

Palomar Pomerado Health
BOARD OF DIRECTORS
REGULAR BOARD MEETING
 Pomerado Hospital, Meeting Room E, Pomerado, Poway
 Monday, May 10, 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 | 6:35 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 Walden (<i>copy attached</i>). | Chairman Larson commended Chaplain Walden upon his inspirational and team-oriented Recital. | |
| MISSION AND VISION STATEMENTS | <p>The PPH mission and vision statements were read by Director Berger, 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 | | |

| AGENDA ITEM | DISCUSSION | CONCLUSIONS/ACTION | FOLLOW-UP/RESPONSIBLE PARTY |
|--|---|---|-----------------------------|
| APPROVAL OF MINUTES <ul style="list-style-type: none"> • April 12, 2004 Regular Board Meeting • April 13, 2004 Joint Board and Strategic Planning Meeting • April 30, 2004 Special Board Educational Meeting | | MOTION: by Scofield, 2 nd by Krider and carried that the minutes of the April 12, 2004; April 13, 2004; and April 30, 2004 Board Meetings be approved as submitted. None opposed. Director Rivera abstained with regard to the April 30, 2004 minutes as he was not present. | |
| CONSENT AGENDA | | MOTION: by Kleiter, 2 nd by Berger and carried unanimously to approve the Consent Agenda as submitted. | |
| PRESENTATIONS | | Informational | |
| <ul style="list-style-type: none"> ▪ Health Care Advisory Councils (HCACs) 3rd Qtr Report | <p>On behalf of the Health Care Advisory Councils, Lupe Fierro, Director Community Outreach presented via overheads Accomplishments for Qtr 3 – January to March, 2004 (<i>copy attached</i>), assisted by Jane Raditz of the Rancho Bernardo HCAC. Ellie Whitcomb of Ramona/Julian HCAC provided information on the Rural Health Recovery Program/Resource Directories/ Intergenerational Mentoring Program and Yellow Ribbon Suicide Prevention Program, etc.</p> <p>Sherri Ann Goldby of the Poway Senior Center was present when discussion centered around the “Rides and Smiles” program which had become highly successful in the Rancho Bernardo/Poway/Diamond Gateway areas to assist seniors in their needs for local transportation, including drivers, all of whom are voluntary. The program originated with Jewish Family Service, but has now been provided additional funds to allow for driver DMV checks, in addition to community cooperation through volunteer service clubs in the area.</p> | | |

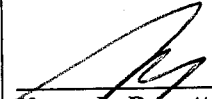

| AGENDA ITEM | DISCUSSION | CONCLUSIONS/ACTION | FOLLOW-UP/RESPONSIBLE PARTY |
|--|---|--------------------|-----------------------------|
| | <p>Focus was on HCAC Selection of Three Major Projects (Access to Care/Children & Youth Health/Senior Health); Integrating the Diamond Gateway, Poway, Rancho Bernardo Councils into the Pomerado Tri-Regional HCAC; and Completing Subcommittee Work (Committee on Alcohol, Tobacco & Other Drugs/Senior Transportation/Senior Resource Connection & Friendly Visitor Program).</p> | | |
| <ul style="list-style-type: none"> ▪ 3rd Qtr Compliance Update | <p>Jim Neal, Director of Corporate Integrity, presented his 3rd Qtr2004 Compliance Update via overheads (<i>copy attached</i>). There were no significant compliance issues involving employees or management. There were three Compliance Issues Hot Line calls/ Investigations with three investigated and closed. None still under investigation. Employees continue to attend Compliance Training. Current projects include the OIG Work Plan, HIPAA Evaluation, and Patient Care Functional Team (JCAHO).</p> | | |

| AGENDA ITEM | DISCUSSION | CONCLUSIONS/ACTION | FOLLOW-UP/RESPONSIBLE PARTY |
|--|--|---|-----------------------------|
| REPORTS | | | |
| Medical Staff | | | |
| Palomar Medical Center | | | |
| <ul style="list-style-type: none"> ▪ Credentialing | James S. Otoshi, M.D., Chief of PMC Medical Staff, presented PMC's requests for approval of Credentialing Recommendations. | <p>MOTION: by Kleiter, 2nd by Scofield and carried to approve the PMC Medical Staff Executive Committee credentialing recommendations for the PMC Medical Staff, as presented. None opposed.</p> <p>Directors Larson and Rivera abstained to avoid potential conflict of interest.</p> | |
| Escondido Surgery Center | James S. Otoshi, M.D., on behalf of L. Richard Greenstein, M.D., Medical Director of the Escondido Surgery Center, presented requests for approval of Credentialing Recommendations. | <p>MOTION: by Scofield, 2nd by Kleiter 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"> ▪ Credentialing | 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>MOTION: by Scofield, 2nd by Kleiter 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 | On behalf of Mary Evert, President, Anamaria Repetti presented a verbal report on recent | | |

| AGENDA ITEM | DISCUSSION | CONCLUSIONS/ACTION | FOLLOW-UP/RESPONSIBLE PARTY |
|-------------|--|--------------------|-----------------------------|
| | <p>activities of the Foundation including an Ambassadors update. The San Marcos Ambassador League kickoff meeting was anticipated for June 2 at the Quails Inn. Leagues have commenced in Poway/RB, Ramona, Pauma Valley/Valley Center and Escondido with over 150 volunteers.</p> <p>The first gathering of the Faith and Health Advisory Committee took place in Rancho Bernardo April 28 and was hoped it would become part of the Ambassadors League. All volunteer leadership for the Foundation is being scheduled for tours of PMC and Pomerado Hospital as well as undergoing speaker's training.</p> <p>The Annual PPHF Meeting date was changed from May 13 to June 9. The Foundation is undergoing structure review including a Joint Management Agreement anticipated to come before the June Board meeting.</p> | | |

| AGENDA ITEM | DISCUSSION | CONCLUSIONS/ACTION | FOLLOW-UP/RESPONSIBLE PARTY |
|--|---|-------------------------|-----------------------------|
| Chairman of the Board - Palomar Pomerado Health | Alan W. Larson, M.D. | No report at this time. | |
| President and CEO | Michael H. Covert, FACHE | | |
| <ul style="list-style-type: none"> • May 2004 Values in Action | Michael Covert reported that Olga Martinez, PMC FANS had received the May Values in Action Award. Her work ethic of giving 110% was commended and she considered her fellow employees at PMC as her second family noting that everyone worked hard together. Olga was congratulated and presented with a check by Chairman Larson. | | |
| <ul style="list-style-type: none"> • Nurses Week | Lorie Shoemaker, Chief Nurse Executive, was asked to report on Nurses Week held week of May 3. Ms Shoemaker noted that a number of events had been arranged including a Preceptor Luncheon and the first Physicians and Nurses Networking which included a Nursing Humorist speaker. Nurse of the Year Nominees for each Department and Nurse of the Year for each hospital were also part of the special events. Luz Thrash of PMC IMC and Kathy Douglas of Pomerado Hospital were the two recipients for Nurse of the Year. | | |
| <ul style="list-style-type: none"> • Hospital Week | Michael Covert noted that Hospital Week was also due to be celebrated and that everyone was welcome to join him with employees on the night shift. | | |
| <ul style="list-style-type: none"> • Poway City Council | The CEO reported on a workshop held with Poway City Council regarding the potential for growth of Pomerado Hospital. He felt it was positively received and noted that the Mayor and Council were very supportive. Concerns raised by the City Council were the look and feel/ambience and respect for quiet in the immediate area with careful evaluation of traffic patterns. | | |
| <ul style="list-style-type: none"> • Employee Survey | Michael Covert relayed that this was completed. | | |
| <ul style="list-style-type: none"> • Cause for Applause | Michael Covert explained the Cause for Applause cards whereby any member of PPH may write a positive note about another and | | |

| AGENDA ITEM | DISCUSSION | CONCLUSIONS/ACTION | FOLLOW-UP/RESPONSIBLE PARTY |
|---|--|--------------------|-----------------------------|
| | submit to that person's Supervisor for eventual transmission to the CEO when a personally signed letter and pin would be sent to the nominees. It was a program that was gaining momentum and popularity. | | |
| <ul style="list-style-type: none"> • PMC Auxiliary | Gerald Bracht, Chief Administrative Officer, PMC reported that at a recent Auxiliary meeting, the gavel was passed by Eleanor Schultz, former President, to Susan Westlake incoming PMC Auxiliary President. It was anticipated that the PMC Auxiliary Annual Report would be presented to the Board in the near future. | | |
| <ul style="list-style-type: none"> • Gallup Survey Results | Gerald Bracht reported that we obtained 85% Employee Survey Results. Gallup told us that a 60% return rate was good, so Mr. Bracht sincerely thanked everyone for his or her time and participation in the survey. A debriefing to the Board is anticipated. | | |
| <ul style="list-style-type: none"> • Survey by College of American Pathologists | Gerald Bracht relayed that both PMC and Pomerado Hospital will be surveyed by the College of American Pathologists on Friday, May 14, 2004. | | |
| <ul style="list-style-type: none"> • Pomerado Auxiliary | Jim Flinn, Chief Administrative Officer, Pomerado Hospital reported that at a recent Auxiliary meeting, the gavel was passed by Reba Traber, former President, to herself as incoming Pomerado Auxiliary President. | | |
| <ul style="list-style-type: none"> • Quality Councils | Jim Flinn informed that the Quality Councils are to be revitalized. It was noted that there is currently no Administrator on call at Pomerado. Mary Oelman is implementing this. | | |
| <ul style="list-style-type: none"> • Pomerado upgrade | Jim Flinn reported that the Restrooms on the 2 nd Floor of Pomerado had been re-floored. | | |
| <ul style="list-style-type: none"> • Kudos | It was reported that Clara Mulvaney who is in charge of the OR Pomerado Team was recognized by our physicians. Wendy Tassin, Coding and who captures excellent dated involved with ED Auditing, was also recognized. | | |

| AGENDA ITEM | DISCUSSION | CONCLUSIONS/ACTION | FOLLOW-UP/RESPONSIBLE PARTY |
|---|--|--------------------|-----------------------------|
| <ul style="list-style-type: none"> California Baldrige Award | <p>Michael Covert discussed the California Baldrige Award program, noting that we are well on our way to achieving this a few years hence. We will invite the speaker back to meet with the Board for those who had missed this previously.</p> | | |
| <ul style="list-style-type: none"> Financial Update | <p>Bob Hemker, CFO, provided a brief verbal review on the financing status of our projects, noting there was no slippage on timeframes. Chairman Larson inquired as to Days of Cash on Hand. Bob Hemker responded that our criteria is never to slip too low with an internal target of 200 days. Cash collections were also discussed. All other items were on track.</p> | | |
| <p>INFORMATION ITEMS</p> | <p>No questions were raised under Information Items.</p> | | |
| <ul style="list-style-type: none"> Joint Board/Strategic Planning | | | |
| <p>COMMITTEE REPORTS</p> | <p>None, except under Consent Items</p> | | |
| <p>BOARD MEMBER COMMENTS/AGENDA ITEMS FOR NEXT MONTH</p> | <p>None</p> | | |
| <p>ADJOURNMENT</p> | <p>7:35 p.m.</p> | | |
| <p>SIGNATURES</p> <ul style="list-style-type: none"> Board Secretary Board Assistant | <p> Nancy L. Bassett, R.N., M.B.A.</p> <p> Christine D. Meaney</p> | | |