

- CALL TO ORDER The meeting was called to order at 5:33 pm by Peter Watercott, President.
- PRESENT Peter Watercott, President
John Ungersma, M.D., Vice President
M.C. Hubbard, Secretary
Michael Phillips, M.D., Treasurer
D. Scott Clark, M.D., Director
- ALSO PRESENT John Halfen, Administrator
Taema Weiss, M.D., Vice Chief of Staff
Douglas Buchanan, Hospital District Legal Counsel
Sandy Blumberg, Administrative Secretary
- ABSENT Richard Nicholson, M.D., Chief of Staff
Dianne Shirley, R.N., Performance Improvement Coordinator
- 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.
- MINUTES The minutes of the February 18, 2009 regular meeting were approved.
- ADMINISTRATOR'S
REPORT John Halfen, Chief Financial Officer reviewed with the Board the financial and statistical reports for the month of January 2009. Mr. Halfen noted the statement of operations shows a bottom line excess of revenues over expenses of \$542,084. Mr. Halfen called attention to the following:
- *Inpatient and outpatient service revenue were both significantly over budget*
 - *Total expenses were over budget*
 - *Salaries and wages were over budget*
 - *Professional fees expense was over budget*
 - *The Balance Sheet did not show significant change*
 - *Year-to-date net income totals \$2,735,963*
- FINANCIAL AND
STATISTICAL REPORTS Mr. Halfen noted the average number of days patient accounts are in receivables is 50 days, the lowest average he has seen since coming to Northern Inyo Hospital (NIH). Mr. Halfen also reviewed the status of the Hospital's investments, which is unchanged since the last report. He additionally noted NIH has received an \$800,000.00 payment from Medicare, and that the second bond issue has not yet taken place. 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 January 2009 as presented.
- BUILDING UPDATE Mr. Halfen reported several problems recently surfaced with Phase II of the building project, and each problem is reconcilable, although there is a

cost associated with some of the corrections that are needed. The issues that have arisen include conflicts between the location of the foundation piers and the sewer system; design errors regarding the exact location of the walls of the existing Hospital building; a small diesel spill which affected soil quality in the area of the foundation for the new building; and a push-back of the expected permit approval date from the Office of Statewide Healthcare Planning and Development (OSHPD). It was noted that NTD Stichler Architects will be responsible for correcting the two design plan errors. Mr. Halfen also reported a required pre-construction meeting with OSHPD will take place on March 25, and interested members of the Board are welcome to attend this meeting.

RADIOLOGY UPDATE

Mr. Halfen reported the Hospital has received a letter from attorneys for former NIH Staff Radiologist John Nesson, M.D. demanding reinstatement of the Doctor's privileges. The letter of demand has been refused and the Hospital is currently providing Radiology coverage through use of locums physicians who have been credentialed by NIH. The Hospital expects to continue to use Locums Radiologists for the next several months, and it is Mr. Halfen's hope that the change in Radiology coverage will not have a significant negative financial effect on the Hospital.

GENERAL OBLIGATION BONDS

Mr. Halfen reported the general obligation bonds for financing of Phase II of construction have not yet been issued, and he continues to monitor market conditions in order to choose the best possible time for the bond offering. Paperwork for the bond issue has been re-issued in order to change the year of the preliminary offering statement from 2008 to 2009.

DIETARY INSPECTION

Mr. Halfen reported the Hospital's Dietary Department again underwent an unannounced inspection by the County of Inyo, and once again the Department passed the inspection with flying colors.

CHIEF OF STAFF REPORT

Taema Weiss MD, Vice Chief Staff, reported the Medical Staff Executive Committee met on March 3 2009, and following careful review and consideration recommends the following to the Hospital District Board of Directors:

- Advancement of Board-certified anesthesiologist John Daniel Cowan, M.D. to the Northern Inyo Hospital Active Medical Staff with requested privileges;
- Appointment of Board-certified radiologists Karen Aderholdt MD, Kevin McDonnell MD, Victoria Nguyen DO, Bruce Reiner MD, Ronald Sonken M.D., Mark Takaki MD, William Zinn MD, and Jeffrey Zorn, MD, affiliated with Virtual Radiologic, to the Provisional Consulting Staff with requested privileges.

It was moved by D. Scott Clark, M.D., seconded by Ms. Hubbard, and passed to approve all Medical Staff advancements and appointments as recommended.

- OLD BUSINESS There were no Old Business items listed on the agenda for this meeting;
- NEW BUSINESS
- IT ASSESSMENT Mr. Halfen reported the Information Technology (IT) Assessment will not be presented at this meeting, and this agenda item will be revisited at a future meeting of the District Board.
- HOSPITAL CELL PHONES Leo Freis, Compliance Officer and Administrative Support Services referred to a proposed hospital wide Policy and Procedure titled “Hospital Cell Phone Use”, which was presented for approval of the District Board. The purpose of the policy is to ensure that hospital cell phones are used in accordance with IRS rules, to enhance communication within the hospital for the benefit of patient care. Mr. Freis also referred to a proposed agreement with Verizon Wireless for cell phone service. He stated that Verizon was chosen to be the Hospital’s cell phone vendor following extensive pricing research, and after contacting all local vendors. It was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve both the cell phone Policy and Procedure and the proposed agreement with Verizon Wireless as presented.
- CHANGES TO BOND DOCUMENTS Mr. Halfen called attention to proposed Board Resolution 09-03, which allows for changes being made to the documents for the second general obligation bond issue. The changes to the bond documents include a change to the year of issuance (from 2008 to 2009), and a designation of John Halfen as negotiator regarding the terms of the bond offering. It was moved by Michael Phillips, M.D., seconded by Ms. Hubbard, and passed to approve Resolution 09-03 as presented.
- PURCHASE OF MIZUHOSI FRACTURE TABLE Surgery Unit Nurse Manager, Barbara Stuhaan R.N. presented a proposal to purchase a Mizuhosi fracture table at a cost of \$117,329. Ms. Stuhaan reported that the fracture table currently in use at NIH is 17 years old and the manufacturer of the equipment has gone out of business, making it nearly impossible to get replacement parts. Orthopedic Surgeon Mark Robinson M.D. was also present and expressed his opinion on the importance of purchasing the new fracture table, which is completely radiolucent and allows for better views during surgery. Doctor Clark expressed his concern about purchasing the table at this time, mentioning it may be prudent to wait to select a new table until such time that NIH has an orthopedic surgeon who is 100% percent dedicated to practicing at this hospital. Doctor Clark noted that if NIH were to have its own orthopedic surgeon, that person may have specific desires regarding which fracture table he or she would like to use. Doctor Robinson expressed his opinion that it is likely that any orthopedic surgeon would be very satisfied with this particular table, and following discussion it was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve the purchase of the Mizuhosi fracture table as requested, with

Doctor Clark voting against the purchase, and Doctor Phillips abstaining from the vote.

AMO PHACO MACHINE
FOR CATARACT
SURGERY

Ms. Stuhaan also referred to a request to purchase an AMO Phaco machine for use during cataract surgery, at a cost of \$75,000. Ms. Stuhaan stated that Staff physician Thomas Reid, M.D. has evaluated the machine and is very impressed with its capabilities. Following discussion it was moved by Doctor Clark, seconded by Ms. Hubbard, and passed to approve the purchase of the AMO Phaco surgery equipment as requested.

BOARD MEMBER
REPORTS

Mr. Watercott asked if any members of the Board of Directors wished to report on any items of interest. Doctor Ungersma reported on the expected negative effects that government budget cuts and the economic stimulus package will have on hospitals.

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 listed on this agenda, and/or on any items of interest. Marie Boyd, R.N. updated the Board on preparations for the upcoming High Sierra Ultra Marathon, which will be held on May 16 2009. Ms. Boyd noted over 130 runners have registered for the race already, and this year a 100K distance has been added to the event.

Barbara Stuhaan R.N. reported that the video equipment purchased for the Surgery Unit is now in use, and she thanked the Board for allowing the purchase of this invaluable high quality equipment.

ADJOURNMENT TO
CLOSED SESSION

At 6:27 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 activist and hear a report from the Medical Staff Executive Committee (Section 32155 of the Health and Safety Code, and Government Code Section 54962).
- B. Confer with legal counsel regarding pending litigation against the District by an employee (Government Code Section 54956.9(a)).
- C. Conduct CEO Annual Performance Evaluation and compensation (Government Code Section 54957).

RETURN TO OPEN
SESSION

At 7:47 pm the meeting was returned to open session. Mr. Watercott reported the Board voted to readjust the pay range for the CFO/CEO position to reflect the mid-point of the current market survey for hospitals in the same size category and of the same scope as NIH. He additionally noted CFO John Halfen will be placed at the average mid-point in the salary range reflected in the market survey report, and that a market adjustment to this pay grade has not been made for 8 years.

OPPORTUNITY FOR
PUBLIC COMMENT

Mr. Watercott again asked if any members of the public wished 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 7:53 pm.

Peter Watercott, President

Attest:

M.C. Hubbard, Secretary