

**Palomar Pomerado Health  
BOARD OF DIRECTORS  
REGULAR BOARD MEETING**  
Palomar Medical Center, Graybill Auditorium, Escondido  
Monday, February 13, 2006

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<b>CALL TO ORDER</b>	6:35 pm Quorum comprised Directors Bassett, Greer, Kleiter, Krider, Larson, Rivera and Scofield.		
<b>OPENING CEREMONY</b>	The Pledge of Allegiance was recited in unison, followed by an inspirational reading by Chaplain Hard ( <i>attached to original minutes</i> ).		
<b>MISSION AND VISION STATEMENTS</b>	<p>The PPH mission and vision statements were read by Director Krider, as follows:</p> <p><i>The mission of Palomar Pomerado Health is to heal, comfort and promote health in the communities we serve.</i></p> <p><i>The vision of PPH is to be the health system of choice for patients, physicians and employees, recognized nationally for the highest quality of clinical care and access to comprehensive services.</i></p>		
<b>NOTICE OF MEETING</b>	Notice of Meeting was mailed consistent with legal requirements		
<b>RECOGNITION</b>	Chairman Rivera recognized Dr. Ruth Larson seated in the audience, welcoming her to the meeting.		
<b>PUBLIC COMMENTS</b> <ul style="list-style-type: none"> <li>• Mr. Robroy Fawcett</li> </ul>	Mr. Fawcett addressed the Board on the matter of agreements adopted and passed by the City Council of Escondido regarding Citracado Parkway. He would like to make further inquiry as to the developers who stand to benefit from Citracado Parkway, and how far this sphere of influence reached, or was it just the ERTC development. He then referred to the MOU regarding the office building and the		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	<p>crossover as he is strongly against this, as he would view it as a terminus, referring also to liability issues.</p> <p>He emphasized that PMC is not fifty years old and we must determine whether we are going to market it over the next five years.</p> <p>He also referred to a public record request he had submitted for the Kaiser Agreement, indicating that he should have been able to obtain a copy.</p> <p>Mr. Fawcett was thanked for his comments.</p>		
<p><b>APPROVAL OF MINUTES</b></p> <ul style="list-style-type: none"> <li>• Regular Board Meeting January 9, 2006</li>   <li>• Special Joint Board and Regular Finance Committee Meeting January 26, 2006</li> </ul>		<p><b>MOTION:</b> by Scofield, 2<sup>nd</sup> by Greer and carried to approve the January 9, 2006 Regular Board Minutes as submitted. All in favor. None opposed.</p> <p><b>MOTION:</b> by Krider, 2<sup>nd</sup> by Kleiter and carried to approve the January 26, 2006 Special Joint Board and Regular Finance Committee Minutes as submitted. All in favor. None opposed.</p>	
<p><b>APPROVAL OF AGENDA to accept the Consent Items as listed</b></p>		<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Scofield and carried to approve the Consent Items as submitted. All in favor. None opposed.</p>	
<p><b>PRESENTATIONS</b></p>			
<ul style="list-style-type: none"> <li>▪ 2005 CHA Leadership in Governance Award to Alan W. Larson, M.D.</li> </ul>	<p>On behalf of Duane Dauner, President of the California Hospital Association (CHA) who had sent regrets that he was now unable to attend, Steve Escoboza, President &amp; CEO of the Hospital Association of San Diego &amp; Imperial Counties, kindly agreed to present the CHA Leadership in Governance Award plaque to Dr. Larson on Mr. Dauner's behalf. The award recognized hospital trustees who had shown outstanding public service and had</p>	<p>Board Members all joined in acknowledging the leadership and efforts of Dr. Larson, particularly for his honesty, integrity, concern for quality and patient care/pain management, and as a true visionary.</p> <p>Mr. Covert concurred, noting that Dr. Larson was a great healer and facilitator and that we were fortunate</p>	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	<p>exhibited leadership, strategic planning and stewardship abilities towards the hospital system. Today CHA took pleasure in honoring Dr. Larson in this manner.</p> <p>Dr. Larson joined the Pomerado Medical Staff in 1983 and was elected to the PPH Board in 1998. He led PPH in the development of a Master Facility Plan including a 500 bed acute care hospital and under his direction passed a \$500 million revenue bond. He had demonstrated continued interest in PPH's quality and patient safety efforts, and instrumental in establishing a four-year School of Nursing program at CSUSM. The Board and audience then stood to applaud Dr. Larson.</p> <p>Dr. Larson thanked everyone for this prestigious award from CHA. He was touched by the occasion and receipt of such a beautiful plaque, accepting it on behalf of PPH as he felt it had been a truly team effort of the Board and Staff working in harmony that led to approval of the Strategic Plan and ultimately the successful passage of Proposition BB. He also acknowledged the strong leadership of Mr. Covert and noted that it would never have been possible without the PPH Foundation and our Physicians working towards our Strategic Plan.</p> <p>In addition, Dr. Larson thanked his inspirational wife, "Dr. Ruth" and Leah Larson who had worked tirelessly for the "BB" effort and that it was the most special award he had received.</p>	<p>that he was on the Board during this period.</p> <p>Chairman Rivera thanked Mr. Escoboza, on behalf of CHA, for taking the time to present this special award to Dr. Larson.</p>	
<ul style="list-style-type: none"> <li>▪ Professional Enhancement Program (PEP)</li> </ul>	<p>Lorie Shoemaker then provided a handout (attached to original minutes) to the Board regarding PPH Nursing Service Excellence and the Professional Enhancement Program (PEP), noting that this was a voluntary program designed by nurses for nurses and it allowed</p>	<p>Chairman Rivera thanked Ms Shoemaker for her informative presentation.</p>	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	<p>for greater reward for greater participation. It provided a consistent mechanism that defines advanced clinical nursing practice, enhancing job satisfaction for registered nurses. It was also a development in progress that anticipated inclusion of Pharmacy, Dieticians, Therapists, LVNs and unlicensed assistive personnel.</p>		
<ul style="list-style-type: none"> <li>▪ "Go Red for Women" Conference Feb 3, 2006</li> </ul>	<p>Chairman Rivera moved this item up on the agenda from under "Reports" so as not to delay Dr. Stein or Barbara Buesch.</p> <p>They reported on this event that took place at the Hotel Del Coronado on February 3. PPH, a primary sponsor, received a framed Proclamation from the County Board of Supervisors in recognition of the work being undertaken at PPH in cardiac care and heart disease, as this was the leading cause of death in women, with emphasis now placed not only upon men, but on women presenting at PPH facilities for recognition of symptoms and resultant care.</p> <p>Barbara Buesch also noted that Cardiac Alert, Dr. Leahy's PPH model, was something the County is going to utilize.</p> <p>Dr. Stein then presented the framed Proclamation to the Board, following which Chairman Rivera thanked Dr. Stein and Ms Buesch for attending and presenting such an award to PPH.</p>	<p>Chairman Rivera referred to the recent passing of Corretta Scott King, noting that cancer deaths in women are gradually declining for the first time, and it was hoped that by now recognizing heart disease in women, this would be what such recognition did for cancer in the 70's and 80's.</p> <p>Director Krider said he appreciated being at the February 3 event.</p> <p>Director Bassett referred to a cardiac case of a woman being diagnosed at PPH facilities, after seven previous checks elsewhere failed to indicate a problem</p> <p>Director Scofield thanked Dr. Stein for his reports and considerable efforts in achieving such recognition.</p>	
<b>REPORTS</b>			
<b>Medical Staff</b>			
<b>Palomar Medical Center</b>			
<ul style="list-style-type: none"> <li>▪ <b>Credentialing</b></li> </ul>	<p>Robert D. Trifunovic, MD., Chief of PMC Medical Staff, presented PMC's requests for approval of Credentialing Recommendations.</p>	<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Bassett and carried to approve the PMC Medical Staff Executive Committee credentialing recommendations for the PMC Medical Staff, as presented.</p>	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
		<p>All in favor. None opposed.</p> <p>Director Larson abstained to avoid potential conflict of interest. Director Greer declined.</p>	
<ul style="list-style-type: none"> <li>▪ <b>Additional Medical Staff Credentialing (Patrick O'Meara, M.D.)</b></li> </ul>	<p>Robert D. Trifunovic, MD., Chief of PMC Medical Staff, presented PMC's additional request for approval of Credentialing Recommendations, noting that credentialing would expire on February 28, 2006. Request was made to reaffirm the Executive Committee's original recommendation for a two year reappointment through April 30, 2007.</p>	<p>Chairman Rivera requested that he pull this recommendation for modification, reminding that evaluation was undertaken and report awaited.</p> <p><b>MOTION:</b> by Rivera, 2<sup>nd</sup> by Krider and carried to extend credentialing privileges to Dr. O'Meara for 90 days and await receipt of the report. All in favor. None opposed.</p>	
<b>Escondido Surgery Center</b>			
<ul style="list-style-type: none"> <li>▪ <b>Credentialing</b></li> </ul>	<p>Marvin W. Levenson, MD, Administrator/ Medical Director of the Escondido Surgery Center, presented requests for approval of Credentialing Recommendations.</p>	<p><b>MOTION:</b> by Rivera, 2<sup>nd</sup> by Krider and carried to approve the PMC Medical Staff Executive Committee credentialing recommendations for the Escondido Surgery Center, as presented. All in favor. None opposed.</p> <p>Director Larson abstained to avoid potential conflict of interest. Director Greer declined.</p>	
<b>Pomerado Hospital</b>			
<ul style="list-style-type: none"> <li>▪ <b>Credentialing</b></li> </ul>	<p>Paul E. Tornambe, MD., Chief of Pomerado Medical Staff, presented Pomerado Hospital's requests for approval of Credentialing Recommendations.</p>	<p><b>MOTION:</b> by Scofield, 2<sup>nd</sup> by Bassett and carried to approve the Pomerado Hospital Medical Staff Executive Committee credentialing recommendations for the Pomerado Medical Staff, as presented. All in favor. None opposed. Director Larson abstained to avoid</p>	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
		potential conflict of interest. Director Greer declined.	
<ul style="list-style-type: none"> <li>▪</li> </ul>	Paul E. Tornambe, MD., Chief of Pomerado Medical Staff, presented for approval, Pomerado Hospital's amendment to OB/GYN Rules & Regulations.	<b>MOTION:</b> by Scofield, 2 <sup>nd</sup> by Kleiter and carried to approve the amendment to Pomerado Hospital's OB/GYN Rules & Regulations as presented. All in favor. None opposed.	
<b>Administrative</b>			
<b>Chairperson - Palomar Pomerado Health Foundation</b>	Ms Pauline Getz		
	<p>Ms Pauline Getz presented her verbal report commencing with hearty congratulations to the Board for the successful approval of a 5-0 vote by the Escondido City Council for the ERTC site.</p> <p>In addition, she was pleased with how the year end annual giving campaign went for 2005 noting that almost eight times was raised compared to that for 2004. Also, the new staff were doing a great job. She relayed that Barbara Warden and Dr. Jaime Rivas had joined the Foundation Board and whom she felt, were going to be active and productive members.</p> <p>Last month the acting Executive Director, Dr. Marilyn Johnson, attended the Association of Governing Boards event and she will determine how best to utilize that information. Also, significant progress was being made in the Foundation's website for "giving" online.</p>	<p>Director Larson inquired as to the status on fund-raising events such as charity balls, etc. Ms Getz responded that a moratorium had occurred on such events as they were staff-intensive but following the building up of new staff and a new plan, the Foundation was waiting until everything was in place for specific campaigns. Certain major Foundation events within the community would be developed over time.</p> <p>Chairman Rivera thanked Ms Getz for her detailed and informative report.</p>	
<b>Chairman of the Board - Palomar Pomerado Health</b>	Marcelo R. Rivera, MD		
<ul style="list-style-type: none"> <li>• <b>2006 Health Policy Legislative Day, February 22, Sacramento</b></li> </ul>	Chairman Rivera referred to the February 22 Health Policy Legislative Day and urged Board members to attend as he and Mr. Covert would be attending. Medicare and MediCal would be important issues, as well as budgetary restraints and other issues.		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<ul style="list-style-type: none"> <li>CHA/AHA Annual Meeting, April 30-May 3, Washington, D.C.</li> </ul>	<p>Chairman Rivera referred to this upcoming meeting, again urging those Board Members who may be interested or able to do so, attend if possible.</p>		
<ul style="list-style-type: none"> <li>January 11 letter from Escondido Chamber of Commerce supporting zoning amendment re: ERTC campus</li> </ul>	<p>Chairman Rivera referred to this letter of support for PPH from the Escondido Chamber of Commerce, noting on behalf of the Board, his sincere appreciation to the Chamber as he felt the letter contributed greatly for support of this project.</p>		
<ul style="list-style-type: none"> <li>Escondido City Council Meeting February 8</li> </ul>	<p>Chairman Rivera referred to the Escondido City Council meeting held February 8, 2006, commending Mr. Covert as masterful in the example he set in his ten minute opening statement answering a lot of the critics comments and dealing with the vision for the new hospital and facilities. Chairman Rivera acknowledged the background work done by Mr. Hemker, as well as Mr. Covert and Staff so that a 5-0 vote by the Escondido City Council in favor of PPH was reached that evening. About fifty people spoke for the District and ten spoken against.</p> <p>Chairman Rivera emphasized that we can continue to tear each other apart, or we can continue to try to engage those who disagreed originally and if we thought there was something they could positively do, that would be fine. He then referred to the Public Records Act and the many requests for public information that had been received, noting that everything is done in the open. We would not provide trade secrets, but we will share everything that is appropriate. He directed that those who disagreed use their energy in a positive and not a negative manner. The hospital will be built at the ERTC site and it will be the identity of the City of Escondido, but more importantly, the citizens have spoken. He cautioned to not waste our money, nor more time.</p>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	<p>He relayed Mr. Gerald Bracht's comments that every day of delay means that a patient waits in the E.D., or per Ms Marcia Jackson, patients have less than appropriate facilities. It was noted that experts are calling us from all over the country to find out how we achieved this major goal.</p>		
<p><b>President and CEO</b></p>	<p>Michael H. Covert</p>		
<ul style="list-style-type: none"> <li>• <b>Resolution No. 02.13.06 (01) – 01 Amendment to December 12, 2005 PPH Annual Review/Approval of Amended &amp; Restated Bylaws</b></li> </ul>	<p>Amendment due to typographical error, and that "Chief Planning Officer" continue under Non-voting Membership of the Strategic Planning Committee as originally approved in October 2004, instead of "Chief Marketing Officer".</p>	<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Larson and carried, that Resolution No. 02.13.06 (01) – 01 as submitted be adopted. All in favor. None opposed.</p>	
<ul style="list-style-type: none"> <li>• <b>Q12 Survey Results</b></li> </ul>	<p>Mr. Covert informed on the Q12 employee survey results in that PPH had seen improvement for the past three surveys moving from the 50%tile to the 73%tile. Our overall score moved from 4.04 to 4.10. Our FY06 goal is the 80%tile or 4.21.</p>		
<ul style="list-style-type: none"> <li>• <b>Patient Loyalty/Service Excellence Scores</b></li> </ul>	<p>Six departments scored at the 90%tile or higher: Pomerado Wound Care; Birth Center; Outpatient Rehab; Inpatient; and PMC Peds-NICU &amp; Telemetry. Our FY06 goal is 80%tile or 3.51.</p>		
<ul style="list-style-type: none"> <li>• <b>"Innovation Week" January 31-February 3</b></li> <li>• <b>"Expert Advisory Panel"</b></li> </ul>	<p>Mr. Covert relayed that we were half-way through the Schematic design drawings. These meetings during the week of January 31 enabled potential partnerships with our vendors, our Champion Teams and determination of environmental status. In addition, on January 30 an "Expert Advisory Panel" was held that was of great value.</p>		
<ul style="list-style-type: none"> <li>• <b>Appointment of Chief Information Officer</b></li> </ul>	<p>Mr. Covert was pleased to announce that, following a nation-wide search, Mr. Steve Tanaka, our interim CIO had been appointed as Chief Information Officer for PPH.</p>		
<ul style="list-style-type: none"> <li>• <b>Executive Staff Reports</b></li> </ul>	<p>Mr. Covert commented that reports from his Executive Staff would in future be presented to the Board quarterly and not every other month,</p>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	as this would coordinate with their own reports to him.		
<ul style="list-style-type: none"> <li>February 23 Special Board Meeting</li> </ul>	A special PPH Board Meeting would take place in conjunction with the regular Finance Committee to review several documents reviewed and approved by the City of Escondido but we have to wait until the second reading.		
<ul style="list-style-type: none"> <li>Pomerado Outpatient Services</li> </ul>	Items regarding Pomerado Outpatient Services, O/Patient parking and side roads, would be presented to the next Facilities and Grounds Committee meeting.		
<ul style="list-style-type: none"> <li>Board Educational Sessions</li> </ul>	<p>The Board was reminded that there would be an educational session regarding JCAHO with Dr. Massaro and scheduled by Opal Reinbold, to be held Friday, March 31.</p> <p>In addition, Mr. Covert relayed that Dr. Susan Frampton from the Planetree organization made an informative educational presentation to the Board on Friday, February 10.</p>		
<b>INFORMATION ITEMS</b>	<i>Discussion by exception only</i>		
<b>COMMITTEE REPORTS</b>	None		
<b>BOARD MEMBER COMMENTS/AGENDA ITEMS FOR NEXT MONTH</b>	<p>Numerous positive comments were made by the Board regarding the positive outcome of a 5-0 vote in favor of PPH at the Escondido City Council Meeting on February 8, a number of whom attended, noting that we can now move forward to build a new "hospital of future" as envisioned.</p> <p>Chairman Rivera, on behalf of the Board, lauded Director Larson as recipient of the CHA Leadership in Governance Award.</p> <p>In turn, Director Larson again thanked the Board. He also referred to Governance meetings held with counter-parts at Tri-City about five years ago, asking if it may be possible to reconvene or possibly bring legislators in to meet with everyone.</p>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	<p>He also asked about there being some reference template that might be used when there do not appear to be sufficient Board votes for credentialing matters and requested that Paul DeMuro look into the issue.</p>		<p>Paul DeMuro agreed to follow up</p>
<ul style="list-style-type: none"> <li>• <b>Recognition of Mr. Bob Hemker, CFO</b></li> </ul>	<p>Mr. Covert wished to recognize Mr. Bob Hemker for his efforts throughout the whole negotiation process concerning the ERTC site and related matters, and to show appreciation for Allen Haynie, Esq., as well as Mr. Mike Shanahan. We had much work to accomplish being a year behind schedule as unfortunately people had taken us away from our vision of healthcare, but this did not detract from the work ahead.</p>		
<p><b>ADJOURNMENT</b></p>	<p><b>7:55 p.m.</b></p>		
<p><b>SIGNATURES</b></p> <ul style="list-style-type: none"> <li>▪ <b>Board Secretary</b></li> <li>▪ <b>Board Assistant</b></li> </ul>	<p>_____</p> <p><b>Linda C. Greer, R.N.</b></p> <p>_____</p> <p><b>Christine D. Meaney</b></p>		