date:	

**PURPOSE:** To outline the general policy for the development of standardized procedures and the evaluation of those authorized to perform the standardized procedure functions, as promulgated by the guidelines of the Medical Board of California and the Board of Registered Nursing.

**DEFINITIONS:**

1. **Nurse Practitioner** (ANP, FNP, or PNP) is licensed by the State of California Board of Registered Nursing and possesses additional preparation and skills in physical diagnosis, psychosocial assessment, and management of health-illness needs in primary health care, and who has been prepared in a program that conforms to board standards.
  
2. **Certified Nurse Midwife** (CNM) encompasses a full range of primary health care services for women from adolescence beyond menopause. These services include primary care, gynecologic and family planning services, preconception care, care during pregnancy, childbirth and the postpartum period, care of the normal newborn during the first 28 days of life, and treatment of male partners for sexually transmitted infections. Midwives provide initial and ongoing comprehensive assessment, diagnosis, and treatment. They conduct physical examinations; prescribe medications; admit, manage and discharge patients; order and interpret laboratory and diagnostic tests and order the use of medical devices. Midwifery care also includes health promotion, disease prevention, and individualized wellness education and counseling.

**POLICY:**

1. Development and Review of Standardized Procedures
  - a. All standardized procedures are developed collaboratively and approved by the Northern Inyo Healthcare District (NIHD) Interdisciplinary Practice Committee (IDPC) and must conform to all steps of the standardized procedure guidelines as specified in Title 16, CCR Section 1474.
  - b. All standardized procedures will be kept in a manual (either hardcopy or electronic) that includes dated and signed approval sheets of the standardized procedures and a list of persons covered by the standardized procedures.
  - c. All standardized procedures are to be reviewed annually-biennially by the NP(s), Medical Director of the setting the NP(s) function(s) in, and by the IDPC. Standardized procedures will be updated as practice changes.

- d. All changes or additions to the standardized procedures are to be approved by the IDPC. All standardized procedures approved by the IDPC will be sent to the Medical Staff Executive Committee and, if so approved, to the NIHD Board of Directors.
2. Setting of Practice
    - a. Northern Inyo Healthcare District (NIHD) and affiliated locations, as appropriate for specialty.
  3. Scope of Practice
    - a. The NP & CNM may perform the following functions within his/her specialty area and consistent with their experience and credentialing: assessment, management, and treatment of episodic illness, chronic illness, contraception, and the common nursing functions of health promotion, and general evaluation of health status (including but not limited to ordering laboratory procedures, x-rays, and physical therapies as well as recommending diets, and referring to specialty services when indicated).
    - b. Standardized procedure functions, such as managing medication regimens, are to be performed at the approved setting of practice. The supervising physician, or his/her relief, will be available in person, by electronic means, or by phone. PNP(s) will consult the Pediatrician supervisor on call. CNM(s) will consult OB/GYN Physician on call.
    - c. Physician consultation is to be obtained under the following circumstances:
      - i. Emergent conditions requiring prompt medical intervention after the initial stabilizing care has been started.
      - ii. Acute decompensation of patient situation.
      - iii. Problem which is not resolving as anticipated.
      - iv. History, physical, or lab finding inconsistent with the clinical picture.
      - v. Upon request of patient, nurse, or supervising physician.
    - d. Medical Records
      - i. ~~Medical~~ record entries by the NP or CNM shall include, for all problems addressed: the patients' statement of symptoms, the physical findings, results of special studies, the NP's or CNM's assessment and management plan including further studies ordered, medication or procedures, information given patient and the names of any physicians consulted.
    - e. Supervision of Medical Assistants
      - vi.i. An NP or CNM may provide supervision of the medical assistant, although the supervising physician is ultimately responsible for the patient's treatment and care.
  4. Qualifications and Evaluations
    - a. Each nurse performing standardized procedure functions must have a current California registered nursing license, be a graduate of an approved Nurse Practitioner or Certified Nurse Midwife program, and have current certification as a NP or CNM by the California Board of Registered Nursing.
    - b. Evaluation of competence in performance of standardized procedure functions will be done in the following manner:
      - i. Initial: Within the initial focused professional practice evaluation (FPPE) period the Supervising Physician(s) will evaluate performance via direct observation, consultations and chart review/co-signature and provide feedback to the interim NP or CNM. Input from other physicians and colleagues will be utilized. Recommendations to move from interim status to full status once the FPPE has been satisfactorily completed will be considered. Nurse Manager(s) along with the Medical Director(s) and Supervising Physician(s) will provide feedback utilizing performance evaluation based upon the NP/CNM job description.
      - ii. Routine: ~~every 6 months thereafter~~frequency; in accordance with the Medical Staff Ongoing Professional Practice Evaluation (OPPE) policy.

- iii. Follow-up: areas requiring increased proficiency, as determined by the initial or routine evaluation, will be reevaluated by the supervising physician at appropriate intervals until acceptable skill level is achieved.
- c. Medical Record Review shall consist of audit by the supervising physician(s) of at least 5% of patients seen by the NP or CNM.
- d. Further requirements shall be regular continuing education in primary care, including reading of appropriate journals and new text books, attending conferences in primary care sponsored by hospitals, professional societies, and teaching institutions equaling 50 hours every two years, minimum.
  - i. A record of continuing education must be submitted to the Medical Staff Office every other year at re-credentialing.
  - ii. ~~Continuing education information will remain on file in the NP/CNM's competency notebook.~~

5. Protocols

- a. The standardized procedure protocols developed for the use by the NP and CNM are designed to describe the steps of medical care for given patient situations. They are to be used in the following circumstances: health promotion exams, contraception, routine gynecological problems, trauma, infectious disease contacts, management of acute/episodic or chronic conditions, and furnishing of medications.

**REFERENCES:**

- 1. ~~(2021) Title 16, California Code of Regulations, Section 1474. Standardized Procedure Guidelines. 46 CCR §1474. Standardized Procedure Guidelines. Retrieved 16 Apr 2018.~~
- 2. ~~(2021) Title 16, California Code of Regulations, Section 1366. Additional Technical Support Services.~~

**RECORD RETENTION AND DESTRUCTION:**

- 1. Life of policy, plus 6 years.

Supersedes: v.3 Standardized Procedure - General Policy for the Nurse Practitioner or Certified Nurse Midwife



**APPROVALS**

\_\_\_\_\_  
Chairman, Interdisciplinary Practice Committee      Date \_\_\_\_\_

\_\_\_\_\_  
Administrator      Date \_\_\_\_\_

\_\_\_\_\_  
Chief of Staff      Date \_\_\_\_\_

\_\_\_\_\_  
President, Board of Directors      Date \_\_\_\_\_

**ATTACHMENT 1 – LIST OF AUTHORIZED NP’s or CNM’s**

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_
- 4. \_\_\_\_\_
- 5. \_\_\_\_\_
- 6. \_\_\_\_\_
- 7. \_\_\_\_\_
- 8. \_\_\_\_\_
- 9. \_\_\_\_\_
- 10. \_\_\_\_\_



**NORTHERN INYO HEALTHCARE DISTRICT  
CLINICAL STANDARDIZED PROTOCOL**

Title: Standardized Protocol - General Policy for the Physician Assistant		
Owner: MEDICAL STAFF DIRECTOR	Department: Medical Staff	
Scope: Physician Assistants		
Date Last Modified: 11/05/2021	Last Review Date: No Review Date	Version: 5
Final Approval by: NIHD Board of Directors		Original Approval Date: 02/20/2019

**PURPOSE:**

To outline the general policy for the development of standardized protocols and the evaluation of those authorized to perform the standardized protocol functions, as promulgated by the guidelines of the Medical Board of California and the Physician Assistant Board.

**DEFINITIONS:**

1. **Physician Assistant (PA)** is licensed by the State of California Department of Consumer Affairs and possesses preparation and skills in physical diagnosis, psychosocial assessment, and management of health-illness needs in primary health care, and who has been prepared in a program that conforms to board standards.

**POLICY:**

1. Development and Review of Standardized Protocols
  - a. All Physician Assistant Protocols are developed collaboratively and approved by the Northern Inyo Healthcare District (NIHD) Interdisciplinary Practice Committee (IDPC) and must conform to guidelines as specified in Title 16, Chapter 7.7, section 3502.
  - b. All Physician Assistant Protocols will be kept in a manual (either hardcopy or electronic) that includes date and signature of the Physician Assistant who is approved under the protocol and the Physician Supervisor(s).
  - c. All Physician Assistant Protocols are to be reviewed biennially by the PA(s), Chiefs of Service, and by the IDPC. Standardized protocols will be updated as practice changes.
  - d. All changes or additions to the Protocols are to be approved by the IDPC. All Protocols approved by the IDPC will be sent to the Medical Staff Executive Committee and, if so approved, to the NIHD Board of Directors.
2. Setting of Practice:
  - a. Northern Inyo Healthcare District (NIHD) and affiliated locations, as appropriate for specialty.
3. Scope of Practice
  - a. The PA may perform the following functions within his/her specialty area and consistent with their experience and credentialing: assessment, management, and treatment of episodic illness, chronic illness, contraception, and the common functions of health promotion, and general evaluation of health status (including but not limited to ordering laboratory procedures, x-rays,

and physical therapies as well as recommending diets, and referring to specialty services when indicated).

- b. Protocol functions, such as prescribing medications, are to be performed at an approved setting of practice. Consulting Supervising Physician(s) will be available to the PA(s) in person, by electronic means or by phone.
- c. Physician consultation is to be obtained under the following circumstances:
  - i. Emergent conditions requiring prompt medical intervention after the initial stabilizing care has been started.
  - ii. Acute decompensation of patient situation.
  - iii. Problem which is not resolving as anticipated.
  - iv. History, physical, or lab finding inconsistent with the clinical picture.
  - v. Upon request of patient, nurse, supervising physician, or upon request of the PA.
- d. Medical Records:
  - i. Medical record entries by the PA shall include, for all problems addressed: the patients' statement of symptoms, the physical findings, results of special studies, the PA's assessment and management plan including further studies ordered, medication or procedures, information given patient and the names of any physicians consulted.
  - ii. Each time a PA provides care for a patient and enters his or her name, signature, initials or computer code on a patient's record, chart or written order, the PA shall also enter the name of his or her supervising physician who is responsible for the patient (as specified in CA Code of Regulations 1399.546)

e. Supervision of Medical Assistants

- ii.i. A PA may provide supervision of the medical assistant, although the supervising physician is ultimately responsible for the patient's treatment and care.

4. Qualifications and Evaluations

- a. Each Physician Assistant performing PA Protocol functions must have a current California Physician Assistant license, be a graduate of an approved Physician Assistant program, and have current certification as a Physician Assistant by the California Physician Assistant Committee and the Department of Consumer Affairs.
- b. Evaluation of PA's competence in performance of Protocol functions will be done in the following manner:
  - i. Initial: Within the initial focused professional practice evaluation (FPPE) period the Supervising Physician(s) will evaluate performance via direct observation, consultations and chart review/co-signature and provide feedback to the interim PA. Input from other physicians and colleagues will be utilized. Recommendations to move from interim status to full status once the FPPE has been satisfactorily completed will be considered as per the Medical Staff OPPE/FPPE policy. Nurse Manager(s) along with the Medical Director(s) and Supervising Physician(s) will provide feedback utilizing performance evaluation based upon the PA job description.
  - ii. Routine: frequency in accordance with the Medical Staff Ongoing Professional Practice Evaluation (OPPE) policy.
  - iii. Follow-up: areas requiring increased proficiency, as determined by the initial or routine evaluation, will be reevaluated by the supervising physician(s) at appropriate intervals until acceptable skill level is achieved.
- c. The scope of supervision for the performance of the functions referred to in this area shall include chart review as per the Delegation of Services Agreement.
- d. Further requirements shall be regular continuing education in primary care or other relevant medical care, including reading of appropriate journals and new text books, attending

conferences sponsored by hospitals, professional societies, and teaching institutions equaling 50 hours every 2 years, minimum.

- i. A record of continuing education must be submitted to the Medical Staff Office every other year at re-credentialing.

5. Protocols

- a. The protocols developed for use by the Physician Assistant are designed to describe the steps of medical care for given patient situations.

**REFERENCES:**

1. UpToDate-evidence-based, Physician-authorized clinical decision support resource
2. [\(2021\) Title 16, California Code of Regulations, Sections 1399.540, 1399.544, 1399.546](#)
3. Laws and Regulations Relating to the Practice of Physician Assistants. Issued May 2018.
4. [\(2021\) Title 16, California Code of Regulations, Chapter 7.7, Section 3502.](#)
5. [\(2021\) Title 16, California Code of Regulations, Section 1366. Additional Technical Support Services.](#)

**ATTACHMENTS:**

1. List of Authorized Physician Assistants and Supervising Physicians

**RECORD RETENTION AND DESTRUCTION:**

1. [Life of policy, plus 6 years](#)

Supersedes: v.4 Standardized Protocol - General Policy for the Physician Assistant
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**NORTHERN INYO HEALTHCARE DISTRICT  
CLINICAL POLICY**

Title: Diagnostic Imaging - Radioactive Material Hot Lab Security		
Owner: DIRECTOR OF DIAGNOSTIC SERVICES	Department: Diagnostic Imaging	
Scope:		
Date Last Modified: 11/19/2021	Last Review Date: No Review Date	Version: 3
Final Approval by: NIHD Board of Directors	Original Approval Date: 2014	

**PURPOSE:**

To define authorized entrance to the radioactive materials (RAM) hot lab.

**POLICY:**

1. The hot lab door shall remain locked at all times, unless authorized personnel are inside or supervising entrance to the hot lab.
2. Only authorized nuclear medicine personnel, Diagnostic Imaging Departmental Leadership, House Supervisors, Radiation Safety Officer and Medical Physicists may enter the hot lab unsupervised.
3. For afterhours deliveries, please refer to the “Diagnostic Imaging - Radioactive Materials Delivery After-hours Procedure”

**REFERENCES:**

1. Guide for the Preparation of an Application for a Radioactive Materials License Authorizing Medical Use, Retrieved from: <http://www.cdph.ca.gov/pubsforms/Guidelines/Documents/RHB-MedicalGuide.pdf>,
2. 10 CFR 35

**RECORD RETENTION AND DESTRUCTION: N/A**

**CROSS REFERENCED POLICIES AND PROCEDURES:**

- Diagnostic Imaging – Radioactive Materials Delivery After-Hours procedure
- DI NM General Rules for the safe use of Radioactive Materials

Supersedes: v.2 Diagnostic Imaging - Radioactive Material Hot Lab Security
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**NORTHERN INYO HEALTHCARE DISTRICT**

**PLAN**

Title: ALARA Program		
Owner: DIRECTOR OF DIAGNOSTIC SERVICES	Department: Diagnostic Imaging	
Scope: Diagnostic Imaging, Hospital Clinical Staff		
Date Last Modified: 10/29/2021	Last Review Date: No Review Date	Version: 3
Final Approval by: NIHD Board of Directors		Original Approval Date: 06/20/2017

**PURPOSE:**

The purpose of establishing an ALARA (as low as reasonably achievable) Program is to incorporate practices, procedures and quality assurance checks to keep occupational and medical exposure to radiation as low as reasonably achievable.

**Definitions:**

ALARA – “as low as reasonably achievable,” acronym for the philosophy of keeping medical and occupational radiation exposure as low as reasonable achievable.

RSO – Radiation Safety Officer

RSC – Radiation Safety Committee

**POLICY:**

The term ALARA is an acronym for maintaining radiation exposures, and effluent releases of radioactive material in uncontrolled areas “as low as reasonably achievable” taking into account the available technology, economic costs in relation to benefits to the public health and safety, and other societal and socioeconomic considerations in their relationship with the utilization of radioactive materials and radiation – producing equipment in the public interest.

The ALARA philosophy extends to exposure to individuals in the performance of their duties (Occupational exposure) and to patients undergoing medical evaluations and treatments.

To achieve this goal, the management should address dose reduction for both workers and patients.

Although the program presented here is developed specifically for occupational exposure considerations, management should incorporate into their program those procedures, practices, and quality assurance checks that can eliminate unnecessary or extraneous radiation exposures to patients without compromising the quality of medical service. Such practices and checks include, but are not limited to:

- a) Use of appropriate and well-calibrated instrumentation and equipment.
- b) Use of appropriate digital imaging techniques
- c) Use of organ shields in diagnostic radiology.
- d) Staying with the well-established dosage limits unless deviation is absolutely essential in the judgment of the responsible physician.

## **1. Management Commitment**

- a) We, the management of Northern Inyo Healthcare District, are committed to an efficient medical use of radioactive materials and radiation producing equipment by limiting their use to clinically indicated procedures, utilizing efficient exposure techniques, and optimally operated radiation equipment; limiting dosages to those recommended by the manufacturer unless otherwise necessary, using calibrated diagnostic and related instrumentation; and using appropriately trained personnel.
- b) We commit to the program described below for keeping occupational individual and collective doses ALARA. Toward this commitment, we hereby describe an administrative organization for radiation safety and will develop all necessary written policy, procedures, and instruction to foster the ALARA philosophy within our institution. The organization will include a Radiation Safety Committee (RSC) and a Radiation Safety Officer (RSO).
- c) We will perform a formal annual review of the radiation safety program, including ALARA considerations. The review will cover operating procedures and past dose records, inspections, and recommendations of the radiation safety staff or consultants.
- d) We will modify operating and maintenance procedures, equipment, and facilities if these modifications will reduce exposures and the cost is justified.

## **2. Radiation Safety Committee**

- a) Review of Proposed Users and Uses
  - (1) The RSC will thoroughly review the qualifications of each applicant with respect to the types and quantities of radioactive materials and radiation-producing equipment and methods of use for which application has been made, to ensure that the applicant will be able to take appropriate measures to maintain exposure ALARA.
  - (2) When considering a new use of radioactive material or radiation producing equipment, the RSC will review the efforts of the applicant to maintain exposure ALARA.
  - (3) The RSC will ensure that the users justify their procedures and that individual and collective doses will be ALARA.
- b) Delegation of Authority  
(The judicious delegation of RSC authority is essential to the enforcement of an ALARA program.)
  - (1) The RSC will delegate authority to the RSO for enforcement of the ALARA program.
  - (2) The RSC will support the RSO when it is necessary for the RSO to assert authority. If the RSC has overruled the RSO, it will record the basis for its action in the minutes of the quarterly meeting.
- c) Review of ALARA Program
  - (1) The RSC will encourage all users to review current procedures and develop new procedures as appropriate to implement the ALARA concept.
  - (2) The RSC will perform an annual review of occupational radiation exposure. A special meeting may be called for particular attention to instances in which the investigational levels in Table 1 are exceeded. The principal purpose of this review is to assess trends in occupational exposure as an index of the ALARA program quality and to decide if action is warranted when investigational levels are exceeded (see Section 4 below for a discussion of investigational levels). Maximum legal limits of occupational exposure are listed in Table 2, for reference.



- (3) The RSC will evaluate the institution's overall efforts for maintaining doses ALARA on an annual basis. This review will include the efforts of the RSO, authorized users, and workers as well as those of management.

Table 1  
Investigational Levels\*

	Investigational Levels (mRem/calendar quarter)	
	Level I**	Level II**
1. Whole body; head and trunk; active blood-forming organs; or gonads, lens of eye	312	624
2. Lens of Eye	936	1872
3. Extremities	3125	6250
4. Skin of whole body	750	2250
5. Thyroid uptake	0.1 uCi	0.3 uCi

\*Note that investigational levels in this program are not new dose limits but serve as checkpoints above which the results are considered sufficiently important to justify investigations. See Section 4 for further discussion.

\*\*Investigational levels are as listed on Radiation Detection Company Dosimetry Report.

Table 2  
Maximum Annual Levels\*

	Maximum Annual Occupational Dose limits in mRem
1. Whole body	5,000
2. Extremities, Skin	50,000
3. Lens of the eyes	15,000
4. Fetus	500

\*Legal limits for occupational radiation exposure, NCRP Report No. 116, Table 19.1

### 3. Radiation Safety Officer

#### a) Annual and Quarterly Review

- (1) *Annual review of the radiation safety program.* The RSO will perform an annual review of the radiation safety program for adherence to ALARA concepts. Reviews of specific methods of use may be conducted on a more frequent basis.
- (2) *Quarterly review of occupational exposures.* The RSO will review at least quarterly the radiation doses of authorized users and workers to determine that their doses are ALARA in accordance with the provisions of Section 5 of this program and will prepare a summary report for the RSC.
- (3) *Quarterly review of records of radiation surveys.* The RSO will review radiation surveys in unrestricted and restricted areas to determine that dose rates and amounts of contamination were at ALARA levels during the previous quarter and will prepare a summary report for the RSC.

#### b) Education Responsibilities for ALARA Program

The RSO (in cooperation with authorized user) will ensure that radiation workers and, as applicable,

- (1) Ancillary personnel are trained and educated in good health physics practices and procedures.
- (2) The RSO (or designee) will schedule briefings and educational sessions to inform workers of the ALARA program efforts.
- (3) The RSO (or designee) will ensure that authorized users, workers, and ancillary personnel who may be exposed to radiation will be instructed in the ALARA philosophy and informed that management, the RSC, and the RSO are committed to implementing the ALARA concept.

#### c) Cooperative Efforts for Development of ALARA Procedures

- (1) Radiation workers will be given opportunities to participate in formulating the procedures that they will be required to follow.
- (2) Radiation workers will be instructed in recourses that may be taken if they feel that ALARA is not being promoted in the workplace.

#### d) Reviewing Instances of Deviation from Good ALARA Practices

- (1) The RSO will investigate all know instances of deviation from good ALARA practices and, if possible, will determine the causes. When the cause is known, the RSO will implement changes in the program to maintain doses ALARA.

### 4. Authorized Users

#### a) New Methods of Use Involving Potential Radiation Doses

- (1) The authorized user will consult with the RSO and/or RSC during the planning stage before using radioactive materials and radiation-producing equipment to ensure that doses will be kept ALARA. Simulated trials runs may be helpful.
- (2) The authorized user will review each planned use of radioactive materials or radiation-producing equipment to ensure that doses will be kept ALARA. Simulated trial runs may be helpful.

### 5. Establishment of Investigational Levels in Order to Monitor Individual Occupational Radiation Doses (External and Internal)

This institution hereby establishes investigational levels for occupational radiation doses which, when exceeded, will initiate review or investigation by the RSC and/or the RSO. The investigational levels that we have adopted are listed in Table 1. These levels apply to the exposure of individual workers.

The following actions will be taken at the investigational levels stated in Table 1.

- a) Personnel Dose Less than Investigational Level I
- (1) Except when deemed appropriate by the RSO, no further action will be taken in those cases where an individual's dose is less than Table I values for the investigational Level I.
- b) Personnel Dose Equal To or Greater Than Investigational Level I But Less Than Investigational Level II
- (1) The RSO will review the dose of each individual whose quarterly dose exceeds the investigational Level I and will report the results of the reviews at the first RSC meeting following the quarter when the dose was recorded. If the dose does not equal or exceed Investigational Level II, no specific action related to the exposure is required unless deemed appropriate by the Committee. The committee will, however, review each such dose in comparison with those of others performing similar tasks as an index of ALARA program quality and will record the review in the committee minutes.
- c) Personnel Dose Equal to and Greater Than Investigational Level II
- (1) The RSO will investigate in a timely manner the causes of all personnel doses equaling or exceeding Investigational Level II and, if warranted, will take action. A notification letter will be sent to all personnel with doses equaling or exceeding Investigational Level II. A report of the investigation and any actions taken will be presented to the RSC at its first meeting following completion of the investigation. The details of these reports will be included in the RSC minutes.
- d) Reestablishment of Investigational Levels to Level Above Those Listed in Table 1
- (1) In cases where a worker's or a group of workers' doses need to exceed an investigational level, a new, higher investigational level may be established for that individual or group on the basis that it is consistent with good ALARA practices. Justification for new investigational levels will be documented.
  - (2) The RSC will review the justification for and must approve or disapprove all revisions of investigational levels.

#### **REFERENCES:**

1. CA Title 17
2. CA-RHB "Guide for the preparation of an application for a radioactive materials license authorizing medical use"
3. 10 CFR 35, 10 CFR 20
4. NCRP Report No. 116, Table 19.1
5. Radiation Detection Company Dosimetry Report

#### **RECORD RETENTION AND DESTRUCTION:**

- Dosimetry reports will be kept for duration of employment + 30 years
- Patient dose records will be maintained in interpretive report as part of the medical record

**CROSS REFERENCE P&P:**

1. Dosimetry Program - Occupational Radiation Exposure Monitoring Program
2. CHA records retention recommendations

Supersedes: v.2 ALARA Program\*

review



## NORTHERN INYO HEALTHCARE DISTRICT CLINICAL POLICY AND PROCEDURE

Title: Diagnostic Imaging - Ordering Radioactive Materials*		
Owner: DIRECTOR OF DIAGNOSTIC SERVICES		Department: Diagnostic Imaging
Scope:		
Date Last Modified: 11/19/2021	Last Review Date: No Review Date	Version: 2
Final Approval by: NIHD Board of Directors		Original Approval Date:

**PURPOSE:** ensure that materials and quantities of radioactive materials (RAM) ordered are authorized by the license and that possession limits for RAM are not exceeded.

**POLICY:** The nuclear medicine technologist maintains written records that identify the authorized user or department, isotope, chemical form, activity, and supplier.

**PROCEDURE:**

1. For routinely and occasionally used materials, the Radiation Safety Officer or designee (nuclear medicine technologist) shall keep written records that identify the authorized user or department, isotope, chemical form, activity, and supplier.
2. The written records of order will be checked to confirm that the RAM received were ordered through proper channels.

**REFERENCES:**

1. Guide for the Preparation of an Application for a Radioactive Materials License Authorizing Medical Use, Retrieved from: <http://www.cdph.ca.gov/pubsforms/Guidelines/Documents/RHB-MedicalGuide.pdf>,
- 2.

**RECORD RETENTION AND DESTRUCTION:** Records will be kept for 10 years

**CROSS REFERENCED POLICIES AND PROCEDURES:**

- DI NM General rules of the safe use of radioactive materials
- DI NM Radioactive package receipt

Supersedes: v.1 Diagnostic Imaging - Ordering Radioactive Materials\*



## NORTHERN INYO HEALTHCARE DISTRICT NON-CLINICAL POLICY AND PROCEDURE

Title: Diagnostic Imaging - Handling of Radioactive Packages, Non-nuclear medicine personnel		
Owner: DIRECTOR OF DIAGNOSTIC SERVICES	Department: Diagnostic Imaging	
Scope: Purchasing, Security, and Nuclear Medicine		
Date Last Modified: 11/19/2021	Last Review Date: No Review Date	Version: 3
Final Approval by: NIHD Board of Directors		Original Approval Date: 2014

**PURPOSE:** provide guidelines and documentation of training of non-nuclear medicine personnel for the safe handling and delivery (to nuclear medicine department) of radioactive packages.

**POLICY:**

All non-nuclear medicine personnel, i.e., security officer on duty or purchasing/materials management personnel, who may receive and/or deliver (to nuclear medicine) packages containing radioactive materials will be trained regarding proper handling and delivery of these packages.

**PROCEDURE:**

Appropriate personnel are instructed to follow the guidelines listed below upon receiving radioactive packages. A signed copy of this procedure will be kept in the Radiology Manager’s office to document training.

- ❑ Visually inspect the package, prior to handling. Notify Nuclear Medicine personnel immediately if package appears to be damaged or leaking. Do not handle a damaged or leaking package.
- ❑ Wear gloves when handling any radioactive package.
- ❑ Use cart or “dolly” to deliver radioactive packages. This maximizes distance between personnel and the package, minimizing radiation exposure rates.
- ❑ Promptly deliver all radioactive packages received to the Nuclear Medicine Department. If a nuclear medicine technologist is present, deliver package to them. If no nuclear medicine technologist is present, leave package at the hot lab door.
- ❑ Remove gloves immediately after delivery of package, dispose of the gloves in the Nuclear Medicine Imaging room trash.

If there are any questions regarding handling of radioactive packages, contact the Nuclear Medicine Department, ext. 2636; or the Director of Diagnostic Services at ext. 2002.

**This document may be printed and used for documentation of annual training.**

**Trainee signature:** \_\_\_\_\_

**Nuclear Medicine Technologist – Trainer:** \_\_\_\_\_

**REFERENCES:**

1. 10 CFR 20
2. 10 CFR 35

3. Guide for the Preparation of an Application for a Radioactive Materials License Authorizing Medical Use, Retrieved from: <http://www.cdph.ca.gov/pubsforms/Guidelines/Documents/RHB-MedicalGuide.pdf>,

**RECORD RETENTION AND DESTRUCTION:** Training documentation to be kept 6 years after date of training

**CROSS REFERENCED POLICIES AND PROCEDURES:**

- DI NM radioactive package receipt
- DI NM General Rules for the Safe Use of Radioactive materials
- Diagnostic Imaging Radioactive Material Hot Lab Security

Supersedes: v.2 Diagnostic Imaging - Handling of Radioactive Packages, Non-nuclear medicine personnel



## NORTHERN INYO HEALTHCARE DISTRICT CLINICAL POLICY AND PROCEDURE

Title: Dosimetry Program - Occupational Radiation Exposure Monitoring Program		
Owner: DIRECTOR OF DIAGNOSTIC SERVICES	Department: Diagnostic Imaging	
Scope: Diagnostic Imaging Technologists, Surgery RN and Scrub Tech		
Date Last Modified: 10/28/2021	Last Review Date: No Review Date	Version: 3
Final Approval by: NIHD Board of Directors		Original Approval Date: 11/18/2015

**PURPOSE:**

To establish guidelines for monitoring occupational radiation exposure and ensure that radiation worker’s exposure and monitoring complies with “As Low As Reasonably Achievable” (ALARA) principles.

**POLICY:**

In order to detect and evaluate occupational exposure to external radiation, individual monitoring devices will be issued to individuals who are likely to receive, in one year from sources external to the body, a dose in excess of 10 percent of the legal limit as defined in the ALARA Program. It is Northern Inyo Healthcare District (NIHD) policy that all Imaging technologists wear their personal radiation dosimetry badge at all times when on duty, as required by 10 CFR 20, 20.1101.

**PROCEDURE:**

**Radiation Monitoring Badges:**

1. Supervisors / Managers of employees that work in areas with potential for radiation exposure shall have a radiation (“film”) badge ordered for and delivered to all employees that work within those areas.
2. NIH provide “TLD” (thermoluminescent dosimeters) badges and rings to monitor radiation exposure.
3. Employees shall wear their badge at all times while working within the defined areas where there is potential to exceed the 10% dose threshold outlined in the policy statement.
4. The badge shall be worn at collar (thyroid) level outside of lead.
5. If two (2) dosimetry badges are issued (either because of high dosimetry levels or fetal monitoring), the second badge shall be worn at waist level under lead.
6. If a finger badge is issued, this shall be worn on the hand most likely to receive the most exposure.
7. At no time will any employee deliberately tamper with a dosimetry badge, as this is ground for disciplinary action.
8. The Radiation Safety Officer shall review the records quarterly, and all employees shall have access to their records at any time.
9. A record that does not contain sensitive information shall be posted at the employee information board in the Imaging Department.
10. All original records shall be kept for the duration of licensure of the hospital as required by the state and/or the NRC.



11. Review of staff dosimetry monitoring shall be conducted at least every quarter by the Radiation Safety Officer, Diagnostic Medical Physicist or Health Physicist. The review shall assess if the staff radiation exposure levels are within ALARA levels set by the US Nuclear Regulatory Commission's 10 CFR 20 Standards for Protection Against Radiation regulation.
12. Occupational workers approaching maximum allowable exposure shall be counseled. A physicist shall review exposures for accuracy and explanation.
13. NRC regulations prohibit the occupational worker who reaches maximum allowable radiation exposure from additional exposure to occupational sources of radiation for the duration of the period (quarter/annual). NIHD shall ensure the occupational worker receives no additional occupational radiation from registered or licensed sources.
14. Area exposure badges are used to measure background radiation within the DI department and are placed and removed from the bulletin board in the DI employee hallway coinciding with employee dosimetry badge distribution. Area monitoring reports will be reviewed by RSO in conjunction with employee dosimetry report review.
15. Control badges shall be kept in an area free from radiation exposure. At NIHD, control badges will be stored in the diagnostic Imaging break room. Control badges are used by the radiation badge company to monitor background radiation at the facility. Control badges are used to accurately calculate occupational exposure.

#### **ATTACHMENTS:**

1. U.S. Nuclear Regulatory Commission Regulatory Guide 8.13, Rev. 3, June 1999
2. Declaration of Pregnancy Form Letter

#### **REFERENCES:**

1. US Nuclear Regulatory Commission (USNRC), NRC Library, Document Collections, NRC Regulations (10 CFR), *Part 20 - Standards for Protection Against Radiation*, <http://www.nrc.gov/reading-rm/doc-collections/cfr/part020/>
2. 10 CFR 20 → [Subpart C](#) → §20.1201
3. U.S. Nuclear Regulatory Commission Regulatory Guide 8.13, Rev. 3, June 1999

#### **RECORD RETENTION AND DESTRUCTION:**

- Duration of Employment +30 years

#### **CROSS REFERENCED POLICIES AND PROCEDURES:**

1. ALARA Program
2. CT Radiation Safety Policy
3. Radiology Services Pregnant Personnel

Supersedes: v.2 Dosimetry Program - Occupational Radiation Exposure Monitoring Program*
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**NORTHERN INYO HEALTHCARE DISTRICT  
CLINICAL POLICY**

Title: Radiology Services Pregnant Personnel		
Owner: DIRECTOR OF DIAGNOSTIC SERVICES	Department: Diagnostic Imaging	
Scope: Radiology Technologist		
Date Last Modified: 10/28/2021	Last Review Date: No Review Date	Version: 3
Final Approval by: NIHD Board of Directors	Original Approval Date:	

**Purpose:** Teratogenic effects of ionizing radiation in the first trimester of pregnancy have long been known. Although the reported epidemiological association of excess risk in childhood cancer with prenatal radiation exposure of 1 to 10 Rem to the embryo, or fetus, is still uncertain, it is conservative radiation protection philosophy to assume that such a risk may exist. This policy will define Northern Inyo Healthcare District’s (NIHD) response to this condition.

**Policy:**

NIHD will take all necessary steps to reduce the exposure of pregnant personnel to as low as reasonably achievable.

Although not required, as soon as a radiology technologist believes that she is pregnant, it is highly recommended that she notify Diagnostic Imaging leadership.

The following specific technical assignments will be allowed:

1. General radiography and fluoroscopy in the department
2. Computed Tomography, mammography, MRI and ultrasound
3. Surgery and portable radiography.

Under no circumstances will pregnant technologists be allowed to hold patients.

Management will notify all appropriate personnel of the pregnancy so that all staff may make every reasonable attempt to ensure that pregnant technologists and technologists in general perform examinations prior to the administration of radionuclides from nuclear medicine.

A second body dosimetry badge shall be acquired for pregnant personnel. It shall be worn at the midsection. When a lead apron is worn, it shall be a wrap-around, and the badge shall be worn under the apron. The dosimetry company shall be informed of the badge’s purpose for proper record keeping.

The Radiation Safety Officer shall be notified so that potential radiation exposure to the pregnant individual can be evaluated.

1. The occupational exposure of the expectant mother shall not exceed 500 mRem during the full gestational period. (Source: National Council on Radiation Protection and Measurements)
2. Pregnant personnel shall read the pregnancy advisory literature (Appendices A and B, 8.13-3 through 8.13-7, see attachments on left sidebar) and document that fact on the Declaration of Pregnancy form.

**REFERENCES:**

- National Council on Radiation Protection and Measurements
- American College of Radiology

**RECORD RETENTION AND DESTRUCTION:**

- Duration of Employment plus 30 years

**CROSS REFERENCED POLICIES AND PROCEDURES:**

- Pregnant Personnel in the Perioperative Unit\*
- Dosimetry Program – Occupational Radiation Exposure Monitoring Program”

Supersedes: v.2 Radiology Services Pregnant Personnel

review

**Declaration of Pregnancy**

**To:** \_\_\_\_\_, **Radiology Department Manager**

In accordance with the NRC’s regulations at 10 CFR 20.1208, “Dose to an Embryo/Fetus,” I am declaring that I am pregnant. I believe I became pregnant in \_\_\_\_\_ (only the month and year need to be provided).

I understand the radiation dose to my embryo/fetus during my entire pregnancy will not be allowed to exceed 500 mrem (millirem) (unless that dose has already been exceeded between the time of conception and submitting this letter). I also understand that meeting the lower dose limit may require a change in job or job responsibilities during my pregnancy.

I have received and read Appendices A and B, “Effects on the Embryo/Fetus of Exposure to Radiation and Other Environmental Hazards” and “Pregnant Worker’ Guide.

\_\_\_\_\_

Your Signature

\_\_\_\_\_

Your printed name

\_\_\_\_\_

Date



**NORTHERN INYO HEALTHCARE DISTRICT  
CLINICAL POLICY**

Title: DI CT Radiation Safety Policy		
Owner: DIRECTOR OF DIAGNOSTIC SERVICES	Department: Diagnostic Imaging	
Scope: Radiology Technologist		
Date Last Modified: 10/28/2021	Last Review Date: No Review Date	Version: 3
Final Approval by: NIHD Board of Directors	Original Approval Date: 03/17/2016	

**PURPOSE:** To establish and maintain safe practice at all times in our CT department

**POLICY:** Computed tomography will be performed by appropriately licensed and trained technologists in accordance with the As Low As Reasonably Achievable (ALARA) program, and Image Gently® /Image Wisely® training.

1. All technologists operating the CT scanner will meet the requirements as determined by CMS, ACR, and The Joint Commission.
2. All technologists operating the CT scanner shall have a thorough understanding of the CT radiation dose, including dose index and “optimal” dose index ranges.
3. Staff involved with CT imaging procedures will be issued radiation monitoring occupational exposure badges. The badge readings will be reviewed by the Radiation Safety Officer. Any readings that are deemed excessive will be addressed by the Radiation Safety Officer directly to the staff member.
4. Public access to the CT suite is restricted. Appropriate signs are posted when radiation is in use.
5. Pediatric specific protocols that have been established based on patient age and/or weight will be utilized whenever possible and kept on file on the unit console.
6. All staff will comply with published ALARA recommendations.
7. All staff will make every effort to conform to Image Gently® /Image Wisely® standards.
8. A remotely operated flow-rate injector will be utilized for all intravenous contrast injections.
9. All standards set forth by the Occupational Safety and Health Administration and the Joint Commission will be followed.
10. All patients will be appropriately shielded for all CT imaging studies.
11. Dose reduction (optimization) techniques will be utilized whenever possible. The radiation dose will be set at the lowest values possible while still maintaining appropriate diagnostic imaging quality.
12. Modifications which will increase patient dose will not be made to physicist-approved default protocols without review by the facility’s physicist.
13. Documentation will be made of any changes to the default protocols to include details of the protocol change (technical parameters and the rationale for the change. Any adverse effect on patient dose shall trigger a review by the facility’s physicist.
14. Deviations from approved procedures require approval of the ordering physician or radiologist. Protocol deviations may be given by verbal order, but require a physician signature within 48 hours.

**REFERENCES:**

1. American College of Radiology
2. Intersocietal Accreditation Commission – Computer Tomography Laboratories
3. <https://www.imagewisely.org/>

**RECORD RETENTION AND DESTRUCTION:**

- Dose records will be maintained on interpretive reports and are part of the permanent medical record

**CROSS REFERENCED POLICIES AND PROCEDURES:**

- DI radiation protection for the patient
- ALARA program
- Dosimetry Program – Occupational Radiation Exposure Monitoring Program

Supersedes: v.2 DI CT Radiation Safety Policy*
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review



**NORTHERN INYO HEALTHCARE DISTRICT  
CLINICAL POLICY**

Title: Diagnostic Imaging - Imaging Equipment Quality Control		
Owner: DIRECTOR OF DIAGNOSTIC SERVICES	Department: Diagnostic Imaging	
Scope:		
Date Last Modified: 10/29/2021	Last Review Date: No Review Date	Version: 2
Final Approval by: NIHD Board of Directors	Original Approval Date:	

**PURPOSE:**

Ensures Imaging Services equipment is operating in a manner that is safe and compliant with state and federal regulations

**POLICY:**

1. The imaging department technologist shall perform quality control on all imaging equipment following manufacturer recommendations located in equipment manuals.
2. Quality control limits are set by manufacturer, manufacturer’s field service engineer (FSE), or the medical physicist.
3. Equipment not performing within the designated specifications shall be removed from service immediately.
4. The Director of Diagnostic Services (DDS) and radiologist shall be notified of deficiency or malfunction.
5. The DDS or designee shall contact the appropriate manufacturer or FSE, or biomedical engineer.
6. Following correction or repair, appropriate quality control shall be repeated.
7. After passing quality control standards, equipment shall be placed back into service.

**REFERENCES:**

- National Council on radiation protection and measurements (NCRP) Report No. 99
- California Code of Regulations – Title 17

**RECORD RETENTION AND DESTRUCTION:**

- Until next Inspection + 6years

**CROSS REFERENCED POLICIES AND PROCEDURES:**

- DI – Monitoring and Documentation of Fluoroscopic Quality Control
- Mammography Quality Control

Supersedes: v.1 Diagnostic Imaging - Imaging Equipment Quality Control*
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**NORTHERN INYO HEALTHCARE DISTRICT  
CLINICAL POLICY**

Title: Diagnostic Imaging - Patient Priority*		
Owner: DIRECTOR OF DIAGNOSTIC SERVICES	Department: Diagnostic Imaging	
Scope: Diagnostic Imaging Department		
Date Last Modified: 10/18/2021	Last Review Date: No Review Date	Version: 4
Final Approval by: NIHD Board of Directors	Original Approval Date: 02/15/2011	

**Purpose:**

To identify the priority of patients when the technologist must determine which study to perform first. In the event of conflict, final determination will be made by the radiologist.

**Policy:**

The priority of patient examinations follows these criteria:

1. Premature newborns in respiratory distress
2. Operating room patients under anesthesia
3. Stat requests in this order
  - a. Code Blue
  - b. ED, ICU, PACU, OB
  - c. Other in-patients
4. Emergency Department, non-stat requests
5. Timed exams, in progress (ex. nuclear medicine patients already injected, timed barium studies etc.)
6. Urgent requests for physicians waiting in the department
7. Fasting patients in this order
  - a. Very young or very old
  - b. Diabetic
  - c. Inpatients
  - d. Outpatients
8. Routine exams by order time (inpatients) or in order scheduled.

**REFERENCES:**

- National Library of Medicine - <https://pubmed.ncbi.nlm.nih.gov/26547804/>
- American College of Radiology - <https://www.acrdsi.org/DSI-Services/Define-AI/Use-Cases/Prioritization-of-Exams-on-the-Worklist>

**RECORD RETENTION AND DESTRUCTION: N/A**

**CROSS REFERENCED POLICIES AND PROCEDURES:**

1. DI timeliness for critical results





**NORTHERN INYO HEALTHCARE DISTRICT  
CLINICAL POLICY**

Title: DI Venipuncture by Radiologic Technologists		
Owner: DIRECTOR OF DIAGNOSTIC SERVICES	Department: Diagnostic Imaging	
Scope: Diagnostic Imaging Technologists		
Date Last Modified: 10/18/2021	Last Review Date: No Review Date	Version: 2
Final Approval by: NIHD Board of Directors	Original Approval Date: 05/29/2018	

**PURPOSE:**

To insure that radiology technologists can safely perform venipuncture for the purpose of administering medications within the scope of their practice.

**POLICY:**

1. A Certified Radiologic Technologist (CRT) may, under the general supervision of a licensed physician and surgeon, perform venipuncture in an upper extremity to administer contrast materials, manually or by utilizing a mechanical injector only if the radiologic technologist has been issued a certificate pursuant to California Health and Safety Code 106985(b). Only contrast materials or pharmaceuticals approved by the United States Food and Drug Administration may be used and that use shall be in accordance with the manufacturer’s labeling.
  
2. The CRT must have completed at least the following:
  - a. Received a total of ten hours of instruction, including all of the following:
    - i. Anatomy and physiology of venipuncture sites.
    - ii. Venipuncture instruments, intravenous solutions, and related equipment.
    - iii. Puncture techniques.
    - iv. Techniques of intravenous line establishment.
    - v. Hazards and complications of venipuncture.
    - vi. Post-puncture care.
    - vii. Composition and purpose of anti-anaphylaxis tray.
    - viii. 10 initial venipunctures, either on live person or mannequin venipuncture arm
    - ix. First aid and basic cardiopulmonary resuscitation.
  
  - b. Performed ten observed venipunctures under supervision of a physician, licensed nurse, or a licensed nuclear medicine technologist with venipuncture specified on their California nuclear medicine certificate.

**REFERENCES:**

1. California Health and Safety Code Section 106895

**RECORD RETENTION AND DESTRUCTION:**

- Duration of Employment + 6 years

**CROSS REFERENCED POLICIES AND PROCEDURES:**

- Diagnostic Imaging Department Orientation and Competency

Supersedes: v.1 DI Venipuncture by Radiologic Technologists

review



**NORTHERN INYO HEALTHCARE DISTRICT  
CLINICAL POLICY**

Title: DI - CT Contrast administration		
Owner: DIRECTOR OF DIAGNOSTIC SERVICES	Department: Diagnostic Imaging	
Scope: Diagnostic Technologists		
Date Last Modified: 10/28/2021	Last Review Date: No Review Date	Version: 2
Final Approval by: NIHD Board of Directors	Original Approval Date: 07/01/2018	

**PURPOSE:** To maintain safety in regards to performing contrast enhanced CT (Computerized Tomography) examinations and address issues relating to the administration of contrast material

**POLICY:**

1. Intravenous iodinated contrast may be administered by authorized personnel who are in compliance with all applicable state laws and have been educated patient screening for potential contrast sensitivity and renal insufficiency, recognition of minor and major contrast reactions, and emergency procedures of minor and major contrast reactions. Personnel starting intravenous access must have education and training in venipuncture.
2. Intravenous (IV) iodinated contrast may only be administered only when the appropriate supervising physician has been informed.
3. All patients having IV contrast enhanced imaging studies must read, complete, and sign the contrast administration consent form. The technologist shall review and complete the patient history form with the patient. These forms will be entered as a part of the patient’s medical record.
4. Any patients noting multiple reactions to medications, iodinated contrast, or foods containing iodine will have their information reviewed by the technologist and supervising physician. Information will be evaluated for increased risk of an IV contrast reaction.
5. The patient’s medical record will be checked for prior IV contrast reactions or other contraindications to iodinated contrast.
  - a. If a significant potential for an IV contrast reaction exists, the supervising physician shall be notified and he/she may request the study be delayed so the patient may be pre-medicated.
  - b. If the patient states there is a history of renal insufficiency, renal cancer, or diabetes, or is over the age of 50, a creatinine blood test that has been performed within the last 30 days must be obtained and reviewed.
  - c. Creatinine values that are abnormal shall be reviewed by the supervising physician. The supervising physician must determine whether contrast shall be administered.
6. Unless otherwise directed by the ordering or supervising physician, contrast will be delivered per the CT contrast Protocol section of this policy.

**ACUTE MEDICAL EMERGENCIES:**

1. All staff involved directly with patient care will be Basic Life Support (BLS) certified.
2. Emergency phone numbers are posted by each phone in the Imaging suite (2400).
3. Emergency equipment (crash cart) is available.
4. In the event of an emergency, staff will call a “Code Blue” or “Rapid Response” in the CT suite.

5. The supervising physician will be notified immediately.

**CONTRAST SHORTAGES:**

In the event that the Iovue 300 or 370 unable to be provided by the manufacturer. The Iovue volumes may be substituted with an alternative contrast brand and/or amount approved by the Radiologist and if needed by the Pharmacist.

**REFERENCES:**

1. ACR Contrast Manual

**RECORD RETENTION AND DESTRUCTION:**

- Consent forms are part of medical record and retained per Medical Record policy

**CROSS REFERENCED POLICIES AND PROCEDURES:**

- Diagnostic Imaging – Premedication for Radiographic Contrast Sensitivity
- Contrast use with patients on Metformin

Supersedes: v.1 DI - CT Contrast administration
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REVIEW

**CT Contrast Protocols:**

<b>CT PROCEDURE</b>	<b>IV CONTRAST TYPE</b>	<b>VOLUME (ml)</b>	<b>RATE (ml/sec)</b>	<b>RECOMMENDED NEEDLE SIZE (ga)</b>	<b>MAX INJECTION PRESSURE (psi)</b>
ABDOMEN	ISOVUE 300	95	2.5	20/22	300
ABDOMEN/PELVIS	ISOVUE 300	95	2.5	20/22	300
PELVIS	ISOVUE 300	95	2.5	20/22	300
BRAIN	ISOVUE 300	75	2.5	20/22	300
FACIAL, TEMPORAL, IAC	ISOVUE 300	75	2.0	20/22	300
CHEST	ISOVUE 300	95	2.5	20/22	300
CHEST/ABDOMEN/PELVIS	ISOVUE 300	95	2.5	20/22	300
TRAUMA CHEST/ABDOMEN/PELVIS	ISOVUE 300	95	1.8	20/22	300
ENTEROGRAPHY	ISOVUE 370	95	4.0	20	300
UROGRAM/DUAL INJECTION	ISOVUE 300	50/80	2.5	20/22	300
SOFT TISSUE NECK	ISOVUE 300	75	2.0	20/22	300
SOFT TISSUE NECK CHEST/ABDOMEN/PELVIS	ISOVUE 300	75/75	2.5	20/22	300
CERVICAL SPINE	ISOVUE 300	95	2.0	20/22	300
THORACIC SPINE	ISOVUE 300	95	2.0	20/22	300
LUMBAR SPINE	ISOVUE 300	95	2.0	20/22	300
VENOGRAM	ISOVUE 370	150	3.0	20	300
CTA CHEST	ISOVUE 370	95	4.0	20	300
CTA CAROTID	ISOVUE 370	75	4.0	20	300
CTA BRAIN (COW)	ISOVUE 370	75	4.0	20	300
CTA BRAIN/CAROTID	ISOVUE 370	75	4.0	20	300
CTA ABDOMEN	ISOVUE 370	95	4.0	20	300

CTA ABDOMEN W RUNOFF	ISOVUE 370	125	4.0	20	300
CTA CARDIAC	ISOVUE 370	75	5.0	20	300
CTA EXTREMITY	ISOVUE 370	95	4.0	20	300
PEDS BRAIN	ISOVUE 300	1ml per kg	2.0	22	300
PEDS CHEST	ISOVUE 300	1ml per kg	2.0	22	300
PEDS ABDOMEN	ISOVUE 300	1ml per kg	2.0	22	300

review



## NORTHERN INYO HEALTHCARE DISTRICT CLINICAL POLICY AND PROCEDURE

Title: Sonography Ergonomics Policy		
Owner: Cardiopulmonary Manager		Department: Respiratory
Scope: Sonographers		
Date Last Modified: 10/28/2021	Last Review Date: No Review Date	Version: 2
Final Approval by: NIHD Board of Directors		Original Approval Date:

### **PURPOSE:**

Northern Inyo Hospital establishes and follows the guidelines for addressing ergonomic risk factors in the workplace and reducing the incidence of work-related musculoskeletal disorder (WRMSD) injuries experienced by employees, contracted individuals or students. The purpose of this policy is to:

1. Reduce the risk of work-related musculoskeletal disorders (WRMSD).
2. Provide early intervention when a musculoskeletal disorder has been reported.
3. Enhance employee productivity, quality and comfort in the workplace.

### **POLICY:**

The risk factors associated with work-related musculoskeletal disorders shall be identified and control solutions implemented by the application of equipment, administrative and professional control measures.

#### **Employee responsibilities:**

1. Report ergonomic concerns, and/or signs and symptoms of WRMSDs to your supervisor.
2. Report work-related injuries to your supervisor and file an Employee Incident Report.
3. Participate in identifying ergonomic risk factors and corrective actions.
4. Follow recommended work practices, procedures and training guidelines specific to your tasks and environment.
5. Use equipment appropriately and for the purpose intended as provided by the employer.
6. Use equipment provided as a means of reducing WRMSDs.

#### **Supervisor responsibilities:**

1. Encourage employees to report signs and symptoms of work-related musculoskeletal disorders.
2. Respond to employees' reports of ergonomic-related concerns/injuries in a timely manner.
3. Encourage injured employees to complete an Employee Incident Report and visit Employee Occupational Health Service for medical evaluation and care.
4. Encourage employees to participate in identifying jobs and tasks with ergonomic risk factors and assist in implementing corrective actions.
5. Identify ergonomic risk factors in the workplace and ensure implementation of corrective actions to reduce these risks.

6. Determine root causes of incidents, conduct worksite assessments, suggest potential control solutions in cooperation with Occupational Safety/Ergonomics professionals and provide sufficient resources to implement ergonomic recommendations in a timely manner.
7. Ensure employees receive ergonomic education and training.
8. Encourage and support a safe environment, including the use of proper equipment and work practices.
9. Review and analyze trends in frequency and severity of ergonomic-related injuries.

## **DEFINITIONS:**

1. **Ergonomics:** A body of knowledge about human abilities, human limitations and human characteristics that are relevant to design. Ergonomic design is the application of this body of knowledge to the design of tools, machines, systems, tasks, jobs and environments for safe, comfortable and effective human use.
2. **Work-Related Musculoskeletal Disorder (WRMSD):** A range of conditions caused by repetitive, forceful or awkward movements that cause injury to muscles, tendons, ligaments, nerves and joints. Examples of WRMSDs include: Carpal Tunnel Syndrome, Epicondylitis, Synovitis, Muscle Strains, Raynaud's Syndrome, Sciatica, Tendonitis, DeQuervains Disease, Trigger Finger, Low Back Pain and Carpet Layers Knee.

## **PROCEDURE:**

### **CONTROL MEASURES** (adapted from the SDMS Consensus Document – see references):

The following controls are recommended to reduce the risk of musculoskeletal injury for sonographers:

#### **I. Equipment Control Measures**

##### **A. Ultrasound Systems**

State-of-the-art equipment allows for optimal visualization which increases diagnostic accuracy and reduces sonographer fatigue. These industry standards are specific to floor-standing models. Therefore, some recommendations may not apply to non-floor-standing models.

1. Fully adjustable equipment that suits the anthropometrics of the 5th to 95th percentile of the population and is specific to the demographic area of the users.
2. Easily accessible controls for achieving two-wheel, four-wheel, and braked positions. Central locking is preferable.
3. Recording devices positioned to minimize the user's reach to external devices; external devices should not interfere with adjustability of the system.
4. Footrest on the equipment designed to encourage neutral position of the ankle.
5. Transducer holder incorporates ease of access (unobstructed); should not be detrimental to the distance required to access controls; low force, minimal effort required for single-handed use.
6. Cables should not interfere with access to equipment or system interaction.
7. Port Connector permits ease of use, single-handed use, minimizing the user's reach, force, and necessity of a pinch grip; does not interfere with access to equipment or system interaction.
8. System design such that transporting the equipment does not exceed 50 pounds of force for pushing or pulling by a single user on usual flooring surfaces. Otherwise, it is required that additional personnel are available to assist in moving the equipment.
9. Height-adjustable handles suitable for transporting the equipment.



## **B. Control Panel**

1. Height-adjustable, separate from the monitor with appropriate degree of tilt to allow for standing or seated user to achieve neutral posture of wrist and forearm. Independent movement of control panel allows users to work while maintaining their elbow at their side.
2. Optimized control layout to allow use by both right and left-handed users.
3. Size, shape and spacing of controls designed according to occupational ergonomic guidelines. Font size and control layout are visually discernable, according to occupational ergonomic guidelines. The range of illumination permits clear identification of control functions at applicable user positions.
4. Entire system designed to be used in seated position without obstruction of legs/knees.

## **C. Monitors**

1. Incorporate features to minimize eye strain, such as:
  - a. Reduced flicker
  - b. Appropriate brightness and contrast levels
  - c. Resolution
  - d. Visual contrast
2. Height-adjustable, separate from the control panel with appropriate degree of tilt to enable standing or seated users to achieve neutral posture of their necks.
3. Single-handed movement of the monitor allows users to work while maintaining their neck in a forward, neutral position at a range of 18 - 30 inches.
4. System must support the ability to use an external monitor. See G. Accessories.

## **D. Transducers**

1. Lightweight and balanced to minimize torque on the wrist, facilitate a palmar grip without an expanded stretch of the hand, and encourage a neutral wrist position.
2. Sized to support appropriate anthropometric data for the majority of users, encourage a palmar grip, and slip resistant.
3. Cables and cable management systems must be suitable in length to permit unrestricted use; and be of suitable length for intended applications.

## **E. Table**

Industry standards #1-5 are considered essential when new or replacement tables are being purchased.

1. Height-adjustable, capable of being adjusted while the patient is on the table, to positions low enough to allow patients to get on and off easily unassisted, and to allow user to scan in a sitting or standing position while maintaining arm abduction of less than 30 degrees.
2. Maneuverable, full wheel mobility and wheel locks that are easily operated.

3. Open access from all sides to allow the users to place their knees and feet underneath, if needed. Table support structure and/or table mechanisms should not extend beyond the table top such that it prevents the user from minimizing reach and arm abduction.
4. For cardiac imaging, an easily operated, drop away or cut out section to allow unhindered access to the apical region while allowing the user's wrist to remain supported and in a neutral position.
5. Ideally, electronic controls that is accessible and easy to use.

## **F. Chair**

1. Height-adjustable with sufficient range to suit the majority of the users. Range of height adjustability optimizes positioning of less than 30 degrees' abduction of the scanning arm and allows the forearm of the non-scanning arm to be approximately parallel to the floor.
2. Adjustable lumbar support, adjustable seat for thigh support, and an adjustable footrest. Seat design must encourage an upright posture.
3. Swivels to allow the user to rotate from the patient to the ultrasound system while maintaining an aligned posture.
4. Casters suitable to the type of flooring.

## **G. Accessories**

1. Gel bottles should have large openings to reduce the strength needed to squeeze the bottle and of suitable diameter to avoid extended grip position.
2. Support devices available to all users for arm support in abduction.
3. A transducer cable support device to allow users to reduce their grip by reducing the amount of torque on the wrist/forearm. Properly fitting textured exam gloves to reduce the force required to grip the transducer.

# **II. Administrative Control Measures**

## **A. Employer**

1. Provide annual education to all users on the risk and prevention of musculoskeletal disorders.
2. Perform risk assessments in consultation with the users on a regular basis to identify musculoskeletal disorders and formulate and implement controls for the prevention and/or reduction of these disorders.
3. Provide a system to report and document acute or chronic musculoskeletal disorders.
4. Conduct risk assessments prior to the purchase of equipment.
5. Maintain all equipment in good working order.

## **B. Workload and Scheduling**

1. Sufficient time must be allotted for each study according to the procedure type. The performance time allotted for a complete (imaging and Doppler) transthoracic examination is 45 to 60 minutes from patient encounter to departure. An additional 15 to 30 minutes may be required for complicated studies.
2. Provide adequate rest breaks between examinations particularly for procedures comprised of similar postural and muscular force attributes.

3. Encourage task rotation in the workplace as much as possible.
4. Establish maximum transducer time per hour. (Research to determine maximum safe transducer time is encouraged.)
5. **Minimize portable/bedside examinations.** Share the necessary bedside examinations equally among the technical staff to reduce risk of injury on a daily basis.

### **C. Examination Area**

1. Dedicated examination area provides adequate space (approximately 150 square feet) for the maneuverability of equipment around the exam table and allows easy access from all sides.
2. Examination room doorway allows easy access for all wheelchairs, beds and ultrasound equipment.
3. Suitable flooring to allow easy movement of equipment.
4. Adequate ventilation and temperature control to ensure the comfort of user and patient while enabling the equipment to operate at a functional temperature.
5. Adjustable room lighting with easily accessible dimmer controls; shaded windows to eliminate light.

### **D. Education and Training**

1. Participate in education and training to reduce the risk of developing musculoskeletal disorders:
  - a. Attend employer sponsored in-services
  - b. Attend seminars, lectures, workshops or conferences offered by professional organizations or manufacturers
  - c. Access journals, textbooks, online resources, etc.

### **REFERENCES:**

1. Industry Standards for the Prevention of Work-Related Musculoskeletal Disorders in Sonography. JDMS 2003; 19: 283-286. [www.sdms.org/pdf/wrmsd2003.pdf](http://www.sdms.org/pdf/wrmsd2003.pdf)
2. Society of Diagnostic Medical Sonography Workzone. [www.sdms.org](http://www.sdms.org)
3. For information on Occupational Health and Safety Concerns: National Institute for Occupational Safety and Health (NIOSH) [www.cdc.gov/niosh/homepage.html](http://www.cdc.gov/niosh/homepage.html)
4. *The IAC Standards for Echocardiography Accreditation; Part I, Section 2, 2.1, 2.1.1, A. Part II, Section 2.2.3*

### **CROSS REFERENCE P&P:**

1. Injury and Illness Prevention Program
2. Safe Patient Handling – Minimal Lift Program

### **RECORD RETENTION AND DESTRUCTION:**

Supersedes: v.1 Sonography Ergonomics Policy
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RESOLUTION NO. 21-13

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTHERN INYO HEALTHCARE DISTRICT MAKING THE LEGALLY REQUIRED FINDINGS TO CONTINUE TO AUTHORIZE THE CONDUCT OF REMOTE “TELEPHONIC” MEETINGS DURING THE STATE OF EMERGENCY

WHEREAS, on March 4, 2020, pursuant to California Gov. Code Section 8625, the Governor declared a state of emergency stemming from the COVID-19 pandemic (“Emergency”); and

WHEREAS, on September 17, 2021, Governor Newsom signed AB 361, which bill went into immediate effect as urgency legislation; and

WHEREAS, AB 361 added subsection (e) to Government Code Section 54953 to authorize legislative bodies to conduct remote meetings provided the legislative body makes specified findings; and

WHEREAS, as of September 19, 2021, the COVID-19 pandemic has killed more than 67,612 Californians; and

WHEREAS, social distancing measures decrease the chance of spread of COVID-19; and

WHEREAS, this legislative body previously adopted a resolution to authorize this legislative body to conduct remote “telephonic” meetings; and

WHEREAS, Government Code 54953(e)(3) authorizes this legislative body to continue to conduct remote “telephonic” meetings provided that it has timely made the findings specified therein.

NOW, THEREFORE, IT IS RESOLVED by the Board of Directors of Northern Inyo Healthcare District as follows:

1. This legislative body declares that it has reconsidered the circumstances of the state of emergency declared by the Governor and at least one of the following is true: (a) the state of emergency, continues to directly impact the ability of the members of this legislative body to meet safely in person; and/or (2) state or local officials continue to impose or recommend measures to promote social distancing.

PASSED, APPROVED AND ADOPTED this 15<sup>th</sup> day of December, 2021 by the following roll call vote:

AYES:

NOES:

ABSENT:

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Robert Sharp, Chair  
Board of Directors

ATTEST:

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Name: Erika Hernandez  
Title: Board Clerk

CALL TO ORDER                      The meeting was called to order at 5:32 pm by Robert Sharp, District Board Chair.

PRESENT                                Robert Sharp, Chair  
Jody Veenker, Vice Chair  
Mary Mae Kilpatrick, Secretary  
Topah Spoonhunter, Treasurer  
Jean Turner, Member-at-Large  
Kelli Davis MBA, Chief Executive Officer and Chief Operating Officer  
Vinay Behl, Interim Chief Financial Officer  
Joy Engblade MD, Chief Medical Officer  
Allison Partridge RN, MSN, Chief Nursing Officer  
Sierra Bourne MD, Chief of Staff  
Keith Collins, General Legal Counsel (Jones & Mayer)

OPPORTUNITY FOR PUBLIC COMMENT                      Mr. Sharp announced that the purpose of public comment is to allow members of the public to address the Board of Directors. Public comments shall be received at the beginning of the meeting and are limited to three (3) minutes per speaker, with a total time limit of thirty (30) minutes being allowed for all public comment unless otherwise modified by the Chair. Speaking time may not be granted and/or loaned to another individual for purposes of extending available speaking time unless arrangements have been made in advance for a large group of speakers to have a spokesperson speak on their behalf. Comments must be kept brief and non-repetitive. The general Public Comment portion of the meeting allows the public to address any item within the jurisdiction of the Board of Directors on matters not appearing on the agenda. Public comments on agenda items should be made at the time each item is considered. No comments were heard.

URGENT NEED TO ADD TO THE AGENDA                      Interim Chief Financial Officer, Vinay Behl requested that the Board of Directors consider adding one item to the agenda for this week's meeting, due to the fact that an immediate need to discuss potential actions exists and because this item came to the attention of District Administration following posting of the agenda for this meeting. The request is to place this item on the Open Session portion of the agenda for this meeting as item 5A1 as follows:

- Placement Agent Engagement Letter Refunding Revenue Bonds, Series 2021.

It was moved by Jean Turner, seconded by Jody Veenker, and unanimously passed to approve the addition of this agenda item as requested.

ADJOURNMENT TO  
CLOSED SESSION

At 5:36 pm Mr. Sharp announced the meeting would adjourn to Closed Session for

- A. Conference with legal counsel, anticipated litigation. Significant exposure to litigation (pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9) one case.
- B. Conference with legal counsel, existing litigation (pursuant to Gov. Code Section 54956.9(d)(1) one case.
- C. Conference with legal counsel, existing litigation (pursuant to Government Code 54956.9(d)(1). One Case: NIHD v. SMHD

Mr. Sharp additionally noted that it was not anticipated that an action would be reported out following the conclusion of Closed Session.

RETURN TO OPEN  
SESSION AND REPORT  
OF ANY ACTION  
TAKEN

At 7:11 pm, the meeting returned to Open Session. Mr. Sharp reported that the Board took no reportable action.

NEW BUSINESS

ANNUAL APPROVAL  
OF NORTHERN INYO  
HEALTHCARE  
DISTRICT EMPLOYEE  
PAY SCALE

Chief Executive Officer, Kelli Davis called attention to proposed Annual Approval of Northern Inyo Healthcare District Employee Pay Scale. It was moved by Ms. Veenker, seconded by Topah Spoonhunter, and unanimously passed to approve the Annual Approval of Northern Inyo Healthcare District Pay Scale as presented.

PLACEMENT AGENT  
ENGAGEMENT LETTER  
REFUNDING REVENUE  
BONDS SERIES 2021

Ms. Davis called attention to proposed Placement Agent Engagement Letter Refunding Revenue Bonds Series 2021. Interim Chief Financial Officer, Vinay Behl clarified questions for the Board of Directors. It was moved by Ms. Veenker, seconded by Mr. Spoonhunter, and unanimously passed to approve the Placement Agent Engagement Letter Refunding Revenue Bonds Series 2021 as presented.

COVID-19 PREVENTION  
PROGRAM PLAN (CPP)

Chief Nursing Officer, Allison Partridge called attention to proposed COVID-19 Prevention Program Plan (CPP). It was moved by Ms. Kilpatrick, seconded by Ms. Turner, and unanimously passed to approve the COVID-19 Prevention Program Plan (CPP) as presented.

APPROVAL OF  
DISTRICT BOARD  
RESOLUTION 21-10,  
ADOPTING A  
PROCEDURE RELATED  
TO BOARD MEMBER  
RESIGNATION AND  
FILLING OF

General Legal Counsel, Keith Collins called attention to the proposed District Board Resolution 21-10, adopting a procedure relating to *Board Member Resignation and Filling of Vacancies*. It was moved by Ms. Veenker, seconded by Ms. Kilpatrick, and unanimously passed to approve the District Board Resolution 21-10, adopting a procedure relating to *Board Member Resignation and Filling of Vacancies* as presented.

VACANCIES

APPROVAL OF  
DISTRICT BOARD  
RESOLUTION 21-11,  
AMENDING NIHD  
BYLAWS REGARDING  
THE DUTIES OF BOARD  
CHAIR AND VICE  
CHAIR

General Counsel, Keith Collins called attention to the proposed District Board Resolution 21-11, amending the NIHD bylaws regarding the duties of Board Chair and Vice Chair. It was moved by Ms. Turner, seconded by Ms. Veenker, and unanimously passed to approve the District Board Resolution 21-11, amending the NIHD bylaws regarding the duties of Board Chair and Vice Chair as presented.

COMPLIANCE  
DEPARTMENT  
QUARTERLY REPORT

Compliance Officer, Patty Dickson called attention to the Compliance Department Quarterly Report and clarified questions for the Board. It was moved by Ms. Turner, seconded by Ms. Kilpatrick, and unanimously passed to approve the Compliance Department Quarterly Report as presented.

CHIEF OF STAFF  
REPORT

Chief of Staff Sierra Bourne, MD reported following review and consideration the Medical Executive Committee recommends approval of the following District-Wide Policies and Procedures:

POLICY AND  
PROCEDURE  
APPROVALS

1. *Infection Prevention Plan*
2. *Nursing Qualifications for the RN Trained to Insert Peripherally Inserted Central-Catheters and Midlines*
3. *Diagnostic Imaging- Premedication for Radiographic Contrast Sensitivity*

It was moved by Ms. Kilpatrick, seconded by Ms. Turner, and unanimously passed to approve the all three (3) Policies and Procedures as presented.

ANNUAL REVIEW OF  
CRITICAL INDICATORS

Doctor Bourne also reported, following review, consideration and approval by the appropriate Committees, the Medical Executive Committee recommends approval of the following Annual Review of Critical Indicators:

1. *Radiology Critical Indicators*

It was moved by Ms. Veenker, seconded by Mr. Spoonhunter, and unanimously passed to approve the one (1) Annual Review of Critical Indicators as presented.

MEDICAL EXECUTIVE  
COMMITTEE REPORT

Doctor Bourne also provided a report on the Medical Executive Committee meeting and clarified questions.

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CONSENT AGENDA

Mr. Sharp called attention to the Consent Agenda for this meeting which contained the following items:



1. *Approval of District Board Resolution 21-12, to continue to allow Board meetings to be held virtually.*
2. *Approval of the minutes of the October 20, 2021 Regular Board Meeting*
3. *Approval of the minutes of the November 8, 2021 Special Board Meeting*
4. *Pioneer Home Health Care Quarterly Report*
5. *Chief Executive Officer Report*
6. *Chief Medical Officer Report*
7. *Chief Nursing Officer Report*
8. *Financial and Statistical reports as of September 30, 2021*

Ruby Allen, with Pioneer Home Health Care (PHHC) requested Board approval to amend her report with the following clarification for Item H of the Annual Compliance Report stating, “A Security Risk Assessment was not completed by Northern Inyo Healthcare District (NIHD). NIHD completed a Malware/Virus Scan on all PHHC computers.”

It was moved Ms. Veenker, seconded by Ms. Turner, and unanimously passed to approve the amendment to the Pioneer Home Health Report as requested. The minutes for the October 20, 2021 Regular Board Meeting with Mr. Spoonhunter abstaining from the vote due to the fact that he was absent from this meeting. It was moved by Ms. Turner, seconded by Mr. Spoonhunter, and passed by 4 to 0 to approve all eight (8) Consent Agenda items.

BOARD MEMBER  
REPORTS ON ITEMS OF  
INTEREST

Mr. Sharp additionally asked if any members of the Board of Directors wished to report on any items of interest. No reports were provided.

Ms. Kilpatrick commented on the NIHD Rural Health Clinic 20<sup>th</sup> Anniversary.

ADJOURNMENT

The meeting adjourned at 8:07 pm.

\_\_\_\_\_  
Robert Sharp, Chair

Attest:

\_\_\_\_\_  
Mary Mae Kilpatrick, Secretary

FY2021

<b>Unit of Measure</b>	<b>Jul-21</b>	<b>Aug-21</b>	<b>Sep-21</b>	<b>Oct-21</b>
Cash, CDs & LAIF Investments	51,541,102	51,660,613	51,218,981	44,626,386
Days Cash on Hand	194	192	192	164
Gross Accounts Receivable	41,543,690	41,469,576	44,188,822	45,612,721
Average Daily Revenue	497,079	459,646	500,563	488,452
Gross Days in AR	83.58	90.22	88.28	93.38
<b>Key Statistics</b>				
Acute Census Days	171	156	170	265
Swing Bed Census Days	24	0	0	0
Total Inpatient Utilization	195	156	170	265
Avg. Daily Inpatient Census	6.3	5.0	5.7	8.8
Emergency Room Visits	712	680	619	592
Emergency Room Visits Per Day	23	22	21	19
Operating Room Inpatients	6	6	19	13
Operating Room Outpatient Cases	101	86	84	87
Observation Days	77	59	62	
RHC Clinic Visits	2,302	2,683	2,780	2,956
NIA Clinic Visits	1,829	1,808	1,731	1,961
Outpatient Hospital Visits	3,530	3,781	3,527	2,795
<b>Hospital Operations</b>				
Inpatient Revenue	2,774,294	2,563,061	3,191,692	3,354,047
Outpatient Revenue	11,561,101	10,530,380	10,697,544	10,581,296
Clinic (RHC) Revenue	1,074,051	1,155,594	1,127,660	1,206,664
Total Revenue	15,409,445	14,249,034	15,016,896	15,142,006
Revenue Per Day	497,079	459,646	500,563	488,452
% Change (Month to Month)		-7.53%	8.90%	-2.42%
Salaries	2,138,510	2,212,918	2,141,534	2,251,406
PTO Expenses	249,855	249,855	249,855	249,855
Total Salaries Expense	2,388,364	2,462,773	2,391,388	2,501,261
Expense Per Day	77,044	79,444	79,713	80,686
% Change		3.12%	0.34%	1.22%
Operating Expenses	7,106,030	7,175,843	7,101,734	7,285,504
Operating Expenses Per Day	229,227	231,479	236,724	235,016
Capital Expenses	-	-	-	-
Capital Expenses Per Day	-	-	-	-
Total Expenses	8,553,152	8,589,725	8,605,222	8,744,986
Total Expenses Per Day	275,908	277,088	286,841	282,096
Gross Margin	906,881	233,655	707,334	588,339
<b>Debt Compliance</b>				
Current Ratio (ca/cl) > 1.50	1.60	1.55	1.47	1.47
Quick Ratio (Cash + Net AR/cl) > 1.33	1.24	1.29	1.36	1.36
Days Cash on Hand > 75	194	192	192	164

	<b>FY 2020</b>	<b>FY 2021</b>	<b>Jul-21</b>	<b>Aug-21</b>	<b>Sep-21</b>	<b>Oct-21</b>
Total Net Patient Revenue	76,229,126	86,844,620	8,012,911	7,409,498	7,809,068	7,873,843
IGT Revenues	13,729,686	20,295,927	416,667	638,921	416,667	416,667
<b>Total Patient Revenue</b>	<b>89,958,812</b>	<b>107,140,547</b>	<b>8,429,578</b>	<b>8,048,419</b>	<b>8,225,735</b>	<b>8,290,510</b>
<b>Cost of Services</b>						
Salaries & Wages	26,275,799	27,016,877	2,138,510	2,212,918	2,141,534	2,251,406
Benefits	18,316,171	22,382,407	1,744,276	1,780,166	1,722,741	1,865,201
Professional Fees	19,573,242	22,565,034	1,866,282	1,869,781	1,868,032	1,880,419
Pharmacy	3,105,981	4,035,279	300,152	304,019	314,542	336,273
Medical Supplies	4,199,962	4,136,111	245,191	246,010	267,601	344,676
Hospice Operations	505,000	-	-	0	0	-
Athena EHR System	1,164,797	1,480,088	185,500	188,317	186,908	123,341
Other Direct Costs	4,813,483	5,810,258	626,120	574,632	600,376	484,188
<b>Total Direct Costs</b>	<b>77,954,434</b>	<b>87,426,053</b>	<b>7,106,030</b>	<b>7,175,843</b>	<b>7,101,734</b>	<b>7,285,504</b>
<b>Gross Margin</b>	<b>12,004,378</b>	<b>19,714,494</b>	<b>906,881</b>	<b>233,655</b>	<b>707,334</b>	<b>588,339</b>
<b>Gross Margin %</b>	<b>13.34%</b>	<b>18.40%</b>	<b>11.32%</b>	<b>3.15%</b>	<b>9.06%</b>	<b>7.47%</b>
<b>General and Administrative Overhead</b>						
Salaries & Wages	4,681,985	3,906,499	319,290	323,708	313,266	325,542
Benefits	4,150,743	3,754,395	295,590	297,912	288,302	312,866
Professional Fees	2,337,874	3,978,605	387,945	382,869	392,548	371,993
Depreciation and Amortization	4,275,662	4,094,658	332,720	332,720	332,720	332,720
Other Administrative Costs	1,412,451	1,396,332	111,578	76,674	176,652	116,361
<b>Total General and Administrative Overhead</b>	<b>16,858,715</b>	<b>17,130,488</b>	<b>1,447,122</b>	<b>1,413,882</b>	<b>1,503,488</b>	<b>1,459,482</b>
<b>Net Margin</b>	<b>(18,584,023)</b>	<b>(17,711,920)</b>	<b>(540,240)</b>	<b>(1,180,227)</b>	<b>(796,153)</b>	<b>(871,143)</b>
<b>Net Margin %</b>	<b>-24.38%</b>	<b>-20.39%</b>	<b>-6.74%</b>	<b>-15.93%</b>	<b>-10.20%</b>	<b>-11.06%</b>
Financing Expense	2,362,880	1,413,155	179,672	176,219	176,219	176,219
Financing Income	2,372,608	1,755,654	-	(0)	(0)	(0)
Investment Income	600,420	387,349	23,766	16,474	16,474	16,474
Miscellaneous Income	1712917.01	1361183.52	849,744	868,938	8,931,290	125,242
<b>Net Surplus</b>	<b>(2,531,273)</b>	<b>4,675,038</b>	<b>570,264</b>	<b>167,886</b>	<b>8,392,058</b>	<b>(488,980)</b>



**NORTHERN INYO HEALTHCARE DISTRICT  
NON-CLINICAL POLICY AND PROCEDURE**

Title: Advance Beneficiary Notice		
Owner: Admission Services Manager	Department: Admissions Services	
Scope: District Wide		
Date Last Modified: 11/15/2021	Last Review Date: No Review Date	Version: 2
Final Approval by: NIHD Board of Directors	Original Approval Date: 10/21/2003	

**PURPOSE:**

To comply with the Medicare requirement of supplying Advance Beneficiary Notice (ABN) when the hospital or physician believes that Medicare probably or certainly will not pay for some or all of items or services.

**POLICY:**

1. If the patient’s provider, or hospital department providing service, expects denial of payment for items or services by Medicare, the patient’s provider, or/hospital department providing service must advise the patient before items or services are furnished that the patient may be personally and fully responsible for payment, except when the patient is in a medical emergency or is otherwise under great duress.
2. ABNs will be used only for patients who are Medicare beneficiaries, whether or not they have co-insurance such as Medi-Cal.
3. The ABN must
  - a. Be on the CMS approved Form CMS-R-131 (Or Latest Version)
  - b. Clearly identify the particular item or service.
  - c. State that the patient’s provider, or hospital department providing service, believes Medicare is likely (or certain) to deny payment for the particular item or service, and
  - d. Provide the reason(s) for their belief that payment will be denied for the item or service, in language that gives the patient sufficient information to make an informed consumer decision whether or not to receive the service and pay for it personally.
4. Blanket ABN’s will not be utilized.
5. If the hospital service department, or patient’s provider expects payment for the items or services to be denied by Medicare, the hospital or patient’s provider must advise the patient before items or services are furnished that in their opinion the patient will be personally and fully responsible for payment.
6. The hospital or physician must issue notices each time, and as soon as, they make the assessment that Medicare payment probably (or certainly) will not be made.

7. An ABN will not be given to a patient in any case in which EMTALA applies, until the hospital has met its obligations under EMTALA, which includes completion of a medical screening examination (MSE) to determine the presence or absence of an emergency medical condition, or until an emergency medical condition has been stabilized.
8. The hospital will not bill for a service if it failed to provide an ABN in situations where one is required, unless the hospital can show that they did not know (and could not reasonably have been expected to know) that Medicare would deny payment.
9. In the case that an ABN on which the hospital's or physician's identifying information in the header of the ABN form identifies the hospital or physician that obtained the ABN, rather than the hospital or physician that is billing for the services (e.g., when one laboratory refers a specimen to another laboratory which then bills Medicare for the test; when a physician executes an ABN with his or her own identifying information in the header in conjunction with ordering a laboratory test for which the testing laboratory will submit the claim to Medicare), the ABN form is valid, so long as it was otherwise properly executed.

#### **PROCEDURE:**

1. Check on-line resource for ABN requirement via order entry system or separate software.
2. Deliver the ABN **to the patient far enough in advance of receiving the service** so that the patient can make a rational, informed consumer decision without undue pressure.
  - a. As a general rule, ABN delivery should take place before a physical preparation of the patient (e.g., disrobing, placement in or attachment of diagnostic or treatment equipment) begins. This criterion does not constitute a blanket prohibition on giving an ABN to a patient after she/he has entered an examination room or a draw room, and is ready to receive services or items.
  - b. Situations may arise during an encounter when a physician sees a need for a previously unforeseen service, expects that Medicare will not pay for it, and wishes to give an ABN. This is permissible, provided that the patient is capable of comprehending the notice, and has a meaningful opportunity to act on it (e.g., the patient is not under general anesthesia).
  - c. Where it is foreseeable that the need for service for which Medicare likely would not pay may arise during the course of an encounter, and the patient is either certain or likely not to be capable of receiving notice during the initial service (e.g., the patient will be under anesthesia), it is permissible to give an ABN before any service is initiated. Such an ABN would not violate the general prohibition of routine ABNs.
  - d. Also, in a case where a physician draws a test specimen and sends it to a laboratory for testing, and did not give the patient an ABN, the laboratory may contact the patient and give him/her an ABN without violating this timely delivery rule, so long as testing of the specimen has not begun.

3. Give the ABN to the patient, or the patient's authorized health care decision-making representative, surrogate decision-maker, or public guardian.
4. Fill out all of the following on the ABN if not generated by the system:
  - a. The patient's name (do not use the authorized representative's name),
  - b. Medicare Health Insurance Claim Number,
  - c. The services and reason the hospital or physician believes Medicare will not pay for the service,
  - d. Option 1 or Option 2 or Option 3 must be checked personally by the patient (or authorized representative)
  - e. Date of signature
  - f. Signature of the patient or authorized representative
5. Obtain the signed and dated ABN either in person or, where this is not possible, via return mail from the patient or authorized representative acting on the patient's behalf as soon as possible after the ABN has been signed and dated.
6. Retain the original.
7. Scan into the patient's medical record.
8. Give the patient the copy.

**REFERENCES:**

**RECORD RETENTION AND DESTRUCTION:**

**CROSS REFERENCED POLICIES AND PROCEDURES:**

Supersedes: v.1 Advance Beneficiary Notice
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**NORTHERN INYO HEALTHCARE DISTRICT  
NON-CLINICAL POLICY AND PROCEDURE**

Title: Medicare Outpatient Observation Notice*		
Owner: Admission Services Manager	Department: Admissions Services	
Scope:		
Date Last Modified: 11/12/2021	Last Review Date: No Review Date	Version: 2
Final Approval by: NIHD Board of Directors	Original Approval Date:	

**PURPOSE:** To assure Northern Inyo Healthcare District’s (NIHD) fulfillment of CMS’s (Centers for Medicare and Medicaid) requirement for the delivery and discussion of the “Medicare Outpatient Observation Notice” (MOON), mandated by the Federal Notice of Observation Treatment and Implication for Care Eligibility Act (NOTICE Act), August 6, 2015, to all Medicare beneficiaries when they are receiving observation services.

The MOON informs *Medicare beneficiaries* when they are receiving observation services they are an *outpatient*, not an inpatient and the financial implications of being in outpatient observation status vs. inpatient status.

**POLICY:**

The MOON must be delivered to beneficiaries who have Original Medicare (fee-for-service) and Medicare Advantage plan enrollees who receive outpatient observation services for more than 24 hours. The hospital or CAH must provide the MOON no later than 36 hours after outpatient observation services begin.

NIHD Admission Services (AS) staff will deliver the MOON to a beneficiary receiving observation services as an outpatient *before* the 24-hour mark has been reached.

The MOON is intended to inform beneficiaries who receive observation services that they are outpatients, receiving observation services, not inpatients; and the reasons for being in outpatient observation status.

The AS Staff will provide the required oral explanation of the MOON ideally in conjunction with delivery of the notice, and will obtain a signature from the beneficiary or their representative, to acknowledge receipt.

In cases where the beneficiary or their representative refuses to sign the MOON, the (AS) staff member of NIHD providing the notice will sign the notice to certify that notification was presented.

The MOON may be delivered to a beneficiary's representative if necessary

All (AS) staff will have read and have an understanding of the contents of the MOON so they are able to explain the contents and the implications of coverage/non-coverage to the beneficiary or their representative.

**PROCEDURE:**

- Medicare beneficiaries who are placed in outpatient observation are to have the MOON included as a part of their signature packet.
- If the Medicare beneficiary is placed in observation from the Emergency Department (ED), the ED Admissions clerk will attempt to access the patient, prior to them leaving the ED, discuss the MOON and obtain the signature.
- If the ED Registration clerk is not able to access the Medicare patient prior to them being taken to the floor, the Inpatient/PBX Admission clerk will attempt to obtain signatures and discuss the MOON as soon as possible, either later the same day or the next business day, as applicable.
- If the Medicare patient is a direct admit to observation and they come through Central Registration, the discussion and signature will be completed and obtained during the registration process with one of the Admission staff in Central Registration.
- If the Medicare patient is a direct admit and bypasses Registration (is taken directly to the floor), the Inpatient/PBX Admission clerk will make it their responsibility to discuss the MOON and obtain the signature.

The discussion with the patient or their representative is to be tailored to the patient's current insurance situation, e.g. do they have:

- Federal Medicare - parts A and B coverage or part A only
  - Medicare with a Secondary plan
  - Medicare with a Supplement
  - Medicare with Medi-Cal
- A Medicare Advantage plan

With all of the above scenarios:

- Discussion of the MOON is to be delivered using positive language
- At the conclusion of the discussion, ask the patient and/or their representative if they have any questions about what was discussed
- Give a copy of the MOON to the patient or their representative
- The Admission clerk is to sign, date and time the MOON to indicate that they discussed the content of the MOON with the patient or patient's representative
- The completed MOON is to be scanned into the patient's EHR.

Before leaving the patient, remember to:



- Ask if there is anything else you can do for the patient
- Thank the patient

**POLICY:**

**PROCEDURE:**

**REFERENCES:**

**RECORD RETENTION AND DESTRUCTION:**

**CROSS REFERENCED POLICIES AND PROCEDURES:**

Supersedes: v.1 Medicare Outpatient Observation Notice\*

REVIEW



## NORTHERN INYO HEALTHCARE DISTRICT NON-CLINICAL POLICY

Title: NIHD Code of Business Ethics and Conduct		
Owner: Compliance Officer		Department: Compliance
Scope: District Wide		
Date Last Modified: 03/17/2021	Last Review Date: 03/17/2021	Version: 6
Final Approval by: NIHD Board of Directors		Original Approval Date: 01/30/2015

### Introduction

This code affirms the importance of high standards of business conduct at Northern Inyo Healthcare District. Adherence to this Code of Business Ethics and Conduct by all workforce members is the only sure way we can earn the confidence and support of the public.

This code has been prepared as a working guide and not as a technical legal document. Thus, emphasis is on being easy to read and understand, rather than on providing an all-inclusive answer to specific questions. For example, the term *employee* is used in its broadest sense and refers to every workforce member in the organization and its subsidiaries. The word *law* refers to laws, regulations, orders, and so forth. “Workforce” means persons whose conduct, in the performance of their work for NIHD, is under the direct control of NIHD or have an executed agreement with NIHD, whether or not NIHD pays them. The Workforce includes employees, NIHD contracted and subcontracted staff, NIHD clinically privileged Physicians and Allied Health Professionals (AHPs), and other NIHD health care providers involved in the provision of care of NIHD’s patients. In observance of this code, as in other business conduct, there is no substitute for common sense. Each employee should apply this code with common sense and the attitude of seeking full compliance with the letter and spirit of the rules presented.

It is your responsibility, as a member of the workforce of Northern Inyo Healthcare District, to perform satisfactorily and to follow our policies and comply with our rules as they are issued or modified from time to time.

These policies and rules are necessary to effectively manage the business and meet the ever-changing needs of the organization. Good performance and compliance with business rules lead to success. Both are crucial since our ability to provide you with career opportunities depend totally on our success in the marketplace. Nonetheless, changes in our economy, our markets, and our technology are inevitable. Indeed, career opportunities will vary between the individual companies. For these reasons, we cannot contract or even imply that your employment will continue for any particular period of time. You may terminate your employment at any time, with or without cause, and we reserve the same right. This relationship may not be modified, except in writing, signed by an appropriate representative of Northern Inyo Healthcare District.

This Code of Business Ethics and Conduct is a general guide to acceptable and appropriate behavior

at Northern Inyo Healthcare District, and you are expected to comply with its contents; however, it does not contain all of the detailed information you will need during the course of your employment. Nothing contained in this code or in other communications creates or implies an employment contract or term of employment.

Additionally, we are committed to reviewing our policies continually. This code might be modified or revised from time to time.

You should familiarize yourself with this code so that you might readily identify any proposal or act that would constitute a violation. Each employee is responsible for his or her actions. Violations can result in disciplinary action, including dismissal and criminal prosecution. However, no reprisal will be made against an employee who in good faith reports a violation or suspected violation.

The absence of a specific guideline practice or instruction covering a particular situation does not relieve an employee from exercising the highest ethical standards applicable to the circumstances.

If any employee has doubts regarding a questionable situation that might arise, he or she should immediately consult his or her immediate supervisor or member of the leadership team.

## **Competition and Antitrust**

### ***Fair Competition***

Northern Inyo Healthcare District supports competition based on quality, service, and pride. We will conduct our affairs honestly, directly, and fairly. To comply with the antitrust laws and our policy of fair competition, employees:

- Must never discuss with competitors any matter directly involved in competition between ourselves and the competitor (e.g., sales price, marketing strategies, market shares, and sales policies)
- Must never agree with a competitor to restrict competition by fixing prices or allocating markets, or by other means
- Must not arbitrarily refuse to deal with or purchase goods and services from others simply because they are competitors in other respects
- Must not require others to buy from us before we will buy from them
- Must not require customers to take from us a service they don't want before permitting them to get one they do want
- Must never engage in industrial espionage or commercial bribery
- Must be accurate and truthful in all dealings with customers, and must be careful to accurately represent the quality, features, and availability of company products and services

### ***Compliance with Laws and Regulatory Orders***

The applicable laws and regulatory orders of every jurisdiction in which the hospital operates must be followed. Each employee is charged with the responsibility of acquiring sufficient knowledge of the laws and orders relating to his or her duties in order to recognize potential dangers and to know when to seek advice.

In particular, when dealing with public officials, employees must adhere to the highest ethical standards of business conduct. When we seek the resolution of regulatory or political issues affecting

Northern Inyo Healthcare District's interests, we must do so solely on the basis of the merits and pursuant to proper procedures in dealing with such officials. Employees may not offer, provide, or solicit, directly or indirectly, any special treatment or favor in return for anything of economic value or for the promise or expectation of future value or gain. In addition, there shall be no entertaining of employees in the U.S. government.

### **Conflicts of Interest**

Several situations could give rise to a conflict of interest. The most common are accepting gifts from suppliers, employment by another company, ownership of a significant part of another company or business, close or family relationships with outside suppliers, and communications with competitors. A potential conflict of interest exists for employees who make decisions in their jobs that would allow them to give preference or favor to a customer in exchange for anything of personal benefit to themselves or their friends and families. Such situations could interfere with an employee's ability to make judgments solely in Northern Inyo Healthcare District's best interest.

### **Gifts and Entertainment**

#### ***Definition of Gifts***

*Gifts* are items and services of value that are given to any outside parties, excluding the following:

- Normal business entertainment items such as meals and beverages
- Items of minimal value, given in connection with sales campaigns and promotions, employee services, or safety or retirement awards
- Items or services with a total nominal value as defined by Northern Inyo Healthcare District policy, "Acceptance of Tips, Gratuities, Rewards, Promotional Gifts or Incentives".

#### ***Definition of Supplier***

*Supplier* includes not only vendors providing services and material to Northern Inyo Healthcare District, but also consultants, financial institutions, advisors, and any person or institution who does business with Northern Inyo Healthcare District.

#### ***Gifts***

No employee or member of his immediate family shall solicit or accept from an actual or prospective customer or supplier any compensation, advance loans, (except from established financial institutions on the same basis as other customers), gifts, entertainment, or other favors that are of more than token value or that the employee would not normally be in a position to reciprocate under normal expense account procedures.

Under no circumstances may a gift or entertainment be accepted that would influence the employee's judgment. In particular, employees must avoid any interest in or benefit from any supplier that could reasonably cause them to favor that supplier over others. It is a violation of the code for an employee to solicit or encourage a supplier to give any item or service to the employee, regardless of its value. Our suppliers will retain their confidence in the objectivity and integrity of our company only if each employee strictly observes this guideline.

#### ***Reporting Gifts***

Any employee who receives an unsolicited gift from an actual or prospective customer or supplier (items other than food or flowers) should report it to his or her supervisor. Unsolicited gifts shall be turned in to the Administrator's office for disposition.

Food and flowers received as departmental gifts must be shared amongst the Northern Inyo Healthcare District staff. At no time shall an employee keep gifts of food or flowers for themselves.

### **Discounts**

An employee might accept discounts on a personal purchase of the supplier's or customer's products only if such discounts do not affect Northern Inyo Healthcare District's purchase price and are generally offered to others having a similar business relationship with the supplier or customer.

### **Business Meetings**

Entertainment and services offered by a supplier or customer might be accepted by an employee when they are associated with a business meeting and the supplier or customer provides them to others as a normal part of its business. Examples of such entertainment and services are transportation to and from the supplier's or customer's place of business, hospitality suites, lodging at the supplier's or customer's place of business, and business lunches and dinners for business visitors to the supplier's or customer's location. The services should generally be of the type normally used by Northern Inyo Healthcare District's employees and allowable under the applicable hospital expense account.

### **Outside Employment**

Employees must not be employed outside of Northern Inyo Healthcare District in any business that competes with or provides services to Northern Inyo Healthcare District if it is:

1. In a manner that would affect their objectivity in carrying out their Northern Inyo Healthcare District responsibilities;
2. Where the outside employment would conflict with scheduled hours, including overtime, or the performance of Northern Inyo Healthcare District assignments.

Employees must not use Northern Inyo Healthcare District time, materials, information, or other assets in connection with outside employment.

### **Relationships with Suppliers and Customers**

Business transactions must be entered into solely for the best interests of Northern Inyo Healthcare District. No employee can, directly or indirectly, benefit from his or her position as an employee or from any sale, purchase, or other activity of the hospital. Employees should avoid situations involving a conflict or the *appearance* of conflict between duty to the company and self-interest.

No employee who deals with individuals or organizations doing or seeking to do business with Northern Inyo Healthcare District, or who makes recommendations with respect to such dealings, should:

- Serve as an officer, director, employee, or consultant
- Own a substantial interest in any competitor of the company, or any organization doing or seeking to do business with Northern Inyo Healthcare District (*substantial interest* means an economic interest that might influence or reasonably be thought to influence judgment or action, but shall not include an investment representing less than one percent of a class of

outstanding securities of a publicly held corporation.)

In addition, no employee who deals with individuals or organizations doing or seeking to do business with Northern Inyo Healthcare District, or who makes recommendations with respect to such dealings, may:

1. Have any other direct or indirect personal interest in any business transactions with Northern Inyo Healthcare District (other than customary employee purchases of hospital products and services as consumers and transactions where the interest arises solely by reason of the employee relationship or that of a holder of securities).
2. Provide telecommunications or information service or equipment, either directly or as a reseller, in a manner that would place the objectivity or integrity of Northern Inyo Healthcare District in question.

Our policy is that employees will not do business on behalf of Northern Inyo Healthcare District with a close personal friend or relative; however, recognizing that these transactions do occur, such transactions must be reported on the Conflict of Interest Questionnaire.

### ***Employment of Relatives or Family Members***

A relative or family member is defined as including any one of the following: any person who is related by blood or marriage, or whose relationship with the Workforce is similar to that of persons who are related by blood or marriage, including a domestic partner, and any person residing in the Workforce's household.

*Examples of relationships by blood or marriage may include, but are not limited to any of the following: Parent, child, husband, wife, grandparent, grandchild, brother, sister, uncle, aunt, nephew, niece, first cousin, step-parent, step-child, relationships by marriage, or domestic partner/cohabitating couple/significant other.*

For further details, please refer to the Northern Inyo Healthcare District policy "Employment of Relatives".

Relatives of employees will not be employed on a permanent or temporary basis by Northern Inyo Healthcare District in such a way that the relative directly reports to the employee or the employee exercises any direct influence with respect to the relative's hiring, discipline, benefits, placement, promotions, evaluations, or pay. If two relatives/family members report to the same leader, the Business Compliance Team shall review the roles of the individuals and their relationship and make appropriate recommendations.

### **Confidential Information and Privacy of Communications**

#### ***Confidential Information***

Confidential information includes all information, whether technical, business, financial, or otherwise, concerning Northern Inyo Healthcare District that is treated as confidential or secret or that is not available or is not made available publicly. It also includes any private information of or relating to patient medical records, employee records, other persons or other companies, and national security information that is obtained by virtue of the employee's position.

Northern Inyo Healthcare District policy and state and federal laws protect the integrity of the hospital's confidential information, which must not be divulged except in strict accordance with

established company policies and procedures. The obligation not to divulge confidential hospital information is in effect even though material might not be specifically identified as confidential; this obligation exists during and continues after employment with Northern Inyo Healthcare District.

A few examples of prohibited conduct are (1) selling or otherwise using, divulging, or transmitting confidential hospital information, (2) using confidential hospital information to knowingly convert a hospital business opportunity for personal use, (3) using confidential hospital information to acquire property that the employee knows is of interest to the hospital, (4) using, divulging, or transmitting confidential hospital information in the course of outside employment or other relationships or any succeeding employment or other relationship at any time.

Employees shall not seek out, accept, or use any confidential hospital information of or from a competitor of the hospital. In particular, should we hire an employee who previously worked for a competitor, we must neither accept nor solicit confidential information concerning that competitor from our employee.

## **Company Assets**

### **Cash and Bank Accounts**

All cash and bank account transactions must be handled so as to avoid any question or suspicion of impropriety. All cash transactions must be recorded in the hospital's books of account.

All accounts of company funds shall be established and maintained in the name of the hospital and may be opened or closed only on the authority of the hospital's Board of Directors. All cash received shall be promptly recorded and deposited in a hospital bank account. No funds shall be maintained in the form of cash, except as authorized and there is to be no anonymous (numbered) account at any bank. Because payments into numbered bank accounts by the hospital may leave the hospital open to suspicion of participation in a possibly improper transaction, no disbursements of any nature may be made into numbered bank accounts or other accounts not clearly identified to the hospital as to their ownership.

No payments can be made in cash (currency) other than regular, approved cash payrolls and normal disbursements from petty cash supported by signed receipts or other appropriate documentation. Further, corporate checks shall not be written to "cash", "bearer," or similar designations.

### ***Northern Inyo Healthcare District Assets and Transactions***

Compliance with prescribed accounting procedures is required at all times. Employees having control over hospital assets and transactions are expected to handle them with the strictest integrity and to ensure that all transactions are executed in accordance with management's authorization. All transactions shall be accurately and fairly recorded in reasonable detail in the hospital's accounting records.

Employees are personally accountable for hospital funds over which they have control. Employees who spend hospital funds should ensure that the hospital receives good value in return and must maintain accurate records of such expenditures. Employees who approve or certify the correctness of a bill or voucher should know that the purchase and amount are proper and correct. Obtaining or creating "false" invoices or other misleading documentation, or the invention or use of fictitious sales, purchases, services, loan entities, or other financial arrangements, is prohibited.

### ***Expense Reimbursement***

Expenses actually incurred by an employee in performing hospital business must be documented on expense reports in accordance with hospital procedures. In preparing expense reports, employees should review these procedures for the documentation that must be submitted in order to be reimbursed for business expenses.

### ***Northern Inyo Healthcare District Credit Cards***

Northern Inyo Healthcare District Board of Directors permits the use of district credit cards by certain hospital employees to pay for actual and necessary expenses incurred in the performance of work-related duties for the district and for hospital required purchases. Hospital credit cards shall be under the control of the Chief Executive Officer of Northern Inyo Healthcare District. No personal expenses will be charged on hospital credit cards. Hospital credit cards should not be used to avoid preparing documentation for direct payment to vendors. Where allowed by local law, charges on hospital credit cards for which a properly approved expense report has not been received at the time of an employee's termination of employment might be deducted from the employee's last paycheck. The hospital will pursue repayment by the employee of any amounts it has to pay on the employee's behalf.

### ***Telephones***

The hospital discourages personal use of telephones except in the case of an emergency. It is important that the hospital telephone lines be kept available for hospital business. However, it is recognized that employees sometimes need to make personal local calls from work. All employees are asked to keep these calls to a minimum. Any personal long distance calls should be made by using a personal credit card or by reversing the charges.

### ***Software and Computers***

Computerized information and computer software may appear intangible, but they are valuable assets of the hospital and must be protected from misuse, theft, fraud, loss, and unauthorized use or disposal, just as any other hospital property.

Use of hospital computers must be customer service – or job-related. Employees cannot access hospital records of any kind for their personal use. Misappropriation of computer space, time, or software includes, but is not limited to, using a computer to create or run unauthorized jobs, operating a computer in an unauthorized mode, or intentionally causing any kind of operational failure.

Use of hospital computers for personal use may only occur on dedicated breaks.

Hospital computers, email, internet access systems, hardware/software, passwords, messages and attachments which are composed, sent or received using the NIHD computer systems are all the property of the hospital. No communication on any of these devices or systems is private. All such devices or systems are subject to monitoring, access, review and/or disclosure. For additional information please see the NIHD "Internet/Email Usage" policy.

### ***Other Assets***

The property of the hospital is intended to be used in a way that benefits our patients and organization. Supplies and/or equipment belonging to the hospital will not be used by or loaned to any person, regardless of position, including hospital employees or Medical Staff for their personal use. Please refer to Northern Inyo Healthcare District policy "Company Property – Hospital Equipment and



Supplies for Personal Use” for further details.

## **Employee Conduct**

### ***Conduct while on Hospital Business***

Violations of hospital policy or illegal activity on hospital premises or while on hospital business will not be condoned and can result in disciplinary action, including dismissal and criminal prosecution. The following illustrates activities that are against hospital policy, and that will not be tolerated on hospital premises, in company vehicles, or while engaged in hospital business:

1. Consumption and storage of alcoholic beverages, except where legally licensed or authorized by an officer of the hospital.
2. Use of tobacco/nicotine products (excluding smoking cessation products) of any sort on hospital premises including in personal vehicles, in company vehicles, or while on hospital business
3. The use of non-physician prescribed controlled substances, such as drugs or alcohol, as well as the unlawful manufacture, distribution, dispensation, possession, transfer, sale, purchase, or use of a controlled substance
4. Driving vehicles or operating hospital equipment while under the influence of alcohol or controlled substances
5. Illegal betting or gambling
6. Carrying weapons of any sort on hospital premises, in hospital vehicles, or while on hospital business, regardless of whether an employee possesses the legally required permits or licenses *with the exception of hospital employed security officers.*

The hospital reserves the right to inspect any property that might be used by employees for the storage of their personal effects. This includes desks, lockers, and vehicles owned by the hospital. It is a violation of hospital policy to store any contraband, illegal drugs, toxic materials, or weapons, on hospital property.

### ***Reporting Violations***

All employees are responsible for compliance with these rules, standards and principles. In the area of ethics, legality, and propriety, each employee has an obligation to the hospital that transcends normal reporting relationships. Employees should be alert to possible violations of the code anywhere in the hospital and are encouraged to report such violations promptly. Reports should be made to the employee’s manager, Compliance Officer, or Human Resources as the circumstances dictate. Employees will also be expected to cooperate in an investigation of violations. In addition, any employee, who has been convicted of a felony, whether related to these rules or not, should also report that fact.

All cases of questionable activity involving the code or other potentially improper actions will be reviewed for appropriate actions, discipline, or corrective steps. Whenever possible, the company will keep confidential the identity of employees about or against whom allegations of violations are brought, unless or until it has been determined that a violation has occurred. Similarly, whenever possible, the company will keep confidential the identity of anyone reporting a possible violation. Any hospital employees (including Management), who report a violation or suspected violation shall be protected from any and all retaliation or retribution by any hospital employee (including Management). Such protection shall include immediate disciplinary action or sanction of the perpetrator of retaliation or retribution in addition to any remedies available under the law.

All employees are required to notify the hospital within 5 days of any conviction of any criminal statute violation occurring on the job. In addition, any employee who has been convicted of a felony, whether related to these rules or not, should report that fact.

### ***Discipline***

Violation of this code can result in serious consequences for the hospital and its image, its credibility, and the confidence of its customers, and can include substantial fines and restrictions on future operations as well as the possibility of fines and prison sentences for individual employees. Therefore, it is necessary that the hospital ensure that no violations occur. Employees should recognize that it is in their best interest – as well as the hospitals – to follow this code carefully.

The amount of any money involved in a violation may be immaterial in assessing the seriousness of a violation since in some cases, heavy penalties may be assessed against the hospital for a violation involving a relatively small amount of money, or no money.

The hospital shall determine the course of action best suited to the circumstances and may employ progressive discipline procedures as outlined in our hospital policy. The overall seriousness of the matter will be considered in setting the disciplinary action to be taken against an individual employee. Such action, which might be reviewed with the appropriate human resources organization, might include:

- Verbal Counseling
- Written Counseling
- Probation
- Termination

In addition, individual cases might involve:

- Reimbursement of losses or damages
- Referral for criminal prosecution or civil action
- Both of the above

Disciplinary action might also be taken against managers or executives who condone, permit, or have knowledge of illegal or unethical conduct by those reporting to them and who do not take corrective action. Disciplinary action might also be taken against employees who make false statements in connection with investigations of violations of this code.

The hospital's rules and regulations regarding proper employee conduct will not be waived in any respect. Violation is cause for disciplinary action, including dismissal. All employees will be held to the standards of conduct described in this booklet.

The hospital never has authorized, and never will authorize, any employee to commit an act that violates this code, or to direct a subordinate to do so. Thus no such act is justifiable as having been directed by someone in higher management.

### **Compliance Letter and Conflict of Interest Questionnaire**

All Northern Inyo Healthcare District workforce members will review the Code of Business Ethics and Conduct, sign the Code's Acknowledgement form. Annually, all workforce members shall complete and sign the Conflict of Interest Questionnaire. If the employee's circumstances change at any time, a new Conflict of Interest Questionnaire or letter of explanation must be requested and completed.

Potential conflicts of interest shall be reviewed by the NIHD Business Compliance Team on an individual basis and appropriate action shall be taken.

The Code of Business Ethics and Conduct Acknowledgement form (on the following page) should be signed and given to Human Resources for inclusion in your personnel file.

**RECORD RETENTION AND DESTRUCTION:**

**CROSS REFERENCED POLICIES AND PROCEDURES:**

1. Code of Ethical Behavior
2. Code of Ethics for Nurses
3. Compliance Program for Northern Inyo Healthcare District
4. Employee Conduct – Performance Improvement and Progressive Discipline
5. Family Member and Relatives in the Workplace
6. Non-Retaliation Policy

Supersedes: v.5 NIHD Code of Business Ethics and Conduct
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**NORTHERN INYO HEALTHCARE DISTRICT  
NON-CLINICAL POLICY**

Title: Language Access Services Policy		
Owner: Language Access Services Manager	Department: Interpretive Services	
Scope: District Wide		
Date Last Modified: 11/10/2021	Last Review Date: No Review Date:	Version: 2
Final Approval by: NIHD Board of Directors		Original Approval Date: 12/18/19

**PURPOSE:**

The purpose of this policy is to ensure timely and appropriate language or communication assistance is provided to Limited English Proficient (LEP), or hearing impaired patients or their representatives for equal and meaningful access to high quality health care services.

**POLICY:**

1. It is the policy of Northern Inyo Healthcare District (NIHD) to provide timely and appropriate language or communication assistance to patients and/or their representatives experiencing language or communication barriers.
2. NIHD provides language or communication assistance through the utilization of any of the resources approved under the District’s Language Access Services (LAS) Program.
  - a) NIHD-approved resources for language access services are:
    - i. Workforce members designated as qualified approved bilingual, qualified medical interpreter, and qualified healthcare interpreter.
    - ii. Workforce accredited as Certified Healthcare Interpreter™
    - iii. Contracted over the phone, or video remote interpreting services, and
    - iv. Translated forms, and materials into qualifying threshold languages<sup>1</sup>.
  - b) The unavailability of a qualified workforce member to provide language or communication assistance shall not cause a delay in providing health care services, in any form, and at any time. When qualified workforce members are not available, workforce members shall immediately utilize the telephone or video remote interpreting services, which are available 24 hours a day, seven days a week.
  - c) Workforce members **shall not** ask patients’ family members or friends to provide interpreter services in any form and at any time.
  - d) Workforce **not** qualified as Approved Bilingual, and **not approved** to provide language or communication assistance, shall not attempt to provide direct or indirect communication (assisted with a computer, tablet, and/or Smartphone), and shall **only** use District-approved resources for language access services.
3. NIHD:

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<sup>1</sup> Under Title VI of the Civil Rights Act of 1964, ACA § 1557, and CA Health and Safety Code, Division 2, Chapter 2, Article 1, §1259, NIHD’s only qualifying language is Spanish.

- a) Provides the assistance of trained qualified interpreters (in-person or remotely by telephone or video) to LEP, and hearing impaired patients,
  - b) Encourages patients **not to use friends or family** members as their interpreter, and
  - c) Does not allow the utilization of anyone under the age of 18 years of age as an interpreter.
4. NIHD recognizes patients' right to self-autonomy, and their right to refuse to use the qualified interpreter services provided by the District. However, in order to **ensure communication and compliance**<sup>2</sup>:
- a) NIHD workforce members shall obtain a signed Waiver of Interpreter Services any and every time a patient request to use a friend or family members (which is 18 years of age or greater) as his/her interpreter of choice. The signed waiver must be scanned as part of the medical record for that visit.
  - b) In order to ensure the accuracy and completeness of the patient's interpreter of choice, NIHD workforce members shall have a District-approved interpreter (in-person, over the phone, or video) present at the same time; during each and every time the patient is using his/her interpreter of choice.
  - c) NIHD workforce members who are requested by their friend or family member to be their interpreter of choice, are encouraged to function in the role of support-person and refrain from the interpreter role. Should the NIHD workforce member chose to interpret; an additional District-approved interpreter must be utilized.
  - d) NIHD workforce members are allowed to be the patient's interpreter of choice, without the need to sign a Waiver, **only** when one of the following circumstances apply:
    - i. The patient is a minor and the workforce member is the parent, or
    - ii. The workforce member has been designated as the patient's legal representative, and the proper documentation is on file.
  - e) NIHD workforce members obtaining the signed Waiver must complete and sign the Workforce Member Certification portion of the Waiver.
5. NIHD translates documents identified as Vital, Significant Publications, and Significant Communications into qualifying threshold languages<sup>3</sup>.
- a) All requests for translation shall be submitted to the Language Access Services Department.
6. Workforce members shall provide patients the forms and information in the patient's preferred language when they are available.
- a) When a form is available in Spanish, workforce members shall use both forms, the one in English and its Spanish translation when obtaining the patient's signature for a surgery or diagnostic procedure or any other form (the patient shall sign both forms, and both forms shall be scanned into the patient's medical record).
  - b) NIHD maintains a translated list, in qualifying languages - Spanish, of the most frequently performed procedures at NIHD. When available, the name of the surgery or procedure shall be written in Spanish in the translated form. The form in English shall have the name of the surgery or procedure written in English.
  - c) When the name of the surgery or procedure is not available in Spanish, workforce members shall write in English the name of the surgery or procedure in the Spanish form.
7. NIHD develops and posts Notices informing LEP patients of their rights to language access services.
8. NIHD designs all signage to ensure qualifying LEP populations understand how to access all public areas.

<sup>2</sup> ACA § 1557: Recipients must provide a qualified interpreter.

<sup>3</sup> Title VI of the Civil Rights Act of 1964; Affordable Care Act § 1557; and California Health and Safety Code, Division 2, Chapter 2, Article 1, § 1259

9. NIHD workforce shall be required to read and become familiar with this policy during new hire orientation, and then as required by the District.

**REFERENCES:**

This policy is in compliance with, but not limited to the following:

1. Title VI of the Civil Rights Act of 1964;
2. The Affordable Care Act, §1557;
3. California Health and Safety Code, Division 2, Chapter 2, Article 1, §1259;
4. California Health and Safety Code § 1367.04(b)(1)(B)(i)-(vi);
5. Emergency Medical Treatment and Active Labor Act; and
6. The Joint Commission Standards on Patient-Centered Communication.

**RECORD RETENTION AND DESTRUCTION:**

Patients' signed Waiver of Interpreter Services are attached to the patient's medical record, which is maintained by the hospital's medical records department.

**CROSS REFERENCED POLICIES AND PROCEDURES:**

1. Language Access Services Program.
2. Admission Services Training Manual

Supersedes: v.1 Language Access Services Policy
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**NORTHERN INYO HEALTHCARE DISTRICT  
NON-CLINICAL POLICY**

Title: Language Access Services Program		
Owner: Language Access Services Manager	Department: Interpretive Services	
Scope: District Wide		
Date Last Modified: 11/11/2021	Last Review Date: No Review Date	Version: 2
Final Approval by: NIHD Board of Directors		Original Approval Date: 6/21/17

**PURPOSE:**

The purpose of the Northern Inyo Healthcare District Language Access Service Program is to ensure workforce providing language or communication assistance have the language, and interpreting skills<sup>1</sup> required to assist in providing high quality health care services for Limited English Proficient, non-English speaking, and hearing-impaired patients.

**POLICY:**

1. It is the policy of NIHD to provide high quality health care services to all patients by ensuring timely, accurate, and appropriate language or communication assistance to non-English speaking, limited English proficient, and hearing-impaired patients.
2. NIHD shall provide language or communication assistance through the utilization of the resources approved under the Language Access Services Program.
3. Language or communication resources (in-person or remote, through a computer, tablet, and/or Smartphone) that have not been approved by the Language Access Services Department, shall not be utilized to assist workforce members communicating with non-English speaking, limited English proficient or hearing impaired patients.
4. Workforce members who have not earned the Approved Bilingual, and/or the Qualified Medical Interpreter designation shall not provide direct services in a language other than English; nor are approved to provide interpreting services, and must refrain from doing so.

**LANGUAGE ACCESS SERVICES PROGRAM:**

Northern Inyo Healthcare District recognizes that access to health care services is the right of every patient; and access to accurate and complete communication is an essential element of that right. The Program defines the

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<sup>1</sup> Joint Commission Standard HR.01.02.01 The hospital defines staff qualifications. Note 4: Qualifications for language interpreters and translators may be met through language proficiency assessment, education, training, and experience. The use of qualified interpreters and translators is supported by the Americans with Disabilities Act, Section 504 of the Rehabilitation Act of 1973, and Title VI of the Civil Rights Act of 1964.

District’s language or communication assistance resources, services, levels of service; assessment and training requirements for workforce providing services on behalf of the Program.

Northern Inyo Healthcare District offers language or communication assistance for spoken languages, and American Sign Language 24 hours a day, seven days a week.

## **RESOURCES**

The Program benefits from the following resources, including but not limited to:

- a) Approved bilingual workforce members,
- b) Workforce members qualified as medical interpreters,
- c) Certified Healthcare Interpreters<sup>2</sup>
- d) In-house and contracted certified translation services,
- e) Qualified over the phone interpreters from LanguageLine Solutions, and CyraCom,
- f) Video Remote Certified American Sign Language interpreters, and
- g) Qualified Video Remote Interpreters from the Health Care Interpreter Network (HCIN), LanguageLine Solutions, and CyraCom.

## **SERVICES**

The Program provides the following services:

- a) Direct patient care services in qualifying languages<sup>3</sup>
- b) In-person interpreting services for Spanish-speaking patients,
- c) Over-the-phone interpreting services in over 200 different spoken languages,
- d) Video Remote Interpreting for American Sign Language, and for over 40 different spoken languages, and
- e) Translation of Vital Documents in qualifying languages<sup>4</sup>

## **LEVELS OF SERVICE**

Qualified bilingual workforce members, and medical interpreters must complete all the criteria required for each designation before they are approved for providing bilingual or interpreting services.

Northern Inyo Healthcare District-qualified medical interpreters are trained on, and adhere to the California Standards for Healthcare Interpreters, including its Professional Ethical Code of Conduct, as set forth by the

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<sup>2</sup> As defined and certified by the Certification Commission for Healthcare Interpreters or CCHI.

<sup>3</sup> As required by the California Health and Safety Code Section 1259 (b)(2)(A), “Language or communication barriers.”

<sup>4</sup> In compliance with California Health and Safety Code Section 1259; and according with Office of Civil Rights Guidance on enforcing Title VI of the Civil Rights Act of 1964, the definition of Vital Documents “may depend upon the importance of the program, information, encounter, or service involved, and the consequences to the LEP person if the information in question is not provided accurately or in a timely manner.”



California Healthcare Interpreting Association; and abide by the Hospital's privacy and confidentiality policies and regulations.

The Northern Inyo Healthcare District's Language Access Services Program includes the following levels of service:

Level I – Approved Bilingual Non-Clinical Employee

Level II – Approved Bilingual Clinical Employee

Level III – Qualified Medical Interpreter

Level IV – Healthcare Interpreter

### **Level I - Approved Bilingual Non-Clinical Employee**

**Definition:** A workforce member providing direct services in a qualifying language in **non-clinical settings**.

**Criteria:** To earn the Qualified Bilingual Non-Clinical designation, the workforce member must:

- a) Hold a position in a non-clinical area where utilization of his/her bilingual skill will support the District's commitment to effectively communicate with patients by providing direct services in the qualifying language, and
- b) Pass the qualifying language proficiency test from LanguageLine Academy at level 3 or better.

### **Level II - Approved Bilingual Clinical Employee**

**Definition:** A workforce member providing direct services in a qualifying language in **clinical settings**.

**Criteria:** To earn the Qualified Bilingual Clinical designation, the workforce member must:

- a) Hold a position in a clinical area where utilization of his/her bilingual skill will support the District's commitment to effectively communicate with patients by providing direct services in the qualifying language, and
- b) Pass the qualifying language proficiency test from LanguageLine Academy at level 3+ or better.

### **Level III – Qualified Medical Interpreter**

**Definition:** A workforce member providing interpreting services in **medical settings**, as an additional role to their job.

**Criteria:** To earn the qualified medical interpreter designation, the workforce member must:

- a) Hold a position in a clinical area where utilization of his/her interpreting skills will support the District's commitment to effectively communicate with patients,
- b) Pass the qualifying language, language proficiency test from LanguageLine Academy at level 4 or better, (*Workforce member must pass this test before he/she is approved to take the required interpreters' training*)
- c) Complete a comprehensive training for healthcare interpreters, i.e. Connecting Worlds Training for Healthcare Interpreters. The training must include interpreters' code of ethics, standards of practice, and the necessary specialized vocabulary for the interpreter's field of practice, i.e. medical terminology in English, and in the second language (Spanish), or medical terminology courses must be completed separately, and
- d) Pass the medical interpreting skills test from LanguageLine Academy.

## **Level IV – Healthcare Interpreter**

**Definition:** A workforce member whose primary job is providing interpreting services in medical and non-medical settings.

**Criteria:** The requirements are listed in the Healthcare Interpreter job description.

A Healthcare Interpreter may have completed all training required before being hired at NIHD, or it must be completed before he/she is allowed to provide interpreting services.

### **REFERENCE:**

This policy is in compliance with, but not limited to the following:

1. Title VI of the Civil Rights Act of 1964;
2. The Affordable Care Act, §1557;
3. California Health and Safety Code, Division 2, Chapter 2, Article 1, §1259;
4. California Health and Safety Code § 1367.04(b)(1)(B)(i)-(vi);
5. Emergency Medical Treatment and Active Labor Act; and
6. The Joint Commission Standards on Patient-Centered Communication.

### **RECORD RETENTION AND DESTRUCTION:**

Workforce testing and training records are maintained by, and destroyed under the Human Resources Department policies.

### **CROSS REFERENCED POLICIES AND PROCEDURES:**

1. Language Access Services Program
2. Admission Services Training Manual
3. Healthcare Interpreter job description

Supersedes: v.1 Language Access Services Program
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