

- CALL TO ORDER                      The meeting was called to order at 5:30 pm by M.C. Hubbard, President.
- PRESENT                                M.C. Hubbard, President  
Denise Hayden, Vice President  
D. Scott Clark, M.D., Secretary  
Peter Watercott, Treasurer  
John Ungersma, M.D., Member at Large
- ALSO PRESENT                      John Halfen, Hospital Administrator  
Thomas Boo, M.D., Chief of Staff  
Douglas Buchanan, District Legal Counsel  
Sandy Blumberg, Executive Assistant
- OPPORTUNITY FOR  
PUBLIC COMMENT                      Ms. Hubbard asked if any members of the public wished to comment on any items listed on the agenda for this meeting. No comments were heard.
- CONSENT AGENDA                      Ms. Hubbard called attention to the Consent Agenda for this meeting, which contained the following items:  
1. Approval of the minutes of the December 12, 2013 special meeting (*action item*)  
2. Approval of the minutes of the December 18, 2013 regular meeting (*action item*)  
3. Security report for November 2013 (*information item*)  
4. Approval of the financial and statistical reports for November 2013 (*action item*)  
5. Anthem Blue Cross Medi-Cal Managed Care Program, Authorization to Sign on Behalf of Physician Group (*action item*)  
It was moved by John Ungersma, M.D., seconded by D. Scott Clark, M.D., and passed to approve all five proposed consent agenda items as presented.
- ADMINISTRATOR'S  
REPORT
- PHYSICIAN  
RECRUITING UPDATE                      Mr. Halfen reported that orthopedic surgeon Richard Meredick, M.D. is now seeing patients in the Northern Inyo Hospital (NIH) Orthopedic Clinic; and that Joy Engblade, M.D. will join the practice of Doctors Kamei, Hathaway, and Englesby in the next month. Administration continues to recruit for a new general surgeon and at this time two candidates are being considered. The only other physician search that is ongoing at this time is a search for part-time pediatric coverage.
- NRACO UPDATE                      Mr. Halfen stated that representatives from the National Rural Accountable Care Organization (NRACO) were on site this week to meet with hospital staff on topics including care coordination; physician engagement; patient marketing training; and leadership and resource assessment. Another purpose for the visit was to allow NRACO personnel to meet and become acquainted with Hospital staff and the NIH

Medical Staff, and to discuss upcoming changes to the delivery of healthcare services in our area.

CEO UPDATE

Mr. Halfen also reported that he has spoken with incoming Chief Executive Officer (CEO) Victoria Alexander-Lane, and they have discussed a preliminary plan for handing-off responsibilities when she arrives at the end of March.

CHIEF OF STAFF  
REPORT

Chief of Staff Tom Boo, M.D., reported that the Medical Executive Committee did not meet during the past month, so there were no Medical Staff items of significance to report at this meeting.

OLD BUSINESS

CEO SEARCH  
COMMITTEE UPDATE

Ms. Hubbard reported that the CEO Search Committee has concluded its business, and the Board would like to extend their thanks to everyone involved in the selection process. She noted that the Board had many excellent candidates to choose from, and they feel confident that they have selected the best candidate for the job in Ms. Victoria Alexander-Lane.

NEW BUSINESS

MCKESSON INSIGHT  
REPORT

Information Technology Director Adam Taylor reported that the annual McKesson *Insight* conference proved to be very valuable for hospital staff. The following key areas were covered at the conference:

- Specific solutions to our McKesson problems/software issues
- New products that are now in development
- Auditing solutions
- Support needs following upgrades and on an ongoing basis
- Establishing contacts with other McKesson hospitals (developing a support network)
- Discussion of Health Information System culture changes
- Networking with other McKesson users
- Strategies for the future

It was the consensus of the group of attendees that the conference is well worth the District's expenditure of time and money, and it will be important to send representatives to future McKesson *Insight* conferences and to *McKesson West* meetings as well.

CAL FIRST LEASE  
AGREEMENT

Mr. Halfen called attention to a proposed lease agreement with California First National Bank (Cal First) for the purchase of new ultrasound add-on equipment for the hospital. A Master Lease Agreement with Cal First was previously approved at a meeting of the District Board, in order to allow the lease or purchase of equipment at the lowest possible interest rate, using a credit line of up to two million dollars. Following review of the information provided it was moved by Doctor Ungersma, seconded by Denise Hayden, and passed to approve the Master Lease Addendum #1 with California First National Bank as requested.

RADIOLOGY SERVICES  
AGREEMENT

Mr. Halfen then called attention to a proposed *Radiology Professional Services Agreement* with High Sierra Imaging and Interventions. He recapped the details of the recent changes made to hospital radiology services coverage, stating the end result was that the *Radiology Selection Committee* decided to allow radiologist Natalia Zarzhevsky, M.D. six months to demonstrate that she could provide radiology services for the Hospital District, provided that the services of Thomas McNamara, M.D. were included as part of the deal. The proposed agreement is with High Sierra Imaging and Interventions, of which Dr. McNamara is the principal shareholder. Mr. Halfen also called attention to a list of proposed contract changes, including housekeeping changes suggested by District Legal Counsel Douglas Buchanan and clarifications suggested by Doctor McNamara. He additionally noted that it was the recommendation of the Medical Staff to award the radiology services contract to Dr. Zarzhevsky (Dr. Z), who will in essence be an employee of the High Sierra Imaging and Interventions Corporation, a California professional medical corporation with a formation date of today, January 15, 2014. Following review of the information provided, Board members inquired regarding the specifics of radiology coverage, and some additionally expressed caution regarding the fact that Dr. Z is not specifically named in the agreement. Mr. Halfen stated that Dr. McNamara's participation was one of the requirements of selecting Dr. Z to provide services, and that Dr. McNamara will in essence be the person who manages the overall agreement for services. Ms. Hayden and Ms. Hubbard expressed concern regarding approving an agreement that is not yet in its final form, and Mr. Halfen responded that the agreement can be amended at a future meeting but that it needs to be approved now in order to ensure continuation of radiology services coverage. Both Doctor McNamara and Mr. Halfen commented that they felt approval of this contract tonight is in the best interest of the Hospital District. The Board asked whether or not District Legal Counsel had had a chance to review the document, and Mr. Buchanan stated that he does not have any problem with document following his initial review. He additionally stated that the contract can be amended in the future by signature of both parties under section 4.07 of the agreement. Mr. Halfen asked that the Board approve the agreement provided at this meeting (in order to keep radiology coverage in place), stating he would bring the agreement back to the next regular meeting, once the list of proposed changes have been incorporated into the document. Following further discussion it was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve the agreement with High Sierra Imaging and Interventions as presented, with Directors Hubbard and Hayden both registering a "no" vote.

MEDICAL STAFF  
DISCOUNT

Mr. Halfen stated that as a result of recent changes made in the insurance industry, he has had a significant number of provisional and active Medical Staff members inquire about becoming members of the Hospital's Medical Dental and Vision (MDV) plan. In light of this fact, Mr. Halfen would like to extend the NIH employee 50% discount on the

patient-pay portion of in-house hospital bills to those physicians included in the policy as well, for an initial introductory period of 6 months under the same provision (as employees) that their bill is paid in full within 30 days of receipt of a billing. Following brief discussion it was moved by Peter Watercott, seconded by Ms. Hayden, and passed to approve extending the in-house employee health insurance discount to those physicians covered by the NIH health plan, with Doctor Clark abstaining from the vote.

**BOARD MEMBER  
REPORTS**

Ms. Hubbard reported that two members of the District Board (Directors Hayden and Hubbard) will attend the upcoming Association of California Healthcare Districts (ACHD) annual meeting in Sacramento later this month.

**OPPORTUNITY FOR  
PUBLIC COMMENT**

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

**ADJOURNMENT TO  
CLOSED SESSION**

At 6:27pm Ms. Hubbard 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 significant exposure of litigation (Subdivision (b) of Government Code section 54956.9(b)(3)(a)).
- C. Confer with legal counsel regarding a 2<sup>nd</sup> significant exposure of litigation (Subdivision (b) of Government Code section 54956.9(b)(3)(a)).
- D. Consider the employment of a public employee, to wit: Administrator/Chief Executive Officer (Government Code Section 54957).
- E. Confer with legal counsel regarding a claim filed by Andrew Herbst against Northern Inyo County Local Hospital District (Government Code section 54956.9(a)).
- F. Conduct CEO Annual Performance Evaluation (Government Code Section 54957).

**RETURN TO OPEN  
SESSION AND REPORT  
OF ACTION TAKEN**

At 8:19 pm the meeting returned to open session. Ms. Hubbard reported that the Board received the results of the 2013 Community Health Needs Assessment Survey. She additionally reported that the Board took action to deny the Claim filed against the District by Mr. Andrew Herbst. Ms. Hubbard also reported that the Board took action to settle an outstanding patient bill, provided that patient sign a release of liability against the Hospital District.

**OPPORTUNITY FOR  
PUBLIC COMMENT**

Ms. Hubbard again asked if any members of the public wished to address the Board on any items of interest. Doctor Ungersma stated that a special

meeting of the District Board will be held on Wednesday, February 12 2014, for the purpose of working on (future) strategic planning.

ADJOURNMENT

The meeting was adjourned at 8:20 pm.

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M.C. Hubbard, President

Attest:

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D. Scott Clark, M.D., Secretary