

Regular Board Meeting  
August 11, 2003

Palomar Pomerado Health  
**BOARD OF DIRECTORS**  
**REGULAR BOARD MEETING**  
Palomar Medical Center  
Graybill Auditorium  
Monday, August 11, 2003

AGENDA ITEM	DISCUSSION	CONCLUSION / ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
CALL TO ORDER	6:02 p.m.		
OPENING CEREMONY	The Pledge of Allegiance was recited in unison, followed by an inspirational reading ( <b>attached</b> ) by Chaplain Hard.		
MISSION AND VISION STATEMENT	<p>Director Gigliotti</p> <p>The PPH mission and vision statements were read by Director Gigliotti, 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 is that PPH will have the highest patient satisfaction in California.</i></p>		
ESTABLISHMENT OF QUORUM	Directors Bassett, Gigliotti, Kleiter, Larson, Rivera and Scofield. Regrets from Director Berger.		
INTRODUCTION OF MARY M. EVERT, ScD (Hon.), MBA, OTR, FAOTA, CHAIRPERSON OF PALOMAR POMERADO HEALTH FOUNDATION	Chairman Larson introduced and welcomed Mary Evert, Chairperson of the Palomar Pomerado Health Foundation, noting her professional and community background combined with her strength of leadership of the Foundation which has benefited during her tenure in office. Ms Evert was a former Palomar Pomerado Health board member and Chairperson. Chairman Larson continued that Ms Evert had been invited to attend PPH's regular board meetings in an official capacity, and he looked forward to future meetings indicating the combined strengths of PPH and PPHF.		
NOTICE OF MEETING	The notice of meeting was mailed consistent with legal requirements.		
PUBLIC COMMENTS	No requests for public comment were received.		

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<b>APPROVAL OF MINUTES</b>			
<ul style="list-style-type: none"> <li>• <del>August 11, 2003</del> Regular Meeting <i>JULY 14, 2003</i> <i>CSJ</i></li> </ul>		<p><b>MOTION:</b> by Scofield, 2<sup>nd</sup> by Kleiter and carried unanimously to approve the July 14, 2003 Regular Board minutes as submitted.</p>	
<ul style="list-style-type: none"> <li>• June 26, 2003 Special Board Budget Meeting</li> </ul>		<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Gigliotti and carried unanimously to approve the June 26, 2003 Special Board Budget minutes as submitted.</p>	
<b>CONSENT AGENDA</b>		<p><b>MOTION:</b> by Scofield, 2<sup>nd</sup> by Kleiter and unanimously carried to approve the Consent Agenda as presented.</p>	

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<b>PRESENTATION</b>			
<ul style="list-style-type: none"> <li>North County Transit District new "Sprinter Service" between Oceanside and Escondido</li> </ul>	<p>Mr. Michael Boraks, "Sprinter" Construction Engineer, NCTD, Oceanside presented information on the new "Sprinter Service" which is expected in 2004. The service will provide transportation from Oceanside to Escondido along Interstate 78 with service every 30 minutes from 5 a.m. – 10:30 a.m. for \$1.75 per trip. The presentation (copy attached) was for informational purposes.</p>	<p>On behalf of the Board, Chairman Larson thanked Mr. Boraks for his informative presentation, asking him to keep in mind the "Sprinter's" potential future expansion to PMC.</p>	
	<p>Chairman Larson inquired about whether in the plans, the "Sprinter" route could be extended to access PMC and into eastern Escondido. Mr. Boraks responded that the project is currently within the existing rail alignment and Federal guidelines. However, such plans for expansion do exist and will be subject to future opportunities. Director Bassett inquired about the San Marcos route. Mr. Boraks indicated that the line will be less than ½ mile walk from CSUSM campus.</p>		
<ul style="list-style-type: none"> <li>PPHF/FY '03 Successes</li> </ul>	<p>Anamaria Repetti, VP/Executive Director of the Palomar Pomerado Health Foundation presented, together with Mary Evert, Chairperson, the successes achieved by the Foundation for Fiscal Year 2003. <b>Copy presentation attached.</b></p> <p>Ms Evert explained that the Foundation is always interested in having people with passion for the District, such as Nurses and Physicians who may possibly be retired, or others in the community who could contribute in a positive way to the Foundation Board as they would be welcomed.</p>	<p>On behalf of the Board, Director Larson appreciated the in-depth presentation, thanking Ms Repetti and Ms Evert, and emphasizing the latter's request that we ask our physicians to pass along the Foundation's continuing interest in recruiting potential donors, active retirees etc., on to their Board. He acknowledged the strong ongoing bond between PPH and PPHF, essential to the future wellbeing of the community.</p>	
<b>REPORTS</b>			
<b>Medical Staff</b>			
<p>Palomar Medical Center</p> <ul style="list-style-type: none"> <li>Credentialing</li> </ul>	<p>Duane Buringrud, MD., Chief of Staff presented PMC's requests for approval of Credentialing Recommendations.</p>	<p><b>MOTION:</b> by Scofield, 2<sup>nd</sup> by Kleiter and carried to approve the PMC Executive Committee</p>	

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		credentialing recommendations for the PMC Medical Staff, as presented. Directors Larson and Rivera abstained to avoid potential conflict of interest.	
<ul style="list-style-type: none"> <li>• <b>Revision to Department of Surgery Rules and Regulations</b></li> </ul>	Duane Buringrud, MD., Chief of Staff presented a revision to Palomar's Department of Surgery Rules and Regulations, recommending that all physicians on the Medical Staff be board certified in their application, or that they be in active application to be board certified. Following a question from Director Kleiter as to whether this would encompass all current medical staff members, Dr. Buringrud responded that this revision would be for all future new applicants.	<b>MOTION:</b> by Scofield, 2 <sup>nd</sup> by Kleiter and carried to approve the revision to Palomar's Department of Surgery Rules and Regulations, as presented.  Directors Larson and Rivera abstained to avoid potential conflict of interest.	

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<p><b>Escondido Surgery Center</b></p> <ul style="list-style-type: none"> <li>• <b>Credentialing</b></li> </ul>	<p>L. Richard Greenstein, M.D., Medical Director, presented requests for approval of Credentials. An additional Medical Staff recommendation inadvertently omitted from the original memo dated July 29, 2003 containing all the other Escondido Surgery Center credentialing recommendations, but referred to in a separate memo to the Board dated August 11, 2003 was that of Clifford Wolf, D.P.M., Podiatry for Reappointment effective through 08/31/2005.</p>	<p><b>MOTION:</b> by Scofield, 2<sup>nd</sup> by Kleiter and carried to approve the PMC Executive Committee credentialing recommendations for the Escondido Surgery Center, as presented in both the original July 29 memo to the Board, and the separate memo of August 11, 2003, the latter referring to Clifford Wolf, D.P.M.</p> <p>Directors Larson and Rivera abstained to avoid potential conflict of interest.</p>	
<p><b>Pomerado Hospital</b></p> <ul style="list-style-type: none"> <li>• <b>Credentialing</b></li> </ul>	<p>George Y. Kung, M.D., Chief of Staff presented Pomerado Hospital's requests for approval of Credentialing Recommendations</p>	<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Bassett and carried to approve the Pomerado Medical Staff Executive Committee credentialing recommendations for the Pomerado Hospital Medical Staff, as presented.</p> <p>Directors Larson and Rivera abstained to avoid potential conflict of interest.</p>	
<p><b>Administrative</b></p> <ul style="list-style-type: none"> <li>• <b>President and CEO</b></li> </ul>	<p><b>Values in Action Award</b> Michael Covert, President and CEO, referred to the Values in Action Award Winner for July, Lydia Carter, a Health Care Assistant in the IMC at PMC who had been selected for her outstanding involvement within her department and her commitment to fellow co-workers. Lydia Carter accompanied by Lorie Shoemaker on behalf of Kate Stacey, Lydia Carter's Manager, stepped up to the podium. Ms Carter thanked all concerned for her award. Director Bassett offered her personal congratulations to Ms Carter.</p>		

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	<p><b>ad hoc ED Call Task Force</b> Several candidates had been interviewed with one more to undergo for comparison purposes. Once finalized, there would be a report probably within the next thirty days and staff will eventually come to the Board for a recommendation.</p>		
	<p><b>Chairperson of Palomar Pomerado Health Foundation</b> Michael Covert thanked Mary Evert for her attendance at this and future board meetings and looked forward to her input.</p>		
	<p><b>Assistant to Board of Directors</b> In addition, Mr. Covert acknowledged Christine Meaney as the newly appointed Assistant to the Board of Palomar Pomerado Health, following Rose Godfrey's retirement in May.</p>		
	<p><b>Visioning Retreats</b> The first of two visioning retreats, which took place August 7, focused on the vision for PPH, as well as beginning to dialogue with our architects, Anshen + Allen. The Strategic Planning Committee is aware that the Department of Health Services is reviewing bed options to hopefully expand bed capacity at PMC and Pomerado by winter.</p>		
	<p><b>Organization</b> Michael Covert continued that in support of our efforts, there will be a memo to staff shortly regarding organizational alignment.</p>		
	<p><b>Board Education Survey</b> Results of this board survey indicating various aspects of board education will be reported back to the Chairman of the Governance Committee</p>		
	<p><b>Incentive Compensation</b> This information is awaited and it is hoped that by the first week in September we should be able to determine our financial outcome for FY '03.</p>		
	<p><b>Balanced Scorecard</b> Regarding this program, outside speakers from other institutions to present to PPH. Dr. Tesoro is arranging this.</p>		

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	<p><b>Financials</b> Bob Hemker noted that we are in process of closing out July, 2003 which appears to be on track with budget. Our external auditors are also now on site.</p>		
<ul style="list-style-type: none"> <li>• <b>Chairman</b></li> </ul>	<p>Chairman Larson thanked Michael Covert for the excellent report to the Board, and continued by referring to the recent <b>Annual Performance Improvement Report to the Board July 28</b>. He felt we can be very proud of our quality team based on this annual report which encompassed the following:</p> <ul style="list-style-type: none"> <li>• Crusade Study</li> <li>• Blue Cross CABG Center of Expertise</li> <li>• PMC OB Dept – Top 30% of Hospitals in CA</li> <li>• 2002 PMC CABG Clinical Outcomes</li> <li>• Overall Infection Rates</li> <li>• Clinical Guidelines</li> <li>• Participation in CMS/Medicare Pilot Project</li> </ul>		
<p><b>INFORMATION ITEMS</b></p>	<p>These were presented with the following comments/actions:</p>		
<p><b>Community Relations</b></p>	<p>Director Scofield commented that current programs are expanding, new ones starting and that this is an exciting period for this committee.</p>		
<p><b>COMMITTEE REPORTS</b></p>			
<p><b>ad hoc Committee for Nursing Future</b></p>	<p>Director Bassett relayed information on the recent visit to Cal State San Marcos noting that it had been a very productive one and that we are producing a partnership which will assist greatly in nurse education and recruitment. Director Rivera spoke in support of this project.</p>		
<p><b>Strategic Planning Committee</b></p>	<p>Director Gigliotti referred to the 9 Goals of PPH for FY '04 which had been determined by this Committee. A motion for approval was requested.</p>	<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Scofield and unanimously carried that the Goals of Palomar Pomerado Health for FY '04 as presented on pages 143 – 165 of the board packet, be approved.</p>	
<p><b>Finance Committee</b></p> <ul style="list-style-type: none"> <li>• <b>Sarbanes Oxley Act</b></li> </ul>	<p>Director Rivera commented that as a result of the financial catastrophe of the Enron Company, WorldCom, etc., a code of ethics appeared to be needed. As a result, the Sarbanes-</p>	<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Rivera and unanimously carried that the Code of Conduct for</p>	

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	Oxley Act came into being and although not required by current law, PPH desires to adopt and implement the best practices of this Act when appropriate. Chairman Larson appreciated Director Rivera's efforts on behalf of PPH in this regard, noting that it is not required by law.	CEO, Senior Financial Executives, including the CFO, and members of the EMT as provided in pages 166 – 177 of the board packet, be approved.	

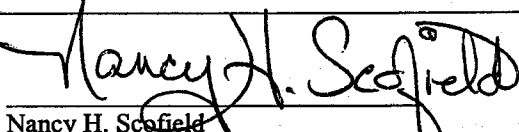


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<ul style="list-style-type: none"> <li><b>Expenditure &amp; Requisition Authority</b></li> </ul>	<p>It was noted that the Board passed Resolution No. 06.14.9(03) on June 14, 1993, limiting contract and budget items to a \$25,000 threshold or less, and does not address unbudgeted items. At its January 2001 meeting, the Board approved a signature authorization matrix policy. This policy updated approval levels up to and including \$250,000 for certain expenses, but failed to supersede the resolution. Following an objection from legal counsel, discussion ensued wherein Director Kleiter requested that this item be tabled. Director Rivera asked Bob Hemker about the matter as he had understood that this item had gone through committee with no problem and assumed that all legal channels had been followed. Director Rivera would discuss further with Mr. Covert.</p>	<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Gigliotti and unanimously carried that this item be tabled for further review and brought back to Finance Committee</p>	
<ul style="list-style-type: none"> <li><b>Board Designated Capital Spending Procedure</b></li> </ul>	<p>Following discussion of this procedure clarifying the accounting processes associated with the recording of Board Designated Funds, it was deemed appropriate to request Board approval in this instance.</p>	<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Gigliotti and unanimously carried that the Board Designated Capital Spending Procedure as submitted, be approved. Director Scofield abstained.</p>	
<ul style="list-style-type: none"> <li><b>Pomerado Hospital Emergency Room On-Call Medicine Provider Agreement</b></li> </ul>	<p>The coverage services provided for in this Agreement are identical to all PPH emergency on-call agreements in place at both hospitals and provides medical and case management coverage for patients presenting to the emergency room who do not have a regular treating physician. Dr. Otoshi is the only physician to express interest in assuming the agreement to ensure coverage.</p>	<p><b>MOTION:</b> by Gigliotti, 2<sup>nd</sup> by Kleiter and carried to approve the Pomerado Hospital Emergency Room On-Call Medicine Provider Agreement with Integrated Physicians Management, Inc. for two years from October 1, 2003 through September 30, 2005.  Directors Rivera and Bassett abstained.</p>	
<ul style="list-style-type: none"> <li><b>Pomerado Hospital Hospitalist Management Agreement</b></li> </ul>	<p>This agreement represents a renewal of the Hospitalist Management Agreement for Pomerado Hospital providing for a medical director and administrative oversight of the Hospitalist Service. The agreement was posted in the medical staff office, and Dr. Otoshi is the only physician to express interest</p>	<p><b>MOTION:</b> by Gigliotti, 2<sup>nd</sup> by Kleiter and carried to approve the Pomerado Hospital Hospitalist Management Agreement with Integrated Physicians Management, Inc.</p>	

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		for two years from October 1, 2003 through September 30, 2005.  Directors Rivera and Bassett abstained.	

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<ul style="list-style-type: none"> <li>Board agenda items X. C. 6-11, pages 197 - 208 inclusive (Agreements)</li> </ul>		<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Gigliotti and carried to approve Board agenda items Nos. X. C. 6-11, pages 197-208 inclusive in the board packet as follows:</p> <p>Pomerado Hospital Anesthesia Coverage Services Agreement with Anesthesia Services Medical Group, Inc. for two years from July 1, 2003 through June 30, 2005.</p>	
		<p>Pomerado Hospital Medical Director – Pulmonary Rehabilitation Services Agreement with Craig Burrows, MD., for a term of one year commencing October 1, 2003 through September 30, 2004.</p>	
		<p>Palomar Medical Center Adult Medicine and Pediatric Hospital Service Agreement with Neighborhood Healthcare for two years from August 1, 2003 through July 30, 2005.</p>	
		<p>Palomar Medical Center Ophthalmology Trauma Services Agreement with William Basuk, MD., for two years from July 1, 2003 through June 30, 2005.</p>	
		<p>Palomar Medical Center Independent Contractor Agreement for Obstetrical Backup Coverage Services with Escondido OB/GYN Medical Group, Inc., for two years from</p>	

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		October 1, 2003 through September 30, 2005.	
	<i>DERBY, CT</i>	Palomar Pomerado Health Professional Services and Medical Director Agreement NeoNatal Intensive Care with Children's Specialists of San Diego, Inc.	
<b>BOARD MEMBER COMMENTS / AGENDA ITEMS FOR NEXT MONTH</b>	Director Bassett provided a verbal report on a recent visit she had made to Griffin Hospital, <del>Danbury</del> , Connecticut, renowned for its quality of patient and customer care which is based on the Planetree Model which works to create a calm, clean, healing environment for patients and their families, the latter being encouraged to stay overnight. The hospital environment was quiet with no overhead paging, physicians and nurses pagers set on silent/vibrate, and the unit secretaries wear headsets.		
	Director Kleiter stated that he is a board member of ACHD and will be attending the annual meeting during the first week of October in Lake Tahoe. ACHD's educational sessions have expanded and they are reaching out to all areas of the health system and their political/lobbying efforts are very strong. He suggested board attendance at ACHD annual meeting and that those interested should submit their applications to Ms Meaney. Director Bassett acknowledged that she had attended last year and that it was very worthwhile.		
<b>ADJOURNMENT</b>	Adjournment at 7:50 p.m.		
<b>SIGNATURES</b>  • Board Secretary	 Nancy H. Scofield		

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<ul style="list-style-type: none"><li>Board Assistant</li></ul> <p>c:regular board mins 08-11-03:cdm</p>	<p><i>C. D. Meaney</i> Christine D. Meaney</p>		