

**CEQA Environmental Assessment Report
Rancho Peñasquitos Satellite Medical Facility
12855 Black Mountain Road, San Diego, CA**

TO: Board of Directors

MEETING DATE: Tuesday, June 26, 2007

FROM: Robert Hemker, CFO
Mike Shanahan, Director of Facilities Planning & Development

Background: As a part of the planning and building of the proposed new satellite clinic and wellness center located in Rancho Peñasquitos, the required environmental due diligence research has been completed. The project was found to be in substantial conformance with the California Environmental Quality Act (CEQA) process. The findings were shared publicly, comments were received, and recommendations were incorporated into the final documents for the Board's review and consideration. It is recommended that the Board adopt the findings as presented.

NOTE: *The Final Environmental Initial Study and Mitigated Negative Declaration [referenced as Attachment 1 in Resolution No. 06.26.07(01)-04] has been provided to members of the Board under separate cover and is available to the public in the office of the Board Assistant at the District's Corporate Offices, 15255 Innovation Drive, San Diego, CA.*

Budget Impact:

Staff Recommendation: Staff recommends approval of the findings, including the associated Board resolutions.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action: X

Information:

Required Time:

RESOLUTION NO. 06.26.07 (01) – 04

RESOLUTION OF THE BOARD OF DIRECTORS OF PALOMAR POMERADO HEALTH CERTIFYING THE FINAL MITIGATED NEGATIVE DECLARATION OF THE RANCHO PEÑASQUITOS SATELLITE MEDICAL FACILITY PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

Whereas, in order to continue to provide accessible health care services, including trauma, emergency room and acute care services, to a population anticipated to grow to approximately 1.3 million within the next twenty years, the Board of Directors ("Board") of Palomar Pomerado Health (the "District"), with the input of District medical staff, nursing personnel and support personnel and members of the public, has developed a comprehensive Facilities Master Plan to address the future health care needs of the population of the District;

Whereas, the Facilities Master Plan identifies the need for a satellite medical facility in the vicinity of the Rancho Peñasquitos community;

Whereas, Palomar Pomerado Health has acquired an approximately 4.5 acre site located at 12855 Black Mountain Road, San Diego, CA;

Whereas, the District is proposing to provide approximately 40,000 square feet of outpatient clinic/medical office space and approximately 11,500 square feet of a Community Wellness Center in the development of the District's Rancho Peñasquitos Satellite Medical Facility (the "Project");

Whereas, implementation of the Project also requires the City of San Diego to make discretionary land use and permit approvals;

Whereas, pursuant to the laws of the State of California and pursuant to conditions of Measure BB, all projects in the Facilities Master Plan are required to comply with the rules and regulations of the California Environmental Quality Act ("CEQA");

Whereas, the applicant for the Project is the District, and the lead agency for the Project under CEQA is also the District per CEQA Guidelines Section 15051;

Whereas, the District has consulted with the City of San Diego;

Whereas, the District circulated the Draft Environmental Initial Study and Mitigated Negative Declaration ("MND") for public review in compliance with CEQA.

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. Recitals and Findings. The Board of Directors of Palomar Pomerado Health acting in its capacity as lead agency has prepared an Environmental Initial Study, Final MND and accompanying Mitigation Monitoring Report ("MMRP") (Attachment 1) to implement the Project, and the Board after considering the whole record including the comments received during the public review period makes the following findings with respect to certification of the Final MND and adoption of the MMRP:

No Impact-The initial study concludes that the proposed project would result in no impacts to agricultural resources, mineral resources, population and housing, and recreational resources because these resources/land uses do not occur on the site and would not be adversely affected by the proposed project.

Less Than Significant Impact-The proposed project would result in either no impacts or less than significant impacts to aesthetics, cultural resources (except paleontological resources), geology and soils, hazards and hazardous materials, hydrology/water quality, land use, public services, transportation/traffic and utilities.

Potentially Significant Unless Mitigation Incorporated-The proposed project would result in direct significant and mitigable impacts to air quality, biological resources, paleontological resources and noise. The District finds consistent with the California Code of Regulations, Title 14, Division 6, Section 15369.5, that a Final MND has been prepared as the initial study has identified potentially significant effects on the environment, but (1) revisions in the project plans or proposals made by, or agreed to by, the applicant before the proposed negative declaration and initial study were released for public review avoid the effects or mitigate the effects to a point where no significant effects on the environment would occur, and (2) there is no substantial evidence in light of the whole record before the public agency that the project, as revised, may have a significant effect on the environment. The scope of the mitigation measures is addressed in the Final MND and implemented by the MMRP.

Section 2: Approval of Environmental Documents-The Board certifies the Final MND for the Rancho Peñasquitos Satellite Medical Facility and adopts the accompanying MMRP (Attachment 1).

PASSED AND ADOPTED at a meeting of the Board of Directors of Palomar Pomerado Health held on June 26, 2007, by the following vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

Dated: June 26, 2007

ATTESTED:

BY: _____
Marcelo Rivera, M.D.
Chair, Board of Directors
Palomar Pomerado Health

Linda Greer, R.N.
Secretary, Board of Directors

RESOLUTION NO. 06.26.07(02) – 05

**RESOLUTION OF THE BOARD OF DIRECTORS OF
PALOMAR POMERADO HEALTH FOR APPROVAL OF THE
RANCHO PEÑASQUITOS SATELLITE MEDICAL FACILITY**

Whereas, the Board of Directors of Palomar Pomerado Health (the “District”) has previously approved a Facilities Master Plan for the repair, replacement and expansion of health care facilities to meet the needs of the District’s constituents through the year 2030;

Whereas, the Facilities Master Plan has identified the need for a satellite facility generally within the Rancho Peñasquitos community in the City of San Diego;

Whereas, the Board of Directors of the District (the “Board”) has determined the establishment of a satellite medical facility is necessary to fulfill the stated need in the Facilities Master Plan;

Whereas, in November 2004 the voters of the District passed Proposition BB to provide bond financing to pay for repair, expansion and replacement of health care facilities in the Facilities Master Plan that will help meet projected health care needs;

Whereas, the District is proposing to develop an approximately 51,500 square foot healthcare facility on an approximately 4.5 acre site located at 12855 Black Mountain Road, San Diego, CA (the “Project”);

Whereas, the Project consists of an outpatient clinic and medical offices and a Community Wellness Clinic;

Whereas, the City of San Diego Planning Commission has approved the initiation of a Community Plan Amendment;

Whereas, the District has applied for the necessary land use and permit approvals from the City of San Diego,

Whereas, the District has prepared an Environmental Initial Study and Final Mitigated Negative Declaration for the Rancho Peñasquitos Satellite Medical Facility in compliance with the California Environmental Quality Act;

Whereas, the Project will give the District the ability to continue to provide exceptional health care to its participants and increase the regional capacity of health care facilities to meet future demand for care;

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. Recitals and Findings. The foregoing recitals and findings are true and correct, and this Board so finds and determines.

Section 2. Approval of Project. Based on the foregoing, the Board hereby approves the Project and directs District Staff to take all actions required to obtain the necessary approvals from the City of San Diego and to implement the Project.

PASSED AND ADOPTED at a meeting of the Board of Directors of Palomar Pomerado Health held on June 26, 2007, by the following vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

Dated: June 26, 2007

ATTESTED:

BY: _____
Marcelo Rivera, M.D.
Chair, Board of Directors
Palomar Pomerado Health

Linda Greer, R.N.
Secretary, Board of Directors

RESOLUTION NO. 06.26.07(03) – 06

**RESOLUTION OF THE BOARD OF DIRECTORS OF
PALOMAR POMERADO HEALTH EVIDENCING
COMPLIANCE WITH THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT RANCHO
PEÑASQUITOS SATELLITE MEDICAL FACILITY**

Whereas, the Board of Directors of Palomar Pomerado Health (the "District") previously authorized the issuance of \$80,000,000 aggregate principal amount of Palomar Pomerado Health General Obligation Bonds, Election of 2004, Series 2005A (the "Bonds");

Whereas, the terms and provisions of the Bonds were set forth in the Paying Agent Agreement, dated as of June 1, 2005 (the "Paying Agent Agreement"), between the District and Wells Fargo Bank, National Association, as paying agent;

Whereas, pursuant to, and in accordance with, the provisions of the California Environmental Quality Act, Public Resources Code §§21000 et seq. and its implementing regulations, 14 California Code of Regulations Chapter 3, §§15000 et seq. (hereinafter collectively referred to as "CEQA"), and, pursuant to, and in accordance with the provisions set forth in Section 5.08 of the Paying Agent Agreement, the Board of Directors of the District (the "Board") reviewed and approved a proposal for new medical facilities for a site in the Rancho Peñasquitos community and submitted a community plan amendment, rezoning and necessary discretionary permits in connection therewith (as contemplated and described in the hereinafter referred to Environmental Initial Study and Final Mitigated Negative Declaration PPH Rancho Peñasquitos Satellite Medical Facility, the "Project");

Whereas, pursuant to such review with respect to such Project, the District adopted a Final Mitigated Negative Declaration with certain findings consistent with the provisions of CEQA in June 2007, and the Board directed the Planning and Facilities Director to file a notice of determination with the Clerk of the County of San Diego and the Governor's Office of Planning and Research in accordance with CEQA with respect to such Project;

Whereas, such filing constitutes and evidences CEQA Compliance (as such term is defined in the Paying Agent Agreement) with respect to such Project; and

Whereas, evidence of such filing will be maintained in the records of the District in accordance with Section 5.08 of the Paying Agent Agreement.

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. Recitals and Findings. The foregoing recitals and findings are true and correct, and this Board so finds and determines.

Section 2. Evidence of Compliance with Paying Agent Agreement Requirements. Adoption of this Resolution shall evidence compliance with the requirements set forth in the Paying Agent Agreement relating to CEQA Compliance, including, without limitation, Section 3.04 and Section 5.08 of the Paying Agent Agreement.

PASSED AND ADOPTED at a meeting of the Board of Directors of Palomar Pomerado Health held on June 26, 2007, by the following vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

Dated: June 26, 2007

ATTESTED:

BY: _____
Marcelo Rivera, M.D.
Chair, Board of Directors
Palomar Pomerado Health

Linda Greer, R.N.
Secretary, Board of Directors

Minutes
Finance Committee – May 29, 2007

TO: Board Finance Committee

MEETING DATE: Tuesday, June 26, 2007

FROM: Tanya Howell, Secretary

BY: Bob Hemker, CFO

Background: The minutes of the Board Finance Committee meeting held on Tuesday, May 29, 2007, are respectfully submitted for approval (*Addendum A*).

Budget Impact: N/A

Staff Recommendation: Staff recommends approval of the Tuesday, May 29, 2007, Board Finance Committee minutes.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

**Finance Committee Date Change
for Tuesday, August 28, 2007, Meeting**

TO: Board Finance Committee

MEETING DATE: Tuesday, June 26, 2007

FROM: Tanya Howell, Secretary

BY: Bob Hemker, CFO

Background: A request has been made to change the date of the Finance Committee meeting currently scheduled on Tuesday, August 28, 2007, in Graybill Auditorium at Palomar Medical Center, 555 East Valley Parkway, Escondido, CA. The Finance Committee was polled, and most members will be available for the new date of **Tuesday, September 4, 2007**, with the meeting to be held in the **Second Floor Conference Room of the new PPH Warehouse Building, located at 2227 Enterprise Street, Escondido, CA.** The timing would be 5:30 p.m. for dinner (for Board & Invited Guests Only), with a 6:00 p.m. meeting start time. The Finance Committee will be requested to approve the changes in date and location.

Budget Impact: N/A

Staff Recommendation: Approval of the change in the date and location of the Tuesday, August 28, 2007, Finance Committee meeting to **Tuesday, September 4, 2007**, with the meeting to be held in the **Second Floor Conference Room of the new PPH Warehouse Building, located at 2227 Enterprise Street, Escondido, CA;** dinner at 5:30 p.m., meeting to begin at 6:00 p.m.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

Physician's Capital Advisory Committee (PCAC)

TO: Board Finance Committee
DATE: Tuesday, June 26, 2007
FROM: Alan J. Conrad, M.D., Chair, PCAC

BACKGROUND: Information will be presented regarding the Physician's Capital Advisory Committee (PCAC) and its role in aiding Management in the prioritization of capital expenditures throughout the year. A copy of the prioritized capital schedule for Fiscal Year 2008 is attached.

BUDGET IMPACT: N/A

STAFF RECOMMENDATION: Information only

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

Item #	CJ Form	Zone	Purchase Month	DEPT#	DEPT NAME	Item Description	TYPE	Justification	ITEM QTY	UNIT COST	SUBTOTAL	FURNISHING COST	CONSTRUCTION COST	(10%) TAX/FRT	TRADE-IN ALLOWANCE	TOTAL COST		
priority																		
Dollar limit for this category - \$2.7 million																		
Tier 1 - top priority to purchase for fy08																		
Tier 1 - 1	med	17	207540-1cj2.xls	20-PMC	January	207540	Blood bank	Automated Blood Bank instrument for patient typing, antigen typing, antibody screens, crossmatching and antibody identification.	E	C	1	118,800	118,800			11,880	130,680	
Tier 1 - 2	med	82		20-PMC	July	207420	Surgery	Valley Lab ESU cautery units	A	A	10	18,000	180,000			18,000	198,000	
Tier 1 - 3	med							Novo Innov sol			1	500,000	500,000			50,000	550,000	
Tier 1 - 4	med	20	207710-3cj2.xls	20-PMC	August	207710	Pharmacy	Pyxis Connect2	D	D	1	329,724	329,724			32,972	362,696	
Tier 1 - 4	med	38	307710-3cj2.xls	30-POM	January	307710	Pharmacy	Pyxis Connect2 is a hardware and software product that would replace fax machines. It is an advanced physician order management system comprised of digital scanners and image devices.	D	D	1	156,381	156,381			0	156,381	
Tier 1 - 5	med						Lab	Lab Spec Collec - barcoding			1	700,000	700,000			70,000	770,000	
Tier 1 - 6	med	238		30-POM	July	307420	Surgery	HD Video Equipment for Laparoscopy	A	A	2	125,000	250,000			25,000	275,000	
																Total Tier 1	2,442,757	
Tier 2 - second priority to purchase for fy08																		
Tier 2	med	14	207420-1cj2.xls	20-PMC	November	207420	Surgery	Stockert SIII Heart Lung Perfusion System	A	A	1	109,256	109,256			10,926	120,182	
Tier 2	med	202		30-POM	July	306400	Labor & Delivery	Datex Ohmeda Anesthesia Machine	A	A	2	55,767	111,534			11,153	122,687	
Tier 2	med							Hemodynamic monitoring			1	244,539	244,539			24,454	268,993	
																Total Tier 2	511,862	2,954,619
Tier 3 - third priority to purchase for fy08																		
Tier 3	med	21	207720-1cj2.xls	20-PMC	July	207720	Respiratory Ther	Purchase 12 Maquet ventilators. This is year 2 purchase of a 3-year capital project. We are replacing 12 ventilators that are beyond 10 years of age with 50,000+ hours of operation logged in.	A	A	1	372,000	372,000			37,200	409,200	
Tier 3	med	255		30-POM	July	307420	Surgery	Microscope - Zeiss	E	C	1	230,000	230,000			23,000	253,000	
																Total Tier 3	662,200	3,616,819

Outpatient Women's Center Business Plan

TO: Board Finance Committee

DATE: Tuesday, June 26, 2007

FROM: Diane Key, Service Line Administrator, Women's Services

BACKGROUND: The PPH Board of Directors prioritized the development of a comprehensive women's service line with a major component being a women's center. A strategic plan for women's services was developed and has now been further refined into a business plan, the details of which are attached (*Addendum B*). The first outpatient women's center will be located in the Pomerado Outpatient Pavilion on the Pomerado Hospital campus, and it will be an essential component of the women's services necessary to establish PPH as a competitive player in the market.

BUDGET IMPACT: Initiative not included in FY08 Budget.

STAFF RECOMMENDATION: At the Board Strategic Planning Committee meeting on June 12, 2007, staff recommended and received approval of the Outpatient Women's Center Business Plan.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

**Palomar Pomerado Health
Breast Center Medical Director Agreement
Lori Coleman, M.D.**

TO: Board Finance Committee

MEETING DATE: Tuesday, June 26, 2007

FROM: Diane Key, SLA, Women & Children's Services

BACKGROUND: Pomerado Hospital is in the process of establishing a Breast Center and has identified the need for a medical director. This is a request to approve the Medical Director Agreement with Lori Coleman, M.D., for the Breast Center at Pomerado Hospital. Dr. Coleman will provide support for the development, implementation and ongoing medical oversight of the Breast Center.

BUDGET IMPACT: Not included in FY08 Budget due to pending approval of the Women's Center business plan.

STAFF RECOMMENDATION: Staff recommends approval of the one-year Medical Director Agreement with Lori Coleman, M.D., for the Breast Center at Pomerado Hospital.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Breast Center Medical Director Agreement
Preamble	AGREEMENT DATE	July 1, 2007
Preamble	PARTIES	Lori Coleman, MD and Palomar Pomerado Health
Recital E	PURPOSE	Medical Directorship including Administrative services for the Breast Center at Pomerado
Exhibit A	SCOPE OF SERVICES	Medical Directorship including Administrative services for the Breast Center at Pomerado
	PROCUREMENT METHOD	Request For Proposal <input type="checkbox"/> Discretionary Memorandum regarding medical director position posted for all PPH medical staff.
4.1	TERM	One (1) year
	RENEWAL	
4.2	TERMINATION	Without cause or penalty with no less than 90 days prior written notice, for cause as defined in the agreement
3.1	COMPENSATION METHODOLOGY	Compensation for medical director oversight for the Breast Center based approx 8 hours per week
	BUDGETED	YES <input checked="" type="checkbox"/> NO – IMPACT: Not included in FY08 Budget pending approval of the Women’s Center business plan.
Exhibit A	EXCLUSIVITY	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES – EXPLAIN: Administration recommends single provider group for scope of services to assure consistent administrative oversight.
	JUSTIFICATION	Required for consistent administrative oversight.
	POSITION POSTED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Methodology & Response: Memorandum regarding medical director position posted for all PPH medical staff.
	ALTERNATIVES/IMPACT	Hire a consultant to facilitate the development, implementation and provide oversight for the Breast Center.
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

BREAST CENTER MEDICAL DIRECTOR AGREEMENT

between

PALOMAR POMERADO HEALTH
a local health care district

and

Lori Coleman, M.D.

July 1, 2007

MEDICAL DIRECTOR AGREEMENT

THIS MEDICAL DIRECTOR AGREEMENT (“Agreement”) is made and entered into effective July 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 Lori Coleman, M.D.

R E C I T A L S

- A. Palomar Pomerado Health 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 Breast Center (“the center”).
- C. Medical Director is a physician who is qualified and licensed to practice medicine in the State of California, is experienced, and board certified in a specialized field of Medicine related to the assessment, diagnosis, or treatment of breast health issues, 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 as an independent contractor to provide certain administrative services (“Administrative Services”) in the operation of the center and has determined that this proposed arrangement with Medical Director will enhance the Center’s and Hospital’s organization, procedure standardization, economic efficiency, professional proficiency, and provide other benefits to enhance coordination and cooperation among the Center’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 Program 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, June 26, 2007

FROM: Marcia Jackson, Chief Planning Officer

Background: The PPH community lacks an adequate number of OB/GYN physicians as verified by Medical Development Specialists, a national consulting firm that specializes in physician manpower studies. PPH has an established physician recruitment program and had allocated resources to attract additional OB/GYN physicians to relocate to Inland North San Diego County. Hahn Le, M.D. has signed the PPH Physician Recruitment Agreement in order to establish a practice in Poway, CA. She intends to begin practicing in August 2007.

Budget Impact: None

Staff Recommendation: Approval of the Physician Recruitment Agreement with Dr. Le 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—OB/GYN
	AGREEMENT DATE	
	PARTIES	1) PPH 2) Hahn Le, M.D.
Recitals; Article I.1	PURPOSE	Provide recruitment assistance to enable Dr. Le to establish an OB/GYN practice in Poway
Article I	SCOPE OF SERVICES	Dr. Le will establish a full-time OB/GYN practice in Poway and will participate in government-funded programs.
2.2(a); Exhibit 3.1(a)-2	TERM	1 year of income assistance; two year repayment/forgiveness period
Recruitment procedure D.2	RENEWAL	None available
Article VI	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, 2.7	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	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT: None
1.5, 5.4	EXCLUSIVITY	<input checked="" type="checkbox"/> 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	Medical Development Specialists, a national consulting firm who performed our Physician Manpower Study, completed an analysis which confirmed there is a justifiable community need for this recruitment
	EXTERNAL FINANCIAL VERIFICATION	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Methodology: Medical Development Specialists (MDS) developed a proforma 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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No No exceptions to the standard agreement. Legal supports that template agreement complies with Federal Regulations
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> CPO <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Finance Committee on June 26, 2007 <input checked="" type="checkbox"/> BOD

PHYSICIAN RECRUITMENT AGREEMENT
by and between
PALOMAR POMERADO HEALTH (“Hospital”)
and
Hahn Le, M.D. (“Physician”)

PHYSICIAN RECRUITMENT AGREEMENT

THIS PHYSICIAN RECRUITMENT AGREEMENT (this “**Agreement**”) is entered into and effective as of August 1, 2007 (the “**Execution Date**”), by and between Palomar Pomerado Health, a California district hospital (“**Hospital**”), and Hahn Le, M.D., an individual (“**Physician**”). Hospital and Physician are sometimes referred to in this Agreement, individually, as a “**Party**” or, collectively, as the “**Parties.**”

RECITALS

A. Hospital owns and operates an acute care hospital facilities located in Inland North San Diego County, which serves 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 Obstetrics and Gynecology (the “**Specialty**”).

C. At the time of the recruitment discussions, Physician operated a medical practice in Fallbrook, California.

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.
6. Physician will establish a medical practice that provides one or more professional medical services not currently available in the community.
7. The addition of Physician to the medical staff of Hospital will allow Hospital to expand a program or service.

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

**PALOMAR POMERADO HEALTH FOUNDATION
PALOMAR POMERADO NORTH COUNTY HEALTH DEVELOPMENT
INCREASE IN LINES OF CREDIT**

TO: Board Finance Committee

MEETING DATE: Tuesday, June 26, 2007

FROM: Bob Hemker, CFO

Background: Proposed increases in the Lines of Credit with the Palomar Pomerado Health Foundation and Palomar Pomerado North County Health Development, pursuant to the Board-approved budget for FY2008, will be discussed. Documentation will be distributed at the meeting.

Budget Impact: N/A

Staff Recommendation: Approval of the proposed increases in the Lines of Credit with the Palomar Pomerado Health Foundation and Palomar Pomerado North County Health Development.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

May 2007 & YTD FY2007 Financial Report

TO: Board Finance Committee

MEETING DATE: Tuesday, June 26, 2007

FROM: Robert Hemker, CFO

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

Budget Impact: N/A

Staff Recommendation: Staff recommends approval.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time: