

- CALL TO ORDER The meeting was called to order at 5:30p.m. by Peter Watercott, President.
- PRESENT Peter Watercott, President
D. Scott Clark, M.D., Vice President
John Ungersma, M.D., Treasurer
Michael Phillips, M.D., Secretary
M.C. Hubbard, Director
Richard Nicholson, M.D., Chief of Staff
- ALSO PRESENT John Halfen, Administrator
Douglas Buchanan, Esq., District Legal Counsel
Sandy Blumberg, Administrative Secretary
- ALSO PRESENT FOR
RELEVANT PORTIONS Dianne Shirley, R.N., Performance Improvement Coordinator
- PUBLIC COMMENTS
ON AGENDA Mr. Watercott asked if any members of the public wished to address the Board on any items listed on the agenda for this meeting. Maggie Egan, Northern Inyo Hospital (NIH) Medical Staff Coordinator commented on the impressiveness of the Hospital's newly completed Imaging Center.
- MINUTES The minutes of the February 6 2008 special meeting and the February 20 2008 regular meeting were approved as presented, with a correction being made to the date in the header of the February 6 2008 meeting minutes.
- ADMINISTRATOR'S
REPORT John Halfen, Chief Financial Officer reviewed with the Board the financial and statistical reports for the month of January 2008. Mr. Halfen noted the statement of operations shows a bottom line excess of revenues over expenses of \$483,825. Mr. Halfen called attention to the following:
- *Inpatient and outpatient service revenue were over budget*
 - *Total expenses were over budget*
 - *Salaries, wages, and employee benefits were over budget*
 - *The Balance Sheet reflects a \$3,000,000 increase in long term debt, due to the purchase of GE equipment for the new imaging center*
 - *Total Assets continue to grow steadily*
 - *Year-to-date net income is \$2,959,668*
- Mr. Halfen noted the average number of days patient accounts are in receivables is 66.7 days. He also noted professional fees expense is over budget due to the acquisition of new physicians not included in original budget projections. Mr. Halfen stated that bad debt expense continues to be high, which is a reflection of current economic conditions. Year-to-date total expenses are in good shape and are expected to remain that way through the end of the fiscal year. It was moved by M.C. Hubbard,

ADMINISTRATOR'S REPORT	seconded by Michael Phillips, M.D., and passed to approve the financial and statistical reports for the month of January 2008 as presented.
BUILDING UPDATE	Mr. Halfen reported the City of Bishop issued a certificate of occupancy for the new Imaging Center on March 14. PACS Administrator Bill St Jean reported moves into that building have begun and all patient services should be up and running in the new building by the first week in April. Mr. Halfen reported moves into the new Support building are complete and letters have been sent to local agencies asking if they are interested in acquiring the old Support and Maintenance building which is scheduled for removal in the next couple of weeks. Administration continues to review demolition and asbestos abatement bids, and tear-down of the existing (main) Hospital building is expected to take place in June or July. Bids for Phase II of the construction project will go out within 30 days of expected final approval of the plans by the Office of Statewide Healthcare Planning and Development (OSHDP). Additionally, Ainsworth Architects and Turner Construction have reviewed the technical review of mechanical engineering for Phase II, and both approve of the changes contained in the report. Mr. Halfen noted the Hospital saved a significant amount of money on design errors by having Ainsworth review the plans prior to the start of the project. He also reported Stichler has reorganized their mechanical electrical plumbing (MEP) group for Phase II of the project. It was noted that the slowdown in the economy may help lower construction costs for Phase II, and the Hospital will have a more accurate view of actual costs after Phase II project bids go out.
PROPOSED LEGISLATION ON TAX EXEMPT BONDS	Mr. Halfen called attention to information on proposed legislation that would make tax-exempt bonds more saleable by decreasing interest rates charged on bond insurance. The information was provided as a matter of general interest.
HCAHPS PATIENT SATISFACTION SURVEY	Mr. Halfen also called attention to a report which shows how NIH's patient satisfaction statistics compare to average patient satisfaction statistics for the state of California. The report shows NIH patient satisfaction percentages to be significantly above average.
MEDICARE MARGINS FOR COST REPORTING YEARS 1997-2006	Mr. Halfen referred to a report titled <i>Medicare Margins for Cost Reporting Years 1997-2006</i> , which illustrates how Medicare margins continue to adversely affect revenue received by healthcare providers. The impact on NIH is less due to the fact that the Hospital has achieved Critical Access Hospital Status.
GENERAL OBLIGATION BOND UPDATE	Mr. Halfen called attention to a communication received from Caldwell Flores Winters, Inc. updating the Hospital on options for timing of the Hospital's next bond issuance. The bonds will be issued as a result of District voter approval of Measure H in June of 2005.

PENSION STATUS
REPORT

Mr. Halfen also called attention to a status report on the Hospital's pension plan, which shows the plan continues to grow and be in good shape in spite of falling interest rates.

NEVER EVENTS

Mr. Halfen reported that Medicare and other payors have informed hospitals they will no longer pay for 'never events', or those medical treatments that never should have taken place or were found to be unnecessary. The "never events" policy allows for no payment being made for hospital acquired infections and for falls, which is bad news for hospitals in general. Medicare will also require proof that medical conditions treated by hospitals are "present on admission" (POA) so careful admission screening of patients will be more important than ever.

PASSING OF AN
EMPLOYEE

Mr. Halfen regretfully reported the passing of long-term Hospital employee Harriett Plew. Ms. Plew worked most recently in the Human Resources Department, and she will be greatly missed by hospital staff.

DIETARY INSPECTION

Mr. Halfen also reported the Dietary Department recently underwent a surprise inspection by Inyo County Environmental Health Services, and the Department passed the inspection with flying colors.

CHIEF OF STAFF
REPORT

Chief of Staff Richard Nicholson, M.D. reported the Medical Staff has nothing new to report at this time.

OLD BUSINESS

REAFFIRMATION OF
NEGOTIATOR

Mr. Halfen asked for reaffirmation of himself as negotiator regarding the potential acquisition of real property at 2957 Birch Street, Bishop, California. Negotiation will be with the designee(s) of Southern Mono County Healthcare District.

Mr. Halfen also asked for reaffirmation of himself as negotiator regarding the potential acquisition of real property at 152-H Pioneer Lane, Bishop, California. Negotiation will be with the designee(s) of Pioneer Medical Associates and/or Alice Casey, M.D. and Clifford Beck, M.D. It was moved by Ms. Hubbard, seconded by John Ungersma, M.D., and passed to approve both reaffirmations as requested, with D. Scott Clark, M.D. abstaining from the vote.

NEW BUSINESS

NAMING OF NEW
BUILDINGS & ROOMS

Mr. Halfen asked Board members for input and/or instruction regarding assigning names to newly constructed Hospital buildings and rooms. A brief discussion followed and a suggestion was made to find a way to involve District voters in at least part of the name selection process. It was also noted that members of the community occasionally inquire as to whether or not any new building or room will be named after Wilfred Partridge, since the previous Partridge Building has moved to a new location. It was noted that an "Adopt-A-Room" program may be considered, and it is also possible that sizable donations may potentially

'buy' a name for some of the buildings. Mr. Halfen asked the Board to begin considering what they would like to do in regard to this subject.

CONTRACTS
NEGOTIATOR
AGREEMENT

Mr. Halfen referred to an agreement with Healthcare Consulting Services (HCS) to negotiate health plan contracts on behalf of the Hospital District. HCS has a reputation for successfully negotiating health plan contracts to allow for reimbursement at least at the Medicare reimbursement rate. Mr. Halfen would like to give HCS six months to see if they are able to save NIH a significant amount of money on payor contracts and on workman's compensation reimbursement rates. It was moved by Doctor Ungersma, seconded by Ms. Hubbard and passed to ratify the agreement with Healthcare Consulting Services as presented.

PE SYSTEMS
AGREEMENT

Mr. Halfen also referred to an agreement with P.E. Systems LLC to analyze the Hospital's debit and credit processing service in an attempt to reduce fees the hospital pays to accept credit card payments. The agreement with P.E. Systems would be on a contingency basis and the Hospital would have to realize a savings in order for P.E. Systems to be paid for their services. It was moved by Doctor Phillips, seconded by Doctor Ungersma, and passed to approve the agreement for services with P.E. Systems LLC with minor changes being made to the agreement per the suggestion of District Legal counsel Douglas Buchanan.

LANGUAGE SERVICES
ANNUAL REPORT

Interpretive Services Manager Jose Garcia presented the Language Services Department Annual Report for September 2007 through February 2008. Mr. Garcia reported that more non-English speaking patients now come to NIH for services because fewer language barriers exist. Mr. Garcia has established a comprehensive language services policy and has greatly expanded interpreter services and the availability of printed translated materials. In the last six months the hospital has provided over 430 interpreting sessions and has greatly expanded on the training program for hospital interpreters. Following Mr. Garcia's report, members of the Board complimented the impressive job he is doing on behalf of the Hospital and its patients.

EMPLOYEE AND
PATIENT ADVOCATE

Employee and Patient Advocate (EPA) Lucy Alarid presented a report on the goals and objectives of her program for 2008. She gave an overview of services the EPA provides, and described her involvement with social services, with assisting employees and management in issues relating to employee job satisfaction and performance, and with assisting managers in developing team unity. Ms. Alarid reported that nearly every hospital patient is now seen by social services, and that improving customer service excellence is one of the main goals of her department. Ms. Alarid will continue to act as an advocate on behalf of hospital employees and patients alike, and will attempt to enhance customer and employee services as much as possible.

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

OPPORTUNITY FOR PUBLIC COMMENT In keeping with the Brown Act, Mr. Watercott again asked if any members of the public wished to address the Board of Directors on any items of interest. No comments were heard.

CLOSED SESSION At 6:50 p.m. Mr. Watercott announced the meeting was being adjourned to closed session to allow the Board of Directors to:

- A. Hear reports on the hospital quality assurance activities, and hear a report from the Medical Staff Executive Committee (Section 32155 of the Health and Safety Code, and Government Code Section 54962).
- B. Instruction of negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of real property (Government Code Section 54956.8).
- C. Instruction of negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of a second real property (Government Code Section 54956.8).
- D. Discussion with counsel of pending litigation and whether or not the District shall initiate litigation. This discussion will be held under the authority of Government Code Section 54956.9(c).
- E. Confer with legal counsel regarding pending litigation against the District by an employee (Government Code Section 54956.9(a)).
- F. Confer with legal counsel regarding claim received against Northern Inyo County Local Hospital District (Government Code Section 54956.0(a)).

RETURN TO OPEN SESSION AND REPORT OF ACTION TAKEN At 7:24 pm the meeting was returned to open session. Mr. Watercott reported the Board voted to award payment of a claim for \$200 to a Mr. Alfred Patterson.

OPPORTUNITY FOR PUBLIC COMMENT Mr. Watercott again asked if any members of the public would like to comment 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 7:25 p.m.

Peter Watercott, President

Attest:

Michael Phillips, M.D., Secretary