

CALL TO ORDER                    The meeting was called to order at 5:35 by Peter Watercott, President.

PRESENT                            Peter Watercott, President  
D. Scott Clark, M.D., Vice President  
Michael Phillips, M.D., Secretary  
M.C. Hubbard, Director

ALSO PRESENT                    John Halfen, Administrator  
Douglas Buchanan, Esq., Hospital District Legal Counsel  
Sandy Blumberg, Administrative Secretary

ABSENT                             John Ungersma, M.D., Treasurer  
Richard Nicholson, M.D., Chief of Staff

ALSO PRESENT FOR  
RELEVANT PORTION(S)         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. No comments were heard.

MINUTES                            The minutes of the March 19 2008 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 February 2008. Mr. Halfen noted the statement of operations shows a bottom line excess of expenses over revenue of \$61,251. Mr. Halfen called attention to the following:  
- *Inpatient and outpatient service revenue were under budget*  
- *Total expenses were under budget*  
- *Salaries, wages, and employee benefits were under budget*  
- *The Balance Sheet did not experience significant change*  
- *Total Assets remained relatively unchanged*  
- *Year-to-date net income is \$2,898,417*  
Mr. Halfen noted that all forms of patient revenue were down, which is not unusual for the short month of February. Looking ahead to March it appears patient revenue will return to normal and may possibly be higher than normal. Mr. Halfen also noted the average number of days that accounts are in receivables is now 66.8, and that year-to-date expenses remain in good shape. It was moved by M.C. Hubbard, seconded by D. Scott Clark, M.D., and passed to approve the financial and statistical reports for the month of February as presented.

ADMINISTRATOR'S  
REPORT

BUILDING UPDATE                Mr. Halfen reported the first two buildings of the rebuild project are now occupied and operational, and an open house celebration for the Support

and Radiology buildings will be held on April 18 from 1:30 to 5:30pm. The District Board of Directors, hospital staff, and all interested members of the general public are invited to attend this event.

#### STATE VISIT

Mr. Halfen reported the Hospital recently received an unannounced visit from the State Department of Health Services to address an anonymous complaint received in regard to allegedly inadequate staffing ratios in the Hospital's Intensive Care Unit (ICU). Mr. Halfen stated Northern Inyo Hospital (NIH) operates its ICU on a staffing waiver, and he does not believe anything will come of the complaint following the State's review of documentation of the Hospital's program flexibility waiver. Mr. Halfen also noted it is regretful that anonymous complaints are considered with seriousness equal to complaints where the complainant is identified, due to the fact that anonymous complaints are often based on a lack of knowledge or can be made for other reasons that are without merit. Mr. Halfen also reported that NIH has been informed it has been scheduled for a swing bed survey some time in the next two months.

#### SECURITY ISSUES

Mr. Halfen stated that security issues are being reviewed relative to parking arrangement and regarding the satellite location of the new Laboratory department which is no longer physically attached to the main hospital building. The Lab is staffed at night by employees who have need to walk between the two buildings during all hours of the night, creating concerns about their safety. Mr. Halfen stated that Administration is currently looking into methods of providing improved security for nighttime employees in general, and he is also looking into improved lock-down procedures for nighttime employees.

#### CHIEF OF STAFF REPORT

Medical Staff Coordinator Maggie Egan noted that Chief of Staff Richard Nicholson, M.D. was absent from this meeting yet asked that she present the Medical Staff's recommendation of the appointment to the NIH Honorary Medical Staff of Klause Gierth, M.D. and William Talbot, DDS for their years of dedication to Northern Inyo Hospital and its patients. It was moved by Doctor Clark, seconded by Ms. Hubbard, and passed to approve the two appointments as recommended. Ms. Egan also noted that Sudhir Kakarla M.D. will be moving out of the area in July, and that he will be greatly missed by the residents of our community.

#### 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

- NEW BUSINESS
- Michael Phillips, M.D. and passed to approve both reaffirmations of Mr. Halfen as negotiator as requested, with Doctor Clark abstaining from the vote.
- NAMING OF NEW BUILDINGS / ROOMS
- Mr. Halfen reminded the Board to consider what they would like to do in regard to selecting names for new Hospital buildings and new meeting rooms. Members of the local community have expressed interest in naming some part of the new hospital after those persons instrumental in the original founding of Northern Inyo Hospital.
- PHYSICIAN RECRUITMENT AND RETENTION WORKSHOP
- Mr. Halfen addressed the possibility of conducting a public workshop for the purpose of determining what role Northern Inyo Hospital should play in recruiting and retaining physicians in this area, with particular attention being paid to recruitment and retention of primary care physicians. Mr. Halfen would like to schedule such a workshop at a time when the largest number of Medical Staff members are able to attend and May 3 and June 14 2008 were suggested as possible dates. Medical Staff Coordinator Maggie Egan will poll the Medical Staff in order to choose the date most convenient for the largest number of Staff physicians wishing to attend.
- COMPLIANCE PROGRAM ANNUAL REPORT
- Compliance Officer Leo Freis presented the Compliance program annual report for the calendar year 2007. The report summarized compliance audits conducted, complaint statistics and results, and staff trainings conducted throughout the year. The report documents compliance activities conducted at NIH in order to meet Joint Commission standards. The report shows that the compliance program at NIH has been effective in identifying and correcting compliance and HIPAA violations during the 2007 calendar year.
- PURCHASE OF NEW CHEMISTRY ANALYZER
- Mr. Freis also presented a proposal to purchase a new chemistry analyzer for the clinical Laboratory. The Lab's current analyzer is aging and in frequent need of repair, and it has experienced unacceptable amounts of down time in the past year. The proposal presented allows for the purchase of new equipment as well as a backup system that should improve the ability of the lab to function independently and reliably. Extensive research has been done to select the best system for purchase, with the recommendation being to purchase equipment from Siemens Healthcare Diagnostics, Inc., and Access II reagents. It was moved by Doctor Clark, seconded by Ms. Hubbard, and passed to approve the purchase of the new chemistry analyzer for the clinical Lab as presented.
- EASTERN SIERRA BREAST CANCER ALLIANCE LEASE
- Mr. Halfen referred to a proposal to provide office space for the Eastern Sierra Breast Cancer Alliance (ESBCA), which was established in 2001 and has grown to the point that it can no longer operate out of the homes of volunteers. The ESBCA provides an invaluable service to the local community in the form of breast cancer information and resource referral, and provides services to a rapidly increasing number of local citizens.

The proposed lease will allow the organization office space at basically no cost for a period on one year, after which time the agreement will be re-evaluated for possible continuation. District Legal Counsel Doug Buchanan recommended minor housekeeping changes be made to the agreement, and it was moved by Doctor Clark, seconded by Ms. Hubbard and passed to approve the proposed lease with the ESBCA as recommended, included the changes suggested by Mr. Buchanan. Board members expressed their gratitude to ESBCA volunteers present for their selfless dedication to an extremely worthy cause, and for the invaluable service they provide for the residents of our local community.

SOUTHERN INYO  
HOSPITAL LEASE

Mr. Halfen also referred to a proposed lease with Southern Inyo Hospital (SIH) to lease office space from NIH in order to operate a pain management clinic on Hospital property one day a week. Because there is no pain management clinic operating in the local area at this time, Administration feels area residents may benefit from establishment of this part-time clinic. NIH is not endorsing the clinic at this time, but will assess the successfulness of the operation after a short period of time. It was noted that there may be liability insurance issues that would prevent on outside entity from providing services of Hospital property. Following a brief discussion the Board decided that the liability insurance issue should be investigated in more detail, and that this agenda item will be revisited at the next regular meeting of the District Board.

AUTHORITY FOR CEO  
TO ACCEPT AND  
EXECUTE BIDS FOR  
DEMOLITION

Mr. Halfen presented a proposal from Schnabel Foundation Company for shoring and underpinning for the demolition portion of Phase II of the building project. Mr. Halfen noted that Turner Construction negotiated the proposal on behalf of the Hospital, and he requested authorization to accept this bid or the lowest bid for shoring and groundwork on behalf of the District Board. District Legal Counsel Doug Buchanan asked for time to look into the question of whether or not the Board can grant authority to the Chief Executive Officer (CEO) to approve bids of this type, and it was noted there is adequate time to table this matter to the next regular meeting of the District Board. The Board stated this agenda item will be tabled to their next regular meeting scheduled to take place on May 21 2008.

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. Stacey Brown, M.D. noted he looks forward to the opportunity to participate in the upcoming physician recruitment and retention workshop.

CLOSED SESSION

At 6:40pm 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

At 6:46 pm the meeting was returned to open session. Mr. Watercott reported the Board took no reportable action.

OPPORTUNITY FOR PUBLIC COMMENT

Mr. Watercott 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 6:47.

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Peter Watercott, President

Attest:

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Michael Phillips, M.D., Secretary