



PALOMAR  
POMERADO  
HEALTH

**BOARD OF DIRECTORS  
AGENDA PACKET**

November 17, 2003

*The mission of Palomar Pomerado Health  
is to heal, comfort and promote health  
in the communities we serve.*

*A California Health Care District (Public Entity)*

**PALOMAR POMERADO HEALTH  
BOARD OF DIRECTORS**

**Alan W. Larson, MD, Chairman**  
**T. E. Kleiter, Vice Chairman**  
**Nancy Scofield, Secretary**  
**Marcelo Rivera, MD, Treasurer**  
**Nancy L. Bassett, RN, MBA**  
**Michael Berger, MD**  
**Bruce G. Krider**  
**Michael H. Covert, President and CEO**

*Regular meetings of the Board of Directors are held on the second Monday  
of each month at 6:00 p.m.  
For an agenda, locations or further information  
call (858) 675-5106*

**MISSION STATEMENT**

***The Mission of Palomar Pomerado Health is to:  
Heal, Comfort, Promote Health in the Communities we Serve***

**VISION STATEMENT**

***Palomar Pomerado Health will have the highest patient satisfaction in California.***

**CORE VALUES**

***Integrity***

***To be honest and ethical in all we do, regardless of consequences***

***Innovation and Creativity***

***To courageously seek and accept new challenges, take risks, and envision new and endless possibilities***

***Teamwork***

***To work together toward a common goal, while valuing our difference.***

***Excellence***

***To continuously strive to meet the highest standards and to surpass all customer expectations***

***Compassion***

***To treat our patients and their families with dignity, respect and empathy at all times and  
to be considerate and respectful to colleagues***

***Stewardship***

***To inspire commitment, accountability and a sense of common ownership by all individuals***

***Affiliated Entities***

**Escondido Surgery Center \* Palomar Medical Center \* Palomar Medical Auxiliary & Gift Shop \* Palomar Continuing Care Center \*  
Palomar Pomerado Health Foundation \* Palomar Pomerado Home Care \* Pomerado Hospital \* Pomerado Hospital Auxiliary & Gift Shop \*  
Palomar Pomerado Health Concern \* Ramona Radiology Center \* VRC Gateway & Parkway Radiology Center \* Villa Pomerado**

**PALOMAR POMERADO HEALTH  
BOARD OF DIRECTORS  
REGULAR MEETING AGENDA**

**Monday, November 17, 2003  
Open Session: 6:00 p.m.**

**Pomerado Hospital  
15615 Pomerado Road  
Poway, California**

Time   Page

**I.      CALL TO ORDER**

**II.     OPENING CEREMONY**

- A. Pledge of Allegiance
- B. Recitation – Chaplain David Walden
- C. Mission & Vision – Board Member

*"The mission of Palomar Pomerado Health is to heal, comfort and promote health in the communities we serve."*

*"The vision is that Palomar Pomerado Health will have the highest patient satisfaction in California."*

**III.    OATH OF OFFICE**

- administered by Bob Crouch, Foundation Board Member  
Bruce G. Krider

**IV.    ESTABLISHMENT OF QUORUM**

**V.     PUBLIC COMMENTS**

*(5 mins allowed per speaker with cumulative total of 15 min per group - for further details & policy see Request for Public Comment notices available in meeting room).*

**VI.    \* MINUTES**

- Regular Meeting – October 20, 2003 *(separate cover) ATTACHED*
- Special Meeting – September 24, 2003
- Special Meeting – PPH/PPHF Joint Board Retreat, September 27, 2003

**VII.   \* CONSENT AGENDA**

- A. Consolidated Financial Statements
- B. Revolving Fund Transfers/Disbursements – August, 2003
  - 1. Accounts Payable Invoices      \$ 19,618,778.35
  - 2. Patient Refunds                    364,219.80
  - 3. Net Payroll                            7,517,579.00
  - Total                                        \$ 27,500,577.15
- C. Ratification of Paid Bills
- D. September 2003 & YTD FY 2004 Financial Report

*"In observance of the ADA (Americans with Disabilities Act), please notify us at 858-675-5106, 48 hours prior to the meeting so that we may provide reasonable accommodations"*

**VIII. PRESENTATION**

- A. Get With The Guidelines (GWTG) Award Presentation 15  
 - Val Tesoro, M.D. and group of attendees

**IX. REPORTS**

- A. Medical Staffs 10 24
- \* 1. Palomar Medical Center – *Duane Buringrud, M.D.*
    - a. Credentialing/Reappointments 34
  - \* 2. Escondido Surgery Center – *L. Richard Greenstein, M.D.* 35
    - a. Credentialing/Reappointments
  - \* 3. Pomerado Hospital – *George Y. Kung, M.D.*
    - a. Credentialing/Reappointments (*deferred to closed session*)
- B. Administrative
- 1. President, Palomar Pomerado Health Foundation - 5 *Verbal Report*  
 Bruce Krider, Vice Chair PPHF, for Mary Evert
  - 2. Chairman of the Board – *Alan W. Larson, M.D.* 10 *Verbal Report*
    - a. Service Award Pin 36  
 Bruce G. Krider – Assuming Office following Board Appointment November 4, 2003
    - b. Planetree Annual Meeting
    - c. Governance Institute Annual Board Chair and CEO Conference
  - 3. President and CEO – *Michael Covert* 15 *Verbal Report*
    - a. October Values in Action Recipient
    - b. Bond Rating – *Bob Hemker*
    - c. H. R. Update – *Gil Taylor*
    - d. Disaster Follow-up Report – *Gerald Bracht*
  - 4. Pomerado Auxiliary Annual Report – *Gerald Bracht* 5 *Verbal Report*  
 for *Reba Traber, President*

**X. INFORMATION ITEMS (Discussion by exception only)**

- A. Management Development Vision and Status } Human Resources 37
- B. Progress Report on Turnover, Hiring & Vacancies } Human Resources 52
- C. Presentation of Gallup Community Image & Positioning Study } Community Relations 56
- D. Monthly Reports of Marketing/Public Relations; HealthSource and Community Outreach } Community Relations 65
- E. Clinical Program Development Initial Assessments } Strategic Planning 79
- F. Facility Update with Anshen & Allen } Strategic Planning 82
- G. Get with the Guidelines Award } Quality Review 83
- H. Root Cause Analysis (RCA) Overview } Quality Review 84
- I. Board Self Evaluation } Governance 91
- J. Full Board Conference } Governance 92
- K. Board Education Update } Governance 93
- L. Governing Board Handbook & Orientation } Governance 94
- M. Parliamentary Procedure Education } Governance 95
- N. Community Service Brochure } Governance 96
- O. Future Meeting Date } Governance 97
- P. Review: Status on Increasing Licensed Beds at PMC } Finance 98
- Q. Review: Expenditure Dollars on Travelers & Registry Nurses vs Numbers Hired } Finance 99
- R. Review: Purchased Services, Professional Fees & Contracted Services } Finance 109

**XI. COMMITTEE REPORTS**

- |  |          |                      |
|--|----------|----------------------|
| <b>A. <u>Human Resources</u> – T. E. Kleiter, Chairperson</b>  | <b>5</b> | <b>134</b>           |
| * 1. Approval of Voluntary Benefits for Board Members  |          |                      |
| <b>B. <u>Community Relations</u> - Nancy H. Scofield, Chairperson</b>  | <b>5</b> | <b>Verbal Report</b> |
| 1. Unity Awards October 24, 2003   |          |                      |
| <b>C. <u>Finance Committee</u> – Marcelo Rivera, MD, Chairperson</b>   | <b>5</b> |                      |
| * 1. Approval : Medical Director Agreement with Steve Kuriyama, M.D. - Palomar Medical Center – Infectious Disease Program |          | <b>135</b>           |
| * 2. Approval : On-Call Delegation Agreement – Palomar Medical Center with Escondido QB/GYN Medical Group, Inc.            |          | <b>158</b>           |
| * 3. Approval : Expenditure of Funds for CSUSM School of Nursing   |          | <b>171</b>           |
| * 4. Approval : Disaster Relief Fund/Disaster Recovery   |          | <b>172</b>           |
| * 5. Approval : Criteria for Balanced Scorecard – Financial Strength & Operational Effectiveness                           |          | <b>173</b>           |

**XII. BOARD MEMBER COMMENTS/AGENDA ITEMS FOR NEXT MONTH**

**XIII. ADJOURNMENT TO CLOSED SESSION**

- |  |           |
|--|-----------|
| * 1. Pursuant to Health & Safety Code Section 32155 – Medical Staff Privileges : Anticipated Action                | <b>10</b> |
| 2. Pursuant to Government Code Section 54956.9 : Annual and Quarterly Compliance Reports                           | <b>15</b> |
| * 3. Pursuant to Government Code Section 54957.6 Proprietary/Competitive Compensation Matters : Anticipated Action | <b>90</b> |

**XIV. OPEN SESSION RESUMPTION**

**XV. FINAL ADJOURNMENT**

## OATH OF OFFICE

**TO:** Board of Directors  
**DATE:** November 17, 2003 Board Meeting  
**FROM:** Michael Covert, CEO  
**BY:** Christine Meaney for Michael Covert

### **BACKGROUND:**

As a result of a vacancy existing on the Board of Directors of Palomar Pomerado Health following the resignation of Mr. George G. Gigliotti on September 23, 2003, an ad hoc Nominating Committee was formed to provide input to the Board in the advertised search for a potential board candidate for appointment within the 60-day timeframe. Following a special board meeting held November 4, 2003, a finalist candidate, Mr. Bruce G. Krider, was unanimously appointed to the Board.

An Oath of Office will be taken by Bruce G. Krider at which time he will take his seat on the Board.

**PALOMAR POMERADO HEALTH**

**OATH OF OFFICE**

*(Chapter 8, Division 4, Title I, Government Code  
and Section 3, Article XX, California Constitution)*

**I, Bruce G. Krider**, do solemnly swear or affirm that I will support and defend the Constitution of the United States and of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter; to wit:

**Member of the Board of Directors of  
Palomar Pomerado Health**

And I do further swear or affirm that I do not advocate, nor am I a member of any party or organization, political or otherwise, that now advocates the overthrow of the Government of the United States or of the State of California by force or violence or other unlawful means; that within the five years immediately preceding the taking of this oath or affirmation I have not been a member of any party or organization, political or otherwise, that advocated the overthrow of the Government of the United States or of the State of California by force or violence or other unlawful means and that during such time as I hold the office of Member of the Board of Directors of Palomar Pomerado Health, I will not advocate nor become a member of any party or organization, political or otherwise, that advocates the overthrow of the Government of the United States or of the State of California by force or violence or other unlawful means.

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*Signature*

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*Date*

Palomar Pomerado Health  
**BOARD OF DIRECTORS**  
**SPECIAL BOARD MEETING**  
 September 24, 2003  
 Rancho Bernardo Inn, Andalucia Room I

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
CALL TO ORDER	5:30 pm Dinner. Meeting called to order at 6:20 pm		
ESTABLISHMENT OF A QUORUM	Bassett, Larson, Rivera and Scofield		
NOTICE OF MEETING	Notice of Meeting was mailed consistent with legal requirements		
PUBLIC COMMENTS	None		
ADJOURNMENT TO CLOSED SESSION		<p><b>MOTION:</b> By Larson, 2<sup>nd</sup> by Bassett and agreed, to adjourn to Closed Session at 6:25 pm Pursuant to Government Code Section 54957 : Public Performance Evaluation : CEO; &amp; Government Code Section 54957.8 : Quality Assurance/Medical Audit.</p>	
OPEN SESSION RESUMPTION BOARD MEMBERSHIP	<p>Open Session resumed at 8:45 pm</p> <p>Following a brief presentation by Chairman Larson of Mr. George Gigliotti's resignation letter of September 23, 2003 effective as of that date from the Board of Directors of Palomar Pomerado Health, a motion was made with great reluctance, to accept Mr. Gigliotti's resignation.</p> <p>Chairman Larson suggested that due acknowledgement be made to Mr. Gigliotti at some point.</p>	<p><b>MOTION:</b> By Bassett, 2<sup>nd</sup> by Scofield and unanimously carried, that Mr. George G. Gigliotti's letter of resignation from the Board of Directors of Palomar Pomerado Health dated September 23, 2003, be accepted with great reluctance.</p>	
• Appointment or Election	Chairman Larson inquired of board members as to whether this vacancy should be filled by appointment or by election.	<p><b>MOTION:</b> There was general consensus that this vacancy be filled by appointment.</p>	
• Nominating Committee	Discussion ensued on the possibility of a Nominating Committee which would be advisory in nature only. this could consist of all board members, the 2 Chiefs of Staff, and		



AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	<p>Marty Evert – President of Palomar Pomerado Health Foundation. Chairman Larson asked if perhaps others should be included as well. Michael Covert suggested we would be well served if the Nominating Committee include the full Board. He explained the procedure based upon our Bylaws noting that we must inform County officials within 15 days of the vacancy, and the Board must appoint within 60 days of the vacancy occurring (ie., by Saturday, November 22, 2003).</p> <p>Following a vote of the Board on the appointment, County officials will need to be notified of that person. Notice of such vacancy must also be posted in no less than 3 conspicuous places in the District (ie., Innovation, PMC and Pomerado Hospital). We may also later possibly consider inserting a newspaper advertisement.</p> <p>The individual appointed will fill the vacancy until the next District, general election in November, 2004.</p>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
PPH Bylaws	Discussion ensued on the possibility of amending our Bylaws so as to allow the eventual appointee to fill out the unexpired term of the former incumbent (ie., until December 1, 2006) and asked whether a potential Bylaws change be made before, or after, nominations are received.	It was generally agreed that if a Bylaws change was possible, we would need to call a special board meeting to do so within 15 days.	CEO to check on this aspect.
Posting	Reference was made to the requirement to post an official Notice of Hospital Board Vacancy in no less than 3 conspicuous places in the District.	It was generally agreed to post in the usual 3 places at Innovation, PMC and Pomerado Hospital as the legal requirement.	
Advertisement	Discussion of placing a possible advertisement was also discussed. Director Scofield was in favor of placing an advertisement.	<b>MOTION:</b> By Director Bassett, 2 <sup>nd</sup> by Director Rivera and carried that an advertisement not be placed at the present time and that we comply with the legal minimum requirement.	
Suggestions for possible Nominating Committee	There would be need to screen application submissions and narrow down to likely interviews. Michael Covert suggested the best way would be to include the whole board together with the 2 Chiefs of Staff and Mary Evert of the Foundation. This way all could be involved in the process from the outset but such additional members would be non-voting. Input only would be sought. There was need for any committee to (1) understand its charge (2) agree on criteria (3) identify candidates Potential candidates could be interviewed with a relevant scoring mechanism. It would be a nominating committee consisting of all board members in addition to those mentioned above. They in turn would recommend to the full Board, but it would be the Board only who ultimately would cast its vote in support of a particular candidate. --In addition, Michael Covert asked about his being able to meet with the finalists administratively to discuss the health system.	It was generally agreed that there be (1) an ad hoc Nominating Committee to act in an advisory capacity (2) that finalists be notified that they are given the opportunity to meet with the CEO (3) that recommendations from the Nominating Committee be made to the Board itself, who in turn would eventually determine and vote on a particular candidate.	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
Summation	<p>In summation, Chairman Larson provided follow-up agreed upon points which came out of the discussion.</p> <p>(1) that a meeting of an ad hoc Nominating Committee be called very soon for the 9 members referred to (ie., the current 6 board members, 2 Chiefs of Staff and Mary Evert).</p> <p>Director Rivera suggested that we also consider having Nursing representation from the Union.</p> <p>(2) That we have an appointment of a new Vice Chair for the next three months.</p>	<p><b>MOTION:</b> By Bassett, 2<sup>nd</sup> by Larson and carried, that we proceed without union involvement.</p>	
	<p>(3) It was suggested that any questions regarding Mr. Gigliotti's resignation be referred to Chairman Larson or to Michael Covert. Tamara Hemmerly was asked to write a press release.</p>	<p><b>MOTION:</b> It was generally agreed that an appointment of a new Vice Chair be approved.</p> <p>Consensus provided.</p>	
	<p>(4) It was also felt that thought be given to some kind of recognition for Mr. Gigliotti, to include a Resolution for the October 20, 2003 board meeting.</p>	<p>Consensus provided.</p>	
	<p>(5) Current Committee membership would be considered by the Chairman relevant to Mr. Gigliotti's resignation.</p>	<p>Consensus provided.</p>	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<p><b>CEO ANNUAL EVALUATION FY '03</b></p>	<p>Chairman Larson referred to the CEO's contract salary of \$375,000. Brief discussion ensued on the calculations of a potential bonus. It had been noted that Mr. Hemker having acted as Interim CEO for the first six months of FY 03 (July - December, 2002), Mr. Covert felt Mr. Hemker had continued to assist during the CEO's initial period of three months (January - March, 2003) following his arrival in January.</p> <p>However, it was felt amongst board members that consideration of a bonus for Mr. Covert should be based on his first six months since actual arrival, i.e., from January, 2003.</p> <p>Director Rivera spoke in support of Mr. Covert. All board members present noted with great satisfaction that they had been extremely pleased with Mr. Covert's expertise within our Health System since arrival, agreeing that his efforts will be encouraged.</p> <p>Meeting adjourned at 10:00 p.m.</p>	<p><b>MOTION:</b> By Bassett, 2<sup>nd</sup> by Rivera and unanimously carried by those present that based upon Mr. Covert's superior performance since his arrival, Mr. Covert should receive a bonus, with final action not being taken on a specific dollar amount due to the full board not being present except for a basic quorum, but that the CEO's Annual FY 03 Evaluation bonus be configured and ratified at the October 20, 2003 regular board meeting.</p>	
<p><b>FINAL ADJOURNMENT</b></p>			
<p><b>SIGNATURES</b></p> <ul style="list-style-type: none"> <li>▪ Board Secretary</li> <li>▪ Board Assistant</li> </ul>	<p>_____</p> <p>Nancy H. Scofield</p> <p>_____</p> <p>Christine Meaney</p>		

Palomar Pomerado Health  
**BOARD OF DIRECTORS**  
**JOINT BOARD RETREAT**  
 held with Palomar Pomerado Health Foundation Board of Directors  
 Rancho Bernardo Inn, Catalina West Room  
 Saturday, September 27, 2003

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
CALL TO ORDER	8:15 a.m.		
ESTABLISHMENT OF QUORUM	Bassett, Berget, Larson, Rivera, Scofield		
ADDITIONAL ATTENDEES	PPHF Board of Directors: Mary Evert, Chair; Bruce Krider, Wendell Smith, MD, Lori Holt Pfeiler, Kevin Harkenrider, Glenda Deems, Shirley Kunkel, Bob Crouch, Doug Moir, MD, Karen Black. PPHFoundation: Anamaria Repetti, Executive Officer John Culllo, Director of Development Dan Otto, Director of Development Stacie Corbaley, Executive Assistant PPH: Michael Covert, CEO Bob Hemker, Chief Financial Officer Marcia Jackson, Strategic Planning Officer Mike Shanahan, Director Facilities & Planning Christine Meaney, Board Assistant Chiefs of Staff: George Kung, MD, Pomerado Duane Buringrud, MD, PMC Guests: Catherine Lew, The Lew Edwards Group Sarahjane Sacchetti, The Lew Edwards Group		
NOTICE OF MEETING	Notice of Meeting was mailed consistent with legal requirements		
PUBLIC COMMENTS	None		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<p><b>INTRODUCTION</b> Michael Covert – Mutual Interdependence</p>	<p>Michael Covert asked everyone to introduce himself or herself, thanking all for attending, noting this was one of mutual interdependence between Palomar Pomerado Health Foundation and Palomar Pomerado Health. The mission, vision and core values of PPH were reviewed.</p> <p>It was noted that there are few choices for people in North County for their healthcare. If we want to be one of the five best healthcare districts in the country, the community has to want us here.</p> <p>The PPH Vision Statement says that we will have the highest patient satisfaction in California. However, following the Gallup results, we want engagement with the citizens of this community. We have held two evening Visioning/Planning sessions with our PPH Board, as well as involving our Leadership Council. Additionally, Michael Covert is going to meet with former Employees of the Month who will have involvement in the choice of Administrator at Pomerado Hospital.</p> <p>Following the two evening board Visioning/Planning sessions, Mr. Covert presented 11 Draft Vision Statements asking all to consider which of these statements best reflect what PPH should strive to be, what steps we should take to get there including financial support, and when we would want to be there.</p>		
<p>Mary Evert – Common Goals: Mission, Core Values, Vision</p>	<p>Mary Evert reviewed the draft vision statements, defining what she felt was a "vision", i.e., "dangerously creative", but with a vision statement being something more tangible, i.e., aspirational, energizing, dreamlike, dynamic, aesthetic, moral, etc.</p>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
Table Groups -	<p>Ms Evert compared PPHF's capital campaign in the immediate future to a crusade and that we are all involved. She asked everyone to break into work groups at their tables. From the list of 11 Draft Vision Statements, Ms Evert asked that each person at their table groups rank in order of priority from 1-8 their choice of Vision Statement.</p> <p>Catherine Lew noted that we cannot be too specific and we should look at a more general and visionary goal, rather than "to be in the top 5". Vision should convey a feeling of comfort from the leader - compassion and technology.</p> <p>Mary Evert addressed the nine (9) PPH FY 04 Goals presented via PowerPoint as follows:</p> <ul style="list-style-type: none"> <li>• Image Development Plan</li> <li>• Facilities Planning</li> <li>• Program Development</li> <li>• Quality</li> <li>• Customer Service</li> <li>• Information/Technology</li> <li>• Strategic Financial Planning</li> <li>• Access to Care</li> <li>• Organizational Development</li> </ul>		
PPH FY 04 Goals	<p>Mary Evert then addressed the two (2) PPHF FY 04 short-term Goals as follows:</p> <ul style="list-style-type: none"> <li>• Raise \$10 million</li> <li>• To build volunteer structure</li> </ul>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
Table Groups – long-term Goals	Following discussion at the tables, the work groups identified their top three (3) long-term goals by priority and, amongst Quality; Customer Service; Facilities Planning; Program Development; Access to Care; Image Development, Customer Service was in each work group's top three (3) goals.		
RETREAT BREAK (15 min) Financial Capabilities	Bob Hemker and Anamaria Repetti reported on the financial capabilities of PPH and PPHF in order to achieve their respective goals. Ms Repetti reviewed the Capital Campaign for PPHF. Both were thanked for their joint overviews.		
Consultant Viewpoint	Catherine Lew of The Lew Edwards Group presented her consultant's viewpoint on the climate, strategies, analysis and comments made. She also answered questions. Ms Lew was thanked for her informative presentation.		
Addressing the Community	Mary Evert presented an overview of the concept of Community Conversations as being an educational tool for the public which we can take to a higher level in terms of involving leaders within our communities including San Marcos, Ramona, Valley Center etc., and their future support of our healthcare facilities in North County, possibly also aided by an additional page on our own PPH website. Community and Corporate sponsorship was essential to our future wellbeing and partnership plays an essential role in our overall goals toward healthcare excellence for our diverse communities.  It was noted that seismic issues, government mandates and technology costs have added to overall costs of medical facilities. Following questions from the group, it was agreed to potentially meet again at the end of November or early December for a further		



AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
Next Steps	Joint Board Retreat.		
Evaluation	<p>Positive comments included good visioning; excellent speakers including joint PPH/PPHF financial overview; understanding the financial challenges ahead and overview of our capital campaign with, above all, mutual dependency in order to accomplish our goals.</p> <p>Negative comments included the need to state objectives clearly; and provide as much information ahead of time as possible.</p>		
Summation	<p>Michael Covert's summation stated that we need to know if we have accomplished what we have set out to do, and have a vision for the future based upon community needs to 2008. He thanked Mary Evert for her facilitation of the Retreat in a timely manner, and to everyone for attending and providing mutually productive input, as all worked well together toward common goals for the future of healthcare in North County.</p> <p>Retreat adjourned at Noon.</p>		
ADJOURNMENT			
SIGNATURES	<ul style="list-style-type: none"> <li>▪ Board Secretary</li> <li>▪ Board Assistant</li> </ul>		
	<p>Nancy H. Scofield</p> <p>Christine Meaney</p>		

FINANCE



**PALOMAR POMERADO HEALTH  
CONSOLIDATED DISBURSEMENTS  
FOR THE MONTH OF  
September, 2003**

09/01/03	TO	09/30/03	ACCOUNTS PAYABLE INVOICES	\$19,618,778.35
09/01/03	TO	09/30/03	PATIENT REFUNDS	\$364,219.80
09/11/03	TO	09/25/03	NET PAYROLL	<u>\$7,517,579.00</u>
				\$27,500,577.15

I hereby state that this is an accurate and total listing of all accounts payable, patient refund and payroll fund disbursements by date and type since the last approval.

\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

**APPROVAL OF REVOLVING, PATIENT REFUND AND PAYROLL FUND DISBURSEMENTS:**

Treasurer, Board of Directors PPH \_\_\_\_\_

Secretary, Board of Directors PPH \_\_\_\_\_

This approved document is to be attached to the last revolving fund disbursement page of the applicable financial month for future audit review.

cc: M. Covert, G. Bracht, R. Hemker

## Financial Report September 2003

**TO:** Board of Directors  
November 17, 2003, Board of Directors Meeting

**MEETING DATE:** Board Finance Committee  
Thursday, November 6, 2003

**FROM:** Robert Hemker, SVP/CFO

**Background:** The Board Financial Report (unaudited) for September 2003 is enclosed for the Committee's approval.

**Budget Impact:** N/A

**Staff Recommendation:** Staff recommends approval.

**Committee Questions:**

**COMMITTEE RECOMMENDATION:** Approval of the Board Financial Report (unaudited) for September 2003.

**Motion:** X

**Individual Action:**

**Information:**

**Required Time:**

**PALOMAR POMERADO HEALTH**

*A California Health Care District*

**BOARD FINANCIAL REPORT**

**SEPTEMBER, 2003**

(UNAUDITED)

**PREPARED BY THE FINANCE DEPARTMENT**

**15255 INNOVATION DRIVE, SUITE 202**

**SAN DIEGO, CA 92128**

**(858) 675-5223**

**PALOMAR POMERADO HEALTH**  
*A California Health Care District*

**BOARD FINANCIAL REPORT**

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**PALOMAR POMERADO HEALTH**  
**SEPTEMBER 2003 and YTD FY 2003 FINANCIAL RESULTS**  
**EXECUTIVE SUMMARY and HIGHLIGHTS**

**Statistics:**

Acute patient days increased 4% to 8,915 in September, compared to August and were 1% greater than budget (8,838). The majority of the increase was reflected at Pomerado as they increased 247 (12%) patient days from August. Acute patient days for the first three months (26,288) of the year are 3% below budget at 27,142. Acute length of stay was 4.15 compared to budget of 3.95. Year to date length of stay is 3.94 compared to budget of 3.95. YTD acute admissions are 3% below budget. SNF patient days for the three months ended September were 18,581 compared to budget of 19,670 (5.5% less than budget).

**Balance Sheet:**

Current Cash & Cash Equivalents increased \$2.9 million to \$119 million in September. Total Cash and Investments are \$167.3 million, compared to \$166.5 million at June 30, 2003. The Days Cash on Hand were 219 compared to 229 at June 30, 2003. The drop in Days Cash on Hand is due to increased expenses.

Net Accounts Receivable increased to \$44.8 million in September from \$43.6 million at August. Gross A/R days decreased to 48.8 from August at 50.3. June 2003 gross A/R days were 49.9. Patient account collections in September were \$22.4 million compared to the stretch budget of \$22.7 million. YTD actual collections were \$67.6 million compared to the stretch budget of \$68.1 million.

Accounts Payable increased \$885 thousand due to the timing of the check runs.

**Income Statement:**

Gross Revenue for September YTD reflects a favorable variance of \$607 thousand. This is composed of a \$6.2 million unfavorable volume variance and \$6.8 million favorable rate variance. Palomar reflects an unfavorable variance of \$1.3 million while Pomerado reflects a favorable variance of \$1.9 million.

Routine revenue (inpatient room and board) reflects a \$2.6 million unfavorable variance that is almost entirely reflected at Palomar. A large portion of Palomar's unfavorable variance is reflected in Patient Chargeable Supply gross revenue.

Inpatient Ancillary revenue represents \$2.7 million YTD favorable variance. The majority of this variance, \$2.6 million, is reflected at Pomerado. Pharmacy revenue at Pomerado makes up the bulk of this variance with \$1.3 million. The balance of this variance is reflected in Lab, Respiratory, Surgery and ED.

Outpatient revenue reflects an YTD favorable budget variance of \$521 thousand.

Deductions from Revenue reflects an favorable YTD variance of \$317 thousand.

Deductions from Revenue, excluding Capitation revenue and Charity expense, was 64.2% of YTD Gross Revenue compared to budget of 65%. Deductions from revenue are less than budget partially due to an August reclass of contractual allowances of \$1.7 million to charity care deductions for the write-off off CMS FY 2003 uncollectible claims. Before adjustment, the contractual allowance was 65%.

Net Capitation income is reflecting an YTD favorable variance of \$859 thousand as of September.

**Other Operating Revenue** reflects a YTD unfavorable budget variance of \$445,000. This variance is mainly due to budgeted Foundation donations of \$332 thousand that have not been received yet.

**Salaries, Wages & Contract Labor** reflects a YTD unfavorable variance of \$599 thousand for the three months ended September. This unfavorable variance is composed of: 1) Salaries and Wages – \$372,000 (actual \$32 million) and 2) Contract Labor – (\$971,000) (actual \$3.5 million). September activity yielded an unfavorable variance of \$607 thousand which is split between Salaries/Wages and Contract Labor.

**Benefits expense** reflects a YTD favorable budget variance of \$135 thousand.

**Supplies Expense** is reflecting a YTD favorable budget variance of \$484,000. However, September reflected an unfavorable budget variance of \$104 thousand. The supply variance for the month was spread across most all supply categories at both Palomar and Pomerado. As mentioned above in Routine Revenue, Patient Chargeable Supply Revenue is significantly down at Palomar. Palomar reflects a \$210 thousand favorable variance and Prosthesis supplies expense accounts for \$389 thousand of the favorable variance. Thus the remaining supplies reflect a \$178 thousand unfavorable budget variance for the year.

**Prof Fees & Purch Services** reflect a YTD favorable budget variance of \$23 thousand. However, September reflected an unfavorable budget variance of \$405 thousand. The current month unfavorable variance is due to 1) \$105 thousand payment for Trauma services, 2) missed August accrual for Pomerado LDRP causing a \$54 thousand budget overrun for the month, 3) Professional Fees paid to RehabCare Group resulted in \$47 thousand budget overrun for September due to increased patient volume and a rate change in July and 4) some large legal invoices.

**Bad debt expense** reflects a YTD unfavorable \$1.5 million variance. Total bad debt and charity care expense for the three months ended September was \$11.2 million compared to budget of \$7.9 million, resulting in a \$3.3 million unfavorable variance. Part of this overrun is due to the recognition of \$1.7 million for CMS activity into Charity Care. The remainder of the overrun is due to continued recognition of high dollar patient accounts without medical coverage. The YTD bad debt and charity expense as a percent of gross revenue was 5.4% compared to the budget of 3.8%.

**Non-Operating Income** reflected a YTD favorable variance of \$120 thousand as of September. September's return on investment was 7.9% due to the drop in market interest rates. The actual YTD investment income yield was 1.9% for the three months ended September 2003 compared to the budget of 2%.

### Ratios

All required bond covenant ratios were achieved in September 2003.

Palomar Pomerado Health  
Consolidated Balance Sheet  
As of September 30, 2003

	Current Month	Prior Month	Prior Fiscal Year End
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<b>Assets</b>			
	Current Month	Prior Month	Prior Fiscal Year End
<b>Current Assets</b>			
Cash on Hand	\$2,795,648	\$2,587,791	\$65,633
Cash Marketable Securities	116,183,857	113,508,549	129,374,664
<b>Total Cash &amp; Cash Equivalents</b>	<b>118,979,505</b>	<b>116,096,340</b>	<b>129,440,297</b>
<b>Patient Accounts Receivable</b>			
Acute	107,403,895	105,639,898	101,174,862
Skilled	6,331,041	6,084,856	4,818,897
Home Health	733,538	630,515	624,812
<b>Total Accounts Receivable</b>	<b>114,468,474</b>	<b>112,355,269</b>	<b>106,618,571</b>
Allowance on Accounts	-69,657,777	-68,747,255	-60,748,521
<b>Net Accounts Receivable</b>	<b>44,810,697</b>	<b>43,608,014</b>	<b>45,870,050</b>
Inventories	4,554,150	4,557,356	4,631,189
Prepaid Expenses	2,082,512	2,202,307	2,284,429
Other	10,216,143	10,717,701	2,349,259
<b>Total Current Assets</b>	<b>180,643,007</b>	<b>177,181,718</b>	<b>184,575,224</b>
<b>Non-Current Assets</b>			
Restricted Assets	15,103,482	14,198,602	12,388,843
Restricted By Donor	381,928	381,928	381,514
Board Designated	48,277,260	49,701,776	37,099,360
<b>Total Restricted Assets</b>	<b>63,762,670</b>	<b>64,282,306</b>	<b>49,869,717</b>
Property Plant & Equipment	284,084,439	283,779,370	283,347,365
Accumulated Depreciation	-193,245,576	-192,098,716	-189,890,067
Construction In Progress	16,461,964	14,907,398	13,955,328
<b>Net Property Plant &amp; Equipment</b>	<b>107,300,827</b>	<b>106,588,052</b>	<b>107,412,626</b>
Investment In Related Companies	6,007,628	6,229,355	6,182,843
Deferred Financing Costs	2,119,077	2,143,484	2,192,298
Other Non-Current Assets	0	-26	239
<b>Total Non-Current Assets</b>	<b>179,190,202</b>	<b>179,243,171</b>	<b>165,657,723</b>
<b>Total Assets</b>	<b>\$359,833,209</b>	<b>\$356,424,889</b>	<b>\$350,232,947</b>

<b>Liabilities</b>			
	Current Month	Prior Month	Prior Fiscal Year End
<b>Current Liabilities</b>			
Accounts Payable	\$11,109,425	\$10,224,375	\$12,527,215
Accrued Payroll	13,091,005	13,336,024	14,553,103
Accrued PTO	8,863,912	8,773,981	8,525,212
Accrued Interest Payable	1,842,476	1,476,237	743,759
Current Portion of Bonds	5,910,000	5,910,000	5,910,000
Est Third-Party Settlements	1,895,674	1,323,724	1,208,377
Other Current Liabilities	13,607,091	13,798,050	6,305,473
<b>Total Current Liabilities</b>	<b>56,319,583</b>	<b>54,842,391</b>	<b>49,773,139</b>
<b>Long Term Liabilities</b>			
Bonds & Contracts Payable	90,603,359	90,529,600	90,382,085
<b>Fund Balance</b>			
Unrestricted	164,251,490	160,980,388	172,607,627
Restricted For Other Purposes	381,514	370,734	370,734
Board Designated	48,277,260	49,701,776	37,099,360
<b>Total Liabilities / Fund Balance</b>	<b>\$359,833,209</b>	<b>\$356,424,889</b>	<b>\$350,232,947</b>





**PALOMAR POMERADO HEALTH  
CONSOLIDATED  
FYTD 2004  
September 2003**

	Month Activity		Variance			Variance		\$/Wtg Pt Day		
	Actual	Budget	Variance			Volume	Rate/Eff	Actual	Budget	Variance
<b>Statistics:</b>										
Admissions - Acute	6,759	6,971	(212)							
Admissions - SNF	437	442	(5)							
Patient Days - Acute	26,288	27,142	(854)							
Patient Days - SNF	18,581	19,670	(1,089)							
LOS - Acute	3.94	3.95	(0.01)							
LOS - SNF	164.23	34.55	129.68							
Weighted Pt Days	34,961	36,035	(1,074)							
<b>Revenue:</b>										
Gross Revenue	\$ 207,606,274	\$ 206,999,351	\$ 606,923	F	\$ (6,169,483)	\$ 6,776,406	\$ 5,938.22	\$ 5,744.40	\$ 193.83	
Deductions from Rev	(129,836,107)	(130,153,377)	317,270	F	3,879,138	(3,561,868)	(3,713.74)	(3,611.86)	(101.88)	
Net Revenue	77,770,167	76,845,974	924,193	F	(2,290,345)	3,214,538	2,224.48	2,132.54	91.95	
Other Oper Revenue	2,921,414	3,366,033	(444,619)	U	(100,322)	(344,297)	83.56	93.41	(9.85)	
<b>Total Net Revenue</b>	<b>80,691,581</b>	<b>80,212,007</b>	<b>479,574</b>	<b>F</b>	<b>(2,390,667)</b>	<b>2,870,241</b>	<b>2,308.05</b>	<b>2,225.95</b>	<b>82.10</b>	
<b>Expenses:</b>										
Salaries, Wages & Contr Labor	35,390,880	34,791,709	(599,171)	U	1,036,945	(1,636,116)	1,012.30	965.50	(46.80)	
Benefits	7,427,853	7,562,975	135,122	F	225,410	(90,288)	212.46	209.88	(2.58)	
Supplies	12,343,737	12,827,347	483,610	F	382,311	101,299	353.07	355.97	2.90	
Prof Fees & Purch Svc	9,933,573	9,956,920	23,347	F	296,760	(273,413)	284.13	276.31	(7.82)	
Depreciation	3,590,948	3,864,195	273,247	F	115,170	158,077	102.71	107.23	4.52	
Interest	1,394,479	1,393,761	(718)	U	41,540	(42,258)	39.89	38.68	(1.21)	
Bad Debt Expense	7,174,292	5,666,663	(1,507,629)	U	168,891	(1,676,520)	205.21	157.25	(47.95)	
Other	3,673,715	4,163,113	489,398	F	124,079	365,319	105.08	115.53	10.45	
PPH Allocation										
<b>Total Expenses</b>	<b>80,929,477</b>	<b>80,226,683</b>	<b>(702,794)</b>	<b>U</b>	<b>2,391,105</b>	<b>(3,093,899)</b>	<b>2,314.85</b>	<b>2,226.35</b>	<b>(88.50)</b>	
<b>Net Inc Before Non-Oper Income</b>	<b>(237,896)</b>	<b>(14,676)</b>	<b>(223,220)</b>	<b>U</b>	<b>437</b>	<b>(223,657)</b>	<b>(6.80)</b>	<b>(0.41)</b>	<b>(6.40)</b>	
Property Tax Revenue	2,187,001	2,225,001	(38,000)	U	(66,315)	28,315	62.56	61.75	0.81	
Non-Operating Income	883,437	762,588	120,849	F	(22,728)	143,577	25.27	21.16	4.11	
<b>Net Income (Loss)</b>	<b>\$ 2,832,542</b>	<b>\$ 2,972,913</b>	<b>\$ (140,371)</b>	<b>U</b>	<b>\$ (88,606)</b>	<b>\$ (51,765)</b>	<b>\$ 81.02</b>	<b>\$ 82.50</b>	<b>\$ (1.48)</b>	

F= Favorable variance  
U= Unfavorable variance

**PALOMAR POMERADO HEALTH**  
**A California Health Care District**  
**Investment Fund Balances**  
**Quarterly Report**

Investment Account:	Interest Payable	Interest Rate	Maturity Date	Sept. 30, 2003	June 30, 2003	IN/(DE)CREASE
Fidelity-Institutional Portfolio Treasury Fund	Monthly	0.85%	Demand	\$ 859,904	\$ 858,081	\$ 1,823
State Treasurer Local Agency Investment Fund	Quarterly	1.77%	Demand	38,368,054	25,242,075	13,125,979
Maxicare Health Plans, Inc.	N/A	N/A	Demand	4	4	0
Salomon Brothers	Various	Various	Various	30,338,426	30,463,262	(144,835)
Pacific Income Advisors, Inc.	Various	Various	Various	28,971,800	29,012,437	(40,636)
Morgan Stanley & Co.	Various	Various	Various	56,452,124	56,283,334	168,790
<b>TOTAL INVESTMENTS AT CURRENT FAIR MARKET VALUE</b>				<b>\$ 154,990,312</b>	<b>\$ 141,879,193</b>	<b>\$ 13,111,120</b>
<b>ACCRUED INTEREST INCOME RECEIVABLE</b>				<b>1,449,430</b>	<b>1,011,113</b>	<b>438,317</b>
Bank of America - Cash in Checking/COR Acct.				8,403,303	23,965,232	(15,561,930)
<b>TOTAL VALUE OF INVESTMENT PORTFOLIO</b>				<b>\$ 164,843,045</b>	<b>\$ 166,855,538</b>	<b>\$ (2,012,493)</b>

**INVESTMENTS**

COMPARATIVE	09/03	09/02	09/01	09/00
\$154,990,312	\$164,461,117	\$166,474,024	\$166,855,538	\$166,855,538
\$122,086,837	381,928	381,514		
\$117,257,694				
<b>\$103,816,117</b>				

**SUMMARY OF INVESTMENT PORTFOLIO BY FUND**

Palomar Pomerado Unrestricted Fund	\$ 166,474,024	\$ (2,012,907)
Palomar Pomerado Restricted Fund	381,514	414
	\$ 166,855,538	\$ (2,012,493)

# PALOMAR POMERADO HEALTH BOND COVENANT RATIOS

<b>CUSHION RATIO</b>			
	<b>Jun-02</b>	<b>Jun-03</b>	<b>Sep-03</b>
Cash and Cash Equivalents	118,436,680	129,440,297	118,979,505
Board Designated Reserves	42,780,199	37,099,360	48,277,260
Trustee-held Funds	12,195,548	12,388,843	15,103,482
<b>Total</b>	<b>173,412,427</b>	<b>178,928,500</b>	<b>182,360,247</b>
Divided by:			
Max Annual Debt Service (Bond Year 2012)	10,697,594	10,697,594	10,697,594
<b>CUSHION RATIO</b>	<b>16.2</b>	<b>16.7</b>	<b>17.0</b>
<b>REQUIREMENT</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>
	<b>Achieved</b>	<b>Achieved</b>	<b>Achieved</b>
<b>DAYS CASH ON HAND</b>			
	<b>Jun-02</b>	<b>Jun-03</b>	<b>Sep-03</b>
Cash and Cash Equivalents	118,436,680	129,440,297	118,979,505
Board Designated Reserves	42,780,199	37,099,360	48,277,260
<b>Total</b>	<b>161,216,879</b>	<b>166,539,657</b>	<b>167,256,765</b>
Divide Total by Average Adjusted Expenses per Day			
Total Expenses	267,935,780	297,904,936	80,929,477
Less: Depreciation	15,105,550	14,532,356	3,590,948
Bad Debt	15,055,064	18,219,392	7,174,292
<b>Adjusted Expenses</b>	<b>237,775,166</b>	<b>265,153,188</b>	<b>70,164,237</b>
Number of days in period	365	365	92
Average Adjusted Expenses per Day	651,439	726,447	762,655
<b>DAYS CASH ON HAND</b>	<b>247</b>	<b>229</b>	<b>219</b>
<b>REQUIREMENT</b>	<b>90</b>	<b>90</b>	<b>90</b>
	<b>Achieved</b>	<b>Achieved</b>	<b>Achieved</b>
<b>Net Income Available for Debt Service</b>			
	<b>Jun-02</b>	<b>Jun-03</b>	<b>Sep-03</b>
Excess of revenue over expenses Cur Mo.	1,362,065	(575,578)	1,857,365
Excess of revenues over expenses YTD (General Funds)	13,710,540	25,180,908	2,832,542
ADD:			
Depreciation and Amortization	15,105,550	14,532,356	3,590,948
Interest Expense	6,131,807	5,861,454	1,394,479
<b>Net Income Available for Debt Service</b>	<b>34,947,897</b>	<b>45,574,718</b>	<b>7,817,969</b>
<b>Aggregate Debt Service</b>			
	<b>Jun-02</b>	<b>Jun-03</b>	<b>Sep-03</b>
1993 Insured Refunding Revenue Bonds	6,024,360	6,019,112	1,504,539
1999 Insured Refunding Revenue Bonds	4,361,784	4,357,192	1,088,598
<b>Aggregate Debt Service</b>	<b>10,386,144</b>	<b>10,376,304</b>	<b>2,593,137</b>
<b>Net Income Available for Debt Service</b>	<b>3.36</b>	<b>4.39</b>	<b>3.01</b>
<b>Required Coverage</b>	<b>1.15</b>	<b>1.15</b>	<b>1.15</b>
	<b>Achieved</b>	<b>Achieved</b>	<b>Achieved</b>

# MEDICAL STAFF SERVICES

October 29, 2003



**TO:** Board of Directors  
**BOARD MEETING DATE:** November 17, 2003  
**FROM:** James S. Otoshi, M.D., Chief of Staff Elect on behalf of  
PMC Medical Staff Executive Committee  
**SUBJECT:** Medical Staff Credentialing Recommendation

## PALOMAR MEDICAL CENTER

- I. Provisional Appointment  
Riaz S. Bokhari, M.D., General Surgery  
Christopher D. Costanza, M.D., Gastroenterology  
Marta J. Goicoechea, M.D., Internal Medicine  
Joseph V. Mersol, M.D., Diagnostic Radiology  
Soheil Niku, M.D., Diagnostic Radiology  
Christine Q. Phan, D.O., Family Practice
- II. Advance from Provisional to Active Status  
Fred J. Veretto, M.D., Internal Medicine
- III. Additional Privileges  
Hamed Bayat, M.D., Cardiology
  - Moderate SedationPaul Neustein, M.D., Urologic Surgery
  - Cryosurgery of the ProstateJoseph M. Schwarz, M.D., Gastroenterology
  - Moderate Sedation
- IV. Leave of Absence  
Eleida Jimenez, M.D., Pediatrics (additional one year)  
Arnold N. Singer, M.D., Internal Medicine (two year)
- V. Voluntary Resignations/Withdrawals  
Victor S. Doroski, M.D., Psychiatry  
Craig S. Duck, M.D., Family Practice  
Roland K. Tang, M.D., Pediatrics
- VI. Allied Health Professional Appointments  
Karen Y. Richardson, R.N., Registered Nurse; Sponsors: Dr. Jauregui, Dr. Johnston  
Jenny Rios, P.A., Emergency Department Physician Assistant; Sponsors: CEP

PALOMAR MEDICAL  
CENTER  
555 East Valley Parkway  
Escondido, CA 92025  
Tel 760.739.3140  
Fax 760.739.2926

POMERADO  
HOSPITAL  
15615 Pomerado Road  
Poway, CA 92064  
Tel 858.613.4664  
Fax 858.613.4217

ESCONDIDO  
SURGERY CENTER  
343 East Second Avenue  
Escondido, CA 92025  
Tel 760.480.6606  
Fax 760.480.6671

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**VII. Reappointments Effective Through November 30, 2004**

Kevin L. Metros, M.D.	Orthopaedic Surgery	Dept of Ortho/Rehab	Active
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**Reappointments Effective Through November 30, 2005**

Michael J. Beecher, M.D.	OB/GYN	Dept of OB/GYN	Active
Duane M. Buringrud, M.D.	OB/GYN	Dept of OB/GYN	Active
Ying C. Chen, M.D.	OB/GYN	Dept of OB/GYN	Active
David W. Cloyd, M.D.	General Surgery	Dept of Surgery	Active
Russell W. Engevik, M.D.	Emergency Medicine	Dept of Emergency Med	Active
Ann R. Foraci, D.O.	Family Practice	Dept of Family Practice	Active
Richard L. Henderson, M.D.	Psychiatry	Dept of Medicine	Active
Tahir Ijaz, M.D.	Radiation Oncology	Dept of Radiology	Consulting
Thomas A. Jones, M.D.	Urologic Surgery	Dept of Surgery	Active
Steve Laverson, M.D.	Plastic Surgery	Dept of Surgery	Active
Ronald M. Levin, M.D.	Anesthesiology	Dept of Anesthesia	Active
William J. Lewis, M.D.	Pediatric Neurology	Dept of Pediatrics	Courtesy
Michael D. Manley, M.D.	OB/GYN	Dept of OB/GYN	Active
John G. Massone, M.D.	Internal Medicine	Dept of Medicine	Active
Vincent R. Okamoto, M.D.	Anesthesiology	Dept of Anesthesia	Associate
(Changed from Active to Associate)			
Steven G. Pratt, M.D.	Ophthalmology	Dept of Surgery	Associate
Thomas E. Rastle, M.D.	Family Practice	Dept of Family Practice	Active
William D. Tench, M.D.	Pathology	Dept of Pathology	Active
Gang Tong, M.D.	Neurology	Dept of Medicine	Active

**One Year Provisional Reappointments**

Todd M. Grehl, M.D., Cardiothoracic Surgery  
 Charles V. Maletz, M.D., Family Practice  
 Vanessa M. Weir, M.D., Family Practice

**Allied Health Professional Reappointment**

Gayle E. Hicks, Ph.D., Evoked Potential; Sponsors: Dr. Marcisz, Dr. Stern

**Certification by and Recommendation of Chief of Staff Elect:**

As Chief of Staff Elect of Palomar Medical Center, I certify that the procedures described in the Medical Staff Bylaws for appointment, reappointment or alteration of staff membership or the granting of privileges and that the policy of the Palomar Pomerado Health System's Board of Directors regarding such practices have been properly followed. I recommend that the action requested in each case be taken by the Board of Directors.

**PALOMAR POMERADO HEALTH SYSTEM  
PROVISIONAL APPOINTMENT  
NOVEMBER, 2003**

**PERSONAL INFORMATION**

<b>Provider Name &amp; Title</b>	Riaz Bokhari, M.D.
<b>PPHS Facilities</b>	Palomar Medical Center Escondido Surgery Center

**SPECIALTIES/BOARD CERTIFICATION**

<b>Specialties</b>	Surgery, General - Certified: 1982/2002 Surgery, Critical Care - Certified: 1987/1996
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**ORGANIZATIONAL NAME**

<b>Name</b>	North County Trauma Associates
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**EDUCATION/AFFILIATION INFORMATION**

<b>Medical Education Information</b>	King Edward Medical College, Lahore, Pakistan From: 01/10/1969 To: 11/29/1975 Doctor of Medicine Degree
<b>Internship Information</b>	Stamford Health System, Stamford, CT General Surgery From: 07/01/1976 To: 06/30/1977
<b>Residency Information</b>	Graduate Hospital, University of Pennsylvania, Philadelphia, PA General Surgery From: 07/01/1977 To: 06/30/1981
<b>Fellowship Information</b>	Maryland Institute for Emergency Med Services System, Shock Trauma Center, Baltimore, MD Traumatology From: 07/01/1981 To: 06/30/1982
<b>Current Affiliation Information</b>	Rockford Memorial Hospital, Rockford, IL

**PALOMAR POMERADO HEALTH SYSTEM  
PROVISIONAL APPOINTMENT  
NOVEMBER, 2003**

**PERSONAL INFORMATION**

<i>Provider Name &amp; Title</i>	Christopher D. Costanza, M.D.
<i>PPHS Facilities</i>	Palomar Medical Center

**SPECIALTIES/BOARD CERTIFICATION**

<i>Specialties</i>	Internal Medicine - Certified: 2000 Gastroenterology - Eligible
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**ORGANIZATIONAL NAME**

<i>Name</i>	Kaiser Permanente
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**EDUCATION/AFFILIATION INFORMATION**

<i>Medical Education Information</i>	University of Southern California, Los Angeles, CA From: 08/30/1991 To: 06/11/1995 Doctor of Medicine Degree
<i>Internship Information</i>	University of California, San Diego Internal Medicine From: 06/24/1997 To: 06/27/1998
<i>Residency Information</i>	University of California, San Diego Internal Medicine From: 07/01/1998 To: 06/30/2000
<i>Fellowship Information</i>	University of California, San Diego Gastroenterology From: 07/01/2000 To: 06/30/2003
<i>Current Affiliation Information</i>	Kaiser Permanente, San Diego



**PALOMAR POMERADO HEALTH SYSTEM  
PROVISIONAL APPOINTMENT  
NOVEMBER, 2003**

**PERSONAL INFORMATION**

<b>Provider Name &amp; Title</b>	Marta J. Goicoechea, M.D.
<b>PPHS Facilities</b>	Palomar Medical Center

**SPECIALTIES/BOARD CERTIFICATION**

<b>Specialties</b>	Internal Medicine - Eligible
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**ORGANIZATIONAL NAME**

<b>Name</b>	North County Health Services
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**EDUCATION/AFFILIATION INFORMATION**

<b>Medical Education Information</b>	Universidad Del Zulia School of Medicine, Maracaibo, Venezuela From: 09/01/1985 To: 06/01/1994 Doctor of Medicine Degree
<b>Internship Information</b>	N/A
<b>Residency Information</b>	Mount Sinai Medical Center, Miami Beach, FL Internal Medicine From: 06/24/1999 To: 06/30/2002
<b>Fellowship Information</b>	None
<b>Current Affiliation Information</b>	None

**PALOMAR POMERADO HEALTH SYSTEM  
PROVISIONAL APPOINTMENT  
NOVEMBER, 2003**

**PERSONAL INFORMATION**

<b>Provider Name &amp; Title</b>	Joseph V. Mersol, M.D.
<b>PPHS Facilities</b>	Pomerado Hospital Palomar Medical Center

**SPECIALTIES/BOARD CERTIFICATION**

<b>Specialties</b>	Diagnostic Radiology – Certified: 2003
--------------------	--

**ORGANIZATIONAL NAME**

<b>Name</b>	Stat Radiology Medical Corp.
-------------	------------------------------

**EDUCATION/AFFILIATION INFORMATION**

<b>Medical Education Information</b>	University of Minnesota Medical School, Minneapolis, MN From: 09/07/1994 To: 06/13/1998 Doctor of Medicine Degree
<b>Internship Information</b>	Virginia Mason Medical Center, Seattle, WA Transitional & PGY1 in Diagnostic Radiology From: 06/23/1998 To: 06/24/1999
<b>Residency Information</b>	Virginia Mason Medical Center, Seattle, WA Radiology From: 07/01/1999 To: 06/30/2003
<b>Fellowship Information</b>	University of California, San Diego Magnetic Resonance Imaging From: 07/01/2003 To: Present Expected Date of Completion: 06/30/2004
<b>Current Affiliation Information</b>	None

**PALOMAR POMERADO HEALTH SYSTEM  
PROVISIONAL APPOINTMENT  
NOVEMBER, 2003**

**PERSONAL INFORMATION**

<b>Provider Name &amp; Title</b>	Soheil Niku, M.D.
<b>PPHS Facilities</b>	Pomerado Hospital Palomar Medical Center

**SPECIALTIES/BOARD CERTIFICATION**

<b>Specialties</b>	Diagnostic Radiology – Certified: 2003
--------------------	--

**ORGANIZATIONAL NAME**

<b>Name</b>	Stat Radiology Medical Corp.
-------------	------------------------------

**EDUCATION/AFFILIATION INFORMATION**

<b>Medical Education Information</b>	Rush Medical College, Rush University, Chicago, IL From: 09/13/1993 To: 12/13/1997 Doctor of Medicine Degree
<b>Internship Information</b>	MacNeal Hospital, Berwyn, IL Transitional Medicine From: 06/15/1998 To: 06/13/1999
<b>Residency Information</b>	University of California, San Diego Diagnostic Radiology From: 07/01/1999 To: 06/30/2003
<b>Fellowship Information</b>	University of California, San Diego Magnetic Resonance Imaging From: 07/01/2003 To: Present Expected Date of Completion: 06/30/2004
<b>Current Affiliation Information</b>	None

**PALOMAR POMERADO HEALTH SYSTEM  
PROVISIONAL APPOINTMENT  
NOVEMBER, 2003**

**PERSONAL INFORMATION**

<b>Provider Name &amp; Title</b>	Christine Q. Phan, D.O.
<b>PPHS Facilities</b>	Palomar Medical Center

**SPECIALTIES/BOARD CERTIFICATION**

<b>Specialties</b>	Family Practice - Eligible
--------------------	----------------------------

**ORGANIZATIONAL NAME**

<b>Name</b>	Graybill Medical Group
-------------	------------------------

**EDUCATION/AFFILIATION INFORMATION**

<b>Medical Education Information</b>	Midwestern University, Arizona College of Osteopathic Medicine, Glendale, AZ From: 09/01/1996 To: 06/04/2000 Doctor of Osteopathic Medicine
<b>Internship Information</b>	Pacific Hospital of Long Beach (Western University of Health Sciences, College Of Osteopathic Medicine of the Pacific) Rotating From: 07/01/2000 To: 06/30/2001
<b>Residency Information</b>	Pacific Hospital of Long Beach (Western University of Health Sciences, College Of Osteopathic Medicine of the Pacific) Family Practice From: 07/01/2001 To: 06/30/2003
<b>Fellowship Information</b>	None
<b>Current Affiliation Information</b>	None

**PALOMAR POMERADO HEALTH  
ALLIED HEALTH PROFESSIONAL  
APPOINTMENT  
NOVEMBER, 2003**

**NAME:** Sarah A. Bohn, Ph.D.  
**SPECIALTY:** Psychologist  
**SERVICES:** Psychologist – Neuropsychological Testing  
**TRAINING:** University of Arizona, Tucson, AZ  
 Bachelor of Arts 01/02/75-05/20/78  
 Bowling Green State University, Ohio  
 Doctor of Philosophy 09/26/79-08/17/84  
 Mercy Hospital/Medical Center, San Diego, CA  
 Psychology Intern; Post-Doctoral Fellow 08/01/83-08/15/85  
**PRACTICE:** Psychologist, Sarah A. Bohn, Ph.D., Private Practice  
 Carlsbad, CA 1991-Present  
 Psychologist/Internship Director,  
 Capistrano By the Sea Hospital, Dana Point, CA 05/87-05/92  
 Staff Psychologist, Veterans Administration  
 Medical Center, La Jolla, CA 1985-1986  
**SPONSORS:** N/A  
**CERTIFICATION:** NONE  
**FACILITY:** Pomerado Hospital

**NAME:** Jennie Rios, P.A.-C  
**SPECIALTY:** Physician Assistant  
**SERVICES:** Emergency Room Physician Assistant  
**TRAINING:** Riverside Community College, Riverside, CA  
 Physician Assistant prerequisite classes 06/28/93-12/22/95  
 Western University of Health Sciences, Pomona, CA  
 Certificate – Physician Assistant Program 08/06/96-07/31/98  
**PRACTICE:** Physician Assistant, California Emergency Physicians,  
 Palomar Medical Center, Escondido, CA 10/24/03-Present  
 Physician Assistant, Emergency Department,  
 Arrowhead Regional Medical Center, Colton, CA 10/06/98-Present  
 Reproductive Health Assistant, Planned Parenthood,  
 Riverside, CA 05/19/94-8/28/97  
 Student Aid, San Bernardino Public Health Department  
 San Bernardino, CA 12/14/92-2/15/95  
**SPONSORS:** California Emergency Physicians: Drs. John Anshus,  
 Peter Berkman, Sean A. Deitch, Russell Engevik,  
 James D. Foster, John Fredericks, Michele Grad,  
 Kevin Hutton, David Lee, Damon London,  
 Keri London, Philip Mathis, Thomas Moats, Martin Oretsky,  
 Bing Pao, Jaime Rivas, Roger Schechter, Brad Schwartz,  
 William Sereda, Mark Spiro, Jack Wilson, Elizabeth Wulfert  
**CERTIFICATION:** National Commission on Certification of Physician Assistants 1998  
**FACILITY:** Palomar Medical Center

**PALOMAR POMERADO HEALTH  
ALLIED HEALTH PROFESSIONAL  
APPOINTMENT  
NOVEMBER 2003  
(continued)**

<b>NAME:</b>	Karen Richardson, R.N.	
<b>SPECIALTY:</b>	Registered Nurse	
<b>SERVICES:</b>	Registered Nurse for Elizabeth Hospice	
<b>TRAINING:</b>	Villanova University, Villanova, PA	
	Bachelor of Science - Nursing	09/75-05/31/79
<b>PRACTICE:</b>	Registered Nurse, Admission team, Elizabeth Hospice	
	Escondido, CA	03/12/01-Present
	Case Manager, San Diego Hospice, San Diego, CA	10/7/91-12/8/00
	Registered Nurse, Scripps Memorial Hospital, La Jolla, CA	08/81-09/88
	Nurse Tech/Registered Nurse, The Methodist Hospital, Houston, Texas	09/79-05/81
<b>SPONSORS:</b>	Nicholas Jauregui, M.D. & Laurie Johnston, M.D.	
<b>CERTIFICATION:</b>	The National Board for Certification of Hospice & Palliative Nurses	2002
<b>FACILITIES:</b>	Palomar Medical Center	

# MEDICAL STAFF SERVICES



**DATE:** October 29, 2003

**MEMO TO:** Palomar Pomerado Health  
Board of Directors

**FROM:** L. Richard Greenstein, M.D.  
Medical Director, Escondido Surgery Center

**RE:** Medical Staff Recommendations

The Chief of Staff of Palomar Medical Center, on behalf of the Executive Committee, approved the following credentialing recommendations for Escondido Surgery Center for submission to the Board of Directors:

### Appointments:

- ◆ Riaz S. Bokhari, M.D., General Surgery

### Reappointments:

Effective through 11/30/2004

- ◆ Kevin L. Metros, M.D., Orthopaedic Surgery

Effective through 11/30/2005

- ◆ Duane M. Buringrud, M.D., OB/GYN
- ◆ Ying C. Chen, M.D., OB/GYN
- ◆ David W. Cloyd, M.D., General Surgery
- ◆ Thomas A. Jones, M.D., Urologic Surgery
- ◆ Steve Laverson, M.D., Plastic Surgery
- ◆ Ronald M. Levin, M.D., Anesthesiology
- ◆ Vincent R. Okamoto, M.D., Anesthesiology
- ◆ Steven G. Pratt, M.D., Ophthalmology
- ◆ Thomas E. Rastle, M.D., Family Practice
- ◆ William D. Tench, M.D., Pathology

PALOMAR MEDICAL  
CENTER  
555 East Valley Parkway  
Escondido, CA 92025  
Tel 760.739.3140  
Fax 760.739.2926

POMERADO  
HOSPITAL  
15615 Pomerado Road  
Poway, CA 92064  
Tel 858.613.4664  
Fax 858.613.4217

ESCONDIDO  
SURGERY CENTER  
343 East Second Avenue  
Escondido, CA 92025  
Tel 760.480.6606  
Fax 760.480.6671



**Pomerado Hospital Medical Staff Services**  
15615 Pomerado Road  
Poway, CA 92064  
Phone (858) 613-4664/4538 Fax (858) 613-4217

**DATE:** November 4, 2003  
**TO:** Board of Directors  
**FROM:** Alan J. Conrad, M.D., Chief of Staff-Elect, Pomerado Hospital Medical Staff  
**SUBJECT:** Medical Staff Credentials Recommendations – October 2003:

1. Provisional Appointment:

Joseph J. Mersol, M.D. - Radiology  
Soheil Niku, M.D. - Radiology

2. Advancement to Active Category:

Daniel Lee, M.D. - Medicine

3. Biennial Reappointment:

<u>Name</u>	<u>Category</u>	<u>Section</u>	<u>Effective Through</u>
Michael J. Beaumont, M.D.	Active	OB/GYN	11/30/2005
Ying Chang Chen, M.D.	Courtesy	OB/GYN	11/30/2005
Russell W. Engevik, M.D.	Active	Emergency Medicine	11/30/2005
Anna R. Foraci, D.O.	Courtesy	Medicine	11/30/2005
Robert W. Herbst, M.D.	Active	Surgery	11/30/2005
Tahir Ijaz, M.D.	Consulting	Radiology	11/30/2005
James M. Jacquet, M.D.	Active	Surgery	11/30/2005
Thomas A. Jones, M.D.	Courtesy	Surgery	11/30/2005
Steve Laverson, M.D.	Active	Surgery	11/30/2005
Patrocinia Magat, M.D.	Affiliate	Medicine	11/30/2005
Richard A. Merino, M.D.	Active	Medicine	11/30/2005
Steven G. Pratt, M.D.	Courtesy	Surgery	11/30/2005
William D. Tench, M.D.	Active	Pathology	11/30/2005

4. Allied Health Staff Recommendations:

Addition of Vrijesh S. Tantuwaya, M.D. as a sponsor for Maureen J. Wiskerchen, M.A. and Linda Worthington-Beckwith, M.A. for neurodynamic monitoring.

Sarah A. Bohn, Ph.D. – Psychology – Appointment to Allied Health Staff

5. Resignation:

Glenn Bolitho, M.D. - Surgery

Certification by and Recommendation of Chief of Staff:

As Chief of Staff of Pomerado Hospital, I certify that the procedures described in the Medical Staff Bylaws for appointment, reappointment, or alternation of staff membership or the granting of privileges and the policy of the Palomar Pomerado Health System's Board of Directors regarding such practices have been properly followed. I recommend that the Board of Directors take the action requested in each case.



**Presentation of Service Award Pin upon Assuming Office**

**TO:** Board of Directors

**DATE:** November 17, 2003

**FROM:** Alan W. Larson, M.D., Board Chairman

**BY:** Christine Meaney, Board Assistant

**BACKGROUND:** A service award pin for Directors is awarded upon taking up office. In recognition of Mr. Bruce G. Krider's appointment as a director of the Board of Palomar Pomerado Health, unanimously approved at a special board meeting November 4, 2003, Alan W. Larson, M.D. will on behalf of the Board, present to Mr. Krider a pin upon his assuming office.

**Informational: Management Development Vision and Status**

**TO:** Board of Directors  
**MEETING DATE:** November 17, 2003  
**FROM:** Gil Taylor, Ed.D.  
Chief Human Resources Officer

**BACKGROUND:** One of the nine PPH system goals for FY2004 is entitled Organizational Development. It focuses on implementing a management development program. The attached presentation to the HR Committee brought the members up to date on the vision for management development and the status of this important initiative.

**BUDGET IMPACT:** None

**COMMITTEE RECOMMENDATION:** Forward information to the Board of Directors

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:**

*Motion:*

*Individual Action:*

*Information:* X

*Required Time:*

# Management Development Program

**Palomar Pomerado Health  
Leadership Council,**

**October 23, 2003**

# Management Development Resources

## PREPARE

## DEVELOP

## COMMUNICATE

## SUPPORT

### (Assess and Plan)

- Pre-Management Experiences
- 360° Assessment for Each Leadership Role:
  - Frontline
  - Mid-Level
  - Strategic
- Individual Development Plan

### (Formal Curriculum)

- Management Orientation
- Core Management Skills Modules
- Advanced Management Skills Modules
- Elective Skills Modules
- Certificate

### (Share Information)

- Lecture Series
- Management Inservices
- Management Newsletter
- Intranet Pages
- Chat Room
- Management Library
- Best Practice Consulting

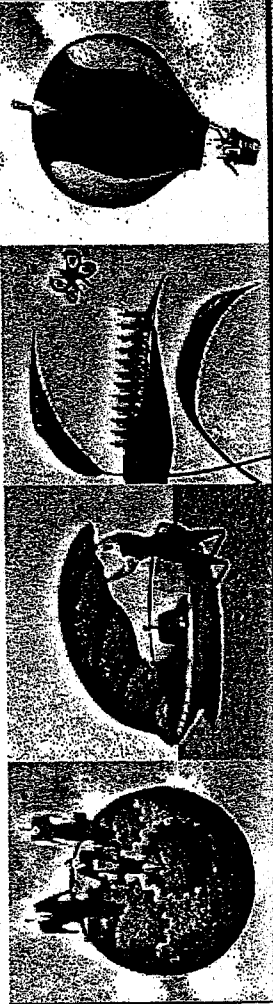
### (Extra Dimension)

- Precepting and Mentoring
- Career Planning Services
- College Degree Programs, including on-site courses
- Succession Planning Program



PPH Investment in Management Development = ROI in Management Performance

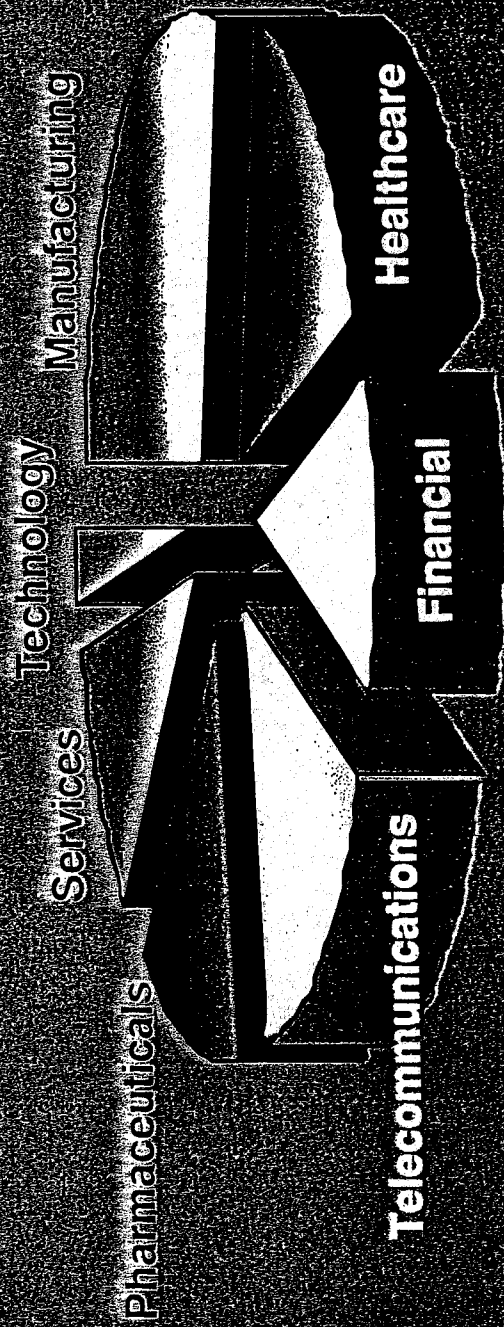
# PPH and DDI



DDI is  
Palomar Pomarado Health's  
Management Development  
Partner

# Development Dimensions International (DDI)

- \$100 million/year training & development firm
- 75 locations worldwide
- Clients include half of "Global 1000"

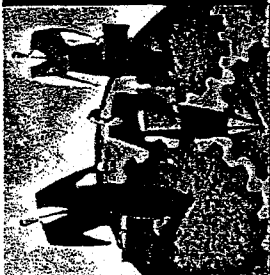


# Some of DDI's Clients

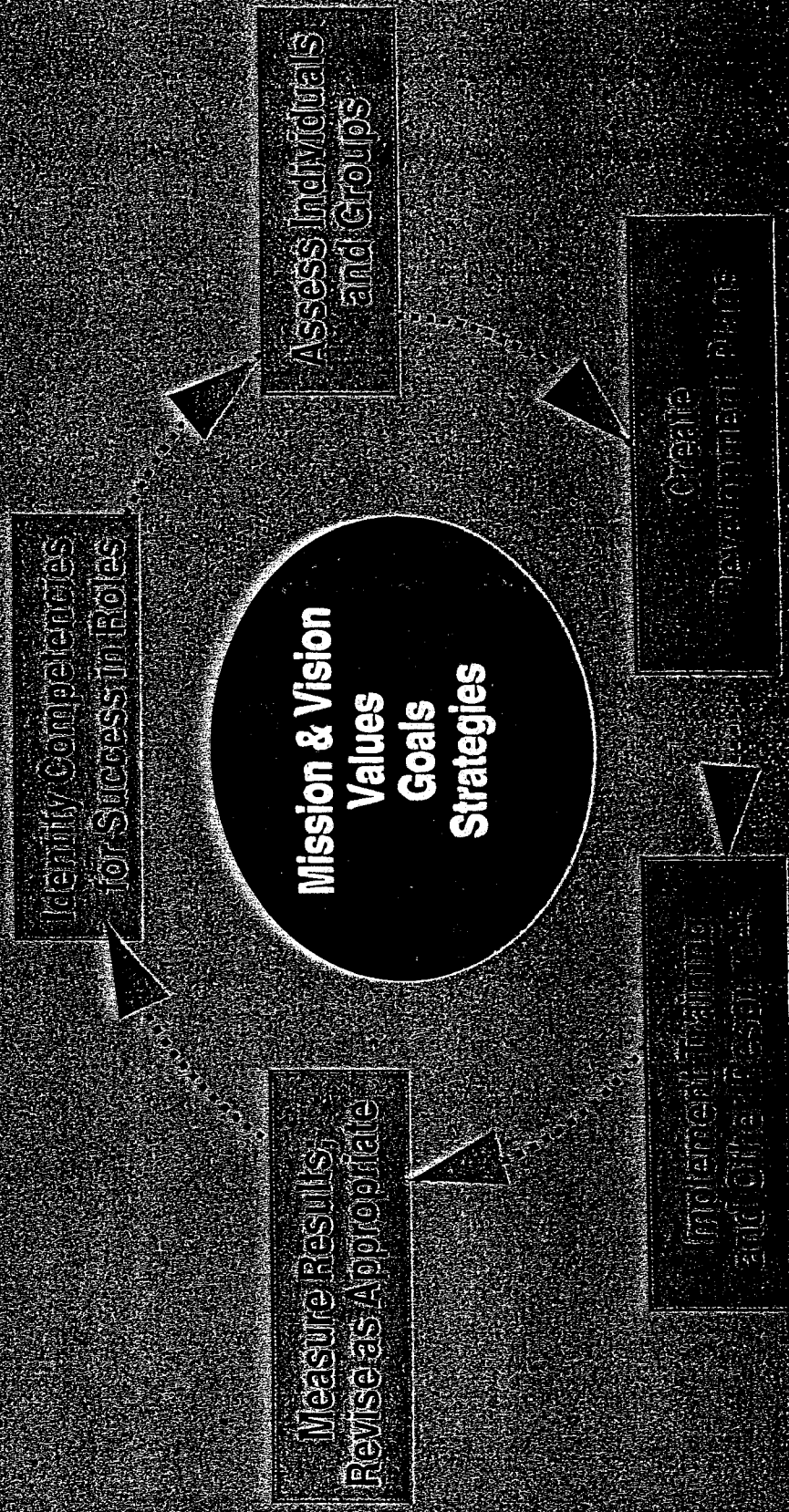


DDI

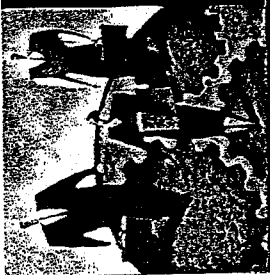
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# Management Development Cycle

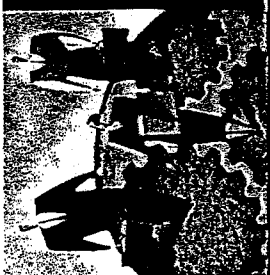






# High Performance Library of Competencies

- Includes 72 competencies, with a Development Guide for each one
- Identifies core competencies for different leadership roles (e.g. frontline, mid-level, strategic)
- Mapped to Gallup, Lominger, and other models
- 360° assessment tools and training modules developed around competencies
- Huge database of norms for competencies
- Large number of healthcare clients



# High Performance Library of Competencies

## Coaching (Example)

### Definition:

Providing timely guidance and feedback to help others strengthen specific knowledge/skill areas needed to accomplish a task or solve a problem.

### Key Behaviors:

***Clarifies the current situation*** – Clarifies expected behaviors, knowledge and level of proficiency by seeking and giving information and checking for understanding

***Explains and demonstrates*** – Provides instruction, positive models, and opportunities for observation in order to help others develop skills; encourages questions to ensure understanding

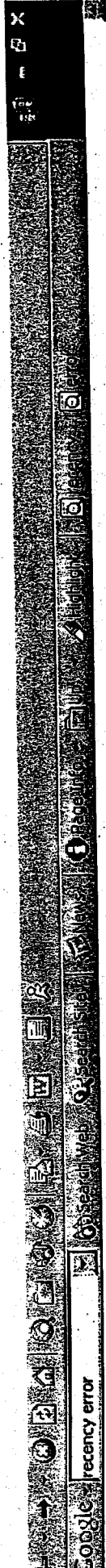
***Provides feedback and reinforcement*** – Gives timely, appropriate feedback on performance, reinforces efforts and progress

***Uses Key Principles*** – Establishes good interpersonal relationships by helping people feel valued, appreciated, and included in discussions (enhances self-esteem, empathizes, involves, discloses supports)



# Leadership Mirror--360° Survey

- Questions based on core competencies and underlying behaviors crucial to success in given role (Frontline, Mid-Level, Strategic)
- Self-rate and select colleagues (5-8) to rate you
- Surveys completed online at [DDIWorld.com](http://DDIWorld.com).
- Results available online--confidential to self, aggregate reports to all
- Results compared to PPH and DDI database



**survey**  
**Fundamentals of Leadership**

**view rating scale information**

Respond to each of the statements below by clicking the appropriate point on the rating scale. In most browsers, you can position the cursor over a rating scale point to see a short description.

**Coaching**  
 Providing timely guidance and feedback to help others strengthen specific knowledge/skill areas needed to accomplish a task or solve a problem.

**1. Clarifies the current situation**  
 Clarifies expected behaviors, knowledge, and level of proficiency by seeking and giving information and checking for understanding.

Joe Manager  
 Current Proficiency

1	2	3	4	5
---	---	---	---	---

**2. Explains and demonstrates**  
 Provides instruction, positive models, and opportunities for observation in order to help others develop skills; encourages questions to ensure understanding.

Joe Manager  
 Current Proficiency

1	2	3	4	5
---	---	---	---	---

**3. Provides feedback and reinforcement**  
 Gives timely, appropriate feedback on performance; reinforces efforts and progress.

Joe Manager  
 Current Proficiency

1	2	3	4	5
---	---	---	---	---

**4. Uses Key Principles**  
 Establishes good interpersonal relationships by helping people feel valued, appreciated, and included in discussions (enhances self-esteem, empathizes, involves, discloses, supports).

Joe Manager  
 Current Proficiency

1	2	3	4	5
---	---	---	---	---

**survey progress**

Adaptability

Building

Customer Loyalty

Building Strategic

Working

Relationships

Coaching

Communication

Decision Making

Delegating

Responsibility

Formal

Presentation

Gaining

Commitment

Initiating Action

Managing

Conflict

Planning and

Organizing

Open-Ended

Feedback

Survey Status

**Current Proficiency**

1 Very Low Level

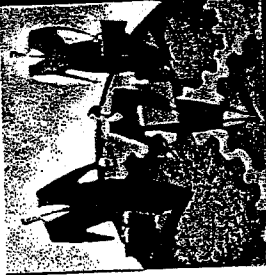
2 Low Level

3 Moderate Level

4 High Level

5 Very High Level

N Not Applicable



# Leadership Mirror--360° Survey

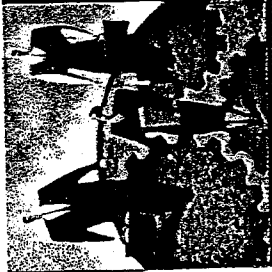
- Group and individual debriefing/feedback on results
- Individual results useful in creating management development plan
- Aggregate results useful in curriculum plan (selecting and prioritizing training modules)
- 360° surveys repeated every year or two

# Competencies mapped to training modules (Examples)

## Training Modules

Competencies	Interaction Skills	Adapting to Change	Communicate & Listen	Coach and Develop	Work Processes	Resolving Conflict	Service Excellence
Adaptability							
Building a successful team							
Building customer loyalty							
Building trust							
Coaching							
Communication							
Developing others							
Managing conflict							
Quality orientation							





# Training Modules--Proven approach to skill building

Each module includes:

- Workbook
- Key Principles inherent
- Didactic content
- Positive model (video)
- Skill practice/rehearsal
- Debriefing on skill practice
- Application on the job

# Management Development Program

## Management Development Council

Virginia Barragan

Joe Molinar

Diane Hansen

Carolyn Peterson

Pamela Hoppie

Dee Raley

Jerry Kolins, MD

Lorie Shoemaker

Susan Lawman

Gil Taylor

Joe Levesque

Ann Wagner



**Informational: Update on Turnover, Hiring, and Vacancies**

**TO:** Board of Directors  
**MEETING DATE:** November 17, 2003  
**FROM:** Gil Taylor  
Chief Human Resources Officer

**BACKGROUND:** Data on turnover, hiring, and vacancies is presented to the HR Committee along with other information on the quarterly HR Dashboard. The Committee members asked for updates in-between quarterly Dashboards when trends change significantly. Recent changes warrant this update. Turnover has been consistently low in comparison with peer healthcare organizations, while recruiting has achieved high levels of hiring, resulting in dramatic reductions in vacancy levels.

**BUDGET IMPACT:** None

**COMMITTEE RECOMMENDATION:** Forward information to the Board of Directors

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:**

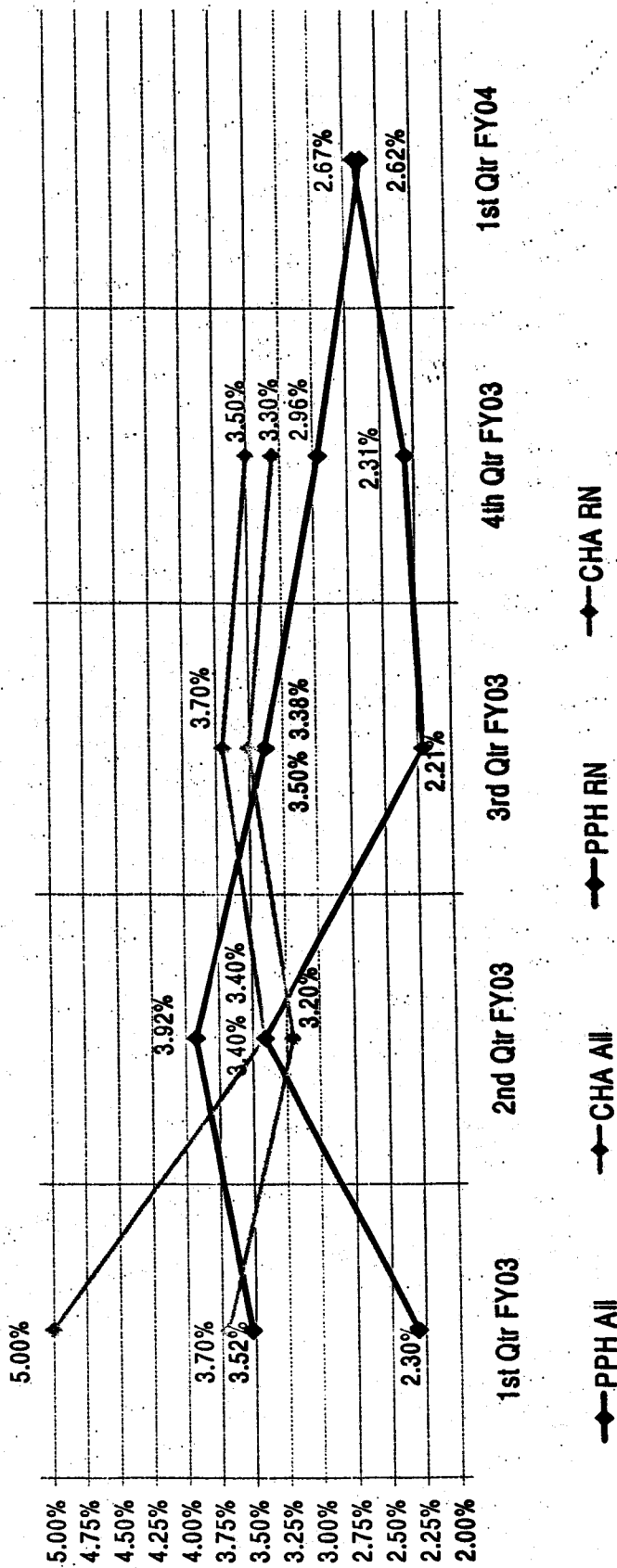
*Motion:*

*Individual Action:*

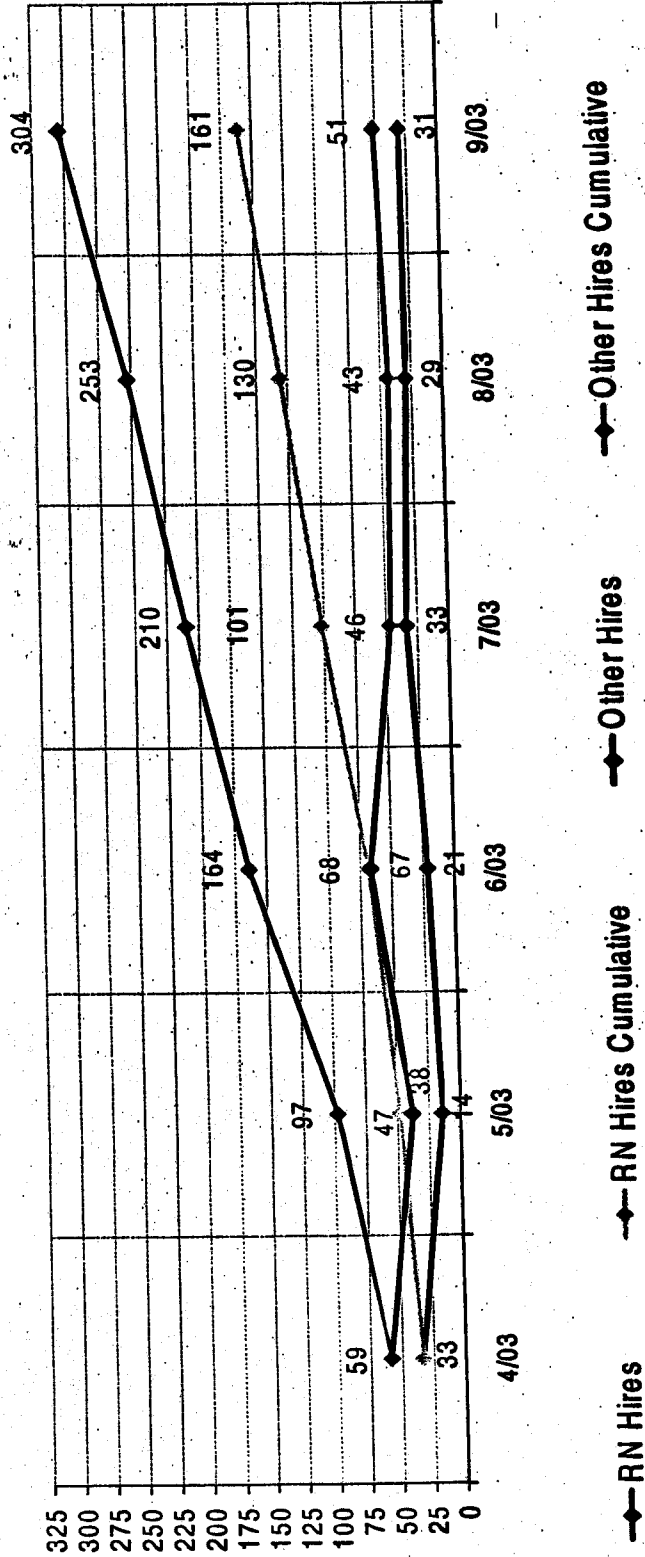
*Information:* X

*Required Time:*

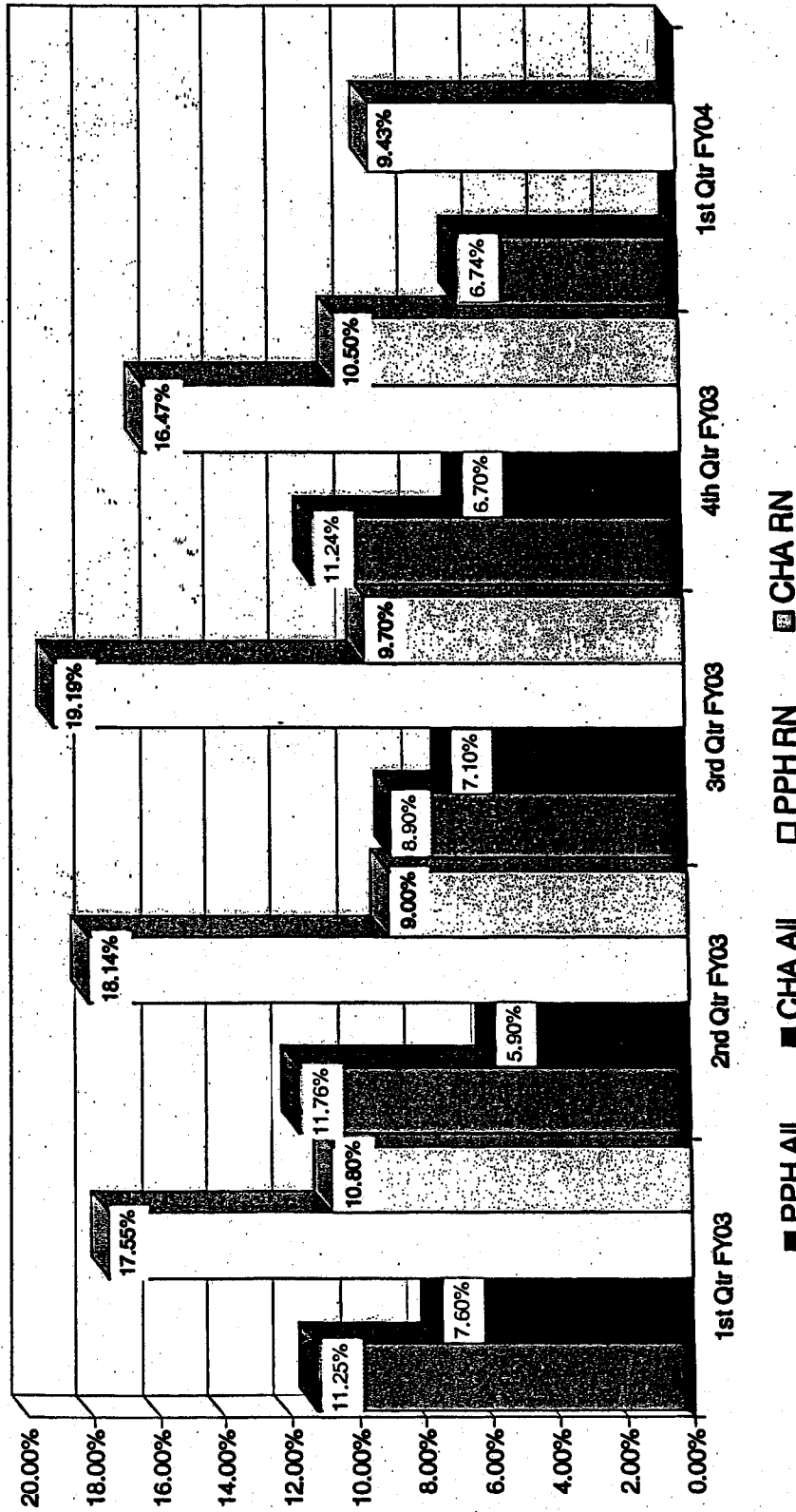
# Turnover Rates



# Hires by Month



# Vacancy



## Gallup Community Image & Positioning Study

**TO:** PPH Board of Directors

**MEETING DATE:** November 17, 2003

**FROM:** Community Relations Committee on October 8, 2003

**BY:** Marcia Jackson, Sr. VP, Planning, Marketing & Bus. Development

**BACKGROUND:** In July and August of 2003, The Gallup Organization conducted a market research study for PPH. The purpose of the study was to randomly survey heads of household in selected area zip codes regarding the image and reputation of Palomar Medical Center, Pomerado Hospital, and competitor facilities. To accomplish the objectives of the study, The Gallup Organization randomly interviewed a total of 504 men and women in Poway, Escondido, and other surrounding areas.

Gallup completed compiling and analyzing the results from the consumer image and awareness survey. The results were presented to the Board of Directors at the October 8th Community Relations Committee meeting. Dan Witters from Gallup presented the Consumer Image Survey results. The presentation was also videotaped for those who were not able to attend the meeting.

**STAFF RECOMMENDATION:** For information purposes only

**COMMITTEE COMMENTS, QUESTIONS:** Highlights of the presentation included:

PMC and POM ranked first and second, respectively, in both Top-of-Mind and All-Responses Unaided Name Awareness. These results have increased significantly since the study was conducted in 2000. At that time, PMC's Top-of-Mind Name Awareness was 32%, and POM was 13%. Today, those percentages have improved to 44% and 21% respectively, yielding a combined percentage of 65%, up 20 points from the combined 45% from three years ago.

When respondents were asked which hospital in your area has the best image and reputation, PMC ranked first in the market with 24% (up a strong 10 points since 2000), with POM second with 15% (up nearly double from 8% in 2000). The 17 point combined gain (from 22% to 39%) represents nearly six percentage points per year, an unusually aggressive rate of advancement.

Further statistics can be found in the attached Executive Summary.

**COMMITTEE RECOMMENDATION:**

Information:

**X**

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# Executive Summary

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FPH Community Image and Positioning 9-03

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## Executive Summary

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### *Unaided Name Awareness, Predisposition Shares, and Best in Class Image and Reputation*

Palomar Medical Center and Pomerado Hospital are first and second, respectively, in both Top-of-Mind and All-Responses Unaided Name Awareness. These results are particularly satisfying given the pronounced gains made by both facilities since the study was last conducted in 2000. At that time, Palomar's Top-of-Mind Name Awareness was 32%, compared to 13% for Pomerado. Today, those percentages have improved to 44% and 21%, respectively, yielding a combined percentage of 65%, up 20 points from the combined 45% from three years ago.

Across all three allowed responses, Palomar is at 62% Unaided Name Awareness, and Pomerado 44%, the top two facilities by wide margins in the surveyed region.

Sharp Memorial is third in the market in both cases, with 7% Top-of-Mind Unaided Name Awareness and 25% All-Responses Unaided Name Awareness. Tri-City Hospital (3%/19%), Scripps (La Jolla) (4%/17%), and Kaiser Foundation Hospital (6%/16%) round out the top six facilities, and are the only other facilities with at least 10% mention across all three responses.

Name Awareness is a key driver of Best in Class Image and Reputation, where respondents are asked, "Based on your own experience, as well as anything that you may have read, seen, or heard, which hospital in your area has the best image and reputation?" Palomar Medical Center is first in the market with 24% mention (up a strong 10 points since 2000), with Pomerado second with 15% mention (up nearly double from 8% in 2000). The 17 point combined gain (from 22% to 39%) represents nearly six percentage points per year, an unusually aggressive rate of advancement in this key metric, and nearly matches the recommended six points per year "Stretch Target" goal.

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FPH Community Image and Positioning 9-03

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## Executive Summary

### *Unaided Name Awareness, Predisposition Shares, and Best in Class Image and Reputation (cont.)*

Predisposition Share is determined by asking respondents, "Which hospital would you prefer to use for..." This metric serves as a surrogate for perceived Best in Class positioning across a variety of metrics, ranging from Outpatient and Inpatient Surgery, to Care for the Elderly, to Emergency Care, to Cancer Treatment and more. For each facility, it then becomes possible to "profile" its image and position in the market for each of these metrics as image strengths or image weaknesses relative to one another.

Palomar Medical Center is the most closely associated in the community with:

1. Emergency medical care for major injury or illness
2. Inpatient surgery (requiring overnight stay)
3. Hospital care following heart attack

Palomar Medical Center is the least closely associated in the community with:

1. Brain surgery
2. Hospital care for a child
3. Cancer treatment

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FPH Community Image and Positioning 9-03

## Executive Summary

### *Unaided Name Awareness, Predisposition Shares, and Best in Class Image and Reputation (cont.)*

Pomeroado Hospital is the most closely associated in the community with:

1. Hospital care for the elderly
2. Inpatient surgery (requiring overnight stay)
3. Outpatient surgery
4. Having a baby

Pomeroado Hospital is the least closely associated in the community with:

1. Brain surgery
2. Hospital care for a child
3. Open-heart surgery
4. Treatment for neurological problems
5. Cancer treatment

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FPH Community Image and Positioning 9-03

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## Executive Summary

### *Determining Strategies for Enhancing Top-of-Mind Overall Image and Reputation*

Close-ended five point scale evaluations of all image dimensions are used to mathematically derive the metrics that most "drive" Overall Image and Reputation, regardless of facility-level experiences. In other words, the dimensions that are most important to the Overall Image and Reputation of hospitals collectively in this region are determined across the entire study sample, since these strategies must reach the entire marketplace. These dimensions can be plotted vertically on a two-dimensional Perceptual Map.

Concomitantly, facilities can also be rated for their "excellence" on each of the metrics by only those respondents that are most familiar with them. This approach yields a purer, more authentic evaluation of the image and positioning of each facility across each of the salient dimensions, and can then be plotted horizontally on the same map.

The resulting Perceptual Maps for Palomar Medical Center and for Pomerado Hospital, therefore, plot the "importance" of each metric in the same locations vertically, as the importance is best derived from the entire marketplace. Their respective image strengths and weaknesses, however, are unique to each, based only on the evaluations of respondents that name one or the other as their most familiar institution, and will therefore uniquely position each metric horizontally for each facility, allowing for partially customized strategizing.

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FPH Community Image and Positioning 9-03

## Executive Summary

### *Determining Strategies for Enhancing Best in Class Overall Image and Reputation (cont.)*

The four quadrants of the resulting Perceptual Map are populated with the dimensions themselves, and our strategies can be based in part on the location of each metric in their respective quadrants. Items in the upper right hand quadrant are the *Key Image Building Variables*, which are those Functional Image Controllables that are currently most positively impacting Overall Image and Reputation due to their strong driving potential coupled with high ratings from the most familiarized respondents. These dimensions, therefore, represent the best areas to own and capitalize upon.

Some metrics in particular also have the added distinction of high community predisposition (previously described), which simply means that "selling" this brand promise to the marketplace can be done along a path of low resistance. Four metrics, (1) the quality of the doctors, (2) the care and concern of the staff, (3) the availability of state-of-the-art technology, and (4) the hospital's commitment to the community's health, were not measured for predisposition, as they did not represent procedure-base metrics.

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## Executive Summary

### *Determining Strategies for Enhancing Best in Class Overall Image and Reputation (cont.)*

#### For Palomar Medical Center, these Key Image Building Variables are:

1. The overall quality of the doctors on staff at the hospital (Predisposition not evaluated)
2. Hospital care following a heart attack (Strong Community Selection Predisposition)
3. The level of care and concern the staff shows for patients being treated at the hospital (Predisposition not evaluated)
4. Having a baby (Strong Community Selection Predisposition)
5. Emergency medical care for a major and potentially life-threatening injury or illness (Strong Community Selection Predisposition)
6. Severe or potentially life-threatening illness requiring stay in ICU (Strong Community Selection Predisposition)

#### For Pomerado Hospital, these Key Image Building Variables are:

1. The overall quality of the doctors on staff at the hospital (Predisposition not evaluated)
2. Hospital care following a heart attack
3. The level of care and concern the staff shows for patients being treated at the hospital (Predisposition not evaluated)
4. Inpatient surgery (Strong Community Selection Predisposition)
5. Having a baby (Strong Community Selection Predisposition)
6. Treatment or surgery on a bone or joint
7. Emergency medical care for a major and potentially life-threatening injury or illness (Strong Community Selection Predisposition)

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## Executive Summary

The image dimensions that fall into the upper left hand quadrant represent the *Best Return on Care-Based Investment* due to their powerful driving potential that is left undercapitalized due to suppressed image ratings from familiarized respondents. In the instances where there remains a strong community predisposition for that dimension, there is less compelling case to be made for real investment in the quality of care, as Palomar/Pomerado is already viewed as the facility that is most preferred for that type of care. Where this predisposition does not exist, however, the return on investment is more palatable in terms of driving Overall Image and Reputation. These metrics should be evaluated on a case by case basis. Where Palomar or Pomerado are executing with objectively strong health outcomes, or standards of care are being closely adhered to, the *Best Return on Care-Base Investment* items may simply require enhanced promotion to reach the intended audience.

#### For Palomar Medical Center, the Best Image Return on Real Investment metrics are:

1. Treatment for a neurological problem, such as treatment for a stroke, epilepsy, or other disorder involving the brain
2. Treatment for a complicated medical problem, such as arthritis or diabetes
3. Brain surgery
4. Inpatient surgery (Strong Community Selection Predisposition)
5. Treatment or surgery on a bone or joint

#### For Pomerado Hospital, the Best Image Return on Real Investment metrics are:

1. Severe or potentially life-threatening medical problems that require a stay in the ICU
2. Treatment for a neurological problem, such as treatment for a stroke, epilepsy, or other disorder involving the brain
3. Treatment for a complicated medical problem, such as arthritis or diabetes
4. Brain surgery

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## Executive Summary

### *Determining Strategies for Enhancing Best in Class Overall Image and Reputation (cont.)*

The bottom right-hand quadrant is populated with metrics that strategically represent "Soft Investment" dimensions to be targeted by advertising and marketing without significant investment in improving the actual care that is delivered to the community. Although only modest drivers of Overall Image and Reputation, these items are already considered strengths by those who are most familiar. Where we also find high levels of community selection predisposition, the need for soft marketing is less pronounced – the key recommendation here is to focus on those areas of strength where the predisposition does not already exist.

For Palomar Medical Center, the best dimensions for Soft Investment via marketing and advertising are:

1. Gynecology and women's services
2. Commitment to a healthy community
3. Outpatient surgery (Strong Community Selection Predisposition)
4. Hospital care for a child

For Pomerado Hospital, the best dimensions for Soft Investment via marketing and advertising are:

1. Gynecology and women's services
2. Commitment to a healthy community
3. Outpatient surgery (Strong Community Selection Predisposition)
4. Care for the elderly (Strong Community Selection Predisposition)

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PPH Community Image and Positioning 9-03

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## Executive Summary

### *Advertising Awareness*

Exactly half (50%) of the study respondents indicated that they recalled having seen advertising for a hospital in the last six months.

Palomar Medical Center's 30% Top-of-Mind and 42% All-Responses recall is the best in the market, and contributes to its overall Top-of-Mind Name Awareness. (Name Awareness drives advertising recall as well, although the directionality is stronger in the reverse order.) Sharp Memorial's 21% Top-of-Mind advertising recall is three-times stronger than its Top-of-Mind Name Awareness, and plays a leading role in driving its supplemental name awareness. Pomerado Hospital's 32% All-Responses advertising recall is 17 percentage points greater than its Top-of-Mind Name Awareness, an unusually high ratio that generally indicates more pervasive levels of advertising that yield less impressionable image outcomes.

The *efficiency* of advertising can be determined by dividing the number of respondents that recall a facility's advertising by the number of respondents that recall its advertising *first* (Top-of-Mind). The rule of thumb goal in the Advertising Efficiency Index (AEI) is that for every three respondents that recall the advertising, two of them, or 67%, should cite it Top-of-Mind. Palomar Medical Center leads the market in Advertising Efficiency with a 71% AEI rating, followed by Sharp Memorial at 69%, the only other facility hitting the goal of 67% or better. Pomerado Hospital's 48% AEI is in the bottom half 11 facilities measured, and suggests that system-level co-branding with Palomar may strengthen Palomar's AEI at Pomerado's expense. To the extent that unique and non-overlapping advertising and marketing takes place for the two facilities, Palomar's reaches its audience in a more effective manner. Both facilities realize their respective advertising recall most via direct mailings to homes, followed by newspaper ads which accounts for most of the rest. Sharp Memorial and Scripps (La Jolla) are recalled most heavily via television commercials.

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## Executive Summary

### *Doctor Usage and Habits*

Four out of five (80%) of all respondents affirmed that they or their household has a "doctor who is used on a regular basis or who handles most of your household's healthcare needs." This factor is predicted by race and ethnicity, White and Asian respondents more likely to have a doctor than Black respondents, and with Non-Hispanic respondents far more likely (85%) than Hispanic respondents (53%).

While Escondido (31%), San Diego (17%), and Rancho Bernardo (16%) are the three communities that are most cited as the doctor's location, these results, as expected, are heavily influenced by socioeconomic status, with 25% of all respondents in the highest income bracket (\$150k+) maintaining their doctor in Rancho Bernardo, compared to 50% in the lowest income bracket (<\$25k) maintaining their doctor Escondido.

Doctor choice in 2003 is now evenly split between referrals from family members or friends and insurance-dictated decisions, accounting for two-thirds of the total with 33% each. Referrals by another doctor (14%), hospital affiliations (11%), and personal evaluations (9%) rounded out the top five, with convenient location listed sixth (6%).

Respondents predicted that 30% of their personal doctors would admit them to Palomar Medical Center, followed by 17% at Pomerado Hospital, 12% at Kaiser Foundation Hospital, 9% at Sharps Memorial, and 8% at Scripps (La Jolla). These data are consistent with and closely related to Familiarity Share, a highly reproducible pattern that demonstrates the strong relationship between doctors' preferences and community familiarity, and underlies the fundamental necessity of pervasive and enduring relationships with doctors (Physician Engagement) in any community image program.

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## Executive Summary

### *Outpatient Usage and Habits*

Nearly two-thirds (63%) of all respondents have had non-emergency outpatient services in the last two years, a proportion that climbs to 84% for those in households above \$150k in annual income, compared to just 55% for those under \$50k.

Kaiser Foundation Hospital (13%), followed by Palomar Medical Center (12%) and Pomerado Hospital (11%) were the three facilities most used for outpatient, with Kaiser and Pomerado favored more heavily by higher income households, consistent with broader patterns and geographic realities.

Patient choice accounted for only 19% of outpatient facilities chosen, a distant third behind doctor choice (37%) and insurance (32%).

Although most of the sample sizes are prohibitively small to make sweeping conclusions regarding the quality of care, Scripps La Jolla (n=23) had the highest (and exceptionally strong) Overall Satisfaction (95% Very Satisfied) and Likelihood to Reuse (87% Extremely Likely) ratings, while the Center for Healthcare (n=12) was last with 58% Very Satisfied and 67% Extremely Likely. Sharp Memorial (n=19) had 79% Very Satisfied and 84% Extremely Likely ratings, good for the second best. Palomar (n=37) and Pomerado (n=32) were in the middle of the eight facilities rated, and had virtually identical patient evaluations of 64%/63% Very Satisfied and 72% Extremely Likely to Reuse.

*It is important to note that while these data are meant to descriptively illustrate disparate levels of patient loyalty outcomes across the various outpatient facilities evaluated, they are not meant to be directly comparable to the results of the Patient Loyalty program, which executes a distinct methodology that is aligned with Gallup's Patient Loyalty Practice, including a full sampling across all eligible outpatients within a month of discharge.*

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## Executive Summary

### *Inpatient Usage and Habits*

One-third (33%) of all respondents have spent one night in a hospital as an inpatient in the last two years, a proportion that climbs to 41% for those in households under \$25k in annual income, compared to just 23% for those over \$150k.

Inpatient care is much more heavily tilted to Palomar Medical Center (33%) than outpatient care, with Pomerado Hospital (15%) and Kaiser Foundation Hospital (10%) the other two facilities with at least 10% mention.

Similar to outpatient services, patient choice accounted for only 20% of inpatient facilities chosen, a distant third behind doctor choice (39%) and insurance (27%).

Although most of the sample sizes are prohibitively small to make sweeping conclusions regarding the quality of care, Scripps La Jolla (n=9) had the highest (and exceptionally strong) Overall Satisfaction (89% Very Satisfied) and Likelihood to Reuse (89% Extremely Likely) ratings, while the Kaiser Foundation Hospital (n=17) was last with just 41% Very Satisfied and 53% Extremely Likely to Reuse. Palomar (n=54) had 78% Very Satisfied and 69% Extremely Likely to Reuse, compared to 79%/84% for Pomerado Hospital (n=25). Sharp Memorial (n=10) had 80% Very Satisfied and 70% Extremely Likely ratings.

*It is important to note that while these data are meant to descriptively illustrate disparate levels of patient loyalty outcomes across the various inpatient facilities evaluated, they are not meant to be directly comparable to the results of the Patient Loyalty program, which executes a distinct methodology that is aligned with Gallup's Patient Loyalty Practice, including a full sampling across all eligible inpatients within a month of discharge.*

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## Executive Summary

### *Emergency Department Usage and Habits*

Less than half (43%) of all respondents' households have required emergency outpatient services in the last two years, a proportion that is roughly equivalent across all income brackets except for the lowest, dropping to just 30% for those under \$25k per year in annual household income.

Palomar Medical Center (38%) is by far the most heavily used facility for emergency services, with Pomerado Hospital (19%) driving the PPH system to well over half (57%) of the total ED share. Only Kaiser Foundation Hospital (11%) managed to receive at least 10% mention other than these two, with Children's Hospital of San Diego (6%) and Sharp Memorial (5%) rounding out the top five.

Although most of the sample sizes are prohibitively small to make sweeping conclusions regarding the quality of care, Pomerado Hospital (n=40) had the highest Overall Satisfaction (55% Very Satisfied) and Likelihood to Reuse (73% Extremely Likely) ratings. Pomerado Medical Center (n=82) had 43% Very Satisfied but still received 68% Extremely Likely to Reuse ratings.

*It is important to note that while these data are meant to descriptively illustrate disparate levels of patient loyalty outcomes across the various emergency departments evaluated, they are not meant to be directly comparable to the results of the Patient Loyalty program, which executes a distinct methodology that is aligned with Gallup's Patient Loyalty Practice, including a full sampling across all eligible ED patients within a month of discharge.*

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## Executive Summary

### *Community Needs Assessment and Strategies*

Respondents were asked to rate the degree of concern that they believe their community should have for each issue listed below, and then were asked to reveal how much they believe that hospitals should be involved in each issue. The community issues investigated are:

- Preventing teenage pregnancy
- Preventing the spread of sexually transmitted diseases, including AIDS
- Caring for the homeless
- Preventing drug abuse
- Treating drug abuse
- Educating consumers about the risks associated with unhealthy lifestyles
- Providing health care for the poor who cannot afford to pay
- Domestic violence
- Services for the home-bound elderly
- Transportation to health and medical services

The community issues that are most advised for PPH investment, action, and leadership due to high levels of concern coupled with high levels of expectation for hospital involvement are:

1. Preventing the spread of sexually transmitted diseases, including AIDS.
2. Services for home-bound elderly
3. Domestic violence

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## Executive Summary

### *Community Needs Assessment and Strategies (cont.)*

The community issues that are most advised for PPH visibility but with lowered levels of resource investment are:

1. Treating drug abuse
2. Providing healthcare for the poor who cannot afford to pay

The community issues that are most advised for PPH to provide indirect support through partnering due to high levels of community concern but comparatively low levels of expectations around hospital involvement are:

1. Preventing teen pregnancy
2. Preventing drug abuse

Blacks and Hispanics are more likely to verbalize concern for preventing the spread of STDs, preventing drug abuse, and providing healthcare to poor who cannot afford to pay. Hispanics are more likely to be concerned about caring for the homeless than Non-Hispanics, while Blacks are more concerned about services for the home-bound elderly than their White or Asian counterparts.

With few exceptions, Blacks and Hispanics have significantly elevated levels of expectations regarding hospital involvement in addressing these issues than Whites, Asians, and Non-Hispanics. All marketing and advertising efforts should naturally be undertaken with these demographic realities in mind.

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## Monthly Reports

**TO:** PPH Board of Directors

**MEETING DATE:** November 17, 2003

**FROM:** Community Relations Committee on October 8, 2003

**BY:** Tamara Hemmerly, Director, Marketing & Public Relations  
Judy Leitner, Director, The HealthSource  
Lupe Fierro, Director, Community Outreach

**BACKGROUND:** Monthly Reports submitted to Community Relations Committee included Marketing/Public Relations, The HealthSource, and Community Outreach.

**BUDGET IMPACT:** None

**STAFF RECOMMENDATION:** For information purposes only

### COMMITTEE RECOMMENDATION:

**Information:**

# Marketing/Public Relations Department Overview September 2003



## Department Staff

Marcia Jackson, Sr. VP Planning, Marketing, and Business Development  
Tamara Hemmerly, Director, Marketing and Public Relations  
Julie Taber, Marketing and Public Relations Specialist  
Rosalina Damicog, Graphic Design Specialist

## Press Releases – Received Media Coverage

1. Palomar Pomerado Health to Participate in National Depression Screening Day<sup>®</sup>,  
September 18 (Published 9/29/03)
2. Trustee George Gigliotti Resigns from Palomar Pomerado Health Board of Directors,  
September 29 (Published 9/30/03)

## Press Releases – No Known Media Coverage (at this time)

1. Vials of Life Distributed by Auxiliary Members, September 29

## Fox 6 News in The Morning

1. Morning House Call – Assist doctors with researching topics and act as liaison between physicians and Fox. Attend interviews with physicians.
  - A. September 2–Link Between Gum and Heart Disease, Dr. Salada
  - B. September 9–Peripheral Neuropathy, Dr. Greenberg
  - C. September 16–Seasonale Birth Control, Dr. Salada
  - D. September 23–Adult ADHD, Dr. Greenberg
  - E. September 30–Soy Products, Dr. Salada

## Other Articles/Interviews

1. August 28–“HealthSource shows growth in past year,” Poway News Chieftain, Rancho Bernardo News Journal, Corridor News
2. September 5–“Newborn found in hospital restroom,” North County Times
3. September 6–“Infant left at Palomar hospital,” San Diego Union-Tribune
4. September 9–“PPH board delays bonus approval,” North County Times
5. September 10–“No calls for abandoned baby,” North County Times
6. September 10–“First union contract,” North County Times
7. September 16–“Nursing program may get assistance,” North County Times
8. September 17–Welcome Home Baby! Program highlighted on KGTV mid-morning news program
9. September 19–“New rules for hospitals raise some concerns,” San Diego Union-Tribune

## Advertising

1. Diamond Gateway Signature (9/2003), “Healthcare for the way you live...”
2. North County Times (9/8/03), “PPH News”
3. North County Times (9/15/03), “PPH Services”
4. North County Times (9/29/03), “PPH Services”
5. North County Times (9/22/03), “PPH News”

6. San Diego Magazine (10/2003), "Cancer Care"

**Website**

1. Posted above press releases to site under News Releases
2. Updated Foundation information
3. Updated Physician information
4. Updated Special Event information
5. Adding Document Library module

**Communication Pieces**

1. The Messenger, September 2003
2. Headline News, September 12 and 26
3. Covert's Clips, September 11 and 26
4. Faith and Health Connections, Fall 2003
5. Caring Connection, Fall 2003
6. Nurses Notes, Summer 2003

**Graphic Design Jobs**

1. Completed Projects

A. Newsletters

1. Caring Connections
2. Nurses Notes
3. Faith & Health newsletter

B. Brochures

1. PPHF Employee Participation Program
2. Cardiac Rehabilitation brochure
3. Rehabilitation Services – brochure jacket and inserts
4. PMC Auxiliary brochure

C. Advertisements

1. RB Sun Senior Focus ad
2. Women In Business Achieving Success– SART program ad
3. San Diego Magazine Breast Cancer ad
4. Ramona Sentinel Magazine ½ page ad

D. Flyers/Signage

1. Customer Service Campaign signage – Pomerado Hospital
2. Customer Service Campaign – forms/signage for Work Group Participation
3. Behavioral Health Services – National Depression Screening Day flyer

E. PPHF Employee Participation Program

1. Team leader t-shirts design
2. Poster

F. The HealthSource Community Education calendars

G. The HealthSource Perinatal Education calendars

H. The HealthSource Education Classes Location map

I. Palomar Psychiatric Outpatient Program – 10<sup>th</sup> Anniversary Open House

J. PMC Acute Rehab Criteria Card

K. Acute Care Seminar binder covers/spine

L. PPHF stationary pieces



- M. Escondido Surgery Center badges set up
- N. Caregivers In Action campaign recognition pins
- O. Clinical Resource Management VoiceCare Card
- P. PMC Ed Caregivers In Action Recognition pins
- Q. Cose Circuit TV intro background image
- R. Board Member signage – installation
- S. Infection Control Handwashing signs
- T. SDIVA notecards
- U. IT Campaign rollout
  - 1. Fact sheet, flyer template
  - 2. Signage
- V. Valley Radiology notecards
- 2. Pending Edits and Approval
  - A. Newsletters
    - 1. HR Matters
  - B. Brochures
    - 1. Pediatric Safety brochure – english
    - 2. Pediatric Safety brochure – spanish
    - 3. Palomar Pomerado Support Services panel
    - 4. Nursing brochure – in collaboration with Tri-City and Fallbrook
    - 5. PMC Surgery brochure
  - C. Magnet Forum
    - 1. Ballot
    - 2. Posters
  - D. Physician Pain Management Seminar
    - 1. Invitations/RSVP card
    - 2. Flyer/poster
  - E. Stereotactic Breast Biopsy Care Center Signage
  - F. PPH Benefits Kit
  - G. IT Campaign rollout
    - 1. Game Board
  - H. Birth Center wayfinding signage
  - I. PMC Magnet Recognition Program icons
  - J. PPH Patient Business Services location card
  - K. Dr. Callery Thinner Times Gastric Bypass website design
  - L. POM floor layout – for kiosk
- 3. Projects In Progress
  - A. Unity Awards materials
    - 1. Calendar
    - 2. Signage
    - 3. Program
  - B. Family Violence Program
    - 1. General brochure – english/spanish
    - 2. Safety tips brochure – english/spanish
    - 3. Reference card – english spanish
  - C. PPH Holiday Cards

- D. PPHF Dedication Ceremony (The Elizabeth Hospice Family Room) - takeaway
  - E. Escondido Street Fair (October 19)
  - F. Orientation Manual
  - G. The HealthSource San Marcos Community Education Site Location map
  - H. Lifeline brochures
  - I. PPHF Odmark invitations
  - J. Lift Team Newsletter
  - K. PPH Foundation Gift Annuity
    - 1. Announcement
    - 2. Ad
  - L. Valley Radiology brochure, booklet and notecards
  - M. PPH Foundation Certificate Template
  - N. Outreach Lab Manual
  - O. PPHF Rising Star donor wall unveiling invitations
  - P. Rewards & Recognition Toolkit
  - Q. Valley Radiology Brochures
  - R. Community Conversations Packet and PowerPoint Presentation
  - S. Physician Leadership Manual
  - T. Women's Health Connection – personal health tracking record booklet
  - U. PPH Foundation Gift Annuities
    - 1. Ad
    - 2. Mailer/Brochure
    - 3. Flyer template
  - V. Family Violence Program – general materials (pending Publisher installed)
  - W. Family Violence Program conference - Nov 8<sup>th</sup>
    - 1. Mailer
    - 2. Flyer
    - 3. Icon
  - X. Family Violence Program conference – Date TBD
    - 1. Mailer
    - 2. Flyer
4. Upcoming or On-Hold Projects
- A. Women's Health Connection – bookshelf signage
  - B. Heart to Heart Volunteer newsletter
  - C. Occupational Health – status unknown

#### **Other Events/Activities**

- 1. Attended Society for Healthcare Strategy and Market Development annual conference
- 2. Presented at New Employee Orientation
- 3. Attended Regular Meeting of the Board of Directors
- 4. Working with ad hoc Committee for Nursing Future to develop brochure
- 5. Working on text for pain management CME invite and notebook
- 6. Delivered draft of new Spanish Home Care patient packet
- 7. Edited new mom/baby book for the birth center
- 8. Edited new birth center brochure
- 9. Facilitated the filming of recruitment video at PMC and POM

10. Assisted IT with the development of an employee education and communication plan regarding IT upgrades
11. Working with American Heart Association regarding upcoming PR opportunities related to Get with the Guidelines
12. Working with Duke Clinical Research Institute regarding upcoming PR opportunities related to CRUSADE project
13. Working with Blue Cross regarding upcoming PR opportunities related to CABG Centers of Expertise
14. Working with Dr. Rivas regarding upcoming PR opportunities related to new procedures and safe-guards in Pomerado ED
15. Distributed memo from CEO regarding new executive assistant
16. Working with Valley Radiology and PPHF on PR possibilities regarding new stereotactic biopsy equipment
17. Working with OSI Orthopedic Systems regarding PR possibilities surrounding new table for Dr. Knutson's surgeries
18. Took pictures of PCCC chili cook-off in honor of September 11 for future article in Messenger
19. Communicated to staff the resignation of George Gigliotti
20. Met with MedSeek via web-conference to see demonstration of possible upgrades to PPH site
21. Coordinated upcoming advertisements
22. Working with Fox regarding possible participation in and sponsorship of drug-related "Life Lessons"
23. Attended Quality Review Committee
24. Coordinated PPH participation in AHA Heart Walk
25. Assisted in the coordination of PPH Day at SeaWorld
26. Assisting with plans for the 2004 Women's Health Conference
27. Met with Acute Rehab regarding PR possibilities pertaining to their care of stroke patients
28. Met with MedSeek representatives
29. Attended ad hoc Committee for Nursing Future

###

**CPR, Child Health and Safety—22 participants (2 classes)**

- 1. CPR (Heartsaver) (1 class) 5
- 2. SOS Babysitting Class (1 class) (On/Off site) 17

**Support Groups—26 participants (3 meetings)**

- 1. Arthritis 7
- 2. Chronic Fatigue Immune Dysfunction Syndrome and Fibromyalgia Syndrome 12
- 3. Crohns and Colitis Foundation 7

**Blood Pressure Screenings (5 community screening sessions)**

70% with abnormal B/P (120/80 or above\*) 100

\*New Blood Pressure Standards effective Winter 2003

**Health Fairs & Special Events—180 participants (3 events)**

- 1. Navigating The Menopause Maze - PMC 54
- 2. Women's Health Connection - Health Screenings 6

50% with abnormal B/P (120/80 or above\*)

Cholesterol >200 = 17%

Triglycerides >150 = 33%

Glucose >140 = 0%

HDL <60 = 17%

LDL >100 = 17%

- 3. Distribution of Vials of Life Containers 120

Oaks North—92 Vials

Poway Adult Day Care—28 Vials

**Geographical Percentages**

**9/2003      9/2002**

Escondido	31%	28%
San Marcos	2	7
Rancho Bernardo	15	19
Rancho Penasquitos	10	7
Valley Center	4	1
Poway	15	13
San Diego (Outside Service area)	18	18
Vista	2	1
Ramona	2	5
Scripps Ranch	1	1

\*Monthly percentages will fluctuate based on size of event, program content, season and location.

**Cancer Resource Centers**

- 122** Monthly Activity Level
- 8** Breast Cancer Support Group
- 10** Women's Cancer Support Group
- 9** Survivors' Exercise Group
- Health Ed. Classes
  - Understanding Your Blood Work and Cell Counts: 23*
  - I Can Cope: 14*
  - Look Good, Feel Better: 5*
- 49** Cancer Resource Centers—Walk-In-Clients
- 4** Breast Health Project (Susan G. Komen Grant)

**Women's Health Connection**

- 191** Monthly Activity Level
- 19** Community Education classes were held at the Women's Health Connection
- 84** Walk-in clients
- 7** Requests for information
- 29** Phone calls of miscellaneous origin
- 52** Books/videos checked out of lending library

**Community Outreach Department**  
**Monthly Report – September 2003**

**Community Outreach** includes the following programs:

- I. Faith & Health Partnership
- II. Lifeline Personal Response and Support Services
- III. CommUNITY Health Care Advisory Councils

**I. Faith & Health Partnership**

**Affiliate Outreach & Education:**

1. Meeting at Pala Mission-Fr. Marconie doesn't feel his congregation would want an affiliation since his congregation consists mostly of Indian members who obtain health services from Indian Health Council and the Spanish-speaking members go to the local Clinic.
2. Meetings with Health ministry groups at St. Bart's (Poway) and Immaculate Heart of Mary (Ramona)
3. Attended Health Ministry Coordinator's Group - module 3 of Curriculum is completed and at the printers.
4. Working with the Diamond Gateway subcommittee on Faith & Health and prepared for Oct 28, 2003 forum.
5. F&H presentation conducted at LaMoree Mobile Home Park, and Church of the Nazarene in Rancho Penasquitos. Awaiting their responses.
6. Presented on the panel and facilitated at breakout session for "Fostering Faith and Wholeness for Our Aging Community" at Poway Adult Day Care Center on September 20, 2003.
7. Two congregational leaders in our service area are interested in starting F&H programs.
8. Prepared for Sept 30 Faith & Health dinner support meeting scheduled at Pomerado Hospital, and for the Oct 25th education class.
9. Presentation scheduled for October 7<sup>th</sup> at Pebble Creek Apts, San Marcos and another at United Church of San Marcos
10. The Fall Faith & Health Connections newsletter is being printed for distribution in October.

**II. Lifeline Personal Response and Support Services**

A follow-up report of Jennifer Allen's August meeting presentation is attached and on the September 10<sup>th</sup> Agenda. There are 380 current Lifeline subscribers.

**III. Health Care Advisory Councils**

1. Management staff is working with the Committee on Alcohol, Tobacco and Other Drugs (ATOD) that worked jointly with PPH in developing an action plan. In addition, the Committee will work in partnership with Fox 6, San Diego County Office of Education and the Marketing Department to launch the "Lifelessons" program during 2004.

2. The following Health Care Advisory Council meetings were held:  
Ramona/Julian met on September 5th at the Ramona Senior Center, and discussed the following:

- |  |  |
|--|--|
| a) Chairperson's Meeting Update                    | f) Julian Pathways                       |
| b) Radiology Feasibility                           | g) Julian Health Directory               |
| c) North Rural Recovery Center's Programs          | h) Project Care Ramona                   |
| d) Healthy Living Scholarship/Teen Counseling Fund | i) Project Care Warner Springs           |
| e) Intergenerational Mentoring Program             | j) Vista Hill Learning Assistance Center |
|  | k) Committee on ATOD Update              |

Diamond Gateway met on September 9th at the Doubletree Hotel & Resort, and reviewed their action plan and timelines. The following subcommittees provided a progress update:

- a) Leadership
- b) Faith-Based Connections
- c) Cultural Competency
- d) Public Relations and Media
- e) Finance
- f) Data & Demographics

Poway met on September 19 at Pomerado Hospital, and discussed:

- |                                       |   |
|---------------------------------------|---|
| a) Chairperson's Meeting Update       | e) Committee on ATOD Update             |
| b) Parenting Education                | f) Senior Resource Connection           |
| c) Adult Day Health Care Subcommittee | g) Poway Clinic/Health Needs Assessment |
| d) OASIS Tutoring                     | h) Senior Transportation Subcommittee   |

#### IV. Government Relations

1. Meeting is scheduled for October 17th with staff from County Supervisors Bill Horn and Pam Slater, Nick Macchione, North County General Manager, and HCAC Chairs/Vice-Chairs. The purpose of the meeting is to discuss how HCAC members and County Supervisors can work together to maximize resources and ensure budget impacts are minimized. Topics may include: 1) reducing impacts of current/future budget reductions, 2) bridging programs appropriately, and 3) brain-storming ideas on potential partnerships and solutions.

## Follow-up Reports

**TO:** Community Relations Committee

**MEETING DATE:** October 8, 2003

**FROM:** Lupe Fierro, Community Outreach Director

**BACKGROUND:** At recent Community Relations Committee meetings, the Committee requested follow-up reports. For the Committee meeting in October, an update on the Ramona/Julian HCAC Funding will be provided, as well as an update on the Lifeline program. Due to the length of the Gallup presentation, any comments and/or questions regarding these updates can be discussed at the November Committee meeting.

**BUDGET IMPACT:** None

**STAFF RECOMMENDATION:** For information purposes only

### COMMITTEE RECOMMENDATION:

**Information:**



**Ramona/Julian Health Care Advisory Council  
Grants & Collaborative Contributions: 1995 - 2001**

Project	Year Began	Current ?	PPH \$	Other \$	PPH Strategic Objective	Outcomes
Community Development Specialist	1995 - 99	Incorporated into Partners for Community Access	\$158,000	\$100,000	Meet community needs; access to care; reduce unnecessary ED visits	3,500 families linked with healthcare services, transportation, social services and other community services
Healthy Living Scholarship Fund	1994	Yes	\$10,000	\$40,000	Meet community needs	1300 youth/adults received scholarships for recreational activities & counseling
Back Country Nurse	1997 - 98	No	\$0	\$40,000	Meet community needs; access to health care	200 families linked with health services; received case mgmt
Club X Teen Center	1997	Ramona B&G Club lead	\$0	\$95,000	Meet community needs	638 teen members access evening & weekend prevention activities
Transportation Program	1994 - 99	Senior Center lead	\$7,334	\$12,000	Enhance physician relations; meet community needs	600 seniors transported to medical appointments
Intermountain Volunteer Fire Truck	1997	Completed	\$5,500	\$150,000	Meet community needs; Enhance PPH image	Fire truck equipped and supplied
Rural Case Manager	1998	Incorporated into Partners for Community Access	\$0	\$40,000	Meet community needs; access to care; reduce unnecessary ED visits	60 rural families linked with healthcare and social services; insurance enrollment
OASIS Intergenerational Tutoring	1998	Yes	\$6,000	\$18,000	Enhance image	More than 100 students received reading mentoring by seniors
Julian Healthy Communities Project	1999 - 2001	Julian SD lead; growth to other community programs	\$0	\$62,500	Meet community needs; Enhance image	One year planning resulted in youth academic achievement and afterschool activities as substance abuse prevention; sense of well-being and community connectiveness increased 25%; 70%
				<b>\$557,500</b>		

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**Palomar Pomerado Lifeline**  
**Response to Questions of 8/13/03 Community Relations Meeting**

**1. What is the largest Lifeline program in the country doing?**

All Metro Lifeline in New York is the largest program with over 6000 subscribers. The most significant characteristics that contributed to their growth were:

- Taking the "Leap of Faith" to increase staff to ultimately increase subscribers. (Chart below indicates Lifeline Guidelines for staffing and the number of staff at a variety of programs.)
- Consistently marketing the Lifeline Program utilizing staff hired for business development
- Large contract portfolio which includes Medicaid coverage as well as other programs

Lifeline Program	# of Subscribers	# of FTE's
Lifeline Guidelines	400	1.65
Northern Hospital	215	1.5
Hand in Hand Lifeline	270	2.0
AnMed Lifeline	365	2.0
PPH Lifeline	375	1.25
Baptist Hospital	800	3.0
Wichita Lifeline	1100	5.0
Marin Sonoma LL	2000	3.5
Providence Newburg	2700	5.25
All Metro LL	6000	7.75

**Recommendations:**

- Focus on growth as well as quality of service.
- Budget for annual increase in staff to increase size of program.
- Investigate any available contracts and determine profitability.

**2. Insurance coverage of Lifeline service:**

Lifeline Systems Inc. has discontinued pursuit of insurance companies because research indicates that there is a large enough market with the private pay sector and less complications. There are limited long term insurance policies that will cover Lifeline. We will recommend that our subscribers contact their insurance company to determine eligibility.

**3. How many physicians receive Lifeline information?**

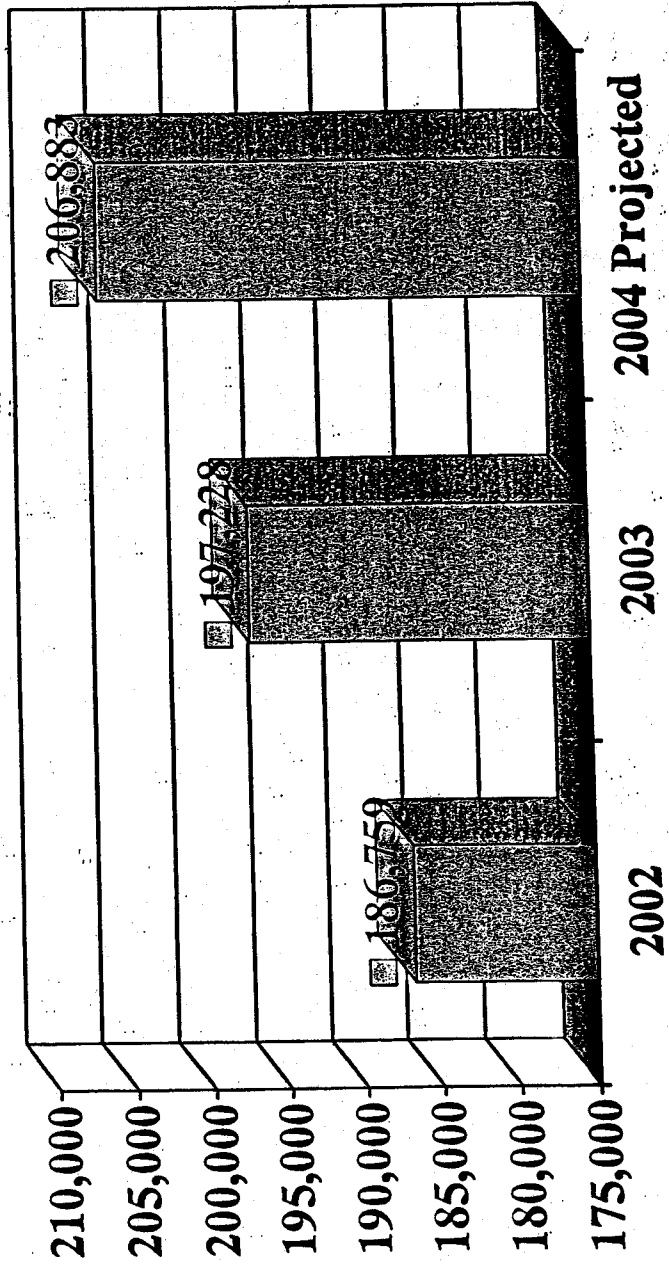
Approximately 197 physicians are contacted by our Lifeline program through:

- Calling upon physician offices and leaving brochures and information.
- Letter and brochures mailed to the physician of each new subscriber.
- Presentations and ongoing literature to physician's office manager luncheons.
- Information in new physician orientation packet.

From August 1993 to June 2003 PPH Lifeline served 1737 subscribers. 1597 installations. 1364 terminations. 49.52% annual churn rate, primarily due to death, nursing home, 24 hour care and moving out of the area. Average subscriber is on service 2 years.

# Lifeline Services

## Revenues



## Clinical Program Development Initial Assessments

**TO:** PPH Board of Directors

**MEETING DATE:** November 17, 2003

**FROM:** Strategic Planning Committee on October 20, 2003

**BY:** Marcia Jackson, Sr. VP, Planning, Marketing & Bus. Development

**BACKGROUND:** As part of the Program Development system-wide goal, several programs are being assessed for prioritization.

**BUDGET IMPACT:** None

**STAFF RECOMMENDATION:** For information and discussion only.

**COMMITTEE COMMENTS, QUESTIONS:** The Committee discussed that at this time we are focusing on the Strategic Planning of only the clinical programs as a top priority. The other programs may be addressed at a later time or by an individual department.

### COMMITTEE RECOMMENDATION:

**Information:**

## Executive Summary

"A Center of Excellence is a program for delivery of health care characterized by a commitment to the fundamental principle of providing the highest quality of medical care. It displays a comprehensive set of attributes and resources attesting to that commitment and evidence of outstanding performance in the management of one or more medical conditions."

Through our meetings, a list of 29 possible programs to study and initiate were developed. As a first segmentation of the list, we focused on what truly could be established as a clinical center of excellence that could be revenue producing for PPH.

Various research was done to identify the most commonly developed clinical centers of excellence. These are captured most completely in the list compiled and studied by US News & World Report as shown below:

Programs/Specialties	Top 3 Hospitals		
	1	2	3
Cancer	University of Texas, M. D. Anderson Cancer Center, Houston	Memorial Sloan-Kettering Cancer Center, New York	Johns Hopkins Hospital, Baltimore
Digestive Disorders	Mayo Clinic, Rochester	Cleveland Clinic	Johns Hopkins Hospital, Baltimore
Ear, Nose & Throat	Johns Hopkins Hospital, Baltimore	Massachusetts Eye and Ear Infirmary, Boston	University of Iowa Hospitals and Clinics, Iowa City
Eyes	Wilmer Eye Institute, Johns Hopkins Hospital, Baltimore	Bascom Palmer Eye Institute, Miami	Wills Eye Hospital, Philadelphia
Geriatrics	UCLA Medical Center, LA	Johns Hopkins Hospital, Baltimore	Mount Sinai Medical Center, New York
Gynecology	Johns Hopkins Hospital, Baltimore	Mayo Clinic, Rochester	Brigham and Women's Hospital, Boston
Heart and Heart Surgery	Cleveland Clinic	Mayo Clinic, Rochester	Brigham and Women's Hospital, Boston
Hormonal Disorders	Mayo Clinic, Rochester	Massachusetts General Hospital, Boston	Johns Hopkins Hospital, Baltimore
Kidney Disease	Massachusetts General Hospital, Boston	Brigham and Women's Hospital, Boston	Mayo Clinic, Rochester
Neurology and Neurosurgery	Mayo Clinic, Rochester	Massachusetts General Hospital, Boston	Johns Hopkins Hospital, Baltimore
Orthopedics	Mayo Clinic, Rochester	Hospital for Special Surgery, New York	Massachusetts General Hospital, Boston
Pediatrics	Children's Hospital of Philadelphia	Children's Hospital Boston	Johns Hopkins Hospital, Baltimore

<b>Psychiatry</b>	Massachusetts General Hospital, Boston	New York-Presbyterian Hospital	Johns Hopkins Hospital, Baltimore
<b>Rehabilitation</b>	Rehabilitation Institute of Chicago	TIRR-The Institute for Rehabilitation and Research, Houston	University of Washington Medical Center, Seattle
<b>Respiratory Disorders</b>	National Jewish Medical and Research Center, Denver	Mayo Clinic, Rochester	Johns Hopkins Hospital, Baltimore
<b>Rheumatology</b>	Mayo Clinic, Rochester	Johns Hopkins Hospital, Baltimore	Hospital for Special Surgery, New York
<b>Urology</b>	Johns Hopkins Hospital, Baltimore	Cleveland Clinic	Mayo Clinic, Rochester

In comparing this list to our list of potential programs to study, we have separated our list into two categories: 1) Potential Clinical Centers of Excellence, and 2) Additional Potential Programs. At this time we are focusing on the strategic planning of only the clinical programs as the top priority. The other programs may be addressed at a later time or by individual departments.

<b>Clinical Center of Excellence Programs</b>	<b>Additional Programs for future or department-specific consideration</b>
<b>Oncology</b>	Pain Management/Palliative Care
<b>Neurosciences</b>	Integrative Medicine
<b>Interventional Radiology Services</b>	Clinical Outreach Strategy
<b>Vascular Services</b>	Chronic Disease Care (Diabetes, CHF)
<b>Musculoskeletal</b>	Wound Care
<b>Older Adult Program</b>	Web Site
<b>Gastrointestinal Program (acid reflux, heartburn)</b>	Strong Primary Care Referral System
<b>Bariatric Surgery</b>	Critical Care Intensivists
<b>Rehab</b>	Trauma Care
<b>Respiratory Disorders</b>	Emergency Care
<b>ENT</b>	End of Life Care
<b>Urology</b>	Community Education, Prevention & Wellness
<b>Rheumatology</b>	Clinical Research
	Anti-Aging Program

Cardiovascular Services and Women's Services have been removed from the list because PPH has already committed to focusing on these programs.

Many programs on the future consideration list represent components of the continuum of services for the clinical centers of excellence programs. Thus, they would still be looked at in conjunction with the broader clinical program they support. For instance, Pain Management would be a key service in several potential centers of excellence including Oncology, Vascular Services, Musculoskeletal, etc.

**Facility Update with Anshen & Allen**

**TO:** PPH Board of Directors

**MEETING DATE:** November 17, 2003

**FROM:** Strategic Planning Committee on October 20, 2003

**BY:** Marcia Jackson, Sr. VP, Planning, Marketing & Bus. Development

**BACKGROUND:** An update on community bed need estimates and alternative building solutions was presented and discussed with the Committee. Based on feedback from the Committee, the architects will further study alternatives and provide an update at the November Strategic Planning Committee meeting. The Committee decided to invite the full PPH Board to the December Committee meeting and will have an architectural update for the full Board.

**BUDGET IMPACT:** Unknown

**STAFF RECOMMENDATION:** For information and discussion only.

**COMMITTEE COMMENTS, QUESTIONS:** The Committee questioned why the current cost estimates are so much higher than the original ones. The architects will provide a full explanation of this at the November Strategic Planning Committee meeting.

**COMMITTEE RECOMMENDATION:**

**Information:** X

**BOARD QUALITY REVIEW COMMITTEE**  
**Get With The Guidelines Award**

**TO:** Board of Directors Meeting  
November 17, 2003 Board of Directors Meeting

**FROM:** Val E. Tesoro, MD  
Sr. Vice President, Quality & Clinical Effectiveness

**BY:** Val E. Tesoro, MD

**BACKGROUND:** With the aim of improving treatment for patients hospitalized with coronary artery disease, Palomar Medical Center implemented the American Heart Association's Get With the Guidelines (GWTG) Program in March 2002. By implementing secondary prevention therapies, PMC achieved two levels of recognition: (1) the Get With The Guidelines CAD Award for initiating changes (August 2002), and (2) the GWTG Performance Achievement Award for attaining the compliance goals (85%) in five key performance measures (November 2003).

**BUDGET IMPACT:** None – informational only

**DISCUSSION:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:** X

**Required Time:**



**BOARD QUALITY REVIEW COMMITTEE**  
**Root Cause Analysis (RCA) Overview**

**TO:** Board of Directors Meeting  
November 17, 2003 Board of Directors Meeting

**FROM:** Board Quality Review Committee  
October 10, 2003 Committee Meeting

**BY:** Val E. Tesoro, M.D.  
Sr. Vice President of Quality & Clinical Effectiveness

**BACKGROUND:** In response to requests from the Committee Chairman and Directors, Pat Correnti, RN, System Director of Quality Management provided an educational overview of the Root Cause Analysis (RCA) process.

**BUDGET IMPACT:** None – informational only

**DISCUSSION:** A Root Cause Analysis (RCA) is an intensive analysis of an untoward or adverse event. An RCA is mandatory whenever a reviewable Sentinel Event occurs. Mr. Correnti reviewed JCAHO requirements and PPH Procedure #292, Sentinel Event & Unusual Occurrence, which delineates the accountability and timeline requirements of the RCA. Mr. Correnti also outlined the characteristics of the RCA and the resultant Action Plan, which is presented to the PPH Quality Council as well the Quality Management Committees of both hospitals.

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:** X

**Required Time:**

# **SENTINEL EVENT**

A sentinel event is an unexpected occurrence involving death or permanent loss of function, or the risk thereof.

The phrase, "or risk thereof" includes any process variation for which a recurrence would carry a significant chance of a serious adverse outcome.

# PPH Procedure #292: Sentinel Event & Unusual Occurrence

- JCAHO Standards:
- LD.4.3.4
- PI.2
- PI.4.3
- PI.4.4
- PI.3.1.1

# REVIEWABLE SENTINEL EVENT:

The event is one of the following:

- Suicide of a patient
- Infant abduction/discharge to the wrong family
- Rape
- Hemolytic transfusion reaction from blood
- Surgery on the wrong patient/wrong body part
- Healthcare-acquired infection

# **ORGANIZATION'S EXPECTED RESPONSE:**

- To identify and respond appropriately to all sentinel events.
- Conduct a timely, thorough and credible root cause analysis, implementing improvements to reduce risk, and monitoring the effectiveness of those improvements.

# CHARACTERISTICS OF A ROOT CAUSE ANALYSIS:

1. A process for identifying the basic or causal factors that underlie variation in performance.
2. Focuses primarily on systems and processes, not individual performance.
3. Dig deeper, keep asking "Why?"
4. Identifies positive changes.
5. Thorough and credible.
6. Inquires into all areas appropriate to the event.
7. Identifies risk points and potential contributions to the event.
8. Participation by the organizational leadership and by individuals most closely involved.
9. Identifies potential improvements or systems that would decrease the likelihood of such events in the future, or determines, after analysis, that no such improvement opportunities exist.

## **ACTION PLAN:**

- The product of the root cause analysis that identifies improvement strategies to reduce future risk.
- The plan should address responsibility for implementation, oversight, timeliness, and effectiveness measurement.

**Governance Committee  
Annual Board Self-Evaluation**

**TO:** Board of Directors  
**DATE:** November 17, 2003 Board Meeting  
**FROM:** Governance Committee – October 17, 2003  
**BY:** Christine Meaney for Marcia Jackson

**BACKGROUND:** Board members' annual self-evaluation forms were sent to all Board members on September 11, 2003, with a requested return by date of October 15, 2003. Five completed surveys were returned and are to be forwarded to the Governance Institute. This has since been done, and will allow adequate time for tabulation of results. It is anticipated that these results will be timed such to include the newly appointed Board member.

**BUDGET IMPACT:** None

**STAFF RECOMMENDATION:** Informational

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:** X

**Required Time:**



**Governance Committee  
Full Board Conference**

**TO:** Board of Directors  
**DATE:** November 17, 2003 Board Meeting  
**FROM:** Governance Committee – October 17, 2003  
**BY:** Christine Meaney for Marcia Jackson

**BACKGROUND:** Following feedback from Board members it was decided that the full Board will attend the Estes Park Institute Seminar at Fairmont, Scottsdale, AZ from February 1 – 5, 2004. Spouses will be included. The Chiefs of Staff elects will also be invited.

**BUDGET IMPACT:** None

**STAFF RECOMMENDATION:** Informational

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:** X

**Required Time:**

**Governance Committee  
Update on Board Education**

**TO:** Board of Directors  
**DATE:** November 17, 2003 Board Meeting  
**FROM:** Governance Committee – October 17, 2003  
**BY:** Christine Meaney for Marcia Jackson

**BACKGROUND:** Based on input from all Board members, Michael Covert is developing a Board Education Plan. It was suggested that the prioritization of the education topics be tied to the strategic plan and the organizational goals, with certain topics being top priority. It was proposed that the Board establish a schedule for Board education.

**BUDGET IMPACT:** None  
**STAFF RECOMMENDATION:** Informational

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:** X

**Required Time:**

**Governance Committee**  
**Governing Board Handbook & New Board Member Orientation**

**TO:** Board of Directors  
**DATE:** November 17, 2003 Board Meeting  
**FROM:** Governance Committee – October 17, 2003  
**BY:** Christine Meaney for Marcia Jackson

**BACKGROUND:** The existing Governing Board Handbook was developed in 1993 and has many outdated sections. An updated draft will be developed for the Committee's review.  
The Committee also reviewed the existing new board member orientation suggesting modifications.

**BUDGET IMPACT:** None  
**STAFF RECOMMENDATION:** Informational  
**COMMITTEE QUESTIONS:**

<b>COMMITTEE RECOMMENDATION:</b>	
<b>Motion:</b>	
<b>Individual Action:</b>	
<b>Information:</b>	<b>X</b>
<b>Required Time:</b>	

**Governance Committee  
Parliamentary Procedure Education**

**TO:** Board of Directors  
**DATE:** November 17, 2003 Board Meeting  
**FROM:** Governance Committee – October 17, 2003  
**BY:** Christine Meaney for Marcia Jackson

**BACKGROUND:** All Board members had been provided a laminated Parliamentary Procedure Summary guide. The Committee believed the current grid is adequate. However, they would like to have a brief training session with a Parliamentary Procedure trainer and this will be scheduled.

**BUDGET IMPACT:** None

**STAFF RECOMMENDATION:** Informational

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:** X

**Required Time:**

**Governance Committee  
Community Service Brochure**

**TO:** Board of Directors  
**DATE:** November 17, 2003 Board Meeting  
**FROM:** Governance Committee – October 17, 2003  
**BY:** Christine Meaney for Marcia Jackson

**BACKGROUND:** Board members had been asked for their input on modifications to the existing Community Service/Consider Serving as a Board Member brochure. Input will be consolidated on a single copy for future review.

**BUDGET IMPACT:** None

**STAFF RECOMMENDATION:** Informational

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:** X

**Required Time:**

**Governance Committee  
Future Meeting Date**

**TO:** Board of Directors  
**DATE:** November 17, 2003 Board Meeting  
**FROM:** Governance Committee – October 17, 2003  
**BY:** Christine Meaney for Marcia Jackson

**BACKGROUND:** A suggested date of December 12, 2003 at Noon was considered for the next meeting. As this date will not work, the committee requested that a future alternative date be determined.

**BUDGET IMPACT:** None

**STAFF RECOMMENDATION:** Informational

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:** X

**Required Time:**

## Status Report on Increasing Bed Space at Palomar Medical Center

**TO:** Board of Directors  
November 17, 2003, Board of Directors Meeting

**MEETING DATE:** Board Finance Committee  
Thursday, November 6, 2003

**BY:** Bob Hemker, CFO

**Background:** At its September 2003 Finance Committee meeting and the October 2003 Board Meeting, the Board approved conditional capital funding up to \$2,000,000 to expand bed capacity at Palomar Medical Center. The approval was contingent upon OSHPD approval in a timeframe that would allow use of the beds during the upcoming "seasonal increase."

PPH and OSHPD are to reconvene in Sacramento the week of November 10, 2003, to confirm and finalize the verbal approval to begin the project (meeting scheduled for Thursday, November 13, 2003). If the project is begun as soon as approved, scheduled completion date would be January 9, 2004, and the project costs should be within the \$2,000,000 approved.

**Budget Impact:** None beyond the amount approved at the October 2003 Board Meeting – informational only.

**Staff Recommendation:** Recommendation to begin the project immediately upon receipt of OSHPD approval.

### Committee Questions:

#### COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

## Expenditure Dollars on Travelers and Registry Nurses vs Numbers Hired

**TO:** Board of Directors  
November 17, 2003, Board of Directors Meeting

**MEETING DATE:** Board Finance Committee  
Thursday, November 6, 2003

**BY:** Bob Hemker, CFO

**Background:** A detailed presentation was made to the Finance Committee related to registry costs and usage of travelers and registry for FY04. Information detailing the productivity (labor hours) and dollars of the labor mix was reviewed at the meeting.

Although a significant number of RN new-hires have been achieved since July, there has not been a corresponding reduction in registry/traveler costs. The analysis reflects the transition period currently being faced as new-hires undergo an 8- to 20-week orientation process. The ability to reduce registry will increase after this key orientation cycle. Further, excluding education (orientation) hours and dollars from the analysis indicates that productive hours for RNs have been held constant when volume adjusted, and costs per patient day have declined, indicating reduced premium pay. The presentation is attached for reference.

**Budget Impact:** None – informational only.

**Staff Recommendation:**

**Committee Questions:** The Committee was appreciative of the detail and thoroughness of this review.

### COMMITTEE RECOMMENDATION:

**Motion:**

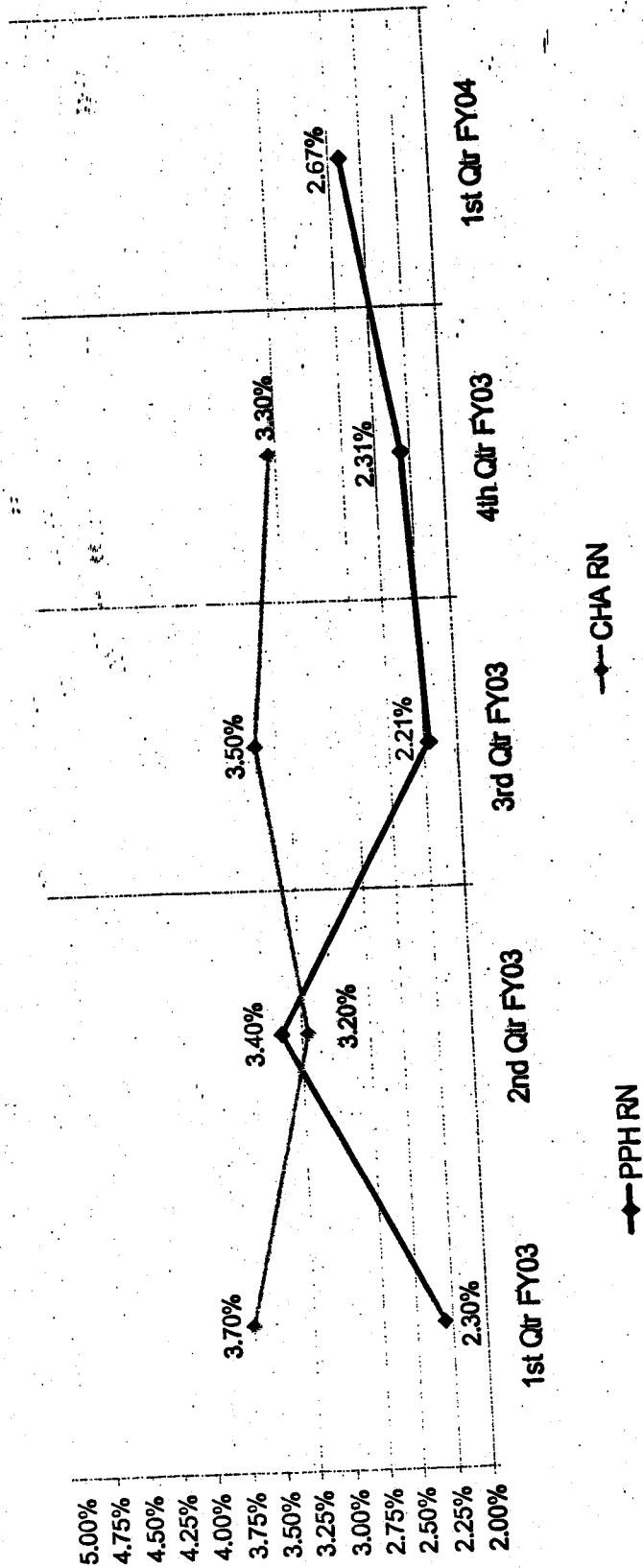
**Individual Action:**

**Information:** X

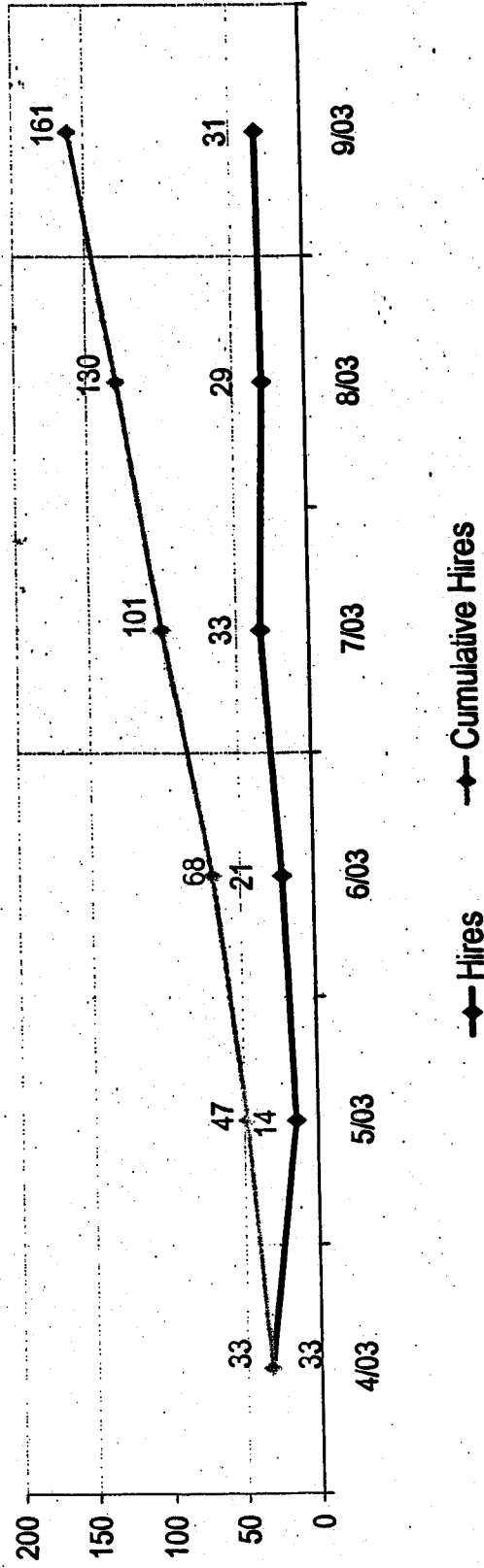
**Required Time:**



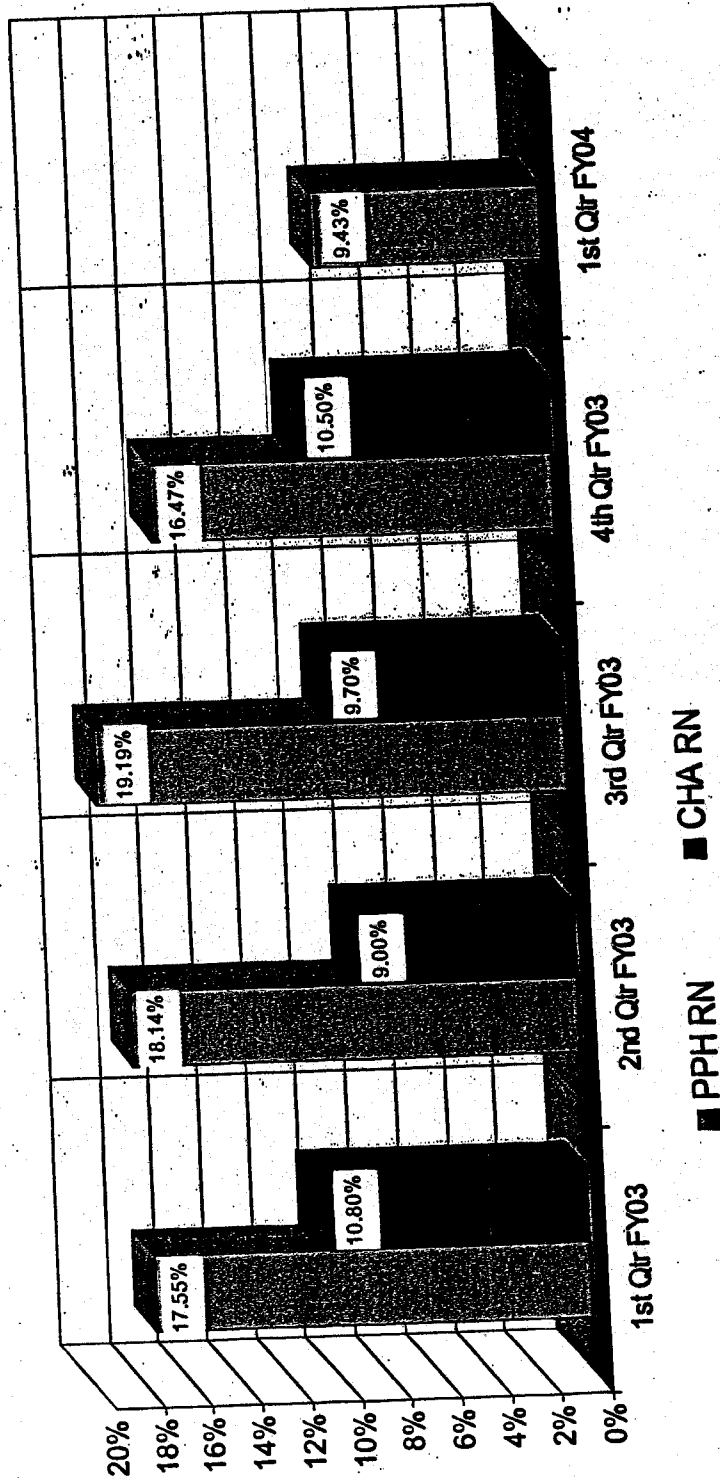
# Acute RN Turnover Rates



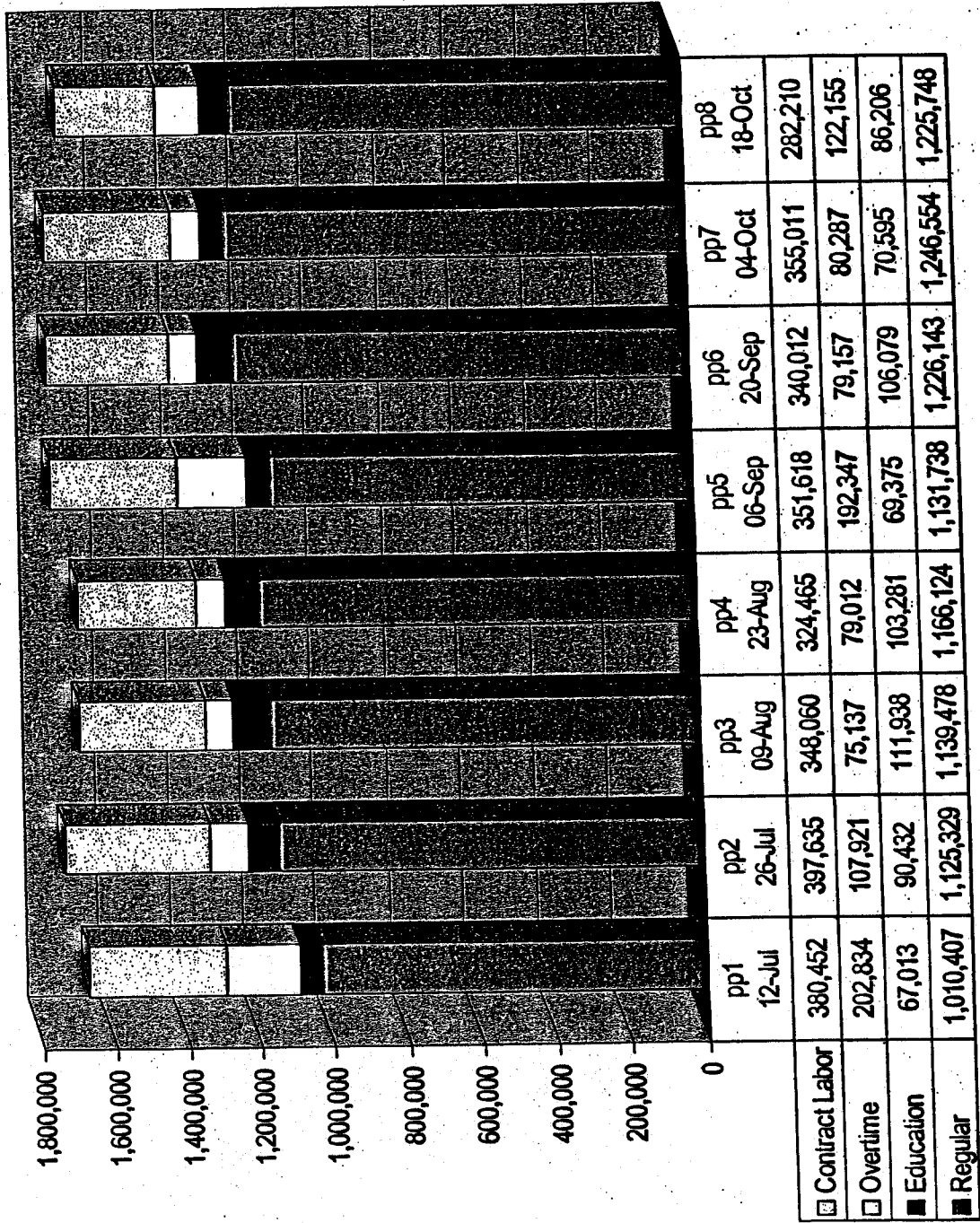
# Acute RN Hires by Month



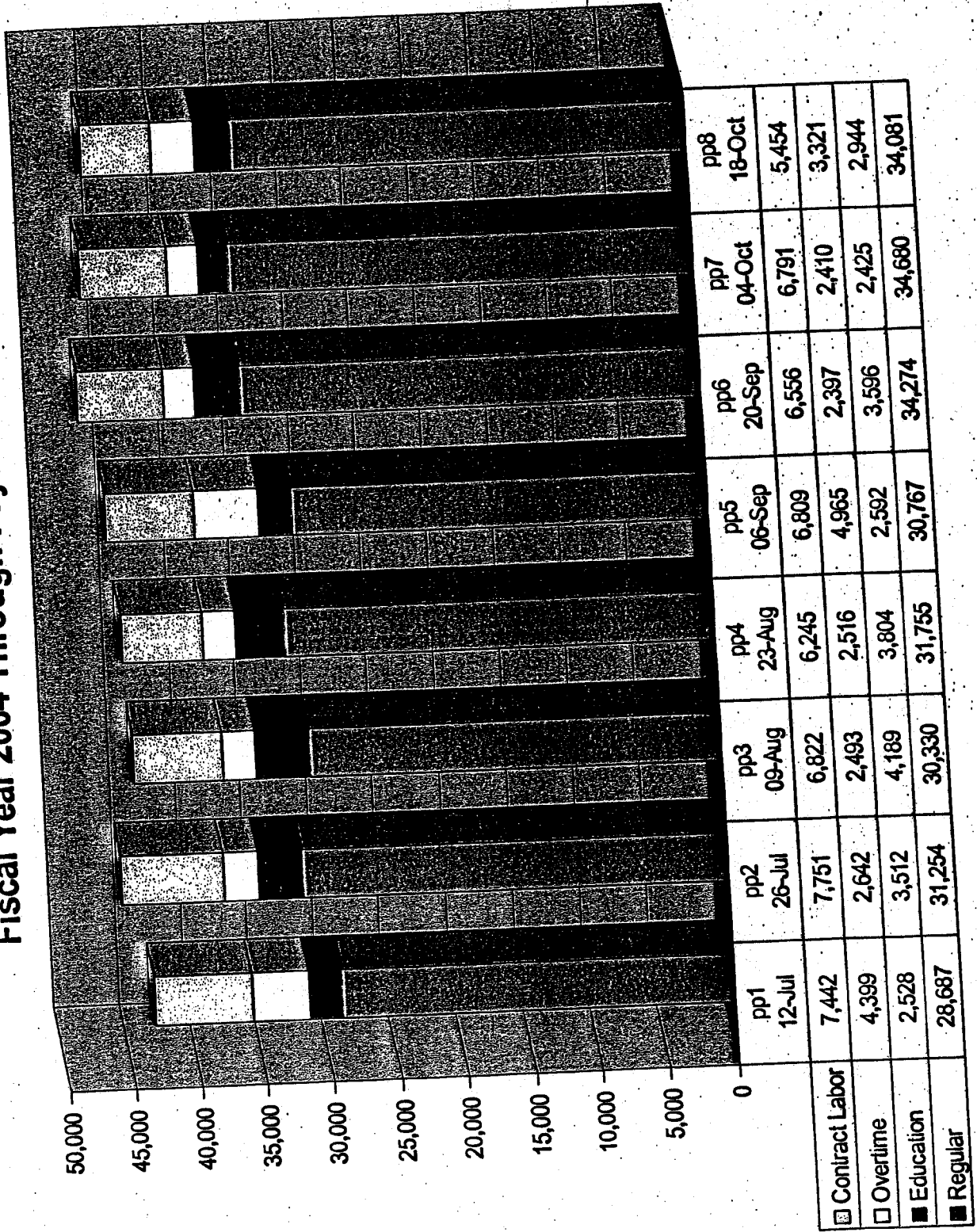
# Acute RN Vacancy



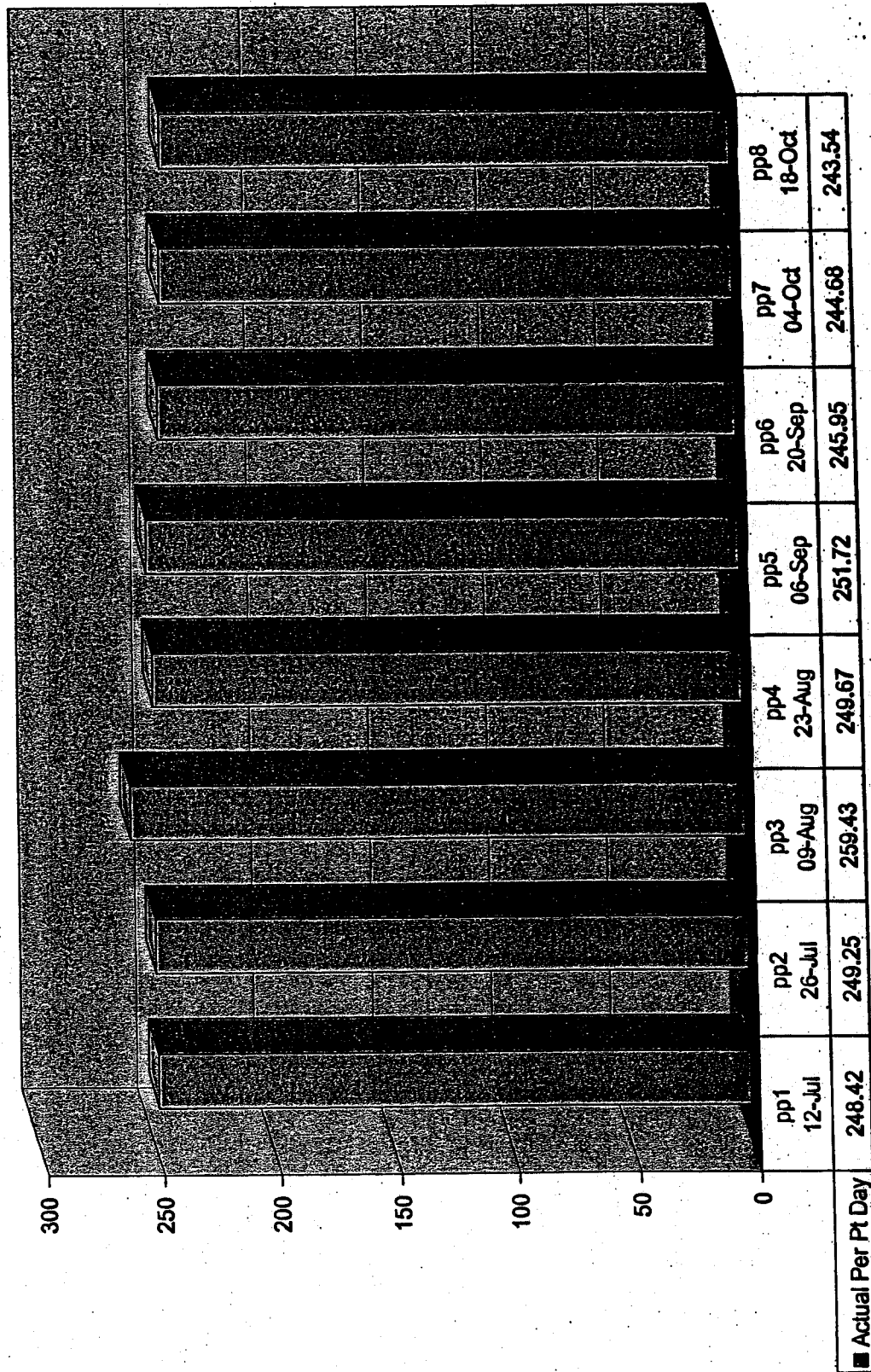
**Palomar Pomerado Health  
Composition of RN Productive Salaries On Nursing Units  
Fiscal Year 2004 Through Pay Period 8**



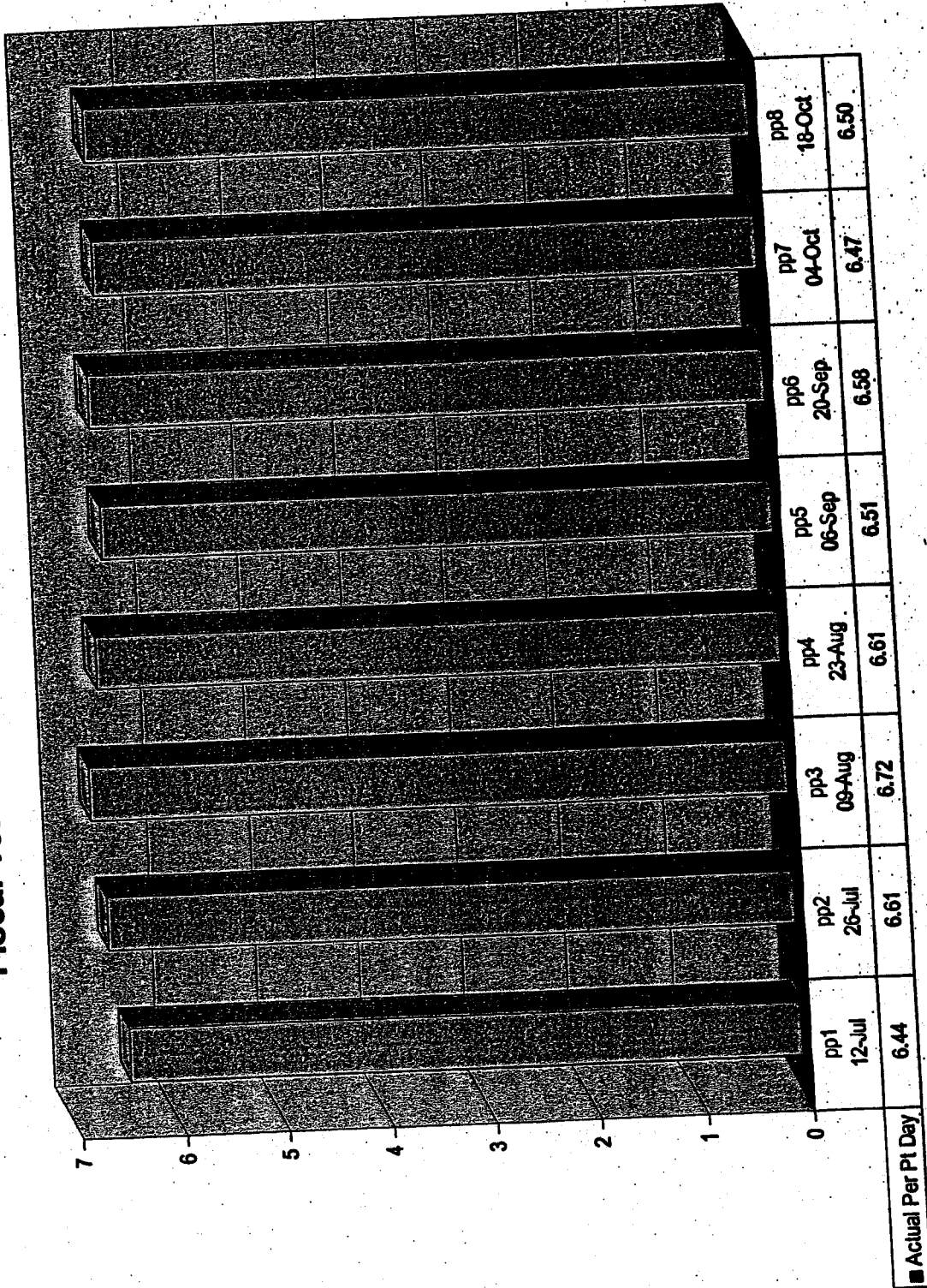
**Palomar Pomerado Health  
Composition of RN Productive Hours On Nursing Units  
Fiscal Year 2004 Through Pay Period 8**



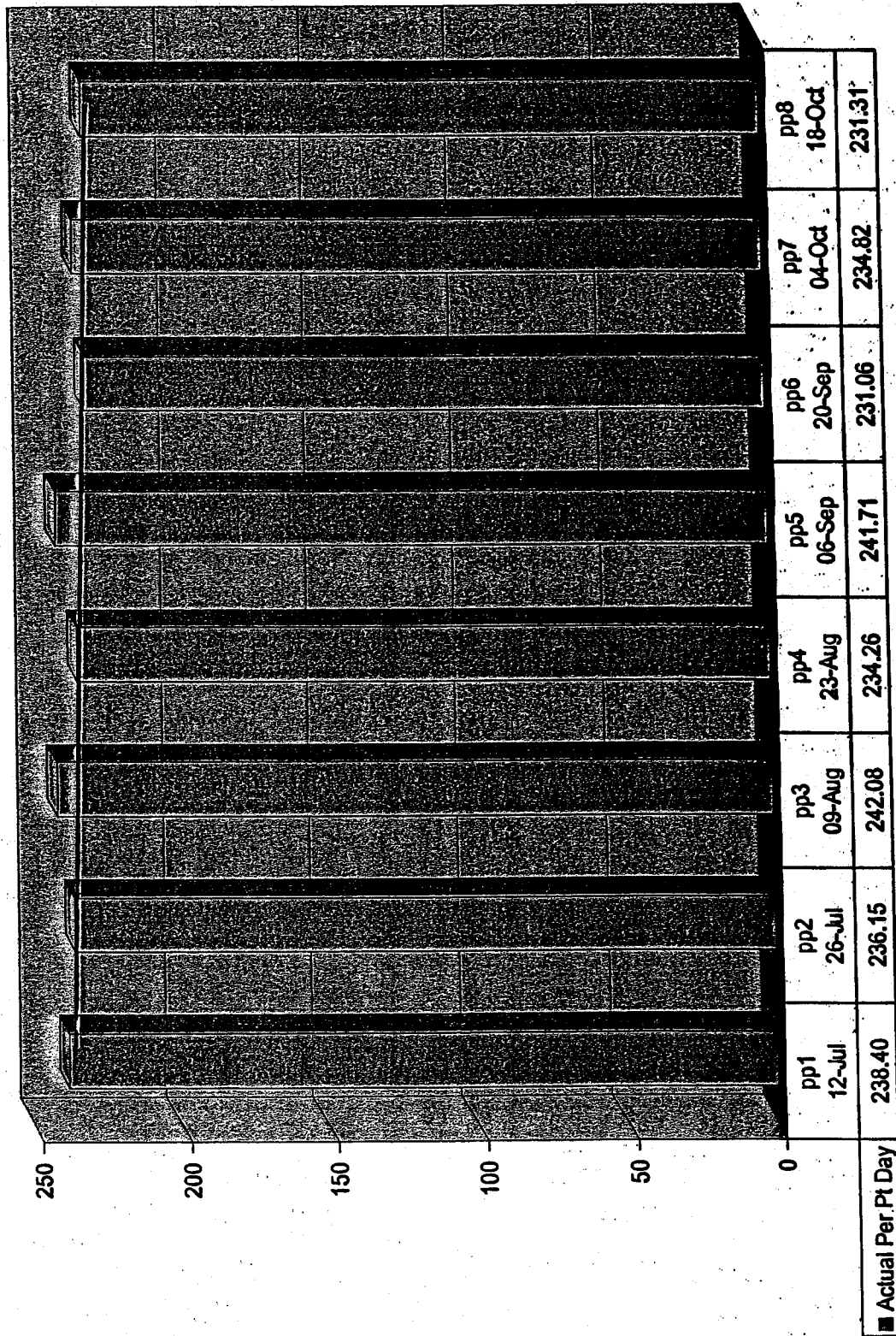
**Palomar Pomerado Health  
RN Productive Salaries Per Patient Day  
Fiscal Year 2004 Through Pay Period 8**



**Palomar Pomerado Health  
RN Productive Hours Per Patient Day  
Fiscal Year 2004 Through Pay Period 8**

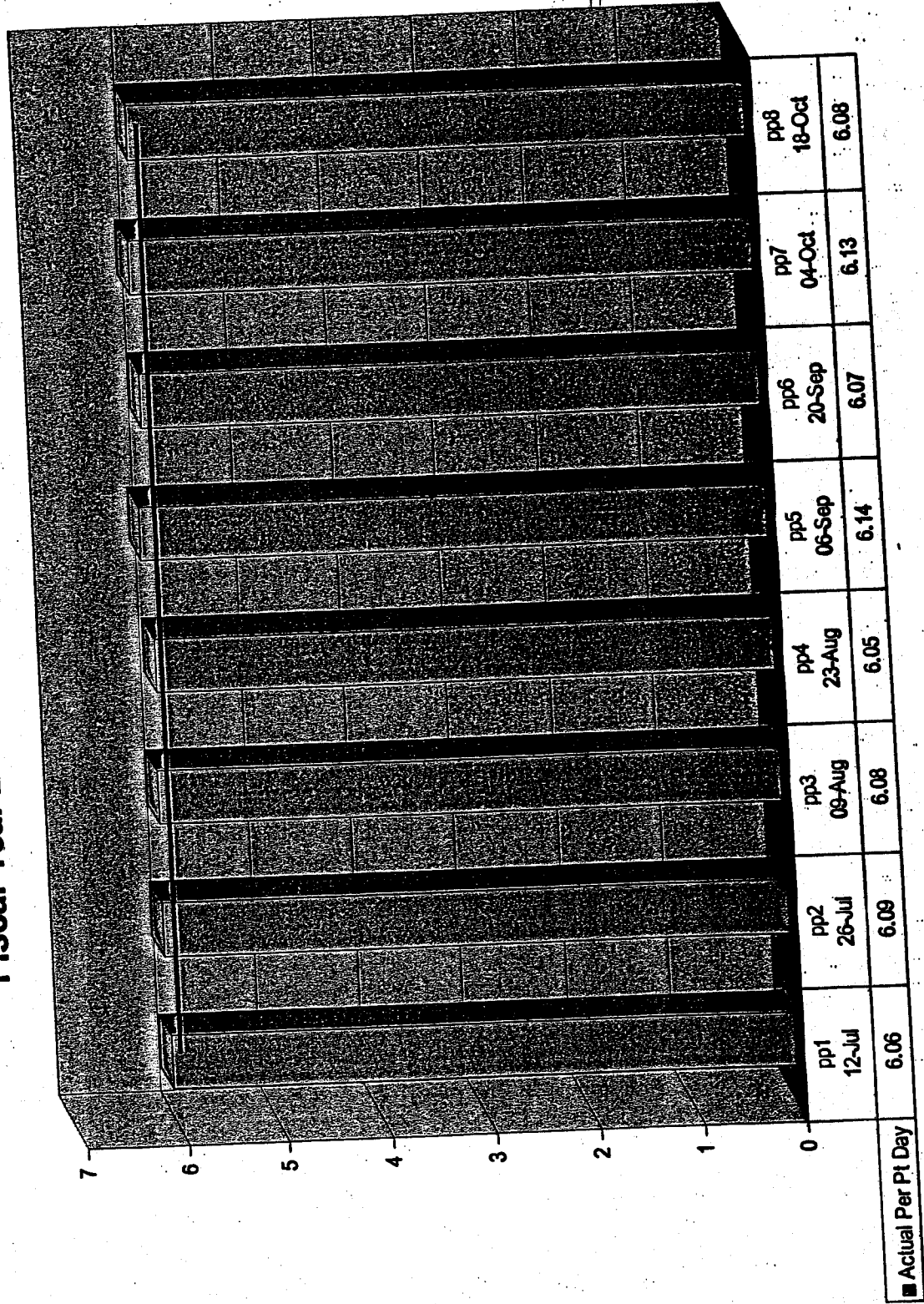


**Palomar Pomerado Health  
RN Productive Salaries Per Patient Day Excluding Education  
Fiscal Year 2004 Through Pay Period 8**





**Palomar Pomerado Health  
RN Productive Hours Per Patient Day Excluding Education  
Fiscal Year 2004 Through Pay Period 8**



**Purchased Services, Professional Fees and Contracted Services**

**TO:** Board of Directors  
November 17, 2003, Board of Directors Meeting

**MEETING DATE:** Board Finance Committee  
Thursday, November 6, 2003

**BY:** Bob Hemker, CFO

**Background:** Detailed information was presented related to purchased services, professional fees and other miscellaneous expenses for the first quarter of FY04 as compared to budgeted costs. The process and method of reviewing these expenses on a monthly and year-to-date basis by the Finance and Operating departments was explained. Key variances and significant expenditures were reviewed in detail. An understanding of the types of costs grouped into these non-labor and supply expense roll ups was reviewed.

Key variances and significant expenses will continue to be periodically highlighted for the Committee, including a requested detailing of legal fees and the associated variance.

The informational presentation used for the review is attached for reference.

**Budget Impact:** None – informational only.

**Staff Recommendation:** Informational Only – No action required.

**Committee Questions:** Committee appreciated the detailed process of monitoring these expense categories. Additional information was requested on the composition of Legal expenses and reason for the year-to-date variance.

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:** X

**Required Time:**

# Palomar Pomerado Health

Purchased Services, Professional Fees,  
Contracted Services and Other Expenses

YTD September 2003

**Contract Labor Expenses  
By Location  
September 2003**

**FACILITY: PALOMAR**

Jun-03	Jul-03	Aug-03	Sep-03	Budget Sep-03	Budget Var Sep-03	Account	Actual Sep-03	Budget Sep-03	FYTD Sep-02	Variance Bud 04 \$
892,087	673,351	608,361	655,562	517,874	(137,688)	25000 RN Registry	1,937,274	1,588,452	1,831,714	(348,822)
151,585	78,013	85,535	104,222	8,626	(95,595)	26000 Clerical / Admin Temp	267,769	26,455	42,663	(241,314)
175,453	86,552	146,013	182,718	94,470	(88,249)	21000 Therapists Temp	415,283	289,780	365,627	(125,504)
0	1,008	0	0	0	0	29000 Other Temp Help	1,008	-	0	(1,008)
4,096	1,232	3,839	1,714	2,842	1,129	21100 LVN Registry Dollars	6,785	8,717	38,996	1,932
0	0	0	0	4,924	4,924	21200 CNA Registry Dollars	0	15,097	0	15,097
<b>1,223,220</b>	<b>840,155</b>	<b>843,748</b>	<b>944,215</b>	<b>628,735</b>	<b>(315,480)</b>		<b>2,628,118</b>	<b>1,928,501</b>	<b>2,279,000</b>	<b>(699,618)</b>

**FACILITY: POMERADO**

Jun-03	Jul-03	Aug-03	Sep-03	Budget Sep-03	Budget Var Sep-03	Account	Actual Sep-03	Budget Sep-03	FYTD Sep-02	Variance Bud 04 \$
357,784	274,381	254,407	155,784	137,879	(17,905)	25000 RN Registry	684,573	423,274	532,211	(261,299)
23,630	13,289	14,912	9,435	4,438	(4,997)	26000 Clerical / Admin Temp	37,635	13,608	36,211	(24,028)
0	543	0	0	0	0	29000 Other Temp Help	543	-	0	(543)
0	0	280	0	0	0	21100 LVN Registry Dollars	280	-	462	(280)
0	0	0	0	34	34	21200 CNA Registry Dollars	0	104	0	104
50,549	16,120	38,945	38,916	41,806	2,890	21000 Therapists Temp	93,981	128,293	65,126	34,312
<b>431,963</b>	<b>304,332</b>	<b>308,543</b>	<b>204,135</b>	<b>184,156</b>	<b>(19,979)</b>		<b>817,011</b>	<b>565,278</b>	<b>634,009</b>	<b>(251,733)</b>

**FACILITY: CENTRAL**

Jun-03	Jul-03	Aug-03	Sep-03	Budget Sep-03	Budget Variance Sep-03	Account	Actual Sep-03	Actual Sep-03	Budget Sep-02	Variance Bud 04 \$
38,248	17,508	18,223	14,893	11,041	(3,852)	26000 Clerical / Admin Temp	50,624	33,858	30,010	(16,766)
0	468	0	0	0	0	21000 Therapists Temp	468	-	0	(468)
0	0	0	0	0	0	21100 LVN Registry Dollars	0	-	0	0
0	0	0	0	0	0	25000 RN Registry	0	-	0	0
0	0	0	0	0	0	29000 Other Temp Help	0	-	0	0
<b>38,248</b>	<b>17,976</b>	<b>18,223</b>	<b>14,893</b>	<b>11,041</b>	<b>(3,852)</b>		<b>51,092</b>	<b>33,858</b>	<b>30,010</b>	<b>(17,234)</b>

**Contract Labor  
Actual Expenses by Department  
YTD September 2003**

**Palomar .25 RN Registry**

26010 Critical Care	
26150 IMC Observation	
27011 Emergency Dept	
28720 Nursing Admin	
26400 LDRP	
26136 Telemetry	
27420 Surgery	
27720 Respiratory Therapy	
26175 Med/Surg Ortho	
27680 CAT Scanner	
27427 PACU	
Other	
<b>Total RN Registry</b>	

**Palomar .21 Therapists Temp**

27630 Radiology - Diagnostic	
27670 Ultrasound	
27640 Radiology - Therapy	
26441 Acute Rehab	
27620 EEG	
27650 Nuclear Medicine	

194,159
110,059
51,234
23,126
12,419
10,205
14,082
<b>415,283</b>

\$ 566,347
308,133
290,621
263,182
130,273
105,390
90,603
52,324
42,076
29,843
21,873
36,610
<b>1,937,274</b>

**Pomerado .25 RN Registry**

37011 Emergency Dept	
36174 Med/Surg T4	
36010 Critical Care	
38720 Nursing Admin	
36400 LDRP	
37420 Surgery	
Other	

201,515
169,642
100,910
87,440
71,163
30,903
23,000
<b>684,573</b>

**Contract Labor Expenses by Vendor  
FYTD September 2003**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>Contract Labor:</b>			
.25 RN Registry	\$ 1,744,593		
American Mobile Nurses	143,999		
Worldwide Net	140,396		
Cross Country Travcorps	120,387		
RN Network Inc./ Trancentral Inc.	116,918		
Aureus Medical			
Other	355,553	2,011,726	
<b>Total RN Registry</b>	<u>\$ 2,621,847</u>	<u>\$ 2,011,726</u>	<u>\$ (610,121)</u>
.21 Therapists			
Aureus Medical	\$ 206,885		
Ultrasound Assistance of So. Calif	104,387		
Intelistaf Travel	50,532		
Techgroup Inc.	38,836		
Therastaff	26,380		
Other	82,244	418,073	
<b>Total Therapists</b>	<u>\$ 509,264</u>	<u>\$ 418,073</u>	<u>\$ (91,191)</u>

**Professional Fees Expenses  
By Location  
September 2003**

FACILITY: PALOMAR		Jun-03	Jul-03	Aug-03	Sep-03	Budget Sep-03	Budget Var Sep-03	Account	Actual Sep-03	Budget Sep-03	FYTD Sep-02	Variance Bud 04 \$
104,728	133,237	205,460	187,037	119,695	(67,342)	29100	Other Prof Fees	525,734	367,152	361,448	(158,583)	
37,447	22,676	29,757	143,302	43,115	(100,187)	22000	Consultants	195,735	132,220	140,548	(63,515)	
501,290	513,111	523,020	528,389	511,856	(16,534)	20000	Medical - Physicians	1,564,520	1,535,600	1,643,236	(28,920)	
0	0	0	0	0	0	23000	Legal	0	-	9,253	0	
55,400	56,100	58,500	55,400	58,328	2,928	20100	Medical - Trauma Phys	170,000	178,718	170,800	8,718	
698,864	725,124	816,736	914,129	732,995	(181,134)			2,455,989	2,213,691	2,325,284	(242,299)	
FACILITY: POMERADO		Jun-03	Jul-03	Aug-03	Sep-03	Budget Sep-03	Budget Var Sep-03	Account	Actual Sep-03	Budget Sep-03	FYTD Sep-02	Variance Bud 04 \$
17,993	15,176	19,464	31,233	18,098	(13,135)	22000	Consultants	65,873	55,501	94,895	(10,372)	
175	0	0	0	0	0	23000	Legal	0	-	1,285	0	
(4,626)	16,522	8,955	9,128	11,432	2,304	29100	Other Prof Fees	34,606	35,019	82,990	413	
263,651	196,168	176,907	265,632	221,446	(44,187)	20000	Medical - Physicians	638,707	664,337	603,322	25,630	
277,193	227,866	205,326	305,994	250,976	(55,018)			739,186	754,857	782,492	15,671	
FACILITY: CENTRAL		Jun-03	Jul-03	Aug-03	Sep-03	Budget Sep-03	Budget Var Sep-03	Account	Actual Sep-03	Actual Sep-03	Budget Sep-02	Variance Bud 04 \$
234,722	186,273	112,750	173,927	103,000	(70,927)	23000	Legal	472,950	309,000	437,879	(163,949)	
264,395	99,921	175,846	181,511	124,566	(56,944)	22000	Consultants	457,278	382,003	441,498	(75,275)	
0	0	0	0	561	561	29100	Other Prof Fees	0	1,719	0	1,719	
16,083	16,083	16,083	16,083	17,500	1,417	24000	Audit	48,249	52,500	43,583	4,251	
0	5,952	20,366	121,880	133,538	11,658	20000	Medical - Physicians	148,199	408,251	0	260,052	
515,201	308,229	325,045	493,400	379,165	(114,235)			1,126,675	1,153,473	922,960	26,798	

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**Professional Fees**

**Actual Expenses by Department**

YTD September 2003

**Pomerado .20 Medical - Phys Fees:**

37011	Emergency Dept	\$ 267,400
36400	LDRP	141,500
37633	Gateway Radiology	126,455
37500	Laboratory - Clinical	23,140
36340	Psych Acute	18,000
36070	NICU	15,241
	Other	46,971
	<b>Total Medical Phys</b>	<b>\$ 638,707</b>

**Palomar .20 Medical - Physician Fees:**

27012	Trauma	\$ 611,213
27011	Emergency Dept	377,957
27634	Parkway Radiology	234,765
26400	LDRP	77,960
27500	Laboratory - Clinical	58,541
26290	Pediatrics	55,245
26340	Psych Acute	40,962
26070	NICU	33,250
28710	Medical Staff	22,125
26580	Skilled Nursing	13,920
	Other	38,582
	<b>Total Medical - Phys</b>	<b>\$ 1,504,520</b>

**Palomar .22 Consultants:**

28610	Administration	\$ 105,000
27072	Diabetic Clinic	44,666
27295	Welcome Home Baby	25,494
	Other	20,574
	<b>Total Consultants</b>	<b>\$ 195,735</b>

**Central .23 Legal:**

18610	Administration	\$ 346,334
18531	Patient Billing	103,073
18631	PPHF	14,753
	Other	8,790
	<b>Total Legal</b>	<b>\$ 472,950</b>

**Palomar .291 Other Prof Fees:**

26441	Acute Rehab	\$ 388,662
27420	Surgery	53,049
27634	Parkway Radiology	44,636
28560	Admitting	33,114
	Other	6,273
	<b>Total Other Prof Fee</b>	<b>\$ 525,734</b>



**Professional Fees by Vendor**  
**FYTD September 2003**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>Profession Fees:</b>			
.20 Medical - Physicians	\$ 615,750		
North County Trauma	361,220		
Valley Radiology Consultants (Gwy/Pkwy)	348,764		
ED Call - Physician pannel	186,109		
Neighborhood Health	148,199		
Physician Recruitment	138,000		
ASMG	96,100		
Escondido Pulmonary Medical Grp	81,681	2,608,188	2,232,585
Valley Pathology	375,603		
Other	<u>\$ 2,351,426</u>	<u>\$ 2,608,188</u>	<u>\$ 256,762</u>
<b>Total Medical Physicians</b>			
.22 Consultants	\$ 119,357		
American Health Consultants	105,000		
Delphi Healthcare Partners	83,760		
Info Tech Concepts Inc.	63,833		
Premier	37,625		
Softec Solutions Inc.	309,311	569,724	260,413
Other	<u>\$ 718,886</u>	<u>\$ 569,724</u>	<u>(149,162)</u>
<b>Total Consultants</b>			<b>7</b>

**Professional Fees by Vendor (Cont.)  
FYTD September 2003**

<b>.23 Legal</b>			
Paul, Hastings, Janofshky & Walker	\$	198,055	
Sidley Austin Brown & Wood		111,921	
Friestad & Giles		111,782	
Lewis, Brisbois, Bisgaard, & Smith		34,079	
Other		17,113	291,887
<b>Total Legal</b>	\$	<b>472,950</b>	\$ <b>309,000</b>
			<b>(163,950)</b>
<b>.291 Other Prof Fees</b>			
Rehabcare Group	\$	378,423	
Healthcare Assoc of SD & Imper Cnty		37,771	
Daily, Pat O. MD, Inc		27,780	
Intermountain Hospital Corp		13,348	
Childrens Specialists of SD		4,573	
<b>Total Other Prof Fees</b>	\$	<b>98,447</b>	\$ <b>403,890</b>
			<b>305,443</b>
	\$	<b>560,342</b>	\$ <b>403,890</b>
			<b>(156,452)</b>

**Purchased Services**  
By Location  
September 2003

Palomar:		Jul-03	Aug-03	Sep-03	Budget Sep-03	Budget Var Sep-03	Account	Actual Sep-03	Budget Sep-03	FYTD Sep-02	Variance Bud 04 \$
Jun-03	228,813	169,416	157,021	154,202	239,474	85,272	62000 Repairs and Maint	480,639	734,387	483,097	253,748
	308,707	221,534	220,062	232,699	240,903	8,204	61000 Medical Purchased	674,295	738,770	638,670	64,475
	33,961	30,476	25,270	36,688	43,682	6,994	65000 Collection Agencies	92,434	133,958	96,761	41,523
	600	600	600	0	0	(600)	64000 Management Service	1,800	-	1,950	(1,800)
	7,098	6,732	5,000	4,772	3,753	(1,019)	65100 Bank Charges	16,503	11,258	7,519	(5,245)
	91,552	90,000	93,838	86,734	77,476	(9,258)	69100 Linen Purchased Svc	270,572	237,592	247,096	(32,980)
	582,470	322,664	430,097	399,176	297,693	(101,483)	69000 Other Purch Svcs	1,151,937	912,926	864,294	(239,012)
	1,253,202	841,421	931,888	914,871	902,980	(11,891)		2,688,180	2,768,889	2,339,387	80,709

Pomerado:		Jun-03	Jul-03	Aug-03	Sep-03	Budget Sep-03	Budget Var Sep-03	Account	Actual Sep-03	Budget Sep-03	FYTD Sep-02	Variance Bud 04 \$
Jun-03	152,496	72,836	106,606	106,807	134,749	27,942	62000 Repairs and Maint	286,249	413,229	236,885	126,980	
	17,271	8,829	10,527	6,269	15,339	9,070	65000 Collection Agencies	25,625	47,040	43,493	21,415	
	2,916	2,724	2,630	2,433	2,433	0	65100 Bank Charges	7,589	7,298	7,449	(497)	
	293,915	147,213	153,039	163,141	150,945	(12,197)	69000 Other Purch Svcs	463,394	462,897	515,696	(497)	
	300	300	300	300	0	(300)	64000 Management Service	900	-	750	(900)	
	75,637	88,739	79,174	91,839	83,654	(8,185)	61000 Medical Purchased	259,752	256,538	201,556	(3,213)	
	61,765	60,000	55,771	50,368	51,175	807	69100 Linen Purchased Svc	166,140	156,937	140,557	(9,203)	
	604,300	380,642	408,047	420,959	438,294	17,335		1,209,648	1,343,939	1,146,385	134,291	

Central:		Jun-03	Jul-03	Aug-03	Sep-03	Budget Sep-03	Budget Var Sep-03	Account	Actual Sep-03	Budget Sep-03	FYTD Sep-02	Variance Bud 04 \$
Jun-03	103,092	(6,812)	(7,266)	68,354	66,543	(1,811)	63000 Medical/Dental Clai	54,277	204,066	(288,020)	149,789	
	17,184	420	408	496	6,873	6,377	61000 Medical Purchased	1,324	21,076	3,174	19,752	
	158,602	218,113	248,724	230,361	232,659	2,298	62000 Repairs and Maint	997,198	713,487	705,798	16,289	
	0	0	0	0	0	(52,312)	69000 Other Purch Svcs	697,198	940,771	892,649	11,203	
	202	196	183	222	0	(222)	65100 Pharmacy Claims	601	-	454	(601)	
	6,821	7,653	5,943	18,801	4,585	(14,217)	64000 Bank Charges	32,398	14,059	46,658	(18,338)	
	(104,054)	5,822	7,266	(68,354)	(71,128)	(2,773)	63200 Medical/Dental Clai	(55,267)	(218,124)	258,127	(162,858)	
	661,460	218,528	351,955	359,085	306,773	(52,312)	69000 Other Purch Svcs	929,568	940,771	892,649	11,203	
	843,307	443,920	607,214	608,965	546,305	(62,660)		1,660,099	1,675,335	1,618,839	15,236	

**Purchased Services Expenses  
Actual Expenses by Department**

YTD September 2003

**Palomar .69 Other Purch Svcs:**

27634 Parkway Radiology	\$ 317,721
28700 Health Info Mgt Syst	252,964
28320 FANS	196,619
28440 Environmental Svcs	86,887
28450 Plant Operations	48,599
28370 Patient Transportation	32,755
27295 Welcome Home Baby	32,558
28720 Nursing Admin	29,594
28410 Grounds	23,954
27420 Surgery	15,012
28460 Plant Maintenance	14,533
27500 Laboratory - Clinical	12,058
26400 LDRP	10,773
Other	77,911
<b>Total Other Purch Svc</b>	<b>\$ 1,151,937</b>

**Pomeroado .69 Other Purch Svcs:**

37633 Gateway Radiology	\$ 138,238
38320 FANS	104,841
38700 Health Info Mgt Syst	58,211
38440 Environmental Svcs	57,172
38410 Grounds	23,430
37420 Surgery	16,022
38450 Plant Operations	12,152
38460 Plant Maintenance	11,496
Other	41,831
<b>Total Other Purch Svc</b>	<b>\$ 463,394</b>

**Central Office .69 Other Purch Svcs:**

18531 Patient Billing	\$ 331,097
18610 Administration	86,257
18310 Printing/Duplicating	85,814
18751 Clinical Utilization	68,333
18631 PPHF	66,685
18630 Public Relations	55,165
18511 Financial Operations	52,575
18770 Health Source	40,924
18402 Materials Management	27,756
18650 Human Resources	27,406
18458 Plant Operations- Innov	24,741
18790 Community Outreach	16,309
18798 Facilities Design	13,883
18750 Safety	12,486
Other	20,137
<b>Total Other Purch Svc</b>	<b>\$ 929,568</b>

**Purchased Services by Vendor**  
**FYTD September 2003**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
.69 Other Purch Svc	455,959.00		
Valley Rad Cons (Gtwy/Pkwy)	346,581.05		
Aramark HSS	239,435.28		
Quadramed Corp	153,266.33		
Iron Mountain	101,405.06		
Premier Inc.	99,126.45		
Medmarq			
Other	1,149,125.83	2,316,594	1,167,468
<b>Total Other Purch Svc</b>	<u>2,544,899.00</u>	<u>\$ 2,316,594</u>	<u>\$ (228,305)</u>

**Purchased Services Expenses (Cont.)  
Actual Expenses by Department**

YTD September 2003

<b>Palomar .61 Medical Purchased Svc.</b>	<b>Pomerado .61 Medical Purchased Svc</b>
27509 Laboratory - Referred \$ 258,828	37509 Laboratory - Referred \$ 82,253
27420 Surgery 125,050	37500 Laboratory - Clinical 67,626
27740 Dialysis 113,188	37740 Dialysis 61,310
27680 CAT Scanner 98,639	37590 Cardiology Svcs 29,752
27590 Cardiology Svcs 64,100	37520 Laboratory - Pathology 12,708
27630 Radiology - Diagnostic 11,785	Other 6,104
Other 2,706	<u>Total Medical Purch Svc \$ 259,752</u>
<u>Total Medical Purch Svc \$ 674,295</u>	

<b>Palomar .691 Linen</b>	<b>Pomerado .691 Linen</b>
28350 Laundry / Linen \$ 270,572	36580 Skilled Nursing \$ 55,127
	38320 FANS 51,585
	36174 Med/Surg T4 30,080
	36400 LDRP 21,229
	37420 Surgery 20,927
	37011 Emergency Dept 19,636
	Other (32,443)
	<u>Total Linen \$ 166,140</u>
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**Purchased Services by Vendor (cont.)  
FYTD September 2003**

.61 Medical Purch Svc	\$	133,211			
Esc Imaging Center		125,420.56			
Gambro		124,310.70			
A R U P, Inc. (Laboratory)		123,000.00			
San Diego Lithotripters		104,432.03			
Diagnostic Health Svcs					
Other		324,996.64	1,016,384		691,387
<b>Total Medical Purch Svc</b>	<b>\$</b>	<b>935,371</b>	<b>\$ 1,016,384</b>	<b>\$</b>	<b>81,013</b>
.691 Linen Purch Svc	\$	421,503			
Angelica Healthcare Svc					
Other		15,208.66	394,529		379,320
<b>Total Linen Purch Svc</b>	<b>\$</b>	<b>436,712</b>	<b>\$ 394,529</b>	<b>\$</b>	<b>(42,183)</b>

**Purchased Services Expenses (Cont.)**  
**Actual Expenses by Department**  
**YTD September 2003**

**Palomar .62 Repairs & Maint.**

27420	Surgery	\$	62,711
28461	BioMed Engineering		52,236
27640	Radiology - Therapy		50,356
27630	Radiology - Diagnostic		41,457
28450	Plant Operations		36,341
27570	Cardiac Cath Lab		30,655
27634	Parkway Radiology		28,455
27500	Laboratory - Clinical		25,600
27680	CAT Scanner		21,371
27670	Ultrasound		18,648
28320	FANS		16,569
27720	Respiratory Therapy		14,614
27650	Nuclear Medicine		12,730
	Other		68,896
	<b>Total Repairs &amp; Maint</b>	<b>\$</b>	<b>480,639</b>

**Pomeroado .62 Repairs & Maint.**

37630	Radiology - Diagnostic	\$	39,274
38461	BioMed Engineering		33,928
38450	Plant Operations		31,938
37680	CAT Scanner		25,601
37420	Surgery		24,997
37500	Laboratory - Clinical		20,429
38460	Plant Maintenance		19,790
38320	FANS		17,724
37650	Nuclear Medicine		12,335
37633	Gateway Radiology		10,941
	Other		49,292
	<b>Total Repairs &amp; Maint</b>	<b>\$</b>	<b>286,249</b>

**Central .62 Repairs & Maint.**

18480	Information Systems	\$	596,524
18471	Telecommunications		49,840
18458	Plant Operations - Innov		21,879
	Other		28,954
	<b>Total Repairs &amp; maint</b>		<b>697,198</b>



**Purchased Services by Vendor (cont.)  
FYTD September 2003**

<b>.62 Repairs &amp; Maint</b>			
Cerner Corp	635,293.56		
IBM Corp.	100,218.22		
Siemens Health Services	49,029.13		
Philips Medical Systems	46,877.91		
Expanets	34,794.72		
Other	597,871.46	1,861,103	1,263,232
<b>Total Repairs &amp; Maint</b>	<u>1,464,085.00</u>	<u>\$ 1,861,103</u>	<u>\$ 397,018</u>

**Other Direct Expenses  
By Location  
September 2003**

Palomar:

Jun-03	Jul-03	Aug-03	Sep-03	Budget Sep-03	Budget Var Sep-03	Account	Actual Sep-03	Budget Sep-03	FYTD Sep-02	Variance	
										Bud 04 \$	Bud 04 \$
0	0	0	0	34	34	78100 Utility - Gas Offsite	0	104	22	104	104
679	639	0	1,078	(472)	(472)	85100 Answering Service	1,717	1,858	1,491	1,491	141
2,940	2,025	2,165	2,425	(208)	(208)	80200 Confidential Trash	6,615	6,798	5,400	5,400	183
2,152	1,372	1,474	9,051	(4,609)	(4,609)	83000 Licenses & Taxes	11,897	13,325	29,080	29,080	1,428
0	0	0	0	535	535	79100 Utility - Water Offsite	0	1,639	2,358	2,358	1,639
24,621	11,163	14,542	16,826	(2,392)	(2,392)	88100 Mileage	42,531	44,264	31,040	31,040	1,734
4,885	335	663	713	527	527	86000 Subscriptions	1,712	3,721	1,780	1,780	2,009
0	0	0	0	743	743	77100 Utility - Electric Offsite	0	2,277	2,158	2,277	2,277
1,409	2,500	9,020	2,000	3,211	3,211	90500 Postage	13,520	15,979	14,892	14,892	2,459
7,960	8,628	13,318	16,279	(2,898)	(2,898)	80000 Utility - Other	38,225	41,035	15,515	15,515	2,810
(477)	497	117	117	1,231	1,231	82000 Insurance Other	731	4,134	328	328	3,403
70,661	57,948	60,944	42,688	11,144	11,144	78000 Utility - Gas	161,580	165,083	178,939	178,939	3,503
26,296	18,118	23,922	21,551	383	383	85000 Telephone	63,590	67,263	65,054	65,054	3,673
12,394	9,253	6,378	12,316	(1,638)	(1,638)	86100 Dues	27,947	32,032	11,562	11,562	4,085
14,946	4,091	3,996	24,270	(11,909)	(11,909)	87000 Outside Training	32,356	37,905	19,691	19,691	5,549
37,448	43,619	39,165	41,444	1,818	1,818	75000 Rent/Lease - Bldg	124,228	129,785	126,584	126,584	5,556
22,945	16,060	8,070	16,989	(398)	(398)	79000 Utility - Water	41,119	50,881	68,614	68,614	9,762
3,474	30	(2,227)	150	2,759	2,759	90100 Advertising/Mktg	(2,047)	8,922	436	436	10,969
9,612	3,523	1,666	4,526	2,851	2,851	88000 Travel	9,714	22,623	2,812	2,812	12,909
167,712	71,104	119,182	112,755	(8,174)	(8,174)	77000 Utility - Electric	303,041	320,713	331,777	331,777	17,672
86,036	18,375	23,706	19,500	8,751	8,751	90000 Other Direct	61,581	84,754	70,769	70,769	23,173
102,707	78,884	43,596	52,056	14,750	14,750	76000 Equipment Rental	174,536	200,418	216,102	216,102	25,882
<b>598,399</b>	<b>348,165</b>	<b>369,697</b>	<b>396,732</b>	<b>412,769</b>	<b>16,037</b>		<b>1,114,593</b>	<b>1,255,514</b>	<b>1,196,405</b>	<b>140,920</b>	<b>140,920</b>



# Other Direct Expenses (Cont.)

By Location  
September 2003

Central Office:

Jun-03	Jul-03	Aug-03	Sep-03	Budget		Account	Actual Sep-03	Budget Sep-03	FYTD Sep-02	Variance		
				Sep-03	Budget Var Sep-03					Bud 04 \$	Bud 04 \$	
52,819	7,061	13,502	71,990	11,953	(60,037)	88000 Travel	92,553	36,654	23,504	(55,899)		
7,946	16,062	2,922	2,740	5,721	2,981	86000 Subscriptions	21,724	17,163	6,060	(4,561)		
0	1,491	1,491	1,491	0	(1,491)	75100 Unassigned Lease/Re	4,473	-	0	(4,473)		
39,400	31,500	37,802	36,303	34,270	(2,033)	85000 Telephone	105,605	105,095	115,050	(510)		
35,991	27,166	29,410	27,604	27,959	355	86100 Dues	84,179	83,877	73,715	(302)		
650	225	325	400	273	(127)	80200 Confidential Trash	950	836	975	(114)		
0	0	0	0	6	6	80000 Utility - Other	0	17	40	17		
0	0	0	0	17	17	78000 Utility - Gas	0	53	139	53		
0	1,581	0	1,907	1,293	(614)	79000 Utility - Water	3,488	3,965	2,707	477		
0	0	0	0	1,043	1,043	80100 Utility - Other Offsite	0	3,197	0	3,197		
96,001	101,044	99,295	108,221	104,459	(3,761)	76000 Equipment Rental	308,560	313,377	334,451	4,817		
5,468	0	0	60	2,609	2,549	83000 Licenses & Taxes	60	7,827	13,324	7,767		
28,356	2,038	32,583	3,950	15,178	11,228	77000 Utility - Electric	38,571	46,545	53,856	7,974		
9,048	1,351	3,126	4,170	5,551	1,381	88100 Mileage	8,647	17,022	7,026	8,375		
43,589	40,991	56,011	40,991	52,277	11,286	75000 Rent/Lease - Bldg	137,994	157,511	136,424	19,517		
20,894	483	25,065	33	18,635	18,601	90500 Postage	25,582	57,146	28,783	31,564		
0	770	1,315	2,595	12,033	9,438	89000 Recruiting	4,680	36,901	0	32,220		
43,530	9,032	6,909	23,777	27,777	4,001	87000 Outside Training	39,718	85,183	29,424	45,466		
87,359	15,327	16,797	168,538	93,629	(74,909)	90000 Other Direct	200,662	280,886	4,810	80,224		
171,444	70,707	100,463	70,012	134,343	64,331	90100 Advertising/Mktg	241,182	411,985	313,621	170,803		
							<b>1,318,628</b>	<b>1,665,242</b>	<b>1,143,909</b>	<b>346,614</b>		
							<b>643,283</b>	<b>326,828</b>	<b>427,018</b>	<b>564,782</b>	<b>549,024</b>	<b>(15,758)</b>

**Other Direct Expenses**  
**Actual Expenses by Department**  
**YTD September 2003**

**Palomar .77 Utilities/Electric**  
 28450 Plant Operations \$ 282,920

**Pomerado .77 Utilities/Electric**  
 38450 Plant Operations \$ 241,925

**Palomar .78 Utilities/Gas**  
 28450 Plant Operations \$ 161,580

**Pomerado .78 Utilities/Gas**  
 38450 Plant Operations \$ 61,849

**Palomar .76 Equipment Rental**  
 27470 Medical Supplies Sold \$ 121,214  
 28720 Nursing Admin 17,517  
 28471 Telecommunications 12,935  
 Other 22,870  
 Total Equip Rent \$ 174,536

**Pomerado .76 Equipment Rental**  
 37470 Medical Supplies \$ 95,813  
 Other 18,095  
 Total Equip Rent \$ 113,908

**Central .76 Equipment Rental**  
 18480 Information Systems \$ 298,579  
 Other 9,981  
 Total Equip Rent \$ 308,560

**Other Direct Expenses  
FYTD September 2003**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>.76 Equip Rental</b>			
Hill Rom	189,913.32		
IBM	65,740.57		
KCI Therapeutic Svc	61,117.91		
Universal Hospital Svc	32,126.73		
Verizon Wireless Messaging	27,327.67		
Other	220,777.80	586,596	365,818
<b>Total Equip Rental</b>	<u>597,004.00</u>	<u>\$ 586,596</u>	<u>\$ (10,408)</u>
<b>.77 Utility Electric</b>			
Strategic Energy	359,421.59		
S D G E	214,866.15		
Other	15,155.26	560,643	545,488
<b>Total Utility Electric</b>	<u>589,443.00</u>	<u>\$ 560,643</u>	<u>\$ (28,800)</u>
<b>.78 Utility Gas</b>			
Sempra Energy	134,411.28		
S D G E	74,275.02		
Other	14,742.70	201,499	186,756
<b>Total Utility Gas</b>	<u>223,429.00</u>	<u>\$ 201,499</u>	<u>\$ (21,930)</u>

**Other Direct Expenses (Cont.)  
Actual Expenses by Department**

YTD September 2003

<b>Palomar .75 Building Rental</b>	
27634 Parkway Radiology	\$ 50,468
27290 Home Health - Esc	24,026
27261 O/P Psych	18,274
27500 Laboratory - Clinical	15,442
Other	16,017
<b>Total Bldg Rental</b>	<b>\$ 124,228</b>

<b>Pomerado .75 Building Rental</b>	
37633 Gateway Radiolog	\$ 33,114
37804 Rehab Center	19,571
37632 Ramona Radiolog	10,744
Other	7,611
<b>Total Bldg Rental</b>	<b>\$ 71,040</b>

<b>Central .75 Building Rental</b>	
18772 Timeshare-Gateway	\$ 122,630
Other	15,364
<b>Total Bldg Rental</b>	<b>\$ 137,994</b>

**Other Direct Expenses  
FYTD September 2003**

.75 Rent/Lease Bldg			
Healthcare Property - Gtwy Bldg (MSO & A)	122,629.53		
Twenty Seven, MH Inc. - Pkwy Radiology	50,468.36		
Grub & Ellis- Gtwy Radiology	33,113.88		
Larry & Mary Bangs - Home health	24,024.96		
MLSP, LP - POM Rehab	19,570.74		
		83,454.53	272,458
Other		355,913	
<b>Total Rent/Lease Bldg</b>		<b>333,262.00</b>	<b>\$ 22,651</b>



**Other Direct Expenses (Cont.)**  
**Actual Expenses by Department**

YTD September 2003

**Central .901 Adv & Mtg**

18650 Human Resources	\$ 146,123
18630 Public Relations	83,426
Other	11,633
<b>Total Adv &amp; Mtg</b>	<b>\$ 241,182</b>

**Central .90 Other Direct**

18610 Administration	\$ 96,918
18650 Human Resource:	82,692
Other	179,610
	<u>\$ 200,662</u>

**Central .88 Travel**

18485 IT Development Capital	\$ 54,690
18610 Administration	8,361
18650 Human Resources	5,603
18631 PPHF	5,585
18751 Clinical Utilization	3,807
18620 Governing Board	3,487
18633 Physician Relations	2,684
18630 Public Relations	2,417
Other	86,633
<b>Total Travel</b>	<b>\$ 92,550</b>

**Central .861 Dues**

18610 Administration	\$ 81,742
Other	2,437
<b>Total Dues</b>	<b>\$ 84,179</b>

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 HEALTH

**Other Direct Expenses  
FYTD September 2003**

<b>.90 Other Direct</b>			
Anheuser-Bush Adventure Parks - SeaWorld	51,240.50		
Witt/Kieffer Ford	45,500.00		
Visual Asylum (Mktg materials)	20,000.00		
Regal Entertainment Grp - Movie Tickets	5,508.00		
22ND Dist Agricultural Assoc.	5,036.50		
Other	174,176.00	427,272	253,096
<b>Total Other Direct</b>	<b>301,461.00</b>	<b>\$ 427,272</b>	<b>\$ 125,811</b>

<b>.861 Dues</b>			
CHA/HASDIC	32,595.51		
The Advisory Board	26,125.05		
OSHPD	25,492.17		
AHA	14,859.51		
Moody's Investors Svc	7,500.00		
CAHF	3,569.52		
The Governance Institute	2,238.75		
Community Health Improvement Partners	2,000.01		
Chamber of Commerce, Escondido	1,300.00		
Other	5,125.48	130,892	125,767
<b>Total Dues</b>	<b>120,806.00</b>	<b>\$ 130,892</b>	<b>\$ 10,086</b>

HEALTH

**Action: Voluntary Benefits for Board Members**

**TO:** Board of Directors  
**MEETING DATE:** November 17, 2003  
**FROM:** Gil Taylor  
Chief Human Resources Officer

**BACKGROUND:** PPH provides Board members with medical and other insurance benefits at no cost, in recognition of their many hours of service to the health system. Since three new "voluntary" health-related benefits (i.e., Personal Cancer, Hospital Indemnity, and Personal Accident), as well as a new pre-paid legal benefit, will be offered for the first time in calendar year 2004, it is appropriate for PPH to provide Board members a choice of one new health-related benefit, as well as the legal benefit, at no cost to them. That proposal by the CEO/President and the Chief Human Resources Officer was presented to the HR Committee, which has recommended it forward to the full Board.

**BUDGET IMPACT:** None (within FY2004 benefit budget)

**COMMITTEE RECOMMENDATION:** Forward to the Board of Directors as an Action Item

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:**

**Motion:** HR Committee recommends approval of Board Members receiving their choice of pre-paid "voluntary" benefit options.

**Individual Action:** X

**Information:**

**Required Time:**

**PALOMAR MEDICAL CENTER  
MEDICAL DIRECTOR – INFECTIOUS DISEASE**

**TO:** Board of Directors  
Monday, November 17, 2003, Board of Directors Meeting

**MEETING DATE:** Board Finance Committee Meeting  
Thursday, November 6, 2003

**FROM:** Val E. Tesoro, M.D.  
Sr. Vice President of Quality & Clinical Effectiveness

**BACKGROUND:** JCAHO, Department of Health Services, and Medicare Conditions of Participation mandate Medical Staff oversight of the Infectious Disease Program. Dr. Steve Kuriyama is Board Certified in Infectious Diseases and will provide Medical Director coverage for the PPH Infectious Disease Program. Dr. Kuriyama has been the Medical Director for Infectious Disease since December 2002, and his continuance in this role will ensure compliance with regulatory requirements.

**BUDGET IMPACT:** Neutral

**STAFF RECOMMENDATION:** Request approval of the Infectious Disease Medical Director Agreement between Palomar Pomerado Health and Dr. Steve Kuriyama, effective December 1, 2003, to November 30, 2006.

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:** Approval of the agreement with Dr. Kuriyama as the Medical Director of the Infectious Disease Department at Palomar Medical Center, for a term commencing December 1, 2003, and ending November 30, 2006.

**Motion:** X

**Individual Action:**

**Information:**

**Required Time:**

# PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	<b>TITLE</b>	Infectious Disease Medical Director Agreement
Recitals	<b>AGREEMENT DATE</b>	December 1, 2003
Opening Paragraph	<b>PARTIES</b>	1) Palomar Pomerado Health 2) Steve M. Kuriyama, MD
1	<b>PURPOSE</b>	To provide medical and administrative oversight for the Infectious Disease Program.
1 Exhibit A	<b>SCOPE OF SERVICES</b>	Administrative services as set forth in Exhibit A
	<b>PROCUREMENT METHOD</b>	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
4	<b>TERM</b>	December 1, 2003 – November 30, 2006
	<b>RENEWAL</b>	
4.2	<b>TERMINATION</b>	Immediately for cause or within 90 days' prior written notice without cause
3	<b>COMPENSATION METHODOLOGY</b>	██████████ Per Hour, 3-5 hours per month, not to exceed 5 hours per month without approval. Payable on or before the 15 <sup>th</sup> of each month with supporting documentation of the prior month's time records.
	<b>BUDGETED</b>	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	<b>EXCLUSIVITY</b>	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	<b>JUSTIFICATION</b>	Compliance with JCAHO, DHS and Medicare Conditions of Participation for Medical Oversight of the Infectious Disease Program.
	<b>POSITION POSTED</b>	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <b>Methodology &amp; Response:</b> Sent to all Active and Provisional physicians at PMC and POM via Cerner FAX Pool. Posted in the PMC and POM medical staff offices.
	<b>ALTERNATIVES/IMPACT</b>	Absence of this arrangement will result in potential non-compliance of regulatory agency standards.
	<b>DUTIES</b>	<input type="checkbox"/> Provision for Staff Education <input type="checkbox"/> Provision for Medical Staff Education <input type="checkbox"/> Provision for participation in Quality Improvement <input type="checkbox"/> Provision for participation in budget process development
	<b>COMMENTS</b>	This agreement will provide a qualified physician to oversee the quality and effectiveness of the Infectious Disease Program.
	<b>APPROVALS REQUIRED</b>	<input checked="" type="checkbox"/> VP <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Committee <b>FINANCE</b> <input checked="" type="checkbox"/> BOD

**MEDICAL DIRECTOR AGREEMENT**

**between**

**PALOMAR POMERADO HEALTH,  
a local hospital district**

**and**

**STEVE M. KURIYAMA, M.D.**

**DECEMBER 1, 2003**

## MEDICAL DIRECTOR AGREEMENT

THIS MEDICAL DIRECTOR AGREEMENT ("Agreement") is made and entered into effective December 1, 2003 by and between Palomar Pomerado Health, a local health care district organized pursuant to Division 23 of California Health and Safety Code ("PPH") and Steve M. Kuriyama, M.D. ("Medical Director").

### RECITALS

- A. PPH is the owner and operator of Palomar Medical Center and Pomerado Hospital, general acute care hospitals located at 555 East Valley Parkway, Escondido, California and 15615 Pomerado Road, Poway, California, respectively ("Hospitals").
- B. Hospitals operate an Infectious Disease Program (Department).
- C. Medical Director is a physician who is qualified and licensed to practice medicine in the State of California, is experienced and qualified in the specialized field of Infectious Diseases, and who is a member of the Medical Staffs of Hospitals ("Medical Staff").
- D. Department is staffed by Hospital employees.
- E. Hospital desires to retain Medical Director as an independent contractor to provide certain administrative services ("Administrative Services") in the operation of the Department and has determined that this proposed arrangement with Medical Director will enhance the Department's and Hospital's organization, procedure standardization, economic efficiency, professional proficiency, and provide other benefits to enhance coordination and cooperation among the Department's providers and users.
- F. Hospital and Medical Director acknowledge and agree that this Agreement shall supercede the agreements, if any, previously entered into by the parties for the provision of Administrative Services.
- G. It is the intent of both Hospital and Medical Director that the terms and conditions of this Agreement, and the manner in which services are to be performed hereunder, fulfill and comply with all applicable requirements of any applicable "safe harbor" or exception to Stark I and II including, but in no way limited to, the applicable requirements set forth in regulations promulgated by the Department of Health and Human Services, Office of Inspector General, and in the Ethics in Patient Referral Act.

## AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, and for such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### 1. MEDICAL DIRECTOR SERVICES

1.1 Medical Director of Department. Medical Director shall act as the medical director of the Department in accordance with the terms of this Agreement, the Medical Staff bylaws ("Medical Staff Bylaws"), and Hospital's bylaws, rules, regulations, policies, and procedures (collectively, "Hospital Bylaws"). Medical Director, at all times during the term of this Agreement, shall be duly licensed as a physician under California law, shall be board certified or eligible in Infectious Diseases, shall be a member in good standing of the active Medical Staff, shall comply with all applicable standards and recommendations of the Joint Commission on Accreditation of Healthcare Organizations ("JCAHO"), and shall hold all clinical privileges on the active Medical Staff of Hospital appropriate to the discharge of his or her obligations under this Agreement.

1.2 Medical Director Administrative Duties. Medical Director shall perform the Administrative Services as set forth on Exhibit A. Medical Director and PPH shall use best efforts to meet monthly to discuss the performance of Administrative Services in the Department.

1.3 Administrative Hours. Medical Director shall commit to a minimum of 3 hours per month and Medical Director shall set his or her own work schedule consistent with the proper operation of the Department. In the event Medical Director seeks to provide more than 5 hours per month during any month in connection with this Agreement, Medical Director shall obtain advance approval from Hospital's Senior Vice President of Quality/Clinical Effectiveness.

1.4 Use of Premises. In order to preserve Hospital's exemption from property and other taxes, pursuant to state and federal law, Hospital space must be used for Hospital purposes only, which include the provision of Administrative Services hereunder by Medical Director. Consequently, no part of the Department premises shall be used at any time by Medical Director as an office for personal use, including for the general/private practice of medicine. Medical Director shall not incur any financial obligation on behalf of Hospital without Hospital's prior written consent, which consent shall be in Hospital's sole and absolute discretion.

1.5 Non-Exclusive Services. Hospital understands and acknowledges that Medical Director is engaged in the private practice of medicine, and may also provide similar Administrative Services to other organizations. This Agreement shall not, in any



way, limit Medical Director's private practice, or Medical Director's provision of Administrative Services to other organizations.

**1.6 Referral Prohibition.** Medical Director shall in no event refer or admit any patient to any hospital or other provider of health care services which has been excluded from participation in the Medicare program.

**1.7 Independent Contractor.**

**1.7.1** In the performance of the duties and obligations of Medical Director hereunder, it is mutually understood and agreed that Medical Director is at all times acting and performing as an independent contractor, and nothing in this Agreement is intended nor shall be construed to create between Hospital and Medical Director, an employer/employee, joint venture, lease or landlord/tenant relationship. In that regard, Hospital shall neither have nor exercise any control or direction over the methods by which Medical Director performs, his or her duties, work, functions or Administrative Services or over Medical Director's best medical, professional or clinical judgment. The standards of medical practice and professional duties of Medical Director shall be determined by the Medical Staff and prevailing professional standards. In furtherance of the independent status of the parties, Medical Director shall not hold himself or herself out as an officer, agent or employee of Hospital, and shall take all reasonable steps to disavow such status or relationship in every instance where a reasonable party might assume that such a relationship exists between the parties. Medical Director shall reimburse or otherwise indemnify Hospital for all costs incurred, if Medical Director is held to be an employee or agent of Hospital for any purpose. The sole interest and responsibility of Hospital is to assure that the Administrative Services covered by this Agreement shall be performed and rendered in a competent, efficient, and satisfactory manner.

**1.7.2** In the event any governmental entity, including without limitation, the Internal Revenue Service should question or challenge the independent contractor status of Medical Director with respect to Hospital and the Administrative Services rendered hereunder, the parties hereto mutually agree that both Medical Director and Hospital shall have the right to participate in any discussion or negotiation occurring with such governmental entity, regardless of who initiated such discussions or negotiations. In the event the governmental entity concludes that an independent contractor relationship does not exist, Hospital may terminate this Agreement immediately upon written notice to Medical Director.

**1.8 Loss or Limitation.** Medical Director shall promptly notify Hospital if Medical Director is subject to any loss, sanction, suspension or material limitation of his or her license, federal Drug Enforcement Agency ("DEA") number, right to participate in the Medicare or Medi-Cal programs, malpractice insurance or Medical Staff membership or clinical privileges at Hospital or any other hospital or managed care organization.

**1.9 Medical Director Warranties.** Medical Director represents and warrants to Hospital that Medical Director is now and shall remain throughout the term hereof (a) duly licensed to practice medicine in the State of California; (b) a member of the active professional staff of Hospital, with clinical privileges sufficient to permit Medical Director to perform all services required of Medical Director under Section 1 hereinabove; (c) Board certified or eligible in the specialty of Infectious Diseases; and (d) in legitimate possession of all customary narcotics and controlled substances numbers and licenses. Medical Director further represents and warrants to Hospital that (a) Medical Director's license to practice medicine in any state has never been suspended, revoked or restricted; (b) Medical Director has never been reprimanded, sanctioned or disciplined by any licensing board or state or local medical society or specialty board; (c) Medical Director has never been excluded from participation in, or sanctioned by, any state or federal health care program, including, but not limited to Medicare or Medicaid; and (d) Medical Director has never been denied membership or reappointment of membership on the medical staff of any hospital and no hospital medical staff membership or clinical privileges of Medical Director have ever been suspended, curtailed or revoked for a medical disciplinary cause or reason.

## **2. HOSPITAL OBLIGATIONS**

**2.1 Hospital Personnel.** Hospital shall provide all non-physician personnel, including nurses, technicians, and clerical personnel, that Hospital deems necessary for the proper operation and conduct of the Department. Hospital shall consult with Medical Director regarding Department personnel. With the advice and recommendation of Medical Director, Hospital shall establish and classify all non-physician positions and shall designate the persons assigned to each non-physician position. While Medical Director shall have input into non-physician employee performance reviews from a quality of care and technical standpoint, it is specifically agreed that Hospital shall retain ultimate control of the selection, scheduling, and discharge of such employees and/or any direct disciplinary measures as needed. Medical Director shall, at no time during the term of this Agreement, or for a period of one (1) year immediately following termination of this Agreement, interfere with any contractual relationship between Hospital and any of its employees.

**2.2 Hospital Performance.** The responsibilities of Hospital pursuant to Section 2 hereof shall be subject to Hospital's usual purchasing practices, budget limitations, governmental approvals, and applicable laws and regulations.

**2.3 Performance Evaluation.** Hospital's Sr. Vice President of Quality/Clinical Effectiveness shall conduct an annual evaluation of the Medical Director's performance related to job duties, peer and Department satisfaction and project completion. Hospital's Sr. Vice President of Quality/Clinical Effectiveness shall review the results of the evaluation with Medical Director.

### 3. BILLING AND COMPENSATION

**3.1 Administrative Services.** Medical Director shall, on a monthly basis on or before the fifth (5<sup>th</sup>) day of each calendar month during the entire term of this Agreement, commencing with the second (2<sup>nd</sup>) calendar month of the term of this Agreement, submit a written invoice to Hospital in the form attached hereto as Exhibit B, or in a form otherwise acceptable to Hospital, detailing to Hospital's satisfaction the date, time, number of hours and description of activities spent by Medical Director in performing the services required of Medical Director in Section 1 of this Agreement during the immediately preceding calendar month. Said monthly invoice shall be in addition to any time studies or work allocation agreements otherwise required of Medical Director pursuant to the terms of this Agreement.

In consideration of the Administrative Services to be provided by Medical Director to Hospital under Section 1 of this Agreement, and expressly conditioned upon Medical Director's timely submission to Hospital of the monthly invoice required pursuant to this Section 3.1, Hospital agrees to pay to Medical Director [REDACTED] per hour during the term hereof, payable in monthly installments on or before the fifteenth day of each month, with respect to the preceding calendar month, provided that in no event shall such monthly installments exceed [REDACTED] without the advance approval from the System's Senior Vice President of Quality / Clinical Effectiveness. Medical Director, as an independent contractor, agrees to pay in a timely manner all social security and other payroll taxes relating to such compensation.

**3.2 Records.** Payment of the compensation provided herein is conditioned upon Medical Director maintaining such records and supporting documents as may, from time to time, be required to comply with the requirements of governmental agencies and third party payors, including:

**3.2.1** Preparing complete and accurate time records which document separately all time spent providing Administrative Services hereunder, in a form acceptable to Hospital;

**3.2.2** Executing and updating at such times and on such form(s) as requested by Hospital, a written allocation statement specifying the respective amounts of time to be spent in furnishing professional, Administrative Services, and services which do not fall into either category, in order to comply with Medicare requirements; and

**3.2.3** Completing or assuring the prompt completion of all written records necessary to be maintained with respect to the Department, including all Administrative Services provided under this Agreement.

#### **4. TERM AND TERMINATION**

**4.1 Term.** This Agreement shall commence on December 1, 2003 and shall continue for three (3) years, unless sooner terminated as otherwise provided in this Agreement.

#### **4.2 Termination of Agreement.**

**4.2.1** Notwithstanding any other provisions of this Agreement, this Agreement may be terminated upon any of the following:

**4.2.1.1** Either party may terminate this Agreement, without cause or penalty, by giving no less than ninety (90) days' prior written notice to the other party.

**4.2.1.2** Either party may terminate this Agreement on thirty (30) days' prior written notice to the other party if the party to whom such notice is given is in breach of any material provision of this Agreement. The party giving such notice of termination shall set forth in the notice the facts underlying its claim that the other party is in breach of this Agreement. Notwithstanding the foregoing, this Agreement shall not terminate in the event that the breaching party cures the breach, to the satisfaction of the non-breaching party, within twenty (20) days of the receipt of such notice.

**4.2.2** Notwithstanding the foregoing, Hospital shall have the right to immediately terminate this Agreement, by giving written notice to Medical Director, upon the occurrence of any one (1) or more of the following events:

**4.2.2.1** If Hospital determines in good faith that any aspect of the performance of Medical Director hereunder endangers patient safety;

**4.2.2.2** If the insurance required of Medical Director hereunder is cancelled, decreased or not renewed for any reason;

**4.2.2.3** If Medical Director fails to maintain compliance with all of the representations and warranties set forth in this Agreement; or

**4.2.2.4** Upon (i) the death or permanent disability of Medical Director, (ii) the loss, restriction or suspension of his or her status as a member of the active Medical Staff, or (iii) Medical Director's conviction of a crime punishable as a felony or exclusion from participation in any state or federal health care program, including, but not limited to Medicare or Medicaid; provided however, this Agreement shall not be immediately terminated by Hospital if the parties meet and agree that the Assistant Medical Director can adequately assume the duties of Medical Director. For purposes of this Agreement, the term "permanent disability" is defined as the inability of

Medical Director to serve as Medical Director for a period in excess of ninety (90) consecutive days, or ninety (90) days in the aggregate over any three (3) month period.

4.2.3 In the event the parties are unable to develop a revised Agreement in accordance with Section 6.5, Hospital may elect to terminate this Agreement upon thirty (30) days written notice to Medical Director.

4.2.4 In the event legal counsel for either party advises that this Agreement or any practices which could be, or are, employed in exercising rights under this Agreement poses a material risk of violating any of the legal requirements referenced in Sections 6.4 or 6.6 or any legal requirement related to Hospital's tax exempt status or tax exempt bond financing, the parties in good faith shall undertake to revise this Agreement to comply with such legal requirements. In the event the parties are unable to agree upon the revised terms within thirty (30) days thereafter, either party may terminate this Agreement immediately upon written notice to the other.

#### 4.3 Effect of Termination.

4.3.1 Upon expiration or termination of this Agreement, neither party shall have any further obligation hereunder except for (i) obligations due and owing which arose prior to the date of termination, and (ii) obligations, promises or covenants contained herein which expressly extend beyond the term of this Agreement.

4.3.2 Upon expiration or termination of this Agreement, and upon Hospital's request, Medical Director shall immediately vacate the Department premises on the effective date of the termination or expiration, removing at such time any and all of Medical Director's personal property. Hospital may remove and store, at Medical Director's expense, any personal property that Medical Director has not so removed.

4.3.3 Following the expiration or termination of this Agreement, Medical Director shall not do anything that might interfere with any Hospital effort to contract with any other individual or entity for the provision of services or to interfere in any way with any relationship between Hospital and physicians who may replace Medical Director.

### 5. INSURANCE AND INDEMNIFICATION

5.1 Medical Director Insurance. Medical Director shall maintain at Medical Director's sole expense, a policy or policies of professional liability insurance as required by this Section. Such insurance shall provide coverage for Medical Director as the named insured, and such policy shall cover any acts of Medical Director's professional negligence which may have occurred during the relevant term and said policies of insurance shall be written with limits of liability of at least the minimum coverage required from time to time by Hospital's Medical Staff Bylaws, but in any event no less than One Million Dollars (\$1,000,000) per claim/Three Million Dollars (\$3,000,000)

annual aggregate for "claims made" insurance coverage. Medical Director further shall maintain "continuous coverage", as defined by this Section for the entire relevant term. The relevant term shall commence with the effective date of the first agreement between the parties regarding the matters described herein, and shall continue through the term of this Agreement, as well as any extensions or renewals hereof, and for a period thereafter of no less than three (3) years. In order to maintain continuous coverage for the entire relevant term Medical Director shall, if it changes insurers for any reason, take the necessary actions required in order to provide continuous coverage by either obtaining "tail" insurance from the preceding carriers, or "nose" insurance from the subsequent carriers. In order to satisfy the requirements of this Section, the "tail" insurance must be of either an unlimited type or of the type which would extend the discovery period beyond the last effective day of the last contract between the parties for a period of three (3) years. In order to satisfy the requirements of this Section for "nose" insurance, the retroactive effective date for such insurance must be at least the first date of the relevant term noted above. Medical Director will provide proof of current insurance and, in the event of modification, termination, expiration, non-renewal or cancellation of any of the aforesaid policies of insurance, Medical Director shall give Hospital and PPH written notice thereof within five (5) business days of Medical Director's receipt of such notification from any of its insurers. In the event Medical Director fails to procure, maintain or pay for said insurance as required herein, Hospital shall have the right, but not be obligated to obtain such insurance. In that event, Medical Director shall reimburse Hospital for the cost thereof and failure to repay the same upon demand by Hospital shall constitute a material breach hereunder.

## 5.2 Indemnification.

5.2.1 Medical Director shall indemnify Hospital, its parents and subsidiaries, officers, directors, trustees, attorneys, employees and agents, individually and collectively, from any claim, demand, liability, loss, judgement, settlement, suit, action, cost or expense, including attorneys fees, which result from Medical Director's provision or failure to provide Administrative Services required to be performed by Medical Director pursuant to this Agreement.

5.2.2 Hospital shall indemnify Medical Director, from any claim, demand, liability, loss, judgment, settlement, suit, action, cost or expense including attorney's fees, which result from Hospital's performance or failure to perform the obligation required to be performed by Hospital pursuant to this Agreement.

5.2.3 Hospital will provide coverage for the Medical Director under the Directors and Officers Liability Policy during the performance of his duties as outlined in this agreement.

## 6. GENERAL PROVISIONS

6.1 Litigation Consultation. Medical Director shall make himself or herself available to Hospital, at no cost to Hospital, to testify as an expert witness, or otherwise, in the event of litigation being brought against Hospital, its directors, officers or employees based upon a claim of negligence, malpractice or any other cause of action, except where Medical Director is named as an adverse party.

### 6.2 Confidentiality.

6.2.1 This Agreement is personal and confidential between the parties, and the parties hereto shall not release information concerning this Agreement to any person without the consent of the other party. This prohibition against release of information shall not apply to any information required to be released by contracts existing as of the date of this Agreement, or to fiscal intermediaries, public agencies or commissions with government powers and duties related to disclosure of information having the right to compel disclosure of such information, nor to any information otherwise compelled to be released by process of law, nor to any information required to be disclosed to Hospital's representatives or others in connection with Hospital's or PPH's tax exempt bonds or other financing transactions.

6.2.2 All records, files, proceedings, and related information of Medical Director, Hospital, and the Medical Staff and its committees pertaining to the evaluation and improvements of the quality of patient care at Hospital shall be kept strictly confidential by Medical Director. Medical Director shall not voluntarily disclose such confidential information, either orally or in writing, except as expressly required by law or pursuant to written authorization by Hospital. This provision shall survive the termination of this Agreement.

6.2.3 Notwithstanding any provision herein to the contrary, any and all patient records and charts produced as a result of either party's performance under this Agreement shall be and remain the property of Hospital. Both during and after the term of this Agreement, Medical Director shall be permitted to inspect and/or duplicate, at Medical Director's expense, any individual chart or record to the extent necessary to meet its professional responsibilities to such patient(s) and/or to assist in the defense of any malpractice or similar claim to which such chart or record may be pertinent, provided that such inspection or duplication is permitted and conducted in accordance with the applicable legal requirements and pursuant to commonly accepted standards of patient confidentiality. Medical Director shall be solely responsible for maintaining patient confidentiality with respect to any information obtained by him or her pursuant to this Section.

6.2.4 Medical Director acknowledges that in connection with its performance under this Agreement, Medical Director may or will have access to and the use of confidential information and trade secrets (the "Confidential Information") of

Hospital related to the Department and its operations which include, but are not limited to, financial statements, internal memoranda, reports, patient lists, and other materials or records of a proprietary nature. In order to protect the Confidential Information, Medical Director agrees that he or she will not, after the date of this Agreement and for so long as any such Confidential Information remains confidential, secret or otherwise wholly or partially protectable, use such information (except in connection with the performance of duties hereunder) or divulge the Confidential Information to any third party, without first obtaining the prior written consent of the Chief Executive Officer of PPH or his or her designee.

### **6.3 Access to Medical Director Books and Records.**

**6.3.1** Medical Director shall, in connection with the subject of this Agreement, cooperate fully with Hospital, by, among other things, maintaining and making available all necessary books, documents and records, in order to assure that Hospital will be able to meet all requirements for participation and payment associated with public or private third party payment programs, including matters covered by Section 1861(v)(1)(I) of the Social Security Act, as amended.

**6.3.2** For the purpose of implementing Section 1861(v)(1)(I) of the Social Security Act, and any written regulations thereto, Medical Director shall comply with the following statutory requirements governing the maintenance of documentation to verify the cost of services rendered under this Agreement:

**6.3.2.1** Until the expiration of four (4) years after the furnishing of services pursuant to the Agreement, Medical Director shall make available to the Secretary of Health and Human Services and the Comptroller General of the United States, or their duly authorized representatives, upon written request of any of them, this Agreement, and all books, documents and records that are necessary to certify the nature and extent of the cost of services hereunder, and

**6.3.2.2** If Medical Director carries out any of the duties of this Agreement through a subcontract with a value or cost of Ten Thousand Dollars and No/100 (\$10,000) or more over a twelve (12) month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request to the Secretary or the Comptroller General, or any of their duly authorized representatives, the subcontract, and books, documents, and records of such organization that are necessary to verify the nature an extent of such costs.

**6.3.3** If Medical Director is requested to disclose books, documents or records pursuant to this Section, Medical Director shall notify Hospital of the nature and scope of such request and Medical Director shall make available, upon written request of



Hospital, all such books, documents or records, during regular business hours of Medical Director.

6.3.4 This Section pertains solely to the maintenance and disclosure of specified records and shall have no effect on the right of the parties to this Agreement to make assignments or delegations.

#### 6.4 Compliance with Laws.

6.4.1 Medical Director shall comply with the bylaws, rules, regulations, policies and standards of Hospital and its Medical Staff, as may be in effect from time to time. Medical Director shall comply with all applicable laws, rules, and regulations of all governmental authorities and accrediting agencies, having jurisdiction over Hospital, physicians, and/or this Agreement, including all hospital and professional licensure and reimbursement laws, regulations, and policies.

6.4.2 Medical Director agrees not to differentiate or discriminate in its provision of medical services to patients due to race, color, national origin, ancestry, religion, sex, marital status, sexual orientation, age, medical condition, medical history, genetics, evidence of insurability, or claims history, in violation of any applicable state, federal or local law, or the rules and regulations of Hospital, with respect to such matters. In this regard and not by way of limitation to any other provision hereof, Medical Director shall comply with the Age Discrimination Act of 1975 and the Americans with Disabilities Act, as amended, and all regulations issued pursuant thereto applicable to Medical Director's services under this Agreement.

6.5 Changes in Laws. In the event there are any changes in Medi-Cal, Medicare, JCAHO accreditation guidelines or requirements, federal or state tax exemption requirements, and/or substantial changes under other public or private health and/or hospital care insurance programs or policies which may have a material effect on the operations of Hospital, Hospital may elect to renegotiate this Agreement. Hospital shall indicate the basis upon which it has determined that such a material impact on its operations may result. In any case where such notice is provided, both parties shall negotiate in good faith during the thirty (30) day period thereafter in an effort to develop a revised Agreement, which, to the extent reasonably practicable, will adequately protect the interests of both parties in light of the changes which constituted the basis for the exercise of this provision.

#### 6.6 Verification of Costs.

6.6.1 If and to the extent required by Section 1395x(v)(1) of title 42 of the United States Code, until the expiration of four (4) years after termination of this agreement, Palomar Pomerado Health shall make available, upon written request to the Secretary of the United States Department of Health and Human Services, or upon request to the Comptroller General of the United States General Accounting Office, or

any of their duly authorized representatives, a copy of this agreement such books, documents and records as are necessary to certify the nature and extent of costs of services provided by Palomar Pomerado Health under this Agreement. Palomar Pomerado Health further agrees that in the event Palomar Pomerado Health carries out any of its duties under this agreement through a subcontract with a related organization with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve month period, such subcontract shall contain a provision requiring the related organization to make available until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract upon written request to the Secretary of the United States Department of Health and Human Services, or upon request to the Comptroller General of the United States General Accounting Office, or any of their duly authorized representatives, a copy of such subcontract and such books, documents and records of such organization as are necessary to verify the nature and extent of such costs.

## **6.7 Anti-Referral Laws.**

6.7.1 Nothing in this Agreement, nor any other written or oral agreement, nor any consideration in connection with this Agreement contemplates or requires the admission or referral of any patient to Hospital. This Agreement is not intended to influence Medical Director's judgment in choosing the medical facility appropriate for the proper care and treatment of their patients.

6.7.2 Hospital and Medical Director acknowledge and agree that (i) this Agreement covers all of the services provided by Medical Director to Hospital or by Hospital to Medical Director with respect to Department, and (ii) the overall value of the services by and between Hospital and Medical Director are substantially equivalent. In the event Hospital and Medical Director enter into any other agreements pursuant to which Medical Director provides services to Hospital or Hospital provides services to Medical Director, Hospital and Medical Director shall execute and attach hereto an addendum which cross-references any such other agreements.

6.8 Disclosure of Interests. In order to permit compliance with federal anti-referral statutes and regulations commonly known as Stark I and II (42 U.S.C. Section 1395nn), as those statutes and regulations may be amended from time to time, Medical Director agrees to provide to Hospital upon execution of this Agreement with information sufficient to disclose any ownership, investment or compensation interest or arrangement of Medical Director or any of Medical Director's immediate family members, in any entity providing "designated health services", as that term is defined in applicable statutes and regulations. In addition Medical Director shall immediately inform Hospital of any other arrangements that may present a conflict of interest or materially interfere with Medical Director's performance of its duties under this Agreement. Hospital may exercise its right to terminate this Agreement under Section 4.2.2 above if Medical Director pursues or engages in conduct that does constitute a conflict of interest or that

materially interferes with (or is reasonably anticipated to interfere with) Medical Director's performance under this Agreement.

## 6.9 Dispute Resolution.

6.9.1 In the event of any dispute or disagreement between the parties with respect to this Agreement, either party may request in writing for a special meeting for the resolution of the dispute (the "Special Meeting"). The Special Meeting shall be held at a mutually agreeable location within ten (10) days of a written request for the meeting, which request shall specify the nature of the dispute to be resolved. The Special Meeting shall be attended by representatives of Hospital and Medical Director (who may or may not be accompanied by legal counsel, in their respective discretion), who shall attempt in good faith to resolve the dispute and shall have reasonable authority to do so.

6.9.2 If a dispute has not been resolved through the Special Meeting process described in Section 6.9.1 above, the arbitration process shall be utilized and either party may commence arbitration by giving a written notice to the other party demanding arbitration. There shall be one (1) impartial third party arbitrator. If the parties are unable to agree upon a mutually acceptable arbitrator within thirty (30) days after the demand for arbitration is given, then the parties stipulate to the arbitration before a single impartial third party arbitrator who is a retired judge on the San Diego panel of JAMS/Endispute, Inc. and who is selected by the then serving chief administrative officer of JAMS/Endispute, Inc. The substantive internal law (and not the conflict of laws) of the State of California shall be applied by the arbitrator to the resolution of the dispute. The parties shall have the rights of discovery as provided for in Part 4 of the California Civil Code Procedure and the provisions of Section 1283.05 of the California Code of Civil Procedure are hereby incorporated by reference into this Agreement pursuant to the provisions of Section 1283.1(b) of the California Code of Civil Procedure.

6.9.3 The arbitration shall take place in the County of San Diego State of California, unless the parties otherwise agree in writing. All decisions of the arbitrator shall be final, binding, and conclusive on all parties subject to appeal or being set aside only on the grounds set forth in the California Code of Civil Procedure, and, except as otherwise set forth in Section 6.9.4 below, shall be the only method of resolving disputes or matters subject to arbitration pursuant to this Agreement.

6.9.4 Notwithstanding the contrary provisions of this Section 6.9, each of the parties hereto shall have the right to apply for and obtain a temporary restraining order or other temporary, interim or permanent injunctive or equitable relief from a court of competent jurisdiction in order to enforce the provisions of any part of this Agreement as may be necessary to protect its rights under those Sections.

6.10 Assignment and Delegation. Neither this Agreement nor any of the rights or duties under this Agreement may be assigned or delegated by Medical Director without the prior written consent of Hospital in its sole discretion, except as expressly

authorized in this Agreement. Any attempted or purported assignment by Medical Director in violation of this provision shall be void. Hospital, in the exercise of its sole and absolute discretion, shall have the right at any time to assign, delegate or in any manner transfer all or any portion of its interests, obligations or duties under this Agreement to any person, group or entity without the consent of Medical Director.

**6.11 Binding on Successors in Interest.** The provisions of this Agreement and obligations arising hereunder shall extend to and be binding upon and inure to the benefit of the assigns and successors of each of the parties hereto.

**6.12 Notice.** Any notice required to be given hereunder shall be in writing and delivered personally or by overnight delivery or sent by registered or certified mail, return receipt requested, at the applicable addresses listed below, or at such other addresses as a party may hereafter designate to the other:

If to PPH and/or Hospital: Palomar Pomerado Health  
15255 Innovation Drive, Suite 204  
San Diego, CA 92128  
Attention: Administrator/Chief Operating  
Officer, Palomar Medical Center

If to Medical Director: Steve M. Kuriyama, M.D.  
122 Escondido Avenue  
Suite #101  
Vista, CA 92084

All notices shall be deemed give on the date of delivery if delivered personally or by overnight delivery, or three (3) business days after such notice is deposited in the United States mail, addressed and sent as provided above.

**6.13 Governing Law.** The validity, interpretation, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of California and the United States.

**6.14 Severability.** The provisions of this Agreement shall be deemed severable and if any portion shall be held invalid, illegal or unenforceable for any reason, the remainder of this Agreement shall be effective and binding upon the parties.

**6.15 Compliance with Hospital Standards.** Medical Director shall comply with Hospital's corporate compliance programs, including but not limited to the Performance Improvement Plan, Provision of Patient Care Plan, Safety Plan, Infection Surveillance Plan, Confidentiality Policy and Management of Information Plan. Medical Director shall cooperate with Hospital corporate compliance audits, reviews, and investigations, which relate to Medical Director and/or any of the services provided by Medical Director under this Agreement. Subject to request by Hospital, such cooperation

shall include without limitation the provision of any and all Medical Director documents and/or information related to Medical Director activities including the provision of Administrative Services under this Agreement. In addition, as requested by Hospital, Medical Director shall participate in corporate compliance-related seminars and educational programs sponsored by Hospital as part of Hospital's corporate compliance program. Medical Director shall ensure that all personnel retained by Medical Director either directly or indirectly to provide services under this Agreement have not been subject, or are currently not subject, to sanction or exclusion from participation under any federal or state health care program. Any such personnel retained by Medical Director who become so sanctioned or excluded during the term of this Agreement shall be immediately removed by Medical Director and shall be thereafter excluded from the provision of services under this Agreement.

**6.16 Captions.** Any captions to or headings of the articles, sections, subsections, paragraphs or subparagraphs of this Agreement are solely for the convenience of the parties, are not part of this Agreement, and shall not be used for interpretation or determination of the validity of this Agreement or any provision hereof.

**6.17 Entire Agreement; Amendment.** The making, execution, and delivery of this Agreement by the parties has not been induced by any representations, statements, warranties or agreements other than those herein expressed. This Agreement embodies the entire understanding of the parties, and there are no further or other agreements or understandings, written or oral, in effect between the parties hereto relating to the subject matter hereof, unless expressly referred to by reference herein. This Agreement supersedes and terminates any previous oral or written agreements between the parties hereto with respect to the subject matter of this Agreement, and any such prior agreement is null and void. This Agreement may be amended or modified only by an instrument in writing signed by both parties to this Agreement.

**6.18 Waiver of Provisions.** Any waiver of any terms, covenants and/or conditions hereof must be in writing, and signed by the parties hereto. A waiver of any of the terms, covenants and/or conditions hereof shall not be construed as a waiver of any other terms, covenants and/or conditions hereof, nor shall any waiver constitute a continuing waiver.

**6.19 Attorneys' Fees.** In the event that any action, including mediation or arbitration, is brought by either party hereto to enforce or interpret the terms of this Agreement, the prevailing party in such action shall be entitled to its costs and reasonable attorneys' fees and costs (including allocated costs of in-house counsel) incurred therein from the nonprevailing party, in addition to such other relief as the court or arbitrator may deem appropriate.

**6.20 Force Majeure.** Neither party shall be liable nor deemed to be in default for any delay, interruption or failure in performance under this Agreement deemed resulting, directly or indirectly, from Acts of God, civil or military authority, war, accidents, fires explosions, earthquakes, floods, failure of transportation, machinery or supplies, vandalism, riots, civil disturbances, strike or other work interruptions by either party's employees, or any similar or dissimilar cause beyond the reasonable control of either party. However, both parties shall make good faith efforts to perform under this Agreement in the event of any such circumstances. In the event Hospital determines that Hospital facilities have been entirely or substantially destroyed by any of the above, this Agreement may be terminated by either party upon ten (10) days written notice to the other.

**6.21 Gender And Number.** Whenever the context hereof requires, the gender of all words shall include the masculine, feminine, and neuter, and the number of all words shall include the singular and plural.

**6.22 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

**6.23 Tax Exempt Financing.** In the event PPH or Hospital decides to seek tax exempt financing, Medical Director agrees to amend this Agreement as may be necessary in order for Hospital to obtain such financing. Immediately upon request for Hospital, Medical Director shall execute any and all such amendments presented by Hospital and shall return promptly said fully executed original amendments to Hospital.

**6.24 Non-Discrimination.** Each of the parties hereto represents and warrants that it is and at all times during the term of this Agreement will be in full compliance with Section 504 of the Rehabilitation Act of 1973 and Titles VI and VII of the 1964 Civil Rights Act, as amended and all regulations issued pursuant thereto.

6.25 Incorporation of Exhibits. All schedules, exhibits, and recitals referred to in this Agreement are an integral part of this Agreement and are incorporated in full in this Agreement by this reference.

This Medical Director Agreement is executed at Escondido, California as of the date set forth above.

**PALOMAR POMERADO HEALTH  
("PPH")**

By: \_\_\_\_\_  
Its \_\_\_\_\_

\_\_\_\_\_  
("Medical Director")

**EXHIBIT A  
ADMINISTRATIVE SERVICES**

**PALOMAR MEDICAL CENTER**

**INFECTIOUS DISEASE PROGRAM  
JOB DESCRIPTION**

**POSITION TITLE: Medical Director for Infectious Disease Program**

**Qualifications:**

A physician member of the active medical staff at Palomar Medical Center, who has special interest and specific knowledge in the assessment, diagnosis and treatment of patients with infectious diseases and/or problems, shall provide medical direction for the Infectious Disease Program. The Medical Director shall be qualified as a board-certified infectious diseases specialist by the American Board of Internal Medicine, Infectious Diseases and be in good standing with that organization.

**POSITION SUMMARY**

The Infectious Disease Medical Director shall have the overall responsibility for the administrative management of the Infectious Disease services provided in the Palomar Pomerado Health System in cooperation with the Nurse Epidemiologist. The Infectious Disease Medical Director will ensure that the medical and nursing services provided are consistent with established policies and procedures as set forth in the PPHS Infectious Disease Plan as well as the Medical Staff Bylaws/Rules and Regulations.

**MAJOR RESPONSIBILITIES**

**1. Administrative and Consultative**

- A. The Infectious Disease Medical Director is responsible for overseeing the implementation of policies established by the Infection Surveillance Committee.
- B. In conjunction with the Nurse Epidemiologist, review nonsocomial surveillance data and consult regarding any outbreaks of infection, compliance with established policies or problems noted, etc.
- C. Participate with the Nurse Epidemiologist in planning goals and objectives for Infectious Disease.



Attachment "A" (continued)  
Infectious Disease Medical Director  
Position Description

- D. In conjunction with the Nurse Epidemiologist, ensure that monthly statistics are maintained and reported as appropriate.
- E. Conduct the bimonthly meetings of the Infectious Disease Committee.
- F. Shall designate a qualified physician to provide coverage during absences of more than 2 weeks. If another Infectious Disease Specialist is not available, the Medical Director shall designate a physician who is Board Certified in Internal Medicine.
- G. Participate with the hospital in providing education on Infectious Disease to the hospital's Medical Staff, the medical community and the community at large.
- H. Other responsibilities as agreed to by the Infectious Disease Medical Director and Administration.
- I. The Medical Director shall be available during business hours, Monday through Friday.

2. Education

- A. Will be an active contributor to the Medical Staff CME Program.
- B. Will review with the Nurse Epidemiologist the yearly plan for Continuing Education for nurses.

3. Patient Care

- A. Infectious Disease Medical Director may be consulted in isolation decisions involving care of patients with serious communicable diseases.

4. General Responsibilities

- A. Perform each and every duty which, in connection with Medical Director's functions as Medical Director, is required by statute, regulation, the State of California, by the JCAHO, Hospital Bylaws, Medical Staff Bylaws or by the Medical Staff Executive Committee.

## **REPORTING RELATIONSHIP**

**A. Medical Staff Issues: Infectious Disease Committee**

**B. Administrative Issues: Senior Vice President, Quality / Clinical Effectiveness**

Palomar Medical Center  
On-Call Delegation Agreement for OB/GYN Services

**TO:** Board of Directors  
Monday, November 17, 2003, Board of Directors Meeting

**MEETING DATE:** Board Finance Committee  
Thursday, November 6, 2003

**FROM:** Gerald E. Bracht  
Senior Vice President of Hospital Operations

**BACKGROUND:** OB/GYN emergency on-call has been provided on an equitable basis by all members of the department of OB/GYN at Palomar in the past. Recently, a number of members of the department have relinquished OB privileges, limiting their practices to GYN only, resulting in fewer physicians available to take call. The matter of emergency on-call coverage was discussed at the August 2003 OB/GYN Department meeting, and the members agreed to a proposal by Escondido OB/GYN Medical Group to assume the emergency on-call responsibility for the department. The Department of OB/GYN approved the request with the stipulation that any willing and qualified member of the department be afforded equitable access to the on-call schedule.

Escondido OB/GYN met with hospital administration and proposed to receive a fixed stipend, consistent with all current on-call stipends, and assign professional fees back to the hospital in exchange for assuming the sole on-call coverage responsibility. The agreement term is stipulated to terminate effective December 31, 2004, concurrent with all other existing emergency on-call agreements, to facilitate the implementation of an alternative on-call methodology presently under assessment.

**BUDGET IMPACT:** No Budget Impact.

**STAFF RECOMMENDATION:** Approval.

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:** Approval of the on-call delegation agreement with Escondido OB/GYN Medical Group, Inc., for OB/GYN services at Palomar Medical Center, for a term commencing September 1, 2003, and ending December 31, 2004.

**Motion:** X

**Individual Action:**

**Information:**

**Required Time:**

## PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	<b>TITLE</b>	On-Call Delegation Agreement for OB/GYN Services at Palomar Medical Center
	<b>AGREEMENT DATE</b>	November 1, 2003 (signature date)
Recitals	<b>PARTIES</b>	Palomar Pomerado Health Escondido OB/GYN Medical Group, Inc.
Recitals	<b>PURPOSE</b>	Provision of emergency on-call coverage for OB/GYN at Palomar Medical Center.
1.0	<b>SCOPE OF SERVICES</b>	Coverage of unassigned OB/GYN patients presenting in the emergency department on a 24/7 basis.
	<b>PROCUREMENT METHOD</b>	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
5.0	<b>TERM</b>	September 1, 2003 through December 31, 2004
	<b>RENEWAL</b>	None.
6.1 6.2-6.3	<b>TERMINATION</b>	Without cause with 90 days written notice by either party. With cause as delineated in the agreement.
2.0	<b>COMPENSATION METHODOLOGY</b>	Daily rate for each day of scheduled coverage 365 days per year with professional fees signed over to Hospital.
	<b>BUDGETED</b>	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	<b>EXCLUSIVITY</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO – EXPLAIN: Eligible and willing physicians may request to assume on-call coverage and be equitably scheduled.
	<b>JUSTIFICATION</b>	Required to comply with Federal EMTALA regulations.
	<b>POSITION POSTED</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO   Methodology & Response: Discussed in Department of OB/GYN with all eligible providers.
	<b>ALTERNATIVES/IMPACT</b>	Consider for inclusion under the overall Emergency on-call project.
	<b>Duties</b>	<input type="checkbox"/> Provision for Staff Education <input type="checkbox"/> Provision for Medical Staff Education <input type="checkbox"/> Provision for participation in Quality Improvement <input type="checkbox"/> Provision for participation in budget process development
	<b>LEGAL REVIEW</b>	Attorney developed template agreement used.
	<b>COMMENTS</b>	
	<b>APPROVALS REQUIRED</b>	<input checked="" type="checkbox"/> VP <input type="checkbox"/> CFO <input type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Committee   FINANCE <input checked="" type="checkbox"/> BOD

## ON-CALL DELEGATION AGREEMENT

THIS ON-CALL DELEGATION AGREEMENT ("Agreement") is made and entered into by and between Palomar Pomerado Health, a local health care district organized pursuant to Division 23 of California Health and Safety Code ("PPH"), and Escondido OB/GYN Medical Group, Inc., a California professional corporation ("Medical Group").

### RECITALS

A. PPH owns and operates a general acute care hospital: Palomar Medical Center ("Hospital"), and provides emergency services to patients who present themselves for evaluation and treatment through the emergency and various other departments of the Hospital, including, but not limited to, the intensive care unit, Birth Center, and other inpatient departments of the Hospital (collectively, the "Departments").

B. Pursuant to state and federal law, the Hospital has established "on-call" panels of physicians ("On-Call Panel") in order to assure the availability of adequate physician coverage for the Departments.

C. Medical Group's Physicians are licensed to practice medicine in the State of California, are Board certified or eligible for certification in obstetrics/gynecology, are members of the medical staff of Hospital, and are approved by the Hospital Medical Staff to serve on the On-Call Panel.

D. PPH and Medical Group each recognize that there is currently limited coverage available for obstetrics/gynecology within PPH's service area. PPH and Medical Group further recognize that the On-Call Panel performs a necessary patient care function at the Hospital, and Medical Group agrees to render coverage and services, and arrange for such coverage and services, assuring prompt and continuous availability of obstetrical/gynecological care to PPH patients.

NOW, THEREFORE, in consideration of the recitals, covenants, conditions and promises herein contained, the parties hereby agree as follows:

#### 1. Physician's On-Call Panel Coverage Services.

1.1 Medical Group's Physicians shall either personally provide, or arrange for Qualified Physicians meeting the requirements of Section 1.6 of this Agreement to provide, On-Call Panel coverage and services for the Hospital twenty-four (24) hours per day and seven (7) days per week, regardless of payor class, to: (1) patients who are not currently assigned to any particular physician at the time coverage and services are provided, and (2) patients, including inpatients, who may be assigned to a particular physician, but who require consultation or other physician services from a physician with specialty training in obstetrics/gynecology (collectively, "Coverage Patients"). Specifically, Medical Group's Physicians shall provide those services they are qualified and privileged by the Hospital to provide, when PPH or the Hospital requests that Medical Group's Physicians or Qualified Physicians provide such On-Call Panel services to a Coverage Patient. For purposes of this Agreement, "On-Call Panel

Coverage" shall mean Medical Group or a Qualified Physician is either physically present in the applicable Department or immediately available by telephone and/or pager to arrive at the applicable Department during his or her scheduled on-call rotation within the time frame specified in the Hospital medical staff bylaws, and rules and regulations, in order to provide professional services to Coverage Patients.

1.2 Medical Group shall schedule Medical Group's Physicians and/or any Qualified Physicians to be on-call for periods of twenty-four (24) continuous hours. Medical Group shall provide a monthly on-call schedule to the medical staff office of Hospital by at least the fifteenth (15th) day of the preceding month. Medical Group agrees to notify the medical staff office of any changes to the On-Call Panel schedule as soon as reasonably possible.

1.3 This Agreement does not constitute an exclusive arrangement for On-Call Panel coverage and services for obstetrics/gynecology at the Hospital. Subject to section 2.3 below, Medical Group shall provide any Qualified Physician a reasonable opportunity to provide On-Call Panel coverage and services at the Hospital for the number of days per month that would be proportionally allocated to such physician if all Qualified Physicians at the Hospital received an equal number of days. Medical Group shall add such Qualified Physicians to the monthly on-call schedule for the Hospital upon such Qualified Physicians' requests.

1.4 Medical Group's Physicians and Qualified Physicians shall provide On-Call Panel coverage and services in accordance with the bylaws, rules and regulations, policies and procedures of PPH, the Hospital, and the Hospital's medical staff, as they may be amended from time to time, in addition to all requirements imposed by statute, state licensing regulations, and all standards and recommendations of the Joint Commission on Accreditation of Healthcare Organizations. Nothing provided herein shall in any way impact Medical Group's Physicians' or a Qualified Physician's medical staff emergency on-call obligations as set forth in the Hospital medical staff bylaws, or rules and regulations.

1.5 Medical Group's Physicians and Qualified Physicians, as applicable, shall promptly report the results of services provided to Coverage Patients to such patients' attending physicians, if any, in accordance with the policies and procedures now or hereafter established by PPH, the Hospital and the Hospital's medical staff. Further, Medical Group's Physicians and Qualified Physicians shall promptly prepare all written reports and medical records required by PPH with reference to such services by Medical Group's Physicians and Qualified Physicians. The ownership and right of control of all reports, records, and supporting documents prepared in connection with services performed by Medical Group's Physicians and Qualified Physicians shall rest exclusively in PPH, and PPH shall be custodian of all patient records. Medical Group's physicians and Qualified Physicians shall cooperate fully with PPH by maintaining and making available all necessary records, or by executing any agreements, in order to assure that PPH will be able to meet all requirements for participation and payment associated with public or private third-party payment programs, including but not limited to the Federal Medicare Program.

1.6 For purposes of this Agreement, a "Qualified Physician" shall include any other physician with specialty training in obstetrics/gynecology, who meets the requirements set forth in this Agreement. Medical Group's Physicians and Qualified Physicians shall at all times during the term of this Agreement be licensed to practice medicine in the State of California,

shall maintain Federal Drug Enforcement Administration certification, and shall maintain membership in good standing on the Hospital Medical Staff in an active, courtesy or provisional status, with the appropriate privileges to render On-Call Panel coverage and services. Qualified Physicians may provide On-Call Panel coverage and services only at the Hospital where they maintain medical staff membership and privileges in a category eligible to provide such coverage and services. PPH shall have the right, in its sole discretion, to disapprove a Qualified Physician at any time on the grounds that such individual fails to satisfy the criteria for a Qualified Physician or for any other reason. Any individual disapproved by PPH shall not be considered a Qualified Physician eligible to provide On-Call Panel services hereunder.

## **2. Compensation to Medical Group's Physicians and Qualified Physicians.**

2.1 PPH shall pay Medical Group for providing On-Call Panel coverage and services, and for arranging for such coverage and services, hereunder at the rate of [REDACTED] per day of coverage by Medical Group's Physicians. Medical Group shall, on a monthly basis on or before the fifth (5th) day of each calendar month during the entire term of this Agreement, commencing with the second (2nd) calendar month of the term of this Agreement, submit to PPH the On-Call Panel schedule evidencing who actually provided On-Call Panel coverage and services on each day for the previous month for obstetrics/gynecology. Qualified Physicians providing coverage shall be compensated by PPH under separate agreement between PPH and Qualified Physicians. Payments shall be made by PPH to Medical Group on or before the fifteenth (15th) day of the calendar month following the month in which such coverage and services are provided.

2.2 Only Hospital may bill Hospital's patients or third parties who may be responsible for payment of Hospital's facility fees and Medical Group professional fees as the agent for physicians providing Contract Services. The Medical Group shall not bill such patients, their families or any third party for any services provided under this Agreement. All collections for both Hospital fees and Medical Group professional fees will be retained by the Hospital unless collections for Medical Group professional fees exceed the amount paid under 2.1 and the cost of billing, in which case the excess over and above will be paid to Medical Group annually.

2.3 Qualified Physicians shall bill and collect for professional services they provide as a result of serving on the On-Call Panel and such collections shall be Qualified Physicians' sole compensation for all professional services they provide. Qualified Physicians shall comply with applicable laws and customary professional practices governing billing for Medicare, Medicaid, and other third party programs, whether public or private. Qualified Physicians' rates shall be reasonable and consistent with those charged by comparable physicians in the community.

2.4 No Qualified Physician is entitled to receive any compensation from PPH under this Agreement. Moreover, this Agreement does not require Medical Group to provide any particular level of compensation, or any compensation at all, to Qualified Physicians for the performance of On-Call Panel coverage and services. Any compensation to Qualified Physicians by Medical Group shall be in Medical Group's sole discretion.

2.5 Medical Group shall obtain from Medical Group's Physicians performing On-Call Panel coverage and services signed acknowledgement of the terms and conditions of this agreement in a form substantially similar to the Acknowledgement set forth in Exhibit A.

2.6 As Medical Group agrees hereunder to ensure complete coverage twenty-four (24) hours a day, seven (7) days per week, for On-Call Panel services for obstetrics/gynecology, Medical Group recognizes that any failure by Medical Group to ensure such complete coverage may require PPH to procure alternate coverage at significant cost or transfer or refuse patients who require obstetrical/gynecological care. Therefore, Medical Group agrees to forfeit [REDACTED] [REDACTED] for each day that Medical Group fails to provide or arrange for On-Call Panel coverage for Hospital. Medical Group also agrees to reimburse PPH for any reasonable costs, beyond the forfeited amount described above, associated with procuring alternate coverage for a day when Medical Group fails to provide personally or arrange for On-Call Panel coverage.

### 3. Governmental Audit.

Until the expiration of four (4) years after the furnishing of any services pursuant to this Agreement, Medical Group and Qualified Physicians shall make available, upon written request to the Secretary of the United States Department of Health and Human Services or to the United States Comptroller General, or any of their duly authorized representatives, this Agreement, and such books, documents and records of Medical Group and Qualified Physicians as are necessary to certify the nature and extent of the reasonable costs of service to PPH. Medical Group and Qualified Physicians shall notify PPH promptly in the event of any requests for information from a governmental agency for the purpose of an audit as contemplated by this Section 3, and shall make available to PPH, upon request, all information, books, and records which may be subject to such audit. This section shall be of no force or effect when and if it is not required by law.

### 4. Professional Relationship.

4.1 In the performance of the work, duties and obligations under this Agreement, it is mutually understood and agreed that Medical Group and all Qualified Physicians at all times are acting and performing as independent contractors with respect to PPH, practicing the profession of medicine; that no relationship of employer and employee is created by this Agreement, and that Medical Group's Physicians and Qualified Physicians therefore can make no claim against PPH under this Agreement for Social Security benefits, workers compensation benefits, disability benefits, unemployment insurance benefits, vacation pay, sick leave, retirement benefits, health insurance, professional liability insurance, or any other employee benefits of any kind.

4.2 PPH shall neither have nor exercise any control or discretion over the methods used by Medical Group's Physicians or Qualified Physicians; the sole interest of PPH is for the services covered by this Agreement to be performed in a competent, efficient and satisfactory manner. The standards of medical practice and professional duties of Medical Group's Physicians and Qualified Physicians shall be determined by the Hospital's medical staff.



4.3 Medical Group and Qualified Physicians shall be solely responsible for paying all taxes on the compensation paid pursuant to this Agreement. PPH will not withhold any taxes, including income taxes, social security taxes (FICA) or other taxes.

5. Term of Agreement.

Notwithstanding its date(s) of execution by the parties, the term of this Agreement shall commence effective as of September 1, 2003 and shall continue until December 31, 2004, unless earlier terminated as hereinafter provided.

6. Termination.

6.1 Notwithstanding Section 5 above, either party shall have the right to terminate this Agreement without cause at any time, by giving ninety (90) days written notice of termination to the other party. Termination shall be effective automatically upon the expiration of ninety (90) calendar days after the giving of such notice of termination.

6.2 Either party shall have the right to terminate this Agreement in the event of a material breach or default hereunder by the other party by giving written notice specifying the grounds for such termination. Such termination shall be effective ten (10) calendar days after the giving of written notice of termination if the default or breach specified in the notice shall not have been cured.

6.3 This Agreement shall terminate automatically, immediately and without notice if Medical Group:

6.3.1 Dies or is disabled for more than thirty (30) consecutive days or more than forty-five (45) days in a ninety (90) day period.

6.3.2 Has his Medical Staff membership, Medical Staff clinical privileges, or license to practice medicine terminated (whether voluntarily or involuntarily), restricted, or suspended.

6.3.3 Engages in conduct that jeopardizes the health, safety, or welfare of any person or PPH's or the Hospital's reputation.

6.3.4 Fails to meet the qualifications of this Agreement.

6.3.5 Is convicted of any crime punishable as a felony or is excluded from participation in any state or federal health care program, including but not limited to Medicare or Medicaid.

6.3.6 Fails to maintain the required professional liability insurance.

7. Insurance.

Medical Group's Physicians and all Qualified Physicians shall maintain at their sole expense, a policy or policies of professional liability insurance as required by the Hospitals'

Medical Staff Bylaws, but in any event no less than One Million Dollars (\$1,000,000) per claim/Three Million Dollars (\$3,000,000) annual aggregate.

**8. Assignment.**

Medical Group shall have no right to assign, delegate or in any manner transfer all or any portion of his interest, obligation or duty under this Agreement, except as provided above, without first obtaining the written consent of PPH, which consent shall be in PPH's sole and absolute discretion.

**9. Waiver.**

Any waiver of any term, covenant or condition of this Agreement by any party hereto shall not be effective unless set forth in writing signed by the party granting such waiver, and in no event shall any such waiver be deemed a waiver of any preceding or succeeding breach of the same term, covenant or condition nor of any other term, covenant or condition of this Agreement.

**10. Amendments; Entire Agreement.**

All oral and written agreements, contracts, understandings or arrangements which may have been heretofore made or entered into between the parties hereto are hereby terminated and superseded by this Agreement. This document contains the entire Agreement between the parties hereto regarding the subject matter hereof. No modification or alteration of this Agreement shall be valid and/or binding unless endorsed hereon and executed by all parties hereto. Except as set forth herein, no representations, promises, warranties or guarantees, oral or written, express or implied in fact or in law, have been made by either party concerning the transaction herein.

**11. Notices.**

All notices required or permitted to be given hereunder shall be in writing and sufficient if personally delivered, sent by overnight delivery, or sent by certified or registered mail, return receipt requested, postage prepaid, to the addresses set forth below. All notices shall be deemed given on the date of delivery if delivered personally or by overnight delivery, or three (3) business days after such notice is deposited in the United States mails, addressed and sent as provided above.

To PPH: Palomar Medical Center  
555 East Valley Parkway  
Escondido, CA 92025  
Attention: Administration

To Medical Group: Escondido OB/GYN Medical Group, Inc.  
641 East Pennsylvania Avenue  
Escondido, CA 92025  
Attention: Robert Trifunovic, M.D

Either party may change his/its address by giving notice in the manner provided herein.

**12. Governing Law.**

The validity, interpretation, and performance of this Agreement shall be governed by and construed in accordance with the internal laws (not the choice of law) of the State of California.

**13. No Requirement to Refer; Fair Market Value.**

Nothing in this Agreement, nor any other written or oral agreement, nor any consideration in connection with this Agreement contemplates or requires the admission or referral of any patient to PPH or the Hospital. Neither this Agreement, nor any agreement between Medical Group's Physicians and any Qualified Physician, is intended to influence Medical Group's Physicians' or Qualified Physicians' judgment in choosing the medical facility appropriate for the proper care and treatment of their patients. All compensation paid by PPH to Medical Group under this Agreement, and all compensation paid to Qualified Physicians under any agreement, if any, shall be in accordance with fair market value for services provided.

**14. Severability.**

The provisions of this Agreement shall be deemed severable and if any portion shall be held invalid, illegal or unenforceable for any reason, the remainder of this Agreement shall be effective and binding upon the parties.

**15. Attorney Fees.**

In the event of any suit under this Agreement, the prevailing party shall be entitled to reasonable attorneys fees and costs, including allocated costs of in-house counsel, to be included in any judgment recovered or in enforcing any judgment arising from a suit under this Agreement.

**16. Non-Discrimination.**

Medical Group's Physicians represent and warrant that in providing services hereunder he or she is, and at all times during the term of this Agreement will be, and will use best efforts to ensure that Qualified Physicians providing On-Call Panel services are, in full compliance with California Health and Safety Code Section 1317 et seq., the Emergency Medical Treatment and Active Labor Act (EMTALA), 42 United States Code Section 1395dd, the Federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), Section 504 of the Rehabilitation Act of 1973 and Title VI and VII of the 1964 Civil Rights Act, as amended, and that Medical Group's Physicians and Qualified Physicians shall not discriminate against or refuse to provide care and services to any patients on the basis of race, ethnicity, religion, national origin, citizenship, age, sex, pre-existing medical condition, physical or mental handicap, insurance status, economic status or ability to pay for medical services, except to the extent that a circumstance such as age, sex, pre-existing medical condition, or physical or mental handicap is medically significant to the provision of appropriate medical care to the patient.

**17. Corporate Compliance.**

Medical Group's Physicians and all Qualified Physicians shall at all times comply with all policies, procedures and rules of PPH relating to the provision of services as required under the terms of this Agreement. Such policies and procedures shall include without limitation compliance with PPH's corporate compliance program.

**18. HIPAA Compliance Agreement.**

**18.1 Definitions.**

18.1.1 "HIPAA" shall mean the Health Insurance Portability and Accountability Act of 1996 and any regulations promulgated thereunder, including but not limited to the Standards for Privacy of Individually Identifiable Health Information found at 45 C.F.R. Parts 160 and 164 ("Privacy Standards"), and the Standards for Electronic Transactions found at 45 C.F.R. Parts 160 and 162 ("Transaction Standards").

18.1.2 "Protected Health Information" or "PHI" shall mean information maintained or disclosed by PPH to Medical Group electronically, on paper or orally that identifies an individual and relates the individual's health, healthcare treatment or healthcare payment, as defined in the Privacy Standards. Protected Health Information also includes information that would be classified as confidential patient information under any other state or federal law.

**18.2 HIPAA Privacy Compliance.**

18.2.1 Facilities are Covered Entities that provide health care as defined under Section 1171 of HIPAA. Facilities may provide access to or disclose Protected Health Information to Medical Group so that Medical Group may fulfill each of their obligations under this Agreement. Such Protected Health Information shall be provided solely for the purposes set forth in the Agreement.

18.2.2 Medical Group shall, and shall cause each Staff Member to, take all reasonable steps to handle and disclose Protected Health Information provided to it by Facilities, or created by Medical Group for Facilities, directly or indirectly, in a manner such that the security and privacy of such information shall be maintained and use appropriate safeguards to prevent use or disclosure of the information other than as described herein. Specifically, Medical Group shall, and shall cause each Physician to:

18.2.2.1 Use and disclose Protected Health Information solely for the benefit of Hospital, Medical Group or for its own internal administration or management, and shall not disclose any such information to third parties except as required by law or as explicitly authorized by Hospital, Medical Group, as applicable, or the patient to whom the Protected Health Information pertains.

**18.2.2.2** Ensure that all of Medical Group's agents, subcontractors or affiliates to whom they provide Protected Health Information agree to the same restrictions and conditions for use and disclosure of Protected Health Information that apply to Medical Group.

**18.2.2.3** Allow for amendment of designated record sets; account for disclosures by Medical Group of PHI for purposes other than for treatment, payment or health care operations as those terms are defined in the Privacy Standards, and make records available so that the individual to whom the Protected Health Information pertains may review, access and obtain a copy of such record, consistent with the policies and procedures of Facilities, as applicable, for any record containing Protected Health Information received from or created for Facilities, as applicable.

**18.2.2.4** Make all internal practices, books and records relating to the use and disclosure of Protected Health Information available to the Secretary of the Department of Health and Human Services ("DHHS") for purposes of determining Hospital's and/or Medical Group's compliance with HIPAA.

**18.2.3** Medical Group agrees, and shall cause each Staff Member to agree, with respect to PHI generated by or for Facilities, or part of a designated record set designated as the PPH records, to comply and shall require any of their contractors and subcontractors to comply with all reasonable and necessary policies and procedures drafted by Hospital for purposes of complying with the Privacy Standards, or other applicable state or federal health information privacy laws or data security requirements; provided however, that (i) Hospital and/or Medical Group, as applicable, shall provide such policies and procedures to Medical Group, who in turn shall provide them to Physicians, at least one hundred twenty (120) days prior to the final compliance date set for implementation of such policies and procedures, and (ii) Medical Group, as applicable, shall demonstrate to the satisfaction of Hospital and/or Medical Group compliance with such policies and procedures no later than sixty (60) days prior to the final compliance date established by Facilities, as applicable. PPH shall provide Medical Group with written statement of non-compliance. Medical Group shall have the opportunity to cure any such matters of non-compliance. In the event Medical Group and PPH cannot resolve non-compliance disputes, such disputes shall be submitted for dispute resolution as set forth in Section 10.10.1.

**18.2.4** Facilities may request at any time prior to the final compliance date for the Privacy Standards and at reasonable times thereafter, a statement of assurance from Medical Group that Medical Group has in place sufficient controls and procedures to manage all Protected Health Information provided to Medical Group, as applicable, by Facilities in a manner such that the security and privacy of such information shall be maintained. Medical Group shall notify Facilities, as applicable, within five (5) business days of any instance in which security or privacy of PHI contained in or relating to a PPH medical record in their possession may have been breached or in which any use or disclosure of Protected Health Information not provided for in this Agreement may have occurred, and provide a description of the steps Medical Group intend(s) to take or has taken to rectify the security or privacy breach.

**18.2.5** Facilities shall name Medical Group as an Affiliated Entity operating under the Notice of Privacy Practices for PPH.

**18.3 HIPAA Transaction Code Set Compliance.**

18.3.1 Pursuant the HIPAA Transaction Standards and to the policies and procedures of PPH, with respect to the transfer of PHI or other patient identifiable health information electronically (other than via facsimile), PPH shall adopt a set of industry standard codes to be used with such electronic transactions. PPH shall be responsible for providing to Medical Group appropriate transaction and code sets consistent with the Transaction Standards for purposes of billing and payment of services relating to Facilities patients. PPH shall not be responsible for creating any transaction or code set relating to any non-PPH transaction undertaken by Medical Group.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year opposite their signatures.

**PALOMAR POMERADO HEALTH ("PPH")**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**ESCONDIDO OB/GYN MEDICAL GROUP, INC.**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**

**ACKNOWLEDGEMENT**

I, \_\_\_\_\_ (Covering Physician), hereby  
acknowledge that I have read and understood the On-Call Delegation Agreement by and between  
Palomar Pomerado Health and Escondido OB/GYN Medical Group, Inc. ( the "Agreement") and  
agree to abide by all terms and conditions of the Agreement.

**COVERING PHYSICIAN**

Signed \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

(Please Print)

## Expenditure of Funds for CSUSM School of Nursing

**TO:** Board of Directors  
November 17, 2003, Board of Directors Meeting

**MEETING DATE:** Board Finance Committee  
Thursday, November 6, 2003

**BY:** Bob Hemker, CFO

**Background:** As a result of the *ad hoc* Committee for Nursing Future, PPH has been engaged in significant conversations with California State University, San Marcos (CSUSM), regarding the development of a nursing degree program at the University.

Pursuant to these discussions, CSUSM has committed to adding the program with a goal of commencing in the Fall 2004 term. To do so, they have requested financial support in the amount of \$125,000 - \$150,000 to fund the developmental consultant.

PPH has approached Tri-City Medical Center to share in this requested funding. It is expected that, should they participate, they will share in 50% of the costs.

PPH has determined that the current severity of the nursing shortage warrants the addition of a nursing degree program at CSUSM as soon as possible, and, therefore, supports this funding request and collaborative development of the nursing program.

**Budget Impact:** Up to \$150,000 in FY04.

**Staff Recommendation:** Recommend approval of up to \$150,000 to assist CSUSM in engaging a developmental consultant for the CSUSM nursing degree program. Approval offset dollar for dollar for Tri-City Medical Center's participation.

### Committee Questions:

**COMMITTEE RECOMMENDATION:** Recommend approval of up to \$150,000 in FY04 to assist CSUSM in engaging a developmental consultant for the CSUSM nursing degree program, without regard to participation by Tri-City Medical Center.

**Motion:** X

**Individual Action:**

**Information:**

**Required Time:**



## Disaster Relief Fund/Disaster Recovery

**TO:** Board of Directors  
November 17, 2003, Board of Directors Meeting

**MEETING DATE:** Board Finance Committee  
Thursday, November 6, 2003

**BY:** Bob Hemker, CFO

**Background:** As a result of the recent firestorm disasters, PPH incurred additional operating costs to assure continual readiness to our community. We are compiling the costs incurred and will submit claims to appropriate Federal and State Agencies for disaster relief funds for the organization. Updates on cost recoveries and recapture on lost opportunity (revenues, etc.) will be brought to the Finance Committee as they become available.

On a more immediate basis, several PPH team members and their families were personally affected by the disaster. As a result, the PPH family has established an employee disaster relief fund to assist affected team members. PPH as an organization has the ability to participate in this relief fund under certain conditions. Legal Counsel is assisting management in assuring that the required criteria are met. Under these conditions, the Finance Committee is recommending that PPH match team member contributions on a dollar for dollar basis up to \$100,000.

**Budget Impact:** Up to \$100,000 of unbudgeted costs.

**Staff Recommendation:** Recommend approval of a one-time match funding of up to \$100,000 to the disaster relief fund.

### Committee Questions:

**COMMITTEE RECOMMENDATION:** Recommendation to approve one-time disaster relief funds, matched to team member contributions, up to \$100,000.

**Motion:** X

**Individual Action:**

**Information:**

**Required Time:**

**CRITERIA FOR BALANCED SCORECARD  
FINANCIAL STRENGTH & OPERATIONAL EFFECTIVENESS**

**TO:** Board of Directors  
November 17, 2003, Board of Directors Meeting

**DATE:** Board Finance Committee  
Thursday, November 6, 2003

**FROM:** Executive Management Team

**BY:** Robert A. Hemker  
Chief Financial Officer  
  
Lorie K. Shoemaker  
Chief Nursing Executive

**BACKGROUND:** A Balanced Scorecard is a framework for translating a company's strategic objectives into a coherent set of performance measures. The Executive Management Team has completed the first steps of fashioning the PPH Scorecard by selecting four Key Value Drivers: Quality, Customer Service, Financial Strength, and Operational Effectiveness. The Team held workshops to identify suggested Key Performance Indicators to support each of the Value Drivers. The Finance Committee was requested to review and recommend the final selection of the 3 to 4 indicators under Financial Strength and Operational Effectiveness.

**BUDGET IMPACT:** None

**DISCUSSION:** At the Executive Management Team retreat, the following financial indicators were suggested as having the highest score/priority (listed in order of priority):

- Operating Income
- Cash on Hand (Days)
- Cash Collections
- Expenses per Weighted Day
- Salary, Wages, and Benefits/Weighted Days
- Bond Rating (although secondary choice because it is a yearly indicator that reflects some of the indicators presented above)

The following operational indicators were suggested as having the highest score/priority (listed in order of priority):

- ED Length of Stay for Admitted Patients
- Number of Cancelled Procedures
- Boarder Days
- Door to Doc Time in the ED
- Employee Turnover
- Productivity (FTEs/AOB)

The criteria used to score suggested indicators were importance, frequency of data collection, ease of collection, understandability, action-oriented nature, aligned with oversight agencies, and objective.

**COMMITTEE RECOMMENDATION:** The Committee recommends the use of the following three financial indicators: Operating Income, Expenses Per Weighted Day, and Salary, Wages, and Benefits/Weighted Days. The Committee felt that there should be four operational indicators: ED Length of Stay for Admitted Patients, Door to Doc Time in the ED, Productivity (FTEs/AOB), and Employee Turnover.

**Motion:** X

**Individual Action:**

**Information:**

**Required Time:**

Palomar Pomerado Health  
**BOARD OF DIRECTORS**  
**REGULAR BOARD MEETING**  
 Palomar Medical Center, Graybill Auditorium, Escondido  
 Monday, October 20, 2003

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
CALL TO ORDER	6:05 pm		
OPENING CEREMONY	The Pledge of Allegiance was recited in unison, followed by an inspirational reading by Chaplain Hard ( <i>attached</i> ).		
MISSION AND VISION STATEMENT	Director Scofield		
	The PPH mission and vision statements were read by Director Scofield, 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 is that PPH will have the highest patient satisfaction in California.</i>		
ESTABLISHMENT OF QUORUM	Bassett, Berger, Kleiter, Larson, Rivera, Scofield		
NOTICE OF MEETING	Notice of Meeting was mailed consistent with legal requirements		CEO to follow up
PUBLIC COMMENTS	Mr. Todd Galli requested Public Comment ( <i>attached synopsis</i> )		
APPROVAL OF MINUTES			
<ul style="list-style-type: none"> <li>• September 8, 2003</li> </ul>		<b>MOTION:</b> by Bassett, 2 <sup>nd</sup> by Kleiter and carried unanimously that the regular minutes of the September 8 Board Meeting be approved as submitted.	
		None opposed.	
CONSENT AGENDA		<b>MOTION:</b> by Scofield, 2 <sup>nd</sup> by Kleiter and carried unanimously to approve the Consent Agenda as presented.	
PRESENTATION			
<ul style="list-style-type: none"> <li>▪ PPH Website Phase II</li> </ul>	Tamara Hermerly presented via Powerpoint		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<p><b>REPORTS</b></p> <p><b>Medical Staff</b></p> <p><b>Palomar Medical Center</b></p> <ul style="list-style-type: none"> <li>• Credentialing</li> </ul>	<p>presentation an update on the PPH Phase II updated Website. Enhancements are anticipated on a quarterly basis.</p> <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 Medical Staff Executive Committee credentialing recommendations for the PMC Medical Staff, as presented. None opposed. Directors Larson and Rivera abstained to avoid potential conflict of interest.</p>	
<p><b>Escondido Surgery Center</b></p> <ul style="list-style-type: none"> <li>• Credentialing</li> </ul>	<p>L. Richard Greenstein, MD, Medical Director, presented requests for approval of Credentialing.</p>	<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Bassett and carried to approve the PMC Medical Staff Executive Committee credentialing recommendations for the Escondido Surgery Center, as presented. None opposed. 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>• Credentialing</li> </ul>	<p>George Y. Kung, MD, Chief of Staff presented Pomerado Hospital's requests for approval of Credentialing Recommendations.</p>	<p><b>MOTION:</b> by Scofield, 2<sup>nd</sup> by Bassett and carried to approve the Pomerado Medical Staff Executive Committee credentialing recommendations for the Pomerado Medical Staff, as presented. None opposed. Directors Larson and Rivera abstained to avoid potential conflict of interest.</p>	
<p><b>Administrative</b></p> <p><b>Chairperson - Palomar Pomerado Health Foundation</b></p>	<p>On behalf of Mary Evert, Lori Holt Pfeiler, Mayor of Escondido and Foundation member, presented a verbal report on the Foundation, noting a successful Joint Board Retreat with PPHF and PPH. November 12 was the</p>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	<p>anticipated start for the Chairman's Council. In addition, Planned Giving seminars are underway and the Foundation is working with PPH Marketing on the Community Conversations Program. The Employee Campaign goal is to raise \$50,000 and the Annual Fall mailing is also underway. November 13 is the next PPHF Board Meeting --Dr. Larson noted that we have a \$10 million goal for PPHF fund-raising, and Employees raised \$36,000 this year which was an excellent accomplishment. Ms Holt Pfeiler, who was thanked for her report, stated that there is a close working relationship between PPH and PPHF.</p>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<p>Chairman of the Board - Palomar Pomerado Health</p> <p>Resolution No. 10.20.03(01)</p>	<p>Director Larson read out a Resolution in its entirety expressing appreciation to Mr. George G. Gigliotti, who recently resigned from the Board after ten years of service.</p> <p>Following the resolution, Director Scofield wished to emphasize to all how much Mr. Gigliotti had done on the Board and that it had been a privilege to serve with him, noting what a fine, talented and generous person he was, giving of his time and energy and regretted his leaving the Board.</p> <p>Director Bassett concurred, noting Mr. Gigliotti was a gentleman of ethics, who always made his point in debate but allowed others to make theirs.</p> <p>Director Kleiter commented that Mr. Gigliotti was a very fair person who has always addressed issues and when a decision was made irrespective of his own feelings, he always supported the decision of the Board.</p> <p>Director Rivera complimented Mr. Gigliotti as being a fair and ethical individual and that it had been a pleasure working with him.</p> <p>Michael Covert, CEO, also complimented Mr. Gigliotti as being Chairman of the Board upon his arrival, noting he had always been responsive and involved, with a dry sense of humor, knowledge of finance, and interest in quality issues and he had appreciated his leadership.</p> <p>Chairman Larson considered that the remarks were well expressed in the Resolution for Mr. Gigliotti, who had been a mentor to him on the Board, and he concurred with board members'</p>	<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Rivera and unanimously carried, to honor Mr. George G. Gigliotti for his ten years of continuous and conscientious service on the Palomar Pomerado Health Board of Directors, by adoption of Resolution No. 10/20.03(01). None opposed.</p>	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	<p>comments.</p> <p>Mr. Gigliotti then verbally replied to the Board, thanking them for their appreciation and support. He noted that he had been through the potential Scripps merger which did not materialize. He thanked Bob Hemker for positively changing PPH's financial position. He also felt that the Shared Rewards Program was a positive step in creating a good working atmosphere within the system. He had created many friends during his time on the Board and that from personal family experience PMC, Pomerado and Villa Pomerado have as much to offer as other healthcare facilities within the San Diego area. Mr. Gigliotti received a standing ovation.</p>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<ul style="list-style-type: none"> <li>• Presentation of Award Pin</li> </ul>	<p>Chairman Larson presented Mr. Gigliotti with a special award pin in recognition of his ten years on the Board of Directors</p>		
<ul style="list-style-type: none"> <li>• Election of Vice Chair</li> </ul>	<p>Due to Mr. Gigliotti's resignation, who at the time held the position of Vice Chairperson on the Board of Directors, PPH Bylaws require that the Board elect a Vice Chair to serve until December, 2003.</p>	<p><b>MOTION:</b> by Berger, 2<sup>nd</sup> by Scofield and unanimously carried that the office of Vice Chair be filled by Director T.E. Kleifer.</p>	
<ul style="list-style-type: none"> <li>• Approval of Legal Representation for PPH</li> </ul>	<p>A call for nomination was made.</p>	<p>Congratulations were offered by all to Director Kleifer.</p>	
<ul style="list-style-type: none"> <li>• Formation of ad hoc Nominating Committee and status to date</li> </ul>	<p><b>MOTION:</b> by Rivera, 2<sup>nd</sup> by Bassett and unanimously carried that the firm of Latham &amp; Watkins be retained for general counsel and other matters, excluding labor employment; and the firm of Davis, Wright, Tremaine be retained for labor and employment matters.</p>		
<ul style="list-style-type: none"> <li>• Joint Board Retreat</li> </ul>	<p>Chairman Larson reported that an initial meeting was held September 29, 2003. PPH is required by law to make a board appointment to fill the vacancy in 60 days which would be November 23, 2003. Therefore an application process was opened up for three weeks and Notice of the vacancy was posted to over one hundred organizations, to our facilities, employees, and Auxiliaries. As of Friday, October 17, 2003 we had received three candidate applications, these being from Mr. Bruce Krider, consultant for hospital construction and services; Mr. Clark Hampton, an accountant and business manager with a school board; and Ruth Baer, RN, former Nurse Manager, the latter two candidates having run in the previous election.</p>		
	<p>Chairman Larson commented that a successful Joint Board Retreat was held Saturday, September 27, 2003 between Palomar Pomerado Health Foundation and Palomar Pomerado Health Boards of Directors.</p>		



AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<p><b>President and CEO</b></p> <ul style="list-style-type: none"> <li data-bbox="168 506 245 940"> <b>Introduction of Assistant to CEO</b> </li> </ul>	<p>Michael Covert, CEO, introduced Gelsy Shiell, noting that Ms Shiell had most recently worked for the leadership of Bridge Medical and he feels fortunate in having her as his Assistant. Christine Meaney, former Assistant to the CEO, had taken over from Rose Godfrey as Assistant to the Board.</p>		
<ul style="list-style-type: none"> <li data-bbox="245 506 337 940"> <b>September 2003 Values in Action Recipient</b> </li> </ul>	<p>Michael Covert congratulated Jean Kellum, Unit Secretary noted by her peers as possessing excellent computer skills and knowledge of HIPAA regulations.</p>		
<ul style="list-style-type: none"> <li data-bbox="337 506 430 940"> <b>ACHD Annual Meeting</b> </li> </ul>	<p>Michael Covert reported on this meeting, stating that 40 out of 45 hospital districts within California were represented. Legislative updates from Sacramento were also provided at the meeting.</p>		
<ul style="list-style-type: none"> <li data-bbox="430 506 522 940"> <b>Memorandum of Understanding (MOU)</b> </li> </ul>	<p>Mr. Covert commented upon a meeting he had with Dr. Art Gonzalez, CEO of Tri-City Medical Center, noting that PPH will go back to its Finance Committee to request \$150,000 to assist California State University San Marcos in engaging a consultant for the CSUSM nursing degree program. PPH has approached Tri-City to share in this requested funding and it is expected that, should they participate, they will share in 50% of the costs. It was anticipated that we will have several joint board meetings with Tri-City and both CEOs are developing a good working relationship.</p>		
<ul style="list-style-type: none"> <li data-bbox="522 506 615 940"> <b>Employee Service Awards</b> </li> </ul>	<p>In recognizing over 590 employees, with over 123 attending a special luncheon and others having been invited to a special evening dinner honoring 15 years – 35 years employment with PPH, Mr. Covert felt it was an honor for so many employees to be with the system over a period of time and he has been extremely pleased with the employees he has met in this regard.</p>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	<p>Director Scofield wished to remind of the Unity Awards Luncheon to be held Friday, October 24 and hoped that all could attend.</p>		
<p><b>INFORMATION ITEMS</b></p>			
<ul style="list-style-type: none"> <li>▪ <b>Human Resources</b></li> </ul>	<p>Director Bassett said that this dashboard provided a good review. She would be interested in seeing an increase of RNs and a decrease of outside travelers and per diems with tracking to accommodate this. Director Kleiter acknowledged that he had asked Finance to track to ensure the cost of travelers is separated out.</p>		
<ul style="list-style-type: none"> <li>▪ <b>Community Relations</b></li> </ul>	<p>Director Bassett referred to the top of p.74 of the packet regarding domestic violence, adding that there are men also involved in this situation and they also need to be coached and mentored. Director Rivera agreed.</p>		
<ul style="list-style-type: none"> <li>▪ <b>ad hoc Nursing Future</b></li> </ul>	<p>Director Bassett felt that this ad hoc committee had done a fantastic job over this past year in accomplishing many of its aims toward strong nurse recruitment, training and refresher courses for nurses. She also congratulated Mr. Covert for his valued input and support.</p>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<b>COMMITTEE REPORTS</b> Human Resources			
<ul style="list-style-type: none"> <li>Pension &amp; Deferred Compensation Plan Changes</li> </ul>	<p>Following explanation by Director Kleiter relative to the 401A money purchase pension plan and the 457 Deferred Compensation Plan which had been revised to ensure that they are contemporary and competitive, to reflect collective bargaining agreements, and to address the Executive Pension Replacement Plan approved by the Board in February 2000, but not previously implemented, motions were requested to approve the revisions as suggested by the HR Committee via the Pension Committee.</p>	<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Bassett and unanimously approved, to revise the 401A Money Purchase Pension Plan as proposed.</p> <p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Bassett and unanimously approved, to revise the 457 Deferred Compensation Plan as proposed.</p>	
<ul style="list-style-type: none"> <li>ad hoc Incentive Compensation Committee</li> </ul>	<p>Following a meeting held October 7, 2003, Chairman Larson referred to the Shared Reward Payout, FY 2003 and to the Director/Executive Incentive Results and Payout, FY 2003, requesting motions as a result of audit reports confirming that the necessary financial "triggers" had been reached.</p>	<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Bassett and unanimously approved that the Shared Reward Payout for FY 2003 be granted to all eligible PPH employees, total not to exceed \$1,385,021, within FY 2003 budgeted amount. None opposed.</p> <p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Bassett and unanimously approved that the Director/Executive Incentive Results and Payout for FY 2003 be approved for eligible directors and executives, total not to exceed \$1,013,900, within FY 2003 budgeted amount. None opposed.</p>	
Finance			
<ul style="list-style-type: none"> <li>Resolution No. 10.20.03(02)</li> </ul>		<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Berger and unanimously carried that authorization be given for second signature on PPH Central Accounts Payable Checks.</p>	
<ul style="list-style-type: none"> <li>Resolution No. 10.20.03(03)</li> </ul>		<p><b>MOTION:</b> by Rivera, 2<sup>nd</sup> by Bassett and unanimously carried that authorization be given for second signature on PPIA General Checking.</p>	
<ul style="list-style-type: none"> <li>Resolution No. 10.20.03(04)</li> </ul>		<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Berger and unanimously carried that</p>	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<ul style="list-style-type: none"> <li>• Facility Planning Capital for Enhanced Bed Capacity</li> <li>• Property and Casualty Insurance Renewal</li> </ul>		<p>authorization be given for second signature on PPH TPA Checking.</p> <p><b>MOTION:</b> by Rivera, 2<sup>nd</sup> by Bassett and unanimously approved for the capital budget override of \$2 million to increase the bed capacity at Palomar Medical Center, contingent upon State approval of the final plan.</p> <p><b>MOTION:</b> by Rivera, 2<sup>nd</sup> by Bassett and unanimously approved for the proposed Property and Casualty Insurance policy, recognizing the exclusion of any Earthquake insurance coverage. Congratulations were extended to Bob Hemker.</p>	
<p><b>BOARD MEMBER COMMENTS/AGENDA ITEMS FOR NEXT MONTH</b></p> <ul style="list-style-type: none"> <li>• Director Bassett referred to Escondido Street Fair being held this coming weekend, with flu shots being available.</li> <li>• Director Berger voiced concern over public comments being made which had no connection to agenda items. Director Kleiter noted that public board comments are important as part of our service as a public entity and that those speaking are allowed to comment at the start of the meeting during a specific timeframe on any matter that may, or may not be on the agenda. Director Bassett acknowledged that this also promoted goodwill and allowed the public to air their comments or concerns.</li> </ul>			
<p><b>ADJOURNMENT TO CLOSED SESSION</b></p>	<p>7:50 p.m.</p>		
<p><b>OPEN SESSION RESUMES/FINAL ADJOURNMENT</b></p>	<ul style="list-style-type: none"> <li>• Resolution No. 10.20.03(05)</li> <li>• Approval of CEO Goals FY 2004</li> </ul>	<p><b>MOTION:</b> by Rivera, 2<sup>nd</sup> by Kleiter and unanimously carried that Resolution No. 10.20.03(05) be approved as presented.</p> <p><b>MOTION:</b> by Rivera, 2<sup>nd</sup> by Kleiter</p>	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
		and unanimously carried that the CEO Goals for FY 2004 be approved as presented.	
<ul style="list-style-type: none"> <li>Approval of CEO Bonus FY 2003</li> </ul>		<p><b>MOTION:</b> by Berger, 2<sup>nd</sup> by Rivera and unanimously carried that the CEO's bonus for the first six months of Mr. Covert's tenure (January - June, 2003) be in an amount of \$75,000.00. None opposed.</p> <p>Chairman Larson commented that Mr. Covert's evaluation had been superior. In response, Mr. Covert was personally appreciative of the support he has been shown by the Board and sincerely thanked them.</p>	
	<ul style="list-style-type: none"> <li>Recognition Banquet</li> </ul>	<p>Chairman Larson encouraged a recognition banquet for the leaders within our system from amongst physicians, chiefs of staff, retiring volunteers, Foundation, etc. This event should be planned for sometime between November and January.</p>	
<b>FINAL ADJOURNMENT</b>	Meeting adjourned at 9:00 p.m.		
<b>SIGNATURES</b>			
<ul style="list-style-type: none"> <li>Board Secretary</li> </ul>	<p>_____</p> <p>Nancy H. Scofield</p>		
<ul style="list-style-type: none"> <li>Board Assistant</li> </ul>	<p>_____</p> <p>Christine Meaney</p>		

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PPH BOARD OF DIRECTORS MEETING October 20, 2003  
RECITATION – Chaplain Bill Hard

DIVINE ORDER IS CONSTANTLY BRINGING ABOUT CHANGE IN OUR LIVES.

One thing we can be sure of about life: it is constantly changing. Just when everything seems to be going smoothly, we can suddenly be confronted with a detour.

Change may make us feel unsteady or unsure of ourselves. My confidence is quickly restored when I turn the situation over to God.

By reminding ourselves that God is in charge we agree with this truth  
~~... change contains the seed of something that will enrich our lives.~~

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Change is not something to fear. It simply means that, for the moment, I am taking a different course. Let us look at change expectantly, knowing that God is with us through every circumstance.

As we learn to welcome change, it becomes easier for us to flow with it.

Know that God is in charge, and all is well.

*"Therefore we will not fear, though the earth should change." Psalm 46:2*

October 20, 2003 Regular Board Meeting at PMC Graybill Auditorium at 6 p.m.

SYNOPSIS OF PUBLIC COMMENTS:

Mr. Todd Galli made a public request to speak, stating he was present at the February 10, 2003 bd mtg (see bd minutes of Feb 10 & his typewritten statement submitted at that time attached to the minutes submitted in the Mar 17 Bd Pkt.) At the Oct 20, 2003 bd mtg he verbally addressed the bd, requesting that his case be reviewed regarding his nurses driving his vehicle. Stated he is a patient of Palomar Pomerado Home Care and was accompanied at this bd mtg by his fiancée and his mother. Has been going to PMC for 4 yr and no issues originally, then ran into "roadblocks". He feels that management is not working hard for quality. Some employees are involved with his care at Home Care but he feels they have not accommodated his needs. In Aug/Sept 2000 he came to PMC understanding that there was a license to drive by staff, but 9 months later he filed an appeal to drive to win back his personal driving rights as the Home Care section of PMC told him he cannot drive himself. He told the Bd he has had no accidents and no tickets and drives safely. Last month he received a note stating that he would not be allowed to have services after 18 months. He has since met with attorneys. Mr. Galli continued that he will have to leave PMC because he cannot do his job and enjoy his life without having a license to drive, and he cannot afford to pay for a driver.

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He also claimed his right to eat was taken away from him at PMC Home Care (ie., his right to eat solid food), then an order came through later to enable him to eat solid food again.

Also, difficulties with staff lifting him from his wheelchair to his bed. When using lifting devices they injured him and he has spent the last year dealing with this issue. He has experienced severe nursing shortages in the last year, altho realizes it is nation-wide, but feels that Home Care has not done its job to recruit nurses for his own case. Also, he feels that nurses do not respond as quickly to him as they should regarding monitoring for him when he is calling for assistance. He needs suctioning 10 times a day. He is concerned about his nursing attendants. Also, an issue of confidentiality. He is concerned about certain nurses who work for PPH Homecare. Mr. Galli then thanked the Board for listening to him.

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Todd Galli's fiancée, Molly Chiver, then spoke on behalf of Mr. Galli:

Ms Chiver stated that she is his fiancée and considers herself a "family member". She is an Asst Programmer at a camp for children. Wanted the audience to put themselves in her place, as she and Mr. Galli intend getting married next year. In order to have a date with Mr. Galli and go out for dinner, she learned how to take care of him in 3 days. She helps him in every item of his personal care, and feels that all of the hours that PPHC expects of her (his fiancée), she had done 16 hours of Todd's care in the last few days. She has had to miss work because PPHC neglected to find them adequate nurses and feels that PPH has done very little to find such nurses, continuing that Todd is trying to schedule his own nursing.

Ms Chiver then referred to an issue of privacy which concerned one of his nurses recently about turning off the voice monitor. The nurse told her that Mr. Galli would not allow her to turn off the monitor. She said that there was an issue, inasmuch as she wished to have a private conversation with her fiancée. Ms

Chiver stated that she was mis-quoted in the nurse's statement. Nancy Galli, Todd's mother, then spoke stating that they do not know the nurse very well. Ms Chiver continued that they have legal rights and that such documentation is available from the Dept of Health and Human Services and particularly relevant to holding personal, private conversations. Therefore PPHC nurses should know this and allow them (Mr. Galli and his family) to have private conversations. She felt that PPH has treated Todd Galli poorly and disrespectfully. Ms Chiver thanked everyone for listening.

At this point Chairman Larson summed up the matter as appearing to be issues of confidentiality, compassionate service, quality issues, and transportation needs, etc. He felt they were disturbing comments and allegations and asked the CEO to check into these and report back to the Board. The CEO will follow-up.

Mrs. Nancy Galli, Todd's mother, then requested to speak stating she would not take up too much more of the Board's time and appreciated their listening. She referred to a matter of coverage, ie., a decision between MediCal and the primary HMO and secondary PPO, and Todd Galli being able to go home. She understood that the 3 agencies would cooperate together to create 24-hour nursing coverage for Mr. Galli. Mention was made whereby there are current issues with MediCal and not being billed correctly. She felt that they would all like to sit down to have a conversation on the whole matter, noting that we (PPHC) have some very compassionate and caring nurses, but that this was a bad experience.

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All were thanked for their public comments in bringing these matters to the Board's attention.