

**Palomar Pomerado Health
BOARD OF DIRECTORS
REGULAR BOARD MEETING**
Pomerado Hospital, Meeting Room E, Poway
Monday, November 15, 2004

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
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>attached</i>).		
MISSION AND VISION STATEMENTS	The PPH mission and vision statements were read by Director Berger, as follows: <i>The mission of Palomar Pomerado Health is to heal, comfort and promote health in the communities we serve.</i> <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>		
NOTICE OF MEETING	Notice of Meeting was mailed consistent with legal requirements		
PUBLIC COMMENTS	None		
APPROVAL OF MINUTES • Regular Board Meeting – October 18, 2004			
CONSENT ITEMS		MOTION: by Rivera, 2 nd by Bassett and carried unanimously to approve the Consent Items as submitted.	
PRESENTATION ▪ American Heart Association – Performance Achievement Award/Stroke Program – Robert M. Stein,	Dr. Robert Stein presented via slides, the AHA Hospital-Wide Process, noting that PMC had previously won an award under the “Get with the Guidelines” program. The emphasis on		

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M.D.	<p>this occasion was on the Stroke Program, with a question posed by AHA as to how many patients will your hospital save this year. It was emphasized that this is a continuing education process of nurses and physicians and that lifelong changes for the patient are key.</p> <p>Dr. Stein and staff then presented the American Heart Association Certificate to the Board Chairman who in turn, congratulated Dr. Stein, his staff and PPH on what had been achieved.</p>		
<ul style="list-style-type: none"> ▪ Compliance Update – 1st Qtr/FY 2005 – Jim Neal, Compliance Officer 	<p>Jim Neal presented via overheads (copy attached) the Compliance Update for the 1st Quarter of FY 2005 (July – Sept) noting that compliance requirements continue to evolve including HIPAA Security Regulation, Stark II Phase II, proposed new OIG Compliance Guidance, proposed new Sentencing Guidelines, new JCAHO requirements and State Regulations. Use of the Balanced Scorecard was used in production of this report. There were no legal compliance issues pending, and one compliance investigation ongoing with no focused reviews.</p> <p>Chairman Larson commended Jim Neal for his excellent reports, stating he meets regularly with the CEO and Mr. Neal regarding these matters. PPH is doing everything possible to follow the letter of the law and he also appreciated Paul DeMuro's staff in this regard.</p>		

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REPORTS			
Medical Staff			
Palomar Medical Center			
<ul style="list-style-type: none"> ▪ Credentialing 	<p>James S. Otoni, MD., Chief of PMC Medical Staff, presented PMC's requests for approval of Credentialing Recommendations.</p>	<p>MOTION: by Scofield, 2nd 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>	
Escondido Surgery Center			
<ul style="list-style-type: none"> ▪ Credentialing 	<p>L. Richard Greenstein, MD., Medical Director of the Escondido Surgery Center, presented requests for approval of Credentialing Recommendations.</p>	<p>MOTION: by Scofield, 2nd by Bassett 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 	<p>Alan J. Conrad, MD., Chief of Pomerado Medical Staff, presented Pomerado Hospital's requests for approval of Credentialing Recommendations.</p>	<p>MOTION: by Bassett, 2nd by Krider 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>	

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Administrative			
Chairperson - Palomar Pomerado Health Foundation	<p>G. Douglas Moir, MD., presented a verbal report on the Foundation, noting that Witt-Kieffer is involved with the search for the Senior Director of Gift Giving, and Director of Planning Giving and for the Annual Fund Director. A major donation was made to the Cardiac Cath Lab at PMC. It was noted that Saturday, November 20 Poway Rotary are holding an annual gala fundraiser which will benefit the Foundation for the development of Pomerado Women's Center and representatives will attend from PPHF, EMT, etc. Tina Pope should be contacted if additional tickets were needed.</p> <p>Dr. Moir was thanked for his report.</p>		

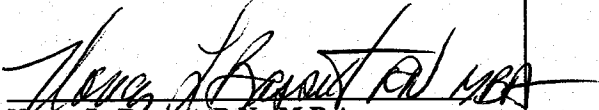
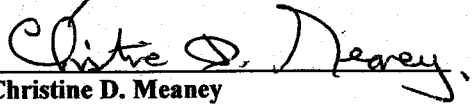
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<p>Chairman of the Board - Palomar Pomerado Health</p> <p>PPH Board Candidates</p>	<p>Chairman Larson reported that as a result of the November 2, 2004 General Election, Directors Bassett and Rivera were returned to office for four-year terms and welcomed a new Board Member, Linda C. Greer, RN also for a four-year term.</p> <p>Chairman Larson commended Director Berger who had not been returned at the election, but had served with distinction and the Board would miss his input. Dr. Berger had served almost 30 years on the staff of PMC and had been a strong advocate for patient quality and the Quality Review Committee. He also had a track record for advocacy regarding the Emergency Room and Telemedicine. Chairman Larson also said that we will have a chance to honor Dr. Berger at the Leadership Gala in February.</p> <p>Director Scofield, a former QR Committee Chair for many years, also personally thanked Dr. Berger for the tremendous improvements in quality and the Quality Review Committee under his leadership.</p>		
	<p>Chairman Larson also reported that Director Krider had been returned to office by a dramatic margin for a two-year term.</p>		
<p>Proposition BB</p>	<p>In addition, approval of Proposition BB was returned by an almost 70% margin and is the largest bond measure of this type in the history of California. The public responded, as well as employees, physicians, auxiliaries, the Foundation and all advocates in support of Proposition BB. He noted that there will be a celebration at the Escondido Country Club for all of our volunteers.</p>		
<p>Resolution No. 11.15.04(01)-13 Kenneth H. Lounsbury, Esq.</p>	<p>Chairman Larson read out and then presented, a resolution to Kenneth H. Lounsbury, Esq., for his dedicated special efforts as Chair of the PAC in regard to his tremendous work in organizing much for the work needed to have</p>	<p>MOTION: by Larson, 2nd by Bassett and carried unanimously to adopt Resolution No. 11.15.04(01)-13 acknowledging Kenneth H. Lounsbury, Esq., for his dedicated</p>	

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	<p>Proposition BB pass with such a margin. PPH was indebted to him and his volunteers and in token of this appreciation, Chairman Larson presented Mr. Lounsbury with a signed resolution to be framed at a later date.</p>	<p>special voluntary and community efforts for much of the work that allowed Proposition BB in support of healthcare in north county to pass at the November 2, 2004 General Election.</p>	

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Annual Board Self-Evaluation Decemehr 15, 2004	Chairman Larson reminded that the Annual Board Self-Evaluation meeting will be held Wednesday, December 15 at 6:00 p.m., when Ron Riner, M.D., will be the Facilitator.		
Acknowledgement of Christine Meaney, Board Assistant	Chairman Larson acknowledged Christine Meaney, Board Assistant in her obtaining over the last year a Certificate in Special District Leadership and Management encompassing District Governance, Finance, Leadership and Strategic Planning.		
Acknowledgement of Michael Covert, CEO	Chairman Larson acknowledged Michael Covert, CEO who had been recently appointed Chair -elect for 2005 and Chair in 2006 of the HealthCare Association of San Diego & Imperial Counties. He is also on the Board of Directors of the California Hospital Association (CHA).		
President and CEO			
Values in Action Award	Michael Covert announced that Danny Thomas from PMC CCU who was unable to be present, was the October Values in Action Award Winner. Mr. Covert read from the congratulatory letter to Mr. Thomas, noting that he was highly valued by his supervisor and co-workers for his compassion for patients and teamwork.		
Director Berger & Welcome to Board Members	Michael Covert wished to acknowledge Director Berger for his work on the Board over the past four years and was very appreciative of his advice. He also wished to acknowledge the return of our former Board members as well as welcome our new Board member resulting from the November 2 election.		
Baldrige Award	Mr. Covert updated the Board on the completion of a Gap Analysis in connection with Mark Brown as we work our way towards the Baldrige Award. Balanced scorecard software was also referred to.		
Resolution No. 11.15.04(02)-14 Amending District Policy 10-506	Paul DeMuro explained that due to more stringent requirements having been adopted in	MOTION: by Krider, 2 nd by Scofield and carried unanimously to adopt	

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Procurement & Public Works Contracts	the past, legal counsel had worked with Mr. Jim Neal's group and reduced the requirements by at least half and this remains fully consistent with what most district hospitals would do. Mr. Neal commented that we were putting restrictions on ourselves that we did not need and that this will streamline the process.	Resolution No. 11.15.04(02)-14 regarding amendment to District Policy 10-506 Procurement and Public Works Contracts.	
Bi-Monthly Reports	Gerald Bracht, PMC; Jim Flinn, Pomerado Hospital; and Sheila Brown, Clinical Outreach provided verbal bi-monthly updates to the Board for information.		
Independent Oversight Committee	<p>Paul DeMuro provided a brief presentation on the Independent Oversight Committee and where this fits in. The Election results should be certified by December 2, 2004 and probably in December or January this Board would enter the results of the election. Within 90 days of that time, the Independent Oversight Committee would be appointed including one member who would be from a business organization; a senior citizen; a nurse or physician, etc. We can have 4 or up to 9 people.</p> <p>The process would be headed by Bob Hemker, CFO and Paul DeMuro in drafting bylaws for the Oversight Committee and to determine outlines and parameters through the Finance Committee, following which it would be presented in some form to the Board. There would be an application process and applicants would be chosen accordingly. Obviously we would want the best possible to serve as they will be serving for a long period of time.</p>		
Introductions	Michael Covert commented on two members of staff. One being to acknowledge the appointment of Sharon Andrews as Associate Chief Nursing Officer at PMC., and the other being to welcome Ruth Szakaly, the new Director of Organizational Development, formerly Coordinator of Development for Aramark.		

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Approval to Pomerado Hospital Auxiliary Bylaws Revisions	Approval was requested by Jim Flinn to the revision of the Pomerado Hospital Auxiliary Bylaws as submitted.	MOTION: by Kleiter, 2 nd by Scofield and unanimously carried to approved the revisions to the Pomerado Hospital Auxiliary Bylaws as submitted.	
INFORMATION ITEMS	No questions were raised under Information Items		
• Facilities & Grounds			
• Internal Audit			
• Human Resources			
COMMITTEE REPORTS			
Human Resources Approval: Employee Incentive Compensation Program	<p>Director Bassett referred to the union negotiating teams regarding incentive compensation plans and alternatives. There is a great deal of information and they have been asked to return in December and there will possibly be a board educational session for this, noting that we need to look carefully at all of this, in addition to the HR incentive plan, and having employee engagement to see how we can improve our focus.</p> <p>Brenda Turner further explained this focus and direction of the organization for an incentive plan. We have balanced scorecard indicators that have been taken to the Department level. The four domains are Finance, Quality, Workforce and Development, and Customer Service. Mr. Covert stated that it was important to do this and have everyone involved in the balanced scorecard.</p>	MOTION: by Rivera, 2 nd by Krider and unanimously carried that the Employee Incentive Compensation Program be approved as submitted.	
BOARD MEMBER COMMENTS/AGENDA ITEMS FOR NEXT MONTH	<p>Director Rivera commented that he had attended recently with Drs Buringrud, Otoshi and Eastman a conference on medical quality and JCAHO matters in Santa Clara and he thanked everyone for their time in doing so.</p> <p>He had also attended a Governance Institute Seminar over the last weekend, whereby he noted that we are ahead of a lot of other institutions participating in the Governance</p>		

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	<p>Institute.</p> <p>Director Berger expressed appreciation to everyone in the community who supported Proposition BB and he has a strong sense of confidence in what the citizens of North County have shown towards PPH. He also emphasized his strong appreciation for Telemedicine, particularly in the more remote communities of Santa Ysabel, Lake Henshaw, etc., where mobile units could be of great use to those communities.</p> <p>He also noted that bio-tech is a hotbed in San Diego and that PPH should make sensible use of that availability particularly in the area of research, offering space/facilities in the future to try to attract investment potential.</p>		
	<p>Director Bassett thanked Director Berger for his four years of service on the Board and thanked Michael Covert for his leadership in the positive outcome of Proposition BB. She also relayed her attendance at a recent seminar in San Francisco and also one in San Diego, the latter regarding chronic care, noting that those over 65 generally have at least two chronic care issues and that our current system of DRGs does not pay for this kind of problem.</p>		
ADJOURNMENT	8:30 p.m.		
SIGNATURES <ul style="list-style-type: none"> <li data-bbox="256 1143 491 1170">▪ Board Secretary <li data-bbox="256 1268 491 1295">▪ Board Assistant 	 Nancy L. Bassett, R.N., M.B.A.  Christine D. Meaney		