

# SOUTHERN INYO HEALTHCARE DISTRICT

## Special Meeting of the Board of Directors Minutes

Date: Monday, December 2, 2019  
Time: 4:00 p.m.

Location: SIHD Conference Room  
501 E. Locust Street, Lone Pine, CA 93545

Secretary Carma Roper will be participating via phone  
230 N. Webster, Independence, CA 93526

Bruce Branson will be participating via phone  
144 Mt. Whitney Dr., Lone Pine, CA 93545

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### MINUTES

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#### PRESENT

Jaque Hickman, President  
Charles Carson, Vice President  
Carma Roper, Secretary (via phone)  
Bruce Branson, Treasurer (via phone)  
Mark Lacey, Director

#### OTHERS

Peter Spiers, CEO  
Linda Tucker, Radiology  
Scott Nave, Attorney (via phone)  
Anita Sonke, Accounts Payable  
Chester Beedle, Financial Consultant (via phone)  
Maritza Perkins, Administrative Assistant

#### PUBLIC

Lynne Bunn

#### I. CALL TO ORDER

The meeting was called to order at 4:00 p.m.

Treasurer Branson moved to approve the agenda for 12/02/2019 Special Board Meeting. Vice President Carson seconded.

#### ROLL CALL

Carma Roper	"AYE"
Bruce Branson	"AYE"
Charles Carson	"AYE"
Jaque Hickman	"AYE"

#### Board of Directors:

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## II. BUSINESS ITEMS

### A. Discussion regarding future of Southern Inyo Hospital facilities. (President/Attorney)

Attorney Scott provided a brief update. There is a hearing on Wednesday. Several weeks ago a couple of our creditors filed a motion to relief from stay. The court was upset with the motions and became concern that the district may not be paying the vendors post-petition. The court issued an order to show cause. Which means that if the judge finds the district is not in good faith of fulling its obligations. The court could dismiss the Chapter 9 Bankruptcy. We worked really hard to prepare a response to the OSC. We had Tulare Regional Medical Center and HCCA filed responses to the OSC in support of the district. President Hickman, Peter Spiers and Jeff Golden, Attorney will be going to a hearing this coming Wednesday. The district will have representation at the hearing.

The disclosure statement of plan was submitted at the last meeting. As the result of that we have been having discussions with several of our creditors and making progress on resolving disputes on a number of outstanding items. There are a few we continue to work on.

Attorney Nave believes some of the creditors are waiting on the hearing Wednesday. We have made a lot of progress in the case within the last four weeks. Several issues have come together for the district and have been clarified. From Attorney Nave's perspective it has all been positive.

President Hickman stated that the goal here is to get to a final number and reconciliation on how we are going to resolve this. We have some good things happening. It's important to note that the creditors that went to the court are disputed claims that are a result of a contract that the board did not enter into but was entered into by someone else. This has taken up a lot of time. The point is to get to the end.

Still working on every aspect of the bankruptcy. Tulare and HCCA have written to the court supporting us. Attorney Nave has done an amazing job.

Peter Spiers stated there has been significant diligence done on those factors that could injure us with multiple approaches and options for reducing our downside or exposure. Trying to solve things early on we have position ourselves better. Peter is more comfortable that we did the legal analysis, looked at the strengths and weaknesses of every potential opportunity. We have done a good job to try an identify everything. Mr. Spiers wanted to thank Attorney Nave, Attorney Golden and the Board of Directors, we did our homework.

Lynne Bunne, public member asked "Best case scenario, what would you like to see happen? Attorney Nave stated the best case scenario for us is for the judge to read our response to the OSC (which is an explanation of what the district has been doing since the bankruptcy was filed and all the process we made) the judge is satisfied and dismisses the OSC and proceed with the case.

**B. Consent Agenda:** These items are considered routine and non-controversial and will be approved by one motion. If a member of the Board or public wishes to discuss an item, it will removed from Consent and considered separately at the end of Business Items.

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## 1. Approval of Medical Staff Privileges

- a. Michael Phillips, ER Physician, Temporary 90 days of Medical Staff Privileges
- b. Michael Phillips, ER Physician, One Year of Medical Staff Privileges
- c. Larry Sadler, MD, Radiologist, Temporary 90 days of Medical Staff Privileges
- d. Larry Sadler, MD, Radiologist, One Year of Medical Staff Privileges
- e. Gregory Timm, MD, Radiologist, Temporary 90 days of Medical Staff Privileges.
- f. Gregory Timm, MD, Radiologist, One Year of Medical Staff Privileges.
- g. Armando Saltiel, MD, Radiologist, Temporary 90 days of Medical Staff Privileges
- h. Armando Saltiel, MD, Radiologist, One Year of Medical Staff Privileges
- i. Dianna Chooljian, MD, Radiologist, One Year of Medical Staff Privileges
- j. Robert Redlich, MD, Radiologist, One Year of Medical Staff Privileges
- k. Martin Edwards, MD, Radiologist, One Year of Medical Staff Privileges
- l. Stephen Fine, MD, Radiologist, One Year of Medical Staff Privileges
- m. Lara Eisenberg, MD, Radiologist, One Year of Medical Staff Privileges
- n. Jared Bowns, MD, Radiologist, One Year of Medical Staff Privileges

## 2. Approval of Minutes

- a. Special Board Meeting Minutes of 09/19/2019
- b. Special Board Meeting Minutes of 10/01/2019.
- c. Special Board Meeting Minutes of 10/07/2019.
- d. Special Board Meeting Minutes of 10/30/2019.
- e. Special Board Meeting Minutes of 11/07/2019.
- f. Special Board Meeting Minutes of 11/05/2019.
- g. Special Board Meeting Minutes of 11/15/2019.

Treasurer Branson had a question. In October, we approved a group of radiologist. Is this the same group? Linda Tucker, Radiology stated we have a contract with Renaissance Imaging and those are the radiologists that we deal with. Renaissance Imaging has contracted with Radiologist Partners who are out of Columbus, Ohio for afterhours coverage. If Linda calls Renaissance Imaging after hours the call is redirected to Ohio. It gets read by out of state and then gets sent back to a CA license physician to be read. These are additional physicians for coverage. This gives us better service.

**Action:** Treasurer Branson moved to approve the consent agenda-medical staff privileges and approval of minutes presented on 12.02.2019 agenda. Secretary Roper seconded.

### ROLL CALL

Bruce Branson	"AYE"
Carma Roper	"AYE"
Mark Lacey	"AYE"
Charles Carson	"AYE"
Jaque Hickman	"AYE"

Director Lacey arrived at the consent agenda portion.

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Peter Spiers wanted to note that Michael Phillips, MD is board certified in internal medicine and emergency medicine. Phillips will be here in February and will be working in the Clinic. He is an excellent doctor. Peter stated he interviewed him and he went through credentialing with flying colors.

### C. GE Healthcare Service Quotation (Radiology)

Linda Tucker, Radiology stated that the last machine died. Which is the reason that this service agreement has been brought to the board. Linda does not want that to happen again. Radiology is mandated by state and federal law to provide service to the equipment. It is hard to demonstrate that it has happened.

Linda has not received other quotes. She stated that she can't say enough good things about GE. Currently, there is a gentlemen by the name of Dean who if is on his way back from Ridgecrest he will stop in and check Radiology's equipment without a contract. There are some things he can't do. He has walked through issues over the phone with Linda.

The GE equipment is new and that equipment is good for another 25 years. Linda stated that we have everything except maintenance. The warranty is expired.

Linda asked to include everything in the radiology in this contract. Linda has a Fuji CR and it needs service. This will be included in the agreement.

President Hickman asked if this is a monthly or annually contract.

There is a yearly and break down of each item.

The entire package is 100k a year. There are 8 different parts.

President Hickman stated that we need competitive bids on this.

Chet Beedle stated that most of the competitors don't have the expertise or availability of staff to come out to this area. He agrees on the GE quote.

President Hickman asked if we are talking about \$834 a month, 10K or 100K a year. Per Chet, he believes it a 100k a year. He has not seen were they do month to month.

Linda Tucker stated that she was recommended by three different reps with GE that we should get it for the CT. The CT generates lots of income. Linda recommends the CT, power injector and the Fuji CR reader. Also all other imaging dept. equipment Per Linda, the two most desperately needed is the CT and CR reader.

Secretary Roper agrees on getting competitive bids.

Linda Tucker responded by stating that the Eastern Sierra has GE dept. NIH, Mammoth and Kern has GE. If we did the three the annually cost would be 76,800.00 a year / 6,344.00 a month. This will eliminate the ultrasound, x-ray, portable x-ray and power injector (no coverage). We can't live without maintenance for CT. Per Chet, time and materials not included.

The difference in covering everything and just covering the three pieces is about 33k a year.

President Hickman asked Chet Beedle is there a time of the year when departments put forward their budget for things like this. Per Chet, the answer is yes. This is not a capital item because this is a service contract. It's just anticipated that we would have a service contract and will continue from year to year. This would be an operating budget. President Hickman stated

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that we have been working on certain projections. This is what happens, all of a sudden we get a large ticket that we have been trying to scratch along with the projections, thinking we can pay. President Hickman was unaware that we didn't have a service contract in radiology. Linda Tucker stated we has a warranty but it expired in October.

President Hickman stated that we didn't have that money built in then. She is hoping that we get to the day where the departments have budgets that include these kind of things.

Per Chet Beedle, the situation is that we can always do things on demand basis. The CT is so expensive that if we need emergency repairs needed or have a tube go out which could be 20k for a tube. The CT is used 80%- 85% for ER patients. It would shut down the ER.

If we are going to spend 5k is there a reason not to spend the other 13k to cover the CR reader and power injector. Chet stated that most places cover those but they have more available cash flow or higher volumes. Peter Spiers believes its okay with just going with the CT.

Treasurer Branson asked if GE will even deal with this adjustment. Yes. Peter Spiers stated that we are expanding the use with our CT. The CT can bring higher reimbursement and better quality of care. We need to take care of the CT.

The agreement includes system and tube covered up to 1000 patients a year.

President Hickman asked the board of directors on how they feel about taking on the CT services for 5200 a month. 62k a year.

Vice President Carson asked if we can extend the warranty. No. Director Lacey stated that this quote expired on the 21<sup>st</sup>. If they are going to stand by it we need to update the dates. Linda stated that she and GE have been communicating via email and stated not to worry about the dates.

Director Lacey stated that he doesn't want to spend the money but we have no choice.

This does not include the CR reader or power injector. It is deemed that they could be time and material for service. It might not equal to what an annual service contract would. This is a 60 month contract. Attorney Nave reviewed the contract. He provided his comments to Peter Spiers. It is a standard GE contract. No issues with the legal terms.

President Hickman stated this is a 5 year contract. What happens if we no longer want the CT scanner from a year from now? Chet stated that if we upgrade they would quote you at the end of warranty what they would charge us to move forward. Does that contract end when you no longer have CT? President Hickam does not get the 5 year contract. What if we don't have the equipment no longer?

Treasurer Branson want to hear from Linda Tucker about the board only approving the CT. Linda Tucker stated she can live without everything except the CT. She understands that money is an issue. She has discussed that with GE. They recommend to get the CT and we would move right along.

Linda mentioned that she tried to contact Fuji but they will not return her calls. They were caught up in the bankruptcy and she believes they are not willing to work with us. If we can get a Biomed that can work on the Fuji and CR reader, she is okay not to include.

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Currently the power injector is working fine. The CR reader has complaints. President Hickman asked what the replacement cost would be for the CR reader. Linda mentioned that the CR reader wouldn't be replaced because it is old technology. According to CMS, if we were not a critical access hospital we would get a reduced reimbursement for every file we took. We would get digital. It would be about 40k to 100k.

We do need to get the CR reader fixed. Can we get a cost to repair it? It's possible a biomed person can fix it. Peter stated that we are working with NIH to get a biomed person. President Hickman asked if we bought a new digital one, how long would it last. Linda not sure. Linda has never used one.

Director Lacey stated it makes sense to sign this CT service contract then start talking to GE to amend the contract to add another unit when we start to get healthy.

**Action:** Director Lacey moved to approve the CT service agreement with GE up to the amount of \$62,400.00 a year / \$5200 a month, starting the next business day December 3<sup>rd</sup>. Secretary Roper seconded.

#### ROLL CALL-

Mark Lacey	"AYE"
Carma Roper	"AYE"
Bruce Branson	"AYE"
Charles Carson	"AYE"
Jaquie Hickman	"AYE"

Note- Peter stated that Dr. Ostrom is in training and wants to be the radiology medical director.

President Hickman stated that we need to push for a digital reader.

#### D. Update on 2019-2020 Assessment-Property Tax Questions and Appeals (Board Member)

Update on the 2019-2020 Tax questions and appeals.

Appeal/Question from Akins-Bruce stated that this is a commercial property. Akins needs to go to the assessors and have it re-zoned. SIHD will need to send a letter denying request. Attorney Nave will assist with the letter.

Appeal/Question from Bechold- Bruce stated this building is where the taco truck is. It is zoned commercial. Owner hasn't been paying for any improvements.

Appeal/Question from Skylines- This is a 50.00 charge. If she has a building on it, it should be 150.00. President Hickman stated that she is not sure if there are exclusions if within the park. Per Director Lacey, it depends on how it's zoned.

Appeal/Question from Rio Tinto, Liz Jones- needs explanation, need to call and get that 3<sup>rd</sup> parcel#.

Appeal from John Connolly- if he doesn't have anything on the property he needs to have his conditional use permit removed. So he doesn't have a commercial designation on his property.

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If it has commercial improvement on it we would have to look. President Hickman mentioned that she will be out the next two weeks. We can possibly ask Richard White to pull info on these addresses.

#### E. Parity Increase Adjustment (CEO)

Peter Spiers briefly wanted to discuss the parity increase adjustment. October was tough and had to push. Peter wants to walk through with board and Chet to make sure when we roll this out that there are no/very low consequences. We need to define what parity is and know what the financial impact will be to everyone. We need to do it because the staff is expecting it.

President Hickman mentioned the PTO policy. We need it done the fairest way. Hickman liked Kerns policy but there may be a down side to the change. Peter stated that you have to manage the change.

### III. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

NONE

### IV. BOARD OF DIRECTORS COMMENTS ON ITEMS NOT ON THE AGENDA

Director Lacey wanted to say Merry Christmas.

President Hickman had questions on the email from PointClick Care. The contract was approved by the board with the exception that the name was corrected. We received the updated changes and it stated to sign and review by board. Peter Spiers and Attorney Nave will have to discuss tomorrow.

Chet provided and reviewed the September executive summary. He will go over the details tomorrow at finance meeting.

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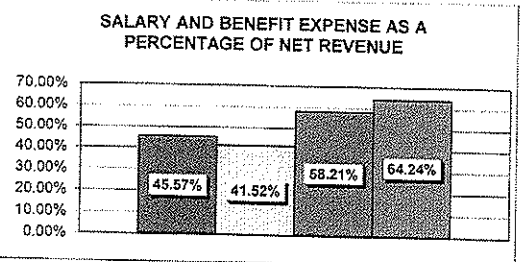
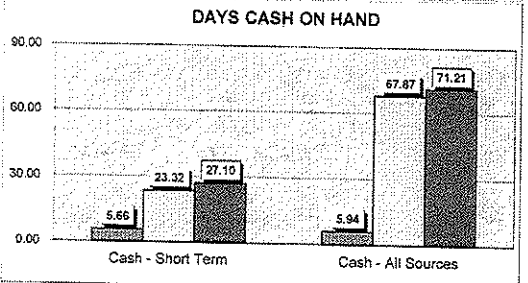
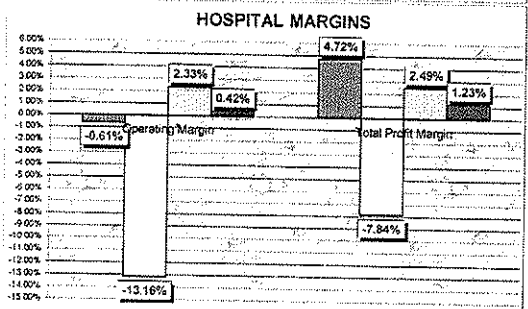
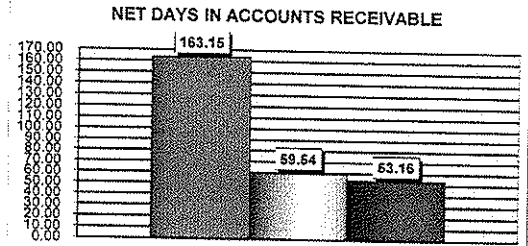
Mark Lacey  
Director

# SOUTHERN INYO HEALTHCARE DISTRICT

## EXECUTIVE FINANCIAL SUMMARY

Three Months Ended September 30, 2019

BALANCE SHEET		
	9/30/2019	6/30/2019
<b>ASSETS</b>		
Current Assets	\$4,263,549	\$4,706,581
Assets Whose Use is Limited	7,717	7,936
Property, Plant and Equipment (Net)	1,059,909	1,061,248
Other Assets	0	0
<b>Total Unrestricted Assets</b>	<b>5,331,176</b>	<b>5,775,765</b>
Restricted Assets	0	0
<b>Total Assets</b>	<b>\$5,331,176</b>	<b>\$5,775,765</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities	\$5,421,757	\$5,469,238
Long-Term Debt	18,516	17,122
Other Long-Term Liabilities	167,517	413,300
<b>Total Liabilities</b>	<b>5,607,790</b>	<b>5,899,660</b>
Net Assets	(270,679)	(123,895)
<b>Total Liabilities and Net Assets</b>	<b>\$5,337,111</b>	<b>\$5,775,765</b>
<b>STATEMENT OF REVENUE AND EXPENSES - YTD</b>		
	<b>ACTUAL</b>	<b>BUDGET</b>
<b>Revenue:</b>		
Gross Patient Revenues	\$3,628,368	\$3,144,023
Deductions From Revenue	(1,258,145)	(866,493)
Net Patient Revenues	2,372,223	2,277,530
Other Operating Revenue	90,491	63,258
<b>Total Operating Revenues</b>	<b>2,462,713</b>	<b>2,340,788</b>
<b>Expenses:</b>		
Salaries, Benefits & Contract Labor	1,582,093	1,454,937
Purchased Services & Physician Fees	465,729	365,167
Supply Expenses	109,366	81,917
Other Operating Expenses	319,238	690,588
Bad Debt Expense	0	0
Depreciation & Interest Expense	1,339	56,128
<b>Total Expenses</b>	<b>2,477,766</b>	<b>2,648,737</b>
<b>NET OPERATING SURPLUS</b>	<b>(15,052)</b>	<b>(307,948)</b>
Non-Operating Revenue/(Expenses)	131,252	124,496
<b>TOTAL NET SURPLUS</b>	<b>\$116,199</b>	<b>(\$183,452)</b>
<b>KEY STATISTICS AND RATIOS - YTD</b>		
	<b>ACTUAL</b>	<b>BUDGET</b>
Total Acute Patient Days	7	27
Average Acute Length of Stay	3.5	8.8
Total Emergency Room Visits	134	437
Outpatient Visits	299	881
Total Surgeries	0	0
Total Worked FTE's	92.32	91.80
Total Paid FTE's	102.17	98.80
Productivity Index	0.9946	1.0000
EBITDA - YTD	-3.19%	-13.39%
Current Ratio	0.79	
Days Expense in Accounts Payable	284.97	



SOUTHERN INYO HEALTHCARE DISTRICT	
□ Budget	09/30/19
□ California	Hospitals
■ CAH Hospitals	Rural
■ Prior Fiscal Year End	06/30/19
<b>FINANCIAL STRENGTH INDEX - (0.10)</b>	
Excellent - Greater than 3.0	Good - 3.0 to 0.0
Fair - 0.0 to (2.0)	Poor - Less than (2.0)

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Secretary Roper stated she needs to exit the meeting at 5:25 p.m.

Director Lacey and Vice President Carson give thanks to Chet Beedle for the financials. President Hickman gave thanks to Peter Spiers and Chet Beedle.

Peter Spiers reviewed the monthly volumes.

**ER** is better but not best. We have ideas. We are at budget but needs to grow.

**Acute-Swing**- We got Swing Bed in October. We are expecting revenue on that once it starts to hit. On Acute, Peter Spiers is looking forward for Dr. Flanigan to start working. He will be working with Dr. Ostrom to make sure we admit everybody who is appropriate to admit. This impacts our cost structure with Medicare. Includes where should patients go? Placing them in the right level of care. Dr. Flanigan will help with that.

**Skilled Nursing** is doing well. They are near budget. Last few weeks at 30 census. Point Click care is being implemented. The TARS are being done.

**Rehab**- Raychel Hosch is on board. She is already building business.

**Radiology**-X-ray is busier. Expecting a lot more this coming year.

Peter is meeting with Flanigan and Kori Novak on Monday to discuss integrating all three health providers.

Point of Integration:

EMR

Patients

New Services

Dr. Flanigan will be working in the clinic and will give presentation on PEDS.

**Clinic**-Volume stayed. One of our NP's had an injury and has been able to do some things remotely. Peter is looking of a PA who can do wound care after the first of the year.

We have to grow.

**V. CLOSED SESSION**

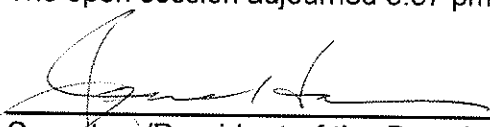
**A.** Existing Litigation (Govt Code 54956.9): Chapter 9 Bankruptcy

**VI. CLOSED SESSION REPORT**

The legal counsel and board of directors discuss the existing litigation. No other items discussed.

**VII. ADJOURNMENT**

The open session adjourned 5:37 pm.

  
Secretary/President of the Board of Directors

2-11-2020  
Date

12/02/2019 Special Board Minutes

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