

Palomar Pomerado Health
BOARD OF DIRECTORS
REGULAR BOARD MEETING
 Palomar Medical Center, Graybill Auditorium, Escondido
 Monday, April 12, 2004

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
CLOSED SESSION	5:30 p.m.		
ADJOURNMENT TO OPEN SESSION	6:30 p.m.	No reportable action.	
CALL TO ORDER	6:30 pm Quorum comprised Directors Bassett, Berger, Kleiter, Krider, Larson, Rivera and Scofield.		
OPENING CEREMONY	The Pledge of Allegiance was recited in unison, followed by an inspirational reading by Chaplain Hard <i>(attached)</i> .		
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		

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APPROVAL OF MINUTES <ul style="list-style-type: none"> • March 26, 2004 Special Board Educational Meeting • March 15, 2004 Regular Board Meeting • March 10, 2004 Joint Board Strategic Planning Meeting • November 17, 2003 Regular Board Meeting 		MOTION: by Scofield, 2 nd by Kleiter and carried unanimously that the minutes of the March 26, 2004; March 15, 2004; March 10, 2004 and November 17, 2003 Board Meetings be approved as submitted. None opposed.	
CONSENT AGENDA	Consent Agenda included Finance Committee action item for Approval of the Funding for an unbudgeted Image and Marketing Strategy from the FY 04 Budget, with expenditures up to \$652,500.	MOTION: by Kleiter, 2 nd by Bassett and carried unanimously to approve the Consent Agenda as submitted.	
PRESENTATION	No presentation made this month.		
▪			
REPORTS			
Medical Staff			
Palomar Medical Center			
▪ Credentialing	James S. Otoshi, M.D., Chief of PMC Medical Staff, presented PMC's requests for approval of Credentialing Recommendations.	MOTION: by Scofield, 2 nd by Bassett and carried to approve the PMC Medical Staff Executive Committee credentialing recommendations for the PMC Medical Staff, as presented. None opposed. Directors Larson and Rivera abstained to avoid potential conflict of interest.	
▪ PMC Medical Staff Bylaws, Rules and Regulations	James S. Otoshi, M.D. presented PMC's request for approval of revisions to the PMC Medical Staff Bylaws, Rules and Regulations referred to via Memorandum dated March 30, 2004 on pages 48-51 of the board packet <i>(attached)</i> .	MOTION: by Scofield, 2 nd by Kleiter, with a comment noting that part of these revisions had previously been sent back to the Medical Staff. Director Kleiter continued that he was not pleased with the wording in the underlined paragraph of Article 18.1 whereby if the Board do not take action within a certain period of time	

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	<p>Dr. Otoshi responded that regarding this particular amendment to Article 18.1, it was not something recommended by the leadership of the Medical Staff, neither did it go through the Medical Staff Committee. Their Bylaws allow for three physicians to permit this. However, they have the ability to recommend approval or otherwise.</p> <p>The amendment, having been taken from the CMA recommended Bylaws for Medical Staff, was brought to the Medical Staff by Dr. Paul Milling. The Board had originally requested clarification to which the Medical Staff later clarified. Dr. Otoshi however, felt that it was a somewhat superfluous amendment ie., for the Board to respond promptly. He continued that this amendment was not controversial from the Medical Staff's perspective and he did not have a problem with this particular section either staying in, or being taken out of the Medical Staff Bylaws.</p> <p>Director Bassett felt the Medical Staff do have the right to expect the Board to have a time limit by which to respond. Regarding the keeping to a time limit, Director Kleiter noted that he would leave this to Administration to ensure that the Board would be within such limit.</p> <p>Director Krider commented that it was difficult to put a timeframe on something like this, so he had a problem with the whole matter.</p>	<p>(ie., within 60 days), Bylaws changes adopted by the Medical Staff shall automatically become effective. He did not feel that this was right, but that there was enough clarification further on within the text. He stated he was willing to go along with it, but was not happy about it.</p>	

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	<p>Director Berger stated that the item itself was too wordy and that it would be preferable to state that courtesy be given the Medical Staff of a response within 60 days as to the Board's action, or intended action.</p> <p>Dr. Otoshi suggested that the Board write him a letter as Chief of PMC Medical Staff noting the Board's concerns with the underlined paragraph of Art. 18.1 as submitted, when the Medical Staff would go back to the authors of the Bylaws amendment for input, and possibly re-present with another amendment, or let the matter drop.</p> <p>Further discussion ensued with Director Rivera noting that the matter of a 60-day timeframe within which the Board should respond to the Medical Staff may have been relevant in the past, but is not at this juncture, with what he felt was good communication between the CEO and Medical Staffs. In this current climate stipulating such Board response time was unnecessary and too restrictive.</p>	<p>MOTION: by Rivera to strike the original motion. Director Scofield withdrew the original motion. Director Kleiter withdrew his original motion to second. All in favor.</p> <p>MOTION: by Rivera, 2nd and approved, that all the revisions to the Medical Staff Bylaws, Rules and Regulations as submitted by the PMC Medical Staff under cover of their memo dated April 12, 2004 be approved, except for the proposed changes as underlined in the second paragraph of Article 18.1- Bylaws, noting that this raised an issue of controversy and that the Board would like to foster open dialogue without such restrictions of a specific timeframe. If and when that changes, this matter can be revisited.</p> <p>All in favor. None opposed.</p>	<p>On behalf of the Board, Chairman Larson to write a letter to Dr. Otoshi explaining the Board's response in this matter.</p>

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Escondido Surgery Center			
<ul style="list-style-type: none"> ▪ Credentialing 	<p>L. Richard Greenstein, M.D., Medical Director, presented requests for approval of Credentialing Recommendations</p>	<p>MOTION: by Kleiter, 2nd by Scofield and carried to approve the PMC Medical Staff Executive Committee credentialing recommendations for the Escondido Surgery Center, as presented. None opposed.</p> <p>Directors Larson and Rivera abstained to avoid potential conflict of interest.</p>	
Pomerado Hospital			
<ul style="list-style-type: none"> • Retirement of Paul Reading, M.D. 	<p>Paul Tornambe, M.D., Chief of Staff elect for Pomerado Hospital, on behalf of Alan J. Conrad, M.D., announced that Dr. Paul Reading is retiring. He was one of the original physicians at Pomerado Hospital and a retirement reception is planned for Dr. Reading on Thursday, April 29 from Noon – 1:30 p.m.</p>		
<ul style="list-style-type: none"> ▪ Credentialing 	<p>Paul Tornambe, M.D., on behalf of Alan J. Conrad, M.D., Chief of Pomerado Medical Staff, presented Pomerado Hospital's requests for approval of Credentialing Recommendations.</p>	<p>MOTION: by Bassett, 2nd by Scofield and carried to approve the Pomerado Hospital Medical Staff Executive Committee credentialing recommendations for the Pomerado Medical Staff, as presented. None opposed.</p> <p>Directors Larson and Rivera abstained to avoid potential conflict of interest.</p>	
Administrative			
Chairperson - Palomar Pomerado Health Foundation	<p>Mary Evert, Chairperson of PPHF, presented a verbal report on recent activities, including a most generous charitable gift annuity from Martha Norman, a Pauma Valley resident, of \$770,000.</p> <p>In addition, three new people are coming onto the Foundation Board – N. Nelson, CFO for Century 21; Laura Bright, Attorney; and Ken</p>		

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	<p>Huggins, Attorney.</p> <p>The Annual Foundation Meeting is scheduled for Thursday, May 13 from 4:30-7 pm and an inspiring speaker is anticipated.</p> <p>A meeting was held April 8 at Bernardo Heights CC with a presentation given by the Senior VP of Merrill Lynch on Non-Profit Board Management and Planned Giving topics.</p> <p>The Pauma Valley Ambassadors had been formed, together with a Pauma Valley Speakers Bureau anticipated by the end of June. The Foundation was confident that all annual goals would be met. Chairman Larson thanked Ms Evert for her positive report.</p>		
<p>Chairman of the Board - Palomar Pomerado Health</p>	<p>Alan W. Larson, M.D.</p>		
<ul style="list-style-type: none"> • TWIN Award 	<p>Chairman Larson congratulated Director Bassett upon her upcoming YWCA TWIN (Tribute to Women and Industry) Award to be presented to her on Thursday, June 17, 2004 in the San Diego Convention Center's main ballroom. It is an annual event with this year being the 25th Annual Award. Honorees and their employers are invited to attend. Director Bassett is being honored for her work on the PPH Board of Directors, particularly for her work with the ad hoc Committee for Nursing Future to promote an increase in nursing opportunities.</p>		
<ul style="list-style-type: none"> • Special Board Educational Meetings 	<p>Chairman Larson announced that our Board, Administration and Medical Staffs are aligned with our goals of improving quality. In this regard we have had a number of educational sessions, the latest being a presentation to the Board, Medical Staffs and EMT by Ms Jackie Ennis regarding a "Best Hospitals List, and How to Get on It" which was held in March. A meeting was also held in February with</p>		


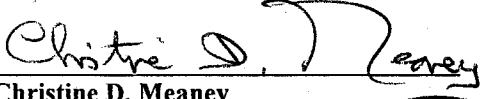
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	<p>Ms Jean Chenoweth of Solucient discussing the "100 Best Hospitals".</p> <p>Our aim is to assure the public that our quality is second to none.</p>		
President and CEO	Michael H. Covert, FACHE		
<ul style="list-style-type: none"> ▪ April 2004 Values in Action 	<p>Michael Covert relayed that Fred Victoria from Respiratory Therapy was the "Values in Action Award" winner for April, 2004. Mr. Covert read out a letter of recognition by Fred's peers noting that he often acts as preceptor and mentor. His supervisor Bruce, who accompanied him, supported statements made in the letter and stated that Fred was portrayed as the "father" of the night shift and promoted a true family feeling amongst his peers. On behalf of PPH, a check for \$1,000 was presented by the Board to Mr. Victoria.</p>		
<ul style="list-style-type: none"> ▪ Donald S. Herip, M.D. Medical Director Corporate Health 	<p>Michael Covert introduced Dr. Donald Herip to the Board, welcoming him to PPH noting that Dr. Herip comes to us from the US Navy and is recognized around the country in his specialty of Occupational Medicine. His medical staff credentials had been approved by the Board earlier that evening.</p>		
<ul style="list-style-type: none"> ▪ TB Update 	<p>It was reported that 2 cases of TB had been diagnosed in February and March among our staff at Villa Pomerado. 400 patients and 140 staff have been tested and it will be repeated in 12 weeks to ensure we do not miss any cases. There is no connection between the two cases. Gustavo Friederichsen had been working with the media on the matter and Dr. Herip had been excellent in working with the County Dept of Health. It also proved to be a good exercise for all concerned.</p> <p>Chairman Larson was pleased to have Dr. Herip with us and impressed with the depth of his clinical programs and background.</p>		

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	<p>Dr. Herip was invited to take the podium where he relayed his background to the Board including occupational medicine, family practice and a residential fellowship in epidemiology, having been certified in all three. He officially retired from the Navy on April 1, 2004.</p> <p>Director Berger asked about establishing a workers compensation program. Dr. Herip responded that he would first like to ensure the wellbeing of PPH employees and later open this up to the outside.</p>		
<ul style="list-style-type: none"> ▪ Gallup Employee Surveys 	<p>It was reported that 2800 of our peers are participating in our Gallup telephone survey.</p>		
<ul style="list-style-type: none"> ▪ Customer Service Initiative Training 	<p>Michael Covert reported that Customer Service Initiative Training is commencing throughout the system so that we undertake the right standards for staff in our service excellence program, holding all of us accountable.</p>		
<ul style="list-style-type: none"> ▪ Joint Board Strategic Planning Committee 	<p>A meeting of the Joint Board Strategic Planning Committee took place April 13 to discuss draft FY '05 Goals.</p>		
<ul style="list-style-type: none"> ▪ California Baldrige Award Presentation 	<p>A special board educational presentation is to be made on the Malcolm Baldrige Award by Mark Graham Brown of the California Council for Excellence, on April 30.</p>		
<ul style="list-style-type: none"> ▪ Resolution No. 04.12.04(01)-3 	<p>Michael Covert introduced Bob Hemker who reported that in response to recovering costs related to the recent wildfires during the latter part of 2003, FEMA had requested that the Board authorize the Designation of Applicant's Agent by resolution and to file it in the Office of Emergency Services for the purpose of obtaining certain federal financial assistance under P.L. 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act. It was requested that the position of Chief Financial Officer be</p>	<p>MOTION: by Berger, 2nd by Bassett and carried unanimously to adopt Resolution No. 04.12.04(01)-3 as submitted to authorize the Designation of Applicant's Agent as being the Chief Financial Officer of PPH, to be filed in the Office of Emergency Services as requested by FEMA, for the purpose of obtaining certain federal financial assistance as a result of the wildfires experienced during the latter part of 2003.</p>	

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	designated as PPH's Authorized Agent, the incumbent in this position being Bob Hemker.		
<ul style="list-style-type: none"> ▪ FY '04 Goals Update 	<p>Michael Covert introduced Marcia Jackson to present the remainder of the FY '04 Goals Update (<i>attached</i>) noting that this was the second segment, with the first having been presented to the Board at the March meeting.</p> <p>Ms Jackson then introduced Val Tesoro, M.D. who presented a Quality review, noting that we are 71% complete in improving clinical outcomes in Cardiovascular & Pulmonary Services; Developing a Balanced Scorecard; Increasing Quality Market Share & Growth; and Implementing a Physician Leadership Development Program.</p> <p>On behalf of Lorie Shoemaker, Sharon Andrews presented a review of the Access to Care Initiative. We continue to refine initiatives in support of goals noting that Door to Doc had been impacted by increased volumes; Reduction in overall cancellation of Elective Surgeries; Home Health met maximum goal for accepting referrals; Capacity (flexing); Turnaround Time improvements; and Continuum of Care at maximum goal performance.</p> <p>Gustavo Friederichsen reviewed Image Development which included Image Enhancement Strategies; Enhanced Tracking & Reporting; Clinical Outreach Service Line marketing outline; Consolidating internal communications; and Web-based Community Benefit Inventory software to track community impact.</p> <p>Bob Hemker presented an overview of PPH's FY'04 Financial Goal of Strategic Financial Planning and Outcome Measures, including</p>		

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	Development of a Strategic Financial Plan identifying 1, 5 and 10 year targets; L-T Financial Planning model implementation; Decision Support Tools; Program Modeling; Operating Budget Process accelerated resulting in completion mid-May '04 for FY '05 budget; Revenue Cycle Management and Supply Chain Assessments being conducted; and Physician Advisory Committee involved in FY '05 Capital Budget development.		
INFORMATION ITEMS	No questions were raised under Information Items.		
<ul style="list-style-type: none"> • Joint Board/Strategic Planning 			
<ul style="list-style-type: none"> • Quality Review 			
<ul style="list-style-type: none"> • Community Relations 			
<ul style="list-style-type: none"> • Governance 			
<ul style="list-style-type: none"> • Finance 			
COMMITTEE REPORTS	(Finance Committee action items, if any, under Consent Agenda)		
Governance Committee	Bruce G. Krider, Chairman		
<ul style="list-style-type: none"> • Board Members' Requests for Closed Meeting Information 	Director Krider referred to the Governance Committee that had met on March 18 noting that a policy exists relevant to the recording and review of closed minutes.		
<ul style="list-style-type: none"> • Board Education 	Regarding Board Education, Director Krider felt that the Board should familiarize themselves with our policies, which are scheduled for review by the Governance Committee in the near future.		
<ul style="list-style-type: none"> • Finance Committee and Internal Audit 	Director Krider informed that at the next Governance Committee and subsequent Special Board Meeting scheduled for May 20, the Finance Committee and Internal Audit will be discussed.		

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<p>BOARD MEMBER COMMENTS/AGENDA ITEMS FOR NEXT MONTH</p>	<p>Audit Committee Roundtable June 10, San Diego Director Rivera announced that an Audit Committee Roundtable will take place June 10 in San Diego and suggested that if other Board Members are interested, they should check with Tom Boyle, Internal Auditor, to receive information on this Roundtable. Information was also faxed out by the Board Office.</p> <p>Women's Health Conference Director Scofield reported on the 3rd Women's Health Conference "Choices & Challenges" held April 3, 2004 at the California Center for the Arts, noting that many of the sessions were "standing room only" and that the whole day, including speaker Ann Richards, was excellent.</p> <p>AHA Annual Meeting, May 2-5, Washington, D.C. Chairman Larson reported that Director Scofield intends to be at the AHA Annual Meeting. (Director Scofield has since had to reluctantly withdraw from attendance).</p> <p>Finance Committee, April 20, 2004 Chairman Larson announced that Bob Hemker, CFO, would invite the full Board to attend the next Finance Committee Meeting April 20, when a Debt Analysis and Debt Capacity report will be presented. All Board members were encouraged to attend.</p>		

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FINAL ADJOURNMENT	9:30 p.m.		
SIGNATURES <ul style="list-style-type: none"> <li data-bbox="275 285 510 313">▪ Board Secretary <li data-bbox="275 407 510 435">▪ Board Assistant 	 <hr/> Nancy L. Bassett, R.N., M.B.A.  <hr/> Christine D. Meaney		

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