

Palomar Pomerado Health
BOARD OF DIRECTORS
REGULAR BOARD MEETING
Palomar Medical Center
June 2, 2003

| AGENDA ITEM | DISCUSSION | CONCLUSION/ACTION | FOLLOW-UP/ RESPONSIBLE PARTY |
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| CALL TO ORDER | 6:03 p.m. | | |
| OPENING CEREMONY | The Pledge of Allegiance was recited in unison, followed by an inspirational reading (attached) by Chaplain Hard. | | |
| ESTABLISHMENT OF QUORUM | Bassett, Berger, Gigliotti, Kleiter, Larson, Rivera and Scofield | | |
| MISSION AND VISION STATEMENT | Director Larson, M.D. | | |
| | <p>The PPH mission and vision statements were read by Chairman Larson, 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>The vision is that PPH will have the highest patient satisfaction in California.</p> | | |
| NOTICE OF MEETING | The notice of meeting was mailed consistent with legal requirements. | | |
| PUBLIC COMMENTS | Three requests for public comment were presented and honored. | | |
| <ul style="list-style-type: none"> • Jan France, RN | <p>Jan France, RN of the CCU spoke on behalf of PPH Nurses regarding the Union Contract stating she had been a member of the bargaining team and wished to express support of this RN contract which involved a lot of hard work noting that both sides made compromises. Close support had been received from PPH management and the nurses.</p> | | |
| <ul style="list-style-type: none"> • Maribeth Markle, RN | <p>Maribeth Markle, RN of ICU PMC stated she had worked at PMC for twenty-five years. She was also part of the RN negotiating team and wished to express her appreciation to all those involved including C N A members, EMT, Financial Planning and Atty Jeff Berman for their diligence and collaboration in this process.</p> | | |

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| <ul style="list-style-type: none"> Dave Martin | <p>Dave Martin, PMC Lab spoke on behalf of CHEU. He wished to congratulate the nurses on their contract noting that PMC has ensured it will be able to recruit and retain such staff. He asked that the hospital take the same approach in their hospital negotiations. They have made an initial wage proposal at their last bargaining session for all ancillary staff.</p> | <p>Chairman Larson sincerely thanked all for coming to speak this evening, and for the spirit of cooperation and hard work that has gone into the process.</p> | |
| APPROVAL OF MINUTES | | | |
| <ul style="list-style-type: none"> May 12 Regular Meeting | | <p>MOTION: by Scofield, 2nd by Kleiter and unanimously carried to approve the May 12, 2003 regular minutes.</p> | |
| CONSENT AGENDA | | | |
| | | <p>MOTION: by Bassett, 2nd by Gigliotti and unanimously carried to approve the Consent Agenda as presented.</p> | |
| PRESENTATION | | | |
| <ul style="list-style-type: none"> Compliance Report Jan-Mar 2003 | <p>Jim Neal, Compliance Officer, presented his report for the Third Quarter of FY 2003 (Jan – Mar 2003) attached noting that there were no significant compliance issues involving employees or management. 301 employees attended Compliance Training during this third quarter, and beginning July 1, 2002 1010 employees had attending such training. Certain projects are currently underway including Board Compliance Training. No compliance areas were identified as potential for litigation.</p> | <p>Jim Neal was thanked for his informative presentation. Director Larson noted he had been meeting with Mr. Neal and Michael Covert monthly regarding compliance procedures and issues. He congratulated Mr. Neal on his being certified as a Compliance Officer and who has been invited to speak in Houston, Texas on Best Practices. He has received support from the CEO, CFO and staff.</p> | <p>Jim Neal to check corporate compliance manual and assure relevant answers are available to the Board for future information.</p> |
| REPORTS | | | |
| <ul style="list-style-type: none"> Medical Staff | | | |

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| <p>Palomar Medical Center</p> <ul style="list-style-type: none"> • Dr. Obenchain | <p>Duane Buringrud, M.D. Chief of Staff referred to a letter announcing the retirement of Dr. Ted Obenchain noting that his credentialing papers will come before us at the next board meeting. Dr. Buringrud wished to publicly acknowledge his services and that Dr. Obenchain is a great quality physician.</p> <p>There will be acknowledgements at PMC's quarterly staff meeting and the nursing staff also has such plans.</p> | | |
| <ul style="list-style-type: none"> • Credentialing | <p>Duane Buringrud, M.D., Chief of Staff presented the Palomar Credentialing Recommendations.</p> | <p>MOTION: by Bassett, 2nd by Scofield and carried to approve the PMC Executive Committee credentialing recommendations for the PMC Medical Staff, as presented.</p> <p>Directors Larson and Rivera abstained to avoid potential conflict of interest.</p> | |
| <ul style="list-style-type: none"> • Revisions to Department of Medicine Rules and Regulations <p>Article 18.1</p> | <p>Director Larson referred to p.56 of the board packet stating that we have received communication from our attorney regarding the changes of medical staff bylaws, particularly to Article 18.1. Language is contained in this article which permits changes in the Medical Staff Bylaws upon approval by the Board, or "automatically within 60 days if no action is taken by the Board", and is concerned that including "no action" is not good. Any changes to medical staff bylaws should be with the express approval of the Board and Medical Staff.</p> <p>Discussion ensued with Dr. Buringrud who said this was based upon the result of the California Medical Association Initiative asking Boards either to approve or disapprove the revisions when they are presented to Boards. Following questions by Director Kleiter who felt in agreement with our attorney, he said that we are a</p> | | |

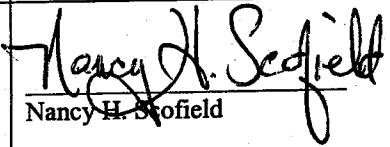

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| | <p>public board in a public setting with cooperation between our boards and that we should not need this.</p> | | |
| | <p>Director Berger felt that in its present form the amendment to Article 18.1 is unacceptable, but even if we supported the concept, it would have to be better determined what action is acceptable or unacceptable. Director Rivera interpreted the requested change as being CMA requesting prompt attention due to possible instances of medical staff regulations having been delayed by legal evaluation in the past. As a former Chief of Staff he would have liked the board to have responded sooner on occasion, and suggested that action on this particular item might be tabled.</p> | | |
| | <p>Director Gigliotti voiced concern over the Board being able to see exactly what it is voting on each time and that it appeared from the wording of Article 18.1 that Bylaw changes adopted by the Medical Staff could be automatically approved within 60 days if no action is taken by this Board. He therefore proposed that the Medical Staff re-write this. Director Bassett concurred requesting that it be more explicit. Attorney Jim Owens felt the time period could be interpreted as being 60 days from approval by the Medical Executive Committee, or 60 days from being presented to the Board.</p> | | |
| | <p>On another issue Director Rivera asked about the rationale for making the Medical Director of the Trauma Program a non-voting member of the Executive Committee. Dr. Buringrud responded that the PMC Medical Staff split the duties of Chairman of Trauma and Director of Trauma Services, and is not to dilute the votes of the departments.</p> | | |

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| <p>Article 6.5</p> | <p>Regarding Privileges During a Disaster (6.5), Director Bassett inquired whether each State has its own requirements for licensing. Attorney Jim Owens replied that there would be "Good Samaritan" status but not licensure. Director Rivera referred to the time he was in New York during the terrorist attack of 9-11 noting that a valid physician's license for a specific period of time was all that was required for handling emergencies, including trauma surgeries, and that valid licenses were presented. Michael Covert concurred.</p> <p>It was felt that the Medical Staffs need to address the issue of "out-of-state licensing" e.g, for chest surgeons, etc. Dr. Conrad felt there is nothing in the Bylaws that specifies a physician has to be licensed in California and that the word "California" referred to on page 57 of the packet (Article 6.5-Contd.) – 5th line was a typo error and should be deleted.</p> | | |
| | <p>Director Berger felt that legal advice on this be sought</p> | <p>MOTION: by Rivera, 2nd by Berger to separate out Article 6.5 to clarify legal status of licensing.</p> <p>Following discussion as indicated, Directors Bassett; Gigliotti; Kleiter; Larson and Scofield voted down the Motion.</p> | |
| <p>Article 18.1</p> | <p>Director Kleiter wished to speak against the Motion as he would like to see Article 18.1 go back to the Medical Staff to assure clarity of wording on the "60 days" aspect. Director Rivera then requested that the clarification on Article 18.1 concerning "automatic" approval within 60 days if no action taken by the Board, be added to his motion regarding Article 6.5.</p> <p>Director Kleiter said that he would second the amendment to Director Rivera's motion.</p> | | |

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| | <p>Director Larson then asked if there was any further discussion on Director Rivera's motion to accept the Revisions as presented with the provision of obtaining legal clarification to Article 6.5 concerning California licensing.</p> <p>At this point Dr. Otoshi felt there was an error in the Medical Staff Bylaws and that the intent of the Bylaws Committee was to address this particular issue. Director Rivera suggested that Article 6.5 (Privileges During a Disaster) be sent back to the Medical Staff. Dr. Buringrud proposed voting down the items the Board does not wish to approve at this time.</p> <p>Director Berger inquired about Article 11.3.1 "Composition" (f) -the Medical Director of the Trauma Program as a non-voting member. Dr. Buringrud replied that this was a decision by the Medical Staff.</p> | <p>MOTION: Moved, 2nd by Bassett and carried that the PMC Medical Staff Revisions to Department of Medicine Rules and Regulations be approved as submitted, excluding Articles 6.5 and 18.1 which are to be brought back for further review to a future meeting.</p> <p>Opposed: Director Rivera.</p> | <p>Dr. Buringrud to bring Articles 6.5 and 18.1 back for further review at a later date.</p> |
| <p>Escondido Surgery Center</p> <ul style="list-style-type: none"> • Credentialing | <p>L. Richard Greenstein, M.D., Medical Director presented requests for approval of Credentials</p> | <p>MOTION: by Bassett, 2nd by Gigliotti and carried to approve the PMC Executive Committee credentialing recommendations for the Escondido Surgery Center, as presented.</p> <p>Directors Larson, Rivera, and Berger abstained to avoid potential conflict of interest.</p> | |
| <p>Pomerado Hospital</p> <ul style="list-style-type: none"> • Credentialing | <p>George Y. Kung M.D., Chief of Staff presented requests for approval of Credentials</p> | <p>MOTION: by Gigliotti 2nd by Bassett and carried to approve the Pomerado Medical Staff Executive Committee recommendations for the Pomerado hospital Medical Staff, as presented.</p> <p>Directors Larson, Rivera, and Berger abstained to avoid potential conflict of interest.</p> | |
| <p>Administrative</p> <p>Michael Covert, President and CEO</p> | <p>In reference to the above discussion on Articles 6.5 and 18.1, Mr. Covert</p> | | |

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| | <p>commented on a need to refresh the group's understanding on making and amending motions according to Robert's Rules of Order as part of the Board education program.</p> <p>Recognition focused on Diana Faugno, RN, District Director of Forensic Health Services, who will be honored June 13 by the YWCA with the Tribute to Women & Industry Award, following 25 years of service to PPH and the community. She oversees Forensic Health Services including SART (Sexual Assault Response Team), Family Violence and Child Abuse Programs.</p> <p>A generous donation of \$250,000 has been received for stereotactic biopsy equipment from the McLaughlin Family which will initially be placed at the Parkway Medical Building with eventual placement in the Women's Center when built at Pomerado.</p> | | |
| | <p>In addition, PPH commenced its new Customer Service Initiative, "Our Family Care for Your Family" Program .</p> <p>PPH was the lead sponsor of a successful RB Alive! Street Fair Sunday, June 1 with over 25,000 attendees.</p> <p>The Foundation hosted a successful "Evening with Heroes" including the mayor of Escondido, local firefighters, police officers, paramedics, ED staff, Board members and staff Sunday, May 25 with proceeds benefiting PMC's Emergency Services.</p> <p>Acute Rehab PMC celebrated the first anniversary June 2 of the unit's expansion and success.</p> | | |

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| | <p>Our JCAHO Mock Survey took place May 19 – 22 and the report should be back within several weeks.</p> <p>In addition, Mr. Covert noted he has continued visiting with medical staff and others throughout the system and community.</p> <p>He continued that positive consideration be given for the nurses contract before us as part of a new partnership. We continue to earn trust in that regard, and acknowledged the diligent work of staff involved.</p> | | |
| Chairman of the Board | None | | |
| INFORMATION ITEMS | These were presented with the following comments/actions: | | |
| Ad hoc Nursing Future | <p>Director Bassett commended the information contained in the narratives noting two additional points:</p> <p>1) our need to know exactly how much it will cost to educate one nursing student for one class/one semester/one year. This will be brought to the next ad hoc meeting; and</p> <p>2) two interesting websites are available for nurse recruitment, CampusRN.com and MinorityNurse.com.</p> | | |
| COMMITTEE REPORTS | | | |
| Finance | Marcelo Rivera, M.D., Chairman | | |
| <ul style="list-style-type: none"> • PMC Medical Director Agreement | <p>Director Rivera referred to this position which had been posted to the Medical Staff per District Policy, and there were no additional candidates. Dr. Human has been the Medical Director for Clinical Information Services since 1991 and comes with the highest recommendation for this position.</p> | <p>MOTION: by Scofield, 2nd by Bassett and unanimously carried, to approve the PMC Medical Director – Clinical Information Services Agreement with Lee Human, M.D., for a term commencing July 1, 2003 and ending June 30, 2004.</p> | |
| BOARD MEMBER COMMENTS/AGENDA ITEMS FOR NEXT MONTH | <p>Referring to p.75 of the packet, Director Bassett questioned the high test result indicated under “Health Fairs & Special Events” item #2 – Glucose >140 = 26% of those screened and asked if this was a non-</p> | | |

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| | <p>fasting result.</p> <p>Bob Hemker, CFO, reminded that there will be a joint session of the Board and Finance Committee on June 26, 2003 for discussion and approval of the FY '04 budget.</p> | | |
| ADJOURNMENT TO CLOSED SESSION | <p>The open meeting adjourned to a closed session at 7:30 p.m., as follows:</p> <p>Pursuant to Government Code Section 54957.6: Conference with Labor Negotiators</p> | | |
| OPEN SESSION RESUMES/ACTION | <p>The open session resumed at 7:50 p.m. with reportable action being taken as follows:</p> | <p>MOTION: by Rivera, 2nd by Bassett and unanimously approved to amend the bargaining unit to include all per diem employees as referred to in the contract.</p> | |
| | | <p>MOTION: by Bassett, 2nd by Scofield and to unanimously approve the Collective Bargaining Agreement between PPH and California Nurses Association as presented to the Board.</p> | |
| | <p>Following a round of applause, Michael Covert commended all for their efforts on behalf of our patients and that we will all work together to make our newfound relationship a success.</p> <p>Director Larson commented that this process has been underway for nearly two years and that he is very pleased with the positive outcome for all concerned. He appreciated the efforts of our Human Resources Department, our attorneys and Mr. Taylor's professionalism in handling the complexity of this agreement which is a good one.</p> | | |
| FINAL ADJOURNMENT | <p>Final adjournment at 8:00 p.m.</p> | | |
| <p>SIGNATURES</p> <ul style="list-style-type: none"> • Board Secretary • Actg Board Assistant | <p> Nancy H. Scofield</p> <p> Christine D. Meaney</p> | | |