

FINANCE COMMITTEE MEETING

*(BOARD MEETING WITH RESPECT TO
BOARD MEMBERS ON THE COMMITTEE)*

**Posted
Mailed (US & E-mail)
Faxed
May 24, 2007**

Tuesday, May 29, 2007
5:30 p.m. (Dinner via Café Line for Committee Members & Invited Guests Only)
6:00 p.m. Meeting

Pomerado Hospital
15616 Pomerado Road, Poway, CA
Meeting Room E

	<u>Time</u>	<u>Page</u>	<u>Target</u>
❖ CALL TO ORDER			6:00 p.m.
➤ Public Comments.....	5		6:00 p.m.
❖ ADJOURNMENT TO CLOSED SESSION			6:05 p.m.
<i>~ pursuant to California Government Code §54956.8</i>			
CONFERENCE W/REAL PROPERTY NEGOTIATORS			
<i>Property:</i>	<i>Grandesco Building, 456 East Grand Avenue, Escondido, CA An approximate 14,319 square foot building and companion lot, exact legal description to be provided in escrow</i>		
<i>Agency Negotiator:</i>	<i>Robert Hemker, CFO, PPH</i>		
<i>Negotiating Parties:</i>	<i>Dave Baker and Steve Knight, and Robert Hemker</i>		
<i>Under Negotiation:</i>	<i>Instruction to Negotiator will concern Agency's interest in land, building, price and terms of payment</i>		
<i>Estimated date of public disclosure:</i>	<i>May 2007</i>		
		15	
~ Anticipated Action			
❖ RESUMPTION OF OPEN SESSION			6:20 p.m.
➤ Action Resulting from Closed Session Discussion, <i>if any</i>	5		6:20 p.m.
➤ Information Item(s)			
• S&P Rating	5		6:25 p.m.
1. * Approval: Minutes – Tuesday, April 24, 2007 (<i>Addendum A</i>)	5	Ag2	6:30 p.m.
2. * Review/Approval: Medical Director Agreements			
• Steve M. Kuriyama, M.D.—Infectious Disease Program (PPH)		Ag3-6	
• Anesthesia Consultants of CA Medical Group, Inc.—Anesthesia Svcs (PMC & ESC)	10	Ag7-10	6:35 p.m.
• John T. Steele, M.D.—Trauma Program (PMC)		Ag11-14	
3. * Review/Approval: Medical Director Agreements			
• Paul R. Keith, M.D.— <i>Term Extension</i> —Inpatient Mental Health Unit (PMC)		Ag15-17	
• Stephen F. Signer, M.D.			
o <i>Term Extension</i> —Inpatient Mental Health Unit (PMC)	10	Ag18-20	6:45 p.m.
o <i>Interim</i> —Psychiatric Outpatient Program (POM)		Ag21-23	
o <i>Interim</i> —Gero-Psychiatric Unit (POM)		Ag24-27	
4. * Review/Approval: Physician Recruitment Agreement			
• Bridgette Franey, M.D., and Centre for Healthcare—Family Practice	10	Ag28-31	6:55 p.m.
5. * Approval: April 2007 & YTD FY2007 Financial Report	20	Ag32	7:05 p.m.
❖ FINAL ADJOURNMENT			7:25 p.m.

**NOTE: If you have a disability, please notify us 72 hours
prior to the event so that we may provide reasonable accommodations.**

Distribution:
Ted Kleiter, Chairperson
Nancy Bassett, RN
Linda Greer, RN
Marcelo Rivera, MD

Michael Covert, FACHE
Robert Trifunovic, MD
Benjamin Kanter, MD
Bruce Krider, *Alternate*

Bob Hemker
Gerald Bracht
Steve Gold
Tanya Howell, Secretary

Minutes
Finance Committee – April 24, 2007

TO: Board Finance Committee

MEETING DATE: Tuesday, May 29, 2007

FROM: Tanya Howell, Secretary

BY: Bob Hemker, CFO

Background: The minutes of the Board Finance Committee meeting held on Tuesday, April 24, 2007, are respectfully submitted for approval (*Addendum A*).

Budget Impact: N/A

Staff Recommendation: Staff recommends approval of the Tuesday, April 24, 2007, Board Finance Committee minutes.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

**PALOMAR POMERADO HEALTH
MEDICAL DIRECTOR AGREEMENT – INFECTIOUS DISEASE PROGRAM
STEVE M. KURIYAMA, M.D.**

TO: Board Finance Committee

MEETING DATE: Tuesday, May 29, 2007

BY: Gerald E. Bracht
Chief Administrative Officer

BACKGROUND: PPH requires the active participation of an infectious disease physician to serve as Medical Director to provide direction and support for its Infection Control Program to remain in compliance with current regulation. Steve Kuriyama, MD, has provided such medical director services on an ongoing basis since 2002. In March 2006, the medical director duties were expanded to include oversight for the newly established Antibiotic Team.

An independent fair market value assessment was completed to validate the compensation under the agreement and the compensation proposed is within market range. The proposed agreement represents a renewal of the agreement with Dr Kuriyama for an additional three years.

BUDGET IMPACT: [REDACTED] for the remainder of FY07

STAFF RECOMMENDATION: Approval

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Medical Director Agreement – Infectious Disease Program
Preamble	AGREEMENT DATE	April 1, 2007 Delay in verifying Fair Market Value Assessment
Preamble	PARTIES	Steve M. Kuriyama, MD, and Palomar Pomerado Health
Recitals F	PURPOSE	Clinical supervision and oversight of the Infectious Disease Program.
1.1, 1.2, Exhibit A	SCOPE OF SERVICES	Chair Infectious Disease Committee, oversight of antibiotic team, infection surveillance program oversight, education, patient rounds.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary Position opening communicated to medical staff.
4.1	TERM	Three years
	RENEWAL	None
4.2.1.1	TERMINATION	Without cause with 90 days written notice. For cause as defined in the agreement
3.1	COMPENSATION METHODOLOGY	Hourly for number of hours of service provided. ██████████ per hour with expected 48 hours per month of service Year 1; ██████████ per hour year 2; ██████████ per hour year 3.
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT: ██████████ for remainder of FY07. No impact in FY08
	EXCLUSIVITY	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN: Not applicable
	JUSTIFICATION	Required to assure patient safety and compliance with regulations
	AGREEMENT NOTICED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Methodology & Response: Posted
	ALTERNATIVES/IMPACT	No other interested/qualified providers on staff. Would need to source alternative coverage if Dr Kuriyama chose not to undertake the role.
Exhibit A	Duties	<input checked="" type="checkbox"/> Provision for Staff Education <input checked="" type="checkbox"/> Provision for Medical Staff Education <input checked="" type="checkbox"/> Provision for participation in Quality Improvement <input checked="" type="checkbox"/> Provision for participation in budget process development
	COMMENTS	
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> CAO <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Committee FINANCE <input checked="" type="checkbox"/> BOD

MEDICAL DIRECTOR AGREEMENT

between

**PALOMAR POMERADO HEALTH,
a local hospital district**

and

STEVE M. KURIYAMA, M.D.

April 1, 2007

MEDICAL DIRECTOR AGREEMENT

THIS MEDICAL DIRECTOR AGREEMENT (“Agreement”) is made and entered into effective April 1, 2007, by and between Palomar Pomerado Health, a local health care district organized pursuant to Division 23 of California Health and Safety Code (“PPH”) and Steve M. Kuriyama, M.D. (“Medical Director”).

R E C I T A L S

A. PPH is the owner and operator of Palomar Medical Center and Pomerado Hospital, general acute care hospitals located at 555 East Valley Parkway, Escondido, California and 15615 Pomerado Road, Poway, California, respectively (“Hospitals”).

B. Hospitals operate an Infectious Disease Program (Department).

C. Hospitals have established an Antibiotic Team that requires the participation of an Infectious Disease physician to provide medical staff leadership oversight.

D. Medical Director is a physician who is qualified and licensed to practice medicine in the State of California, is experienced and qualified in the specialized field of Infectious Diseases, and who is a member of the Medical Staffs of Hospitals (“Medical Staff”).

E. Department is staffed by Hospital employees.

F. Hospital desires to retain Medical Director as an independent contractor to provide certain administrative services (“Administrative Services”) in the operation of the Department and has determined that this proposed arrangement with Medical Director will enhance the Department’s and Hospital’s organization, procedure standardization, economic efficiency, professional proficiency, and provide other benefits to enhance coordination and cooperation among the Department’s providers and users.

G. Hospital and Medical Director acknowledge and agree that this Agreement shall supercede the agreements, if any, previously entered into by the parties for the provision of Administrative Services.

H. It is the intent of both Hospital and Medical Director that the terms and conditions of this Agreement, and the manner in which services are to be performed hereunder, fulfill and comply with all applicable requirements of any applicable “safe harbor” or exception to Stark I and II including, but in no way limited to, the applicable requirements set forth in regulations promulgated by the Department of Health and Human Services, Office of Inspector General, and in the Ethics in Patient Referral Act.

**PROFESSIONAL SERVICES AND MEDICAL DIRECTOR AGREEMENT
ANESTHESIA CONSULTANTS OF CALIFORNIA MEDICAL GROUP, INC.
ANESTHESIOLOGY SERVICES FOR PALOMAR MEDICAL CENTER**

TO: Board Finance Committee

MEETING DATE: Tuesday, May 29, 2007

BY: Gerald E. Bracht
Administrative Officer

BACKGROUND: Anesthesia Consultants of California Medical Group, Inc. (ACC) provides exclusive anesthesia professional medical services to Palomar Medical Center and the Escondido Surgery Center. ACC has provided services to PPH for a number of years and has been responsive in expanding its capacity to meet the growth in surgical activity at both sites. ACC provides coverage for the elective and emergency surgical schedule and provides round-the-clock, in-house coverage to support the trauma program and OB service at PMC. The present agreement with ACC expires on July 31, 2008; however, ACC has requested an extension of their agreement to facilitate their efforts to recruit physicians to meet the obligations of their agreement.

This agreement represents a renewal of the exclusive agreement for five years.

BUDGET IMPACT: None

STAFF RECOMMENDATION: Approval

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Professional Services and Medical Director Agreement – Anesthesiology Services
Preamble	AGREEMENT DATE	June 1, 2007 (anticipated)
Preamble	PARTIES	Anesthesia Consultants of California Medical Group, Inc., and Palomar Pomerado Health
Recitals E	PURPOSE	To provide professional anesthesia medical coverage in the surgical departments at Palomar Medical Center (PMC) and Escondido Surgery Center (ESC).
1.1, 1.2, 1.3 Exhibit A & B	SCOPE OF SERVICES	Professional medical coverage 24 hours per day, 365 days per year at PMC for Trauma, emergency and OB service and coverage as required for the elective surgery schedule at ESC.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
8.1	TERM	Five years
	RENEWAL	One year unless terminated with 180 days written notice
8.2.2.1 8.2.3	TERMINATION	With cause with 90 days written notice and failure of the noticed party to cure the breach. For cause as defined in the agreement
7.1.6	COMPENSATION METHODOLOGY	██████████ per day for in-house OB coverage
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT: None
	EXCLUSIVITY	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES – EXPLAIN: As approved by Medical Staff
	JUSTIFICATION	Required for ongoing provision of surgical and other invasive services requiring anesthesia
	AGREEMENT NOTICED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> No Methodology & Response:
	ALTERNATIVES/IMPACT	No other interested/qualified providers on staff. Would need to source alternative coverage if group were unable to meet stated needs.
Exhibit A 2.5, 2.7	Duties	<input checked="" type="checkbox"/> Provision for Staff Education <input checked="" type="checkbox"/> Provision for Medical Staff Education <input checked="" type="checkbox"/> Provision for participation in Quality Improvement <input checked="" type="checkbox"/> Provision for participation in budget process development
	COMMENTS	
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> CAO <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Committee FINANCE <input checked="" type="checkbox"/> BOD

**PROFESSIONAL SERVICES AND MEDICAL DIRECTOR
AGREEMENT for ANESTHESIOLOGY SERVICES**

between

**PALOMAR POMERADO HEALTH,
a local health care district**

and

**ANESTHESIA CONSULTANTS OF CALIFORNIA
MEDICAL GROUP, INC.**

_____, *2007*

PROFESSIONAL SERVICES AND MEDICAL DIRECTOR AGREEMENT

THIS PROFESSIONAL SERVICES AND MEDICAL DIRECTOR AGREEMENT (“Agreement”) is made and entered into effective _____, 2007 by and between Palomar Pomerado Health, a local health care district organized pursuant to Division 23 of California Health and Safety Code (“PPH”) and Anesthesia Consultants of California Medical Group, Inc., a California professional corporation (“Medical Group”). PPH and Medical Group shall collectively be referred to herein as the “Parties”.

RECITALS

A. PPH is the owner and operator of Palomar Medical Center, a general acute care hospital, located at 555 East Valley Parkway, Escondido, California (“Hospital”) and is also the sole general partner of Escondido Ambulatory Surgical Center Investors, Ltd., a California limited partnership that is the owner and operator of the Escondido Surgery Center (“ESC”) (Hospital and ESC collectively referred to herein as the “Facilities”). At some future time, the Parties may agree to add additional PPH locations to this Agreement through written amendment. However, at this time, this Agreement only applies to Hospital and ESC.

B. Each of the Facilities operates a closed Department of Anesthesiology in order to serve its patients (collectively, the “Departments”). C. Medical Group is a professional medical corporation whose shareholder(s), employee(s) and contracting physician(s) (“Physicians”) are duly qualified and licensed to practice medicine in the State of California, are experienced and qualified in the specialized field of anesthesiology, and are members of the Medical Staff of the Facilities (“Medical Staff”).

D. The Departments consist of facilities and equipment owned by PPH and staffed by PPH employees.

E. PPH desires to retain Medical Group as an independent contractor to provide, on an exclusive basis through its Physicians, certain administrative services (“Administrative Services”) and professional medical services (“Professional Services”) (collectively, “Services”) in the operation of the Departments and has determined that this proposed arrangement with Medical Group shall enhance the Departments’ and the Facilities’ organization, procedure standardization, economic efficiency, professional proficiency, and provide other benefits to enhance coordination and cooperation among the Departments’ providers and users.

F. PPH and Medical Group acknowledge and agree that in order for Medical Group to recruit and retain the Physicians required to perform the Services, it is essential that this Agreement facilitate a long-term, stable working relationship between PPH and Medical Group.

**PALOMAR POMERADO HEALTH
MEDICAL DIRECTOR AGREEMENT – TRAUMA PROGRAM
PALOMAR MEDICAL CENTER
JOHN T. STEELE, M.D.**

TO: Board Finance Committee

MEETING DATE: Tuesday, May 29, 2007

BY: Gerald E. Bracht
Chief Administrative Officer

BACKGROUND: PPH requires the active participation of a General/Trauma Surgeon to serve as Medical Director to provide direction and support for its Trauma Program to remain in compliance with its San Diego County Trauma Center Designation Agreement. The agreement with the former Medical Director expired on March 31, 2007, and staff posted the position and interviewed interested physicians to assume the role.

John Steele, MD, has been an active participant on the trauma panel since 2002 and has served as the Chairman of the Department of Trauma and Chairman of the Department of Surgery. Discussions with Dr. Steele stressed the desire on the part of PPH to enhance the program and undertake efforts to expand the research components. Dr. Steele expressed interest, and an independent fair market value assessment was completed to determine the compensation range that could be justified for this expanded role. The proposed three-year agreement represents the demonstrated commitment on the part of PPH and Dr Steele to achieve the stated goals of the program.

BUDGET IMPACT: [REDACTED] for the remainder of FY07

STAFF RECOMMENDATION: Approval

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Medical Director Agreement – Trauma Program - PMC
Preamble	AGREEMENT DATE	April 1, 2007 Physician has provided coverage on interim basis under MOU that an agreement will be finalized.
Preamble	PARTIES	John T. Steele and Palomar Pomerado Health
Recitals E	PURPOSE	Clinical supervision and oversight of the Trauma Program.
1.1, 1.2, 1.3 Exhibit A	SCOPE OF SERVICES	Chair Department of Trauma, conduct peer review, represent program at County MAC (Medical Advisory Cmte) meetings, conduct M&M conferences, lead performance improvement and clinical research.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary Position opening communicated to medical staff.
4.1	TERM	Three years
	RENEWAL	None
4.3	TERMINATION	Without cause with 180 days written notice. For cause as defined in the agreement
3.1	COMPENSATION METHODOLOGY	Hourly for number of hours of service provided. ██████ per hour with expected 83 hours per month of service.
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT: ██████ for remainder of FY07. No impact in FY08
	EXCLUSIVITY	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN: Not applicable
	JUSTIFICATION	Required for compliance with County Trauma Designation Agreement.
	AGREEMENT NOTICED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Methodology & Response: Position opening communicated to medical staff.
	ALTERNATIVES/IMPACT	No other interested/qualified providers on staff. Would need to source alternative coverage if Dr Steele chose not to undertake the role.
Exhibit A 2.5, 2.7	Duties	<input checked="" type="checkbox"/> Provision for Staff Education <input checked="" type="checkbox"/> Provision for Medical Staff Education <input checked="" type="checkbox"/> Provision for participation in Quality Improvement <input checked="" type="checkbox"/> Provision for participation in budget process development
	COMMENTS	
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> CAO <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Committee FINANCE <input checked="" type="checkbox"/> BOD

MEDICAL DIRECTOR AGREEMENT

between

**PALOMAR POMERADO HEALTH,
a local hospital district**

and

John T. Steele, M.D.

April 1, 2007

MEDICAL DIRECTOR AGREEMENT

THIS MEDICAL DIRECTOR AGREEMENT (“Agreement”) is made and entered into effective April 1, 2007, by and between Palomar Pomerado Health (“PPH”), a local health care district organized pursuant to Division 23 of California Health and Safety Code (“Hospital”) and John T. Steele, M.D. (“Medical Director”).

R E C I T A L S

A. PPH is the owner and operator of Palomar Medical Center (“PMC”), a general acute care hospital located at 555 East Valley Parkway, Escondido, California (“Hospital”).

B. Medical Director is a physician who is qualified and licensed to practice medicine in the State of California, is experienced and qualified in the specialized field of General Surgery and Trauma, and Critical Care Medicine, and who is a member of the Medical Staff of Hospital (“Medical Staff”).

D. PPH operates Trauma department in its Hospital that are dedicated to the provision of twenty four hours per day, seven days per week trauma services. Trauma department at Hospital are equipped by PPH and staffed by PPH employees.

E. PPH desires to retain Medical Director as an independent contractor to provide certain administrative and clinical services (“Director Services”) in the operation of the Department and has determined that this proposed arrangement with Medical Director will enhance the Departments’ organization, procedure standardization, economic efficiency, professional proficiency, and provide other benefits to enhance coordination and cooperation among the Departments’ providers and users.

F. PPH and Medical Director acknowledge and agree that this Agreement shall supercede the agreements, if any, previously entered into by the parties for the provision of Administrative Services.

G. It is the intent of both PPH and Medical Director that the terms and conditions of this Agreement, and the manner in which services are to be performed hereunder, fulfill and comply with all applicable requirements of any applicable “safe harbor” or exception to Stark I and II including, but in no way limited to, the applicable requirements set forth in regulations promulgated by the Department of Health and Human Services, Office of Inspector General, and in the Ethics in Patient Referral Act.

**PALOMAR MEDICAL CENTER
MEDICAL DIRECTOR – MENTAL HEALTH UNIT
PALOMAR MEDICAL CENTER**

TO: Board Finance Committee

DATE: Tuesday, May 29, 2007

FROM: Sheila Brown, R.N., M.B.A., Chief Clinical Outreach Officer
Susan Linback, R.N., M.B.A., Service Line Administrator, Behavioral Health

BACKGROUND: This is a request to approve an extension of the January 1, 2004, Psychiatric Medical Director Agreement with Paul R. Keith, M.D. The parties' agreement shall be extended on a month-to-month basis not to exceed twelve (12) months, from January 1, 2007, through December 31, 2007.

Dr. Keith will provide Medical Director coverage and medical leadership for the Palomar Medical Center Mental Health Unit. This treatment program provides needed services to acutely ill patients who suffer from severe mental health disorders.

BUDGET IMPACT: No Budget Impact

STAFF RECOMMENDATION: Staff recommends approval of the month-to-month extension of the Medical Director Agreement with Paul R. Keith, M.D., for the Mental Health Unit at Palomar Medical Center, commencing on January 1, 2007, and ending on December 31, 2007.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Medical Director Agreement – Palomar Medical Center Mental Health Unit Paul R. Keith, M.D.
	AGREEMENT DATE	January 1, 2007
	PARTIES	1) PPH 2) Paul R. Keith, M.D.
Recitals E	PURPOSE	To provide Psychiatric oversight for Palomar Medical Center's Mental Health Unit
Exhibit A	SCOPE OF SERVICES	Paul R. Keith, M.D., will provide Medical Director coverage for Palomar Medical Center's Mental Health Unit. This treatment program provides needed services to acutely ill patients who suffer from severe mental health disorders, as well as the vulnerable Senior population.
	PROCUREMENT METHOD	<input type="checkbox"/> Request for Proposal <input checked="" type="checkbox"/> Discretionary
5.1	TERM	Extension on a month-to-month basis not to exceed twelve (12) months, from January 1, 2007, through December 31, 2007
	RENEWAL	N/A
5.3 5.4 5.5	TERMINATION	a. Immediately for cause b. Not less than 30 days of written notice without cause
2.1	COMPENSATION METHODOLOGY	Monthly payment on or before the 15 th of each month with supporting documentation of the prior month's time records.
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO - IMPACT: None.
	EXCLUSIVITY	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	In order to remain compliant with CMS requirements for Inpatient Behavioral Health Services, medical oversight is needed.
	POSITION NOTICED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO METHODOLOGY & RESPONSE: Posted in Medical Staff Offices for 30 days
	ALTERNATIVES/IMPACT	Proceeding without this arrangement would cause the services to be out of compliance with CMS requirements and jeopardize ongoing mental health to a vulnerable population.
Exhibit E	DUTIES	<input checked="" type="checkbox"/> PROVISION FOR STAFF EDUCATION <input checked="" type="checkbox"/> PROVISION FOR MEDICAL STAFF EDUCATION <input checked="" type="checkbox"/> PROVISION FOR PARTICIPATION IN QUALITY IMPROVEMENT
	COMMENTS	
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> Officer <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Finance Committee <input checked="" type="checkbox"/> BOD

Contract Amendment

This Amendment is made by and between Paul R. Keith, M.D. ("Medical Director") and Palomar Pomerado Health, a local healthcare district organized pursuant to Division 23 of the California Health and Safety Code ("PPH").

In consideration of the mutual promises of the parties, the receipt and sufficiency of which is hereby acknowledged, the parties' January 1, 2004, Agreement entitled, *Medical Director Agreement* ("Agreement"), is hereby amended as follows:

- 3.1 **Compensation:** Medical Director's rate of compensation shall be [REDACTED] per hour, effective January 1, 2007.

- 4.1 **Term:** The parties' Agreement shall be extended on a month-to-month basis not to exceed twelve (12) months, from January 1, 2007, to December 31, 2007.

All remaining provisions of said Agreement shall remain in full force and effect. The undersigned represent that they are fully authorized to execute the foregoing Amendment on behalf of their respective parties.

IN WITNESS WHEREOF, this Amendment has been duly executed by Medical Director and Palomar Pomerado Health on the dates set forth below.

Paul R. Keith, M.D.

Palomar Pomerado Health

Signature

Signature

Printed Name

Robert Hemker
Chief Financial Officer

Title

Date

Date

**PALOMAR MEDICAL CENTER
MEDICAL DIRECTOR – MENTAL HEALTH UNIT
STEPHEN F. SIGNER, M.D.**

TO: Board Finance Committee

DATE: Tuesday, May 29, 2007

FROM: Sheila Brown, R.N., M.B.A., Chief Clinical Outreach Officer
Susan Linback, R.N., M.B.A., Service Line Administrator, Behavioral Health

BACKGROUND: This is a request to approve an extension of the January 1, 2004, Psychiatric Medical Director Agreement with Stephen F. Signer, M.D. The parties' agreement shall be extended on a month-to-month basis not to exceed twelve (12) months, from January 1, 2007, through December 31, 2007.

Dr. Signer will provide Medical Director coverage and medical leadership for the Palomar Medical Center Mental Health Unit. This treatment program provides needed services to acutely ill patients who suffer from severe mental health disorders.

BUDGET IMPACT: No Budget Impact

STAFF RECOMMENDATION: Staff recommends approval of the month-to-month extension of the Medical Director Agreement with Stephen F. Signer, M.D., for the Mental Health Unit at Palomar Medical Center, commencing on January 1, 2007, and ending on December 31, 2007.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Medical Director Agreement – Palomar Medical Center Mental Health Unit Stephen F. Signer, M.D.
	AGREEMENT DATE	January 1, 2007
	PARTIES	1) PPH 2) Stephen F. Signer, M.D.
Recitals E	PURPOSE	To provide Psychiatric oversight for Palomar Medical Center’s Mental Health Unit
Exhibit A	SCOPE OF SERVICES	Stephen F. Signer, M.D., will provide Medical Director coverage for Palomar Medical Center’s Mental Health Unit. This treatment program provides needed services to acutely ill patients who suffer from severe mental health disorders, as well as the vulnerable Senior population.
	PROCUREMENT METHOD	<input type="checkbox"/> Request for Proposal <input checked="" type="checkbox"/> Discretionary
5.1	TERM	Extension on a month-to-month basis not to exceed twelve (12) months, from January 1, 2007, through December 31, 2007
	RENEWAL	N/A
5.3 5.4 5.5	TERMINATION	a. Immediately for cause b. Not less than 30 days of written notice without cause
2.1	COMPENSATION METHODOLOGY	Monthly payment on or before the 15 th of each month with supporting documentation of the prior month’s time records.
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO - IMPACT: None.
	EXCLUSIVITY	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	In order to remain compliant with CMS requirements for Inpatient Behavioral Health Services, medical oversight is needed.
	POSITION NOTICED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO METHODOLOGY & RESPONSE: Posted in Medical Staff Offices for 30 days
	ALTERNATIVES/IMPACT	Proceeding without this arrangement would cause the services to be out of compliance with CMS requirements and jeopardize ongoing mental health to a vulnerable population.
Exhibit E	DUTIES	<input checked="" type="checkbox"/> PROVISION FOR STAFF EDUCATION <input checked="" type="checkbox"/> PROVISION FOR MEDICAL STAFF EDUCATION <input checked="" type="checkbox"/> PROVISION FOR PARTICIPATION IN QUALITY IMPROVEMENT
	COMMENTS	
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> Officer <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Finance Committee <input checked="" type="checkbox"/> BOD

Contract Amendment

This Amendment is made by and between Stephen Signer, M.D. ("Medical Director") and Palomar Pomerado Health, a local healthcare district organized pursuant to Division 23 of the California Health and Safety Code ("PPH").

In consideration of the mutual promises of the parties, the receipt and sufficiency of which is hereby acknowledged, the parties' January 1, 2004, Agreement entitled, *Medical Director Agreement* ("Agreement") for the Palomar Medical Center Mental Health Unit for Inpatients, is hereby amended as follows:

- 3.1 **Compensation:** Medical Director's rate of compensation shall be [REDACTED] per hour, effective January 1, 2007.

- 4.1 **Term:** The parties' Agreement shall be extended on a month-to-month basis not to exceed twelve (12) months from January 1, 2007, to December 31, 2007.

All remaining provisions of said Agreement shall remain in full force and effect. The undersigned represent that they are fully authorized to execute the foregoing Amendment on behalf of their respective parties.

IN WITNESS WHEREOF, this Amendment has been duly executed by Medical Director and Palomar Pomerado Health on the dates set forth below.

Stephen Signer, M.D.

Palomar Pomerado Health

Signature

Signature

Printed Name

Robert Hemker
Chief Financial Officer

Title

Date

Date

**INTERIM MEDICAL DIRECTOR
OUTPATIENT BEHAVIORAL HEALTH PROGRAM
POMERADO HOSPITAL**

TO: Board Finance Committee

DATE: Tuesday, May 29, 2007

FROM: Sheila Brown, R.N., M.B.A., Chief Clinical Outreach Officer
Susan Linback, R.N., M.B.A., Service Line Administrator, Behavioral Health

BACKGROUND: This is a request to approve the Interim Medical Director Agreement with Stephen Signer, M.D., for the Outpatient Behavioral Health Program at Pomerado Hospital. Dr. Signer will provide Medical Director coverage and medical leadership on an interim basis until such time as a permanent Medical Director can be recruited or determined. This treatment program provides needed services to acutely ill patients who suffer from severe mental health disorders, as well as to the vulnerable Senior population.

BUDGET IMPACT: No Budget Impact

STAFF RECOMMENDATION: Staff recommends approval of the Interim Medical Director Agreement with Stephen Signer, M.D., for the Outpatient Behavioral Health Program at Pomerado Hospital, commencing on January 1, 2007, until such time as a permanent Medical Director can be recruited or determined.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Interim Medical Director Agreement Pomerado Hospital Outpatient Behavioral Health Program Stephen F. Signer, M.D.
	AGREEMENT DATE	January 1, 2007
	PARTIES	1) PPH 2) Stephen F. Signer, M.D.
Recitals E	PURPOSE	To provide Psychiatric oversight for Pomerado Hospital's Outpatient Behavioral Health Program
Exhibit A	SCOPE OF SERVICES	Stephen F. Signer, M.D., will provide Interim Medical Director coverage for Pomerado Hospital's Outpatient Behavioral Health Program. This treatment program provides needed services to acutely ill patients who suffer from severe mental health disorders, as well as the vulnerable Senior population.
	PROCUREMENT METHOD	<input type="checkbox"/> Request for Proposal <input checked="" type="checkbox"/> Discretionary
5.1	TERM	January 1, 2007 until a permanent Medical Director is located by PPH
	RENEWAL	N/A
5.3 5.4 5.5	TERMINATION	a. Immediately for cause b. Not less than 30 days of written notice without cause
2.1	COMPENSATION METHODOLOGY	Monthly payment on or before the 15 th of each month with supporting documentation of the prior month's time records.
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO - IMPACT: None.
	EXCLUSIVITY	<input checked="" type="checkbox"/> No <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	In order to remain compliant with CMS requirements for Outpatient Behavioral Health Services, medical oversight is needed.
	POSITION NOTICED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO METHODOLOGY & RESPONSE: Posted in Medical Staff Offices for 30 days
	ALTERNATIVES/IMPACT	Proceeding without this arrangement would cause the services to be out of compliance with CMS requirements and jeopardize ongoing mental health to a vulnerable population.
Exhibit E	DUTIES	<input checked="" type="checkbox"/> PROVISION FOR STAFF EDUCATION <input checked="" type="checkbox"/> PROVISION FOR MEDICAL STAFF EDUCATION <input checked="" type="checkbox"/> PROVISION FOR PARTICIPATION IN QUALITY IMPROVEMENT
	COMMENTS	
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> Officer <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Finance Committee <input checked="" type="checkbox"/> BOD

INTERIM MEDICAL DIRECTOR SERVICES AGREEMENT

between

**PALOMAR POMERADO HEALTH,
a local healthcare district**

and

Stephen Signer, M.D.

January 1, 2007

INTERIM MEDICAL DIRECTOR SERVICES AGREEMENT

THIS INTERIM MEDICAL DIRECTOR SERVICES AGREEMENT (“Agreement”) is made and entered into effective January 1, 2007, by and between Palomar Pomerado Health, a local healthcare district organized pursuant to Division 23 of California Health and Safety Code (“PPH”) and Stephen Signer, M.D. (“Medical Director”).

RECITALS

A. PPH is the owner and operator of Pomerado Hospital, a general acute care hospital located at 15615 Pomerado Road, Poway, California (“Hospital”).

B. PPH operates a Psychiatric Outpatient Program (“Program”) at Pomerado Hospital, which is a part of a continuum of PPH’s Behavioral Health Services.

C. Medical Director is a physician who is qualified and licensed to practice medicine in the State of California, is experienced and qualified in the specialized field of Psychiatry, and who is a member of the Medical Staff of Hospital (“Medical Staff”).

D. Program consists of facilities and equipment owned by Hospital and staffed by Hospital employees.

E. Hospital desires to retain Medical Director to provide certain temporary administrative services (“Administrative Services”) until a permanent Medical Director can be located for the operation of the Program. Hospital has determined that this proposed arrangement with Medical Director will enhance the Program’s and Hospital’s organization, procedure standardization, economic efficiency, professional proficiency, and provide other benefits to enhance coordination and cooperation among the Program’s providers and users.

F. Hospital and Medical Director acknowledge and agree that this Agreement shall supersede the agreements, if any, previously entered into by the parties for the provision of Administrative Services.

**INTERIM MEDICAL DIRECTOR
GERO-PSYCHIATRIC UNIT - POMERADO HOSPITAL**

TO: Board Finance Committee

DATE: Tuesday, May 29, 2007

FROM: Sheila Brown, R.N., M.B.A., Chief Clinical Outreach Officer
Susan Linback, R.N., M.B.A., Service Line Administrator, Behavioral Health

BACKGROUND: This is a request to approve the Interim Medical Director Agreement with Stephen Signer, M.D., for the Gero-Psychiatric Unit at Pomerado Hospital. Dr. Signer will provide Medical Director coverage and medical leadership on an interim basis until such time as a permanent Medical Director can be recruited or determined. This treatment program provides needed services to acutely ill patients who suffer from severe mental health disorders, as well as to the vulnerable Senior population.

BUDGET IMPACT: No Budget Impact

STAFF RECOMMENDATION: Staff recommends approval of the Interim Medical Director Agreement with Stephen Signer, M.D., for the Gero-Psychiatric Unit at Pomerado Hospital, commencing on January 1, 2007, until such time as a permanent Medical Director can be recruited or determined.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Interim Medical Director Gero-Psychiatric Unit at Pomerado Hospital Stephen F. Signer, M.D.
	AGREEMENT DATE	January 1, 2007
	PARTIES	1) PPH 2) Stephen F. Signer, M.D.
Recitals E	PURPOSE	To provide Psychiatric oversight for Pomerado Hospital's Gero-Psychiatric Unit
Exhibit A	SCOPE OF SERVICES	Stephen F. Signer, M.D., will provide Interim Medical Director coverage for Pomerado Hospital's Gero-Psychiatric Unit. This treatment program provides needed services to acutely ill patients who suffer from severe mental health disorders, as well as the vulnerable Senior population.
	PROCUREMENT METHOD	<input type="checkbox"/> Request for Proposal <input checked="" type="checkbox"/> Discretionary
5.1	TERM	January 1, 2007 until a permanent Medical Director is located by PPH
	RENEWAL	N/A
5.3 5.4 5.5	TERMINATION	a. Immediately for cause b. Not less than 30 days of written notice without cause
2.1	COMPENSATION METHODOLOGY	Monthly payment on or before the 15 th of each month with supporting documentation of the prior month's time records.
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO - IMPACT: None.
	EXCLUSIVITY	<input checked="" type="checkbox"/> No <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	In order to remain compliant with CMS requirements for both Inpatient and Outpatient Behavioral Health Services, medical oversight is needed.
	POSITION NOTICED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO METHODOLOGY & RESPONSE: Posted in Medical Staff Offices for 30 days
	ALTERNATIVES/IMPACT	Proceeding without this arrangement would cause the services to be out of compliance with CMS requirements and jeopardize ongoing mental health to a vulnerable population.
Exhibit E	DUTIES	<input checked="" type="checkbox"/> PROVISION FOR STAFF EDUCATION <input checked="" type="checkbox"/> PROVISION FOR MEDICAL STAFF EDUCATION <input checked="" type="checkbox"/> PROVISION FOR PARTICIPATION IN QUALITY IMPROVEMENT
	COMMENTS	
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> Officer <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Finance Committee <input checked="" type="checkbox"/> BOD

INTERIM MEDICAL DIRECTOR SERVICES AGREEMENT

between

**PALOMAR POMERADO HEALTH,
a local hospital district**

and

Stephen Signer, M.D.

January 1, 2007

INTERIM MEDICAL DIRECTOR SERVICES AGREEMENT

THIS INTERIM MEDICAL DIRECTOR SERVICES AGREEMENT (“Agreement”) is made and entered on January 1, 2007 by and between Palomar Pomerado Health, a local health care district organized pursuant to Division 23 of California Health and Safety Code (“PPH”) and Stephen Signer, M.D. (“Medical Director”).

R E C I T A L S

A. PPH is the owner and operator of Pomerado Hospital, a general acute care hospital located at 15615 Pomerado Road, Poway, California (“Hospital”).

B. Hospital operates a Gero-Psychiatric Unit, formerly known as the Behavioral Medicine Center or “BMC” (the “Department”), which includes twelve (12) psychiatric beds and is part of a continuum of PPH’s Behavioral Health Services.

C. Medical Director is a physician who is qualified and licensed to practice medicine in the State of California, is experienced and qualified in the specialized field of Psychiatry, and who is a member of the Medical Staff of Hospital (“Medical Staff”).

D. Departments consist of facilities and equipment owned by Hospital and staffed by Hospital employees.

E. PPH desires to retain Medical Director on an interim basis until a permanent Medical Director is recruited and approved to provide certain administrative services (“Administrative Services”) in the operation of the Department. PPH has determined that this proposed arrangement with Medical Director will enhance the Department’s and Hospital’s organization, procedure standardization, economic efficiency, professional proficiency, and provide other benefits to enhance coordination and cooperation among the Department’s providers and users.

F. Hospital and Medical Director acknowledge and agree that this Agreement shall supercede the agreements, if any, previously entered into by the parties for the provision of Administrative Services.

G. It is the intent of both Hospital and Medical Director that the terms and conditions of this Agreement, and the manner in which services are to be performed hereunder, fulfill and comply with all applicable requirements of any applicable “safe harbor” or exception to Stark I and II including, but in no way limited to, the applicable requirements set forth in regulations promulgated by the Department of Health and Human Services, Office of Inspector General, and in the Ethics in Patient Referral Act.

Physician Recruitment Agreement

TO: Board Finance Committee

MEETING DATE: Tuesday, May 29, 2007

FROM: Marcia Jackson, Chief Planning Officer

Background: The PPH community lacks an adequate number of family practice physicians as verified by AmeriMed, a national consulting firm that specializes in physician manpower studies. PPH has an established physician recruitment program and had allocated resources to attract an additional family practice physician to relocate to Inland North San Diego County. Bridgette Franey, M.D., has signed a physician recruitment agreement with Palomar Pomerado Health and is prepared to establish a practice with Centre for Healthcare in Poway in July 2007.

Budget Impact: None

Staff Recommendation: Approval of the Physician Recruitment Agreement with Dr. Bridgette Franey and Centre for Healthcare, and recommend approval by the full Board of Directors.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Physician Recruitment Agreement—Family Practice
	AGREEMENT DATE	
	PARTIES	1) PPH 2) Centre for Healthcare 3) Bridgette Franey, M.D.
Recitals; Article I.1	PURPOSE	Provide recruitment assistance to enable Dr. Franey to establish a family practice at Centre for Healthcare in Poway
Article I	SCOPE OF SERVICES	Dr. Franey will establish a full-time family practice at Centre for Healthcare in Poway and will participate in government-funded programs.
2.2(a); Exhibit 3.1(a).2	TERM	18 mos. of income assistance; 36 months repayment/forgiveness period
Recruitment procedure D.2	RENEWAL	None available
Article VII	TERMINATION	Contract stipulates conditions for termination by hospital, termination by physician and termination in event of governmental action
Article II; 2.2, 2.3, 2.4, 2.5	COMPENSATION METHODOLOGY	For monthly income guarantee physician will submit monthly report of expenses and collections. For relocation and start-up cost assistance physician will submit receipts.
	BUDGETED	X YES <input type="checkbox"/> NO – IMPACT: None
6.5	EXCLUSIVITY	X NO <input type="checkbox"/> YES – EXPLAIN: Government prohibits hospitals from requiring physician to exclusively have privileges or make referrals only to their hospital
	PHYSICIAN MANPOWER STUDY	AmeriMed, a national consulting firm who performed our Physician Manpower Study, completed a family practice analysis which confirmed there is a justifiable community need for this recruitment
	EXTERNAL FINANCIAL VERIFICATION	X YES <input type="checkbox"/> NO Methodology: Medical Development Specialists (MDS) developed a pro forma for the practice to establish the contract value to cover income guarantee and cash flow needs. MDS also provided the market comparison to establish an appropriate income guarantee.
	LEGAL COUNSEL REVIEW	X Yes <input type="checkbox"/> No Legal counsel worked on this agreement and supports that agreement complies with Federal Regulations
	APPROVALS REQUIRED	X CPO X CFO X CEO X BOD Finance Committee on May 29, 2007 X BOD

PHYSICIAN RECRUITMENT AGREEMENT

by and among

PALOMAR POMERADO HEALTH (“Hospital”)

and

Bridgette Franey, M.D. (“Physician”)

and

Centre for Healthcare (“Group”)

PHYSICIAN RECRUITMENT AGREEMENT

THIS PHYSICIAN RECRUITMENT AGREEMENT (this “**Agreement**”) is entered into and effective as of July 1, 2007 (the “**Execution Date**”), by and among PALOMAR POMERADO HEALTH, a California district hospital (“**Hospital**”), Bridgette Franey, M.D., an individual (“**Physician**”), and Centre for Healthcare (PIMG), a professional corporation (“**Group**”). Hospital, Physician, and Group are sometimes referred to in this Agreement, individually, as a “**Party**” or, collectively, as the “**Parties.**”

RECITALS

A. Hospital owns and operates two acute care hospital facilities located in Inland North San Diego County, which serve the communities of Escondido, San Marcos, Valley Center, Pala, Pauma Valley, Ramona, Julian, Poway, Rancho Bernardo, and Rancho Peñasquitos.

B. Physician is duly licensed to practice medicine in the State of California (the “**State**”) and is board certified for the practice of medicine in the specialty of family practice (the “**Specialty**”).

C. At the time of the recruitment discussions, Physician was employed by a medical practice in Huntsville, Alabama.

D. Hospital has determined that there is a community need for the services of Physician based upon the fact that:

1. The population-to-physician ratio in the community is deficient in the Specialty.
2. There is demand in the community for medical services in the Specialty and a documented lack of availability of or long waiting periods for medical services in the Specialty.
3. Physicians are reluctant to relocate to the community due to Hospital’s high cost of living, relatively high housing costs, and traditionally low level of reimbursement for medical services.
4. The number of physicians in the Specialty will be reduced due to the retirement or departure of physicians presently in the community within the next three-to-five year period.
5. There is a documented lack of physicians serving indigent or Medicaid patients in the community.

E. Physician has expressed to Hospital that Physician will not relocate to the Service Area without the financial assistance provided by Hospital pursuant to this Agreement.

April 2007 & YTD FY2007 Financial Report

TO: Board Finance Committee

MEETING DATE: Tuesday, May 29, 2007

FROM: Robert Hemker, CFO

Background: The Board Financial Reports (unaudited) for April 2007 and YTD FY2007 are submitted for the Finance Committee's approval (*Addendum B*).

Budget Impact: N/A

Staff Recommendation: Staff recommends approval.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time: