

Palomar Pomerado Health  
**BOARD OF DIRECTORS**  
**SPECIAL BOARD ANNUAL SELF-EVALUATION MEETING**  
Pomerado Hospital, Meeting Room E, 15615 Pomerado Road, Poway  
Wednesday, December 10, 2003

| AGENDA ITEM                                  | DISCUSSION  | CONCLUSIONS/ACTION | FOLLOW-UP/RESPONSIBLE PARTY |
|--|---|--------------------|-----------------------------|
| CALL TO ORDER                                | 5:50 p.m.<br>Quorum comprised Directors Bassett, Berger, Kleiter, Krider, Larson, and Scofield.<br>Director Rivera arrived at 6:30 p.m.   |                    |                             |
| NOTICE OF MEETING                            | Notice of Meeting was mailed consistent with legal requirements   |                    |                             |
| PUBLIC COMMENTS                              | None  |                    |                             |
| REVIEW OF BOARD SELF-EVALUATION SURVEY, 2003 | Chairman Larson called the meeting to order at 5:50 p.m., noting the need for analysis, frank discussion and a striving toward proficiency.<br><br>Karma Bass, Facilitator from the Governance Institute, La Jolla presented the results of the Board Self-Evaluation Survey. Chairman Larson requested that the survey be reviewed noting items where the Board may have fallen short. |                    |                             |

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|             | <p><b>Ms Bass referred to Section 1 – Mission &amp; Planning Oversight:</b><br/> Statement G – Board Members active/effective in representing the community’s health care interest was found to be a questionable area. Possibly Speakers’ Bureau, contact with Legislators. Director Bassett felt that some of our legislators could be invited to PPH as there needed to be more interaction with advocacy in Sacramento and Washington.</p>   |                    |                             |
|             | <p><b>Section 2 - Quality Oversight:</b><br/> Statement E - Medical Staff Credentialing is becoming more important. Board would like a list of quality indicators and list of those requesting credentialing approval with more time to confidentially assess individuals as necessary. Revamp criteria by which Medical Staff are evaluated. Director Scofield suggested that Malpractice issues be included on a scorecard.</p> <p>Director Berger suggested creating a joint committee of the Board and Medical Staff to review credentialing which would create 1157 protection, with each department creating criteria eg., infection rates for surgeons, etc., in addition to creating a process to deal with quality deficiencies/areas of concern. Such a joint committee would provide a vehicle for Board/Medical Staff concerns as needed. Director Kleiter concurred with Director Berger’s ideas, cautioning however that the prior suggestion of a scorecard would be a public item. Ms Bass noted the Board’s request for a process to address deficiencies/areas of concern; adequate criteria to assure quality; the need to raise accountability including elevated standards by physicians and peer review process, and raising the bar on quality.</p> |                    |                             |

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|             | <p>Following discussion, the CEO suggested that as he chairs an ad hoc committee comprised of the two Chiefs of Staff, Chiefs of Staff elect, Past Chiefs of Staff, Chair of our Quality Committee, Val Tesoro, M.D., (Chief Quality &amp; Clinical Effectiveness Officer) and Attorney Cary Miller, he will request a report from them on their progress from which we will eventually determine how this is working.</p> <p><i>The Board agreed that this met everyone's concerns in the matter, noting that we will be raising the bar as a system, and that it is a quality issue.</i></p> |                    |                             |
|             | <p><b>Section 3 – Financial Oversight:</b><br/>Brief discussion on item D – Board receives and reviews follow-up reports on programs, joint ventures to ensure original projections etc are being met. <i>No adverse comments.</i></p>   |                    |                             |
|             | <p><b>Section 4 – Management Oversight:</b><br/>Item E – CEO employment arrangements – more Board assurance needed that our compensation, contract and conditions are reasonable and competitive re: comparative salaries data.</p>  |                    |                             |

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|   | <p>Item F – CEO Succession Planning – Chairman Larson had discussed with Mr. Covert who will bring forward information on this aspect. It was understood that typically boards do not get involved in compensation arrangements for anyone below the level of CEO.</p>  |                    |                             |
|   | <p><b>Section 5 – Board Effectiveness:</b><br/> Items A – Selecting New Board Members; and B – Self-Evaluation &amp; Performance were briefly mentioned. <i>No adverse comments.</i></p> <p>Item E – Continuing Education of Board Members via the Governance Institute or similar, with emphasis on leadership conferences. Director Krider’s assessment of his Orientation was requested – he responded that more emphasis should probably be placed on orientation with the Medical Staffs and their respective Medical Staff Committees/interaction with each other/chain of command, etc.</p> <p>Item F – It was felt that the Board periodically reviews its own structure to assess size, committees, member tenure, committee chairmen, and tenure of officers. <i>No adverse comments.</i></p> |                    |                             |
|   | <p><b>Section 6 – Individual Self-Assessment:</b><br/> <i>No adverse comments or suggestions made.</i></p>  |                    |                             |
| <p><b>Summation of Survey Results</b></p> | <p>The Board indicated interest in Best Practices; Quality of Care and the Board’s role therein; Continuing Board Education; and a Medical Staff Development Plan.</p>  |                    |                             |

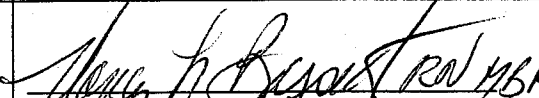

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| <p><b>EVALUATION OF MEETING TIMES/DATES AND STRUCTURE OF MEETINGS</b></p> | <p>General discussion ensued on the number of meetings, with Directors Rivera, Kleiter and Krider agreeing that a monthly Board meeting is sufficient. Having spent time in formulating our goals, we should allow the process to occur. The Strategic Planning meetings are held on a monthly basis and it had taken all the Board's efforts to bring this to fruition. If there were four board members on this committee it would be noticed on the respective agendas as a Special Board Meeting with respect to those members on the committee. This was important so as to keep everyone regularly informed. Director Kleiter noted that we already do this with Finance Committee, in addition to noticing full board Budget meetings.</p> | <p><b>MOTION:</b> Following further discussion, it was proposed by Chairman Larson, 2<sup>nd</sup> by Rivera and generally agreed that four Board members be included on the Strategic Planning Committee on a regular basis.</p> <p>Regarding CEO Evaluations, consensus of the Board was for an Annual CEO Evaluation only, ideally occurring in August/September each year following the results of the FY end Audit, allowing time for evaluation and salary comparatives. CEO Goals would also be established at that time.</p> <p>It was felt that an Annual Board Self-Evaluation should likely occur in September/October, or possibly later.</p> <p>A Fall Joint Boards Retreat with the Foundation was also suggested.</p> <p>An Annual Recognition Banquet in January (or February) as a regular event to acknowledge leaders throughout PPH was proposed by Chairman Larson.</p> <p>General discussion ensued on frequency of Quality of Care meetings, with Director Krider suggesting that the Quality Improvement Report to the full Board continue to be presented annually, in addition to possible quarterly updates in either Open or Closed session.</p> |                             |

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| DISCUSSION OF BOARD AGENDA FORMAT | Suggestion was made to start the regular monthly Board meetings at 6:30 p.m. (instead of 6:00 p.m.) to allow time for credentialing issues, risk management reports etc., to be addressed in (possible quarterly) Closed Sessions from 5:30 p.m. – 6:30 p.m., as needed. Director Bassett cautioned we all needed to watch the time for board meetings.  | It was generally agreed that commencing in January, 2004 regular monthly Board meetings commence at 6:30 p.m. (instead of 6:00 p.m.) with (possible quarterly) Closed Sessions from 5:30 p.m. – 6:30 p.m. as needed. | (Since then, Closed Sessions have generally been held at 5:30 p.m., including some Open Special Board Meeting Educational Sessions from 5:30 p.m. – 6:30 p.m.) |
|                                   | Regarding further discussion on board education, the CEO suggested possible Friday/Saturday Retreats – Director Rivera emphatically did not wish to do this as he felt sufficient time was spent during the week on Board-related matters. Regarding “Board Education”, Director Kleiter felt the Board was “stressing out” on this aspect noting that this Board had attended more educational sessions over the last three years, than any other previous Board. | General consensus was that Board Educational sessions be generally provided in-house, and on a quarterly basis.  |  |
|                                   | Director Kleiter commented that in his view the current set-up of the Health Care Advisory Councils was not as productive as might be. Director Bassett acknowledged that Board representatives are goodwill ambassadors in this regard, but have no input and no vote.  |  |  |
|                                   | <b>Committee Meeting Location/Rotations:</b> Director Bassett inquired about Escondido as a venue for meetings, or alternating between PMC, Pomerado, and possibly PCCC, Villa Pomerado and Home Health. Director Kleiter supported this suggestion, also noting that Board and Board Committee meetings take precedence in terms of meeting room space within the Health System.  |  |  |
|                                   | <b>Board Agenda Format:</b> Board discussion ensued.   | It was generally agreed to retain the Formal Roll Call, and Opening Ceremony including Pledge of Allegiance, Recitation by the respective Chaplain, and Mission and Vision Statements. Also, that                    |  |

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|             |            | <p>the Consent Agenda heading be amended to, "Consent Items", to include Finance Committee action items.</p> <p>It was also generally agreed that "Information Items" including the wording "discussion by exception only" be retained where located on the Agenda. Finance Committee items should remain with the other Committee "Information Items", unless Board action is required on a Finance Committee matter, in which case those items will be made a part of the "Consent Items" section referred to earlier. The "Committee Reports" section would remain for any Board Committee action item, except Finance.</p> <p>Director Kleiter felt that there were too many presentations at Board meetings, and that unless unusual, the Board should be advised under the CEO's report, with the meeting itself being focused in content and brevity, conducted in a business manner, with reference back to committee if necessary. Board Member's Comments towards the end of the agenda should be kept to a minimum.</p> <p>Regarding monthly <i>Values in Action</i>, or quarterly <i>Leadership in Action</i> awards under the CEO's Report, it was generally agreed that so long as the recipient(s) attended the Board meeting, the relevant check be presented by the Board to</p> |                             |

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|             |  | the awardee(s) at that time. |                             |
|             | <p>It was affirmed that copies of Board Committee minutes are available in PPH Administration for review as necessary.</p> <p>In reference to a number of suggestions made by Chairman Larson, review of each Board Committee's section of the Bylaws was due on an annual basis in January for input to Governance Committee. This included potential membership, functions etc.</p> <p><b>The Board suggested the possibility of Human Resources, and Governance Committees meeting quarterly; Finance, and Quality Review Committees meeting monthly, and Community Relations Committee meeting at the discretion of the Chair.</b></p> |                              |                             |
|             | <p>Director Kleiter cautioned that a Board Committee meeting takes time to put together and therefore the need for a meeting should be driven by Staff. It was also felt that the CEO/Staff Person should meet with the Chair of each Committee to establish a Committee Agenda for the year, including special items for that agenda, as administratively we have not had a discipline in this regard.</p>  |                              |                             |



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|  | <p>With the input of the I/T Department, a newly devised computerized draft format for a Board Calendar for 2004, accessible to all Board Members and relevant Staff, via the TAO program, was presented by the Assistant to the Board. It was also intended to fax a copy to the Board on a regular basis to ensure that members were updated if they had not viewed the calendar online. The latest version would also be included in the monthly Board packet.</p> <p>This online calendar program proved to be the best available method to allow the most access by <b>multiple calendar “surrogates” at one time</b> so as to update their respective committee and special event dates, etc as Microsoft Outlook did not allow for this. <b>The Board was in agreement with the proposed method of calendaring.</b></p> |                    |                             |
| <b>SELF-EVALUATION PEER REVIEW QUESTIONNAIRE</b>   | <p><i>A Self-Evaluation Peer Review Questionnaire (attached) for each Board Member was completed in the meeting by all Board Members present. Thus 7 Board Members’ envelopes were provided with names thereon, and surveys completed by 6 Board Members regarding the remainder of the Board (total of 42 blank surveys provided).</i></p> <p><b>Members retained their respective named envelopes containing anonymous Board-related comments made by their peers.</b></p>   |                    |                             |
| <b>ADJOURNMENT</b>   | 8:50 p.m.  |                    |                             |
| <b>SIGNATURES</b> <ul style="list-style-type: none"> <li>▪ Board Secretary</li> <li>▪ Board Assistant</li> </ul> | <br>Nancy L. Bassett, R.N., M.B.A.<br><br>Christine D. Meaney  |                    |                             |