

Palomar Pomerado Health  
**BOARD OF DIRECTORS**  
**REGULAR BOARD MEETING**  
Palomar Medical Center, Graybill Auditorium, Escondido  
Monday, April 10, 2006

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
CALL TO ORDER	<p>6:30 pm  Quorum comprised Directors Bassett, Greer, Kleiter, Krider, Larson, Rivera and Scofield.</p> <p>Attorney Mark Pulliam was present on behalf of Paul DeMuro who was unable to attend.</p>		
OPENING CEREMONY	<p>The Pledge of Allegiance was recited in unison, followed by an inspirational reading by Chaplain Hard (<i>attached</i>).</p>		
MISSION AND VISION STATEMENTS	<p>The PPH mission and vision statements were read by Director Scofield, 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>		
NOTICE OF MEETING	<p>Notice of Meeting was mailed consistent with legal requirements</p>		
PUBLIC COMMENTS	<ul style="list-style-type: none"> <li>• Mr. Danny Thomas</li> </ul> <p>Mr. Thomas, RN of Escondido, long time employee nurse at PMC, spoke in regard to the respect for patients and nurses as well as common sense. He felt there was a fence being drawn between management and nurses. He noted that we were all working toward a common goal whilst valuing our differences (core values) and that Q12 explains what management should do. Reference was made</p>	<p>Chairman Rivera thanked Mr. Thomas for bringing his comments to attention.</p>	

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	to day labor from clinics and the need to ensure that all employees have TB shots through HR. He added that he had been called a "whistle blower" and that some staff were showing a certain pattern of behavior.		
<ul style="list-style-type: none"> <li>Ms Debbie Nelson</li> </ul>	<p>Ms Nelson, RN addressed the Board regarding the PPH family.. She agreed with Mr. Thomas's previous remarks and referred to the CEO's letters recently being disseminated via HotNews regarding union matters. A further letter was distributed which she viewed as "union busting". If there were employees involved, management should let the Union know the names of those people who are harassing others so that they might talk to them at the end of this meeting. Ms Nelson continued that this information should be provided to the union.</p>	<p>Chairman Rivera thanked Ms Nelson noting that her comments had been heard.</p>	
<ul style="list-style-type: none"> <li>Ms Sue Phillips</li> </ul>	<p>Ms Phillips, RN also addressed the Board in a similar manner, noting that she was concerned with the work environment desiring improvements and not "take aways". She emphasized the need for a Lift Team as this is only available between 8 am – 3 pm with the remainder of the day not covered and stated that colleagues were out with back injuries as a result and that nurses should never be abused by anyone. They should not be asked to "float" to the ER or other areas about which they are not familiar, including supplies, equipment etc. She emphasized that management should be working with the nurses and not against them and that they come to work to provide excellent patient care only if we work together.</p>	<p>Chairman Rivera noted Ms Phillips comments.</p>	
<ul style="list-style-type: none"> <li>Ms Jan France</li> </ul>	<p>Ms France, RN referred to Covert's Clips and updates, noting that she wanted to see union contract improvements. She provided background before the current CEO's arrival and their fight to be part of CNA and was concerned that they were being led down the same path as before. Ms France emphasized</p>		

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	that voting on the union shop was union-busting and felt that certain management tactics were not productive and challenged the Board not to support union-busting.		
<ul style="list-style-type: none"> <li>• Gil Millan</li> </ul>	<p>Mr. Millan representing CHEU Union referred to PPH Core Values, stating that everyone had been noticing the letters distributed by management. He spoke on behalf of his fellow co-workers noting that they are outraged that management is actively trying to dismantle the union. They were disappointed with the issue of closed shops but thanked everyone for the hard work that had been done with the unions. He appealed that management work more truthfully with the union.</p>	<p>Chairman Rivera thanked all for coming to present their views and understood the negotiating process, hoping that the unions come together and continue to negotiate in a positive manner, but noted that they also had issues to negotiate amongst themselves. He was hopeful for a successful resolution to negotiations.</p>	
<p><b>APPROVAL OF MINUTES</b></p> <ul style="list-style-type: none"> <li>• Regular Board Meeting March 13, 2006</li> </ul>		<p><b>MOTION:</b> by Scofield, 2<sup>nd</sup> by Kleiter and carried to approve the March 13, 2006 Regular Board Meeting minutes as submitted. All in favor. None opposed.</p>	
<ul style="list-style-type: none"> <li>• Special Joint Board/Strategic Planning Committee March 16, 2006</li> </ul>		<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Scofield and carried to approve the March 16, 2006 Special Joint Board/Strategic Planning Committee Meeting 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>PRESENTATION</b></p>			
<ul style="list-style-type: none"> <li>▪ Forensic Services Presentation</li> </ul>	<p>Kim Colonnelli, RN and Cathy McLennan, RN presented a review of the Forensic Health Department Child Abuse Program, 2005.</p> <p>Chairman Rivera sincerely thanked them for coming to this meeting as the Child Abuse Program was a much needed program to help those who are abused at an early age to provide the help and comfort that is needed in a tragic</p>		

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	<p>situation. Each Board member was presented with an abused child's framed art work which illustrated their hope.</p> <p>Ms McLennan then explained how their work with alleged victims of child abuse started twenty-one years ago in Escondido. There is great source of pride in their work and they liaise closely with law enforcement officers. Although April was Child Abuse Month, she felt that every month was Child Abuse Month in the concern for investigation, caring and follow up that is shown for such victims.</p> <p>Director Bassett stated that we were very lucky to have Cathy McLennan to do this work.</p> <p>Chairman Rivera also sincerely thanked her for her work with abused children and for the works of art which were a wonderful tool for children to express themselves.</p>		
<ul style="list-style-type: none"> <li>▪ 1<sup>st</sup>, 2<sup>nd</sup> &amp; 3<sup>rd</sup> Qtrs FY 2006 Jul – Mar - Compliance Report</li> </ul>	<p>Jim Neal, PPH Compliance Officer, provided an overview of the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Quarter FY 2006 (July – March). He referred to the seven standards, specific skills, calls and request for assistance, investigations/response to allegations, noting there had been no allegations of retaliation. Areas of Concern were noted, together with Outside Audits. there had been no self disclosure and there were no legal compliance issues pending <i>(report attached to original minutes)</i>.</p> <p>Mr. Neal referred to the mandatory Board Ethics Training presented by Dr. Mark Paston, scheduled for Friday, May 12 at 11:30 a.m. at Innovation</p> <p>Mr. Neal was thanked by the Board for his excellent and informative report.</p>		
<b>REPORTS</b>			
<b>Medical Staff</b>			

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<b>Palomar Medical Center</b>			
<ul style="list-style-type: none"> <li>▪ <b>Credentialing</b></li> </ul>	<p>Dr. Lilley, PMC Chief of Staff elect, on behalf of Dr. Trifunovic, presented PMC's requests for approval of Credentialing Recommendations.</p>	<p><b>MOTION:</b> by Bassett, 2<sup>nd</sup> by Kleiter and carried to approve the PMC Medical Staff Executive Committee credentialing recommendations for the PMC Medical Staff, as presented. None opposed.</p> <p>Director Larson abstained to avoid potential conflict of interest. Director Greer declined.</p>	
<ul style="list-style-type: none"> <li>▪</li> </ul>			
<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 Scofield, 2<sup>nd</sup> by Bassett and carried to approve the PMC Medical Staff Executive Committee credentialing recommendations for the Escondido Surgery Center, as presented. 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. None opposed. Director Larson abstained to avoid potential conflict of interest. Director Greer declined.</p>	
<b>Administrative</b>			
<b>Chairperson - Palomar Pomerado Health Foundation</b>	Ms Pauline Getz		
	Ms Getz referred to Director Scofield and her association with the Foundation, stating that as a result of Ms Scofield's resignation from the		

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	<p>PPH Board of Directors, her smile would be missed. She continued that the Foundation started with a small board and virtually no staff, but has now expanded greatly. They have talented, hard working Board members and staff who are involved with board development, staff development, strategic planning and implementation. The board had been increased to 22 members. An educational workshop was recently held with the EMT. A Joint Boards retreat is a possibility for the future when a new CEO of the Foundation takes over. The new bigger data base was an ongoing project with new and improved web presence being developed, and ongoing aggressive budgeting taking place.</p> <p>Regular meetings were occurring with Ms Getz, Ms Johnson with the CEO, Gustavo Friederichsen, as well as meetings with Jim Neal, Bob Hemker and Dr. Rivera, and Foundation Board Members had been invited to sit on some PPH Board Committees.</p> <p>The GO-MED program at Mission Hills High School, and the Denim and Diamonds event, including major donor gifts – one recently of \$250,000, and a planned event this fall should reap financial reward.</p> <p>Chairman Rivera thanked Ms Getz for her informative report to the Board.</p>		
<p><b>Chairman of the Board - Palomar Pomerado Health</b></p>	<p>Marcelo R. Rivera, MD</p>		
<ul style="list-style-type: none"> <li>Board Acceptance of Director Nancy Scofield's letter of resignation</li> </ul>	<p>Chairman Rivera wished to recognize Director Nancy Scofield who had submitted her letter of resignation from the PPH Board of Directors on March 30, 2006 with her resignation effective May 1, 2006. He then read out the letter (<i>attached to original minutes</i>), following which the Board accepted the letter of resignation, with regret.</p>	<p><b>MOTION:</b> by Rivera, seconded and approved that the resignation of Director Nancy Scofield from the PPH Board of Directors effective May 1, 2006 be accepted. All in favor. None opposed.</p>	

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<ul style="list-style-type: none"> <li>Approval of Formation of ad hoc Nominating Committee of the full Board</li> </ul>	<p>Chairman Rivera proposed that an ad hoc Nominating Committee of the full Board be created for the purposes of determining the nominating process.</p>	<p><b>MOTION:</b> by Krider, 2<sup>nd</sup> by Bassett and approved that an ad hoc Nominating Committee of the full Board be created for the purposes of determining the nominating process. All in favor. None opposed.</p>	
<ul style="list-style-type: none"> <li>Approval of Board Appointment for Vacancy</li> </ul>	<p>Chairman Rivera briefly discussed the vacancy that would be created which could either be filled by Board appointment, or election. Following brief discussion consensus of the Board that the vacancy be filled by Board appointment, and not by election.</p>	<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Bassett and agreed that an appointment by the Board be made to fill the vacancy created by the resignation of Director Nancy Scofield. All in favor. None opposed.</p>	
<ul style="list-style-type: none"> <li>Board Appointee Timeline</li> </ul>	<p>Chairman Rivera noted that the timeline in which to fill the vacancy required that within a minimum of 15 days from the effective date of resignation a legal notice of posting of a Hospital Board Vacancy occur in three public places within the District (at Pomerado, PMC and the corporate offices at Innovation). This, as well as notification to the County Board of Supervisors was done on April 5, 2006.</p> <p>Chairman Rivera proposed that PPH would allow until 5 p.m. Monday, April 24, 2006 for requests for applications and submissions for Board member candidacy to be received.</p> <p>Suggestion was initially made for paper screening of candidates' resumes by the ad hoc Nominating Committee of the full Board on April 26, so that it may be possible to reconvene April 28 to interview a short-list of two or three candidates. (This suggestion was later dismissed to enable all candidates to be interviewed by the full Board in a personal manner).</p> <p>Chairman Rivera commented that he would like to have someone be appointed to the Board by the May 8 Board Meeting, and had previously contacted Director Greer to review the selection criteria/potential evaluation and</p>	<p><b>MOTION:</b> by Greer, 2<sup>nd</sup> by Krider and agreed that the proposal as submitted that PPH allow until 5 p.m. Monday, April 24, 2006 for requests for applications and submissions for Board member candidacy be received. All in favor. None opposed.</p> <p><b>MOTION:</b> by Rivera, 2<sup>nd</sup> by Bassett and agreed that selection criteria/potential evaluation and ranking tools be reviewed at the April 11 Governance Committee.</p>	

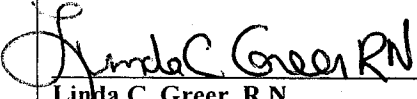
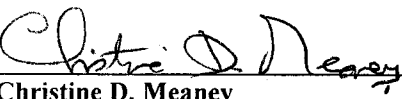
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	<p>ranking tools at the upcoming Governance Committee, with recommendations to go to the ad hoc Committee of the full Board on April 26.</p> <p>Chairman Rivera thanked the Board and appreciated their cooperation in the important task of filling this Board vacancy in the timeframe proposed.</p>	<p><b>MOTION:</b> by Bassett, 2<sup>nd</sup> by Kleiter and agreed to formally adopt April 26 and April 28 as Board candidate review/potential interviews dates. All in favor. None opposed.</p>	
<ul style="list-style-type: none"> <li>Resolution No. 04-10-06 (01) – 06 expressing appreciation to Director Nancy H. Scofield, PPH Board Member resigning effective May 1, 2006</li> </ul>	<p>Chairman Rivera referred to Director Scofield's sixteen years of continuous service as an elected member to the Board of Palomar Pomerado Health, following which he read out to the Board and audience the proposed resolution of appreciation. Applause followed. Director Scofield thanked all present for such appreciation.</p>	<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Larson and agreed to unanimously adopt Resolution No. 04.10.06 (01)-06 expressing appreciation to Director Nancy H. Scofield, PPH Board Member resigning effective May 1, 2006. All in favor. None opposed.</p>	
<ul style="list-style-type: none"> <li>Special Award Pin to Director Nancy H. Scofield</li> </ul>	<p>Chairman Rivera then presented a special award pin upon Director Scofield's leaving office May 1, 2006.</p> <p>Director Scofield, upon accepting the pin, relayed that it was an honor and privileged to have served on this Board of Directors especially during this period when so much was being accomplished. She noted her concern and passion for the community and for volunteerism, and that it had been thrilling and challenging and that PPH had only just begun. As a trustee, dreams make visions and turn into reality. We sincerely appreciated our Auxiliaries and our community. the successful passage of Proposition BB was a loud and clear message for PPH to continue to expand to provide quality healthcare services for all the residents of North County.</p> <p>In addition, as a patient, Director Scofield said she had seen matters from the other side and had high praise and gratitude for those excellent surgeons, nurses, and rehab units that had assisted in her recuperation, noting that she</p>		



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	<p>the excruciating pain she had lived with had as a result, been reduced by eighty percent.</p> <p>In addition, she felt that this Board had been the best team she had worked with and the awareness of the Foundation, Child Care programs and the SART program, dear to her heart, were very important. She wished all goodbye and would return to visit everyone in future.</p>		
<ul style="list-style-type: none"> <li>• PPH Leadership Awards Banquet March 31</li> </ul>	<p>Dr. Rivera referred to the annual Leadership Awards Banquet held March 31 and the awards received by Mr. Jack Raymond and Ms Jane Radatz for their tireless work in the community.</p>		
<ul style="list-style-type: none"> <li>• Visit by Russell P. Massaro, MD, FACPE, Exec VP, JCAHO March 31</li> </ul>	<p>Chairman Rivera commented upon the visit by Dr. Massaro, Executive Vice President, Accreditation &amp; Certification Operations on March 31 as part of a Board Educational session, apart from his meetings with physicians and staff during his visit. We were honored to have Dr. Massaro address the Board on JCAHO Continuous Readiness.</p>		
<ul style="list-style-type: none"> <li>• Bond Insurers' Meetings</li> </ul>	<p>Director Kleiter was invited by Dr. Rivera to speak upon the recent bond insurers' meetings that had been held at PPH.</p> <p>Director Kleiter stated that in keeping with our Finance and Master Facilities Plan PPH representatives including Dr. Rivera and himself had met with three major bond insurers in lengthy meetings and tours, to assure potential investors on the return of their capital. As a result it was hoped to receive interested parties shortly. He praised Mr. Bob Hemker and Staff the advance preparation undertaken essential to such meetings.</p>		
<p><b>President and CEO</b></p>	<p>Michael H. Covert</p>		
<ul style="list-style-type: none"> <li>• Acknowledgement of Director Scofield</li> </ul>	<p>Mr. Covert acknowledged Director Scofield for her sixteen years of service on the Board and during the latter three years since he had been with PPH, noting her involvement with</p>		

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	the community, particularly in the Health Care Advisory Councils, the Foundation, her continual chairing of the Community Relations Committee, and in the quiet discussions that he and his wife had with Director Scofield and her husband, and became good friends. He looked forward to seeing them again in the future.		
<ul style="list-style-type: none"> <li>CMS Survey – Pomerado Hospital, March 27-30</li> </ul>	The CEO relayed that CMS had surveyed Pomerado Hospital March 27-30 on a surprise visit. All credit was given to the Staff and Physicians, noting that eight surveyors were present during that time. It was a good example of dealing with constant readiness and all were congratulated.		
<ul style="list-style-type: none"> <li>Resolution No. 04-10-06 (02) – 07 Designating Subordinate Officers of the District</li> </ul>	Mr. Covert requested adoption of this resolution, noting that this was as a result of regular review to ensure accuracy of the Designation of Subordinate Officers of the District for legal and financial purposes.	<b>MOTION:</b> by Kleiter, 2 <sup>nd</sup> by Krider and carried that Resolution No. 04-10-06 (02) – 07 as submitted be adopted. All in favor. None opposed.	
<ul style="list-style-type: none"> <li>Resolution No. 04-10-06 (03) – 08 Board Opposition to the proposed Federal Budget Cuts that will effect Healthcare in California</li> </ul>	The CEO requested adoption of this resolution, as a result of the Governance Committee's recommendations to ensure that the Board's voice was heard in this regard. It would also require a large number of signature and would likely be on the November ballot.	<b>MOTION:</b> by Kleiter, 2 <sup>nd</sup> by Krider and carried that Resolution No. 04-10-06 (03) – 08 as submitted be adopted. All in favor. None opposed.	
<ul style="list-style-type: none"> <li>Resolution No. 04-10-06 (04) – 09 Tobacco Tax Issue</li> </ul>	Mr. Covert also requested adoption of this resolution in connection with the Tobacco Tax Act, noting that there was a great deal of money that could be available to healthcare facilities and programs. General discussion ensued following which a motion was made for approval of the resolution.	<b>MOTION:</b> by Scofield, 2 <sup>nd</sup> by Kleiter and carried that Resolution No. 04-10-06 (04) – 09 as submitted be adopted. All in favor. None opposed.	
<ul style="list-style-type: none"> <li>ACHE Congress on Healthcare Management, March 27-30</li> </ul>	Mr. Covert relayed that he had attended the ACHE Congress March 27-30 at which he presented Succession Planning and Leadership Development. A number of groups he had spoken to had no succession planning and only twenty-five percent have something but hardly any had anything that was written. The PPH Board received recognition at the ACHE Congress because of what it has done in this		

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<ul style="list-style-type: none"> <li>Volunteer Recognition Luncheon April 25, Rancho Bernardo Inn</li> </ul>	<p>regard.</p> <p>The CEO reminded that the Annual Volunteer Recognition Luncheon was planned for April 25 at the Rancho Bernardo Inn in recognition of all volunteers.</p>		
<ul style="list-style-type: none"> <li>National Hospital Week/National Nurses' Week</li> </ul>	<p>Mr. Covert reminded that National Hospital Week and National Nurses' Week would be celebrated the week of May 8.</p> <p>He congratulated Ms Opal Reinbold had been selected to participate as a Fellow with the Health Research and Educational Trust, with only five per year selected, noting this was similar to the Wharton Fellowships.</p> <p>He also wished to acknowledge Mr. Bob Hemker, Dr. Buringrud, Dr. Rivera and Director Kleiter for the meetings and presentations to the Bond Insurers who were very appreciative of the discussions they had undertaken with PPH Board and Staff.</p> <p>In addition, Mr. Covert made some brief comments in response to Public Comments earlier that evening regarding the union, noting that his notes that were sent out came as a direct request from employees and questioning as to whether or not they wish to be part of an agency shop and that it was not "union-busting". It was for them to decide. We would continue to move forward in good faith with negotiations so that there may be resolution.</p> <p>The CEO then relayed that he will have a draft for the proposed inhouse legal counsel for the next Governance Committee.</p>		
<b>INFORMATION ITEMS</b>	<i>Discussion by exception only</i>		
<ul style="list-style-type: none"> <li>Human Resources</li> </ul>			
<ul style="list-style-type: none"> <li>Community Relations</li> </ul>			
<ul style="list-style-type: none"> <li>Strategic Planning</li> </ul>			

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<ul style="list-style-type: none"> <li>▪ Facilities &amp; Grounds</li> </ul>			
<ul style="list-style-type: none"> <li>▪ Finance</li> </ul>			
<b>COMMITTEE REPORTS</b>	None		
<b>BOARD MEMBER COMMENTS/AGENDA ITEMS FOR NEXT MONTH</b>	<p>Directors Greer, Larson, Kleiter, Krider, Bassett, and Chairman Rivera all congratulated and commended Director Nancy Scofield on her selfless work and time she had devoted to the PPH Board of Directors over the past sixteen years and her involvement in the community and passion for health care excellence, noting that she was also considered during that time to be an "unofficial" historian of the District. Her contribution of books and tapes to the District library for ongoing review were also appreciated.</p> <p>Director Scofield thanked all present and was deeply touched by the Board's sentiments.</p>		
<b>ADJOURNMENT</b>	8:40 p.m.		
<b>SIGNATURES</b> <ul style="list-style-type: none"> <li>▪ Board Secretary</li>   <li>▪ Board Assistant</li> </ul>	 <hr/> Linda C. Greer, R.N.   <hr/> Christine D. Meaney		