

HUMBOLDT GENERAL HOSPITAL

DISTRICT BOARD OF TRUSTEES

REGULAR BOARD MEETING

TUESDAY

JUNE 25, 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 June 25, 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: Alicia Wogan

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

D. CONSENT AGENDA

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

1. Board meeting minutes May 10, 2019, May 11, 2019 and May 28, 2019.
2. Medical Staff applications for appointments, reappointments, provisional and temporary privileges for: Gurpreet Chahal, M.D., Provisional-Emergency Medicine; Iman Bar, M.D., Provisional-Pediatric; Prasada Nalluri, Provisional-Emergency Medicine; S. Mathew Pappy, M.D., Provisional-Hospitalist; Jason Lasry, M.D., Provisional-Emergency Medicine.

E. FINANCIAL REPORTS

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

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

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 / Nevada Public Agency Insurance Pool (NPAIP) liability insurance program / renewal proposal and premium payment from fiscal year 2019-2020 funds / POOL

DISTRICT BOARD OF TRUSTEES MEETING AGENDA

June 25, 2019

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2. Hospital Administration-Budget / proposal to augment the fiscal year 2018-2019 budget and/or transfer funds / CFO-Administration
3. Hospital Administration-Pharmacy / pharmacy remodel project / proposal to purchase Biochemguard exhaust biosafety cabinet for containment and removal of mists, vapors and particulates / Pharmacy Director-Administration
4. Hospital Administration-EMS / proposal to purchase eleven new Zoll cardiac monitors to replace outdated-unsupported cardiac monitors / EMS Director-Administration
5. Hospital Administration-Radiology / proposal to purchase a fluoroscopy and digital radiography system for radiology / Radiology Director-Administration
6. Hospital Administration-Materials Management / proposal to purchase refurbished forklift for materials management / Materials Management Director-Administration
7. Hospital Administration / proposal to employ and enter into an employment agreement with Rommel Adajar, M.D. to provide family practice physician health care services / Administration
8. Hospital Administration / ratification of employment agreement with Robert Westling, M.D. to provide resident physician supervision services for Resident Clinic and Walk-In Clinic / Administration
9. Hospital Administration / proposal to use the professional services of and enter into an employment agreement with Robert Westling, M.D. to provide medical director services for Harmony Manor and Quail Corner long term health care facilities / Administration
10. Hospital Administration-EMS / proposal to authorize termination of the memorandum of understanding between Humboldt General Hospital EMS and City of Reno to provide Reno Fire Department with two reserve ambulances / EMS Director-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.

Financial Narrative

Period Ending May 31, 2019

STATISTICS

- Patient days are 99 days over budget for the month and 586 days under budget year to date
- OR cases are over budget by 43 for the month and over budget by 169 cases year to date
- Radiology tests are higher than budgeted by 303 tests for the month and 601 tests year to date
- Lab tests for the month are 2,511 tests over budget and year to date is over budget by 6,007 tests
- Emergency room visits are over budget by 116 for the month and 336 year to date
- Clinic visits are 343 visits lower than budgeted for the month and 4,481 visits lower than budgeted for the year

FINANCIAL STATEMENTS

- Net loss from operations for May was \$423,360 compared to a budgeted loss of \$323,215 and is mainly due to:
 - the increase in adjustments from the 50% discount campaign (\$259,000 in adjustments for May 2019)
 - Increase in professional contracts in various departments
- May operating revenues are higher than budgeted by approximately \$979K
- Month to date non-operating revenues are approximately \$1.1MK over budget which is due to the receipt of net proceeds for calendar year 2018 of approximately \$1.4M
- Month to date net income is \$1,082,761, approximately \$1M over budget
- Year to date net income is \$4,399,084, approximately \$3.5M over budget

YEAR TO DATE REVENUE PAYOR MIX

<u>Payor</u>	<u>Hospital FY19</u>	<u>Hospital FY18</u>	<u>Clinic FY19</u>	<u>Clinic FY18</u>
Medicare	36.5%	36.9%	26.8%	26.9%
Medicaid	21.9%	20.9%	25.1%	27.6%
Insurance	29.4%	30.8%	39.2%	36.8%
Private pay	8.4%	7.8%	6.2%	6.0%
Other	3.8%	3.6%	2.7%	2.7%

**Humboldt General Hospital
Statistics Comparison**

May 31, 2019

	Monthly Budget	May-19 Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
Med/Surg Pt Days	158	151	-4.63%	1,742	1,786	2.55%
Pediatric Days	-	17	0.00%	-	55	0.00%
Obstetrics Pt Days	30	31	2.20%	334	334	0.10%
Nursery Pt Days	32	43	35.79%	348	371	6.51%
ICU Pt Days	12	9	-22.86%	128	163	27.01%
Swing Bed Days	28	32	16.36%	303	360	19.01%
Harmony Manor Days	840	898	6.90%	9,240	8,469	-8.34%
Quail Corner Days	200	217	8.50%	2,200	2,171	-1.32%
Labor Room Deliveries	19	19	1.33%	206	211	2.30%
Operating Room Cases	93	136	45.71%	1,027	1,196	16.49%
Radiology Tests	1,100	1,403	27.55%	12,100	12,701	4.97%
Laboratory Tests	7,018	9,529	35.78%	77,196	83,203	7.78%
Emergency Room Visits	600	716	19.33%	6,600	6,936	5.09%
Amulance Runs	225	299	32.89%	2,475	2,606	5.29%
RHC Visits	2,424	2,081	-14.16%	26,668	22,187	-16.80%

Days are counted in month discharged.

Humboldt County Hospital District
Statement of Profit and (Loss)
For Period Ending: May 31, 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	\$9,066,172	\$7,308,108	\$1,758,064	\$83,054,179	\$80,496,185	\$2,557,994
Deductions From Revenue						
Contractual Adjustments	4,085,550	2,919,345	(1,166,205)	33,846,236	32,602,733	(1,243,503)
Bad Debt & Charity Adjustments	631,979	546,092	(85,887)	6,182,965	6,007,003	(175,962)
Total Deductions From Revenue	<u>4,717,529</u>	<u>3,465,437</u>	<u>(1,252,092)</u>	<u>40,029,200</u>	<u>38,609,736</u>	<u>(1,419,464)</u>
Net Patient Service Revenue	4,348,642	3,842,671	505,971	43,024,979	41,886,449	1,138,530
Other Operating Revenue	<u>23,992</u>	<u>97,877</u>	<u>(73,885)</u>	<u>575,478</u>	<u>1,076,669</u>	<u>(501,191)</u>
Total Operating Revenue	<u>4,372,634</u>	<u>3,940,548</u>	<u>432,086</u>	<u>43,600,457</u>	<u>42,963,118</u>	<u>637,339</u>
Operating Expenses						
Salaries & Wages	1,424,844	1,453,693	28,849	15,309,965	15,990,653	680,688
Employee Benefits	556,541	518,416	(38,125)	5,474,002	5,702,576	228,574
Contract Labor	146,303	82,320	(63,983)	1,367,301	905,528	(461,773)
Professional Contracts	1,124,142	652,366	(471,776)	8,200,746	7,226,028	(974,718)
Supplies & Small Equipment	529,058	511,848	(17,210)	5,295,322	5,630,335	335,013
Equipment Maintenance	181,058	176,047	(5,011)	1,633,327	1,936,517	303,190
Rental & Lease	26,896	30,050	3,154	283,535	330,554	47,019
Insurance	45,634	45,666	32	402,753	502,326	99,573
Utilities	54,711	56,834	2,123	654,909	625,174	(29,735)
Depreciation	543,930	582,638	38,708	6,222,954	6,409,903	186,949
Travel, Meals & Education	38,611	40,098	1,487	360,439	309,691	(50,748)
Other Expenses	<u>124,267</u>	<u>113,787</u>	<u>(10,480)</u>	<u>1,041,436</u>	<u>892,170</u>	<u>(149,266)</u>
Total Operating Expenses	<u>4,795,994</u>	<u>4,263,763</u>	<u>(532,231)</u>	<u>46,246,688</u>	<u>46,461,455</u>	<u>214,767</u>
Net Operating Income / (Loss)	<u>(423,360)</u>	<u>(323,215)</u>	<u>(100,145)</u>	<u>(2,646,231)</u>	<u>(3,498,337)</u>	<u>852,106</u>
Non-Operating Revenue & Expenses						
County Tax Revenue	1,468,407	386,853	1,081,554	6,733,167	4,255,383	2,477,784
Interest Income	<u>37,714</u>	<u>12,991</u>	<u>24,723</u>	<u>312,148</u>	<u>142,901</u>	<u>169,247</u>
Total Non-Operating Revenue & Expenses	<u>1,506,120</u>	<u>399,844</u>	<u>1,106,276</u>	<u>7,045,315</u>	<u>4,398,284</u>	<u>2,647,031</u>
Net Income / (Loss)	<u><u>\$1,082,761</u></u>	<u><u>\$76,629</u></u>	<u><u>\$1,006,132</u></u>	<u><u>\$4,399,084</u></u>	<u><u>\$899,947</u></u>	<u><u>\$3,499,137</u></u>

Humboldt General Hospital
Hospital
Statement of Profit and (Loss)
For Period Ending: May 31, 2019

	Month to Date			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Total Patient Service Revenue	\$7,850,488	\$6,176,854	\$1,673,634	\$70,850,606	\$67,945,407	\$2,905,199
Deductions From Revenue						
Contractual Adjustments	3,574,094	2,567,676	(1,006,418)	29,931,174	28,244,419	(1,686,755)
Bad Debt & Charity Adjustments	544,847	474,643	(70,204)	5,380,195	5,221,064	(159,131)
Total Deductions From Revenue	<u>4,118,941</u>	<u>3,042,319</u>	<u>(1,076,622)</u>	<u>35,311,369</u>	<u>33,465,483</u>	<u>(1,845,886)</u>
Net Patient Service Revenue	3,731,547	3,134,535	597,012	35,539,236	34,479,924	1,059,312
Other Operating Revenue	<u>17,106</u>	<u>74,370</u>	<u>(57,264)</u>	<u>450,880</u>	<u>818,092</u>	<u>(367,212)</u>
Total Operating Revenue	<u>3,748,653</u>	<u>3,208,905</u>	<u>539,748</u>	<u>35,990,117</u>	<u>35,298,016</u>	<u>692,101</u>
Operating Expenses						
Salaries & Wages	909,733	909,941	208	9,608,991	10,009,381	400,390
Employee Benefits	556,541	518,416	(38,125)	5,474,002	5,702,576	228,574
Contract Labor	144,503	82,320	(62,183)	1,338,514	905,528	(432,986)
Professional Contracts	761,043	583,926	(177,117)	6,843,352	6,473,188	(370,164)
Supplies & Small Equipment	453,756	444,684	(9,072)	4,686,931	4,891,531	204,600
Equipment Maintenance	168,855	164,231	(4,624)	1,537,931	1,806,541	268,610
Rental & Lease	23,757	27,540	3,783	254,486	302,944	48,458
Insurance	45,634	45,666	32	402,753	502,326	99,573
Utilities	53,058	53,667	609	627,120	590,337	(36,783)
Depreciation	350,399	385,700	35,301	4,022,716	4,243,585	220,869
Travel, Meals, & Education	11,423	27,938	16,515	152,605	223,507	70,902
Other Expenses	119,989	96,064	(23,925)	981,956	652,021	(329,935)
Total Operating Expenses	<u>3,598,689</u>	<u>3,340,093</u>	<u>(258,596)</u>	<u>35,931,356</u>	<u>36,303,465</u>	<u>372,109</u>
Net Operating Income / (Loss)	<u>149,964</u>	<u>(131,188)</u>	<u>281,152</u>	<u>58,761</u>	<u>(1,005,449)</u>	<u>1,064,210</u>
Non-Operating Revenue & Expenses						
County Tax Revenue	1,468,407	386,853	1,081,554	6,733,167	4,255,383	2,477,784
Interest Income	<u>37,714</u>	<u>12,991</u>	<u>24,723</u>	<u>312,148</u>	<u>142,901</u>	<u>169,247</u>
Total Non-Operating Revenue & Expenses	<u>1,506,120</u>	<u>399,844</u>	<u>1,106,276</u>	<u>7,045,315</u>	<u>4,398,284</u>	<u>2,647,031</u>
Net Income / (Loss)	<u><u>\$1,656,084</u></u>	<u><u>\$268,656</u></u>	<u><u>\$1,387,428</u></u>	<u><u>\$7,104,075</u></u>	<u><u>\$3,392,835</u></u>	<u><u>\$3,711,240</u></u>

Humboldt General Hospital
Harmony Manor & Quail Corner
Statement of Profit and (Loss)
For Period Ending: May 31, 2019

	Month to Date			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Total Patient Service Revenue	\$529,487	\$473,995	\$55,492	\$4,786,554	\$5,213,950	(\$427,396)
Deductions From Revenue						
Contractual Adjustments	152,777	181,495	28,718	1,497,330	1,996,459	499,129
Bad Debt & Charity Adjustments	0	0	0	0	0	0
Total Deductions From Revenue	<u>152,777</u>	<u>181,495</u>	<u>28,718</u>	<u>1,497,330</u>	<u>1,996,459</u>	<u>499,129</u>
Net Patient Service Revenue	376,710	292,500	26,773	3,289,225	3,217,491	(926,525)
Other Operating Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Revenue	<u>376,710</u>	<u>292,500</u>	<u>84,210</u>	<u>3,289,225</u>	<u>3,217,491</u>	<u>71,734</u>
Operating Expenses						
Salaries & Wages	181,953	170,997	(10,956)	1,805,542	1,880,967	75,425
Contract Labor	1,800	0	(1,800)	28,788	0	(28,788)
Professional Contracts	20	7,250	7,230	51,996	79,750	27,754
Supplies & Small Equipment	21,469	18,667	(2,802)	148,173	205,337	57,164
Equipment Maintenance	575	2,083	1,508	7,889	22,913	15,024
Rental & Lease	1,938	477	(1,461)	5,707	5,247	(460)
Utilities	0	0	0	0	0	0
Depreciation	66,579	66,759	180	733,079	734,349	1,270
Travel, Meals & Education	242	2,234	1,992	6,811	26,628	19,817
Other Expenses	1,397	4,607	3,210	20,911	48,623	27,712
Total Operating Expenses	<u>275,973</u>	<u>273,074</u>	<u>(2,899)</u>	<u>2,808,894</u>	<u>3,003,814</u>	<u>194,920</u>
Net Operating Income / (Loss)	<u><u>\$100,737</u></u>	<u><u>\$19,426</u></u>	<u><u>\$81,311</u></u>	<u><u>\$480,331</u></u>	<u><u>\$213,677</u></u>	<u><u>\$266,654</u></u>

Humboldt General Hospital
Emergency Medical Services
Statement of Profit and (Loss)
For Period Ending: May 31, 2019

	Month to Date			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Total Patient Service Revenue	\$296,531	\$288,848	\$7,683	\$3,056,584	\$3,284,333	(\$227,750)
Deductions From Revenue						
Contractual Adjustments	152,701	85,414	(67,287)	1,362,177	1,429,560	67,383
Bad Debt & Charity Adjustments	51,396	35,950	(15,446)	428,632	395,450	(33,182)
Total Deductions From Revenue	204,097	121,364	(82,733)	1,790,810	1,825,010	34,200
Net Patient Service Revenue	92,434	167,484	90,416	1,265,774	1,459,323	(261,950)
Other Operating Revenue	6,887	23,507	(16,620)	124,598	258,577	(133,979)
Total Operating Revenue	99,321	190,991	(91,670)	1,390,372	1,717,900	(327,528)
Operating Expenses						
Salaries & Wages	168,887	142,904	(25,983)	1,916,193	1,571,944	(344,249)
Contract Labor	0	0	0	0	0	0
Professional Contracts	0	6,233	6,233	26,600	68,563	41,963
Supplies & Small Equipment	38,306	25,417	(12,889)	239,729	279,587	39,858
Equipment Maintenance	10,034	9,250	(784)	79,649	101,750	22,101
Rental & Lease	1,200	2,033	833	23,323	22,363	(960)
Utilities	1,653	3,167	1,514	27,789	34,837	7,048
Depreciation	28,832	42,917	14,085	383,085	472,087	89,002
Travel, Meals & Education	12,640	8,500	(4,140)	139,537	51,000	(88,537)
Other Expenses	1,715	9,680	7,965	23,599	148,980	125,381
Total Operating Expenses	263,266	250,101	(13,165)	2,859,502	2,751,111	(108,391)
Net Operating Income / (Loss)	(\$163,945)	(\$59,110)	(\$104,835)	(\$1,469,131)	(\$1,033,211)	(\$435,920)

Humboldt General Hospital
Rural Health Clinics
Statement of Profit and (Loss)
For Period Ending: May 31, 2019

	Month to Date			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Total Patient Service Revenue	\$389,666	\$368,411	\$21,255	\$4,360,436	\$4,052,495	\$307,941
Deductions From Revenue						
Contractual Adjustments	205,979	84,760	(121,219)	1,055,555	932,295	(123,260)
Bad Debt & Charity Adjustments	35,736	35,499	(237)	374,137	390,489	16,352
Total Deductions From Revenue	<u>241,715</u>	<u>120,259</u>	<u>(121,456)</u>	<u>1,429,692</u>	<u>1,322,784</u>	<u>(106,908)</u>
Net Patient Service Revenue	147,951	248,152	142,711	2,930,744	2,729,711	414,849
Other Operating Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Revenue	<u>147,951</u>	<u>248,152</u>	<u>(100,201)</u>	<u>2,930,744</u>	<u>2,729,711</u>	<u>201,033</u>
Operating Expenses						
Salaries & Wages	164,272	229,851	65,579	1,979,239	2,528,361	549,122
Contract Labor	0	0	0	0	0	0
Professional Contracts	363,079	54,957	(308,122)	1,278,797	604,527	(674,270)
Supplies & Small Equipment	15,528	23,080	7,552	220,490	253,880	33,390
Equipment Maintenance	1,594	483	(1,111)	7,858	5,313	(2,545)
Rental & Lease	0	0	0	20	0	(20)
Utilities	0	0	0	0	0	0
Depreciation	98,121	87,262	(10,859)	1,084,075	959,882	(124,193)
Travel, Meals & Education	14,305	1,426	(12,879)	61,486	8,556	(52,930)
Other Expenses	1,167	3,436	2,269	14,970	42,546	27,576
Total Operating Expenses	<u>658,067</u>	<u>400,495</u>	<u>(257,572)</u>	<u>4,646,936</u>	<u>4,403,065</u>	<u>(243,871)</u>
Net Operating Income / (Loss)	<u><u>(\$510,116)</u></u>	<u><u>(\$152,343)</u></u>	<u><u>(\$357,773)</u></u>	<u><u>(\$1,716,192)</u></u>	<u><u>(\$1,673,354)</u></u>	<u><u>(\$42,838)</u></u>

HUMBOLDT GENERAL HOSPITAL
FINANCIAL STATEMENT OF PROFIT OR (LOSS)
COMPARISON TO BUDGET
FOR 11TH MONTH ENDED
MAY 31, 2019

DATE: 6/19/19
TIME: 17:48:34

E-1

	-----CURRENT PERIOD-----			-----YEAR-TO-DATE-----		
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
OPERATING REVENUES						
ROOM / BED CHARGES REVENUE						
ACUTE CARE	\$ 749,207	\$ 649,325	\$ 99,882	\$ 7,117,352	\$ 7,142,568	\$ (25,216)
NURSING HOME (Harmony Manor)	197,806	208,659	(10,853)	1,882,829	2,295,241	(412,412)
MEMORY CARE (Quail Corner)	68,475	66,916	1,559	720,775	736,084	(15,309)
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TOTAL ROOM / BED CHARGES	1,015,488	924,900	90,588	9,720,956	10,173,893	(452,937)
	-----	-----	-----	-----	-----	-----
ANCILLARY CHARGES REVENUE						
IN-PATIENTS	2,490,984	2,184,380	306,604	23,853,827	24,028,163	(174,336)
OUT-PATIENTS	5,290,968	3,998,830	1,292,138	47,282,807	44,094,145	3,188,662
NURSING HOME (Harmony Manor)	235,337	166,888	68,449	1,945,356	1,835,771	109,585
MEMORY CARE (Quail Corner)	33,395	33,110	285	251,233	364,212	(112,979)
	-----	-----	-----	-----	-----	-----
TOTAL ANCILLARY SERVICES REV	8,050,684	6,383,208	1,667,476	73,333,223	70,322,291	3,010,932
	-----	-----	-----	-----	-----	-----
GROSS REVENUES						
FROM SERVICES TO PATIENTS	9,066,172	7,308,108	1,758,064	83,054,179	80,496,184	2,557,995
(LESS) CONTRACTUALS TO REVENUE	4,093,684	2,988,864	1,104,820	34,233,495	32,877,473	1,356,022
	-----	-----	-----	-----	-----	-----
NET REVENUE FROM PATIENT SERV	4,972,488	4,319,244	653,244	48,820,684	47,618,711	1,201,973
OTHER OPERATING REVENUES	23,992	97,877	(73,885)	575,478	1,076,669	(501,191)
	-----	-----	-----	-----	-----	-----
GRAND TOTAL						
OPERATING REVENUES	4,996,480	4,417,121	579,359	49,396,162	48,695,380	700,782
	-----	-----	-----	-----	-----	-----
OPERATING EXPENSES						
PROFESSIONAL CARE OF PATIENTS	2,475,109	2,175,857	299,252	23,547,299	23,934,466	(387,167)
NURSING ADMIN. / QUALITY IMP.	94,123	68,129	25,994	985,400	749,425	235,975
DIETARY DEPARTMENT	106,865	89,562	17,303	961,277	985,182	(23,905)
HOUSEKEEPING/LAUNDRY/JANITOR	124,555	62,707	61,848	764,993	689,777	75,216
PLANT OPERATION & MAINTENANCE	112,418	96,114	16,304	1,038,392	1,057,254	(18,862)
MEDICAL RECORDS	58,199	41,240	16,959	619,199	453,640	165,559
ADMINISTRATION	1,280,098	1,098,246	181,852	12,105,578	12,130,706	(25,128)
PROVISION FOR DEPRECIATION	543,930	582,911	(38,981)	6,222,954	6,412,006	(189,052)
BAD DEBTS, NET OF RECOVERY	624,543	525,570	98,973	5,797,301	5,781,261	16,040
	-----	-----	-----	-----	-----	-----
TOTAL OPERATING EXPENSES	5,419,840	4,740,336	679,504	52,042,393	52,193,717	(151,324)
	-----	-----	-----	-----	-----	-----
OPERATING PROFIT OR (LOSS)	(423,360)	(323,215)	(100,145)	(2,646,231)	(3,498,337)	852,106
	-----	-----	-----	-----	-----	-----
NON-OPERATING REVENUES						
AD VALOREM TAXES	27,431	319,762	(292,331)	3,538,698	3,517,382	21,316
CONSOLIDATED TAXES	84,419	67,091	17,328	1,005,539	738,001	267,538
NET PROCEEDS OF MINES TAX	1,356,557	00	1,356,557	2,188,930	00	2,188,930
INTEREST EARNED	37,714	12,991	24,723	312,148	142,901	169,247
EXPANSION DEBT TAX-REPAY LOAN	00	00	00	00	00	00
	-----	-----	-----	-----	-----	-----
TOTAL NON-OPERATING REVENUES	1,506,121	399,844	1,106,277	7,045,315	4,398,284	2,647,031
	-----	-----	-----	-----	-----	-----
NET INCOME OR (LOSS)	\$ 1,082,761	\$ 76,629	\$ 1,006,132	\$ 4,399,084	\$ 899,947	\$ 3,499,137
	=====	=====	=====	=====	=====	=====

HUMBOLDT GENERAL HOSPITAL
BALANCE SHEET
AT
MAY 31, 2019

DATE: 6/19/19
TIME: 17:48:08

E-1

	THIS YEAR	LAST YEAR	INC/(DEC)	INC/(DEC)%
ASSETS:				
CURRENT ASSETS				
CASH AND INVESTMENTS	\$ 28,547,904	\$ 22,210,958	\$ 6,336,946	28.5
RESTRICTED CASH	9,211	28,113	(18,902)	(67.2)
ACCOUNTS RECEIVABLE, NET OF ALLOW.DBTFL.ACCT	13,073,707	10,498,499	2,575,208	24.5
INVENTORY	1,677,549	1,464,064	213,485	14.6
PREPAID EXPENSES	560,236	380,696	179,540	47.2
	-----	-----	-----	-----
TOTAL CURRENT ASSETS	43,868,607	34,582,330	9,286,277	26.9
	-----	-----	-----	-----
PROPERTY, PLANT, & EQUIPMENT				
NET OF DEPRECIATION	60,637,000	66,886,348	(6,249,348)	(9.3)
	-----	-----	-----	-----
DEFERRED OUTFLOWS OF RESOURCES				
PENSION DEFERRED OUTFLOWS	5,170,460	5,070,455	100,005	2.0
	-----	-----	-----	-----
TOTAL ASSETS:	\$ 109,676,067	\$ 106,539,133	\$ 3,136,934	2.9
	=====	=====	=====	=====
LIABILITIES:				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	1,468,787	2,204,481	(735,694)	(33.4)
ACCRUED PAYROLL	577,186	1,074,504	(497,318)	(46.3)
ACCRUED PTO & SICK LEAVE	984,621	969,081	15,540	1.6
3RD PARTY PAYABLE/(REC)	(506,249)	264,901	(771,150)	**
SNF TRUST FUND DEPOSITS	8,730	28,063	(19,333)	(68.9)
	-----	-----	-----	-----
TOTAL CURRENT LIABILITIES	2,533,075	4,541,030	(2,007,955)	(44.2)
	-----	-----	-----	-----
LONG-TERM LIABILITIES				
NET PENSION LIABILITY	27,377,824	26,093,478	1,284,346	4.9
	-----	-----	-----	-----
DEFERRED INFLOWS OF RESOURCES				
PENSION DEFERRED INFLOWS	1,796,539	3,669,432	(1,872,893)	(51.0)
	-----	-----	-----	-----
TOTAL LIABILITIES:	31,707,438	34,303,940	(2,596,502)	(7.6)
	-----	-----	-----	-----

HUMBOLDT GENERAL HOSPITAL
BALANCE SHEET
AT
MAY 31, 2019

DATE: 6/19/19
TIME: 17:48:08

E-1

	THIS YEAR	LAST YEAR	INC/(DEC)	INC/(DEC)%
FUND BALANCE:				
RETAINED EARNINGS	\$ 4,399,082	\$ 4,460,472	\$ (61,390)	(1.4)
NET WORTH-OPERATING FUND	73,569,547	67,774,721	5,794,826	8.6
	-----	-----	-----	-----
TOTAL FUND BALANCE:	77,968,629	72,235,193	5,733,436	7.9
	-----	-----	-----	-----
TOTAL LIABILITIES AND FUND				
BALANCES COMBINED	\$ 109,676,067	\$ 106,539,133	\$ 3,136,934	2.9
	=====	=====	=====	=====

RATIOS FOR THE PERIOD ENDING MAY 31, 2019:

			<<<<<<< <FY2019																		<<<<<<< <FY2018					
		Standard	MAY	APR	MAR	FEB	JAN	DEC	NOV	OCT	SEPT	AUG	JUL	JUN	MAY	APR	MAR	FEB	JAN	DEC	NOV	OCT	SEPT	AUG		
CURRENT RATIO Measure of short-term debt paying ability (Current Assets / Current Liabilities) Assets are 2x as large as Liabilities		>2:1	17.32	17.18	18.27	12.84	17.76	7.89	6.92	5.69	5.81	5.93	3.07	2.38	3.43	4.48	4.60	5.38	5.08	4.03	4.17	4.46	4.76	4.69		
DAYS CASH ON HAND Cash + Temp Investments + Investments divided by Total Expenses (less Depreciation AND Net Bad Debts), divided by Days in Period		>150 DAYS	241.33	237.26	231.73	237.02	235.13	219.56	221.97	231.47	212.70	218.06	229.13	225.64	197.59	180.93	172.7	176.4	150.5	136.11	146.85	130.46	137.60	136.95		
DAYS RECEIVABLES (NET OF ALLOWANCE) Measure of worth as well as billing and collection performance		< 70 DAYS	62.01	62.46	65.17	57.84	54.52	55.95	51.74	61.36	63.57	49.92	58.55	50.27	64.71	53.23	56.07	52.63	52.35	55.95	51.29	65.66	56.86	53.32		
DAYS RECEIVABLES (GROSS)			87.11	89.68	88.06	80.91	79.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
OPERATING MARGIN YTD Operating Profit (Loss) divided by YTD Gross Revenue from Services to Patients (Guide to Hopsital's profitability)		Percent > 3%	-3.19%	-3.00%	-2.98%	-3.96%	-4.18%	-6.17%	-7.52%	-5.77%	-7.94%	-11.00%	-0.58%	-0.71%	-1.39%	-1.31%	-0.96%	-1.85%	-1.02%	-3.73%	-3.60%	-2.32%	-3.92%	-5.07%		

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

HUMBOLDT GENERAL HOSPITAL

PRESENTATION OF CASH ACCOUNTS

MAY 31, 2019 -- FISCAL YEAR 2019

<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	\$ 9,302,648.31
Tax Account	100.0012	Wells Fargo Bank	925	\$ 16,511.98
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	\$ 9,014,178.34
Hanssen Scholarship Fund	100.0075	Wells Fargo Bank	7067	\$ 4,007.14
EMS Scholarship Fund	100.0078	Wells Fargo Bank	917	\$ 16,887.58
SNF Patient Trust	100.0090	Wells Fargo Bank	0021	\$ 9,210.82
SNF Memorial/Activity	100.0095	Wells Fargo Bank	9304	\$ 4,911.92
Investment Trust		Wells Fargo Bank	6500	\$ 10,278,378.38
HRG Self Pay	100.0055	Sterling Bank	1566	\$ 152,046.66
LGIP Savings	100.0080	NV State Treasurer	#xxxGHO	\$ 233,537.05

HGH TOTALS: \$ 29,034,636.35

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



NEVADA PUBLIC AGENCY INSURANCE POOL MEMBER COVERAGE SUMMARY

Prepared For:

Humboldt General Hospital

Prepared By:

A and **H** Insurance

This summary is intended for reference only. For specific terms, conditions, limitations and exclusions, please refer to the POOL Coverage Form edition July 1, 2019.

Dear POOL Member:

Thank you for your renewed commitment to the Nevada Public Agency Insurance Pool (POOL). In 1987, four Nevada counties formed their own risk sharing pool and now over thirty years later, the vast majority of Nevada's rural public entities remain committed to each other and the mission of their risk pool organization.

We are pleased to provide this Member Coverage Summary for your review. We continue to excel and provide an unparalleled level of service to our members. Our mission seeks to help members manage their risks so they can serve the public effectively.

The POOL Board is comprised of dedicated, hardworking, and ethical Member leaders focused on public risk management. They continue to do a superb job of representing the interests of the Member-owners of POOL.

Our members continue to see great value in being part of the POOL because of the extensive services, thus membership retention remains strong. We encourage you to discuss the services we offer with your insurance agent, a valued partner in the POOL program. Details on the financial performance and the services we offer are available on our website at www.poolpact.com.

If you have any questions, please call us at (775) 885-7475.

Sincerely,



Wayne Carlson
Executive Director
Nevada Public Agency Insurance Pool

NEVADA PUBLIC AGENCY INSURANCE POOL (POOL) COVERAGE SUMMARY

RENEWAL PROPOSAL	COVERAGE PERIOD	NAMED ASSURED	MAINTENANCE DEDUCTIBLE
	07/01/2019 – 07/01/2020 Standard Time	Humboldt General Hospital	\$2,000

PROPERTY LIMITS

Blanket Limit per schedule of locations on file with POOL subject to a maximum limit of \$300,000,000 per loss.

The following sub-limits apply to Section V. C. Extensions of Property Coverage:

Accounts Receivable	\$5,000,000 per loss
Arson Reward	10% up to \$25,000 per loss
Earthquake	\$150,000,000 aggregate
Flood	\$150,000,000 aggregate \$25,000,000 aggregate - Flood Zone A
Equipment Breakdown	\$100,000,000 per loss
<ul style="list-style-type: none"> • Loss of Income & Extra Expense 	included
<ul style="list-style-type: none"> • Hazardous Substance Coverage 	\$250,000 per loss
<ul style="list-style-type: none"> • Spoilage Coverage 	\$250,000 per loss
<ul style="list-style-type: none"> • Data Restoration 	\$100,000 per loss
Expediting Expenses	\$25,000 per loss
Unintentional Errors and Omissions	\$5,000,000 per loss
Money and Securities	\$500,000 per loss
Transmission Facilities	\$100,000 per loss
Vehicle Replacement	Per Attachment E, if applicable

LIABILITY LIMITS

The Limits of Liability are as follows:

Combined Single Limit	\$10,000,000	Each Event/Each Member
Each Member Annual Aggregate Limit: \$10,000,000		
Liability Limits are subject to sub-limits		
Includes Auto Liability, General Liability, Personal Injury Liability, Employment Practices Liability, Law Enforcement Liability and Wrongful Acts Liability		

CYBER SECURITY EVENT AND PRIVACY RESPONSE EXPENSE COVERAGE LIMITS

The Limits of Liability are as follows:

Per Cyber Security Event including Privacy Response Expense	\$3,000,000	Each Member/Annual Aggregate
---	-------------	------------------------------

ENVIRONMENTAL LIABILITY COVERAGE

The Limits of Liability are as follows:

Coverage A	Third Party Claims for Bodily Injury, Property Damage or Remediation Expense
Coverage B	First Party Remediation Expense
Coverage C	Emergency Response Expense
Coverage D	Business Interruption

COVERAGE	DEDUCTIBLE	EACH INCIDENT LIMIT	AGGREGATE LIMIT
A,B,C	\$25,000	\$2,000,000	\$10,000,000

COVERAGE	DEDUCTIBLE	BUSINESS INTERRUPTION LIMIT (Days)	BUSINESS INTERRUPTION LIMIT (\$)
D	3 Days	365	\$2,000,000

MEMBER CONTRIBUTION:

TOTAL COST:	\$270,812.21
AGENT COMPENSATION:	\$18,944.88
TOTAL PROGRAM COST INCLUDING ALL SERVICES:	\$289,757.09

We are currently evaluating additional deductible options to determine how they will impact the total annual premium.

This summary is intended for reference only. For specific terms, conditions, limitations and exclusions, please refer to the POOL Coverage Form edition July 1, 2019.

Programs and Services available to POOL/PACT Members: RISK MANAGEMENT

Training

POOL/PACT provides extensive E-Learning and other training. Here are some samples, but check out www.poolpact.com for more: Safe Driving Techniques • Blood Borne Pathogens • Ethics • Nevada Open Meeting Law • POOL/PACT 101 • Positive Governance

Risk Management On-Site Programs

Risk Control Program Analysis • Infrared Thermography (IRT) • Safety Policies and Procedures Review • Site Surveys • OSHA Compliance Assistance • Safety and Loss Control Committees Review and Development • Traffic Safety Cones • Improved Security Systems • On-site Respirator Fit and Fire Extinguisher Training • Swimming Pool Safety Training and Inspections • School and Bus Safety Training. • Accident Investigation Claims Analysis • Hazard Communication Program Review and Development

Law Enforcement and Fire Protection

On-line Law Enforcement training, policies, and best practices from the Legal Liability Risk Management Institute • Fire and EMS training, policies, and best practices from TargetSolutions.

Risk Management Grant Program

Grant applications online for innovative and effective grants to mitigate or eliminate risk to employees and citizens • Five, \$2,000 risk management grants are available to each member each year.

24-7-365 Workers Comp Nurse Triage Program

PACT members are eligible to use our innovative and streamed lined WC information and reporting system for non-life threatening on-the-job injuries.

Cyber-Security Assessments

Passive Network Assessments, training, and best practices.

MSDSonline

OSHA and state compliance with safety data sheet management and updates are available online.

For additional information contact Marshall Smith, POOL/PACT Risk Manager, (775) 885-7475

email: marshallsmith@poolpact.com website: www.poolpact.com

Programs and Services available to POOL/PACT Members: ***HUMAN RESOURCES***

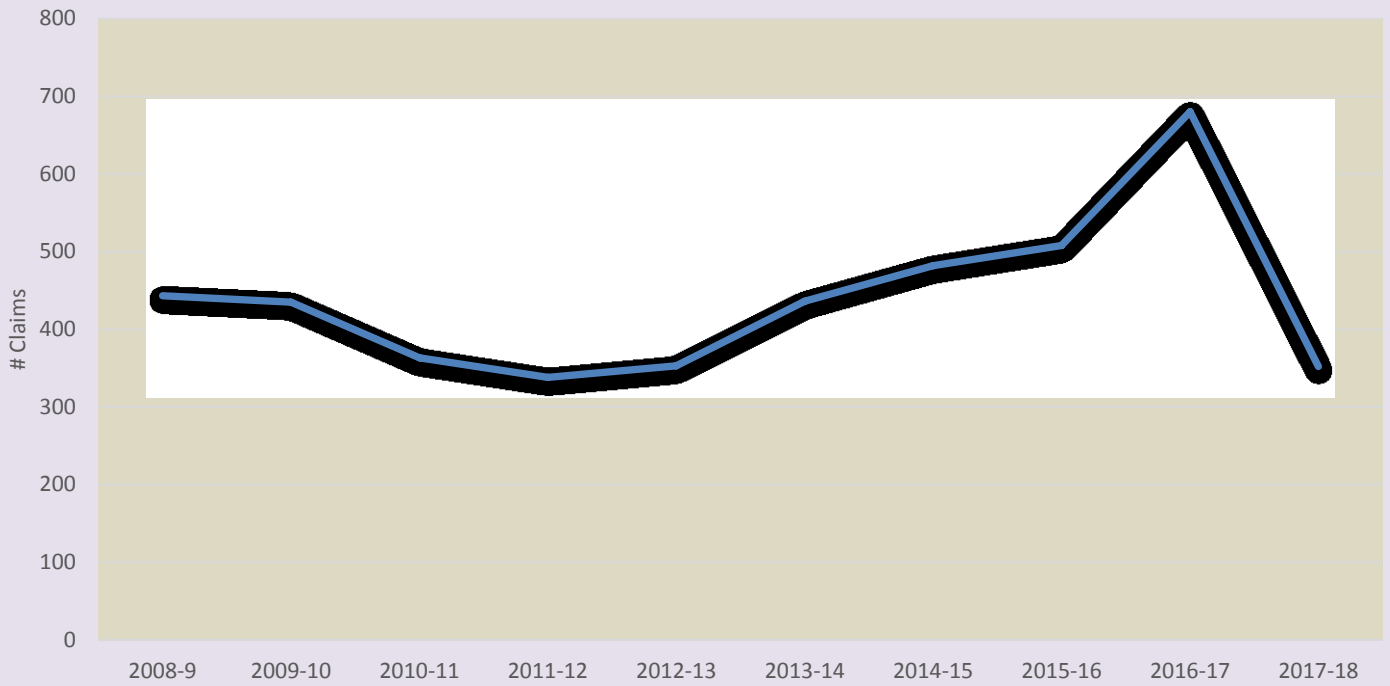
A variety of services are offered through POOL/PACT HR. We work with each member individually to address their specific HR-related needs and to reduce liability. Basic services include:

- Consultation with members to manage and resolve critical employment-related issues to include identifying options, providing step-by-step guidance, monitoring progress, and answering questions.
- Instructor-led training courses and workshops such as: Essential Management Skills; Anti-Bullying and Harassment; Dealing with Irrate Customers, Effective Communication Skills
- On-line training courses
- On-site assessment of member's HR practices with recommendations.
- Communication issued as "Alerts" to notify members when a significant HR-related law or practice has changed.
- On-site HR Briefings tailored to specific needs/requests of members.
- Sample personnel policies which may be adopted for use by members.
- Over 200 sample job descriptions and numerous HR forms that can be tailored for use by members.
- Legislative Updates after each Legislative Session and changes to sample HR policies
- Quarterly webinars in partnership with Resources for Living, employee assistance program (EAP).
- HR Scholarships to assist member HR representatives in attaining nationally recognized HR certifications.
- Annual HR Seminar providing HR representatives and CEOs valuable information on communication, leadership, and legal updates.

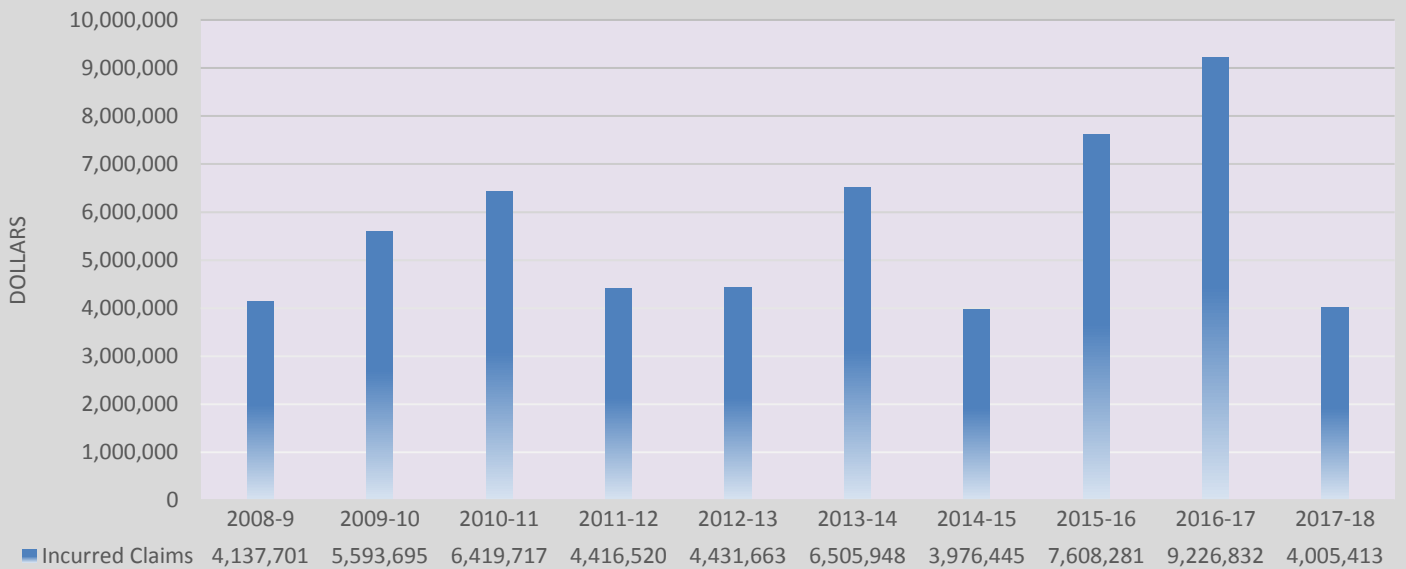
For additional information contact Stacy Norbeck, POOL/PACT Human Resources Manager, (775) 885-7475 email: stacynorbeck@poolpact.com website: www.poolpact.com

10 YEARS OF POOL CLAIMS EXPERIENCE

FREQUENCY TOTAL BY YEAR



SEVERITY TOTAL BY YEAR



NPAIP Membership

Counties:

Churchill County
Douglas County
Elko County
Esmeralda County
Eureka County
Humboldt County
Lander County
Lincoln County
Lyon County
Mineral County
Nye County
Pershing County
Storey County
White Pine County

Towns:

Town of Gardnerville
Town of Genoa
Town of Minden
Town of Pahrump
Town of Round Mountain
Town of Tonopah

School Districts:

Carson City School District
Churchill County School District
Douglas County School District
Elko County School District
Esmeralda County School District
Eureka County School District
Humboldt County School District
Lander County School District
Lincoln County School District
Lyon County School District
Mineral County School District
Nye County School District
Pershing County School District
Storey County School District

Cities:

Boulder City
City of Caliente
City of Carlin
City of Elko
City of Ely
City of Fernley
City of Lovelock
City of Wells
City of West Wendover
City of Winnemucca
City of Yerington

Fire Districts:

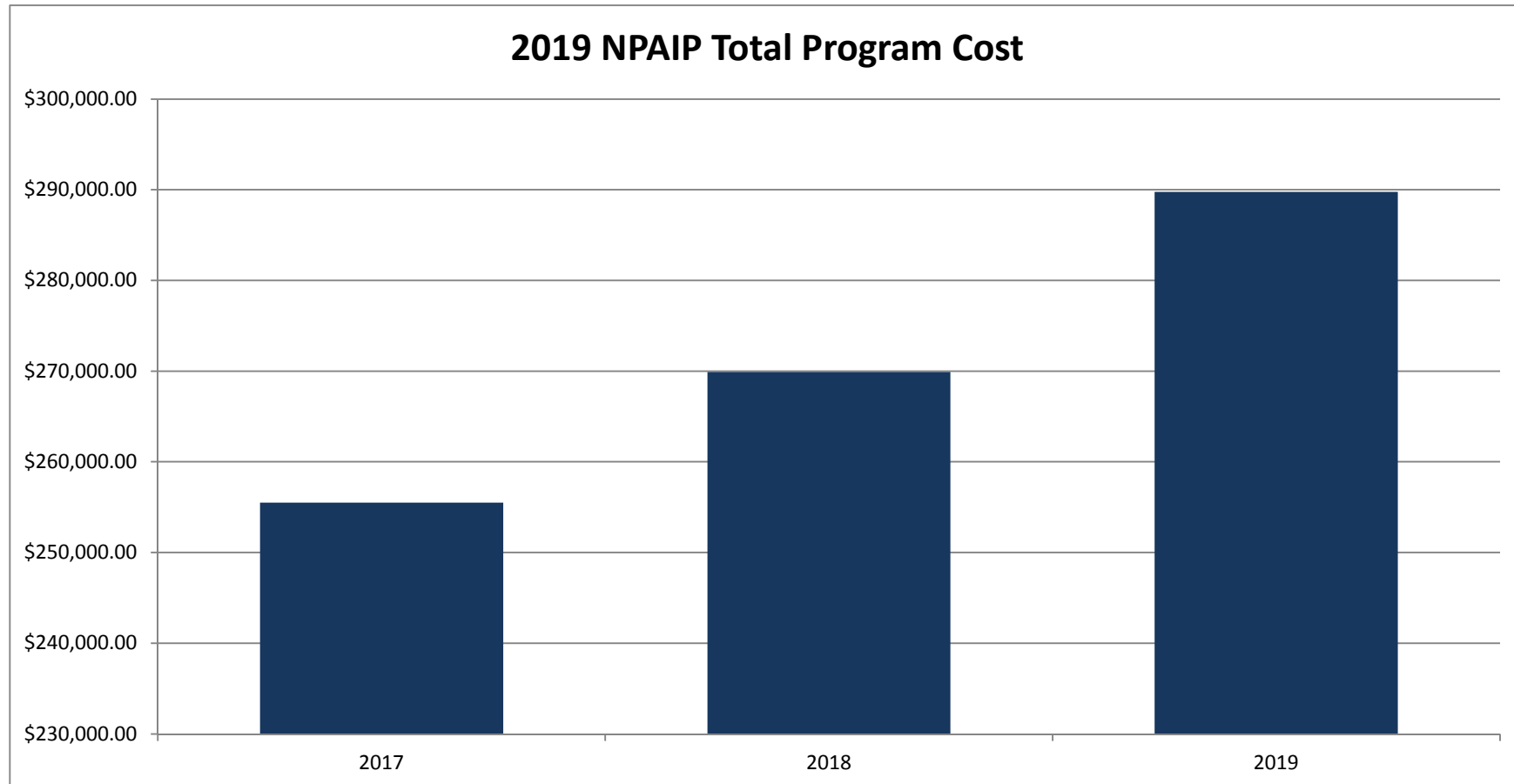
Mt. Charleston Fire Protection District
North Lake Tahoe Fire Protection District
North Lyon County Fire Protection District
Pahranagat Valley Fire District
Tahoe Douglas Fire Protection District
Washoe County Fire Suppression
White Pine Fire District

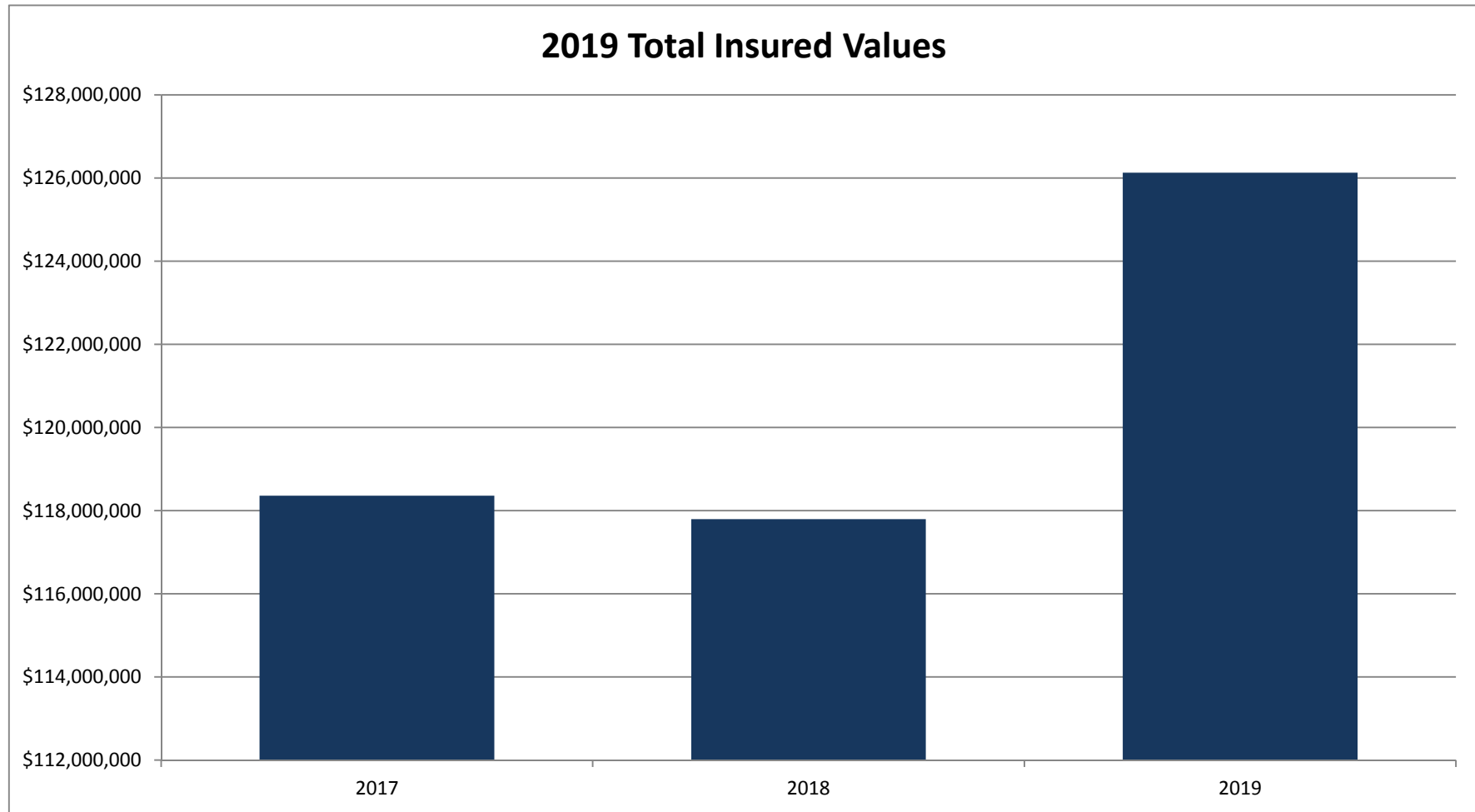
Others:

Central Nevada Historical Society
Central Nevada Regional Water Authority
County Fiscal Officers Association of Nevada
Douglas County Redevelopment Agency
Elko Central Dispatch
Elko Convention & Visitors Authority
Humboldt River Basin Water Authority
Mineral County Housing Authority
Nevada Association of Counties
Nevada Commission for the Reconstruction of the V & T Railway
Nevada League of Cities
Nevada Risk Pooling, Inc.
Nevada Rural Housing Authority
Regional Transportation Commission of Washoe County
Truckee Meadows Regional Planning Agency
U.S. Board of Water Commissioners
Virginia City Tourism Convention
Western Nevada Regional Youth Center
White Pine County Tourism

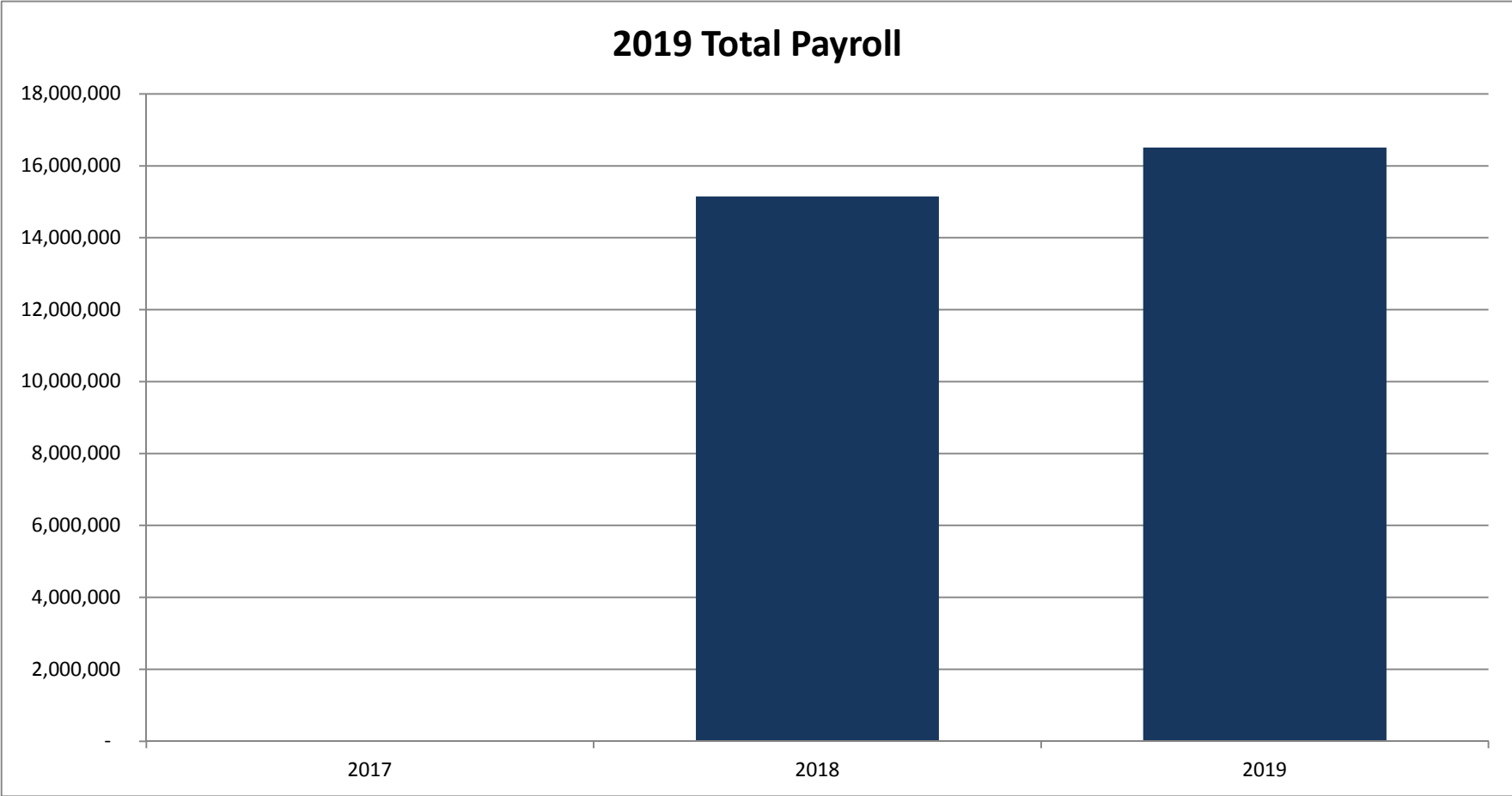
Special Districts:

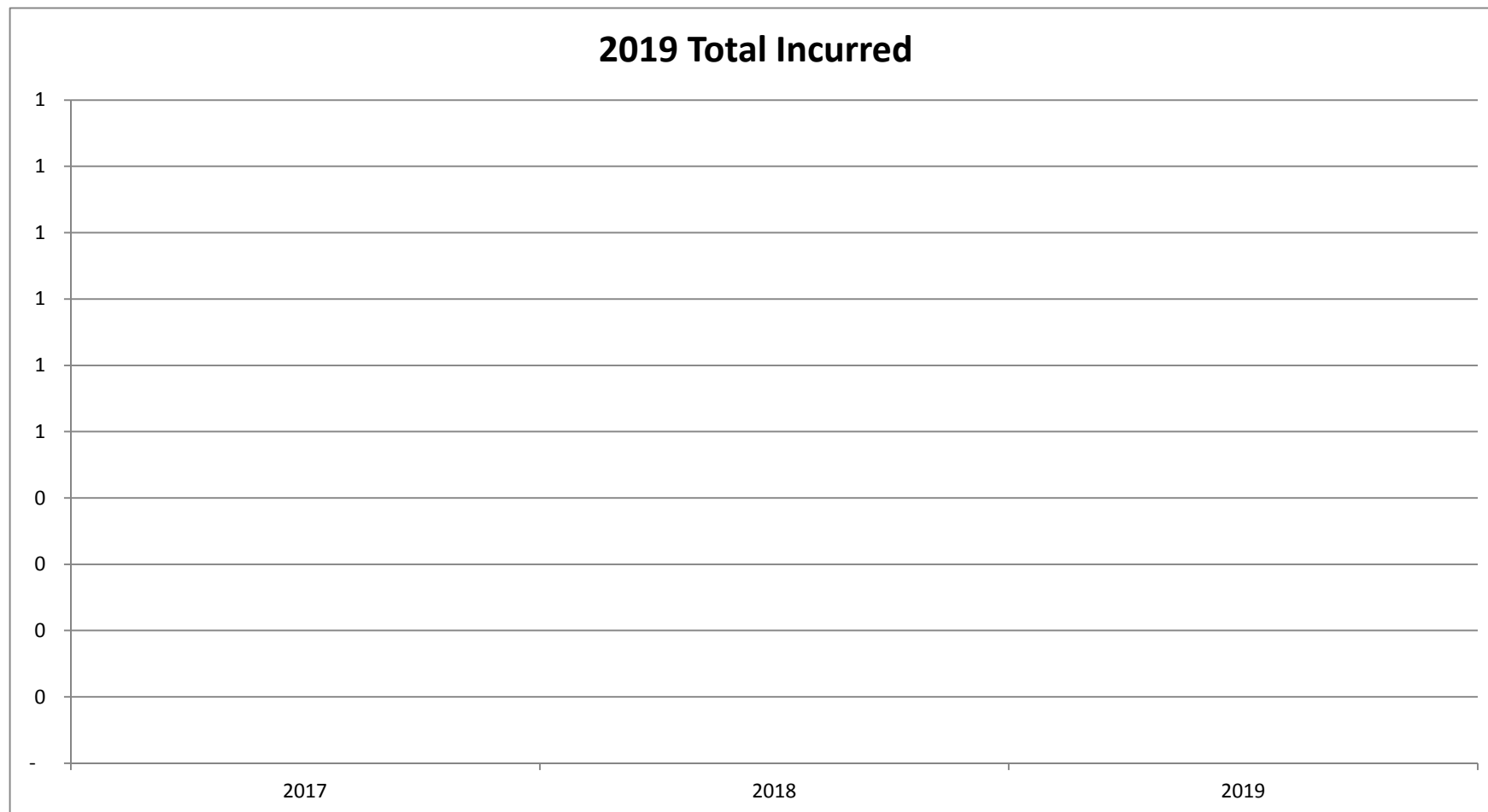
Alamo Water & Sewer District
Amargosa Library District
Beatty Library District
Beatty Water & Sanitation District
Canyon General Improvement District
Carson-Truckee Water Conservancy District
Carson Water Subconservancy District
Churchill County Mosquito, Vector and Weed Control District
Coyote Springs General Improvement District
Douglas County Mosquito District
Douglas County Sewer
East Fork Swimming Pool District
Elko County Agricultural Association
Elko TV District
Fernley Swimming Pool District
Gardnerville Ranchos General Improvement District
Gerlach General Improvement District
Humboldt General Hospital
Incline Village General Improvement District
Indian Hills General Improvement District
Kingsbury General Improvement District
Lakeridge General Improvement District
Lincoln County Water District
Logan Creek Estates General Improvement District
Lovelock Meadows Water District
Marla Bay General Improvement District
Mason Valley Swimming Pool District
Minden Gardnerville Sanitation District
Moapa Valley Water District
Nevada Association of Conservation Districts
Nevada Tahoe Conservation District
Northern Nye County Hospital District
Pahrump Library District
Palomino Valley General Improvement District
Pershing County Water Conservation District
Sierra Estates General Improvement District
Silver Springs General Improvement District
Silver Springs Stagecoach Hospital
Skyland General Improvement District
Smoky Valley Library District
Southern Nevada Area Communication Council
Southern Nevada Health District
Stagecoach General Improvement District
Sun Valley General Improvement District
Tahoe Douglas District
Topaz Ranch General Improvement District
Tahoe Reno Industrial General Improvement District
Tonopah Library District
Walker Basin Conservancy
Walker River Irrigation District
Washoe County Water Conservation District
West Wendover Recreation District
Western Nevada Development District
White Pine Television District #1
Zephyr Cove General Improvement District

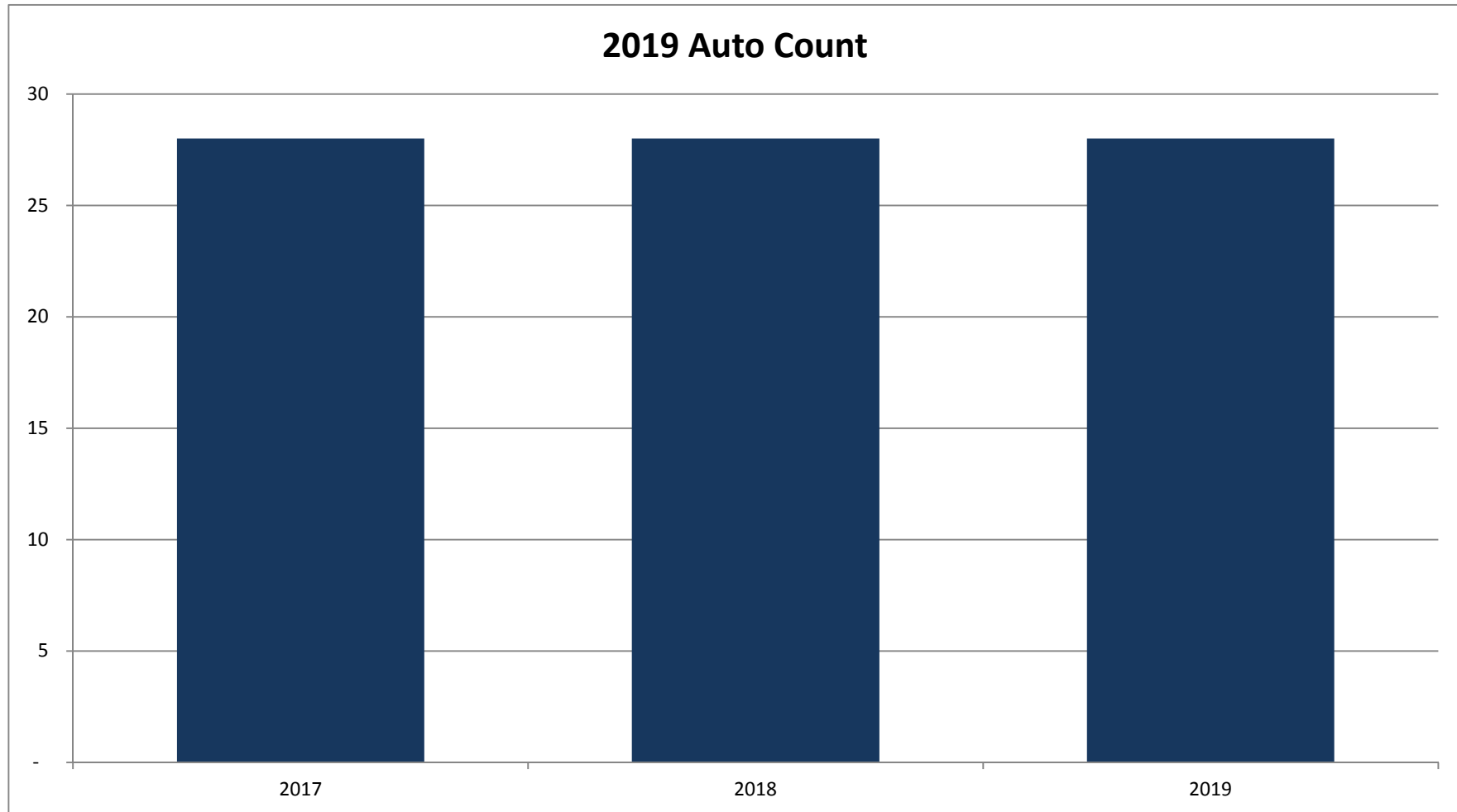
HUMBOLDT GENERAL HOSPITAL**2019 NPAIP Total Program Cost**

HUMBOLDT GENERAL HOSPITAL

HUMBOLDT GENERAL HOSPITAL



HUMBOLDT GENERAL HOSPITAL

HUMBOLDT GENERAL HOSPITAL**2019 Auto Count**

**Humboldt General Hospital
Budget Augmentation Summary
Fiscal Year 2019**

Operating Expenses

	Original Budget	Augmented Budget	Variance
Salaries & Wages	17,444,356	16,952,356	\$ (492,000)
Employee Benefits	6,221,000	6,049,000	\$ (172,000)
Contract Labor	987,850	1,487,850	\$ 500,000
Professional Contracts	7,878,398	9,461,398	\$ 1,583,000
Supplies & Small Equipment	6,142,190	6,142,190	\$ -
Equipment Maintenance	2,112,566	2,388,566	\$ 276,000
Rental & Lease	360,613	360,613	\$ -
Insurance	548,000	548,000	\$ -
Utilities	682,008	682,008	\$ -
Depreciation	6,992,499	6,992,499	\$ -
Travel, Meals & Education	309,691	402,691	\$ 93,000
Other Expenses	893,859	1,105,859	\$ 212,000
	<u>50,573,030</u>	<u>52,573,030</u>	<u>\$ 2,000,000</u>

Augmentation Reasoning

Annual Budgeted Patient Service Revenue	\$ 88,104,689
Annual Projected Patient Service Revenue	<u>\$ 91,529,179</u>
Estimated Patient Service Revenue Variance	\$ 3,424,490
<hr/>	
Annual Budgeted Operating Expenses	\$ 50,573,030
Annual Projected Operating Expenses	<u>\$ 52,573,030</u>
Estimated Operating Expense Variance	\$ (2,000,000)
Department Specific Changes	
OB-Gyn and Pediatric Practice:	
Monthly Salary Decrease	\$ (40,000)
Monthly Travel Increase	\$ 8,000
Monthly Professional Contract Increase	<u>\$ 170,000</u>
Net monthly increase	\$ 138,000
February - June 2019	<u>5</u>
Total 2019 Expense Increase	\$ 690,000
Family Practice:	
Monthly Salary Decrease	\$ (29,000)
Monthly Travel Increase	\$ 5,000
Monthly Professional Contract Increase	<u>\$ 50,000</u>
Net monthly increase	\$ 26,000
February - June 2019	<u>5</u>
Total 2019 Expense Increase	\$ 130,000
Administration:	
Monthly Salary Decrease	\$ (21,000)
Monthly Travel Increase	\$ 4,000
Monthly Professional Contract Increase	<u>\$ 40,000</u>
Net monthly increase	\$ 23,000
February - June 2019	<u>7</u>
Total 2019 Expense Increase	\$ 161,000
Cerner Conversion (not budgeted in expense):	
Maintenance and hosting fees	\$ 276,000
Project manager fees	<u>\$ 203,000</u>
Total 2019 Expense Increase	\$ 479,000
Contract Labor 2019 Expense Increase	\$ 500,000
Employee Benefits Decrease	\$ (172,000)
Other Expenses	\$ 212,000

Biochemgard exhaust biosafety cabinet

Request: Purchase new Pharmacy Hood for installation in new Pharmacy Department.

Purpose: Pharmacy hoods provide a sterile, non-hazardous environment for the preparation of intravenous solutions and medications.

Rationale: The proposed hood meets today's standards for pharmacy hoods in that it provides the protection needed when dealing with any hazardous drugs; not a feature of current hood.

Plan is to retain current hood. Although it is technically over 20 years old, it should have many more years of service for certain applications as the hours of use equate to an age of about only ten years.

There is value in retaining this old hood for use with non-hazardous materials.

Recommendation: Staff recommends purchase of new Pharmacy hood to be installed into new pharmacy department.

Quote To:

Humboldt General Hospital
118 E Haskell St
Winnemucca NV 89445
USA

Customer Contact:

Name: David Simsek
Email: hghrx@hghospital.org
Phone: (775) 623-5222 x1551

Sales Rep:

Elizabeth Brenneman
EBrenneman@bakerco.com
207-608-8411

Quote Number: 34888

Date: 1/14/2019

Page 1 of 3

Customer Number	Payment Terms	Freight Terms	Shipping Method	Expiration Date	Cust Serv Rep
17544	Net 30	Destination / Add to invoice	Best Rate Available	7/31/2019	Elizabeth Brenneman
Sales Territory		Notes			TIN
House Accounts		Pricing and Terms per Intalere Contract No. VP10076			01-0222106

EQUIPMENT PRICING					
Line	Model	Description	Unit Price	Quantity	Extended Price
1	BCG601	BIOCHEMGARD® E3 BCG601	15,453.84	1 EA	\$ 15,453.84



6 Year Warranty

STANDARD FEATURES:

- . One-piece, corrosion-resistant, stainless steel fabrication with smooth radius coved corners
- . Negative pressure double-wall plenum
- . Audible/visual airflow alarm warns when the exhaust airflow decreases
- . Mini analog pressure gauge
- . NSF-listed and patent pending cable ports
- . Right side Petcock Valve - VAC
- . Right side prepiped penetration
- . Unique momentum air curtain for increased containment and protective capabilities
- . High velocity return air slots
- . Patent pending air bypass padded armrest
- . Non-glare, removable work surface
- . ExchangeSAFE™ bag-out, sealed access filter exchange system
- . Efficient cool-white fluorescent lights and electronic ballasts
- . Low noise level – cabinet is less than 50 decibels
- . Energy saving features
 - . ReadySAFE™ low-flow mode
 - . StediFLOW™ motor controller
 - . UniPressure™ Preflow Plenum airflow system

SELECTED OPTIONS:

- Custom Hydraulic Lift - No casters
- IV Bar
- Cabinet Downflow Monitor
- Custom Flexible Duct, 12in O.D. X 2' w/ clamps
- Custom Floor Flange

Reference Baker ER drawing# ER026014-1-B

Interior Dimensions:

70" W x 22 7/8" F-B x 27 5/8" H

Exterior Dimensions:

77 7/8" W x 33 5/8" F-B x [86" - 94 1/2"] H

Net Weight (lbs): 850.00Ship Weight (lbs): 1,020.00Technical Notes:

115V, AC 20A, 60 Hz

Exhaust requirements: 993 CFM at 8" sash height

Additional Charges :

Quote - Estimated Freight

Price

\$1,150.00

BioChemGARD® Available Options (Options already requested are listed above)

Exhaust Options

Air Tight Damper 12" O.D.	\$ 1,260.00	Low Static Pressure Duct	\$1,730.00
Air Tight Damper, 12" Flange with 10" O.D.	\$ 1,260.00	Duct Reducer 12" to 10"	\$ 215.00
In-line Air Tight Damper 8" O.D.	\$ 1,140.00	Duct Reducer 12" to 8"	\$ 215.00
In-line Air Tight Damper 10" O.D.	\$ 1,140.00	Flexible Duct Connection 12" O.D.	\$ 80.00
In-line Air Tight Damper 12" O.D.	\$ 1,165.00		

Controls/Electrical

Ultraviolet Light 4'	\$ 270.00	Ultraviolet Light 6'	\$ 285.00
Particle Counting Package (Isokinetic)	\$1,815.00	Cabinet Control Monitor	\$ 305.00
Cabinet Downflow Monitor	\$ 810.00	**Fume Hood Package (UL 1805)	\$ 770.00
(Digital Pressure Monitor)		(Includes outlet on stand/external petcocks)	

Ergonomic Accessories

BioFit Chair*	\$ 685.00	Pharmacy Bin	\$ 100.00
BioFit Chair, Class 100*	\$ 900.00	Sit / Stand Stool	\$ 600.00
Foot Rest	\$ 170.00	Ergo Lift (with or w/o casters) UL Listed	\$3,100.00
IV Bar 4' Model	\$ 195.00	Casters Package (2 w/brake and 2w/out)	\$ 455.00
IV Bar 6' Model	\$ 205.00		

Other

Floor Anchors (Non-PE Approved)	\$ 430.00	Floor Anchors PE Approved	\$ 1,315.00
Wall Anchors (Non-PE Approved)	\$ 260.00	Wall Anchors PE Approved	\$ 2,390.00
H2O2 Decontamination Ports	\$ 1,235.00	Validation Documents IQ/OQ (Protocol Only)	\$ 750.00
		Validation Documents IQ/OQ (Protocol/Execution)	\$ 1,700.00

Plumbing

Additional Petcock Valve**	\$ 110.00	Black Iron Pipe (voids UL)	\$ 305.00
Additional Pre-piped Penetrations**	\$ 170.00	Needle Valve (Greaseless/Non-Greaseless)	\$ 135.00
Stainless Steel piping	\$ 305.00		

Warranty

Extended 3 Year Warranty	\$1,500.00
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*Assembly required

**This option requires information at time of order

QUOTE TOTAL**\$16,603.84****TERMS AND CONDITIONS**

Freight Terms -Quoted freight prices are estimations only. Freight will be billed at actual cost and added to final invoicing.

Note: If a dock is not available, please notify The Baker Company to include a lift gate truck at an added charge.

Quotation Duration: Quotation valid for 60 days.

Terms: Net 30 Days; A 1½% monthly charge, annual percentage rate of 18% will be added to all overdue accounts.

Taxes: Taxes are not included in above prices. If applicable, please provide tax exempt certificate for state unit is shipping to.

Delivery:

1. Baker will make a good faith effort to meet your requested delivery; however, delivery is contingent upon the timely receipt of your purchase order, receipt of approval drawings (if required), and Baker's inventory / production schedule at the time the order is placed.
To avoid any confusion, please reference your Baker quotation number on your purchase order.
2. Should your facility not be ready, Baker will require notification of your new acceptance date at least two weeks before the original delivery date. If Baker does not receive notification, storage charges will apply.

Invoice: The Baker Company invoice will show the total of the manufactured unit including options. If you require us to manually manipulate the look of an invoice please contact us.

STANDARD WARRANTY

Cabinet Warranty:

The Baker Company, Inc., expressly represents and warrants all goods (a) to be as specified (and described) in The Baker Company catalogs and literature, and (b) to be free under normal use, service and testing (all as described in The Baker Company catalogs and literature) from defects in material and workmanship for the period stated. Wear items such as bulbs, gloves, etc are not covered by Baker's standard warranty.

The exclusive remedy for any breach or violation of this warranty is as follows: The Baker Company, Inc., will F.O.B. Sanford, Maine, furnish without charge repairs to or replacement of the parts or equipment which proved defective in material or workmanship. No claim may be made for any incidental or consequential damages.

This warranty is expressly in lieu of all other warranties, expressed or implied, including any implied warranty of merchantability of fitness for a particular purpose unless otherwise agreed in writing signed by The Baker Company. (The Baker Company shall not be responsible for any improper use, installation, and service or testing of the goods.)

Creating Immaculate Atmospheres

Address Purchase Orders To:

The Baker Company
175 Gatehouse Road
Sanford, ME 04073
Fax: (207)324-3869

Remit To Address:

The Baker Company, Inc.
P.O. Box 324
Canajoharie, NY 13317

Request to purchase a refurbished forklift for Materials Management

**Humboldt General Hospital
Board of Trustees Meeting
25 June 2019
Agenda item: F6**

Executive Summary – Request to purchase a refurbished forklift for Materials Management

Request

Request to purchase a refurbished forklift for Materials Management

Rationale

The current forklift is a CAT lift model GP15 that was manufactured April 1996 and rated for 3300 lbs. We currently have a quote for needed repairs for \$901.41. The annual PM cost is \$250. This forklift has become a safety hazard as it is too small for the amount of weight on our pallets that we are off loading. We are having to request the pallets come in with less weight on them and not all vendors are willing to accommodate these requests. There are times we get extended pallets in that this forklift is too small for. There were many times during construction that we were able to have Sletten Construction use their forklift to off load the heavier pallets. This forklift also has an open cab with no covered parking area which is hard on staff when they have to use it when it is raining/snowing. The new forklift has a wider wheel base making it more stable, an enclosed cab which will keep it clean and dry as well as provide extra safety to the operator, and longer forks for the extended pallets. It will also lift 8000 pounds, which will cover the 5000 pounds of salt that we unload. We average (2) pallets of freight a day. Materials Management, EMS, and Maintenance all use the forklift every week. The Toyota brand is the top rated and highly sought after forklift that we would like to purchase. Brand new these cost around \$50,000.

There is a fast turnover for the Toyota brand forklifts and we may not have authorization in time to purchase this exact one. We are requesting the budgeted amount of \$25,000 be approved just in case we miss this one and have to wait for another like it to become available.

Recommendation

Recommend Board approve authorization to purchase a refurbished forklift up to \$25,000.

Point of Contact: Theresa Bell, Materials Management Manager
Tom Stephen, Fleet Maintenance



Discount Forklift

877-779-9431

June 12, 2019

HUGE SELECTION. FAST DELIVERY. UNBEATABLE PRICES.



**MUST-WATCH video
before purchasing
your equipment!**



Toyota

Fully Enclosed Cab w/ A/C

Model	7FGU35					
Year	2010					
Capacity	8,000 @ 24" Load Center					
Mast	Two stage - Wide View	Mast Measurements:		Approx Lowered:	TBD	0"
Attachmt(s)	Side Shift			Approx Raised:	132	11'0"
Type	Pneumatic - Sit Down		Style		Single Drive	
Hours				Forks	Standard	
Fuel	LP (Propane)					
Availability	All forklifts are sold on a "first come first serve" basis! Commit now to cherry pick the nicest, lowest hours machine!					
Comments	Equipped with enclosed cab & AC. New paint job & good tires.					

Discount Forklift



Discount Forklift



Discount Forklift



Discount Forklift





www.DiscountForklift.us

www.OctaneForklifts.com

June 12, 2019

Corporate Headquarters Facility
4625 Colorado Blvd. Denver CO. 80216

Office: 303-997-4203

Fax: 303-997-6826

*Investment into your business, FOR ONLY: **\$23,900**

All equipment that comes to our facility goes through our 80-point service inspection and some will receive professional paint and body work. (NOTE: We do not inspect "brokered" equipment because "brokered" equipment is sent from an independent seller to an independent buyer. We never actually possess the equipment.)

*Final Condition Rating: **RENTAL READY**

CLICK HERE
FOR THE 5 CONDITIONS OF A FORKLIFT DEFINED

-If you are within the Denver metro area you get **FREE DELIVERY!!**

-If you live outside of Colorado you pay **NO SALES TAX!!**

-We get discount freight rates; let us handle delivery for you making your life simple and easy!

*Financing options available with approved credit!

36 months

\$664

48 months

\$498

60 months

\$398

72 months

\$332



We also offer Brand New OCTANE Forklifts if you want peace of mind of a Factory Warranty!

GET A QUOTE NOW!

www.OctaneForklifts.com

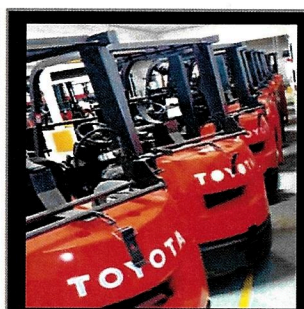
- Pre-Owned units are priced wholesale and sold "As Is" to save you money!
- Units that are 5 years old or newer & have less than 8,500 hours qualify for a "TMI Solutions" after market warranty. (ask your salesman for details)
- We also offer planned maintenance to keep this lift nice and dependable!

Selling Fast!

All of these forklifts / telehandlers are subject to prior sale! We do not offer any kind of "hold." If this is the machine you want to purchase, immediately contact your salesman for an invoice. We cannot guarantee any lift without payment. With a limited supply of equipment for our customers, we only guarantee this lift IF a deposit or payment is made. Delay of payment could potentially mean you could lose your desired lift.

To increase the odds that you get the exact machine you desire:

- 1) It is wise to immediately place a 10% down payment on your machine.
- 2) Sending a Wire Transfer or ACH to expedite your payment.
- 3) Overnight your check to save time.
- 4) Have your financing Pre-Approved for quick close. Ask your salesman for credit application.





4905 Lima Street, Denver, CO 80239
 Info@Discountforklift.us
 Office: 303-997-4203
 Fax: 303-997-6826

Invoice

Date	Invoice #
6/13/2019	13316

Bill To

Humboldt General Hospital
 Tom Stephen
 118 E. Haskell St
 Winnemucca, Nevada 89445
 775-621-8174

Ship To

Humboldt General Hospital
 Tom Stephen
 118 E. Haskell St
 Winnemucca, NV 89445
 775-621-8174

P.O. Number	Terms	Rep	Via	F.O.B.
Tom Stephen	100% prior to shipment	BF	OTR Trucker	Winnemucca, NV

Quantity	Item Code	Description	U/M	Price Each	Amount
1	Forklifts	Make: Toyota, Type: Pneumatic - Sit Down, Model: 7FGU35, Serial # TBD, 8,000lbs Capacity @ 24" Load Center Less De-rate for Mast and Attachments, Mast: Two stage - Wide View, Tires: Single Drive, Attachment(s): Side Shift, Fuel: LP (Propane), Forks: STANDARD. At time of delivery this piece of equipment will be rated: Rental Ready with a paint rating of: PRO THANK YOU VERY MUCH FOR YOUR BUSINESS! Just like automobiles, all pre-owned equipment is sold "As-Is where is". No warranty expressed or implied. If there is a limited warranty it will need to be in writing in our "New or Used" paperwork to be signed & returned. No cash returns because in the past we have had customers abuse our gracious & accommodating return policy. Now "all sales are final." We work hard to provide accurate descriptions to allow you to make an informed purchase. Title, ownership, risk of loss, and legal possession transfers upon delivery of equipment.		23,900.00	23,900.00T
1	OSHA Certificati...	OSHA Compliance Certification Online Code (Valued at \$875.00) Discounted \$875.00 by Sales Rep.)			0.00

Payor acknowledges and agrees upon receipt of this invoice and remittance of Down Payment that he/she agrees to all terms and conditions as presented in this document. Payor and Payee agree that monies remitted act as a non-refundable down payment. Payee reserves the right to substitute like kind, type, and condition equipment. Prices subject to availability. Should payor's preferred equipment no longer be available, Payee reserves the right to provide alternative substitute equipment based on current inventory availability and economic conditions. In the event that any or all of the aforementioned events occur, the down payment shall be applied against any outstanding balance due, concurrent purchase, or subsequent purchase from inventory controlled or owned by Endless Sales Inc, dba Discount Forklift. Payor hereby waives all rights as a result of events that may be categorized as business/personal insolvency, bankruptcy, change of heart, or force majeure.

Subtotal

Total

Payments/Credits

Balance Due



4905 Lima Street, Denver, CO 80239
 Info@Discountforklift.us
 Office: 303-997-4203
 Fax: 303-997-6826

Invoice

Date	Invoice #
6/13/2019	13316

Bill To
Humboldt General Hospital Tom Stephen 118 E. Haskell St Winnemucca, Nevada 89445 775-621-8174

Ship To
Humboldt General Hospital Tom Stephen 118 E. Haskell St Winnemucca, NV 89445 775-621-8174

P.O. Number	Terms	Rep	Via	F.O.B.
Tom Stephen	100% prior to shipment	BF	OTR Trucker	Winnemucca,NV

Quantity	Item Code	Description	U/M	Price Each	Amount
1	Forklift Accessori...	Regroove the drive tires (Valued at \$100.00)(Discounted \$100.00 by Sales Rep.)			0.00T
1	Freight	'Freight to customer location Winnemucca, NV Note: Freight can vary based on truck availability, weather conditions, size, weight of the equipment, and holidays. All freight ETA's are estimates & not guaranteed. Note: Customer is responsible for off-loading truck. Most machines are shipped via dock height. Customer is responsible for any additional unloading charges. Any additional expenses occurred from delay of off loading when freight truck arrives will be billed at customers expenses. Please make off loading arrangements prior to delivery. When a dock is not available we recommend calling a local tow truck service in your area. (ask for a"rollback.") So please make prior arrangements before arrival. Out-of-state sale, exempt from sales tax		950.00	950.00T
				0.00%	0.00

Remit Address:
 Endless Sales Inc
 4905 Lima Street
 Denver, Co 80239

Wiring Instructions:
 Wells Fargo, N.A.
 420 Montgomery Street
 San Francisco, CA 94104

Beneficiary: Endless Sales Inc.
 Account # 5061289012
 Routing# 121000248

Payor acknowledges and agrees upon receipt of this invoice and remittance of Down Payment that he/she agrees to all terms and conditions as presented in this document. Payor and Payee agree that monies remitted act as a non-refundable down payment. Payee reserves the right to substitute like kind, type, and condition equipment. Prices subject to availability. Should payor's preferred equipment no longer be available, Payee reserves the right to provide alternative substitute equipment based on current inventory availability and economic conditions. In the event that any or all of the aforementioned events occur, the down payment shall be applied against any outstanding balance due, concurrent purchase, or subsequent purchase from inventory controlled or owned by Endless Sales Inc, dba Discount Forklift. Payor hereby waives all rights as a result of events that may be categorized as business/personal insolvency, bankruptcy, change of heart, or force majeure.

If you have any questions concerning this invoice, contact: 303-997-4203

Subtotal	USD 24,850.00
Total	USD 24,850.00
Payments/Credits	USD 0.00
Balance Due	USD 24,850.00

Please select an option for pick up or delivery of in State items:

Reno Forklift/Service Department
171 Coney Island Drive
Sparks NV, 89431

Date: 6/3/2019
Quote # QR10684

Attention:**C/O: Humboldt General Hospital**

We are pleased to submit the following proposal for your CAT lift Model GP15 , Serial Number .3AM01243

WORK DESCRIPTION:**REPLACE THROTTLE PEDAL.**

Parts \$ 48.64 Labor \$ 120.00 Total \$ 168.64

REPLACE ALTERNATOR BELT & HOOD LATCH

Parts \$ 95.06 Labor \$ 240.00 Total \$ 335.06

*

RESEAL VALVE COVER

Parts \$31.72 Labor \$ 240.00 Total \$271.72

*

*

REPLACE ZERK FITTINGS ON TILT CYLINDER

*

*

Parts \$ 5.99 Labor \$ 120.00 Total \$ 125.99

***note: totals are based on approval of all quoted work listed above. Any deletions or additions will void all quoted parts and labor amounts.**

\$901.41

The above prices are an estimate and are subject to a 0% quote variance. It does not include parts freight, core charges, sales tax or miscellaneous charges, unless otherwise noted. Quote does not include any unforeseen repairs or modifications, customer will be notified before any unforeseen repairs or modifications are made. Pick-up and delivery of equipment is based on our current labor rate. Proposal is good for 30 days. If you have any question please contact Ken Bradley your Service Rep. at 775-982-8832 or sign and fax to 775-329-1266 and we will perform your repairs.

Thank You,
 Ken Bradley

Customer Approved _____
P/O _____

RENO FORKLIFT

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: June 20, 2019
RE: Adajar / physician employment agreement

Attached (in pdf. format to the email) is a revised draft version of the proposed *Agreement for Physician Employment* with Rommel Adajar, M.D. This draft includes the clarification and revisions sought by the provider as requested in your email of yesterday afternoon, all of which we discussed earlier today.

It is anticipated the final version of the agreement will be consistent with the attached agreement in every material aspect. Accordingly, provide this version in the board meeting packet for the upcoming board meeting. Assuming board approval of the agreement as submitted, or as modified if modifications are agreed upon, the document will thereafter be prepared in final form for the signatures.

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

OKM/lp
Attachment

xc: Board Chairman (w/ attachment) - via email

AGREEMENT
FOR PHYSICIAN EMPLOYMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 2019,
by and between:

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

PHYSICIAN: ROMMEL ADAJAR, M.D., FACP
445 Sondrio Court
Reno, Nevada 89521

RECITALS:

A. Humboldt County Hospital District ("District" or "Employer") operates Humboldt General Hospital ("Hospital"), an acute care medical facility with critical access designation, Harmony Manor ("Harmony Manor"), a long-term skilled nursing medical facility, Quail Corner Life Enrichment Community ("Quail Corner"), a memory care long-term skilled nursing medical facility, and the Hospital Clinic ("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, and has a need for a qualified and licensed Internal Medicine (herein referred to as the "Practice Specialty") physician at the District Facilities to serve the interests of the District, the District patients and the residents of Humboldt County.

B. Rommel Adajar, M.D. ("Physician") is licensed to practice in the State of Nevada, with qualifications, experience and capability in providing Practice Specialty physician services, and desires to provide to District the services described in this Agreement.

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

1. PHYSICIAN SERVICES / TERM. Hospital shall utilize Physician on a full-time basis for the period commencing October 14, 2019 and ending September 30, 2024 (the period beginning on the commencement date and ending September 30, 2020 and the subsequent one-year periods beginning October 1 and ending September 30 may each be referred to as an "Agreement year"), subject to the terms and conditions herein, it being understood the commencement date may be adjusted to a different mutually agreed upon date. The Physician shall devote Physician's professional efforts to performance of this Agreement and, to the extent it does not interfere with Physician's performance of any duty or obligation hereunder, Physician may accept work with and provide services for the independent contractors providing Hospitalist services and ER services to the District without advance consent of the District. Any non District Facilities work by Physician may only be provided with the advance consent of the District. For purposes of this Agreement, the Physician shall be an "exempt" employee under applicable federal and state wage and hour laws, not eligible for overtime compensation or benefits.

2. PHYSICIAN DUTIES. During the term of this Agreement Physician shall:

a. Personally provide a full range of customary Practice Specialty physician services: (i) to patients utilizing the Clinic; (ii) to patients accepted under District Facilities' rules, regulations and policies; (iii) to patients admitted to the District Facilities or requiring Practice Specialty services in the Hospital's Emergency Room ("ER"); (iv) to patients at District health care-medical facilities in outlying Humboldt County; and, (v) for on-site medical supervision of Practice Specialty services provided by the District at the Clinic, including nursing and ancillary medical personnel assigned to the Clinic.

b. Accept and provide Practice Specialty physician services as attending physician or consultant for Hospital inpatients referred to Physician under policies applicable to professional staff appointees with Hospital privileges.

c. Accept and provide Practice Specialty physician services as reasonably agreed upon and assigned to Physician from time to time by the District.

d. Personally devote Physician's full working time and attention, and Physician's best endeavors and skills, for the interest, benefit and best advantage of the District, providing services in a manner that shall maintain the productivity of the Practice Specialty practice.

e. Participate in federal and state governmental third party programs, health maintenance organizations ("HMOs"), preferred provider organizations ("PPOs") with substantial representation in the District service area and other indemnity health insurance programs as determined by District.

f. Perform all duties in an ethical, professional and competent manner, and in all matters connected with the practice of medicine, including decisions regarding whether or not to recommend Hospital admission or services, Physician shall exercise Physician's independent professional judgment, and nothing contained in this Agreement requires the referral of patients to the District Facilities or to any affiliated provider or facilities.

g. Provide cross-coverage for patients of other District physicians on request. Requests for cross-coverage for patients of other than District physicians shall be at the discretion and arrangement of the District, with the concurrence of the Physician, and District shall attempt to provide reasonable advance notice of such requests.

h. Meet the standards required by District, including the standards of ethics and professional competence of District medical staff and the standards required by this Agreement, appropriate licensing agencies, including the State of Nevada, and any other relevant community standards.

3. PHYSICIAN HOURS.

a. At Clinic. Except while engaged in rendering direct patient care at the District Facilities, or participating in CME (as hereafter defined), Physician shall be available as scheduled in the Clinic for a full time practice, defined as a minimum average of forty (40) hours per week, forty-six (46) weeks per Agreement year. The Clinic schedule will be determined by the Hospital Administration, in consultation with the Physician, based on anticipated patient demand and the

needs of the District, with reasonable effort to accommodate Physician's scheduling preferences; however, the schedule is subject to change based on District needs and/or patient demand.

b. On Call. Physician shall have the obligation to respond to urgent patient phone calls, Call and inpatient needs and other immediate care needs of any Clinic patients during days or hours the Physician is not on duty, that is, before or after Clinic hours, holidays, weekends, non-Clinic days, illness, or other causes (Physician is "On Call") except when Physician is unavailable, and such unavailability has been approved in advance by the Hospital Administration (Physician is "Off Call"). The Call services do not include staffing services to the Hospital ER; however, Physician will provide consultation services for ER patients subject to Physician availability as determined by the Physician. The Call services are typically provided in rotation with other physicians and Physician shall provide such services in accordance with the District approved rotation assignment schedule and the Hospital Medical Staff Bylaws. When Physician is On Call, Physician shall respond to such calls within the time prescribed by the Hospital Medical Staff Bylaws. In the event Physician desires to be Off Call, Physician must, except in the case of an emergency or unforeseen event, arrange such Off Call time in advance with Hospital Administration.

4. COMPENSATION.

a. Base Compensation. District shall pay Physician a base compensation salary of \$450,000 per Agreement year. There may be an adjustment to the base salary depending on the PERS (as herein defined) retirement plan selected by Physician. The base salary is paid in equal biweekly payments on the District's regular salary and wage payment schedule.

b. Incentive Compensation. In addition to any other compensation provided in this Agreement, the Physician shall be entitled to receive incentive compensation each Agreement year calculated as the difference between the base compensation and the calculated compensation of the worked Relative Value Unit ("wRVU") productivity model using a production base threshold of 8,500 for the base compensation salary of \$450,000, with each additional wRVU above the base threshold valued at \$52.94. The determination of the incentive compensation payment, if any, must be made not later than thirty (30) days after the end of each Agreement year of this Agreement, and payment of the incentive compensation must be made not later than forty-five (45) days after the end of each Agreement year of this Agreement.

The initial Agreement year incentive compensation determination wRVU productivity model conversion factor and threshold are based upon the most recent published report of the Medical Group Management Association (MGMA) physician compensation and production survey, which is an OIG recognized industry benchmark survey. The conversion factor and wRVU threshold of the above productivity model will be used in determining incentive compensation for the initial Agreement year. For subsequent Agreement year incentive compensation determinations, the conversion factor of the productivity model will be reviewed and updated at the beginning of each Agreement year to ensure the factor is consistent with the most recently reported and published MGMA market level data.

If the calculated compensation under the productivity model exceeds the base compensation, the difference will be paid as incentive compensation; provided, however, the incentive compensation paid shall not exceed ninety-nine percent (99%) of the maximum compensation for the Practice Specialty services established by the most recent published report

of the MGMA physician compensation and production survey. If the calculated productivity model compensation does not exceed the base compensation, no incentive compensation will be paid.

The District will perform the incentive compensation accounting using an accrual basis of accounting, which means that the calculated productivity model compensation revenue will be determined based upon the services rendered during each accounting period, as opposed to the monies actually collected during such period. The utilization of wRVUs takes precedence over any other form of productivity measurement for purposes of incentive compensation to the Physician.

c. Total Compensation Cap. The maximum annual total compensation of the Physician from the combined base compensation and incentive compensation pursuant to this Agreement shall not exceed, and shall be limited to, a sum equal to the fair market value for Physician's services provided in the District's service area, as determined by an appropriately qualified third party, after consideration of all relevant information, including Physician's clinical production, financial performance and coding accuracy.

5. BENEFITS / FEES / ALLOWANCES / EXPENSES.

a. Benefits. District shall provide Physician with the following benefits:

(i) Paid Time Off. A total of six (6) weeks or thirty (30) days (240 hours) paid time off ("PTO") per Agreement year, which is an all purpose time off policy for vacation, sick leave, injury leave, holidays and personal business. The accumulation rate for PTO is .115385 hours per paid hour calculated each biweekly pay period (e.g., 80 paid hours every biweekly pay period times .115385 equals 9.2308 accumulated hours, and 9.2308 accumulated hours per pay period times 26 pay periods per year equals 240 hours per year). When the PTO accrual reaches 240 hours in any Agreement year, the accumulation of PTO ceases and there is no accrual until the then accrued PTO is used or reimbursement is made to reduce the accrued PTO to less than 240 hours. Payment of PTO shall be based upon an hourly prorating of Physician's base compensation salary then in effect. Physician shall obtain the District's advance approval of the leave schedule and coverage, except in the event of unexpected illness, injury or emergency. If Physician does not use all or any portion of the PTO in any Agreement year, the unused portion shall roll over and be available for use in a subsequent Agreement year; provided, however, the maximum amount of PTO that can be accrued and/or rolled over is 240 hours. Upon written request by Physician, but not more frequently than four times (4X) per Agreement year, Physician is entitled to receive compensation in lieu of time off for accrued PTO; provided, however, Physician shall be entitled to a maximum payment each Agreement year for 120 hours (3 weeks or 15 days) of PTO. Physician is entitled to receive compensation for accrued PTO benefits at the end of the term.

(ii) Health and Other Care Benefits. Medical, dental, vision, prescription drug and life insurance coverage (for Physician only, subject to eligibility) consistent with the health and welfare benefit plan provided employees of the District, shall be provided, at District expense, for Physician and Physician's spouse and eligible dependents.

(iii) Retirement Contribution. The District share of the contribution for the State of Nevada Public Employees Retirement System ("PERS") plan selected by the Physician in accordance with PERS rules and regulations then in effect.

b. CME. Physician shall receive: (i) five (5) working days with compensation each Agreement year (in addition to PTO) for the purpose of attending approved continuing medical education (CME) in Practice Specialty subjects to maintain Physician's current credentials and professional licensure, and (ii) pay or reimbursement up to \$2,500 per Agreement year in associated pre-approved registration and course fees, both for on-site and on-line programs, necessary for CME and CME materials, and such sum does not include the costs for the associated travel, vehicle, parking, lodging and meals. Physician shall obtain the Hospital Administration advance approval of the schedule for CME requiring travel outside the northern Nevada regional area. Any portion of the CME days or payment allowance remaining unused at the end of an Agreement year shall be forfeited.

c. License Fees. The District shall pay Physician's fees to maintain a valid Nevada license and DEA permit to practice medicine in the State of Nevada.

d. Professional Dues / Subscriptions. District shall pay up to \$2,000 per Agreement year to Physician for professional dues and subscriptions from professional organizations upon Physician providing invoices for, or proof of payment of, such expenses. Any portion of the dues and subscription allowance remaining unused at the end of an Agreement year shall be forfeited.

e. Expenses. District shall reimburse Physician for reasonable and customary costs and expenses incurred for commercial carrier travel, airline travel, vehicle rental, mileage for personal vehicle use, parking, lodging, meals, telephone, Internet and other communication services incurred by Physician for providing services to or on behalf of District and participating in CME. The costs and expenses allowed by this section do not include reimbursement for routine travel to and from Physician's home to place of employment, personal expenses of Physician or any expenses of Physician's family members. District shall not be responsible for any other business or travel expenses of Physician unless agreed to in writing prior to incurring such expenses.

f. Relocation Allowance. District shall pay up to the sum of \$10,000 for IRS approved moving and relocation expenses. The expenses may be paid directly to a relocation company or service, or reimbursed to Physician upon providing receipts for payments made by Physician. If Physician terminates employment prior to the end of the term, the relocation allowance must be repaid to District on a pro rata basis.

g. Rural Practice Incentive. District shall, upon commencement of the term, pay a one-time payment of \$25,000 to Physician as an incentive to practice and continue practicing in a rural community. If Physician terminates employment prior to the end of the term, the rural practice incentive payment shall be repaid to District on a pro rata basis.

h. Housing Assistance. District shall provide housing assistance for Physician, as determined by the Administrator (i.e., contracted rental unit or District owned housing), for a period of up to three (3) calendar months at a cost not to exceed the sum of THREE THOUSAND FIVE HUNDRED DOLLARS (\$3,500) per month.

i. Payment Requests. When payment authorized by this section must be requested by Physician (e.g., expenses reimbursement, CME reimbursement or PTO payment) the Physician must make a timely (not more than 45 days after the expense was incurred or benefit

earned) request for such payment and District will process the payment request and make payment at the end of the first full pay cycle following approval of the request.

6. TAXES / WITHHOLDING. The District will withhold federal, state and local taxes, social security (FICA), workers' compensation insurance and unemployment insurance (FUTA and state), PERS contributions and other fees and taxes from Physician's compensation under this Agreement as required by federal and state laws relating to employees. It is understood that the responsibility for payment of Physician's portion of such taxes, fees and withholding is the Physician's, and not the District's.

7. POLICIES.

a. Professional. Physician shall comply with all obligations of professional staff appointees as provided in the District's medical staff bylaws, medical staff rules and regulations, Hospital and Clinic policies and procedures and the personnel handbook 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. Personnel. As a professional and management employee, Physician shall be subject to policies and rules in the District's personnel handbook, including attendance at District orientation, mandatory in-services and passing employee health screening exams. Physician shall be subject to the applicable provisions and terms that apply to management personnel in the personnel manual. Physician shall perform all management functions required by this Agreement in a manner consistent with other District employees' rights under the personnel manual.

c. 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, the Hospital and Clinic policies and regulations and the personnel handbook rules, 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, and if the policies and regulations are silent on such terms and/or conditions, then the personnel handbook rules shall apply.

8. PRACTICE RESTRICTION-CLOSURE. Authorization by the Hospital Administration shall be required prior to any material change, restriction, or closure of Physician's practice.

9. SUPERVISION. Physician shall report directly to and be under the supervision of the Administrator for personnel matters and non-clinical aspects of Physician's employment. Supervision shall include direction, evaluation, performance reviews, discipline, granting of leaves, scheduling and other usual and customary tasks of supervisory and management responsibility. Supervision for clinical or professional aspects of Physician's employment shall be in accordance with the medical staff bylaws and the medical staff rules and regulations.

10. DISTRICT DUTIES.

a. Facilities. In addition to the compensation and providing benefits as provided herein, District shall provide, at District expense, an office space in the District's service area for the providing of Practice Specialty services. The office space shall include such amenities as are reasonably necessary, in the good faith opinion of the District, to the conduct of a Practice Specialty medical practice, including access to a waiting room, reception area, examining room(s), personal office space, and patient parking. The facilities provided by the District are not leased or rented to Physician, and the right to occupy and use such facilities shall continue only while this Agreement is in effect and there is compliance with the terms and conditions hereof.

b. Equipment / Supplies / Utilities. District shall provide, at District expense, all professional office equipment, supplies and utilities that are, in District's good faith opinion, reasonably necessary for conduct of a Practice Specialty medical practice. Such equipment, supplies and utilities shall remain the sole property of District, and may be removed, replaced or encumbered in the sole discretion of District. District will consult with Physician concerning selection of equipment, supplies and utilities.

c. Ancillary Personnel. District shall recruit, evaluate, employ or otherwise provide or make available at District expense ancillary support personnel reasonably necessary, in District's good faith opinion, for providing Practice Specialty services, including billing/collection personnel, transcription services, and an office manager. District shall, after appropriate opportunity for input from Physician, have the exclusive right to select, schedule, evaluate, discipline, promote or terminate such support personnel and to set their compensation and duties. Physician shall have general medical supervisory responsibility for Practice Specialty patient care activities and ancillary medical personnel while performing services for the District.

d. Insurance. District, at District expense, maintains professional liability insurance for its employed providers which covers Physician's practice 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 hereunder. Physician shall promptly notify District of any claim or threatened claim based on services rendered by Physician, under Physician's supervision, or at the District Facilities 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, then Physician shall obtain and maintain the required professional liability insurance coverage at Physician expense.

e. Laboratory / Diagnostic Services. District will provide at the Hospital such laboratory and other diagnostic services as are customary and reasonable for a Practice Specialty medical practice, including reasonable courier and other communications services necessary to transmit samples or results.

11. BILLING / RECORDS.

a. Billing / Assignment. Physician assigns to District all of Physician's right, title and interest to payment from or on behalf of patients or other recipients of professional services

rendered by Physician or under Physician's supervision during the term of this Agreement. Physician shall promptly execute such further documents as may be necessary or helpful to give effect to this assignment. District shall determine the fee schedule for Physician's services. Physician shall not waive or compromise any obligation, payment, deductible or copayment for any service rendered pursuant to this Agreement and shall promptly and accurately complete and sign all billing reports, diagnoses, certifications, and attestations necessary for the District to bill and collect for professional services rendered by Physician or under Physician's supervision pursuant to this contract. District shall retain, as District property, all amounts received or collected for Physician's services. Physician shall not seek to bill or collect from any third party payor or any patient in violation of this Agreement. Upon written request by Physician, but not more frequently than one time (1X) per calendar quarter, District shall provide Physician with a quarterly report of available billing information and data, including billed charges (gross and net), revenue (gross and net) and accounts receivable.

b. Medical Records. Physician shall create and maintain accurate, complete, comprehensible and timely records of all care rendered. Such records shall be in a format approved by the District and shall be and remain the property of the District. The District shall provide reasonable transcription services for Physician record keeping. Patient records shall not be removed from the District custody without District's written consent. For purposes of this Agreement, "timely" means: (i) within two (2) business days after services are rendered, for written diagnosis notes, indication of procedures performed notes, indication of level of care notes, outpatient notes and progress notes; (ii) within one (1) business day of receipt and review, for lab results and radiology results; and, (iii) within four (4) business days, for completion of history and physicals upon admission and for completion of discharge summaries upon discharge.

c. Non-Medical Records. Physician shall keep current, comprehensible and accurate records reflecting the amount of time devoted by Physician to office related management and administrative activities.

d. Compliance. Physician shall meet all legal and regulatory requirements and District's standards for medical record documentation and billing claims submission, including without limitation, accurate coding. Physician shall cooperate with District in all coding and compliance audits and reviews, including making all documents and records available for review on a timely basis, and participation in exit interviews and telephone conferences as requested. Physician shall participate in all internal coding, billing and documentation educational programs as directed by District and shall comply with the recommendations of the District to improve documentation coding accuracy. In the event Physician is delinquent in the maintenance of medical records, District may withhold ten percent (10%) of the aggregate pre-tax compensation due Physician pending completion of all outstanding medical records. Additionally, if Physician fails to meet District's required level of medical record documentation and coding accuracy, the District may implement any or all of the following measures:

(i) Education. Physician may be required to undertake education regarding documentation and coding at Physician's expense.

(ii) Claims Review. Physician may be required to participate and cooperate in a system of pre-bill or concurrent review of claims or coding accuracy with claims being reviewed prior to submission.

(iii) Additional Audits. Physician may be required to incur the costs of subsequent or external audits, conducted by an auditor of District's choosing, to re-audit medical record documentation or coding accuracy.

(iv) Incentive Compensation Forfeiture. Physician may be declared ineligible for any accrued, unpaid incentive compensation pursuant to Section 4.b. of this Agreement.

e. Books / Records Availability / Retention. In accordance with Section 1861(v)(1) (I) 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 Physician's services ("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. All the Physician's work product and records related to services provided to or on behalf of District pursuant to this Agreement shall be and 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.

f. Confidentiality. Physician shall maintain the confidentiality of all patient care information and of all District Facilities and Hospital business and financial data, patient lists, and other trade secrets and confidences. Physician shall follow appropriate procedures to ensure that patient confidentiality rights are not abridged in accordance with applicable state and federal confidentiality 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.

12. PHYSICIAN WARRANTIES. Physician represents and warrants as of the commencement of the term and during the term that:

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

b. Physician holds a DEA permit with respect to controlled substances, and the permit is in good standing and without restrictions.

c. Physician is eligible to participate in Medicare and Medicaid and has never been denied participation, restricted or charged with any program violation by those administering Medicare or Medicaid programs. Physician will abide by all procedures, practices and administrative regulations promulgated by Medicare and Medicaid.

d. Physician will maintain the Nevada license to practice medicine, the DEA permit and Medicare and Medicaid practice eligibility in good standing, without restriction or challenge.

e. Physician is familiar with and shall be subject to, comply with, and abide by all policies, procedures, rules, regulations, guidelines, protocols, and requirements of the District, and the bylaws, rules and regulations of the District's medical staff, as amended from time to time.

f. Physician will cooperate with, and carry out any corrective action recommended as a result of, any and all internal and external audits conducted by the District to promote regulatory compliance.

g. 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.

h. Physician will provide services under this Agreement in compliance with all applicable federal and state laws, regulations, rules and standards, including the Medicare Conditions of Participation applicable to the District.

i. Physician will comply with and promote Physician's daily interaction with District patients and personnel in accordance with the quality standards developed by the District administration, and will fully support, by the attendance at required meetings and educational sessions and otherwise, and participate in the quality improvement, utilization review, and financial performance improvement initiatives of the District.

j. Physician will practice effective communication skills, people oriented human relationship skills and participatory administrative and supervisory skills to facilitate the efficient operational performance of the District Facilities to satisfy the needs and expectations of the District patients served by Physician.

k. Physician will perform all Practice Speciality and Call responsibilities without default or without instigating, initiating or perpetuating interpersonal conflict with other physicians.

l. Physician will maintain in good standing both appointment to the active category of the professional staff of District and all clinical privileges relevant to the providing of Practice Speciality services.

m. Physician will maintain eligibility and insureability for professional liability insurance through the District's carrier.

n. Physician will on request by District and at District's expense, if any, apply for and promptly take all steps necessary to qualify for, obtain and maintain the right of participation in any provider panel, e.g., IPA, PPO panel, HMO panel, or third-party insurance program, or contractual agreements with which District elects to participate.

o. Physician will maintain national board certification (including re-certifications as applicable) in Practice Speciality medicine.

p. Physician must notify District in writing within five (5) business days of receipt of notice of any investigation by or of Physician which could result in: (i) loss, restriction or suspension of Physician's license to practice medicine in the State of Nevada and Physician's DEA permit; (ii) exclusion from participation in Medicare, Medicaid, or under any third party payer or managed care company; (iii) loss of Physician's insurability for professional liability insurance or, (iv) any action that is threatened, initiated or taken against Physician by any other health care facility provider or organization.

13. NON-DISCRIMINATION. Physician shall uphold and abide by all laws pertaining to equal access and employment opportunities. The laws include, but are not limited to, 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, Sections 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, creed, national origin, religion, age, sex, sexual orientation, marital 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 Physician or District developments that may affect the manner in which services are provided and/or the services that Physician or District may choose to provide. The development of new programs of patient care by Physician shall be discussed with the appropriate medical advisors and approved by District before being instituted.

16. IMMUNITY. To the extent the services provided by Physician pursuant to this Agreement include peer review and quality improvement activities, such activities are intended to be conducted in such a way as to provide Physician with the protections and immunity from liability granted such peer review activities pursuant to Nevada Revised Statutes.

17. 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.

18. 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.

19. 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 practice of medicine or delivery of patient care, or to influence the exercise of independent judgement in the practice of medicine. Physician shall have complete control over the care of patients and District shall not exercise any direct supervision or control over the individual care of any patient. Physician's care of patients must be consistent with any rules and regulations promulgated by District dealing with the general treatment of patients.

20. TERMINATION. This Agreement and the employment of Physician may be terminated as follows:

a. Upon Occurrence of Certain Events. The District may unilaterally terminate this Agreement before the end of the term, effective immediately unless otherwise provided, on the occurrence of any of the following events:

(i) Denial of Application. Denial of Physician's application for renewal of active professional medical staff appointment for full clinical privileges at Hospital.

(ii) Professional Staff Matters. Termination, restriction or suspension of any of Physician's clinical privileges or professional medical staff appointment in accordance with District's medical staff bylaws, medical staff rules and regulations, Hospital and Clinic policies and procedures and the personnel handbook relevant to professionals.

(iii) License. Denial, termination, restriction, or suspension of Physician's license to practice medicine in the State of Nevada, Physician's DEA permit, or Physician's right of participation in Medicare, Medicaid, or any provider panel designated pursuant to this Agreement.

(iv) Professional Liability Insurance. Termination of the professional liability insurance covering Physician's practice pursuant to this Agreement for reasons based upon Physician's conduct.

(v) Personnel Manual. Termination in accordance with the policies and rules in the District's personnel manual.

(vi) Disability or Death. Disability of Physician which cannot be reasonably accommodated, or Physician's death.

(vii) **Criminal Conviction.** Conviction of any crime punishable as a felony or conviction of a gross misdemeanor or misdemeanor crime involving moral turpitude.

(viii) **District Facilities Closure.** Closure of the District Facilities, or any of them, for any reason, including damage or destruction to the physical facilities or loss of licensing.

b. **Material Breach.** Either party may terminate this Agreement before its expiration based on a material breach of this Agreement by the other party if it has given written notice to the party in breach describing the breach, and within thirty (30) days after the giving of such written notice the breaching party has not cured the breach and provided reasonable assurances that the breach will not be repeated. No opportunity to cure shall be required for any second breach by a party and termination may be made effective on giving of the second notice.

c. **Third Party Causes.** Either the District or Physician may, by written notice to the other party, terminate this Agreement in the event that any federal, state or local government regulatory agency or entity adopts, issues or promulgates any law, rule, regulation, standard or interpretation that prohibits, restricts, limits or in any way substantially changes the arrangement contemplated by this Agreement or which otherwise significantly affects either party's rights or obligations hereunder. If this Agreement can be amended to the satisfaction of both parties to compensate for such prohibition, restriction, limitation or change, this clause shall not be interpreted to prevent such amendment.

d. **Without Cause.** Either the District or Physician may, by written notice to the other party, terminate this Agreement without cause one hundred twenty (120) days after the giving of such written notice.

e. **Mutual Agreement.** The District and Physician may, upon mutual written agreement, terminate this Agreement upon the terms and conditions set forth therein.

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; (ii) in the event Physician is indebted to District for amounts due under this Agreement or other obligations between the parties, District may offset such indebtedness against any amounts due Physician from the District; and, (iii) the records access and retention of files (section 11.e.), the confidentiality agreement (section 11.f.), the non competition covenant (section 21), and the release (section 22) provisions shall continue to bind the parties.

Upon termination of this Agreement or upon resolution of any other dispute hereunder, there shall be no right of review or appeal under the District's medical staff bylaws, medical staff rules and regulations, Hospital and Clinic policies and procedures and the personnel handbook relevant to professionals. Unless otherwise mutually agreed, termination of this Agreement automatically terminates Physician's professional staff appointment and all clinical privileges at the Hospital, without hearing or review.

21. COVENANT NOT TO COMPETE. Physician, for and in consideration of the compensation and benefits herein, agrees that for a period of one (1) year from and after the termination of this Agreement, Physician shall not, within seventy-five (75) miles of the city limits

of Winnemucca, Humboldt County, Nevada (the same being the normal service area of the District), as an employee, associate, partner, manager, trustee, independent contractor, consultant, principal, agent of or through the agency of any corporation, company, limited liability company, partnership, association, entity, business, agent, agency or person: (i) engage in Practice Speciality services, or (ii) solicit or accept employment to perform Practice Speciality services with or from any corporation, company, limited liability company, partnership, association, entity, business, agent, agency or person, or (iii) solicit former patients served by Physician as an employee of the District. In the event the provisions of this section should be determined by a court of competent jurisdiction to exceed the time or geographical limitations permitted by the applicable law, then such provisions shall be reformed to the maximum time or geographical limitations permitted by applicable law.

22. RELEASE. Upon any termination under this Agreement and upon acceptance 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 permitted successors and assigns, individually and collectively, and in their official capacity, from any and all liability arising out of this Agreement or from Physician's providing of services under this Agreement.

23. CONDITIONAL RENEWAL. Physician shall have the conditional right to renew this Agreement for one (1) additional five (5) year term beginning at the expiration of the initial term. Physician shall give notice of the desire to renew this Agreement not later than April 1, 2024. In the event such notice is given by Physician, the payment and conditions for the renewal term shall be in such sum and upon such terms as District and Physician agree not later than May 31, 2024. In the event District and Physician fail to agree upon a payment sum and conditions for the renewal term prior to May 31, 2024, then Physician's employment and this Agreement shall terminate at the expiration of the term without further notice.

24. 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 beginning of the term on the day and year first above written.

DISTRICT:

PHYSICIAN:

Chairman Humboldt County
Hospital District Board of Trustees

Rommel Adajar, M.D.

EXHIBIT "A"
TO
AGREEMENT FOR PHYSICIAN EMPLOYMENT
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 Practice Specialty 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 (or equivalent practice administrator). 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

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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 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. If there is failure to reach resolution upon exhaustion of the procedures of this section, the parties may then exercise any remedy authorized by this Agreement or by law.

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 defending party, the instituting party shall pay the costs incurred by the defending party, including 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. 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. Payment shall be made immediately following dismissal of the case or upon entry of judgment.

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. 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.

P. 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.

Q. 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.

R. 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.

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

T. 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.

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

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

W. 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.

X. 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.

June 25, 2019

Reno Fire Department
1 East 1st Street
Reno, NV 89505

Subject: Reserve Ambulances

Reference: (a) Memorandum of Understanding between Humboldt General Hospital and Reno Fire Department of June 15, 2016

Gentlemen,

Due to operational growth in Humboldt County, we desire to terminate reference (a) and reclaim the two reserve ambulances provided to Reno Fire Department. I request both vehicles be available by August 1, 2019.

Thank you for your consideration and look forward to future opportunities to work together.

Sincerely,

JoAnn Casalez, Chairman
Board of Trustees



Reno Fire Department MOU issues

- We provided 2 reserve ambulances to Reno Fire Dept in 2016.
- In return, Reno Fire was to provide HAZMAT and rope rescue training. This training never developed. I followed up with Reno Fire Chief when I took over EMS, but we were never able to effectively coordinate training.
- This arrangement was concluded when HGH EMS had multiple reserve ambulances and had lost the Burning Man contract. Now that we are doing Burning Man again, and putting an ambulance at the Orovada sub-station we need to re-claim the ambulances for our own use.
- Although Reno Fire is not happy with our desire to reclaim the ambulances, they do understand our position.

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING (this "Agreement") is entered into effective as of 15th June, 2016 ("Effective Date") by and between Humboldt General Hospital EMS, a _____ ("HGH EMS") and the City of Reno, a municipal corporation ("Reno").

RECITALS

WHEREAS, HGH EMS is the primary provider of Emergency Medical and Rescue services for Humboldt County, Nevada and the surrounding areas; and

WHEREAS, in conjunction with its duties in providing Emergency Medical and Rescue services HGH EMS maintains extra ambulances in reserve status to be used in the event the demand for services exceeds the normal levels; and

WHEREAS, Reno provides emergency fire, EMS first response, and rescue services, including technical rescue services and Hazmat response; and

WHEREAS, Reno has members of its Fire Department qualified and/or certified to deliver instruction and training in various disciplines associated with emergency fire, EMS first response, and rescue services, including technical rescue services and Hazardous materials response; and

WHEREAS, the Parties desire to memorialize an understanding whereby they will engage in a mutual exchange of resources for the mutual benefit of Reno and HGH EMS.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1. Exchange of Resources.

- A. HGH EMS will provide Reno with two reserve ambulances, VIN 1FDJE30F1THA78347 and VIN 1FDWF3XED33113 (the "Vehicles"), for use by Reno in providing Emergency Medical Services to the citizens of Reno, along with support services to the Reno Fire Department, including without limitation, medical support during operations conducted by the Reno Fire Department, along with other duties reasonably related thereto. Reno shall be responsible for all maintenance and repair of the Vehicles, normal wear and tear excepted. Reno shall at all times maintain in effect liability insurance for the Vehicles.
- B. Reno shall provide training in the disciplines related to the Emergency Medical and Rescue services provided by HGH EMS, including, without limitation, technical rescue and hazardous materials training. Such training shall be conducted using Reno personnel and Reno shall be responsible for such personnel costs, including wages,

travel and lodging, related to such training. The responsibility for any additional costs incidental to such training shall be subject to the mutual agreement of Reno and HGH EMS.

Section 2. Operations Review. The parties shall meet and confer semi-annually, or upon the request of any party, if necessary, to discuss any deployment or operational issues associated with this Memorandum of Understanding. The parties shall cooperate in good faith to attempt to resolve any issues related to the implementation of this agreement and shall modify this Memorandum of Understanding accordingly.

Section 3. Effective Date; Term. This Agreement shall become effective upon the approval of the governing bodies of Reno, to-wit, the Reno City Council, and HGH EMS, to-wit, _____. This Agreement shall continue in full force and effect until terminated pursuant to the terms hereof. Either Party may terminate this Agreement, with or without cause, by giving thirty (30) days written notice to the other party. In the event of the termination of this Agreement Reno shall return the Vehicles to HGH EMS within thirty (30) calendar days. At the time the Vehicles are returned to HGH EMS they shall be in good working order and in substantially the same condition as when they were delivered to Reno, normal wear and tear excepted.

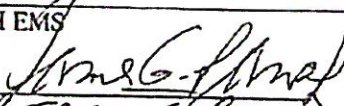
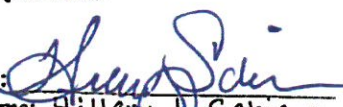
Section 4. Severability. If any term or provision of this Agreement or the application thereof shall, to any extent, be held to be invalid or unenforceable, such term or provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining terms and provisions of this Agreement or the application of such terms and provisions to circumstances other than those as to which it is held invalid or unenforceable unless an essential purpose of this Agreement would be defeated by loss of the invalid or unenforceable provision.

Section 5. Entire Agreement; Counterparts. This Agreement contains the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings, oral and written, between the Parties with respect to such subject matter. This Agreement may be amended only by a written instrument executed by the Parties or their successors in interest. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

Section 6. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. This Agreement is not intended to benefit, and shall not run to the benefit of or be enforceable by, any other person or entity other than the Parties and their permitted successors and assigns.

Section 7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date written below.

HGH EMS	City of Reno
By: 	By: 
Name: <u>JAMES G. PARRISH</u>	Name: <u>Hillary D. Schieve</u>
Title: <u>CEO</u>	Title: <u>Mayor</u>
Dated: <u>2/9/2016</u>	Dated: <u>6-15-16</u>