

**Palomar Pomerado Health  
BOARD OF DIRECTORS  
REGULAR BOARD MEETING**

Palomar Medical Center, Graybill Auditorium, Escondido  
Monday, August 9, 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 to original mins</i> ).		
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
<b>APPROVAL OF MINUTES</b> <ul style="list-style-type: none"> <li>• July 13, 2004 Regular Board Meeting</li> </ul>		<b>MOTION:</b> by Berger, 2 <sup>nd</sup> by Krider and carried that the minutes of the July 13, 2004 Regular Board Meeting be approved as submitted. None opposed.	
<b>CONSENT ITEMS</b>	Consent Items also included: <b>Approval of Revised Expenditure &amp; Requisition Approval Authority, Policy No. 10-507, increasing CEO's approval of Unbudgeted Operating &amp; Capital Items; Resolution No. 08.09.04(01)-9 Establishment of Appropriations Limit for FY 2005; &amp; Approval Phase I - Imaging Plan - CT Scanner</b>	<b>MOTION:</b> by Berger, 2 <sup>nd</sup> by Krider and carried unanimously to approve the Consent Items as submitted.	
<b>PRESENTATION</b>			
<ul style="list-style-type: none"> <li>▪ <b>Compliance Update – 4<sup>th</sup> Qtr/FY '04 &amp; Annual Report</b></li> </ul>	<p>Jim Neal provided a 4<sup>th</sup> Quarter and Annual Report to the Board on Compliance via overheads (<i>copy attached to original mins</i>). This update covered Evolving Compliance Requirements, Program Effectiveness, Code Content, New Employee Orientation, Compliance Calls, OIG Workplan &amp; Procedure. There were no legal compliance issues pending and no compliance investigations/focused reviewed ongoing at this time. It was noted there had been a large number of regulatory changes.</p> <p>Director Kleiter stated that the meeting of the Audit Committee is in process of being rescheduled.</p>	<b>Informational</b>	

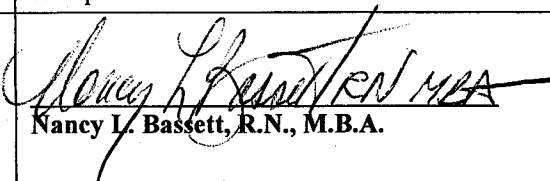
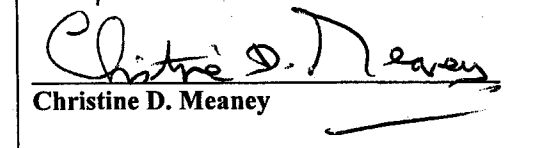
AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<b>REPORTS</b>			
<b>Medical Staff</b>			
<b>Palomar Medical Center</b>			
<ul style="list-style-type: none"> <li>▪ <b>Credentialing</b></li> </ul>	James S. Otoshi, MD., Chief of PMC Medical Staff, presented PMC's requests for approval of Credentialing Recommendations.	<p><b>MOTION:</b> by Scofield, 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>Directors Larson and Rivera abstained to avoid potential conflict of interest.</p>	
<b>Escondido Surgery Center</b>			
<ul style="list-style-type: none"> <li>▪ <b>Credentialing</b></li> </ul>	L. Richard Greenstein, MD., Medical Director of the Escondido Surgery Center, presented requests for approval of Credentialing Recommendations.	<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 Escondido Surgery Center, as presented. None opposed.</p> <p>Directors Larson and Rivera abstained to avoid potential conflict of interest.</p>	
<b>Pomerado Hospital</b>			
<ul style="list-style-type: none"> <li>▪ <b>Credentialing</b></li> </ul>	Alan J. Conrad, MD., Chief of Pomerado Medical Staff, presented Pomerado Hospital's requests for approval of Credentialing Recommendations.	<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> 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>	
<b>Administrative</b>			
<b>Chairperson - Palomar Pomerado Health Foundation</b>	Douglas Moir, MD, President of the Foundation, presented a verbal report on recent	<b>Informational</b>	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	<p>activities of the Foundation, including an event held at the Melrose Ranch July 24. In addition over 200 advocates are getting ready for planned giving events. A Joint Board Retreat is anticipated this fall.</p> <p>The Foundation is recruiting a Planned Giving Director and is developing the planned giving campaign.</p>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<b>Chairman of the Board - Palomar Pomerado Health</b>	<p>Alan W. Larson, MD, Chairman, relayed the final PPH Board Candidates list of those who are running in the November, 2004 election. These were listed as follows:</p> <p>Nancy L. Bassett  Michael D. Berger  Mary M. Evert  Linda C. Greer  Marcelo R. Rivera  Dennis A. Dickerson  Bruce G. Krider</p> <p>Director Scofield asked if any candidates were in the audience as she wished to welcome them.</p>	<b>Informational</b>	
<b>President and CEO</b>	Bob Hemker, CFO for Michael H. Covert	<b>Informational</b>	
<ul style="list-style-type: none"> <li>• Leadership in Action Award</li> </ul>	Mr. Hemker relayed that Virginia Barragan, System Director of Rehab Services had been awarded the 3 <sup>rd</sup> Qtr Leadership in Action award. However, as she was unable to attend this evening it was anticipated that the award would be made at the September Board meeting.		
<ul style="list-style-type: none"> <li>• I/T</li> </ul>	Conversions continue within the I/T system, including Lawson HR Payroll and API (time and attendance system) which have gone live successfully.		
<b>CAO Palomar Medical Center</b>	Gerald Bracht, Chief Administrative Officer for PMC provided a verbal report on activities at PMC, including reducing wait times in the ED, noting the Radiology Team throughput initiative. A report from the Annual Audit of SD County Department of EMS for Base Hospital Services (Fire and Paramedics had been received) showing no deficiencies and Mr. Bracht conveyed appreciation to all involved. Offsite parking for PMC employees at the Center for the Arts was underway. Mr. Bracht was thanked for his report.		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
CAO Pomerado Hospital	<p>Jim Flinn, Chief Administrative Officer for Pomerado presented his report on activities at Pomerado, noting that census has been in high 90's to low of 50's. Patient Loyalty scores were good. The change of anesthesia group at Pomerado's Birth Center had been handled well. In addition, a physician's lounge has been created on the 2<sup>nd</sup> Floor in which breakfast is available to physicians.</p> <p>Employee parking will begin offsite at the adjacent church between the hours of 7:15 am – 6 pm and Pomerado will be pleased to offer this facility.</p> <p>2<sup>nd</sup> Floor remodel/ICU beds should be ready in October.</p> <p>A new Director of Safety and Security has been appointed who will commence September 13.</p>		
Chief Clinical Outreach Officer	<p>Sheila Brown, Chief Clinical Outreach Officer, provided a verbal report to the Board on recent activities, including the opening of the sub-acute unit at Pomerado noting that we were budgeted for 120 days at Villa Pomerado.</p> <p>Following discussions with case managers and based on criteria for sub-acute patients, it is anticipated that some transfers will take place between long-term and sub-acute.</p>		
PPH Balanced Scorecard Update, FY 2005 -Director of Performance Management	<p>Carrie Frederick, Director of Performance Management, provided a review via overheads (<i>copy attached to original mins</i>) of the Balanced Scorecard. Key points were Theoretical Foundation, Reporting Structure, Indicators and, Implementation Plan and Status, noting research by Norton and Kaplan from Harvard Business School that success is more than financial performance; organizations that use a balanced scorecard perform better; and organizational activities are aligned and focused on key success factors.</p> <p>Ms Frederick was thanked for her informative review.</p>	<p><b>Informational</b></p> <p>Regarding the selection of indicators, Director Scofield requested further information. Ms Frederick agreed to forward this to the full Board for information.</p>	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<b>PMC Auxiliary Annual Report</b>	Gerald Bracht introduced Susan Westlake, President of PMC Auxiliary. Mr. Bracht relayed items highlighted in their annual report, noting that the Auxiliary supports scholarships to those in healthcare related fields of \$1500 each, noting a commitment of 12 totaling \$18,000. The Auxiliary is active in community events, and also distributes the "Vial of Life". In addition, it has provided absentee election ballots to 30 inpatients. The Heart and Hands program of making hand puppets and heart pillows is also appreciated. Total hours worked by 357 volunteers and 75 student volunteers from May 1 '03 – Apr 30, '04 were 44,098.	<b>Informational</b>  Chairman Larson was impressed with the spirit of volunteerism and wished to have these comments forwarded to the Auxiliary. He also extended thanks to Auxiliary President Susan Westlake.	
<b>INFORMATION ITEMS</b>	No questions were raised under Information Items.		
<b>COMMITTEE REPORTS</b>			
<b>Governance Committee</b>	Director Bruce Krider, Chairman		
<ul style="list-style-type: none"> <li><b>Establishment of a Facilities &amp; Grounds Committee</b></li> </ul>	Director Krider reported that the Governance Committee at its meeting July 22, approved the proposal to establish a Facilities & Grounds Committee of the Board. The proposal included the composition, meetings and duties of the committee ( <i>attached</i> ). Board approval was sought.	<b>MOTION:</b> by Krider, 2 <sup>nd</sup> by Scofield and carried unanimously to approve the establishment of a Facilities & Grounds Committee of the Board of Directors, with the addition of item 6.2.7 (d) Duties (v) as follows, "Approve the Annual Facilities Development Plan and regularly review updates on implementation of Plan", and that revision to the Bylaws be made to include this Board Committee.	
<ul style="list-style-type: none"> <li><b>Potential Establishment of a Joint Conference Committee</b></li> </ul>	Director Krider reported that consideration had been given by the Governance Committee to the possible establishment of a Joint Conference Committee between the Medical Staff and the Board, regarding some Medical Staff matters. An exploratory meeting would be scheduled before the next Governance Committee.	<b>Informational</b>	
<ul style="list-style-type: none"> <li><b>PPH Bylaws – Board Compensation</b></li> </ul>	Director Krider relayed that the matter of Board compensation for attendance at board		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	related meetings had been reviewed and that this will remain unchanged.		
<ul style="list-style-type: none"> <li>• Board Job Descriptions</li> </ul>	Director Krider stated that as a result of the Governance Committee's request for Board job descriptions, a number of these had been provided in draft by Mr. Covert for review by the Board. Director Krider distributed these to the Board requesting their review and to forward any comments to Christine Meaney, Assistant to the Board in time for the September 23 Governance Committee.		
BOARD MEMBER COMMENTS/AGENDA ITEMS FOR NEXT MONTH	None		
ADJOURNMENT	8:20 p.m.		
SIGNATURES  <ul style="list-style-type: none"> <li>▪ Board Secretary</li> <li>▪ Board Assistant</li> </ul>	 Nancy I. Bassett, R.N., M.B.A.   Christine D. Meaney		