

Palomar Pomerado Health
BOARD OF DIRECTORS
REGULAR BOARD MEETING
Palomar Medical Center, Graybill Auditorium, Escondido
Monday, April 11, 2005

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
CALL TO ORDER	6:30 pm Quorum comprised Directors Bassett, Greer, Kleiter, Krider, Larson, Rivera and Scofield		
OPENING CEREMONY	The Pledge of Allegiance was recited in unison, followed by an inspirational reading (<i>attached</i>) by Chaplain Hard.		
MISSION AND VISION STATEMENTS	<p>The PPH mission and vision statements were read by Director Bassett, 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	Notice of Meeting was mailed consistent with legal requirements		
PUBLIC COMMENTS	None		
APPROVAL OF MINUTES <ul style="list-style-type: none"> • March 14, 2005 		<p>MOTION: by Scofield, 2nd by Kleiter to approve the March 14, 2005 minutes as submitted.</p> <p>Motion amended by Director Greer, stating that she voted in favor of approval of the CSUSM Nursing Program – PPH Institute of Nursing and Education, 2nd by Bassett and carried to approve the March 14, 2005 minutes with the amended motion for approval. All in favor.</p>	

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CONSENT ITEMS including Review of PPH Policies per Governance Committee 3-8-05		None opposed. MOTION: by Larson, 2 nd by Krider and carried to approve the Consent Items as submitted. All in favor. None opposed. Director Greer declined.	
PRESENTATION			
<ul style="list-style-type: none"> ▪ Media Clips Review 	Gustavo Friederichsen, Chief Marketing and Communications Officer, reviewed the onscreen viewing of a cardiac alert video promoting our cardiac alert program which had generated much interest following a heart attack suffered by a well known reporter. Dr. Leahy was also part of the video presentation, noting that the key time for heart attack victims is within the first 5-10 minutes.		
<ul style="list-style-type: none"> ▪ PPH Board Room/Intranet 	Gustavo Friederichsen relayed to the Board the availability of the new website known as the Board room on the PPH Intranet which may be accessed from anywhere by the Board. Gustavo requested feedback from the Board after they have reviewed this website.		
REPORTS			
Medical Staff	Chairman Rivera noted that under previous legal counsel some of the Board members were asked to abstain on medical staff credentialing issues due to potential conflict of interest, but the Board has since been advised that if there are no specific conflicts with PMC or Pomerado Medical Staff matters, Board members may vote. Due to some issues of technicality, it was necessary that for those medical staff privilege decisions which were to be approved in February and March, 2005, that the Board finally approve these privileges retroactively to the month in which they were originally proposed.		

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Palomar Medical Center			
<ul style="list-style-type: none"> ▪ Credentialing February, 2005 	<p>James S. Otoshi, MD., Chief of PMC Medical Staff, presented PMC's requests for retroactive approval of February, 2005 Credentialing Recommendations dated January 25, 2005.</p>	<p>MOTION: by Scofield, 2nd by Krider and carried to retroactively approve the February, 2005 PMC Medical Staff Executive Committee credentialing recommendations for the PMC Medical Staff dated January 25, 2005, as presented on pages 133-139 inclusive of the April 11, 2005 board packet. Directors Kleiter, Krider, Rivera and Scofield in favor. None opposed.</p> <p>Director Bassett abstained. Following a question by Director Larson to Attorney Paul DeMuro concerning referrals from PMC to him as a specialist in Gastroenterology, Director Larson abstained. Director Greer declined.</p> <p>Motion passed.</p>	
<ul style="list-style-type: none"> ▪ Credentialing April, 2005 	<p>James S. Otoshi, MD., Chief of PMC Medical Staff, presented PMC's requests for approval of April, 2005 Credentialing Recommendations dated March 29, 2005.</p>	<p>MOTION: by Kleiter, 2nd by Krider and carried to approve the April, 2005 PMC Medical Staff Executive Committee credentialing recommendations for the PMC Medical Staff dated March 29, 2005, as presented on pages 143-152 inclusive of the April 11, 2005 board packet. Directors Kleiter, Krider, Rivera and Scofield in favor.</p> <p>Directors Bassett and Larson abstained. Director Greer declined.</p> <p>Motion passed.</p>	
<ul style="list-style-type: none"> ▪ 	<p>James S. Otoshi, MD., Chief of PMC Medical Staff, presented an additional credentialing recommendation for a two year re-appointment</p>	<p>MOTION: by Scofield, 2nd by Kleiter to approve the April, 2005 PMC Medical Staff Executive</p>	

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	<p>dated April 4, 2005 that was not included on the previous request for approval of Credentialing Recommendations for April, 2005.</p>	<p>Committee additional credentialing recommendation dated April 4, 2005 for re-appointment of Patrick M. O'Meara, M.D. as presented on page 153 of the April 11, 2005 board packet, that was not included on the previous request for approval of Credentialing Recommendations for April, 2005.</p> <p>Chairman Rivera asked if there were any comments or discussion.</p>	
<p>▪</p>	<p>In response, Michael Covert, CEO, on behalf of Administration asked that the Board give serious consideration to not appointing Dr. Patrick O'Meara to the Medical Staff of Palomar Medical Center for the full two year term. It was believed that there were substantial issues and concerns surrounding his disruptive behavior and his approach to working with our nursing and other staff in an harassing and threatening manner. His behavior and pattern of practice were not new, and have been going on for an extended period of time.</p> <p>Mr. Covert continued that he was personally disappointed in the action taken by our Medical Staff to accept this behavior and look the other way. It was time that Dr. O'Meara be held accountable for his actions. We did not make this recommendation to the Board lightly. We recognized the potential reactions and retribution or possible retributions by Dr. O'Meara and are prepared to move forward.</p> <p>Mr. Covert asked for consideration to be given to bringing in an outside third party to the Medical Executive Committee and the Board in an objective manner to evaluate the concerns that Administration had brought before the Board so that action can be taken</p>	<p>MOTION RESCINDED: In light of the comments from Administration that spoke very strongly, Chairman Rivera requested that the original motion be rescinded.</p> <p>By Scofield, 2nd by Kleiter and carried that the original motion be rescinded.</p> <p>MOTION: At this point Chairman Rivera requested that a further motion be made to grant a re-appointment to Dr. O'Meara to the Medical Staff of Palomar Medical Center for a period of three months, and at this time would like the Board to direct Chairman Rivera to work with the Executive Committee and Board in having a review on an expedited basis by a third party, and requested the motion with that direction.</p> <p>By Scofield, 2nd by Krider for the above requested motion.</p> <p><i>The following commentary ensued:</i></p>	

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	<p>that will help Dr. O'Meara improve his relationships with staff and in turn impact the working environment. He wished to thank the Board for consideration of this request and hoped that the Board would take it in the serious vein in which it was presented to them tonight.</p>	<p>Director Kleiter wished to confirm with Chairman Rivera that the re-appointment would be for three months, with the review concluded within that period. Chairman Rivera confirmed that this was his intent, rather than request a thirty-day period, in fairness to allow an impartial person to be invited. This would allow time for Chairman Rivera to work with the Medical Staff and also for him to inform the Board so that in three months he would expect to come back to the Board on the matter.</p> <p>Director Krider inquired that if we were considering an outstanding independent expert in medical affairs whether there was merit in approving Dr. O'Meara's re-appointment or not. Chairman Rivera responded that his intent would be as it is such a sensitive issue, to allow a proper hearing in all fairness to everybody involved. He would like to meet with the Medical Staff and provide time with perhaps an external third party to review the information of the Medical Staff together with the information that Mr. Covert has come across and then make an impartial recommendation to the Board.</p> <p>Director Krider requested that the motion be re-stated. Chairman Rivera re-stated the motion as above.</p> <p>Director Bassett commented that it was her personal feeling that whenever a physician is reported to have issues with nursing staff or any</p>	

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		<p>other staff, the Board owes it to that physician as well as to the employees to bring in a third party such as this to evaluate the situation and make recommendations and offer assistance wherever necessary.</p> <p>Following these commentaries, a vote was taken on the above Motion that had been proposed by Scofield, 2nd by Krider. Motion carried. All in favor. None opposed.</p> <p>Mr. Covert appreciated the consideration of the Board.</p>	
<p>Escondido Surgery Center</p>			
<ul style="list-style-type: none"> ▪ Credentialing 	<p>L. Richard Greenstein, MD., Medical Director of the Escondido Surgery Center, presented requests for approval of April, 2005 Credentialing Recommendations, dated March 29, 2005.</p>	<p>MOTION: by Kleiter, 2nd by Scofield and carried to approve the PMC Medical Staff Executive Committee credentialing recommendations dated March 29, 2005 for the Escondido Surgery Center, as presented on page 154 of the April 11, 2005 board packet. 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"> ▪ 	<p>L. Richard Greenstein, MD., Medical Director of the Escondido Surgery Center, presented an additional credentialing recommendation for a two-year re-appointment dated April 4, 2005 that was not included on the previous request for approval of Credentialing Recommendations for April, 2005.</p>	<p>MOTION: by Kleiter, 2nd by Scofield and carried to grant a re-appointment to Dr. O'Meara to the Medical Staff of Palomar Medical Center for a period of three months and that the Board directs Chairman Rivera to work with the Executive Committee and Board in having a review on an expedited basis by a third party.</p> <p>All in favor. None opposed.</p>	

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		Chairman Rivera thanked both Dr. Otoishi and Dr. Greenstein, stating that they would get together to bring a reasonable conclusion to this matter.	
Pomerado Hospital			
<ul style="list-style-type: none"> ▪ Credentialing 	<p>Paul E. Tornambe, MD., Chief of Pomerado Medical Staff, presented Pomerado Hospital's requests for retroactive approval of February, 2005 Credentialing Recommendations.</p>	<p>MOTION: by Scofield, 2nd by Krider and carried to retroactively approve the February, 2005 Pomerado Hospital Medical Staff Executive Committee credentialing recommendations for the Pomerado Medical Staff dated January 28, 2005, as presented on page 140 of the April 11, 2005 board packet. Directors Kleiter, Krider, Rivera and Scofield in favor. None opposed.</p> <p>Director Bassett abstained regarding a working relationship with Dr. Hirsch who was on the credentialing list, and Director Larson abstained to avoid potential conflict of interest. Director Greer declined.</p> <p>Motion passes 4-2-1 with regard to Dr. Hirsch only; Passes 5-1-1 with respect to the other names on the credentialing list.</p>	
<ul style="list-style-type: none"> ▪ 	<p>Paul E. Tornambe, MD., Chief of Pomerado Medical Staff, presented Pomerado Hospital's requests for retroactive approval of March, 2005 Credentialing Recommendations.</p>	<p>MOTION: by Scofield, 2nd by Kleiter to retroactively approve the March, 2005 Pomerado Hospital Medical Staff Executive Committee credentialing recommendations for the Pomerado Medical Staff dated March 1, 2005, as presented on pages 141-142 of the April 11, 2005 board packet.</p> <p>(Director Scofield reminded Director Rivera that his name was on this credentialing list).</p>	

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		<p>The CEO suggested that Attorney Paul DeMuro direct the Board Members' votes in terms of their potential conflicts of interest so that we may be able to properly obtain a motion.</p> <p>Following questioning of Board Members by Attorney Paul DeMuro, Director Bassett abstained only with respect to a working relationship with the six pulmonary group physicians of Drs. Otschi, Kanter, Tressman, Burrows, Bender and Hirsch. Director Rivera abstained only with respect to his name on this list and his need to abstain on himself. Director Larson abstained to avoid conflict of interest. Director Greer declined.</p> <p>As there was no compensation between Director Rivera and the physicians named for the pulmonary group of Director Bassett, Director Rivera could vote for those six physicians.</p> <p>As Director Bassett abstained on only the six pulmonary group physicians with whom she had a working relationship, she could vote for Director Rivera's credentialing.</p> <p>Directors Bassett, Kleiter, Krider, Rivera and Scofield voted in favor of the above motion for credentialing, based upon the above legal review of their specific voting. Motion carried.</p> <p>It was noted that as a result there was no need for the drawing of straws due</p>	

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		to there being sufficient vote for approval of this Medical Staff credentialing request. Mr. Covert then briefly explained the drawing of straws to obtain a vote should it ever be necessary.	
	Paul E. Tornambe, MD., Chief of Pomerado Medical Staff, presented Pomerado Hospital's requests for approval of April, 2005 Credentialing Recommendations.	<p>MOTION: by Scofield, 2nd by Kleiter and carried to approve the April, 2005 Pomerado Medical Staff Executive Committee credentialing recommendations for the Pomerado Medical Staff dated March 30, 2005, as presented on page 156 of the April 11, 2005 board packet. Directors Kleiter, Krider, Rivera and Scofield in favor. None opposed.</p> <p>Director Bassett abstained (there being one physician listed of the pulmonary group with which she has a working relationship - Gregory L. Hirsch, M.D.) to avoid potential conflict of interest.</p> <p>Director Larson abstained to avoid potential conflict of interest.</p> <p>Director Greer declined.</p>	
Administrative			
Chairperson - Palomar Pomerado Health Foundation	Bob Crouch on behalf of G. Douglas Moir, MD, Chairman		
	Mr. Bob Crouch, on behalf of G. Douglas Moir, MD, Chairman, presented a verbal report on the Foundation to the PPH Board noting that they had recently closed on two planned gifts valued at \$1.3 million – these were two charitable trusts of \$800,000 and \$550,000. Also, a \$100,000 gift had recently been designated toward Cardiac Rehab equipment. In addition, an Internal and External Audit and Compliance Reports had been completed. The Foundation had been working with PPH HR on the new Foundation Executive Director position description and revising open position		

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	<p>successful Cardiac Alert Program. Mr. Danny Holloway of PMC Radiology accompanied Ms. Chavez. Ms Chavez thanked all present for her Values in Action award which she stressed was a team effort.</p> <p>At this time, Mr. Covert acknowledged his pride in Mr. Danny Holloway who would unfortunately shortly be leaving PPH and who had brought, during his interim period with PPH, stability and leadership to his department. Kudos were conveyed to Mr. Holloway who was deserving of a "monkey and rock" award.</p>		
Pebble Conference	<p>Michael Covert relayed that he, together with Tom Chessum, Brad Wiscons and several others including Mike Shanahan, Director, Facilities Planning & Development, had recently attended a Pebble Conference involving the Center for Health Design, a body created to allow improvement in patient safety and promotion of wellness from the design of buildings. Twenty organizations are currently referred to as pebble projects. One of the bolder projects would be to take some of the suggestions gleaned, incorporating them into our own settings and allowing us to be one of the first to do so in the country. Mr. Covert introduced Mr. Shanahan who in turn presented a plaque to Chairman Rivera acknowledging thanks for participation by PPH and the effects this would have on the quality of healthcare delivery, noting that everyone would be aware we were embarking on this journey. PPH had been accepted by the Center for Health Design as the twenty-fifth pebble project.</p>		
Chief Quality Officer	<p>Michael Covert announced the appointment of Ms Opal Reinbold as Chief Quality Officer for PPH. Ms Reinbold came to us from Sharp Healthcare where she held a similar position within the last year. She had also been a senior</p>		

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	<p>director for Premier and had assisted us in our JCAHO survey three years ago. Ms Reinbold had also been Director of QI for Scripps for a number of years and is a person of national prominence.</p>		
Chief Medical Quality Officer	<p>Michael Covert informed of the joint appointment of Duane Buringrud MD as Chief Medical Quality Officer and Jerry Kolins, MD as Associate Chief Medical Quality Officer. Both would work closely with Opal, our medical staff leadership and administrative team and they bring with them great experience, history and leadership.</p>		
<p>Bi-monthly Reports from Executive Staff</p> <p>Jim Flinn, Pomerado Hospital</p>	<p>Jim Flinn presented a verbal report to the Board noting that Pomerado had a very successful JCAHO survey. We were surveyed by JCAHO, IMQ and the State of California simultaneously. An Evidence of Standards Compliance Report would be submitted to JCAHO no later than June 6, 2005. Everyone was thanked for their hard work and on-the-spot interactions with the surveyors.</p> <p>He also noted Pomerado's Patient Loyalty Scores and that Qtr 3 was doing well. Construction Projects were ongoing, including the replacement Angiography suite at Pomerado on schedule for July.</p> <p>A new slate of Auxiliary Officers for Pomerado Hospital was voted upon at the March 21, 2005 General Meeting with Incoming President being Herman Izor. Installation Lunch to be held Tuesday, May 10, noting that Reba Traber was completing her 2nd consecutive term.</p> <p>A letter of appreciation from an employee who lived fifty miles from Pomerado had been received as he had taken his son to Pomerado and within a very short time had been triaged, a room allocated, was seen by a physician and receiving treatment. Congratulations to Kim</p>		

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Sheila Brown	<p>Colonnelli in this regard.</p> <p>Sheila Brown reported on the Acute Rehab Services Unit being surveyed for the Commission on Accreditation of Rehab Facilities (CARF) April 21 and 22. Regarding JCAHO results, PCCC received a perfect score. Villa Pomerado received one Requirement for Improvement (Long-Term Care has 426 standards), Outpatient Behavioral Health received two, Home Health received one, and the Escondido Surgery Center had no findings. All of these were excellent results.</p> <p>Ms Brown reported on the status of Home Health 4th Qtr 2004 survey results placing it in the 80th percentile in the Gallup comparison.</p> <p>Regarding Skilled Nursing Facilities, the interview process was being conducted with four impressive candidates for Administrator position. Target hiring date was July 1. Wound Care Hyperbaric Oxygen therapy project commences May 1; Behavioral Health Services construction at PMC October 20, and a note that a donor had given Cardiac Rehab a \$100,000 donation via the Foundation, were all reported.</p>		
Lorie Shoemaker, PMC	<p>Lorie Shoemaker provided a positive Magnet Recognition update, noting that we anticipate a site visit within 18 months.</p> <p>Certification Review Courses and recognizing Barbara Mayer for organizing them, noting that CCRN completed with 48 participants and CNAA course offered April 15. Ongoing formal education highlights, and Scholar In Residence Program, for which Linda Urden was working with Ruth Szakaly, were also recognized.</p> <p>Lorie wished to acknowledge Mary Oelman and Sharon Andrews for their leadership in the</p>		

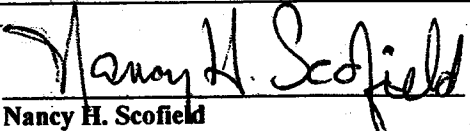
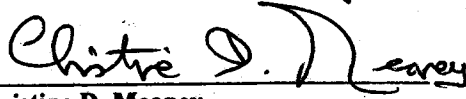
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Gerald Bracht	<p>recent JCAHO/DHS successes.</p> <p>Gerald Bracht also provided Board information regarding the recent, successful JCAHO survey.</p> <p>He recognized Ms Susan Westlake as outgoing Auxiliary President. Customer Service Quarterly Trophies were Observation Unit; Emergency Department and Acute Rehab.</p> <p>Danny Holloway's departure was regretted as interim Director of Imaging and Cardiology. PACs Installation due for roll-out end of April.</p> <p>Rich Hightower, IR Nursing Supervisor, was elected President of the San Diego Chapter of the American Radiology Nurses Association.</p> <p>A new lobby desk replacement project had been completed allowing more help for visitors and additional storage for wheelchairs.</p>		
	<p>Michael Covert wished to acknowledge our Leadership Team, including our Medical Staff Leadership as he felt this made a difference with the JCAHO surveyors in our being accredited as a system, and under previous scoring we would have been accredited with commendation. He was personally writing to many to thank them for their efforts in this regard.</p>		
	<p>Chairman Rivera commented that the physicians had taken time out of their office schedules to be involved in the JCAHO survey and acknowledged many of them including Drs. Stein, Acheatel, Hirsch, Kanter, Greenstein and Tornambe, extending thanks to all physicians involved. He was very proud of our achievements.</p>		
INFORMATION ITEMS	<i>Discussion by exception only</i>		
▪ Human Resources			

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<ul style="list-style-type: none"> ▪ Community Relations 		<p>Director Bassett requested that a presentation on the Nursing Shortage White Paper be made to the full Board at the May Board Meeting.</p>	Gustavo Friederichsen
<ul style="list-style-type: none"> ▪ Facilities and Grounds 			
<ul style="list-style-type: none"> ▪ Strategic Planning 			
COMMITTEE REPORTS			
Governance Committee	Linda C. Greer, RN, Chairperson		
<ul style="list-style-type: none"> ○ Ongoing Review of PPH Policies 	<p>Director Greer referred to the ongoing review of PPH Policies as a result of the March 8 Governance Committee, noting that this segment of Policies was approved under Consent Items on the Board agenda.</p>	Information	
<ul style="list-style-type: none"> ○ Approval: Annual Review of PPH Bylaws relating to Human Resources Committee – addition to section 6.2.3 (c) Duties 	<p>Director Greer referred to the annual review of PPH Bylaws undertaken by Human Resources Committee, requesting approval to an addition to section 6.2.3 (c) Duties “Ensure that all special studies and recommendations/ proposals are in alignment with the PPH mission, vision and strategic plan as well as government regulations.”</p>		
<ul style="list-style-type: none"> ○ Approval: Annual Review of PPH Bylaws relating to Strategic Planning Committee – recommendation to amend section 6.2.4 (a) Voting Membership 	<p>Director Greer, in reference to the annual review of PPH Bylaws undertaken by Strategic Planning Committee, requested approval to amend section 6.2.4 (a) Voting Membership that ... The Committee shall consists of <u>seven</u> voting members, including...<u>the President and Chief Executive Officer</u> and the... and to remove the President and Chief Executive Officer from the list of nonvoting members section 6.2.4 (b).</p>		
<ul style="list-style-type: none"> ○ Approval: Legislative/ Governmental Relations – AB 702 – letter of support 	<p>Director Greer requested approval to a letter of support for CHA-sponsored AB 702 expressing the intent of the Legislature to add funding to the budgets of the University of California, California State University and the California Community Colleges for additional slots in nursing education programs that educate entry-level, master’s and doctoral</p>	<p>MOTION: by Rivera, 2nd by Scofield and carried that the three approvals requested be taken as one motion, ie., Annual Review of PPH Bylaws amendments relating to Human Resources Committee, Annual Review of PPH Bylaws amendments relating to Strategic</p>	<p>Resolution in support of AB 702 instead of a letter of support be brought to the May board meeting for approval via Gustavo Friederichsen who will draft content.</p>

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	program nursing students.	<p>Planning Committee; and approval to AB 702 Letter of Support.</p> <p>Director Larson wondered whether, in regard to AB 702 (letter of support) that possibly a Board Resolution for submission to the May Board Meeting may indicate stronger support.</p> <p>All in favor of the motion, with the amendment that a Resolution be drafted for submission to the May Board Meeting as proposed by Director Larson. None opposed.</p>	
Finance	T. E. Kleiter, Chairman		
<p>Approval: Purchase of land parcel at 12855 Black Mountain Road, Rancho Penasquitos (former Maranantha Chapel)</p>	<p>Director Kleiter introduced this item, referred to on pages 227-265 of the board packet, as being part of the Facilities Master Plan, the Board had committed to the importance of establishing outpatient medical facilities in several communities throughout the District. Rancho Penasquitos was one the key communities targeted due to their large and growing population and current significant lack of any healthcare services to the community. Analysis of available land and building sites yielded a few potential sites. Due to close freeway proximity, central location in Rancho Penasquitos and adequate size for current and future needs, the site at 12855 Black Mountain Road appeared to be suitable for PPH facility development.</p> <p>Management would perform due diligence to determine the suitability of the property for an outpatient satellite center, including performing environmental and traffic impact studies and submitting to the re-zoning process for the City of San Diego.</p>	<p>MOTION: by Kleiter, 2nd by Scofield and carried that the Finance Committee recommends full Board approval of the purchase of the 4.4 acre parcel located at 12855 Black Mountain Road in Rancho Penasquitos (former Maranantha Chapel) for \$6.9 million. Further, Management is authorized to execute the requisite purchase agreement and such other documents necessary to close escrow on or about May 3, 2005.</p> <p>All in favor. None opposed.</p>	

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		<p>Debt Policy to be reviewed at the Finance Committee and acted upon by the Board at a future meeting.</p> <p>All in favor. None opposed.</p>	
<p>ad hoc CEO Compensation/ Contract Committee</p>	<p>Nancy H. Scofield, Chairperson</p>		
<p>Approval: Amended and Restated Executive Employment Agreement for Chief Executive Officer</p>	<p>Director Scofield referred to the appointment last year of an ad hoc Compensation/Contract Committee so that the Board could review Mr. Covert's performance as CEO for the fiscal year ending June 30, 2004, and determine his annual bonus. The ad hoc Committee comprised Directors Scofield (Chairperson), Larson and Bassett, with Director Rivera as alternate. The Committee was guided by two principal considerations: compensation decisions including the CEO's total compensation and benefit package, not just salary or bonus; and to attract the most qualified individual as CEO, it was in the interest of PPH to compensate that person at a competitive level.</p> <p>A review of consultants was made to determine consistency in similar health care organizations, and ultimately Hewitt Associates LLC was retained and a survey conducted in a thorough, cost-effective and timely manner. Following a number of meetings of the ad hoc Committee, it concluded, based upon the Hewitt analysis, that the CEO's current total compensation was below the median for comparable CEOs at comparable organizations and as the CEO's current contract contained a benchmark for a minimum 50th percentile, and with Mr. Covert doing an outstanding job, his total compensation benchmark should be raised to the 75th percentile. However, in order to attain total compensation at the 75th percentile, and rather than increase his base salary, the</p>	<p>MOTION: by Scofield, 2nd by Larson and carried that the Amended and Restated Executive Employment Agreement for the Chief Executive Officer as submitted, be approved.</p> <p>Director Kleiter stated that he wished to vote in the negative as he disagreed with two specific sections of the contract, although emphasizing that he was not indicating negatively on the CEO's performance, but felt he could not vote in favor of this contract containing those two sections.</p> <p>All in favor. Director Kleiter opposed.</p> <p>Following passage of the motion, Chairman Rivera thanked Director Kleiter noting that with the growth and maturity of this Board, his comments were appreciated. The Board expected a great deal from the CEO to reach these targets.</p> <p>Chairman Rivera continued that a mid-term consultation to revisit the contract can be made at the end of two years. This contract is in recognition of Mr. Covert's last twenty-eight months including the passage of Proposition BB and relevant financing, and to establish</p>	

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	<p>Committee decided to incentivize Mr. Covert to continue his superlative performance by structuring most of the compensation increase in the form of short-term and long-term performance-based bonuses.</p> <p>As a result, the ad hoc Committee now sought Board approval to the Amended and Restated Executive Employment Agreement for the Chief Executive Officer attached to this board packet and prepared by PPH's legal counsel, Latham & Watkins, for a term of 4 years beginning April 1, 2005, offering both parties continuity through continuity through March 31, 2009. This supersedes the CEO's existing contract entered into November 8, 2002 incorporating amendments made in May, 2004, as the Committee felt it would be mutually advantageous to integrate the changes into a new document.</p> <p>Director Scofield sincerely thanked the ad hoc Committee for the many hours of effort that they had put into this process.</p>	and maintain continuity.	
<p>BOARD MEMBER COMMENTS/AGENDA ITEMS FOR NEXT MONTH</p>	<p>Director Greer commented that in regard to the CEO contract the incentive goals would likely be passed along to everyone.</p> <p>Director Larson voiced his appreciation for having received the framed Board Resolution of his recognition as former PPH Board Chairman. He was also very proud of the outstanding results based upon hard data regarding JCAHO, Patient Satisfaction, and Magnet status, noting that everything works together. In addition, he felt that Mr. Covert had the opportunity to continue his stellar record and pursue his five-year long-term goals which originally had been a "stretch". However, he now realized that our Vision Statement was achievable. As a result, he envisaged the possibility of a new Vision</p>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	<p>Statement in the future.</p> <p>Director Krider referred to the Medical Staff Credentialing requests, and reappointment of a physician for three months based upon unprofessional conduct and disruptive behavior. He recalled that this physician had been given directions when Director Krider was a new Board Member. The physician had signed a copy of the Medical Staff Bylaws, and Director Krider felt that our Staff and Nurses deserve better, noting that the physician continued to ignore these issues. He hoped that we would deal with the matter.</p> <p>Director Kleiter favorably commented upon the recent Women's Conference held at the Center of the Arts, stating that his wife who attended, felt it was an excellent conference and that she already has four people signed up for next year's conference.</p> <p>Director Scofield concurred with Director Kleiter's report, and noted that the Women's Conference would need more space next time.</p> <p>Chairman Rivera thanked Director Scofield (Chairperson) and Directors Bassett and Larson for the time they had given as members of the ad hoc CEO Compensation/Contract Committee and the confidence and trust shown by the Board in approving the CEO contract.</p>		
ADJOURNMENT	8:20 p.m.		
SIGNATURES <ul style="list-style-type: none"> ▪ Board Secretary ▪ Board Assistant 	 <hr/> Nancy H. Scofield  <hr/> Christine D. Meaney		

TO: PPH Board of Trustees
FROM: Rev. Bill Hard, MDiv, Staff Chaplain
Subject: Recitation

04-11-05

INNER PEACE PROMOTES HEALING OF MY MIND AND BODY.

GOD ASSURES ME: When I am nervous or concerned about a situation or a loved one, I often get “butterflies” in my stomach—a nervous tension that only adds to my distress. So, to feel at peace is important to me physically as well as emotionally.

One of the best ways to release the mental and physical discomfort we experience is to place our anxiety into God’s care and keeping. For our patients and families in hospital, “life” as they know it, is **OUT OF CONTROL.**

As God answers faithful prayers, an awareness of God’s authority, presence, and control can fill us with assurance. These thoughts of concern or apprehension dissolve.

Once those fears are gone, peace quickly fills the void left behind. When our minds are at rest, thoughts become serene, and our bodies no longer tense.

Relaxed and calm, we experience the peaceful presence of God.

“A tranquil heart is life to the body,” Proverbs 14:30a

Daily Word, Berkley Books 1997 p191