



Northern Inyo County Local Hospital District

Board of Directors Regular Meeting

Wednesday March 20 2013; 5:30pm

*Board Room
Birch Street Annex
2957 Birch Street, Bishop, CA*

DRAFT AGENDA

NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT BOARD OF DIRECTORS MEETING

March 20, 2013 at 5:30 P.M.

In the Northern Inyo Hospital Board Room at 2957 Birch Street, Bishop, CA

1. Call to Order (at 5:30 p.m.).
2. Opportunity for members of the public to comment on any items on this Agenda.
3. Possible Hospital Management Agreement with Renown Hospital, Reno, Nevada (*action item*).
4. Approval of the minutes of the February 20, 2013 regular meeting (*action item*).
5. Financial and Statistical Reports for the month of January 2013; John Halfen (*action item*).
6. Administrator's Report; John Halfen.
 - A. Physician Recruiting Update
 - B. Security report for January 2013
7. Chief of Staff Report; Robbin Cromer-Tyler, M.D.
 - A. Policy and Procedure approvals (*action items*):
 - 1) *General Policy for Rural Health Clinic Nurse Practitioner, RHC Standardized Procedure*
 - 2) *Adult Health Maintenance, RHC Standardized Procedure*
 - 3) *Furnishing Medications/Devices Policy for the Nurse Practitioner, RHC Standardized Procedure*
 - 4) *Management of Acute Illness, RHC Standardized Procedure*
 - 5) *Management of Chronic Illness, RHC Standardized Procedure*
 - 6) *Management of Minor Trauma, RHC Standardized Procedure*
 - 7) *Minor Surgical Procedures, RHC Standardized Procedure*
 - 8) *Obstetric Care, RHC Standardized Procedure*
 - 9) *Well Child Care, RHC Standardized Procedure*
 - 10) *General Policy for Rural Health Clinic Physician Assistant, Protocol*
 - 11) *Adult Health Maintenance Policy for Rural Health Clinic Physician Assistants, Protocol*
 - 12) *Management of Acute Illness for Rural Health Clinic Physician Assistants, Protocol*
 - 13) *Management of Chronic Illness Policy for Rural Health Clinic Physician Assistants, Protocol*
 - 14) *Management of Minor Trauma Policy for Rural Health Clinic Physician Assistants, Protocol*
 - 15) *Medication/Device Policy for Rural Health Clinic Physician Assistants, Protocol*

- 16) *Minor Surgical Policy for Rural Health Clinic Physician Assistants, Protocol*
- 17) *Well Child Care Policy for Rural Health Clinic Physician Assistants, Protocol*
- 18) *Protocol for Physician Assistant in the Operating Room.*
- 19) *Standardized Procedure for RN First Assistant (revised)*
- 20) *Medical Screening Examination for the Obstetrical Patient Performed by Registered Nurse, Standardized Procedure*

B. Medical Staff Appointment/Privileging (*action item*):

- 1) Mark Jacoby, M.D.

8. Old Business

- A. Update on CEO Succession Plan and selection of a recruiting firm (*action item*).
- B. Employee Incentive Store proposal (*action item*).

9. New Business

- A. Renewal of Eastern Sierra Emergency Physicians Agreement (*action item*).
- B. Rural Health Clinic Medical Director Agreement with Stacey Brown, M.D. (*action item*).
- C. Approval of Echocardiogram agreements with Joseph M. Ludwick, M.D. and Katrinka Kip M.D. (*action items*).
- D. Approval of Pathology Services Agreement (*action item*).
- E. Proposal from HFS Consultants (*action item*).
- F. Personnel Policy amendment, *Paid Time Off (PTO)* (*action item*).
- G. Approval of purchase of MRI Foot/Ankle Coil (*action item*).
- H. Approval of purchase of walk-in freezer, Dietary Department (*action item*).
- I. Approval of District Board Resolution 13-01 for financing of Radiology equipment (*action item*).
- J. Approval of GE Financing Agreement for Radiology equipment (*action item*).
- K. Addendum to Security Officer Agreements (*action item*).
- L. Proposed amendment to by-laws of the Hospice of the Owens Valley (*action item*).
- M. Approval of McKesson Meaningful Use II Agreement (*action item*).

10. Reports from Board members on items of interest.

11. Opportunity for members of the public to comment on any items on this Agenda, and/or on any items of interest.

12. Adjournment to closed session 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. Confer with legal counsel regarding pending litigation based on stop notice filed by Strocal, Inc. (Government Code Sections 910 et seq., 54956.9).
 - C. Confer with legal counsel regarding significant exposure of litigation (Subdivision (b) of Government Code Section 54956.9). One potential case.
13. Return to open session, and report of any action taken in closed session.
 14. Opportunity for members of the public to address the Board of Directors on items of interest.
 15. Adjournment.

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- CALL TO ORDER The meeting was called to order at 5:30pm by John Ungersma, M.D., President.
- PRESENT John Ungersma, M.D. President
M.C. Hubbard, Vice President
Denise Hayden, Secretary
D. Scott Clark, M.D., Treasurer
Peter Watercott, Member
- ALSO PRESENT John Halfen, Administrator
Robbin Cromer-Tyler, M.D., Chief of Staff
Douglas Buchanan, District Legal Counsel
Sandy Blumberg, Executive Assistant
- ALSO PRESENT FOR
RELEVANT PORTIONS Dianne Shirley, RN, Performance Improvement Coordinator
- OPPORTUNITY FOR
PUBLIC COMMENT Doctor Ungersma asked if any members of the public would like to comment on any items of interest. Asao Kamei, M.D. spoke, saying he is saddened to see the Hospice program as we know it changing. He also stated that Hospice patients have a very quiet voice and he hopes that the transition of their services goes well. Doctor Kamei also stated the work of Hospice is of great importance, now more than ever, and we owe a debt of gratitude to our Hospice volunteers and staff. Doctor Ungersma expressed his hope that the Hospice transition can be seen as a new beginning, rather than as an ending.
- CLOSED SESSION Doctor Ungersma then announced there would be a change to the order of this meeting, and that it would adjourn to closed session briefly in order to allow visiting legal counsel an opportunity to speak on a closed session agenda item then leave the area as early as possible. The meeting adjourned to closed session at 5:35pm.
- RETURN TO OPEN
SESSION AND REPORT
OF ACTION TAKEN The meeting returned to open session at 6:00pm. Doctor Ungersma reported that the Board took no reportable action.
- CONSENT AGENDA The proposed consent agenda for this meeting contained the following items:
1. Approval of the minutes of the January 16 regular meeting (*action item*).
 2. Renewal of Security Officer Agreements for S. Day; J. Boyer; K. Nelsen; F. Gomez; J. Gustafson; and D. Nolan (*action items*).
 3. Renewal of Lead Officer Security Agreement for S. Day (*action item*).
 4. Security report for December 2012 (*information item*).
 5. Financial and Statistical reports for the month of December, 2012 (*action item*).

ADMINISTRATOR'S
REPORT

It was moved by Peter Watercott, seconded by M.C. Hubbard, and passed to approve the consent agenda items as presented, with a minor change being made to the minutes.

ORTHOPEDIC
SERVICES UPDATE

Mr. Halfen reported the new Bishop orthopedic clinic, *Sierra Crest Orthopedics and Neurology*, opened on January 24, and Doctor Robinson is seeing an increasing number of patients. Doctor Robinson is moving forward to recruit a second orthopedic surgeon, and he is currently working with a couple of prospects.

PHYSICIAN
RECRUITING UPDATE

Mr. Halfen also reported we are corresponding with three OB/Gyn physicians who are possibly interested in practicing in this area. Administration also continues to recruit for internal medicine physicians and for family practitioners for the Rural Health Clinic (RHC).

KITCHEN INSPECTION

Mr. Halfen also called attention to a recent kitchen inspection report, noting again that once again Northern Inyo Hospital (NIH) passed the inspection with flying colors.

CHIEF OF STAFF
REPORT

Chief of Staff Robbin Cromer-Tyler, M.D. reported following careful review and approval by the appropriate committees, the Medical Executive Committee recommends approval of the following hospital wide policies and procedures:

1. *Rural Health Clinic Provider Quality Assurance Policy*
2. *Rural Health Clinic Provider Peer Review Policy*
3. *Newborn Pulse Oximetry Screening Prior to Discharge*
4. *Preoperative EPT Testing Protocol*
5. *Lidocaine Anesthetic for Local Infiltration Prior To Peripheral Catheter Placement*
6. *Protocol for Intravenous Insulin Infusion (AK the Cleveland Clinic Protocol)*
7. *Pediatric Standards of Care and Routines*
8. *Standards of Patient Care in the Perinatal Unit*

D. Scott Clark, M.D. expressed his feeling that policies 1 and 2 are inadequate, and he would like to see them revised before they are approved. It was noted that Dr. Clark will discuss these two policies with the RHC physicians off line, and it then was moved by Doctor Clark, seconded by Ms. Hubbard, and passed to approve policies 3 through 8 as presented.

Doctor Cromer-Tyler then called attention to a Medical Staff Bylaws amendment which addresses Credentialing Healthcare Practitioners in the Event of a Disaster. It was moved by Denise Hayden, seconded by Ms. Hubbard and passed to approve the Medical Staff Bylaws amendment as requested.

OLD BUSINESS

UPDATE ON CEO
SUCCESSION PLAN

Mr. Halfen informed the Board that two additional organizations would like to be part of the Chief Executive Officer (CEO) selection process, stating it may be worth our while to hear their proposals. The first is Healthcare Financial Solutions (HFS), who has extensive experience with successfully placing CEO's in California rural hospitals. The 2nd proposal is from Renown Hospital in Reno who would like to enter into a hospital management contract with NIH, and that agreement would include selecting a CEO replacement for Mr. Halfen. Following discussion it was moved by Ms. Hubbard, seconded by Mr. Watcrott and passed to table the selection of a recruitment firm to conduct the CEO search to the next regular meeting of the District Board.

Brief discussion also took place on the subject of ACO's (Accountable Care Organizations), and Mr. Halfen informed the board that an ACO consultant will be here on March 8 and 9 in order to give presentations on this topic.

APPROVAL OF
HOSPICE BUSINESS
PLAN

Mr. Halfen then introduced Ms. Pat West, manager of Pioneer Home Health. Ms. West was present to provide an update on the possible merger of Pioneer Home Health (PHH) and the Hospice of the Owens Valley (HOV). At the beginning of discussion, the Board complimented Ms. West on doing a lot of work on this project in a very short amount of time. Mr. Halfen also commented that the Hospital has never had any input regarding how the Hospice spends or manages its' money, and he does not see any reason to change that practice at this time.

APPROVAL OF
AGREEMENT
BETWEEN PIONEER
HOME HEALTH CARE,
NICLHD, & HOSPICE OF
THE OWENS VALLEY

Mr. Halfen stated the first step in the transition of the Hospice program is to understand and approve the proposed business plan drawn up by Ms. West, which details how Hospice services will now be provided. The 2nd step will be to approve the contract between Pioneer Home Health, HOV, and NIH, which is currently being reviewed by attorneys for each of the parties. The 3rd step in the transition will be to determine the disposition of the existing Hospice building. On this subject, Mr. Halfen noted that although the Hospital District owns the land the building is located on and therefore technically owns the building, the District has not actually put any money into the building. The building was built as a result of donations received; monies raised; and hard work on the part of Hospice volunteers and staff. It is the Hospital District's intention to handle the Hospice's transition out of that building in a manner that is financially equitable for the Hospice organization.

Ms. West referred to the proposed business plan for the merger of Hospice and PHH, noting that the plan has already been approved by the Hospice Board. Existing Hospice patients have already been transitioned to Pioneer Home Health; the Hospice volunteers have agreed to stay on; and everyone involved is already working hard toward what happens next.

Hospice Board member Tom Boo, M.D. was present, and he stated the consensus of the Hospice Board is that a purchase price of 75% of appraised value of the Hospice building may be fair when the Hospital District takes possession of that building. Mr. Halfen suggested that the District Board approve Ms. West's business plan at this meeting but table a decision on the contract, noting that Hospital Administration had suggested a purchase price of 60% of the appraised value of the Hospice building, and among other things it will take some time to negotiate a fair price. Following brief discussion it was moved by Mr. Watercott, seconded by Ms. Hubbard, and passed to approve the proposed Hospice Business Plan, and to table approval of the Hospice Agreement to the next regular meeting of the District Board.

RATIFICATION OF G.E.
FINANCING CAPITAL
LEASE

Mr. Halfen then asked for ratification of a Capital Lease with G.E. Financing for the Phillips Monitoring System, as agendized previously at the September 2012 meeting of the District Board. The financing deal has already gone through; however some of the paperwork details still need to be finalized. Following brief discussion it was moved by Ms. Hubbard, seconded by Ms. Hayden, and passed to ratify the equipment financing agreement with G.E. Financing as requested.

NEW BUSINESS

EMPLOYEE INCENTIVE
STORE

NIH Marketing Director Angie Aukee called attention to an Employee Incentive Store proposal, which would establish a program to provide rewards and incentives to hospital staff for demonstrating good behavior. The rewards that are offered would be Northern Inyo Hospital branded items that are considered to be in line with the hospital's values of promoting health and wellness, and items that have a likelihood of being given or shared with other members of the community. The program is intended to build employee morale while promoting brand loyalty with hospital staff and members of the community. Doctor Ungersma inquired as to whether or not sales tax would be charged on employee rewards, and Mr. Buchanan stated that he will look into that matter and report back to the Board. It was moved by Ms. Hayden, seconded by Ms. Hubbard to table approval of the NIH Employee Incentive Store proposal to the next regular meeting of the District Board.

PURCHASE OF ZIMMER
ORTHOPEDIC
EQUIPMENT

NIH Surgery Unit Manager Phyllis Meneses, R.N. called attention to a proposal to purchase Zimmer power equipment for use in orthopedic surgeries. Ms. Meneses noted this equipment has been included in the Surgery budget for 3 or 4 years, and now that Doctor Robinson is practicing full-time at NIH, the need has become more important. The proposed system is a power system that is lighter; more ergonomically correct; easier to sterilize; and that supplies power to surgery equipment for a longer period of time. The device can also serve as a backup power supply for other existing surgery equipment. Following review of the materials provided it was moved by Doctor Clark, seconded by Ms.

Hubbard and passed to approve the purchase of Zimmer orthopedic power equipment for the Surgery Unit as requested.

MULTIMEDICAL
BIOMEDICAL
SERVICES
AGREEMENT
RENEWAL

Mr. Halfen called attention to a renewal agreement with MultiMedical Biomedical Services, to extend their contract for a period of 3 additional years. He noted that MultiMedical biomedical engineer Scott Stoner is as good a biomedical engineer as he has ever seen. Mr. Halfen requested approval of the MultiMedical agreement, as well as Board authority to make amendments to this agreement including the following: changing the location for any possible lawsuit adjudication to Inyo County rather than Fresno; adding additional equipment to the equipment list; negotiating the 6.2% price increase in light of the fact that the inflation rate is currently only 6.0%; and attempting to hire Mr. Stoner as an NIH employee and release him from his existing employment agreement with MultiMedical. It was moved by Doctor Clark, seconded by Ms. Hubbard, and passed to renew the agreement for biomedical services with MultiMedical Corporation as requested, and to grant the Administrator the authority to negotiate the additions and changes specified.

RENEWAL OF
AGREEMENT WITH
JAMES ENGLSBY, MD

Mr. Halfen then called attention to a renewal Private Practice Physician Income Guarantee and Practice Management Agreement with James Englesby, M.D.. The renewal allows for Cost of Living Adjustments (COLAs) to Dr. Englesby's salary, and a 2% salary increase to bring his compensation to 50% of the industry standard. It was moved by Doctor Clark, seconded by Ms. Hubbard, and passed to renew the physician agreement with Doctor Englesby as requested.

RENEWAL OF RHC
PHYSICIAN STAFF
AGREEMENTS FOR
TOM BOO, MD AND
STACEY BROWN, MD

Mr. Halfen then called attention to Rural Health Clinic (RHC) Staff Physician Agreements with Tom Boo, M.D. and Stacey Brown, M.D.. The renewals include a change to allow for Medical Dental Vision (MDV) benefits for the doctors, and an inflation of the methods of payment in order to bring their compensation to a more realistic level. The physicians' salaries will also be adjusted at the same rate as NIH employees whenever Cost of Living Adjustments are granted. It was moved by Doctor Clark, seconded by Mr. Watcott, and passed to approve the RHC Staff Physician Agreements with Doctors Boo and Brown as requested. Mr. Halfen also noted that renewal of the RHC Medical Director Agreement with Stacey Brown, M.D. will be agendized for the next regular meeting of the District Board.

FOUNDATION FOR
EXCELLENCE
PROPOSAL

Members of the Bishop Union High School *Foundation for Excellence* were present, to propose that the Hospital change its' credit card processing company to a different vendor in order to have that vendor give a percentage of its' revenue back to the Foundation to assist in their fundraising efforts. Foundation President Wendy Duncan explained the history of the Foundation, whose purpose is to raise funds to help provide students at the high school with an improved learning experience. A

representative from the proposed credit card processor, *Elavon* was also present in order to answer questions. The representative explained to the Board that the change would not increase the Hospital District's costs, but it would, however, provide new revenue for the Foundation. Discussion followed regarding the District's inability to participate in any activity that might be considered to be a gift of public funds. At the conclusion of the discussion, Mr. Halfen suggested that if the company can also offer a cost savings to the Hospital, of perhaps 2%, the proposal may be allowed because it will then create a cost savings benefit for the District. The representative from *Elavon* agreed that a 2% cost savings for the District can be arranged, so it was moved by Mr. Watercott, seconded by Ms. Hayden, and passed to approve the change of the hospital's credit card processor as requested, provided it results in a 2% cost savings for the Hospital District.

PART TIME
ORTHOPEDIC SPACE IN
MONO COUNTY

Mark Robinson, M.D. was present for discussion of the Hospital District possibly funding part-time office space for him in Mono County, in order to prevent his patients who live there from having to travel to Bishop to obtain services. Doctor Robinson has found that he can obtain part time office space in Mammoth Lakes for approximately \$600 per month, and he has discussed the possibility of the Hospital paying for that space with Mr. Halfen. Discussion on this topic followed, and the point was made that NIH financial support of such an office might be seen as an infringement upon the practices of the Mammoth Hospital orthopedic surgeons. At the conclusion of discussion it was moved by Doctor Clark, seconded by Mr. Watercott, and passed to table this agenda item for the time being.

DISPOSAL OF
EXISTING
RESPIRATORY
THERAPY BUILDING

Mr. Halfen requested Board approval to dispose of the existing (modular) Respiratory Therapy (RT) building, once RT services are relocated into the old hospital building. The RT building is in significantly bad shape, and it would be a safety issue to give it away for use by any interested parties. Following brief discussion it was moved by Doctor Clark, seconded by Ms. Hayden, and passed to approve the demolition of the Respiratory Therapy building, once NIH staff has vacated it. It is possible that once the building is gone, the land that it now stands on will be used for additional outpatient parking.

BIDMED PROPOSAL
FOR PURCHASE AND
REMOVAL OF OLD
EQUIPMENT

Mr. Halfen then called attention to a proposal from BidMed Corporation to purchase and remove old equipment that the hospital no longer has use for. A list of the furnishings and equipment in question was provided, as well as a cost estimate for selling, removing, and disposing of the old equipment. It has been determined that enlisting the services of BidMed will result in a bottom line savings of \$7,500 for the Hospital District. It was moved by Doctor Clark, seconded by Ms. Hubbard and passed to accept the proposal from BidMed to purchase and remove the list of old equipment as requested.

BOARD MEMBER
REPORTS

Doctor Ungersma asked if any members of the Board of Directors wished to report on any items of interest. Mr. Watercott reported he has received a correspondence from an area resident requesting better access to the Rural Health Clinic for the Eastern Sierra Transit Authority (ESTA) bus. The existing drop off location is not ideal, and it is not close enough to the building to accommodate elderly and non-ambulatory patients. Ms. Hayden also inquired about the possibility of grants being sought to establish transportation for hospital patients to and from the hospital facility, and she asked if Grant writing and Marketing Director Angie Aukee might look into this matter. Following brief discussion it was noted that NIH Property Manager Scott Hooker will look into the issue of a closer bus drop-off spot for RHC patients; and Mr. Halfen will discuss the possibility of transportation grants further with Ms. Aukee. Doctor Ungersma also reported that six positions on the Association of California Health Care Districts (ACHD) Board will be open as of their next election, and he encouraged interested members of this Board to apply.

CLOSED SESSION

At 7:52pm Doctor Ungersma 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. Confer with legal counsel regarding pending litigation based on stop notice filed by Strocal, Inc. (Government Code Sections 910 et seq., 54956.9).

RETURN TO OPEN
SESSION AND REPORT
OF ACTION TAKEN

At 8:05pm the meeting returned to open session. Doctor Ungersma reported that the Board took no reportable action.

ADJOURNMENT

The meeting was adjourned at 8:06pm.

Signed:

John Ungersma, M.D., President

Attest:

Denise Hayden, Secretary

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Statement of Operation
Monthly Statement of Operations
For Period: 7-2013 (01/01/2013 - 01/31/2013)

	<u>January</u>	<u>MTD Budget</u>	<u>MTD Variance</u>	<u>Actual YTD</u>	<u>YTD Budget</u>	<u>YTD Variance</u>
Unrestricted Revenues, Gains & Other Support						
Inpatient Service Revenue						
Ancillary	504,830	580,728	(75,898)	3,965,237	4,027,628	(62,391)
Routine	1,650,644	1,921,142	(270,498)	15,266,590	13,324,050	1,942,540
Total Inpatient Service Revenue	2,155,474	2,501,870	(346,396)	19,231,827	17,351,678	1,880,149
Outpatient Service Revenue	5,701,117	5,710,301	(9,184)	39,027,005	39,603,681	(576,676)
Gross Patient Service Revenue	7,856,591	8,212,171	(355,580)	58,258,832	56,955,359	1,303,473
Less Deductions from Revenue						
Patient Service Revenue Deductions	(155,831)	(178,677)	22,846	(1,418,357)	(1,239,211)	(179,146)
Contractual Adjustments	(3,148,775)	(3,025,793)	(122,982)	(21,900,988)	(20,985,343)	(915,645)
Prior Period Adjustments	1,251	157,464	(156,213)	1,692,372	1,092,088	600,284
Total Deductions from Patient Service Revenue	(3,303,355)	(3,047,006)	(256,349)	(21,626,973)	(21,132,466)	(494,507)
Net Patient Service Revenue	4,553,236	5,165,165	(611,929)	36,631,859	35,822,893	808,966
Other revenue						
Other revenue	12,689	27,782	(15,093)	633,385	192,676	440,709
Transfers from Restricted Funds for Operating Exp	102,014	98,467	3,547	714,095	682,915	31,180
Total Other Revenue	114,702	126,249	(11,547)	1,347,479	875,591	471,888
Expenses:						
Salaries and Wages	1,651,527	1,799,842	(148,315)	12,231,242	12,482,768	(251,526)
Employee Benefits	1,169,944	1,119,159	50,785	8,340,738	7,761,901	578,837
Professional Fees	500,486	499,061	1,425	3,299,123	3,461,239	(162,116)
Supplies	528,720	526,582	2,138	3,530,539	3,652,090	(121,551)
Purchased Services	443,384	237,467	205,917	1,819,804	1,646,937	172,867
Depreciation	198,544	322,518	(123,974)	1,382,560	2,236,818	(854,258)
Interest Expense	230,877	180,906	49,971	1,354,036	1,254,670	99,366
Bad Debts	314,737	203,071	111,666	1,815,819	1,408,395	407,424
Other Expense	279,900	246,663	33,237	1,989,051	1,710,729	278,322
Total Expenses	5,318,119	5,135,269	182,850	35,762,910	35,615,547	147,363
Operating Income (Loss)	(650,181)	156,145	(806,326)	2,216,429	1,082,937	1,133,492
Other Income:						
District Tax Receipts	42,397	44,530	(2,133)	296,777	308,836	(12,059)
Partnership Investment Income	0	3,822	(3,822)	0	26,508	(26,508)
Grants and Other Contributions Unrestricted	0	21,233	(21,233)	48,635	147,261	(98,626)
Interest Income	10,101	7,252	2,849	59,189	50,298	8,891
Other Non-Operating Income	57,784	3,144	54,640	99,046	21,806	77,240
Net Medical Office Activity	(113,085)	(84,931)	(28,154)	(904,499)	(589,031)	(315,468)
340B Net Activity	85,754	47,254	38,500	297,392	327,730	(30,338)
Non-Operating Income/Loss	82,951	42,304	40,647	(103,460)	293,408	(396,868)
Net Income/Loss	(567,230)	198,449	(765,679)	2,112,969	1,376,345	736,624
Extraordinary Items*						
Total Extraordinary Items	(320,780)	(10,881)	(309,899)	(379,395)	(75,465)	(303,930)
Net Income/Loss Including Extraordinary Items	(888,009)	187,568	(1,075,577)	1,733,573	1,300,880	432,693

Northern Inyo Hospital
Balance Sheet
Period Ending January 31, 2013

Current Assets:	
Cash and Equivalents	389,473
Short-Term Investments	3,043,997
Assets Limited as to Use	0
Plant Replacement and Expansion Fund	2
Other Investments	1,178,290
Patient Receivable	37,929,529
Less: Allowances	-27,068,115
Other Receivables	505,455
Inventories	3,018,813
Prepaid Expenses	1,124,169
Total Current Assets	20,121,614
Internally Designated for Capital Acquisitions	827,102
Special Purpose Assets	744,486
Revenue Bonds Held by a Trustee	13,293,214
Less Amounts Required to Meet Current Obligations	0
Assets Limited as to use	14,864,801
Long Term Investments	100,000
Property & equipment, net Accumulated Depreciation	91,074,024
Unamortized Bond Costs	743,530
Total Assets	126,903,969

*Northern Inyo Hospital
Balance Sheet
Period Ending January 31, 2013*

Liabilities and Net Assets

Current Liabilities:

Current Maturities of Long-Term Debt	351,332
Accounts Payable	898,396
Accrued Salaries, Wages & Benefits	4,672,000
Accrued Interest and Sales Tax	450,434
Deferred Income	211,984
Due to 3rd Party Payors	1,900,000
Due to Specific Purpose Funds	350,759
Total Current Liabilities	8,834,904

Long Term Debt, Net of Current Maturities	61,192,747
Bond Premium	1,432,549
Total Long Term Debt	62,625,296

Net Assets

Unrestricted Net Assets	54,699,283
Temporarily Restricted	744,486
Net Income	
Total Net Assets	55,443,769

Total Liabilities and Net Assets	126,903,969
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Investments as of 1/31/2013

	Purchase Dt	Maturity Dt	Institution	Broker	Rate	Principal
1	1/15/2013	2/1/2013	LAIF (Walker Fund)	Northern Inyo Hospital	0.30%	321,667.49
2	1/2/2013	2/1/2013	Multi-Bank Securities	Multi-Bank Service	0.01%	2,572,329.50
3	5/20/2010	5/20/2013	First Republic Bank-Div of BOFA	Financial Northeaster Corp.	2.40%	150,000.00
4	5/20/2010	5/20/2015	First Republic Bank-Div of BOFA	Financial Northeaster Corp.	3.10%	100,000.00
			Total			\$3,143,996.99

Northern Inyo Hospital
Monthly Report of Capital Expenditures
Fiscal Year Ending JUNE 30, 2013
As of January 31, 2013

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
FY 2011-12	Transport Monitor for PACU to be purchased by NIH Auxillary Donation	15,000 *
	Additional Copper and Fiberoptic Cable	29,884
	Paragon Physician Documentation Module	137,254
	Ultrasound Machine	165,694 *
	AMOUNT APPROVED BY THE BOARD IN THE PRIOR FISCAL YEARS TO BE EXPENDED IN THE CURRENT FISCAL YEAR	347,832
	AMOUNT APPROVED BY THE BOARD IN THE CURRENT FISCAL YEAR TO BE EXPENDED IN THE CURRENT FISCAL YEAR	0
	Amount Approved by the Board in Prior Fiscal Years to be Expended in the Current Fiscal Year	347,832
	Amount Approved by the Board in the Current Fiscal Year to be Expended in the Current Fiscal Year	0
	Year-to-Date Board-Approved Amount to be Expended	347,832
	Year-to-Date Administrator-Approved Amount Actually Expended in Current Fiscal Year	241,864 * 0 *
	Year-to-Date Completed Building Project Expenditures	0 *
	TOTAL FUNDS APPROVED TO BE EXPENDED	589,696
	Total-to-Date Spent on Incomplete Board Approved Expenditures	0

Reconciling Totals:

Actually Capitalized in the Current Fiscal Year Total-to-Date	241,864
Plus: Lease Payments from a Previous Period	0
Less: Lease Payments Due in the Future	0
Less: Funds Expended in a Previous Period	0
Plus: Other Approved Expenditures	347,832
ACTUAL FUNDS APPROVED IN THE CURRENT FISCAL YEAR TOTAL-TO-DATE	589,696

Northern Inyo Hospital
 Monthly Report of Capital Expenditures
 Fiscal Year Ending JUNE 30, 2013
 As of January 31, 2013

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
	Donations by Auxiliary	60,000
	Donations by Hospice of the Owens Valley	0
	+Tobacco Funds Used for Purchase	0
		<u>0</u>
		<u><u>60,000</u></u>

*Completed Purchase

(Note: The budgeted amount for capital expenditures for all priority requests for the fiscal year ending June 30, 2013, is \$943,036 coming from existing hospital funds.)

**Completed in prior fiscal year

Northern Inyo Hospital
Monthly Report of Capital Expenditures
Fiscal Year Ending JUNE 30, 2013
As of January 31, 2013

Administrator-Approved Item(s)	Department	Amount	Month Total	Grand Total
Nurse Call System	NURSING	4,754		
Cast Cutter with Vacuum and Stand	ORTHOPEDIC OFFICE	3,498		
Screeener Hearing OAE	BISHOP FAMILY CLINIC	4,282		
Spot Vision Screening Device	PEDIATRIC OFFICE	6,890		
MONTH ENDING JANUARY 31, 2013			19,424	241,864

Gross Revenue by Department
For Period: 8-2013 (02/01/2013 - 02/28/2013)

	<u>February</u>	<u>Budget MTD</u>	<u>Actual YTD</u>	<u>Budget YTD</u>
Surgery Inpatient Revenue	\$-491,768	\$-358,347	\$-4,152,998	\$-3,109,952
Surgery Outpatient Revenue	\$-455,866	\$-545,631	\$-4,683,718	\$-4,735,296
Total Surgery Revenue	\$-947,635	\$-903,978	\$-8,836,717	\$-7,845,248
Lab Inpatient Revenue	\$-345,348	\$-234,718	\$-2,477,098	\$-2,037,023
Lab Outpatient Revenue	\$-974,708	\$-960,849	\$-7,807,905	\$-8,338,774
Total Laboratory Revenue	\$-1,320,057	\$-1,195,567	\$-10,285,003	\$-10,375,797
Radiology Inpatient Revenue	\$-114,741	\$-90,637	\$-1,054,725	\$-786,603
Radiology Outpatient Revenue	\$-1,386,923	\$-1,297,904	\$-11,285,723	\$-11,263,951
Total Radiology Revenue	\$-1,501,664	\$-1,388,541	\$-12,340,449	\$-12,050,554
Pharmacy Inpatient Revenue	\$-708,203	\$-512,970	\$-4,804,977	\$-4,451,866
Pharmacy Outpatient Revenue	\$-896,452	\$-802,601	\$-7,104,958	\$-6,965,443
Total Pharmacy Revenue	\$-1,604,655	\$-1,315,571	\$-11,909,935	\$-11,417,309
All Other IP Revenue	\$-1,294,396	\$-1,063,068	\$-9,696,485	\$-9,225,974
All Other OP Revenue	\$-1,872,005	\$-1,550,705	\$-13,730,654	\$-13,457,907
Total All Other Revenue	\$-3,166,401	\$-2,613,773	\$-23,427,139	\$-22,683,881
Total Gross Revenue	\$-8,540,411	\$-7,417,430	\$-66,799,243	\$-64,372,789

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NORTHERN INYO HOSPITAL

SECURITY REPORT

JANUARY 2013

FACILITY SECURITY

Access security during this period revealed fourteen exterior doors found unsecured during those times when doors were to be secured. Six interior doors were located during this same time.

Two Hospital vehicles were found unsecured during this period. One of the unsecured vehicles was found with the keys in it.

ALARMS

On January 6th a HUGGS Alarm was falsely activated.

On January 10th, a HUGGS Alarm was activated. It was determined to be an application error by Staff.

ON January 25th, a HUGGS Alarm was activated as the result of a tag falling off of a newborn.

HUMAN SECURITY

On January 1st, Security was called to the ED for an extremely intoxicated and obnoxious patient. Security Staff stood by during treatment and until patient was discharged.

On January 2nd, Security was called to the ED for a disruptive and uncooperative patient. Security Staff stood by, however the patient calmed down upon the arrival of Security Staff.

On January 6th, Inyo County Sheriff's Department presented with a combative In-Custody for medical clearance. Security Staff stood by throughout the clearance. The Arrestee was loud, profane and uncooperative during the examination.

On January 6th, A Doctor Strong was paged from ICU for a combative patient. Security responded along with other Staff. The patient was soon calmed without further incident.

On January 6th, Security was dispatched to the ED for an angry, disruptive, patient.

On January 10th, a vehicle parked in the East Lot was reported to have the trunk open. Security determined the vehicle belonged to a Staff Member. The employee related that the trunk release button on the key fob was likely, inadvertently pushed. All items in the trunk were secure.

On January 11th, Security was called to the ED for an angry and disruptive, elderly patient. Security stood by with this patient until treatment and discharge was complete.

On January 12th, an employee reported the theft of a personal item from an employee lounge. The matter was immediately investigated by on-duty Security Staff with negative results. Later follow-up by Security also failed to provide any workable leads on the theft.

On January 15th, a detox patient in ICU became combative. Security was called to assist with management of this patient. The patient calmed and was left to be managed by ICU Staff.

ICU Staff later called again on this patient, which resulted in the patient being restrained for the safety of the patient and Staff.

Again ICU Staff called and Security responded. The restraints were adjusted and no further incidents occurred this date.

On January 21st, Security Staff was called to OB for an angry and hostile OB Patient. This patient was counseled and discharged pending labor.

On January 27th, an extremely intoxicated patient, presented to the ED. This patient was cooperative and Security Staff stood by during treatment.

On January 30th, a highly intoxicated, obnoxious patient, presented to the ED. This patient was moderately uncooperative and seriously disruptive. Security stood by throughout treatment until the patient calmed and detoxed.

Security Staff provided Law Enforcement assistance on eleven occasions this month. Three were for Lab BAC's.

Security stood by with five suspected 5150's this month.

Security provided forty six patient assists this month.

(2)

EOC REPORTING INFORMATION

FIRE DOORS / OPEN OR PROPPED

0

TRESPASSING

0

VANDALISM

0

DISORDERLY CONDUCT

By Patient

11

By Others

0

SUSPICIOUS PERSON/VEHICLE/ACTION

0

PERSONAL PROPERTY DAMAGE/ LOSS

Theft from Employee

1

HOSPITAL PROPERTY DAMAGE/LOSS

0

Srd

02/26/13

2/26/13

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NORTHERN INYO HOSPITAL
STANDARDIZED PROCEDURE

GENERAL POLICY FOR RURAL HEALTH CLINIC NURSE PRACTITIONER

- I. Definition: "Nurse Practitioner" (NP) means a registered nurse who possesses additional preparation and skills in physical diagnosis, psychosocial assessment, and management of health-illness needs in primary health care, and who has been prepared in a program that conforms to board standards.

- II. Development and Review
 - A. All standardized procedures are developed collaboratively and approved by the NIH Interdisciplinary Practice Committee (IDPC) and must conform to all 11 steps of the standardized procedure guidelines as specified in Title 16, CCR Section 1474.
 - B. All standardized procedures will be kept in a manual that includes dated and signed approval sheets of the persons covered by the standardized procedures.
 - C. All standardized procedures are to be reviewed every 3 years at minimum by the NP(s), Clinic Nurse Manager, Medical Director and then by the IDPC. Standardized procedures will be updated by the Nurse Practitioner(s), Nurse Clinic Manager, or Medical Director as practice changes.
 - D. All changes or additions to the standardized procedures are to be approved by the IDPC. All standardized procedures approved by the IDPC will be sent to the Medical Staff Executive Committee and, if so approved, to the NIH Board of Directors.

- III. Setting of Practice: Northern Inyo Hospital Rural Health Clinic (NIH RHC)

- IV. Scope of Practice
 - A. The NP may perform the following functions within his/her specialty area and consistent with their experience and credentialing: assessment, management, and treatment of episodic illness, chronic illness, contraception, and the common nursing functions of health promotion, and general evaluation of health status (including but not limited to ordering laboratory procedures, x-rays, and physical therapies as well as recommending diets, and referring to specialty services when indicated).
 - B. Standardized procedure functions, such as managing medication regimens, are to be performed at NIH RHC. Consulting Medical Director Physician, or his/her relief will be available to the NP(s) in person or by phone.
 - C. Physician consultation is to be obtained under the following circumstances:
 - 1. Emergent conditions requiring prompt medical intervention after the initial stabilizing care has been started.
 - 2. Acute decompensation of patient situation.
 - 3. Problem which is not resolving as anticipated.
 - 4. History, physical, or lab finding inconsistent with the clinical picture.
 - 5. Upon request of patient, nurse, or supervising physician.

- D. Medical Records: Medical record entries by the NP shall include, for all problems addressed: the patients' statement of symptoms, the physical findings, results of special studies, the NP's assessment and management plan including further studies ordered, medication or procedures, information given patient and the names of any physicians consulted.

V. Qualifications and Evaluations

- A. Each nurse performing standardized procedure functions must have a current California registered nursing license, be a graduate of an approved Nurse Practitioner program, and have current certification as a Nurse Practitioner by the California Board of Registered Nursing.
- B. Evaluation of NP's competence in performance of standardized procedure functions will be done in the following manner:
 - 1. Initial: at 3 months, 6 months, and 12 months by the clinic nurse manager, through feedback from the NIH RHC Medical Director, other physicians and colleagues, and review of charting completed during performance period being evaluated.
 - 2. Routine: annually after the first year by the NIH RHC Nurse Manager through feedback from the physicians, colleagues and charting review.
 - 3. Follow-up: areas requiring increased proficiency, as determined by the initial or routine evaluation, will be reevaluated by the NIH RHC Nurse Manager and NIH RHC Medical Director at appropriate intervals until acceptable skill level is achieved.

The scope of supervision for the performance of the functions referred to in this area shall include chart review as per RHC chart review protocols.

- C. Further requirements shall be regular continuing education in primary care, including reading of appropriate journals and new text books, attending conferences in primary care sponsored by hospitals, professional societies, and teaching institutions equaling 15 hours a year, minimum.
 - 1. A record of continuing education must be submitted to the Clinic Nurse Manager annually at the time of the NP's evaluation.
 - 2. Continuing education information will remain on file in the NP's personnel folder along with written evaluations.

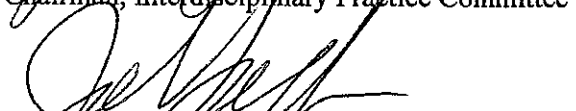
VI. Protocols

- A. The standardized procedure protocols developed for the use by the nurse practitioners are designed to describe the steps of medical care for given patient situations. They are to be used in the following circumstances: health promotion exams, contraception, routine gynecological problems, trauma, infectious disease contacts, management of acute/episodic or chronic conditions, and furnishing of medications.


Approval: This standardized procedure has been approved for use at Northern Inyo Hospital by:


Chairman, Interdisciplinary Practice Committee

4/26/10
Date


Administrator

4-26-10
Date


Chief of Staff

5/5/10
Date


President, Board of Directors

5/26/2010
Date

Registered Nurses authorized to perform this standardized procedure and date of authorization:

1. _____
2. _____
3. _____
4. _____
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**NORTHERN INYO HOSPITAL – RURAL HEALTH CLINIC
STANDARDIZED PROCEDURE**

Subject: ADULT HEALTH MAINTENANCE (Specific chronic diseases – protocols i.e. HTN, DM.)

Scope: FNPs

I. POLICY - Will meet all General Policy Standardized Procedure guidelines.

A. Function: management of adult health maintenance.

B. Circumstances:

1. Patient population: adult patients
2. Setting: Medical Clinic
3. Supervision: Physicians indicated in general standardized procedure statement.

II. PROTOCOL

A. Definition: health maintenance, health promotion and prevention activities which promote the physical, psychosocial and developmental well-being of adults.

Includes health assessment, and disease prevention through physical exam, diagnostic testing, immunizations, developmental screening, and health education.

B. Data Base

1. Subjective: obtain complete histories on all first time patients; interval histories on subsequent visits.
2. Objective.
 - a. At each visit obtain vital signs, height, weight.
 - b. Perform complete physical exam.
 - c. Perform appropriate psychosocial assessment.
 - d. Laboratory/diagnostic testing as needed.

C. Plan

1. Diagnosis

- a. Health maintenance
- b. Acute illness
- c. Current assessment of chronic illness

2. Therapeutic regimen

- a. Diet as appropriate for age/nutritional status
- b. Medications
 - i. Vitamins/mineral supplements
 - ii. Immunizations as indicated
 - iii. Hormonal replacement as indicated
 - iv. Medications appropriate to address acute and chronic health problems.
- c. Activity/exercise as appropriate for age/health status
- d. Health education related to age/health status, preventive health behaviors.
- e. Interventions appropriate to address acute and chronic health problems.

3. Consultation/referral

- a. Physician consult to be obtained under the circumstances:
 - i. Unexplained history, physical laboratory/diagnostic finding.
 - ii. Emergency conditions requiring medical intervention.
 - iii. Upon request of patient/family.
- b. Refer to specialist or other community resource indicated.

4. Follow-up

- a. According to adult health maintenance schedule sooner as indicated.

5. Record keeping

- a. Appropriate documentation to be maintained patient's chart.
- b. Allergic reaction to vaccine/medication.

D. Contraindications to immunization

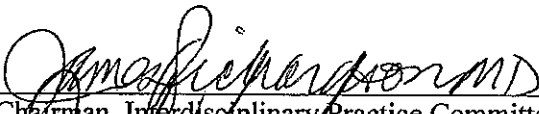
1. Live virus vaccines contraindicated (consult with physician first):
 - a. Patient with disorder of immune system
 - b. Household member of patient with disorder of immune system
 - c. Patient who received immune globulin in last 3 months
 - d. During pregnancy
 - e. PPD should not be administered for 3 months following MMR

E. Management of anaphylactic reactions to immunizations

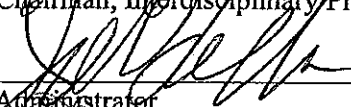
1. Mild anaphylaxis involving skin (immediate):
 - a. Pruritus, flush, urticaria, angioedema
 - b. Emergency treatment

- i. Maintain patient airway
 - ii. Administer 1:1000 (aqueous) Epinephrine SQ or IM 0.01 ml/kg. Repeat dose every 15-20 minutes. Usual dose: infants 0.05-0.10 ml, children 0.10-0.30 ml. Consult with physician.
2. Systemic – in addition to skin rash, rhinitis, redness, tearing of eyes, bronchospasm, laryngeal spasm, shock with cardiovascular collapse.
- a. Treatment:
 - i. Maintain patient airway, administer CPR if necessary.
 - ii. Administer Epinephrine as outlined above.
 - iii. Refer to M. D. Call Code Blue if indicated
 - iv. Report adverse reaction to local health department/manufacturer of vaccine.


APPROVAL: This standardized procedure has been approved for use at Northern Inyo Hospital by:




Chairman, Interdisciplinary Practice Committee



Administrator



Chief of Staff



President, Board of Directors

4/26/10

Date

4-26-10

Date

5/5/10

Date

5/26/2010

Date

Registered Nurses authorized to perform this standardized procedure and date of authorization:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

NORTHERN INYO HOSPITAL
Furnishing Medications/Devices Policy for the Nurse Practitioner
STANDARDIZED PROCEDURE

- I. Policy
 - A. As described in the General Policy Component.
 - B. Covers only those registered nurses as identified in General Policy Component.
- II. Protocol
 - A. Definition: This protocol covers the management of drugs and devices for patients of all ages presenting to the Northern Inyo Hospital Rural Health Clinic. The NP(s) may initiate, alter, discontinue, and renew medication included on, but not limited to the formulary referenced in Appendix A. All Schedule I/ II drugs are excluded. NPs will be required to have a current "Furnishing Number" which has been obtained from the Board of Registered Nursing.
 - B. Database – Nursing Practice
 1. Subjective data information will include but is not limited to: Relevant health history to warrant the use of the drug or device, no allergic history specific to the drug or device, and no personal and/or family history which is an absolute contraindication to use the drug or device.
 2. Objective data information will include but is not limited to: Physical examination appropriate to warrant the use of the drug or device and laboratory tests or procedures to indicate/contraindicate use of drug or device if necessary.
 3. Assessment: Subjective and objective information consistent for the use of the drug or device. No absolute contraindications of the use of the drug or device.
- III. Treatment – (Common Nursing Functions)
 - A. Medications/devices furnished by the NP may be either over-the-counter or medications/devices requiring a prescription.
 - B. Medications/devices may be furnished directly to the patient, or the patient's direct care giver, by the NP. (section 2725.1 of the NPA)
 - C. Medications may be furnished by transmittal. The NP may write and sign "transmittal orders" of any prescription personally stated or written by the physician, except for Class I/II controlled substances to a pharmacist. This is in accordance with the Pharmacy Law, Business and Professions Code, Section 34021.
 - D. Office samples may be dispensed per NIH policy.
 - E. The drug or device will be appropriate to the condition being treated:
 1. Dosage will be in the effective range per formulary references
 2. Not to exceed upper limit dosage per formulary references.
 - F. Medication history has been obtained including other medications being taken, medication allergies, and prior medications used for current condition.
 - G. All Medications/devices furnished shall be documented in the patient's medical record. The effectiveness of the medication/device shall be documented in the patient's medical record.
- IV. Patient Education: Provide the client with information and counseling in regard to the drug or device. Caution the client regarding potential side effects or complications with chosen drug or device. Document education process in the medical record.
- V. Consultation and/or referral: Non-responsiveness to appropriate therapy and/or unusual or unexpected side effects and as indicated in general policy statement.
- VI. Documentation

- A. A current drug list will be maintained in the patient's RHC record. All medications furnished, changes in medications, and renewals will be documented on this list.
- B. The name and furnishing number of the Nurse Practitioner is written on the transmittal order along with that of the supervising Physician.

Approval: This standardized procedure has been approved for use at Northern Inyo Hospital by:

James Richardson
Chairman, Interdisciplinary Practice Committee

11/3/10
Date

[Signature]
Administrator

10-20-10
Date

[Signature]
Chief of Staff

10-20-10
Date

[Signature]
President, Board of Directors

10-20-2010
Date

Registered Nurses authorized to perform this standardized procedure and date of authorization:

1. Lois Alexander
2. Mara Yolkner
3. Tracy Drew
4. _____
5. _____
6. _____

APPENDIX A:
FORMULARY SPECIFICATIONS for
Furnishing Medications/Devices Policy for the Nurse Practitioner
STANDARDIZED PROCEDURE

Formulary: *AHFS Drug Information*, current as published and updated annually by the American Society of Health-System Pharmacists

Deletions: The following First Tier classes will be **deleted** from the formulary as related to this policy for Nurse Practitioners

AHFS Class Number	AHFS Class Description
34:00	Dental Agents
36:00	Diagnostic Agents
38:00	Disinfectants (for agents used on objects other than skin)
60:00	Gold compounds
64:00	Heavy Metal Antagonists
76:00	Oxytocics
78:00	Radioactive agents
94:00	Devices
96:00	Pharmaceutical Aids

**NORTHERN INYO HOSPITAL – RURAL HEALTH CLINIC
STANDARDIZED PROCEDURE**

MANAGEMENT OF ACUTE ILLNESS

Scope: Nurse Practitioners (NPs)

I. POLICY – Will meet all Rural Health Clinic General Policy Standardized Procedure guidelines.

A. This standardized procedure is designed to establish guidelines that will allow the NP to medically manage acute illness and conditions.

B. Circumstances:

1. Patient population: pediatric and adult patients
2. Setting: Northern Inyo Hospital Rural Health Clinic
3. Supervision: variable, depending on severity of illness

II. PROTOCOL

A. Definition: this protocol covers the medical management of acute illness, allergies, symptomatic complaints, minor trauma and emergencies in children and adults in the family practice ambulatory care setting of the NIH Rural Health Clinic.

B. Data Base

1. Subjective

- a. Historical information relevant to the acute illness.
- b. Historical information regarding concurrent problems.
- c. Historical information regarding relevant past medical problems.
- d. Patient's/family's efforts to treat the illness/condition.
- e. History of allergic/adverse reactions to medications.
- f. Status of patient's functional abilities.

2. Objective

- a. Perform physical exam pertinent to presenting symptoms.

3. Assessment

- a. Evaluate severity of complaint (i.e., vital sign changes, level of consciousness, unusual or unexpected symptoms).
- b. Diagnosis consistent with subjective and objective findings.
- c. Record data on appropriate areas on patient's chart.

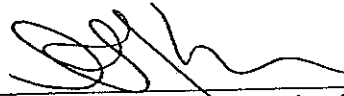
4. Plan

- a. Order laboratory testing and diagnostic procedure as indicated.
- b. Medications as indicated (see protocol Furnishing of Prescription Medications).
- c. Order further diagnostic testing as indicated.
- d. Patient education appropriate to acute illness and any procedures, diagnostic testing, or medications ordered.
- e. Order/perform therapeutic procedures as appropriate.
- f. Order medical supplies and necessary equipment for treatment.
- g. Consult with and/or refer to supervising M.D. for:

Presence of unexpected or ambiguous historical, physical or diagnostic findings.

- i. Signs of sepsis/toxic patient.
 - ii. Alteration in level of consciousness (i.e., seizure, etc.).
 - iii. Emergency situations which may be life threatening.
 - iv. Any patient whose condition warrants hospitalization.
 - v. Unresolving problems.
 - vi. Any needs of the NP requiring information/confirmation of management plans.
 - vii. Upon request of patient/family.
- h. Refer as indicated to other services/specialties.
 - i. Follow-up as indicated.

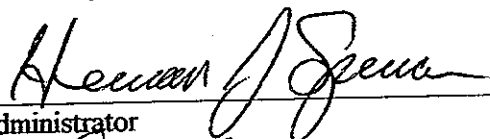
APPROVAL: This standardized procedure has been approved for use at Northern Inyo Hospital by:



Chairman, Interdisciplinary Practice Committee

10 Aug '1

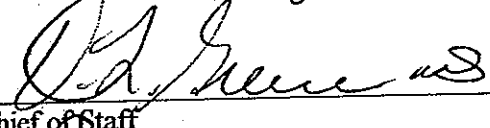
Date



Administrator

8/13/01


Date



Chief of Staff

8/14/01

Date



President, Board of Directors

8-15-01

Date

1/31/06 Reviewed and approved at Interdisciplinary Practice Committee

Registered Nurses authorized to perform this standardized procedure and date of authorization:

1. Norma Kuyler 10/31/2001
2. Lois Alexander 10/31/2001
3. Mara Clark Yelken (11/8/05) 4/15/2002
4. ~~Sylvia Patton~~ ~~7/31/02~~ removed 11/8/05
5. Joshua Verdig 11/8/05
6. Tracy Drew 7/1/08

**NORTHERN INYO HOSPITAL – RURAL HEALTH CLINIC
STANDARDIZED PROCEDURE**

MANAGEMENT OF CHRONIC ILLNESS

Scope: Nurse Practitioners (NPs)

I. POLICY – Will meet all Rural Health Clinic General Policy Standardized Procedure guidelines.

A. This standardized procedure is designed to establish guidelines that will allow the NP to manage chronic illness.

B. Circumstances:

1. Patient population: pediatric and adult patients
1. Setting: Northern Inyo Hospital Rural Health Clinic
2. Supervision: variable, depending on illness and severity of symptoms

II. PROTOCOL

A. Definition: this protocol covers the management of chronic illness in children and adults in the family practice ambulatory care setting of the Northern Inyo Hospital Rural Health Clinic.

B. Data Base

1. Subjective

- a. Pertinent history including symptoms related to the chronic illness.
- b. Present state of chronic illness (patient's perception).
- c. Historical information regarding relevant past medical problems.
- d. Effects of chronic illness on activities of daily living, psychological, physical and financial status.
- e. Patient's attitude and behaviors regarding the chronic illness.
- f. Patient's physical, social, financial support systems.
- g. Documentation of complete history updated minimally on an annual basis.

2. Objective

- a. Complete pediatric Well-Child Checkup or adult Health Maintenance Exam annually.
- b. Physical exam pertinent to chronic illness.
- c. Laboratory/diagnostic testing as indicated.

3. Assessment

- a. Qualification/quantification of chronic illness status.
- b. Record appropriately on patient chart.

4. Plan

- a. Medications as indicated (see protocol Furnishing of Prescription Medications).
- b. Laboratory/diagnostic testing as indicated.
- c. Patient education appropriate to chronic illness and any procedures, diagnostic testing, or medications ordered.
- d. Order/perform therapeutic procedures as appropriate.
- e. Order medical supplies and necessary equipment for treatment.
- f. Consult with and/or refer to supervising M.D. or patient's specialist for:
 - i. Acute decompensation of chronic stable illness.
 - ii. Ambiguous diagnostic, physical or historical findings.
 - iii. Any needs of the FNP requiring information/confirmation of management plans.
 - iv. Upon request of patient/family
- g. Refer as indicated to other specialists/services/school programs.
- h. Follow-up as indicated.

*1/31/06 Reviewed and approved at
Interdisciplinary Practice Committee*

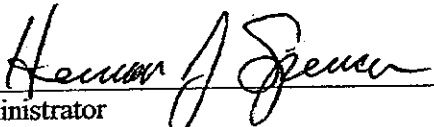
APPROVAL: This standardized procedure has been approved for use at Northern Inyo Hospital by:



Chairman, Interdisciplinary Practice Committee

10 Aug 11


Date



Administrator

8/13/01

Date



Chief of Staff

8/15/01

Date



President, Board of Directors

8-15-01

Date

Registered Nurses authorized to perform this standardized procedure and date of authorization:

1. Norma Krupar 10/31/2001
2. Lois Alexander 10/31/2001
3. Mara Clark Tipler (11/8/05) 4/15/2002
4. ~~Lydia Carlson 7/31/02~~ removed 11/8/05
5. Joshua Vendig 11/8/05
6. Traey Drew 7/1/08

**NORTHERN INYO HOSPITAL – RURAL HEALTH CLINIC
STANDARDIZED PROCEDURE**

MANAGEMENT OF MINOR TRAUMA

Scope: Nurse Practitioners (NPs)

I. POLICY – Will meet all Rural Health Clinic General Policy Standardized Procedure guidelines.

A. Function: management of minor trauma

B. Circumstances:

1. Patient population: pediatric and adult patients
2. Setting: Northern Inyo Hospital Rural Health Clinic
3. Supervision: as indicated in the Rural Health Clinic General Policy Standardized Procedure.

II. PROTOCOL

A. Definition: this standardized procedure is designed to establish guidelines that will allow NPs to manage ambulatory clients presenting with minor traumatic injuries.

B. Data Base

1. Subjective

- a. Obtain pertinent history related to the injury or traumatic event.
- b. Collect appropriate information, including past medical history, review of systems, allergies, immunizations, and medications.

2. Objective

- a. Perform limited physical examinations pertinent to the injury, including any possible involved organ system.
- b. Obtain appropriate evaluative studies, including but not limited to, lab work and x-rays (see lab protocol).

C. Assessment

1. Formulate a working diagnosis consistent with data base collected.

D. Plan

1. If indicated, develop or initiate a therapeutic regimen including, but not limited to, the following:

- a. Physician consultation prior to management as per policy statement or in the following cases:
 - i. Any injury threatening to life or limb.
 - ii. Any laceration requiring complicated suture closure (see minor surgical protocol).
 - iii. Any fracture or injury requiring immobilization by full casting.
 - iv. Complicated or extensive burns.
 - v. Any case where surgical intervention may be needed.
- b. Further diagnostic tests.
- c. Skin/wound care appropriate to injury.
- d. Apply or furnish appropriate medications and/or immunizations.
- e. Refer to appropriate support services including Physical Therapy, and "in-house" support services.
- f. Develop appropriate follow-up care plan to maximize healing and rehabilitation.
 - i. Provide appropriate health education materials including, but not limited to, cast care and precautions, head trauma, suture care, and use of oral or topical medications.
 - ii. Schedule follow-up appointments as appropriate.
- g. Update problem list.

*1/31/06 Reviewed and approved at
Interdisciplinary Practice Committee*

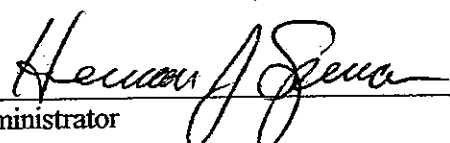
APPROVAL: This standardized procedure has been approved for use at Northern Inyo Hospital by:



Chairman, Interdisciplinary Practice Committee

10 Aug '1

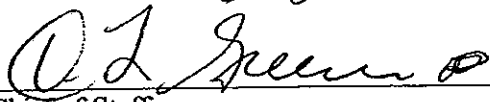
Date



Administrator

8/13/01

Date



Chief of Staff

8/10/01

Date



President, Board of Directors

8-15-01

Date

Registered Nurses authorized to perform this standardized procedure and date of authorization:

1. Norma Keyder 10/31/2001
2. David Alexander 10/31/2001
3. Mara Clark, Yelken (11/8/05) 4/15/2002
4. ~~Alvin Colton~~ 7/3/02 removed 11/8/05
5. Joshua Vendig 11/8/05
6. Tracy Drew 7/1/08

**NORTHERN INYO HOSPITAL – RURAL HEALTH CLINIC
STANDARDIZED PROCEDURE**

Subject: MINOR SURGICAL PROCEDURES

Scope: FNPs

I. POLICY – Will meet all General Policy Standardized Procedure guidelines.

A. Function: management of minor surgical procedures.

B. Circumstances:

1. Patient population: pediatric and adult patients
2. Setting: Medical Clinics
3. Supervision: Physicians as indicated in the General Standardized Procedure statement

II. PROTOCOL

A. Definition: this standardized procedure is designed to establish guidelines that will allow the FNP to perform minor surgical procedures incidental to the provision of routine primary care to ambulatory patients of Northern Inyo Hospital Rural Health Clinic.

B. Conditions: after appropriate training and experience minor procedures that can be performed by the FNP without direct physician supervision include:

- Pessary placement
- Electrocautery of external, non-facial, non-malignant lesions less than 1 cm in size, e.g. warts
- Epidermal cyst removal (non-facial) less than 3 cm in size
- Incision and drainage of non-facial abscess less than 1 cm in size
- No incision and drainage of peri-rectal abscesses will be done
- Suture non-facial laceration less than 5 cm in size without nerve or tendon involvement
- Mole removal (non-facial)
- Punch or shave biopsy
- Toe nail removal
- Cryotherapy
- IUD insertion and removal
- Excision of simple lesions
- Simple foreign body removal
- Endometrial biopsy
- Arthrocentesis/Steroid joint injection**
- Excision of hemorrhoid thrombus

C. Data Base

1. Subjective

- a. Obtain pertinent history including involved organ system, injury, trauma, dermatology problems, etc.
- b. Obtain information regarding review of system, risk taking behaviors, prior surgery, allergies, and immunizations.

2. Objective

- a. Perform physical examination pertinent to assessment of the problem.
- b. Collect appropriate diagnostic/radiological studies.

D. Assessment

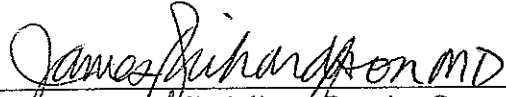
- 1. Formulate diagnosis consistent with the above data base.

E. Plan

1. Develop therapeutic regimen

- a. Perform appropriate procedure utilizing standard aseptic technique.
- b. Obtain additional diagnostic studies as indicated.
- c. Physician consultation/assistance in performing the procedure as per policy statement or above conditions.
- d. Patient education and self-care techniques.
- e. Development of appropriate follow-up care plan.
- f. Update problem list.

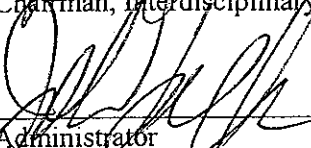
APPROVAL: This standardized procedure has been approved for use at Northern Inyo Hospital by:



Chairman, Interdisciplinary Practice Committee

5/14/09


Date



Administrator

11-5-09

Date



Chief of Staff

8/6/09

Date

President, Board of Directors

Date

Registered Nurses authorized to perform this standardized procedure and date of authorization:

1. Norma Kryder (10/31/01) ^(previous approval) 5/14/09
2. Lois Alexander (10/31/01) 5/14/09
3. Mara Clark Yolkon (4/15/02) 5/14/09
4. Joshua Vending (11/8/05) 5/14/09
5. Tracey Drew (7/1/08) 5/14/09
6. _____

NORTHERN INYO HOSPITAL-RURAL HEALTH CLINIC

STANDARDIZED PROCEDURE

OBSTETRIC CARE

Scope: Nurse Practitioner

I. POLICY

A. Function: Management of Obstetric Care

B. Circumstances:

1. Patient population: pregnant patients of the Rural Health Clinic.
2. Setting: Rural Health Clinic.
3. Supervision: Rural Health Clinic physician as indicated in the General Standardized Procedure statement.
4. Specialized education to provide OB care will consist of one of the following:
 - a. Certification as a Nurse Practitioner with a specialty which includes OB training
 - b. Education by the physician provider of OB care in clinic both by didactic proctoring and attending at least 2 hours of continuing education in the field of obstetrics

II. PROTOCOL

A. Definition: This standardized procedure establishes guidelines for antepartum care and postpartum care of pregnant patients presenting at the Rural Health Clinic for Obstetric care.

Prenatal visits may include but are not limited to documentation of gestational age, maternal uterine growth and weight gain, urinalysis by dipstick, blood pressure monitoring, patient teaching, fetal heart rate, fetal activity, identification of high risk conditions (see list), and referral to community resources or the supervising physician as necessary.

The NPs shall consult with the supervising physician on any prenatal female with a potential or obvious high-risk condition.

B. Data Base: Data shall include but not be limited to:

1. Subjective:
 - a. Relevant health history
 - b. Family medical/genetic history
 - c. Medications and sensitivities
 - d. Self-care practices-sexual, nutritional, exercise, use of drugs, alcohol and tobacco
 - e. Current issues and problems with pregnancy-nausea, vomiting, edema, abdominal pain, vaginal discharge/bleeding, urinary symptoms
 - f. Assess for HIV risk factors
2. Objective:
 - a. Physical examination as soon as possible after determination of pregnancy
 - b. Laboratory and diagnostic tests appropriate to the gestational age.

- c. Measurement of fundal height and fetal heart tones appropriate to presenting gestational age.
 3. Assessment: Maternal and fetal diagnosis consistent with subjective and objective findings. Notation of risk factors for possible referral or consultation.
 4. Plan:
 - a. Plan of care initiated based on objective findings and assessment. Treatment regimens to include, but not limited to: monitoring diet, exercise, employment, medication, psycho/social issues, baby and child safety and common complaints in pregnancy.
 - b. Medications shall be ordered as appropriate according to Drugs in Pregnancy and Lactation.
- C. Patient Education:
1. Provide client with information on course of pregnancy, utilizing the Pregnancy handout created by Dr. Arndal.
 2. Provide counseling and approximate schedule of follow-up prenatal visits (see schedule C).
- D. Consultation and/or Referral: Provide consultation and referral as indicated in General Policy Statement. Additional reference text resource for management guidelines: Management Guidelines for Nurse Practitioners Working with Women, 2nd edition, 2004 Chapters 12-13 (Antepartum and Postpartum Care)

POTENTIAL HIGH RISK CONDITIONS

Anemia: Hct 30%/Hgb 10 gm/dl unresponsive to iron replacement.
Abnormal QUAD screen
Drug/Alcohol abuse
Diabetes Mellitus or history of gestational diabetes
Habitual spontaneous abortions
Hemoglobinopathies
Rh isoimmunization or positive antibody screen
Multiple gestation
Maternal cardiac disease
Maternal hypertensive disease
Maternal hepatic disease
Maternal cancer
Maternal collagen vascular disease
Maternal renal disease
Maternal seizure disorder
Other maternal Gyn, endocrine, GI, neuromuscular, infectious, or pulmonary disease.
Previous pre-term labor or pre-term delivery
Pregnancy induced hypertension
Post maturity 41 weeks gestation
Positive HIV, Herpes, Hep B, Hep C
Psychiatric illness
Premature rupture of membranes

Bleeding at any time during pregnancy
Maternal age over 35 years or under 16 years
Fetal malpresentation after 36 weeks gestation
Maternal/paternal or family history of congenital anomalies
Grand multiparity ≥ 6
Late presentation for prenatal care (≥ 16 weeks)

Source: The Journal of Family Practice 28(i)

SCHEDULE

Prenatal Visit Schedule: Every 4 weeks up to 28 weeks
 Every 2 weeks from 28-36 weeks
 Weekly from 36 weeks to delivery

Estimated Schedule of Care

Initial visit:

Labs, Studies, Referrals

Schedule or perform complete physical examination to include Pap smear, Chlamydia and Gc

Prenatal Lab Panel: CBC Rubella
 Type and Rh HepBsAg
 RPR PPD
 UA & Pregnancy test
 HIV
 Cystic Fibrosis Screen optional

QUAD Screen at 12-18 weeks

1 hour GTT – 50 grams glucola at 20-28 weeks gestation

U/S @ 15-24 weeks

Group B Strep perineal culture @ 36 weeks

Education

Outline prenatal care

Diet, psychosocial, exercise

Risks

Prenatal vitamins

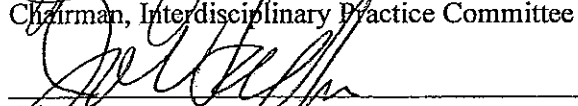
<u>12-18 weeks:</u>	QUAD Screen	Review diet, exercise, habits
<u>15-24 weeks:</u>	Ultrasound	OB Ultrasound for size dates, AFI, Anatomy
<u>24-28 weeks:</u>	1-hour GTT Hct/Hgb Rhogam @ 28 weeks if Negative	Discuss scheduling prenatal classes Discuss BTL/Family Planning
<u>32 weeks:</u>	BTL consent signed	Discuss labor precautions Breast Feeding options Circumcision options

- | | | |
|----------------------------|--|--|
| <u>34-36 weeks:</u> | Begin Fetal Activity Studies | Review procedure for fetal activity studies |
| <u>36 weeks:</u> | GBS Swab | Discuss episiotomy, vacuum, forceps, C-Section |
| <u>38 weeks:</u> | | Review labor precautions |
| <u>39-41 weeks:</u> | Vaginal exam
NST by 41 weeks | Postpartum: car seat, WCC,
Discuss induction if indicated |
| <u>Post-dates:</u> | NST/CST after 41 weeks (2x/week)
NST for decreased fetal movement | |

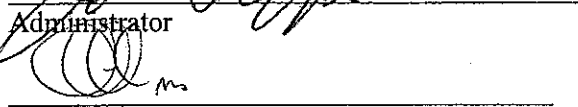
APPROVAL: This standardized procedure has been approved for use at Northern Inyo Hospital by:


Chairman, Interdisciplinary Practice Committee

4/26/10
Date


Administrator

4-26-10
Date


Chief of Staff

5/5/10
Date


President, Board of Directors

5/26/2010
Date

Registered Nurses authorized to perform this standardized procedure and date of authorization:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____

**NORTHERN INYO HOSPITAL – RURAL HEALTH CLINIC
STANDARDIZED PROCEDURE**

WELL CHILD CARE

Scope: Nurse Practitioners (NPs)

I. POLICY – Will meet all Rural Health Clinic General Policy Standardized Procedure guidelines.

A. Function: management of well child care

B. Circumstances:

1. Patient population: pediatric patients
2. Setting: Northern Inyo Hospital Rural Health Clinic
3. Supervision: Physicians as indicated in the Rural Health Clinic General Policy Standardized Procedure.

II. PROTOCOL

A. Definition: health maintenance, health promotion and disease prevention activities which promote the physical, psychosocial and developmental well-being of children.

Includes health assessments, appropriate laboratory tests, and disease prevention through immunizations, developmental screening, and health education.

B. Data Base

1. Subjective

Obtain complete histories on all first time patients; interval histories on subsequent visits.

2. Objective

See schedule of well child care.

- a. At each visit obtain vital signs, height, weight, HC, (under 1 years) plot on growth graph, hearing and vision tests (after 3 years).
- b. Perform physical exam.
- c. Perform appropriate development assessment.
- d. Assess parent-child interaction; social assessment.
- e. Laboratory testing as needed.

C. Plan

1. Diagnosis

- a. Well child
- b. Acute illness
- c. Current assessment of chronic illness

2. Therapeutic regimen

- a. Diet as appropriate for age/nutritional status
- b. Medications
 - i. Vitamins/mineral supplements
 - ii. Immunizations as indicated
- c. Activity/exercise as appropriate for age
- d. Health education and anticipatory guidance related to developmental level
- e. Treatment of acute illness as indicated (see Acute Illness Protocol).

3. Consultation/referral

- a. Physician consult to be obtained under the following circumstances:
 - i. Unexplained history, physical or laboratory finding
 - ii. Emergency conditions requiring prompt medical intervention
 - iii. Upon request of patient/family
- b. Refer to specialist or other community resource as indicated.

4. Follow-up

- a. According to well child schedule or sooner as indicated

5. Record keeping

- a. Appropriate documentation to be maintained in patient's chart.
- b. Allergic reaction to vaccine

D. Contraindications to immunization

1. Pertussis is contraindicated in child with evolving neurological disorder (consult with physician first).
2. Live virus vaccines contraindicated (consult with physician first):
 - a. Patient with disorder of immune system
 - b. Household member of patient with disorder of immune system
 - c. Patient who received immune globulin in last 3 months
 - d. During pregnancy
 - e. PPD should not be administered for 3 months following MMR

E. Management of anaphylactic reactions to immunizations includes but not limited to:

1. Mild anaphylaxis involving skin (immediate):

- a. Pruritus, flush, urticaria, angioedema
- b. Emergency treatment
 - i. Maintain patient airway
 - ii. Benadryl IM in appropriate doses
 - iii. Administer 1:1000 (aqueous) Epinephrine SQ or Im 0.01 ml/kg. Repeat dose q 15-20 minutes.

Usual dose: infants 0.05-0.10 ml, children 0.10-0.30 ml
Consult with physician.


2. Systemic – in addition to skin rash, rhinitis, redness, tearing of eyes, bronchospasm, laryngeal spasm, shock with cardiovascular collapse.

a. Treatment:

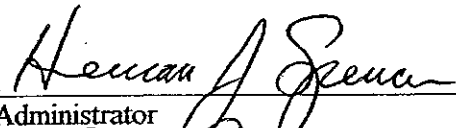
- i. Maintain patient airway, administer CPR if necessary.
- ii. Administer Epinephrine as outlined above.
- iii. Refer to M.D. Call 911
- iv. Report adverse reaction to local health department/manufacturer of vaccine.

*4/31/06 Reviewed and approved at
Interdisciplinary Practice Committee*


APPROVAL: This standardized procedure has been approved for use at Northern Inyo Hospital by:


Chairman, Interdisciplinary Practice Committee

14 Aug 01
Date


Administrator

8/14/01
Date


Chief of Staff

8/14/01
Date


President, Board of Directors

8-15-01
Date

**NORTHERN INYO HOSPITAL
PROTOCOL**

GENERAL POLICY FOR RURAL HEALTH CLINIC PHYSICIAN ASSISTANT

- I. Definition: Physician Assistant is licensed by the State of California Department of Consumer Affairs and possesses preparation and skills in physical diagnosis, psychosocial assessment, and management of health-illness needs in primary health care, and who has been prepared in a program that conforms to board standards.

- II. Development and Review
 - A. All Physician Assistant Protocols are developed collaboratively and approved by the NIH Interdisciplinary Practice Committee (IDPC) and must conform to Title 16, Chapter 7.7, section 3502 .
 - B. All Physician Assistant Protocols will be kept in a manual that includes date and signature of the Physician Assistant who is approved under the protocol and the Physician(s) Supervisor.
 - C. All Physician Assistant Protocols are to be reviewed every 3 years at minimum by the PA(s), Clinic Nurse Manager, Medical Director and then by the IDPC. Standardized procedures will be updated by the Physician Assistant(s), Nurse Clinic Manager, or Medical Director as practice changes.
 - D. All changes or additions to the Protocols are to be approved by the IDPC. All Protocols approved by the IDPC will be sent to the Medical Staff Executive Committee and, if so approved, to the NIH Board of Directors.

- III. Setting of Practice: Northern Inyo Hospital Rural Health Clinic (NIH RHC)

- IV. Scope of Practice
 - A. The PA may perform the following functions within his/her specialty area, consistent with their experience and credentialing, and limited to only those privileges currently held by the PA's supervising physician: assessment, management, and treatment of episodic illness, chronic illness, contraception, and the common functions of health promotion, and general evaluation of health status (including but not limited to ordering laboratory procedures, x-rays, and physical therapies as well as recommending diets, and referring to specialty services when indicated).
 - B. Protocol functions, such as managing medication regimens, are to be performed at NIH RHC. Consulting Supervising Physician(s) will be available to the PA(s) in person or by electronic means/phone.
 - C. Physician consultation is to be obtained under the following circumstances:
 - 1. Emergent conditions requiring prompt medical intervention after the initial stabilizing care has been started.
 - 2. Acute decompensation of patient situation.
 - 3. Problem which is not resolving as anticipated.
 - 4. History, physical, or lab finding inconsistent with the clinical picture.
 - 5. Upon request of patient, nurse, or supervising physician.

- D. Medical Records: Medical record entries by the PA shall include, for all problems addressed: the patients' statement of symptoms, the physical findings, results of special studies, the PA's assessment and management plan including further studies ordered, medication or procedures, information given patient and the names of any physicians consulted.

V. Qualifications and Evaluations

- A. Each Physician Assistant performing PA Protocol functions must have a current California Physician Assistant license, be a graduate of an approved Physician Assistant program, and have current certification as a Physician Assistant by the California Physician Assistant Committee and the Department of Consumer Affairs.
- B. Evaluation of PA's competence in performance of Protocol functions will be done in the following manner:
1. Initial: Within the first 3 months the Supervising Physician(s) will evaluate performance via direct observation, consultations and chart review/co-signature and provide feedback to the Interim PA. Input from other physicians and colleagues will be utilized. Recommendations to move from Interim status to full status will be considered. Clinic Nurse Manager along with the Medical Director will provide feedback utilizing performance evaluation based upon the PA job description.
 2. Routine: annually after the first year by the Supervising Physician/Medical Director and NIH RHC Nurse Manager through feedback from the physicians, colleagues and charting review. This will be addressed during the annual performance evaluation.
 3. Follow-up: areas requiring increased proficiency, as determined by the initial or routine evaluation, will be reevaluated by the NIH RHC Nurse Manager and NIH RHC Medical Director at appropriate intervals until acceptable skill level is achieved.

The scope of supervision for the performance of the functions referred to in this area shall include chart review as per the Delegation of Services Agreement.

- C. Further requirements shall be regular continuing education in primary care, including reading of appropriate journals and new text books, attending conferences in primary care sponsored by hospitals, professional societies, and teaching institutions equaling 15 hours a year, minimum.
1. A record of continuing education must be submitted to the Clinic Nurse Manager annually at the time of the PA's evaluation.
 2. Continuing education information will remain on file in the PA's personnel folder along with written evaluations.

VI. Protocols

- A. The protocols developed for the use by the Physician Assistant are designed to describe the steps of medical care for given patient situations. They are to be used in the following circumstances: health promotion exams, contraception, routine gynecological problems, trauma, infectious disease contacts, and management of acute/episodic or chronic conditions.

Approval: This Physician Assistant protocol has been approved for use at Northern Inyo Hospital by:

James Richardson MD
Chairman, Interdisciplinary Practice Committee

10/4/10
Date

[Signature]
Administrator

9-16-10
Date

[Signature]
Chief of Staff

9/9/10
Date

[Signature]
President, Board of Directors

10-20-2010
Date

Physician Assistants authorized to perform this policy and date of authorization:

1. Brett Davis, PA 12/8/2010
2. Sarah Starosta, PA 10/20/2010
3. _____
4. _____

Supervising Physician and date of approval:

1. _____
2. _____
3. _____

**NORTHERN INYO HOSPITAL
PROTOCOL**

**ADULT HEALTH MAINTENANCE POLICY FOR RURAL HEALTH CLINIC PHYSICIAN
ASSISTANTS**

Scope: PHYSICIAN ASSISTANTS

I. POLICY - Will meet all General Policy - Protocol guidelines.

A. Function: management of adult health maintenance.

B. Circumstances:

1. Patient population: adult patients
2. Setting: Medical Clinic
3. Supervision: Physicians indicated in Delegation of Authority Agreement and the General Protocol

II. PROTOCOL

A. Definition: health maintenance, health promotion and prevention activities which promote the physical, psychosocial and developmental well-being of adults.

Includes health assessment, and disease prevention through physical exam, diagnostic testing, immunizations, developmental screening, and health education.

B. Data Base

1. Subjective: obtain complete histories on all first time patients; interval histories on subsequent visits.
2. Objective.
 - a. At each visit obtain vital signs, height, weight.
 - b. Perform complete physical exam.
 - c. Perform appropriate psychosocial assessment.
 - d. Laboratory/diagnostic testing as needed.

C. Plan

1. Diagnosis
 - a. Health maintenance
 - b. Acute illness
 - c. Current assessment of chronic illness

2. Therapeutic regimen

- a. Diet as appropriate for age/nutritional status
- b. Medications
 - i. Vitamins/mineral supplements
 - ii. Immunizations as indicated
 - iii. Hormonal replacement as indicated
 - iv. Medications appropriate to address acute and chronic health problems.
- c. Activity/exercise as appropriate for age/health status
- d. Health education related to age/health status, preventive health behaviors.
- e. Interventions appropriate to address acute and chronic health problems.
- f. Refer to specialist or other community resource indicated.

3. Physician consultation is to be obtained under the following circumstances:

- a. Emergent conditions requiring prompt medical intervention after the initial stabilizing care has been started.
- b. Acute decompensation of patient situation.
- c. Problem which is not resolving as anticipated.
- d. History, physical, or lab finding inconsistent with the clinical picture.
- e. Upon request of patient, nurse, or supervising physician.

4. Follow-up

- a. According to adult health maintenance schedule sooner as indicated.

5. Record keeping

- a. Appropriate documentation to be maintained patient's chart.
- b. Allergic reaction to vaccine/medication.

D. Contraindications to immunization

1. Live virus vaccines contraindicated (consult with physician first):

- a. Patient with disorder of immune system
- b. Household member of patient with disorder of immune system
- c. Patient who received immune globulin in last 3 months
- d. During pregnancy
- e. PPD should not be administered for 3 months following MMR

E. Management of anaphylactic reactions to immunizations

1. Mild anaphylaxis involving skin (immediate):

- a. Pruritus, flush, urticaria, angioedema
 - b. Emergency treatment
 - i. Maintain patent airway
 - ii. Administer 1:1000 (aqueous) Epinephrine. Repeat dose every 15-20 minutes.
Usual dose: 0.3 ML Subcutaneously
2. Systemic – in addition to skin rash, rhinitis, redness, tearing of eyes, bronchospasm, laryngeal spasm, shock with cardiovascular collapse.
- a. Treatment:
 - i. Maintain patient airway, administer CPR if necessary.
 - ii. Administer Epinephrine as outlined above.
 - iii. Refer to M. D. Call Code Blue if indicated call for EMS Paramedics
 - iv. Report adverse reaction to local health department/manufacturer of vaccine.


APPROVAL: This policy has been approved for use at Northern Inyo Hospital by:


Chairman, Interdisciplinary Practice Committee

10/4/10
Date


Administrator

9-16-10
Date


Chief of Staff

9/9/10
Date


President, Board of Directors

10-20-2010
Date

Physician Assistants authorized to perform this policy and date of authorization:

1. Sarah Starosta, PA 10/20/2010
2. Brett Davis, PA 12/8/2010
3. _____
4. _____

Supervising Physician and date of approval:

1. _____
2. _____
3. _____

**NORTHERN INYO HOSPITAL
PROTOCOL**

**MANAGEMENT OF ACUTE ILLNESS FOR RURAL HEALTH CLINIC PHYSICIAN
ASSISTANTS**

Scope: PHYSICIAN ASSISTANTS

I. POLICY – Will meet all General Policy - Protocol guidelines.

A. This standardized procedure is designed to establish guidelines that will allow the Physician Assistant (PA) to medically manage acute illness and conditions.

B. Circumstances:

1. Patient population: pediatric and adult patients
2. Setting: Medical Clinic
3. Supervision: Physicians indicated in Delegation of Authority Agreement and the General Protocol

II. PROTOCOL

A. Definition: this protocol covers the medical management of acute illness, allergies, symptomatic complaints and emergencies in children and adults in the family practice ambulatory care setting.

B. Data Base

1. Subjective

- a. Historical information relevant to the acute illness.
- b. Historical information regarding concurrent problems.
- c. Historical information regarding relevant past medical problems.
- d. Patient's/family's efforts to treat the illness/condition.
- e. History of allergic/adverse reactions to medications.
- f. Status of patient's functional and instrumental abilities.

2. Objective

- a. Perform physical exam pertinent to presenting symptoms.
- b. Evaluate severity of complaint (i.e., vital sign changes, level of consciousness, unusual or unexpected symptoms).
- c. Order laboratory testing and diagnostic procedure as indicated.

3. Assessment

- a. Diagnosis consistent with subjective and objective findings.
 - b. Record data on appropriate areas on patient's chart.
4. Plan
- a. Medications as indicated (see Delegation of Services Agreement.)
 - b. Order further diagnostic testing as indicated.
 - c. Patient education appropriate to acute illness and any procedures, diagnostic testing, or medications ordered.
 - d. Order/perform therapeutic procedures as appropriate.
 - e. Order medical supplies and necessary equipment for treatment.
 - f. Refer as indicated to other services/specialties.
 - g. Follow-up as indicated.
5. Physician consultation is to be obtained under the following circumstances:
- a. Emergent conditions requiring prompt medical intervention after the initial stabilizing care has been started.
 - b. Acute decompensation of patient situation.
 - c. Problem which is not resolving as anticipated.
 - d. History, physical, or lab finding inconsistent with the clinical picture.
 - e. Upon request of patient, nurse, or supervising physician.

APPROVAL: This policy has been approved for use at Northern Inyo Hospital by:



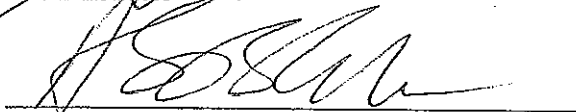
Chairman, Interdisciplinary Practice Committee

10/4/10
Date



Administrator

9-16-10
Date



Chief of Staff

9/9/10
Date



President, Board of Directors

10-20-2010
Date

Physician Assistants authorized to perform this policy and date of authorization:

1. Sarah Starosta, PA 10/20/2010
2. Brett Davis, PA 12/8/2010
3. _____
4. _____

Supervising Physician and date of approval:

1. _____
2. _____
3. _____

**NORTHERN INYO HOSPITAL
PROTOCOL**

**MANAGEMENT OF CHRONIC ILLNESS POLICY FOR RURAL HEALTH CLINIC
PHYSICIAN ASSISTANTS**

Scope: PHYSICIAN ASSISTANTS

I. POLICY – Will meet all General Policy – Protocol guidelines.

A. This standardized procedure is designed to establish guidelines that will allow the Physician Assistant (PA) to manage chronic illness.

B. Circumstances:

1. Patient population: pediatric and adult patients
2. Setting: Medical Clinic
3. Supervision: Physician as indicated in the Delegation of Services Agreement and the General Protocol

II. PROTOCOL

A. Definition: this protocol covers the management of chronic illness in children and adults in the family practice ambulatory care setting of the Northern Inyo Hospital Rural Health Clinic.

B. Data Base

1. Subjective

- a. Pertinent history including symptoms related to the chronic illness.
- b. Present state of chronic illness (patient's perception).
- c. Historical information regarding relevant past medical problems.
- d. Effects of chronic illness on activities of daily living, psychological, physical and financial status.
- e. Patient's attitude and behaviors regarding the chronic illness.
- f. Patient's physical, social, financial support systems.
- g. Documentation of complete history updated minimally on an annual basis.

2. Objective

- a. Complete pediatric Well Child Care (WCC) or adult Health Maintenance Exam (HME) annually.
- b. Physical assessment pertinent to chronic illness.
- c. Laboratory/diagnostic testing as indicated.

3. Assessment

- a. Qualification/quantification of chronic illness status.
- b. Record appropriately on patient chart.


4. Plan

- a. Medications as indicated (see Delegation of Services Agreement.)
- b. Laboratory/diagnostic testing as indicated.
- c. Patient education appropriate to chronic illness and any procedures, diagnostic testing, or medications ordered.
- d. Order/perform therapeutic procedures as appropriate.
- e. Order medical supplies and necessary equipment for treatment.
- f. Refer as indicated to other specialists/services/school programs.
- g. Follow-up as indicated.

5. Physician consultation is to be obtained under the following circumstances:

- a. Emergent conditions requiring prompt medical intervention after the initial stabilizing care has been started.
- b. Acute decompensation of patient situation.
- c. Problem which is not resolving as anticipated.
- d. History, physical, or lab finding inconsistent with the clinical picture.
- e. Upon request of patient, nurse, or supervising physician.

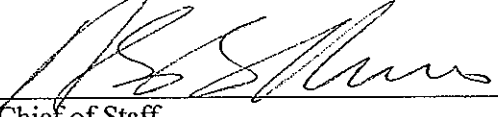
APPROVAL: This policy has been approved for use at Northern Inyo Hospital by:


Chairman, Interdisciplinary Practice Committee

10/4/10
Date


Administrator

9-16-10
Date


Chief of Staff

9/9/10
Date


President, Board of Directors

10-20-2010
Date

Physician Assistants authorized to perform this policy and date of authorization:

1. Sarah Starosta, PA 10/20/2010
2. Brett Davis, PA 12/8/2010
3. _____
4. _____

Supervising Physician and date of approval:

1. _____
2. _____
3. _____

**NORTHERN INYO HOSPITAL
PROTOCOL**

**MANAGEMENT OF MINOR TRAUMA POLICY FOR RURAL HEALTH CLINIC
PHYSICIAN ASSISTANTS**

Scope: PHYSICIAN ASSISTANTS

I. POLICY – Will meet all General Policy - Protocol guidelines.

A. Function: management of minor trauma

B. Circumstances:

1. Patient population: pediatric and adult patients
2. Setting: Medical Clinics
3. Supervision: Physicians indicated in Delegation of Authority Agreement and the General Protocol

II. PROTOCOL

A. Definition: this standardized procedure is designed to establish guidelines that will allow Physician Assistants to manage ambulatory clients presenting with minor traumatic injuries.

B. Data Base

1. Subjective

- a. Obtain pertinent history related to the injury or traumatic event.
- b. Collect appropriate information, including past medical history, review of systems, allergies, immunizations, and medications.

2. Objective

- a. Perform limited physical examinations pertinent to the injury, including any possible involved organ system.
- b. Obtain appropriate evaluative studies, including but not limited to, lab work and x-rays (see lab protocol).

C. Assessment

1. Formulate a working diagnosis consistent with data base collected.

D. Plan

1. If indicated, develop or initiate a therapeutic regimen including, but not limited to, the following:

- a. Physician consultation prior to management as per policy statement or in the following cases:
 - i. Any injury threatening to life or limb.
 - ii. Any laceration requiring complicated suture closure (see minor surgical protocol).
 - iii. Any fracture or injury requiring immobilization by full casting.
 - iv. Complicated or extensive burns.
 - v. Injury that may involve litigation or compensation.
 - vi. Any case where surgical intervention may be needed.
- b. Further diagnostic tests.
- c. Skin/wound care appropriate to injury.
- d. Apply or furnish appropriate medications and/or immunizations.
- e. Refer to appropriate support services including Physical Therapy, and “in-house” support services.
- f. Develop appropriate follow-up care plan to maximize healing and rehabilitation.
 - i. Provide appropriate health education materials including, but not limited to, cast care and precautions, head trauma, suture care, and use of oral or topical medications.
 - ii. Schedule follow-up appointments as appropriate.
- g. Update problem list.

APPROVAL: This policy has been approved for use at Northern Inyo Hospital by:



Chairman, Interdisciplinary Practice Committee

10/4/10

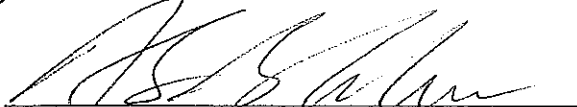
Date



Administrator

9-15-10

Date



Chief of Staff

9/9/10

Date



President Board of Directors

10-20-2010

Date

Physician Assistants authorized to perform this policy and date of authorization:

1. Sarah Starosta, PA 10/20/2010
2. Brett Davis, PA 12/8/2010
3. _____
4. _____

Supervising Physician and date of approval:

1. _____
2. _____
3. _____

**NORTHERN INYO HOSPITAL
PROTOCOL**

MEDICATION/DEVICE POLICY FOR RURAL HEALTH CLINIC PHYSICIAN ASSISTANTS

Scope: PHYSICIAN ASSISTANTS

I. POLICY - Will meet all General Policy - Protocol guidelines.

A. Function: use of specific drug or device

B. Circumstances:

1. Patient population: adult patients
2. Setting: Medical Clinic
3. Supervision: Physicians indicated in Delegation of Authority Agreement and the General Protocol

II. PROTOCOL

A. Definition:

Management of drugs and devices for patients of all ages presenting to the Northern Inyo Hospital Rural Health Clinic. The Physician Assistant may initiate, alter, discontinue, and renew medication included on the formulary referenced in Appendix A. The adoption of this written, practice-specific formulary is governed under Business and Professions Code, Title 16, §3502.1.(a)(2) All Schedule I/II medications are excluded.

B. Data Base

1. Subjective data information will include but is not limited to: Relevant health history to warrant the use of the drug or device, no allergic history specific to the drug or device, and no personal and/or family history which is an absolute contraindication to use the drug or device.
2. Objective data information will include but is not limited to: Physical examination appropriate to warrant the use of the drug or device and laboratory tests or procedures to indicate/contraindicate use of drug or device if necessary.
3. Assessment: Subjective and objective information consistent for the use of the drug or device.

C. Treatment

1. Physician assistants may administer or provide medication to a patient, or transmit orally, or in writing on a patient's record or in a drug order, an order to a person who may lawfully furnish the medication or medical device per Business and Professions Code, Title 16, §3502.1.(a)
2. Medications/devices prescribed by the PA may be either over-the-counter or medications/devices requiring a prescription.
3. Medications/devices may be furnished directly to the patient, or the patient's direct care giver, by the PA.

4. Physician assistants may only prescribe medication/devices appropriate for use in the type of practice engaged in by the current supervising physician(s) defined in the Delegation of Services Agreement. (Business and Professions Code, Title 16, §3502.1.(a)(2))
5. Office samples may be dispensed per NIH policy.
6. The drug or device will be appropriate to the condition being treated:
 - a. Dosage will be in the effective range per formulary references
 - b. Not to exceed upper limit dosage per formulary references.
 - c. Indications or uses as specified by the formulary references.
 - d. No absolute contraindications of the use of the drug or device.
7. Medication history has been obtained including other medications being taken, medication allergies, and prior medications used for current condition.
8. All medications/devices furnished shall be documented in the patient's medical record. The effectiveness of the medication/device shall also be documented in the patient's medical record.

D. Patient Education:

Provide the client with information and counseling in regard to the medication/device. Caution the client regarding potential side effects or complications with chosen medication/device. Document the education process in the medical record.

E. Physician consultation is to be obtained under the following circumstances:


1. Emergent conditions requiring prompt medical intervention after the initial stabilizing care has been started.
2. Acute decompensation of patient situation.
3. Problem which is not resolving as anticipated.
4. History, physical, or lab finding inconsistent with the clinical picture.
5. Upon request of patient, nurse, or supervising physician.

APPROVAL: This policy has been approved for use at Northern Inyo Hospital by:




Chairman, Interdisciplinary Practice Committee

11/3/10
Date



Administrator

10-20-10
Date



Chief of Staff

10-20-10
Date



President, Board of Directors

10-20-2010
Date

Physician Assistants authorized to perform this policy and date of authorization:

1. Sarah Starosta, PA 10/20/2010
2. _____
3. _____
4. _____

Supervising Physician and date of approval:

1. _____
2. _____
3. _____

APPENDIX A:
FORMULARY SPECIFICATIONS for
Furnishing Medications/Devices Policy for the Nurse Practitioner
STANDARDIZED PROCEDURE

Formulary: *AHFS Drug Information*, current as published and updated annually by the American Society of Health-System Pharmacists

Deletions: The following First Tier classes will be **deleted** from the formulary as related to this policy for Physician Assistants

AHFS Class Number	AHFS Class Description
34:00	Dental Agents
36:00	Diagnostic Agents
38:00	Disinfectants (for agents used on objects other than skin)
60:00	Gold compounds
64:00	Heavy Metal Antagonists
76:00	Oxytocics
78:00	Radioactive agents
94:00	Devices
96:00	Pharmaceutical Aids

**NORTHERN INYO HOSPITAL
PROTOCOL**

**MINOR SURGICAL POLICY FOR RURAL HEALTH CLINIC PHYSICIAN
ASSISTANT**

Scope: PHYSICIAN ASSISTANT

I. POLICY – Will meet all General Policy Standardized Procedure guidelines.

A. Function: management of minor surgical procedures.

B. Circumstances:

1. Patient population: pediatric and adult patients
2. Setting: Medical Clinics
3. Supervision: Physicians as indicated in the Delegation of Services Agreement and the General Protocol.

II. PROTOCOL

A. Definition: this standardized procedure is designed to establish guidelines that will allow the Physician Assistant (PA) to perform minor surgical procedures incidental to the provision of routine primary care to ambulatory patients of Northern Inyo Hospital Rural Health Clinic.

B. Conditions: after appropriate training and experience minor procedures that can be performed by the PA without direct physician supervision include:

Pessary placement
Electrocautery of external, non-facial, non-malignant lesions less than 1 cm in size, e.g. warts
Epidermal cyst removal (non-facial) less than 3 cm in size
Incision and drainage of non-facial abscess less than 1 cm in size (excluding peri-rectal abscesses)
Suture non-facial laceration less than 5 cm in size without nerve or tendon involvement
Mole removal (non-facial)
Punch or shave biopsy
Toe nail removal
Cryotherapy
IUD insertion and removal
Excision of simple lesions
Simple foreign body removal
Endometrial biopsy
Arthrocentesis/Steroid joint injection
Incision and evacuation of hemorrhoid thrombus

C. Data Base

1. Subjective

- a. Obtain pertinent history including involved organ system, injury, trauma, dermatology problems, etc.
- b. Obtain information regarding review of system, risk taking behaviors, prior surgery, allergies, and immunizations.

2. Objective

- a. Perform physical examination pertinent to assessment of the problem.
- b. Collect appropriate diagnostic/radiological studies.

D. Assessment

- 1. Formulate diagnosis consistent with the above data base.
- 2. Document

E. Plan

1. Develop therapeutic regimen

- a. Perform appropriate procedure utilizing standard aseptic technique.
- b. Obtain additional diagnostic studies as indicated.
- c. Physician consultation/assistance in performing the procedure as per policy statement or above conditions.
- d. Patient education and self-care techniques.
- e. Development of appropriate follow-up care plan.
- f. Update problem list.

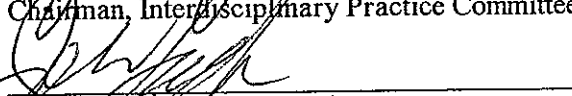
2. Provided written discharge instructions to the patient

APPROVAL: This policy has been approved for use at Northern Inyo Hospital by:




Chairman, Interdisciplinary Practice Committee

10/4/10
Date



Administrator

9-16-10
Date



Chief of Staff

9/9/10
Date



President, Board of Directors

~~10-20-2010~~
10-20-2010
Date

Physician Assistants authorized to perform this policy and date of authorization:

1. Sarah Starosta, PA 10/20/2010
2. Brett Davis, PA 12/8/2010
3. _____
4. _____

Supervising Physician and date of approval:

1. _____
2. _____
3. _____

**NORTHERN INYO HOSPITAL
PROTOCOL**

**WELL CHILD CARE POLICY FOR RURAL HEALTH CLINIC PHYSICIAN
ASSISTANTS**

Scope: PHYSICIAN ASSISTANTS

I. POLICY - Will meet all General Policy - Protocol guidelines

A. Function: management of well child care

B. Circumstances:

1. Patient population: pediatric patients
2. Setting: Medical Clinic
3. Supervision: Physicians indicated in Delegation of Authority Agreement and the General Protocol

II. PROTOCOL

A. Definition: health maintenance, health promotion and disease prevention activities which promote the physical, psychosocial and developmental well-being of children.

Includes health assessments, appropriate laboratory tests, and disease prevention through immunizations, developmental screening, and health education.

B. Data Base

1. Subjective

Obtain complete histories on all first time patients; interval histories on subsequent visits.

2. Objective

See schedule of well child care.

- a. At each visit obtain vital signs, height, weight, HC, (under 1 years) plot on growth graph, hearing and vision tests (after 3 years).
- b. Perform complete physical exam.
- c. Perform appropriate development assessment.
- d. Assess parent-child interaction; social assessment.
- e. Laboratory testing as needed.

C. Plan

1. Diagnosis

- a. Well child
- b. Acute illness
- c. Current assessment of chronic illness

2. Therapeutic regimen

- a. Diet as appropriate for age/nutritional status
- b. Medications
 - i. Vitamins/mineral supplements
 - ii. Immunizations as indicated
- c. Activity/exercise as appropriate for age
- d. Health education and anticipatory guidance related to developmental level
- e. Treatment of acute illness as indicated (see Acute Illness Protocol).

3. Physician consultation is to be obtained under the following circumstances:

- a. Emergent conditions requiring prompt medical intervention after the initial stabilizing care has been started.
- b. Acute decompensation of patient situation.
- c. Problem which is not resolving as anticipated.
- d. History, physical, or lab finding inconsistent with the clinical picture.
- e. Upon request of patient, nurse, or supervising physician.

4. Follow-up

- a. According to well child schedule or sooner as indicated

5. Record keeping

- a. Appropriate documentation to be maintained in patient's chart.
- b. Allergic reaction to vaccine

D. Contraindications to immunization

- 1. Pertussis is contraindicated in child with evolving neurological disorder (consult with physician first).
- 2. Live virus vaccines contraindicated (consult with physician first):
 - a. Patient with disorder of immune system
 - b. Household member of patient with disorder of immune system

- c. Patient who received immune globulin in last 3 months
- d. During pregnancy
- e. PPD should not be administered for 3 months following MMR

E. Management of anaphylactic reactions to immunizations includes but not limited to:

1. Mild anaphylaxis involving skin (immediate):

- a. Pruritus, flush, urticaria, angioedema
- b. Emergency treatment
 - i. Maintain patient airway
 - ii. Benadryl IM in appropriate doses
 - iii. Administer 1:1000 (aqueous) Epinephrine SQ or Im 0.01 ml/kg. Repeat dose q 15-20 minutes.

Usual dose: infants 0.05-0.10 ml, children 0.10-0.30 ml
Consult with physician.

2. Systemic – in addition to skin rash, rhinitis, redness, tearing of eyes, bronchospasm, laryngeal spasm, shock with cardiovascular collapse.

a. Treatment:

- i. Maintain patient airway, administer CPR if necessary.
- ii. Administer Epinephrine as outlined above.
- iii. Refer to M.D. Call 911
- iv. Report adverse reaction to local health department/manufacturer of vaccine.

APPROVAL: This policy has been approved for use at Northern Inyo Hospital by:

James Richardson MD
Chairman, Interdisciplinary Practice Committee

11/3/10
Date

J. Webb
Administrator

9-16-10
Date

J. Starn
Chief of Staff

9/9/10
Date

Paul Watcott
President, Board of Directors

10-20-2010
Date

Physician Assistants authorized to perform this policy and date of authorization:

1. Sarah Starostas PA 10/20/2010
2. Brett Davis, PA 12/8/2010
3. _____
4. _____

Supervising Physician and date of approval:

1. _____
2. _____
3. _____

**NORTHERN INYO HOSPITAL MEDICAL STAFF
PROTOCOL FOR
PHYSICIAN ASSISTANT IN THE OPERATING ROOM**

I. POLICY:

- A. The Physician Assistant (PA) assists the attending surgeon during a surgical procedure by providing aid in exposure, hemostasis, and other technical functions which will help the surgeon carry out a safe operation with optimal results for the patient.
- B. Only a PA currently licensed in California, who meets all the criteria specified in Appendix A may perform this procedure. Knowledgeable regarding PA limitations and practices within these.

The PA will be evaluated for continued competency 90 days after assuming this position and yearly thereafter. The evaluation will be done by a physician and will contain input from the appropriate attending surgeon(s) based on this protocol, chart review and their observations.

- C. The PA may function under this protocol only when the following conditions are met:
 1. The attending surgeon has determined that the PA can provide the type of assistance needed during the specific surgery.
 2. The PA functions **under the direct supervision** of the Attending Surgeon, i.e., **only when the attending surgeon is physically present in the operating room.**

II. PROTOCOL

The PA will:

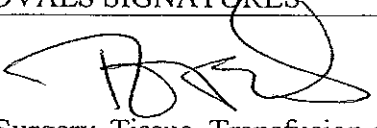



1. Assist with the positioning, prepping and draping of the patient, or perform these actions independently, if so directed by the surgeon.
2. Provide retraction by:
 - a. Closely observing the operative field at all times.
 - b. Demonstrating stamina for sustained retraction.
 - c. Retaining manually controlled retractors in the position set by the surgeon with regard to surrounding tissue.
 - d. Managing all instruments in the operative field to prevent obstruction of the surgeon's view.
 - e. Anticipating retraction needs with knowledge of the surgeon's preferences and anatomical structures.
3. Provide hemostasis by:
 - a. Applying the electrocautery tip to clamps or vessels in a safe and knowledgeable manner, as directed by the surgeon.
 - b. Sponging and utilizing pressure, as necessary.
 - c. Utilizing suctioning techniques.
 - d. Applying clamps on superficial vessels and the tying or electrocoagulation of them, as directed by the surgeon.
 - e. Placing suture ligatures in the muscle, subcutaneous and skin layer.
 - f. Placing hemoclips on bleeders, as directed by the surgeon.

4. Perform knot tying by:
 - a. Having knowledge of the basic techniques of knot tying to include, two-handed tie; one-handed tie; instrument tie.
 - b. Tying knots firmly to avoid slipping.
 - c. Avoiding undue friction to prevent fraying of suture.
 - d. "Walking" the knot down to the tissue with the tip of the index finger and laying the strands flat.
 - e. Approximating tissue rather than pulling tightly to prevent tissue necrosis.
5. Perform dissection as directed by the surgeon by:
 - a. Having knowledge of the anatomy.
 - b. Demonstrating the ability to use the appropriate instrumentation.
 - c. For abdominal surgery: dissection includes all layers to, but not, the peritoneum.
6. Provide closure of layers of tissue as directed by the surgeon; sutures fascia., subcutaneous tissue and skin by:
 - a. Correctly approximating the layers, under direction of the surgeon.
 - b. Demonstrating knowledge of the different types of closures, to include but not be limited to: interrupted vs. continuous; skin sutures vs. staples; subcuticular closure; horizontal mattress.
 - c. Correctly approximating skin edges when utilizing skin staples or suture.
7. Assist the surgeon at the completion of the surgical procedure by:
 - a. Affixing and stabilizing all drains.
 - b. Cleaning the wound and applying the dressing.
 - c. Assisting with applying casts; splints, bulky dressings, abduction devices.

The PA practices within the appropriate limitations and may choose not to perform those functions for which he/she has not been prepared or which he/she does not feel capable of performing.

APPENDIX A

- I. A Physician Assistant who is approved as a PA at NIH may function as first assistant if all of the following conditions exist.
1. Currently licensed as a PA in California.
 2. Successful completion of an accredited Physician Assistant program. (A copy of the certificate of completion will be placed in the PA's personnel file and the Medical Staff credentials file.)
 3. Demonstrated knowledge and skill in applying principles of asepsis and infection control and demonstrated skill in behaviors that are unique to functioning as a PA.
 4. Demonstrated knowledge of surgical anatomy, physiology and operative procedures for which the PA assists.
 5. Demonstrated ability to function effectively and harmoniously as a team member.
 6. Able to perform CPR; ACLS completion preferred.
 7. Able to perform effectively in stressful and emergency situations.

APPROVALS SIGNATURES	DATE
 Chair, Surgery, Tissue, Transfusion and Anesthesia Committee	5/30/12
 Chair, Interdisciplinary Practice Committee	5/30/12
 Chair, Medical Executive Committee	5/30/12
 President, NICLHD Board of Directors	6/20/12

BOA Approved
3/21/12

<i>Sarah Starosta</i>	<i>10/20/10</i>
PA Authorized to Perform this Protocol	Date of Approval by District Board of Directors
Signature of Supervising Physician	Date

<i>Emily Marshall</i>	<i>6/20/12</i>
PA Authorized to Perform this Protocol	Date of Approval by District Board of Directors
Signature of Supervising Physician	Date

PA Authorized to Perform this Protocol	Date of Approval by District Board of Directors
Signature of Supervising Physician	Date

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Signature of Supervising Physician	Date

PA Authorized to Perform this Protocol	Date of Approval by District Board of Directors
Signature of Supervising Physician	Date

**NORTHERN INYO HOSPITAL
STANDARDIZED PROCEDURE FOR
RN FIRST ASSISTANT**

I. POLICY:

- A. The RN First Assistant (RNFA) assists the attending surgeon during a surgical procedure by providing aid in exposure, hemostatis, and other technical functions which will help the surgeon carry out a safe operation with optimal results for the patient.
- B. Only an RN currently licensed in California, who meets all the criteria specified in Appendix A may perform this procedure.

The RNFA will be evaluated for continued competency 90 days after assuming this position and yearly thereafter. The evaluation will be done by means of a written performance evaluation based on the RNFA job description, will be done by the Surgery Nurse Manager, and will contain input from the appropriate attending surgeons based on the protocol section of this standardized procedure, chart review and their observations.

- C. The RNFA may function under this standardized procedure when the following conditions are met:
 - 1. The attending surgeon has determined that the RNFA can provide the type of assistance needed during the specific surgery.

II. PROTOCOL

The RNFA will:

- 1. Assist with the positioning, prepping and draping of the patient, or perform these actions independently, if so directed by the surgeon.
- 2. Provide retraction by:
 - a. Closely observing the operative field at all times.
 - b. Demonstrating stamina for sustained retraction.
 - c. Retaining manually controlled retractors in the position set by the surgeon with regard to surrounding tissue.
 - d. Managing all instruments in the operative field to prevent obstruction of the surgeon's view.
 - e. Anticipating retraction needs with knowledge of the surgeon's preferences and anatomical structures.

The RNFA will: (continued)

3. Provide hemostasis by:
 - a. Applying the electrocautery tip to clamps or vessels in a safe and knowledgeable manner, as directed by the surgeon.
 - b. Sponging and utilizing pressure, as necessary.
 - c. Utilizing suctioning techniques.
 - d. Applying clamps on superficial vessels and the tying or electrocoagulation of them, as directed by the surgeon.
 - e. Placing suture ligatures in the muscle, subcutaneous and skin layer.
 - f. Placing hemoclips on bleeders, as directed by the surgeon.

4. Perform knot tying by:
 - a. Having knowledge of the basic techniques of knot tying to include, two-handed tie; one-handed tie; instrument tie.
 - b. Tying knots firmly to avoid slipping.
 - c. Avoid undue friction to prevent fraying of suture.
 - d. "Walking" the knot down to the tissue with the tip of the index finger and laying the strands flat.
 - e. Approximating tissue rather than pulling tightly to prevent tissue necrosis.

5. Perform dissection as directed by the surgeon by:
 - a. Having knowledge of the anatomy.
 - b. Demonstrating the ability to use the appropriate instrumentation.
 - c. For abdominal surgery: dissection includes all layers to, but not, the peritoneum.

6. Provide closure of layers by:
 - a. Correctly approximating the layers, under direction of the surgeon.
 - b. Demonstrating knowledge of the different types of closures, to include but not be limited to: interrupted vs. continuous; skin sutures vs. staples; subcuticular closure; horizontal mattress.
 - c. Correctly approximating skin edges when utilizing skin staples or suture.

7. Assist the surgeon at the completion of the surgical procedure by:
 - a. Affixing and stabilizing all drains.
 - b. Cleaning the wound and applying the dressing.
 - c. Assist with applying casts; splints, bulky dressings, abduction devices.

The RNFA practices within the appropriate limitations and may choose not to perform those functions for which she has not been prepared or for which she does not feel capable of performing.

**NORTHERN INYO HOSPITAL
STANDARDIZED PROCEDURE FOR
RN FIRST ASSISTANT**

APPENDIX A

I. A registered nurse who is approved as a RNFA at NIH may function as first assistant if all of the following conditions exist.

1. Currently licensed as an RN in California.
2. Demonstrated proficiency in perioperative nursing practice as both scrub and circulator for at least two years, and currently effectively fulfilling the role of Surgery RN at NIH.
3. Successful completion of a course in RN First Assisting through an accredited program; one which uses the AORN Core Curriculum for the RNFA as a foundation. (A copy of the certificate of completion will be placed in the RNFA's personnel file.)
4. Current CNOR (Certified Nurse in the Operating Room), or obtains this within the first year of employment as RNFA.
5. Demonstrated knowledge and skill in applying principles of asepsis and infection control and demonstrated skill in behaviors that is unique to functioning as a RNFA.
6. Demonstrated knowledge of surgical anatomy, physiology and operative procedures for which the RNFA assists.
7. Demonstrated ability to function effectively and harmoniously as a team member.
8. Able to perform CPR; ACLS/PALS completion.
9. Able to perform effectively in stressful and emergency situations.

II. Nurses who have been approved to perform this standardized procedure are:

Name	Approval Date

NORTHERN INYO HOSPITAL

STANDARDIZED PROCEDURE

**Medical Screening Examination for the Obstetrical Patient
Performed by Registered Nurse**

I. POLICY

A. Procedure to be performed

Standardized procedure for medical screening examination for the obstetrical patient performed by a registered nurse (RN) who is determined qualified by the Hospital's Medical Staff Bylaws, Rules and Regulations and approved by the Hospital's Governing Board, in compliance with the provisions of the Emergency Medical Treatment Act (EMTALA) 42 U.S.C., Section 1395, Tag A406.

B. Responsible Party

1. A physician on the hospital medical staff available for consultation and to certify false labor.
2. A medical screening examination may be performed by a RN certified to perform medical screening examinations following this standardized procedure.
3. The RN must successfully complete a didactic module and a competency validation. Documentation is to be kept in the employee's competency file.

C. Conditions for Physician Consultation and Orders

1. All pregnant women presenting to the obstetrical department for care will receive a Medical Screening Examination and Assessment of Labor when requested without discrimination and regardless of their ability to pay.
2. Following examination and assessment of the patient, the RN will communicate with the physician by telephone to apprise him/her of the findings. Based thereon, the physician will either concur with the assessment of the RN, or will present to the hospital to further evaluate the patient him/herself.
3. If the RN determines that a woman is in false labor; a physician must certify the diagnosis. How the physician certifies (telephone consultation, or actually examines the patient) the diagnosis of false labor is determined by the hospital and its medical staff. If telephone consultation is the means utilized to satisfy this requirement, documentation within the patient charts must be in accordance with the hospital Conditions of Participation (CoP) at 42 CFR §482.24(c)(1).
4. A physician must be notified immediately if:
 - a. Delivery is imminent. Preparations should be made for immediate delivery.

- b. Complications or abnormal assessments arise during the performance of this procedure. Such problems include:
 - (1) fever, signs of infection;
 - (2) excessive vaginal bleeding;
 - (3) elevated blood pressure;
 - (4) abnormal reflexes;
 - (5) non-vertex presentation;
 - (6) hyperstimulation of the uterus;
 - (7) no uterine activity;
 - (8) tetanic contraction;
 - (9) abnormal FHR (non-reassuring); and
 - (10) premature gestation with ruptured membranes.
- c. Contraindications to performing this procedure are present
 - (1) patient refusal

D. Review Process

- 1. Quality improvement monitoring of this standardized procedure is ongoing.
- 2. Quarterly (or more frequently as indicated), an audit of the Medical Screening Examination will be completed by the Nursing Manager, the Department of Obstetrics, Administration, and Interdisciplinary Practice Committee as appropriate.
- 3. Quality indicators developed and applied to all obstetrical patients:
 - a. Births occurring outside the hospital, following a Medical Screening Exam by a RN; and
 - b. Maternal or neonatal complications occurring following a Medical Screening Exam performed by a RN.

II. **PROTOCOL**

A. Purpose/Definition

To allow designated RN's to perform Medical Screening Examinations on obstetric patients presenting to the obstetrical department.

B. Database (Patient Selection Criteria)

- 1. Patient must be an obstetric patient.
- 2. Patient must give consent.
- 3. Patient must have absence of complications as listed under Section I (C)(4).

C. Treatment Plan

- 1. Initiation
 - a. Confirm appropriate patient selection under Section II (B).
 - b. Validate patient obstetrical status.

2. Preparation
 - a. Explain procedure to patient/family.
3. Equipment
 - a. See Procedure, Section III (C).
4. Process
 - a. See Procedure, Section III.
5. Follow-up
 - a. Provide patient education and any ordered follow-up care.

III. PROCEDURE

A. Purpose

To outline the methodology for the medical screening examination of the obstetric patient by the RN.

B. Supportive Data

1. Only Northern Inyo Hospital certified RN's or physicians may perform this standardized procedure.

C. Equipment

1. Sterile gloves
2. Lubricant
3. Amniotest if appropriate
4. Electronic Fetal Monitor
5. BP cuff
6. Thermometer
7. Reflex hammer
8. Slides/microscope for ferning

D. Content

	<u>Action</u>	<u>Key Points</u>
1.	Validate appropriate patient selection criteria	Ensure compliance with standardized procedure.
2.	Explain procedure to patient.	Allay anxiety
3.	If delivery is imminent, CALL THE PHYSICIAN and prepare for immediate delivery.	

- | <u>Action</u> | <u>Key Points</u> |
|---|---|
| <p>4. If delivery is not imminent, continue assessment which will include but is not limited to:</p> <ul style="list-style-type: none">a. gravida, parity, EDC, maternal age, chief complaint;b. prenatal preparation, determination of physician/patient relationship;c. partner support needs;d. obstetric history; risk factors;e. labor status:<ul style="list-style-type: none">(1) vital signs(2) fetal monitoring(3) frequency of contractions(4) presentation(5) status of membranesf. any other associated information. | |
| <p>5. Continue examination to assess maternal hydration, labor progress, and fetal wellbeing.</p> | <p>To establish baseline for labor process.</p> |

Maternal Hydration

- a. If temperature is elevated:
 - (1) Assess for bladder distention:
 - a) Encourage to void
 - b) Check urine for protein, color, amount and odor
 - c) If unable to void, continue to assess bladder and include this information with report to physician when total assessment is completed.
 - (2) Suspect infection – CALL ATTENDING PHYSICIAN.
 - (3) Assess for other abnormal findings such as elevated blood pressure or excessive bleeding. If present – CALL ATTENDING PHYSICIAN.
 - (4) Determine proteinuria and check reflexes. If abnormal – CALL ATTENDING PHYSICIAN.

- b. If hydration status and temperature are normal:
 - (1) Encourage to void; and
 - (2) Include this information with report to physician when total assessment is completed.

Action

Key Points

- (d) If normal, include this information with report to physician when total assessment is completed; and
- (e) If abnormal, CALL ATTENDING PHYSICIAN
- (4) Assess bleeding:
 - (a) CALL ATTENDING PHYSICIAN if abnormal due to:
 - (i) Suspected bleeding is greater than normal “bloody show”; and
 - (ii) Vaginal exam only at discretion of MD.
 - (b) If normal, include this information with report to physician when total assessment is completed.

d. Assessment of fetal wellbeing

- (1) Identify fetal heart rate pattern with application of a Doppler or an electronic fetal monitor
- (2) Abnormal patterns (non-reassuring) may include but are not limited to:
 - (a) Baseline outside normal range with recurrent late or variable decelerations;
 - (b) Prolonged decelerations;
 - (c) Absence of long-term variability;
 - (d) Sinusoidal pattern;
 - (e) Severe bradycardia; and
 - (f) If abnormal, CALL ATTENDING PHYSICIAN
- (3) Normal patterns (reassuring)
 - (a) Consistent baseline rate of 110-160 beats per minute
 - (b) Average long-term variability
 - (c) Periodic accelerations
 - (d) Early decelerations
 - (e) Include this information with report to physician when total assessment is completed

See Fetal Heart Rate Monitoring procedure

- ACOG states normal fetal heart rate baseline is 110-160 bmp.
- Late decelerations indicate uteroplacental insufficiency
- Variable decelerations indicate umbilical cord compression.
- A prolonged deceleration lasts longer than 2 minutes.
- Average long-term variability indicates an intact central nervous system.

Accelerations indicate an intact central nervous system. Early decelerations indicate head compression.

Action

Key Points

6. At the completion of the medical screening examination, the RN will report to the patient's physician, by phone or in person, the findings of the examination and any other pertinent information before any further procedures are performed. Regardless of the assessment, any patient meeting the following criteria will be examined, in person, by a physician prior to discharge home:
 - a. No prenatal care;
 - b. Maternal temperature >100.6(F), of uncertain etiology;
 - c. Patient not alert and/or patient not oriented to person, time and place;
 - d. Active vaginal bleeding;
 - e. Rupture of membranes with meconium;
 - f. FHR abnormalities; and
 - g. Major maternal trauma.
7. In regards to a patient who is determined to not be in labor but needs additional evaluation to rule out an emergency condition: This patient will be seen in the Emergency Department and be provided with a medical screening examination to rule out other medical conditions prior to being discharged home. Prior to transfer back to the Emergency Department, the L&D RN will report to the patient's physician, or the on-call obstetrician, the findings of the labor examination and any other pertinent information. This RN will also call report to the Emergency Department RN and/or the Emergency Department Attending Physician to inform them of the patient's impending return to the Emergency Department.

E. Documentation

1. On Obstetrical Log, document:
 - a. Date and time of arrival;
 - b. Physician;
 - c. Admitting RN;
 - d. Name of patient;
 - e. Medical record number;
 - f. Account number;
 - g. Room number;

- h. Patient status (observation/inpatient)
- i. Procedure (NST, Labor check, Ferning)
- j. Other procedures;
- k. Comments;
- l. Disposition (transported to other facility, home);
- m. Date and time of discharge; and
- n. Discharge RN.

2. On Obstetrical Assessment Record, document:

- a. Attending Practitioner;
- b. Pediatrician (if other than Attending Practitioner);
- c. Gravida, parity;
- d. LMP;
- e. EDC;
- f. Age;
- g. Date and time of arrival;
- h. Name and telephone number of next of kin;
- i. Reasons for admission;
- j. Prenatal care and education;
- k. Allergies;
- l. Contraction status;
- m. Membrane status;
- n. Presence of bleeding;
- o. Other medical history;
- p. Plan for anesthesia;
- q. Current medications;
- r. Cervical examination;
- s. Fetal evaluation;
- t. Physical assessment;
- u. Height and weight; and other vital signs;
- v. Deep tendon reflexes;
- w. Notification of physician;
- x. Narrative notes;
- y. Discharge instructions;
- z. Date and time of discharge;
- aa. Disposition;
- bb. Patient signature; and
- cc. RN signature.

REQUIREMENTS FOR MEDICAL SCREENING EXAMINATION FOR THE OBSTETRICAL PATIENT

I. Minimal Education/Training

Selected RNs will have:

- A. Successfully completed the hospital didactic module for performing Medical Screening Examination of the Obstetric Patient.

II. Expertise

Selected RNs will demonstrate:

- A. Experience in direct patient care with laboring patients as a RN.
- B. Successful completion of annual antepartum and intrapartum competency validation.
- C. Current California Registered Nurse (RN) license.
- D. Completion of electronic fetal monitoring program every two years.

III. Initial Evaluation

- A. Successfully complete the Northern Inyo Hospital module post-test with 100% accuracy.
- B. Successfully complete at least two (2) different obstetric patient medical screening examinations under the observation of the physician preceptor or a qualified nurse preceptor.
 1. A qualified "nurse preceptor" is a RN who may validate the competency of another RN to perform this procedure. A nurse preceptor must have completed at least five (5) obstetric patient medical screening examinations.

Determined competency must be documented on the Medical Screening Examination of Obstetric Patient Competency Validation Tool.

IV. Ongoing Evaluation

- A. Annual competency validation to be performed.
- B. Review/evaluation of Quality Improvement Data on all patients where a RN performed a medical screening examination.

**MEDICAL SCREENING EXAMINATION FOR THE OBSTETRICAL PATIENT
EDUCATIONAL COMPONENT**

OBJECTIVES

Upon completion of this class/module, the RN will be able to:

1. Describe systemic changes occurring in the woman's body during pregnancy;
2. List the forces affecting labor;
3. Identify the possible causes of the onset of labor;
4. List the techniques used for assessing uterine activity;
5. Differentiate between the labor and false labor, using information gathered by history and physical examination;
6. Define fetal lie, attitude, presentation, presenting part, position and station;
7. Recognize the signs and symptoms of labor;
8. Accurately record documentation of nursing care; and
9. Describe patient education.

OUTLINE

- A. Anatomy and Physiology
- B. Maternal-Fetal surveillance during pregnancy
- C. Overview of labor
- D. Maternal Status and Assessment
- E. Fetal Status and Assessment
- F. Fetal Membrane Status and Assessment
- G. Labor Status
- H. Priority setting and decision making
- I. Patient Education
- J. Documentation and Communication

Reviewed/Revised 11/12/07

PATIENT CARE SERVICES DIVISION

NAME/TITLE: _____ DATE: _____

COMPETENCY: Medical Screening Examination for the Obstetrical Patient Performed by the Registered Nurse

*Evaluation Method Codes: O=Observation; M=Module; T=Test; RD=Return Demonstration; C=Computer

Measurement of Competency	Meets Requirements Date	Needs Additional Assistance	*Evaluation Methods/ Comments
1. Successfully completes module and post-test with 100% accuracy.			
2. Describes patient selection criteria and instances of physician notification.			
a. Imminent delivery			
b. Fever, signs of infection			
c. Excessive vaginal bleeding			
d. Elevated blood pressure			
e. Abnormal deep tendon reflexes			
f. Non-vertex presentation			
g. Uterine hyperstimulation			
h. Lack of uterine activity			
i. Tetanic contraction			
j. Non-reassuring fetal heart rate			
k. Premature gestation			
l. Ruptured membranes regardless of gestational age.			
3. Explains procedure to patient			
4. Assembles equipment			
5. Performs assessment in systematic format			
a. Chief complaint			
b. Obstetric history			
c. Labor status and progress			
d. Maternal hydration			
e. Fetal wellbeing			
6. Communicates findings of examination and any other pertinent information to physician.			
7. Documents appropriately on the Birthing Center Log Book and on the Obstetrical Assessment Record.			

Employee Signature _____

Instructors Signature _____

MEDICAL SCREENING EXAMINATION FOR THE OBSTETRICAL PATIENT

PERFORMED BY REGISTERED NURSE

QUALITY IMPROVEMENT DATA

MEDICAL RECORD # _____

AGE: _____

C.C.: _____

DATE: _____

1. Patient Selection

- Meets criteria
- Does not meet criteria. Describe: _____

2. Maternal Assessment

- All systems WNL
- Presence of complications

3. Fetal Assessment

- Reassuring FHR
- Non-reassuring tracing

Describe: _____

4. Documentation

- Log Book Medical Record

5. Physician Contacted:

- Yes Who: _____
- No Why not: _____

6. Outcome

- Birth Outside of Hospital
- Maternal complications Describe: _____
- Neonatal complications Describe: _____

NOT A PART OF PERMANENT MEDICAL RECORD

**THIS SHEET
INTENTIONALLY
LEFT BLANK**

**EASTERN SIERRA EMERGENCY PHYSICIANS, INC., a Professional Corporation
AND
NORTHERN INYO HOSPITAL COUNTY LOCAL HOSPITAL DISTRICT
AGREEMENT**

NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT, a political subdivision organized and existing pursuant to the Local Hospital District Law (Health and Safety Code Section 32000, *et seq.*) of the State of California, hereinafter referred to as "District," and EASTERN SIERRA EMERGENCY PHYSICIANS, INC., a Professional Corporation, hereinafter referred to as "ESEP," agree as follows:

**PART I
RECITALS**

District is the owner and operator of a Hospital located in Bishop, California. District operates an Emergency Department to serve the members of the community and other persons who may require immediate medical and/or hospital care.

ESEP is a professional medical corporation whose officers, directors and shareholders are duly qualified and licensed physicians and surgeons with experience in the operation of emergency facilities and the rendition of emergency and primary care.

District has concluded that engaging ESEP to operate the Emergency Department on an exclusive basis is the most desirable course of action, considering the cost, quality and administrative burden of providing services in light of other arrangements available to District.

The parties enter this agreement, hereinafter referred to as "Agreement," in order to provide a full statement of their respective responsibilities in connection with the operation of the Emergency Department during the term of this Agreement.

**PART II
THE DISTRICT**

1. Space. District shall make available to ESEP the space that is now or may be hereafter occupied by the Emergency Department. District shall also furnish ESEP an appropriately furnished room, in which ESEP's physician contractors, hereinafter referred to as "Providers," and physician employees may rest when their services are not otherwise required. In addition, District will provide ESEP with office space suitable for the administration of the Emergency Department.

2. Meals. District shall provide Providers and ESEP physician employees with meals while they are on duty.

3. Equipment and Supplies. District, at its expense, shall provide ESEP all necessary expendable and non-expendable medical equipment, drugs, supplies, furniture and fixtures necessary for the efficient operation of the Emergency Department. District shall consult with ESEP regarding decisions which affect the selection and furnishing of particular facilities, equipment and supplies.

4. Maintenance. District shall maintain and repair all equipment and shall provide utilities and services such as heat, water, electricity, telephone service, laundry and janitorial service.

5. Liability Insurance. District shall, at its sole expense, procure and maintain professional liability (malpractice) insurance coverage for the benefit of ESEP and all physicians employed by or contracted with ESEP to work in the Emergency Department, to be in force and effective at all times during the term of this Agreement. The policy limits of such coverage shall be at least \$1,000,000 for any one occurrence, and \$3,000,000 annual aggregate coverage per physician providing services to the Department. If District's insurance is terminated or converted at any time, District shall also acquire 'tail' coverage in the above stated amounts, covering all periods that this Agreement has been in effect. ESEP agrees to cooperate with District in connection with the purchase and maintenance of such coverage. If this Agreement is terminated, District shall likewise maintain uninterrupted insurance for ESEP and its Physicians who provided services under this Agreement. District shall provide ESEP with copies of certificates of coverage as needed. In the event ESEP, in its discretion, procures and maintain any professional liability (malpractice) insurance coverage at its own expense and in addition to the coverage provided for herein, ESEP shall, to the fullest extent commercially reasonable, name District as an additional named insured.

6. Non-Physician Personnel. District, at its expense, shall provide the services of licensed registered and vocational nurses and other non-physician technicians and assistants necessary for the efficient operation of the Emergency Department. District shall be responsible for the selection, management, direction and control of such personnel, except that ESEP shall be responsible for the direction and control of such personnel for all professional medical matters.

PART III ESEP

7. ESEP Services.

A. ESEP shall provide emergency care on a prompt and continuing basis, which shall include the professional services of duly licensed physicians and surgeons in the Emergency Department, twenty-four hours a day, seven days a week.

B. A Provider or physician employee shall be available on the premises of Hospital at all times.

C. ESEP shall maintain a backup schedule to cover the Emergency Department in the event any Provider or physician employee is unavailable for a scheduled shift.

D. ESEP shall be liable to District for liquidated damages in the amount of \$2,000.00 per day for any day, or part thereof in excess of two hours, for which a Provider or physician employee is not available on the premises.

8. Physician Personnel.

A. Except as otherwise expressly provided in this Agreement, ESEP may select and employ or otherwise contract with licensed physicians and surgeons as it, in the sole exercise of its discretion, deems necessary.

B. All Emergency Department physicians shall be board certified/board eligible in emergency medicine, or board certified/board eligible in internal medicine, or family practice with ATLS certification, unless specifically exempted from this provision by the District.

C. Except as otherwise expressly provided in this Agreement, the terms and conditions by which Providers are compensated shall be at the sole and exclusive discretion of ESEP. Provided however, that the initial base compensation to be paid Providers by ESEP shall be \$100.00 per hour, with a \$10.00 per hour differential for night shifts and holidays. Nothing in this paragraph shall prevent ESEP from making such changes to the base compensation paid to Providers as it believes are necessitated by amendments to this Agreement or other changed circumstances.

D. In addition to the compensation provided for in paragraph 8.C, ESEP shall compensate Providers through a bonus system based on level of performance that includes consideration of productivity, performance, patient satisfaction, and continuing medical education, to the extent data for these measures is available. The amount of compensation paid through said bonus system shall be at the sole and exclusive discretion of ESEP. ESEP shall make all bonus system data available to the District for review on request and District shall maintain all such data on a confidential basis.

E. In contracting with any Provider, ESEP shall include the following contractual terms:

i. Provider will not engage in any activities during the eight hour period preceding the beginning of a scheduled shift that impairs a Provider's ability to provide care;

ii. Provider shall be subject to monetary consequence for unexcused failure to appear for or lateness in arriving at a scheduled shift; and

iii. Provider shall adhere to agreements regarding professional conduct and behavior required by the chief executive officer of the District and/or Hospital, irrespective of whether such agreement is adopted by the District board.

F. ESEP shall not schedule any Provider for more than 180 hours per month, and shall not schedule any Provider for consecutive 24-hours shifts.

G. ESEP shall not continue to contract with any Provider who has been unavailable for a scheduled shift without more than 72 hours prior notice more than three times, except on a finding of good cause.

H. ESEP shall impose substantially the same requirements as those contained in paragraphs 8.E, F, and G on physician employees.

9. In-House Emergencies and Pronouncements. ESEP's Providers and physician employees shall respond to in-house emergencies in the same manner as other members of the medical staff, and shall make pronouncements of death when attending physicians are not immediately available, but only to the extent that Providers or physician employees are not otherwise engaged in providing care under this Agreement or that the performance of these services does not interfere with the operation of the Emergency Department.

10. Admitting Privileges. ESEP' Providers and physician employees may, at the discretion of Hospital and the Medical Staff of Hospital, be granted limited admitting privileges for patients without a private physician. The exercise of these privileges and the obligations of ESEP' Providers and physician employees to make referrals to the "on-call" panel and other physicians and other matters related to such privileges shall be as set forth in the Medical Staff Bylaws, rules and regulations or as otherwise determined by the Medical Staff Executive Committee or the Emergency Services Committee, all with the approval of the Board of Trustees.

11. Other Services. ESEP agrees to provide the following services relevant to the operation of the Northern Inyo Hospital Emergency Service as a Base Station for the provision of Advanced Life Support in pre-hospital care.

A. ESEP shall provide guidance, instruction, orders, and directives to EMT-II/Paramedics involved in the treatment of patients with medical emergencies requiring transportation from the scene of a medical emergency to the nearest, or most appropriate hospital facility.

B. ESEP shall, subject to District approval, appoint a Provider or physician employee to serve as Base Station Medical Director and Training Hospital Medical Director; serve on the local Emergency Medical Service Advisory Committee; and serve as the Medical Director for the Employee Health Department, if the Hospital and Medical Staff deem this appropriate.

C. ESEP will participate actively in an ongoing system for critiquing the results of the mobile intensive care responses and auditing the quality of medical care provided by the mobile intensive care team.

12. Peer Review and Quality Assurance. ESEP shall participate in such peer review and quality assurance activities as required by the Medical Staff Bylaws, Rules and Regulations, the Joint Commission on Accreditation of Healthcare Organizations, or as otherwise agreed to by the parties. Notwithstanding any other requirement, ESEP shall conduct periodic random chart review. In addition, ESEP shall, at District's expense, cooperate and assist in the collection of data regarding productivity, patient satisfaction, time to treatment, and any other matter on which the District is obligated or desires to collect data.

13. Standards. ESEP shall at all times endeavor to operate the Department in a manner consistent with the highest standards maintained for the operation of such departments in comparable hospitals. It is understood from time to time the Medical Staff of Hospital may set standards of professional practice and duties generally applicable to all Medical Staff members. ESEP shall comply with such directives from the Medical Staff and shall also cause all of its Providers and physician employees to do so.

14. District and Government Authorities. ESEP, in connection with their operation and conduct of the Department, shall comply with all applicable provisions of law, and other valid Bylaws, Rules and Regulations and requirements of the District's Board of Trustees, the Medical Staff of Hospital, the Joint Commission on Accreditation of Healthcare Organizations and other similar accrediting and certifying entities to which Hospital is subject, and governmental agencies having jurisdiction over; (i) the operation of the District and services; (ii) the licensing of health care practitioners; (iii) and the delivery of services to patients of governmentally regulated third party payors whose members or beneficiaries receive care at the District, including but not limited to rules and regulations promulgated with respect to the transfer of patients from the Emergency Department.

15. Medical Records. ESEP shall at all times maintain complete and legible medical records, which accurately document the medical necessity of all services rendered for each patient who is treated in the Department. Such medical records shall be the property of Hospital. However, ESEP shall have access to and may photocopy relevant documents and records, within the restrictions of the law, upon giving reasonable notice to Hospital.

16. Financial Records. Hospital shall have access to all financial records of ESEP pertinent to this Agreement for the purpose of any audit or examination necessary to comply with any request or demand to Hospital with which Hospital is legally obligated to comply. All pertinent financial records related to this Agreement in the possession of ESEP shall be preserved by ESEP for a period of four (4) years after the end of the Agreement. Upon termination of this Agreement, ESEP agrees to transfer to District, at District's expense, any financial record which

may possess longer value to District beyond four (4) years. ESEP shall include a clause providing similar access to financial records in any subcontract with a value or cost of \$10,000.00 or more over a twelve-month period when the subcontract is with a business entity in which ESEP, or any of its shareholders, officers, directors, or family members thereof, has a management or ownership interest.

PART IV COMPENSATION

17 Base Compensation. District agrees to pay ESEP \$150.00 per hour for all hours worked by ESEP' Providers and physician employees. This hourly rate shall be increased by 6% annually for the second and third years of the contract. Payment shall be due within 30 days of invoicing. On request from the District, ESEP shall provide such documentation as may be reasonably necessary to support its invoice.

18. Fees. ESEP shall charge patients on a fee-for-service basis. ESEP's charges shall be in accordance with reasonable and customary fees charged by other physicians for the same service in similar communities. ESEP' charges will be reviewed and approved by the Hospital prior to any change.

19. Daily Memoranda and Billing. District shall act as ESEP' designated billing and collection agent. ESEP hereby assigns to Hospital the right to collect such charges. Hospital's charges to the patient shall be separate and distinct from the charges by ESEP. In the event Hospital bills patients through a single invoice combining Hospital and ESEP charge, the billing shall clearly distinguish ESEP' professional fees and shall disclose that the District is acting as billing agent for ESEP. ESEP shall cooperate in the preparation and filing of such documentation and records as are necessary to allow Hospital to efficiently perform its billing duties as set forth herein.

20. Payment of all sums under this part shall be made to ESEP at the following address:

Eastern Sierra Emergency Physicians, Inc.
P.O. Box 2485
Mammoth Lakes, CA 93546.

PART V TERM

21. Term. The term of this Agreement shall be from February 1, 2013 to January 31, 2016. Subject to the provisions of paragraph 22 and 23, this Agreement shall automatically renew

for two terms of two years.

22. Termination On Written Notice. Either party may terminate this Agreement without cause on ninety(90) days written notice to the other party.

23. Termination Without Written Notice. In addition, Hospital may terminate this Agreement and all rights of ESEP hereunder immediately upon the occurrence of any of any of the following events:

A. Upon the failure of ESEP to provide Emergency Department coverage for a period in excess of twelve (12) consecutive hours.

B. Upon a determination by a majority of Hospital's Board of Directors, after consultation with the Executive Committee of the Medical Staff, that (i) ESEP or any of its Providers or Physician employees has been guilty of repeated acts of professional incompetence in response to which ESEP has not taken reasonable or appropriate steps; (ii) has, after reasonable prior written notice and an opportunity to cure, failed to maintain the Emergency Department in a manner consistent with the highest standards maintained for the operation of similar departments in comparable hospitals; (iii) is, after reasonable prior written notice and an opportunity to cure, engaged in a continuing course of conduct that places Hospital or its Medical Staff at risk of adverse action in connection with licensing or accreditation entities; or (iv) is engaging in or about to engage in conduct that puts the Hospital, its Medical Staff or patients at immediate and significant risk.

C. Upon appointment of a receiver of ESEP' assets, an assignment by ESEP of its assets for the benefit of its creditors, or any action taken or suffered by ESEP (with respect to ESEP) under any bankruptcy or insolvency act.

PART VI OTHER MATTERS

24. Independent Contractor. No relationship of employer or employee is created by this Agreement, it being understood that ESEP will act hereunder as an independent contractor, and none of the physicians performing services for ESEP, whether said physicians be members, partners, employees, subcontractors, or otherwise, shall have any claim under this Agreement or otherwise against District for vacation pay, sick leave, retirement benefits, Social Security, Worker's Compensation benefits, or employee benefits of any kind; that District shall neither have nor exercise any control or direction over the methods by which ESEP shall perform its work and functions, which at all times shall be in strict accordance with currently approved methods and practices in their field; and that the sole interest of District is to ensure that said emergency service shall be performed and rendered in a competent, efficient and

satisfactory manner and in accordance with the standards required by the Medical Staff of District.

25. Not Exclusive. It is specifically agreed and understood that ESEP and ESEP' Providers and physician employees shall not be required to limit their practices exclusively to the District, it being understood that additional enterprises and other emergency service agreements shall be permissible. Provided however, neither ESEP nor ESEP' Providers or physician employees may engage in any activities that interfere with the delivery of services required under this Agreement, both while on duty and in any outside practice of medicine or surgery.

26. Amendment. This Agreement may be amended at any time by written agreement duly executed by both parties.

27. Assignment. ESEP shall not assign, sell or transfer this Agreement or any interest therein without the consent of the District in writing first hand and obtained. Notwithstanding any of the foregoing, it is understood and agreed that, in the event that ESEP forms an alternative professional organization, duly authorized under the laws of this State to practice medicine, said alternative professional organization may be substituted in the place of ESEP, with all of the rights and subject to all of the obligations of ESEP under the terms of this Agreement. Said substitution shall be effected upon ESEP by giving written notice to District.

28. Attorney's Fees. In the event that suit is brought regarding the provisions of this Agreement or the enforcement thereof, the prevailing party shall be awarded its cost of suit and reasonable attorney's fees as a part of any judgment rendered therein.

29. Notices. The notices required by this Agreement shall be effective if mailed, postage prepaid as follows:

To District at:

John Halfen, Administrator
Northern Inyo Hospital
150 Pioneer Lane
Bishop, CA 93514.

To ESEP at:

Jennie Walker, M.D.
Eastern Sierra Emergency Physicians, Inc.
P.O. Box 2485
Mammoth Lakes, CA 93546.

30. Complete Agreement. This Agreement, with any subsequent amendments, is the complete Agreement between the parties as to the terms covered herein. All of the promises, representations and warranties of the parties in regard to the terms of this Agreement are stated herein, or in any amendment. Any prior promises, representations or warranties occurring in the course of negotiations are superseded by this Agreement.

31. Validity. If any portion of this Agreement is found to be void or illegal, it shall not affect the validity of enforceability of any other portion thereof.

32. This Agreement may be executed in any number of counterparts which, when read together, shall constitute one document. A facsimile or other digital signature shall have the same force, effect and validity as an original.

IN WITNESS WHEREOF, the parties hereto have executed this Emergency Care Agreement at _____, California on _____, 2013.

DISTRICT:

NORTHERN INYO COUNTY LOCAL
HOSPITAL DISTRICT

ESEP:

EASTERN SIERRA EMERGENCY
PHYSICIANS, INC.

BY
John Ungersma, M.D. District Board
President

BY
Jennie Walker, M.D.
President

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NORTHERN INYO HOSPITAL
RURAL HEALTH CLINIC
MEDICAL DIRECTOR AND
PROFESSIONAL SERVICES AGREEMENT

This Medical Director and Professional Services Agreement (this "Agreement") dated as of 3/21/2013, is entered into by and between Northern Inyo Hospital Local Hospital District ("Hospital") and Stacey Brown, M.D. ("Physician") and is effective 11/1/2012.

RECITALS

A. Hospital operates a general acute care hospital, which, among other things, owns and operates a Rural Health Clinic (the "Clinic"), located at 153 B Pioneer Lane, Bishop, California.

B. Physician is an individual duly licensed to practice medicine in the State of California, specializing in primary care, and is a member of the Northern Inyo Hospital Active Medical Staff.

C. Hospital desires to obtain administrative and professional medical services from Physician for the patients of Clinic, and Physician desires to furnish such services upon the terms and conditions set forth in this Agreement.

D. Hospital believes that high standards of patient care can be achieved if Physician assumes the responsibilities set out further in this Agreement.

THEREFORE, THE PARTIES AGREE:

I. PHYSICIAN RESPONSIBILITIES.

1.01 Professional Services. Physician shall provide the following services, consistent with the Clinic's policies and procedures, to the Clinic and Clinic patients, provided that Physician's obligations hereunder are limited to the provision of services within his professional capabilities:

A. Medical Services. In cooperation with the Hospital, arrange for appropriate coverage for the provision of professional primary health care services to Clinic patients.

Physician shall cooperate in Clinic's participation in the Medicare and Medi-Cal programs. Physician shall provide services to Medicare and Medi-Cal beneficiaries in a nondiscriminatory manner.

B. Supervision. Monitor and review the clinical performance of all physician and non-physician providers of medical and technical services, including nurse practitioners and Physician assistants and Clinic and/or Hospital employees who provide services to Clinic patients.

1.02 Medical Director and Administrative Services. Physician shall act as Medical Director of Clinic, and in this role, Physician shall provide to Clinic those services set forth on Exhibit A.

A. Time Commitment. Physician shall devote a minimum of Fifteen (15) hours per month to provide the administrative services described in this Agreement.

B. Physician Time Reports. Physician will provide a quarterly report to NIH administration as to the activities and plans of the RHC.

1.03 Personal Services. This Agreement is entered into by Hospital in reliance on the professional and administrative skills of Physician. Physician shall continue to be primarily responsible for fulfilling the terms of the Agreement, except as specifically set forth in this Agreement.

1.04 Absences. In the event Physician is unable to perform the obligations under this Agreement due to illness, continuing education responsibilities, leave or other justifiable cause, Hospital shall designate a qualified replacement. The person who provides services on behalf of Physician in Physician's absence shall be bound by all terms of this Agreement. Hospital shall have the right to approve the length of Physician's absence, and any unapproved absence shall constitute a breach of this Agreement. Physician may elect to seek his own locums coverage at his option.

1.05 Availability. Physician shall inform Hospital, on a monthly basis, of Physician's schedule and availability to provide services pursuant to this Agreement. Physician shall not be required to provide professional services in the Clinic in excess of twenty (20) hours per week. Physician's availability shall be subject to the following:

- A. Physician may take up to four (4) weeks per year of personal vacation;
- B. Physician may take up to one (1) day per month of personal business leave;
- C. Physician may take up to one (1) week per year of leave for the purpose of fulfilling continuing medical education requirements; and
- D. Except in emergency situations or pursuant to Physician's scheduled on-call services, Physician is not required to provide services at the Clinic during holidays designated annually by the Hospital.

1.06 Professional Services. Physician shall provide professional services to and for the benefit of the Clinic. All revenues associated with Clinic activities belong to the Clinic. Physician shall give first priority to performing all Clinic activities consistent with the terms of this Agreement. Physician shall not undertake non-Clinic activities to the extent that such undertaking would interfere with his obligations under this Agreement.

1.07 Limitation on Use of Space. No part of the Clinic's premises shall be used at any time by Physician as an office for the private practice of medicine or to see patients other than Clinic patients.

II. HOSPITAL RESPONSIBILITIES.

2.01 Hospital Services.

A. Space. Hospital shall make available for Physician reasonably necessary facilities for the operation of Clinic.

B. Equipment. In consultation with Physician, Hospital shall make all decisions regarding the acquisition of all equipment as may be reasonably necessary for the proper operation and conduct of Clinic. Hospital shall repair, replace or supplement such equipment and maintain it in good working order.

2.02 General Services. Hospital shall furnish ordinary janitorial services, maintenance services, and utilities, including telephone service, as may be required for the proper operation and conduct of Clinic.

2.03 Supplies. Hospital shall purchase and provide all supplies as may be reasonably required for the proper treatment of Clinic patients. Physician shall inform Hospital of supply needs in a timely manner and shall manage the use of supplies in an efficient manner that promotes quality and cost-effective patient care.

2.04 Personnel. Hospital shall determine and furnish all other personnel required to operate Clinic taking into consideration recommendations of Physician in his role as Medical Director.

2.05 Business Operations. Hospital shall be responsible for all business operations related to operation of the Clinic, including personnel management, billing and payroll functions.

2.06 Hospital Performance. The responsibilities of Hospital under this Article shall be subject to Hospital's discretion and its usual purchasing practices, budget limitations and applicable laws and regulations.

III. COMPENSATION.

3.01 Compensation. Hospital shall pay Physician \$7,916.66 per month for administrative services during the term of this Agreement

3.02 Allocation Agreement. Physician shall allocate time between administrative services provided to Clinic, services provided to individual patients, and services, which are not reimbursed by Medicare. Physician shall indicate such time allocation on an appropriate Physician's time report. Physician and Hospital shall retain Physician's time reports for four (4) years after the cost-reporting period to which the report applies. It is understood by the parties that the requirement for allocation of time and all supporting time reports and documentation are prepared expressly in response to the requirements of the Medicare program and do not constitute the creation of an employer-employee relationship.

3.03 Billing for Professional Services. Physician assigns to Clinic all claims, demands and rights of Physician to bill and collect for all professional services rendered to Clinic patients. Physician acknowledges that Clinic shall be solely responsible for billing and collecting for all professional services provided by Physician to Clinic patients at Clinic, and for managing all Clinic receivables and payables, including those related to Medicare and Medi-Cal beneficiaries. Physician shall not bill or collect for any services rendered to Clinic patients, and all Clinic receivables and billings shall be the sole and exclusive

property of Clinic. In particular, any payments made pursuant to a payer agreement (including co-payments made by patients) shall constitute revenue of the Clinic. In the event payments are made to Physician pursuant to any payer agreement, Physician shall promptly remit the payments directly to Clinic.

IV. TERM AND TERMINATION

4.01 Term. The term of this Agreement shall be for a period of three years beginning on 11/1/2012 ("Effective Date"), and ending on 10/31/2015.

4.02. Termination. Notwithstanding the provisions of section 4.01, this Agreement may be terminated:

- A. Either party at any time, without cause or penalty, upon sixty (60) days' prior written notice to the other party;
- B. Immediately by Hospital in its sole discretion if Physician fails to maintain the professional standards described in Article V of this Agreement;
- C. Immediately upon closure of the Hospital or Clinic;
- D. By either party upon written notice to the other party in the event that any federal, state or local government or agency passes, issues or promulgates any law, rule, regulation, standard or interpretation at any time while this Agreement is in effect that prohibits, restricts, limits or in any way substantially changes the arrangement contemplated herein or which otherwise significantly affects either party's rights or obligations under this Agreement; provided that in such event, Hospital must give notice to Physician equal to that provided to Hospital by the relevant federal, state or local government or agency. If this Agreement can be amended to the satisfaction of both parties to compensate for any such prohibition, restriction, limitation or change, this clause shall not be interpreted to prevent such amendment; or

4.03 Rights Upon Termination. Upon any termination or expiration of this Agreement, all rights and obligations of the parties shall cease except those rights and obligations that have accrued or expressly survive termination.

V. PROFESSIONAL STANDARDS.

5.01 Medical Staff Standing. Prior to performing services pursuant to this Agreement, Physician must obtain Medical Staff privileges (sufficient to carry out the obligations of this contract) on the Active Medical Staff of Hospital, and maintain such membership and privileges throughout the term of this Agreement. Such membership and privileges shall be subject to all of the privileges and responsibilities of Medical Staff membership.

5.02 Licensure and Standards. Physician shall:

- A. At all times be licensed to practice medicine in the State of California;
- B. Comply with all policies, bylaws, rules and regulations of Hospital and Clinic and its Medical Staff.

- C. Be a member, in good standing, of the Active Medical Staff of the Hospital;
- D. Maintain professional liability coverage in an amount required for membership on the Active Medical Staff of the Hospital;
- E. Participate in continuing education as necessary to maintain licensure and the current standard of practice; and
- F. Comply with all applicable laws, rules, standards and regulations of any and all governmental authorities, and applicable standards and recommendations of the Joint Commission on Accreditation of Healthcare Organizations.

VI. NONPHYSICIAN PERSONNEL.

All nonphysician personnel required for the proper operation and conduct of Clinic shall be employed and paid by Hospital. With the advice and recommendation of Physician, Hospital shall establish and classify all nonphysician positions and shall designate the persons assigned to each nonphysician position. Although Physician may make recommendations to Hospital relating to the performance of nonphysician employees, Hospital shall have the sole and exclusive right to control, select, schedule and discharge such employees, and to take any direct disciplinary measures as needed.

VII. RELATIONSHIP BETWEEN THE PARTIES.

7.01 Professional Relations.

A. Independent Contractor. No relationship of employer and employee is created by this Agreement. In the performance of Physician's work and duties, Physician is at all times acting and performing as an independent contractor, practicing the profession of medicine.

Hospital and Clinic shall neither have nor exercise control or direction over the methods by which Physician performs professional services pursuant to this Agreement; provided, however, that Physician agrees that all work performed pursuant to this Agreement shall be in strict accordance with currently approved methods and practices in Physician's professional specialty and in accordance with the standards set forth in this Agreement. The sole interest of Hospital is to insure that such services are performed and rendered in a competent and cost effective manner.

B. Benefits. Except as specifically set forth in this Agreement or as agreed to under separate agreement(s), it is understood and agreed that Physician shall have no claims under this Agreement or otherwise against Hospital for social security benefits, worker's compensation benefits, disability benefits, unemployment benefits, sick leave, or any other employee benefit of any kind. In addition, Hospital shall have no obligation to reimburse Physician for any costs or expenses associated with Physician's compliance with continuing medical education requirements.

7.02 Responsibility for Own Acts. Each party will be responsible for its own acts or omissions and all claims, liabilities, injuries, suits, demands and expenses of all kinds which may result or arise out of any malfeasance or neglect, caused or alleged to have been caused by either party, their

employees or representatives, in the performance or omission of any act or responsibility of either party under this contract. In the event that a claim is made against both parties, it is the intent of both parties to cooperate in the defense of said claim and to cause their insurers to do likewise. However, both parties shall have the right to take any and all actions they believe necessary to protect their interest.

VIII. GENERAL PROVISIONS.

8.01 No Solicitation. Physician agrees that he will not, either directly or indirectly, during and after the term of this Agreement, call on, solicit or take away, or attempt to call on, solicit or take away any patients or patient groups with whom Physician dealt or became aware of as a result of Physician's past, present or future affiliation with Hospital and Clinic.

8.02 Access to Records. To the extent required by Section 1861(v)(i)(I) of the Social Security Act, as amended, and by valid regulation which is directly applicable to that Section, Physician agrees to make available upon valid written request from the Secretary of HHS, the Comptroller General, or any other duly authorized representatives, this Agreement and the books, documents and records of Physician to the extent that such books, documents and records are necessary to certify the nature and extent of Hospital's costs for services provided by Physician.

Physician shall also make available such subcontract and the books, documents, and records of any subcontractor if that subcontractor performs any of the Physician's duties under this Agreement at a cost of \$10,000 or more over a twelve-month period, and if that subcontractor is organizationally related to Physician.

Such books, documents, and records shall be preserved and available for four (4) years after the furnishing of services by Physician pursuant to this Agreement. If Physician is requested to disclose books, documents or records pursuant to this subsection for purposes of an audit, Physician shall notify Hospital of the nature and scope of such request, and Physician shall make available, upon written request of Hospital, all such books, documents or records. Physician shall indemnify and hold harmless Hospital in the event that any amount of reimbursement is denied or disallowed because of the failure of Physician or any subcontractor to comply with its obligations to maintain and make available books, documents, or records pursuant to this subsection. Such indemnity shall include, but not be limited to the amount of reimbursement denied, plus any interest, penalties and legal costs.

This section is intended to assure compliance with Section 1861 of the Social Security Act, as amended, and regulations directly pertinent to that Act. The obligations of Physician under this section are strictly limited to compliance with those provisions, and shall be given effect only to the extent necessary to insure compliance with those provisions. In the event that the requirements or those provisions are reduced or eliminated, the obligations of the parties under this section shall likewise be reduced or eliminated.

8.03 Amendment. This Agreement may be amended at any time by mutual agreement of the parties, but any such amendment must be in writing, dated, and signed by the parties.

8.04 Arbitration and Dispute Resolution.

A. Non Medical Disagreements. In the event that disagreements arise between the parties concerning their performance under this Agreement, or on other matters, such disagreements shall be the subject of negotiations between Physician and the Hospital Administrator. In the event Physician is not satisfied with the decision of the Administrator, the dispute shall be submitted to the Hospital's Board of Directors and the decision of the Board shall be final.

B. Medical Disagreement. Any questions or disagreements concerning standards of professional practice or the medical aspects of the service furnished in Clinic shall be referred to a peer group of qualified physicians recommended by the Medical Executive Committee, which shall recommend a resolution of the matter to the Administrator. In the event Physician is not satisfied with the decision of the Administrator, the dispute shall be submitted to the Hospital Board of Directors and the decision of the Board shall be final.

8.05 Assignment. Physician shall not assign, sell, transfer or delegate any of the Physician's rights or duties, including by hiring or otherwise retaining additional physicians to perform services pursuant to this Agreement, without the prior written consent of Hospital.

8.06 Attorneys' Fees. If any legal action or other proceeding is commenced by either party, to enforce rights, duties, and/or responsibilities under this Agreement, the prevailing party shall be entitled to recover a reasonable attorney's fee and costs.

8.07 Choice of Law. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California.

8.08 Exhibits. All Exhibits attached and referred to herein are fully incorporated by this reference.

8.09 Notices. All notices or other communications under this Agreement shall be sent to the parties at the addresses set forth below:

Hospital: Administrator
Northern Inyo Hospital
150 Pioneer Lane
Bishop, CA 93514

Physician: Stacey Brown, M.D.
153 B Pioneer Lane
Bishop, CA 93514

8.10 Records. All files, charts and records, medical or otherwise, generated by a Medical Professional in connection with services furnished during the term of this Agreement are the property of Clinic. Physician agrees to maintain medical records according to Clinic policies and procedures and in accordance with community standards. Each party agrees to maintain the confidentiality of all records and materials in accordance with all applicable state and federal laws. Hospital agrees to permit Physician to have access during or after the term of the Agreement, to medical records generated by Physician if necessary in connection with claims, litigation, investigations, or treatment of patients.

8.11 Prior Agreements. This Agreement represents the entire understanding and agreement of the parties as to those matters contained in it. No prior oral or written understanding shall be of any force or effect with respect to the matters contained in this Agreement.

8.12 Referrals. This Agreement does not impose any obligation or requirement that Hospital shall make any referral of patients to Physician or that Physician shall make any referral of patients to Hospital. The payment of compensation pursuant to section 3.01 is not based in any way on referrals of patients to Hospital.

8.13 Severability. If any provision of this Agreement is determined to be illegal or unenforceable, that provision shall be severed from this Agreement, and the remaining provisions shall remain enforceable between the parties.

8.14 Waiver. The failure of either party to exercise any right under this Agreement shall not operate as a waiver of that right.

8.15 Gender and Number. Use of the masculine gender shall mean the feminine or neuter, and the plural number the singular, and vice versa, as the context shall indicate.

8.16 Authority and Executive. By their signature below, each of the parties represent that they have the authority to execute this Agreement and do hereby bind the party on whose behalf their execution is made.

NORTHERN INYO COUNTY
LOCAL HOSPITAL DISTRICT

PHYSICIAN

By: _____
John Ungersma, M.D.
President, District Board of Directors

By: _____
Stacey Brown, MD

EXHIBIT A

ADMINISTRATIVE SERVICES TO BE PROVIDED

Physician shall:

- 1) Provide general administration of the day-to-day operations of the clinic
- 2) Advise and assist in the development and implementation of the clinic's policies and procedures
- 3) Coordinate and execute internal peer-review processes on a scheduled basis, reporting to Medical Staff committees and Medical Executive Committee as required
- 4) Provide medical consultation in the area of the Physician's specialty as needed during business hours of the clinic
- 5) Schedule, coordinate and supervise the provision of medical and ancillary services within the clinic
- 6) Advise, assist and assure physician coverage of the clinic, with cooperation of Hospital
- 7) Monitor the quality of all medical care provided at the clinic, assure the maintenance of consistently high quality service, and advise Hospital in the development and implementation of an appropriate quality assurance program with respect to clinic, including clinical outcomes measurements as indicated.
- 8) Insure that each medical professional providing services to patients shall at all times provide only those services that he/she is qualified to deliver, and shall provide such services in a manner consistent with the patient's best interests
- 9) Advise and assist in the organization and implementation of an effective utilization review program with respect to the clinic and related services.
- 10) Advise Hospital regarding budget, equipment, building, supplies and other items necessary for the proper and efficient operation of the clinic
- 11) Advise and assist in the interview process of prospective midlevel providers, physicians, nursing and other clinic staff
- 12) Develop, review and provide training programs to physicians and other medical personnel providing services in the clinic
- 13) Assure compliance with provider billing and coding
- 14) Advise and assist in potential disciplinary action and dismissal of current physicians or other medical personnel
- 15) Ensure that the clinic is operated in accordance with requirements of all applicable licensing agencies, and all other relevant requirements promulgated by federal, state or local agencies; including the Joint Commission on Accreditation of Healthcare Organizations (JACHO)
- 16) Assist with applications regarding grants and alternative funding sources from federal, state or local agencies
- 17) Prepare such reports and records as may be required by Hospital, Medical Executive Committee or the Medical Staff.
- 18) Participate in Hospital, clinic and medical staff committees upon request
- 19) Participate in the development and presentation of programs related to the marketing of the clinic's services and enhancing clinic/community relations,
- 20) Participate in on-site teaching of interns, residents or medical/midlevel students as necessary
- 21) Upon request by the clinic or Hospital, be available to respond/consult in the event of urgent or emergent situations
- 22) Cooperate in all litigation matters which may affect Physician, Hospital and/or the clinic
- 23) Maintain accurate and complete records of time spent and work done by Physician in his/her director role.
- 24) Participate in organization and management of physician pool for Hospitalist Program.
- 25) Attend workshops/continuing education with regard to management and organization of the clinic and electronic medical record
- 26) Organize and conduct monthly meetings for nursing and provider staff
- 27) Schedule Staff physicians such that a physician is on duty, on site, during clinic operating hours, as feasible.

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SAMPLE AGREEMENT, SAME FOR LUDWICK & KIP

INDEPENDENT CONTRACTOR AGREEMENT

This Independent Contractor Agreement (the "Agreement") is made effective as of March 21, 2013 (the "Effective Date"), by and between Northern Inyo County Local Hospital District, a California healthcare district (the "District"), and Joseph M. Ludwick, MD, a board certified Cardiologist with principal office at 343 Elm Street Suite 400 Reno, NV 89503 (the "Consultant").

RECITALS

- A. District operates a hospital located at 150 Pioneer Lane, Bishop, California.
- B. Consultant is a cardiologist with particular expertise and certification for the interpretation and analysis of echocardiogram test results.
- C. Terry Tye is an employee of District licensed by the State of California to administer tests which produce echocardiograms and produce echocardiogram test results for interpretation and analysis.
- D. District has its own echocardiogram equipment but is not certified to interpret and analyze echocardiogram test results.
- E. District desires to utilize, and consultant desires to provide, services for the interpretation and analysis of echocardiogram test results on the terms and conditions set forth herein.

Therefore, in consideration of the mutual covenants, performances and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Engagement. The District agrees to engage the services of the Consultant, and Consultant agrees to provide his services, as described herein, to the District on the terms and conditions set forth in this Agreement. Consultant shall devote such time to performing his obligations under this Agreement as are necessary or appropriate for the performance of such obligations.

2. Services. Consultant hereby agrees to render for the District the following services (collectively, the "Services"):

- (a) Consultant will interpret and analyze echocardiograms and echocardiogram test results which are produced in the scope of their employment by District by either Terry Tye or another technician

employed by District having equal qualifications and licensure for patients of the District.

- (b) Consultant will present the interpretation and analysis of a Patients' test results to the District in the form of a report (a "Patient Report"), which will be delivered to the District within 24 hours of the District's submission of a complete Patient Package (defined below).

3. Patient Package.

- (a) District's Obligation. As a condition precedent to Consultant's obligation to perform the Services in relation to a particular Patient, the District will transmit to Consultant all of the following information (collectively, a "Patient Package"):
 - (i) Patient's echocardiogram test results produced by Terry Tye or another technician employed by District having equal qualifications and licensure.
 - (ii) Patient's treating physician contact information (the "Treating Physician").
- (b) Billing. Physician will be responsible for billing for his interpretations. District shall provide the Physician with the information necessary to process patient bills.

4. Consultant's Obligations. Consultant shall:

- (a) Consultant will apply for and obtain membership in the Northern Inyo Hospital Medical Staff, and maintain such membership at all times, along with such staff privileges as may be required for the discharge of his duties under this Agreement.
- (b) Consultant will abide by all District rules, regulations and By-Laws, including but not limited to the By-Laws of the Northern Inyo Hospital Medical Staff.
- (c) Consultant will maintain current credentials along with proof of current liability insurance.
- (d) Submit the Patient Report to the District by fax or mail, or other electronic means agreed to by the parties;
- (e) At all times abide by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") as set forth in the Business Associates Agreement attached hereto and made part hereof; and
- (f) Promptly inform District of any circumstance that would prevent Consultant from rendering the Services, including, but not limited to,

the revocation or loss of any license or certification required by the Medical Board of California in order to perform the Services.

5. Term and Termination. The Services to be rendered by Consultant under this Agreement shall commence upon the Effective Date, and shall be terminable as follows:

- (a) By District upon 30 days written notice to Consultant;
- (b) By Consultant upon 90 days written notice to District; or
- (c) Upon mutual agreement of the parties.
- (d) By District immediately upon occurrence of any of the following:
 - 1. Consultant's death, loss of Northern Inyo Hospital Medical Staff membership, loss of license to practice medicine in California, or loss of Medical Staff privileges required to render services under this Agreement.
 - 2. Consultant's inability to render services under this Agreement.
 - 3. The appointment of a receiver of the assets of Consultant, an assignment by him for the benefit of his creditors, or any action taken or suffered by him with respect to him under any State or federal bankruptcy or insolvency law.
 - 4. Closure of Northern Inyo Hospital.

6. Notices. All notices and other communications to any party will be in writing and mailed or hand delivered to such party, addressed to such party at the address set forth below each party's signature to this Agreement, or at such other address that is designated by such party in a written notice to the other in accordance with this Section. All such notices and other communications will be effective (i) the next business when sent overnight through a recognized overnight courier, (ii) upon receipt when hand delivered, addressed as aforesaid, and (iii) on the 5th day after being deposited into the U.S. mail, postage prepaid, sent certified mail, return receipt requested.

7. Status As Independent Contractor. It is the intention of the parties that Consultant be retained as an independent contractor, and not as an employee or a partner. Accordingly, the Consultant agrees not to hold himself out as an employee or a partner of the District, or act, or omit to act, in such a way as to cause other persons or entities to believe that the Consultant is an employee or partner of the District.

8. Miscellaneous.

- (a) Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersedes all prior oral and written agreements, negotiations, commitments and understandings of the parties with respect to Consultant's work for the District.

- (b) Amendment. This Agreement may not be changed or amended except by a writing executed by both parties hereto.
- (c) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their heirs, legal representatives, successors and assigns.
- (d) Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California.
- (e) Waiver. No delay or failure by either party to exercise or enforce at any time any right or provision of this Agreement shall be considered a waiver thereof or of such party's right thereafter to exercise or enforce each and every right and provision of this Agreement. All waivers must be in writing, but need not be supported by consideration. No single waiver shall constitute a continuing or subsequent waiver.
- (f) Further Assurances. Each party to this Agreement agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the transactions and provisions contemplated herein.
- (g) Severability. If a court, which has jurisdiction, finds that any provision of this Agreement is invalid, unenforceable or void, the remainder of this Agreement shall remain in full force and effect.

The parties hereto have executed this Agreement as of the Effective Date.

DISTRICT:

Northern Inyo Local Hospital District
A California Healthcare District

By: _____
 Name: John Ungersma, M.D.
 Title: District Board President

CONSULTANT:

Joseph M. Ludwick, MD

Signature: _____

Address: 343 Elm Street Suite 400
 Reno, NV 89503

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Northern Inyo Hospital

Board Presentation

March 20, 2013



Renown is here to put forth a proposal to assist in the management of Northern Inyo Hospital following the retirement of your CEO, John Halfen. The details of our proposal are as set forth in recent correspondence to your chairman dated February 11, 2013. Further details are available as requested.

All of us in healthcare are charged with finding ways and methods of becoming more efficient and delivering healthcare to our communities at lower cost. Our intent and effort is to assist your hospital in achieving that objective. By calling on the resources of Renown Health, a variety of administrative services can be afforded NIH at a cost less than your hospital can achieve on its own.

Renown does not claim to have vast experience in fulfilling this role. We have, however, done it before and we bring to you today the team that successfully oversaw the managerial functions of a rural California critical access hospital for a five-year span.

Further, we are ever mindful of your concerns that a relationship as we propose will afford Renown the opportunity to potentially take business from your community to be delivered to Reno. Let me assure you this is far from our purpose. We are fully aware that the community and your hospital must have all medical care that can be delivered in Bishop be delivered by NIH and by NIH physicians in Bishop.

We recognize that it is not only the right thing to do for the patient, but it's crucial to the viability of your institution.

To give you confidence in our commitment, you need only look to history. Renown has been doing business in this community and 22 other rural communities surrounding us for decades. We attempt to bring to you expertise



to be delivered in your community. To violate the trust you place in us would be very short term thinking. There should be little doubt that Renown's thinking and strategy is long term, as evidenced by our 150 year history.

To the degree desired, we are more than willing to provide within our relationship any language that will give written comfort of our intent.

Finally, should our commitment to support NIH not be honored, you always have the right and ability to terminate the relationship and move in another direction.

We have enclosed some information about Renown Health and its status today. Some of you, or your families in need of care, have taken advantage of the care Renown provides and know first-hand who we are. Others can get an overview from the information attached. In addition, we have enclosed some biographical information on the individuals joining you at this board meeting, all of whom will have some involvement in attempting to add to the successes NIH has already achieved.

If more information is necessary or desired, we will be happy to furnish whatever is needed.



The logo for Renown Health, featuring the word "Renown" in a large, bold, sans-serif font with a trademark symbol. Below it, the word "HEALTH" is written in a smaller, all-caps, sans-serif font. The logo is set against a dark, curved background that resembles a stylized globe or a large letter 'R'.

Bill Gordon

Bill served for 34 years as a CEO at three hospitals with two of them being Rural hospitals.

Bill has a full understanding of Hospital Districts such as Northern Inyo District Hospital. He served as the CEO of the Oak Valley District Hospital in Oakdale, CA for 11 years. He also helped negotiate a 5 year management agreement with the Seneca District Hospital which resulted in restoring the District to a sound financial organization.

During his tenure as CEO, Bill developed excellent construction experience having been responsible for the construction of two new hospitals with one being a District Hospital. He also was responsible for the major addition and complete renovation of Barton Memorial Hospital.

Bill has a thorough understanding of CAH hospitals having converted Carson Valley Medical Center in Gardnerville from an outpatient facility to an acute care CAH hospital without having to go through a Certificate of Need hearing. He was also involved in the conversion of Seneca District Hospital to a CAH hospital.

In 2007 Bill joined Renown Health's management team. His responsibility is to work with the CEO's of rural hospitals in Northeast CA and Northern NV to improve access to high quality healthcare to their residents and to resolve any issues that Renown can assist with. This includes bringing specialists to these communities that enable, where possible, patients to receive care locally. Improved programs have also allowed patients who need a higher level of care to be transferred to Renown Health quickly and efficiently. Bill is constantly servicing the needs of Renown's rural partners.



The Renown Health logo, featuring the word "Renown" in a large, bold, sans-serif font, with "HEALTH" in a smaller, all-caps, sans-serif font below it. The logo is set against a dark, curved background that resembles a stylized globe or a large letter 'R'.

Jon Marshall

Jon Marshall is Renown's CFO-Affiliates. His role is to oversee the financial performance of all joint ventures, new acquisitions, rural strategies, and ACO strategies. Jon earned a B.S. in Management and Finance from UNLV, and a Healthcare MBA from George Washington University in Washington, DC. He has 15 years of experience in healthcare financial management, including the following experiences:

- CFO of a California rural hospital for 2+ years
- Consulting work as Interim CFO for a California CAH Hospital
- Financial oversight of Seneca District Hospital in Chester, CA for 3 years (via a Renown Management Agreement)
- Chief Accounting Officer of a large full-service healthcare system in Texas (similar to Renown)
- Consulting CFO of various behavioral hospitals across the country
- Controller for various Acute hospitals in urban California and Nevada

Jon understands the challenges of delivering quality healthcare in rural communities. His experiences in small rural hospitals have impressed him with the need for support for rural medical providers from both within and outside their local communities. Helping hospitals find success and long-term stability in these types of environments is one of Jon's professional passions.



The Renown Health logo, featuring the word "Renown" in a large, bold, sans-serif font, with "HEALTH" in a smaller, all-caps, sans-serif font below it. The logo is set against a dark, curved background that resembles a stylized globe or a large letter 'R'.

Doug Self

Doug Self has served in senior level executive management positions in hospitals ranging in size from a 10 bed critical access hospital with a 16 bed skilled nursing facility to a 302 bed acute care facility.

Working for Renown Health, he served for 5 years as the Chief Executive Officer for Seneca Healthcare District in Chester, CA. When he began serving at Seneca, the District faced the possibility of bankruptcy, in sharp contrast to finishing its last fiscal year in the best financial shape since 1995. Also during the past year, the skilled nursing facility earned 5 out of 5 stars from Nursing Home Compare (CMS).

He has a rich healthcare administration background, including work in urban and rural, non-profit and for-profit hospitals. In addition to California, he has worked in hospitals in Florida, Mississippi, Nevada, and Oklahoma. He holds a Masters in Business Administration from the University of Texas and a Bachelor's Degree in Mechanical Engineering from the United States Naval Academy.



The logo for Renown Health, featuring the word "Renown" in a large, bold, sans-serif font with a trademark symbol. Below it, the word "HEALTH" is written in a smaller, all-caps, sans-serif font. The logo is set against a dark, curved background.

Andrew Pearl

Andy is Vice President, System Development, for Renown Health. In that role he oversees development of our rural relationships, the formation of co-ventures and joint ventures, all Renown Health system acquisitions, and physician recruitment.

Andy is part of senior leadership at Renown Health and will be the person within the organization responsible for carrying out the duties and commitments in any Renown / Northern Inyo relationship.

The Renown Health logo, featuring the word "Renown" in a large, bold, sans-serif font with a stylized circular graphic behind it, and the word "HEALTH" in a smaller, all-caps font below it.

RenownTM
HEALTH

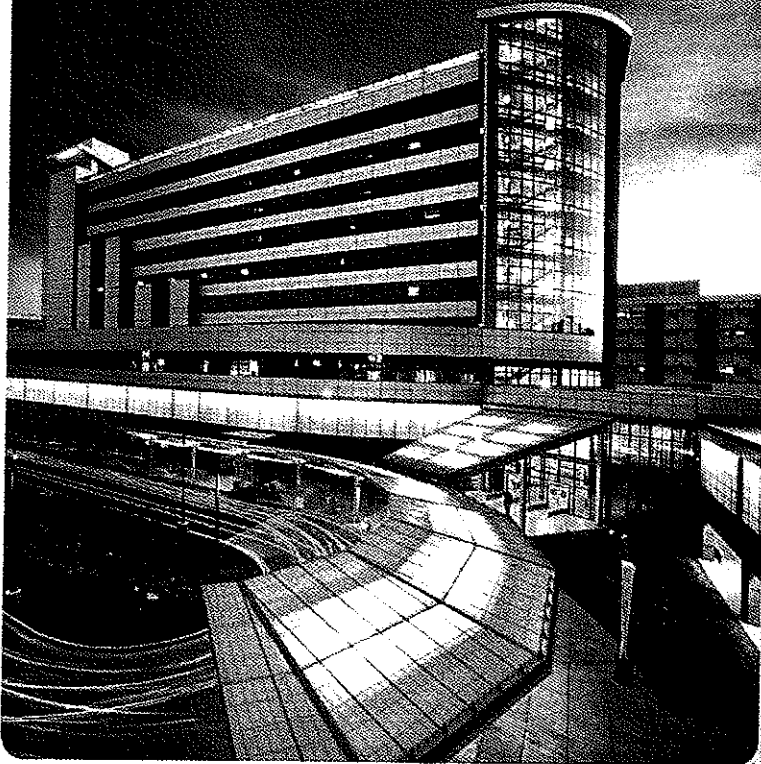


2013 FACTS AND FIGURES

Renown Health is comprised of three acute care hospitals plus a rehabilitation hospital, skilled nursing facility, largest medical group and urgent care network, and the region's largest and only locally owned not-for-profit insurance company, Hometown Health.

Learn more at renown.org or call 775-982-4100.

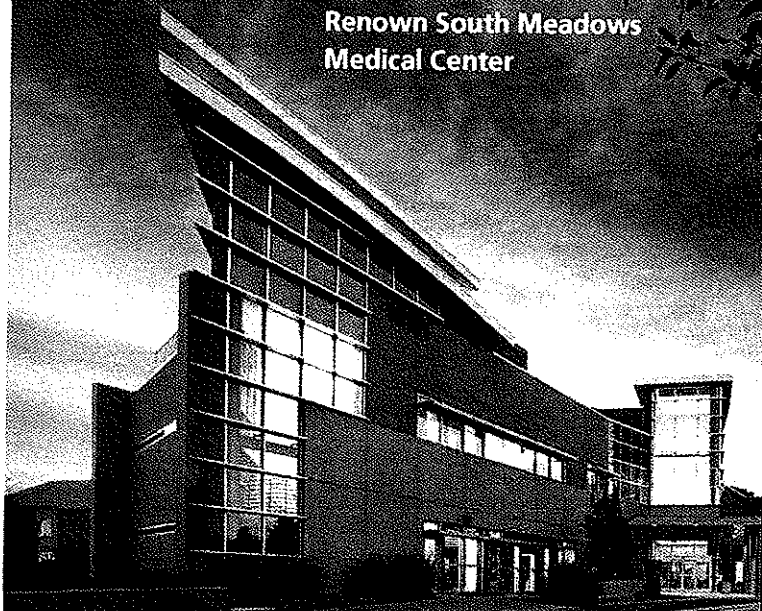
**Renown Regional Medical Center
Tahoe Tower**



Facts:

- Renown Health is Reno's only locally owned, not-for-profit integrated healthcare network.
- Renown provides more services than all other local healthcare networks combined.
- Renown has a long tradition of being the first in the region to successfully perform the most advanced procedures.
- Renown's two hospitals have consistently earned the top two regional rankings for quality private hospitals in northern Nevada by industry reviewer HealthInsight.
- Renown is listed as a Top 100 Integrated Healthcare Network and Consumer Choice Award winner for the last nine consecutive years.
- Area doctors have rated Renown as the best place for technology and practicing medicine, and as the best place to take their own family members for care.
- Renown is the region's only accredited Trauma Center.
- Renown is the only health organization in Nevada to be designated as NICHE, a national program that honors excellent geriatric care.

**Renown South Meadows
Medical Center**



The Numbers Say it All:

946	Total Licensed Beds
906	Physicians with privileges (as of Dec. 2011)
3,787	Babies Delivered
4,996	Employees (as of Dec. 2011)
19,351	ER Visits at Renown South Meadows
81,356	ER Visits at Renown Regional Medical Center
34,782	Inpatient Admissions
298,677	Outpatient Visits
84,669	Covered Lives through Hometown Health (as of Dec. 2011)
175,510	Patient Days Including Newborns
\$1.1 Billion	Renown Health Revenue Community Impact*
Countless	Lives Touched

Figures reflect fiscal year 2011. Figures compiled from Renown Regional, Renown South Meadows and Renown Rehabilitation.

*Figure obtained using University of Nevada, Reno Department of Resource Economics multiplier

Renown Health Major Medical Programs and Specialties

Institute for Heart & Vascular Health

- Renown Health has been leading the way in medical breakthroughs and is the region's leader in heart care.
- Renown is home to two accredited Chest Pain Centers using two D-SPECT heart cameras.
- Home to the first and only accredited Heart Failure center in northern Nevada.
- First and only in the region with a Heart Nurse Navigator, supporting patients 24/7.

Institute for Neurosciences

- Northern Nevada's first and only Institute for Neurosciences.
- Certified Primary Stroke Center and accredited Epilepsy laboratory.

Institute for Cancer

- Nevada's only program offering all three cancer accreditations available for hospitals in our community: the Comprehensive Cancer Program, Breast Cancer and Radiation Oncology accreditations.
- In partnership with the University of California, San Francisco Medical Center, a top 10 care center, the experts at Renown are creating life-changing treatment options.
- Offering promising new treatments with more clinical trials than any other regional hospital.
- Renown Health is one of a handful of hospitals in the western U.S. specializing in treating gynecologic cancers.
- With the region's first and only TomoTherapy Hi-Art and Varian TrueBeam systems, offering the two leading radiation therapy treatments available. Customized treatments address tumors of all sizes and types throughout the entire body.
- Offering new and expanded Infusion Services focusing on patient-centered care with fully integrated services such as 24/7

Nurse Navigator, palliative care and three cancer doctors.

Institute for Robotic Surgery

- Renown was the first to bring the da Vinci Robotic Surgical System to northern Nevada and the only health network in the region with two da Vinci systems, including the region's only da Vinci Si. Renown is one of a handful of hospitals nationwide offering multiple specialties.
- One of only five Robotic Epicenters for gynecologic oncology in the nation. Dr. Lim and the expert surgical team have perfected using the da Vinci Surgical System and have become an internationally recognized training center.
- The da Vinci Si is the latest robotic surgery technology and offers enhanced 3D HD vision, upgraded surgeon console, dual console capability, expanded surgeon control and OR integration.
- Renown is the only hospital in the region to train OR teams specific to each procedure, therefore patients can rest assured their entire medical team has the skill and expertise to provide an unmatched level of care.

Renown Children's Hospital

- Home to northern Nevada's only CHA-affiliated Children's Hospital. The Children's Hospital Association advances child health through innovation in the quality, cost and delivery of care.
- Nearly two-thirds of all Reno area births occur at Renown.
- Region's only hospital affiliated with Children's Miracle Network Hospitals.
- Region's only Children's ER, Wilbur D. May Pediatric ICU and largest Neonatal ICU in northern Nevada.
- Region's only Children's Specialty Care, treating children with tumors, cancer, blood disease and other major illnesses.

X-Ray & Imaging

- With nine imaging locations, Renown Health is the region's leading provider of diagnostic imaging.
- Renown brought the first dedicated PET/CT scanner, Bi-plane Angiography and the newest 3T MRI technologies to the region.
- Offering region's leading preventive breast cancer care, including northern Nevada's first and only SonoCiné full breast screening ultrasound, MRI-guided Breast Biopsy and Digital Mammography.

Orthopedic Services

- Board-certified orthopedic surgeons collaborate with physician specialists in rehabilitation, certified nurses and therapists to develop individualized care plans to provide preventive, diagnostic, therapeutic and rehabilitative orthopedic care.
- Orthopedic services include advanced surgical and non-surgical approaches to a variety of conditions, including trauma injuries, sports injuries, spine surgery and total joint replacement.

Renown Medical Group

- Renown Medical Group has 15 locations with the largest physician group in the region, including Reno, Sparks, Fernley, Fallon and Silver Springs. Same-day appointments available by calling one number: 982-5000.
- Medical Group patients can use R-Chart, a secure and easy way to manage their healthcare online.

Community Benefits

- Region's largest private employer with a nearly 5,200-member workforce.
- Provided nearly \$140 million to support partnerships primarily benefitting healthcare initiatives in our community.

Follow us on



Joint Commission
National Quality Approval



Local Affiliations

Hometown Health

Senior Care Plus

AT A GLANCE: ACCOUNTABLE CARE ORGANIZATIONS

Healthcare is CHANGING

GOVERNMENT IS CHANGING HOW IT PAYS FOR SERVICES
current system = PAYMENTS FOR EACH SERVICE
future system = PAYMENTS BASED ON OUTCOMES

What is R-TotalHealth?

R-TotalHealth is an ACO or ACCOUNTABLE CARE ORGANIZATION that brings together healthcare providers to coordinate care and improve patient outcomes.

RENOVN IS ALREADY A

TOP 100

INTEGRATED HEALTHCARE NETWORK

AND HAS BEEN FOR

EIGHT YEARS

IN A ROW!

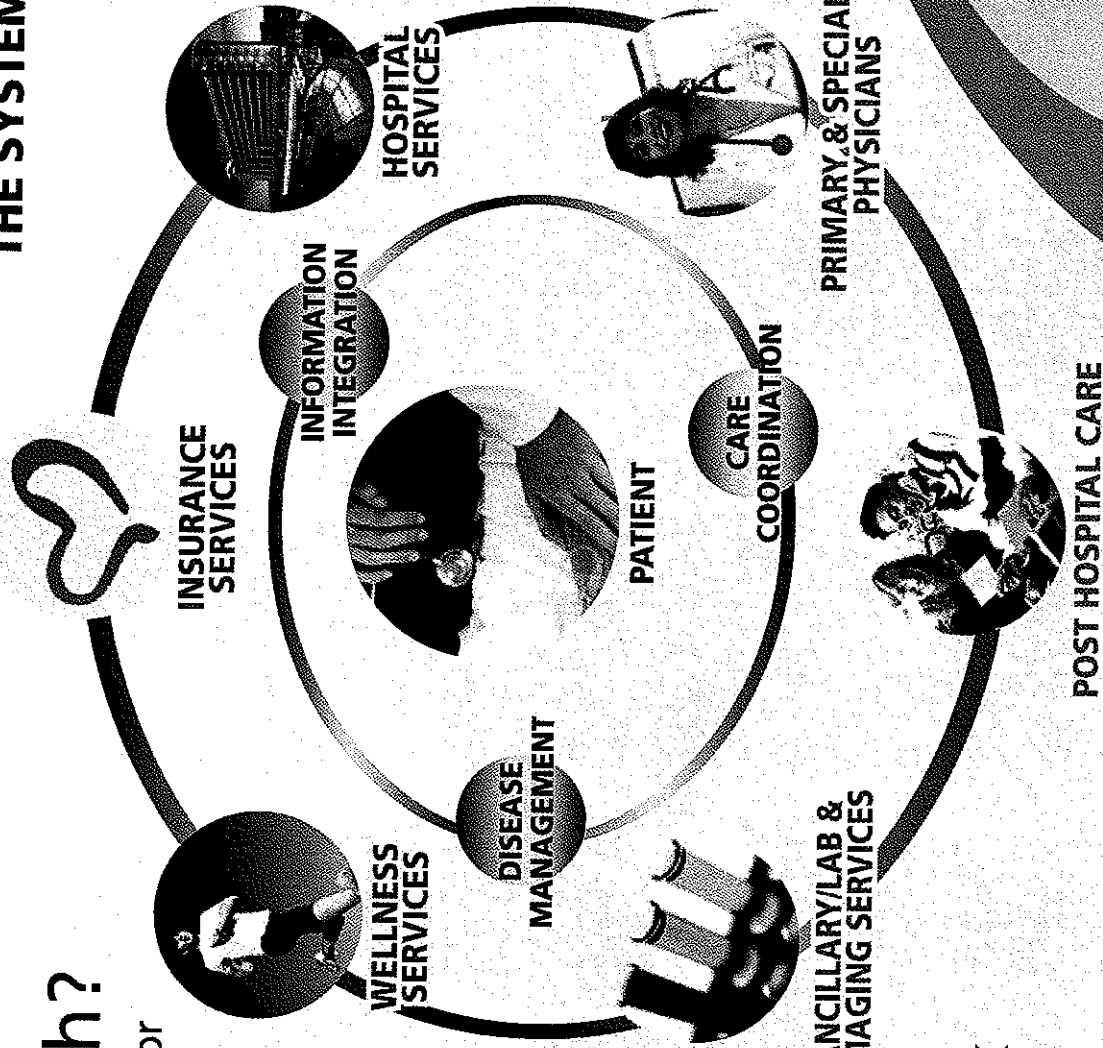
TOP 100

Integrated Health Network

by SDI

THE SYSTEM OF TOMORROW WILL FOCUS ON PREVENTION

In the system of the future every hospital will have to do more with less, while achieving better results.



PUTTING THE PATIENT AT THE CENTER OF THE HEALTHCARE SYSTEM

Renown[™]
HEALTH

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March 7, 2013

Board of Directors
Northern Inyo County Local Hospital District
150 Pioneer Lane
Bishop, CA 93514

Dear Members of the Board,

Thank you for the opportunity to present information about HFS Consultants, and our experience and expertise in executive search for California District Hospitals.

I have attached several documents which I hope you will find helpful.

1. The first document is six slides from an education program we've developed for District Boards that face the departure of a senior member of their administration. If you would like, I would be happy to make the complete presentation, which takes about 30 minutes.
2. The second document is a scanned version of an article that addresses this same subject.
3. The third document is quick overview of my background.
4. Lastly, there is brief checklist that might be helpful in evaluating search firms.

Please let me know if I can be of further assistance.

Best Regards,

HFS CONSULTANTS

A handwritten signature in cursive script that reads "Don Whiteside".

Donald J. Whiteside
Managing Director, Client Services and Executive Search

Selecting the Right CEO

The Most Important Responsibility of
the Board

Donald J. Whiteside, HFS Consultants
for **Northern Inyo Hospital**

February 26, 2013

Complete Solutions for Healthcare Management



**YOUR CEO'S CHAIR IS
EMPTY...**



- Now what??
- Unique Situation, but with
Common Needs
- Critical Opportunity
- Care and Caution During
Transition


THE SEARCH COMMITTEE **HFS** consultants

- The District Board
- Advisory Committee
- Avoid Too Large a Group

SELECTING A SEARCH FIRM (OR NOT...) **HFS** consultants


- Specific Expertise and Experience
- Keeps the Board and Administration on Task
- Searches Rather Than Accepts Application
- Helps Avoid Illegal Procedures and Questions
- Manages a Complex Process and Helps with Negotiations

OTHER IMPORTANT CONSIDERATIONS



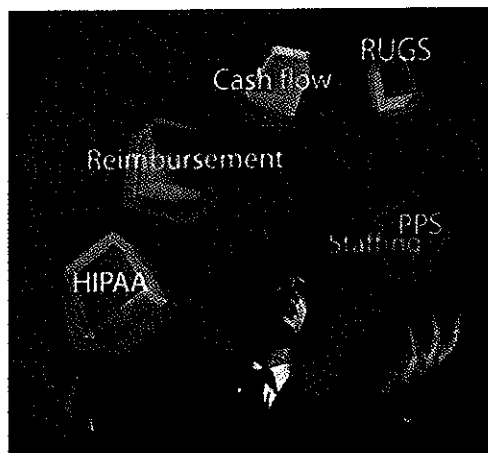
- Compensation and Severance
- Skill mix – Now and Future
- Community Fit
- Expectations
- Self Assessment – The Good, Bad and Ugly
- Internal Candidates??

BEST CASE TIMETABLE FOR A SUCCESSFUL SEARCH



	Month I				Month II				Month III				Month IV			
	Week				Week				Week				Week			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Search Firm Selected																
Consultant evaluates Organization, Position Criteria Established																
Candidates Identified and screened																
Consultant interviews Candidates																
Consultant recommends candidates; Client selects finalists for local interviews																
Client-Candidate interviews																
Preferred candidate selected; negotiations; executive hired																

Leadership Education



**NEED HELP
juggling?**

we make it look easy

Since 1991, California healthcare districts have counted on HFS. When they needed a CFO or business office manager, board education or even help starting a new district, we were there. The HFS team is proud of its expertise in the areas of:

- Hospital Management
- Hospital Turnarounds
- Clinical Operations
- Business Services
- Health Information Management
- Accounting
- Mergers & Acquisitions and Financing
- Licensing and Program Development
- Reimbursement
- Recruitment and Interim Staffing

We've worked with every kind of district facility, from urban hospital to rural health clinic to assisted living facility. Make our team part of *your* team for success and growth!



505 Fourteenth Street, Fifth Floor
Oakland, California 94612-1912
T 510.768.0066
www.hfsconsultants.com

Selecting the **Right** **C**

The Most Important Respon

You've just learned that your District's CEO seat is going to be empty. Yikes! Ensuring that your organization has the best possible leader is one of the MOST IMPORTANT jobs of a Board member. And Board members should ALWAYS be prepared if and when the time comes to fill that seat. The most important goal is to maintain stability and prepare for what lies ahead.

Should you find your organization without a CEO, the Board should carefully and promptly name an interim CEO to make sure the operations don't falter, and strategic initiatives stay on track. Are there executives in the organization that can fill the interim role? Or, is it better to bring in an outside temporary CEO? CEOs must be able to lead effectively, deal with diverse stakeholders, plan for the future, and ensure high-quality patient (and customer) care. Keep your options open and be clear about expectations and whether the interim CEO is a candidate for the permanent role.

This time also presents an excellent opportunity to "clean up old messes." Consider a facilitated Board retreat to settle any differences, stabilize the

Board dynamics, and come to a clear understanding about the characteristics and goals for the next CEO. This is also an excellent venue to decide on the composition of the Search Committee.

Ultimately, the decision to hire the CEO will be made by the full Board. It is helpful to name a Search Committee to expedite the process. Having no more than two District Board members on the Search Committee makes meeting scheduling easier, and will speed the process. There may also be an "Advisory Committee" that would include community members, medical staff, hospital managers, or others. This Committee would provide input to the Board or Search Committee on what the members think the organization and community needs. Make clear, however, that they are in an advisory

CEO

By Don Whiteside
Managing Director of Executive Search
HFS Consultants

Ability of the Board

capacity, and not a voting role, and it will be the District Board that makes the final decision.

Should you hire a search firm? While seemingly expensive, it might be the best investment you can make. ***Not finding the right leader will be the most expensive proposition.*** Search firms have the expertise and experience to keep the Board on task during a difficult time. They will objectively evaluate the organization and help determine the CEO job specification. There are always the “good, bad, and ugly” to every job, and search consultants can explain all of this to candidates in an objective and believable manner. A search firm will “search” rather than “accept applications” resulting in a higher caliber of candidate. A good search firm will help you avoid illegal questions and procedures, and manage the complex process. They also should help with the negotiations that should result in a fair, attractive, and long lasting employment agreement.

Other important considerations? Early on, get appropriate advice on CEO compensation, severance, and benefits. You don't want this to be a deal killer at the end. Determine the most important CEO skills needed—now, and for the future. Community “fit” may be the most important factor for a new CEO. If you haven't engaged a search consultant, do a brutally honest self assessment and make your own list of the “good, bad, and ugly”- your candidates will certainly be considering those same things. And lastly, be particularly sensitive to internal candidates. Create a confidential and respectful process that will allow these individuals to continue to serve the organization should they not be chosen.

Please call or write with any suggestions or questions. Don Whiteside, Managing Director of Executive Search, HFS Consultants. 510-768-0066 or whiteside@hfsc consultants.com. ▲





DONALD J. WHITESIDE
MANAGING DIRECTOR

Don Whiteside is Managing Director, executive search and business development for *HFS Consultants*. Don executes executive search assignments for hospitals, health systems, healthcare districts, and companies in all stages of industry maturity to identify and fulfill their executive needs. He has an extensive background in healthcare business, Board development and relations, sales and marketing, and transformation management. Additionally, he has served on several Boards.

Recent assignments include CEO's for several California District Hospitals; CFO's for a California District hospital, a large urban medical center, and for a multi hospital health systems; President for a large tertiary trauma center in the Bay Area; Executive Directors for two community based Healthcare Districts; Chief Operating Officer for a two hospital health system; a COO/CFO for a two hospital faith based health system; and an Executive Director for a large multi level senior living community.

Prior to joining *HFS Consultants* Don worked as a search consultant for the largest national healthcare specialty firm and an international search firm. Prior to that, he was President/CEO of HealthPlus, the business subsidiary of the Hospital Council of Northern and Central California, providing group purchasing, operational and financial consulting, and other services. Before joining the Hospital Council in 1987, Don held sales and management positions for medical equipment companies. He has also worked in general aviation and served on several Boards.

Your goals and needs are the primary focus when *HFS Consultants* conducts executive search assignments. Your organization will greatly benefit from our extensive experience in healthcare combined with a broader perspective from our other business experience and search work.

In addition to hospitals and health systems, healthcare product and medical device companies, trade associations, consulting firms, and long-term care/senior care organizations, we have helped biotech, pharmaceutical and general business clients. You, our client, benefit from our expertise at recruiting outstanding leaders to fill such senior roles as Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, and various functional vice presidents.

Clients who seek objective evaluation of executive candidates, the highest quality service, and assistance with negotiation and decision-making will appreciate our broad experience and consulting skills – and our total dedication to help clients meet their leadership goals. We specialize in finding the perfect match for our clients.

Mr. Whiteside received his B.A. degree in Psychology from University of California, Berkeley.

CHECKLIST FOR EVALUATING EXECUTIVE SEARCH SERVICES

- Does the search consultant have a strong working understanding of your organization? Do they actively pursue a greater understanding of your leadership needs? Do they care?
- Does the search consultant provide ongoing and meaningful communication throughout the process? Are you kept apprised of progress and problems?
- What is the search firm's reputation? What strengths do they have? Do your colleagues recommend them? Have you or a colleague worked with this search firm previously?
- What is the search firm's record of similar placements?
- What is the search firm's candidate screening process, and how are quality control measures built into it? How are reference checks conducted?

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Dear Northern Inyo Hospital Board of Directors,

We had submitted documentation for purchase of an 8-Channel Foot/Ankle coil for MRI. This was approved in the capital budget for FY 2013.

Dr. Zarzhevsky and other radiologists believe this will be a great improvement to the quality of these exams. Please see her enclosed letter.

We perform 80-100 Foot/Ankle exams per year and anticipate this volume growing with the expansion of orthopedic services at NIH.

Our current equipment was purchased in 2003.

The design of the new equipment will allow for more thorough and detailed imaging of the anatomy and pathology for this exam. This piece will also significantly decrease or eliminate imaging artifacts that may interfere with interpretation of the exam.

I have also enclosed the quote.

Please do not hesitate to contact me if I may provide any additional information.

Respectfully,
Patty Dickson
RT (R)(N)(M)
Radiology Manager



NORTHERN INYO HOSPITAL
People you know, caring for people you love.

150 Pioneer Lane
Bishop, CA 93514
760-873-2634



Patty Dickson

From: Natalia Zarzhevsky
Sent: Friday, March 01, 2013 3:03 PM
To: Patty Dickson
Subject: Ankle coil

Follow Up Flag: Follow up
Flag Status: Completed

Hi Patty,

Please share this information with the Board of Directors.

I would like to let you know that with our current patient volume and increasing imaging needs and osteomyelitis cases for the Ortho clinic and RHC, it would very helpful to use a designated 8 channel Ankle/Foot coil for MR imaging. This coil will definitely improve image quality and eliminate the potential need for additional studies.

Some of our current studies have significant artifacts in the images, obviously limiting the diagnostic value. The addition of high resolution from the dedicated coil should eliminate these problems.

I believe this is a quality issue that has been raised for a couple of years.

Thank you very much,
Natalia Zarzhevsky MD



GE Healthcare Technologies

OnDemand Services Quote

Customer Name: Northern Inyo	Date: 3/1/2013
Customer Address: 150 Pioneer Lane Bishop, CA 93514	Phone Number:
Contact:	Fax Number:
Billing Account Number: 670633475	Quotation No.: AG121511

We are pleased to submit the following quotation to you to sell the Part(s) described in this quotation to you at prices and terms stated, subject to your acceptance of terms and conditions on the face and back hereof and SUBJECT TO OUR CREDIT APPROVAL OF YOU. Quotation Expiration: Coils must be sold and shipped before 3/31/12

QUANTITY AND PART NUMBER	DESCRIPTION	PRICE
M3340CD Qty: 1	Invivo HD 8ch Foot/Ankle	\$65,000.00
	Discount-36%	(\$23,400.00)
	Total	\$41,600.00
	Warranty Period: Attached	
	Availability: Available	
	If you have any further questions, or would like to place an order, please contact Kevin Vogel at 661-618-5005 Thank you.	

TERMS OF DELIVERY: F.O.B. OUR FACTORYPriority Transportation: Yes No**TERMS OF PAYMENT:**

Payment in full is due upon receipt of our invoice.

GENERAL ELECTRIC COMPANY

GE Health Care Technologies

OnDemand Services

P.O. BOX 414 (W-503)

Milwaukee, WI 53201

AGREED TO AND ACCEPTED BY:Your Name (PRINT):

Authorized SignatureTitle:
_____Date:

Inside Sales Representative

()

DIRECT CUSTOMER ORDER SERVICE STANDARD CONDITIONS FOR PARTS

These conditions apply to all purchases or licenses of Parts from our Direct Customer Order Service component. In addition, our applicable standard warranties forms will be included within the package in which these conditions have been transmitted to you.

CUSTOMER PROFILE

We will sell Parts to health care provider-end users of our Equipment and service providers who service our Equipment. We will sell certain Parts, but not others, to wholesalers.

APPLICABLE CONDITIONS

Our sale of hardware or firmware and our license of Licensed Software Parts to you are subject to these conditions and the conditions of our applicable standard warranties forms, both of which are intended to be the complete and exclusive statement of the terms of this contract between us. No prior proposals, statements, course of dealing, or usage of the trade will be a part of this contract.

YOU WILL BE CONCLUSIVELY DEEMED TO HAVE ACCEPTED ALL TERMS AND CONDITIONS CONTAINED IN THESE CONDITIONS AND OUR APPLICABLE WARRANTIES FORMS IF YOU ACCEPT OR USE ANY OR ALL OF THE PARTS OF THIS ORDER.

Parts are intended only for use in servicing Equipment. Parts are not intended for servicing any other equipment or for manufacturing or refurbishing any equipment. We reserve the right to reject without liability any order and to revoke without liability any acceptance if we determine that a Part is not intended for use in servicing Equipment.

PRICES

Prices are subject to change without notice. Parts will be invoiced at the lower of either (i) the price quoted by us in writing, provided that the order is placed within one month after receipt of our written quotation, or (ii) the price in effect on the date of shipment. If no written price quotation is issued by us, the Parts will be invoiced at our price in effect on the date of shipment. The price of a Part ordered on an exchange basis is conditioned upon the return of a like failed Part in repairable condition (in the case of X-ray tube units, the tube housing must be in repairable condition) to us within thirty days after the date of our shipment of the replacement Part. Failure to do so will result in an additional billing for the difference between the list price (minus a ten percent discount) and the net exchange price of the Part. Such additional billing also will be made if an exchange Part or the housing of a failed X-ray tube unit is not in repairable condition in our opinion.

Prices include our then current charge for routine transportation by truck to the f.o.b. point of destination (Priority Two Order). Prices do not include our charge for priority handling or priority transportation (Priority One Order). If a Priority One Order is requested, it will be processed at our then current charge for such an order.

TAXES

You will not be obligated to pay any federal, state or local tax imposed upon or measured by our net income. Any other applicable tax will be invoiced to and payable by you along with the price, unless we receive a tax exemption certificate from you which is acceptable to the taxing authorities.

DELIVERY

Delivery dates are approximate. We are not liable for delays in performance or delivery due to a cause beyond our reasonable control. These causes include, without limitation, any delay of sources to supply materials and equipment, government priorities and labor or transportation problems. If such a delay occurs, we can extend the performance or delivery date for a period of time equal to the delay.

PAYMENT AND DEFAULT

Payment in full is due upon receipt of our invoice.

Your default under this order or a default by you or any entity managed or controlled by you or by any principal of yours under any other order or contract with us, regardless of when the order or contract was entered into, will, at our sole option, if the default is not cured within ten days after written notice of the default, constitute a default of this order and all other orders and contracts between you and/or such a principal or entity and us. In such an event, we will be excused from any performance or further performance under this order and all other orders and contracts until a reasonable time after all defaults have been cured.

Our rights under this section are in addition to all other rights available to us under law.

PROCESS, TRANSPORTATION, TITLE AND RISK OF LOSS

You will assume all process and transportation charges regarding this order, including our priority process and transportation charges.

We keep responsibility for transportation, title and risk of loss until the Parts reach the f.o.b. point stated in the order.

When a Part reaches the f.o.b. point, you take over responsibility for transportation and risk of loss. Title to a Part (excluding Software) passes to you at the f.o.b. point.

MANUFACTURE

We may provide exchange (refurbished) Parts as long as we use the same quality control procedures and warranties as for new Parts.

TESTING AND CERTIFICATION

You have to provide any government permits and approvals needed for installation and use of a Part.

LIMITED WARRANTIES AND DISCLAIMER

Warranties for hardware and software are set forth in our applicable standard warranties form(s). No warranty is furnished for anything excluded from the warranties form(s) or for operating documentation and operating tools Parts. These items are provided AS IS. NO WARRANTY OF MERCHANTABILITY OR FIT-

NESS FOR A PARTICULAR PURPOSE APPLIES TO ANYTHING PROVIDED BY US.

CONFIDENTIALITY OF INFORMATION

We will treat patient information as confidential.

LIMITATIONS OF REMEDIES AND DAMAGES

THE TOTAL LIABILITY OF US AND OUR REPRESENTATIVES TO YOU AND YOUR EXCLUSIVE REMEDY RELATING TO THIS ORDER AND THE PARTS IS LIMITED TO THE PRICE STATED IN THE ORDER FOR THE PART WHICH IS THE BASIS FOR THE CLAIM.

You agree that we and our representatives have no liability to you for (1) any penal, incidental or consequential damages such as lost profit or revenue, (2) any assistance not required under the order, or (3) anything occurring after the warranty period ends. You will be barred from any remedy unless you give us prompt written notice of the problem complained of.

This is a commercial sales transaction. Any claim related to this contract will be covered solely by commercial legal principles. WE, OUR REPRESENTATIVES AND YOU WILL NOT HAVE ANY NEGLIGENCE OR OTHER TORT LIABILITY TO THE OTHER ARISING FROM THIS CONTRACT. This limitation does not affect claims by third parties for personal injury due to our, or our representatives' or your negligence or product liability.

GENERAL MATTERS

Any assignment of this contract will be void without the other party's prior written consent. We can hire a subcontractor to perform work under this contract. The "Warranties Disclaimer" and "Limitations of Remedies and Damages" sections will continue in full force and effect after the end of this order. If any part of this contract is found to be invalid, the remaining part will be effective. The law of the state within which the f.o.b. point is located will govern any dispute between us concerning this contract.

OPERATING AND BASIC SERVICE SOFTWARE LIMITED LICENSE

Limited License

You are granted a limited license for any Licensed Software delivered by us to you under an order. You are not granted a license for any other Software.

License. This license allows you to:

- (1) Use and permit your service contractors to use the Licensed Software only on the Equipment at the Site. You must obtain a supplementary license from us (which we may or may not grant) before using the Licensed Software in connection with any other equipment.
- (2) Make one copy of the Licensed Software in machine-readable form solely for backup purposes. You must reproduce on each copy the copyright notice and any other proprietary legends that were on the original copy.
- (3) Transfer the Licensed Software and all rights under this license to another party together with a copy and subject to the terms of this license as part of the sale of the Equipment to the other party.

Restrictions. You may not distribute copies of the Licensed Software to others or electronically transfer the Licensed Software from one computer to another over a network. The Licensed Software contains trade secrets. In order to protect them you may not decompile, reverse engineer, disassemble, or otherwise reduce the Licensed Software to human-perceivable form. YOU MAY NOT MODIFY, ADAPT, TRANSLATE, RENT, LEASE, LOAN, RESELL, FOR PROFIT, DISTRIBUTE, NETWORK, OR CREATE DERIVATIVE WORKS BASED UPON THE LICENSED SOFTWARE OR ANY PART THEREOF.

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DEFINITIONS

"Part" means hardware, firmware or Licensed Software, component or accessory, including X-ray tube units, Operating Documentation, and Operating Tools of or to Equipment.

"Licensed Software" means Operating Software and Basic Service Software.

"Operating Software" means proprietary operating Software developed by and/or provided to us for the ordinary operation of the Equipment and any optional Software to enhance the operation of the Equipment, as well as any upgrades or revisions of this material that we provide in fulfillment of a specific written commitment, which bear a white cover or label and/or a notice that states substantially the following:

"OPERATING SOFTWARE PROPERTY OF GE"

"Basic Service Software" means any of our proprietary basic service Software developed by and/or provided to us for the installation, maintenance, repair and/or de-installation of the Equipment, as well as any upgrades or revisions of this material that we provide in fulfillment of a specific written commitment, which bear either a white cover or label and/or incorporate or display a notice that states substantially the following:

"BASIC SERVICE SOFTWARE PROPERTY OF GE"

"Operating Documentation" means any of our operating and basic service documentation, embodying information developed by and/or provided to us for the installation, operation, maintenance, repair and/or de-installation of Equipment, which bear a white cover or label and/or a notice that states substantially the following:

"OPERATING DOCUMENTATION"

"Operating Tools" means any of our tangible, basic operating and service instruments or instrument combinations developed by and/or provided to us for the installation, maintenance, repair and/or de-installation of the Equipment, which either bear or are maintained in a container which bears a white cover or label and/or a notice that states substantially the following:

"OPERATING TOOLS"

"Operating Package" means Operating Documentation, Operating Software, Operating Tools and Basic Service Software.

"Equipment" means medical diagnostic imaging or therapeutic equipment manufactured, sold, leased, consigned and/or serviced by us and specifically excludes the Operating Package, the InSite Package and all parts of those packages.

"Site" means the specific geographic location or the specific vehicle and geographic location within which the Equipment is installed and/or used on the date of this order.

"Advanced Service Package" means our proprietary service Software, firmware, documentation, and tangible instruments or instrument combinations developed by and/or provided to us for our installation, maintenance, repair, and/or de-installation of the Equipment, as well as any upgrades or revisions of this material, which bear a yellow cover or label and/or incorporate or display a notice that states substantially the following:

"ADVANCED SERVICE SOFTWARE OR DOCUMENTATION OR TOOLS PROPERTY OF GE FOR GE SERVICE PERSONNEL ONLY NO RIGHTS LICENSED - DO NOT USE OR COPY DISCLOSURE TO THIRD PARTIES PROHIBITED"

"InSite" means our proprietary remote service Software, hardware, firmware, documentation, and tangible instruments or instrument combinations developed by and/or provided to us for our assembly, installation, configuration, maintenance, repair, and/or de-installation of the Equipment, as well as any upgrades or revisions of this material, which bear a red cover or label and/or incorporate or display a notice that states substantially the following:

"INSITE PROPERTY OF GE FOR GE SERVICE PERSONNEL ONLY NO RIGHTS LICENSED - DO NOT USE OR COPY DISCLOSURE TO THIRD PARTIES PROHIBITED"

"InSite Package" means Manufacturing Material, Advanced Service Package, Vendor Service Package, and InSite.

"Manufacturing Material" means our proprietary manufacturing, engineering and/or developmental Software, hardware, firmware, documentation, and tools developed or under development by and/or provided to us for our assembly, configuration and/or possible future service of the Equipment, as well as any upgrades or revisions of this material, which bear a red cover or label and/or incorporate or display a notice that states substantially the following:

"MANUFACTURING MATERIAL PROPERTY OF GE FOR GE SERVICE PERSONNEL ONLY NO RIGHTS LICENSED - DO NOT USE OR COPY DISCLOSURE TO THIRD PARTIES PROHIBITED"

"Software" means a computer program or compilation of data that is fixed in any tangible medium of expression, or any storage medium from which the program may be perceived, reproduced or otherwise communicated, either directly or with the aid of a machine or device.

"Vendor Service Package" means vendor proprietary service Software, firmware, documentation, and tangible instruments or instrument combinations provided by a vendor to us for our installation, maintenance, repair, and/or de-installation of vendor-supplied components of the Equipment, as well as any upgrades or revisions of this material, which bear a red cover or label and/or incorporate or display a notice that states substantially the following:

"GE VENDOR SERVICE SOFTWARE OR DOCUMENTATION OR TOOLS PROPERTY OF GE FOR GE SERVICE PERSONNEL ONLY NO RIGHTS LICENSED - DO NOT USE OR COPY DISCLOSURE TO THIRD PARTIES PROHIBITED"

ENTIRE AGREEMENT

This order is intended to be the complete and exclusive statement of the terms of this contract between us. Please understand that this order is expressly made conditional on your assent to all of our terms.

**THIS SHEET
INTENTIONALLY
LEFT BLANK**

Rough Order of Magnitude outdoor walk in freezer

Outdoor walk in freezer	\$41,996.02
Concrete slab	\$2,900.00
Electrical	\$6,454.00
Security fencing	\$1,200.00
	\$52,550.02

FRIGID COOLERS LLC

Walk-in Coolers, Freezers, Refrigeration,
Glass Doors and Restaurant Equipment
15751 Sheridan St. - Suite 115
Ft. Lauderdale, FL 33331

Quotation

Phone: 954-237-6753
Fax : 954-237-6302
Sales@FrigidCoolers.Com

Quoted to:
Robert Lopez
robert.lopez@nih.org
CA Zip: 93514
Work: 760-873-2173

Ship to:
**FREE SHIPPING
APPLIED**

*Your One Source For All Your
Cold Storage Solutions!*

Quote Number:	13-0160U	Revision	-0
Quote Date:	02/01/2013		
Sales Rep:	Luis		
Job Name:	Outdoor 10'0" X 20'0" X 7'6" High Freezer With Floor With Remote Outdoor Ref 3 Phase		

Item	Qty	Product Description
1	1	OUTDOOR Walk-In Freezer With Floor, Nominal 10'0" X 20'0" X 7'6" High with 4" Insulation (R-34), Stucco Embossed Acrylume 26 Gauge Exterior and Interior Metal Finish, Panel with Cam-Lock System. 2009 EISA Compliant.
2	1	Floor: 10'0" x 20'0" With 4" Insulation and Heavy Gauge Aluminum Interior with Stucco Embossed Exterior Prefabricated Floor.
3	1	Freezer Door and Frame: 34" x 76" Flush Door with Magnetic Door Gasket, Low Temperature, with 4" insulation, Perimeter Heater, Stucco Embossed Acrylume Finish.* *Door Accessories: (1) Vapor Proof Light, (1) Pilot Light Switch, (1) Thermometer, (2) Door hinges, (1) Door Handle with Key Lock, (1) Inside Safety Release, (1) Door Self Closer, (1) Perimeter Heater Wire.
4	1	Rain Roof or Rain Cap for Installation of the Walk-In Cooler or Freezer for Outdoors Use and Protection Against the Elements
5	1	RLO400L44-1 Remote Preassembled Outdoor Refrigeration System, Low Temperature 4 HP Scroll Copeland Compressor, Anti-Corrosion-Fins To Increase Coil Life Span, Seamless Inner Groove Copper Tubing For Increased Heat Exchange, Head Pressure Control To Stabilize The Freezing Of Liquid Line And Prevent Compressor Damage, Matched Fan Blades For Maximum Air Movement And Cooling, Adjustable Low Pressure Control Included, Industry Standard Parts For Easy Replacement, Easily Accessible Special Wiring Harness Connections That Won't Come Loose With Vibration, Control Box And Service Valves Located Outside For Easy Installation And Service, Outdoor Cover To Protect Against Corrosion, Approved By U.L., Cul And ISO9001, 208-230/60/3 Voltage, (1) Mounted Sight Glass, (1) Mounted Drier, (1) Solenoid Valve And Coil, (1) Thermostat, (1) Timer, (1) Crankcase Heater, BTUs: 16,320 (When Holding At -10° F) 2009 EISA Compliant (R-404a Refrigerant)
6	1	AE36-140B-DE Electric Defrost Low Profile Evaporator, With Anti-Oxidizing Stainless Steel Mounting Bolts, Anti-Corrosion-Fins To Increase Coil Life Span, Corrugated Fins Increase Air Flow And Improve Heat Exchange, Parts Easily Accessible By Opening Front Cover, Protruding Fan And Motor Placement To Reduce Vibration Noise, Includes (1) Thermostatic Expansion Valve, Number Of EC Motor Fans (3) (R-404a Refrigerant) 208-230/60/1 Voltage
7	1	5 Year Extended Compressor Warranty Included.
8	1	10 Year Panel Warranty Included.
9	1	All Brand New Equipment Quoted. We DO NOT Quote or Sell Used or Refurbished Equipment.
10	1	Free Shipping Applied.

601K

*2000 or
spreadsheet*

ROM.

*Temp Monitoring
Add to the list*

www.FrigidCoolers.Com

Page: 1

From: Amy Panza [mailto:amy.panza@polarking.com]
Sent: Friday, February 01, 2013 11:09 AM
To: Glen Forehand
Subject: Polar King 10x20 Freezer Proposal

City Permit -

- Set Back From Bldg.*
- Security Fence & maybe cover*
- Elec Job walk*

Good afternoon Glen,

Thank you for your recent inquiry and taking a few minutes this morning to discuss your interest regarding our patented line of 100% seamless, fiberglass walk-ins. As requested, please find attached the proposal and coordinating detailed schematic drawing for our 10'x20' [-10°F] freezer walk-in for your review. Delivery and set-in-place are included in the cost provided. Shelving (installed) is also included in the total cost.

Each Polar King is constructed using our patented design of a one-piece, 100% **weatherproof** structure with a seamless interior and exterior finish allowing NO penetrations into the insulation and repelling all weather elements such as direct sunlight (up to 175F), snow, rain, and even harsh salt water environments. These units will never dent, rust, or corrode the lifetime of the unit. You may also select any paint color of your choice or provide a paint sample for Polar King to match at no additional charge!

Our drivers will be on site ready to set this fully assembled unit in place for you, leaving only the final electrical hardwiring and level surface (a 4" non-insulated slab roughly 1-2" larger around the perimeter of the box is recommended, 4-5" crushed gravel, or existing asphalt will suffice) to be made by you and that is it! With our 265% in energy savings over the traditional metal panel units, it is no wonder why Polar King has been the #1 Energy rated walk-in on the market. I have enclosed our Energy Study to prove the difference between our patented fiberglass structure versus a metal panel box.

Not only does Polar King units arrive ready to operate but each unit can be moved in the future for renovation or expansion projects by a simple lift of a forklift or crane on site, enabling you to take your business anywhere! With our 10 year structural warranty (includes floor), 5 years on the compressor, and 1 year on everything.

I look forward to further assisting you with this project and please don't hesitate to contact me with any questions.

Best!

Amy Panza
Healthcare Foodservice Sales

Polar King International, Inc.
Office: (800) 752-7178 ext. 2528
Fax: (260) 428-2533
Cell: (260) 704-3004
amy.panza@polarking.com
www.polarking.com

PROPOSAL

Glen Forehand
 Northern Inyo Hospital
 150 Pioneer Lane
 Bishop, CA 93514

2/1/2013
 Proposal Number: 16562.1

Model Number: L1020 Freezer -10°F

Installation: Free Standing

Standard Equipment:

seamless fiberglass interior and exterior
 hasp lock (ext. door)
 safety release handle
 lockable door latch
 self-closing hinges
 heated door jamb
 magnetic gasket
 door closer
 sweep seal
 208-230/1/60 refrigeration system
 low ambient controls
 defrost timer
 heated relief port (freezers)
 light switch/pilot light
 exterior color choice
 rain cap exterior doors
 remote thermometer
 interior lighting
 crowned roof
 heated freezer door

Included Optional Equipment:

1 5 Inch Insulation
 1 Vinyl Strip Door
 1 Exterior Door Ramp
 1 3 Phase Electrical Upgrade
 1 Digital Thermometer with Temperature Alarm
 (final wiring and set up to be done on site by
 others at purchasers expense)
 1 Shelving package per drawing
 1 6" Roof Insulation
 1 3/4" OSB Flooring for Carts

Color Choices (choose one):

_____ safety white
 _____ light grey
 _____ beige
 _____ dunes tan

Or choose a palette number from one of the following manufacturers.

ICI/Glidden # _____
 Benjamin Moore # _____
 Sherwin Williams # _____

Energy Independence & Security Act Compliant

PRICING/DELIVERY

Freight To: Bishop, CA

Approximate Delivery: 4 to 8 Weeks

Payment Terms: 30% Down; NET 30

Unit Price : \$ 41,996.02

Sales Tax EXEMPT : \$ 0.00

Total Price : \$ 41,996.02

See Attached Polar King Conditions of Sale

This Proposal Valid For 60 Days

An Authorized Representative Shall Initial Page 1 of This Proposal and Sign Page 2 of This Proposal.

initial: _____



Polar King Conditions of Sale

Proposal Number: 16562.1

GENERAL. Acceptance of this Proposal is expressly conditioned upon Buyer's assent to the Polar King International, Inc. (PKI) Conditions of Sale as set forth below and this Proposal may not be assigned. PKI agrees to furnish the equipment and services only upon these conditions. The Proposal and the following conditions shall constitute the entire agreement between PKI and Buyer, notwithstanding the terms and conditions of any purchase order of the Buyer. Any changes to this Proposal or to the Conditions of Sale shall be reduced to writing and agreed to by PKI.

DELIVERY. All equipment manufactured, assembled or warehoused in the continental United States is delivered F.O.B. shipping point. Where the scheduled delivery of equipment is delayed by Buyer or by Force Majeure, PKI may deliver the equipment by moving it to storage for the account of and at the risk of Buyer. Shipping dates are based upon prompt receipt of all necessary information and approvals from Buyer. All delivery dates are approximate. Claims for shortages or other errors in delivery must be made in writing to PKI within ten days of delivery. Customer will be responsible for providing clear access to delivery site for Polar King to unload and set-the-equipment in place.

PAYMENT - TITLE. Except as set forth in the proposal for this order or otherwise agreed to by PKI in writing, payment terms are net 30 days from date of shipment. If Buyer delays delivery, payment shall become due on the date PKI is prepared to ship. If payments are not made when due, Buyer shall pay a late charge equal to 1 1/2% per month (18% per annum) on all such overdue amounts. Buyer shall pay attorney fees and court costs incurred by PKI in collection of overdue payments. Title to the equipment sold shall remain with PKI until fully paid for in cash.

FORCE MAJEURE. PKI shall not be liable for loss, damage, or delay, nor be deemed to be in default from causes beyond its reasonable control or from fire, strikes, floods, tornados, earthquakes, hurricanes, war, sabotage, labor difficulties, act or omission of any governmental authority, compliance with import or export regulations, insurrection, riot, embargo, delays or shortages in transportation or inability to obtain necessary labor, materials or manufacturing facilities from usual sources, or from delays in the performance of its suppliers due to any of the foregoing causes. In the event of delay due to any such cause, the time for performance will be extended by a period of time equal to the time lost by reason of such delay and other affected contract provisions shall be equitably adjusted.

EQUIPMENT WARRANTY. PKI warrants that the equipment shall be free from defects in material and workmanship (for units installed and operated within the (48) contiguous states of the United States of America) as follows: The warranty period for the fiberglass structure and the door of the unit shall be for a period of ten years from the date of delivery. The warranty period for the refrigeration, electrical and mechanical systems shall be one year from date of delivery, if installed by PKI. The warranty period for door hardware, gaskets, heat tape and finishes shall be for a period of one year from the date of delivery. The warranty period for the compressor is five years from date of delivery. Should any failure to conform to the applicable warranty appear during the specified period, PKI will repair, replace or modify the defective part or parts. Repairs or replacements pursuant to the warranty shall not extend the original equipment warranty period. PKI shall not be responsible for providing working access to the defect. PKI warrants that the services of its personnel, if provided, will be performed in a workmanlike manner. Should a failure to conform arise during the applicable warranty period, Buyer agrees to promptly notify PKI to arrange for service of the defective part. This warranty shall not apply to any equipment or parts, which have been improperly installed, repaired or altered, have been subjected to misuse, negligence or accident; or have been used in a manner contrary to PKI operating and maintenance procedures. The above warranties and remedies are exclusive and in lieu of any and all representations, specifications, warranties and remedies either express or implied, herein or elsewhere, or which might arise under law or equity or custom of trade including without limitation warranties of merchantability and of fitness of a specified or intended purpose. The remedy specified represents the sole liability of PKI and the sole remedy of the Buyer with respect to or arising out of the equipment or services whether based on contract, tort (including negligence and strict liability), or otherwise.

LIMITATIONS OF LIABILITY. In no event shall PKI or its suppliers be liable, whether arising under performance of this contract, breach of this contract, or otherwise, for loss of anticipated profits, loss by reason of shutdown, non-operation, increased expense of operation, service interruptions, product loss, cost of money, loss of use of capital or revenue, or for any special, incidental or consequential loss or damage. PKI's liability on any claim of any kind, including negligence or strict liability, for any loss or damage arising out of, or resulting from this contract, or from its performance or breach, or from the manufacture, sale, delivery, resale, installation, startup or inspection, repair, operation, or use of any equipment covered by or furnished under this contract shall in no case exceed the purchase price allocable to the equipment, part, or service which gives rise to the claim. In no event, regardless of cause, shall PKI assume responsibility for or be liable for penalties or penalty clauses of any kind or for indemnification of customer or others for costs, damages, or expenses each arising out of or related to the goods or services of this order.

TAXES. The price does not include any federal, state or local property, sales, use, excise, gross receipts, franchise, or other like taxes which may now or hereafter be applicable to or imposed upon or with respect to the transaction, the property, its sale, its value or its use, or any services performed in connection herewith. Buyer agrees to pay or reimburse any such taxes which PKI or its suppliers are required to pay or collect.

PROPRIETARY INFORMATION - CONFIDENTIALITY. Any specifications, design, drawings, plans, notes, technical data or other information or materials of PKI submitted to the Buyer remain the exclusive property of PKI and may not, without its consent, be copied or communicated to a third party.

CANCELLATION. Any order or contract may be terminated by Buyer only upon written notice and payment of reasonable and proper termination charges, including but not limited to all costs identified to the order or contract incurred up to the later of the date of the notice or PKI's receipt of the notice of termination and all charges incurred by PKI in respect to the termination, plus 10% of the final net selling price.

PARTIAL INVALIDITY. If any provision herein or portion thereof shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions or portion thereof, but these Conditions of Sale shall be construed as if such invalid or unenforceable provision or portion thereof had never been contained herein.

CHOICE OF LAW. The laws of the State of Indiana shall govern this agreement.

INVENTIONS, PATENTS, TRADEMARKS, COPYRIGHTS. PKI warrants that the equipment purchased hereunder shall be delivered free of rightful claims for infringement of any United States patent or trademark, provided however that where equipment is manufactured from patterns, plans, drawings or specifications furnished by Buyer, Buyer shall indemnify PKI against and hold harmless PKI from all loss, damage, and expense arising out of any suit or claim against PKI for infringement of any patent, trademark, or copyright because of PKI's manufacture of such equipment or because of the use or sale of such equipment by any person. All right, title and interest in any inventions, developments, improvements or modifications of or for equipment or services furnished to the Buyer shall remain with PKI unless otherwise agreed to in writing between the parties.

Signature: _____ Signature: _____ Date: _____

Amy Panza

Glen Forehand

Customers are saving thousands of dollars with Polar King.

What's Important?

When buying a walk-in cooler or freezer, the initial cost of the walk-in is almost always the deciding factor. The cost to operate the walk-in is rarely considered. You may think all walk-ins perform about the same. This mistake can cost you dearly.

You pay for the walk-in once, but if the insulation is inefficient, you will pay for that every month for the life of the walk-in. In the following you will find an evaluation of two different types of construction that are being used in walk-in coolers and freezers.

Types of Construction

Walk-in coolers have generally been constructed of modular panels made of insulating material and protective skins. The protective skins have generally been constructed of metal. The purpose of the skin is to protect the insulation, which is fragile and cannot be used independently.

The insulation is usually plastic foam material that is injected between the metal skins. The insulation material provides the walk-in with resistance to heat flow, which allows the walk-in to be refrigerated in hot and cold temperatures.

These individual insulated metal panels are then attached together forming the structure of the walk-in. This leaves seams or gaps throughout the entire walk-in.

The newest construction method being used is to cut a block of foam insulation to panel thickness and is then formed to create a walk in unit of the exact overall size required. Then the entire structure is permanently laminated on all sides with a fiberglass skin. The fiberglass immediately forms a chemical bond to the insulation creating a 100% seamless walk-in.

What difference does it make?

A study performed by US Cooler Company in cooperation with Owens Corning and the US Corps of Engineers indicated that the largest factor that affects the performance of walk-in insulation is moisture. Usually insulation is expected to keep something warmer or colder than the other side of the insulation. This temperature differential causes a dew point to form inside voids in the insulation. Once the dew point is reached, moisture is trapped. Another method of moisture penetration is through the seams or gaps in a walk-in assembled with multiple interlocking panels. Since water has a much lower R-value than the insulation, the water reduces the R-value of the insulation. The more water-resistant the walk-in is, the better the insulation performs in high TD situations.

Since walk-in coolers and freezers are high TD applications, sometimes 100 degrees on the outside and -20 degrees on the inside, the higher the moisture resistance of the insulation the better. When looking at the water vapor permeance of the different

construction methods, it is found that the pre-formed insulation panels with no voids or seams allows the least amount of vapor permeance and the metal skinned, panels with seams the most. The seamless walk-in will retain its R-value better than the walk-in constructed with individual panels.

What does this all mean to you?

A seamless walk-in can provide thousands of dollars in energy savings during the life of the walk-in. The previously mentioned study indicated that the best performing metal/panel constructed walk-in lost 25% of its R-value over the course of 5 years due to moisture. The average R-value lost over the course of 5 years was 75%. A seamless fiberglass constructed walk-in will lose 0% of its R-value over the course of 5 years due to moisture penetration.

Based on the indication of the data, a seamless walk-in will provide 25% - 75% in energy savings over a metal panel walk-in during the first 5 years. As an example, a 10'x12'x7'6" freezer operating at 32.5 degrees mean temperature with a refrigeration system with 90% efficiency and an electric cost of \$.09/kWh would provide a savings of \$2560 - \$7709 during the first 5 years.

*Estimated savings are based on specific conditions. Your actual savings may vary due to a different operating environment.

Conclusion

When considering the actual performance of walk-in coolers and freezers, it can be seen that being an informed buyer pays substantial long-term benefits. Price should not be the only consideration when purchasing your walk-in. Initial purchase savings could be eliminated by excessive operation costs over the lifetime of the walk-in. Thorough analysis of initial cost plus operating cost will lead you to the best decision for your business.

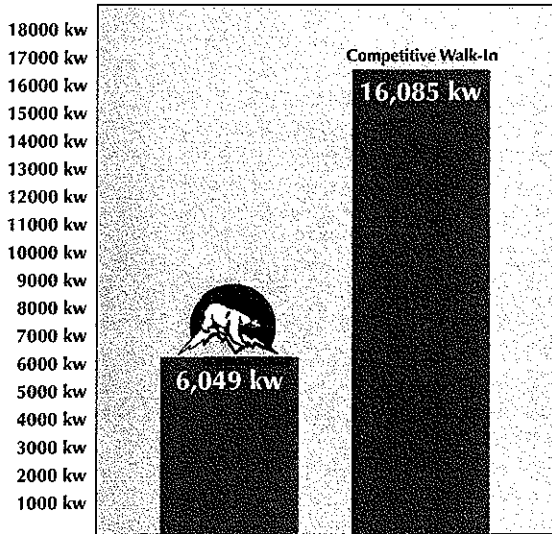
References

US Cooler Company
Owens Corning Internal Study
US Corps of Engineers

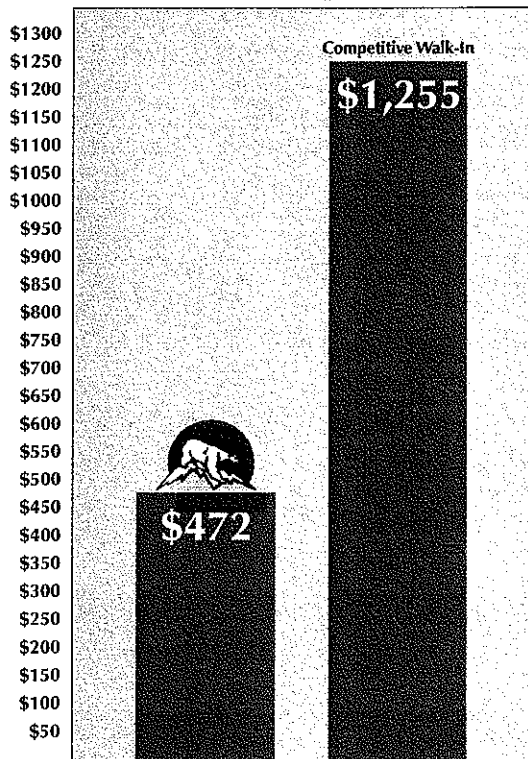


POLAR KING'S LOWER ENERGY CONSUMPTION, MEANS LOWER COSTS!

Annual Energy Consumption



Annual Energy Cost



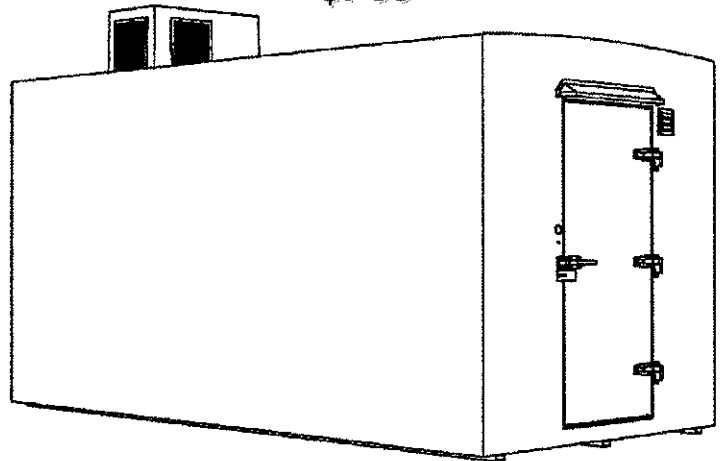
When purchasing a walk-in cooler or freezer, the annual operating costs are frequently overlooked as part of the decision making process. However, the fact is that an oversight on energy consumption will cost you dearly in the future.

The largest factor that can affect the insulations performance is moisture. The more water resistance the insulation has, the better the insulation will perform. Since moisture retention lowers the R-value of insulation, it becomes very obvious why a seamless fiberglass construction outperforms metal panel construction.

To further quantify this notion, a comparative test was performed to measure energy consumption. In this test, with the cooperation of a national fast food chain, watt-hour meters were installed in Northeast Indiana on an outdoor Polar King freezer and a competitive outdoor walk-in freezer. Both walk-ins were 10+ years old and measured 8'x14' in exterior dimension.

The Polar King walk-in used 349kw during the three week testing period, while the competitive unit consumed **265%** more power by using 928kw during the same period. With the current AEP rate of \$0.078 per kwh, the operation of the competitive unit is \$1,255 annually. Compare that to the Polar King annual cost of \$472 and your decision becomes very simple.

Annual Savings With A Polar King Walk-In \$783



(800) 752-7178
www.polar-king.com

OUTDOOR FIBERGLASS WALK-IN COOLERS AND FREEZERS

Polar King & Competitor	Polar King	Competitor
Unit Size.....8 x 14		
Age of Unit.....10+ Years		
Average Outdoor Temperature.....51.8°F		
Daily Door Openings.....4-7		
Operating Temperature.....10°F		
Location	Wendy's - Auburn, IN	Wendy's - New Haven, IN
KW Usage During Test	349	928
Annualized KW Usage	6,049	16,085
Annualized Energy Cost	\$472	\$1,255

20-YEAR PROJECTION OF ENERGY COSTS

Polar King Walk-In Freezer

Metal Panel Walk-In Freezer

<u>Estimated Cost/Kwh</u>	<u>Polar King Annual kw</u>	<u>Estimated Annual cost</u>	<u>Estimated Cost/Kwh</u>	<u>Metal Box Annual kw</u>	<u>Estimated Annual cost</u>	<u>PK Estimated Annual Savings</u>
\$0.0900	6,049	\$544	\$0.0900	16,085	\$1,448	\$903
\$0.0918	6,049	\$555	\$0.0918	16,085	\$1,477	\$921
\$0.0936	6,049	\$566	\$0.0936	16,085	\$1,506	\$940
\$0.0955	6,049	\$578	\$0.0955	16,085	\$1,536	\$959
\$0.0974	6,049	\$589	\$0.0974	16,085	\$1,567	\$978
\$0.0994	6,049	\$601	\$0.0994	16,085	\$1,598	\$997
\$0.1014	6,049	\$613	\$0.1014	16,085	\$1,630	\$1,017
\$0.1034	6,049	\$625	\$0.1034	16,085	\$1,663	\$1,038
\$0.1054	6,049	\$638	\$0.1054	16,085	\$1,696	\$1,058
\$0.1076	6,049	\$651	\$0.1076	16,085	\$1,730	\$1,079
\$0.1097	6,049	\$664	\$0.1097	16,085	\$1,765	\$1,101
\$0.1119	6,049	\$677	\$0.1119	16,085	\$1,800	\$1,123
\$0.1141	6,049	\$690	\$0.1141	16,085	\$1,836	\$1,146
\$0.1164	6,049	\$704	\$0.1164	16,085	\$1,873	\$1,168
\$0.1188	6,049	\$718	\$0.1188	16,085	\$1,910	\$1,192
\$0.1211	6,049	\$733	\$0.1211	16,085	\$1,948	\$1,216
\$0.1236	6,049	\$747	\$0.1236	16,085	\$1,987	\$1,240
\$0.1260	6,049	\$762	\$0.1260	16,085	\$2,027	\$1,265
\$0.1285	6,049	\$778	\$0.1285	16,085	\$2,068	\$1,290
\$0.1311	6,049	\$793	\$0.1311	16,085	\$2,109	\$1,316
20-YR TOTALS		\$13,228			\$35,174	\$21,946

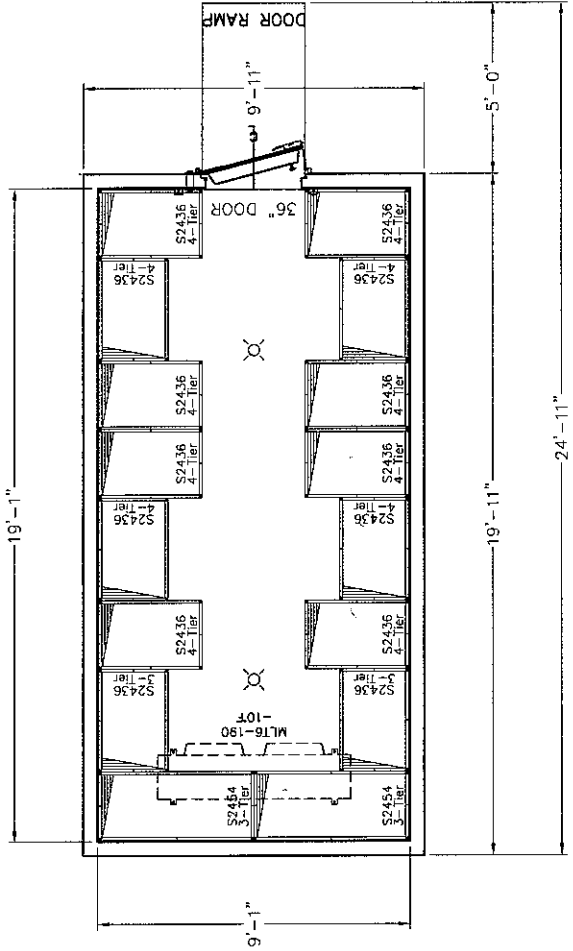
NOTES: This 20-yr energy cost comparison is based on Polar King's energy study and these assumptions: electric costs increase by 2% per year, energy use is constant, and a 20-year life expectancy for each walk-in freezer. This is an "example only" and the actual operating costs will be a result of site specific conditions.

SUMMARY

With rising energy costs, having an energy efficient walk-in is more critical than ever. From the energy study findings, if you had 10 stores and each saved \$783 /year with their Polar King over a 20-year operational life, the calculated energy savings are \$156,600.

If you factor in a typical 2% increase in electricity costs, per year, and the energy usage stays constant, the 20-year savings are closer to \$220,000 for the 10 stores.

ROOM TEMP: -10°F
 INTERIOR AREA: 173 sq. ft.
 INTERIOR VOLUME: 1300 cu. ft.
 HORSEPOWER: 3 hp.
 REFRIGERANT: R-404A
 ELEC. SUPPLY: 208-230/110
 PHASE: Single
 CYCLE: 60 Hz.
 AMPERAGE: 45.3 MCA



PLAN VIEW

3/4" O.S.B. FLOOR
 5" WALL INSULATION
 6" ROOF INSULATION
 VINYL STRIP CURTAIN
 MODULARM

DRAWING APPROVAL

PLEASE INDICATE YOUR APPROVAL OF THIS DESIGN, THE DIMENSIONS, DOOR LOCATION/SWING, ELECTRICAL REQUIREMENTS AND EQUIPMENT LOCATIONS BY SIGNING BELOW AND RETURNING TO POLAR KING.

DATE: _____ BY: _____

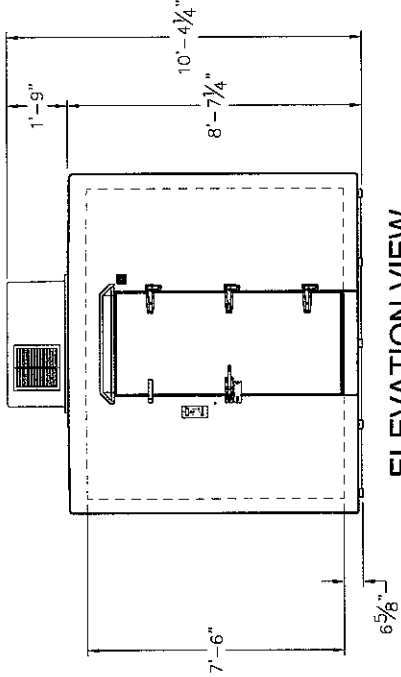
Northern Inyo Hospital
 Bishop, California

DRAWN BY: RDA MODEL NO.: L1020 SCALE: 3/16" = 1'-0" DATE: 2-1-13

DRAWING NAME: Northern Inyo Hospital L1020 Bishop CA



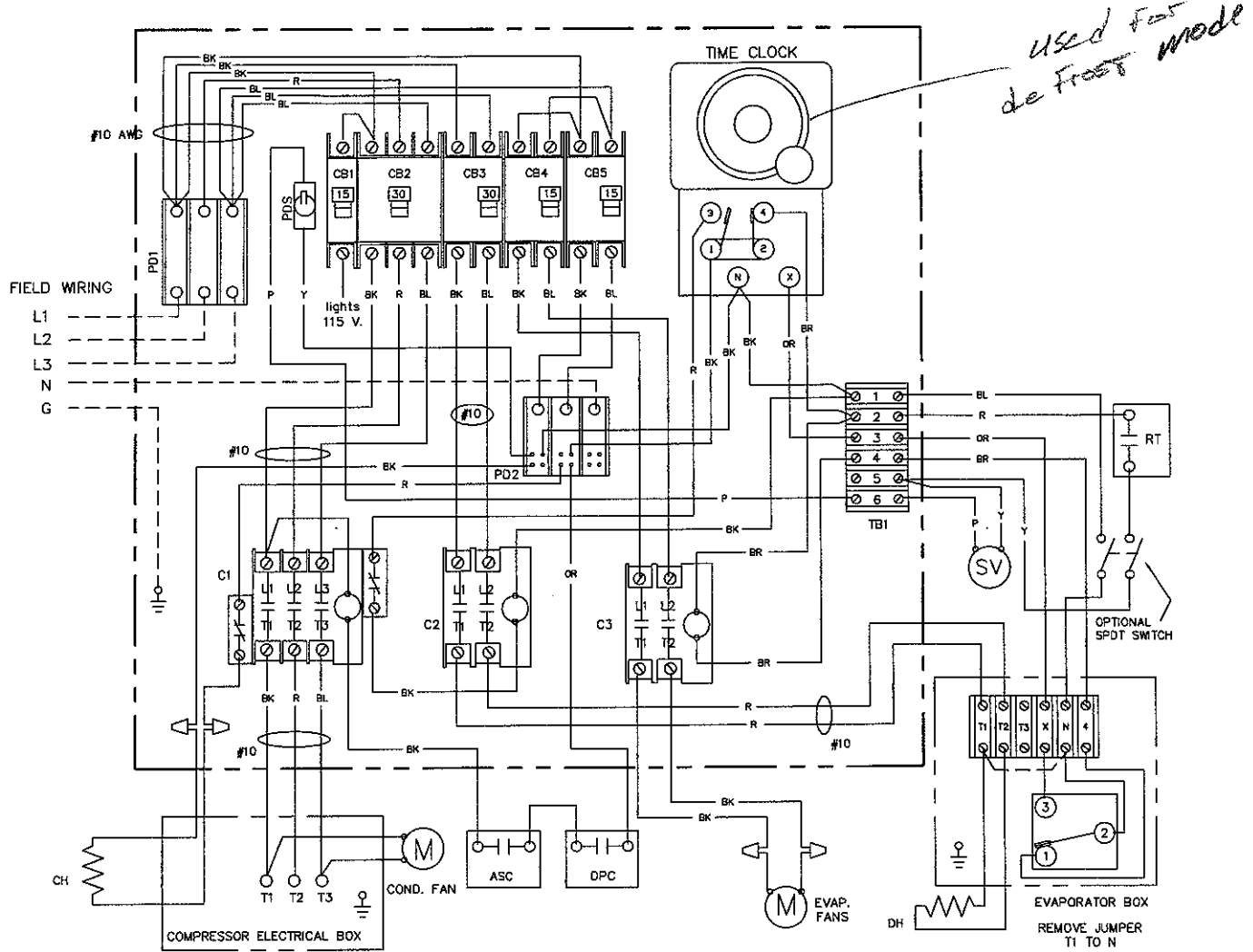
FORT WAYNE, INDIANA 1-800-752-7178



ELEVATION VIEW

THE REFRIGERATION SYSTEM SHOWN IS DESIGNED TO MAINTAIN INDICATED TEMPERATURE IF PRODUCT ENTERS WITHIN 10°F OF FINAL HOLDING TEMPERATURE. PLEASE CONTACT YOUR SALES REP IF INCOMING PRODUCT WILL BE ENTERING AT HIGHER TEMPERATURES.

WIRING DIAGRAM – FREEZER 1/2 TO 3 HP THREE PHASE



- | | |
|-------------|--------------------------------|
| BLK - BLACK | CB# - CIRCUIT BREAKER |
| BLU - BLUE | C1 - COMPRESSOR CONTACTOR |
| BR - BROWN | C2 - HEATER CONTACTOR |
| GR - GREEN | C3 - FAN CONTACTOR |
| G - GROUND | PDS - PUMP DOWN SWITCH |
| N - NEUTRAL | PD# - POWER DISTRIBUTION BLOCK |
| OR - ORANGE | TB1 - TERMINAL BLOCK |
| P - PURPLE | DPC - DUAL PRESSURE CONTROL |
| R - RED | RT - ROOM THERMOSTAT |
| W - WHITE | SV - SOLENIOD VALVE |
| Y - YELLOW | DH - DEFROST HEATER |
| | CH - CRANKCASE HEATER |
| | ASC - ANTI SHORT CYCLE |

ALL WIRES TO BE 14 AWG EXCEPT WHERE NOTED.

Freezer Three Phase Schematic

Proposal

Northern Inyo Hospital

Rollins Electric Inc
177 F Short St.
Bishop, Ca. 93514

We hereby submit specifications and estimates for: The installation of power and Data to the new walk in freezer outside the back door of the dietary department.

1 - QO31100 Breaker
1 - Qo330 Breaker
1 - QO 120 Breaker
150ft ¾" EMT
150ft ½" EMT
4 - ¾" LB
2 - ½" LB
6 - 4-S Boxes
6 - 4-S Blank Plates
8 - ¾" EMT SS Conn.
15 - ¾" EMT SS Coup.
4 - ¾" EMT WT Conn.
4 - ¾" EMT WT Coup.
8 - ½" EMT SS Conn.
15 - ½" EMT SS Coup.
2 - ½" EMT WT Conn.
2 - ½" EMT WT Coup
30 - ¾" EMT Straps
30 - ½" EMT Straps
450ft #8 THHN Wire
300ft #10 THHN Wire
150ft #12 THHN Wire

Change the main breaker in panel E-3 for panel AE-3 from 60 Amp to 100 Amp.

Install conduit and wire from panel AE-3 to the new walk in freezer. Conduit will be ran through the old boiler room, out into the hallway. Conduit to go down the hallway and turn left down the hall west of the pharmacy, then pass through the wall into the supply room of the dietary department. The conduit will come out into the hall of dietary turn left and then go outside and pass under or through the soffit to the new freezer. The Data conduit will come from the hall and follow the same path as the power conduit.

We propose hereby to furnish material and labor-complete in accordance with above specifications, for the sum of: Six Thousand Four Hundred Fifty Four & 00/100 (\$6,454.00)

Payment to be as follows: Progressive

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. You have the right to cancel this contract within 72 hours of signing. Our workers are fully covered by Workmen's Compensation Insurance. My liability insurance agent is James Ferrall State Farm Insurance Bishop, Ca. 93514 (760) 873-7171 Workers comp. Insurance. State Fund. Policy # 729178-10

Authorized
Signature
02/27/13





TRUHLS CONCRETE INC.

2342 SUNRISE DR
Bishop, CA 93514

Estimate

Date	Estimate #
2/27/2013	360

Name / Address

NORTHERN INYO HOSPITAL
150 PIONEER DR.
BISHOP, CA 93514

Project

Description	Qty	Rate	Total
PROVIDE ALL LABOR, TOOLS, EQUIPMENT, MATERIALS AND DO ALL WORK NECESSARY TO REMOVE A/C AND CAST IN PLACE CONCRETE SLAB FOR WALK IN COOLER		2,900.00	2,900.00

Thank you for your business.	Total	\$2,900.00
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TRUHLS CONCRETE INC.

2342 SUNRISE DR
Bishop, CA 93514

Estimate

Date	Estimate #
2/27/2013	359

Name / Address

NORTHERN INYO HOSPITAL
150 PIONEER DR.
BISHOP, CA 93514

Project

Description	Qty	Rate	Total
PROVIDE ALL LABOR, TOOLS, EQUIPMENT, MATERIALS AND DO ALL WORK NECESSARY TO REMOVE ROCK AND CAST IN PLACE CONCRETE WALKWAY IN COURT YARD		1,150.00	1,150.00

Price with the Freezer Bid.

Thank you for your business.	Total	\$1,150.00
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**THIS SHEET
INTENTIONALLY
LEFT BLANK**

**NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT
BOARD RESOLUTION 13-01**

***RESOLUTION TO APPROVE MASTER LEASE AGREEMENT AND
TO AUTHORIZE THE EXECUTION OF DOCUMENTS RELATED THERETO***

WHEREAS, Northern Inyo County Local Hospital District (the "Issuer") is a validly existing political subdivision of the State of California (the "State"), existing as such under and by virtue of the constitution, statutes and laws of the State;

WHEREAS, the Board of the Issuer (the "Governing Body") has the power under the laws of the State to lease or purchase personal property for use by the Issuer; and the Governing Body has determined, and hereby determines, that it is in the best interests of the Issuer to enter into an Master Lease Agreement (the "Lease") with GE Capital Public Finance, Inc. ("Lessor") for the purpose of financing the acquisition of the equipment (the "Equipment") described in Exhibit A to the Lease, and that the use of such Equipment is essential to the Issuer's proper, efficient and economic operation;

WHEREAS, the Governing Body has taken the necessary and appropriate steps under applicable law, including, without limitation, any public bidding requirements, to arrange for the acquisition of the Equipment under the Lease;

WHEREAS, the Lease terminates, and the Issuer's obligations thereunder are extinguished, if the Governing Body fails to appropriate money for the ensuing fiscal year for the payment of the amounts due in such fiscal year;

WHEREAS, there has been presented to the Governing Body the form of the Lease, including Exhibit A thereto, which the Issuer proposes to approve, enter into and deliver, as applicable, to effectuate the proposed financing of the Equipment; and it appears that the Lease and its Exhibit A are in appropriate form and are appropriate instruments for the purposes intended.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY AS FOLLOWS:

Section 1. That all actions of the Issuer in effectuating the Lease are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Lease.

Section 2. The Governing Body hereby approves the acquisition by the Issuer of the Equipment described in Exhibit A to the Lease, such acquisition to be financed by Lessor pursuant to and in accordance with the terms of the Lease, which will be a valid, legal and binding obligation of the Issuer enforceable in accordance with its terms. The form and content of the Lease are in all respects authorized, approved and confirmed and the Board Chairman of the Issuer, or his designee is authorized, empowered and directed to execute and deliver the Lease for and on behalf of the Issuer in substantially the form attached hereto, but with such changes, modifications, additions or deletions therein as shall to him seem necessary, desirable or appropriate.

Section 3. **[TO BE INSERTED IF APPLICABLE]** Pursuant to Section 265(b)(3)(B)(i) of the Internal Revenue Code of 1986 (the "Code"), the Issuer hereby specifically designates the Lease as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code and the Issuer represents it will not designate more than ten million dollars (\$10,000,000) of obligations issued by the Issuer in the calendar year in which the Lease and Exhibit A thereto are executed and delivered as such "qualified tax-exempt obligations." The aggregate face amount of all tax-exempt obligations issued or to be issued by the Issuer and all subordinate entities thereof during calendar year 2013 is not reasonably anticipated to exceed ten million dollars (\$10,000,000).

BE IT FURTHER RESOLVED THAT this Resolution take effect from and after its passage.

Approved this 20th day of March, 2013.

NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT

John Ungersma, M.D., District Board President



GE
Government Finance

March 11, 2013

3 Capital Drive, MS #1-3A
Eden Prairie, MN 55344
USA

T 800 346 3164
F 952 828 2420
www.ge.com/governmentfinance

Mr. John Halfen
Northern Inyo County Local Hospital District
Northern Inyo Hospital
150 Pioneer Lane
Bishop, CA 93514

RE: Master Lease Agreement

Dear Mr. Halfen:

GE Government Finance, Inc., (GEGF) is pleased to have the opportunity to finance the hospital's ultrasound and GE x-ray precision upgrade. Our goal is to make this process easy for you. The enclosed step-by-step instructions will assist you in completing the documentation. You may choose to forward each item as it is completed or wait until all documentation is complete and send us the package at one time.

To facilitate a funding on March 25, 2013, please forward the completed documentation to the undersigned by March 22, 2013. If you are aware of any possible delays which will prevent closing this transaction, please notify me.

If you have any questions regarding the documentation and funding process, please call me at 800-346-3164 ext. 2832. Any questions regarding the pricing, payment schedule or structure of this transaction, should be directed to Serge Kalista at ext. 2345.

GEGF looks forward to working with you to complete this financing and others in the future.

Sincerely,

Stephanie Litkey
Contract Administrator

KEY PROCESSES FOR LEASE AGREEMENT COMPLETION

The documentation consists of a Master Lease Agreement which sets forth the standard terms and conditions for the financing of equipment. Each Lease is documented by an Equipment Schedule to the Master Lease Agreement (Exhibit A). The Equipment Schedule sets forth the specific description of Equipment, the Lease Term and Rental Payments and incorporates the Master Lease Agreement by reference.

LEASE AGREEMENT EXECUTION

The following items are needed to close this Lease Transaction:

- _____ SIGNED Exhibit A
- _____ SIGNED Payment Schedule
- _____ ORIGINAL Legal Opinion addressed to GEGF – Exhibit B
- _____ Copy of Resolution
- _____ SIGNED and COMPLETED 8038G
- _____ Copy of Insurance Certificate or SIGNED Self-Insurance Questionnaire and Addendum
- _____ Completed Invoice Information Form
- _____ SIGNED Escrow Agreement

Once these items are completed, please forward them to GEGF at the following address:

ATTN.: STEPHANIE LITKEY
GE GOVERNMENT FINANCE, INC.
3 CAPITAL DRIVE, MS #1-3A
EDEN PRAIRIE, MN 55344

RESOLUTION PASSAGE

A resolution or ordinance is required to be passed by your governing body to authorize your execution of the Master Financing Agreement and the financing of the Equipment described in the Equipment Schedule. Minutes of the meeting of the governing body in which the transaction was approved will also suffice. Please fax a copy of any Minutes for GEGF's review to ensure no other information is needed.

If you intend to be reimbursed for expenditures made for the Equipment prior to the date of the Lease, a REIMBURSEMENT RESOLUTION must be passed to formalize your intentions. If you have already made payments for the Equipment, you can pass a resolution up to 60 days following the expenditure and still receive reimbursement payments under the Financing Agreement.

We can provide sample drafts of the approving resolution and the reimbursement resolution upon your request.

ATTORNEY REVIEW

Your attorney must review the document package immediately so he/she can provide a legal opinion in the form of Exhibit B to the Master Financing Agreement. The legal opinion should be prepared on your counsel's letterhead and must be dated on or after the day the documents are executed.

INSURANCE SUBMISSION

Your insurance carrier should be instructed to issue a Certificate of Insurance showing GE Government Finance, Inc. as **LOSS PAYEE** and **ADDITIONAL INSURED**. A sample has been provided for your carrier's review. Please instruct them to:

FAX A COPY TO: GE Government Finance, Inc. - (952) 828-2420,
and

MAIL THE ORIGINAL TO:
GE Government Finance, Inc.
INSURANCE PROCESSING
3333 HESPER RD, Reference 35709
BILLINGS MT 59107-5709

(This is the same address that should be used on the Certificate of Insurance)

If you are self insured, please complete the enclosed Self Insurance Questionnaire and forward it to GEGF with your document package.

IRS Form 8038

The Internal Revenue Code requires that the Issuer (Lessee) of a tax-exempt obligation file a Form 8038 with the IRS. For your convenience, we have enclosed a Form 8038-G (the "Form") for your completion. We have provided instructions on how to complete the Form. By providing this Form to you we are not providing legal or tax advice. It is your responsibility to ensure that the Form is completed and prepared correctly before filing with the IRS. Please complete the form once you receive your "final" payment schedule reflecting the then current rate. Please return the executed Form with the other Documents and we will file it with the IRS on your behalf.

IF YOU HAVE ANY QUESTIONS, PLEASE CALL STEPHANIE LITKEY AT 800-346-3164 EXT. 2832.

INVOICE INFORMATION FORM

IMPORTANT! Optimize YOUR BILLING OPTIONS!

Please complete and return with your signed deal documents or FAX to 952-241-1476

Customer Information

Account Schedule : 8600603-003

Billing Name: _____

Billing Address: _____

Attention: _____

Contact Name: _____

Billing e-mail Address: _____

Phone #: _____ Fax #: _____

Please provide updated billing information (if different from above)

Billing Name: _____

Billing Address: _____

Attention: _____

Contact Name: _____

City/State/Zip: _____

Billing e-mail address: _____

Phone #: _____

1. Indicate which options you would like to see on your invoice, please select either information for *first* asset only or *all* assets

Information on First Asset ONLY

Select from the options below

Description of first asset only

Location of first asset only?

Information Listed for All Assets

Select from the options below

List locations of all assets?

List descriptions of all assets

Breakdown of payment by asset

Breakdown of tax by asset

2. Would you like to see all of your accounts in one invoice?

Yes No

This is only an option if your accounts have the same Due Date and Billing Address

3. If you would like to see either your PO # or Reference # on the invoice, please write the number below

*If you choose to see the description and/or location of all assets, please be aware that a large number of assets will produce a multi-page invoice.

Dear Accounts Payable:

Subject: Automatic Withdrawals

Enclosed you will find an authorization form which will allow us to automatically deduct your monthly lease and/or loan payment from your bank account. The name and address of your bank, the account number and transit routing number must be completely filled out on the authorization form. Please remember to include a matching voided check copy. It will take approximately 2 business days from the time your signed authorization form and matching voided check copy is received, to finalize the automatic payment withdrawal process. Any past due payments will be withdrawn immediately once the completed form is received and account is setup. Please return the completed form to Customer Care by Fax: 866-362-2888 or US Mail (PO Box 3083, Ocean Springs, IA 52406-3083). If you would like to be not filed upon completion of your request, please provide either a fax number or email address. Please return this form along with your authorization form and voided check copy to ensure notification delivery.

Notification of your completed request will be sent to the fax number or email address listed below.

Fax Number: _____

Email Address: _____

We know you have many financing providers to choose from when conducting your business. We appreciate you and consider it a privilege to be your provider of choice. Thank you!

Sincerely,

Customer Care Specialist
Enclosure

CAUTION: The information contained in this facsimile is confidential and intended solely for the use of the individual or entity named above. If the reader of the message is not the intended recipient, you are hereby notified that any dissemination, distribution, copying or unauthorized use of this communication is strictly prohibited. If you have received this facsimile in error, please notify the sender immediately by fax, and return the facsimile to the sender at the above address via the United States Postal Service.

Authorization for pre-arranged payments

Please fax this document along with a matching voided check to 866-362-2888, ATTN: Customer Care

CREDITOR

Name:
 Address: PO Box 10882 City: Cedar Rapids State: Iowa Zip: 52406-1082
 Account #:

ACCOUNT INFORMATION

Customer Name: Phone #:
 Address:
 City: State: Zip:

From time to time, Depositor may enter into additional Financing Agreement with Creditor hereinafter each an "Additional Agreement" and collectively the "Additional Agreements". Such Additional Agreements will require Depositor to remit certain periodic payments and other sums including, but not limited to, applicable insurance charges, interim rent, service and returned item fees or personal property and other taxes and governmental charges associated with the ownership, possession or use of the Property to Creditor. PAYMENTS UNDER THE ADDITIONAL AGREEMENTS MAY VARY. Depositor may request to be set-up for Electronic Funds Withdrawal for any Additional Agreement by sending a written request to Creditor. Such request may be sent via mail, facsimile or electronic mail and Creditor may rely on any such request even if the request is not signed by Depositor. Any such request approved by Creditor shall be subject to all of the terms and conditions of this Master Authorization for Electronic Funds Withdrawal Agreement. For any such request approved by Creditor, Depositor hereby requests and authorizes Creditor for any assignee of Creditor, without notice to Depositor, to issue any check, draft or order for payment on the above referenced Bank Account, as Depositor's agent, until such time as Depositor delivers written revocation of such authorization to Creditor and the above referenced Bank or Financial Institution (the "Bank"). Creditor hereby authorizes the Bank to debit the Bank Account by an amount equal to the check, draft or order presented for payment. Nothing herein shall require Creditor or Depositor to enter into any Additional Agreements.

FINANCIAL INSTITUTION

Name: Phone #: Fax #:
 Branch Address: City: State: Zip:
 Checking Account #: ABA (Routing) (9S digits):

NOTICE: Depositor has previously entered into the above referenced Agreement which requires Depositor to remit certain periodic payments and other sums including, but not limited to, applicable insurance charges, service and returned item fees, interim rent or personal property and other taxes and governmental charges associated with the ownership, possession or use of the Property to Creditor on the due date thereof. In order to provide for the convenient remittance of such amounts to Creditor, Depositor hereby requests and authorizes Creditor for any assignee of Creditor to issue any check, draft or order for payment on the above referenced Bank Account, as Depositor's agent, until such time as Depositor delivers written revocation of such authorization to Creditor and the above referenced Bank or Financial Institution (the "Bank"). Creditor hereby authorizes the Bank to debit the Bank Account by an amount equal to the check, draft or order presented for payment. The amount drawn on your Bank Account will be the amount set forth as the invoice provided by Creditor to Depositor from time to time and such amounts will also appear on your monthly statement provided by the Bank to Depositor. The amount authorized to be drawn on the Account each month shall be the sum of the periodic payment and all other sums then due and payable under the terms of the Agreement including, but not limited to, applicable insurance charges, interim rent or personal property and other taxes and governmental charges associated with the ownership, possession or use of the Property. The amount drawn each month may vary from month to month due to the timing of such obligations as property taxes, applicable insurance charges, interim rent, or personal property and other taxes and governmental charges associated with the ownership, possession or use of the Property. Depositor agrees to maintain a balance in the Account sufficient to cover such amounts. In the event any check, draft or order is not paid upon presentation, Depositor shall immediately deposit an amount in the Bank Account sufficient to

cover such check, draft or order. In the event any check, draft or order is not paid upon presentation, Creditor reserves the right to cancel this Authorization for Pre-Arranged Payments and require Depositor to remit all periodic payments and other sums due and payable under the terms of the Agreement directly to Creditor. Depositor acknowledges and agrees that all payments due under the terms of the Agreement are the responsibility of Depositor. If any payment is not made under this Authorization for Pre-Arranged Payments for any reason including, without limitation, insufficient funds in the Bank Account, temporary suspension of service by the Bank, or the Bank Account is closed, Depositor shall be required to make the payment manually on time. If this is not done, late charges (as defined in the Agreement) shall apply. Cancellation of this agreement must be requested 7 days prior to your due date. It is agreed that these transfers and adjustments may be made electronically under the rules of the National Automated Clearing House Association.

THE FOREGOING IS HEREBY ACKNOWLEDGED AND AGREED
 TO AS OF THIS _____ DAY OF _____, 20____
 BY A DULY AUTHORIZED REPRESENTATIVE OF DEPOSITOR.
 X _____
 Depositor Signature (must be signed on the back of check)
 X _____
 Signature of Joint Account Holder (if applicable)

Please note: A matching voided check must be included with this authorization form, in order for your request to be processed.



CERTIFICATE OF INSURANCE

ISSUE DATE

PRODUCER
BROKER/AGENCY

INCIDENT NUMBER (IF ANY)

COMPANIES AFFORDING COVERAGE

- COMPANY LETTER A
- COMPANY LETTER B
- COMPANY LETTER C
- COMPANY LETTER D
- COMPANY LETTER E

INSURED

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO. LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	SHOW LIMITS OF LIABILITY			GENERAL AGGREGATE \$
	COMMERCIAL GENERAL LIABILITY				PRODUCTS COMP/OP AGG. \$
	CLAIMS MADE / OCCUR				PERSONAL & ADV INJURY \$
	OWNERS AND CONTRACTORS PROPT				EACH OCCURRENCE \$
	AGGREGATE LIMITS OF INSURANCE PER PROJECT				FIRE DAMAGE (Any one fire) \$
					MED EXPENSE (Any one person) \$
B	AUTOMOBILE LIABILITY	SHOW LIMITS OF LIABILITY			COMBINED SINGLE LIMIT \$
	ANY AUTO				BODILY INJURY (Per person) \$
	ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	SCHEDULED AUTOS				PROPERTY DAMAGE \$
	HIRED AUTOS				EACH OCCURRENCE \$
	NON-OWNED AUTOS				AGGREGATE \$
C	EXCESS LIABILITY	SHOW LIMITS OF LIABILITY			STATUTORY LIMITS
	UMBRELLA FORM				EACH ACCIDENT \$
D	OTHER THAN UMBRELLA FORM	SHOW LIMITS OF LIABILITY			DISEASE-POLICY LIMIT \$
	WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY				DISEASE-EACH EMPLOYEE \$
	OTHER				PHYSICAL DAMAGE MUST BE FOR THE LOAN AMOUNT SPECIFIED BELOW, INDICATE DEDUCTIBLES

Sample

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

BELOW NAMED CERTIFICATE HOLDER IS **LOSS PAYEE AND ADDITIONAL INSURED**
LIST VEHICLE/EQUIPMENT HERE INCLUDING YEAR, MAKE, MODEL, SERIAL # AND LOAN AMOUNT

CERTIFICATE HOLDER

GE Government Finance, Inc.
or its successors and assigns
Insurance Department
3333 HESPER RD, Reference 35709
BILLINGS MT 59107-5709

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

Authorized Representative

ESCROW AGREEMENT

THIS ESCROW AGREEMENT is made and entered into as of March 11, 2013, by and among BMO Harris Bank N.A. (the "Escrow Agent"), GE Government Finance, Inc., a corporation duly organized and existing under the laws of Delaware ("Lessor"), and Northern Inyo County Local Hospital District dba Northern Inyo Hospital ("Lessee"), a governmental entity of the State of California ("State").

In the joint and mutual exercise of their powers, and in consideration of the mutual covenants herein contained, the parties hereto recite and agree as follows:

ARTICLE 1: RECITALS

Section 1.01. Lessor and Lessee have entered into a Master Lease Agreement dated as of October 25, 2007 and Equipment Schedule No. 003 thereto dated as of March 25, 2013 (together, the "Lease"), whereby Lessor has agreed to finance for Lessee the acquisition of certain property described therein (the "Equipment") on the terms and conditions set forth in the Lease. This Agreement is not intended to alter or change the rights and obligations of Lessor and Lessee under the Lease, but is entirely supplemental thereto.

Section 1.02. The terms capitalized in this Agreement but not defined herein shall have the meanings given to them in the Lease.

Section 1.03. Upon the execution of the Lease and this Agreement and the delivery to Lessor by Lessee of all documents required to be delivered upon execution of the Lease, on the Funding Date Lessor is required to deposit or cause to be deposited with the Escrow Agent the sum of \$290,000.00, which is required to be credited to the Equipment Acquisition Fund established in Article 2 hereof and \$0 of which will be used to pay Escrow Agent's initial Administration Fee and the balance will be used to pay the acquisition costs of the items of Equipment (the "Equipment Cost"), and, to the extent not needed for this purpose, to pay or prepay Principal coming due under the Lease; all as hereinafter provided.

Section 1.04. Under the Lease, Lessee will cause each item of Equipment to be ordered from the Contractor therefor. The Equipment Cost to be paid to the Contractor supplying the item of Equipment shall be paid solely from the amount deposited with the Escrow Agent as described in Section 1.03 hereof, in accordance with this Agreement.

Section 1.05. Lessor and Lessee agree to employ the Escrow Agent to receive, hold, invest and disburse the moneys to be paid to the Escrow Agent by Lessor as described in Section 1.03, all as hereinafter provided; however, the Escrow Agent shall not be obligated to assume or perform any obligation of Lessee or Lessor or any Contractor with respect thereto or under the Lease by reason of anything contained in this Agreement.

Section 1.06. Each of the parties has authority to enter into this Agreement, and has taken all actions necessary to authorize the execution of this Agreement by the officers whose signatures are affixed hereto.

ARTICLE 2: EQUIPMENT ACQUISITION FUND

Section 2.01. The Escrow Agent shall establish a special escrow fund designated as the "GE Government Finance, Inc. Equipment Acquisition Fund" (the "Equipment Acquisition Fund"), shall keep such Fund separate and apart from all other funds and moneys held by it and shall administer such Fund as provided in this Agreement.

Section 2.02. All moneys paid to the Escrow Agent by Lessor pursuant to Section 1.03 of this Agreement shall be credited to the Equipment Acquisition Fund. The period from the date of deposit with the Escrow Agent to the date specified in Section 2.03 is herein referred to as the "Acquisition Period". The Escrow Agent shall disburse the moneys in the Equipment Acquisition Fund to pay (i) the amount specified in Section 1.03 for its initial Administration Fee and (ii) upon receipt with respect thereto of a Payment Request Form attached hereto as Exhibit A, executed by Lessor and Lessee, fully completed and with all supporting documents described therein attached thereto, the Equipment Cost of each item of Equipment. Upon receipt of a Payment Request Form with respect to any item of Equipment, Escrow Agent shall disburse an amount equal to the Equipment Cost as shown therein directly to the

person or entity entitled to payment as specified therein. Lessee agrees that it will submit Payment Request Forms only with respect to operationally complete and functionally independent portions of the Equipment which may be utilized by Lessee without regard to whether the balance of the Equipment is delivered and accepted (hereinafter, "Complete Portions of Equipment"). Lessee acknowledges and agrees that Lessor shall not approve any Payment Request Form which does not describe a Complete Portion of Equipment.

Section 2.03. (a) Upon request, Lessee shall furnish to the Escrow Agent copies of the purchase orders for all Equipment ordered pursuant to the Lease, showing the Equipment Cost and the estimated delivery dates. On April 1, 2014, the Escrow Agent shall pay to Lessor the entire remaining balance in the Equipment Acquisition Fund less an amount thereof equal to the Equipment Cost of all items of Equipment for which the Escrow Agent has received a Payment Request Form and which has not been paid. The amount paid to Lessor shall first be applied to any fee payable pursuant to the provisions of Section 2.03(b) hereof and any balance thereof, at Lessor's election, shall be applied to pay the Principal portion of the next Rental Payment thereafter coming due under the Lease or to pay and prepay a proportionate amount of the Principal portion of all Rental Payments thereafter coming due under the Lease. Within 15 days after receiving such amount Lessor shall notify Lessee as to how it will be applied, and shall furnish to Lessee a new Rental Payment Schedule reflecting any changes in Rental Payments due to any prepayment.

(b) If, on the date of disbursement of the balance of funds in the Equipment Acquisition Fund pursuant to Sections 2.03(a) and 2.04 hereof, less than 85% of the amount of the initial deposit made by Lessor pursuant to Section 1.03 hereof was used to pay the Equipment Cost of the Equipment (for purpose of this calculation, Escrow Agent's initial Administration Fee if disbursed from the Equipment Acquisition Fund is included in the Equipment Cost) then Lessee shall pay a fee to Lessor equal to the amount specified in Section 2.03(a)(1) times the prepayment premium, if any, included in the Prepayment Price, which would be payable by Lessee under the Lease had it elected to prepay the Lease on the date of the disbursement from the Equipment Acquisition Fund.

Section 2.04. Upon receipt of written notice from Lessor or Lessee that the Lease has been terminated pursuant to Sections 4.2 or 12.2 thereof, the Escrow Agent shall liquidate all investments held in the Equipment Acquisition Fund and transfer the proceeds thereof and all other moneys held in the Equipment Acquisition Fund to Lessor.

Section 2.05. The Escrow Agent shall only be responsible for the safekeeping and investment of the moneys held in the Equipment Acquisition Fund, and the disbursement thereof in accordance with this Article, and shall not be responsible for the authenticity or accuracy of such certifications or documents, the application of amounts paid pursuant to such certifications by the persons or entities to which they are paid, or the sufficiency of the moneys credited to the Equipment Acquisition Fund to make the payments herein required.

ARTICLE 3: MONEYS IN EQUIPMENT ACQUISITION FUND; INVESTMENT

Section 3.01. The moneys and investments held by the Escrow Agent under this Agreement are irrevocably held in trust for the benefit of Lessee and Lessor, and such moneys, together with any income or interest earned thereon, shall be expended only as provided in this Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of either Lessee or Lessor. Lessor, Lessee and the Escrow Agent intend that the Equipment Acquisition Fund constitute an escrow account in which Lessee has no legal or equitable right, title or interest until satisfaction in full of all conditions contained herein for the disbursement of funds by the Escrow Agent therefrom. However, if the parties' intention that Lessee shall have no legal or equitable right, title or interest until all conditions for disbursement are satisfied in full is not respected in any legal proceeding, the parties hereto intend that Lessor have a security interest in the Equipment Acquisition Fund, and such security interest is hereby granted by Lessee, to secure payment of all sums due to Lessor under the Lease. For such purpose, the Escrow Agent hereby agrees to act as agent for Lessor in connection with the perfection of such security interest and agrees to note, or cause to be noted, on all books and records relating to the Equipment Acquisition Fund, Lessor's interest therein. Escrow Agent hereby accepts appointment as agent and agrees to establish and maintain the Equipment Acquisition Fund and the monies and securities therein as a financial intermediary or securities intermediary, as the case may be, for Lessor, as entitlement holder. Escrow Agent confirms that (i) the Equipment Acquisition Fund is a "securities account" as such term is defined in Section 8-501 of the applicable Uniform Commercial Code ("UCC"); (ii) Escrow Agent shall, subject to the terms of this Agreement, treat Lessor as entitled to exercise the rights that comprise any financial asset credited to the Equipment Acquisition Fund; (iii) all property delivered to Escrow Agent for deposit into the Equipment Acquisition Fund will be promptly credited to the Equipment Acquisition Fund; and (iv) all securities and other property underlying any financial assets credited to the Equipment Acquisition Fund shall be registered in the name of the Escrow Agent, endorsed to Escrow Agent or in blank or credited to another securities account maintained in the name of Escrow Agent, and in no case will any financial asset credited to the Equipment Acquisition Fund be registered in the name of Lessee, payable to the order of Lessee or specially endorsed to Lessee. Escrow

Agent agrees that each item of property (whether investment property, financial asset, security, instrument or cash) credited to the Equipment Acquisition Fund shall be treated as a "financial asset" within the meaning of Section 8-102(a)(9) of the UCC. If at any time Escrow Agent shall receive an "entitlement order" (within the meaning of Section 8-102(a)(8) of the UCC) issued by Lessor and relating to the Equipment Acquisition Fund, Escrow Agent shall comply with such entitlement order without further consent by Lessee or any other person.

Section 3.02. Moneys held by the Escrow Agent hereunder shall be invested and reinvested by the Escrow Agent upon order of Lessee only in Qualified Investments, as defined in Section 3.05. Such investments shall be registered in the name of the Escrow Agent and held by the Escrow Agent for the benefit of Lessor. With the approval of Lessee, the Escrow Agent may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Article. Such investments and reinvestments shall be made giving full consideration for the time at which funds are required to be available.

Section 3.03. The Escrow Agent shall, without further direction from Lessee, sell such investments as and when required to make any payment from the Equipment Acquisition Fund. Any income received on such investments shall be credited to the Equipment Acquisition Fund.

Section 3.04. The Escrow Agent shall furnish to Lessee and Lessor, reports accounting of all investments and interest and income therefrom. Such accounting shall be furnished monthly and shall also include a report of the balance in the Equipment Acquisition Fund, the amounts disbursed therefrom and the date of final disbursement pursuant to Section 2.03 hereof. Neither Lessor nor Escrow Agent shall be responsible or liable for any loss suffered in connection with any investment of moneys made by it in accordance with this Article (other than Escrow Agent in its capacity as obligor under any Qualified Investment). In the event funds in the Equipment Acquisition Fund are insufficient to pay the acquisition costs of the Equipment, Lessee shall deposit additional funds into the Equipment Acquisition Fund in an amount sufficient to pay the balance of the Equipment Cost.

Section 3.05. As used in this Agreement, the term "Qualified Investments" means (a) securities which are general obligations of or are guaranteed as to the payment of principal and interest by the United States of America; (b) obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by the Federal Home Loan Bank System; (c) commercial paper issued by corporations organized under the laws of a state of the United States which is rated in the highest rating category by Standard & Poor's Ratings Services, a division of the McGraw Hill Companies, Inc. ("S&P") or Moody's Investors Service, Inc.; or (d) certificates of deposit issued by or other forms of deposit in any national or state bank to extent that such deposits are fully insured by the Federal Deposit Insurance Corporation or any successor agency which is backed by the full faith and credit of the United States. By execution of this Agreement, Lessee also consents to the investment and reinvestment by the Escrow Agent of any moneys held as part of the Equipment Acquisition Fund in shares of a money market fund (including a money market fund for which Escrow Agent and its affiliates provides advisory, custodial, administrative or similar services and receives fees), provided the (a) money market fund is registered under the Investment Company Act of 1940 and Investment Securities Act of 1933; (b) the money market fund has been rated by a nationally recognized statistical rating organization in one of that organization's three highest mutual fund rating categories; and (c) the money market fund's investments are limited to those "Qualified Investments" (a), (b) or (c) above. Derivative products are not "Qualified Investments."

ARTICLE 4: ESCROW AGENT'S AUTHORITY; INDEMNIFICATION

Section 4.01. The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instructions in connection with the provisions hereof has been duly authorized to do so. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner and execution, or validity of any instrument deposited with it, nor as to the identity, authority or right of any person executing the same; and its duties hereunder shall be limited to those specifically provided herein.

Section 4.02. Unless the Escrow Agent is guilty of negligence or misconduct with regard to its duties hereunder, Lessee, to the extent permitted by law, and Lessor jointly and severally hereby agree to indemnify the Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Escrow Agent under this Agreement; and in connection therewith, to indemnify the Escrow Agent against any and all expenses, including reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim.

Section 4.03. If Lessee or Lessor shall be in disagreement about the interpretation of the Lease or this Agreement, or about the rights and obligations, or the propriety of any action contemplated by the Escrow Agent hereunder, the Escrow Agent may, but shall not be required to, file an appropriate civil action to resolve the disagreement. The Escrow Agent shall be indemnified by Lessor and Lessee, to the extent permitted by law, for all costs, including reasonable attorneys' fees, in connection with such civil action, and shall be fully protected in suspending all or part of its activities under this Agreement until a final judgment in such action is received.

Section 4.04. The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection with the opinion of such counsel. The Escrow Agent shall otherwise not be liable for any mistakes of facts or errors of judgment, or for any acts or omissions of any kind unless caused by its negligence or misconduct.

ARTICLE 5: ESCROW AGENT'S COMPENSATION

Escrow Agent compensation for the services to be rendered hereunder is payable by Lessee and is set forth in the Escrow Fee Schedule attached as Exhibit B hereto. Escrow Agent is authorized to withdraw the sum specified in Section 1.03 hereof from the Equipment Acquisition Fund for payment of its initial Administration Fee. Lessee hereby agrees to pay/or reimburse Escrow Agent upon request for all expenses, disbursement and advances, ongoing annual administration or other charges, including reasonable attorney's fees, incurred or made by it in connection with carrying out its duties hereunder and agrees such fees and charges may be deducted from the investment earnings on the Equipment Acquisition Fund.

ARTICLE 6: CHANGE OF ESCROW AGENT

Section 6.01. A national banking association located in the United States or a state bank or trust company organized under the laws of a state of the United States, qualified as a depository of public funds, may be substituted to act as Escrow Agent under this Agreement upon agreement of the parties hereto. Such substitution shall not be deemed to affect the rights or obligations of the parties. Upon any such substitution, the Escrow Agent agrees to assign to such substitute Escrow Agent its rights under this Agreement.

Section 6.02. The Escrow Agent or any successor may at any time resign by giving mailed notice to Lessee and Lessor of its intention to resign and of the proposed date of resignation, which shall be a date not less than 30 days after such notice is deposited in the United States mail with postage fully prepaid, unless an earlier resignation date and the appointment of a successor Escrow Agent shall have been or are approved by Lessee and Lessor.

Section 6.03. The Escrow Agent may appoint an agent to exercise any of the powers, rights or remedies granted to the Escrow Agent under this Agreement, and to hold title to property or to take any other action which may be desirable or necessary.

ARTICLE 7: ADMINISTRATIVE PROVISIONS

Section 7.01. The Escrow Agent shall keep complete and accurate records of all moneys received and disbursed under this Agreement, which shall be available for inspection by Lessee or Lessor, or the agent of either of them, at any time during regular business hours.

Section 7.02. All notices hereunder shall be sufficiently given and shall be deemed given when delivered or deposited in the United States mail in registered form with postage fully prepaid to the party entitled thereto at its address specified beneath each party's signature, or at such address as the party may provide to the other parties hereto in writing from time to time.

Section 7.03. This Agreement shall be construed and governed in accordance with the laws of the State.

Section 7.04. Any provisions of this Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Agreement.

Section 7.05. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Specifically, as used herein the term "Lessor" means any person or entity to whom Lessor has assigned its right to receive Rental Payments under the Lease and any payments due to Lessor hereunder from and after the date when notice of such assignment is filed with the Escrow Agent; provided, however, no notice of

assignment to an affiliate or related entity by Lessor is required and when GE Government Finance, Inc. executes Payment Request Forms after such an assignment, it does so as servicer on behalf of its affiliated or related assignee.

Section 7.06. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Agreement. The parties agree that Payment Request Forms may be submitted electronically to Lessor and may be executed by Lessor and Lessee electronically. The parties agree not to deny the legal effect or enforceability of any Payment Request Form solely because it is in electronic form or because an electronic record was used in its formation. Lessor, Lessee and Escrow Agent agree not to object to the admissibility of Payment Request forms in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the grounds that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

Section 7.07. This Agreement shall terminate upon disbursement by the Escrow Agent of all moneys held by it hereunder.

Section 7.08. This Agreement (and, with respect to Lessor and Lessee, together with the Lease) constitutes the entire agreement of the parties relating to the subject matter hereof. Except as provided in the following sentence, this Agreement may not be modified, supplemented or amended without the written agreement of all parties hereto. Lessor and Lessee may agree to amend the date specified in the second sentence of Section 2.03(a) hereof to a date such that the Acquisition Period will not exceed three (3) years pursuant to a written agreement executed by Lessor and Lessee; Escrow Agent's consent to the extension of the Acquisition Period is not required but Escrow Agent shall be given notice of such extension.

Section 7.09. Lessor, Lessee and Escrow Agent hereby waive any right to trial by jury in any action or proceeding with respect to, in connection with or arising out of this Agreement.

ARTICLE 8: LESSEE'S TAX AND ARBITRAGE CERTIFICATE

Section 8.01. Lessee has executed a contract or purchase order providing for the acquisition and delivery of the Equipment with the Contractor(s) thereof. The Equipment will be acquired and installed with due diligence and, based upon the provisions of the contract or purchase order with the Contractor(s), the Equipment will be acquired and installed on or before April 1, 2014. All of the spendable proceeds of the Lease will be expended on the Equipment and related expenses no later than three years from the date of execution of the Lease and this Agreement.

Section 8.02. The original proceeds of the Lease, and the interest to be earned thereon, do not exceed the amount necessary for the purpose for which the Lease is issued.

Section 8.03. The interest of Lessee in the Equipment has not been and is not expected during the term of the Lease to be sold or disposed of by Lessee.

Section 8.04. No sinking fund, reserve fund or any similar fund is expected to be created by Lessee with respect to the Lease and the Rental Payments.

Section 8.05. Lessee hereby covenants to comply with all requirements of the Code and Regulations relating to the rebate of arbitrage profit to the United States of America. It is expected that all gross proceeds of the Lease will be expended on the Equipment no later than the day which is 12 months after the date of issuance of the Lease.

Section 8.06. To the best of the knowledge and belief of the undersigned, the expectations of Lessee as set forth in this Article 8, are reasonable and there are no present facts, estimates and circumstances which would change the foregoing expectations.

Section 8.07. Lessee has not been notified of the listing or proposed listing of it by the Internal Revenue Service as an issuer whose arbitrage certificates may not be relied upon.

[REMAINDER OF PAGE INTENTIONALLY BLANK; EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the day and year first written above.

BMO HARRIS BANK N.A.,
Escrow Agent

GE GOVERNMENT FINANCE, INC.,
Lessor

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Address: 651 Nicollet Mall, Suite 301
Minneapolis, MN 55402

Address: Three Capital Drive
Eden Prairie, MN 55344

Telephone: 612-904-8166
Facsimile: 612-904-8008

Attention: Risk Management
Telephone: 800-346-3164
Facsimile: 952-828-2400

**NORTHERN INYO COUNTY LOCAL HOSPITAL
DISTRICT DBA NORTHERN INYO HOSPITAL,**
Lessee

By: _____

Title: _____

Date: _____

Address: 150 Pioneer Lane
Bishop, CA 93514

Attention: John Halfen
Telephone: 760-873-2838
Facsimile: _____

The following are authorized to execute Payment
Request Forms on behalf of Lessee:

Typed Name

Signature

EXHIBIT A
Payment Request Form No. _____ Relating to
Equipment Schedule No. 003

BMO Harris Bank N.A., Escrow Agent under an Escrow Agreement dated as of March 11, 2013 and among the said Escrow Agent, GE Government Finance, Inc., ("Lessor"), and Northern Inyo County Local Hospital District dba Northern Inyo Hospital ("Lessee"), is hereby requested to pay, from the Equipment Acquisition Fund held under said Escrow Agreement, to the persons, firms or corporations designated below as payee, the amount set forth opposite each such name, in payment of the Equipment Cost of the Equipment designated opposite such payee's name and account and described on the attached page(s). The Equipment comprises a portion of the Equipment described in the above-referenced Equipment Schedule. Upon execution of this Payment Request Form by Lessor and Lessee, the description of the Equipment Group subject to the above referenced Equipment Schedule is amended to include the equipment described below and in the attached invoices and/or bills of sale.

<u>Payee</u>	<u>Amount</u>	<u>Equipment</u>
--------------	---------------	------------------

The undersigned Lessee hereby certifies that:

1. The Equipment described above comprises a portion of the Equipment described in the above-referenced Equipment Schedule, and has been delivered to, tested and inspected by, and accepted by Lessee. The Equipment described herein is operationally complete and functionally independent and may be utilized by Lessee without regard to whether the balance of the Equipment Group is delivered and accepted.

2. If the Payment Request Form relates to a progress payment, the amounts remaining in the Equipment Acquisition Fund are sufficient to acquire and complete the Equipment Group to which the above-referenced Equipment Schedule relates. The amounts requested to be paid as set forth above have not been the basis of a prior request.

3. The representations and warranties of Lessee contained in the Lease are true and correct as of the date hereof.

4. No Non-Appropriation and no Event of Default, or event which with the giving of notice or passage of time or both would constitute an Event of Default, has occurred under the Lease.

5. Lessee has appropriated or has obtained appropriations of funds sufficient to pay all Rental Payments and all other amounts due under the Lease in the current Fiscal Year.

6. Attached hereto are the following documents:

- Equipment Invoice(s) with detailed description of Equipment (i.e., serial numbers);
- Proof of payment if Payee is Lessee (i.e., copy of canceled checks);
- If vehicle, title application and MSO with GE Government Finance, Inc. listed as first and only lienholder; and
- Insurance Certificate.

7. **Check if applicable:**

- This is the final Payment Request Form and Lessee certifies that the entire Equipment Group subject to the Lease has been delivered and installed in accordance with Lessee's Specifications and, for the purpose of the Lease, is fully and finally accepted by Lessee.

**NORTHERN INYO COUNTY LOCAL HOSPITAL
DISTRICT DBA NORTHERN INYO HOSPITAL,**
Lessee

GE GOVERNMENT FINANCE, INC.,
Lessor

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

8600306-003

EXHIBIT B

BMO Harris Bank N.A.

**GE GOVERNMENT FINANCE, INC
ESCROW FEE SCHEDULE**

ADMINISTRATION FEE Two hundred fifty dollars (\$250.00) per year

- First year administration fee payable upon execution of escrow
- Ongoing annual administration fees will be charged against the account income
- Money Market vehicle: BMO Harris Bank Money Market Fund Y Shares

REIMBURSEMENT OF EXPENSES

Out of pocket expenses for supplies and other items including but not limited to long distance charges, delivery expenses, insurance tax reporting forms, postage, checks and envelopes will be charged in addition to the above fees.

DISCLOSURE

When extraordinary duties or additional services are required or requested, additional fees will be charged. Fees are subject to adjustment, as circumstances require.

BMO Harris Investment Management Corp advise the BMO Harris Funds. BMO Harris Investment Management Corp is an affiliate of BMO Harris Bank N.A. BMO Harris Investment Management Corp receives an investment advisory fee for services provided to the BMO Harris Funds. In addition, BMO Harris Bank N.A. receives fees from the BMO Harris Funds for services as administrator, custodian and shareholder services agent. BMO Harris Bank N.A. will not charge an account-level investment management fee or account sweep fee for assets invested in the BMO Harris Funds.

EQUIPMENT SCHEDULE NO. 003

EXHIBIT A
Schedule of Equipment, Rental Payments, Etc.

The following Equipment comprises an Equipment Group which is the subject of the Master Lease Agreement dated as of October 25, 2007 (the "Agreement"), between the undersigned Lessor and Lessee. The Agreement is incorporated herein in its entirety, and Lessee hereby reaffirms all of its representations and warranties contained in the Agreement. Lessee warrants that no Non-Appropriation and no Event of Default or any event which, with the passage of time or the giving of notice, would constitute a default has occurred under any Lease subject to the Agreement. In accordance with the requirements of applicable State Law, Lessee has appropriated or obtained sufficient appropriations to pay the Rental Payments due under this Lease in the current Fiscal Year and such funds have not been expended for any other purpose.

Lease Date: March 25, 2013

Lease Proceeds: \$290,000.00

EQUIPMENT GROUP

1. Location. The Equipment Group is located at the following address. If requested by Lessor, Lessee will provide the complete legal descriptions of the property where the Equipment Group is located.

150 Pioneer Avenue
Bishop, CA 93514

2. Use. Lessee will use the Equipment Group to perform the following essential governmental or proprietary functions: To provide health care services at their new facility.

3. Description. The following description of the Equipment Group is supplemented by the description of items of Equipment in the Contractor's invoices delivered by Lessee to Lessor and/or by the description of Equipment in Payment Request Forms executed by Lessor to authorize disbursements from an Escrow Account.

<u>Quantity</u>	<u>Cost</u>	<u>Description</u>	<u>Serial Number*</u>
One (1)	\$190,000.00	U-Systems Ultrasound	
One (1)	\$100,000.00	GE X-Ray Precision 500D Upgrade	

*If serial numbers are not available at the date of signing this Equipment Schedule, Lessee hereby authorizes Lessor to insert the serial numbers when available and Lessor shall provide Lessee with a copy of the completed Equipment Schedule.

DISBURSEMENT OF LEASE PROCEEDS

Lessee hereby instructs Lessor to disburse the Lease Proceeds as follows:

Payee	Amount
BMO Harris Bank N.A.	\$290,000.00

If the Lease Proceeds are not disbursed to an Escrow Agent, Lessee certifies that the entire Equipment Group described herein has been delivered and installed in accordance with Lessee's Specifications, is in good working order and is fully operational and, for purposes of this Lease, is fully and finally accepted by Lessee on or before the date below Lessee's signature.

RENTAL PAYMENTS

Lessee will make Rental Payments consisting of Principal and Interest at the annual rate as set forth in the attached Payment Schedule.

**NORTHERN INYO COUNTY LOCAL HOSPITAL
DISTRICT DBA NORTHERN INYO HOSPITAL**
Lessee

GE GOVERNMENT FINANCE, INC.,
Lessor

By: _____

By: _____

Title: _____

Title: Vice President

Date: _____

Date: _____

Attachment: Payment Schedule

Original - Chattel Paper

PAYMENT SCHEDULE RELATING TO EQUIPMENT SCHEDULE NO. 003

GE Government Finance, Inc.
Payment Schedule

Funding Date Mar-25-13
Coupon Rate 3.5800%

Date	Payment Number	Total Payment	Principal Component	Interest Component	Principal Balance*	Prepayment Price*
25-Mar-2013		0.00	0.00	0.00	290,000.00	304,500.00
1-May-2013	1	5,289.15	4,250.95	1,038.20	285,749.05	300,036.50
1-Jun-2013	2	5,289.15	4,436.67	852.48	281,312.38	295,378.00
1-Jul-2013	3	5,289.15	4,449.90	839.25	276,862.48	290,705.60
1-Aug-2013	4	5,289.15	4,463.18	825.97	272,399.30	286,019.27
1-Sep-2013	5	5,289.15	4,476.49	812.66	267,922.81	281,318.95
1-Oct-2013	6	5,289.15	4,489.85	799.30	263,432.96	276,604.61
1-Nov-2013	7	5,289.15	4,503.24	785.91	258,929.72	271,876.21
1-Dec-2013	8	5,289.15	4,516.68	772.47	254,413.04	267,133.69
1-Jan-2014	9	5,289.15	4,530.15	759.00	249,882.89	262,377.03
1-Feb-2014	10	5,289.15	4,543.67	745.48	245,339.22	257,606.18
1-Mar-2014	11	5,289.15	4,557.22	731.93	240,782.00	252,821.10
1-Apr-2014	12	5,289.15	4,570.82	718.33	236,211.18	248,021.74
1-May-2014	13	5,289.15	4,584.45	704.70	231,626.73	240,891.80
1-Jun-2014	14	5,289.15	4,598.13	691.02	227,028.60	236,109.74
1-Jul-2014	15	5,289.15	4,611.85	677.30	222,416.75	231,313.42
1-Aug-2014	16	5,289.15	4,625.61	663.54	217,791.14	226,502.79
1-Sep-2014	17	5,289.15	4,639.41	649.74	213,151.73	221,677.80
1-Oct-2014	18	5,289.15	4,653.25	635.90	208,498.48	216,838.42
1-Nov-2014	19	5,289.15	4,667.13	622.02	203,831.35	211,984.60
1-Dec-2014	20	5,289.15	4,681.05	608.10	199,150.30	207,116.31
1-Jan-2015	21	5,289.15	4,695.02	594.13	194,455.28	202,233.49
1-Feb-2015	22	5,289.15	4,709.02	580.13	189,746.26	197,336.11
1-Mar-2015	23	5,289.15	4,723.07	566.08	185,023.19	192,424.12
1-Apr-2015	24	5,289.15	4,737.16	551.99	180,286.03	187,497.47
1-May-2015	25	5,289.15	4,751.30	537.85	175,534.73	180,800.77
1-Jun-2015	26	5,289.15	4,765.47	523.68	170,769.26	175,892.34
1-Jul-2015	27	5,289.15	4,779.69	509.46	165,989.57	170,969.26
1-Aug-2015	28	5,289.15	4,793.95	495.20	161,195.62	166,031.49
1-Sep-2015	29	5,289.15	4,808.25	480.90	156,387.37	161,078.99
1-Oct-2015	30	5,289.15	4,822.59	466.56	151,564.78	156,111.72
1-Nov-2015	31	5,289.15	4,836.98	452.17	146,727.80	151,129.63
1-Dec-2015	32	5,289.15	4,851.41	437.74	141,876.39	146,132.68
1-Jan-2016	33	5,289.15	4,865.89	423.26	137,010.50	141,120.82
1-Feb-2016	34	5,289.15	4,880.40	408.75	132,130.10	136,094.00
1-Mar-2016	35	5,289.15	4,894.96	394.19	127,235.14	131,052.19
1-Apr-2016	36	5,289.15	4,909.56	379.59	122,325.58	125,995.35
1-May-2016	37	5,289.15	4,924.21	364.94	117,401.37	119,749.40
1-Jun-2016	38	5,289.15	4,938.90	350.25	112,462.47	114,711.72
1-Jul-2016	39	5,289.15	4,953.64	335.51	107,508.83	109,659.01
1-Aug-2016	40	5,289.15	4,968.41	320.74	102,540.42	104,591.23
1-Sep-2016	41	5,289.15	4,983.24	305.91	97,557.18	99,508.32
1-Oct-2016	42	5,289.15	4,998.10	291.05	92,559.08	94,410.26
1-Nov-2016	43	5,289.15	5,013.01	276.14	87,546.07	89,296.99
1-Dec-2016	44	5,289.15	5,027.97	261.18	82,518.10	84,168.46
1-Jan-2017	45	5,289.15	5,042.97	246.18	77,475.13	79,024.63
1-Feb-2017	46	5,289.15	5,058.02	231.13	72,417.11	73,865.45
1-Mar-2017	47	5,289.15	5,073.11	216.04	67,344.00	68,690.88
1-Apr-2017	48	5,289.15	5,088.24	200.91	62,255.76	63,500.88
1-May-2017	49	5,289.15	5,103.42	185.73	57,152.34	57,723.86
1-Jun-2017	50	5,289.15	5,118.65	170.50	52,033.69	52,554.03
1-Jul-2017	51	5,289.15	5,133.92	155.23	46,899.77	47,368.77
1-Aug-2017	52	5,289.15	5,149.23	139.92	41,750.54	42,168.05
1-Sep-2017	53	5,289.15	5,164.59	124.56	36,585.95	36,951.81
1-Oct-2017	54	5,289.15	5,180.00	109.15	31,405.95	31,720.01
1-Nov-2017	55	5,289.15	5,195.46	93.69	26,210.49	26,472.59

1-Dec-2017	56	5,289.15	5,210.95	78.20	20,999.54	21,209.54
1-Jan-2018	57	5,289.15	5,226.50	62.65	15,773.04	15,930.77
1-Feb-2018	58	5,289.15	5,242.09	47.06	10,530.95	10,636.26
1-Mar-2018	59	5,289.15	5,257.73	31.42	5,273.22	5,325.95
1-Apr-2018	60	5,289.15	5,273.22	15.93	0.00	0.00
Total		317,349.00	290,000.00	27,349.00		

* After payment of rental payment due on such date

**NORTHERN INYO COUNTY LOCAL HOSPITAL
DISTRICT DBA NORTHERN INYO HOSPITAL**
Lessee

GE GOVERNMENT FINANCE, INC.,
Lessor

By: _____

By: _____

Title: _____

Title: Vice President

Date: _____

Date: _____

EXHIBIT B
Opinion of Counsel
(to be typed on letterhead of counsel)

SAMPLE

[insert date which is date on or after date of Lessee's execution of documents]

GE Government Finance, Inc.
Three Capital Drive, MS 1-3A
Eden Prairie, MN 55344

Northern Inyo County Local Hospital District dba
Northern Inyo Hospital
150 Pioneer Lane
Bishop, CA 93514

Re: Master Lease Agreement dated as of October 25, 2007 by and between GE Government Finance, Inc. ("Lessor") and Northern Inyo County Local Hospital District dba Northern Inyo Hospital ("Lessee")

**[Counsel to expand opinion to include executed Addenda to Lease, if applicable,
and delete reference to Escrow Agreement, if not applicable]**

Ladies and Gentlemen:

I have acted as counsel to Lessee with respect to the Master Lease Agreement described above and various related matters, and in this capacity have reviewed a duplicate original or certified copy thereof, Equipment Schedule No. 003 attached thereto and executed pursuant thereto (together, the "Lease") and the Escrow Agreement dated as of March 11, 2013 (the "Escrow Agreement") among Lessor, Lessee and BMO Harris Bank N.A. as escrow agent. Capitalized terms used but not defined herein have the meanings ascribed to them in the Lease. Based upon the examination of these and such other documents as I deem relevant, it is my opinion that:

1. Lessee is [the state of California [a political subdivision of the State of California] (the "State"), duly organized, existing and operating under the Constitution and laws of the State.
2. Lessee is authorized and has power under applicable law to enter into the Lease and the Escrow Agreement, and to carry out its obligations thereunder and the transactions contemplated thereby.
3. The Lease and the Escrow Agreement have been duly authorized, approved, executed and delivered by and on behalf of Lessee, and are legal, valid and binding contracts of Lessee enforceable in accordance with their terms, except to the extent limited by State and Federal laws affecting remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.
4. The authorization, approval and execution of the Lease and the Escrow Agreement and all other proceedings of Lessee relating to the transactions contemplated thereby and the acquisition of the Equipment have been performed in accordance with all applicable open meeting, public records, public bidding and all other laws, rules and regulations of the State.
5. The execution of the Lease and the Escrow Agreement and the appropriation of moneys to pay the Rental Payments coming due thereunder do not and will not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.
6. There is no litigation, action, suit or proceeding pending or before any court, administrative agency, arbitrator or governmental body that challenges the organization or existence of Lessee; the authority of Lessee or its officers or its employees to enter into the Lease or the Escrow Agreement; the proper authorization, approval and/or execution of the Lease, the Escrow Agreement and other documents contemplated thereby; the appropriation of moneys to make Rental Payments under the Lease for the current fiscal year of Lessee; or the

ability of Lessee otherwise to perform its obligations under the Lease, the Escrow Agreement and the transactions contemplated thereby and, to the best of my knowledge, no such litigation or actions are threatened.

7. The equipment financed by the Lease is personal property, and when used by the Lessee will not be or become fixtures under the laws of the State.

8. The execution and delivery of the Lease and the Escrow Agreement and the performance by Lessee of its obligations thereunder will not violate or constitute a default under existing law or regulations or any court order or any agreement, bond, note, indenture or other obligation or instrument to which Lessee is a party or by which any of its properties are bound.

9. Resolution No. _____ of the governing body of Lessee authorizing and approving the Lease and the Escrow Agreement was duly and validly adopted by such governing body on _____, 20____, and such resolution has not been amended, modified, supplemented or repealed and remains in full force and effect.

10. This opinion may be relied upon by any assignee of the Lessor.

Very truly yours,

SAMPLE

(type name and title under signature)

QUESTIONNAIRE FOR SELF-INSURANCE

In connection with the Master Lease Agreement dated as of October 25, 2007 and Equipment Schedule No. 003 thereto (together, the "Lease"), made and entered into by and between GE Government Finance, Inc., as Lessor, and the lessee identified below, as Lessee, Lessee warrants and represents to Lessor as follows:

1. Property Insurance.

- Lessee is self-insured for damage or destruction to the Equipment.
YES NO (circle one)

If yes, the dollar amount limit for property damage to the Equipment under the Lessee's self-insurance program is \$_____.

- The Lessee maintains an umbrella insurance policy for claims in excess of Lessee's self-insurance limits for property damage to the Equipment as indicated above. YES NO (circle one)

If yes, the umbrella policy provides coverage for all risk property damage. YES NO (circle one)

If yes, the dollar limit for property damage to the Equipment under such umbrella policy is \$_____.

2. Liability Insurance.

- Lessee is self-insured for liability for injury or death of any person or damage or loss of property arising out of or relating to the condition or operation of the Equipment. YES NO (circle one)

If yes, the dollar limit for such liability claims under the Lessee's self-insurance program is \$_____.

- The Lessee maintains an umbrella insurance policy for claims in excess of Lessee's self-insurance limits for liability including injury or death of persons or damage to property as indicated in above. YES NO (circle one)

If yes, the umbrella policy provides coverage for liabilities for injury and death to persons as well as damage or loss of property arising out of or relating to the condition or operation of the Equipment. YES NO (circle one)

If yes, the dollar amount of the umbrella policy's limits for such liability coverage is \$_____.

- 3A. • Lessee maintains a self-insurance fund. YES NO (circle one)

If yes, please complete the following:

Monies in the self-insurance fund are subject to annual appropriation. YES NO (circle one)

The total amount maintained in the self-insurance fund to cover Lessee's self-insurance liabilities is \$_____.

- Amounts paid from the Lessee's self-insurance fund are subject to limitations for each claim. YES NO (circle one)

If yes, the dollar amount of limit per claim is \$_____.

- 3B. • If Lessee does not maintain a self-insurance fund, please complete the following:

Lessee obtains funds to pay claims for which it has self-insured from the following sources:

- The limitations on the amounts payable from the above sources for claims are as follows:

4. The following entity or officer has authority to authorize payment for a claim:

- In the event the entity or officer named in the prior response denies payment of a claim, does the claimant have recourse to another administrative officer, agency or the courts? YES NO (circle one)

If yes, to whom does the claimant have recourse?

5. Attached hereto are copies of certificates of insurance with respect to policies maintained by Lessee.

IN WITNESS WHEREOF, Lessee has caused this Questionnaire to be executed as a supplement to the representations of Lessee in the Lease by its duly authorized officer.

**NORTHERN INYO COUNTY LOCAL HOSPITAL
DISTRICT DBA NORTHERN INYO HOSPITAL,
Lessee**

By: _____

Title: _____

Date: _____

Attachment

**ADDENDUM TO EQUIPMENT SCHEDULE NO. 003 TO
MASTER LEASE AGREEMENT RELATING TO SELF-INSURANCE**

THIS ADDENDUM is made as of March 11, 2013 between GE Government Finance, Inc. ("Lessor") and Northern Inyo County Local Hospital District dba Northern Inyo Hospital ("Lessee").

Recitals

A. Lessor and Lessee have entered into a Master Lease Agreement dated as of October 25, 2007 and the above-referenced Equipment Schedule dated as of March 25, 2013 (the "Lease"). Lessee desires to lease Equipment described in the Lease (the "Equipment") and Lessee has requested that Lessor lease such Equipment to Lessee.

B. With respect to the Lease, Lessee has requested that Lessor permit it to provide self-insurance for liability claims and property damage.

C. Lessor is willing to grant Lessee's request subject to the following terms and conditions.

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements contained herein and in the Agreement, it is hereby agreed as follows:

1. All terms capitalized but not defined herein shall have the meanings ascribed to them in the Lease.

2. Lessee hereby represents and warrants that all representations and warranties contained in the Lease are true and correct as of the date hereof and that neither a Non-Appropriation nor any Event of Default or event which, with the passage of time or giving of notice or both, will constitute an Event of Default has occurred under the Lease.

3. All other terms and conditions of the Agreement not specifically amended by this Addendum shall remain in full force and effect and are hereby ratified and confirmed by Lessee.

4. Lessee represents and warrants that all representations and warranties contained in the Questionnaire for Self-Insurance delivered herewith (the "Questionnaire") are true and correct as of the date hereof.

5. Lessor acknowledges receipt of the Questionnaire and in reliance upon the information provided therein, agrees that Lessee may satisfy the requirements of Sections 6.1 through 6.3 of the Agreement with respect to above-referenced Equipment Schedule through self-insurance.

6. By written notice to Lessee, Lessor may revoke its agreement relative to the above-referenced Equipment Schedule to accept self-insurance in lieu of the insurance required by Sections 6.1 through 6.3 of the Lease at any time during the related Lease Term when Lessor deems itself insecure with respect to such self-insurance. Within thirty (30) days of receipt of notice from Lessor, Lessee agrees to obtain insurance in compliance with Sections 6.1, 6.2 and 6.3 of the Agreement and provide evidence thereof to Lessor.

IN WITNESS WHEREOF, the parties by their duly authorized officers have executed this Addendum as of the date and year first above written.

**NORTHERN INYO COUNTY LOCAL HOSPITAL
DISTRICT DBA NORTHERN INYO HOSPITAL,**
Lessee

GE GOVERNMENT FINANCE, INC.,
Lessor

By: _____

By: _____

Title: _____

Title: Vice President

Date: _____

Date: _____

8038 Instruction

The Internal Revenue Code requires that governmental obligors under tax-exempt transactions complete, execute and file a Form 8038-G with the Internal Revenue Service ("IRS") in order that the interest component of the obligation be excluded from the net income for federal income tax purposes of the recipient. Enclosed is a blank Form 8038-G for your completion and execution. Also, enclosed are the instructions for completion of such Form issued by the IRS.

Please complete Part I of the Form 8038-G. We will not be obtaining a CUSIP number for the transaction.

Also complete one of the lines 11 – 18 in Part II of the Form.

With respect to the completion of Part III of the Form 8038-G, please refer to the instructions.

An authorized representative of your governmental entity must execute the Form and date it and his or her name and title must be printed in the execution line.

Should you have any questions in completing the Form 8038-G, you may wish to consult with your bond or special tax counsel.

*Instruction: <http://www.irs.gov/pub/irs-pdf/i8038g.pdf>
Form: <http://www.irs.gov/pub/irs-pdf/f8038g.pdf>*

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>
1 Issuer's name		2 Issuer's employer identification number (EIN)
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)
6 City, town, or post office, state, and ZIP code		3
8 Name of issue		7 Date of issue
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		9 CUSIP number
		10b Telephone number of officer or other employee shown on 10a

Part II Type of issue (enter the issue price). See the instructions and attach schedule.

11 Education			
12 Health and hospital			
13 Transportation			
14 Public safety			
15 Environment (including sewage bonds)			
16 Housing			
17 Utilities			
18 Other. Describe ►			
19 If obligations are TANs or RANs, check only box 19a			<input type="checkbox"/>
If obligations are BANs, check only box 19b			<input type="checkbox"/>
20 If obligations are in the form of a lease or installment sale, check box			<input type="checkbox"/>

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21		\$	\$	years	%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest			
23 Issue price of entire issue (enter amount from line 21, column (b))			
24 Proceeds used for bond issuance costs (including underwriters' discount)	24		
25 Proceeds used for credit enhancement	25		
26 Proceeds allocated to reasonably required reserve or replacement fund	26		
27 Proceeds used to currently refund prior issues	27		
28 Proceeds used to advance refund prior issues	28		
29 Total (add lines 24 through 28)			29
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	►		years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	►		years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	►		
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	►		

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35		
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a		
b Enter the final maturity date of the GIC ▶ _____			
c Enter the name of the GIC provider ▶ _____			
37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37		
38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:			
b Enter the date of the master pool obligation ▶ _____			
c Enter the EIN of the issuer of the master pool obligation ▶ _____			
d Enter the name of the issuer of the master pool obligation ▶ _____			
39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ <input type="checkbox"/>			
40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ <input type="checkbox"/>			
41a If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:			
b Name of hedge provider ▶ _____			
c Type of hedge ▶ _____			
d Term of hedge ▶ _____			
42 If the issuer has superintegrated the hedge, check box ▶ <input type="checkbox"/>			
43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ <input type="checkbox"/>			
44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ <input type="checkbox"/>			
45a If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____			
b Enter the date the official intent was adopted ▶ _____			

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	▶ _____ Signature of issuer's authorized representative		▶ _____ Date	
			▶ _____ Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature	
			Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ▶ _____			Firm's EIN ▶ _____
	Firm's address ▶ _____			Phone no. _____

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**PROPOSED ADDITION TO EXISTING SECURITY OFFICER AGREEMENTS
HIGHLIGHTED BELOW**

2. **Working Hours.** The District will designate a "lead" Officer. Said Officer will construct and publish, on a monthly basis, the schedule for the remaining officers. Shifts will be for seven days a week, including holidays, for 10 to 12 hours, typically from 6 pm until 6am. Each Officer will volunteer for shifts each month. Once agreed to and published, the Officer will be responsible, in the event he/she is unable to work a scheduled shift, to secure his/her replacement from the remaining contracted officers or notify the lead Officer or District Administrator of said deficiency. Repeated deficiencies will result in termination.
3. **Uniforms.** Officer will wear the prescribed uniform, which will consist of a District logoed shirt and black pants, provided by the District. The officer will also wear, if appropriately licensed/permitted, guns, mace, pepper spray, handcuffs, baton, and tazer.
4. **Background Checks, Annual Physical Examination.** The Officer will submit to such background check as may be required by the District initially and from time to time, as well as annual physical examinations.
5. **Compensation.** The District will compensate the Officer for every tenth of an hour (6 minute increments) based on the base rate of \$42.40 per hour. No minimal number of shifts will be required by the District, but the number of shifts awarded to the Officer will be solely determined by the Lead Officer, in consultation with the District Administrator when necessary.
6. **Benefits.** There are no benefits of any kind, no provision for absence or sick pay, no pension, expressed or implied herein.
7. **Notices and Termination.** Each party agrees to accept notices at the addresses stated below. Either party may terminate this contract with 30 written notice to the other. District may terminate this contract immediately upon the arrest or conviction of the officer of any State, County, or Local Law/Ordinance or upon the Officer's loss of licensure/certification/permit that is required by this contract or the duties described herein.
8. **Payment.** Lead Officer will submit a roster of shifts worked for a given month by the fifth working day of the following month. Officer will clock in, be subject to all wage and hour regulations, and will be paid bi-weekly.
9. **PER DIEM EMPLOYEE.** Officer is at all times a Perdiem employee and subject to all the policies and regulations of all NIH employees.
10. **Liability Insurance.** District agrees to procure and maintain, throughout the term of this Agreement, at its sole expense, a policy of general liability insurance coverage with limits of at least \$1,000,000 for any one occurrence, and \$3,000,000 annual aggregate coverage per Officer. Said insurance will cover each officer within the scope of their duties.

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HOSPICE OF THE OWENS VALLEY
AMENDMENT TO BYLAWS

March ____, 2013

Whereas, the Hospice of the Owens Valley is no longer an Auxiliary of the Northern Inyo County Local Hospital District, and,

Whereas, the Advisory Board of the Hospice of the Owens Valley has determined that it is no longer in the best interest of the organization to require approval of its decisions by the Board of Directors of the Northern Inyo County Local Hospital District;

THEREFORE, by resolution properly made and seconded at the March 12 2013 meeting of the Advisory Board of the Hospice of the Owens Valley, the Bylaws of the Hospice of the Owens Valley are amended as follows:

1. Article I. Article I is amended to read: "The name of this non-profit organization is: Hospice of the Owens Valley. It is a community based program."
2. Article VI. Article VI is amended as follows:
 - A. Under the caption "Membership" the last sentence is amended to read: "Appointments shall be approved by the Advisory Board."
 - B. Under the caption "Duties and Responsibilities" the first paragraph is amended to read: "Management and control of the property, funds, and affairs of the Hospice shall be administered by the Advisory Board. Specific duties and responsibilities of the Advisory Board are as follows:"
3. Article XI. Article XI is amended to read: "New Bylaws may be adopted or these Bylaws may be repealed or amended by a majority vote of the members of the Advisory Board, and shall be effective immediately upon the approval of the Advisory Board."

All other provisions of the Bylaws shall remain in full force and effect and are hereby readopted and affirmed by the Advisory Board.

Dated: March 12, 2013

By: _____

Secretary to the Advisory Board

HOSPICE OF THE OWENS VALLEY
BYLAWS

ARTICLE I

NAME

The name of this non-profit association is the Hospice of the Owens Valley. It is a community-based program and auxiliary of the Northern Inyo County Local Hospital District.

ARTICLE II

PHILOSOPHY

We believe death is a natural part of and necessary closure of life as we know it. It is our philosophy that dying persons have the potential to learn, teach, console, enjoy, plan and laugh during this period of living.

Individuals, by right, have the option of becoming informed about their disease, prognosis, treatment and available alternatives--the prospect of death to be dealt with openly and honestly. Patients should be primary participants in the decision making process. They have the right to accept or refuse treatment and should be supported in their choice.

We affirm the vital role of the family and/or significant others in the patient's daily life. Our support continues through the changes that occur with loss.

We subscribe to the holistic approach concerning the physical, psychological and spiritual needs of the patient. We are dedicated to the relief of symptoms and the promotion of comfort in a gentle and skilled manner.

We acknowledge the importance of collaboration among all members of the health care team, which will promote an environment of mutual trust, respect and support.

ARTICLE III

MEMBERSHIP

There are two types of members:

- (A) Hospice volunteers are specifically trained to help patients and their families deal with life threatening illnesses as well as with bereavement needs. The volunteers receive no remuneration but , with the Program Director's approval, can be partially reimbursed for training costs or out-of-the-ordinary expenses. Volunteers are not expected to pay for membership.
- (B) Auxiliary members and all other members of the Hospice who are not Hospice volunteers. These include but are not limited to, members of the Advisory Board, paid membership and Hospice Thrift Store volunteers.

Advisory Board members who do not attend three-fourths of the Board meetings shall be asked of their intentions of continuing Board membership and reminded of attendance requirements. The Medical Director will serve an additional year as an advisor to the newly appointed Medical Director.

The Medical Director and Program Director will be appointed by nomination of a three -member nominating committee from the Advisory Board. The nomination committee will be composed of the Medical Director, the Program Director and the Hospital Administrator. Appointments shall be approved by the Advisory Board and by the Northern Inyo County Local Hospital District Board of Directors.

(B) Duties and Responsibilities

All of the actions of the Advisory Board are subject to the approval of the Northern Inyo County Local Hospital District Board of Directors, or its representative, the Hospital Administrator. With the above limitation, management and control of property, funds and the affairs of the Hospice shall be administered by the Advisory Board. Specific duties and responsibilities of the Advisory Board are as follows:

1. To control and be responsible for the management of Hospice.
2. To develop and enforce rules and regulations, policies and procedures necessary for the administration of the Hospice.
3. To appoint a Medical Director, Program Director, Thrift Store Manager , Thrift Store Bookkeeper, Secretary, Treasurer, Clerical Coordinator and Patient Care Coordinator.
- 4 To determine the need for and approve monetary compensation of designated Hospice personnel to provide continuity of services.
5. To adopt a schedule of meetings, attendance requirements and methods of recording minutes of Advisory Board meetings.
6. To assure quality of service from the Hospice through its volunteers. To establish policies and procedures for the volunteers. The Advisory Board will review quality assurance reports submitted by the Program Director at each Advisory Board meeting. The quality of care of Hospice patients admitted to Northern Inyo Hospital is monitored by the Hospital's Medical Services Committee. A quarterly report is made to the Quality Assurance Coordinator of the Hospital, the Hospice Advisory Board and the Northern Inyo County Local Hospital District Board of Directors.
7. To assume the responsibility for and assure compliance with any appropriate regulatory requirements.

ARTICLE VIII

INSURANCE

- (A) Insurance will be covered by the Northern Inyo County Local Hospital District policy.
- (B) No member of the association will be personally liable to its creditors for its indebtedness or liability. Any and all creditors will look only to the association's assets for payment.

ARTICLE IX

MISCELLANEOUS

- (A) Execution of Documents--The Advisory Board may authorize its Chairperson, agent or agents to enter into any contract or execute any agreement or instrument in the name of and on behalf of the association; and unless so authorized by the Advisory Board, no other officer or agent will have any power or authority to bind the association to any agreement, contract or engagement.
- (B) Rule of Order-The rules contained in "Robert's Rules of Order" will govern all meetings, except when in conflict with these Bylaws or provisions of law.
- (C) Closure of the Hospice of the Owens Valley- In the event the Hospice of the Owens Valley should find the need to discontinue its services, the Hospice Advisory Board shall give its opinion to the Board of Directors of the Northern Inyo County Local Hospital District of a proposed distribution of the assets of the organization.

ARTICLE X

DECLINING OF SERVICE

Hospice of the Owens Valley reserves the right to decline the provision of services in situations where , in the opinion of Hospice, integrated and effective services cannot be offered.

ARTICLE XI

AMENDMENTS TO BYLAWS

New Bylaws may be adopted or these Bylaws may be amended or repealed by a majority vote of members present at any meeting of the Advisory Board provided, however, that a vote of at least five members in favor of the amendment will be required. New Bylaws or amendments to these Bylaws shall be effective when approved by the Northern Inyo County Local Hospital District Board of Directors.

The Hospice of the Owens Valley abides by the stipulations set forth in the Conflict of Interest Policy of Northern Inyo Hospital. Advisory Board members must disqualify themselves from making or participating in the making of decisions which for-seeably could have a material financial effect on any reportable income of that person. No member shall be prevented from making or participating in the making of any decision to the extent that his/her participation is legally required for the decision to be made.

HOSPICE OF THE OWENS VALLEY
POLICY
CONFLICT OF INTEREST

(619) 873-3742

155 Pioneer Lane, Bishop, California 93514



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MCKESSON

CONTRACT SUPPLEMENT

Contract Supplement to HBO & Company Information Systems Agreement No. 96234, dated March 13, 1997.

THIS CONTRACT SUPPLEMENT, including all Exhibits, Schedules, and Attachments hereto and incorporated herein (this "**Contract Supplement**") amends the agreement identified above including all Exhibits, Schedules, and Attachments thereto, and as amended (the "**Agreement**"), and is made effective as of this _____ day of _____, 2013 (the "**CS Effective Date**"). Unless otherwise expressly set forth in this Contract Supplement, the terms and conditions set forth in this Contract Supplement apply only to the Facilities, Software, and/or Services listed herein. To the extent that this Contract Supplement conflicts with the Agreement, the terms and conditions of this Contract Supplement shall control. Where not in conflict, all applicable terms and conditions set forth in the Agreement are incorporated herein.

EXHIBITS	
A	Facilities, Fees Summary, Payment Schedule and Administration
A-1	Products and Pricing
A-2	Additional Terms
A-3	Additional Terms – Paragon Direct Services
A-4	Additional Terms – QeM Subscription Services
B-1	Paragon Program Services Service Path

The pricing in this Contract Supplement and McKesson's corresponding offer to Customer expires unless McKesson receives this Contract Supplement signed by Customer on or before March 29, 2013.

McKesson will include Customer's purchase order ("**PO**") number on Customer invoices if provided by Customer on or before the CS Effective Date. If this Contract Supplement includes an amount equal to or greater than \$10,000, a copy of Customer's PO must be attached. Failure to provide McKesson with a PO number or copy does not suspend or negate any Customer duty, including payment, under this Contract Supplement. Pre-printed terms and conditions on or attached to Customer's PO shall be of no force or effect.

By signing this Contract Supplement, Customer acknowledges and agrees that (a) McKesson has made no warranty or commitment with regard to any functionality not Generally Available as of the CS Effective Date, whether or not included as part of Software Maintenance Services, for any of the Software licensed in this Contract Supplement and (b) Customer has not relied on the availability of any future version of the purchased Product or any other future Product in executing this Contract Supplement and (c) the decision by Customer to execute this Contract Supplement was not influenced by any discussions regarding future functionality of any Software or Services not Generally Available.

Each signatory hereto represents and warrants that it is duly authorized to sign, execute, and deliver this Contract Supplement on behalf of the party it represents.

Northern Inyo Hospital

MCKESSON TECHNOLOGIES INC.

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: Nate Dean

Title/Position: _____

Title/Position: Inside Sales Representative

Customer PO#: _____

Date: _____

Date: _____

McKesson Sales Center
Thank you for your business

Phone: (404) 338-2124
Fax: (404) 338-5116

EXHIBIT A

FACILITIES, FEES SUMMARY, PAYMENT SCHEDULE AND ADMINISTRATION

FACILITIES:

Customer No.	Facility	Full Address
1009366	Northern Inyo Hospital	150 Pioneer Lane, Bishop, CA 93514

FEES SUMMARY:

Products and Services	Initial Term (Years)	One-Time Fees	Annual Recurring Fees
Software (Perpetual):		\$5,960	\$1,490
Software (Term):	2		\$2,953
Implementation / Professional Services:		\$54,400	
Subscription Services (Paragon Direct):	2		\$10,750
Subscription Services (QeM):	2		\$6,000
GRAND TOTALS:		\$60,360	\$21,193

PAYMENT SCHEDULE:

Software (Perpetual): 25% is due on the CS Effective Date, and 75% is due in three equal, consecutive monthly payments commencing on the earlier of (i) Project Initiation or (ii) 9 months after the CS Effective Date. For purposes of this Contract Supplement, "Project Initiation" means the date McKesson first begins performing the Paragon Meaningful Use Stage 2 Program Services.

Software (Term): The first annual fee is due on the earlier of (i) Live Date or (ii) 12 months after CS Effective Date. For subsequent years, the annual fees are due in advance on the anniversary of the date such first annual fee was due.

Software Maintenance Services: The first annual Software Maintenance Services fee is due on the earlier of the Live Date or 12 months after the CS Effective Date. Subsequent annual Software Maintenance Services fees will be due annually in advance.

Implementation / Professional Services: 25% is due on the CS Effective Date and 75% is due in three equal, consecutive, monthly payments commencing on the earlier of (i) Project Initiation or (ii) 9 months after the CS Effective Date.

Subscription Services (QeM and Paragon Direct): Annual Recurring Fees: The first annual fee is due in advance on the earlier of (i) Live Date or (ii) 12 months after CS Effective Date. For subsequent years, the annual fee is due in advance on the anniversary of the date such first annual fee was due.

The transaction covered by this Contract Supplement may involve a discount, rebate or other price reduction on the items covered by this Contract Supplement. Customer may have an obligation to report such price reduction or the net cost in its cost reports or in another appropriate manner in order to meet the requirements of applicable federal and state anti-kickback laws, including 42 U.S.C. Sec. 1320a-7b(b)(3)(A) and the regulations found at 42 C.F.R. Sec. 1001.952(g) and (h). Customer will be responsible for reporting, disclosing, and maintaining appropriate records with respect to such price reduction or net cost and making those records available under Medicare, Medicaid, or other applicable government health care programs.

Unless Customer provides McKesson prior to the CS Effective Date satisfactory evidence of exemption (including evidence of renewal if applicable) from applicable sales, use, value-added, or other similar taxes or duties, McKesson will invoice Customer for all such taxes applicable to the transactions under this Contract Supplement.

ADMINISTRATION:

Sold To:	Ship To:
Northern Inyo Hospital	Northern Inyo Hospital
150 Pioneer Lane	150 Pioneer Lane
Bishop CA 93514	Bishop CA 93514
	Attention: Adam Taylor
	Telephone: (760) 873-2168
	Facsimile:
	E-mail: adam.taylor@nih.org
Bill To:	Paid By:
Northern Inyo Hospital	Northern Inyo Hospital
150 Pioneer Lane	150 Pioneer Lane
Bishop CA 93514	Bishop CA 93514
Attention: Adam Taylor	Attention: John Halfen
Telephone: (760) 873-2168	Telephone: (760) 873-5811
Facsimile:	Facsimile: (760) 872-5836
E-mail: adam.taylor@nih.org	E-mail: john.halfen@nih.org

EXHIBIT A-1
PRODUCTS AND PRICING

Perpetual Software:

<u>Perpetual Software Product No.</u>	<u>Software Maint. Product No.</u>	<u>Module / Description</u>	<u>Third Party SW</u>	<u>List Software License Fee</u>	<u>Quantity</u>	<u>Net Software License Fee</u>	<u>Annual Software Maintenance Fee</u>
72026501	73023151	Paragon Rules Engine	X	\$5,960	1	\$5,960	\$1,490
<i>Paragon Rules Engine - Embedded Lic; 2 Servers</i>							
Software (Perpetual) Total:						\$5,960	\$1,490

Term Software:

<u>Term Software Product No.</u>	<u>Module / Description</u>	<u>Third Party SW</u>	<u>List License Fee</u>	<u>Net License Fee</u>
72025386	Truven Care Notes	X	\$2,310	\$2,310
72025387	Truven MicroMedex	X	\$643	\$643
Software (Term) Total:				\$2,953

Implementation/Professional Services:

<u>Implementation /Professional Services Product No.</u>	<u>Module / Description</u>	<u>Product Family</u>	<u>List Services Fee</u>	<u>Net Services Fee</u>
74039947	Paragon Meaningful Use Stage 2 Program Services	Paragon	\$42,000	\$33,600
74039948	Paragon Direct Implementation Services	Paragon	\$6,000	\$4,800
74038368	QeM 2014 Implementation Services	Paragon	\$15,000	\$12,000
Implementation / Professional Services Total:			\$63,000	\$50,400

Subscription Services:

<u>Subscription Services annual recurring fee Product No.</u>	<u>Module / Description</u>	<u>Annual Recurring Fee</u>
74039956	Paragon Direct Subscription Services	\$10,750
74038377	QeM 2014 Subscription Services	\$6,000
Subscription Services Total:		\$16,750

EXHIBIT A-2

ADDITIONAL TERMS

SECTION 1: PARAGON RELEASE 12.0

1.1 Customer acknowledges that (i) the use of the Software and services set forth in Exhibit A-1 may require customer to implement Paragon Release 12.0, (ii) Paragon Release 12.0 will be available to customers receiving Paragon Software Maintenance Services when McKesson deems Paragon Release 12.0 Generally Available, and (iii) as of the CS Effective Date, Paragon 12.0 is not Generally Available.

SECTION 2: LIMITATIONS OF LIABILITY

2.1 Total Damages. MCKESSON'S TOTAL CUMULATIVE LIABILITY UNDER, IN CONNECTION WITH, OR RELATED TO THIS CONTRACT SUPPLEMENT WILL BE LIMITED TO (A) WITH RESPECT TO ANY PRODUCT, THE TOTAL FEES PAID (LESS ANY REFUNDS OR CREDITS) BY CUSTOMER TO MCKESSON HEREUNDER FOR THE PRODUCT GIVING RISE TO THE CLAIM, OR (B) WITH RESPECT TO ANY SERVICE, THE TOTAL FEES PAID (LESS ANY REFUNDS OR CREDITS) BY CUSTOMER TO MCKESSON HEREUNDER FOR THE SERVICE GIVING RISE TO THE CLAIM DURING THE 12-MONTH PERIOD PRECEDING THE DATE OF THE CLAIM, AS APPLICABLE, WHETHER BASED ON BREACH OF CONTRACT, WARRANTY, TORT, PRODUCT LIABILITY, OR OTHERWISE.

2.2 Exclusion of Damages. IN NO EVENT WILL MCKESSON BE LIABLE TO CUSTOMER UNDER, IN CONNECTION WITH, OR RELATED TO THIS CONTRACT SUPPLEMENT FOR ANY SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS OR LOSS OF GOODWILL, WHETHER BASED ON BREACH OF CONTRACT, WARRANTY, TORT, PRODUCT LIABILITY, OR OTHERWISE, AND WHETHER OR NOT MCKESSON HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

2.3 Material Consideration. THE PARTIES ACKNOWLEDGE THAT THE FOREGOING LIMITATIONS ARE A MATERIAL CONDITION FOR THEIR ENTRY INTO THIS CONTRACT SUPPLEMENT.

SECTION 3: INTELLECTUAL PROPERTY INFRINGEMENT

3.1 Duty to Defend. McKesson will defend, indemnify, and hold Customer harmless from any action or other proceeding brought against Customer to the extent that it is based on a claim that (a) the use of any McKesson Software (other than Third Party Software) delivered under this Contract Supplement infringes any U.S. copyright or U.S. patent or (b) the McKesson Software (other than Third Party Software) incorporates any misappropriated trade secrets. McKesson will pay costs and damages finally awarded against Customer as a result thereof; provided, that Customer (i) notifies McKesson of the claim within ten business days, (ii) provides McKesson with all reasonably requested cooperation, information and assistance, and (iii) gives McKesson sole authority to defend and settle the claim.

3.2 Exclusions. McKesson will have no obligations under this Section with respect to claims arising from: (a) McKesson Software modifications that were not performed by McKesson or authorized by McKesson in writing, (b) custom interfaces, file conversions, or other programming for which McKesson does not exclusively develop the specifications or instructions, (c) use of any McKesson Software in combination with products or services not provided by McKesson, if use of the McKesson Software alone would not result in liability under this Section, or (d) any use of the McKesson Software not authorized by this Contract Supplement or the Documentation.

3.3 Infringement Remedies. If a claim of infringement or misappropriation for which Customer is entitled to be indemnified under this Section arises, then McKesson may, at its sole option and expense: (a) obtain for Customer the right to continue using such McKesson Software (b) replace or modify such McKesson Software to avoid such a claim, provided that the replaced or modified McKesson Software is substantially equivalent in function to the affected McKesson Software, or (c) take possession of the affected McKesson Software and terminate Customer's rights and McKesson's obligations under this Contract Supplement with respect to such McKesson Software. Upon any such termination, McKesson will refund to Customer a prorated portion of the fees paid for that McKesson Software based upon a period of depreciation equal to the Initial SWM Term period, as applicable, with depreciation deemed to have commenced on the corresponding Software Live Date, if any, or the corresponding date of delivery.

3.4 Exclusive Remedy. THE FOREGOING ARE MCKESSON'S SOLE AND EXCLUSIVE OBLIGATIONS, AND CUSTOMER'S SOLE AND EXCLUSIVE REMEDIES, WITH RESPECT TO INTELLECTUAL PROPERTY INFRINGEMENT OR TRADE SECRET MISAPPROPRIATION.

SECTION 4: TIMELY PAYMENTS

4.1 Any early payment discount described in the Agreement will not apply to this Contract Supplement.

SECTION 5: PRICE INCREASES

5.1 McKesson may increase its recurring fees, including but not limited to, for Software Maintenance Services, Technology Services, and any Term license fees, once every 12 months upon 60 days written notice to Customer. The amount of such increase will not exceed five percent. Price increases are effective as of the next annual, quarterly or monthly payment due date.

SECTION 6: SOFTWARE MAINTENANCE TERM

6.1 The initial term for Software Maintenance Services (the "Initial SWM Term") begins upon the CS Effective Date and continues (i) for perpetual Software licenses, for five years, and (ii) for term Software Licenses, for the initial term as set forth in the Contract Supplement. Unless otherwise set forth in the Contract Supplement, the Initial SWM Term for perpetual and term licenses will automatically renew for successive one year periods, unless either party provides the other with written notice of termination of Software Maintenance Services no less than three months prior to the end of the then-current term. McKesson will invoice Customer for Software Maintenance Services annually in advance for each 12-month period. Termination is effective as of the next annual payment due date, and no refund or credit will apply in the event of early termination of Software Maintenance Services. Annual Software Maintenance Services fees will be prorated on a 365-day calendar year.

SECTION 7: PROFESSIONAL RESPONSIBILITY AND CLINICAL CONTENT DISCLAIMER

7.1 CUSTOMER ACKNOWLEDGES AND AGREES THAT ANY CLINICAL CONTENT FURNISHED BY MCKESSON HEREUNDER (WHETHER SEPARATELY OR INCLUDED WITHIN A PRODUCT) IS AN INFORMATION MANAGEMENT AND DIAGNOSTIC TOOL ONLY AND THAT ITS USE CONTEMPLATES AND REQUIRES THE INVOLVEMENT OF TRAINED INDIVIDUALS. CUSTOMER FURTHER ACKNOWLEDGES AND AGREES THAT MCKESSON HAS NOT REPRESENTED ITS PRODUCTS AS HAVING THE ABILITY TO DIAGNOSE DISEASE, PRESCRIBE TREATMENT, OR PERFORM ANY OTHER TASKS THAT CONSTITUTE THE PRACTICE OF MEDICINE. THE PARTIES AGREE THAT, AS BETWEEN CUSTOMER AND MCKESSON, CUSTOMER IS RESPONSIBLE FOR THE ACCURACY AND QUALITY OF CUSTOMER DATA AS INPUT INTO THE PRODUCTS. CUSTOMER ACKNOWLEDGES THAT MCKESSON: (A) HAS NO CONTROL OF OR RESPONSIBILITY FOR CUSTOMER'S USE OF THE CLINICAL CONTENT, AND (B) HAS NO KNOWLEDGE OF THE SPECIFIC OR UNIQUE CIRCUMSTANCES UNDER WHICH THE CLINICAL CONTENT PROVIDED MAY BE USED BY CUSTOMER. THE PARTIES AGREE THAT MCKESSON DOES NOT PROVIDE MEDICAL SERVICES TO PATIENTS AND IS NOT ENGAGED IN THE PRACTICE OF MEDICINE, AND THAT CUSTOMER'S USE OF THE PRODUCTS DOES NOT ABSOLVE CUSTOMER OF ITS OBLIGATION TO EXERCISE INDEPENDENT MEDICAL JUDGMENT IN RENDERING HEALTH CARE SERVICES TO PATIENTS. CUSTOMER ACKNOWLEDGES THAT THE PROFESSIONAL DUTY TO THE PATIENT IN PROVIDING HEALTHCARE SERVICES LIES SOLELY WITH THE HEALTHCARE PROFESSIONAL PROVIDING THE SERVICES. MCKESSON MAKES NO WARRANTY AS TO THE NATURE OR QUALITY OF THE CONTENT OF RESULTS, MESSAGES OR INFORMATION SENT BY CUSTOMER, OR ANY THIRD PARTY USERS OF THE SUBSCRIPTION SERVICES.

SECTION 8: TERM SOFTWARE

8.1 License Grant - Term License. Subject to the terms of the Agreement, McKesson grants to Customer, and Customer accepts, a limited, nonexclusive, nontransferable, non-sublicensable, license to use the Software or Clinical Content identified herein as "term" or as a "term license" for Customer's internal purposes at the Facilities identified on Exhibit A for the license term specified therein ("Term License").

8.2 **Term.** Unless otherwise specified herein, Customer's right to use the term Software begins on the earlier of (i) Live Date or (ii) 12 months after CS Effective Date and ends at the expiration of the term identified in Exhibit A-1. Following the expiration of the Term License, and subject to Customer's payment of the applicable fees, Customer's right to use the term Software shall continue for successive, automatically renewable one year periods, unless either party provides the other party with written notice of termination no less than three months prior to the end of the applicable term.

8.3 Fees payable during any renewal period will be at the prevailing rate.

SECTION 9: THIRD PARTY TERMS AND CONDITIONS

9.1 Customer agrees to the applicable Third Party terms and conditions, if any, as set forth at <http://customerportal.mckesson.com>, which Customer may access using the following confidential login information:

User ID: contractprovisions@mckesson.com
Password (case sensitive): Portal!Access

SECTION 10: INTERNET DISCLAIMER

10.1 CERTAIN PRODUCTS AND SERVICES PROVIDED BY MCKESSON UTILIZE THE INTERNET. MCKESSON DOES NOT WARRANT THAT SUCH SERVICES WILL BE UNINTERRUPTED, ERROR-FREE, OR COMPLETELY SECURE. MCKESSON DOES NOT AND CANNOT CONTROL THE FLOW OF DATA TO OR FROM MCKESSON'S OR CUSTOMER'S NETWORK AND OTHER PORTIONS OF THE INTERNET. SUCH FLOW DEPENDS IN LARGE PART ON THE INTERNET SERVICES PROVIDED OR CONTROLLED BY THIRD PARTIES. ACTIONS OR INACTIONS OF SUCH THIRD PARTIES CAN IMPAIR OR DISRUPT CUSTOMER'S CONNECTIONS TO THE INTERNET (OR PORTIONS THEREOF). ACCORDINGLY, MCKESSON DISCLAIMS ANY AND ALL LIABILITY RESULTING FROM OR RELATED TO THE ABOVE EVENTS.

SECTION 11: DATA RIGHTS

11.1 Notwithstanding anything to the contrary in any Business Associate Agreement between the parties or elsewhere in this Contract Supplement, Customer authorizes McKesson to (a) de-identify PHI in accordance with 45 C.F.R. 164.514(b) or (b) perform Data Aggregation (as defined in those regulations relating to the privacy of protected health information at 45 C.F.R. parts 160 and 164, as may be amended from time to time), both for statistical compilations, reports, research and all other purposes allowed under applicable laws. McKesson acknowledges and agrees that between Customer and McKesson, McKesson makes no claim of ownership of the PHI and McKesson retains use rights as set forth in this Section.

SECTION 12: DEFINITIONS

For purposes of this Contract Supplement, the following terms, as such terms are used herein or in the Agreement shall have the following meanings:

"Clinical Content" means medical, clinical, or billing and coding information such as terminology, vocabularies, decision support rules, alerts, drug interaction knowledge, care pathway knowledge, standard ranges of normal or expected result values, and any other clinical content or rules provided to Customer under an Contract Supplement, together with any related Documentation and Upgrades. Depending on the intended usage, Clinical Content may be provided in either paper or electronic formats. Examples of Clinical Content include the InterQual® Clinical Decision Support Criteria, Clinical Evidence Summaries, InterQual® SmartSheets, KnowledgePacks, HIC – ED FC, HIC – ED PC and Medical Necessity Content. Clinical Content may be either (a) owned by McKesson or (b) Third Party Clinical Content.

"Enhancements" means enhancements or new releases of the Software, Documentation, Clinical Content, or Services providing new or different functionality that are separately priced and marketed by McKesson.

"Generally Available" means available as a non-development product, licensed by McKesson in the general commercial marketplace.

"Maintenance Services" means Software Maintenance Services and Equipment Maintenance Services. Maintenance Services do not include services required as a result of (a) improper use, abuse, accident or neglect, including Customer's failure to maintain appropriate environmental conditions for the Products, or (b) modifications or additions to the Products.

"Medical Necessity Content" means rules, including diagnosis and procedure code pairs developed by the Centers for Medicare and Medicaid Services and Medicare Administrative Contractors, related to Medicare payment eligibility for medical services, treatment procedures, and medical technologies, including medical necessity determination.

"Products" means Software, Equipment, Clinical Content and any other products that McKesson provides to Customer pursuant to this Contract Supplement.

"Professional Services" means any consulting, programming or other professional services that McKesson provides to Customer pursuant to this Contract Supplement.

"Services" means Implementation Services, Maintenance Services, Processing Services, Professional Services, Subscription Services, Technology Services, Remote Hosting Services, and any other services that McKesson provides to Customer under this Contract Supplement.

"Software" means and shall include software in object code form only (and related Documentation) identified in a Contract Supplement or otherwise provided by McKesson to Customer, including any upgrades that McKesson provides to Customer.

"Subscription Services" means the internet-based or subscription-based Services provided to Customer by McKesson that are identified in this Contract Supplement.

"Technology Services" means the SystemCare Services, the CareBridge™ Secure Extranet Services and any other services provided by McKesson's Technology Services group.

"Time and Materials Fee" means McKesson's hourly Prevailing Rate(s) set forth herein for providing Services multiplied by the actual (not estimated) hours or days spent by McKesson in providing Services, including all hours incurred by McKesson (both at Customer's site and at various McKesson sites, whether or not previously estimated) to perform the required Services, including tasks, administrative duties, status reports, problem analysis, attendance of meetings or telephone calls, and research of Customer questions and issues.

"Upgrades" means corrections, modifications, improvements, updates or releases of the Software, Documentation, Clinical Content, or Services designated by McKesson as **"Upgrades,"** which are Generally Available and generally provided to customers as part of Software Maintenance Services. Upgrades do not include Enhancements.

EXHIBIT A-3

PARAGON DIRECT SERVICES

Statement of Purpose

The Health Information Technology for Economic and Clinical Health Act ("HITECH Act") provides certain incentive payments ("Incentive Payments") for healthcare providers such as eligible professionals (EPs), eligible hospitals (EHs) and critical access hospitals (CAHs) making "meaningful use" of qualified electronic health records technology that is certified pursuant to the HITECH Act ("Certified EHR Technology"). The 2011 Edition certification standards are set forth in the effective final rules of the HITECH Act published on July 28, 2010 (the "2011 Edition Standards"). The 2014 Edition certification standards are set forth in the effective final rules of the HITECH Act published on August 23, 2012 ("2014 Edition Standards").

Paragon Direct Services, which is powered by RelayHealth, supports:

- Transitions of Care (Direct Exchange)
 - Where an EP, EH, or CAH transitions their patient to another setting of care or provider of care or refers their patient to another provider of care, the EP, EH or CAH provides an accompanying summary of care record.
- View/Download/Transmit using the Patient Portal (Patient Portal)
 - EPs provide patients the ability to view online, download, and transmit their health information within four (4) business days of the information being available to the EP.
 - EHs and CAHs provide patients the ability to view online, download, and transmit information about a hospital admission.

SECTION 1: DEFINITIONS

"Affiliated Physician Customer User" means a Physician affiliated with a Customer who is a Customer User.

"Activation URL" means the URL designated by McKesson for Customer User activation

"Claim" means all liabilities, losses, damages, claims and expenses (including legal expenses of any kind and nature).

"Clinical Content" means medical or clinical information such as terminology, vocabularies, decision support rules, alerts, drug interaction knowledge, care pathway knowledge, standard ranges of normal or expected result values, and any other clinical content or rules provided to Customer under an Contract Supplement, together with any related Documentation. Depending on the intended usage, Clinical Content may be provided in either paper or electronic formats.

"Customer Marks" means the trademarks, service marks, logos, trade names and other indicia of origin of Customer.

"Customer User" means, with respect to the Paragon Direct Services, each Physician Customer User, and each non-physician staff member or other individual authorized to use the Paragon Direct Services by Customer or a Physician Customer User (including by the health care provider group with whom such Physician Customer User is associated, whether affiliated with or owned by Customer). Customer Users are either ("Employed Customer Users") if such individual is employed by Customer, or ("Affiliated Customer Users") if such individual is affiliated with Customer.

"Employed Physician Customer User" means a Physician employed by Customer.

"Enterprise Pricing" means, pricing covering unlimited access to the Paragon Direct Services by Customer for use by an unlimited number of employed Providers or affiliated Providers.

“Login Credentials” means a Customer User’s unique user identification and password combination, as well as any other applicable security measures that are required to allow such Customer User to gain access to Clinical Content, Software, Subscription Services, or any other secured McKesson solution.

“McKesson Affiliates” means any U.S. entities that, now or in the future, are controlled by or under common control with McKesson.

“McKesson Provider Terms of Use” means the terms of use posted on the McKesson Site which governs, among other things, use of the Paragon Direct Services by Customer Users.

“McKesson Site” means the website operated by McKesson.

“Non-Physician Professional” means an individual, who is licensed, certified or otherwise designated to assist physicians in providing healthcare services to patients and includes a nurse practitioner, physician assistant, therapist, technician and social worker.

“Physician” means an individual legally licensed to provide healthcare services to patients as a “physician,” “doctor,” or other similar designation, and includes a medical or dental doctor, optometrist, certified consulting psychologist, osteopath, and chiropractor.

“Paragon Direct Services” means McKesson’s provision of the clinical Services and products described in this Exhibit.

“Physician Customer User” means each Employed Physician Customer User, Affiliated Physician Customer User, or Non-Physician Professional that Customer identifies in writing to McKesson as a Customer User of a McKesson solution.

“Processing Services” means the Transaction processing Services, and related Subscription Services, described herein, that McKesson will provide to Customer hereunder.

“Provider” means a Physician or Non-Physician Professional who is employed by, or under contract to provide health care services on behalf of, Customer or its affiliates, whether full or part-time.

“Services” means all services that McKesson will provide to Customer hereunder including, but not limited to, Implementation Services, Processing Services, Professional Services, Subscription Services, and other Services performed on a Time and Materials basis.

“Subscription Service” means a remotely hosted computing Service, provided to Customer by McKesson or a McKesson Affiliate as part of the Paragon Direct Services.

“Temporary Identity” means a temporary Login Credential for a Customer User that McKesson provides to Customer.

“Transaction” means information received from Customer or its agent that is processed by McKesson, including, but not limited to, a distinct claim, remit, information request, statement, collection letter, print image, patient estimation letter or other item.

SECTION 2: PARAGON DIRECT

2.1 License Grant. Subject to the terms of this Contract Supplement, McKesson grants to Customer, and Customer accepts, a limited, nonexclusive, non-transferable, non-sublicensable license to access the Subscription Services portion of the Paragon Direct Services, solely for Customer’s internal purposes at the Facilities identified on Exhibit A, during the term specified herein. The Paragon Direct Services may be used by Customer Users in conjunction with McKesson software in the inpatient, hospital-based outpatient, and emergency department care settings. Use of the Paragon Direct Services with non-McKesson software or in the ambulatory clinic care setting is subject to additional fees. The license granted in this Section 2.1 is expressly subject to the following conditions: (i) the Subscription Services may only be accessed by users referenced in Section 4.2, below who are physically located within the U.S.;

(ii) access to the Subscription Services may be limited to users who connect to the Subscription Services via computer networks located within certain Facilities, or by any other usage-based variables specified in a Contract Supplement; (iii) the Subscription Services may not be used to provide service bureau or other similar services to third parties unless expressly permitted herein; and (v) use of the Subscription Services is subject to the terms of this Exhibit, the Documentation, and any Third-Party Software terms referenced herein in the Documentation. Customer and Customer Users may not attempt to access the Subscription Services in a manner not permitted under this Exhibit, or the Documentation. McKesson may immediately suspend Customer's and all Customer Users' access to the Subscription Services if Customer or a Customer User takes any action that would violate, or be reasonably likely to violate, the license granted under this Section 2.1.

2.2 Customer acknowledges and agrees that the patients who have subscribed to the McKesson services will have access to medical information stored in their personal health records.

2.3 Customer acknowledges and agrees that Paragon Connect services are required for Paragon Direct Services. If Customer has not purchased the required Paragon Connect Services, then additional license and service fees may apply.

SECTION 3: TERM AND TERMINATION

3.1 The term of the Paragon Direct Services that are Subscription Services will commence on the on the earlier of (i) Live Date or (ii) 12 months after CS Effective Date and continue for a period of two years ("Term"). McKesson reserves the right to terminate the Paragon Direct Subscription Services immediately and without further notice if Customer fails to make timely payments as they come due or otherwise breaches this Contract Supplement.

3.2 Fees will be subject to one, one-year renewal at then current rates.

SECTION 4: IMPLEMENTATION, HOSTING AND USE OF THE PARAGON DIRECT SERVICES

4.1 Implementation. McKesson will use commercially reasonable efforts to implement the Paragon Direct Solution within the timeframe set forth in the applicable Implementation Services Project Plan.

4.2 Terms of Use.

4.2.1 By Providers. Access to and use of the Paragon Direct Services by Customer Users and Customer Users' patients will be subject to McKesson's then-current Provider Terms of Use that are posted on the McKesson Site. The Provider Terms of Use will be applicable to Customer, its employees and contractors and all Employed Customer Users upon Customer's execution of this Contract Supplement. The Provider Terms of Use must be accepted by all Customer Users at the time they seek access to the Paragon Direct Services at the McKesson Site. The Provider Terms of Use are incorporated herein by this reference, and may be amended by McKesson in its sole discretion from time to time. The provisions set forth in this Exhibit and each Contract Supplement will control in the event of a conflict with the Provider Terms of Use.

4.2.2 By Patients. Access to and use of the Paragon Direct Services by Customer Users' patients will be subject to McKesson's then-current McKesson Patient Terms of Use also set forth on the McKesson Site.

SECTION 5: REGISTRATION AND DEACTIVATION PROCESSES

5.1 Registration Process. Customer, at its own cost and expense, agrees to follow the Registration Process set forth in the Implementation Services Project Plan or Implementation Services Guide for Customer and all Customer Users, as well as any other information which McKesson reasonably requests. If Customer chooses to provide individual access for their Employed Physician Customer Users, Customer represents and warrants that each Employed Physician Customer User is, and will remain during the term of the Paragon Direct Services: (a) properly licensed under applicable state law; (b) credentialed in accordance with Customer's standard credentialing process; and (c) required to report changes to his or her professional license status to Customer within an appropriate time interval following any such change.

McKesson will pre-register Customer Users for the Paragon Direct Services based on Customer's licensure certification. McKesson will provide to Customer a Temporary Identity and an Activation URL. Customer will authenticate the identity of each Customer User by distributing the Activation URL and Temporary Identity that correlates to each prospective Customer User. McKesson will accept such authentication by activating the Customer Users who log-on to the Paragon Direct Services at the Activation URL using the assigned Temporary Identity.

5.2 Deactivation Process. Customer will notify McKesson (i) within two business days after Customer receives notice of any change to the professional licensure status of any Employed Physician Customer User, and (ii) within a commercially reasonable number of business days after Customer elects to terminate any Customer User's access to the Paragon Direct Services for any reason. Upon receipt of such notice, McKesson will, as soon as practicable after the date of receipt, and in any event within two business days, use commercially reasonable efforts to deactivate each such Customer User's access to the Clinical Solutions.

SECTION 6: DATA

6.1 Data. McKesson will use reasonable judgment to correct inaccurate inbound data, and will perform such Services on a Time and Materials basis. McKesson will invoice Customer for all such error correction Services, and Customer will pay all applicable fees related to McKesson's correction of errors discovered in the inbound data.

SECTION 7: IMPLEMENTATION SERVICES

7.1 McKesson will provide, and Customer will accept, the Implementation Services for the Paragon Direct Services at the Facility(ies) or data center(s) set forth herein in order to facilitate Customer's installation and use of the Paragon Direct Services. McKesson will provide such Implementation Services in accordance with the implementation services project plan or the implementation services guide, and all other terms included in this exhibit, and Customer will pay for the same at the applicable Implementation Services fee(s) set forth herein. Customer will fully cooperate with McKesson during implementation of the Paragon Direct Services and complete all prerequisite tasks designated as Customer's responsibility under the implementation services project plan. Customer's failure to comply with the terms of this Section 7.1, and any resulting refusal by McKesson to provide implementation services or any related McKesson solutions, will not excuse customer's duty to timely pay fees due hereunder.

SECTION 8: SUSPENSION OF SERVICES

8.1 McKesson reserves the right to suspend provision of any Services contracted for hereunder (a) 15 days after notice to Customer of nonpayment of any fees owed to McKesson hereunder (excluding Time and Materials fees and expenses), which are disputed by Customer in good faith, that are 30 days or more past due, where such breach remains uncured, (b) if McKesson determines in its reasonable discretion that such suspension is necessary to comply with any applicable law, regulation or order of any governmental authority, or (c) immediately if McKesson determines in its reasonable business judgment that the performance, integrity or security of the Paragon Direct Services are being adversely impacted or in danger of being compromised, as a result of Customer's or its users' access.

SECTION 9: INTERNET CONNECTIVITY

9.1 Customer acknowledges and agrees that Customer and Customer Users will provide all hardware, software, and services necessary to access the Internet, and Customer shall maintain Internet connectivity as a prerequisite for access to and use of the Paragon Direct Services, as and when required. Customer will take, and will require all Customer Users to take, all necessary and feasible steps to safeguard the integrity and confidentiality of all data and communications transmitted or stored when using the Paragon Direct Services, and when Customer or Customer Users are providing any services using servers or other hardware owned or maintained by or for Customer or Customer Users that are in any way related to, or based upon, the Paragon Direct Services.

SECTION 10: HOSTING

10.1 The Paragon Direct Services include Subscription Services that McKesson hosts on servers owned or maintained by or for McKesson at a McKesson, or McKesson-approved, site.

SECTION 11: EXPENSES

11.1 Fees for the Paragon Direct Services do not include any postage, third party fees or charges, network surcharges, government imposed access fees, fees resulting from changes in regulation or statute, or fees charged by communications common carriers or timesharing suppliers, which will be separately invoiced to and paid by Customer.

SECTION 12: MONITORING AND AUDITING

12.1 To ensure that Customer is in compliance with this Exhibit and the applicable usage limitations set forth herein, McKesson may continuously monitor and audit Customer's usage of the Paragon Direct Services. If an audit reveals that Customer's use of the Paragon Direct Services exceeds the applicable usage limitations, then McKesson may immediately invoice Customer for all such past excess use, based on McKesson's Prevailing Rates in effect at the time the audit is completed, and Customer will pay any such invoice within 30 days.

SECTION 13: INDEMNIFICATION.

13.1 Notwithstanding anything to the contrary contained in this Exhibit, Customer assumes the risk of liability for, and agrees, at its sole expense, to indemnify, defend, and hold McKesson, the McKesson Affiliates, and all other third-party McKesson suppliers, safe and harmless from and against any and all Claims sought by a third-party or a Customer User, that directly or indirectly arise out of or relate to: (a) any unauthorized access to the Paragon Direct Services granted by Customer or a Customer User, or gained through Customer's or a Customer User's network, login credentials, or computing hardware; and (b) Customer's or a Customer User's identity management errors, data mapping errors, connectivity errors, or inaccurate or corrupted data sent by Customer or a Customer User into the Paragon Direct Services. This indemnity will survive the termination of this Contract Supplement.

SECTION 14: DISCLAIMER

14.1 For avoidance of doubt, the services set forth in this CS do not address all services and products that are needed to meet the 2014 Edition Standards of the HITECH Act. In order to qualify as Certified EHR Technology under the 2014 Edition Standards, Customer acknowledges that it may need to purchase additional products and services, including without limitation, fees for McKesson Software, Implementation Services, Software Maintenance Services, Third Party Software and Equipment, on a separate, written agreement to complete the necessary suite of products and services to satisfy the 2014 Edition Standards for meaningful use demonstration. These products and services may be subject to additional fees, which will be priced and scoped separately. McKesson makes no commitment of any kind with respect to Customer's ability to use any McKesson Product to (1) demonstrate "meaningful use" as such term may be defined pursuant to the HITECH Act, or (2) receive Incentive Payments.

EXHIBIT A-4

QEM SUBSCRIPTION SERVICES TERMS

SECTION 1: DEFINITIONS

Except as otherwise stated herein, the capitalized terms used in this Exhibit will have the following meanings:

“Benchmarks Collaborative” (“BC”) consists of aggregated data from public or proprietary sources for the purpose of comparisons.

“Benchmarks Collaborative Activation Checklist” means McKesson's written checklist and procedures for activation of the BC Services, incorporated herein by reference, as may be reasonably modified from time to time.

“Benchmarks Collaborative Services” (“BC Services”) means the annual subscription service consisting of McKesson's preparation of submitted Data and creation of the Scorecard for Customer. The BC Services includes the designated Data feeds from the “data specification” that will provide Customer with one standard Scorecard and user defined Scorecards.

“Benchmarks Collaborative Website” means the website for the BC product purchased by Customer.

“Data” means the information submitted by Customer pursuant to this Exhibit, as further defined in the Data Specification.

“Data Specification” means the file layout structure for electronic data submission and other required data elements for Data to be submitted, all as outlined on the BC Website.

“Data Submission Window” means the calendar period during which Data is to be submitted by Customer to McKesson, as defined on the BC Website.

“File Layout” means the Data input specifications as defined in the Data Specifications.

“KPI” means the Key Performance Indicators, as defined by McKesson, in its sole discretion.

“McKesson Performance Analytics” means the combination of a data warehouse, healthcare enterprise data model and business logic and web-based business intelligence solution licensed as Horizon Performance Manager TM and Horizon Business Insight TM.

“QBC Availability” means the date at which McKesson provides Customer with comparative benchmark data for quality measures.

“Scorecard” means the display of Metrics data accessed by Customer via the McKesson Performance Analytics solution at Customer site.

“Setup” means Customer's profile setup and staffing plan, explanation of information needed to complete the setup, assistance with Customer's first data submission, review of Customer's initial Scorecard to ensure accuracy of the Data, and phone support as Customer completes the setup.

“Subscription Start Date” occurs on the earlier of (i) Live Date or (ii) 12 months after CS Effective Date , except for Quality Benchmarks Collaborative whereby the Subscription Start Date occurs the earlier of ten months after the CS Effective Date or the QBC Availability date. If Customer meets the conditions for the submission of data to McKesson on the Subscription Start Date, then Customer' Scorecard will be available for viewing by Customer no later than the last day of the second full month following the First Term Fee Date.

SECTION 2: TERM AND TERMINATION

2.1 The initial term of the BC Services will commence on the Subscription Start Date and will continue for the period indicated in the Fee Summary ("**Initial Term**"), unless earlier terminated as provided herein or in the Agreement. Following the Initial Term and subject to Customer's payment of the applicable BC fees, Customer's continued right to access and use the BC shall continue for successive, automatically renewable periods each the same length as the Initial Term ("**Renewal Terms**"), unless either party provides the other party with written notice of termination of the BC no less than 60 days prior to the end of the Initial Term or the Renewal Term, as applicable. McKesson reserves the right to terminate the BC immediately and without further notice if Customer fails to make timely payments as they come due or otherwise breaches this Contract Supplement.

SECTION 3: LICENSE

3.1 Subject to the terms and conditions of this Contract Supplement and this Exhibit, and payment of the BC Services fees, McKesson hereby grants Customer, during the term described in the Fees Summary, a limited, revocable, non-exclusive, non-transferable, non-sub-licensable right and license to access and use the web-hosted software, content, and documentation constituting the BC Services solely for Customer's internal use only and related to the Facilities identified on Exhibit A. Customer's use of the BC Service constitutes Customer's agreement that McKesson may disclose the fact that customer is a user of the BC Services to other McKesson users of the BC Services.

SECTION 4: USER ACCESS

4.1 McKesson will provide Customer unlimited user logins per BC Services subscription ("**User Login**"). Each User Login will be a separate username and password. Customer will be responsible for the protection and security of each User Login username and password and the access to Customer's Data available via such User Login.

SECTION 5: DATA SUBMISSION

5.1 Within 60 days after the CS Effective Date, Customer shall submit its prior 24 calendar months of Data to McKesson in electronic format via the appropriate User Login and File Layout, and otherwise pursuant to the terms and conditions of this Exhibit. Customer shall submit Data to McKesson monthly within the Data Submission Window in electronic format via the appropriate User Login and File Layout, and otherwise pursuant to the terms and conditions of this Exhibit ("**Monthly Data Submission**"). If Customer does not properly complete its Monthly Data Submission during the Data Submission Window, Customer will be deemed to have declined to receive BC Services during that month, and Customer must wait until the next Data Submission Window to submit Data and receive the BC Services. Customer shall not be entitled to any credit or refund for any month in which Customer was deemed to have declined to receive BC Services. Any incomplete or otherwise incorrectly submitted Monthly Data Submission will be excluded from the Scorecard.

SECTION 6: DATA PREPARATION AND SCORECARD GENERATION

6.1 McKesson will provide the BC Services to Customer, and the Scorecard will become available to Customer via the User Login, by the last day of the month. The Scorecard data will be an aggregate compilation of the previous 12 months data.

SECTION 7: NO CUSTOMIZATION

7.1 The KPI will not be customized for Customer. Any requests by Customer to prepare customized reports or KPI are not included in the BC Services to be provided pursuant to this Exhibit, and may be contracted for on a separate basis, as mutually agreed by the parties. In addition, McKesson reserves the right at any time, with or without cause to add and delete features from the BC Services and, subject to not less than 120 days advance notice, to cease to offer and provide the BC Services. Changes in laws or regulations requiring changes to the BC Services are not included in the BC Services fees.

SECTION 8: DATA

March 8, 2013

8.1 Data Accessibility. Customer's identifiable Data will be accessible only via Customer's User Login, and will not be viewable by other BC Services subscribers. Customer's de-identified Data will be aggregated with the data of other BC Services subscribers to enable the KPI comparisons that are viewable in the BC Scorecard.

8.2 Data Ownership. Notwithstanding anything to the contrary in the Agreement or any Business Associate Agreement between the parties, Customer acknowledges and agrees that McKesson shall have the right to collect, use, distribute, disclose, sell or license the Customer Data provided to McKesson pursuant to the terms and conditions of this Exhibit (excluding Customer Data that identifies Customer, a specific individual or a Customer patient) or reports utilizing the Customer Data (excluding Customer Data that identifies Customer, a specific individual or a Customer patient) to third parties in any form, including, but not limited to, raw data, stripped data, cumulated data or statistical information derived from the Customer Data, without a duty to account. McKesson's rights under this subsection survive termination of this Exhibit, Contract Supplement and the Agreement.

SECTION 9: SUPPORT

9.1 Notwithstanding anything contrary in this Contract Supplement, support terms for the BC Services are on the BC Website. Any request for support beyond the terms on the BC Website is outside the scope of this Exhibit. Additional support can be requested by Customer through the BC Website, and will be billed to Customer at McKesson's then-current rates for such support.

SECTION 10: TRAINING

10.1 Training for the BC Services is on the BC Website. Any request for training beyond the training that is found on the BC Website is outside the scope of this Exhibit. Additional training may be provided at McKesson's then-current rates for such training upon the mutual agreement of the parties and execution of a separate contract.

SECTION 11: DISCLAIMER

11.1 For avoidance of doubt, the services set forth in this CS do not address all services and products that are needed to meet the 2014 Edition Standards issued pursuant to the Health Information Technology for Economic and Clinical Health Act ("HITECH Act") which provides certain incentive payments ("Incentive Payments") for healthcare providers making "meaningful use" of qualified electronic health records technology that is certified pursuant to the HITECH Act ("Certified EHR Technology"). In order to qualify as Certified EHR Technology under the 2014 Edition Standards, Customer acknowledges that it may need to purchase additional products and services, including without limitation, fees for McKesson Software, Implementation Services, Software Maintenance Services, Third Party Software and Equipment, on a separate, written agreement to complete the necessary suite of products and services to satisfy the 2014 Edition Standards for meaningful use demonstration. These products and services may be subject to additional fees, which will be priced and scoped separately. McKesson makes no commitment of any kind with respect to Customer's ability to use any McKesson Product to (1) demonstrate "meaningful use" as such term may be defined pursuant to the HITECH Act, or (2) receive Incentive Payments

EXHIBIT B-1

PARAGON PROGRAM SERVICES SERVICE PATH

SCOPE

The Paragon Meaningful Use Stage 2 Program Services ("Program Services") are designed for all Paragon Customers planning to attest for Stage 2 Meaningful Use. The Program Services aim to assist Customers in their preparation for Stage 2 Meaningful Use attestation by providing assistance with the deployment of the Meaningful Use Stage 2 components of Paragon release 12 and by providing Super User training and support of build, testing and go live of products and features required for Stage 2. All services, including training will be delivered remotely through conference calls, webinars and other methods. This training will be conducted during normal business hours.

The Program Services are delivered to Customer during a 9 week period, with a defined start date.

During the 9 week slot, Customer will receive the following:

- Setup and configuration of modules defined in this service path
- Mapping and build guidance for new modules or features
- Education on Stage 2 objectives and measures
- Introduction to and demonstration of new product functionality and proposed workflows
- Build Guides
- Testing assistance and issue triage management
- Group and 1:1 Question & Answer sessions
- 1-on-1 calls from Paragon Project Manager to customer Project Management (or assigned resource)
- Integrated Test week test plan, with targeted and scheduled test periods throughout program for validation of successful build and workflow design
- Go-Live support and Post Go-Live follow-up
- Transition to National Support

Exclusions:

The following are outside the scope of this program:

- Project management within the Customer's organization
- Implementation of QeM, IT Adoption Scorecard or other solutions
- Paragon Prescription Writer e-Prescribing Services
- Barcoding implementation and setup
- Onsite assistance or consulting

Transition to National Support:

- Program Services will end at the end of Customer's 9 week slot, at which time Customer's support will be transitioned to National Support.

Rescheduling/Cancellation:

- If Customer requests to reschedule Program Services less than 4 weeks before the assigned start date or if defined pre-requisites are not completed, Customer will be responsible for payment to McKesson of all labor expenses incurred by McKesson to date related to the Program Services.
- If Customer requests to reschedule Program Services after the start date, a pro-rated rescheduling fee equal to the amount project time used will be charged.
- Labor expenses are non-refundable and cannot be deducted from the cost of the rescheduled Program Services.
- The length of the delay and settlement terms will be based on availability and mutual agreement between McKesson and Customer and the parties shall execute separate agreement for Program Services rendered to date by McKesson.

SLOTING CHECKLIST

Software, hardware and resource requirements are required in order to meet the objectives of the Program Services. Once contracted, customers will be placed in the requested "slot", if available. A specially trained team will deliver and support the Program Services.

Ideal Preparation/Implementation Schedule for Stage 2 Meaningful Use Solutions :

- Physician Documentation
- Paragon Release 12.0
- Program Services; including Paragon Connect (production) and Paragon Direct
- QeM

Hardware requirements:

- Hardware required for Paragon Release 12.0

Required Software:

- Paragon Release 12.0 must be installed in both the Test and Live environments **4 weeks prior to the start of the slot.**
- All products required for Meaningful Use Stage1 must be installed (see Paragon Meaningful Use Stage 1 Checklist).
- All products required for Meaningful Use Stage 2 must be contracted **4 weeks prior to the start of the slot** (see Paragon Meaningful Use Stage 2 Checklist).
- Required Third Party Software licenses prior to Program Services Start Date
 - Truven Care Notes, Truven Micromedex, and Microsoft BizTalk must be licensed prior to the beginning of Program Services Start Date.

Required Services:

- Implemented Prior to beginning of Program Services:
 - Carebridge – Customer's servers must be configured and accessible via Carebridge **4 weeks prior to the start of assigned slot.**

REQUIRED RESOURCES

Paragon Resources: Paragon resources with domain specific expertise will provide in-depth training and support throughout the term of the Program Services. This will include a Project Manager to manage the overall program in addition to technical resources and implementation consultants.

Customer Resources: Specific Customer Resources participation will be identified prior to Project Kickoff. Customer must provide adequate resources to support the education and build required for this program.

END