

- CALL TO ORDER The meeting was called to order at 5:30 p.m. by Peter Watercott, President.
- PRESENT Peter Watercott, President
D. Scott Clark, M.D., Vice President
John Ungersma, M.D., Treasurer
Pat Calloway, Secretary
Michael Phillips, M.D.
Taema Weiss, M.D., Chief of Staff
- ALSO PRESENT John Halfen, Administrator
Douglas Buchanan, Esq., Hospital District Legal Counsel
Dianne Shirley, R.N., Performance Improvement Coordinator
Sandy Blumberg, Administrative Secretary
- PUBLIC COMMENTS
ON THE AGENDA Mr. Watercott asked if any members of the public wished to address the Board on any items listed on the agenda for this meeting. No comments were heard.
- MINUTES The minutes of the October 18, 2006 regular meeting were approved.
- FINANCIAL AND
STATISTICAL REPORTS John Halfen, Chief Financial Officer, reviewed with the Board the financial and statistical reports for the month of October 2006. Mr. Halfen noted the statement of operations shows a bottom line excess of revenues over expenses of \$143,102. Mr. Halfen called attention to the following:
Gross Patient Revenue was under budget
Wages and Salaries and Employee Benefits were under budget
Total Expenses were under budget
Total Assets continue to grow steadily
Liabilities did not experience significant change
Year-to-date net revenue is \$1,186,478
Mr. Halfen noted the average number of days patient accounts are in accounts receivable has gone up, due to re-billing following Northern Inyo Hospital's (NIH's) designation as a Critical Access Hospital. Mr. Halfen also noted that even though patient revenue was down in the month of October, virtually all expenses were under budget, helping the Hospital to show a profit for the month. It was moved by Pat Calloway, seconded by Michael Phillips M.D., and passed to approve the financial statements for October 2006.
- ADMINISTRATOR'S
REPORT
- BUILDING REPORT Mr. Halfen distributed a spreadsheet of existing rebuild contracts, which showed a breakdown of the cost for each contract. The spreadsheet was

provided for informational purposes only, in order to show the Board that contract amounts are at or below the amounts previously authorized.

SOLAR ENERGY,
REBUILD PROJECT

Mr. Halfen referred to a letter from NTD Stichler Architects regarding the possibility of incorporating solar energy as a heating source for the new hospital. The cost of a solar energy system was not included in the original rebuild budget, however Mr. Halfen noted many grants are available to help cover the cost of systems of this type. If NIH is able to obtain a grant, it is likely that solar energy will be incorporated into the plans for the new facility.

COST OF LIVINT
ADJUSTMENT (COLA)

Mr. Halfen asked the Board to approve a 2 percent Cost of Living Adjustment (COLA) to employee wages, beginning with the first full pay period of January 2007. He noted management's original intention was to grant a 1.6 COLA increase in January if the financial performance of the Hospital remained strong at that time. Following review of salary and cost of living trends, Mr. Halfen is now recommending a slightly higher increase of 2%. Following discussion it was suggested that the 1.6 COLA adjustment be approved at this time, to become effective as of the first full pay period in January 2007. It was moved by Ms. Calloway, seconded by John Ungersma, M.D., and passed to approve the 1.6 percent COLA adjustment to NIH employee wages, with Doctor Phillips and Peter Watercott abstaining from the vote.

CRITICAL ACCESS
HOSPITAL UPDATE

Mr. Halfen reported the Hospital received designation as a Critical Access Hospital effective August 1 2006. The designation will initially affect cash flow negatively while patient services are re-billed to Medicare in order to receive a higher reimbursement rate. Mr. Halfen noted the Hospital will now apply for swing bed approval, and will ask for a higher number of swing beds than originally planned. The swing bed application process may take several months to complete, and policies and procedures regarding swing bed use and regulation are in the process of being developed.

PATIENT DUMPING

Mr. Halfen noted that patient "dumping" has become a healthcare issue in the Los Angeles area. When hospitals treat and release homeless patients they may not "dump" them back onto the street, but are instead obligated to deliver them to back to a homeless shelter in their area. Mr. Halfen anticipates that in the future California hospitals will be required to ensure homeless patients released from hospital care have housing for a specified amount of time following their discharge. Inyo County does not currently have a homeless shelter, so lodging for discharged homeless patients may be a challenge that will need to be addressed in the future.

BOARD MEMBER RE-ELECTION

Mr. Halfen stated that Ms. Calloway and Mr. Watercott have successfully run for re-election to the Northern Inyo County Local Hospital District Board of Directors, for a term of four years. Officer nominations for the upcoming year were taken and voted upon as follows:

- President – Peter Watercott (nominated by Doctor Ungersma, seconded by Doctor Phillips, and passed to approve)
- Vice President – D. Scott Clark, M.D. (nominated by Doctor Phillips, seconded by Doctor Ungersma, and passed to approve)
- Secretary – Pat Calloway (nominated by Doctor Phillips, seconded by Doctor Ungersma, and passed to approve)
- Treasurer – John Ungersma, M.D. (nominated by Doctor Phillips, seconded by Mr. Watercott, and passed to approve)

Mr. Halfen congratulated the re-elected Board members and thanked those who were selected to serve as officers of the Board.

RADIOLOGY EQUIPMENT PURCHASE

Mr. Halfen called attention to a proposal to purchase digital Radiology equipment from GE Healthcare Financial Services. The proposal allows for leasing the equipment with a dollar buyout option at the end of 5 years. Interim Radiology Director Bill St Jean gave an overview of the equipment proposed for purchase, which included, among other things; digital mammography equipment, a 64-slice CT scanner, and a PACS system. Dr. Nesson spoke to the importance of purchasing state of the art life-saving imaging equipment, and noted the equipment will help bring additional revenue into the Hospital. Mr. Halfen stated he is not asking to purchase a PACS system at this time, but will wait until other PACS system options have been thoroughly evaluated. Following discussion, Mr. Halfen recommended the Board approve the acquisition of the Radiology equipment for a total of \$3,914,323, and asked for authorization to order the digital mammography equipment as soon as possible. It was moved by Doctor Ungersma, seconded by Doctor Phillips, and passed to approve acquisition of the Radiology equipment as recommended. Mr. Halfen also requested the Board take action to adopt a corporate resolution to approve tax exempt financing for the purchase, per the information provided in the Board packet. It was moved by Doctor Clark, seconded by Ms. Calloway, and passed to adopt the resolution as presented.

GROUNDBREAKING CEREMONY

Mr. Halfen was pleased to report that the groundbreaking ceremony for the rebuild project will take place next Wednesday, December 13 at 10:00 am.

REGIONAL SERVICE PLANNING COMMISSION

Mr. Halfen also reported the Regional Service Planning Commission will not meet this month, and regular meetings will resume in January 2007. The item of most importance on the Commission's agenda for the next meeting will be an update of progress made toward reinstating an LVN training program in this area, through Cerro Coso Community College.

CHIEF OF STAFF
REPORT

Chief of Staff Taema Weiss, M.D. reported the Executive Committee met on November 7 and December 5 2006, and following careful review and consideration of recommendations of the Credentials Committee made the following recommendations to the District Board:

1. Appointment of Valley Emergency Physicians affiliate Doris Lin, M.D. to the NIH Provisional Active Medical Staff with requested privileges in emergency medicine;
2. Advancement of Staff member Jennie G. Walker, M.D., Valley Emergency Physicians affiliate, from NIH Provisional Medical Staff to NIH Active Medical Staff with privileges as previously granted;
3. Advancement of Staff neurologist Albert Douglas Will, M.D. from NIH Provisional Medical Staff to NIH Consulting Medical Staff with privileges as previously granted;
4. Reappointment to the NIH Medical Staff with requested privileges, for the period January 1, 2007 through December 31, 2008, as follows:
 - Active Medical Staff: Tomi L. Bortolazzo, M.D.; Charlotte C. Helvie, M.D.; Sudhir H. Kakarla, M.D.; Michael M. Karch, M.D.; John J. Perry, M.D.; Mark K. Robinson, M.D.; and Jennie G. Walker, M.D.
 - Provisional Active Medical Staff: Amanda J. Garner, M.D.; and Thomas J. Kozak, M.D.
 - Consulting Medical Staff: Gary N. Garshfield, M.D.; Marilou Terpenning, M.D.; and Edric B. Willes, M.D.

Dr. Weiss noted the committee's recommendation was made pursuant to careful review of each reappointment application and supporting documentation, including patient care data and peer review / performance evaluations. It was moved by Doctor Ungersma, seconded by Doctor Clark, and passed to approve the appointment of Doctor Lin, the advancement Doctor Walker, the advancement of Doctor Will, and the reappointments of all twelve physicians as recommended.

Dr. Weiss also stated the Executive Committee has recommended approval of the following Hospitalwide policies and procedures:

- *Preoperative Early Pregnancy Testing Protocol*
- *Perinatal HIV Prevention Program*
- *Newborn Hepatitis B Vaccine*
- *(Newborn) Glucose Monitoring Protocol*

It was moved by Ms. Calloway, seconded by Doctor Phillips, and passed to approve all four policies and procedures as presented.

OLD BUSINESS

EMPLOYEE
SATISFACTION
SURVEY

Mr. Halfen reported follow-up continues on the NIH Employee Satisfaction Survey taken in June. Department Heads were asked for suggestions to improve the ten least favorable areas of employee

satisfaction, and their suggestions were compiled and included in the Board packet for review. Administration intends to move forward to make as many improvements as possible to the ten areas noted, but Mr. Halfen noted that even the top “least favorable item” had a 60% favorable response and a 40% unfavorable response. The action plan for improvement includes suggestions such as: improving communication between management and Hospital staff; enhancement of employee recognition programs; encouraging employee career advancement; invigorating the Hospital’s PPAC Committee; improving employee/physician relations; and improving educational opportunities and tuition reimbursement programs for Hospital staff. Mr. Halfen will inform the Board if additional changes are implemented in an attempt to further improve employee satisfaction at NIH.

COMMUNICATIONS
TOWER LEASE

Mr. Halfen stated he has received a draft agreement from Alltel Communications to renew their lease on the communications tower located on Hospital property. The proposed agreement is currently being reviewed and revised by District Legal Counsel Doug Buchanan, and when finalized will be submitted for Board approval. The draft agreement calls for Alltel paying a monthly rental fee of \$1,800 per month for the tower.

PURCHASE OF HONDA
CRV

Mr. Halfen asked for Board approval to purchase a 4-wheel drive 2006 Honda CR-V to replace the 1983 Dodge Colt currently being used by Hospital staff. The CR-V would be used for a variety of purposes including regular runs between NIH and Mammoth Hospital, and is a much safer and more reliable vehicle than the one currently being used. It was moved by Doctor Clark, seconded by Ms. Calloway and passed to approve the acquisition of the Honda CR-V for the use of Hospital staff.

LETTER FROM
PATRICK PLUNKETT,
M.D.

Mr. Halfen called attention to a letter received from Patrick Plunkett, M.D. expressing his unhappiness with the manner in which an 805 claim was filed against him in 2005. Doctor Plunkett’s letter does not appear to be a formal legal claim, but it has been forwarded to Beta Healthcare for review, and Carlo Coppo, Esq. has been assigned to look into the matter. At this time no further action is planned in regard to Doctor Plunkett’s letter, but Mr. Halfen felt he should bring it to the attention of the Board.

NEW BUSINESS

DIGITAL
MAMMOGRAPHY
PROPOSAL

Mr. Halfen stated he would like to use Tobacco Tax money received previously to pay for the digital mammography equipment that will be ordered in the next couple of weeks. It was moved by Doctor Clark, seconded by Ms. Calloway, and passed to approve using Tobacco Tax money to purchase digital mammography equipment.

BLOOD ANALYZER
PURCHASE

Laboratory Directory Cathy Creekmur presented a proposal to purchase a blood analyzer for the Lab. Beckman Coulter is currently offering a promotion on the equipment, and by moving the purchase from a priority 2 to a priority 1 purchase in the budget the Hospital can realize a savings of over \$23,000 on the equipment. Following review of the proposal and equipment, it was moved by Doctor Clark, seconded by Ms. Calloway, and passed to approve the purchase of the blood analyzer as presented.

CONTRACT WITH
ROBBIN CROMER-
TYLER, M.D.

Mr. Halfen reported the contract between NIH and general surgeon Robbin Cromer-Tyler, M.D. is still being finalized, and will be presented for approval at the next regular meeting of the District Board.

ELECTRONIC HEALTH
RECORD HARDWARE
AND SOFTWARE
PURCHASE, RURAL
HEALTH CLINIC

Rural Health Clinic (RHC) managers Tracy Aspel, R.N. and Stacy Brown, M.D. presented a proposal to purchase Electronic Health Record software for RHC. After 18 months of extensive research, they have determined that GE Centricity software is the most beneficial system for use at RHC. Doctor Brown reviewed the inefficiencies of the scheduling system currently in use, which includes: excessive paperwork; lack of electronic records; liability regarding patient privacy and storage of records; additional staffing needed to handle massive amount of paper records; difficulties with filing; the ability of paper charts to be in only one place at a time; and extreme inefficiencies in the use of employee time in general; all of which translate to lost revenue for the Hospital. It would not be cost effective to customize the Quadramed Affinity program for scheduling use at RHC, and the Affinity system unfortunately is not a suitable option for an outpatient clinic. The scheduling system purchase has been designated as a priority 1 purchase on this year's budget, and the cost to purchase the system is \$76,000. Following review and discussion, it was moved by Doctor Clark, seconded by Ms. Calloway, and passed to approve the purchase of GE Centricity software for RHC as presented.

TERASON COLOR
DOPPLER
ULTRASOUND
PURCHASE

Mr. Hafen called attention to a proposal to purchase a color doppler ultrasound system for the Surgery unit. Barbara Stuhaan, RN, Surgery unit nurse manager, explained the Hospital has been borrowing Doctor Clark's ultrasound equipment for five years, which is probably an excessive amount of time to take advantage of his generously. Ms. Stuhaan explained the system proposed for purchase is used for vascular access, has the capability of being used to locate breast cysts and masses, can pinpoint nerve location for blocks, and is used for abdominal imaging particularly useful in operative obstetrics. An increasing number of physicians are having the need to use an ultrasound system on a regular basis. Upon researching the products available, Ms. Stuhaan has found the Terason system to be superior to the others, and the cost of the equipment is \$40,000. It was moved by Doctor Ungersma, seconded by

Ms. Calloway, and passed to approve the purchase of the Terason color-doppler system as presented.

ACCEPT BIDS FOR
CONSTRUCTION
PROJECT

Mr. Halfen stated the construction bids listed on the agenda for this meeting have already been reviewed and approved by the Board, and there is no longer any need to discuss them at this meeting.

BOARD MEMBER
REPORTS

Mr. Watercott asked if any members of the Board of Directors wished to report on any items of interest. No reports were heard.

OPPORTUNITY FOR
PUBLIC COMMENT

Mr. Watercott asked if any members of the public wished to address the Board on any items listed on the agenda for this meeting. No comments were heard.

ADJOURNMENT TO
CLOSED SESSION

At 8:26 pm, Mr. Watercott announced the meeting was being adjourned to closed session to allow the Board of Directors to:
A. Hear reports on the Hospital quality assurance activities, and hear a report from the Medical staff Executive Committee (Section 32155 of the Health and Safety Code, and Government Code Section 54962).

RETURN TO OPEN
SESSION

At 8:33 pm, the meeting was returned to open session. Mr. Watercott announced the Board took no reportable action.

OPPORTUNITY FOR
PUBLIC COMMENT

In keeping with the Brown act, Mr. Watercott again asked if any members of the public wished to address the Board on any items listed on the agenda for this meeting, or on any items of interest. No comments were heard.

ADJOURNMENT

The meeting was adjourned at 8:34 p.m.

Peter Watercott, President

Attest:

Patricia Ann Calloway, Secretary