Northern Inyo County Local Hospital District

Board of Directors Regular Meeting

Wednesday June 19, 2013; 5:30pm

Board Room
Birch Street Annex
2957 Birch Street, Bishop CA

AGENDA

NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT
BOARD OF DIRECTORS MEETING

June 19, 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.

Consent Agenda

3. Approval of the minutes of the May 15, 2013 regular meeting (*action item*).
4. Approval of the minutes of the May 2, 2013 special meeting (*action item*).
5. Security report for April 2013 (*information item*).
6. Financial and Statistical Reports for the month of April 2013; John Halfen (*action item*).

   • *Gross patient revenue was back on track in April at 8.2M or 334K over budget. Contractuals were also up at 184K over budget leaving Total Patient Revenue 149K over budget at 5.1M. Operating expenses were way over budget at 933K, led by employee benefits at 318K (just a bad month with many larger claims; professional fees were 394K over budget led by the StroCal legal defense at 395K (year-to-date) just for Lang Richert and Patch. If this matter goes to trial the monthly expense could go from 40K per month to 80K per month.*

   This all left us with a monthly loss for April of 656K, leaving us at a YTD balance of 1.2M or 613K below budget. Fortunately, in May we received over 1M from a Medicare settlement which will make May a good month and put us over YTD budgeted income with only June to go.

   The cost of Interims and Travelers (in packet) cannot be ignored as well as the overall cost of the new IT systems and associated Electronic Medical Record implementation costs and added maintenance expenses.

7. Ratification of Private Practice Physician Income Guarantee Agreement with Matthew Wise, M.D. (*action item*).
8. Ratification of Relocation Expense Agreement with Matthew Wise, M.D. (*action item*).
9. Approval of annual Appropriations Limit (*action item*).

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10. Administrator's Report; John Halfen.
    - A. Physician Recruiting Update
    - B. CMS Survey Response update
    - C. Letter of Intent, Cal First
    - D. Employees of the Month, May & June
    - E. Notice of Alpha Fund Rates at 7/1/13
11. Chief of Staff Report; Robbin Cromer-Tyler, M.D.

A. Policy and Procedure approvals (*action items*):

1. *Emergency Department Narcotic Prescription Guidelines*
2. *Prescribing Pain Medication in the Emergency Department*
3. *Professional Conduct, Prohibition of Disruptive or Discriminatory Behavior (Revised)*
4. *Practitioner Complaint Resolution Process (Revised)*
5. *Pre-Application Process for Initial Applicants*

B. Staff Appointments/Privileging (*action items)*

1. *Catherine Leja M.D., Family Practice*
2. *Matthew Wise M.D., OB/Gyn*
3. *Mohammad Kanakriyeh, M.D., Pediatric Cardiology*

C. Staff resignation: John Meher, M.D., Emergency Medicine (*approval item*)

D. Medical Staff Election Results, 2013-2014 (*information item*)

12. Old Business

A. Employee Satisfaction Assessment (*possible action item*).

13. New Business

A. Approval of 2013/2014 Fiscal Year preliminary budget (*action item*).

B. Personnel Policy revision, *Identification Badges* (03-04) (*action item*).

C. Milliman Actuarial Valuation as of January 1, 2013 (*approval item*)

D. Purchase of GE Logic E9 Ultrasound machine (*action item*).

E. Private Practice Physician Income Guarantee for Albert Douglas Will, M.D. (*action item*).

F. Approval of Quality Assessment and Performance Improvement Plan (*action item*).

G. Report from Payroll Personnel Advisory Committee (PPAC) member Nita Eddy (*information item).*

H. Approval of Chief Executive Officer Search Committee (*action item*).

14. Chief Executive Officer (CEO) Search Committee Report (*information item*).

15. Reports from Board members on items of interest.

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

17. 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(b)(3)(A)). One potential case.

18. Return to open session, and report of any action taken in closed session.
19. Opportunity for members of the public to address the Board of Directors on items of interest.
20. Adjournment.

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CALL TO ORDER	The meeting was called to order at 5:30 pm by John Ungersma, M.D., President.
PRESENT	John Ungersma, M.D. President M.C. Hubbard, Vice President Denise Hayden, Secretary Peter Watercott, Member
ABSENT	D. Scott Clark, M.D., Treasurer
ALSO PRESENT FOR RELEVANT PORTIONS	Leo Freis, Chief Operations Officer
OPPORTUNITY FOR PUBLIC COMMENT	Doctor Ungersma asked if any members of the public wished to comment on any items listed on the agenda for this meeting, or on any items of interest. Peter Watercott commented that the High Sierra Ultra Marathon will take place this weekend, and Marie Boyd R.N. will serve as race director for the last time. The Ultra Marathon has been sponsored by the Northern Inyo Hospital (NIH) Foundation for 20 years, and the event brings in a minimum of $10,000 annually for the Foundation and for the Hospital District. The Board expressed their appreciation to Ms. Boyd for her tireless efforts in running and supporting the event. Mr. Watercott additionally noted that the Foundation is also conducting a quilt raffle in order to raise additional funds in support of Northern Inyo Hospital.
CONSENT AGENDA	The proposed consent agenda for this meeting contained the following items: 1. Approval of the minutes of the April 17, 2012 regular meeting (*action item*) 2. Security report for March 2013 (*information item*) 3. Financial and Statistical Reports for the month of March, 2013 (*action item*) 4. Physician Hospitalist Agreement with Catherine Leja, M.D. (*action item*) 5. Approval of Pathology Services Agreement with Eva Wasef, M.D. (*action item*) 6. Rural Health Clinic Staff Physician Agreement for Anne Gasior, M.D. (*action item*) 7. Private Practice Physician Income Guarantee for Anne Gasior, M.D. (*action item*) 8. Physician Hospitalist Agreement with Anne Gasior, M.D. (*action item*)
ADMINISTRATORS REPORT	It was moved by Denise Hayden, seconded by M.C. Hubbard and passed to approve all of the proposed consent agenda items as presented.
PHYSICIAN RECRUITING UPDATE	Mr. Halfen reported Orthopedic Surgeon Richard Meredick, M.D. will come for a second visit this weekend, and at this time the doctor intends

to obtain a California license in order to come and practice in this area. OB/Gyn Matthew Wise, M.D. will also return to provide a second week of OB/Gyn coverage in the practice of Jeanine Arndal, M.D., and it is doctor Wise's intention to join that practice later in the month of May. Mr. Halfen additionally stated that a potential general surgeon and a potential internal medicine physician are also expected to come for visits in the near future.

CMS SURVEY RESPONSE

Mr. Halfen reported our Centers for Medicare and Medicaid (CMS) Validation Survey response has been filed, and we are currently waiting to receive notification that it has been accepted. The Hospital can expect to undergo a second, follow-up survey once our plan of correction has been approved.

PHASE III

Mr. Halfen also stated that Phase III of the hospital rebuild project continues, and the old Respiratory Therapy building was recently removed in order to create additional spots for outpatient parking. More signage is also being added to help identify the Imaging Center.

MANAGED MEDICAL UPDATE

Mr. Halfen also noted that Managed MediCal is looming on the Hospital District's horizon, and we expect that it will have a significantly negative financial impact. The State has put off implementation of Managed MediCal to the month of September, and we have not received an expected reimbursement rate at this time.

CHIEF OF STAFF REPORT

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

POLICY AND PROCEDURE APPROVALS

1. *Reference Laboratory Testing*
2. *STAT (Laboratory) Testing*
3. *Emergency Department Laboratory Testing*
4. *Pediatric Standards of Care and Routines (Revised)*
5. *NIH Foley Removal Protocol*
6. *Pediatrician and Infant Support Personnel Attendance at Deliveries*
7. *Anesthesia Apparatus Checkout*
8. *Cancer Chemotherapy in consultation with oncologist per protocol; and Chemotherapy Treatment Authorization (form)*

Following review of the information provided it was moved by Mr. Watercott, seconded by Ms. Hayden and passed to approve all eight policies and procedures as requested.

Doctor Cromer-Tyler also expressed her sincere appreciation for the hard work and participation of 31 members of the NIH Medical Staff in our effort to prepare our response to the CMS validation survey in a timely manner. The Board also expressed their thanks to the Medical Staff for

their participation and cooperation in the survey effort.

BIOMEDICAL SERVICES AGREEMENT

Mr. Halfen addressed the subject of Biomedical Services coverage and the Hospital's desire to continue to retain the services of current Biomedical Engineer Scott Stoner. Administration previously opened negotiations with MultiMedical Systems, who we are currently contracted with and who employs Mr. Stoner. MultiMedical has yet to negotiate a satisfactory agreement with the Hospital that will allow us to buy out Mr. Stoner's contract, and Mr. Halfen would like Board authority to cancel their agreement if necessary, largely as a negotiation tool in this process. It was moved by Ms. Hayden, seconded by Ms, Hubbard, and passed to allow Administrator John Halfen the authority to terminate the agreement with MultiMedical Systems for biomedical coverage if necessary.

RENEWAL OF RADIOLOGY SERVICE CONTRACTS AND ASiR

Radiology Director Patty Dickson called attention to a proposal to renew the 10-year service contracts on the majority of the equipment in the Imaging Center, as well as renewal of two service contracts for OB ultrasound machines. Included in the service contract renewal package is the purchase of ASiR (Adaptive Statistical iterative Reconstruction) software, which creates a reduction of the radiation dose for CT patients. Following brief discussion of the importance to patient safety regarding radiation dose reduction it was moved by Mr. Watercott, seconded by Ms. Hayden, and passed to approve the renewal of the Radiology service contracts as requested, including the purchase of ASiR software.

REPLACEMENT CEO DESIRED QUALITIES

Chief Executive Officer (CEO) search consultant Don Whiteside (with HFS Consultants) was present for discussion of the desired qualities we are looking for in the next CEO, who will replace John Halfen. Mr. Whiteside stated he is holding interviews and candid discussions with Board members, hospital managers, hospital employees, and any interested members of the public who wish to provide input regarding the selection of the Hospital's next CEO. Desirable qualities mentioned at this meeting include appropriate job experience; community involvement; history of good relationships with Hospital staff, Medical Staff, and the community at large; strong leadership; honesty; integrity; fiscal responsibility; and sound financial knowledge. Mr. Whiteside recommended the formation of a CEO Search Committee, which should consist of at least two Board members, two physicians, and a small number of hospital employees. He additionally stated that the group should include someone in a management position at the Rural Health Clinic. Mr. Whiteside additionally noted that the search process should be handled openly and with public knowledge of everything that is taking place. The Board complimented Mr. Halfen on his accomplishments as Administrator of this Hospital, and emphasized the need to find a replacement CEO who will continue with the forward motion of the current Administration. Mr. Whiteside also stated he has set up a dedicated email address to accept input from any interested persons on the

subject of the CEO recruitment, and that email address is nihceosearch@gmail.com. Marketing and Grant writing Director Angie Aukee will place an advertisement in the local paper advising the general public of that email address. Mr. Whiteside additionally commented that he expects to have the selection of the next CEO completed sometime during the fall of this year.

3 YEAR IMPLEMENTATION PLAN FOR DSRIP

Marketing and Grant writing Director Angie Aukee addressed the subject of NIH's Health Information Exchange Implementation plan for 2012 to 2014. NIH plans to connect its health information system (Paragon) to HealtHIE Nevada, in order to be prepared for participation as part of an Accountable Care Organization, and in order to apply for funds from the DSRIP Grant. Participation in the Health Information Exchange (HIE) will allow NIH to be eligible for government monies that will substantially help in funding the Hospital's information technology costs. Following review of the information provided and discussion of the DSRIP grant, it was moved by Mr. Watercott, seconded by Ms. Hubbard, and passed to approve NIH's participation in the HIE and the application for the DSRIP grant.

PAYROLL POLICIES AND GUIDELINES REVISION

Controller Carrie Petersen called attention to proposed changes to the Northern Inyo Hospital Payroll Policies and Guidelines, which would include a provision for call pay for employees of the Information Technology department. The change includes a provision for on call employees to provide coverage without actually having to return to the hospital premises. Following review of the information provided it was moved by Mr. Watercott, seconded by Ms. Hubbard, and passed to approve the changes to the Payroll Policies and Guidelines, with Ms. Hayden abstaining from the vote. Prior to voting on this agenda item, it was determined that Mr. Watercott had no conflict of interest on this subject, due to the fact that his spouse is not a member of the Information Technology department.

BOARD MEMBER REPORTS

Doctor Ungersma asked if any members of the Board of Directors wished to report on any items of interest. He then commented that he will attend the Association of California Healthcare Districts (ACHD) annual meeting next week. He also invited other members of the Board to attend future ACHD meetings, which are a source of valuable information regarding what is on the horizon for California Healthcare Districts.

OPPORTUNITY FOR PUBLIC COMMENT

Doctor Ungersma again asked if any members of the public wished to commend on any items listed on the agenda for this meeting, or on any items of interest. Radiology Director Patty Dickson commented that the Automated Breast Ultrasound machine has arrived, and we will begin scheduling tests using that machine in the very near future.

CLOSED SESSION

At 6:44 p.m. Doctor Ungersma reported the meeting would adjourn 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).
C. Confer with legal counsel regarding significant exposure of litigation (Subdivision (b) of Government Code Section 54956.9). One potential case.

RETURN TO OPEN SESSION AND REPORT OF ACTION TAKEN

At 7:21 p.m. the meeting returned to open session. Doctor Ungersma reported that the Board took no reportable action.

OPPORTUNITY FOR PUBLIC COMMENT

Doctor Ungersma again asked if any members of the public wished to address the Board of Directors on any items of interest. No comments were heard.

ADJOURNMENT

The meeting was adjourned at 7:23 p.m..

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John Ungersma, M.D., President

Attest:

_____
Denise Hayden, Secretary

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CALL TO ORDER

The meeting was called to order at 5:30 p.m. in the Administration Meeting Room at Northern Inyo Hospital by John Ungersma, M.D., District Board 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
Sandy Blumberg, Executive Assistant

OPPORTUNITY FOR PUBLIC COMMENT

Doctor Ungersma asked if any members of the public wished to comment on any items listed on the agenda for this meeting, or on any items of interest. No comments were heard.

POLICY AND PROCEDURE APPROVALS

Chief Operations Officer Leo Freis updated the Board on the findings of the recent California Department of Public Health (CDPH) Centers for Medicare/Medicaid Services (CMS) validation survey, which took place from March 18 through March 22 2013. Mr. Freis distributed a copy of the survey results and deficiencies cited, as well as the Hospital's full response to the State's findings. He explained the importance of the State's acceptance of the Hospital's plan of correction, and reviewed the following policies and procedures which have been reviewed and approved by the appropriate Medical Staff committees, and are now being recommended for approval:

A. Advanced Directive
B. Care Plan, Inpatient
C. Cooling Down Foods – Tracking Chart
D. Cooling Potentially Hazardous Foods
E. Crash Cart and Defibrillator Check Policy
F. Defibrillation/Synchronized Cardioversion and Pacing With the Philips HeartStart MRX
G. Dietary Manual (Revised)
H. Evaluation and Assessment of Patients' Nutritional Needs
I. Information Security and Data Integrity
J. Lab Drop Offs at RHC
K. Malignant Hyperthermia
L. Non-Standard Compounding of Epi-Shugarcaine; Lidocaine A-B for Pharyngeal Spray, and Anesthetic, LET Topical Solution
M. Oxygen Protocol
N. Pain Assessment/Management
O. Post Discharge Surveillance for Nosocomial Infections
P. Pre and Post Operative Anesthesia Visits

Q. Principles of Asepsis in the Operating Room
R. Storage of Frozen Foods
S. Hiring – Background Screening

Mr. Freis noted that the CMS Validation Survey provides us with an opportunity for real improvement in the provision of services and excellent patient care. He reviewed each policy in detail, answering all questions that were asked. He additionally reviewed each deficiency that was cited and explained our action taken and/or plan of correction.

Following review of the policies provided, it was moved by D. Scott Clark, M.D., seconded by Peter Watercott, and passed to approve policies *A* through *S* as presented. The Board also expressed their appreciation of the hard work and diligence of the NIH Medical Staff, the Northern Inyo Hospital (NIH) staff as a whole, and of Mr. Freis in the effort to correct the deficiencies cited and respond to the State in a timely manner.

CEO SUCCESSION PLAN UPDATE

Mr. Halfen provided an update on the Chief Executive Officer (CEO) succession plan, and on the CEO search being conducted by Don Whiteside with HFS Consultants. He explained that Mr. Whiteside will be on site in the next couple of weeks to interview members of the Board and hospital managers, and to gather the information he will need in order to conduct our CEO search.

CONSENT AGENDA CONTENT

Mr. Halfen stated he would like to make future Board meetings flow more efficiently by including an increasing number of (appropriate) approval items in the Consent Agenda section for each meeting. He suggested including straight renewal agreements as part of the consent agenda, as well as contracts that contain no significant changes. He additionally noted that items can be pulled off the consent agenda at any time if the Board chooses to discuss them in greater detail. The Board expressed no objection to including an increased number of non-discussion items as part of the consent agendas for future Board meetings.

CONSULTANT DIETICIAN AGREEMENT

Mr. Halfen also called attention to a proposed agreement for Consulting Dietician Jill Rachels to provide backup coverage for NIH Dietician Barbara Higginbotham when she is away from the hospital. Following review of the proposed agreement, it was moved by Doctor Clark, seconded by M.C. Hubbard, and passed to approve the Consultant Dietician Retainer Agreement with Jill Rachels as presented.

OPPORTUNITY FOR PUBLIC COMMENT

Doctor Ungersma again asked if any members of the public wished to address the Board of Directors on any items of interest or on any items listed on the agenda for this meeting. No comments were heard.

ADJOURNMENT

The meeting was adjourned at 6:12 p.m..

Signed: _____
John Ungersma, M.D., President

Attest: _____
Denise Hayden, Secretary

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NORTHERN INYO HOSPITAL

SECURITY REPORT

APRIL 2013

FACILITY SECURITY

Access security during this period revealed eighteen exterior doors found unsecure during those times when doors were to be secured. One interior door was located during this same period.

ALARMS

On April 8th a Generator Alarm was activated. Maintenance was called out.

On April 13th a Huggs Alarm was activated. It was determined that a family member walked too close to the elevator and activated the alarm.

On April 14th a Huggs Alarm was activated. It was determined that the Huggs Bracelet was improperly fitted.

HUMAN SECURITY

On April 5th, Security Staff was called to the ED for an uncooperative patient.

On April 6th, Security Staff stood by during the treatment and discharge of a difficult patient.

On April 11th, Security monitored a patient suspected of being 5150.

On April 12th, Security was called to the ED for a combative, male juvenile. This patient was ultimately restrained throughout treatment until discharge.

On April 13th Security Staff stood by with a patient upset over not receiving narcotics for pain.

On April 14th, Bishop Police presented with a combative subject thought to be 5150. This patient was restrained and eventually transported on a 5150 Hold to Antelope Valley Hospital.

On April 16th, a suspicious person was reported and located in the 2nd floor waiting area. Security determined this person had no legitimate reason for being at the Hospital. This person left Campus at the direction of Security Staff.

On April 27th, Security located a suspicious person wandering about the Hospital grounds. Upon contact it was determined this person had no reason for being on Campus and did leave upon the request of Security Staff.

Security Staff provided Law Enforcement assistance on 15 occasions this month. Five of these were for Lab BAC's.

Security stood by with 2 suspected 5150's this month.

Security provided 35 patient assists during this period.

EOC REPORTING INFORMATION

FIRE DOORS / OPEN OR PROPPED

0

TRESPASSING

2

VANDALISM

0

DISORDERLY CONDUCT

By Patient

3

By Others

0

SUSPICIOUS PERSON / VEHICLE ACTION

2

PERSONAL PROPERTY DAMAGE / LOSS

0

HOSPITAL PROPERTY DAMAGE / LOSS

0

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Northern Inyo Hospital
Balance Sheet
Period Ending April 30, 2013

Current Assets:	
Cash and Equivaliants	1,134,587
Short-Term Investments	7,045,151
Assets Limited as to Use	0
Plant Replacement and Expansion Fund	2
Other Investments	1,178,290
Patient Receivable	38,786,825
Less: Allowances	-28,169,513
Other Receivables	330,554
Inventories	3,254,195
Prepaid Expenses	1,028,009
Total Current Assets	**24,588,100**
Internally Designated for Capital Acquistions	939,179
Special Purpose Assets	217,854
Revenue Bonds Held by a Trustee	2,731,927
Less Amounts Required to Meet Current Obligations	0
Assets Limited as to use	**3,888,960**
Long Term Investments	100,000
Property & equipment, net Accumulated Depreciation	90,409,633
Unamortized Bond Costs	731,105
Total Assets	**119,717,799**
Liabilities and Net Assets	
Current Liabilities:	
Current Maturities of Long-Term Debt	156,679
Accounts Payable	1,548,257
Accured Salaries, Wages & Benefits	4,081,880
Accrued Interest and Sales Tax	429,587
Deferred Income	84,793
Due to 3rd Party Payors	1,900,000
Due to Specific Purpose Funds	350,759
Total Current Liabilites	**8,551,955**
Long Term Debt, Net of Current Maturities	55,349,059
Bond Premium	1,421,803
Total Long Term Debt	**56,770,862**
Net Assets	
Unrestricted Net Assets	54,177,127
Tempororily Restricted	217,854
Net Income	
Total Net Assets	**54,394,981**
Total Liabilities and Net Assets	**119,717,799**
	0

NORTHERN INYO HOSPITAL
STATEMENT OF OPERATIONS
for period ending April 30, 2013

	ACT MTD	BUD MTD	VARIANCE	ACT YTD	BUD YTD	VARIANCE
Unrestricted Revenues, Gains & Other Support						
Inpatient Service Revenue						
Ancillary	495,332	561,994	(66,662)	5,555,681	5,694,874	(139,193)
Routine	1,995,645	1,859,170	136,475	21,746,552	18,839,578	2,906,974
Total Inpatient Service Revenue	2,490,977	2,421,164	69,813	27,302,233	24,534,452	2,767,781
Outpatient Service Revenue	5,790,275	5,526,088	264,187	55,912,653	55,997,760	(85,107)
Gross Patient Service Revenue	8,281,252	7,947,252	334,000	83,214,886	80,532,212	2,682,674
Less Deductions from Revenue						
Patient Service Revenue Deductions	196,964	172,913	24,051	1,943,204	1,752,187	191,017
Contractual Adjustments	2,936,570	2,928,189	8,381	32,018,200	29,672,298	2,345,902
Prior Period Adjustments		(152,384)	152,384	(3,500,504)	(1,544,162)	(1,956,342)
Total Deductions from Patient Service Revenue	3,133,534	2,948,718	184,816	30,460,900	29,880,323	580,577
Net Patient Service Revenue	5,147,718	4,998,534	149,184	52,753,986	50,651,889	2,102,097
Other revenue	23,789	26,883	(3,094)	693,675	272,432	421,243
Transfers from Restricted Funds for Operating Exp	102,014	95,290	6,724	1,020,135	965,610	54,525
Total Other Revenue	125,803	122,173	3,630	1,713,810	1,238,042	475,768
Expenses:						
Salaries and Wages	1,771,020	1,741,779	29,241	17,558,023	17,650,050	(92,027)
Employee Benefits	1,401,326	1,083,053	318,273	11,984,794	10,974,967	1,009,827
Professional Fees	877,686	482,967	394,719	5,222,028	4,894,032	327,996
Supplies	524,185	509,590	14,595	4,860,809	5,163,878	(303,069)
Purchased Services	375,754	229,801	145,953	2,673,365	2,328,690	344,675
Depreciation	306,227	312,114	(5,887)	2,408,978	3,162,755	(753,777)
Interest Expense	190,500	175,070	15,430	1,978,216	1,774,044	204,172
Bad Debts	185,389	196,520	(11,131)	2,375,260	1,991,405	383,855
Other Expense	270,630	238,707	31,923	2,897,139	2,418,902	478,237
Total Expenses	5,902,718	4,969,601	933,117	51,958,611	50,358,723	1,599,888
Operating Income (Loss)	(629,197)	151,106	(780,303)	2,509,185	1,531,208	977,977
Other Income:						
District Tax Receipts	42,397	43,093	(696)	423,967	436,679	(12,712)
Partnership Investment Incomce		3,699	(3,699)	0	37,481	(37,481)
Grants and Other Contributions						
Unrestricted	111,876	20,548	91,328	160,511	208,220	(47,709)
Interest Income	9,699	7,019	2,680	89,453	71,120	18,333
Other Non-Operating Income	3,788	3,043	745	99,393	30,833	68,560
Net Medical Office Activity	(216,733)	(82,188)	(134,545)	(2,127,816)	(832,865)	(1,294,951)
340B Net Activity	30,950	45,730	(14,780)	482,613	463,395	19,218
Non-Operating Income/Loss	(18,024)	40,944	(58,968)	(871,879)	414,863	(1,286,742)
Net Income/Loss	(647,220)	192,050	(839,270)	1,637,306	1,946,071	(308,765)
Extraordinary Items*						
Total Extraordinary Items	11,455	10,530	925	413,761	106,704	307,057
Net Income/Loss Including Extraordinary Items	(658,676)	181,520	(840,196)	1,223,545	1,839,367	(615,822)

*Extraordinary Items are 1998 Revenue Bond Cost of Issurance and Bond Insurance for redeemed Bond Issue

Investments as of 4/30/2013

	Purchase Dt	Maturity Dt	Institution	Broker	Rate	Principal
1	4/15/2013	5/1/2013	LAIF (Walker Fund)	Northern Inyo Hospital	0.03%	321,871.51
2	4/15/2013	5/1/2013	Local Agency Investment Fund	Northern Inyo Hospital	0.03%	4,000,886.67
3	4/2/2013	5/1/2013	Multi-Bank Securities	Multi-Bank Service	0.01%	2,572,392.93
4	5/20/2010	5/20/2013	First Republic Bank-Div of BOFA	Financial Northeaster Corp.	2.40%	150,000.00
5	5/20/2010	5/20/2015	First Republic Bank-Div of BOFA	Financial Northeaster Corp.	3.10%	100,000.00
			Total			**$7,145,151.11**

Northern Inyo Hospital
Monthly Report of Capital Expenditures
Fiscal Year Ending JUNE 30, 2013
As of April 30, 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 Coppper 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
FY 2012-13	Breast Ultrasound	GE Capital Lease	200,000
	Digital Radiography Upgrade to Radiology Room 2		108,000 *
	Zimmer Orthopedic Power Equipment		44,115
	Invivo HD 8ch Foot/Ankle Coil for MRI		41,600 *
	Magnitude Outdoor Walk-in Freezer		52,550
	Paragon Rules Engine/Meaningful Use Stage 2 QeM	Plus annual fees	60,360
	Centricity Upgrade and Practice Management Purchase	Rural Health Clinic	30,762
	Centricity EMR and Practice Management	Medical Office Practices	204,118
	AMOUNT APPROVED BY THE BOARD IN THE CURRENT FISCAL YEAR TO BE EXPENDED IN THE CURRENT FISCAL YEAR		741,505

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	741,505
Year-to-Date Board-Approved Amount to be Expended	1,089,337
Year-to-Date Administrator-Approved Amount	390,195 *
Actually Expended in Current Fiscal Year	149,600 *

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

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
	Year-to-Date Completed Building Project Expenditures	0 *
	TOTAL FUNDS APPROVED TO BE EXPENDED	1,629,132
	Total-to-Date Spent on Incomplete Board Approved Expenditures	0

Reconciling Totals:

Actually Capitalized in the Current Fiscal Year Total-to-Date		
Plus: Lease Payments from a Previous Period		
Less: Lease Payments Due in the Future		539,795
Less: Funds Expended in a Previous Period		0
Plus: Other Approved Expenditures		0
		0
ACTUAL FUNDS APPROVED IN THE CURRENT FISCAL YEAR TOTAL-TO-DATE		1,089,337
		1,629,132

Donations by Auxiliary	For 2012 Asset receive 2013	
Donations by Hospice of the Owens Valley		
+Tobacco Funds Used for Purchase		60,000
		0
		0
		0
*Completed Purchase		60,000

(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 April 30, 2013

Administrator-Approved Item(s)	Department	Amount	Month Total	Grand Total
Lg 55LD520C TV	STAFF DEVELOPMENT	1,800		
Copeland Compressor for McQuay Chiller	MAINTENANCE	5,552		
Carrier HVAC	PHARMACY	15,001		
Electrical for Pharmacy HVAC	PHARMACY	2,285		
MONTH ENDING APRIL 30, 2013			24,638	**390,195**

Northern Inyo Hospital
PLANT EXPANSION AND REPLACEMENT BUILDING PROJECTS
Fiscal Year Ending JUNE 30, 2013
As of April 30, 2013
(Completed and Occupied or Installed)

Item	Amount	Grand Total
Electrical and Lighting in Remodel of 1967 building	14,985	
MONTH ENDING APRIL 30, 2013	**14,985**	**27,746**

John Halfen

From: Georgan Stottlemyre
Sent: Thursday, June 06, 2013 1:24 PM
To: Admin Council
Cc: Human Resources
Subject: FYI - Temps, Travelers, Contractors as of 06/06/2013

Please let me know, if you have questions, notice additions, deletions, changes – (HR is trying to track down Cecilia Rhodes)

According to the HR ID Badge Log, following is a list of Temps, Travelers, Contractors as of 06/10/2013:

1	A	100001	Tye,Terry	ECHO-Contracted
2	A	900131	Stoner, Scott	BioMed-Contracted
3	A	900081	Pat Calloway	Activities Director Consultant
4	A	900087	Marianne Hepburn	Dietary Temp
5	A	900094	Deborah Saldivar	Dietary Temp
6	A	900096	Ryan McCloskey	Pharmacy Contractor
7	A	900110	Carolyn Hernandez	L&D RN Traveler
8	A	900111	Genifer Moss	Temp Lab Client Serv Rep.
9	A	900112	Ameir Rasheed	OB RN Traveler
10	A	900114	Christopher Gaskill	Dietary Temp
11	A	900115	Lamont Wright	Radiologic Tech Contractor
12	A	900117	Marci Smith	L&D RN Traveler
13	A	900119	Cecilia Rhodes	Medical Student
14	A	900120	Kathryn Decker	Chief Nursing Officer
15	A	900121	Barbara Stuhaan	Surg Tech Instructor
16	A	900123	Michael Chuey	ICU RN Traveler
17	A	900124	Jennifer Chuey	MS/ED RN Traveler
18	A	900124	Kami Holliday	Dietary Temp
19	A	900125	Crystal Allen	Data Entry Clerk Temp
20	A	900126	Jill Rachels	Dietitian Contractor
21	A	900127	Alicia Campos Moreno	Dietary Temp
22	A	900128	Danielle Johnson	Intern Student Surgery
23	A	900129	Barry Mathis	Chief Information Officer
24	A	900130	Nancy Ostler	ED RN Traveler

Georgan Stottlemyre

Vend Corp	Vendor Name	Invoice ID	PO	Status	Amount	Invoice Dt	Due Dt	Orig By
NIH2	LANG, RICHERT & PATCH	109363-46871		Complete	$22,621.21	02/29/2012	03/30/2012	CNV_ap_data4
NIH2	LANG, RICHERT & PATCH	109664-47585		Complete	$24,922.50	03/31/2012	04/30/2012	CNV_ap_data4
NIH2	LANG, RICHERT & PATCH	109814-47584		Complete	$1,786.00	03/31/2012	04/30/2012	CNV_ap_data4
NIH2	LANG, RICHERT & PATCH	108989-46872		Complete	$8,346.21	01/31/2012	03/01/2012	CNV_ap_data4
NIH2	LANG, RICHERT & PATCH	5465 6/12		Complete	$32.50	05/31/2012	06/29/2012	corriedelgiudice
NIH2	LANG, RICHERT & PATCH	5465 6/12-2		Complete	$338.69	05/31/2012	06/29/2012	corriedelgiudice
NIH2	LANG, RICHERT & PATCH	110911		Complete	$14,931.19	06/30/2012	07/29/2012	corriedelgiudice
NIH2	LANG, RICHERT & PATCH	111264		Complete	$35,948.95	07/31/2012	09/01/2012	brandiyrigollen
NIH2	LANG, RICHERT & PATCH	5465		Complete	$10,274.81	08/31/2012	10/01/2012	corriedelgiudice
NIH2	LANG, RICHERT & PATCH	111762		Complete	$20,638.67	09/30/2012	10/29/2012	corriedelgiudice
NIH2	LANG, RICHERT & PATCH	112374		Complete	$28,618.07	10/31/2012	11/29/2012	corriedelgiudice
NIH2	LANG, RICHERT & PATCH	112910		Complete	$17,648.09	12/31/2012	01/29/2013	brandiyrigollen
NIH2	LANG, RICHERT & PATCH	112632		Complete	$39,572.56	01/31/2013	03/01/2013	corriedelgiudice
NIH2	LANG, RICHERT & PATCH	113113		Complete	$33,993.98	01/31/2013	03/01/2013	brandiyrigollen
NIH2	LANG, RICHERT & PATCH	113542		Complete	$35,085.39	02/28/2013	03/29/2013	corriedelgiudice
NIH2	LANG, RICHERT & PATCH	113700		Complete	$52,216.31	03/31/2013	04/29/2013	corriedelgiudice
NIH2	LANG, RICHERT & PATCH	114097		Complete	$48,261.71	04/30/2013	05/29/2013	corriedelgiudice

Invoice Count: 17

Total: $395,236.84

THIS SHEET

INTENTIONALLY

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NORTHERN INYO HOSPITAL PRIVATE PRACTICE PHYSICIAN INCOME GUARANTEE AND PRACTICE MANAGEMENT AGREEMENT

This agreement ("Agreement") is made and entered into on 5/20/2013, by and between Northern Inyo County Local Hospital District ("District) and Mathew Wise, M.D. ("Physician").

RECITALS

A. District, which is organized and exists under the California Local Health Care District Law, *Health & Safety Code Section 32000, et seq.*, operates Northern Inyo Hospital ("Hospital"), a general acute care hospital serving northern Inyo County, California, including the communities of Bishop and Big Pine.

B. The District Board of Directors has found, by Resolution No. 09-01, that it will be in the best interests of the public health of the aforesaid communities to obtain a licensed Obstetrician and Gynecologist ("OB/GYN") who is a board-certified/eligible to practice in said communities, under the terms and conditions set forth below.

C. Physician is a physician and surgeon, engaged in the private practice of medicine, licensed to practice medicine in the State of California, and is certified by the American Board of Obstetrics and Gynecology. Physician desires to relocate his practice ("Practice") to Bishop, California, and practice OB/GYN in the aforesaid communities.

IN WITNESS WHEREOF, THE PARTIES AGREE AS FOLLOWS:

I.

COVENANTS OF PHYSICIAN

Physician shall relocate his Practice to medical offices ("Offices") provided by District in Bishop, California. Physician shall be reimbursed for certain costs and expenses incurred by Physician in (i) relocating his practice to Bishop, and (ii) operating his practice in Bishop; all in accordance with the terms and conditions of the certain Relocation and Expense Agreement between Physician and District dated 5/20/13. Upon relocating his practice to Bishop, California, Physician shall operate his practice for the "Term" (as such term is defined in Section 4.01 below) of this Agreement, and provide and comply with the following:

1.01. **Services**. Physician shall provide Hospital with the benefit of his direct patient care expertise and experience, and shall render the scope of services described in Exhibit "A" attached hereto and incorporated by reference herein. Physician shall provide Hospital with patient medical record documentation of all direct patient care services rendered hereunder; such

documentation shall be submitted to Hospital on an ongoing basis, and shall be in the form, and contain the information, reasonably requested by the Hospital such that a complete medical record can be assembled.

1.02. **Limitation on Use of Space**. Physician shall use no part of any of the Offices for anything other than for the private practice of OB/GYN medicine unless specifically agreed to, in writing, by the parties.

1.03. **Medical Staff Membership and Service**: Physician shall:

a) Apply for and maintain Provisional or Active Medical Staff ("Medical Staff") membership with OB/GYN and OB/GYN surgical privileges sufficient to support a full time OB/GYN practice, for the Term of this Agreement.

b) Provide on-call coverage to the Hospital's Emergency Services within the scope of privileges granted to him by Hospital and as required by the Hospital Medical Staff. Physician shall not be required to provide more than fifty percent (50%) of the annual call in weekly increments unless otherwise agreed upon from time to time. Physician shall be solely responsible for call coverage for his personal private practice.

c) Maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred, and revenue acquired, pursuant to this Agreement to the extent, and in such detail, as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies, and services, and other costs and expenses of whatever nature, for which he may claim payment or reimbursement from the District. Physician acknowledges and agrees that any federal office authorized by law shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of Physician which are relevant to this Agreement, at all reasonable times for a period of four (4) years following the termination of this Agreement, during which period Physician shall preserve and maintain said books, documents, papers, and records. Physician further agrees to transfer to the District, upon termination of this Agreement, any books, documents, papers or records which possess long-term [*i.e.*, more than four (4) years] value to the Hospital. Physician shall include a clause providing similar access in any sub-contract he may enter with a value of more than Ten Thousand Dollars ($10,000) or for more than a twelve (12) month period, when said sub-contract is with a related organization.

d) At all times comply with all relevant policies, rules and regulations of the Hospital, subject to California and federal statutes governing the practice of medicine.

e) District expressly agrees that said services might be performed by such other qualified physicians as the Physician may employ or otherwise provide so long as each such physician has received proper training, is properly licensed, has been granted privileges by the Hospital Medical Staff, and has received approval in writing from the Hospital.

II. COVENANTS OF THE DISTRICT

2.01. Hospital Services.

a) Space. District shall make the Offices available for the operation of Physician's Practice either through a direct let or through and arrangement with a landlord.

b) Equipment. In consultation with Physician, Hospital shall provide all equipment as may be reasonably necessary for the proper operation and conduct of Physician's Practice at the Offices. Hospital shall repair, replace or supplement such equipment and maintain it in good working order.

2.02. General Services. District shall furnish ordinary janitorial services, maintenance services, and utilities, including telephone service, as may be required for the proper operation and conduct of Physician's Practice.

2.03. Supplies. District shall purchase and provide all supplies as may be reasonably required for the proper treatment of Physician's Practice 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. District shall determine the initial number and types of employees and place them in the Practice initially. Physician and Hospital will mutually agree to subsequent staffing requirements.

2.05. Business Operations. District shall be responsible for all business operations related to operation of the Practice, including personnel management, billing and payroll functions. Physician will provide the appropriate billing codes, which will be used unless changed by the mutual consent of the Physician and Hospital. Hospital will incur and pay all operating expenses of the Practice.

2.06. Hospital Performance. The responsibilities of District under this Article shall be subject to District's usual purchasing practices and applicable laws and regulations.

2.07. Practice Hours. The District desires, and Physician agrees, that Physician's Practice shall operate on a full time basis, maintaining hours of operation in keeping with the full time practice of one OB/GYN surgeon while permitting a surgery schedule sufficient to service the patients of the Practice. Specific shifts will be scheduled according to normal operating procedures of the Practice and will be mutually agreed upon by Hospital and Physician.

Physician will specifically provide a total of 40 weeks per year allocated, on an annual and concurrent basis, as follows:

- 26 weeks of GYN call and 20 weeks of OB/C-Section call. (OB/C-Section call can be increased to 20-26 weeks at Hospital's discretion);

- 40 weeks of clinic service; and
- 26 weeks of surgical services.

Physician shall receive 12 weeks per year paid time off during which time Physician must accomplish any licensure, CME, and any other absence hours-such as vacation, illness, jury duty, bereavement, etc.

Physician agrees to coordinate his schedule with any other physician(s) contracted by the Hospital for like services. Any equal schedule such as two weeks of all services, one week of clinic, and one week off (referred to as the 2-1-1) per four (4) week rotation will be acceptable if agreed to by both physicians.

The Parties understand and agree that Physician is not responsible for providing, and will not provide, call coverage under any circumstances other than (i) as required by the Medical Staff Bylaw's requirements and (ii) that for which he is obligated under the terms of this Agreement.

III. COMPENSATION

3.01. Minimum Income Guarantee. At all times during the Term of this Agreement, including any extensions or renewals hereof, District, District shall guarantee Physician an annual income of no less than $295,625.20 ("Minimum Income Guarantee"). Compensation from District shall be payable to Physician at the higher of (a) the Minimum Income Guarantee amount paid at the rate of $11,370.20 every two (2) weeks, or (b) 50% of fees collected for services rendered in Section II, adjusted quarterly after the first year to reflect 50% of fees collected so that payments will not exceed the minimum guarantee unless 50% of the fees exceed the guarantee on an annualized basis. Additionally, Physician will be entitled to a $500 per day stipend for taking any C-Section call in excess of 26 weeks per year. All payments shall be made on the same date as the District normally pays its employees. The Minimum Income Guarantee amount will be increased at the same time, in the same manner and at the same rate as the Hospital's employees.

3.02. Malpractice Insurance. At all times during the Term of this Agreement, including any extensions or renewals hereof, District will secure and maintain malpractice insurance for the benefit of the physician with limits of no less than $1 million per occurrence and $3 million per year. Tail coverage will also be provided in accordance with the following:

- Physician completes the entire three (3) year Term of this Agreement and then leaves the Hospital for any reason whatsoever = District pays 100% of the tail coverage premium;
- Physician leaves on his own initiative before the full three (3) year Term of this Agreement is completed and Physician provides Hospital with not less than one hundred and eighty (180) days' prior written notice = District and Physician split the tail premium pro-rata based on the number of months Physician stayed with the Hospital before leaving;
- Physician leaves the Hospital and does not give the required notice = Physician shall pay 100% of the tail premium;

- Physician becomes disabled to the point where he closes his practice contemplated by this Agreement = District pays 100% of the tail coverage premium;
- Hospital terminates Physician with or without cause before full three (3) year Term ends = Hospital pays 100% of the tail coverage premium.

3.03. Health Insurance. At all times during the Term of this Agreement, including any extensions or renewals hereof, Physician will be (i) admitted to the Hospital's self-funded Medical Dental Vision Benefit Plan and be provided the benefits contained therein as if he were an employee of District and (ii) provided a disability program until age 65 in an amount equal to the higher of (x) $10,000.00 per month or (y) the average benefit received by all other OB/GYN physicians who are in similar contractual relationships with Hospital and who are receiving disability benefits.

3.04. Signing Bonus. Physician will receive $10,000.00 from District upon signing this Agreement, which amount shall belong solely to Physician and shall not be subject to re-payment under any circumstances. This payment is in addition to all amounts due Physician under the Expense Relocation Agreement and this Agreement.

3.05. Billing for Professional Services. Subject to Section 2.05 above, Physician assigns to District all claims, demands and rights of Physician to bill and collect for all professional services rendered to Practice patients, for all billings for surgical services, for all billings consulting performed or provided by the Physician. Physician acknowledges that Hospital shall be solely responsible for billing and collecting for all professional services provided by Physician to Practice patients at Practice and for all surgical services performed at the District, and for managing all Practice receivables and payables, including those related to Medicare and MediCal beneficiaries. Physician shall not bill or collect for any services rendered to Practice patients or Hospital patients, and all Practice receivables and billings shall be the sole and exclusive property of Practice. In particular, any payments made pursuant to a payer agreement (including co-payments made by patients) shall constitute revenue of the Practice. In the event payments are made to Physician pursuant to any payer agreement, Physician shall promptly remit the payments directly to District.

3.06 Retention. Hospital shall retain an amount equal to 50% of all fees collected from the activities of physician/practice in exchange for providing all services and supplies rendered in II above.

IV. TERM AND TERMINATION

4.01. Term. The term ("Term") of this Agreement shall be three (3) years beginning at 12:01 a.m. on 5/10/2013 and expiring at 12:00 p.m. on 5/19/2016.

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

a). By Physician at any time, without cause or penalty, upon one hundred and eighty (180) days' prior written notice to the Hospital;

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 permanent closure of the Hospital;

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, substantially restricts, substantially 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

e). By either party in the event of a material breach by the other party and, in such event, the non-breaching party shall have the right to terminate this Agreement after providing thirty (30) days' written notice to the breaching party, unless such breach is cured to the reasonable satisfaction of the non-breaching party within the thirty (30) days; or

f). Should Hospital fail to pay Physician any monetary benefits as defined in this Agreement and/or fail to provide non-monetary benefits as defined in this Agreement, within ten (10) days of the date such amount was due and payable, Physician may terminate this Agreement by providing ten (10) days prior written notice.

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. Hospital shall retain the Accounts Receivable and shall reduce said receivable by the amount it has compensated physician in excess of the fees earned. The balance shall be paid to the physician within forty-five (45) days of the termination of this Agreement.

4.04. Post Termination Patient Care. Upon termination or expiration of this Agreement, until such time as the District has made medically appropriate referrals of any of Physician's patients who continue to need his services, District shall continue to compensate Physician for the services that he renders to such patients at the rate of 50% of all fees collected for such services and shall pay within ten (10) days of receipt.

V. PROFESSIONAL STANDARDS

5.01. Medical Staff Membership. It is a condition of this Agreement that Physician maintains Active Medical Staff membership on the Hospital Medical Staff with appropriate clinical privileges and maintains such membership and privileges throughout the Term of this Agreement.

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, Hospital Medical Staff, and Practice, including those related to documenting all advice to patients and proper sign-off of lab and X-ray reports;

c) Be a member in good standing of the Provisional or Active Medical Staff of Hospital;

d) Maintain professional liability coverage in an amount required for membership on the Active Medical Staff of Hospital, at District's sole expense;

e) Participate in continuing education as necessary to maintain licensure and the current standard of practice; and

f) Comply with all applicable laws, rules and regulations of any and all governmental authorities, and applicable standards and recommendations of the Joint Commission.

g) At all times conduct himself, professionally and publicly, the same as a reasonable physician acting under the same or similar circumstances, and in accordance with the standards of, the American College of Obstetricians and Gynecologists, the Hospital Medical Staff, and the District. Further, he shall not violate any California law which prohibits (1) driving a motor vehicle under the influence of alcohol or prescription drugs or the combined influence of such substances, (2) unlawful use of controlled substances, (3) being intoxicated in a public place in such a condition as to be a danger to himself or others, and/or (4) conduct justifying imposition of an injunction prohibiting harassment of Hospital employees in their workplace. Entry of any injunction, judgment, or order against Physician based upon facts, which constitutes the above offenses, shall be a material breach of this Agreement.

5.03 Amendment of Standards. None of the policies, bylaws, rules and regulations of Hospital, Hospital Medical Staff, or Practice shall be altered without Physician's consent. [(or, as a backup position) shall be altered without providing Physician advance notice and a meaningful opportunity to object.]

VI. RELATIONSHIP BETWEEN THE PARTIES

6.01. 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. District 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.

b) Benefits. Except as specifically set forth in this Agreement, 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, 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.

6.02. Responsibility for Own Acts. Each party will be responsible for its own acts or omissions and all claims, liabilities, injuries, suits, demands and expenses for 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.

6.03 Disclosure of Physician's Information. Neither District nor Hospital may disclose any information provided by, or about, Physician in connection with any credentialing or peer review deliberations unless such disclosure is otherwise required by law.

VII. GENERAL PROVISIONS

7.01. No Competition. For a period of six (6) months after this Agreement has been terminated by District for cause, Physician will not, directly or indirectly, solicit or accept employment with the same or similar duties as under this Agreement, with any person, medical group or any other entity that is a competitor with District, or enter into competition with District, either by himself or through any entity owned or managed, in whole or in part by Physician within a sixty (60) mile radius of Hospital. Physician further acknowledges that in the event this section is determined to be unenforceable by a court of competent jurisdiction, the parties agree that this provision shall be deemed to be amended to any lesser area or duration as determined by any court of competent jurisdiction and that the remaining provisions shall be valid and enforceable.

7.02. 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 $10,000.00 or more over a twelve (12) 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.

7.03. 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 both parties.

7.04. No Referral Fees. No payment or other consideration shall be made under this Agreement for the referral of patients, by Physician, to Hospital or to any nonprofit corporation affiliated with District.

7.05. Repayment of Inducement. The parties stipulate and agree that the income guaranteed to Physician under this Agreement, the covenants of the District to provide office space, and the covenant of Hospital to provide personal, equipment, and certain other benefits, are the minimum required to enable Physician to relocate himself and his practice to Bishop, California; that he is not able to repay such inducement, and that no such repayment shall be required.

7.06. 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.

7.07. 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 reasonable attorney's fees and costs. As used in this Section 7.07, the term "prevailing party" shall have the meaning assigned by Section 1032(a)(4) of the California Code of Civil Procedure.

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

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

7.10. 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: Mathew Wise, MD
636 N. Plymouth Boulevard, Apartment 201
Los Angeles, CA 90004

Notice may be given either personally or by first-class mail, postage prepaid, addressed to the party designated above at the address designated above, or an address subsequently specified in writing by the relevant party. If given by mail, notice shall be deemed given two (2) days after the date of the postmark on the envelope containing such notice.

7.11. Records. All files, charts and records, medical or otherwise, generated by Physician in connection with services furnished during the Term of this Agreement are the property of Physician's Practice. Physician agrees to maintain medical records according to Practice 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.

7.12. 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.

7.13. 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.

7.14. 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.

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

7.16. **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.

7.17. **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.

7.18. **Construction.** This Agreement has been negotiated and prepared by both parties and it shall be assumed, in the interpretation of any uncertainty, that both parties caused it to exist.

NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT

By: _____ 5-23-16
John Halfen, Administrator

PHYSICIAN

By: _____ 5/28/2013
Mathew Wise, M.D.

EXHIBIT A SCOPE OF DUTIES OF THE PHYSICIAN

POSITION SUMMARY

The Physician is a Member of the Northern Inyo Hospital Active Medical Staff and the Clinic multi-disciplinary care team. Physician provides direct primary medical diagnosis and treatment to Practice and Hospital patients. The Physician will provide services commensurate with the equivalent of a full time Obstetrical and Gynecological Practice. Full time shall mean regularly scheduled office hours to meet the service area demand and performance of surgeries as may be required. All time off will be coordinated with Call coverage such that scheduled time off will not conflict with the Physician's call requirement.

Specifically, the Physician will:

1. Provide high quality primary medical care services.
2. Direct the need for on-going educational programs that serve the patient.
3. Evaluate and develop treatment plans to facilitate the individual healthcare needs of each patient.
4. Work with all Practice personnel to meet the healthcare needs of all patients.
5. Assess, evaluate, and monitor on-going health care and medication of Practice patients.
6. Manage all Obstetrical and Gynecological medical and surgical emergencies.
7. Participate in professional development activities and maintain professional affiliations.
8. Participate with Hospital to meet all federal and state Rural Health Clinic regulations.
9. Accept emergency call as provided herein.

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May 29, 2013

To: CalFirst National Bank
18201 Von Karman Ave # 800
Irvine, CA 92612

From: Northern Inyo County Local Hospital District
150 Pioneer Lane
Bishop, CA 93514

RE: LETTER OF INTENT

Northern Inyo County Local Hospital District ("Lessee") has actively solicited bids and quotations for the financing of electronic medical record HW/SW & other medical devices with an estimated cost of $1,000,000. CalFirst National Bank ("Lessor") has proposed a leasing arrangement to Northern Inyo County Local Hospital District (Lessee) at such rates and upon terms and conditions as are acceptable to Northern Inyo County Local Hospital District. It is the intent of Northern Inyo County Local Hospital District to formally offer to CalFirst National Bank to lease the personal property from CalFirst National Bank pursuant to the following terms and conditions:

1)	**Lessee**	:	Northern Inyo County Local Hospital District	
2)	**Lessor**	:	California First National Bank (CFNB)	
3)	**Leased Property Description**	:	Electronic medical record HW/SW, pharmacy medication equipment, radiology equipment and other related medical devices	
4)	**Lease Structure**	:	CFNB's Lease Agreement, subject to mutually agreeable documentation	
5)	**Leased Property Acceptance Dates**	:	June 2013 – April 2014	
6)	**Estimated Leased Property Cost**	:	$1,000,000.00	
			Option A	Option B
7)	**Initial Base Lease Term**	:	60 Months	60 Months
8)	**Lease Rate Factor**	:	**0.01829**	**0.01663**
9)	**Equivalent Lease Rental Payments**	:	$18,290.00	$16,630.00
10)	**End of Term**	:	$1 Buy Out	Purchase for 10% of Original Cost

11) **Basis of Offer**: This offer assumes an approximate total Leased Property cost of $1,000,000. (plus applicable sales/use tax) and the Leased Property description provided above. Any variances in the actual Leased Property costs or Leased Property may require corresponding adjustments in the exact lease rental payment amount.

12) **Net Lease**: This is a net lease transaction with Lessee responsible for all expenses, maintenance, insurance, licensing, registration and taxes relating to the purchase, lease possession and use of the personal property excepting those based solely on the net income of California First National Bank.

13) **Lease Deposit**: Lessee will pay to Lessor a deposit equal to one monthly rental payment which will be returned with the signature of this letter of intent and applied to the rent due in the last month(s) of the Term.

14) **Insurance**: Lessee shall maintain liability and casualty insurance in amounts acceptable to CalFirst National Bank.

15) **Documentation**: Paperwork pertaining to the lease will be California First National Bank's standard Lease, and supporting documents.

16) **Acceptance**: California First National Bank reserves the right to accept all, none or any portion thereof of the Leased Property submitted in this offer by Lessee.

17) **Rate Adjustment**: The monthly factors of 0.01829 and 0.01663 may be adjusted upward by (.000044) for every ten (10) basis point adjustment in the corresponding average yield of equally maturing interest rate swaps. The final monthly lease rate factor shall be fixed at the authorization date and shall remain constant throughout the term of the lease. The initial index rate shall be 1.06%.

18) **Taxes:** Sales or use tax shall be added to the cost of the asset or collected on the gross rentals as appropriate.

19) **Financial Statements**: In order for Lessor to properly consider and timely respond to this offer and to effectuate the terms of this offer, Lessee shall promptly furnish Lessor with Lessee's audited financial statements for the last two (2) fiscal years and its latest interim financial statements with comparable prior year interim statements, as well as any other additional information as reasonably required by Lessor.

DATED: 10-11-13

AGREED TO AND ACCEPTED THIS DATED:
DAY OF _____, 2013.

NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT

BY _____

NAME : John Halsan

TITLE : CEO

CALIFORNIA FIRST NATIONAL BANK

BY : _____

NAME : _____

TITLE : _____

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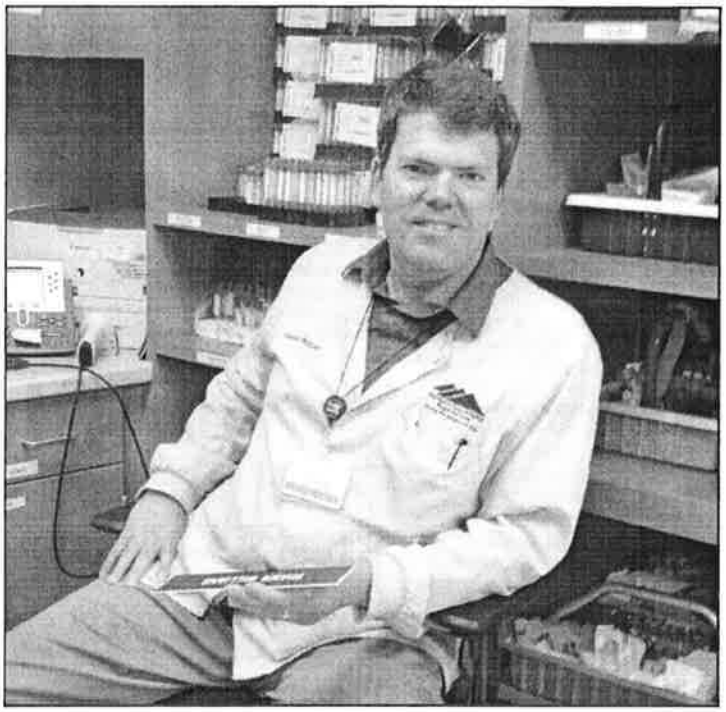
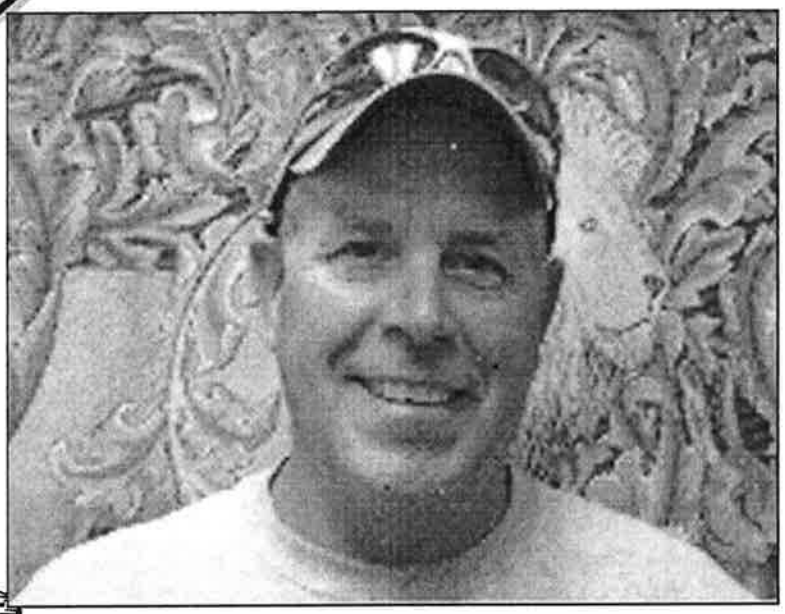
Employee Of The Month



Shawn Williams

Shawn has worked for the hospital since 2010. He has always given 100% in everything he does. Always helpful and offers to do extra when its needed. Originally our courier, he went out and got his phlebotomy license to join our staff permanently. Recently his wife Jen and he bought a new home which they share with their dog and cat and new additions Fred and Barney, the goats. He likes to bike, hike and raft, anything in the great out doors including medieval gatherings. It has been a real joy to work with and beside him. His calm demeanor is so appreciated along with his wit and sense of humor. And most important, he puts up with all of us and our faults and even does it with a smile. What more could you ask for.

Employee Of The Month



ROBERT RALSTON

Robert is a very friendly and personable person. He is always quick to respond to a call for help. He locates and solves what problem or equipment failure you have. Robert really stepped up and took on the responsibility of running the maintenance department during the move into the new hospital. Robert is a very conscientious employee and a hard worker. The maintenance department along with the entire hospital is a better place for his having come work here.

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ALPHA
FUND
Proven Performance
Shared Success

NOTICE OF RATES EFFECTIVE JULY 1, 2013

May 1, 2013

Fiscal Year July 1, 2013 through June 30, 2014

RE: Northern Inyo County Local Hospital District

At its April 19th meeting, the ALPHA Council approved Contribution Rates for the ALPHA Fund JPA for FY 2013 – 2014. These rates are still subject to confirmation by the Governing Board in June.

The trend of a higher rates cycle continues in the marketplace. As it did in 2012, the Workers' Compensation Insurance Rating Bureau (WCIRB) filed for another increase in 2013 with the average rate increasing 15.0% over the prior year. Insurance companies however are passing on much higher increases to their policyholders.

As cited by the WCIRB, the proposed increase in rates is the result of continued adverse loss development in recent accident years, the increase of frequency of indemnity claims, as well as the increase in litigation related to permanent disability claims, among other factors driving up the costs of claims and claims expenses. In comparison, year over year base rates for ALPHA Fund, before discounts, reflect an overall increase of 8.3%. Our commitment to cost containment at every level of our service, and providing innovative safety programs continues to outpace the marketplace for excellence in our Participants' performance and ALPHA Fund's results. ALPHA Fund's renewal ratemaking process includes an individual underwriting of each Participant's own loss experience, so your change in base rate by Class Code may differ.

The final calculation of the Experience Modification Factor (Ex-Mod) for each Participant has also been completed and your calculated Ex-Mod "Mod Snapshot" report is attached.

For Workers' Compensation renewal costs this year, it is important to consider the "effective rate" (*Contribution Rate* x *Ex-Mod*) when analyzing overall Contributions. The Ex-Mod in particular should be viewed as the *primary component* of your facility's

"effective rate" because it is largely controllable by *management's* commitment to instill a culture of safety and injury prevention among employees.

Your rates(s) on July 1, 2013, per $100 of payroll, will change as follows:

Class Code	Class Description	Billing Rate	FY 2014 Ex Mod	FY 2014 Effective Rate	FY 2013 Effective Rate	Change
9043	Hospitals-all employees	$2.85	0.95	$2.71	$2.87	-5.6%

☐ Broker Represented – Commission included in Billing Rate

☐ Timely Reporting – 2% Discount

It is important to keep in mind that the change in the "effective rate" does not account for the distribution of surplus your facility may have received, nor does it include any proposed distribution of surplus in the future.

Please call us if you have questions regarding any aspect of Northern Inyo County Local Hospital District contribution rate for FY 2013 – 2014.

Michele Reager, CPCU
Director of Underwriting
ALPHA Fund
Direct (916) 266-5235
michele.reager@alphafund.org

cc: David McGhee, Chief Executive Officer, ALPHA Fund

Attachments:

Mod Snapshot
Fiscal Year Summary
Terms and Conditions/Notice of Intent to Renew (Return by June 14, 2013)

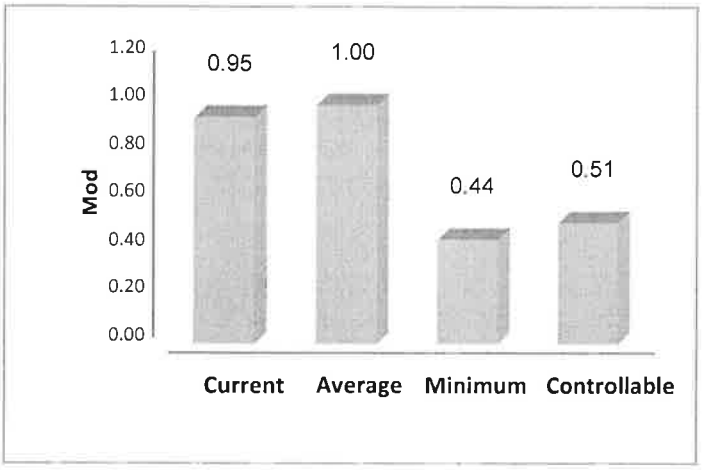
Mod Snapshot

Effective date: 7/1/2013

The Key Numbers

Total expected losses	$474,727
Total expected primary losses	$118,683
Total expected excess losses	$356,044
Total unlimited losses	$381,179
Total limited/adjusted losses	$381,179
Total actual primary losses	$141,580
Total actual excess losses	$239,599
Credibility primary	1.00
Credibility excess	0.42
Modification factor	**0.95**

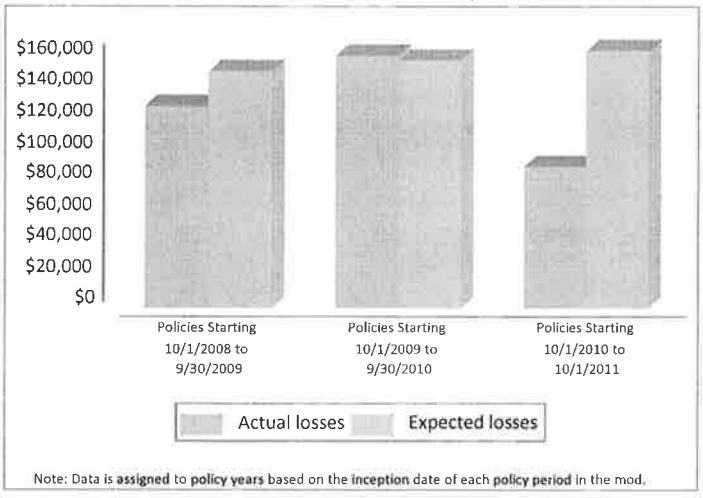
Mod Breakdown



Impact of Top Itemized Losses

State	Injury Date	Incurred Loss	Impact on Mod	Mod w/o Loss
CA	9/24/2010	$56,449	0.0585	0.8867
CA	12/21/2011	$42,711	0.0464	0.8988
CA	11/29/2011	$36,156	0.0406	0.9046
CA	2/17/2010	$34,704	0.0393	0.9059
CA	6/3/2010	$33,106	0.0379	0.9073
CA	7/16/2009	$27,613	0.0330	0.9122
CA	11/10/2010	$22,512	0.0285	0.9167
CA	5/28/2010	$18,253	0.0247	0.9205
CA	12/29/2010	$15,653	0.0224	0.9228
CA	3/21/2011	$13,778	0.0208	0.9244

Actual vs. Expected Losses by Policy Year



Note: Data is **assigned** to **policy years** based on the **inception** date of each **policy period** in the mod.

The Mod Formula

$$\frac{\left[\left(\text{Actual primary losses} \times \text{Credibility primary value}\right) + \left(\text{Expected primary losses} \times (1 - \text{Credibility primary value})\right)\right] + \left[\left(\text{Actual excess losses} \times \text{Credibility excess value}\right) + \left(\text{Expected excess losses} \times (1 - \text{Credibility excess value})\right)\right]}{\text{Expected Losses}} = \textbf{Current mod}$$

$$\frac{\left[\left(\$141{,}580 \times 1.00\right) + \left(\$118{,}683 \times (1 - 1.00)\right)\right] + \left[\left(\$239{,}599 \times 0.42\right) + \left(\$356{,}044 \times (1 - 0.42)\right)\right]}{\$474{,}727} = \textbf{0.95}$$

Fiscal Year Summary

04/01/2013 - 04/30/2013

Fiscal Year	Open	Closed	Total Claims	Paid This Period	Incurred This Period	Paid	Outstanding	Incurred	Recovery	Net Incurred
Insured Group Desc: Northern Inyo Hosp										
1978-1979										
Indemnity	0	1	1	0.00	0.00	13,774.05	0.00	13,774.05	0.00	13,774.05
Medical	0	2	2	0.00	0.00	161.45	0.00	161.45	0.00	161.45
Total:	**0**	**3**	**3**	**0.00**	**0.00**	**13,935.50**	**0.00**	**13,935.50**	**0.00**	**13,935.50**
1980-1981										
Indemnity	0	4	4	0.00	0.00	12,318.48	0.00	12,318.48	0.00	12,318.48
Medical	0	9	9	0.00	0.00	2,279.47	0.00	2,279.47	0.00	2,279.47
Total:	**0**	**13**	**13**	**0.00**	**0.00**	**14,597.95**	**0.00**	**14,597.95**	**0.00**	**14,597.95**
1981-1982										
Indemnity	0	5	5	0.00	0.00	46,626.71	0.00	46,626.71	0.00	46,626.71
Medical	0	15	15	0.00	0.00	2,537.11	0.00	2,537.11	0.00	2,537.11
Total:	**0**	**20**	**20**	**0.00**	**0.00**	**49,163.82**	**0.00**	**49,163.82**	**0.00**	**49,163.82**
1982-1983										
Indemnity	0	2	2	0.00	0.00	2,212.46	0.00	2,212.46	0.00	2,212.46
Medical	0	10	10	0.00	0.00	3,142.80	0.00	3,142.80	0.00	3,142.80
Total:	**0**	**12**	**12**	**0.00**	**0.00**	**5,355.26**	**0.00**	**5,355.26**	**0.00**	**5,355.26**
1983-1984										
Indemnity	0	2	2	0.00	0.00	30,932.49	0.00	30,932.49	0.00	30,932.49
Medical	0	15	15	0.00	0.00	2,463.10	0.00	2,463.10	0.00	2,463.10
Total:	**0**	**17**	**17**	**0.00**	**0.00**	**33,395.59**	**0.00**	**33,395.59**	**0.00**	**33,395.59**
1984-1985										
Indemnity	0	5	5	0.00	0.00	22,359.73	0.00	22,359.73	0.00	22,359.73
Medical	0	12	12	0.00	0.00	1,709.40	0.00	1,709.40	0.00	1,709.40
Total:	**0**	**17**	**17**	**0.00**	**0.00**	**24,069.13**	**0.00**	**24,069.13**	**0.00**	**24,069.13**
1985-1986										
Indemnity	0	3	3	0.00	0.00	57,229.68	0.00	57,229.68	0.00	57,229.68
Medical	0	8	8	0.00	0.00	1,812.11	0.00	1,812.11	0.00	1,812.11
Total:	**0**	**11**	**11**	**0.00**	**0.00**	**59,041.79**	**0.00**	**59,041.79**	**0.00**	**59,041.79**
1986-1987										
Indemnity	0	3	3	0.00	0.00	8,622.05	0.00	8,622.05	0.00	8,622.05
Medical	0	12	12	0.00	0.00	2,203.06	0.00	2,203.06	0.00	2,203.06
Total:	**0**	**15**	**15**	**0.00**	**0.00**	**10,825.11**	**0.00**	**10,825.11**	**0.00**	**10,825.11**
1987-1988										
Indemnity	0	5	5	0.00	0.00	135,825.97	0.00	135,825.97	0.00	135,825.97
Medical	0	15	15	0.00	0.00	3,605.36	0.00	3,605.36	0.00	3,605.36
Total:	**0**	**20**	**20**	**0.00**	**0.00**	**139,431.33**	**0.00**	**139,431.33**	**0.00**	**139,431.33**

Fiscal Year Summary

04/01/2013 - 04/30/2013

Fiscal Year	Open	Closed	Total Claims	Paid This Period	Incurred This Period	Paid	Outstanding	Incurred	Recovery	Net Incurred
1988-1989										
Indemnity	0	7	7	0.00	0.00	12,274.57	0.00	12,274.57	0.00	12,274.57
Medical	0	8	8	0.00	0.00	3,176.61	0.00	3,176.61	0.00	3,176.61
Total:	**0**	**15**	**15**	**0.00**	**0.00**	**15,451.18**	**0.00**	**15,451.18**	**0.00**	**15,451.18**
1989-1990										
Indemnity	0	8	8	0.00	0.00	95,957.57	0.00	95,957.57	0.00	95,957.57
Medical	0	28	28	0.00	0.00	5,535.02	0.00	5,535.02	0.00	5,535.02
Total:	**0**	**36**	**36**	**0.00**	**0.00**	**101,492.59**	**0.00**	**101,492.59**	**0.00**	**101,492.59**
1990-1991										
Indemnity	0	5	5	0.00	0.00	7,421.38	0.00	7,421.38	0.00	7,421.38
Medical	0	45	45	0.00	0.00	9,465.51	0.00	9,465.51	0.00	9,465.51
Total:	**0**	**50**	**50**	**0.00**	**0.00**	**16,886.89**	**0.00**	**16,886.89**	**0.00**	**16,886.89**
1991-1992										
Future Medical	0	2	2	0.00	0.00	89,286.55	0.00	89,286.55	6.80	89,279.75
Indemnity	0	3	3	0.00	0.00	49,488.66	0.00	49,488.66	0.00	49,488.66
Medical	0	14	14	0.00	0.00	2,573.10	0.00	2,573.10	0.00	2,573.10
Total:	**0**	**19**	**19**	**0.00**	**0.00**	**141,348.31**	**0.00**	**141,348.31**	**6.80**	**141,341.51**
1992-1993										
Indemnity	1	10	11	868.37	0.00	1,253,400.90	314,412.74	1,567,813.64	528,629.32	1,039,184.32
Medical	0	27	27	0.00	0.00	7,566.54	0.00	7,566.54	0.00	7,566.54
Total:	**1**	**37**	**38**	**868.37**	**0.00**	**1,260,967.44**	**314,412.74**	**1,575,380.18**	**528,629.32**	**1,046,750.86**
1993-1994										
Indemnity	0	10	10	0.00	0.00	99,460.31	0.00	99,460.31	0.00	99,460.31
Medical	0	17	17	0.00	0.00	3,979.44	0.00	3,979.44	0.00	3,979.44
Total:	**0**	**27**	**27**	**0.00**	**0.00**	**103,439.75**	**0.00**	**103,439.75**	**0.00**	**103,439.75**
1994-1995										
Future Medical	0	1	1	0.00	0.00	44,002.76	0.00	44,002.76	0.00	44,002.76
Indemnity	0	11	11	0.00	0.00	501,614.42	0.00	501,614.42	0.00	501,614.42
Medical	0	20	20	0.00	0.00	9,547.88	0.00	9,547.88	0.00	9,547.88
Total:	**0**	**32**	**32**	**0.00**	**0.00**	**555,165.06**	**0.00**	**555,165.06**	**0.00**	**555,165.06**
1995-1996										
Indemnity	0	5	5	0.00	0.00	5,624.14	0.00	5,624.14	0.00	5,624.14
Medical	0	21	21	0.00	0.00	7,358.49	0.00	7,358.49	0.00	7,358.49
Total:	**0**	**26**	**26**	**0.00**	**0.00**	**12,982.63**	**0.00**	**12,982.63**	**0.00**	**12,982.63**
1996-1997										
Future Medical	1	1	2	32.87	0.00	75,997.66	1,343.67	77,341.33	0.00	77,341.33
Indemnity	0	9	9	0.00	0.00	182,032.35	0.00	182,032.35	0.00	182,032.35
Medical	0	21	21	0.00	0.00	3,309.80	0.00	3,309.80	0.00	3,309.80

Fiscal Year Summary

04/01/2013 - 04/30/2013

Fiscal Year	Open	Closed	Total Claims	Paid This Period	Incurred This Period	Paid	Outstanding	Incurred	Recovery	Net Incurred
Total:	**1**	**31**	**32**	**32.87**	**0.00**	**261,339.81**	**1,343.67**	**262,683.48**	**0.00**	**262,683.48**
1997-1998										
Future Medical	1	0	1	4,352.09	5,530.50	301,468.13	227,553.55	529,021.68	37,914.11	491,107.57
Indemnity	0	14	14	0.00	0.00	1,419,669.74	0.00	1,419,669.74	516,030.75	903,638.99
Life Pension	1	0	1	721.82	0.00	297,990.39	120,685.21	418,675.60	0.00	418,675.60
Medical	0	6	6	0.00	0.00	2,495.39	0.00	2,495.39	0.00	2,495.39
Total:	**2**	**20**	**22**	**5,073.91**	**5,530.50**	**2,021,623.65**	**348,238.76**	**2,369,862.41**	**553,944.86**	**1,815,917.55**
1998-1999										
Indemnity	0	15	15	0.00	0.00	692,167.61	0.00	692,167.61	0.00	692,167.61
Medical	0	13	13	0.00	0.00	7,041.54	0.00	7,041.54	0.00	7,041.54
Total:	**0**	**28**	**28**	**0.00**	**0.00**	**699,209.15**	**0.00**	**699,209.15**	**0.00**	**699,209.15**
1999-2000										
Future Medical	1	1	2	0.00	0.00	218,772.55	26,444.00	245,216.55	0.00	245,216.55
Indemnity	1	18	19	0.00	0.00	834,973.77	528,506.22	1,363,479.99	81,116.58	1,282,363.41
Medical	0	8	8	0.00	0.00	2,847.18	0.00	2,847.18	0.00	2,847.18
Total:	**2**	**27**	**29**	**0.00**	**0.00**	**1,056,593.50**	**554,950.22**	**1,611,543.72**	**81,116.58**	**1,530,427.14**
2000-2001										
Future Medical	1	0	1	353.90	0.00	172,548.73	56,341.98	228,890.71	0.00	228,890.71
Indemnity	0	7	7	0.00	0.00	245,296.96	0.00	245,296.96	0.00	245,296.96
Medical	0	2	2	0.00	0.00	415.77	0.00	415.77	0.00	415.77
Total:	**1**	**9**	**10**	**353.90**	**0.00**	**418,261.46**	**56,341.98**	**474,603.44**	**0.00**	**474,603.44**
2001-2002										
Future Medical	0	1	1	0.00	0.00	16,418.00	0.00	16,418.00	0.00	16,418.00
Indemnity	0	7	7	0.00	0.00	15,582.11	0.00	15,582.11	0.00	15,582.11
Medical	0	3	3	0.00	0.00	1,287.43	0.00	1,287.43	0.00	1,287.43
Total:	**0**	**11**	**11**	**0.00**	**0.00**	**33,287.54**	**0.00**	**33,287.54**	**0.00**	**33,287.54**
2002-2003										
Future Medical	0	1	1	0.00	0.00	68,129.72	0.00	68,129.72	0.00	68,129.72
Indemnity	0	10	10	0.00	0.00	494,724.77	0.00	494,724.77	0.00	494,724.77
Medical	0	5	5	0.00	0.00	948.91	0.00	948.91	0.00	948.91
Total:	**0**	**16**	**16**	**0.00**	**0.00**	**563,803.40**	**0.00**	**563,803.40**	**0.00**	**563,803.40**
2003-2004										
Indemnity	0	14	14	0.00	0.00	164,511.83	0.00	164,511.83	0.00	164,511.83
Medical	0	3	3	0.00	0.00	1,117.13	0.00	1,117.13	0.00	1,117.13
Total:	**0**	**17**	**17**	**0.00**	**0.00**	**165,628.96**	**0.00**	**165,628.96**	**0.00**	**165,628.96**
2004-2005										
Future Medical	0	1	1	0.00	0.00	20,612.69	0.00	20,612.69	0.00	20,612.69
Indemnity	0	2	2	0.00	0.00	1,777.05	0.00	1,777.05	0.00	1,777.05

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Northern Inyo Hospital Medical Staff
Emergency Department
Narcotic Prescription Guidelines

Purpose:

Due to increasing concerns about the abuse and overuse of narcotics in our community, the Emergency Department (ED) has developed the following guidelines with regard to prescribing narcotic and sedating medications. The ED staff will, at all times, be aware of their ethical and legal duty to evaluate and treat pain in accordance with evidence-based guidelines. This policy pertains to patients who, after an appropriate medical screening exam, are found not to have an Emergency Medical Condition.

Policy:

1. The emergency physician is ethically and legally required to evaluate any patient who reports to the ED for evaluation, including pain management. Once it is determined an Emergency Medical Condition does not exist, the law allows the physician to use their clinical judgment when treating pain and does not require the use of opioids.
2. When patients come to the ED with acute medical conditions that may require narcotic or sedative medications, the physician should prescribe these medications in very limited quantities. The amount of medication will be sufficient to last until the patient can see a primary care physician or specialist. Any patient who returns to the ED seeking refills for the same complaint should only be given non-narcotic pain medications. If opioids are prescribed on a repeat visit, they should only prescribe a maximum of 3-days worth.
3. Prescriptions for narcotic or sedative medication that have been lost, stolen or expired will not be refilled in the ED. Extended-release and long-acting opioids, such as OxyContin, Fentanyl patches and methadone, in general, should not be prescribed from the ED.
4. Patients who have frequent visits to the ED seeking relief from painful conditions will be considered to have chronic pain syndromes. These pain syndromes may include, but are not limited to, migraine headaches, back pain, dental pain, and fibromyalgia. Patients presenting with chronic pain should be given non-narcotic pain prescriptions only, unless medically appropriate or necessary.
5. The administration of intravenous and intramuscular opioids for the relief of acute exacerbations of chronic pain is discouraged. These medications provide a very short duration of relief and have more addictive potential due to euphoria.
6. For exacerbations of chronic pain, the Emergency physician should attempt to contact the patient's primary opioid prescriber prior to giving the patient further opioids. If possible, the primary physician should maintain a copy of the patient's pain contract on file in the Emergency Department.
7. Physicians should review the California Department of Justice Prescription Drug Monitoring Program (PDMP) to determine the extent of narcotic and sedative prescriptions being obtained by the patient. The PDMP is an online database

created to identify and deter drug abuse and diversion through accurate and rapid tracking of Schedule II-IV controlled substances.

8. In the event the ED physician feels a narcotic or sedative agent is clinically indicated, the patient must have a responsible adult driver present prior to being given the medication.
9. The ED physician can request a Social Worker consult in the ED, if available, for patients with suspected prescription opiate abuse problems.
10. The ED will maintain lists of available Primary Care Providers accepting new patients. Every effort will be made to help patients obtain follow-up care within a reasonable time frame.

NORTHERN INYO HOSPITAL
Prescribing Pain Medication in the Emergency Department

Our emergency department staff understands that pain relief is important when someone is hurt or needs emergency care. However, providing pain relief is often complex. Misuse of pain medication can cause serious health problems and even death. Our emergency department will only provide pain relief options that are safe and appropriate.

- Our main job is to look for and treat an emergency medical condition. We use our best judgment when treating pain and follow all legal and ethical guidelines.
- We may ask you to show a photo ID when you check in to the ED or receive a prescription for narcotic pain medication.
- We may ask you for a detailed history of your use of pain medication.
- We may only provide you with enough pain medication to last until you can contact your doctor.

- **For your safety, we will not:**
  - Give pain medication shots for sudden increases in chronic pain.
  - Refill lost, stolen or damaged prescriptions for pain medication.
  - Prescribe missed methadone doses.
  - Prescribe long-acting pain medication such as OxyContin or Fentanyl patches for chronic non-cancer pain.
  - Prescribe pain medication if you already receive pain medication from another physician. An exception may be made if we can contact your prescribing doctor.

If you would like help, we can refer you to a Social Worker
For possible referral to a drug treatment program.

NORTHERN INYO HOSPITAL MEDICAL STAFF
POLICY AND PROCEDURE

Title: Professional Conduct. Prohibition of Disruptive or Discriminatory Behavior	
Scope: Hospitalwide	Department: Medical Staff
Source: Medical Staff	Effective Date: 12/5/07

POLICY

All Medical Staff members shall conduct themselves at all times while on Hospital premises in a courteous, professional, respectful, collegial, and cooperative manner. This applies to interactions and communications with or relating to Medical Staff colleagues, AHPs, nursing and technical personnel, other caregivers, other Hospital personnel, patients, patients' family members and friends, visitors, and others. Such conduct is necessary to promote high quality patient care and to maintain a safe work environment. Disruptive, discriminatory, or harassing behavior, as defined below, are prohibited and will not be tolerated.

Definitions

A. "Disruptive Behavior" is marked by disrespectful behavior manifested through personal interaction with practitioners, Hospital personnel, patients, family members, or others, which:

1. interferes, or tends to interfere with high quality patient care or the orderly administration of the Hospital or the Medical Staff; or

2. creates a hostile work environment; or

3. is directed at a specific person or persons, would reasonably be expected to cause substantial emotional distress, and serves no constructive purpose in advancing the goals of health care.

B. "Discrimination" is conduct directed against any individual (e.g., against another Medical Staff member, AHP, Hospital employee, or patient) that deprives the individual of full and equal accommodations, advantages, facilities, privileges, or services, based on the individual's race, religion, color, national origin, ancestry, physical disability, mental disability, medical disability, marital status, sex, gender, or sexual orientation.

C. "Sexual harassment" is unwelcome verbal or physical conduct of a sexual nature, which may include verbal harassment (such as epithets, derogatory comments or slurs), physical harassment (such as unwelcome touching, assault, or interference with movement or work), and visual harassment (such as the display of derogatory or sexual-themed cartoons, drawings or posters). Sexual harassment includes unwelcome advances, requests for sexual favors, and any other verbal, visual, or physical conduct of a sexual nature when (1) submission to or rejection of this conduct by an individual is used as a factor in decisions affecting hiring, evaluation, retention, promotion, or other aspects of employment; or (2) this conduct substantially interferes with the individual's employment or creates an intimidating, hostile, or offensive work environment. Sexual

harassment also includes conduct indicating that employment and/or employment benefits are conditioned upon acquiescence in sexual activities.

Examples of Prohibited Conduct

Examples of prohibited, disruptive conduct may include, but are not limited to, any of the conducts described below if it is found to interfere, or tend to interfere, with patient care or the orderly administration of the Hospital or Medical Staff; or, if it creates a hostile work environment; or, if it is directed at a specific person or persons, causes substantial emotional distress, and has no legitimate purpose:

A. Any striking, pushing, or inappropriate touching of Hospital Staff or others;

B. Any conduct that would violate Medical Staff and/or Hospital policies relating to discrimination and/or sexual harassment;

C. Forcefully throwing, hitting, pushing, or slamming objects in an expression of anger or frustration;

D. Yelling, screaming, or using an unduly loud voice directed at patients, Hospital employees, other practitioners, or others;

E. Refusing to respond to a request by any caregiver for orders, instructions, or assistance with the care of a patient, including, but not limited to, repeated failure to respond to calls or pages;

F. Use of racial, ethnic, epithetic, or derogatory comments, or profanity, directed at Hospital employees or others;

G. Criticism which is unreasonable and unprofessional of Hospital or Medical Staff personnel (including other practitioners), policies or equipment, or other negative comments that undermine patient trust in the Hospital or Medical Staff in the presence or hearing of patients, patients' family members, and/or visitors;

H. Use of medical record entries to criticize Hospital or Medical Staff personnel, policies, or equipment, other practitioners, or others;

I. Unauthorized use and/or disclosure of confidential or personal information related to any employee, patient, practitioner, or other person;

J. Use of threatening or offensive gestures;

K. Intentional filing of false complaints or accusations;

L. Any form of retaliation against a person who has filed a complaint against a practitioner alleging violation of the above standard of conduct;

M. Use of physical or verbal threats to Hospital employees, other practitioners, or others, including, without limitation, threats to get an employee fired or disciplined;

N. Persisting to criticize, or to discuss performance or quality concerns with particular Hospital employees or others after being asked to direct such comments exclusively through other channels;

O. Persisting in contacting a Hospital employee or other person to discuss personal or performance matters after that person or a supervisory person, the Chief Executive Officer ("CEO"), or designee, or Medical Staff leader, has requested that such contacts be discontinued [NOTE: MEDICAL STAFF MEMBERS ARE ENCOURAGED TO PROVIDE COMMENTS, SUGGESTIONS AND RECOMMENDATIONS RELATING TO HOSPITAL EMPLOYEES, SERVICES OR FACILITIES; WHERE SUCH INFORMATION IS PROVIDED THROUGH APPROPRIATE ADMINISTRATIVE OR SUPERVISORY CHANNELS];

P. Obstructing the peer review process by intentionally refusing, without justification, to attend meetings or respond to questions about the practitioner's conduct or professional practice when the practitioner is the subject of a focused review or investigation.

PROCEDURE

Hospital Staff Response to Disruptive or Discriminatory Behavior or Sexual Harassment ("Walk Away Rule")

Any Hospital employee ("Caregiver") who believes that he or she is being subjected to disruptive or discriminatory behavior or sexual harassment within the meaning of this Policy by a Medical Staff member is authorized and directed to take the following actions:

A. Promptly contact the Caregiver's immediate supervisor to report the situation and to arrange for the transition of patient care as necessary in order to permit the Caregiver to avoid conversing or interacting with the Practitioner;

B. Discontinue all conversation or interaction with the Practitioner except to the extent necessary to transition patient care responsibility safely and promptly from the Caregiver to another qualified person as directed by the Caregiver's supervisor;

C. Continue work or patient care activity elsewhere as directed; and

D. Consult with supervisory personnel or with the Director of Human Resources about filing a written report of the alleged incident.

All complaints alleging disruptive discriminatory or unsafe behavior by members of the Medical Staff or Allied Practitioner Staff shall be documented and handled as provided in the Medical Staff's Practitioner Complaint Policy.

Committee	Approved
Medical Executive Committee	
Hospital District Board of Directors	

Draft: May 16, 2013

NORTHERN INYO HOSPITAL MEDICAL STAFF
POLICY AND PROCEDURE

Title: **Practitioner Complaint Resolution Process**	
Scope: Hospitalwide	Department: Medical Staff
Source: Medical Staff	Effective Date:

Purpose

To create a responsible, accessible and fair process for communicating and addressing complaints regarding Practitioners at Northern Inyo Hospital.

Definition/ Policy

Complaints may be concerns about a Practitioner from patients, friends, family members, hospital staff, medical staff, volunteers or anyone who is present at the hospital or is affected by a Practitioner. Types of complaints to be referred to the Medical Staff Office include any concerns regarding quality of care provided and/or behavioral issues. Complaints may come in the form of a letter, phone call, email or from an 'incident' report. Anonymous complaints will not be accepted. For this Policy, "Practitioner" shall mean any member of the Medical Staff or Allied Practitioner Staff including nurse practitioners, physician assistants, midwives, and expanded practice nurses, who are recommended for practice privileges by the Medical Executive Committee. Complaint documents referred to the Medical Staff Office will be identified and maintained as confidential and protected Medical Staff documents.

Procedure

1. All complaints and related documentation will be initially directed to the Medical Staff Office. The Medical Staff Coordinator will review the complaint and forward it to the Chief of Staff. If the Chief of Staff determines that complaint warrants further review, the Chief of Staff, or designee, will forward it to an appropriate Committee Chair, Service Chief and/or Ad Hoc Committee. At that time, the individual filing the complaint will be notified that the complaint was received and is being processed and the Practitioner will be notified that a complaint relating to him/her has been received.

2. The Committee Chair/Service Chief, or designee, will review the complaint and notify the Medical Staff Office of how the complaint will be handled. The Chief of Staff and the applicable Chair may consult with Medical Staff legal counsel as needed.

3. The Committee Chair/Service Chief, or designee, will notify the Practitioner in writing or in person of the complaint. If the Practitioner signs an agreement to

keep the complaint and related information in strict confidence and to use the information exclusively within the formal Medical Staff committee process, he or she may review a copy of the complaint and any supporting documentation submitted with the complaint by the complainant, with names redacted, in the Medical Staff Office and to respond as desired. The Practitioner may not photograph or keep a copy of the complaint. If the Practitioner provides a written response, it will be kept with the complaint for review and filed in the Practitioner's complaint file with the final outcome of the complaint. The Committee or Section Chair shall warn the Practitioner, in writing, that no retaliation will be tolerated against any person who has made a complaint or is involved in the complaint resolution process.

4. For any complaint that involves concerns about quality of care, the patient encounter and related information will be submitted for peer review through the usual Medical Staff Performance Improvement process.

5. Complaints may be handled and resolved through one of the following scenarios:

    a. The complaint may be handled by a meeting with the individual who filed the complaint. This meeting may include, but is not limited to, the complainant, the complainant's supervisor (if an NIH employee), the Practitioner who is the subject of the complaint, and/or the Committee Chair/Service Chief. The Committee Chair/Service Chief, or designee, will prepare a written report noting the key elements of the conversation and any resolutions or actions to be taken. The memo will be filed in the Practitioner's complaint file.

    b. The complaint may be handled with a letter drafted by the Committee Chair/Service Chief, or designee, to be sent to the individual who filed the complaint and/or to the Practitioner. A copy of the letter including any resolutions or actions to be taken will be filed in the Practitioner's complaint file.

6. If the Chief of Staff or Committee Chair/Service Chief feels the complaint requires further investigation or action, it will be referred to the Medical Executive Committee for review. The MEC will determine what level of action is appropriate. If there is a need for a formal corrective action investigation, the MEC will then follow the appropriate procedures as outlined in the Medical Staff Bylaws Section 7.1.3.

7. The Committee Chair/Service Chief will notify the Practitioner in writing of the resolution of the complaint, or that the complaint has been referred to MEC for formal corrective action.

8. It is the responsibility of the Medical Staff Office to track the progress of all complaints and keep accurate records of any resolutions in the Practitioner's

complaint file. All complaints will be reviewed at the time of re-credentialing and as part of the Practitioner's periodic On-Going Professional Practice Evaluation (OPPE).

9. Complaints and all related investigation documents and reports shall be identified and maintained as confidential peer review documents protected under Evidence Code 1157.

Approvals	Date
Medical Executive Committee	
Hospital District Board of Directors	

NORTHERN INYO HOSPITAL MEDICAL STAFF
Policy and Procedure

PRE-APPLICATION PROCESS FOR INITIAL APPLICANTS

A. Establishing Eligibility

Before submitting an initial application for appointment to the Medical Staff, the prospective applicant must establish eligibility for consideration for membership and/or privileges. The prospective applicant must complete and submit the pre-application form approved by the Medical Executive Committee ("MEC") and available from the Medical Staff Services Office.

The prospective applicant shall be informed that, prior to completing a formal application for appointment, he/she is first required to provide information and documents demonstrating that he or she meets both (i) the criteria specified in the Medical Staff Bylaws and Rules to be eligible to be considered for initial Medical Staff membership; and (ii) the applicable criteria established by the Medical Staff to be eligible to apply for clinical privileges in the prospective applicant's proposed area of practice.

No application for Medical Staff membership and/or clinical privileges will be provided to a prospective applicant, nor will a formal application be accepted, until the pre-application process confirms that the prospective applicant is eligible to apply for membership and/or eligible to apply for the applicable clinical privileges in his or her proposed area of practice.

The MEC may establish administrative procedures to implement the pre-application process, such as pre-application fees, requirements for timely completion of the pre-application process, and requirements for timely submission of an application for formal appointment.

The completed pre-application form and the information and documents collected as a part of the pre-application process are the Medical Staff's confidential peer review materials, not to be retained in any administrative files, nor to be used for any purpose other than Medical Staff peer review.

B. The Eligibility Process

The pre-application process will confirm that the prospective applicant possesses acceptable qualifications to be considered for formal application to the Medical Staff for membership and/or privileges.

The pre-application form will be reviewed by the Chairperson of the Credentials Committee or designee. If the prospective applicant's responses indicate that the prospective applicant is eligible to be considered for Medical Staff membership and/or clinical privileges, the prospective applicant will be provided with an application for Medical Staff appointment and/or privileges.

If the prospective applicant is found ineligible, he/she will be sent written notice from the Credentials Committee to that effect, and the notice will set forth the reasons for ineligibility. A prospective applicant found ineligible for Medical Staff membership and/or privileges will not be

eligible to submit a formal application for appointment and/or privileges and will not be provided with any such application.

A prospective applicant who is determined to be ineligible shall not be entitled to hearing and appeal rights under Article VIII of the Medical Staff Bylaws. However, a prospective applicant receiving a notice of ineligibility may, if he or she chooses, and within twenty (20) days after notice of ineligibility, request a meeting with the Credentials Committee.

Upon receipt of a timely request for meeting, the Credentials Committee shall schedule and notify the prospective applicant of such meeting. At least five (5) days prior to the scheduled date for the meeting, the prospective applicant must deliver to the Medical Staff Services Office, addressed to the Chairperson of the Credentials Committee, a written response setting forth the reasons why, in the applicant's judgment, the prospective applicant is eligible for Medical Staff membership and/or clinical privileges.

Failure to submit a timely request for a meeting, or failure to submit a timely written statement of reasons in support of the prospective applicant's position shall be deemed a waiver of the prospective applicant's right to meet with the Credentials Committee.

After the Credentials Committee has met with the prospective applicant, or he/she has waived such meeting, the Committee will render a decision on the matter, which decision will be the final action of the Medical Staff and hospital on the prospective applicant's eligibility to apply for Medical Staff membership and/or privileges.

C. Exclusion Criteria

Any of the following shall constitute grounds for ineligibility to receive an application and be considered for initial appointment and/or privileges:

<u>General</u>

1. Failure to provide evidence of coverage arrangements required by the Medical Staff Bylaws or Rules;
2. Failure to document residency and active practice in Inyo or Mono County as required in Medical Staff Bylaws or Rules.
3. Failure to provide sufficient documentation of acute inpatient practice volume during the past two (2) years;
4. Failure to provide unqualified references from at least three peers with recent, personal knowledge of applicant's clinical practice;
5. Failure to execute a release for disclosure of internal peer review information from other hospitals or health care facilities with respect to unresolved and/or pending disciplinary actions or resignation during pending disciplinary actions; and

6. Failure to provide documentation concerning any pending Medical Board accusations or criminal charges that relate to professional competence or conduct, to DEA scheduled drugs, or to violence against person(s).

7. Failure to document employment or subcontractor status with a contracted practice entity if the prospective applicant is seeking privileges in a clinical service for which an exclusive contract arrangement is in effect. Such services may include: Anesthesiology, Pathology/Clinical lab, Radiology and Emergency Medicine.

Licensure

1. Failure to provide evidence of current professional license;

2. Any restrictions on applicant's professional license applicable to requested privileges; and

3. A revocation, suspension or probation with respect to professional license which became final within the past seven (7) years for other than administrative reasons.

Other Licenses, Permits or Certifications

1. Failure to provide evidence of a DEA certificate;

2. Failure to complete an accredited residency program, subject to waiver by the MEC as provided in the Medical Staff Bylaws or Rules; and

3. Failure to provide evidence of Board certification, subject to the discretion of the MEC to recommend an extension of time for certification or recertification as provided by certification as required by the Medical Staff Bylaws or Rules.

Malpractice Insurance

1. Failure to provide evidence of professional liability insurance as required by the Medical Staff Bylaws or Rules.

Third Party Actions Regardless of Time of Occurrence

1. Exclusion or limitation of participation in any state or federal health care program based on a substantive violation of program standards or rules.

Third Party Actions Occurring Within the Past Seven Years

1. Conviction or no contest plea to any felony involving violence against a person or persons;

2. Conviction or no contest plea to any felony related to professional practice, or the use, distribution or furnishing of DEA scheduled drugs; and

3. Final denial, termination, restriction or suspension of privileges at this or any other health facility.

DRAFT LETTER TO PROSPECTIVE APPLICANTS:

Dear Doctor _____ :

Thank you for your interest in joining the Medical Staff of Northern Inyo Hospital and serving the residents of the Inyo or Mono County.

The Medical Staff Rules and Regulations provide that, prior to completing a formal application for appointment to the Medical Staff, you are required to complete the pre-application process. As a part of this process, you are requested to provide information and documentation demonstrating that you meet both (i) the criteria for membership specified in the Medical Staff Bylaws and Rules for eligibility to apply for initial medical staff membership; and (ii) the applicable criteria established by the Medical Staff for eligibility to apply for clinical privileges in your proposed area of practice. You are also asked to execute the attached Authorization and Release form, authorizing the Medical Staff to obtain documentation concerning your eligibility from other health facilities.

Please note that no application for Medical Staff membership and clinical privileges will be provided to you, nor will a formal application be accepted, until the pre-application process confirms that you are eligible to apply for Medical Staff membership and clinical privileges.

Please refer to the attached Medical Staff Pre-Application Form for the exact information and documentation required. If you have any questions or concerns, please contact the Medical Staff Office at _____.

Thank you again for your interest in joining our staff.

VTY,

_____

Encl. Medical Staff Bylaws and Rules

NORTHERN INYO HOSPITAL MEDICAL STAFF

Pre-Application Questionnaire

I. BACKGROUND INFORMATION

Full Name: _____

Residence Address: _____

Practice Address: _____

Social Security No.: _____

Place of Birth: _____ Date of Birth: _____

California Medical License Number/Expiration Date: _____

DEA Number/Expiration Date: _____

Medical School: _____ Graduation Date: _____

Residency Program: _____ Completion Date: _____

Certifying Board/Expiration Date: _____

Status Requested: (Please Check One)

____ Active ____ Consulting ____ Emergency Department

____ Temporary/Locum Tenens ____ Other (Please Specify) _____

Privileges Requested: (Please Check All that Apply)

____ Anesthesia ____ Cardiology ____ Emergency Medicine

____ Family Medicine ____ Internal Medicine ____ OB/GYN

____ Ophthalmology ____ Orthopedics ____ Pediatrics

____ Radiology ____ Pathology ____ Surgery

____ Other (Please Specify) _____

II. DOCUMENTATION

Please provide documentation sufficient to demonstrate the following:

1. Evidence of coverage arrangements as required by the Medical Staff Bylaws and Rules.

2. Evidence of the volume of your acute inpatient practice within the previous two (2) years.
3. Written references from at least three peer physicians with recent, personal knowledge of your practice.
4. Evidence of Board Certification.
5. Evidence of professional liability insurance in the form and amounts specified by the Medical Staff Bylaws and Rules.
6. Documentation of employment or contractor status with contracted practice entity – if applying for privileges in anesthesiology, pathology-clinical lab – radiology or emergency medicine.

III. INFORMATION

Please answer the following questions:

1. Do you presently have any Medical Board accusations pending against you? If "Yes," please explain and provide all related documentation. ____ No ____ Yes

_____

_____

_____

2. Are there presently any criminal charges pending against you that relate to professional competence or conduct, to DEA scheduled drugs, or to violence against person(s)? If "Yes," please explain and provide all related documentation. ____ No ____ Yes

_____

_____

_____

3. Are there presently any restrictions on your medical license that are applicable to your requested privileges? If "Yes," please explain and provide all related documentation.

____ No ____ Yes

_____

_____

_____

4. Has your professional license been revoked, suspended or have you been placed on probation for other than administrative reasons, e.g. failure to timely complete CME requirements, at any time within the past seven (7) years? If "Yes," please explain and provide all related documentation.

____ No ____ Yes

5. Have you ever been excluded or had your participation in any state or federal health care program limited based upon a substantive violation of program standards or rules? If "Yes," please explain and provide all related documentation. ____ No ____ Yes

6. Within the past seven (7) years, have you been convicted of, or entered a no contest plea to, any felony involving violence against a person or persons? If "Yes," please explain and provide all related documentation. ____ No ____ Yes

7. Within the past seven (7) years, have you been convicted of, or entered a no contest plea to, any felony related to your professional practice, or the use, distribution or furnishing of DEA scheduled drugs? If "Yes," please explain and provide all related documentation.

____ No ____ Yes

8. Within the past seven (7) years, have you been subject to a final denial, termination, restriction or suspension of your privileges at this or any other health facility? If "Yes," please explain and provide all related documentation.

____ No ____ Yes

_____

_____

_____

I hereby certify that my response to each question above is true and correct, and that I have provided, concurrent with this pre-application, all of the requested documents that are within my possession or control.

I further certify that I meet the criteria for membership and/or privileges as outlined in this pre-application questionnaire. I understand that completing this questionnaire in no way obligates the Hospital or Medical Staff to afford me Medical Staff membership and/or privileges.

I hereby release from liability any representatives of the Hospital and Medical Staff for their acts performed in good faith in connection with evaluating my request for Medical Staff membership and/or privileges. I further release from liability any and all individuals and organizations that provide information to the Hospital and Medical Staff in good faith concerning my professional competence, ethics, character and other qualifications, and I have executed the attached Authorization and Release form and hereby consent to the release of any such information.

Dated: _____ Signature: _____

Print Name: _____

Maggie Egan

From: John Meher [johnmeher8@hotmail.com]
Sent: Wednesday, March 13, 2013 9:20 AM
To: Jennie Walker; Maggie Egan
Cc: Helena & Joe Black
Subject: Re: Credentials #2

Hi Maggie,
Hope all is well. Sadly, I will be voluntarily resigning my privileges from NIH. Best of luck, and thanks for everything. -JM

On Mar 8, 2013, at 12:41 PM, Jennie Walker <scottnjennie@me.com> wrote:

Hi John,

I spoke with Maggie yesterday about your med staff credentialing options. At this time, if you don't think you will be able to do 24 shifts/year and are not sure when you will be available again, the cleanest option is to have you resign your privileges. If you become more available in the future, it is pretty easy to re-credential you for Temporary privileges in a bind or Active Staff if your situation changes. In order to resign from the medical staff, you just need to send Maggie an email with that request.

Good luck with everything and please let me know if something changes.
Jennie

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The following is the Fiscal Year 2014 Preliminary operating budget. It is labeled "preliminary" in that we have had to do quite a bit of trimming to the expense budgets originally request by the department managers and as yet have not reached a 100% accord. Management is requesting Preliminary approval of this budget so that we may undertake the following actions in a timely, first of the fiscal year manner. The actions we are asking approval for are:

1. A general rate increase of 6.5% effective 7-1-2013.
2. A Cost of living increase of 1.0% the first pay period of July, 2013 and the remaining (catch up to the higher of 1.7% or current CPI. Currently the CPI is 1.7%) the second pay period of January, 2014.
3. An across the board increase of 12% for all Medical premiums and the installation of a $130 per year premium for a single employee, basic coverage.
4. 10% across the board increase in Cafeteria food prices, rounded up to the nearest 5 cents.
5. Installation of an employee discount of 50% of the co-insurance and/or co-pay after the 20% district discount for hospital services, rendered only by NIH.

In the event management is able to achieve the desired expense reductions, no further actions will be required. In the event those reductions cannot be achieved, an alternative budget will be submitted in July.

NORTHERN INYO HOSPITAL
jdh1 bud
as of April 30, 2013

	ACT MTD	BUD MTD	ACT YTD	BUD YTD	new bud
Unrestricted Revenues, Gains & Other Support					
Inpatient Service Revenue					
Ancillary	495,332	561,994	5,555,681	5,694,874	7,100,160
Routine	1,995,645	1,859,170	21,746,552	18,839,578	27,792,094
Total Inpatient Service Revenue	2,490,977	2,421,164	27,302,233	24,534,452	34,892,254
Outpatient Service Revenue	5,790,275	5,526,088	55,912,653	55,997,760	71,456,370
Gross Patient Service Revenue	8,281,252	7,947,252	83,214,886	80,532,212	106,348,624
Less Deductions from Revenue					
Patient Service Revenue Deductions	196,964	172,913	1,943,204	1,752,187	3,156,665
Contractual Adjustments	2,936,570	2,928,189	32,018,200	29,672,298	37,784,134
Prior Period Adjustments		(152,384)	(3,500,504)	(1,544,162)	(1,485,458)
Total Deductions from Patient Service Revenue	3,133,534	2,948,718	30,460,900	29,880,323	39,455,341
Net Patient Service Revenue	5,147,718	4,998,534	52,753,986	50,651,889	66,893,283
Other revenue	23,789	26,883	693,675	272,432	
Transfers from Restricted Funds for Operating Exp	102,014	95,290	1,020,135	965,610	2,634,961
Total Other Revenue	125,803	122,173	1,713,810	1,238,042	69,528,244
Expenses:					
Salaries and Wages	1,771,020	1,741,779	17,558,023	17,650,050	22,130,525
Employee Benefits	1,401,326	1,083,053	11,984,794	10,974,967	13,690,358
Professional Fees	877,686	482,967	5,222,028	4,894,032	5,463,367
Supplies	524,185	509,590	4,860,809	5,163,878	5,987,354
Purchased Services	375,754	229,801	2,673,365	2,328,690	3,095,646
Depreciation	306,227	312,114	2,408,978	3,162,755	5,159,654
Interest Expense	190,500	175,070	1,978,216	1,774,044	2,151,069
Bad Debts	185,389	196,520	2,375,260	1,991,405	2,850,311
Other Expense	270,630	238,707	2,897,139	2,418,902	4,271,179
Total Expenses	5,902,718	4,969,601	51,958,611	50,358,723	64,799,463
Operating Income (Loss)	(629,197)	151,106	2,509,185	1,531,208	4,728,781
Other Income:					
District Tax Receipts	42,397	43,093	423,967	436,679	508,760
Partnership Investment Incomce		3,699	0	37,481	0
Grants and Other Contributions					
Unrestricted	111,876	20,548	160,511	208,220	162,953
Interest Income	9,699	7,019	89,453	71,120	11,480
Other Non-Operating Income	3,788	3,043	99,393	30,833	61,656
Net Medical Office Activity	(216,733)	(82,188)	(2,127,816)	(832,865)	(4,120,661)

340B Net Activity	30,950	45,730	482,613	463,395	617,059
Non-Operating Income/Loss	(18,024)	40,944	(871,879)	414,863	(2,758,753)
Net Income/Loss	(647,220)	192,050	1,637,306	1,946,071	1,970,028
Extraordinary Items*					
Total Extraordinary Items	11,455	10,530	413,761	106,704	0
Net Income/Loss Including Extraordinary Items	(658,676)	181,520	1,223,545	1,839,367	1,970,028

Cost of COLA			COLA
Estimated Cost of COLA	11 months	projected	1.90%
Gross Hourly Wages Year to date	$ 21,837,886.81	$ 23,823,149.25	$ 452,639.84

12% Increase in MDV	Current	Annual Cost	Proposed	Annual Cost	Increase to Staff	If Effective 1/1/2014
Basic Employee Only	$ -	$ -	$ -	$ -	$ -	$ -
Basic Employee + 1	$ 83.30	$ 2,165.80	$ 93.30	$ 2,425.80	$ 260.00	$ 130.00
Basic Family	$ 120.95	$ 3,144.70	$ 135.46	$ 3,521.96	$ 377.26	$ 188.63
Basic Plus Employee Only	$ 15.42	$ 400.92	$ 17.27	$ 449.02	$ 48.10	$ 24.05
Basic Plus Employee +1	$ 108.61	$ 2,823.86	$ 121.64	$ 3,162.64	$ 338.78	$ 169.39
Basic Plus Family	$ 147.49	$ 3,834.74	$ 165.19	$ 4,294.94	$ 460.20	$ 230.10

10% Increase in Cafeteria Prices	Current YTD	Proj Year	10%
5322-5000 Food Sales Visitors	$ 4,601.04	$ 5,521.25	$ 552.12
5329-5000 Food Sales Employees	$ 65,608.66	$ 78,730.39	$ 7,873.04
Estimated Increase			$ 8,425.16

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Sandy Blumberg

From: Georgan Stottlemyre
Sent: Thursday, June 06, 2013 11:32 AM
To: John Halfen; Sandy Blumberg
Cc: Carrie Petersen
Subject: Amended Policy for Board Approval - 06-19-2013 BOD agenda please

06-19-2013 Board agenda item please – removes Administrative fee for lost/forgotten badges, as discussed previously and at LCCC yesterday.

ID-BadgePolicyAmended.pdf

Thank you,

Georgan Stottlemyre
PHR
Human Resources Director

NORTHERN INYO HOSPITAL
People you know, caring for people you love
Northern Inyo County Local Hospital District
150 Pioneer Lane
Bishop, California 93514
(760) 873-2131 Direct Line
(760) 873-5811 Extension 2131
(760) 873-2108 (HR Office FAX)
(760) 872-5862 (Desktop FAX)
Georgan.Stottlemyre@nih.org

NORTHERN INYO HOSPITAL
EMPLOYEE HANDBOOK – PERSONNEL POLICY

Title: Hiring - IDENTIFICATION BADGES (03-04)	
Scope: Hospital Wide	Department: **Human resources – Employee Handbook**
Source: Human Resources	Effective Date: 01/01/2013

PURPOSE:

Identification badges function as electronic keys, cash cards and allow access to other important job functions; therefore, the purpose of this policy is to define controls and safeguards of identification badges.

POLICY:

When you work at Northern Inyo Hospital, you will be issued an identification badge. Identification badges may function as an electronic key to secured doors and may have a barcode badge number that allows using the hospital's time and attendance system, charging cafeteria purchases, and carrying out other important job functions.

You are required to wear your identification badge while on hospital properties. This allows you to get to know those you work with and them to know you, and it helps patients and the public to identify you.

Worn or outdated badges must be replaced. Requests for badges may be placed with your immediate supervisor, department head, the Medical Staff Office (physicians), or Human Resources.

You must take care to handle your identification badge as you would a cash card or key that must be protected and secured. Do not share or lend your badge or provide unauthorized access to another with your badge. Please report lost/misplaced or forgotten identification badges immediately to your supervisor or department head or Medical Staff Office (physicians) and report to Human Resources (Nursing Supervisor outside of HR office hours) for a replacement.

Reference - Identification Badges Procedure

Approval	**Date**
Human Resources	
Medical Executive Committee	
Administration	
Board of Directors	06/19/2013

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Milliman

650 California Street, 17th Floor
San Francisco, CA 94108-2702
USA

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milliman.com

May 16, 2013

Mr. John Halfen
Chief Financial Officer
Northern Inyo Hospital
150 Pioneer Lane
Bishop, California 93514-2599

Northern Inyo County Local Hospital District Retirement Plan
Actuarial Valuation as of January 1, 2013

Dear John:

Enclosed is our Actuarial Valuation as of January 1, 2013. Based upon a funding interest rate of 6.75%, the recommended contribution is $4,152,000. This means the current monthly contribution rate of $324,000 should be increased to $346,000, effective July 1, 2013. The contribution increase is due to the increase in total payroll over the past year, and a higher contribution towards the funding target (125% of ABO).

The average investment return for the last 10 years has been 5.8%. Therefore, we recommend you consider lowering the funding interest rate to 6.0% or 5.75%. This would increase the recommended contribution.

If you have any questions or would like to review the report with me, please give me a call at (415) 394-3716.

Sincerely,

Rich Wright

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Milliman Client Report

Northern Inyo County
Local Hospital District Retirement Plan

Actuarial Valuation as of January 1, 2013

Prepared by:

Richard A. Wright
FSA, MAAA

Milliman, Inc.
650 California Street, 17th Floor
San Francisco, California 94108
Tel 415 403 1333 Fax 415 403 1334
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May 16, 2013

Milliman

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May 16, 2013

Northern Inyo Hospital
150 Pioneer Lane
Bishop, California 93514-2599

Northern Inyo County Local Hospital District Retirement Plan
Actuarial Valuation as of January 1, 2013

At the request of the Hospital, I have made an actuarial valuation of the Northern Inyo County Local Hospital District Retirement Plan for the plan year beginning January 1, 2013.

In preparing this report, I have relied on financial information provided by New York Life Insurance Company and employee data furnished to me by the Hospital. While Milliman has not audited the financial and census data, they have been reviewed for reasonableness and are, in my opinion, sufficient and reliable for the purposes of our calculations. If any of this information as summarized in this report is inaccurate or incomplete, the results shown could be materially affected and this report may need to be revised.

The actuarial cost method and assumptions used as well as the supporting data and principal plan provisions upon which the valuation is based are set forth in the following report. In my opinion, each actuarial assumption, method, and technique used is reasonable taking into account the experience of the Plan and reasonable expectations. Nevertheless, the emerging costs will vary from those presented in this report to the extent actual experience differs from that projected by the actuarial assumptions.

The calculations reported herein have been made in accordance with the applicable provisions of the Internal Revenue Code. The results of this valuation are applicable only for the current year and are intended to be used only by the plan sponsor for the specific purposes described herein. Accordingly, this report may not be distributed to any third party without Milliman's written consent. Reliance on information contained in this report by anyone for anything other than the intended purpose puts the relying entity at risk of being misled.

Milliman's work is prepared solely for the internal business use of the Hospital. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s):

(a) The Hospital may provide a copy of Milliman's work, in its entirety, to the Hospital's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Hospital.

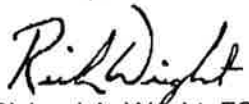
(b) The Hospital may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, all costs, liabilities, and other factors under the Plan were determined in accordance with generally accepted actuarial principles and practices which are consistent with the applicable Actuarial Standards of Practice of the American Academy of Actuaries. I further certify that, to the best of my knowledge, the report is complete and accurate and the information presented herein, in my opinion, fully and fairly discloses the actuarial position of the Plan.

The undersigned is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Sincerely,



Richard A. Wright, FSA, MAAA
Consulting Actuary

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SECTION I. VALUATION SUMMARY

INTRODUCTION

This report sets forth the results of our valuation of the Northern Inyo County Local Hospital District Retirement Plan, as of January 1, 2013. In Section II we furnish certain financial statements and actuarial exhibits of the Fund for the 2012 plan year. Section III presents the determination of the contribution requirement for the 2013 plan year.

A summary of the Plan is set forth in Appendix A, and the actuarial assumptions and cost method used in determining the costs and liabilities are described in Appendix B. The membership data is shown in Appendix C.

HIGHLIGHTS

There were no changes to the plan provisions or the actuarial assumptions since the last valuation.

The projected unit credit normal cost increased from $2,765,936 in last year's valuation to $2,944,970 this year, due primarily to an increase in total payroll. The normal cost as a percentage of payroll remained stable at 14.4%, the same as in last year's valuation.

The investment performance of the fund showed a return of 4.9% for 2012. The average investment return over the last 10 years has been 5.8%. We recommend you consider lowering the funding interest rate from 6.75% to 6.0% or 5.75%. This would increase the recommended contribution.

The Full Funding Limitation is a measure of the funded status of the plan as of the valuation date. It is normally used to determine minimum required contributions and the maximum tax-deductible limit for taxable entities. For the 2013 Plan Year, the Full Funding Limitation would limit contributions to the Plan to $15,856,442 for the year.

The recommended contribution is based on a target funding level of 125% of the Accumulated Benefit Obligation (ABO). The plan's current funding level is 106.9% of ABO, compared with 108.8% as of January 1, 2012. The excess over 125% (or deficit, in the case of this year's valuation) is being amortized over a 20-year period beginning on January 1, 2012. The applicable amortization amount for the year is added to the current year's ABO normal cost to determine the recommended contribution for the year.

For the 2013 plan year, the recommended contribution is $4,152,000, or $346,000 per month if paid in 12 monthly installments during the 7/1/2013-6/30/2014 fiscal year. The recommended contribution has increased over the past year, due to an increase total payroll and also due to an increase in the contribution towards the funding target (125% of ABO).

RESULTS OF VALUATION

The following table summarizes the principal valuation results and compares them with the prior plan year.

	January 1, 2013	January 1, 2012
Number of Participants		
Active – Fully vested	137	133
– Partially vested	101	95
– Nonvested	83	86
– Total	321	314
Part-time employees with accrued benefits	7	10
Disabled employees with accrued benefits	1	1
Terminated vested	55	51
Retired	0	0
Total participants	384	376
Participant Payroll under NRA	$ 20,397,558	$ 19,172,237
Actuarial Liability (PBO)	$ 49,671,113	$ 45,948,795
Funding Target – 125% of Accumulated Benefit Obligation (ABO)	$ 44,167,831	$ 40,665,031
Actuarial Assets	$ 37,762,273	$ 35,387,982
Normal Cost at Beginning of Year	$ 2,944,970	$ 2,765,936
As a percentage of applicable payroll	14.4%	14.4%
Full Funding Limitation	$ 15,856,442	$ 14,226,305
Recommended Contribution	$ 4,152,000	$ 3,888,000
As a percentage of applicable payroll	20.4%	20.3%
Investment Return		
Current annual yield	4.9%	5.9%
Average annual yield for last 5 years	5.9%	6.2%

MONTHLY CONTRIBUTIONS

To satisfy the funding requirement for the 2013 plan year, we recommend the schedule of contributions shown below. Contributions for a fiscal year (July 1 to June 30) are being applied to the plan year (January 1 to December 31) ending within the fiscal year.

Approximate Date of Contribution	Contributions for the 2013 Plan Year
07/15/2013	$ 346,000
08/15/2013	346,000
09/15/2013	346,000
10/15/2013	346,000
11/15/2013	346,000
12/15/2013	346,000
01/15/2014	346,000
02/15/2014	346,000
03/15/2014	346,000
04/15/2014	346,000
05/15/2014	346,000
06/15/2014	346,000
Total	$ 4,152,000

EXHIBIT 1. SUMMARY OF PLAN ASSETS

The valuation assets as of January 1, 2013, are the sum of the accrued balances in the contractual Fixed Dollar Account (GA-928) and the Indexed Bond Fund (account #11344) as of December 31, 2012, maintained by New York Life, plus any accrued but unpaid contributions and minus any distributions payable. The balance in the contractual Pension Account is allocated to retired participants and beneficiaries and is excluded from the valuation. Development of the assets is as follows:

	January 1, 2013	January 1, 2012
Plan Assets		
Fixed Dollar Account (GA-928)	$ 25,289,110	$ 23,754,115
Indexed Bond Fund (Acc. #11344)	10,205,163	9,827,867
Total	$ 35,494,273	$ 33,581,982
Accrued Contributions	2,268,000	1,806,000
Actuarial Assets	$ 37,762,273	$ 35,387,982
Asset Allocation		
Fixed Dollar Account	67.0%	67.1%
Indexed Bond Fund	27.0%	27.8%
Accrued Contributions	6.0%	5.1%
Total	100.0%	100.0%

Note: We have not audited the fund's assets shown above. We have relied on the information furnished by New York Life Insurance Company.

EXHIBIT 2. SUMMARY OF CHANGES IN PLAN ASSETS

Plan assets increase or decrease each year due to employer contributions, investment income, benefit payments to retiring participants, plan expenses paid by the trust fund, and any realized and unrealized gains and losses from investments.

	PLAN YEAR ENDING	
	December 31, 2012	December 31, 2011
Beginning Balance	$ 33,581,982	$ 32,609,039
Additions:		
Employer contributions	3,426,000	3,288,000
Investment income	1,713,050	1,958,354
Experience adjustment	29,186	0
Total	5,168,236	5,246,354
Subtractions:		
Benefit payments	(3,209,923)	(4,084,868)
Expenses & related charges	(46,022)	(42,413)
Experience adjustment	(0)	(146,130)
Total	(3,255,945)	(4,273,411)
Ending Balance	$ 35,494,273	$ 33,581,982

EXHIBIT 3. HISTORICAL RETURNS ON PLAN ASSETS

The following table shows the historical return on plan assets since 1993:

Plan Year	Return
2012	4.93%
2011	5.94%
2010	5.88%
2009	5.97%
2008	6.53%
2007	6.71%
2006	5.57%
2005	5.32%
2004	5.84%
2003	5.41%
2002	8.18%
2001	7.33%
2000	8.48%
1999	4.42%
1998	7.90%
1997	8.64%
1996	5.70%
1995	12.16%
1994	2.89%
1993	8.89%
Average for last 5 years	5.85%
Average for last 10 years	5.81%

The actuarial valuation rate for the 2013 plan year is 6.75%.

EXHIBIT 4. PRESENT VALUE OF ACCUMULATED PLAN BENEFITS (ABO)

The present value of accumulated plan benefits (also known as the Accumulated Benefit Obligation or ABO) is the value of benefits that have been accrued to date.

	As of January 1, 2013	As of January 1, 2012
Vested Benefits		
Active participants	$ 29,270,662	$ 27,935,229
Part-time participants with accrued benefits	207,013	232,125
Terminated vested participants	4,292,159	2,876,220
Disabled participants	19,862	18,168
Participants currently receiving payments	0	0
Total	$ 33,789,696	$ 31,061,742
Nonvested Benefits	1,544,569	1,470,283
Total	$ 35,334,265	$ 32,532,025
Valuation Assets	$ 37,762,273	$ 35,387,982
Funding Ratio	106.9%	108.8%

EXHIBIT 5. CHANGES IN ACCUMULATED PLAN BENEFITS

The changes in the present value of accumulated plan benefits for the last two plan years are summarized below.

	PLAN YEAR ENDING	
	December 31, 2012	December 31, 2011
Beginning of Year	$ 32,532,025	$ 30,533,449
Benefits accumulated and actuarial experience	3,816,251	4,022,436
Increase for interest due to the decrease in the discount period	2,195,912	2,061,008
Plan amendment	0	0
Change in actuarial assumptions	0	0
Benefits paid	(3,209,923)	(4,084,868)
End of Year	$ 35,334,265	$ 32,532,025

EXHIBIT 6. DEVELOPMENT OF NORMAL COST

The normal cost is calculated according to the actuarial cost method. Under the projected unit credit cost method, the normal cost is equal to the value of the benefits accrued during the year based on compensation projected to retirement. The normal cost is as follows:

	PLAN YEAR BEGINNING	
	January 1, 2013	January 1, 2012
Normal cost as of beginning of plan year	$ 2,944,970	$ 2,765,936
Estimated payroll for plan participants	20,397,558	19,172,237
Normal Cost as % of payroll	14.4%	14.4%
Normal cost as of end of plan year	3,143,755	2,952,637

EXHIBIT 7. ACTUARIAL LIABILITY (PBO)

In the Projected Unit Credit method, the actuarial liability is equal to that portion of an employee's projected benefit that is allocated to past service periods and includes the value of assumed future compensation increases. This is also known as the Projected Benefit Obligation or PBO. Any actuarial liability in excess of the plan's assets is called an unfunded liability.

	As of January 1, 2013	As of January 1, 2012
Actuarial Liability (PBO)		
Active participants	$ 45,152,079	$ 42,822,282
Part-time participants with accrued benefits	207,013	232,125
Terminated vested participants	4,292,159	2,876,220
Disabled participants	19,862	18,168
Participants currently receiving payments	0	0
Total	$ 49,671,113	$ 45,948,795
Actuarial Assets	$ 37,762,273	$ 35,387,982
Unfunded Actuarial Liability	$ 11,908,840	$ 10,560,813

EXHIBIT 8. FULL FUNDING LIMITATION

The full funding limitation is defined by the Internal Revenue Code and limits minimum required and maximum deductible contributions of well-funded retirement plans.

	PLAN YEAR ENDING	
	December 31, 2013	December 31, 2012
Actuarial Liability	$ 49,671,113	$ 45,948,795
Normal Cost	2,944,970	2,765,936
Total	$ 52,616,083	$ 48,714,731
Actuarial assets	$ 37,762,273	$ 35,387,982
Full Funding Limitation, beginning of year	$ 14,853,810	$ 13,326,749
Interest	1,002,632	899,556
Full Funding Limitation, end of year	$ 15,856,442	$ 14,226,305

EXHIBIT 9. RECOMMENDED CONTRIBUTION

The recommended contribution targets a funding level of 125% of the Accumulated Benefit Obligation (ABO). Since the plan is currently funded less than 125% of ABO, the deficit is amortized over a 20 year period starting from January 1, 2012 (i.e. 19 years remaining as of January 1, 2013). The recommended contribution is reduced, if necessary, to the Full Funding Limitation.

	PLAN YEAR ENDING	
	December 31, 2013	December 31, 2012
Target Surplus		
Accumulated Benefit Obligation (ABO)	$ 35,334,265	$ 32,532,025
Funding Target %	x 125%	x 125%
Funding Target (125% of ABO)	$ 44,167,831	$ 40,665,031
Actuarial Assets	37,762,273	35,387,982
Excess / (deficit)	$ (6,405,558)	$ (5,277,049)
Recommended Contribution		
ABO Normal Cost	$ 3,319,966	$ 3,189,486
Amortization of (Excess) / Deficit	569,730	457,592
Total as of beginning of year	$ 3,889,696	$ 3,647,078
Interest	262,554	246,178
Total as of end of year	$ 4,152,250	$ 3,893,256
Full Funding Limitation, end of year	$ 15,856,442	$ 14,226,305
Recommended Contribution	$ 4,152,250	$ 3,893,256

APPENDIX A. SUMMARY OF PENSION PLAN

The following paragraphs are only a brief summary of the more important provisions of the plan. In the event there are any inconsistencies between statements contained in this Appendix and the plan document, the provisions of the plan document shall control.

Effective Date: March 1, 1975; last restatement January 1, 2009.

Plan Eligibility: An employee becomes a participant of the plan on the earliest January 1 or July 1 following the later of attainment of age 21 and completion of 1 year of service.

Vesting: 50% vesting after 5 years of Credited Service increasing 10% per year until 100% vested after 10 years of service. Active participants automatically become 100% vested upon attainment of normal retirement age or if they become totally and permanently disabled.

Normal Retirement Date: The first day of the month coinciding with or following the later of Participant's attainment of age 65 or completion of 5 years of plan participation. However, the Normal Retirement Date shall not be later than age 70.

Normal Retirement Benefit: 2.50% of Average Annual Compensation multiplied by years of Credited Service, but not less than $600.

Average Annual Compensation: Average of annual compensation for the highest consecutive 36-month period preceding the determination date. Compensation includes wages, shift differential, standby pay, and 50% of the value of any unused and unpaid sick leave existing at the time of termination of employment, and accrued after April 26, 1997.

Accrued Benefit: Normal Retirement Benefit prorated on credited service.

Normal Form of Retirement Benefit: Life Annuity.

Early Retirement: The first day of the month coinciding with or following the Participant's attainment of age 55 and completion of at least 5 years of credited service. Then the normal retirement benefit will be reduced by 5/9% for each of the first 60 months and 5/18% for each additional month that payment starts before normal retirement age.

Pre-Retirement Death Benefit: If a vested participant dies prior to retirement, his or her beneficiary will receive the actuarially determined present value of his or her accrued benefit.

APPENDIX B. ACTUARIAL COST METHOD AND ASSUMPTIONS

The following cost method and assumptions were used in valuing the benefits of all participants.

	January 1, 2013	January 1, 2012
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit
Funding Interest Rate		
Pre-retirement	6.75%	6.75%
Post-retirement	Based on Date of Participation DOP Before 7/1/2009: 8.00% DOP On/After 7/1/2009: 6.50%	Based on Date of Participation DOP Before 7/1/2009: 8.00% DOP On/After 7/1/2009: 6.50%
Salary Scale	6.00%	6.00%
Administrative Expenses	None.	None.
Mortality	Based on Date of Participation DOP Before 7/1/2009: 1984 UP Mortality Table set back 4 years. DOP On/After 7/1/2009: RP-2000 Table for Males set back 4 years.	Based on Date of Participation DOP Before 7/1/2009: 1984 UP Mortality Table set back 4 years. DOP On/After 7/1/2009: RP-2000 Table for Males set back 4 years.
Disability		
Disablement Rate	None.	None.
Disabled Annuitants Mortality	None.	None.
Withdrawal Rates	Table T-8, The Actuary's Pension Handbook, Crocker-Sarason-Straight.	Table T-8, The Actuary's Pension Handbook, Crocker-Sarason-Straight.
Retirement Age	The later of age 65 or the 5th anniversary of date of participation; or age 70, if earlier.	The later of age 65 or the 5th anniversary of date of participation; or age 70, if earlier.
Asset Valuation Method	Market value	Market value

APPENDIX C. SUMMARY OF PARTICIPANT DATA

Active Participants

	NUMBER OF PARTICIPANTS			ANNUAL SALARIES		
Age	Males	Females	Total	Males	Females	Total
Under 25	2	3	5	$ 56,553	$ 81,037	$ 137,590
25 - 29	5	14	19	267,008	621,391	888,399
30 - 34	8	25	33	733,193	1,260,108	1,993,301
35 - 39	9	15	24	667,334	791,825	1,459,159
40 - 44	6	15	21	369,193	895,754	1,264,947
45 - 49	8	23	31	657,225	1,419,863	2,077,088
50 - 54	11	52	63	903,415	3,470,110	4,373,525
55 - 59	12	57	69	892,781	3,993,293	4,886,074
60 - 64	5	35	40	394,819	2,345,369	2,740,188
65 - 69	7	8	15	957,280	496,761	1,454,041
70 & Over	0	1	1	0	35,315	35,315
Total	73	248	321	$ 5,898,801	$ 15,410,826	$ 21,309,627

Other Participants

	NUMBER OF PARTICIPANTS			ANNUAL BENEFITS		
Participant Status	Males	Females	Total	Males	Females	Total
Part-time	1	6	7	$ 1,992	$ 33,420	$ 35,412
Disabled	0	1	1	0	2,179	2,179
Terminated Vested	9	46	55	73,872	560,318	634,190
Retired	0	0	0	0	0	0
Total	10	53	63	$ 75,864	$ 595,917	$ 671,781

APPENDIX D. RECONCILIATION OF PARTICIPANT DATA

	PART-TIME					
	Actives	w/Ben	w/o Ben	Term Vesteds	Disableds	Total w/Ben
As of 1/1/2012	314	10	4	51	1	376
New entrants	17					17
Return to active	7	(4)				3
Move to part-time	(1)	1				
Non-vested withdrawals	(3)		(1)			(3)
Vested withdrawals	(7)			7		
Disability						
Deaths						
Annuity purchases	(1)			(1)		(2)
Lump sum payouts	(5)			(2)		(7)
Other						
As of 1/1/2013	321	7	3	55	1	384

APPENDIX E. GLOSSARY OF KEY TERMS

Accumulated Benefit Obligation (ABO). The present value of benefits accrued as of the valuation date. The ABO includes both vested and nonvested benefits, but does not include the cost of additional service or compensation increases after the valuation date.

Actuarial Cost Method. A method of allocating the present value of benefits to past and future periods. Actuarial cost methods generally take into consideration the effect of wage inflation.

Actuarial Gains and Losses. Changes to the funded status due to deviations from the actuarial assumptions. The deviations may result from gains and losses from investments, employee turnover, disability, retirement, mortality, and administrative expenses.

Funded Status. A comparison of the plan assets against liabilities for future benefits. The funded status will differ depending on which benefit liability is being compared. For example, the accrued liability can include the value of future compensation increases, but the present value of accumulated benefits does not. The funded status is also dependent on the interest rate used to discount future benefits back to the present.

Funding Target. For this plan, the funding target has been set by the plan sponsor to be equal to 125% of the Accumulated Benefit Obligation (ABO).

Normal Cost. The value of benefits earned for one year of service. The "projected unit credit normal cost" is calculated in accordance with the actuarial cost method. The ABO normal cost is the increase in the ABO due to one additional year of service and one additional year of compensation increases.

Present Value of Accumulated Benefits. This is the same as the ABO. This includes both vested and nonvested benefits, but does not include the cost of additional service or compensation increases after the valuation date.

Projected Benefit Obligation (PBO). The present value of benefits allocated to past service in accordance with the projected unit credit cost method. The PBO includes both vested and nonvested benefits. The PBO includes the value of future compensation increases, but does not include the cost of additional service after the valuation date.

Vested Benefits. These include benefits to which a plan participant has earned a nonforfeitable right as a result of having satisfied the applicable service requirement(s) for such benefits under the plan, which include normal retirement benefits, early retirement benefits, and the pre-retirement spouse's survivor annuity.

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Patty Dickson

From: Patty Dickson
Sent: Saturday, June 08, 2013 8:35 AM
To: Sandy Blumberg
Cc: Natalia Zarzhevsky; Sherry Nostrant; David Kim; Frank Hourani; Krissy Alcala; Marci Boyd
Subject: Request for purchase: GE Logic E9

Greetings NIH Board of Directors,

Both of the GE US machines in use in the department are over 11 years old and past their "end-of-life," per the manufacturer.

The Radiologists and Ultrasound (US) technologists have undergone a thorough evaluation of US machines manufactured by GE, Toshiba, Phillips and Siemens. In 2012, we selected the Toshiba for the replacement of one of the two GE US machines currently in use in the department. After using the Toshiba for the last several months, the Radiologist and technologists feel strongly that they would not recommend the purchase of a second Toshiba. While the Toshiba US equipment provides quality studies, there are areas where the GE US machine will out-perform the Toshiba.

Areas of superior performance:

1. GE has superior tissue differentiation in some cases. This allows for better visualization of the target organ from the background tissues.

2. GE provides organ-specific advantages. For example, GE US allows demonstration of hepatic echogenicity and echo-texture (how the liver looks on US) in better detail and allows for more precise description and diagnosis of liver abnormalities.

3. GE has better penetration of tissue in large patients.

4. GE has increased differentiation between the organ of interest and the background tissues which can allow for more accuracy in measurements.

5. The GE equipment has a focal zone (area in focus) that includes everything in the field of view, which can be advantageous over the Toshiba, which has a fixed area, or limited, focal zone (useful in some exams).

6. GE has a wider field of view and more "horse-power" – which allows for triplex imaging, needed for the highest quality vascular exams.

7. GE has "B flow" as a standard feature, which allows imaging the blood flow through the vessel without artifacts such as "bleeding through the vessel walls."

8. The GE equipment is more user friendly, allowing the technologists to perform their exams with less button-pushing, equating to less time scanning the patients.

9. The GE equipment has a monitor that will raise and adjust, allowing for ergonomically correct scanning for both tall and not-so-tall technologists.

10. The GE equipment allows for demographic and historic data entry corrections. Technologists can correct data entry errors and retroactively correct information provided by patients that are poor historians. The GE equipment will also allow us to recalculate the relevant biometrical study parameters based on the corrected demographic/biophysical parameters, as become available, without the need to repeat the exam or rescan the patient.

11. GE has always provided excellent service and tech support and has an added feature that allows support to link directly to the GE machine to assist with troubleshooting equipment.

Images demonstrating the differences listed above can be made available, if requested. These do not reproduce well on paper copies, so are not included in this packet.

We believe the differences listed above are of great importance to continue providing the excellent patient care at the NIH Imaging department and justify the additional costs of the GE US equipment.

We appreciate your time and consideration of this information. Please contact Natalia Zarzhevsky or Patty Dickson if you have any additional questions or concerns.

Thank you,

Natalia Zarzhevsky, M.D., Ph.D.
Patty Dickson, RT (R, M, N), Radiology Manager
Sherry Nostrant, ARDMS
David Kim, ARDMS
Frank Hourani, ARDMS
Krissy Goodwin, ARDMS
Marci Boyd, ARDMS

GE Healthcare

QUOTATION

Quotation Number: P3-C165944 Version 4

Northern Inyo Hospital
150 Pioneer Ln
Bishop CA 93514-2556

Attn: Patty Dickson
150 Pioneer Ln
Bishop CA 93514

Date: 05-02-2013

This Agreement (as defined below) is by and between the Customer and the GE Healthcare business ("GE Healthcare"), each as identified herein. GE Healthcare agrees to provide and Customer agrees to pay for the Products listed in this GE Healthcare Quotation ("Quotation"). "Agreement" is defined as this Quotation and the terms and conditions set forth in either (i) the Governing Agreement identified below or (ii) if no Governing Agreement is identified, the following documents:

1) This Quotation that identifies the Product offerings purchased or licensed by Customer;

2) The following documents, as applicable, if attached to this Quotation: (i) GE Healthcare Warranty(ies); (ii) GE Healthcare Additional Terms and Conditions; (iii) GE Healthcare Product Terms and Conditions; and (iv) GE Healthcare General Terms and Conditions.

In the event of conflict among the foregoing items, the order of precedence is as listed above.

This Quotation is subject to withdrawal by GE Healthcare at any time before acceptance. Customer accepts by signing and returning this Quotation or by otherwise providing evidence of acceptance satisfactory to GE Healthcare. Upon acceptance, this Quotation and the related terms and conditions listed above (or the Governing Agreement, if any) shall constitute the complete and final agreement of the parties relating to the Products identified in this Quotation. The parties agree that they have not relied on any oral or written terms, conditions, representations or warranties outside those expressly stated or incorporated by reference in this Agreement in making their decisions to enter into this Agreement. No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding unless hereafter agreed to in writing by authorized representatives of both parties. Each party objects to any terms inconsistent with this Agreement proposed by either party unless agreed to in writing and signed by authorized representatives of both parties, and neither the subsequent lack of objection to any such terms, nor the delivery of the Products, shall constitute an agreement by either party to any such terms.

By signing below, each party certifies that it has not made any handwritten modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

- Terms of Delivery: FOB Destination
- Quotation Expiration Date: 05-31-2013
- Billing Terms: 80% delivery / 20% Installation
- Payment Terms: NET 30
- Governing Agreement: AmeriNet

RETURN TO: GE Ultrasound OTR, 9900 Innovation Dr, Wauwatosa, WI 53226.
Each party has caused this Agreement to be signed by an authorized representative on the date set forth below.
www.gehealthcare.com

GE HEALTHCARE _____
Paul Menth Date

CUSTOMER

_____
Customer Authorized Representative Date

_____
Print Name

_____
Title

INDICATE FORM OF PAYMENT:

(If there is potential to finance with a lease transaction, GE HFS or otherwise, select lease.)

____ Cash * ____ Lease ____ HFS Loan

If financing please provide name of finance company below*:

_____

*Selecting Cash or not identifying GE HFS as the finance company declines option for GE HFS financing.

Quotation Number: P3-C165944 Version 4

Item No.	QTY	CATALOG	DESCRIPTION	Ext Sell Price
	1		**New LOGIQ E9 with XDclear**	
1	1	H4913YA	Current Customer Package - New LOGIQ E9 with XDclear and Scan Assistant Current Customer Package for existing GE ultrasound customers. New LOGIQ* E9 with XDclear console including Scan Assistant plus $20,000 off console list price. Through the combination of extraordinary images, easy workflow and expert tools, the New LOGIQ E9 with XDclear provides the latest GE technology to help deliver enhanced confidence and workflow efficiency every day across a variety of challenging exams. Innovative Features: Agile Acoustic Architecture with flexible clinically based mathematical models of the body for enhanced image quality, XDclear transducer technology capabilities . Includes B-Flow*, technology to visualize real-time hemodynamic flow and vessel wall definition. Includes Compare Assistant, a workflow enhancement tool that enables easy side by side comparison of previous ultrasound or other modality with live ultrasound image. Also included: CrossXBeam* (Spatial Compounding), SRI HD (Speckle Reduction Imaging in High Definition) with Organ Specific Imaging, and Coded Harmonics. Productivity can be enhanced through many features such as Raw Data for post-processing of images, Automatic Optimization, Virtual Convex, and Advanced 3D (w/ multiplanar displays). Advanced ergonomics including 19" color flat panel monitor (1280x1024) with fully articulating arm, motorized fully adjustable console, 10.4" color LCD touch screen, four active transducer ports with patented cable hook. Scanning modes include B-Mode, M-Mode, Color Flow, Pulsed Wave, and Power Doppler. Other system features include: 750MB cine memory, 250GB internal hard drive, DVD-R, image archive, built-in gel warmer, user footrest and integrated on-board black and white printer bay, and user programmable model parameters. Comprehensive software annotation, calculations, and worksheets supporting obstetrical, gynecological, vascular and general imaging applications. Includes a DICOM** software package providing Verify, Print, Store, Multiframe, Modality Worklist, MPPS (Modality Performed Procedure Step), Storage Commitment, and Media Exchange. Additionally, supports Query/Retrieve and Structured Reporting. Does not include network hardware, which may be required. Includes initial installation and connection to customer network. Includes one-year warranty and three days of	$116,600.00

Quotation Number: P3-C165944 Version 4

Item No.	QTY	CATALOG	DESCRIPTION	Ext Sell Price
			On-site Applications Training. Additional On-site Applications Training days are available for purchase. Attendance to advanced technology training at the GE Healthcare Education Center in Metro Milwaukee can be purchased separately. Customer workflow permitting and abiding by SDMS criteria, sonographer install CE's may be provided during install training. *Trademark of General Electric Company. **Third party trademarks are the property of their respective owners.	
2	1	H40472LT	C1-6-D XDclear Transducer XDclear is GE's highest performing transducer technology which is a proprietary combination of advanced materials and innovative acoustic design. Convex transducer with XDclear technology helps achieve impressive depth on patients with difficult body habitus. Applications: abdominal, obstetrics, gynecological, urology, and vascular. Biopsy kit available.	$8,360.00
3	1	H40442LK	IC5-9-D Micro-convex Intracavitary Transducer Broad-spectrum micro-convex intracavitary transducer. Applications include: obstetrics, gynecological, and urological. Biopsy kit available.	$4,560.00
4	1	H40442LM	9L-D Linear Transducer Broad-spectrum linear transducer. Applications include: vascular, small parts, pediatric, and abdomen. Biopsy kit available.	$5,320.00
5	1	H40452LG	ML6-15-D Matrix Linear Array Transducer Matrix array broad-spectrum linear transducer. Applications include: small parts, vascular, pediatrics, neonatal, breast, thyroid, scrotal. Biopsy kit available.	$6,840.00
6	1	H4913SD	S1-5-D sector Transducer Broad-spectrum sector transducer. Applications: abdominal, obstetrics, and gynecological. Biopsy kit available.	$6,840.00
7	1	H4913AM	LOGIQ E9 OB Measure Assistant OB-specific measurement tool for measurement intensive studies. With user guidance, this technology allows automatic measurement of BPD, HC, FL and AC obstetrical measurements.	$4,750.00

QUOTATION

Quotation Number: P3-C165944 Version 4

Item No.	QTY	CATALOG	DESCRIPTION	Ext Sell Price
8	1	H4908LW	LOGIQVIEW Integrated, extended field of view B-mode imaging with measurement capability. Available on all linear and convex transducers.	$4,750.00
9	1	H4913WL	LOGIQ E9 Wireless version 2 Integrated wireless capability allows for wireless DICOM transfer within a 802.11 b,g,n wireless network.	$532.00
10	1	H41392LZ	Sony UP-897MD Digital B&W Printer -- On board Sony UP897 B&W thermal printer for integrated mounting into the LOGIQ E9 console. Includes accessories. Uses E8310KD paper.	$570.00
			Quote Summary:	
			Total Quote Net Selling Price	**$159,122.00**
			(Quoted prices do not reflect state and local taxes if applicable.)	

TOSHIBA
Leading Innovation >>>

TOSHIBA AMERICA MEDICAL SYSTEMS, INC.

QUOTATION/ORDER ORDER SUMMARY

SID NO: 30005867
DATE: 4/24/2013 QUOTE NO: 27837

PRESENTED TO: (COMPLETE LEGAL NAME)

NORTHERN INYO HOSPITAL
150 PIONEER LN
BISHOP, CA. 93514

DELIVER TO:

NORTHERN INYO HOSPITAL
150 PIONEER LN
BISHOP, CA. 93514

EQUIPMENT SUMMARY:

TUS-A500.000

APLIO™ 500 ULTRASOUND IMAGING SYSTEM

DICOM

RELIANCE TECHNOLOGY PROTECTION PROGRAM

RELIANCE EXTENDED WARRANTY

MULTI-FREQUENCY LINEAR TRANSDUCER, SMALL PARTS

MULTI-FREQUENCY LINEAR TRANSDUCER

MULTI-FREQUENCY CONVEX TRANSDUCER

MULTI-FREQUENCY CONVEX ENDOVAGINAL TRANSDUCER

This quotation shall remain valid until June 26, 2013.
All prices are F.O.B. destination.
Payment terms are: Cash - 0% down payment, 80% upon shipment, 20% net 30 days after shipment or upon availability for first use by purchaser, whichever comes first.

Additional terms and conditions appear at the end of this quotation. McKesson Agreement Required _____Yes _____No
Vital Software License Agreement Required _____Yes _____No
Please return signed quotation to: Toshiba America Medical Systems, 2441 Michelle Drive, Tustin, CA 92780.

ACCEPTED AGREED AND ORDERED:

CUSTOMER REQUESTED DELIVERY DATE: _____ _____ _____
TOSHIBA REP/CONTACT DATE

_____ _____ _____ _____
PURCHASER'S SIGNATURE/TITLE DATE ZONE SALES MANAGER DATE

TOSHIBA
Leading Innovation >>>

TOSHIBA AMERICA MEDICAL SYSTEMS, INC.

QUOTATION/ORDER
ORDER SUMMARY

SID NO: 30005867
DATE: 4/24/2013 QUOTE NO: 27837

PRESENTED TO: (COMPLETE LEGAL NAME)

NORTHERN INYO HOSPITAL
150 PIONEER LN
BISHOP, CA. 93514

EQUIPMENT SUMMARY: (continued)

MECHANICAL 4-D KIT / MD-TEE KIT

PANORAMIC VIEW

GEL WARMER

WALL MOUNTED PROBE RACK (HOLDS FOUR PROBES)

QUOTATION/ORDER
ORDER DETAIL

SID NO: 30005867
DATE: 4/24/2013 QUOTE NO: 27837

PRESENTED TO:

NORTHERN INYO HOSPITAL
150 PIONEER LN
BISHOP, CA. 93514

Special Information & Terms

- This quotation/order will be subjected to the Agreement for Ultrasound equipment products between Amerinet and Toshiba America Medical Systems, Inc., Reference contract no. VQ10220
- Includes 36 month Service Warranty.
- This quotation price is contingent on system delivery by June 26, 2013.

TUS-A500.000 **APLIO 500 ULTRASOUND IMAGING SYSTEM**

Toshiba's flagship ultrasound system, the Aplio™ 500, features industry-first, technological developments that provide premium image quality and operator effectiveness never before available.

High-density beamformer architecture uses the most advanced digital signal-processing technology and forms the foundation for advanced, real-time imaging applications and breakthrough technologies to see more and do more in the diagnosis and treatment of patients.

High density rendering enables comprehensive 3-D/4-D imaging to extend diagnostic capabilities, delivering unrivaled detail and resolution.

iStyle™+ Productivity Suite features the industry's most customizable user interface, along with numerous other workflow automation tools designed for operator comfort, efficiency and effectiveness.

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SID NO: 30005867
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PRESENTED TO:

NORTHERN INYO HOSPITAL
150 PIONEER LN
BISHOP, CA. 93514

STANDARD COMPONENTS

- Aplio 500 Ultrasound Imaging System
- Tissue Doppler Imaging (TDI)
- ApliPure+™
- Differential Tissue Harmonic Imaging (D-THI)
- Precision Imaging
- Quick Start Presets
- Quick Scan
- Trapezoid Imaging
- Advanced Dynamic Flow™ (ADF)
- Tissue Specific Optimization (TSO)
- Auto-Intima Media Thickness (A-IMT)
- 19" LCD monitor with articulated arm and handle
- Built-in DVD/CD drive with writer
- 5 USB Ports

KEY FEATURES

Extraordinary Image Quality

Toshiba's new image architecture – **High-Density Beamformer** – provides unprecedented image resolution and detail. This enables Aplio to deliver information quickly and reliably through an array of unique imaging technologies, including the following:

Next-Generation Precision Imaging
A multi-resolution signal-processing technique that enhances the definition of structures and sharpens borders to separate clinical information from clutter and noise for a more accurate representation of patient anatomy.

Differential Tissue Harmonic Imaging (D-THI)
An exclusive Toshiba patented technology, D-THI works with BT technology transducers. It provides improved visualization and definition of lesions, cysts and subtle tissue characteristics while scanning at increased depth and on difficult-to-image patients.

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BISHOP, CA. 93514

ApliPure™
The next generation of real-time compound-imaging technology. ApliPure uses simultaneous spatial and frequency compounding to deliver images of outstanding clarity and detail.

Tissue Specific Optimization (TSO)
Automatically corrects for the speed of sound through different tissues; particularly helpful for difficult-to-image patients.

Advanced Dynamic Flow
Provides high-resolution color imaging of micro-vessels within tumors and organs. Provides superior resolution compared to conventional color or power Doppler by applying the same ultra-high bandwidth normally used in grayscale to Doppler signal processing.

High Density Rendering
3-D/4-D volume imaging provides an ultra-high-level of 3-D detail and resolution. Captures volume data sets at high-volume rates for shorter exam times and greater productivity.

Auto-IMT
Provides a measurement of the intima-media thickness of the arterial wall to detect the presence and track the progression of atherosclerotic disease.

Outstanding Operability
iStyle+ Productivity Suite automates workflow and optimizes ergonomics.

Customizable User Interface
The main panel and touch-control screen (TCS) is fully customizable. Virtually all keys can be reassigned to meet individual needs, reduce learning curves and operator fatigue, and enhance workflow.

Quick Start Presets
Streamline workflow with the fully programmable sub-presets menu, which allow you to optimize image quality and color flow for a specific clinical target with a single touch of a button.

Quick Scan
Optimize 2-D image quality in all modes with a single touch. Equalizes thousands of image points, forming an image with balanced tissue brightness throughout the field-of-view.

Reliance Technology Protection Program
This quotation includes the Reliance Technology Protection Program for a full 36 months from the time of purchase.

Included in the plan is one software update per year to keep customers at the latest technology level. Hardware upgrades and options not covered. Whenever possible, installation will coincide with the preventive maintenance.

GENERAL HARDWARE DESCRIPTION

Display
- 19" LCD monitor with articulated arm and handle
- Programmable, touch-command screen restores preset adjustments with one touch

Main Panel
- Fully adjustable to provide ideal interaction whether sitting or standing. Moves:
  - Up and down
  - In and out
  - Side to side
- Functions grouped around central palm controller
- Customizable to application demands and user preferences
- Programmable main panel, screen layout and touch-control screen menu
- Advanced imaging and application presets

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ORDER DETAIL

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150 PIONEER LN
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Transducers

- Ergonomic, lightweight transducers with innovative shapes and super-flexible cables designed for superior image quality
- Six probe holders eliminate transducer changeover time
- Four active ports provide convenient transducer access for faster exams and increased throughput

Connectivity

Extensive communication and data management capabilities enable seamless integration into hospital and research environments including the following DICOM functions:

- Media Storage
- Verification
- Storage
- Print
- Storage Commitment
- MULTI FRAME (Network Transfer)
- MWM (Modality Worklist Management)
- Query/Retrieve
- MPPS (Modality Performed Procedure Step)
- Structured Reporting

Image Maker Express

The Image Maker Express is an online marketing resource designed exclusively for Toshiba customers that helps create outreach programs to generate awareness about imaging services.

- Includes positioning and messaging guides to help strategize communications efforts and tactics
- Contains product information, ready-to-use collaterals and ideas for creating custom materials to promote new imaging capabilities

Image Maker Express provides access to:

- Product images
- Clinical images
- PowerPoint presentations
- Sample brochures
- Sample press releases
- Marketing strategy tutorials
- Tips on effective presentations
- Updates at www.imagemaker.toshiba.com/express

**Offerings may vary per product*

APPLICATIONS SUPPORT

Developed with customer input, Toshiba's innovative support programs have resulted in increased customer satisfaction. These include the following:

Technical Assistance

Customer support specialists are available 24/7 to help resolve technical issues in real time. Application support specialists are also available to assist staff with protocol and image-quality issues.

Local Customer Teams

A single call mobilizes a local team of Toshiba customer engineers. With an average of 10 years of Toshiba experience and 105 hours of specialized training, they can resolve almost any performance issue.

Parts Support

A complete inventory of product parts is ready for shipment when and where they are needed, any time of day or night.

QUOTATION/ORDER
ORDER DETAIL

SID NO: 30005867
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150 PIONEER LN
BISHOP, CA. 93514

Training
Included with the purchase of Aplio is training conducted by Toshiba applications specialists registered with the American Registry of Diagnostic Medical Sonographers (ARDMS).

Training includes:

- Two days of on-site applications training
- One day of on-site follow-up applications training

Clinical Education Program
Toshiba customers receive access to the CME resources on SonoWorld via SonoBucks vouchers. Toshiba makes the SonoBucks vouchers available as an add-on to equipment and service sales, allowing customers to make a one-stop purchase of both products and education.

Additional On-Site Training
Available for purchase.

QUOTATION/ORDER
ORDER DETAIL

SID NO: 30005867
DATE: 4/24/2013 QUOTE NO: 27837

PRESENTED TO:

NORTHERN INYO HOSPITAL
150 PIONEER LN
BISHOP, CA. 93514

COMPONENT SUMMARY:

APLIO™ 500 ULTRASOUND IMAGING SYSTEM

DICOM

Supports a variety of timed and gated multi-frame DICOM capabilities including:

- Verification SCU/SCP
- Storage SCU
- Modality Worklist Management SCU to support operations with HIS/RIS systems
- Storage SCU to allow studies to be stored to Aplio from remote systems such as Storage Commitment SCU and MPPS SCU workflow management and data

RELIANCE TECHNOLOGY PROTECTION PROGRAM

UL-TUS500EW **RELIANCE EXTENDED WARRANTY**

The Reliance Extended Warranty Program increases the warranty period from 12 months to 36 months.

Aplio 500 units provide a 3-year warranty on the base system. During the second and third year of the warranty, up to two (2) standard transducers, for both years combined, will be replaced, if needed, due to defect (excludes consumables, vended items, TEE transducers and 4-D transducers).

Toshiba America Medical Systems, Inc. provides service labor coverage during the initial thirty-six (36) month warranty period at no charge to the customer between the hours of 8 a.m. - 5 p.m., Monday through Friday, excluding federal holidays.

QUOTATION/ORDER
ORDER DETAIL

SID NO: 30005867
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PRESENTED TO:

NORTHERN INYO HOSPITAL
150 PIONEER LN
BISHOP, CA. 93514

PLT-1204BT **MULTI-FREQUENCY LINEAR TRANSDUCER, SMALL PARTS**

For:
- Small parts
- Breast
- Musculoskeletal
- Vascular (Doppler)

Model: PLT-1204BT
Imaging Frequencies: 14.0/12.0/9.3/8.0/7.2/T14.0/T12.0/T10.0/T8.0/T7.0 MHz
D-THI Frequencies: 18.0/14.0/13.0 MHz
Doppler Frequencies: 10.0/8.9/8.8/7.3/7.2/6.2/6.1/5.3 MHz
Applicable modes: B/PS-THI/D-THI/CDI/TDI/ADF/PWD/ApliPure/ ApliPure+
Biopsy adapter: Same as for PLT-1204AT: CIVCO 680-088 (TG-4)

Prerequisite: Differential Tissue Harmonic Imaging (DTHI) required for 18MHz frequency

Note: DTHI and 18MHz frequency is not available on Viamo Systems

PLT-704SBT **MULTI-FREQUENCY LINEAR TRANSDUCER**

7.5MHz linear transducer for vascular imaging providing high resolution and sensitivity.
- Multifrequency: 11.0/10.0/8.6/6.2/4.8/T8.4/T7.6/T7.2/T6.6/T6.2 MHz
- D-THI Frequency : 9.0/8.0 MHz
- Doppler Frequencies : 8.0/7.2/6.1/5.3/4.7/4.4 MHz
- Field Width: 38 mm

QUOTATION/ORDER
ORDER DETAIL

SID NO: 30005867
DATE: 4/24/2013 QUOTE NO: 27837

PRESENTED TO:

NORTHERN INYO HOSPITAL
150 PIONEER LN
BISHOP, CA. 93514

PVT-375BT/FS **MULTI-FREQUENCY CONVEX TRANSDUCER**

Specifications:
- 192 elements; 70 degree FOV; 50 mm radius
- Imaging frequencies: 6.0/5.0/4.0/2.8/1.9/T6.0/T5.5/T5.0/T4.0/T3.0 MHz
- D-THI frequencies: 5.0 MHz
- Doppler frequencies: 3.6/3.1/3.0/2.5/2.2/1.8

PVT-661VT **MULTI-FREQUENCY CONVEX ENDOVAGINAL TRANSDUCER**

- Imaging Frequencies: 8.8/7.3/5.8/4.7/3.6/T8.0/T7.2/T6.6/T6.0/T5.6 MHz
- D-THI Frequencies: 7.0/6.0 MHz
- Doppler Frequencies: 6.6/6.2/5.0/4.2/3.6/3.3 MHz

UIMV-A500A **MECHANICAL 4-D KIT / MD-TEE KIT**

A motor-control board required to run the 4-D transducers and motorized multi-plane transesophageal echocardiography package (PET-512MC).

USPV-A500A/EL **PANORAMIC VIEW**

- Allows for the evaluation of vessels, organs and anatomy in a large field-of-view.
- Provides for the collection of more comprehensive data sets for evaluating or identifying enlarged masses, soft tissue abnormalities and foreign bodies.
- Scans at a continuous speed without the need for probe attachments.

UZGW-007A **GEL WARMER**

V0000010 **WALL MOUNTED PROBE RACK (HOLDS FOUR PROBES)**

TOTAL QUOTE PRICE **$121,116.00**
Applicable Sales Tax Additional

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NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT
PRIVATE PRACTICE PHYSICIAN INCOME GUARANTEE AND PRACTICE MANAGEMENT AGREEMENT

This Agreement is made and entered into on August 1, 2013 by and between Northern Inyo County Local Hospital District ("District") and Albert Douglas Will, M.D. ("Physician").

RECITALS

A. District, which is organized and exists under the California Local Health Care District Law, *Health & Safety Code section 32000, et seq.,* operates Northern Inyo Hospital ("Hospital"), a critical access hospital serving northern Inyo County, California, including the communities of Bishop and Big Pine.

B. The District Board of Directors has found, by Resolution No. 09-01, that it will be in the best interests of the public health of the aforesaid communities to obtain a licensed physician who is a board-certified/eligible specialist in the practice of neurology, to practice in said communities, on the terms and conditions set forth below.

C. Physician is a physician and surgeon engaged in the private practice of medicine, licensed to practice medicine in the State of California. Physician desires to relocate his practice ("Practice") to Bishop, California, and practice neurology in the aforesaid communities.

IN WITNESS WHEREOF, THE PARTIES AGREE AS FOLLOWS:

I.
COVENANTS OF PHYSICIAN

Physician shall relocate his Practice to medical offices ("Offices") provided by District at a place to be mutually agreed upon in Bishop, California and shall, for the term of this Agreement, do the following:

1.01. **Services**. Physician shall provide Hospital with the benefit of his direct patient care expertise and experience, and shall render those services necessary to enable Hospital to achieve its goals and objectives for the provision of Neurological Services. The scope of services to be performed by Physician is described in Exhibit A attached hereto and incorporated by reference herein. Physician shall provide Hospital with patient medical record documentation of all direct patient care services rendered hereunder; such documentation shall be submitted to Hospital on an ongoing basis, and shall be in the form, and contain the

information, requested by the Hospital such that a complete medical record can be assembled.

1.02. **Limitation on Use of Space**. No part of any offices provided by the District either by lease or other arrangement shall be used at any time by Physician as anything other than the private practice of Neurology unless specifically agreed to, in writing, by the parties.

1.03. **Medical Staff Membership and Service**: Physician shall:

a) Obtain and maintain Provisional or Active Medical Staff ("Medical Staff") membership with privileges in Neurology sufficient to support a full time Neurological practice, for the term of this Agreement.

b) Physician shall be solely responsible for call coverage for his personal private practice.

c) Maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred, and revenue acquired, pursuant to this Agreement to the extent, and in such detail, as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies, services, and other costs and expenses of whatever nature, for which he may claim payment or reimbursement from the District. Physician acknowledges and agrees that any federal office authorized by law shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of Physician which are relevant to this Agreement, at all reasonable times for a period of four (4) years following the termination of this Agreement, during which period Physician shall preserve and maintain said books, documents, papers, and records. Physician further agrees to transfer to the District, upon termination of this Agreement, any books, documents, papers or records which possess long-term [*i.e.*, more than four (4) years] value to the Hospital. Physician shall include a clause providing similar access in any sub-contract he may enter with a value of more than Ten Thousand Dollars ($10,000) or for more than a twelve (12) month period, when said sub-contract is with a related organization.

d) At all times comply with all relevant policies, rules and regulations of the Hospital, subject to California and federal statutes governing the practice of medicine.

e) District expressly agrees that said services might be performed by such other qualified physicians as the Physician may employ or otherwise provide so long as each such physician has received proper training, is properly licensed, has been granted privileges by the Hospital Medical Staff, and has received approval in writing from the Hospital.

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II.
COVENANTS OF THE DISTRICT

2.01. Hospital Services.

a) Space. Hospital shall make the Offices available for the operation of Physician's Practice either through a direct let at no cost to the physician or through an arrangement with a landlord, also at no cost to the physician, other than the fees retained by the hospital (3.05).

b) Equipment. In consultation with Physician, Hospital shall provide all equipment as may be reasonably necessary for the proper operation and conduct of Physician's practice. Hospital shall repair, replace or supplement such equipment and maintain it in good working order.

2.02. General Services. District shall furnish ordinary janitorial services, maintenance services, and utilities, including telephone service, as may be required for the proper operation and conduct of Physician's Practice.

2.03. Supplies. District shall purchase and provide all supplies as may be reasonably required for the proper treatment of Physician's Practice 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. District shall determine the initial number and types of employees required for the operation of the Practice and place them in the Practice initially. Physician and Hospital will mutually agree to subsequent staffing requirements. Physician shall not be required to maintain any personnel that he does not feel is appropriate for the practice.

2.05. Business Operations. District shall be responsible for all business operations related to operation of the Practice, including personnel management, billing and payroll functions. Physician will provide the appropriate billing codes, which will be used unless changed by mutual consent of the Physician and Hospital. Hospital will incur and pay all operating expenses of the Practice.

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

2.07. Practice Hours. The District desires, and Physician agrees, that Physician's Practice shall operate on a full-time basis, maintaining hours of operation in keeping with the full time practice of one Neurology physician while permitting a schedule sufficient to serve the patients of the Practice. Specific shifts will be

scheduled according to normal operating procedures of the Practice and will be mutually agreed upon with Physician.

III.
COMPENSATION

3.01. **Compensation**. During the term of this agreement, District shall guarantee Physician an annual income of $250,000, payable to Physician at the higher of 50% of fees collected for services rendered in Section II or the rate of $9,615.38 every two (2) weeks, adjusted quarterly to reflect 50 % of fees collected so that payments will not exceed the minimum guarantee unless 50% of the fees exceed the guarantee on an annualized basis. All payments shall be made on the same date as the District normally pays its employees.

3.02. **Malpractice Insurance**. Physician will secure and maintain his own malpractice insurance with limits of no less than $1 million per occurrence and $3 million per year. District will reimburse Physician eighty percent (80%) of the premiums for said insurance paid for by Physician.

3.03 **Billing for Professional Services**. Subject to section 2.05 above, Physician assigns to District all claims, demands and rights of Physician to bill and collect for all professional services rendered to Practice patients, for all billings for surgical services, for all billings consulting performed or provided by the Physician. Physician acknowledges that Hospital shall be solely responsible for billing and collecting for all professional services provided by Physician to Practice patients at Practice and for all surgical services performed at the Hospital, and for managing all Practice receivables and payables, including those related to Medicare and MediCal beneficiaries. Physician shall not bill or collect for any services rendered to Practice patients or Hospital patients, and all Practice receivables and billings shall be the sole and exclusive property of Practice. In particular, any payments made pursuant to a payer agreement (including co-payments made by patients) shall constitute revenue of the Practice. In the event payments are made to Physician pursuant to any payer agreement, Physician shall promptly remit the payments directly to District.

3.04. **Retention**. Hospital will retain 25% of all fees collected from the activities of physician/practice in exchange for the services rendered in II above.

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IV.
TERM AND TERMINATION

4.01. **Term**. The term of this Agreement shall be three (3) years beginning on August 1, 2013 and ending on July 31, 2013. The Agreement may be renewed, by written instrument signed by both parties, no later than 120 days before its expiration date.

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

a) By Physician at any time, without cause or penalty, upon one hundred and eighty (180) days' prior written notice to the District;

b) Immediately by District 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 Practice;

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, District must give notice to Physician equal to that provided to District 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

e) By either party in the event of a material breach by the other party and, in such event, the non-breaching party shall have the right to terminate this Agreement after providing thirty (30) days' written notice to the breaching party, explaining the breach, unless such breach is cured to the satisfaction of the non-breaching party within the thirty (30) days.

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 Membership.** It is a condition precedent of District's obligation under this Agreement that Physician maintains Active Medical Staff membership on the Hospital Medical Staff with appropriate clinical privileges and maintain such membership and privileges throughout the term of this Agreement.

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, Hospital Medical Staff, and Practice, including those related to documenting all advice to patients and proper sign-off of lab and X-ray reports;

c) Be a member in good standing of the Provisional or Active Medical Staff of Hospital;

d) Maintain professional liability coverage in an amount required for membership on the Active Medical Staff of 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 and regulations of any and all governmental authorities, and applicable standards and recommendations of the Joint Commission.

g) At all times conduct himself, professionally and publicly, in accordance with the standards of the medical profession, the Hospital Medical Staff, and the District. Further, he shall not violate any law which prohibits (1) driving a motor vehicle under the influence of alcohol or prescription drugs or the combined influence of such substances, (2) unlawful use of controlled substances, (3) being intoxicated in a public place in such a condition as to be a danger to himself or others, and/or (4) conduct justifying imposition of an injunction prohibiting harassment of Hospital employees in their workplace. Entry of any injunction, judgment, or order against Physician based upon facts which constitute any of the above offenses shall be a material breach of this Agreement.

VI.
RELATIONSHIP BETWEEN THE PARTIES

6.01. 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. District 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.

b) Benefits. Except as specifically set forth in this Agreement, 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, or any 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.

6.02. **Responsibility for Own Acts**. Each party will be responsible for its own acts or omissions and all claims, liabilities, injuries, suits, demands and expenses for 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.

VII.
GENERAL PROVISIONS

7.01. **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 Practice.

7.02. **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 $10,000.00 or more over a twelve (12) 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.

7.03. **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 both parties.

7.04. **No Referral Fees**. No payment or other consideration shall be made under this Agreement for the referral of patients, by Physician, to Hospital or to any nonprofit corporation affiliated with District.

7.05. **Repayment of Inducement**. The parties stipulate and agree that the income guaranteed to Physician under this Agreement, and the covenants of the District to provide office space, personal, equipment, and certain other benefits, are the minimum required to enable Physician to relocate himself to Bishop, California; that he is not able to repay such inducement, and no such repayment shall be required.

7.06. **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.

7.07. **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 reasonable attorney's fees and costs.

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

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

7.10. **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: A. Douglas Will, M.D.
152 Pioneer Lane, Suite A
Bishop, CA 93514

Notice may be given either personally or by first-class mail, postage prepaid, addressed to the party designated above at the address designated above, or an address subsequently specified in writing by the relevant party. If given by mail, notice shall be deemed given two (2) days after the date of the postmark on the envelope containing such notice.

7.11. **Records**. All files, charts and records, medical or otherwise, generated by Physician in connection with services furnished during the term of this Agreement are the property of Practice. Physician agrees to maintain medical records according to Practice 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.

7.12. **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. This Agreement may be modified only by a writing signed by each party or his/its lawful agent.

7.13. **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.

7.14. **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 betweens the parties.

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

7.16. **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.

7.17. **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.

7.18. **Construction.** This Agreement has been negotiated and prepared by both parties and it shall be assumed, in the interpretation of any uncertainty, that both parties caused it to exist.

NORTHERN INYO COUNTY
LOCAL HOSPITAL DISTRICT

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

PHYSICIAN

By _____
Albert Douglas Will, M.D.

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EXHIBIT A

SCOPE OF DUTIES OF THE PHYSICIAN

POSITION SUMMARY

The Physician is a Member of the Northern Inyo Hospital Active Medical Staff. Physician provides direct neurological diagnosis and treatment to Practice and Hospital patients. The Physician will provide services commensurate with the equivalent of a full time Neurology Practice. Full time shall mean regularly scheduled office hours to meet the service area demand as may be required. Full time shall also mean the provision of no more than four (4) weeks of vacation and two (2) weeks of time to acquire CME credits, if needed, as well as all recognized national holidays. All time off will be coordinated with Call coverage such that scheduled time off will not conflict with the Physician's call requirement.

Specifically, the Physician will:

1. Provide high quality neurological services.
2. Direct the need for on-going educational programs that serve the patient.
3. Evaluate and develop treatment plans to facilitate the individual healthcare needs of each patient.
4. Work with all Practice personnel to meet the healthcare needs of all patients.
5. Assess, evaluate, and monitor on-going health care and medication of Practice patients.
6. Manage all medical and surgical emergencies.
7. Participate in professional development activities and maintain professional affiliations.
8. Participate with Hospital to meet all federal and state regulations.
9. Utilize Hospital provided EMR.

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NORTHERN
INYO HOSPITAL
Northern Inyo County Local Hospital District

150 Pioneer Lane
Bishop, California 93514
(760) 873-5811 voice
(760) 872-2768 fax

People you know, caring for people you love

Northern Inyo Hospital
Quality Assessment and Performance Improvement Plan 2013

The Northern Inyo Hospital Board of Directors is ultimately accountable for the safety and quality of care treatment and services delivered at the hospital. As such they will provide the resources needed to maintain a structure and process to evaluate the provision of these services by using data and information to make decisions.

The Board delegates the operation and implementation of the QAPI function to the senior leadership of the hospital (which include the Administrative Council and Medical Executive Committee) to create and maintain a culture of safety and quality throughout the hospital by establishing goals. These goals are identified annually to support the Strategic Plans of the hospital.

The NIH Board and Leadership develops an organization-wide QAPI Plan that describes the ongoing monitoring, analysis, actions and improvements of the organizations performance in providing quality care, treatment and services in a safe environment.

The NIH Board of Directors and the Leadership of the hospital establish the priorities of the QAPI Plan based upon the goals set forth in the strategic plan of the hospital.

The QAPI Plan will also describe the manner in which NIH will comply with external regulatory standards and regulations required for licensure and accreditation through the use of data internally and provided externally as required.

The Leadership of NIH delegates the implementation of the Organization-wide QAPI Plan and function to the QAPI Council with the support and direction of the QAPI Director and the QAPI department.

QAPI COUNCIL

The QAPI Council is responsible for reviewing organization wide data reports and corrective actions and improvements for all required and identified monitors concerning, the quality and safety of patient care services and the environment in which they are delivered. The members of the QAPI Council will consist of: the CEO of the hospital, the DON of the hospital, a member of the NIH Board of Directors, Chief of the Medical Staff, the QAPI Director, the Risk Manager, and the NIH Physician Champion. All members are voting members. The QAPI Council will report all review activities, actions and recommendations directly to the Board of Directors on a quarterly basis.

All hospital wide committees and functions shall report their findings, actions and follow up quarterly, on a rotating schedule (to be established by the QAPI department) to the QAPI Council. These include but are not limited to the following:

- Operative and other procedures that place patients at risk of disability or death.
- All significant discrepancies between preoperative and postoperative diagnoses, including pathologic diagnoses.
- Adverse events related to using moderate or deep sedation or anesthesia.
- The use of blood and blood components.
- All reported and confirmed transfusion reactions.
- Infection Prevention, analysis of identification of trends and patterns
- The use of restraints.
- The use of seclusion.
- The results of resuscitation.
- Significant medication errors.
- Significant drug reactions.
- National Patient safety Goals compliance and analysis of patterns and trends
- Patient perception of the safety and quality of care, treatment and services.
- The effectiveness of all fall reduction activities including assessment interventions and education.
- Length of stay analysis,
- Readmission review and prevention,
- Response time for responding to changes in vital signs, cardiopulmonary arrest, pulmonary arrest,
- Mortality rates before and after implementation of an early intervention
- Results and improvements of Tracer Activity
- Actions and Improvements of RCA's
- Significant findings and improvements of the Survey Readiness Team
- Results, response and status of all accreditation surveys

**All hospital wide committees and monitoring functions will have physician representation and involvement in analysis of data, actions taken and recommendations.

Credentialing and Peer Review

All findings, actions and recommendations related to physician practice or behavior from Medical Staff OPPE or other monitoring activities will be sent and reviewed according to the NIH Medical Staff Peer Review policy and procedure, with appropriate referrals to the Credentials Committee. Actions and recommendations from both of these functions will be sent directly to the MEC. The MEC will report their actions and recommendations directly to the Board of Directors.

Compiling, Monitoring, Aggregation and Analysis of data

The QAPI Department will abstract and compile data for all hospital wide ongoing, concurrent monitoring, including OPPE, CMS Core Measures and Infection Prevention data, in a useful format using the EMR.

The QAPI department will use the PDCA methodology for Quality Assessment.

The QAPI Department will use such statistical tools, Histograms, Pareto charts

and Run charts to analyze and display data.

The QAPI Department will analyze and compare internal data over time to identify patterns, trends and variations in processes, protocols, policies and procedures.

The QAPI Department compares data with external sources when available.

The QAPI Department shares data reports of patterns and trends with the identified and appropriate departments, committees and medical staff leaders to identify opportunities for improvement.

The QAPI Department will prepare and publish external data reports for the hospital as required by regulations. The QAPI Director prior to being published reviews these reports.

The QAPI Department presents the results of analyzed data reports to the QAPI Council for all committees and departments after they have been analyzed and reviewed. The reports are presented according to the annual quarterly review schedule,

The QAPI department assures that all identified and implemented actions are followed up and reported to the QAPI Council to confirm improvements have been made.

Annual Evaluation

The QAPI Council with the support of the QAPI Director and department evaluates the NIH QAPI Plan annually. Recommendations are made for improvements to the QAPI Plan and approved by the QAPI Council and sent directly to the Board of Directors for final approval.

END