

HUMBOLDT GENERAL HOSPITAL

DISTRICT BOARD OF TRUSTEES

REGULAR BOARD MEETING

TUESDAY

OCTOBER 22, 2019

5:30 P.M.

SARAH WINNEMUCCA CONFERENCE
ROOM

JoAnn Casalez - Chairman
Michelle Miller - Secretary
Bill Hammargren - Member
Jennifer Hood - Member
Gene Hunt - Member
Ken Tipton - Member-Humboldt
County Commissioner

HUMBOLDT GENERAL HOSPITAL
118 EAST HASKELL STREET
WINNEMUCCA, NEVADA 89445

DISTRICT BOARD OF TRUSTEES MEETING AGENDA

MEETING DATE: Tuesday October 22, 2019
MEETING TIME: 5:30 pm
MEETING PLACE: Sarah Winnemucca Conference Room
Humboldt General Hospital
118 E Haskell St, Winnemucca, Nevada

PLACES POSTED: in Winnemucca, Nevada at:
Humboldt General Hospital, 118 E Haskell Street
Humboldt County Courthouse, 50 W Fifth Street
Winnemucca City Hall, 90 W Fourth Street
Humboldt County Library, 85 E Fifth Street
United States Post Office, 850 Hanson Street
www.hghospital.org <https://notice.nv.gov>

PERSON POSTING: Jessica Villarreal / Melissa Lopez

A. CALL TO ORDER

B. PUBLIC COMMENT

(This agenda item is designated to give the general public the opportunity to address the Hospital Board. No action may be taken upon a matter raised under this section until it is placed on an agenda for action. Public comment is generally limited to three (3) minutes per person.)

C. MEDICAL STAFF-HOSPITAL DEPARTMENT REPORTS

(These agenda items are designated to give the opportunity to report and update the Hospital Board on each group or department listed. No action may be taken upon a matter raised under this section until it is placed on an agenda for action.)

1. Medical Staff report – Chief of Staff
2. Administration report – CEO
 - a. Burning Man – EMS Director
 - b. Cerner update – CFO
 - c. Charge Master - CFO
 - d. HR Report – HR Director
 - e. CEO Report

D. CONSENT AGENDA

(The Board is expected to review, discuss and take action on this agenda item.)

1. Board meeting minutes September 24, 2019.
2. Medical Staff applications for appointments, reappointments, provisional and temporary privileges for: Eric Herzog, M.D., Provisional Staff-Primary Care; Perry Guthrie, APRN-CNP, Provisional Staff-Primary Care; Stephanie Nainani, M.D., Provisional Staff-OBGYN; George Taylor, D.O., Provisional Staff-Emergency Medicine; Mary Jane Williams, M.D., Provisional Staff-Hospitalist; Michael Zufelt, D.O., Provisional Staff-Emergency Medicine; Jim Nguyen, CRNA, Provisional Staff-Anesthesia; Janice Schorr, APRN, Provisional Staff-Primary Care; Viken Manjikian, M.D., Consulting Staff-Teleradiology; and, James Balodimas, M.D., Consulting Staff-Teleradiology.

E. FINANCIAL REPORTS

(The Board is expected to review, discuss and take action on this agenda item.)

1. September 2019 financial reports
2. Warrants disbursed - Monthly expenditures

DISTRICT BOARD OF TRUSTEES MEETING AGENDA

October 22, 2019

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F. BUSINESS ITEMS-OTHER REPORTS

(The agenda items in this section are for discussion and for possible action. The action may consist of approval, disapproval, acceptance, rejection, authorization, adoption, review, recommendation, referral to staff, or any other action as appropriate. The items may be heard in any order and at any time unless a time is specified; two or more items may be combined for consideration; an item may be removed from the agenda; or, discussion relating to an item may be delayed at any time.)

1. Hospital Administration-Laboratory / proposal to purchase procalcitonin machine for laboratory / Administration
2. Hospital Administration / proposal to restate the independent contractor agreement to engage the professional services of Charles Stringham, M.D. to provide the air ambulance medical director services / Administration

G. TRUSTEE COMMENTS-STAFF REPORTS

(This period is designated for receiving reports, information, department updates, board and committee updates and proposals by the board, chief executive officer, chief financial officer, human resources director, director of nurses, and other staff upon request. No action may be taken upon a matter raised under this section until it is placed on an agenda for action.)

H. PUBLIC COMMENT

(This agenda item is designated to give the general public an opportunity to address the Hospital Board. No action may be taken upon a matter raised under this section until it is placed on an agenda for action. Public comment is generally limited to three (3) minutes per person.)

Notice: The Executive Assistant at the Administrator's Office located at Humboldt General Hospital, 118 E. Haskell Street, Winnemucca, Nevada, telephone number 775-623-5222 extension 1123, is the designated person from whom a member of the public may request the supporting material for the meeting and the Administrator's Office is the location where the supporting material is available to the public.

Notice: By law a public body may receive information from legal counsel regarding potential or existing litigation involving a matter over which the public body has supervision, control, jurisdiction, or advisory power and such gathering does not constitute a meeting of the public body.

Notice: Members of the public who are disabled and require special assistance or accommodations at the meeting are requested to notify in writing the Executive Assistant at the Administrator's Office located at Humboldt General Hospital, 118 E. Haskell Street, Winnemucca, Nevada 89445, or by telephoning 775-623-5222 extension 1123, at least one (1) business day in advance of the meeting.

HOSPITAL ACTIVITIES

"Wave of Light" Ceremony hosted by HGH Mother and Baby Unit – October 15, 2019 7pm at Pioneer Park.

"Healthy Year, Healthy You" lunchtime seminar 12pm to 1pm, third Thursday (October 17, 2019).

National Mammography Day – October 18, 2019 – Please wear pink.

Provider welcome reception – October 22, 2019, 5pm in Sarah Winnemucca Conference room.

Humboldt Hospital Auxiliary Annual Membership Meeting – October 23, 2019, 4pm to 6pm, SW.

Trunk or Treat – October 31, 2019 4pm to 6pm, Employee parking lot by EMS Station.

EMS Refresher – November 1 - 3, 2019, East Hall Winnemucca Convention Center.

Veterans Lunch – November 11, 2019 12pm to 3pm, Sarah Winnemucca Conference room.

Turkey Trot – November 28, 2019 8am to 10am.

Cookies with Santa – December 7, 2019 1pm to 3pm, EMS Station.

Mammography Open House – January 11, 2020 8am to 10am.



HUMBOLDT GENERAL HOSPITAL EMS RESCUE

118 E. Haskell Street • Winnemucca, Nevada 89445
Phone 775.623.5222

20 September 2019

From: Chief, HGH EMS Rescue

To: CEO, Humboldt General Hospital

Subject: 2019 Burning Man Ambulance Service After-Action Report

1. HGH EMS Rescue provided on-site ambulance and radiology services for the 2019 Burning Man festival on the Black Rock Desert from 19 August – 4 September 2019. Overall, the event was very successful, with significant improvements over last year.
2. 2019 was the second year of our three year contract with CrowdRx. HGH crews staffed 336 12-hour shifts, completed nearly 400 on-playa transports to Rampart, and 29 off-playa transports to Renown Regional Medical Center in Reno. The total number of off-playa transports was up significantly this year (compared to seven by ground last year), which will positively impact our revenues for this event. I will follow-up with the CFO in the coming months to determine the final financial margin, although I expect to break-even at best.
3. Personnel staffing was much improved over last year. Event planning and advertising started in January, and Nicole Maher was instrumental in efforts to advertise for staffing through HGH's social media channels. We also benefited immensely from adding a dedicated planning officer to the EMS staff, which allowed one full-time employee to focus on staffing. Likewise, we benefited from many return temporary employees who worked with us last year. Hopefully this trend will continue.
4. Because we were able to fill more shifts with temporary employees, this reduced the burden on staffing shifts in Winnemucca. This year our deployment model attempted to minimize regular HGH employee transit back and forth to Burning Man. Those employees assigned to Burning Man largely stayed there the entire time, while those assigned to Winnemucca remained in town. This did minimize the travel time, but also stressed Burning Man crews who were on-playa for nearly three weeks. Next year we will need to be more deliberate in our shift planning to avoid long stretches of Burning Man shifts without a break.
5. Logistics were also dramatically improved over last year. We opted to deploy the HGH portable hospital trailer to ensure there were no shortfalls, but ended up not using many of those supplies because CrowdRx had largely fixed their logistics problems from 2018. Regardless, we should continue the practice of deploying with the hospital trailer as a precaution against mass casualty incidents or other logistics shortfalls.



HUMBOLDT GENERAL HOSPITAL EMS RESCUE

118 E. Haskell Street • Winnemucca, Nevada 89445
Phone 775.623.5222

6. Our camp setup this year was significantly improved. Many full-time employees opted to take their own camp trailers / RVs. We also contracted for water and sewage removal this year, which alleviated the need to shower in the common Burning Man showers and use the filthy porta-johns. Lodging for full-time staff was provided in HGH-owned camp trailers. Most temporary staff was lodged in the portable hospital tent. Our purchase of a new air conditioning plant this past year was instrumental in making this an effective option.
7. The portable X-ray machine suffered some reliability problems that we were able to manage on-scene. The unit will require a thorough maintenance check and internal cleaning prior to another deployment. Specifically, the data port connection between the X-ray unit and the laptop controller needs to be repaired or replaced. For 2020, the state requirements for radiology technicians will change to require Nevada-licensed technicians to operate the machine. We also had a surprise radiology inspection on-playa, which will almost certainly be repeated again next year. The state inspector found several program shortcomings. In order to provide effective radiology services next year, we need experts from our radiology department to participate in the staffing and management of the event, not just EMS personnel that know how to turn on the machine. I will work with the COO and Radiology Department to address this shortfall.
8. Perhaps the biggest concern is the state of our event medicine capital plant. All but two of the DELTA ambulances are nearing the end of their service lives, and two are likely to have catastrophic powertrain failures in the near future. It would be prudent to replace both of these units for 2020. Our inflatable tents are also beginning to deteriorate due to the harsh climate, and will require some refurbishment. Finally, our camp trailers are well-used and will also require a significant investment to keep them functional. One trailer is in especially poor condition and should be replaced. We will likely have to invest \$20K for refurbishment and / or replacement to conduct field operations next year. Participating in Burning Man beyond 2020 is not practical absent a significant investment to renew the capital plant.
9. I remain concerned about the untoward effects of our Burning Man participation on the local community and our crewmembers. While we make every effort to balance risk, such a large deployment of HGH EMS personnel for up to three weeks detracts from our local readiness. Furthermore, Burning Man is very hard on our staff. Operating at a high tempo for so long, in such an austere physical environment, coupled with the unbridled culture of the event, makes for a tension-filled atmosphere that corrodes employee resilience and morale. The stresses on our people are palpable, and do not bode well for long-term career satisfaction and retention. While we may choose to complete the last year of this contract, I do not believe that our continued participation in Burning Man is either cost effective for the hospital or beneficial for our community.

Sincerely,

Sean Burke
Chief, HGH EMS

Medical Staff Applications

Humboldt General Hospital
Board of Trustees Meeting
October 22, 2019
Agenda Item D2

- **Viken Manjikian, MD** is applying for Reappointment in Consulting Staff with privileges in Teleradiology. He was appointed to consulting staff for HGH on 10/24/2017.
- **James D. Balodimas, MD** is applying for Initial Appointment in Consulting Staff with privileges in Teleradiology.
- **Eric Herzog, MD** is applying for Provisional Staff with privileges in Primary Care. He started 09/30/2019 after to cover before Dr. Adajar arrived.
- **Perry Guthrie, APRN-CNP** is applying for Provisional Staff with privileges in Primary care. He started 09/27/2019 in the Walk In Clinic.
- **Stephanie Nainani, MD** is applying for Provisional Staff with privileges in OBGYN. She started 09/18/2019 and was filling in for Dr. Brecheen when he was away.
- **George Taylor, DO** is applying for Provisional Staff with privileges in Emergency Medicine. His start date was 09/02/2019.
- **Mary Jane Williams, MD** is applying for Provisional Staff with privileges in Internal Medicine (Hospitalist). She started 08/26/2019.
- **Michael Zufelt, DO** is applying for Provisional Staff with privileges in Emergency Medicine.
- **Jim Nguyen, CRNA** is applying for Provisional Staff with privileges in Anesthesia. He started on 08/20/2019.
- **Janice Schorr, APRN** is applying for Provisional Staff with privileges in Primary Care. She started 07/15/2019.

Financial Narrative

Period Ending September 30, 2019

STATISTICS

- Patient days are 97 days over budget for the month and 223 days over year to date
- OR cases are under budget by 9 for the month and 53 year to date
- Radiology tests are higher than budgeted by 162 tests for the month and 353 for the year
- Lab tests are over budget by 141 for the month and 1,390 for the year
- Emergency room visits are over budget by 79 for the month and 237 year to date
- Clinic visits are 75 visits higher than budgeted for the month and 377 over budget for the year

FINANCIAL STATEMENTS

- Income from operations was \$285,533 compared to budgeted income of \$57,963
- Operating revenues are higher than budgeted by approximately \$522K and operating expenses are higher than budget by approximately \$295K mainly due to-
 - Deductions from revenue of approximately \$831K which is the result of an increase in volumes and continued accounts receivable cleanup
 - Increase in salary and wages due to Burning Man event and sign on bonuses for providers
- Non-operating revenues are approximately \$280K over budget
- Net income is \$960K, approximately \$507K over budget
- Restricted cash of approximately \$17K is related to nursing home patient funds held in trust for the residents

YEAR TO DATE REVENUE PAYOR MIX

Payor	Hospital FY20	Hospital FY19	Clinic FY20	Clinic FY19
Medicare	39.4%	40.0%	19.4%	29.4%
Medicaid	21.3%	21.1%	27.5%	22.8%
Insurance	27.2%	27.8%	44.3%	38.2%
Private pay	8.9%	7.6%	6.0%	6.8%
Other	3.2%	3.5%	2.8%	2.8%

**Humboldt General Hospital
Statistics Comparison**

September 30, 2019

	<u>Monthly Budget</u>	<u>September-19 Actual</u>	<u>MTD Variance</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>YTD Variance</u>
Med/Surg Pt Days	194	158	-18.70%	583	473	-18.87%
Pediatric Days	-	7	0.00%	0	8	0.00%
Obstetrics Pt Days	34	32	-6.11%	102	96	-6.11%
Nursery Pt Days	34	33	-3.18%	102	106	3.67%
ICU Pt Days	16	19	20.00%	48	28	-41.05%
Swing Bed Days	33	71	113.00%	100	202	102.00%
Harmony Manor Days	930	1,042	12.04%	2,790	3,132	12.26%
Quail Corner Days	240	217	-9.58%	720	623	-13.47%
Labor Room Deliveries	20	19	-6.94%	61	65	6.12%
Operating Room Cases	126	117	-7.33%	379	326	-13.93%
Radiology Tests	1,177	1,339	13.80%	3,530	3,883	10.00%
Laboratory Tests	7,776	7,917	1.81%	23,328	24,718	5.96%
Emergency Room Visits	604	683	13.05%	1,813	2,049	13.05%
Amulance Runs	147	137	-6.59%	440	399	-9.32%
RHC Visits	2,147	2,222	3.49%	6,441	6,818	5.85%

Days are counted in month of service

Humboldt County Hospital District
Statement of Profit and (Loss)
For Period Ending: September 30, 2019

	Month to Date			Year to Date		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Total Patient Service Revenue	\$9,250,891	\$8,258,684	\$992,207	\$26,518,495	\$24,518,117	\$2,000,378
Deductions From Revenue						
Contractual Adjustments	3,747,129	3,289,604	(457,525)	11,278,736	9,868,815	(1,409,921)
Bad Debt & Charity Adjustments	634,598	260,982	(373,616)	1,468,330	782,947	(685,383)
Total Deductions From Revenue	<u>4,381,727</u>	<u>3,550,586</u>	<u>(831,141)</u>	<u>12,747,066</u>	<u>10,651,762</u>	<u>(2,095,304)</u>
Net Patient Service Revenue	4,869,164	4,708,098	161,066	13,771,429	13,866,355	(94,926)
Other Operating Revenue	<u>72,195</u>	<u>44,575</u>	<u>27,620</u>	<u>128,795</u>	<u>133,725</u>	<u>(4,930)</u>
Total Operating Revenue	<u>4,941,359</u>	<u>4,752,673</u>	<u>188,686</u>	<u>13,900,224</u>	<u>14,000,080</u>	<u>(99,856)</u>
Operating Expenses						
Salaries & Wages	1,633,784	1,508,220	(125,564)	4,712,169	4,589,987	(122,182)
Employee Benefits	587,721	574,191	(13,530)	1,650,297	1,722,573	72,276
Contract Labor	94,181	57,916	(36,265)	499,428	173,748	(325,680)
Professional Contracts	854,254	920,060	65,806	2,815,277	2,760,180	(55,097)
Supplies & Small Equipment	465,086	553,294	88,208	1,677,777	1,667,427	(10,350)
Equipment Maintenance	143,956	204,833	60,877	410,077	614,499	204,422
Rental & Lease	22,009	15,140	(6,869)	65,993	45,420	(20,573)
Insurance	19,523	30,264	10,741	142,810	90,792	(52,018)
Utilities	60,733	51,218	(9,515)	199,141	153,654	(45,487)
Depreciation	538,548	605,839	67,291	1,660,243	1,817,517	157,274
Travel, Meals & Education	75,638	64,061	(11,577)	237,297	195,047	(42,250)
Other Expenses	<u>160,393</u>	<u>109,674</u>	<u>(50,719)</u>	<u>203,095</u>	<u>201,047</u>	<u>(2,048)</u>
Total Operating Expenses	<u>4,655,826</u>	<u>4,694,710</u>	<u>38,884</u>	<u>14,273,604</u>	<u>14,031,891</u>	<u>(241,713)</u>
Net Operating Income /(Loss)	<u>285,533</u>	<u>57,963</u>	<u>227,570</u>	<u>(373,380)</u>	<u>(31,811)</u>	<u>(341,569)</u>
Non-Operating Revenue/(Expenses)						
County Tax Revenue	660,311	369,265	291,046	1,792,133	1,107,795	684,338
Interest Income	13,976	25,394	(11,418)	69,543	76,182	(6,639)
Donations	-	-	-	-	-	-
Total Non-Operating Revenue/(Expens	<u>674,287</u>	<u>394,659</u>	<u>279,628</u>	<u>1,861,676</u>	<u>1,183,977</u>	<u>677,699</u>
Net Income /(Loss)	<u><u>\$959,820</u></u>	<u><u>\$452,622</u></u>	<u><u>\$507,198</u></u>	<u><u>\$1,488,296</u></u>	<u><u>\$1,152,166</u></u>	<u><u>\$336,130</u></u>

Humboldt General Hospital
Hospital
Statement of Profit and (Loss)
For Period Ending: September 30, 2019

	Month to Date			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Total Patient Service Revenue	\$7,830,820	\$7,005,637	\$825,183	\$23,201,356	\$21,136,386	\$2,064,970
Deductions From Revenue						
Contractual Adjustments	3,407,757	2,954,640	(453,117)	10,178,398	8,694,310	(1,484,088)
Bad Debt & Charity Adjustments	557,340	169,175	(388,165)	1,243,331	507,526	(735,805)
Total Deductions From Revenue	<u>3,965,097</u>	<u>3,123,815</u>	<u>(841,282)</u>	<u>11,421,729</u>	<u>9,201,836</u>	<u>(2,219,893)</u>
Net Patient Service Revenue	3,865,723	3,881,822	(16,099)	11,779,627	11,934,550	(154,923)
Other Operating Revenue	24,281	30,825	(6,544)	76,554	92,475	(15,921)
Total Operating Revenue	<u>3,890,004</u>	<u>3,912,647</u>	<u>(22,643)</u>	<u>11,856,181</u>	<u>12,027,025</u>	<u>(170,844)</u>
Operating Expenses						
Salaries & Wages	977,562	1,056,566	79,004	2,908,025	3,169,698	261,673
Employee Benefits	587,721	574,191	(13,530)	1,650,297	1,722,573	72,276
Contract Labor	94,181	57,916	(36,265)	499,428	173,748	(325,680)
Professional Contracts	725,773	718,435	(7,338)	2,201,224	2,155,305	(45,919)
Supplies & Small Equipment	426,962	488,654	61,692	1,476,294	1,465,962	(10,332)
Equipment Maintenance	135,610	195,843	60,233	387,492	587,529	200,037
Rental & Lease	17,124	12,255	(4,869)	49,102	36,765	(12,337)
Insurance	19,523	30,264	10,741	142,810	90,792	(52,018)
Utilities	58,931	49,249	(9,682)	174,745	147,747	(26,998)
Depreciation	330,596	461,790	131,194	1,035,647	1,385,370	349,723
Travel, Meals, & Education	69,671	46,640	(23,031)	196,586	139,920	(56,666)
Other Expenses	152,347	100,639	(51,708)	189,299	172,987	(16,312)
Total Operating Expenses	<u>3,596,001</u>	<u>3,792,442</u>	<u>196,441</u>	<u>10,910,949</u>	<u>11,248,396</u>	<u>337,447</u>
Net Operating Income /(Loss)	<u>294,003</u>	<u>120,205</u>	<u>173,798</u>	<u>945,232</u>	<u>778,629</u>	<u>166,603</u>
Non-Operating Revenue/(Expenses)						
County Tax Revenue	660,311	369,265	291,046	1,792,133	1,107,795	684,338
Interest Income	13,976	25,394	(11,418)	69,543	76,182	(6,639)
Donations	-	-	-	-	-	-
Total Non-Operating Revenue/(Expenses)	<u>674,287</u>	<u>394,659</u>	<u>279,628</u>	<u>1,861,676</u>	<u>1,183,977</u>	<u>677,699</u>
Net Income /(Loss)	<u><u>\$968,290</u></u>	<u><u>\$514,864</u></u>	<u><u>\$453,426</u></u>	<u><u>\$2,806,908</u></u>	<u><u>\$1,962,606</u></u>	<u><u>\$844,302</u></u>

Humboldt General Hospital
Harmony Manor & Quail Corner
Statement of Profit and (Loss)
For Period Ending: September 30, 2019

	Month to Date			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Total Patient Service Revenue	\$386,170	\$327,750	\$58,420	\$1,076,453	\$983,250	\$93,203
Deductions From Revenue						
Contractual Adjustments	59,343	113,075	53,732	322,853	508,838	185,985
Bad Debt & Charity Adjustments	-	-	-	-	-	-
Total Deductions From Revenue	<u>59,343</u>	<u>113,075</u>	<u>53,732</u>	<u>322,853</u>	<u>508,838</u>	<u>185,985</u>
Net Patient Service Revenue	326,827	214,675	4,688	753,600	474,412	(92,782)
Other Operating Revenue	-	-	-	-	-	-
Total Operating Revenue	<u>326,827</u>	<u>214,675</u>	<u>112,152</u>	<u>753,600</u>	<u>474,412</u>	<u>279,188</u>
Operating Expenses						
Salaries & Wages	194,305	161,524	(32,781)	589,130	484,572	(104,558)
Contract Labor	-	-	-	-	-	-
Professional Contracts	-	20,000	20,000	7,980	60,000	52,020
Supplies & Small Equipment	6,056	14,058	8,002	36,329	42,174	5,845
Equipment Maintenance	-	2,125	2,125	678	6,375	5,697
Rental & Lease	-	1,685	1,685	3,942	5,055	1,113
Utilities	-	-	-	-	-	-
Depreciation	66,324	66,990	666	199,228	200,970	1,742
Travel, Meals & Education	-	2,773	2,773	4,958	8,319	3,361
Other Expenses	926	4,598	3,672	2,927	13,794	10,867
Total Operating Expenses	<u>267,611</u>	<u>273,753</u>	<u>6,142</u>	<u>845,172</u>	<u>821,259</u>	<u>(23,913)</u>
Net Operating Income /(Loss)	<u><u>\$59,216</u></u>	<u><u>(\$59,078)</u></u>	<u><u>\$118,294</u></u>	<u><u>(\$91,572)</u></u>	<u><u>(\$346,847)</u></u>	<u><u>\$255,275</u></u>

Humboldt General Hospital
Emergency Medical Services
Statement of Profit and (Loss)
For Period Ending: September 30, 2019

	Month to Date			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Total Patient Service Revenue	\$435,644	\$351,239	\$84,405	\$877,142	\$829,717	\$47,425
Deductions From Revenue						
Contractual Adjustments	91,163	138,570	47,407	392,598	415,710	23,112
Bad Debt & Charity Adjustments	40,675	46,356	5,681	104,926	139,068	34,142
Total Deductions From Revenue	<u>131,838</u>	<u>184,926</u>	<u>53,088</u>	<u>497,524</u>	<u>554,778</u>	<u>57,254</u>
Net Patient Service Revenue	303,806	166,313	31,317	379,618	274,939	(9,829)
Other Operating Revenue	<u>47,914</u>	<u>13,750</u>	<u>34,164</u>	<u>52,241</u>	<u>41,250</u>	<u>10,991</u>
Total Operating Revenue	<u>351,720</u>	<u>180,063</u>	<u>171,657</u>	<u>431,859</u>	<u>316,189</u>	<u>115,670</u>
Operating Expenses						
Salaries & Wages	262,693	143,765	(118,928)	655,639	431,295	(224,344)
Contract Labor	-	-	-	-	-	-
Professional Contracts	(1,000)	30,267	31,267	4,031	90,801	86,770
Supplies & Small Equipment	7,146	38,057	30,911	84,706	114,171	29,465
Equipment Maintenance	6,937	6,430	(507)	18,874	19,290	416
Rental & Lease	2,071	1,200	(871)	4,479	3,600	(879)
Utilities	1,802	1,969	167	21,053	5,907	(15,146)
Depreciation	28,777	40,419	11,642	86,533	121,257	34,724
Travel, Meals & Education	2,185	5,481	3,296	5,639	16,443	10,804
Other Expenses	6,882	3,486	(3,396)	9,993	10,458	465
Total Operating Expenses	<u>317,493</u>	<u>271,074</u>	<u>(46,419)</u>	<u>890,947</u>	<u>813,222</u>	<u>(77,725)</u>
Net Operating Income /(Loss)	<u>\$34,227</u>	<u>(\$91,011)</u>	<u>\$125,238</u>	<u>(\$459,088)</u>	<u>(\$497,033)</u>	<u>\$37,945</u>

Humboldt General Hospital
Rural Health Clinics
Statement of Profit and (Loss)
For Period Ending: September 30, 2019

	Month to Date			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Total Patient Service Revenue	\$598,257	\$574,058	\$24,199	\$1,363,544	\$1,568,764	(\$205,220)
Deductions From Revenue						
Contractual Adjustments	188,866	83,319	(105,547)	384,887	249,957	(134,930)
Bad Debt & Charity Adjustments	36,583	45,451	8,868	120,073	136,353	16,280
Total Deductions From Revenue	<u>225,449</u>	<u>128,770</u>	<u>(96,679)</u>	<u>504,960</u>	<u>386,310</u>	<u>(118,650)</u>
Net Patient Service Revenue	372,808	445,288	120,878	858,584	1,182,454	(86,570)
Other Operating Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Revenue	<u>372,808</u>	<u>445,288</u>	<u>(72,480)</u>	<u>858,584</u>	<u>1,182,454</u>	<u>(323,870)</u>
Operating Expenses						
Salaries & Wages	199,224	146,365	(52,859)	559,375	504,422	(54,953)
Contract Labor	-	-	-	-	-	-
Professional Contracts	129,481	151,358	21,877	602,042	454,074	(147,968)
Supplies & Small Equipment	24,922	12,525	(12,397)	80,448	45,120	(35,328)
Equipment Maintenance	1,409	435	(974)	3,033	1,305	(1,728)
Rental & Lease	2,814	-	(2,814)	8,470	-	(8,470)
Utilities	-	-	-	3,343	-	(3,343)
Depreciation	112,851	36,640	(76,211)	338,835	109,920	(228,915)
Travel, Meals & Education	3,782	9,167	5,385	30,114	30,365	251
Other Expenses	238	951	713	876	3,808	2,932
Total Operating Expenses	<u>474,721</u>	<u>357,441</u>	<u>(117,280)</u>	<u>1,626,536</u>	<u>1,149,014</u>	<u>(477,522)</u>
Net Operating Income /(Loss)	<u>(\$101,913)</u>	<u>\$87,847</u>	<u>(\$189,760)</u>	<u>(\$767,952)</u>	<u>\$33,440</u>	<u>(\$801,392)</u>

HUMBOLDT GENERAL HOSPITAL
 FINANCIAL STATEMENT OF PROFIT OR (LOSS)
 COMPARISON TO BUDGET
 FOR 3RD MONTH ENDED
 SEPTEMBER 30, 2019

DATE: 10/17/19
 TIME: 12:00:29

	-----CURRENT PERIOD-----			-----YEAR-TO-DATE-----		
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
OPERATING REVENUES						
ROOM / BED CHARGES REVENUE						
ACUTE CARE	\$ 889,700	\$ 758,119	\$ 131,581	\$ 2,572,862	\$ 2,274,360	\$ 298,502
NURSING HOME (Harmony Manor)	288,670	255,750	32,920	805,053	767,250	37,803
MEMORY CARE (Quail Corner)	97,500	72,000	25,500	271,400	216,000	55,400
TOTAL ROOM / BED CHARGES	1,275,870	1,085,869	190,001	3,649,315	3,257,610	391,705
ANCILLARY CHARGES REVENUE						
IN-PATIENTS	2,809,225	2,318,552	490,673	8,189,277	6,924,973	1,264,304
OUT-PATIENTS	4,883,363	4,698,032	185,331	13,791,144	13,747,369	43,775
NURSING HOME (Harmony Manor)	261,343	181,875	79,468	831,279	545,625	285,654
MEMORY CARE (Quail Corner)	21,091	14,180	6,911	57,480	42,540	14,940
TOTAL ANCILLARY SERVICES REV	7,975,022	7,212,639	762,383	22,869,180	21,260,507	1,608,673
GROSS REVENUES						
FROM SERVICES TO PATIENTS	9,250,892	8,298,508	952,384	26,518,495	24,518,117	2,000,378
(LESS) CONTRACTUALS TO REVENUE	3,747,129	3,289,604	457,525	11,278,736	9,868,815	1,409,921
NET REVENUE FROM PATIENT SERV	5,503,763	5,008,904	494,859	15,239,759	14,649,302	590,457
OTHER OPERATING REVENUES	72,195	44,575	27,620	128,795	133,725	(4,930)
GRAND TOTAL OPERATING REVENUES	5,575,958	5,053,479	522,479	15,368,554	14,783,027	585,527
OPERATING EXPENSES						
PROFESSIONAL CARE OF PATIENTS	2,326,338	2,419,339	(93,001)	7,432,124	7,086,906	345,218
NURSING ADMIN. / QUALITY IMP.	106,966	95,906	11,060	302,925	287,718	15,207
DIETARY DEPARTMENT	94,006	96,625	(2,619)	296,383	289,275	7,108
HOUSEKEEPING/LAUNDRY/JANITOR	159,951	101,628	58,323	499,821	304,884	194,937
PLANT OPERATION & MAINTENANCE	91,573	94,660	(3,087)	273,597	283,980	(10,383)
MEDICAL RECORDS	90,525	49,223	41,302	228,542	147,669	80,873
ADMINISTRATION	1,247,920	1,271,314	(23,394)	3,621,127	3,813,942	(192,815)
PROVISION FOR DEPRECIATION	538,548	605,839	(67,291)	1,619,085	1,817,517	(198,432)
BAD DEBTS, NET OF RECOVERY	634,598	260,982	373,616	1,468,330	782,947	685,383
TOTAL OPERATING EXPENSES	5,290,425	4,995,516	294,909	15,741,934	14,814,838	927,096
OPERATING PROFIT OR (LOSS)	285,533	57,963	227,570	(373,380)	(31,811)	(341,569)
NON-OPERATING REV/(EXP)						
AD VALOREM TAXES	660,311	295,226	365,085	1,542,973	885,678	657,295
CONSOLIDATED TAXES	00	74,039	(74,039)	249,160	222,117	27,043
NET PROCEEDS OF MINES TAX	00	00	00	00	00	00
INTEREST EARNED	13,976	25,394	(11,418)	69,543	76,182	(6,639)
DONATIONS	00	00	00	00	00	00
TOTAL NON-OPERATING REV/(EXP)	674,287	394,659	279,628	1,861,676	1,183,977	677,699
NET INCOME OR (LOSS)	\$ 959,820	\$ 452,622	\$ 507,198	\$ 1,488,296	\$ 1,152,166	\$ 336,130

HUMBOLDT GENERAL HOSPITAL
 BALANCE SHEET
 AT
 SEPTEMBER 30, 2019

DATE: 10/17/19
 TIME: 12:00:13

	THIS YEAR	LAST YEAR	INC/ (DEC)	INC/ (DEC) %
ASSETS:				
CURRENT ASSETS				
CASH AND INVESTMENTS	\$ 29,277,832	\$ 23,543,825	\$ 5,734,007	24.4
RESTRICTED CASH	17,599	28,452	(10,853)	(38.1)
ACCOUNTS RECEIVABLE, NET OF ALLOW.DBTFL.ACCT	14,841,889	10,609,945	4,231,944	39.9
INVENTORY	1,685,492	1,667,016	18,476	1.1
PREPAID EXPENSES	812,855	648,626	164,229	25.3
	-----	-----	-----	-----
TOTAL CURRENT ASSETS	46,635,667	36,497,864	10,137,803	27.8
	-----	-----	-----	-----
PROPERTY, PLANT, & EQUIPMENT				
NET OF DEPRECIATION	58,862,715	64,486,891	(5,624,176)	(8.7)
	-----	-----	-----	-----
DEFERRED OUTFLOWS OF RESOURCES				
PENSION DEFERRED OUTFLOWS	5,170,460	5,170,460	00	
	-----	-----	-----	-----
TOTAL ASSETS:	\$ 110,668,842	\$ 106,155,215	\$ 4,513,627	4.3
	=====	=====	=====	=====
LIABILITIES:				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	1,108,331	2,111,207	(1,002,876)	(47.5)
ACCRUED PAYROLL	1,476,113	968,475	507,638	52.4
ACCRUED PTO & SICK LEAVE	997,973	946,771	51,202	5.4
3RD PARTY PAYABLE/(REC)	599,772	(919,808)	1,519,580	**
SNF TRUST FUND DEPOSITS	17,118	28,452	(11,334)	(39.8)
	-----	-----	-----	-----
TOTAL CURRENT LIABILITIES	4,199,307	3,135,097	1,064,210	33.9
	-----	-----	-----	-----
LONG-TERM LIABILITIES				
NET PENSION LIABILITY	27,377,824	27,377,824	00	
	-----	-----	-----	-----
DEFERRED INFLOWS OF RESOURCES				
PENSION DEFERRED INFLOWS	1,796,539	1,796,539	00	
	-----	-----	-----	-----
TOTAL LIABILITIES:	33,373,670	32,309,460	1,064,210	3.3
	-----	-----	-----	-----

HUMBOLDT GENERAL HOSPITAL
 BALANCE SHEET
 AT
 SEPTEMBER 30, 2019

DATE: 10/17/19
 TIME: 12:00:13

	THIS YEAR	LAST YEAR	INC/ (DEC)	INC/ (DEC) %
FUND BALANCE:				
RETAINED EARNINGS	\$ 1,488,298	\$ 276,208	\$ 1,212,090	438.8
NET WORTH-OPERATING FUND	75,806,874	73,569,547	2,237,327	3.0
	-----	-----	-----	-----
TOTAL FUND BALANCE:	77,295,172	73,845,755	3,449,417	4.7
	-----	-----	-----	-----
TOTAL LIABILITIES AND FUND				
BALANCES COMBINED	\$ 110,668,842	\$ 106,155,215	\$ 4,513,627	4.3
	=====	=====	=====	=====

HUMBOLDT GENERAL HOSPITAL

RATIOS FOR THE PERIOD ENDING JULY 31, 2019:

		<<<<<<< FY2020												<<<<<<< <FY2019		
		Standard	SEPT	AUG	JUL	JUN	MAY	APR	MAR	FEB	JAN	DEC	NOV	OCT	SEPT	AUG
CURRENT RATIO		>2:1	11.11	10.23	16.59	13.95	17.32	17.18	18.27	12.84	17.76	7.89	6.92	5.69	5.81	5.93
Measure of short-term debt paying ability (Current Assets / Current Liabilities) Assets are 2x as large as Liabilities																
DAYS CASH ON HAND		>150 DAYS	230.42	230.91	238.22	239.81	241.33	237.26	231.73	237.02	235.13	219.56	221.97	231.47	212.70	218.06
Cash + Temp Investments + Investments divided by Total Expenses (less Depreciation AND Net Bad Debts), divided by Days in Period																
DAYS RECEIVABLES (NET OF ALLOWANCE)		< 70 DAYS	64.67	66.28	61.4	61.55	62.01	62.46	65.17	57.84	54.52	55.95	51.74	61.36	63.57	49.92
DAYS RECEIVABLES (GROSS)			89.30	93.47	90.05	90.16	87.11	89.68	88.06	80.91	79.4	-	-	-	-	-
OPERATING MARGIN		Percent > 3%	-2.43%	-3.82%	1.15%	-2.88%	-3.19%	-3.00%	-2.98%	-3.96%	-4.18%	-6.17%	-7.52%	-5.77%	-7.94%	-11.00%
YTD Operating Profit (Loss) divided by YTD Gross Revenue from Services to Patients (Guide to Hopsital's profitability)																

Op Margin = measurement of what proportion of revenue is left over after paying for operating costs

HUMBOLDT GENERAL HOSPITAL

PRESENTATION OF CASH ACCOUNTS

SEPTEMBER 30, 2019 -- FISCAL YEAR 2020

<u>ACCOUNTS FOR:</u>	<u>G/L ACCT. #:</u>	<u>LOCATION HELD:</u>	<u>ACCOUNT #:</u>	<u>BALANCES:</u>
Cash Drawers	100.0005	Safe/Business Office/Clinics	Cash Drawers(12)	\$ 1,765.00
General Fund Checking	100.0010	Wells Fargo Bank	3828	\$ 8,075,182.03
Tax Account	100.0012	Wells Fargo Bank	925	\$ 16,522.86
Payroll Checking	100.0015	Wells Fargo Bank	3836	\$ -
Benefit Claims Account	100.0065	Wells Fargo Bank	9805	\$ 553.17
General Fund Investment	100.0070	Wells Fargo Bank	6671	\$ 10,515,217.88
Hansen Scholarship Fund	100.0075	Wells Fargo Bank	7067	\$ 4,007.54
EMS Scholarship Fund	100.0078	Wells Fargo Bank	917	\$ 16,898.70
SNF Patient Trust	100.0090	Wells Fargo Bank	0021	\$ 33,699.84
SNF Memorial/Activity	100.0095	Wells Fargo Bank	9304	\$ 4,912.41
Investment Trust		Wells Fargo Bank	6500	\$ 10,375,108.14
HRG Self Pay	100.0055	Sterling Bank	1566	\$ 118,376.39
LGIP Savings	100.0080	NV State Treasurer	#xxxGHO	\$ 235,503.34

HGH TOTALS: \$ 29,397,747.30

I, Sandi Lehman, CFO for Humboldt General Hospital, hereby certifies that the above report of cash account balances accurately reflects the actual cash-in-bank as reported by the financial institutions holding the funds for the current period end.

SUBMITTED & SIGNED:

Sandi Lehman, CFO

Sandi Lehman, CFO

Proposal For Procalcitonin Laboratory Testing

Background Information:

A Procalcitonin test is used in the following manner;

- “to aid in the risk assessment of critically ill patients on their first day of ICU admission for progression to severe sepsis and septic shock,
- to aid in assessing the cumulative 28-day risk of all-cause mortality for patients diagnosed with severe sepsis or septic shock in the ICU or when obtained in the emergency department or other medical wards prior to ICU admission, using a change in PCT level over time,
- to aid in decision making on antibiotic therapy for patients with suspected or confirmed lower respiratory tract infections (LRTI) - defined as community-acquired pneumonia (CAP), acute bronchitis, and acute exacerbation of chronic obstructive pulmonary disease (AECOPD)- in an inpatient setting or an emergency department,
- to aid in decision making on anti-biotic discontinuation for patients with suspected or confirmed sepsis.”¹

The Issue:

This test is not presently performed in the HGH Laboratory, but rather sent to the reference lab. However, the delay in receiving results renders it almost useless to clinicians.

Proposed Solution:

1. Bring the test in house.
2. Prior to end of any lease agreement term, perform an R.O.I. to determine continuing lease or to purchase equipment.
3. Test is reimbursed at \$112.00

Action:

Request Approval up to \$ 10,000.00 for interface if required.

¹Vidas BRAHMS – Indications For Use - Biomérieux

O. KENT MAHER
ATTORNEY AT LAW
33 WEST FOURTH STREET
P.O. BOX 130
WINNEMUCCA, NEVADA 89446

TEL: (775) 623 5277 FAX: (775) 623 2468
EMAIL: KENT@WINNEMUCCALAW.COM

MEMORANDUM

TO: Interim Administrator-CEO

FROM: Hospital District Legal Counsel *OKM*

DATE: October 17, 2019

RE: Stringham / air medical transport medical director services agreement

Attached (in pdf. format to the email) is a draft version of the proposed *Agreement for Air Ambulance Medical Director Services* with Charles A. Stringham, M.D., which was prepared using information from the existing air ambulance services agreement. Note that this agreement contemplates the District will provide the required professional liability insurance since such insurance is already being provided pursuant to a separate agreement between the parties, thus there are no additional obligations imposed by agreeing to provide the same.

It is anticipated this draft will be submitted to the Board for consideration; however, please review the document carefully for content and accuracy. If revisions are believed necessary, please contact me to discuss. After the Board and administration have had the opportunity to review and consider the draft document, and after any desired revisions are made to the document, it can be transmitted in draft form for the provider to review, etc. When the Agreement as drafted or revised, as the case may be, is acceptable with the parties, it will be placed in final form for signatures, assuming the requisite approvals have been obtained.

If you have questions concerning this matter, please contact me. Thank you.

OKM/lp
Attachment

AGREEMENT
FOR AIR AMBULANCE MEDICAL DIRECTOR SERVICES

THIS AGREEMENT, made and entered into effective the _____ day of _____, 2019 (the "Effective Date") by and between:

DISTRICT: HUMBOLDT COUNTY HOSPITAL DISTRICT
c/o Humboldt General Hospital
118 East Haskell Street
Winnemucca, Nevada 89445

PHYSICIAN: CHARLES A. STRINGHAM, M.D.
50 East Haskell Street, Suite A
Winnemucca, Nevada 89445

RECITALS:

A. Humboldt County Hospital District ("District") which operates Humboldt General Hospital ("Hospital"), an acute care medical facility with critical access designation, Harmony Manor, a long-term skilled nursing medical facility, Quail Corner Life Enrichment Community, a memory care long-term skilled nursing medical facility, and the Hospital Clinic, medical clinics offering the professional services of health care providers (collectively such facilities are sometimes referred to herein as the "District Facilities"), in Winnemucca, Humboldt County, Nevada, participates in providing a qualified emergency air medical transportation service (the "Services") for transport of patients to and from District Facilities and has need for a licensed and qualified physician to provide medical director services on behalf of the District for the Services.

B. Charles A. Stringham, M.D. ("Physician") is qualified and licensed to practice in the State of Nevada, with experience, knowledge and understanding of the policies, procedures, rules, regulations, guidelines, protocols, and requirements for the transport of patients by air, aeromedical physiology, stresses of flight, aircraft safety, patient care, and resource limitations of aircraft, medical staff and equipment which are necessary for providing medical director services on behalf of the District for the Services.

WITNESSETH: For and in consideration of the mutual recitals, representations, warranties and covenants herein it is mutually agreed as follows:

- 1. PHYSICIAN SERVICES.** Subject to the terms and conditions herein, Physician shall:
 - a.** Participate in all administrative patient care decision making processes in the performance of the Services.
 - b.** Establish written protocols, procedures and/or standards in conformity with the applicable laws and regulations governing emergency air medical transportation services, to provide for: (i) for the dispatch of personnel and equipment, including selection of suitable aircraft, to the location where emergency medical services are required; (ii) emergency medical services and/or care at the location; (iii) the methods for transporting patients at the location; (iv) the methods for transporting patients for further medical treatment; and, (v) the handling and transfer of patients upon being received at a location where medical treatment will be provided.

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c. Review and evaluate the protocols, procedures and/or standards not less frequently than every six (6) months during the term and, if necessary, update the protocols and procedures at the time of review.

d. Make recommendations upon request to regulatory agencies regarding the providing of Services.

e. Use reasonable efforts to assure that District is informed at all times as to the status of the Services Physician is providing and the courses of action or recommendations of Physician.

f. Make reasonably available to District all written materials sent or received by Physician pertaining to matters involving the Services and copies of such materials will be provided District upon request.

2. **TERM / RENEWAL.** This Agreement: (i) becomes effective upon execution by all parties on the date first above written and will remain in effect until the end of the calendar year; and, (ii) is automatically renewable for successive one year terms beginning January 1 and ending December 31 of each calendar year, unless and until terminated as provided herein.

3. **COMPENSATION.** District shall pay Physician for the performance of the services authorized by this Agreement the sum of \$1,000 per calendar month and reimbursement for travel expenses and subsistence expenses, if any, incurred by Physician in providing services pursuant to this Agreement. There shall be a pro rata adjustment of the monthly compensation when services provided for less than a full calendar month. At the end of each calendar month Physician shall provide to District a statement with a brief description of the services and the actual time expended by Physician to provide the services for that month and a detail of any reimbursable expenses. The compensation payment shall be made within fifteen (15) days of receipt by District from Physician of the statement.

The compensation established by this Agreement is consistent with the fair market value of the Physician services arrived at through an arms length negotiation between the parties. The compensation is not intended to relate to and does not take into account the volume or value of any referrals or business otherwise generated for or with respect to the District or between the parties for which payment may be made in whole or in part under medicare, medicaid or any other federal or state health care program, or under any third party payor program.

4. **RELATIONSHIP / SUPERVISION.** The District is contracting for the performance of Physician's services as an independent contractor, and the District does not control the manner in which Physician provides such services, nor does the District retain control over the methods and procedures to be utilized in the performance of Physician's professional activities, so long as the terms of this Agreement are complied with by the Physician and the objectives of the District are achieved by the performance of the Physician provided services.

No relationship of employment, partnership, joint venture or agency is created or intended to be created by this Agreement and Physician shall have no claim under this Agreement against the District for vacation pay, sick leave, retirement benefits, social security, workers' compensation, health, disability or unemployment insurance benefits, or employee benefits of any kind.

5. **EXPENSES.** Excepting the reimbursable expenses incurred by Physician in providing services pursuant to this Agreement, Physician is responsible for payment of all expenses incurred by Physician in connection with Physician's private business operations, including providing services pursuant to this Agreement and the practice of medicine, such as fees, salaries, benefits, insurance, licensing costs, professional association dues, continuing education programs and conferences, and medical equipment and supplies, unless otherwise provided or authorized by this Agreement.

6. **TAXES / WITHHOLDING.** Physician is responsible for payment of federal, state and local taxes, social security and medicare (FICA), workers' compensation insurance and unemployment insurance (FUTA and state), and any other fees and taxes related to the compensation received by Physician pursuant to this Agreement.

7. **PHYSICIAN WARRANTIES.** Physician represents, warrants and agrees during the term of this Agreement:

a. **License.** Physician is a doctor of medicine, duly licensed and in good standing, without restriction, as a physician in the State of Nevada.

b. **Policies.** Physician is, or will be, familiar with and shall be subject to, comply with, and abide by the policies, procedures, rules, regulations, guidelines, protocols, and requirements of the District insofar as they are applicable to contract physicians, and the bylaws, rules and regulations of the District's medical staff, as amended from time to time.

c. **Audits.** Physician will cooperate with the implementation of any corrective action recommended as a result of internal and external audits conducted by the District to promote regulatory compliance.

d. **Standards Compliance.** Physician will comply with the American Medical Association's Principles of Medical Ethics, the standards of the Joint Commission, the National Committee on Quality Assurance and any other accrediting or licensing agency that may have jurisdiction or authority over the District.

e. **Regulatory Compliance.** Physician will provide services under this Agreement in compliance with all applicable federal and state laws, regulations, rules, standards and requirements for licensing and certifications, including, without limitation, all air ambulance operations licensing requirements.

f. **Medical Staff-Privileges.** Physician will maintain in good standing appointment to the professional medical staff of District and clinical privileges.

g. **Notice.** Physician must notify District in writing within five (5) business days of receipt of notice of any investigation by or of Physician, or any claim or threatened claim against Physician based on services rendered by Physician pursuant to this Agreement, or any action that is threatened, initiated or taken against Physician by any person, entity, other health care facility provider or organization, which could result in: (i) loss, restriction or suspension of Physician's license to practice medicine in the State of Nevada; and, (ii) loss of Physician's insurability for professional liability insurance.

9. DISTRICT PROVIDED FACILITIES-SERVICES.

a. Facilities / Equipment / Supplies / Utilities / Ancillary Personnel. The services provided by Physician do not require office space, professional office equipment, supplies, utilities or ancillary support personnel; however, to the extent such facilities or services are, in the District's good faith opinion, reasonably necessary for conducting the Physician services provided pursuant to this Agreement, such facilities and services will be provided at District expense.

b. Insurance. The District provides, at District expense, professional liability insurance which covers Physician's services in amounts required by the District's professional staff policies, but not less than \$1,000,000 per claim and \$3,000,000 in the aggregate. The insurance is obtained on a claims-made basis, and provides for continuation or "tail coverage" after termination of services. Physician shall promptly notify District of any claim or threatened claim based on services rendered by Physician or under Physician's supervision, and shall cooperate fully with District and its insurers in investigation, defense, and other disposition of such claims, including not making any voluntary statements or commitments which could prejudice defense of same. If Physician ceases to be covered by District's professional liability insurance during the term of this Agreement, then Physician shall obtain and maintain the required professional liability insurance coverage at Physician's expense.

10. DISTRICT POLICIES.

a. Professional. Physician shall comply with all obligations of professional staff appointees as described in the District's medical staff bylaws, medical staff rules and regulations and the Hospital and Clinic policies and procedures relevant to professionals utilizing District Facilities, as amended from time to time. Nothing in this Agreement shall obligate the District to take favorable action on Physician's application or reapplication for professional staff appointment or clinical privileges. District shall retain the right to process all such applications and any suspensions, terminations or restrictions of staff appointment or clinical privileges in accordance with District's normal standards and procedures.

b. Conflict. In the event of conflict between or among the terms and/or conditions of this Agreement, the medical staff bylaws, the medical staff rules and regulations, and the Hospital and Clinic policies and regulations, the terms and/or conditions of this Agreement shall control, and if this Agreement is silent on such terms and/or conditions, then the medical staff bylaws and the medical staff rules and regulations shall control, and if the bylaws, rules and regulations are silent on such terms and/or conditions, then the Hospital and Clinic policies and regulations shall control.

11. PERSONNEL POLICIES. Physician shall abide by District personnel policies applicable to District employees and employee contractual commitments, and shall provide services pursuant to this Agreement in a manner consistent with District employees' rights under such personnel policies.

12. RECORDS.

a. Retention. In accordance with Section 1861(v)(1)(1) of the Social Security Act, and the implementing regulations, Physician shall make available upon written request from the Secretary of the Health and Human Services, the Comptroller General, the District or agents of

any of them, this Agreement and the books, documents and records of Physician necessary to certify the nature and extent of the costs related to the Physician for performance of this Agreement. Such books, documents and records shall be preserved for six (6) years after the furnishing of services by Physician pursuant to this Agreement, unless a longer retention period is required by applicable law or regulation.

(i) **Access.** If this Agreement is or becomes subject to any law relating to verification of contract costs under medicare, medicaid or any other law relating to reimbursement for professional medical services, the above noted entities and their representatives shall have access to Physician's books, documents and records for services provided pursuant to this Agreement ("Books") as are necessary to certify the nature and extent of such costs.

(ii) **Audit / Notice.** If Physician is asked to disclose any Books relevant to this Agreement for any audit or investigation, Physician shall immediately notify the District of the nature and scope of such request.

(iii) **Ownership.** The Physician's work product and records related to services provided pursuant to this Agreement are and shall remain the property of the District, and shall be maintained for a period of six (6) years following the termination of this Agreement and, during such time, District agrees to retain and maintain all significant components of the files of Physician relative to Physician's services for the District and District shall make such records reasonably available to Physician upon request.

b. **Confidentiality.** Physician shall maintain the confidentiality of all patient care information and of all District and Hospital business and financial data, patient lists, and other trade secrets and confidences. Physician shall follow appropriate procedures to ensure that Hospital patient's confidentiality rights are not abridged in accordance with applicable state and federal confidentiality and disclosure laws and regulations. Physician shall at no time during or after the providing of services pursuant to this Agreement communicate in any way to any person or entity, any proprietary business or trade secrets of District unless such information is reasonably available to the general public from third party sources that Physician knows are not under any obligation to refrain from divulging such information.

13. NON-DISCRIMINATION. Physician shall while performing the services for District pursuant to this Agreement uphold and abide by all laws pertaining to equal access and employment opportunities. These laws include Title VI and VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act of 1967, as amended, the Age Discrimination in Employment Act of 1975, the Equal Pay Act of 1963, Section 501 & 504 of the Rehabilitation Act of 1973, the Civil Rights Act of 1991 and the Americans with Disabilities Act of 1990, as amended.

Physician shall not discriminate against any patient, District employee, District contractor or any other individual the Physician comes into contact with by reason of the duties performed pursuant to this Agreement because of race, color, ethnicity, ancestry, creed, national origin, religion, age, sex, sexual orientation, gender identity or expression, marital status, familial status, veteran's status, political affiliation or disability (including AIDS and related conditions).

14. ADDITIONAL INSTRUMENTS. Physician shall, from time to time and as often as requested by District, execute an addendum to this Agreement governing Physician's use and

disclosure of Protected Health Information in accordance with the requirements of the Health Insurance Portability and Accounting Act of 1996 ("HIPAA") and the implementing regulations of HIPAA, as amended. Failure of Physician to execute such addendum upon request shall result in immediate termination of this Agreement.

15. EVALUATION OF SERVICES. The District continually evaluates all services provided and may initiate changes to services provided based upon the health care environment and external pressures to remain competitive. Physician and District agree to participate in open dialog and negotiations regarding developments that may affect the manner in which services are provided and/or the services that Physician or District may choose to provide.

16. INFORMATION TO DISTRICT. Physician shall use reasonable efforts to assure that District is informed at all times as to the status of matters that Physician is providing services for and the courses of action or recommendations of Physician. Physician shall make reasonably available to District all written materials sent or received by Physician pertaining to matters involving the District or the District Facilities and copies of such materials will be provided to the District upon request.

17. NO REFERRALS. Nothing contained in this Agreement or in any other agreement between the District and Physician will obligate either party to refer patients to the other party, or to the affiliated providers or facilities of either party.

18. INDEPENDENT JUDGEMENT. Nothing contained in this Agreement or in any other agreement between the District and Physician shall be interpreted to prescribe Physician's method or manner of providing the services contemplated by this Agreement, or to influence the exercise of independent judgement of Physician.

19. TERMINATION. This Agreement and the services of Physician may be terminated as follows:

a. Without Cause. This Agreement may be terminated without cause by District or Physician upon service of a written notice of termination upon the other party. The termination shall become effective not sooner than thirty (30) days following service of the notice of termination, unless another time is mutually agreed upon by the parties.

b. Automatic. This Agreement automatically terminates on the date Physician resigns, is removed or is otherwise no longer a member of the District Medical Staff.

At the effective date of termination, all rights, duties and obligations of District and Physician under this Agreement shall terminate except: (i) District shall compensate Physician for services performed by the Physician for which compensation is due but has not been received; and, (ii) the records access and retention of files (section 12.a.), and the confidentiality provisions (section 12.b.), shall continue to bind the parties.

20. GENERAL PROVISIONS. The general provisions attached hereto as **Exhibit "A"** are made a part of this Agreement and are incorporated herein by reference.

IN WITNESS WHEREOF, the parties have hereunto caused this Agreement to be executed effective as of the day and year first above written.

DISTRICT:

PHYSICIAN:

Chairman Humboldt County
Hospital District Board of Trustees

Charles A. Stringham , M.D.

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EXHIBIT "A"
TO
AGREEMENT FOR PHYSICIAN SERVICES
GENERAL PROVISIONS

A. AMENDMENT. This Agreement may be modified or amended only in writing by an instrument executed with the same formality as this Agreement.

B. APPLICABLE LAW. This Agreement and all rights and obligations hereunder shall be governed by and construed in accordance with the laws of the State of Nevada in effect from time to time.

C. ASSIGNMENT. This Agreement relates to the performance of services by Physician and shall not be transferred or assigned by Physician without the prior written consent and agreement of District. Any unauthorized transfer of this Agreement shall be void. The District may assign this Agreement to a successor organization or successor entity of District.

D. BINDING EFFECT. This Agreement will inure to the benefit of and bind the respective successors and permitted assigns of the parties hereto.

E. CAPTIONS. The captions or titles used in this Agreement shall have no effect on its interpretation and are for convenience and reference only and in no way define limits or describe the scope of this Agreement or the scope or content of any Agreement provision.

F. COMPLIANCE WITH LAW-DISTRICT POLICIES. In the performance of services pursuant to this Agreement, there shall be compliance by District and Physician with all applicable laws, regulations and rules, and Physician shall comply with applicable District, Hospital and Clinic policies, as enacted and amended from time to time, including policies relative to illegal harassment, and drug and alcohol free workplace.

G. CONSTRUCTION. Whenever the context of this Agreement requires, the gender of all words shall include the masculine, feminine, and neuter, and the number of all words shall include the singular and plural. The language of all parts of this Agreement shall in all circumstances be construed as a whole, according to its fair meaning, and not strictly for or against any party. The doctrine or rule of construction against the drafting party shall not apply, nor shall any such presumption apply, to the interpretation and/or enforcement of this Agreement or any documents attached to this Agreement.

H. COUNTERPARTS. This Agreement may be executed in counterparts, each of which when executed and delivered shall be deemed an original, but all such counterparts together shall constitute one and the same instrument.

I. DEFINITIONS/TERMS. The capitalized terms used in this Agreement with reference to HIPAA or any other federal or state law or regulation shall have the meaning ascribed to such term in the law or regulation. As used in this Agreement, the term: (i) "Physician" shall include, when the context requires inclusion, all Physician associates, subcontractors and agents of Physician used to provide services or carry out services under this Agreement; and, (ii) "Administrator" refers to the District/Hospital chief executive officer or chief operating officer and, when the context requires, shall include the designee or appointee of the Administrator. References to "days" refer to calendar days, unless stated otherwise, and reference to a "business day" refers to a day that is not a Saturday, Sunday, legal holiday or a day observed as a legal holiday for Nevada state governmental offices under the Nevada Revised Statutes.

J. DISPUTE RESOLUTION. Any controversy, claim or dispute relating to this Agreement or Physician services concerning a non medical issue shall be the subject of informal discussions between Physician and the Hospital Physician Services Director. If no agreement can be reached between Physician and Physician Services Director, the decision of the Physician Services Director may be referred to the Administrator for a decision. Any questions or disagreements concerning standards of professional practice or the medical aspects of the services furnished by Physician shall be referred to a peer or peer group (up to three (3) persons) of qualified medical professionals selected by the Physician and the Administrator, which peer or peer group will recommend a resolution of the matter to the Administrator. If Physician is dissatisfied in either case with the decision of the

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Administrator, then upon the written request of Physician submitted to the Administrator on or before the expiration of five (5) working days after the decision is rendered, the dispute will be submitted to a committee (less than a quorum) appointed by the Board Chairman of the District's Board of Trustees for resolution. The decision of the District's Board of Trustees is final.

K. ELECTRONIC COMMUNICATION. Physician consents to and allows District to initiate electronic communications (whether by email, facsimile, or other mode) to Physician and to respond to electronic communications from Physician via electronic communication. The consent extends to initiation of electronic communications with, and the electronic response to communications from, such others as District deems necessary or appropriate in the performance of services hereunder, and will also include attachment of electronic copies of documents to any electronic communications. Physician acknowledges and assumes the risk that electronic communications may be randomly intercepted and disclosed by an otherwise disinterested person, and could be intercepted by an individual or other party interested in the subject of the electronic communication.

L. EXHIBITS. All exhibits attached and referred to in this Agreement are fully incorporated herein by reference.

M. FEES AND COSTS. Each party shall pay their respective costs of dispute resolution under section J above. In the event that either party institutes a suit against the other party, either directly by complaint or by way of cross complaint, including a cross complaint for indemnity, for alleged negligence, error, omission or other failure to perform, or for declaratory relief, or to enforce or interpret the provisions of this Agreement, and if instituting party fails to obtain a judgment in its favor, the lawsuit is dismissed, or if judgment is rendered for the other party, the instituting party shall pay the costs incurred by the defending party, including the defending party's fees incurred for notices of default, negotiation, settlement, trial, appeal after trial, reasonable attorney's fees, expert witness fees, court costs and any and all other expenses of defense. Such payment shall be made immediately following dismissal of the case or upon entry of judgment. If the instituting party is the prevailing party, then the instituting party shall be entitled to reasonable attorney's fees, which fees shall be set by the court in the action in addition to any other costs assessed by the Court.

N. ENTIRE AGREEMENT. This Agreement contains the entire understanding between the parties and there are no terms, promises, conditions, inducements, representations or warranties, express or implied, other than as herein set forth. This Agreement and the other instruments attached hereto or herein referred to supersede any prior discussions, contracts or agreements of the parties pertaining to the subject of this Agreement.

O. INDEMNIFICATION. Physician shall indemnify, defend, and hold harmless District, its officers, officials, agents and employees from and against any and all liabilities, costs, damages, expenses, attorney litigation fees and costs of any nature arising out of or in connection with negligent or intentional acts of Physician performing services pursuant to this Agreement, to the fullest extent allowable by law.

P. NO THIRD-PARTY BENEFICIARIES. Nothing expressed or implied in this Agreement is intended, or should be construed, to confer upon or give any person not a party to this Agreement any third-party beneficiary rights, interests or remedies under or by reason of any term, provision, condition, undertaking, warranty, representation or agreement contained herein.

Q. NOTICES. Any notice, request or demand or other communication pursuant to this Agreement shall be in writing and shall be considered given (i) upon personal service to the party to be served, or (ii) upon acknowledgment of receipt of a facsimile or other electronic transmission or communication and, if there is no acknowledgment of receipt, then one business day after the date of transmittal of the facsimile or other electronic communication and no failed delivery notification is received by the sender, or (iii) upon the sooner of first attempted delivery or receipt for Federal Express or other similar delivery service keeping records of deliveries and attempted deliveries, or (iv) on the third business day after deposit in the United States mail, certified and postage prepaid, return receipt requested, in a regularly maintained receptacle for the deposit of United States mail to the party to be served at their address given herein, or at such other address or attention as from time to time may be specified by either party by notice to the other party in the manner herein provided.

R. RECITALS. The recital and introductory paragraphs of this Agreement are considered an integral part of this Agreement and form a basis for entering into this Agreement and shall be considered *prima facie* evidence of the facts, events, documents and information referred to therein.

S. RECONSIDERATION. If either party to this Agreement reasonably determines that a provision of this Agreement is unworkable or, if either party identifies a method of improving the working relationship between the parties, this Agreement may be reconsidered for amendment. If there is failure of the parties to reach agreement on the proposed amendment, then this Agreement shall continue in force and effect without change.

If, in the opinion of counsel for the District, changes in federal or state statutes or regulations, or court interpretations of statutes or regulations applicable to District, render this Agreement or any of its provisions illegal, or significantly impair or restrict District's entitlement to reimbursement for services rendered by Physician, the parties shall negotiate in good faith to eliminate the illegality or adverse reimbursement effects occasioned by such changes while maintaining the intended effect of this Agreement as nearly as possible. If the parties are unable to reach agreement or if, in the opinion of counsel for the District, it is not possible to eliminate the illegality or adverse reimbursement effects through mutual agreement, District may terminate this Agreement on fifteen (15) days written notice to Physician. In the event of termination under this section, the parties shall be relieved of all obligations each to the other pursuant to this Agreement from the date of termination, except as provided in section 20 herein.

T. RELEASE. Upon any termination of services pursuant to this Agreement, and upon receipt by Physician of all compensation for services performed, the Physician shall be deemed to have voluntarily released and discharged the District, the Board of Trustees of the District, the Hospital and their officers, directors, employees, agents and successors and assigns, individually and collectively, and in their official capacity, from any and all liability arising out of this Agreement or from Physician providing services under this Agreement.

U. REMEDIES. All rights and remedies provided for in this Agreement are cumulative and in addition to, an not in lieu of, any other remedies available at law, in equity, or otherwise.

V. REVIEW OF AGREEMENT. The parties represent that they have read this Agreement, that the terms and provisions of this Agreement have been explained to them and that they are fully aware of the contents and binding legal effect of this Agreement and that they are entering into this Agreement freely and voluntarily.

W. SEVERABILITY. The enforceability, voidability, invalidity or illegality of any provisions of this Agreement shall not render any other provisions unenforceable, void, invalid or illegal.

X. TIME. Time is of the essence of this Agreement and each of its provisions.

Y. VENUE. In the event litigation is used to enforce or interpret the provisions of this Agreement such litigation is to be brought in the jurisdiction of the state of Nevada, District Court in Humboldt County, Nevada and, notwithstanding that Physician may not reside in Humboldt County, Nevada, Physician waives the right to bring, try or remove such litigation to any other state, county or judicial district or court system, unless the District consents to or brings such litigation in another jurisdiction. Nothing in this Agreement shall be construed to limit the right of a court of competent jurisdiction to change the venue.

Y. WAIVERS. All waivers under this Agreement must be in writing and signed by the party against whom the waiver is sought to be enforced. One or more waivers of any term, condition or covenant by either party shall not be construed as a waiver of any other term, condition or covenant.