

HUMBOLDT GENERAL HOSPITAL

DISTRICT BOARD OF TRUSTEES

REGULAR BOARD MEETING

TUESDAY

MARCH 26, 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 March 26, 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
2. Humboldt Connection Suicide Prevention presentation - Community Ed.-Dev. Director
3. Administration Department report - CEO

D. CONSENT AGENDA

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

1. Board meeting minutes February 26, 2019 and March 4, 2019
2. Medical Staff applications for appointments, reappointments, provisional and temporary privileges for: Reed Whittington, CRNA, Allied Health-CRNA; Jusmin Patel, MD, Consulting-Nephrology; C. Robert Westling, MD, Provisional-FP; Roger Brecheen, MD, Provisional-OB/GYN; Lawrence Shank, MD, Provisional-Orthopedic; Eric Stirling, MD, Provisional-EMCARE; Anthony Sciascia, MD, Provisional-Envision

E. FINANCIAL REPORTS

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

1. February 2019 financial reports
2. Warrants disbursed - Monthly expenditures
3. Budget timeline

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

DISTRICT BOARD OF TRUSTEES MEETING AGENDA

March 26, 2019

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consideration; an item may be removed from the agenda; or, discussion relating to an item may be delayed at any time.)

1. Hospital Administration-EMS / proposal to procure security services for hospital, outbuildings and grounds / EMS Director
2. Hospital Administration-Respiratory / proposal to purchase arterial blood gas analyzer: rapid point 500 / Respiratory Director
3. Hospital Administration-Pharmacy / proposal to add an additional pharmacist position / Administration-Pharmacy Director
4. Hospital Administration / proposal to add a nurse practitioner position / Administration
5. Hospital Administration / proposal to add a midwife position / Administration
6. Hospital Administration / proposal to employ and enter into an employment agreement with David Masuck, M.D. to provide family practice physician health care services / Administration
7. Hospital Administration / proposal to employ and enter into an employment agreement with Veronica Janhunen, MD. to provide pediatrician physician health care services / Administration
8. Hospital Administration / proposals for use and occupancy of medical office space / 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

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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.

Department Report to Board of Trustees

Outpatient Clinics

March 19, 2019

Activity

Currently in an improvement phase in multiple areas

- Women's health (Dr. Brecheen)
- Family Practice expansion- Filling gaps from Dr. Perkinson, Dr. Li, Dr. Westling
- WIC hours expansion
- Pediatrics open now
- Internal Medicine
- Pain Management

Staffing

Dr. Curtis on State Board Agenda for June
Dr. Thorpe coming
Recruiting for positions being filled currently by locums.

Services

Active Clinics:

Family Medicine: Locum (Covering for Li), NP-C Hurst, NP Matthews
OB/GYN Dr. Brecheen, Dr. Beckman (4-5 days month)
Pediatrics, Locums
WIC: Johnson 4 days/week, Hurst 1 day/week

Quality Assurance / Performance Improvement:

Implementation of chronic care management, community paramedicine, transitional care management, telehealth, Women's Health Center, request for additional staffing.

Contract Services:

General Surgery
Orthopedics

Budget

2019 Budget will be a loss overall

Lost revenue – Dr. Perkinson documentation, Dr. Li's clinic volume cannot be maintained by a locum- many very complex patients with many co-morbidities with a high number of patients on his panel.

Most patients for the first several months must be looked at as a new patient.

Unplanned expenses- Locum providers and long term contracts

2020 budget has been worked with current plans in mind. Moving forward with proper mix of provider to patient need, maximizing previously unseen revenue- in office testing, up-coding when appropriate, education of less experienced providers on managing their day.

Department Report to Board of Trustees

Emergency Medical Services

March 26, 2019

Activity

246 calls for service in Feb (126 transport / 120 no-transport). 496 calls year-to-date

29 Inter-facility transfers, 4 mental health transfers, 4 flight transfers (down significantly due to wx)

Staffing

25 full time and 15 casual call employees currently on staff

3 personnel out for medical – plan to have 2 back at end of March, 1 back in May

2 unfilled positions (1 Paramedic, 1 EMT) – both have been advertised and developing candidate pool for interviews

Services

8 Community Paramedicine patients enrolled YTD, 4 currently active

217 Community Access AEDs fielded

28 ambulance stand-by hours at 2 events for Feb

52 EMT students enrolled in 3 classes (2 public, 1 high school). 93 CPR certifications for Feb, 147 YTD

104 flights dispatched in Feb

Quality Assurance / Performance Improvement Studies

Intubation first-pass success rate (100% for Feb)

Emergency Preparedness “Color Code” Policy compliance (new study – no data established yet)

Other

Researching EMS billing companies – 4 viable candidates

Began Burning Man personnel hiring and logistics planning

No out-of-service time due to maintenance in Feb

Ambulance monitoring cameras on order for April install

Casual Call training academy 22-24 March

Department Report to Board of Trustees
All Nursing Departments –Darlene Bryan, RN, CNO
March 26, 2019

Emergency Department

Activity / Volumes: (Feb. 2019): Visits: 602. YTD avg: 611 visits/mos (3% decrease). Transfers: 29. YTD avg: 31 transfers/mos (11% decrease). Admits from ED (includes observation): 70. YTD avg: 61 admits/mos.

Staffing: The Emergency department is fully staffed at this time without any ‘travelers’ or contract staff. They currently are using one RN in a ‘critical need’ position and anticipate hiring one full time RN which will eliminate the ‘critical need’ position. Two apprentice student nurses are currently working in the ED.

Services: ED Staff is focusing on trauma and sepsis care. Reviewing current practices and processes in efforts to improve this area of care.

Budget: (Jan 2019) expenses under budget YTD Below budget by approx. \$37,000. 2% over budget in number of ED visits

Other: The ED staff is planning a community outreach project for the senior community related to fall prevention and fall risk.

Surgical Services

Activity/Volume: (Feb 2019): Operations: 58. YTD: 497, 7% increase. Procedures: 29. YTD: 320, 15% increase. Total operations and procedures: 102 avg. mos.

Staffing: There are currently 3 contract staff in this department (two RN’s and one scrub tech). We have one RN orienting and anticipate hiring a new graduate to begin orienting in June. The training period for this department is 6 to 9 months. The addition of increased contract staff is a result of staff resignation and efforts to expand services in the department. This area is a focus of our recruiting. We are also currently recruiting for a surgical services manager (current manager is remaining in this role until a replacement is hired).

Services: The addition of the visiting gynecologist and our full time OB/GYN provider has expanded our service in this area (16 GYN operations YTD compared to 1 last FY).

Quality Assurance / Performance Improvement Studies: Start time, experiencing holes in wraps that is delaying cases, cancelled cases on date of service.

Budget: (Jan 2019) expenses are over budget for surgical services by approx. \$37,000. (over budget on contract labor, equipment maintenance and professional contracts). 11% over budget on number of OR cases.

Other: We will be requesting a ‘critical need’ position in June for this department.

Perinatal Services

Activity/Volume: (Feb 2019): Deliveries: 15. YTD: 153 (16% increase). Have seen a significant increase in outpatient volume with the arrival of Dr. Brecheen (approx. 30% increase in outpatient visits).

Staffing: The Obstetrics department is fully staffed at this time. We anticipate hiring one new graduate RN in May to help us reach our ideal staffing of two RN’s on each shift for weekdays. The training period for OB is approx. 6 months. An apprentice student nurse currently working in the department.

Budget: (Jan 2019) approx. \$58,000 over budget for Perinatal Dept. expenses (approx. \$24,000 over budget on wages and salaries, approx. \$35,000 over budget for professional contracts). 8% over budget on number of deliveries.

Services: The addition of an obstetrician and a pediatrician have not changed the care we provide but have changed how that care is provided. It has been reported, some residents that were receiving OB care outside of the community have returned to the community for their care because of the availability of an obstetrician.

Quality Assurance / Performance Improvement Studies: In the process of setting up a process for reviewing charts that fall out due to patient satisfaction.

Other: The formation of the Perinatal Service Line Committee has provided an exciting opportunity for the nursing staff to collaborate more fully with the physicians in reviewing policies and procedures, processes, educational topics and the quality of the care provided.

The Mother Baby unit is planning the first annual "Community Diaper Drive" in an effort to meet community needs. Their goal is collecting 5000 diapers!

Acute Care (Medical Surgical) Department

Activity/Volumes: (Feb 2019): Average Daily Census: 7.0 (ADC, includes observation patients): 8.39 YTD avg: 61 admits/mos.

Staffing: There are three contract ICU RN's on staff (a reduction from 7). It is extremely difficult to recruit experienced ICU nurses. We have traditionally trained our own with success, however, this is a very long process due to the low volume of ICU patients we have (ADC for ICU is .48). We have two additional RN's currently training for ICU. We anticipate them completing their training in July. We also anticipate hiring two graduate RN's in May. This will allow us to reduce our contract ICU RN staff to one.

Services: The addition of a pediatrician has increased our admission of pediatric patients. This has allowed these patients to remain in the community instead of being transferred to Reno. We have also had an increase in utilization of our swing bed services.

Quality Assurance / Performance Improvement Studies: Total foley days, pain medication and re-assessments, dc vitals within 30 minutes of dc and documentation, swing bed packet documentation, completion and documentation of inter facility forms and fall preventions.

Budget: (Jan 2019) expenses under budget YTD. Below budget by approx. \$99,000. 7% over budget on med/surg patient days and 15% over budget on ICU patient days.

Other: Providing inpatient pediatric care is an exciting expanded service for the hospital. Dr. Galvis, one of the pediatricians scheduled at HGH, is providing nursing education monthly related to these patients.

Harmony Manor and Quail Corner

Activity/Volume: March 2019: Quail Corner: 8 (100% capacity since Feb, 2019). Harmony Manor: 28 (82% capacity). The goal for Harmony Manor is 93% capacity.

Staffing: New RN started 3/11/19. Interviewed another RN 3/18/19 and will extend an offer. Have one contracted LPN on this unit. Aide staffing is a challenge at this time. Currently have 19 FTE's and need 23 for full staffing. Recently received two aide resignations with transfers to the clinics. We are running focused ads for CNA's at this time. Revising our casual call policy in order to increase the availability of these staff members.

Services: working towards starting our own CNA program in hopes of reducing our staff shortages (GBC has cancelled their past two classes due to low enrollment).

Quality Assurance / Performance Improvement Studies: Hand hygiene, CASPER quality measures (there are 15), MDS accuracy and discharge notifications.

Budget: Jan 2019: under budget YTD in expenses, below budget by approx. \$149,000. (\$102,000 below in salaries and wages). Under budget by 14% in Harmony Manor patient days and .86% in Quail Corner patient days.

Other: Dr. Westling assumed the medical director role on Feb. 4th. He is orienting to the position and the staff are transitioning to a new provider after many years with Dr. Grant. Several events related to Medicaid status and reimbursement have become a priority and focus for the administrative staff in LTC.

HUMBOLDT GENERAL HOSPITAL
Quality Report Summary
March 2019

The QAPI/Patient Safety Committee received reports from the following departments:

Dietary	IT Services/Biomed
Nutrition Services	Revenue Cycle/Business Office
Health Information Management	HIPAA/HITECH
Cardiac Rehab	Environmental Services
Human Resources	

Patient Safety Awareness Week is an annual recognition event intended to encourage everyone to learn more about health care safety. Humboldt General Hospital staff consider patient safety in their daily duties. From patient identification at admission to appropriate discharge planning, staff follow National Patient Safety Goals and federal and state regulations to prevent harm or medical error. For example, HGH environmental services staff use safety checklists for terminal cleaning in patient care areas and surgical teams use checklists for surgery. The Critical Access Hospital National Patient Safety Goals are:

Identify patients correctly – Staff use at least two ways to identify patients, usually the patient’s name and birthdate to match the patient with orders, etc.

Improve staff communication – Ancillary services strive to get test results to the right staff person in a timely manner.

Use medicines safely – Patient meds are recorded every visit to ensure new meds do not have an adverse effect on patient’s current medications.

Use alarms safely – Staff are trained on alarm use as well as alarm fatigue.

Prevent infection – Hand cleaning guidelines are used and monitored in patient care areas. Infection prevention guidelines are used in several HGH patient care areas.

Prevent mistakes in surgery – Several monitors are in place to ensure the right procedure is done on the right patient.

2019 County Health Rankings

The County Health Rankings & Roadmaps (CHR&R) bring actionable data, evidence, guidance, and stories to communities to make it easier for people to be healthy in their neighborhoods, schools, and workplaces. Ranking the health of nearly every county in the nation, CHR&R illustrates what we know when it comes to what is keeping people healthy or making them sick. CHR&R also identifies what we can do to create healthier place to live, learn, work, and play.

Published online at countyhealthrankings.org, the Rankings help counties understand what influences healthy residents and their lifespan. The Rankings are unique in their ability to measure the current overall health of each county in all 50 states.

Communities use the Rankings to garner support for local health improvement initiatives among government agencies, health care providers, community organizations, business leaders, policymakers, and the public.

Humboldt General Hospital can use the Rankings for strategic planning and development of services.

Feel free to review this website for information to help improve our community's health.

Humboldt (HU)

County Demographics

	County	State
Population	16,826	2,998,039
% below 18 years of age	27.0%	22.9%
% 65 and older	13.1%	15.3%
% Non-Hispanic African American	0.9%	8.9%
% American Indian and Alaskan Native	5.1%	1.7%
% Asian	0.9%	8.8%
% Native Hawaiian/Other Pacific Islander	0.3%	0.8%
% Hispanic	27.5%	28.8%
% Non-Hispanic white	64.9%	49.1%
% not proficient in English	4%	6%
% Females	47.7%	49.8%
% Rural	37.9%	5.8%

	Humboldt County	Error Margin	Top U.S. Performers	Nevada	Rank (of 15)
Health Outcomes					9
Length of Life					12
Premature death	8,800	7,300-10,400	5,400	7,300	
Quality of Life					4
Poor or fair health **	16%	16-17%	12%	21%	
Poor physical health days **	3.8	3.6-3.9	3.0	4.3	
Poor mental health days **	4.1	4.0-4.3	3.1	4.5	
Low birthweight	7%	6-8%	6%	8%	
Additional Health Outcomes (not included in overall ranking)					
Life expectancy	77.1	75.5-78.7	81.0	78.4	
Premature age-adjusted mortality	450	390-510	280	360	
Child mortality	50	30-100	40	50	
Infant mortality			4	5	
Frequent physical distress	11%	11-11%	9%	14%	
Frequent mental distress	12%	12-12%	10%	14%	

	Humboldt County	Error Margin	Top U.S. Performers	Nevada	Rank (of 15)
Diabetes prevalence	9%	7-12%	9%	10%	
HIV prevalence			49	371	
Health Factors					7
Health Behaviors					10
Adult smoking **	18%	18-19%	14%	16%	
Adult obesity	31%	25-37%	26%	27%	
Food environment index	8.3		8.7	7.9	
Physical inactivity	20%	16-26%	19%	22%	
Access to exercise opportunities	60%		91%	73%	
Excessive drinking **	23%	23-24%	13%	18%	
Alcohol-impaired driving deaths	31%	21-41%	13%	31%	
Sexually transmitted infections	211.5		152.8	506.7	
Teen births	42	35-48	14	29	
Additional Health Behaviors (not included in overall ranking)					
Food insecurity	9%		9%	13%	
Limited access to healthy foods	9%		2%	5%	
Drug overdose deaths			10	22	
Motor vehicle crash deaths	14	8-23	9	11	
Insufficient sleep	35%	34-36%	27%	38%	
Clinical Care					13
Uninsured	15%	13-17%	6%	13%	
Primary care physicians	1,870:1		1,050:1	1,760:1	
Dentists	2,400:1		1,260:1	1,610:1	
Mental health providers	990:1		310:1	510:1	
Preventable hospital stays	3,533		2,765	4,108	
Mammography screening	22%		49%	33%	
Flu vaccinations	17%		52%	36%	
Additional Clinical Care (not included in overall ranking)					
Uninsured adults	17%	14-20%	6%	15%	
Uninsured children	11%	8-14%	3%	7%	
Other primary care providers	2,404:1		726:1	1,513:1	

	Humboldt County	Error Margin	Top U.S. Performers	Nevada	Rank (of 15)
Social & Economic Factors					2
High school graduation	89%		96%	81%	
Some college	53%	44-61%	73%	58%	
Unemployment	4.2%		2.9%	5.0%	
Children in poverty	14%	10-19%	11%	19%	
Income inequality	4.0	3.4-4.5	3.7	4.3	
Children in single-parent households	31%	22-41%	20%	37%	
Social associations	11.9		21.9	4.3	
Violent crime	327		63	657	
Injury deaths	83	65-105	57	74	
Additional Social & Economic Factors (not included in overall ranking)					
Disconnected youth	26%	12-39%	4%	10%	
Median household income	\$68,800	\$60,500-77,000	\$67,100	\$57,900	
Children eligible for free or reduced price lunch	47%		32%	61%	
Residential segregation - black/white	33		23	44	
Residential segregation - non-white/white	15		15	32	
Homicides			2	6	
Firearm fatalities	22	13-35	7	16	
Physical Environment					7
Air pollution - particulate matter **	6.7		6.1	6.5	
Drinking water violations	Yes				
Severe housing problems	13%	9-16%	9%	20%	
Driving alone to work	64%	59-69%	72%	78%	
Long commute - driving alone	17%	13-22%	15%	30%	
Additional Physical Environment (not included in overall ranking)					
Homeownership	77%	73-81%	61%	55%	
Severe housing cost burden	7%	4-10%	7%	16%	

Areas to Explore Areas of Strength

^ 10th/90th percentile, i.e., only 10% are better.
 Note: Blank values reflect unreliable or missing data
 ** Data should not be compared with prior years

Department Report to Board of Trustees
Human Resources/Payroll – Rose Marie Green
March 26, 2019

Department staffing: Full-time Director
Full-time Payroll Clerk
Part-time HR Assistant

Employment Statistics: 343 employees 247 Full-time
10 Part-time
86 Casual Call

Payroll: Biweekly payroll
Average 300 employees per pay period
Approximately 12% of employees still receive paper checks

Benefits: 257 employees enrolled PERS
236 employees enrolled Group Health Insurance
22 employees enrolled 457b
94 employees enrolled Voluntary benefits

Retirement: Social Security is not withheld on PERS eligible employees. As a County Hospital District, contributions are paid to the Public Employees Retirement System. Employees have the option to choose full Employer paid or the Employee/Employer contribution plan. Under the Employer paid plan, the employee's salary is reduced and the employer pays the full contribution (currently 28% of eligible earnings). Under the Employee/Employer plan, the employee and employer share in the contribution to PERS (currently 14.50% each of eligible earnings). Under the Employee/Employer plan, if an employee terminates before becoming vested in the retirement system (5 years), the employee may withdraw contributions he/she has paid into the system.

Insurance: Group insurance is offered by HGH to all employees who work 30 or more hours per week. Coverage includes: Medical, dental, vision, prescription, and a \$40,000 Life insurance policy (there is a reduction in life insurance policy at age 65). There are two PPO health plan options: 1) \$1000 deductible; \$5000 out of pocket maximum; 30% co-insurance. 2) \$2700 high deductible health plan with option to open health savings account; \$2700 out of pocket maximum. HGH currently pays 100% of premium for employee health and life insurances.

Personal Time Off: PTO is an all-purpose time off policy for eligible employees to use for vacation, illness or injury and personal business. PTO accrual based on 40 hours/week is equivalent to 10 paid vacation days, 11 paid holidays, 6 short-term sick days per year; after five years of employment the vacation days increase to 15 paid days and after 10 years the vacation days increase to 20 paid days per year. At the end of the first year or its equivalent (2080 hours) 104 hours are added to accumulated PTO. Employees can accrue up to 300 hours.

Sick Leave: Sick leave can be used for hospitalizations, surgery or illness or injury for longer than 24 scheduled work hours. Sick Leave accrual based on 40 hours/week is 6 days per year. Employees can accrue up to 480 hours.

Open Positions: Registered Nurse (SNF, OR, ICU, Flight); Surgical Tech, Medical Technologist, Certified Nursing Assistant; Paramedic; CRNA; Radiology Manager; Administrative Assistant; Surgical Services Manager; House Supervisor; Pharmacy Technician.

Jan-March hires: 3 Dining Assistants; 1 Business Office; 1 Communications; 4 Clinic Reception; 4 Medical Assistants; 5 Certified Nursing Assistants; 1 LPN; 3 Registered Nurses; 1 Paramedic; 6 EMTs; 1 Radiologic Technologist

Department Report to Board of Trustees

Maintenance--Duane Grannis

March 26, 2019

Activity / Volumes

Number of work orders that we have completed in February and half of March is 531

This month we arranged the storage shed to be able to secure medical records and sensitive information. We also have been working to ready the building for the communication center relocation.

Staffing

All positions are filled, there are no staffing concerns.

Services

We have the Trane upgrade coming up at the end of this month

Boiler repair is still about 3 weeks out and chiller coil has been ordered.

And I have no updates on the electric rate reductions.

Budget

We are on Budget for the year to date

Department Report to Board of Trustees

Cerner Conversion Update

March 26, 2019

Upcoming Events

Leadership Alignment and Kickoff **April 2 – 3, 2019**

- Cerner project management team will be on site
- Subject Matter Experts and Superusers will meet with the Cerner team
- Scheduling two events for all staff to kick off the conversion – Plans in process

Workflow and Integration **May 21 – 23, 2019**

- Plans and schedule still to be set

Current Activities

Early data collection conference calls have started for several departments / systems

- These departments include laboratory, pharmacy, charge services, supply chain, radiology, patient accounting and HIM.

Have weekly calls with project management teams from HGH and Cerner

Department Report to Board of Trustees
Dietary/Nutrition - Tiffani Nalivka
March 26, 2019

NUTRITION SERVICES:

Activity / Volumes

Services Provided	2019			2018		
	January	February	March* As of 3/15/19	January	February	March
Consults/Assessments for Acute/ICU/OB	64	78	54	117	82	64
Outpatient Consultations	2	11	14	4	4	4
Nursing Home Assessments	14	8	7	12	6	13
Nursing Home Care Plan Meetings	11	10	4	8	9	8
Wellness Employees			1	1		
Cardiac Rehab Patients	1			1		
Presentations to Departments or Community Groups	1 (Community Paramedicine)	1 (Dining Assistance Class)	2 (*Zion Pre-K Healthy Eating, 2 sessions & Health Fair)	1 (Grass Valley Pre-K Healthy Eating)		

Staffing

Current Staffing: Current staffing level is full. One full time Registered Dietitian and two contract Registered Dietitians.

Staffing concerns: none at this time

Services

Current Services:

- Provide consultations and assessments to patients and residents according to screening and policies for the Acute/ICU, OB, ER, Harmony Manor and Quail Corner departments.
- Provide outpatient Medical Nutrition Therapy and Diabetes Self-Management Education & support program to patients referred to Nutrition outpatient services.
- Provide an annual consultation to HGH Wellness Employee participants.
- Provide a complimentary consultation to HGH Cardiac Rehab participants.
- Serve as a preceptor to nursing students each spring and Dietetic Interns as requested and set up through the hospital and their university.
- Provide presentations to hospital and community groups as requested.
- Director of Food and Nutrition Services (full time Dietitian) provides multiple roles including supervisor over Dietary department and program coordinator for the DSME program.

Anticipated Growth:

- Continued outpatient growth with new physician staffing and recruitment

Budget

According to January 2019 Department report, Nutrition services is currently under budget on expenses.

DIETARY:

Activity / Volumes

	2019		2018	
	January	February	January	February
Meals Served/Catered Events	9745	9208	7349	6865

Staffing

Current Staffing: Current staffing level is full. Positions in the kitchen include the Food Service Manager, 12 Dietary staff (aides, cooks, helpers, barista) and 3 casual call positions.

Staffing concerns: Upcoming medical leave for one staff member.

Services

Current Services:

- Provide meals and between meal nourishments to Acute/ICU, OB, ER, Harmony Manor and Quail Corner.
- Stock nourishment rooms located at Acute/ICU, OB, ER, Harmony Manor, Quail Corner and Cardiac Rehab services.
- Provide catering services for hospital events and departments.
- Serve three meals daily through the Corner Café to employees and hospital guests.
- Provide barista services at the Café Rx coffee cart.
- Food Service Manager provides multiple roles including department manager and annual employee evaluations.

Anticipated Growth:

Budget

According to January 2019 Department report, Dietary is currently under budget on expenses.

**HUMBOLDT GENERAL HOSPITAL
DISTRICT BOARD OF TRUSTEES
FEBRUARY 26, 2019 MEETING
SARAH WINNEMUCCA CONFERENCE ROOM**

BOARD PRESENT:

JoAnn Casalez, Chairman
Michelle Miller, Secretary
Bill Hammargren, Member
Jennifer Hood, Member
Gene Hunt, Member
Ken Tipton, County Comm. Member

Kent Maher, Legal Counsel

BOARD ABSENT:

None

MEDICAL STAFF PRESENT:

Brad Granath, M.D.
Shouping Li, M.D.
Roger Brecheen, M.D.

STAFF PRESENT:

Karen Cole, Interim CEO
Sandi Lehman, CFO
Darlene Bryan, CNO
Rose Green, HR Director
Sean Burke, EMS Director
Duane Grannis, Maintenance Director
Robyn Dunckhorst, RN, ER Director
Lisa Andre, Quality Director
Mike Bell, IT Director
Dave Simsek, Pharmacy Manager
Robin Gillis, SNF Manager
Lorrie Meiron, OB Manager
Theresa Bell, MM Manager
Kim Plummer, Controller
Alicia Wogan, Executive Assistant
Jeanette Grannis, Business Office
Laura Butterfield, Radiology
Rachel Meiron, Materials Management

GUESTS:

Ashley Maden (Humboldt Sun), Judy Adams (Auxiliary Member), Susan Rorex (Auxiliary Member), Nicole Maher (Public Relations Director), Robin Granath, Mark Hummel, Nick Thate, Debra Gay, Pauline Salla Smith and Marie Jeanne Dawson.

CALL TO ORDER:

Board chairman Casalez called the February 26, 2019 board meeting to order at 5:30 p.m.

PUBLIC COMMENT:

Pauline Salla Smith and Marie-Jeanne Dawson, daughters of Pete Salla, a Winnemucca resident since 1959, expressed their concern and frustration over the inability to have their father placed in Harmony Manor for his end of life care. He was placed in the Lovelock, Nevada facility which is where he died last week. They believe he was passed over for placement when beds were available, there should be a better system for placement and that the Harmony staff should do better at providing services.

Mark Hummel advised he was a prior IT employee of Humboldt General Hospital and has been unemployed for over a year. Hummel asked the board to help him obtain employment. Hummel also asked the board to help with having his cousin's daughter placed in Harmony Manor.

Brad Granath, M.D., a medical staff member, recommended that the board approve the medical staff bylaws that were approved by medical staff last August. Granath read an excerpt from the AMA guide

about medical staff governance and the role of the board. Granath suggested the board approve the proposed bylaws as presented by medical staff.

MEDICAL STAFF REPORT:

There was no report.

EMERGENCY DEPARTMENT REPORT:

Emergency Department Manager Dunckhorst went over the Qualitick patient satisfaction survey results, which were great.

DON Bryan stated a comprehensive report was included in the packet. Bryan commented, in relation to Harmony Manor, that the primary goal is to take care of Humboldt County residents and to admit them to Harmony Manor, but it's a cumbersome policy and they strive to be consistent with all applications. The staff works hard to give excellent care. It is a five star facility and they want to keep that designation. Bryan said they are always looking at ways to improve staffing and the goal will always be to take care of the residents. Board member Hammargren stated this conversation has been had before, and the facility was expanded to attempt to take care of people. Hammargren suggested we need to come together as a community and take a look at how things can be made better. Bryan advised that the staffing issues can be fixed, but there is much more to it than staffing. It is not always going to be possible to provide everyone who has lived in Winnemucca with a place in the facility. Board Chairman Casalez said if there are empty beds and people are being turned away, we need to work on making it more efficient; if the payment amount needs to be increased then it should be increased. Bryan said there are weekly admissions committee meetings and among the things considered are if the prospective patients or their family have provided all the required information and documentation and have met the admission criteria. A lot of time is spent working with families. Interim CEO Cole stated this is something we need to revisit and she will work with Bryan. It may be helpful to have a board member work with them. Board member Hood said a patient navigator was very helpful prior to the time her husband recently passed away. Casalez suggested more community education may help with process and there should be work on being more transparent. Board member Tipton suggested when considering policies and procedures, there needs to be a good method explaining the process to the family. Board member Hunt suggested the website could be used for providing education on the facilities.

NURSE HEALTH LINE REPORT:

Community Educator Maher explained the history and the statistical data for the Nurse Health line.

EMS SERVICES REPORT:

EMS Director Burke reported on: the security work group and consolidation of the door lock programs; physical security inspections; perimeter security improvements; security policy review; active shooter training; security guard oversight; continued door lock oversight; panic alarm upgrades; employee training; security lighting upgrades; and, a visitor access policy.

ADMINISTRATIVE DEPARTMENT REPORT:

Interim CEO Cole reported: Alex Curtis, M.D. is currently waiting on his Nevada license; Sara Thorp, D.O. will work one week per month under contract with Dr. Brecheen for the next 18 months; Felipe Gomez, M.D., was here this last weekend and indicated he is serious about relocating here, but he still has a visit to a facility in Texas before he decides; Sannon Servin-Obert, D.O. remains interested, but is experiencing challenges in taking the time to do a site visit; Sheena Dover, M.D. is scheduled for a telephone conference on March 1, 2019 and a possible site visit at the end of March; David Masuck, M.D., a current HGH resident,

has signed a letter of intent; and, a pediatrician becomes available in August 2019 and has been provided a letter of intent. Cole referred to a study which suggests the need for an internal medicine physician and asked for comments from the Board. Board member Hunt feels anything that can be provided to the community should be supported. Board member Hammargren stated Cole should actively recruit. Board Chairman Casalez said she favors trying to obtain an internal medicine physician. Cole commented on the quality improvement efforts and the need for continuing education. Cole discussed: medical staff peer review (OPPE/FPPE); performance improvement and quality assurance; sleep medicine; tele-psychiatry; chronic care management; transitional care; and, community paramedicine.

CONSENT AGENDA:

Motion by board member Hammargren and second by board member Hood to approve the consent agenda as presented, including: the board meeting minutes for January 22, 2019; the emergency medical transport services mutual aid agreement with Malheur County, Oregon; purchase of the ambulance monitoring system; and, the chiller condenser coil replacement purchase. Motion carried unanimously.

FINANCIAL REPORTS:

CFO Lehman said the November 2018 and December 2018 reports were in the packets last month. The way the financial reports are presented has been changed to show the highlights. Lehman explained the January 2019 financials, the January 2019 revenue cycle and the tentative budget development and approval process timeline. Cole suggested: March 30, 2019 9am-12pm should be scheduled for a budget workshop; April 9, 2019 5:30 pm should be scheduled for the final review of the proposed tentative budget; and, May 28, 2019 should be the public hearing on the tentative budget.

Nick Thait, Cerner project manager, gave an update and an overview of the Cerner system implementation process.

Motion by board member Hammargren and second by board member Tipton to approve the November 2018, December 2018 and January 2019 financials as presented. Motion carried unanimously.

BUSINESS ITEMS-OTHER REPORTS:

1. Hospital Administration-Maintenance / proposal to procure services of RF MacDonald to replace-rebuild the unit #2 boiler rear insulated panel and high pressure switch / Maintenance

Maintenance Director Grannis stated since the board received the first estimate from RF MacDonald, he's been negotiating the price and it is now reduced to \$19,985.

Motion by board member Hammargren and second by board member Miller to authorize purchase of the new boiler and panel in the sum of \$19,985 as presented. Motion carried unanimously.

2. Hospital Administration-Maintenance / proposal to enter into agreement with Trane to provide services to review and implement utility rate structure changes with NV Energy to ensure optimal energy savings / Maintenance

Maintenance Director Grannis said he spoke with Trane and they indicated they have been able to negotiate different rates with NV Energy for other users and feel they may be able to help with reducing the hospital rates. The hospital is currently on a single rate and Trane believes they could negotiate a rate based on usage. Trane suggests pursuing a rate change.

Motion by board member Miller and second by board member Hammargren to approve the proposal with Trane as presented. Motion carried unanimously.

3. Hospital Administration / proposal to amend Medical Staff Bylaws / Administration

Interim CEO Cole stated, knowing that the medical staff bylaws were submitted some time ago and, in an effort to move things along quickly, she consulted with Phil Zarone with Horthy, Springer & Mattern, P.C., the attorney and law firm that previously worked on the HGH medical staff bylaws, as they would have familiarity with the bylaws. Zarone reviewed the proposed revisions and agreed with some and felt others needed revision and further discussion. Cole said one of the critical points with medical staff is revising sections 3.01, 3.02 and 3.03 dealing with associate staff. Zarone said he is agreeable with the proposed changes to those sections. Cole suggested finding time on a Friday evening followed by a Saturday morning to have a mini retreat, facilitated by Zarone, to provide education to the board, medical staff and administration regarding the bylaws. Board member Hammargren thinks it is a great idea as input from all sides is valuable. Cole said she will work with schedules to come up with a mutually agreeable time.

Motion by board member Hammargren and second by board member Hunt to approve the change to the medical staff bylaws sections 3.01, 3.02 and 3.03 as proposed. Motion carried unanimously.

4. Hospital Administration / proposal to implement an obstetrics policy / Administration

Interim CEO Cole said with recent changes to the obstetrics providers and neonatal call, the hospital has an interest in providing call on a schedule to assure patients are always taken care of. The proposed policy (in the meeting packet) will provide that if a provider offers OB services, the provider is required to participate in OB call. When a provider will not be available, the patients need to be handed off and call needs to be shared. Currently, the hospital doesn't have an employed physician working but with new physicians coming in it is better to have a call policy established before they come. Call policies are standard at other hospitals and they are helpful with recruiting efforts.

Motion by board member Hood and second by board member Hunt to approve the OB policy as proposed. Motion carried unanimously.

5. Hospital Administration / proposal to amend the employment agreement with Robert Johnson, PA, to provide clinic director services / Administration

Interim CEO Cole stated PA Robert Johnson has been full time four days a week and has been filling in to provide administrative services for the clinics. It is proposed that his employment agreement be amended to include duties and payment terms for serving as the full-time clinic director in addition to his normal duties. There has also been discussion about expanding the hours of the WIC.

Motion by board member Hammargren and second by board member Miller to accept the proposal to amend the employment agreement with Robert Johnson, PA to provide full-time clinic director services. Motion carried unanimously.

6. Hospital Administration / proposal to employ and enter into an employment agreement with David Masuck, M.D. to provide physician health care services / Administration

Interim CEO Cole noted that this is the physician she spoke of earlier, one of the HGH residents who decided to remain in Winnemucca, and feels it would be foolish not to welcome him here.

Motion by board member Hammargren and second by board member Miller to authorize an employment agreement with David Masuck, M.D. as proposed by the letter of intent. Motion carried unanimously.

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TRUSTEE COMMENTS-STAFF REPORTS:

Board member Hunt commented on Harmony Manor and Quail Corner and suggested improving the occupancy will also improve the financial aspect.

Board member Miller said she is willing to assist with the Harmony Manor admissions policy review.

Board member Hood offered condolences to the Salla family.

Board member Hammargren also offered condolences to the Salla family.

PUBLIC COMMENT:

There were no comments.

Board chairman Casalez adjourned the February 26, 2019 meeting of the Humboldt County Hospital District Board of Trustees at 7:15 p.m.

APPROVED:

ATTEST:

JoAnn Casalez, Board Chairman

Alicia Wogan, Executive Assistant

**HUMBOLDT GENERAL HOSPITAL
DISTRICT BOARD OF TRUSTEES
MARCH 4, 2019 MEETING
SARAH WINNEMUCCA CONFERENCE ROOM**

BOARD PRESENT:

JoAnn Casalez, Chairman
Michelle Miller, Secretary
Bill Hammargren, Member
Jennifer Hood, Member
Gene Hunt, Member
Ken Tipton, County Comm. Member

Kent Maher, Legal Counsel

BOARD ABSENT:

None

MEDICAL STAFF PRESENT:

Shouping Li, MD
C. Robert Westling, MD

GUESTS:

Ashley Maden (Humboldt Sun), Judy Adams (Auxiliary Member), Mille Custer, Susan Rorex (Auxiliary Member), Nicole Maher (Public Relations Director), Lewis Trout, Lola Matteoni, Lino Matteoni, Santo Abbate, Lawana Abbate, Heather Robie, Debra Gay and Les Martin.

CALL TO ORDER:

Board chairman Casalez called the March 4, 2019 board meeting to order at 5:30 p.m.

PUBLIC COMMENT:

Lewis Trout stated he and his wife have been patients of Dr. Li for several years due to his cardiology specialty and said Li should be retained as he is compassionate, thoughtful and prefers to use nonmedicinal procedures when possible.

Santo Abbate said he and his wife Lawana have been patients of Dr. Li for many years and we need Li in the community because he is very capable.

Heather Robie said she was present on the behalf of her father, Richard Robie, and read a prepared statement from him indicating that Dr. Li is professional, well informed and an asset to the community and is deserving of support.

Lola Matteoni state she has been with Dr. Li for eleven years, he has helped her stay out of the hospital. Without Li she does not think she would be here today.

STAFF PRESENT:

Karen Cole, Interim CEO
Sandi Lehman, CFO
Darlene Bryan, CNO
Sean Burke, EMS Director
Mike Bell, IT Director
Duane Grannis, Maintenance Director
Robyn Dunkhorst, RN, ED Director
Lorrie Meiron, OB Manager
Theresa Bell, MM Manager
Penny Begay, HIM Manager
Kim Plummer, Controller
Alicia Wogan, Executive Assistant
Rachel Meiron, Materials Management
Jennifer Slovernick, Social Worker

Theresa Bell, HGH Purchasing Manager, said Dr. Li is very respectful, runs a tight ship, manages his clinic well and is a great person to work with.

Lawana Botkay said she has been a patient of Dr. Li for ten years and commented on the great assistance that Li has provided her and said he needs to stay in the community.

Les Martin, a retired veterinarian, said he has been a patient of Dr. Li for several years and Li is a really good doctor, he is nice and caring and Martin recommends that he stay.

BUSINESS ITEMS-OTHER REPORTS:

1. Hospital Administration / District Administration / review and evaluation of the services of Shouping Li, MD, as a District FP physician / proposals, terms and conditions of the continued employment or separation from employment of Shouping Li, MD as a District FP physician, including, but not limited to, termination, suspension, reprimand, mentoring, retention, or “no action,” and authorization to execute any document relating to terms and conditions of the continued employment or separation from employment (a closed session may be held to consider character, alleged misconduct, professional competence, and physical or mental health pursuant to NRS 241.030) / Board of Trustees/ Administration

Motion by board chairman Casalez and second by board member Hood to table this agenda item because there is insufficient information to make a decision and the board should wait until the sentencing outcome is known before taking action. Motion carried unanimously.

2. District Administration / review and evaluation of the services of B. Leonard Perkinson, MD, as a District FPOB physician / proposals, terms and conditions of the continued employment or separation from employment of B. Leonard Perkinson, MD as a District FPOB physician, including, but not limited to, termination, suspension, reprimand, mentoring, retention, or “no action,” and authorization to execute any document relating to terms and conditions of the continued employment or separation from employment (a closed session may be held to consider character, alleged misconduct, professional competence, and physical or mental health pursuant to NRS 241.030) / Board of Trustees

Motion by board chairman Casalez and second by board member Miller to go into closed session to discuss the character, alleged misconduct, professional competence, and physical or mental health of B. Leonard Perkinson, MD, a District FPOB physician, pursuant to NRS 241.030. Proof of service has been made. Board member Hood advised the Chairman and other members of the board that she will be abstaining from the discussion and action on this agenda item because of her commitment in a private capacity to the interest of the named person. Motion carried with board chairman Casalez and board members Miller, Hammargren, Hunt and Tipton voting aye.

Following the closed session, the board went back into open session to take action. A motion was made by board member Hunt and second by board member Hammargren to accept the resignation of B. Leonard Perkinson, MD., a District FPOB physician, effective March 3, 2019 and authorize the board chairman to execute any documentation relating to the resignation from employment. Motion carried with board chairman Casalez and board members Miller, Hammargren, Hunt and Tipton voting aye and board member Hood abstaining due to her commitment in a private capacity to the interest of B. Leonard Perkinson, MD.

TRUSTEE COMMENTS-STAFF REPORTS:

There were no comments.

PUBLIC COMMENT:

There were no comments.

Board chairman Casalez adjourned the March 4, 2019 meeting of the Humboldt County Hospital District Board of Trustees at 6:06 p.m.

APPROVED:

ATTEST:

JoAnn Casalez, Board Chairman

Alicia Wogan, Executive Assistant



Memorandum

To: Hospital Board of Trustees

From: Veer, Babu, M.D.

Date: March 7, 2019

Re: Appointments/Reappointments

At the March 5, 2019 Medical Staff meeting, we approved the following applications:

Appointments:

✚ Reed Whittington, CRNA

Allied Health- CRNA

✚ Jusmin, Patel, M.D.

Consulting- Nephrology

Provisional:

✚ C. Robert Westling, M.D.

Current:

✚ Roger Brecheen, M.D. Temporary >

Requested:

Provisional- FP

✚ Lawrence Shank, M.D.

Provisional - OB/GYN

✚ Eric Stirling, M.D

Provisional - Orthopedic

✚ Anthony Sciascia, M.D.

Provisional - EMCARE

Provisional - EMCARE

The Medical Staff recommends your final approval of these applications listed

Thank You,

Financial Narrative

Period Ending February 28, 2019

STATISTICS

- Patient days are 123 days under budget for the month and 877 days under budget year to date
- OR cases are under budget by 6 for the month and over budget by 70 cases year to date
- Radiology tests are higher than budgeted by 24 tests for the month, however year to date is lower than budgeted by 65 cases
- Lab tests for the month are 531 tests over budget and year to date is lower than budgeted by 524 tests
- Emergency room visits are over budget by 2 for the month and 88 year to date
- Clinic visits are 437 visits lower than budgeted for the month and 3,465 visits lower than budgeted for the year

FINANCIAL STATEMENTS

- Net loss from operations for February was \$213,580 which is lower than the budgeted loss of \$323,216 and is mainly due to an increase in professional contracts for physicians and interim CEO
- February operating revenues are higher than budgeted by approximately \$270K
- Month to date non-operating revenues are approximately \$233K over budget
- Month to date net income is \$419,694, approximately \$343K over budget
- Year to date net income is \$2,452,039, approximately \$1.8M over budget
- Restricted cash of approximately \$23K is related to nursing home patient funds held in trust for the residents

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	37.3%	36.8%	28.7%	27.0%
Medicaid	21.8%	21.2%	24.7%	27.9%
Insurance	28.9%	30.4%	37.5%	36.2%
Private pay	8.4%	7.9%	6.3%	6.3%
Other	3.7%	3.6%	2.8%	2.7%

**Humboldt General Hospital
Statistics Comparison**

February 28, 2019

	Monthly Budget	February-19 Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
Med/Surg Pt Days	158	126	-20.42%	1,267	1,313	3.66%
Pediatric Days	-	1	0.00%	-	4	0.00%
Obstetrics Pt Days	30	27	-10.99%	243	244	0.55%
Nursery Pt Days	32	29	-8.42%	253	260	2.63%
ICU Pt Days	12	20	71.43%	93	114	22.14%
Swing Bed Days	28	22	-20.00%	220	203	-7.73%
Harmony Manor Days	840	756	-10.00%	6,720	5,854	-12.89%
Quail Corner Days	200	196	-2.00%	1,600	1,527	-4.56%
Labor Room Deliveries	19	16	-14.67%	150	156	4.00%
Operating Room Cases	93	87	-6.79%	747	817	9.42%
Radiology Tests	1,100	1,124	2.18%	8,800	8,735	-0.74%
Laboratory Tests	7,018	7,549	7.57%	56,143	55,619	-0.93%
Emergency Room Visits	600	602	0.33%	4,800	4,888	1.83%
Amulance Runs	225	241	7.11%	1,800	1,850	2.78%
RHC Visits	2,424	1,987	-18.04%	19,395	15,930	-17.86%

Days are counted in month discharged.

HUMBOLDT GENERAL HOSPITAL
 FINANCIAL STATEMENT OF PROFIT OR (LOSS)
 COMPARISON TO BUDGET
 FOR 8TH MONTH ENDED
 FEBRUARY 28, 2019

DATE: 3/21/19
 TIME: 10:17:57

	-----CURRENT PERIOD-----			-----YEAR-TO-DATE-----		
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
OPERATING REVENUES						
ROOM / BED CHARGES REVENUE						
ACUTE CARE	\$ 623,924	\$ 649,325	\$ (25,401)	\$ 4,827,015	\$ 5,194,593	\$ (367,578)
NURSING HOME (Harmony Manor)	175,432	208,658	(33,226)	1,303,292	1,669,265	(365,973)
MEMORY CARE (Quail Corner)	61,600	66,917	(5,317)	502,975	535,336	(32,361)
TOTAL ROOM / BED CHARGES	860,956	924,900	(63,944)	6,633,282	7,399,194	(765,912)
ANCILLARY CHARGES REVENUE						
IN-PATIENTS	2,524,011	2,184,380	339,631	16,482,113	17,475,022	(992,909)
OUT-PATIENTS	4,507,176	3,998,829	508,347	32,311,708	32,097,655	214,053
NURSING HOME (Harmony Manor)	218,606	166,889	51,717	1,206,703	1,335,107	(128,404)
MEMORY CARE (Quail Corner)	19,308	33,111	(13,803)	157,259	264,882	(107,623)
TOTAL ANCILLARY SERVICES REV	7,269,101	6,383,209	885,892	50,157,783	51,172,666	(1,014,883)
GROSS REVENUES						
FROM SERVICES TO PATIENTS	8,130,057	7,308,109	821,948	56,791,065	58,571,860	(1,780,795)
(LESS) CONTRACTUALS TO REVENUE	3,494,229	2,988,867	505,362	22,448,814	23,910,884	(1,462,070)
NET REVENUE FROM PATIENT SERV	4,635,828	4,319,242	316,586	34,342,251	34,660,976	(318,725)
OTHER OPERATING REVENUES	51,429	97,880	(46,451)	359,052	783,034	(423,982)
GRAND TOTAL OPERATING REVENUES	4,687,257	4,417,122	270,135	34,701,303	35,444,010	(742,707)
OPERATING EXPENSES						
PROFESSIONAL CARE OF PATIENTS	2,477,683	2,175,860	301,823	16,584,823	17,406,897	(822,074)
NURSING ADMIN. / QUALITY IMP.	69,785	68,129	1,656	715,430	545,038	170,392
DIETARY DEPARTMENT	93,734	89,562	4,172	677,019	716,496	(39,477)
HOUSEKEEPING/LAUNDRY/JANITOR	65,187	62,707	2,480	478,839	501,656	(22,817)
PLANT OPERATION & MAINTENANCE	106,297	96,114	10,183	745,003	768,912	(23,909)
MEDICAL RECORDS	58,455	41,240	17,215	454,557	329,920	124,637
ADMINISTRATION	1,145,674	1,098,246	47,428	8,404,749	8,835,968	(431,219)
PROVISION FOR DEPRECIATION	562,366	582,911	(20,545)	4,565,892	4,663,277	(97,385)
BAD DEBTS, NET OF RECOVERY	321,656	525,569	(203,913)	4,321,159	4,204,552	116,607
TOTAL OPERATING EXPENSES	4,900,837	4,740,338	160,499	36,947,471	37,972,716	(1,025,245)
OPERATING PROFIT OR (LOSS)	(213,580)	(323,216)	109,636	(2,246,168)	(2,528,706)	282,538
NON-OPERATING REVENUES						
AD VALOREM TAXES	523,477	319,762	203,715	3,139,633	2,558,096	581,537
CONSOLIDATED TAXES	81,254	67,091	14,163	516,726	536,728	(20,002)
NET PROCEEDS OF MINES TAX	00	00	00	832,373	00	832,373
INTEREST EARNED	28,543	12,991	15,552	209,475	103,928	105,547
EXPANSION DEBT TAX-REPAY LOAN	00	00	00	00	00	00
TOTAL NON-OPERATING REVENUES	633,274	399,844	233,430	4,698,207	3,198,752	1,499,455
NET INCOME OR (LOSS)	\$ 419,694	\$ 76,628	\$ 343,066	\$ 2,452,039	\$ 670,046	\$ 1,781,993

Humboldt General Hospital
Statement of Profit and (Loss)
For Period Ending: February 28, 2019

	Month to Date			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Total Patient Service Revenue	\$8,128,944	\$7,308,109	\$820,835	\$56,789,953	\$58,571,860	(\$1,781,907)
Deductions From Revenue						
Contractual Adjustments	3,474,609	2,968,346	(506,263)	22,179,335	23,746,708	1,567,373
Bad Debt & Charity Adjustments	339,966	546,091	206,125	4,590,337	4,368,728	(221,609)
Total Deductions From Revenue	<u>3,814,575</u>	<u>3,514,437</u>	<u>(300,138)</u>	<u>26,769,671</u>	<u>28,115,436</u>	<u>1,345,765</u>
Net Patient Service Revenue	4,314,369	3,793,672	520,697	30,020,282	30,456,424	(436,142)
Other Operating Revenue	<u>51,429</u>	<u>97,880</u>	<u>(46,451)</u>	<u>359,052</u>	<u>783,034</u>	<u>(423,982)</u>
Total Operating Revenue	<u>4,365,798</u>	<u>3,891,552</u>	<u>474,246</u>	<u>30,379,334</u>	<u>31,239,458</u>	<u>(860,124)</u>
Operating Expenses						
Salaries & Wages	1,140,044	1,453,695	313,651	11,229,830	11,629,569	399,739
Employee Benefits	568,903	518,416	(50,487)	4,022,844	4,147,328	124,484
Contract Labor	146,403	82,321	(64,082)	905,301	658,568	(246,733)
Professional Contracts	1,169,213	652,367	(516,846)	5,239,111	5,268,930	29,819
Supplies & Small Equipment	674,258	511,848	(162,410)	3,855,609	4,094,791	239,182
Equipment Maintenance	70,571	176,048	105,477	1,170,327	1,408,378	238,051
Rental & Lease	26,145	30,050	3,905	199,555	240,406	40,851
Insurance	45,665	45,666	1	264,623	365,328	100,705
Utilities	67,953	56,834	(11,119)	474,054	454,672	(19,382)
Depreciation	562,366	582,728	20,362	4,565,892	4,661,813	95,921
Travel, Meals & Education	39,581	40,098	517	232,397	253,815	21,418
Other Expenses	<u>68,275</u>	<u>64,697</u>	<u>(3,578)</u>	<u>465,958</u>	<u>584,566</u>	<u>118,608</u>
Total Operating Expenses	<u>4,579,378</u>	<u>4,214,768</u>	<u>(364,610)</u>	<u>32,625,502</u>	<u>33,768,164</u>	<u>1,142,662</u>
Net Operating Income / (Loss)	<u>(213,580)</u>	<u>(323,216)</u>	<u>109,636</u>	<u>(2,246,168)</u>	<u>(2,528,706)</u>	<u>282,538</u>
Non-Operating Revenue & Expenses						
County Tax Revenue	604,730	386,853	217,877	4,488,732	3,094,824	1,393,908
Interest Income	<u>28,543</u>	<u>12,991</u>	<u>15,552</u>	<u>209,475</u>	<u>103,928</u>	<u>105,547</u>
Total Non-Operating Revenue & Expenses	<u>633,273</u>	<u>399,844</u>	<u>233,429</u>	<u>4,698,207</u>	<u>3,198,752</u>	<u>1,499,455</u>
Net Income / (Loss)	<u><u>\$419,694</u></u>	<u><u>\$76,628</u></u>	<u><u>\$343,066</u></u>	<u><u>\$2,452,039</u></u>	<u><u>\$670,046</u></u>	<u><u>\$1,781,993</u></u>

Humboldt General Hospital
Hospital
Statement of Profit and (Loss)
For Period Ending: February 28, 2019

	Month to Date			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Total Patient Service Revenue	\$6,449,376	\$6,176,856	\$272,520	\$48,593,326	\$49,414,839	(\$821,513)
Deductions From Revenue						
Contractual Adjustments	3,182,239	2,567,678	(614,561)	19,560,207	20,541,392	981,185
Bad Debt & Charity Adjustments	269,129	474,642	205,513	3,979,333	3,797,136	(182,197)
Total Deductions From Revenue	<u>3,451,368</u>	<u>3,042,320</u>	<u>(409,048)</u>	<u>23,539,540</u>	<u>24,338,528</u>	<u>798,988</u>
Net Patient Service Revenue	2,998,009	3,134,536	(136,527)	25,053,786	25,076,311	(22,525)
Other Operating Revenue	38,901	74,373	(35,472)	250,275	594,978	(344,703)
Total Operating Revenue	<u>3,036,910</u>	<u>3,208,909</u>	<u>(171,999)</u>	<u>25,304,061</u>	<u>25,671,289</u>	<u>(367,228)</u>
Operating Expenses						
Salaries & Wages	753,954	909,943	155,989	7,001,738	7,279,553	277,815
Employee Benefits	568,903	518,416	(50,487)	4,022,844	4,147,328	124,484
Contract Labor	141,528	82,321	(59,207)	900,426	658,568	(241,858)
Professional Contracts	773,304	583,927	(189,377)	4,640,181	4,721,410	81,229
Supplies & Small Equipment	588,044	444,684	(143,360)	3,433,305	3,557,479	124,174
Equipment Maintenance	69,835	164,232	94,397	1,115,124	1,313,850	198,726
Rental & Lease	34,122	27,540	(6,582)	179,988	220,326	40,338
Insurance	45,665	45,666	1	264,623	365,328	100,705
Utilities	64,593	53,667	(10,926)	453,833	429,336	(24,497)
Depreciation	360,953	385,790	24,837	2,961,841	3,086,309	124,468
Travel, Meals, & Education	19,892	27,938	8,046	122,602	167,631	45,029
Other Expenses	59,662	46,974	(12,688)	421,563	432,638	11,075
Total Operating Expenses	<u>3,480,454</u>	<u>3,291,098</u>	<u>(189,356)</u>	<u>25,518,067</u>	<u>26,379,756</u>	<u>861,689</u>
Net Operating Income / (Loss)	<u>(443,544)</u>	<u>(82,189)</u>	<u>(361,355)</u>	<u>(214,006)</u>	<u>(708,467)</u>	<u>494,461</u>
Non-Operating Revenue & Expenses						
County Tax Revenue	604,730	386,853	217,877	4,488,732	3,094,824	1,393,908
Interest Income	28,543	12,991	15,552	209,475	103,928	105,547
Total Non-Operating Revenue & Expenses	<u>633,273</u>	<u>399,844</u>	<u>233,429</u>	<u>4,698,207</u>	<u>3,198,752</u>	<u>1,499,455</u>
Net Income / (Loss)	<u><u>\$189,729</u></u>	<u><u>\$317,655</u></u>	<u><u>(\$127,926)</u></u>	<u><u>\$4,484,201</u></u>	<u><u>\$2,490,285</u></u>	<u><u>\$1,993,916</u></u>

Humboldt General Hospital
Harmony Manor & Quail Corner
Statement of Profit and (Loss)
For Period Ending: February 28, 2019

	Month to Date			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Total Patient Service Revenue	\$474,272	\$473,997	\$275	\$3,162,116	\$3,791,966	(\$629,850)
Deductions From Revenue						
Contractual Adjustments	86,088	181,496	95,408	1,055,027	1,451,973	396,946
Bad Debt & Charity Adjustments	0	0	0	0	0	0
Total Deductions From Revenue	<u>86,088</u>	<u>181,496</u>	<u>95,408</u>	<u>1,055,027</u>	<u>1,451,973</u>	<u>396,946</u>
Net Patient Service Revenue	388,184	292,501	(95,133)	2,107,090	2,339,993	(1,026,796)
Other Operating Revenue	0	0	0	0	0	0
Total Operating Revenue	<u>388,184</u>	<u>292,501</u>	<u>95,683</u>	<u>2,107,090</u>	<u>2,339,993</u>	<u>(232,903)</u>
Operating Expenses						
Salaries & Wages	142,718	170,997	28,279	1,284,414	1,367,976	83,562
Contract Labor	4,875	0	(4,875)	4,875	0	(4,875)
Professional Contracts	1,953	7,250	5,297	51,976	58,000	6,024
Supplies & Small Equipment	18,313	18,667	354	91,686	149,336	57,650
Equipment Maintenance	2,043	2,083	40	6,739	16,664	9,925
Rental & Lease	(9,177)	477	9,654	1,024	3,816	2,792
Utilities	0	0	0	0	0	0
Depreciation	66,579	66,759	180	533,342	534,072	730
Travel, Meals & Education	1,861	2,234	373	6,804	26,628	19,824
Other Expenses	4,247	4,607	360	15,122	28,100	12,978
Total Operating Expenses	<u>233,411</u>	<u>273,074</u>	<u>39,663</u>	<u>1,995,983</u>	<u>2,184,592</u>	<u>188,609</u>
Net Operating Income / (Loss)	<u><u>\$154,772</u></u>	<u><u>\$19,427</u></u>	<u><u>\$135,345</u></u>	<u><u>\$111,107</u></u>	<u><u>\$155,401</u></u>	<u><u>(\$44,294)</u></u>

Humboldt General Hospital
Emergency Medical Services
Statement of Profit and (Loss)
For Period Ending: February 28, 2019

	Month to Date			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Total Patient Service Revenue	\$289,514	\$288,849	\$665	\$2,247,544	\$2,417,788	(\$170,244)
Deductions From Revenue						
Contractual Adjustments	126,045	134,414	8,369	968,970	1,075,317	106,347
Bad Debt & Charity Adjustments	45,949	35,950	(9,999)	318,618	287,600	(31,018)
Total Deductions From Revenue	<u>171,994</u>	<u>170,364</u>	<u>(1,630)</u>	<u>1,287,588</u>	<u>1,362,917</u>	<u>75,329</u>
Net Patient Service Revenue	117,520	118,485	2,295	959,956	1,054,871	(245,573)
Other Operating Revenue	<u>12,528</u>	<u>23,507</u>	<u>(10,979)</u>	<u>108,776</u>	<u>188,056</u>	<u>(79,280)</u>
Total Operating Revenue	<u>130,048</u>	<u>141,992</u>	<u>(11,944)</u>	<u>1,068,733</u>	<u>1,242,927</u>	<u>(174,194)</u>
Operating Expenses						
Salaries & Wages	92,060	142,904	50,844	1,417,967	1,143,232	(274,735)
Contract Labor	0	0	0	0	0	0
Professional Contracts	(2,000)	6,233	8,233	28,600	49,864	21,264
Supplies & Small Equipment	48,147	25,417	(22,730)	180,884	203,336	22,452
Equipment Maintenance	(2,198)	9,250	11,448	43,517	74,000	30,483
Rental & Lease	1,200	2,033	833	18,523	16,264	(2,259)
Utilities	3,360	3,167	(193)	20,221	25,336	5,115
Depreciation	36,231	42,917	6,686	281,479	343,336	61,857
Travel, Meals & Education	8,458	8,500	42	90,199	51,000	(39,199)
Other Expenses	2,830	9,680	6,850	15,844	94,440	78,596
Total Operating Expenses	<u>188,088</u>	<u>250,101</u>	<u>62,013</u>	<u>2,097,235</u>	<u>2,000,808</u>	<u>(96,427)</u>
Net Operating Income / (Loss)	<u><u>(\$58,040)</u></u>	<u><u>(\$108,109)</u></u>	<u><u>\$50,069</u></u>	<u><u>(\$1,028,503)</u></u>	<u><u>(\$757,881)</u></u>	<u><u>(\$270,622)</u></u>

Humboldt General Hospital
Rural Health Clinics
Statement of Profit and (Loss)
For Period Ending: February 28, 2019

	Month to Date			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Total Patient Service Revenue	\$915,782	\$368,407	\$547,375	\$2,786,967	\$2,947,267	(\$160,300)
Deductions From Revenue						
Contractual Adjustments	80,237	84,758	4,521	595,131	678,026	82,895
Bad Debt & Charity Adjustments	24,888	35,499	10,611	292,386	283,992	(8,394)
Total Deductions From Revenue	<u>105,125</u>	<u>120,257</u>	<u>15,132</u>	<u>887,517</u>	<u>962,018</u>	<u>74,501</u>
Net Patient Service Revenue	810,657	248,150	532,242	1,899,450	1,985,249	(234,801)
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>810,657</u>	<u>248,150</u>	<u>562,507</u>	<u>1,899,450</u>	<u>1,985,249</u>	<u>(85,799)</u>
Operating Expenses						
Salaries & Wages	151,313	229,851	78,538	1,525,712	1,838,808	313,096
Contract Labor	0	0	0	0	0	0
Professional Contracts	395,957	54,957	(341,000)	518,354	439,656	(78,698)
Supplies & Small Equipment	19,754	23,080	3,326	149,733	184,640	34,907
Equipment Maintenance	891	483	(408)	4,947	3,864	(1,083)
Rental & Lease	0	0	0	20	0	(20)
Utilities	0	0	0	0	0	0
Depreciation	98,603	87,262	(11,341)	789,229	698,096	(91,133)
Travel, Meals & Education	9,369	1,426	(7,943)	12,792	8,556	(4,236)
Other Expenses	1,537	3,436	1,899	13,429	29,388	15,959
Total Operating Expenses	<u>677,425</u>	<u>400,495</u>	<u>(276,930)</u>	<u>3,014,217</u>	<u>3,203,008</u>	<u>188,791</u>
Net Operating Income / (Loss)	<u><u>\$133,232</u></u>	<u><u>(\$152,345)</u></u>	<u><u>\$285,577</u></u>	<u><u>(\$1,114,767)</u></u>	<u><u>(\$1,217,759)</u></u>	<u><u>\$102,992</u></u>

HUMBOLDT GENERAL HOSPITAL
BALANCE SHEET
AT
FEBRUARY 28, 2019

DATE: 3/21/19
TIME: 10:17:08

	THIS YEAR	LAST YEAR	INC/(DEC)	INC/(DEC)%
ASSETS:				
CURRENT ASSETS				
CASH AND INVESTMENTS	\$ 27,405,932	\$ 19,950,721	\$ 7,455,211	37.4
RESTRICTED CASH	23,367	11,354	12,013	105.8
ACCOUNTS RECEIVABLE, NET OF ALLOW.DBTFL.ACCT	10,946,869	8,335,373	2,611,496	31.3
INVENTORY	1,677,974	1,461,757	216,217	14.8
PREPAID EXPENSES	955,693	518,018	437,675	84.5
	-----	-----	-----	-----
TOTAL CURRENT ASSETS	41,009,835	30,277,223	10,732,612	35.4
	-----	-----	-----	-----
PROPERTY, PLANT, & EQUIPMENT				
NET OF DEPRECIATION	62,209,208	67,472,993	(5,263,785)	(7.8)
	-----	-----	-----	-----
DEFERRED OUTFLOWS OF RESOURCES				
PENSION DEFERRED OUTFLOWS	5,170,460	5,070,455	100,005	2.0
	-----	-----	-----	-----
TOTAL ASSETS:	\$ 108,389,503	\$ 102,820,671	\$ 5,568,832	5.4
	=====	=====	=====	=====
LIABILITIES:				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	1,938,725	1,353,694	585,031	43.2
ACCRUED PAYROLL	785,957	940,041	(154,084)	(16.4)
ACCRUED PTO & SICK LEAVE	951,904	938,028	13,876	1.5
3RD PARTY PAYABLE/(REC)	(506,249)	(459,118)	(47,131)	(10.3)
SNF TRUST FUND DEPOSITS	23,217	11,104	12,113	109.1
	-----	-----	-----	-----
TOTAL CURRENT LIABILITIES	3,193,554	2,783,749	409,805	14.7
	-----	-----	-----	-----
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:	32,367,917	32,546,659	(178,742)	(.5)
	-----	-----	-----	-----

HUMBOLDT GENERAL HOSPITAL
 BALANCE SHEET
 AT
 FEBRUARY 28, 2019

DATE: 3/21/19
 TIME: 10:17:08

	THIS YEAR	LAST YEAR	INC/(DEC)	INC/(DEC)%
FUND BALANCE:				
RETAINED EARNINGS	\$ 2,452,039	\$ 2,499,291	\$ (47,252)	(1.9)
NET WORTH-OPERATING FUND	73,569,547	67,774,721	5,794,826	8.6
	-----	-----	-----	-----
TOTAL FUND BALANCE:	76,021,586	70,274,012	5,747,574	8.2
	-----	-----	-----	-----
TOTAL LIABILITIES AND FUND				
BALANCES COMBINED	\$ 108,389,503	\$ 102,820,671	\$ 5,568,832	5.4
	=====	=====	=====	=====

HUMBOLDT GENERAL HOSPITAL

RATIOS FOR THE PERIOD ENDING FEBRUARY 28, 2019:

		<<<<<<<<<< <FY2019												<<<<<<<< <FY2018						
	Standard	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 <small>(Current Assets / Current Liabilities)</small> Assets are 2x as large as Liabilities	>2:1	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 <small>Cash + Temp Investments + Investments divided by Total Expenses (less Depreciation AND Net Bad Debts), divided by Days in Period</small>	>150 DAYS	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	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)		80.91	79.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OPERATING MARGIN <small>YTD Operating Profit (Loss) divided by YTD Gross Revenue from Services to Patients (Guide to Hopsital's profitability)</small>	Percent > 3%	-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

FEBRUARY 28, 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)	\$ 3,545.00
General Fund Checking	100.0010	Wells Fargo Bank	3828	\$ 8,081,042.17
Tax Account	100.0012	Wells Fargo Bank	925	\$ 16,499.13
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	\$ 9,012,792.99
Hansen Scholarship Fund	100.0075	Wells Fargo Bank	7067	\$ 4,006.90
EMS Scholarship Fund	100.0078	Wells Fargo Bank	917	\$ 16,879.07
SNF Patient Trust	100.0090	Wells Fargo Bank	0021	\$ 23,366.97
SNF Memorial/Activity	100.0095	Wells Fargo Bank	9304	\$ 4,861.55
Investment Trust		Wells Fargo Bank	6500	\$ 10,184,922.71
HRG Self Pay	100.0055	Sterling Bank	1566	\$ 143,911.89
LGIP Savings	100.0080	NV State Treasurer	#xxxGHO	\$ 232,080.68

HGH TOTALS: \$ 27,724,462.23

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

We are currently in the process of evaluating the necessity of the cash drawers and will update this schedule accordingly.

NOTICE TO BID

Notice is hereby given that the Board of Trustees of the Humboldt County Hospital District is accepting bids or proposals to provide physical security services at Humboldt General Hospital.

The specifications, terms and conditions for the proposed services may be obtained from Sean Burke, EMS Director, Humboldt General Hospital, 118 East Haskell Street, Winnemucca, Nevada 89445, telephone 775-623-5222 ext. 1360 or via email at: burkes@hghospital.org.

Proposals must be submitted to the Hospital Administrator, Humboldt General Hospital, 118 East Haskell Street, Winnemucca, Nevada 89445, facsimile 775.623.5904, not later than 1:00 p.m. local time (PDT) on Monday, March 25, 2019. Proposals received after the time (using the Hospital Administrator's clock) and date set for receipt will be rejected. Telegraph and email proposals will not be accepted. Mailed or delivery service proposals must be in a sealed envelope, and telephone facsimile proposals must have a cover sheet. The envelope or cover sheet must be clearly marked:

“BID – HUMBOLDT GENERAL HOSPITAL SECURITY SERVICES”

Proposals may be withdrawn with a written request received via mail, delivery service or telephone facsimile prior to the closing time. No proposal may be withdrawn after the date the proposals are opened.

The proposals will be read aloud publicly at the Office of the Hospital Administrator immediately after the specified closing time. Interested parties are invited to attend.

The proposals will be reviewed at the regular meeting of the Hospital Board on Tuesday, March 26, 2019 at 5:30 p.m. local time, or soon thereafter as the Hospital Board is able to consider the proposals. The contract for the services may be awarded at that time. A written certification is a required part of the contract pursuant to subsection 2 of NRS 332.065. The right is reserved to waive any irregularities and/or informalities in the submitted proposals, reject any and all proposals or to accept the proposal which is deemed by the Hospital Board to be in the best interest of the Humboldt County Hospital District.

Interim Hospital Administrator

Publish: *Humboldt Sun* - Saturday, March 16, 2019

Security Guard Options

Humboldt General Hospital
Board of Trustees Meeting
26 March 2019
Agenda item: F1

Executive Summary – Security Guard Options

Request

To establish contract for security guard services

Rationale

HGH has an extensive campus employing over 300 people. We deal regularly with disgruntled patients, and occasionally employees. Unfortunately, national trends indicate that workplace violence, especially in the healthcare setting, is on the rise. Last year HGH had 399 calls for service with WPD, including multiple unauthorized intrusions inside our facilities. In one instance a local provider was threatened with a firearm in his office. The perpetrator later shot himself.

One option:

HGH-employed guards: Assuming we paid between \$20 and \$25 per hour (AU's quote indicated \$33.22/hr for an armed guard) and required a bare minimum of 6 FTE to staff 7x24 shifts, we would need to spend \$325K - \$350K. We would also need to do all training, supervision, liability insurance, etc.

Recommendation

Obtain bids through RFP to be submitted by March 25, 2019.

Point of Contact: Sean Burke, EMS Chief

Arterial Blood Gas Analyzer

Executive Summary – Purchase of arterial blood gas analyzer product line rapid point 500

Request

Purchase New ABG analyzer for \$10,803.00.

ABG analyzer measures the level of oxygen and carbon monoxide in arterial and venous blood, i.e. baby cord gas, patients exposed to carbon monoxide, asthmatic, COPD and CHF patients.

Rationale

A new analyzer is less expensive than purchasing a maintenance contract for \$2250 per year.

Recommendation

Buy new ABG analyzer with 5 years maintenance included.

Plan

Purchase new ABG Unit by end of this month since current unit is over six years old and requires maintenance contract renewal by the end of the month.

Point of Contact: Dan Clack, RT Manager

EQUIPMENT SALE AGREEMENT

Legal Name: HUMBOLDT GENERAL HOSPITAL Customer Name: DISTRICT AUTHORITY Address: HUMBOLDT GENERAL HOSPITAL City, State, Zip: 118 E HASKELL ST WINNEMUCCA, NV 89445	Group Purchasing Organization: INTALERE Sold to Customer #: 12107 Payment Terms: Net 30 days from date of invoice Shipping & Handling: FOB Destination
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HUMBOLDT GENERAL HOSPITAL DISTRICT AUTHORITY ("Customer") agrees to purchase and Siemens Healthcare Diagnostics Inc. ("Siemens") agrees to sell the equipment listed below ("Equipment") at the price(s) listed below

QTY	Part #	Description of Equipment	Price	Extended Price
		Blood Gas Product Line:		
1	10492730	RAPIDPoint® 500	\$10,500.00	\$10,500.00
1	10324789	UPS STANDARD 120V	\$203.00	\$203.00

	Total:	\$10,703.00
	Shipping & Handling:	\$100.00
	Total Price:	\$10,803.00

Siemens will provide the following at no additional cost to Customer:

Service:

Siemens will provide RAPIDPOINT 500 PLUS warranty service RAPIDPoint® 500 for Year 1 through 2.
 Siemens will provide RAPIDPOINT 500 2-7YR PLUS AGRMT extended service RAPIDPoint® 500 for Year 3 through 5.

Reagent Credit:

Blood Gas - Siemens will issue a reagent credit of **\$1,450.00** for year 1.

This Equipment Sale Agreement is subject to the Terms and Conditions attached hereto and made a part hereof.

If Customer is returning on-site equipment in conjunction with this Equipment Sale Agreement ("Agreement"), such equipment ("Returned Equipment") shall be identified by instrument type(s) and serial number(s) in the table below. Customer represents that there are no liens or encumbrances on the Returned Equipment. Customer agrees to deliver the Returned Equipment to Siemens within sixty (60) days after the installation of the Equipment purchased hereunder. Upon Siemens' receipt of Returned Equipment, Customer's title and interests in "Returned Equipment", if applicable, shall pass from Customer to Siemens. In the event any item(s) of Returned Equipment is/are omitted from the table below, Customer makes the same representations and agreements regarding such omitted Returned Equipment.

QTY	Description of Returned Equipment



IN WITNESS HEREOF, each party has caused its duly authorized representative to execute this Equipment Sale Agreement.

CUSTOMER:

Signature Date

Name (Print)

Position (Print)

SIEMENS HEALTHCARE DIAGNOSTICS INC.:

Signature Date

Name (Print)

Position (Print)

115 Norwood Park South, Norwood, MA 02062
Address

AND

SIEMENS HEALTHCARE DIAGNOSTICS INC.:

Signature Date

Name (Print)

Position (Print)

115 Norwood Park South, Norwood, MA 02062
Address

EQUIPMENT SALE AGREEMENT TERMS AND CONDITIONS

1. Complete Agreement. This Equipment Sale Agreement, including these Terms and Conditions (collectively, "this Agreement"), constitute the entire agreement between Customer and Siemens relating to the sale of the Equipment by Siemens to Customer. Siemens' acceptance of Customer's purchase order is made on the condition that this Agreement shall govern the sale of Equipment by Siemens to Customer. Siemens hereby objects to and rejects all additional, conflicting or inconsistent terms or conditions and any such terms or conditions submitted by Customer shall have no effect and shall not be part of the contract between Customer and Siemens for the purchase and sale of Equipment. Failure of Siemens to object to any provision contained in any order or other communication from Customer shall not be construed as a waiver of the terms and conditions set forth herein or an acceptance of any such provision. No addition to, modification of, or waiver of any provision of this Agreement shall be binding upon either party unless made in writing and signed by authorized representatives of both parties. To authorize shipment of the Equipment, please attach a signed copy of this Agreement to your purchase order.

2. Delivery; Title; Acceptance. Delivery of the Equipment is subject to Siemens' standard delivery terms. Siemens will make commercially reasonable efforts to meet the delivery dates quoted or acknowledged, but will not be liable for its failure to meet such dates. Upon Siemens making delivery of the Equipment to the Customer's facility: (i) title to and responsibility for the Equipment shall pass to Customer, and (ii) the Equipment shall be deemed accepted by Customer. Customer may not unreasonably delay or impede delivery and acceptance of the Equipment.

3. Installation. If the Equipment requires installation, then Siemens will install the Equipment at the Customer's facility. This installation does not include the cost of preparation of the facility. Such preparation responsibilities of the Customer include, but may not be limited to, separate (dedicated) electrical and telephone circuits and/or network connections, air conditioning, plumbing, humidity control and any structural changes that may be required.

4. Warranty. Siemens warrants that the Equipment shall be free from defects in material and workmanship and conform to the manufacturer's specifications when delivered. **SIEMENS MAKES NO OTHER WARRANTIES, EXPRESS, STATUTORY OR IMPLIED, IN CONNECTION WITH THE EQUIPMENT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY AS TO DESIGN, MERCHANTABILITY, OR FITNESS FOR ANY PURPOSE.** Any claim for breach of this warranty must be made in writing within one (1) year of the delivery of the Equipment by Siemens. Siemens' sole obligation for breach of this warranty shall be, at Siemens' option, the repair or replacement of the breaching Equipment or an appropriate refund, allowance or credit reflecting depreciation. Siemens also promises that the use of the Equipment in the form delivered to Customer and in accordance with the instructions and manufacturer's specifications will not infringe the U.S. patent of any third party. This promise does not cover the use of the Equipment in combination with any other product or equipment not approved by Siemens. Customer's exclusive remedy for breach of this warranty shall be the intellectual property indemnification set forth in Section 5 (c) below.

5. Limitation of Liability and Indemnification. (a) **Limitation of Liability.** In no event shall Siemens' liability hereunder exceed the actual loss or damage sustained by Customer, up to the purchase price paid to Siemens for the Equipment giving rise to such loss or damage, however, liability for intentional misbehavior and personal injury will not be limited. **SIEMENS SHALL NOT BE LIABLE FOR ANY LOSS OF USE, REVENUE OR ANTICIPATED PROFITS, COST OF SUBSTITUTE EQUIPMENT OR SERVICES (UNLESS OTHERWISE AGREED TO BY SIEMENS), OR LOSS OF STORED, TRANSMITTED OR RECORDED DATA. NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT,**

INCIDENTAL, UNFORESEEN, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. The limitations of Siemens liability contained herein shall apply to Siemens and Siemens' employees, agents and subcontractors performing under this Agreement, regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranties, failure of essential purpose or otherwise, and even if Siemens or its employees, agents or subcontractors are advised of the likelihood of such damages.

The limitations of Customer's liability set forth herein do not affect Customer's liability for Claims (as defined herein) arising out of the negligent or wrongful acts or omissions of Customer, its employees or agents in connection with this Agreement or Customer's indemnification obligations for Claims arising from infringement of intellectual property rights, to the extent set forth herein. The limitations of Siemens' liability set forth herein do not affect Siemens' liability for Claims for personal injury arising as a result of Siemens' negligence or product defect, or Siemens' indemnification obligations for Claims arising from infringement of intellectual property rights, to the extent set out in this Agreement.

THE FOREGOING IS A SEPARATE, ESSENTIAL TERM OF THIS AGREEMENT AND SHALL BE EFFECTIVE UPON THE FAILURE OF ANY REMEDY, EXCLUSIVE OR NOT.

(b) **General Indemnification.** Each party agrees to indemnify and hold the other party and its employees, directors, officers and agents (collectively, the "Indemnitees") harmless from and against any and all third party claims and associated liabilities, obligations, damages, judgments, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorney's fees) imposed upon or incurred by or asserted against any of the Indemnitees ("Claims") for bodily injuries (including death) or damages to or loss of real or tangible personal property, to the extent that any such Claim arises out of the negligent or wrongful acts or omissions of the indemnifying party, its employees or agents in connection with this Agreement, provided that the Indemnitee provides the indemnifying party with prompt notice of the Claim, reasonable cooperation in the defense and/or settlement of the Claim and all right and power to defend and/or settle the Claim.

(c) **Intellectual Property Indemnification.** If Customer receives notice that any of the Equipment, or parts thereof, violates the infringement warranty set forth in Section 4 herein, then Customer shall promptly notify Siemens in writing and give Siemens information, assistance and exclusive authority to evaluate, defend and settle the Claim. Siemens shall then, at its own expense, defend or settle such Claim, procure for the Customer the right to use the Equipment, or remove or modify the Equipment to avoid infringement. If none of these alternatives are available on terms reasonable to Siemens, then Customer shall return the Equipment to Siemens and Siemens shall refund to Customer the purchase price paid by the Customer for the Equipment, less reasonable depreciation for Customer's use. The foregoing states Siemens' entire obligation and liability, and the Customer's sole remedy, for Claims of infringement. Siemens will not defend or indemnify Customer, however, if any such Claim results from (i) use of other than the most recent version of the Equipment made available to Customer by Siemens; (ii) Customer's alteration of the Equipment without Siemens' written authorization; (iii) use of the Equipment in combination with software or equipment not provided by Siemens; or (iv) use of the Equipment in a manner that is not in accordance with the manufacturer's manual, specifications, and other accompanying documentation or other instruction from Siemens.

The obligations of indemnity shall survive the expiration or termination of the Agreement.

6. Payment. Payment is due as set forth on the first page of this Equipment Sale Agreement. A late payment service charge of one and one-half percent (1.5%) per month or, if less, the highest amount permitted by law, may be applied to unpaid and past due invoices. Customer shall also reimburse Siemens for all taxes, excise or other charges which it may be required to pay to any government (national, state or local) upon the sale, production or transportation of the products sold hereunder.

7. Confidentiality. Customer and its employees will maintain the confidentiality of any oral or written information disclosed by Siemens, including: (i) the terms of this Agreement (including, but not limited to, pricing); (ii) information designated as confidential; and (iii) information that should reasonably be expected to be treated as confidential by the recipient whether or not such information is designated as confidential. Except as necessary to carry out this Agreement, confidential information will not be disclosed by Customer or its employees to any third party or used by Customer or its employees without the prior written consent of Siemens.

8. Export. This Agreement applies only to domestic installation of the Equipment. Customer shall not export or reexport any goods, or any system incorporating said goods, outside of the United States (including U.S. territories) unless Customer (i) first obtains all required licenses from the United States Department of Commerce or any other agencies or departments of the United States government that may be required, and (ii) complies with all applicable laws and regulations.

9. Technical Assistance. The warranty set forth herein shall not be enlarged, diminished or affected by, and no obligation or liability shall arise from, Siemens' rendering of technical advice, assistance, or service in connection with Customer's selection, purchase, or use of the goods furnished hereunder. Customer is not relying on Siemens' skill or judgment to select suitable goods.

10. Certified Integrated System. The Equipment is designed and certified by regulatory authorities as an integrated instrument/reagent/consumable system. Use of unapproved parts or consumables with the Equipment will void any and all warranties and all obligations of Siemens under any warranty or service contract Customer may have with Siemens.

11. Assignment. This Agreement is not assignable or transferable by Customer, in whole or in part, except with the written consent of Siemens, which will not be unreasonably withheld.

12. Disclosure Of Discounts. Customer acknowledges that discounts, rebates, credits, free goods or services, coupons or other things of value which Customer may receive from Siemens under this Agreement constitute a discount or reduction in price for purposes of 42 U.S.C. paragraph 1320a-7b(b)(3)(A) ("Discounts"). Customer agrees to file all appropriate reports and to properly disclose and reflect all Discounts in any report filed in connection with state or federal cost reimbursement programs.

13. Miscellaneous. (A) Siemens is willing to sell goods to Customer only in consideration of and in reliance upon the provisions contained herein limiting Siemens' exposure to liability. Such provisions constitute an essential part of the bargain underlying this purchase and sale of Equipment, and have been reflected in the purchase price and other consideration agreed upon by the parties. (B) A failure of or delay in performance shall be excused when caused by matters beyond Siemens' reasonable control. (C) This Agreement contains all the terms and conditions with respect to the sale and purchase of the Equipment named herein and no modification of this Agreement shall be of any force unless such modification is reduced to writing and signed by an authorized representative of each party. (D) If Siemens fails to enforce its rights against Customer at any time, it may enforce those rights later without waiver or at such other time that Customer fails to perform any of Customer's obligations. (E) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ILLINOIS, WITHOUT REFERENCE TO CONFLICTS OF LAW PROVISIONS. EACH OF THE PARTIES CONSENTS TO THE JURISDICTION AND VENUE OF FEDERAL AND STATE COURTS IN ILLINOIS FOR THE DETERMINATION OF ALL DISPUTES ARISING UNDER THIS AGREEMENT. CUSTOMER AND SIEMENS EACH EXPRESSLY WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY LITIGATION ARISING FROM OR RELATED TO THIS AGREEMENT.

Department Report to Board of Trustees
HR/Payroll/Pharmacy – Rose Marie Green & Dave Simsek

March 26, 2019

PHARMACIST STAFFING

Request:

Authorization to recruit pharmacist. Additional FTE has been budgeted for FY 2019-2020.

Rationale:

Staffing in the pharmacy currently consists of:

- 1 Pharmacy Director/Staff Pharmacist
- 1 Staff Pharmacist
- 2 full-time Pharmacy Technicians
- 1 casual call Pharmacy Technician

The pharmacy is staffed Monday thru Friday, weekends and holidays.

The Pharmacy Director also functions as a Staff Pharmacist. The pharmacists rotate standby call during the week and weekends, to provide the needed coverage 24 hours/day, 7 days/week.

Pharmacist hour and wage data from 2018:

<u>Overtime Hours</u>	<u>Overtime Wages</u>
1141	\$ 125,187.42
	<u>Consultant Pharmacist</u>
	\$36,098.83
	<u>Pharmacist Traveler</u>
	\$17,011.19

Annual salary range for full-time Pharmacist: \$146,000 to \$175,000.

There are no local coverage options for vacations, illness, etc and the daily pharmacist staffing is one Pharmacist to work shifts and cover standby call. When we have advance notice of coverage needs, we have utilized travel companies for staffing.

Department Report to Board of Trustees
HR/Payroll/Pharmacy – Rose Marie Green & Dave Simsek

March 26, 2019

The costs of one additional pharmacist can be covered by overtime and eliminating the need for travelers and a portion of consulting pharmacist. Additionally, the work of pharmacy continues to grow with implementation of the 340B program. Through this program the pharmacy has generated an additional \$115,000 in revenue for January and February 2019.

Budgeted revenue for the 340B program for fiscal year 2020 is \$690,900.

Finally, and certainly not of least importance, the toll that the overtime is taking on the pharmacists' quality of life is not to be overlooked. Pharmacist standby call hours for 2018 were 4983. A third pharmacist allows for a 3:1 call over a 2:1 call.

Adding a third pharmacist to HGH staffing will allow us to reduce consulting pharmacist costs by approximately \$5000, as the additional staff pharmacist could assume non-nursing home related duties. We would retain the consultant pharmacist for Nursing Home for his specific knowledge and expertise in regulations pertaining to SNF nursing and pharmacy.

Recommendation:

Recruit third, full time Pharmacist.

Plan:

Advertise and hire another Pharmacist to supplement staffing, assist with 340B project, and to expand pharmacy services.

Thank you for your consideration.

Department Report to Board of Trustees
Nurse Practitioner/PA – Clinic Provider

Robert Johnson

March 26, 2019

CLINIC STAFFING

Request:

Authorization to recruit additional advanced practice provider for the Clinic. Additional FTE has been budgeted for FY 2019-2020.

Rationale:

Currently we are experiencing a shortage of clinic providers.

Hours covered:

Staffing in the Walk in Clinic currently consists of:

- 1 Physician Assistant/Practice Administrator
- 1 Advanced Nurse Practitioner

The Walk in Clinic serves patients Monday thru Friday, including minor holidays; and is staffed one day a week by the APN and four days a week by the PA/Practice Administrator.

The position of Practice Administrator requires additional time to manage and grow the provider practices. Responsibilities includes: Walk in Clinic, Family Practice, OB/GYN, telehealth, visiting out-patient provider clinics, as well as contracted surgery clinics.

Annual salary range for full-time advanced practice provider: \$125,000.

Because this is a full-time position and the PA/Practice Administrator will continue to work part-time in the Walk in Clinic, we anticipate extending Walk in Clinic hours. This would generate additional revenue to cover the salary for an additional provider.

Recommendation:

Recruit an additional full-time advanced practice provider for the Clinic.

Plan:

Advertise and hire another provider to supplement staffing and expand Walk in Clinic hours.

Thank you for your consideration.

Department Report to Board of Trustees

Women's Health Provider

Robert Johnson

March 26, 2019

STAFFING

Request:

Authorization to recruit a midwife or other advanced practice provider; as direct HGH hire or thru contractual arrangement. Additional FTE has been budgeted for FY 2019-2020.

Rationale:

We are experiencing a shortage of obstetrics physicians and providers who offer other women's health services. Currently patients are traveling from as far away as Elko; other patients have opted to stay local rather than travel to Reno for OB services. We are now able to provide a higher level of OB care with an OB/GYN.

Currently we have only one physician who provides women's health (obstetrics, cesarean sections, and gynecologic surgeries). There has been rapid growth in the number of patients to be served by our providers. This physician has reached capacity in the number of OB/GYN patients he is able to care for.

Many patients who require gynecological surgeries, that could be performed at HGH, are having to be referred to other facilities.

There is potential for going over Rural Health Clinic 50% rule for midlevel/advanced providers in the future if HGH becomes physician heavy.

Current / Projected Physician Staffing

Dr. Brecheen (OB-GYN) currently seeing all OB patients in Humboldt General Hospital-currently at capacity

Dr. Beckman (OB-GYN) currently seeing problem GYN part time and is available for surgery-currently at capacity

Dr. Curtis (FP-OB) June licensing board, needs ramp up time and will have more focus on Family Medicine due to that critical shortage

Dr. Thorpe has her Nevada license and will begin relief for Dr. Brecheen March 25, 2019.

Department Report to Board of Trustees

Women's Health - Robert Johnson

March 26, 2019

Recommendation:

Augment current and projected staff with Midwife or midlevel providers to see patients in the clinic for all prenatal care visits. These providers are also able to perform routine deliveries on call without direct observation from physician, but will have physician back up within minutes if difficulties arise. This will also provide more opportunity for our current provider to care for and perform gynecologic surgeries at HGH.

Compensation for a qualified and experienced midwife or advanced practice provider is about half that of an FP/OB while reimbursement rates under RHC are the same for services we can perform.

Recruit an additional full-time Midwife or advanced practice provider.

Plan:

Advertise and hire another provider to perform obstetrical and other women's health care services. The addition to our clinical staff will provide HGH the ability to grow and meet the needs of the community by developing and operating an efficient, cost effective, world-class women's health campus with professional, trained and experienced staff, resulting in increased utilization of our hospital by patients who are in need of obstetrical and gynecologic services.

Continue recruitment of Family Practice/OB providers.

Thank you for your consideration.

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: March 21, 2019
RE: Masuck / physician employment agreement

Attached (in pdf. format to the email) is a draft version of the proposed *Agreement for Physician Employment* with David Masuck, M.D., which was prepared using the terms and conditions information provided. Please review the document carefully for content and accuracy. If revisions are believed necessary, please contact me to discuss.

The agreement will be considered at the next Board meeting. Accordingly, this memo and the attached agreement are copied to administration staff for distribution to the Hospital Board members in the Board meeting packet. When the Board has approved the Agreement as drafted or revised, as the case may be, the document will be prepared for submittal to the physician.

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

OKM/lp
Attachment

xc: Board Chairman (w/ attachment)

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: DAVID MASUCK, M.D.
c/o Humboldt General Hospital
118 East Haskell Street
Winnemucca, Nevada 89445

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”), an extended care medical facility, the Hospital Clinic (“Clinic”), medical clinics offering the professional services of health care providers, and HGH EMS, an emergency medical services operation providing ambulance and advanced life support services (collectively such facilities are sometimes referred to herein as the “District Facilities”), in Winnemucca, Humboldt County, Nevada, and has a need for a qualified family practice and obstetrics (herein referred to as the “Practice Specialty”) physician to serve the interests of the District, the District patients and the residents of Humboldt County.

B. Physician is, or will be at the beginning of the term of this Agreement, qualified and licensed to practice in the State of Nevada, with 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 August 1, 2020 and ending July 31, 2023 (the period beginning August 1, 2020 and ending July 31, 2021 and the subsequent one-year periods beginning August 1 and ending July 31 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 mutually agreed upon later date pending issuance to Physician of a Nevada license to practice medicine. 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 to the Hospital ER services independent contractor 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

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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 practice of Hospital 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 and 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 of the 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 are typically provided in rotation with other physicians and Physician shall provide such services in accordance with the 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 \$250,000 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 receive compensation 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 _____ for the base compensation salary of \$250,000, with each additional wRVU above the threshold valued at \$_____.

The initial wRVU productivity model conversion factor is 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. The conversion factor of the productivity model will be reviewed and updated on an annual basis 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. If the calculated productivity model compensation does not exceed the base compensation, no incentive compensation will be paid. 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 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. On Call Compensation. District shall pay Physician for providing Practice Specialty On Call services at a rate then in effect as established by Hospital administration and approved by the Board.

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 salary compensation 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 five (5) working days with pay 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 pay or reimbursement up to \$3,500 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 the 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 \$1,200 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 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. Residency Stipend. During the period from execution of this Agreement until the commencement date provided in Section 1 herein, Physician shall receive a stipend of \$1,500 per month which terminates upon the earlier of the commencement date of this Agreement, completion of the residency program at the Hospital, or termination by Physician of participation in the residency program.

g. Rural Practice Incentive. District shall pay a one-time payment of \$_____ 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.

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 described 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 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 OR 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 making or considering payments 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 Speciality 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 all amounts received or collected for Physician’s services as District property. 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 service 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 any and all recommendations of 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 Hospital 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 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 and Hospital Facilities 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 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 insureability 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 diagnosis and treatment of patients and District shall not exercise any direct supervision or control over the individual treatment of any patient. Physician's treatment and diagnosis 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 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 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.

(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) **Hospital Closure.** Closure of the Hospital 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 ninety (90) 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 (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 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, either personally, or 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. 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. 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 set opposite their respective signatures.

DISTRICT:

PHYSICIAN:

Chairman Humboldt County
Hospital District Board of Trustees

David Masuck, 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. If no agreement can be reached between Physician and Physician Services Director, the decision of the Physician Services Director may be referred to the Administrator for a decision. Any questions or disagreements concerning standards of professional practice

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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.

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. Such payment shall be made immediately following dismissal of the case or upon entry of judgment. If the instituting party is the prevailing party, then the instituting party shall be entitled to reasonable attorney's fees, which fees shall be set by the court in the action in addition to any other costs assessed by the Court.

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

O. 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.

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: March 20, 2019
RE: Janhunen / physician employment agreement

Attached (in pdf. format to the email) is a draft version of the proposed *Agreement for Physician Employment* with Veronica Janhunen, M.D., which was prepared using the terms and conditions information provided. Please review the document carefully for content and accuracy. If revisions are believed necessary, please contact me to discuss.

The agreement will be considered at the next Board meeting. Accordingly, this memo and the attached agreement are copied to administration staff for distribution to the Hospital Board members in the Board meeting packet. When the Board has approved the Agreement as drafted or revised, as the case may be, the document will be prepared for submittal to the physician.

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

OKM/lp
Attachment

xc: Board Chairman (w/ attachment)

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: VERONICA JANHUNEN, M.D.
131 Spring Creek Court
Spring Creek, Nevada 89815

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”), an extended care medical facility, the Hospital Clinic (“Clinic”), medical clinics offering the professional services of health care providers, and HGH EMS, an emergency medical services operation providing ambulance and advanced life support services (collectively such facilities are sometimes referred to herein as the “District Facilities”), in Winnemucca, Humboldt County, Nevada, and has a need for a qualified pediatrics (herein referred to as the “Practice Specialty”) physician to serve the interests of the District, the District patients and the residents of Humboldt County.

B. Physician is qualified and licensed to practice in the State of Nevada, with 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 August 1, 2019 and ending July 31, 2023 (the period beginning August 1, 2019, or on the commencement date, and ending July 31, 2020 and the subsequent one-year periods beginning August 1 and ending July 31 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 mutually agreed upon later 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 to the Hospital ER services independent contractor 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.

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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 practice of Hospital 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 and 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 of the 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 are typically provided in rotation with other physicians and Physician shall provide such services in accordance with the 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 \$250,000 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 receive compensation 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 5,208 for the base compensation salary of \$250,000, with each additional wRVU above the threshold valued at \$48.

The initial wRVU productivity model conversion factor is 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. The conversion factor of the productivity model will be reviewed and updated on an annual basis 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. If the calculated productivity model compensation does not exceed the base compensation, no incentive compensation will be paid. 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 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. On Call Compensation. District shall pay Physician for providing Practice Specialty On Call services at a rate then in effect as established by Hospital administration and approved by the Board.

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 salary compensation 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 five (5) working days with pay 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 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 the 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 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 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.

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 described 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 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 OR 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 making or considering payments 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 Speciality 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 all amounts received or collected for Physician's services as District property. 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 service 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 any and all recommendations of 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 Hospital 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 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 and Hospital Facilities 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 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 insureability 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 diagnosis and treatment of patients and District shall not exercise any direct supervision or control over the individual treatment of any patient. Physician's treatment and diagnosis 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 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 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.

(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) Hospital Closure. Closure of the Hospital 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 ninety (90) 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 (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 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, either personally, or 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. 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. 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 set opposite their respective signatures.

DISTRICT:

PHYSICIAN:

Chairman Humboldt County
Hospital District Board of Trustees

Veronica Janhunen, M.D.

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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. If no agreement can be reached between Physician and Physician Services Director, the decision of the Physician Services Director may be referred to the Administrator for a decision. Any questions or disagreements concerning standards of professional practice

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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.

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. Such payment shall be made immediately following dismissal of the case or upon entry of judgment. If the instituting party is the prevailing party, then the instituting party shall be entitled to reasonable attorney's fees, which fees shall be set by the court in the action in addition to any other costs assessed by the Court.

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

O. 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.