

- CALL TO ORDER The meeting was called to order at 5:35 p.m. by Peter Watercott, President.
- PRESENT Peter Watercott, President
John Ungersma, M.D., Treasurer
M. C. Hubbard, Director
Richard Nicholson, M.D., Chief of Staff
- ALSO PRESENT John Halfen, Administrator
Douglas Buchanan, Esq., District Legal Counsel
Sandy Blumberg, Administration Secretary
- ABSENT Michael Phillips M.D., Secretary
- 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 July 16 2008 regular meeting and the August 19 2008 special meeting were approved.
- ADMINISTRATOR'S
REPORT
- FINANCIAL AND
STATISTICAL REPORTS John Halfen, Chief Financial Officer reviewed with the Board the financial and statistical reports for the month of July 2008. Mr. Halfen noted financial reports for the month of June 2008 were distributed to the Board but would not be discussed unless someone present had questions on their content.
- Mr. Halfen noted the statement of operations for the month of July shows a bottom line excess of revenues over expenses of \$235,003. Mr. Halfen called attention to the following:
- *Out- patient service revenue was over budget*
 - *Total expenses were close to budget*
 - *Employee benefits and professional fees expense were over budget*
 - *The Balance Sheet showed no significant change*
 - *Year-to-date net income is \$235,003*
- Mr. Halfen noted the average number of days accounts are in receivables is now 67 days. He also reported payments from the State of California are being withheld until the budget for this year is approved and passed. The withholding of State funds has created a hardship for most hospitals, however due to Northern Inyo Hospital's (NIH's) patient mix and positive financial condition, the payment suspension should not have a significant negative effect.

Mr. Halfen reviewed the status of the Hospital's investments and stated in spite of volatile financial market conditions NIH has very little risk exposure to its investments at this time. It was moved by M.C. Hubbard, seconded by John Ungersma M.D. and passed to approve the financial and statistical reports for the month of July as presented.

BUILDING UPDATE

Mr. Halfen distributed a timeline for design submittals to the Office of Statewide Healthcare Planning and Development (OSHPD), and an updated estimated timeline for construction progress for Phase II of the building project. The current estimate is that demolition of the original hospital building will begin around November 1 and be completed around December 1st, and new construction should begin in February of 2009. Mr. Halfen noted the design for the foundation of the main hospital building has been changed from a horizontal foundation to vertical pylons.

**GENERAL LIABILITY
AND MALPRACTICE
INSURANCE PREMIUM**

Mr. Halfen referred to a letter received from Beta Healthcare Group stating that following their annual audit there will be no increase to NIH's liability and malpractice insurance premium for the upcoming year.

CAPITAL FREEZE

Mr. Halfen reported that due to the freeze of funds normally received from the State of California, a hold has been placed on non-emergent capital spending until the State budget has been passed.

FYI ITEMS

Mr. Halfen also referred to an information item received from the American Hospital Association regarding possible mandatory hospital compliance with an identity theft program. He also noted that NIH's Dietary Department recently underwent an unannounced County inspection and that once again the Department passed the inspection with flying colors.

**CHIEF OF STAFF
REPORT**

Chief of Staff Richard Nicholson, M.D. reported the Medical Staff Executive Committee agendaized the following policies and procedures for approval of the District Board:

1. *Shoulder Dystocia*
2. *Ultrasound in the Perinatal Unit*
3. *Saline Contrast Study*
4. *Picture Archival Communication System Direct Physician Access*
5. *Radiology – Pregnant Patient*
6. *Radiation Protection for the Patient*
7. *Patient Restraint*
8. *Patient Radiation Exposure*
9. *Administration of Controlled Substances in the Radiology Department*
10. *Handling of Infants/Fetus/Stillborns and Genetic Workup*

Doctor Nicholson noted the policy titled "Radiology – Pregnant Patient"

has been sent back to the Radiology Department for review, and approval of that policy will be postponed to a future meeting. It was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve the policies and procedures as recommended with the exception of policy number 5 titled “*Radiology – Pregnant Patient*”.

Doctor Nicholson also reported the Medical Executive Committee recently met and recommends the following Medical Staff changes:

1. Appointment of Board-certified emergency room physician Charles Malcolm Schultz, M.D. to the Northern Inyo Hospital Provisional Active Medical Staff with requested privileges;
2. Advancement of Board-eligible OB/GYN Lara Jeanine Arndal, M.D. to the Northern Inyo Hospital Active Medical Staff with requested privileges;
3. Advancement of Board-certified pathologist Reda Michael Tadros, M.D. to the Northern Inyo Hospital Consulting Medical Staff with requested Privileges;
4. Acceptance of the resignations of Staff pathologist Gary Garshfield, M.D., and orthopaedic fellow Bret Winter, M.D..

It was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve the Medical Staff changes as requested. Doctor Nicholson also reported the Medical Executive Committee has agreed to defer consideration of the Staff status change request received from internist Sudhir P. Kakarla, M.D. to coincide with the reappointment process currently in progress. Doctor Nicholson additionally noted that medical records deficiencies are currently down to an impressive 5%.

OLD BUSINESS

REAFFIRMATIONS OF NEGOTIATOR

Mr. Halfen asked for reaffirmation of himself as negotiator regarding the potential acquisition of real property at 2857 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.. Mr. Halfen also asked for a third reaffirmation of himself as negotiator regarding the potential acquisition of real property at 152-F Pioneer Lane, Bishop, California. Negotiation will be with designee(s) of Pioneer Medical Associates and/or D. Scott Clark, M.D.. It was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve all three reaffirmations of the negotiator as requested.

RHC DIRECTOR CONTRACT RENEWAL; AND RHC STAFF PHYSICIAN CONTRACT RENEWALS

Mr. Halfen referred to a proposed renewal of the Rural Health Clinic (RHC) Medical Director and Professional Services Agreement with Stacey Brown, M.D.. Changes to this agreement’s previous version include a flat fee compensation rate of \$40 per hour and \$37.50 per encounter for patients seen. The agreement also provides for the Hospital

establishing a community pool fund for all patients seen by RHC physicians, to be distributed amongst all contracted and eligible providers quarterly in accordance with a Quality Assurance and Performance Plan established by the RHC Medical Director. Mr. Halfen also referred to RHC Staff Physician Contract renewals for Jennifer Scott M.D., Kenneth Gilliland M.D., and Michael Phillips, M.D.. It was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve the RHC Medical Director and Professional Services Agreement and all three RHC Staff Physician Agreements as presented.

**RATIFICATION OF
SECURITY CONTRACTS**

Mr. Halfen requested ratification of a Security Services agreement for per diem security employees; and for ratification of a Security Services Agreement Lead Officer Addendum for retired Bishop Police Officer Stephen Day. Mr. Halfen noted Security Service employees will be compensated at a rate of \$40 per hour, and their agreements call for twelve-hour shifts from 6pm to 6am on the Hospital premises. Mr. Halfen also noted the quality assurance aspect of security personnel will be handled by Mr. Day, who will be in charge of checking credentialing and licensure of employees, as well as scheduling security coverage. It was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve the Security Services agreements as presented. Mr. Watcott noted he is pleased that security agreements are now in place and that Mr. Day will be the Lead Security Officer for Northern Inyo Hospital.

**APPROVAL OF TWO
PURCHASE AND SALE
AGREEMENTS AND ONE
LEASE BACK
AGREEMENT,
DOCTORS BECK,
CASEY, AND CLARK**

Mr. Halfen referred to a proposed Purchase and Sale Agreement for the 17.78% general partnership interest in Pioneer Medical Associates currently owned by Alice Casey, M.D. and Clifford Beck, M.D.; and a proposed Purchase and Sale Agreement for the 8.57% general partnership interest in Pioneer Medical Associates (PMA) currently owned by D. Scott Clark, M.D.. He also referred to a Lease back Agreement for Suite H of the PMA office building located at 152 Pioneer Lane, allowing NIH to lease back suite H for a period of three years. District Legal Counsel Douglas Buchanan explained minor housekeeping changes that should be made to the documents before they are finalized. Following review of all three agreements, it was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve the Purchase and Sale Agreements and the Lease Agreement as presented, including the changes noted by Mr. Buchanan.

NEW BUSINESS

**POLICY AND
PROCEDURE MANUAL
APPROVALS**

Mr. Halfen referred to the following Hospital Policy and Procedure Manuals which were presented to the District Board for annual approval:

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|------------------------|----------------------|
| 1. Central Supply | 6. Med-Surg |
| 2. Emergency Room | 7. Pediatric Unit |
| 3. Intensive Care Unit | 8. Radiology |
| 4. Infection Control | 9. MRI Safety |
| 5. Mammography & MSQA | 10. Nuclear Medicine |

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|----------------------------|----------------------------|
| 11. Nursing Administration | 15. Rural Health Clinic |
| 12. OB | 16. Safety |
| 13. Outpatient | 17. Staff Development |
| 14. PACU | 18. Surgical Services Unit |

It was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve all eighteen policy and procedure manuals as presented.

**BOARD RESOLUTION
08-02,
APPROPRIATIONS
LIMIT**

Mr. Halfen referred to proposed Board Resolution 08-02 allowing for establishment of the appropriations limit for Northern Inyo County Local Hospital District for the July 1 2008 to June 30 2009 Fiscal Year. It was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve Resolution 08-02 as presented.

**PURCHASE OF
PERFORMANCE
IMPROVEMENT
TRAILER**

Mr. Halfen also referred to a proposal from Mod Space Corporation to purchase the modular building currently being leased by the Hospital for use by the Performance Improvement Department, for a total cost of \$18,175. It was moved by Doctor Ungersma, seconded by Ms. Hubbard and passed to approve the purchase of the modular building as presented.

**BOND RESOLUTION 08-
03, 2008 ISSUE**

Mr. Halfen referred to Bond Resolution 08-03 which would allow for issuance of the remainder of the voter-approved general obligation bonds. Mr. Halfen noted he will pursue obtaining an upgrade to the Hospital's bond rating before the end of the calendar year. It was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve Bond Resolution 08-03 as presented.

**MEMORANDUM OF
UNDERSTANDING,
NORTHERN INYO
HOSPITAL
FOUNDATION**

Mr. Halfen called attention to a Memorandum of Understanding (MOU) between Northern Inyo Hospital and the Northern Inyo Hospital Foundation, which establishes the purpose of the non-profit NIH Foundation as being to raise funds for the Northern Inyo County Local Hospital District, a public entity. It was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve the MOU between NIH and the NIH Foundation as presented.

**AFFIRMATION OF
NEGOTIATOR**

Mr. Halfen requested affirmation of himself as negotiator regarding the potential acquisition of real property at 2296 N. Sierra Highway, Bishop, California. Negotiation will be with the owner of said property. It was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to affirm Mr. Halfen as negotiator as requested.

**AMMENDMENT TO RT
& EKG MEDICAL
DIRECTOR
AGREEMENTS**

Mr. Halfen referred to proposed changes to the Medical Director Agreements for the Respiratory Therapy and EKG services of Asao Kamei, M.D.. The proposed changes allow for an increase to the Doctor's compensation equal to the amount of the NIH employee Board-approved Cost of Living Adjustment (COLA). It was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve the amendments to

the Respiratory Therapy and EKG Medical Director agreements as requested.

**CHANGES TO
LANGUAGE SERVICES
POLICY**

Language Services Director Jose Garcia referred to proposed changes to the Hospital's Language Services Policy, allowing for Hospital interpreters to be compensated according to a sliding scale for interpreter sessions performed. Following review of the proposed changes it was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve the changes to the Language Services Policy as presented.

**BOARD MEMBER
RESIGNATION**

Mr. Halfen addressed the subject of the recent resignation from the District Board of Board member D. Scott Clark, M.D.. District Legal Counsel Doug Buchanan explained the details of dealing with Board vacancies, and noted that if the NIH District Board should choose not to appoint a Director to represent Zone IV until the November general election, an appointment might be made by the Inyo County Board of Supervisors. Mr. Buchanan asked the Board to consider what action, if any, they may choose to take in regard to the current vacancy. It was also noted that NIH informed the media and general public of the Zone IV vacancy, and no individuals expressed an interest in filling the vacancy.

**BOARD MEMBER
REPORTS**

Mr. Watercott asked if any member of the Board of Directors wished to report on any items of interest. Doctor Ungersma reported he will attend the annual Association of California Hospital Districts (ACHD) meeting to be held in October.

**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 on this agenda and/or on any items of interest. No comments were heard.

CLOSED SESSION

At 6:58 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. Instruct negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of four real properties (Government Code Section 54956.8).
- C. Discuss with counsel 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).
- D. Confer with legal counsel regarding pending litigation against the District by an employee (Government Code Section 54956.9(a)).

RETURN TO OPEN
SESSION

At 7:35 p.m. the meeting was returned to open session. Mr. Watercott reported that the Board took no reportable action.

The Board again discussed the possible courses of action they might take in regard to filling the Director vacancy for District Zone IV. The Board determined that if a suitable candidate can be found to represent Zone IV until the November 2008 general election, a special meeting might be held in order to take action on this matter.

ADJOURNMENT

The meeting was adjourned at 8:15 p.m.

Peter Watercott, President

Attest:

John Ungersma, M.D., Treasurer