

**Palomar Pomerado Health  
BOARD OF DIRECTORS  
SPECIAL BOARD MEETING  
ANNUAL BOARD SELF-EVALUATION**

Rancho Bernardo Inn, Grandee Room,  
Rancho Bernardo, California  
Wednesday, December 14, 2005, 6:00 p.m. for 6:30 p.m.

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
CALL TO ORDER	6:40 p.m. Quorum comprised Directors Bassett, Greer, Kleiter, Krider, Larson and Rivera.		
NOTICE OF MEETING	Notice of Meeting was mailed consistent with legal requirements		
PUBLIC COMMENTS	None		
Revisions to Pension 401(a) Plan and Deferred Compensation 457 Plan	<p>Board Chairman Rivera explained that there was need to bring to attention amendments to the Pension 401(a) Plan and Deferred Compensation 457 Plan, noting that much negotiation had already occurred and that there was nothing new in this submission. Bob Hemker, Wallie George and Brenda Turner were also present for this item.</p> <p>A Summary of Pension Plan Amendments was then distributed indicating Amendments #1, 2 and 3, all three having been previously approved amendments on October 20, 2003, March 15, 2004 and June 14, 2004 respectively, so that such amendments could be incorporated into the Plan. <i>(attached to original)</i></p> <p>Following Board discussion and Staff response, motion was made, after which Bob Hemker, Wallie George and Brenda Turner left the meeting.</p>	<p><b>MOTION:</b> by Larson, 2<sup>nd</sup> by Kleiter and carried to approve the incorporation of amendments #s 1, 2 and 3 to the Pension 401(a) Plan and Deferred Compensation 457 Plan as submitted and outlined in the Summary.</p> <p>All in favor. None opposed.</p>	
PPH Succession Planning Policy	In response to Board request, Michael Covert produced a draft of a PPH Succession Planning Policy with regard to developing and maintaining a PPH Succession Planning Policy, and to review such plan with the	Following discussion, it was agreed that ten years' experience and up would be preferable, and per Director Larson, it was generally agreed that pg.4/para. 4/first line -	

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	<p>Board on a regular basis.</p> <p>The policy is to assist the Board in the event of an immediate vacancy, unanticipated short-term or long-term caused by the death or extended disability of the CEO, or key member of the management team; an impending vacancy occurring within several months caused by notice of resignation; or an anticipated vacancy from a long-term notice by the CEO or member of the senior management team due to resignation or retirement. It would also provide clarity to the transition process with minimal disturbance to the District and serve to encourage and enhance professional growth and development of the Leadership Team.</p> <p>He continued that Governance Committee and other input had been received. However, it had not been clarified as to whether an individual must have ten years' experience but that the language in the policy should ensure flexibility.</p> <p>Mr. Covert would also discuss this draft policy at ACHD and CHA.</p> <p>Director Greer expressed her approval that such a policy was in process.</p>	<p><b>“Representation on the Search Committee will include” be amended to “may include”.</b></p> <p><b>Director Kleiter also felt that “Legal Counsel” should be included on this list of “Representation on the Search Committee”.</b></p> <p><b>Mr. Covert thanked the Board for their input into this policy.</b></p>	
<p><b>Introduction of Board Self-Evaluation Facilitator – Ronald N. Riner, MD, FACC The Riner Group</b></p>	<p>Chairman Rivera introduced and welcomed Dr. Riner of The Riner Group, facilitator for the Board’s Self-Evaluation, thanking him for returning in this capacity. He then read out Dr. Riner’s bio.</p> <p>Dr. Riner responded that it was a pleasure to return to provide insight into the Board’s Annual Self-Evaluation and act as facilitator as he had been watching the progress the Board had made.</p>		
<p><b>“FastTrack” Board Self-Assessment Survey Results</b></p>	<p>He then reviewed the “FastTrack Board Self-Assessment” including Overall Ratings,</p>		

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	<p>Board Duties &amp; Responsibilities, Board Practices, and Board Member Performance, noting that the Board is comprised of seven publicly elected members and that the ideal number for a board is between 7-12 members, although Director Kleiter noted that up to 40 is known, but can become unwieldy.</p> <p>Michael Covert relayed that community results would be available to the Board sometime during the year through Needs Assessment surveys.</p> <p>Dr. Riner continued that most of the results were excellent.</p> <p>Regarding <b>Board Practices</b>, Mr. Covert referred to a seven-year capital plan but does not appear to be doing a good enough job for the Board.</p> <p>Director Bassett felt that if there was a Board Member not on Finance or Strategic Planning Committees, that member may not fully appreciate what was occurring.</p> <p>Chairman Rivera felt that we need to communicate these reports a little better to other Board members, particularly through the various Board Committee Chairs who are available at any time.</p> <p>Following input from Director Krider, Mr. Covert proposed that we make these more demonstrative for the Board. Director Larson suggested these be presented at monthly Board Educational sessions as key stewardship responsibilities.</p> <p>Director Bassett felt that informational items might be included as an executive summary by Board Committee Chairs, highlighting whatever he or she believes is important for</p>		

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	<p>the Board to be aware of. However, Dr. Riner cautioned that we did not want the Board to re-work what the Committee had done. In response, Director Bassett felt that some Committees' summations (or narratives) were a little meager.</p> <p>Regarding meetings with External Auditors, it was felt this was part of the Internal Audit Committee's function.</p> <p>Concerning p.9, Director Greer noted under O) that 50% of Board Member responses felt that "more than half of the board meeting was spent discussing strategic issues as opposed to hearing reports". Conversely, it was considered that some of the Special Board Educational sessions were report sessions.</p> <p>In reference to Dr. Riner's suggestion of an internal bulletin board where committee minutes might be posted, Mr. Covert relayed that as soon as minutes are approved, these documents are posted online by staff.</p> <p>Regarding forwarding documents to the committee ahead of time to a meeting, Dr. Riner cautioned against "daisy-chaining" and that we needed to be cognizant of the Brown Act. Mr. Covert agreed.</p>		
<p><b>Comprehensive Board Self-Assessment Survey Results</b></p>	<p>Dr. Riner then reviewed the Comprehensive Board Self-Assessment results, including Overall Ratings, Fiduciary Duties of Care, Loyalty and Obedience, Financial Oversight, Quality Oversight, Setting Strategic Directions, Self-Assessment and Development, Management Oversight, Advocacy, Select Practices, Board Member Performance, and Summary.</p> <p>Regarding <b>Financial Oversight</b> (p.12 of</p>		

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	<p>Comprehensive Self-Assessment results), Director Greer was not sure, as there was so much happening in this area.</p> <p>Chairman Rivera responded that he needed to carefully review the strategic aspects of Board membership of Committees to ensure that all Board Members become familiar with the many activities and information provided by the Committees.</p>		
	<p>In connection with board policy training, Chairman Rivera relayed that we have a Conflict of Interest Policy and this is a matter on which there is need for some Board Education/Training.</p> <p>Mr. Covert responded that we have a written policy describing ethical practices for financial reporting, but it was already planned that the full Board be invited to attend a mandatory two hours Ethical Training per year, and at least one hour Board Policy Training.</p>		
	<p>Concerning <b>Quality Oversight</b> (p. 16 – item E of the Comprehensive Board Self-Assessment results) and the requirement for management to have a current medical staff development plan that identifies the organization’s needs for ongoing physician availability, response was that we were required to obtain such a report externally and Marcia Jackson reviews it with the Strategic Planning Committee of the Board as the report was needed for recruitment purposes.</p>		
	<p>Regarding results for <b>Setting Strategic Direction</b>, pg. 18 of survey results, Director Kleiter suggested that the small red section on the graph indicating “No” probably resulted from those who did not serve on Finance Committee. Overall there was a favorable response.</p>		
	<p>In addition, <b>Self-Assessment and Development, Management Oversight and Advocacy , Select Practices, and Board</b></p>		

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	<p><b>Member Performance</b> results were all reviewed and discussed including any small red areas on the graphs. In conclusion, Director Bassett felt that such areas could have been a matter of semantics, ie., how the questions were asked, and that awareness of communication between Board Members was the key.</p> <p>Relative to the aspect of fund development and/or philanthropy, Mr. Covert noted this would eventually include a joint boards meeting concerning fund-raising.</p>		
<p><b>SUMMATION</b></p>	<p>Both Dr. Riner and Mr. Covert felt that this Board was performing extremely well. There had also developed a "rhythm" of the whole Board, with each Committee remaining focused on what it should be doing.</p> <p>Dr. Riner continued that in general these were good Board Survey results, with select questions in particular areas suggesting further attention. These were:</p> <ul style="list-style-type: none"> <li>• Future board member identification, board member selection criteria, and board member performance evaluation;</li> <li>• CEO and top management succession planning;</li> <li>• Board's role in fund development and advocacy (ie., governmental relations program);</li> <li>• Board member and physician conflict of interest policies;</li> <li>• General board meeting issues (receipt of material beforehand, spending more time on strategic issues, etc.)</li> <li>• "Don't Know" answers need to be addressed.</li> </ul>		

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	<p>It was felt that these matters could be dealt with via better communication, encouraging board members to contact the Committee Chairs and not necessarily administrative staff, or through the CEO for contact with the appropriate staff person.</p> <p>Mr. Covert emphasized the need for Board Members to stay very disciplined about information from a Committee Chair as they had to be very careful on interpretation, and not violate the Brown Act.</p> <p>Chairman Rivera stated that everyone on the Board has equal access, and he had enjoyed working with the Board this past year. Director Bassett concurred.</p>		
	<p>On behalf of the Board, Chairman Rivera sincerely thanked Dr. Riner and Mr. Covert for the work undertaken in presenting this Annual Board Self-Evaluation</p>		
<b>ADJOURNMENT to break</b>	<b>8:40 p.m.</b>	<b>MOTION:</b> by Greer, 2 <sup>nd</sup> by Larson and carried to adjourn to a break and reconvene at 8:50 p.m. All in favor. None opposed.	
<b>RESUMPTION OF MEETING</b>	<b>8:50 p.m.</b>		
<ul style="list-style-type: none"> <li>Summaries of Board Committee Accomplishments for Calendar Year 2005</li> </ul>	<p>For informational purposes, Board Committee Accomplishments for calendar year 2005 were briefly reviewed by Mr. Covert, including Committee Best Practices around the U.S.</p>		
<ul style="list-style-type: none"> <li>PPH Monthly Board Educational Schedule end 2006 thru 2006</li> </ul>	<p>Mr. Covert provided for information, a matrix of the Board Monthly Educational Schedule for end 2005 through 2006.</p>		
<ul style="list-style-type: none"> <li>CEO Evaluation Matters</li> </ul>	<p>Mr. Covert provided for information a copy of Board and Committee Position Descriptions.</p>		

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FINAL ADJOURNMENT	9:15 p.m.		
SIGNATURES <ul style="list-style-type: none"> <li>▪ Board Secretary</li> <li>▪ Board Assistant</li> </ul>	<hr/> Linda C. Greer, R.N.  <hr/> Christine D. Meaney		

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