

PALOMAR
POMERADO
HEALTH
SPECIALIZING IN YOU

**BOARD OF DIRECTORS
AGENDA PACKET**

December 11, 2006

*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

Marcelo R. Rivera, MD, Chairman
Nancy L. Bassett, RN, MBA, Vice Chairman
Linda C. Greer, RN, Secretary
T. E. Kleiter, Treasurer
Bruce G. Krider, MA
Alan W. Larson, MD
Gary L. Powers
Michael H. Covert, President and CEO

*Regular meetings of the Board of Directors are usually held on the second Monday
of each month at 6:30 p.m., unless indicated otherwise
For an agenda, locations or further information
call (858) 675-5106, or visit our website at www.pph.org*

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 be the health system of choice for patients, physicians and employees,
recognized nationally for the highest quality of clinical care and access to comprehensive services*

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 *
San Marcos Ambulatory Care Center * Ramona Radiology Center * VRC Gateway & Parkway Radiology Center * Villa Pomerado
• Palomar Pomerado Health Concern* Palomar Pomerado Health Source* Palomar Pomerado North County Health Development, Inc.*
• North San Diego County Health Facilities Financing Authority*

PALOMAR POMERADO HEALTH
BOARD OF DIRECTORS
REGULAR MEETING AGENDA

Monday, December 11, 2006

Commences 6:30 p.m.

Palomar Medical Center
Graybill Auditorium
555 East Valley Parkway
Escondido, California

Mission and Vision

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

"The vision of PPH is to be the health system of choice for patients, physicians and employees, recognized nationally for the highest quality of clinical care and access to comprehensive services."

~NOTE~

Commences at 6:30 p.m. Palomar Medical Center, Graybill Auditorium.

However, as Graybill Auditorium is unsuitable for the meeting due to recent flooding, the meeting will be IMMEDIATELY ADJOURNED TO Palomar Medical Center OB CLASSROOM, 4th FLOOR, for meeting commencement at 6:45 p.m. (Directions to OB CLASSROOM will be provided within PMC)

	<u>Time</u>	<u>Page</u>
I. CALL TO ORDER		
II. OPENING CEREMONY	5 min	
A. Pledge of Allegiance		
B. Recitation – Chaplain Bill Hard		
III. OATH OF OFFICE	10	1-5
T. E. (Ted) Kleiter }		
Bruce G. Krider }		
Alan W. Larson, M.D. }		
Gary L. Powers }		
		<i>Administered by Paul DeMuro, Esq. (or as appropriate)</i>
IV. PUBLIC COMMENTS	5	
<i>(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).</i>		

"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"

*Asterisks indicate anticipated action;
Action is not limited to those designated items.*

V. * MINUTES 2 6-20

Regular Board Meeting – November 20, 2006
 Special Board Annual Performance Improvement (PI) Report – August 21, 2006

VI. * APPROVAL OF AGENDA *to accept the Consent Items as listed* 5 21-86

- A. Consolidated Financial Statements
- B. Revolving Fund Transfers/Disbursements – August, 2006
 - 1. Accounts Payable Invoices \$29,097,633.00
 - 2. Net Payroll 8,807,917.00
 - Total \$37,905,550.00
- C. Ratification of Paid Bills
- D. October 2006 & YTD FY2007 Financial Report
- E. Professional Services Agreements:
 - Southwest Neurology Medical Group, Inc. (SWNMG)
 - Pacific Center for Neurological Disease, Inc. (PCND)
- F. Medical/Clinical Director Agreements:
 - Medical Director, Forensic Health – Mary Spencer, M.D.
 - Clinical Director, Psychiatric Outpatient Program – Christopher Gorman, M.D.
- G. Medical Consultant Agreement:
 - Diabetes Health – Timothy Bailey, M.D.

VII. PRESENTATIONS -

- A. American Heart Association Awards for PPH (3 awards) 15
 - (i) Sustained Performance Achievement Award to PMC for Coronary Artery Disease Care;
 - (ii) Annual Performance Achievement Award to PMC for Heart Failure Care;
 - (iii) Initial 90-Day Award to Pomerado Hospital for Heart Failure Care;

VHA Awards for PPH (2 awards)

 - (iv) Heart Failure Award to PPH; and
 - (v) High Reliability of Treatment of Acute Myocardial Infarction Award

- Robert Stein, MD – President, AHA San Diego Area,
 Barbara Buesch, RN and Staff from PMC and Pomerado Telemetry
- B. “Hear for the Holidays” Program : Presentation of Winner for 2006 15
 by David Illich, Chief Audiologist for PPH.
 2005 recipient, Ms Ruth Penny in attendance.
 (Coordinated by Andy Hoang)

- Asterisks indicate anticipated action;
 Action is not limited to those designated items.

VIII. REPORTS

A. Medical Staffs

15

- * 1. Palomar Medical Center – *Robert D. Trifunovic, M.D.*
 - a. Credentialing/Reappointments 87-101
- * 2. Escondido Surgery Center – *Marvin W. Levenson, M.D.*
 - a. Credentialing/Reappointments 102
- * 3. Pomerado Hospital – *Paul E. Tornambe, M.D.*
 - a. Credentialing/Reappointments 103

B. Administrative

- 1. President of Palomar Pomerado Health Foundation – *Al Stehly*
 - a. Update on PPHF Activities 5 *Verbal Report*
- 2. Chairman of the Board – *Marcelo R. Rivera, MD* 20 *Verbal Report*
 - a. ***Resolution No. 12.11.06 (01) - 28 Accepting Results of November 7, 2006 General Election** 104-111
Including Presentation of Certificates of Election
Four Year Term:
 - T. E. (Ted) Kleiter
 - Bruce G. Krider
 - Alan W. Larson, M.D.
 - Gary L. Powers
 - b. Service Award Pins 112
 - Alan W. Larson, M.D. - 8 years
 - c. Election of Officers: 2007 – *Chair; Vice Chair; Secretary; Treasurer (latter deferred to January)* 113
 - d. ***Resolution No. 12.11.06 (02) - 29 Establishing Board Meetings for Calendar Year 2007** 114-122
- 3. President and CEO – *Michael H. Covert* 20 *Verbal Report*
 - a. Appointment of Marcelo R. Rivera, MD to the Board of Trustees of the American Hospital Association (AHA) as the Committee on Governance (COG) Regional 9 Trustee Liaison
 - b. Smoking Forums with Staff
 - c. Quarterly Reports from Executive Staff
 - i. Gerald Bracht, Palomar Medical Center
 - ii. Jim Flinn, Pomerado Hospital
 - iii. Sheila Brown, Clinical Outreach
 - iv. Lorie Shoemaker, Chief Nurse Executive

*Asterisks indicate anticipated action;
Action is not limited to those designated items.*

- d. * **Resolution No. 12.11.06 (03) - 30 - Resolution of Adoption** 123-129
For an Addendum to the Final Mitigated Negative Declaration
(Pomerado Hospital Expansion Phase II Project) Pursuant to
The California Environmental Quality Act; AND

- e. * **Resolution No. 12.11.06 (04) – 31 – Approval for Pomerado Hospital**
Expansion Project

*(See also separate ADDENDUM to the Environmental
Initial Study and Mitigated Negative Declaration –
Pomerado Expansion Project December , 2006)*

IX. INFORMATION ITEMS *(Discussion by exception only)* 130-133

- A. Compensation Program Human Resources
B. Holiday Basket Program Human Resources

X. COMMITTEE REPORTS – *for Finance Committee see also under Consent Items*

- A. **Finance** – *T. E. Kleiter, Chair* 5 134-146

- * 1. **Review/Approval:** Wound Care Expansion to a
second site in San Marcos

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

XII. FINAL ADJOURNMENT

*Asterisks indicate anticipated action;
Action is not limited to those designated items.*

OATH OF OFFICE

TO: PPH Board of Directors

MEETING DATE: December 11, 2006

FROM: Christine D. Meaney, Board Assistant
for Marcelo R. Rivera, M.D., Chairman

BACKGROUND: As a result of the November 7, 2006 General Election, Oaths of Office will be taken by T. E. (Ted) Kleiter, Bruce G. Krider, Alan W. Larson, M.D., and Gary L. Powers.

PALOMAR POMERADO HEALTH

OATH OF OFFICE

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

I, Theodore (Ted) E. Kleiter, 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.

Signature

Date

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.

Signature

Date

PALOMAR POMERADO HEALTH

OATH OF OFFICE

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

I, **Alan W. Larson, M.D.**, 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.

Signature

Date

PALOMAR POMERADO HEALTH

OATH OF OFFICE

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

I, **Gary L. Powers**, 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.

Signature

Date

Palomar Pomerado Health
BOARD OF DIRECTORS
REGULAR BOARD MEETING
 Pomerado Hospital, Meeting Room E, Poway
 Monday, November 20, 2006

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
CALL TO ORDER	6:30 pm Quorum comprised Directors Bassett, Greer, Kleiter, Larson, Powers and Rivera. Regrets from Director Krider.		
OPENING CEREMONY	The Pledge of Allegiance was recited in unison, followed by an inspirational reading (<i>attached</i>) by Chaplain Hard on behalf of Chaplain Walden.		
MISSION AND VISION STATEMENTS	The PPH mission and vision statements are as follows: <i>The mission of Palomar Pomerado Health is to heal, comfort and promote health in the communities we serve.</i> <i>The vision of PPH is to be the health system of choice for patients, physicians and employees, recognized nationally for the highest quality of clinical care and access to comprehensive services.</i>		
NOTICE OF MEETING	Notice of Meeting was mailed consistent with legal requirements		
PUBLIC COMMENTS	None		
APPROVAL OF MINUTES	<ul style="list-style-type: none"> • Regular Board Oct 9, 2006 • Joint Board/Strategic Planning Sept 19, 2006 	<p>MOTION: by Bassett, 2nd by Kleiter and carried to approve the October 9, 2006 Regular Board minutes as submitted. All in favor. None opposed.</p> <p>MOTION: by Bassett, 2nd by Kleiter and carried to approve the September 19, 2006 Joint Board/Strategic Planning Committee minutes as</p>	

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AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<ul style="list-style-type: none"> Special Board Annual CEO Evaluation Jan 25, 2006 Special Board Meeting Mar 31, 2006 		<p>submitted. All in favor. None opposed.</p> <p>MOTION: by Kleiter, 2nd by Bassett and carried to approve the January 25, 2006 Special Board Annual CEO Evaluation January 25, 2006 minutes as submitted. All in favor. None opposed</p> <p>MOTION: by Kleiter, 2nd by Bassett and carried to approve the March 31, 2006 Special Board minutes as submitted. All in favor. None opposed</p>	
<p>APPROVAL OF AGENDA to accept the Consent Items as listed including:</p> <p>Physn Recruitment Agreement – Serge Kaska, MD, Orthopedic Surgeon; Presentation of Physician Recruitment Agreements; ICOC Appt of Officers; and PPH Board Policies 3rd & 4th Qtrs Review Cycle</p>		<p>MOTION: by Kleiter, 2nd by Bassett and carried to approve the Consent Items as submitted. All in favor. None opposed.</p>	
PRESENTATION	None		
REPORTS			
Medical Staff			
Palomar Medical Center			
<ul style="list-style-type: none"> Credentialing 	<p>John J. Lilley MD, for Robert D. Trifunovic, MD., Chief of PMC Medical Staff, presented PMC's requests for approval of Credentialing Recommendations with the exception of Lien M. Khuat, N.P., Nurse Practitioner listed under Allied Health Professionals on page 102 of the packet, as Lien Khuat is no longer working at PPH.</p>	<p>MOTION: by Bassett, 2nd by Kleiter and carried to approve the PMC Medical Staff Executive Committee credentialing recommendations for the PMC Medical Staff, with the exception of Lien M. Khuat, N.P., as presented. All in favor. None opposed.</p>	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<ul style="list-style-type: none"> ▪ Credentialing – Patrick M. O’Meara, MD 	<p>John J. Litley MD, for Robert D. Trifunovic, MD., Chief of PMC Medical Staff, presented PMC’s request for approval of Credentialing Recommendations for Patrick M. O’Meara, MD, Orthopedic Surgery, effective 11/30/2006 – 04/30/2007.</p>	<p>Directors Greer and Larson abstained to avoid potential conflict of interest.</p> <p>MOTION: by Kleiter, 2nd by Powers and carried to approve the PMC Medical Staff Executive Committee credentialing recommendations for Patrick M. O’Meara, MD, Orthopedic Surgery, effective 11/30/2006 – 04/30/2007 as submitted.</p> <p>All in favor. None opposed.</p> <p>Chairman Rivera thanked the Medical Staff at PMC for conducting this process in an efficient manner.</p>	
<p>Escondido Surgery Center</p> <ul style="list-style-type: none"> ▪ Credentialing 	<p>Marvin W. Levenson, MD, Administrator/ Medical Director of the Escondido Surgery Center, presented requests for approval of Credentialing Recommendations.</p>	<p>MOTION: by Kleiter, 2nd by Bassett and carried to approve the PMC Medical Staff Executive Committee credentialing recommendations for the Escondido Surgery Center, as presented.</p> <p>All in favor. None opposed.</p> <p>Directors Greer and Larson abstained to avoid potential conflict of interest.</p>	
<p>Pomerado Hospital</p> <ul style="list-style-type: none"> ▪ Credentialing 	<p>Benjamin Kanter, MD., on behalf of Paul E. Tornambe, MD., Chief of Pomerado Medical Staff, presented Pomerado Hospital’s requests for approval of Credentialing Recommendations.</p>	<p>MOTION: by Bassett, 2nd by Kleiter and carried to approve the Pomerado Hospital Medical Staff Executive Committee credentialing recommendations for the Pomerado Medical Staff, as presented.</p> <p>All in favor. None opposed.</p> <p>Directors Greer and Larson abstained to avoid potential conflict of interest.</p>	
<p>Administrative</p> <p>Chairperson - Palomar Pomerado Health Foundation</p>	<p>Mr. Al Stehly</p> <p>Mr. Stehly presented his monthly report on the</p>		



AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY															
	<p>Foundation's activities, noting the Benefits Fair promotion.</p> <p>Several Foundation Board Members and Staff attended a memorial service for Mrs. Helen Heller of Escondido, who had been a dedicated and active participant in the origins of Palomar Medical Center itself. The Foundation will be collecting much historical memorabilia from the Heller family regarding Palomar, which needs to be placed with PPH for the historical record.</p> <p>In addition, \$300,000 has been provided toward a new digital mammography unit via a fund-raiser coordinated with Saks Fifth Avenue.</p>	<p>Director Kleiter commented to Mr. Stehly that he hoped those items would be provided to the right people at PPH for safe keeping. It was agreed that all of these items be directed to the Board Office at Innovation Drive, c/o Ms Meaney.</p> <p>Mr. Stehly then suggested that Director Kleiter may wish to make a tape recording of his own historical comments regarding PMC/PPH as additional commentary.</p>	<p>The Foundation to provide historical memorabilia that may be received from the Heller family to the Board Office at Innovation Drive.</p> <p>Director Kleiter requested that he review those items once they are received in the Board Office.</p>															
<p>Chairman of the Board - Palomar Pomerado Health</p> <ul style="list-style-type: none"> Unofficial Results of November 7, 2006 General Election 	<p>Mr. Matt McLaughlin has generously provided \$500,000 for the purchase of the DaVinci robot.</p> <p>Also, Duane and Darlene Farber have donated funds toward the Physical Therapy Department on the 9th Floor at PMC for which the Foundation is very appreciative.</p> <p>Marcelo R. Rivera, MD</p>	<p>Congratulations and thanks were conveyed to all those who had been elected to the Board.</p>																
	<p>Chairman Rivera relayed the unofficial results of the November 7, 2006 General Election, noting that the four PPH Board incumbents who ran had been elected, and that there was a 20,000 vote difference between the 4th elected Board Member and a challenger.</p> <p>Unofficial results were as follows: Full 4-Year Term (Vote for 4)</p> <table border="1"> <tr> <td>Alan W. Larson</td> <td>50,448</td> <td>23.99%</td> </tr> <tr> <td>Bruce G. Krider</td> <td>46,783</td> <td>22.25</td> </tr> <tr> <td>T. E. (Ted) Kleiter</td> <td>45,236</td> <td>21.51</td> </tr> <tr> <td>Gary L. Powers</td> <td>43,458</td> <td>20.67</td> </tr> <tr> <td>M. David Meagher</td> <td>24,333</td> <td>11.57</td> </tr> </table>	Alan W. Larson	50,448	23.99%	Bruce G. Krider	46,783	22.25	T. E. (Ted) Kleiter	45,236	21.51	Gary L. Powers	43,458	20.67	M. David Meagher	24,333	11.57		
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M. David Meagher	24,333	11.57																

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AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<ul style="list-style-type: none"> • "Palmy" Awards 	<p>At this point, Director Powers, on behalf of the San Diego North County Chamber of Commerce, requested that Jim Flinn and Michael Covert come forward as he had a presentation from Senator Hollingsworth in connection with PPH sponsorship for the Street Fairs, RB Alive and 4-S Ranch Fall Festival. Twelve "Palmy" Awards were made altogether and Director Powers commented on the excellent job that Tami Weigold had done in putting the whole package together. PPH received three "Palmy" Awards for Large Company Marketing Excellence; Large Company Best Practices; and Large Company Best Print Campaign.</p>	<p>Chairman Rivera thanked Director Powers for this presentation, and sincere congratulations were conveyed to all for these awards.</p>	
<ul style="list-style-type: none"> • Condolences 	<p>On behalf of the Board, Chairman Rivera conveyed sincere sympathy and condolences to Ms Pauline Getz on the recent passing of her father</p>		
<ul style="list-style-type: none"> • PPH High School Healthcare Academy Partnership with Ramona School District - acknowledgement of check re: GO-MED Program 	<p>Chairman Rivera referred to the GO-MED Program noting that local high schools are now very much involved in this program and that there are nearly 40 students in Ramona School District enrolled. All benefit from this, including the local community and the future of healthcare. Through the Foundation and Mr. Matt McLaughlin, to whom we owed special appreciation, we were able to raise the necessary funds to sponsor a teacher who is "dynamite" and who has a Masters' Degree in Nursing. The students will experience a very rigorous curriculum. Also, Brad Wiscons is exposing other districts to the GO-MED Program.</p>		
<ul style="list-style-type: none"> • Poway Days Parade 	<p>The Poway Days Parade was a very successful event and the City of Poway has always been most appreciative of PPH representation.</p>		
<ul style="list-style-type: none"> • Congratulations to Candidates 	<p>Chairman Rivera, on behalf of the Board of Directors, extended his congratulations to all of the recent election candidates, including Ms Tina Pope of PPH who was re-elected to the Escondido School Board, the Mayor of</p>		

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AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	<p>Poway and incumbents, and the Mayor of Escondido, noting that Ms Lori Holtfeiler has a vision beyond her realm.</p> <p>Chairman Rivera then referred to a recent lawsuit against the City of Escondido concerning rental accommodation/residency status which the Mayor had spoken out against, and she had been re-elected. He noted that the Mayor was always in the minority for Palomar and Palomar West and it was her courage and wisdom that prevailed. The Mayor deserved a tremendous amount of credit.</p>		
<ul style="list-style-type: none"> 3rd Annual Physician Gala 	<p>Chairman Rivera referred to the successful 3rd Annual Physician Gala held October 21 and that Mr. Covert had pointed out we have many excellent Board Certified physicians who were not being recognized and this allowed us to do so. Examples were Dr. Paul Tornambe for Retinology, and Dr. Donald Bernstein, Anesthesiology, for his outstanding credentials and who had also undertaken research at NASA. The Gala was an outstanding event which was well attended.</p> <p>(At approx 7 p.m. Dr. Tornambe arrived in the meeting).</p>		
<ul style="list-style-type: none"> Health Ethics Trusts Best Compliance Practices Forum, Alexandria, VA 	<p>Chairman Rivera read out a November 18, 2006 letter regarding Mr. Covert having received "Fellow of the Trust Award" presented to him at the Health Ethics Trusts Best Compliance Practices Forum, Alexandria, Virginia.</p> <p>Chairman Rivera thanked Mr. Covert for leading the organization in this regard. In response, Mr. Covert thanked everyone at PPH for pursuing ethics and consistency, now and for the years ahead.</p>		
<p>President and CEO</p>	<p>Michael H. Covert</p>		
<ul style="list-style-type: none"> Acknowledgement of Election Results & 	<p>Mr. Covert acknowledged and thanked all of those who participated in the recent General Election.</p>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<ul style="list-style-type: none"> • Outcome of Prop 86 	<p>Mr. Covert referred to the outcome of Prop 86 (Tobacco Tax) which was disappointing as this did not pass due it was felt as a result of enormous amounts spent by the tobacco companies against passage of this Proposition.</p>		
<ul style="list-style-type: none"> • AHA 23rd Annual Leadership Retreat, Oct 11-13, Arizona 	<p>The CEO appreciated the opportunity to make a presentation to the leadership around the country at the AHA Annual Retreat. Three of our programs are going to be noted in their community report regarding outstanding programs throughout the country.</p>		
<ul style="list-style-type: none"> • Annual Employee Awards Luncheon and Dinner Oct 30 & Nov 8 	<p>Mr. Covert commented that he had attended the Annual Employee Awards Luncheon and Dinner and that it was a great honor for him to recognize employees from between three years – 40 years employment with PPH.</p>		
<ul style="list-style-type: none"> • Annual HASD&IC Meeting, Nov 2, San Diego 	<p>Michael Covert attended this meeting, noting that Director Kleiter had been selected as Incoming Chairman of ACHD – congratulations were extended.</p>		
<ul style="list-style-type: none"> • Healthcare Design 06 Conference, Nov 6, Chicago 	<p>Marcia Jackson and Carrie Frederick presented at the Center for Healthcare Design Meeting. Ms. Jackson submitted for a 50-minute breakout session and was selected for a two-hour pre-conference session. The meeting involved advisory groups, expert advisory panels and sharing with attendees what we thought worked and what we had learned. It was also good for us to reflect and how we participated in this session. There were about 140 attendees from around the country, which was excellent exposure for PPH.</p> <p>Director Kleiter commented that in conjunction with this, he had recently attended his physician's office where there was a magazine article regarding PPH and Anshen + Allen and felt we were getting visible attention. Mr. Covert acknowledged and all credit must go to Marcia Jackson, Carrie Frederick and Tom Chesham, architect.</p>		

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AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<ul style="list-style-type: none"> SHRM Recognition/Marketing 	<p>Gustavo Frederickson was recognized at the National Healthcare Marketing and Communications session because PPH was recognized for the new website which was unique.</p> <p>Also, "Health Grades" recognized PPH for Women's Services and will be doing the same for Orthopedic Services.</p> <p>Ms Lorie Shoemaker from Nursing Spectrum had been recognized as one of the top five Nurse Executives and by Association of California Nurse Leaders, together with her team. Kudos to Ms Shoemaker.</p>		
<ul style="list-style-type: none"> Upcoming Recognition of Ellen McKissick 	<p>Michael Covert relayed the upcoming recognition of Ellen McKissick for her work in establishing a Girl Scout Badge for Nursing.</p>		
<ul style="list-style-type: none"> CAPE Site Visit 	<p>The CEO relayed that a CAPE site visit to PPH occurred recently whereby Chairman Rivera representing PPH and Mr. Covert met with the senior leader of the CAPE team. Initial feedback was that we are trying to match our mission and working towards a unified objective. The team was impressed and we were appreciative of having been honored for such a visit. A full report would be shared in January when we would be aware of the results as we continually strive to improve our performance.</p>		
<ul style="list-style-type: none"> PPH Satellite Medical Center, Ramona 	<p>Michael Covert informed that we had closed escrow on the Ramona property and that meetings had been held with the Design Committee.</p>		
<ul style="list-style-type: none"> In-house Legal Counsel 	<p>In-house Legal Counsel interviews were taking place and would include Attorneys Clif Elliott, Paul DeMuro and Cary Miller (Medical Staff) on the panel.</p>		
<p>INFORMATION ITEMS</p> <ul style="list-style-type: none"> 	<p><i>Discussion by exception only</i></p>		

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AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<p>COMMITTEE REPORTS</p> <p>Finance</p> <ul style="list-style-type: none"> 2007 Capitation Decisions 	<p><i>T. E. Kleiter, Chair</i></p> <p>Director Kleiter briefly explained the background noting that discussions had been held with four medical groups. Approval of the Capitation policy as submitted was now requested.</p>	<p>MOTION: by Kleiter, 2nd by Greer and carried that PPH remain in capitation for Calendar Year 2007 with all four medical groups/IPA partners and that PPH adopt the proposed policy.</p> <p>All in favor. None opposed.</p> <p>Chairman Rivera abstained due to potential conflict of interest.</p>	
<ul style="list-style-type: none"> Draft Audited Consolidated Financial Statements as of and for Years ended June 30, 2006 and 2005, and Independent Auditors' Report 	<p>Director Kleiter submitted the Draft Audited Consolidated Financial Statements for approval. He stated this was a clean audit, but that these Draft Statements had been originally presented by Deloitte & Touche at the Special Board/Finance Committee meeting November 14. However in order to have time to adequately review, the Board had requested these be brought back for consideration to this November 20 Regular Board Meeting.</p>	<p>MOTION: by Kleiter, 2nd by Greer and carried that the Draft Audited Consolidated Financial Statements as of and for the Years ended June 30, 2006 and 2005, and Independent Auditors' Report be approved as submitted.</p> <p>All in favor. None opposed.</p> <p>Chairman Rivera abstained due to potential conflict of interest.</p>	
<ul style="list-style-type: none"> TEFRA HEARING related to 2006 Bond Issuance (Public hearing and approval to satisfy section 147(f) of Internal Revenue Code) and Request for Public Comments 	<p>At this point, Director Rivera as Board Chairman took the floor, reading out from script that pursuant to Section 147(f) of the Internal Revenue Code, PPH caused a notice of public hearing to be published in The San Diego Union Tribune on October 31, 2006, (<i>copy attached to original minutes</i>).</p> <p>He then opened the TEFRA Hearing for the opportunity of public comments to be heard, or written comments to be received.</p>		
<ul style="list-style-type: none"> Public Comments 	<p>Mr. Robroy Fawcett of Escondido submitted oral public comment and spoke on PMC West completion date of 2011, and PMC West Phase II costs referring to p.28 of a final draft by Deloitte & Touch LLP of 11/16/06 wherein PPH had approved a \$982 million expansion</p>		

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AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<ul style="list-style-type: none"> TEFRA HEARING CLOSED 	<p>plan and that the new hospital was scheduled for completion in 2010. Mr. Fawcett was thanked for his comments. There being no further public comments, Chairman Rivera closed the TEFRA Hearing and handed back to Finance Committee Chairman Kleiter.</p>		
<ul style="list-style-type: none"> Plan of Finance and Revenue Bond Issuance: Resolution No. 11.20.06 (01) – 27 TEFRA Approval and Authorization of 2006 Certificates of Participation Financing 	<p>Brief discussion ensued with Mr. Bob Hemker summarizing the November 14 Special Board/Finance Committee meeting wherein he had explained the Certificates of Participation. We were awaiting a rate from Moody's and are insured up to AAA. The JPA meeting held today confirmed the issuance of such Certificates. The Financing Team will go out to the market and it was hoped to close on our Certificates of Participation Thursday, December 7, 2006.</p> <p>Following inquiries from Director Larson who had been unable to be present at the November 14 Special Meeting for the information on the issuance of these Certificates, Chairman Rivera requested that Mr. Hemker meet separately with Director Larson to provide such background.</p>	<p>MOTION: by Kleiter, 2nd by Greer and carried that Resolution No. 11.20.06 (01) – 27 TEFRA Approval and Authorization of 2006 Certificates of Participation Financing be adopted. All in favor. None opposed. Carried unanimously.</p>	
<p>BOARD MEMBER COMMENTS/AGENDA ITEMS FOR NEXT MONTH</p>	<p>Director Powers thanked Bob Hemker for spending time with him to personally review the Bond issuance process regarding synthetic bond issues as it was a complicated financial matter.</p> <p>Director Kleiter reported that the committee appointments for ACHD will be finalized in December and that Director Powers will be appointed to the Registration Committee and Director Basset to the Finance Committee and he welcomed Board Members' active participation.</p> <p>Director Larson relayed that he was proud to see so many of our staff and physicians receive</p>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	<p>awards.</p> <p>He also expressed appreciation to the public for his re-election and interpreted this as validation of our work on the passage of Prop BB in 2004, the subsequent construction program and the high integrity of Michael Covert, in addition to public confidence in our Board of Directors.</p> <p>Director Greer was impressed with the recent visit to PPH by the CAPE team and expressed appreciation to Opal Reinbold. Accolades were well-earned and she understood the hard work involved.</p> <p>Director Bassett referred to an article she had read about an Army Reservist, and inquired on the number of employees who are on active service in the military, or have spouses on active service. She would ask Human Resources about this.</p> <p>Chairman Rivera referred to the upcoming November 30 site visit to our warehouse to view mock-up rooms by a group from Boca Raton, noting that our management team would be in action. Positive comment was also made on the recent CAPE visit and we await the final report.</p> <p>Director Bassett recognized Wallie George and Brenda Turner regarding the new benefits enrollment now available to PPH employees online and referred to the HR Awards in San Diego, noting that our new online benefits program deserves recognition, and was proud of what had been achieved.</p>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
ADJOURNMENT	7:45 p.m.		
SIGNATURES			
▪ Board Secretary	Linda C. Greer, R.N.		
▪ Board Assistant	Christine D. Meaney		

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Palomar Pomerado Health
BOARD OF DIRECTORS
SPECIAL BOARD MEETING
ANNUAL PERFORMANCE IMPROVEMENT REPORT
 Palomar Medical Center, Graybill Auditorium, Escondido
 Monday, August 21, 2006 – 6 p.m. Dinner for 6:30 p.m. Meeting

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
CALL TO ORDER	6:30 pm Quorum comprised Directors Bassett, Greer, Kleiter, Krider, Powers, and Rivera. Regrets from Director Larson.		
NOTICE OF MEETING	Notice of Meeting was mailed consistent with legal requirements		
PUBLIC COMMENTS	None		
REPORT ON THE STATE OF QUALITY/PATIENT SAFETY –	<p>Opal Reinbold, Chief Quality Officer, opened the meeting by relaying to the Board that this was information that had been shared in the quality meetings.</p> <p>Introductions of Staff was made including Duane Buringrud, MD, Chief Medical Quality Officer, Jerry Kolins, MD, Associate Chief Medical Quality Officer, and Chris Cauch, Director of Quality and Clinical Resource Management, in addition to the many Staff present that evening.</p> <p>Ms Reinbold then illustrated via powerpoint presentation, a summary report of Key Accomplishments and Key Focus Areas for 2006 – 2007, followed by questions.</p> <p>Chris Cauch presented Key Accomplishments for PI/Patient Safety Plan Integration and PI/Patient Safety Structure; Best Practice Steering and Case Management Re-design;</p> <p>Dr. Buringrud presented Key Accomplishments for QM Management Committee Integration/Peer Review Plan and Nurse-Physician relationship building.</p>	<i>Informational</i>	

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AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	<p>Dr. Kolins presented Key Accomplishments for Culture of Safety/Stewardship/Quality and PPH Physician Mini-MBA Program.</p> <p>In follow-up, Ms. Reinbold reviewed Key Focus Areas 2006-2007 including CNS/QM/CRM/CIS Partnership/Decision Support Model/Operations Tracers and Education Plan.</p> <p>Chris Cauch returned to present Key Focus Areas for Best Practice Steering; Resource Utilization Improvement; and PI/Patient Safety Plan Re-structure.</p> <p>Dr. Buringrud then focused on MEC Dashboard; Peer Review Plan of Action; Nurse/physician relationship building; and Research model.</p> <p>Dr. Kolins provided information on Key Focus Areas of Patient Safety Culture; Planning for Bar Coding/CPOE; CHART; FMEA as core tool; RRT Implementation; and National Patient Safety Goals.</p>		
<p>ADJOURNMENT TO CLOSED SESSION pursuant to Section 32155 of the Health & Safety Code</p>	<p>7:25 p.m.</p>		
<p>OPEN SESSION RESUMED/FINAL ADJOURNMENT</p>	<p>9:40 p.m.</p> <p>Mr. Covert announced that San Diego magazine had listed PPH as third out of 104 participants reviewed in the category "Best Places to Work" for 1,000 employees or more. This was a great honor and one of which we should be proud.</p> <p>Chairman Rivera thanked all for their efforts throughout the year in quality/performance improvement, acknowledging the hard work involved.</p>	<p>No reportable action taken.</p>	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	Final adjournment 9:45 p.m.		
SIGNATURES			
▪ Board Secretary	<u>Linda C. Greer, R.N.</u>		
▪ Board Assistant	<u>Christine D. Meaney</u>		

**PALOMAR POMERADO HEALTH
CONSOLIDATED DISBURSEMENTS
FOR THE MONTH OF
OCTOBER 2006**

10/01/06	TO	10/31/06	ACCOUNTS PAYABLE INVOICES	\$29,097,633.00
10/06/06	TO	10/20/06	NET PAYROLL	<u>\$8,807,917.00</u>
				\$37,905,550.00

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, J. Flinn

October 2006 & Fiscal YTD 2007 Financial Report

TO: Board of Directors

FROM: Board Finance Committee
Tuesday, December 5, 2006

MEETING DATE: Monday, December 11, 2006

BY: Robert Hemker, CFO

Background: The Board Financial Reports (unaudited) for October 2006 and Fiscal YTD 2007 are submitted for the Board's approval.

Budget Impact: N/A

Staff Recommendation: At the Board Finance Committee meeting, the staff recommended approval.

Committee Questions:

COMMITTEE RECOMMENDATION: The Board Finance Committee recommends approval of the Board Financial Reports (unaudited) for October 2006 and Fiscal YTD 2007.

Motion: X

Individual Action:

Information:

Required Time:

Financial Statements

2006

Tim Nguyen
Corporate Controller
December 5, 2006

PALOMAR POMERADO HEALTH

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HEALTH
SPECIALIZING IN YOU

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**PALOMAR POMERADO HEALTH
OCTOBER 2006 FINANCIAL RESULTS
EXECUTIVE SUMMARY and HIGHLIGHTS**

Statistics:

	Sep-06	Sep vs Oct		Oct-06		Act vs Bud		YTD Actual	YTD Budget	Act vs Bud % Variance
		Oct-06	% Change	Budget	% Variance	Budget	% Variance			
CONSOLIDATED										
Patient Days Acute	9,151	8,819	-3.6%	9,922	-11.1%	36,685	39,368	-6.8%		
Patient Days SNF	6,308	6,590	4.5%	6,591	0.0%	26,050	26,151	-0.4%		
ADC Acute	305	284	-6.9%	320	-11.3%	298	320	-6.8%		
ADC SNF	210	213	1.4%	213	0.0%	212	213	-0.6%		
Surgeries CVS Cases	16	8	-50.0%	11	-27.3%	43	43	0.0%		
Surgeries Total	944	1,023	8.4%	1,041	-1.7%	3,929	4,130	-4.9%		
Number of Births	477	496	4.0%	499	-0.6%	1,945	1,980	-1.8%		
NORTH										
Patient Days Acute	6,822	6,547	-4.0%	7,396	-11.5%	27,390	29,345	-6.7%		
Patient Days SNF	2,624	2,737	4.3%	2,747	-0.4%	10,802	10,899	-0.9%		
ADC Acute	227	211	-7.0%	239	-11.7%	223	238	-6.3%		
ADC SNF	87	88	1.1%	89	-1.1%	88	89	-1.1%		
SOUTH										
Patient Days Acute	2,329	2,272	-2.4%	2,526	-10.1%	9,295	10,023	-7.3%		
Patient Days SNF	3,684	3,853	4.6%	3,844	0.2%	15,248	15,252	0.0%		
ADC Acute	78	73	-6.4%	81	-9.9%	76	81	-6.2%		
ADC SNF	123	124	0.8%	124	0.0%	124	124	0.0%		



Balance Sheet:

Current Cash & Cash Equivalents decreased \$0.5 million from \$98.5 million in September to \$98.0 million in October. The decrease is mainly due to the purchase of capital equipment in October. Total Cash and Investments are \$108 million, compared to \$121 million at June 30, 2006. Days Cash on Hand went from 115 days in September to 111 days in October compared to 128 in June.

Net Accounts Receivable increased to \$88.3 million in October as compared to \$86.7 million in September. Gross A/R days decreased from 56.1 days in September to 53.9 days in October.

October patient account collections including capitation are \$28.6 million compared to budget of \$30.3 million. October YTD collections are \$105 million compared to budget of \$121 million. October collections being below budget; is consistent with previous years' trends. Budget is based on an even spread throughout the year and summer collections are typically low.

Construction in Progress reflected minimal activity in the month of October.

Other Current Liabilities decreased \$1.5 primarily due to the realization of Deferred Property Tax Revenue of \$1.1 million and a decrease in Deferred Income Capitation of \$640 thousand in October.

Income Statement:

Gross Patient Revenue for YTD October reflects an unfavorable budget variance of \$19.3 million. This unfavorable variance is composed of a \$17.7 million unfavorable volume variance and \$1.6 million unfavorable rate variance.

Routine revenue (inpatient room and board) reflects an unfavorable \$6.4 million budget variance. North is responsible for \$5.5 million of this variance.

Inpatient Ancillary revenue represents a \$16.1 million unfavorable budget variance. North reflects an unfavorable variance of \$7.9 million and South reflects \$8.1 million unfavorable variance. The main contributors to North's unfavorable variance are Surgery and supply departments totaling \$7.1 million lower than budget. The main contributors to South's unfavorable variance is Respiratory Therapy, Surgery and supply departments totaling \$7.0 million lower than budget.

Outpatient revenue reflects a favorable budget variance of \$3.1 million. North has a \$2.5 million favorable variance and South has a \$0.9 million favorable variance. These two amounts are decreased by Outreach's \$0.3 unfavorable variance.

Deductions from Revenue reflects a YTD favorable variance of \$14.4 million. This is due to lower-than-budgeted volume and budgeted gross revenue. Total Deductions from Revenue is 69.2% of gross revenue compared to a budget of 69.4%.

Deductions from Revenue (excluding Capitation revenue and Bad Debt/Charity/Undocumented expenses), is 64.2% of YTD Gross Revenue compared to budget of 64.8%.

The net capitation reflects a favorable budget variance of \$960 thousand. Cap Premium and Out of Network Claim Expense both show an unfavorable budget variance of \$1.13 million and \$2.07 million, respectively. Cap Valuation shows a favorable variance of \$4.16 million to offset.

Other Operating Revenue reflects a YTD unfavorable budget variance of \$380 thousand. This is due primarily to the Foundation, where actual PPH funding requests are \$178 thousand below budget and PPNC Health Development where actual grants are \$210 thousand below budget.

Salaries, Wages & Contract labor reflects a YTD favorable variance of \$2.1 million. This favorable variance is composed of: 1) Favorable Salaries and Wages -- \$2.3 million (actual \$58.2 million), 2) Unfavorable Contract Labor -- \$174 thousand (actual \$2.9 million). These variances are composed of: PPH North favorable \$546 thousand, PPH South favorable \$712 thousand, Central Office favorable \$894 thousand and Outreach \$12 thousand unfavorable.

Benefits Expense has a YTD unfavorable budget variance of \$62 thousand. This variance is primarily due to the employer's contribution towards deferred compensation.

Supplies Expense reflects YTD favorable budget variance of \$1.9 million. This favorable variance is composed of a \$918 thousand favorable volume variance and \$988 thousand favorable rate variance. The favorable variance is pharmacy at \$1.03 million, prosthesis at \$250 thousand, other medical and non-medical at \$639 thousand.

Prof Fees & Purchased Services reflects a YTD unfavorable budget variance of \$1.2 million. The unfavorable variance of \$612 thousand in professional fees is due to higher legal fees, rehabilitation therapy fees and Pomerado ED calls. The unfavorable variance of \$553 thousand in purchased services is due to survey and cost report services and repair and maintenance.

Non-Operating Income reflects a favorable YTD variance of \$1.2 million in October. This is due to a favorable investment income variance. Investment income reflects a 6.1% investment rate of return through October compared to budget of 4.25%.

Ratios & Margins:

All required bond covenant ratios were achieved in October 2006.

Palomar Pomerado Health
Balanced Scorecard
Financial Indicators
October 31, 2006

YTD 2007

	October			Variance	Budget/PY	% Actual to Budget	Prior Year	
	Actual	Actual	Actual				Actual	Actual
10.1%	13.2%	10.2%	4.4%	9.9%	-5.5%			7.8%
\$ 2,546.07	\$ 2,396.55	\$ 2,504.83	\$ 2,697.64	\$ 2,483.14	\$ (214.50)			2,396.62
\$ 1,532.71	\$ 1,404.87	\$ 1,461.41	\$ 1,622.50	\$ 1,478.51	\$ (143.99)			1,414.41
6.32	6.01	6.06	6.38	6.12	\$ (0.26)			6.15
12.517	13,150	12,568	12,431	12,214	\$ 217.00			49,246

PPH Indicators:

	Actual	Budget	Variance	% Actual to Budget	Prior Year Actual
OEBITDA Margin w/Prop Tax Expenses/Mtd Day	9.5%	9.9%	-0.4%		7.8%
SWB/Mtd Day	2,533.57	\$ 2,487.18	\$ (46.39)	101.9%	2,396.62
Prod FTE's/Adj Occupied Bed	1,503.48	\$ 1,479.69	\$ (23.79)	101.6%	1,414.41
Weighted Patient Days	6.13	6.12	(0.01)	100.2%	6.15
	50,679	52,898	(2,219)		49,246

PPH North Indicators:

	Actual	Budget	Variance	% Actual to Budget	Prior Year Actual
OEBITDA Margin w/Prop Tax Expenses/Mtd Day	9.2%	9.7%	-0.5%		7.8%
SWB/Mtd Day	2,423.55	\$ 2,366.43	\$ (57.12)		2,284.13
Prod FTE's/Adj Occupied Bed	1,266.99	\$ 1,225.48	\$ (41.51)		1,198.76
Weighted Patient Days	5.21	5.08	(0.13)		5.18
	34,865	36,515	(1,650)		34,828

PPH South Indicators:

	Actual	Budget	Variance	% Actual to Budget	Prior Year Actual
OEBITDA Margin w/Prop Tax Expenses/Mtd Day	8.0%	6.9%	1.1%		5.1%
SWB/Mtd Day	2,393.38	\$ 2,402.03	\$ 8.65		2,377.75
Prod FTE's/Adj Occupied Bed	1,240.63	\$ 1,271.10	\$ 30.47		1,241.23
Weighted Patient Days	5.46	5.58	0.12		5.75
	14,724	15,144	(420)		13,673

Weighted Patient Days is compared with Prior Year Actual

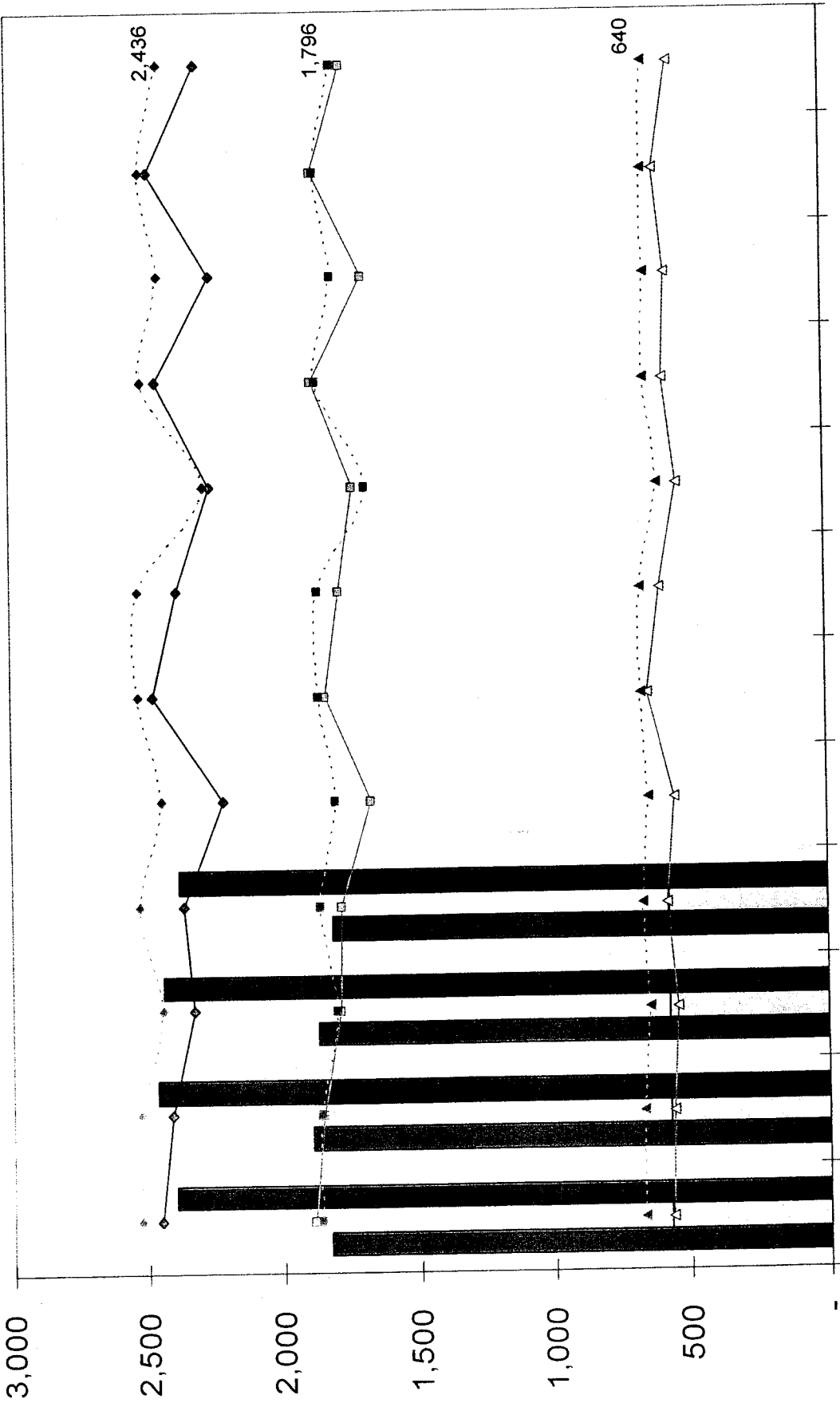
PALOMAR POMERADO HEALTH

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FISCAL YEAR 2007

Admissions - Acute

8



■ PMC
 ◊ POM
 ■ CON
 - - - PY PMC
 - - - PY POM
 - - - PY CON

JUL AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN

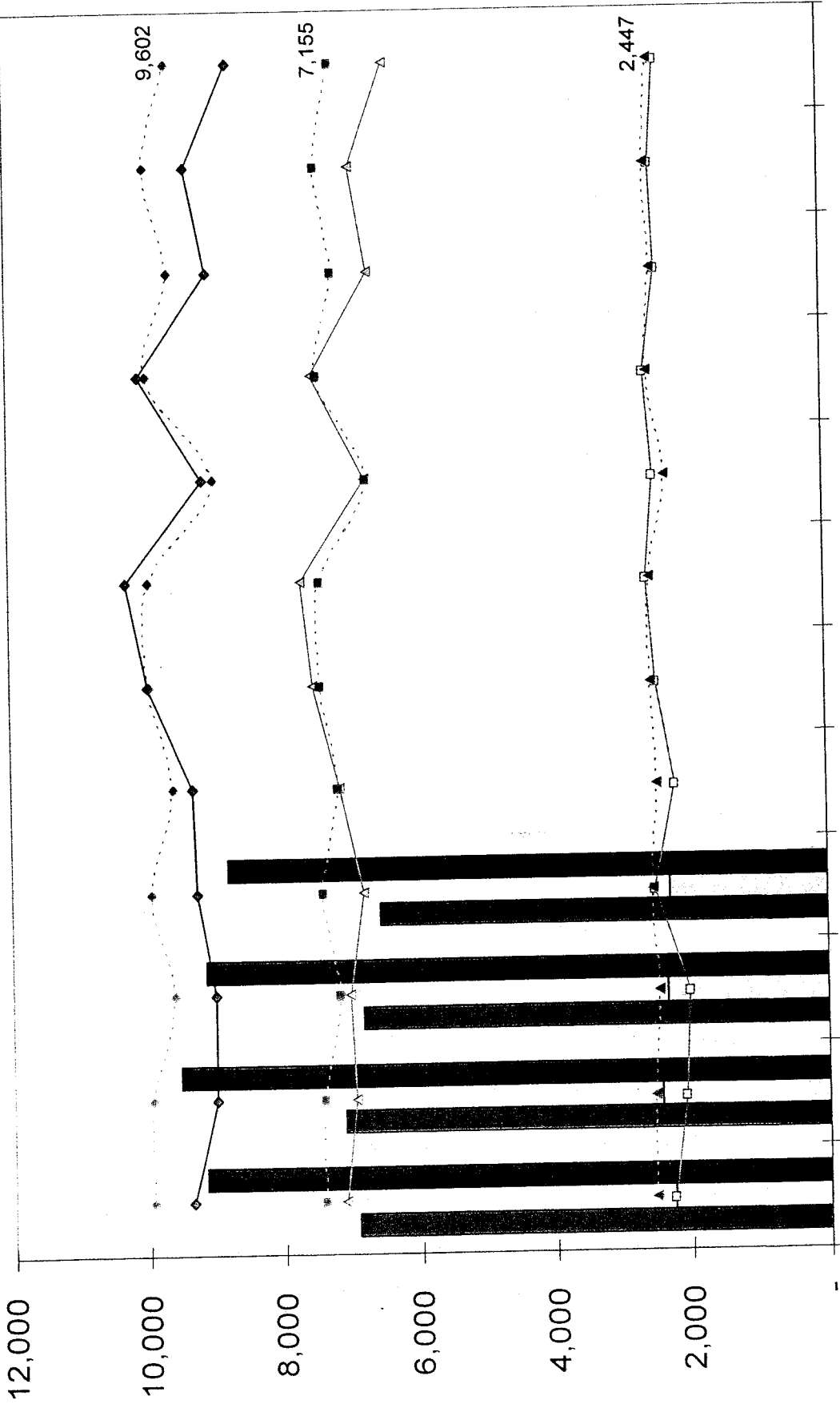
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	BUDYTD
PMC	1,832	1,895	1,871	1,816	-	-	-	-	-	-	-	-	7,414	7,380
POM	570	569	572	568	-	-	-	-	-	-	-	-	2,279	2,635
CON	2,402	2,464	2,443	2,384	-	-	-	-	-	-	-	-	9,693	10,015

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FISCAL YEAR 2007

Patient Days - Acute

9



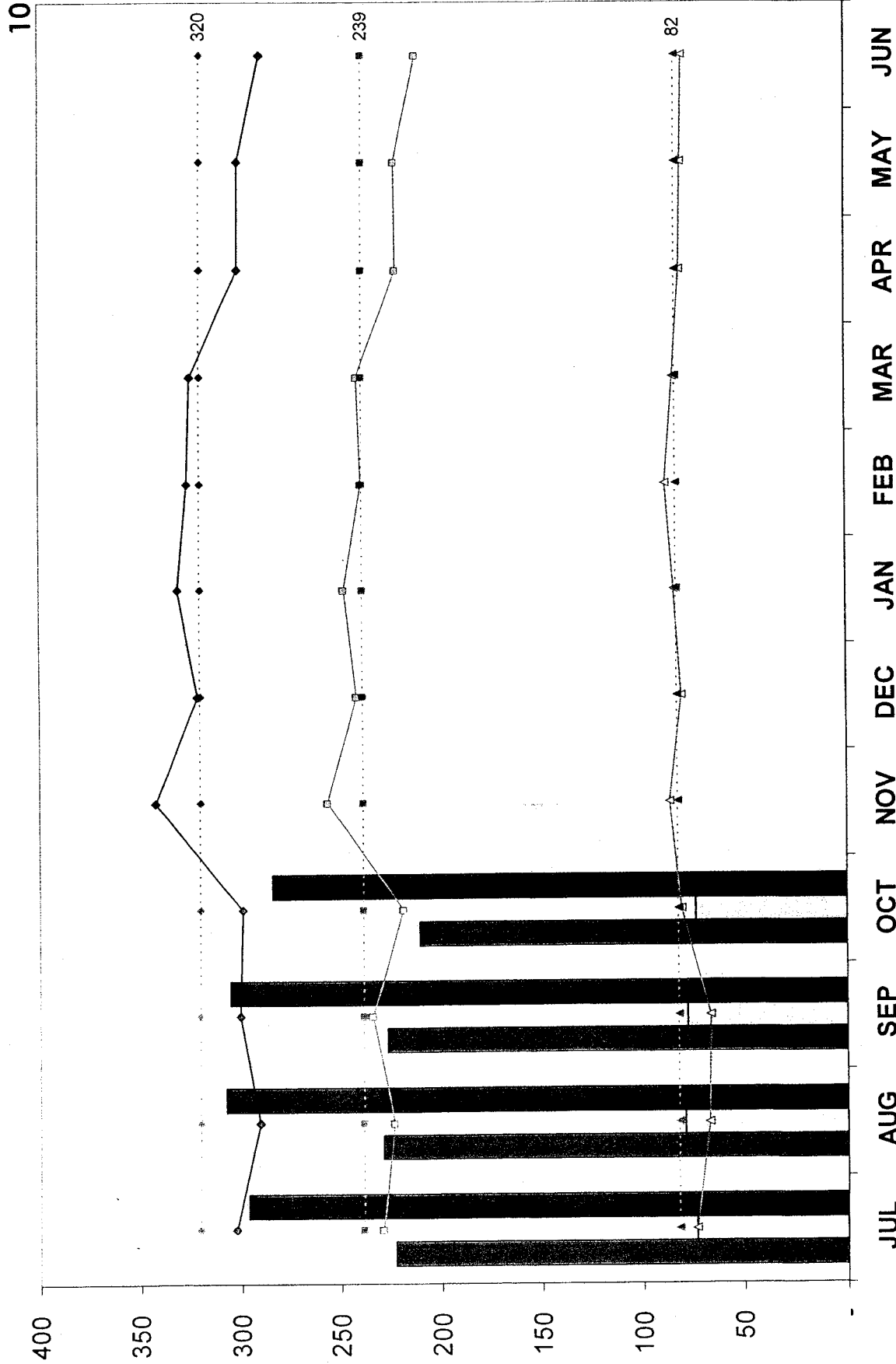
■ PMC
 □ POM
 ● CON
 - - - PY PMC
 - - - PY POM
 - - - PY CON

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	BUD YTD
PMC	6,919	7,102	6,822	6,547	-	-	-	-	-	-	-	-	27,390	29,345
POM	2,261	2,433	2,329	2,272	-	-	-	-	-	-	-	-	9,295	10,023
CON	9,180	9,555	9,151	8,819	-	-	-	-	-	-	-	-	36,685	39,368

W

FISCAL YEAR 2007

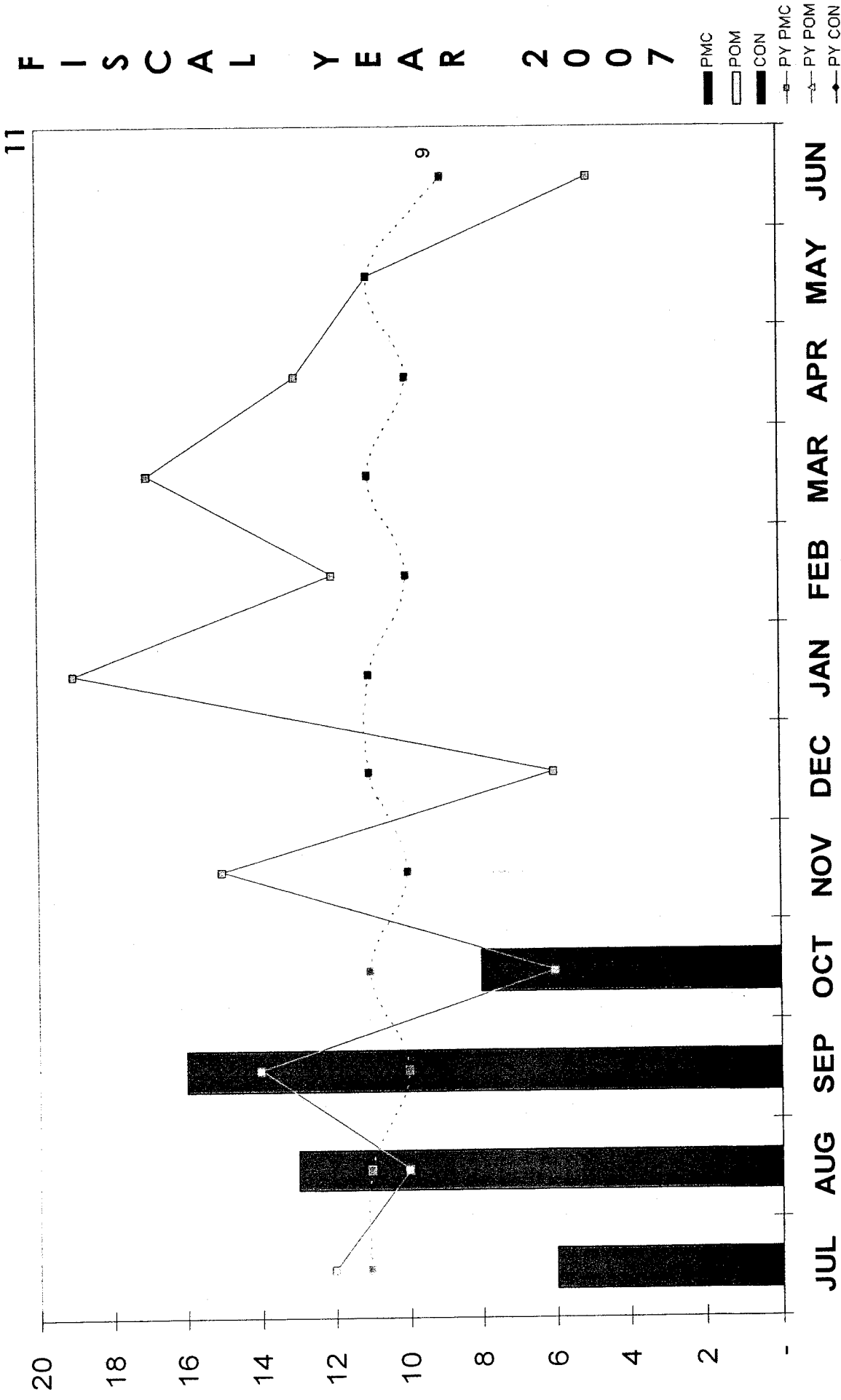
Average Daily Census - Acute



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	BUD YTD
PMC	223	229	227	211	-	-	-	-	-	-	-	-	223	239
POM	73	78	78	73	-	-	-	-	-	-	-	-	76	81
CON	296	308	305	284	-	-	-	-	-	-	-	-	298	320

FISCAL YEAR 2007

Surgeries - CVS (PMC)



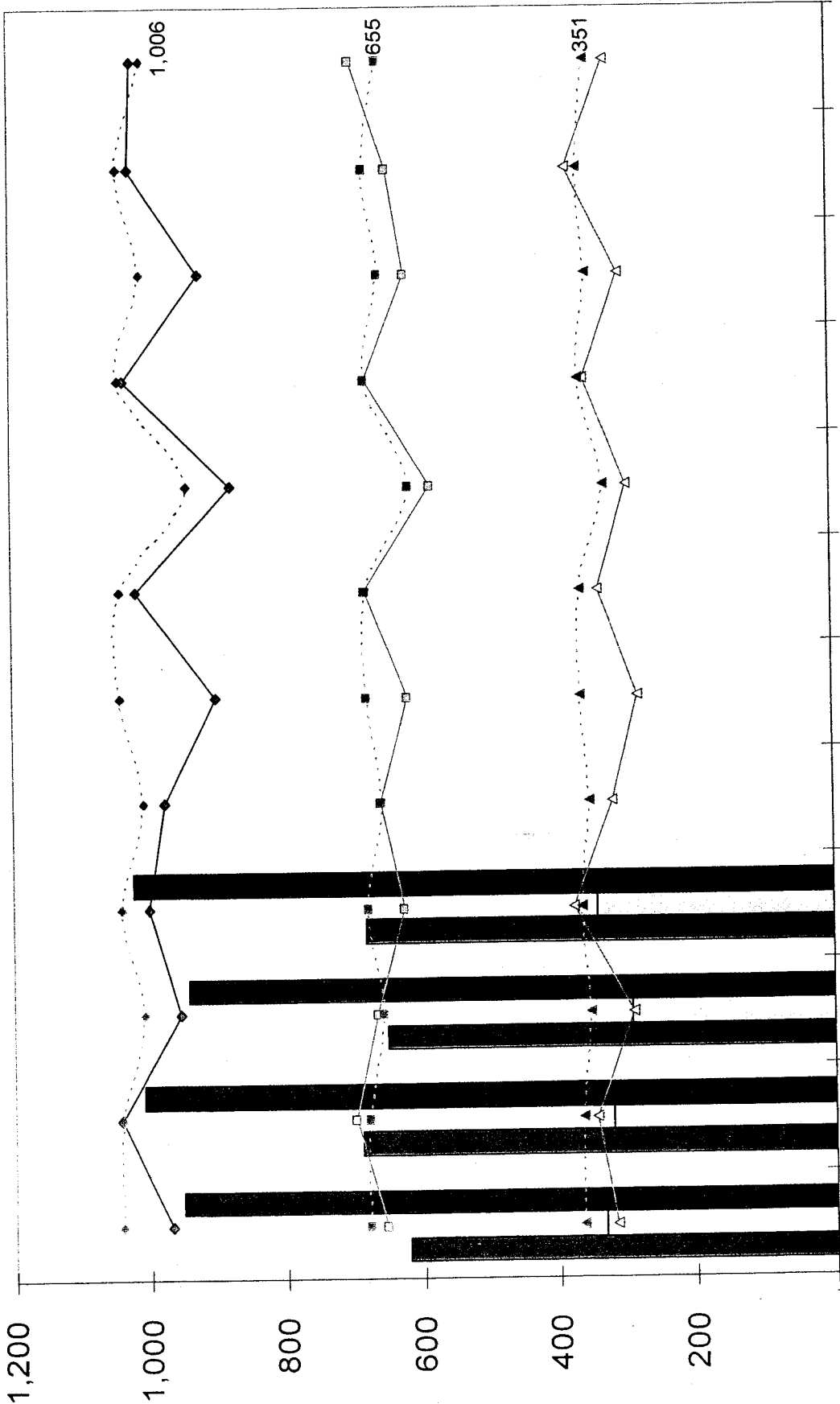
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	BUD YTD
PMC	6	13	16	8	-	-	-	-	-	-	-	-	43	43

22

FISCAL YEAR 2007

Total Surgeries

12



■ PMC
 □ POM
 ■ CON
 - - - PY PMC
 - - - PY POM
 - - - PY CON

JUL AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN

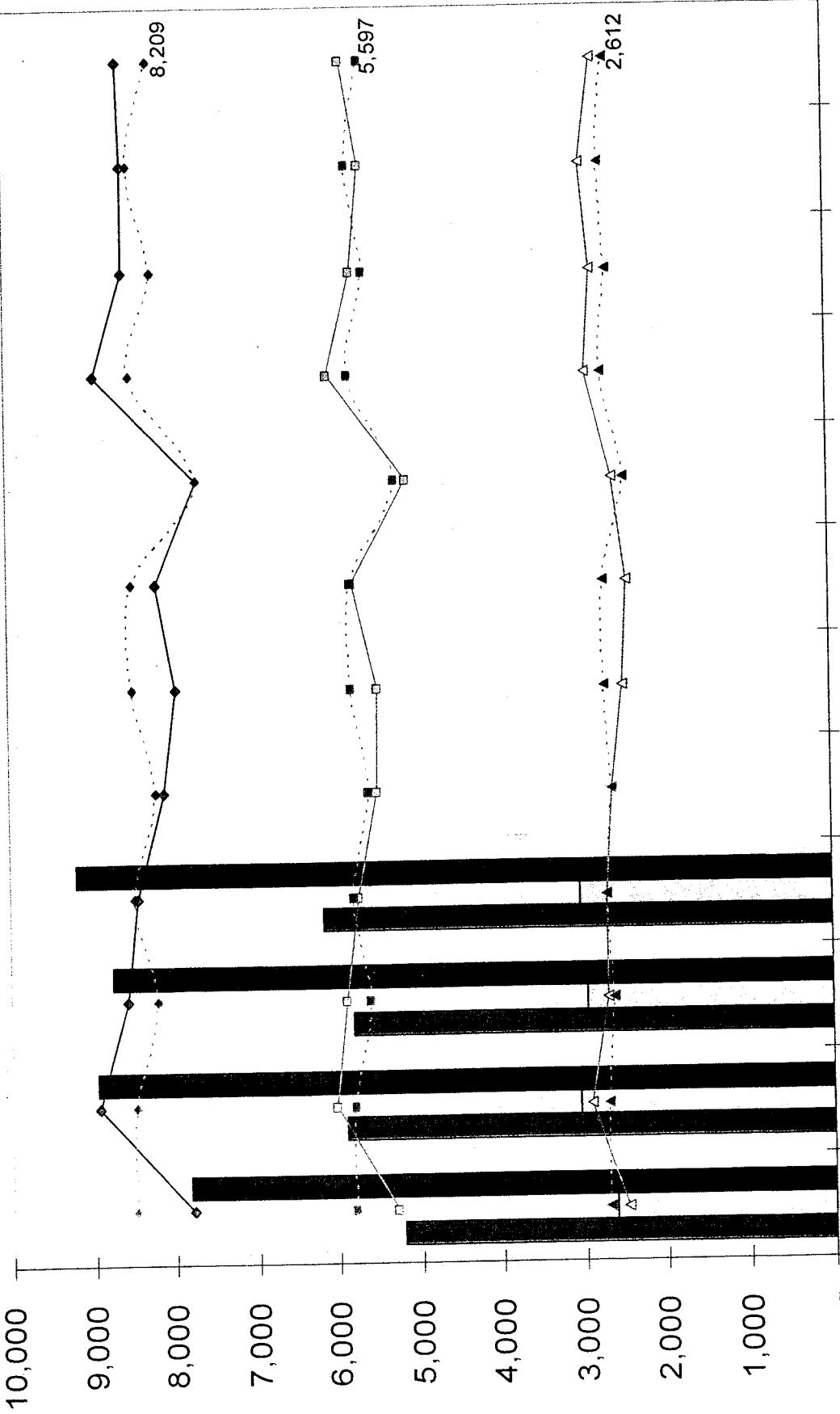
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	BUDYTD
PMC	621	688	651	682	-	-	-	-	-	-	-	-	2,642	2,689
POM	332	321	293	341	-	-	-	-	-	-	-	-	1,287	1,441
CON	953	1,009	944	1,023	-	-	-	-	-	-	-	-	3,929	4,130

34

FISCAL YEAR 2007

Outpatient Registration

13



■ PMC
 ◻ POM
 ■ CON
 ◻ PY PMC
 ◻ PY POM
 ◻ PY CON

JUL AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN

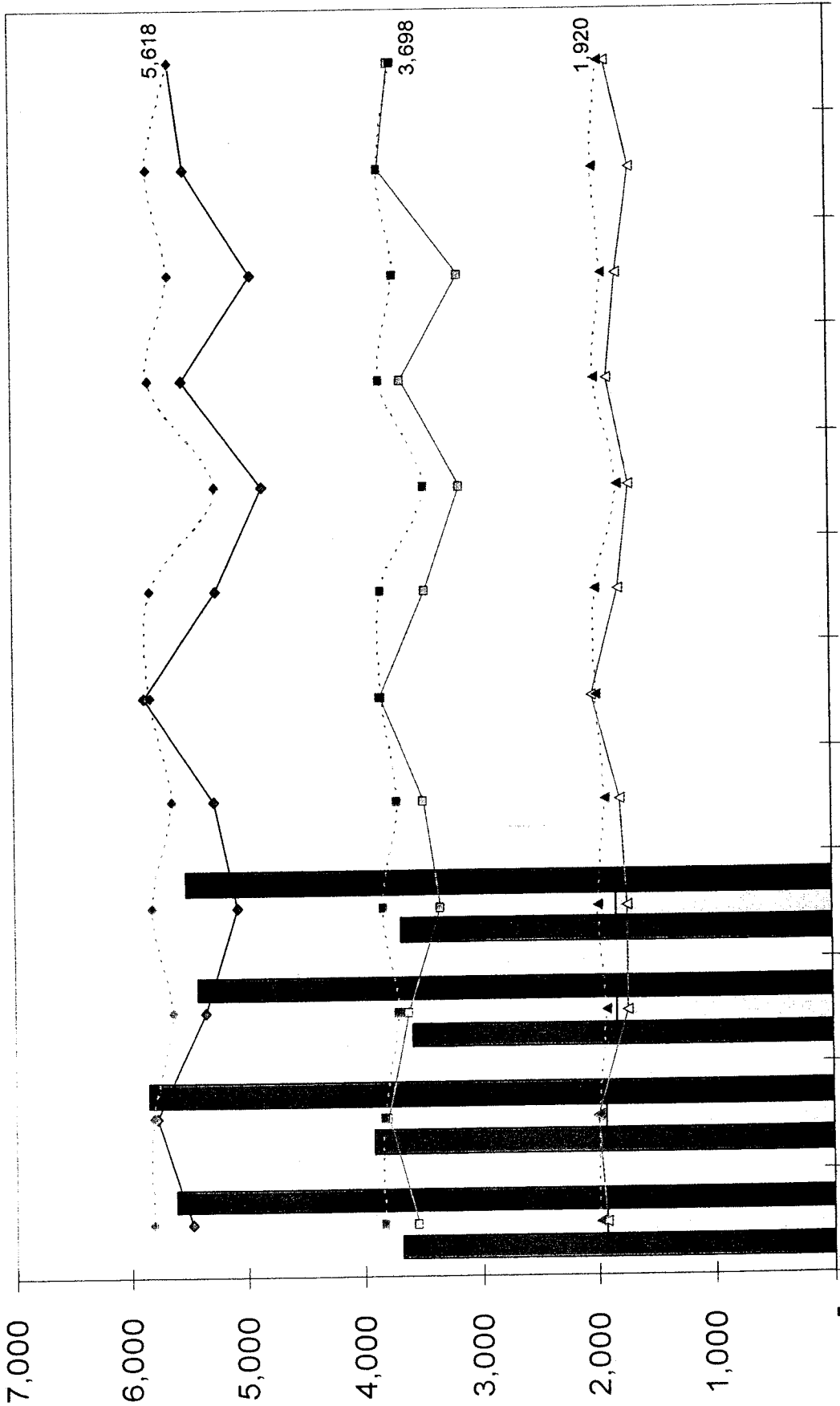
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	BUDYTD
PMC	5,204	5,900	5,800	6,158	-	-	-	-	-	-	-	-	23,062	22,934
POM	2,615	3,044	2,944	3,033	-	-	-	-	-	-	-	-	11,636	10,701
CON	7,819	8,944	8,744	9,191	-	-	-	-	-	-	-	-	34,698	33,635

W

FISCAL YEAR 2007

ER Visits includes Trauma

14



■ PMC
 □ POM
 ■ CON
 ○ PY PMC
 △ PY POM
 ◆ PY CON

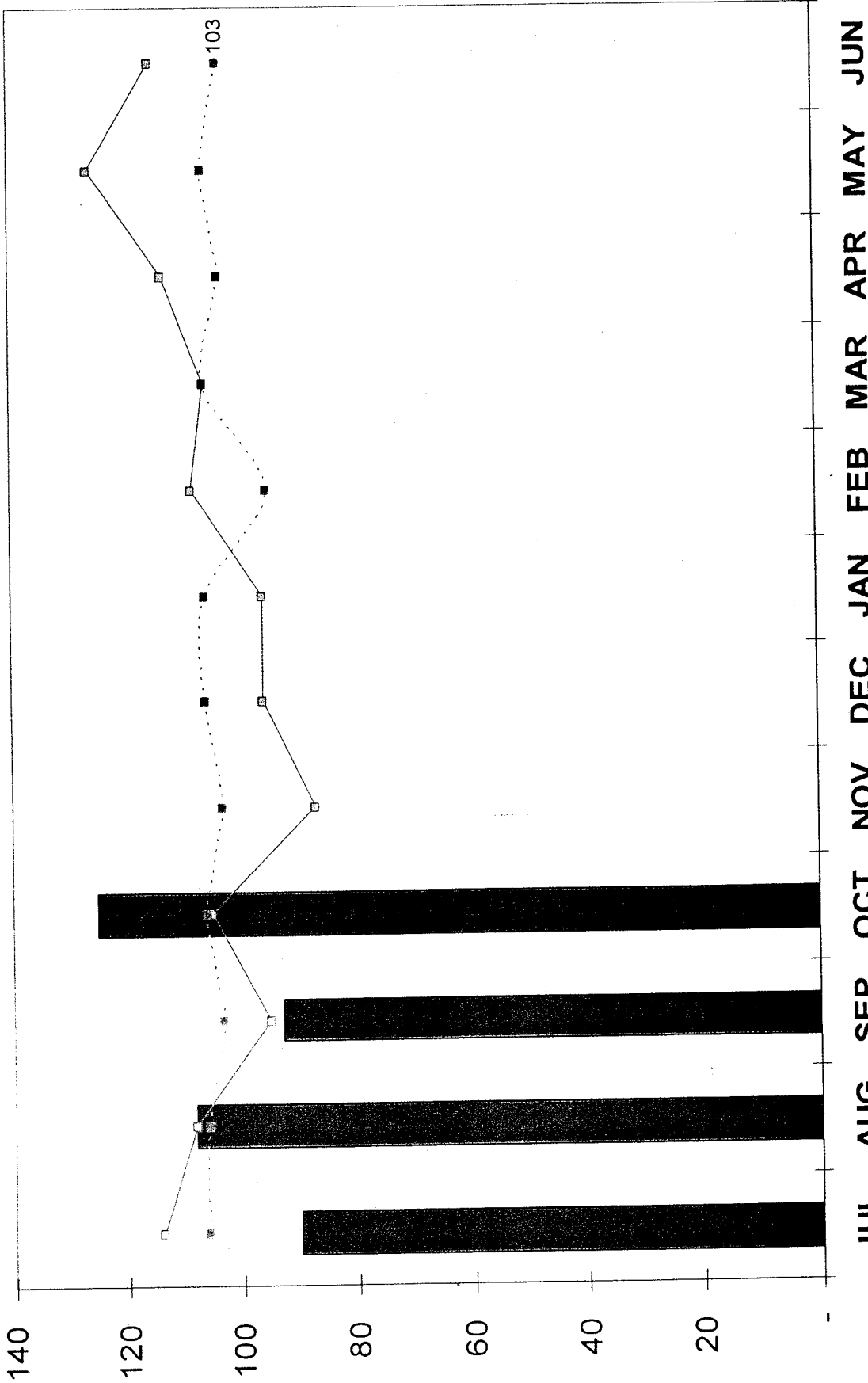
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	BUD YTD
PMC	3,685	3,916	3,589	3,686	-	-	-	-	-	-	-	-	14,876	15,177
POM	1,930	1,930	1,828	1,828	-	-	-	-	-	-	-	-	7,516	7,865
CON	5,615	5,846	5,417	5,514	-	-	-	-	-	-	-	-	22,392	23,042

26

FISCAL YEAR 2007

Trauma Cases (PMC)

15

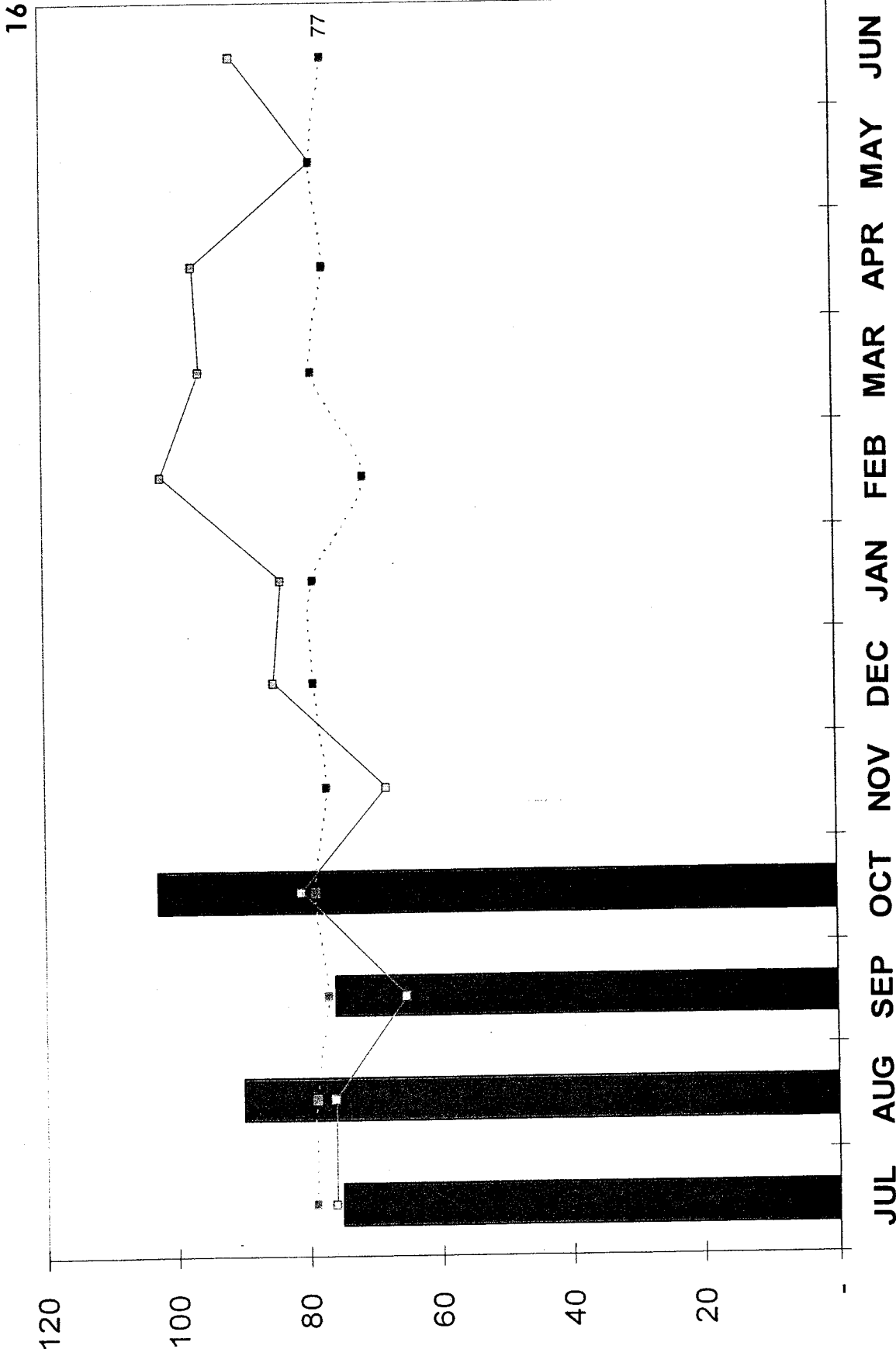


■ PMC
 □ POM
 ■ CON
 -○- PY PMC
 -○- PY POM
 -○- PY CON

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	BUD YTD
PMC	90	108	93	125									416	421

FISCAL YEAR 2007

Trauma Admissions (PMC)

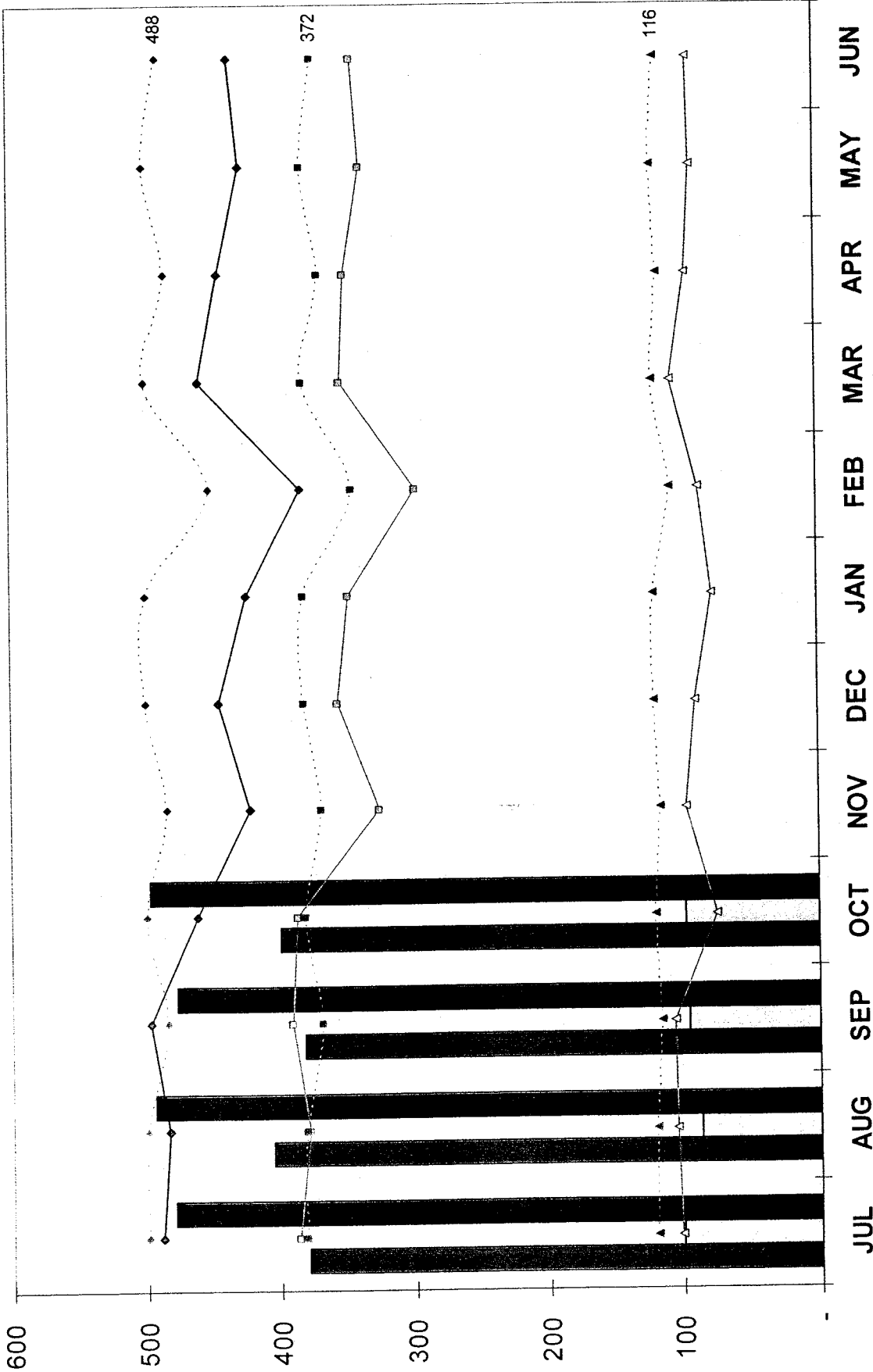


	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>BUD YTD</u>
PMC	75	90	76	103	-	-	-	-	-	-	-	-	344	314

FISCAL YEAR 2007

Deliveries

17



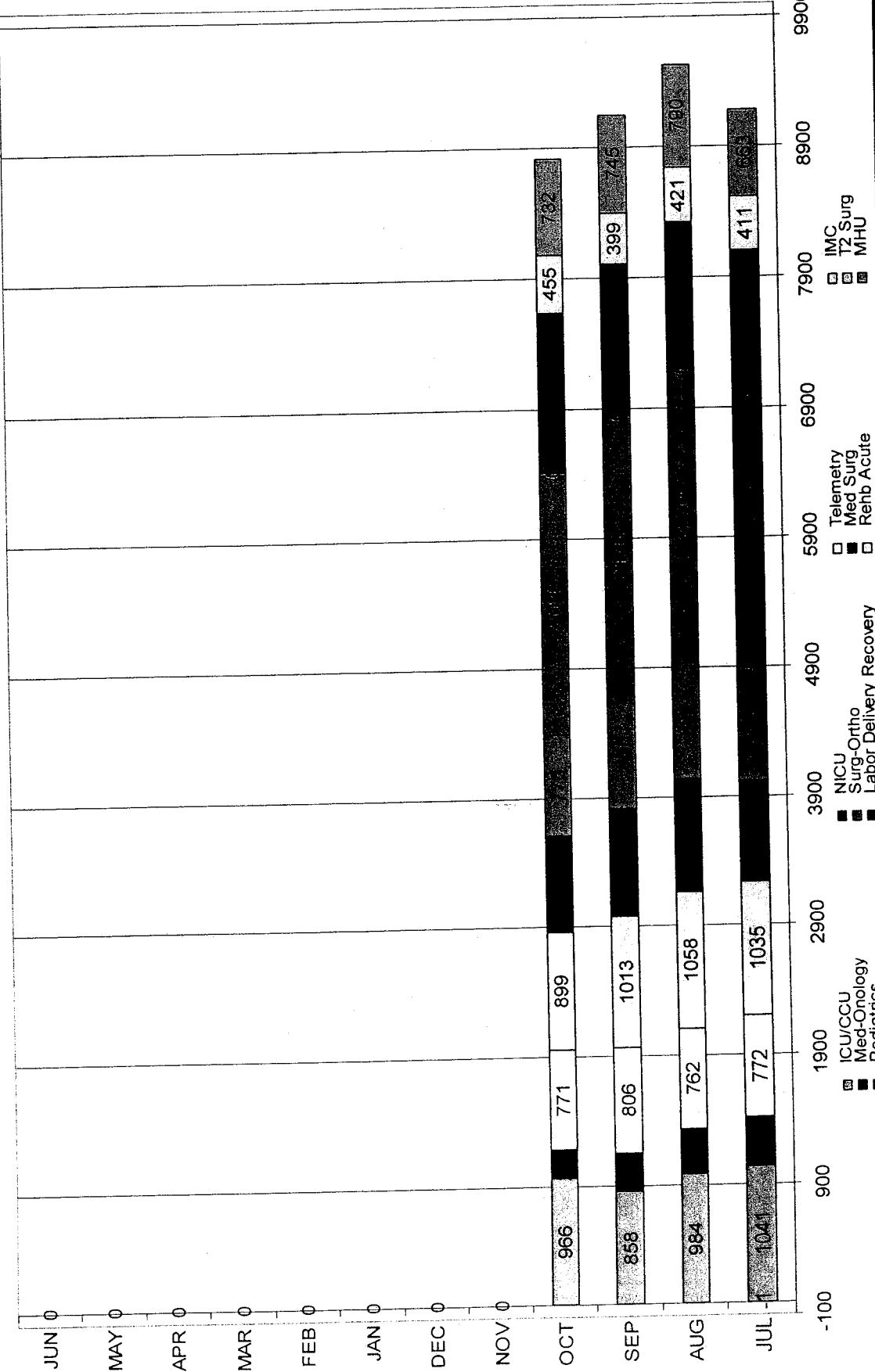
■ PMC
 □ POM
 ● CON
 — PY PMC
 — PY POM
 — PY CON

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	BUDYTD
PMC	379	406	382	399	-	-	-	-	-	-	-	-	1,566	1,508
POM	100	87	95	97	-	-	-	-	-	-	-	-	379	472
CON	479	493	477	496	-	-	-	-	-	-	-	-	1,945	1,980

FISCAL YEAR 2007

Patient Days

18

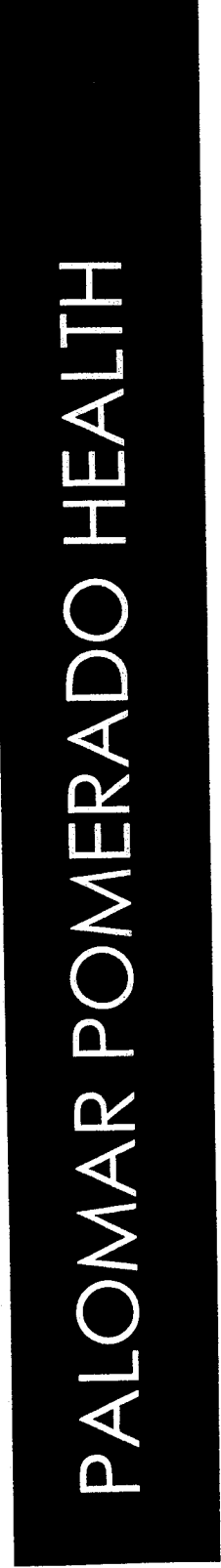


	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
Patient Days-Acute	9,180	9,535	9,151	8,819									36,685

PALOMAR POMERADO HEALTH
SUMMARY OF KEY INDICATORS AND RESULTS
FYTD October 2006

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>FY 2006</u>
<u>ADMISSIONS - Acute:</u>				
Palomar Medical Center	7,414	7,380	34	7,314
Pomerado Hospital	2,279	2,635	(356)	2,242
Total:	<u>9,693</u>	<u>10,015</u>	<u>(322)</u>	<u>9,556</u>
<u>ADMISSIONS - SNF:</u>				
Palomar Medical Center	214	261	(47)	218
Pomerado Hospital	183	211	(28)	185
Total:	<u>397</u>	<u>472</u>	<u>(75)</u>	<u>403</u>
<u>PATIENT DAYS - Acute:</u>				
Palomar Medical Center	27,390	29,345	(1,955)	27,848
Pomerado Hospital	9,295	10,023	(728)	8,817
Total:	<u>36,685</u>	<u>39,368</u>	<u>(2,683)</u>	<u>36,665</u>
<u>PATIENT DAYS- SNF:</u>				
Palomar Medical Center	10,802	10,899	(97)	10,385
Pomerado Hospital	15,248	15,252	(4)	15,178
Total:	<u>26,050</u>	<u>26,151</u>	<u>(101)</u>	<u>25,563</u>

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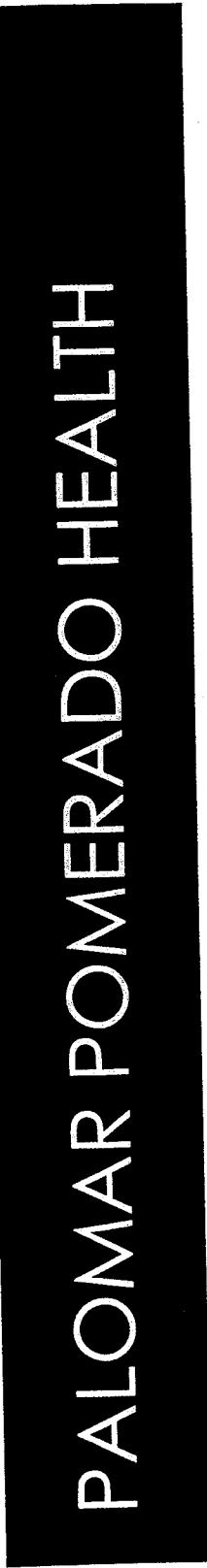
PALOMAR POMERDO HEALTH
SUMMARY OF KEY INDICATORS AND RESULTS
FYTD October 2006

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>FY 2006</u>
<u>WEIGHTED PATIENT DAYS:</u>				
Palomar Medical Center	34,865	36,515	(1,650)	34,828
Pomerado Hospital	14,724	15,144	(420)	13,673
Other Activities	1,090	1,239	(149)	745
Total:	<u>50,679</u>	<u>52,898</u>	<u>(2,219)</u>	<u>49,246</u>

<u>AVERAGE LENGTH OF STAY - Acute:</u>				
Palomar Medical Center	3.67	4.02	(0.35)	3.91
Pomerado Hospital	4.04	3.96	0.08	3.88
Total:	<u>3.76</u>	<u>4.00</u>	<u>(0.24)</u>	<u>3.91</u>

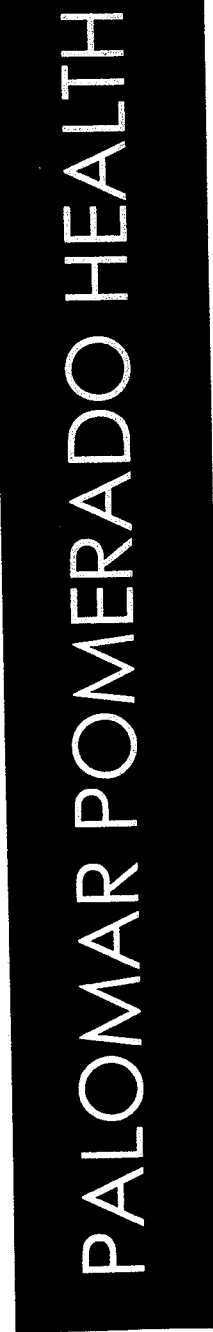
<u>AVERAGE LENGTH OF STAY - SNF:</u>				
Palomar Medical Center	51.68	40.52	11.16	48.08
Pomerado Hospital	85.18	73.68	11.50	81.60
Total:	<u>67.14</u>	<u>54.94</u>	<u>12.20</u>	<u>63.59</u>

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**PALOMAR POMERADO HEALTH
SUMMARY OF KEY INDICATORS AND RESULTS
FYTD October 2006**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>FY 2006</u>
<u>EMERGENCY ROOM VISITS & TRAUMA CASES:</u>				
Palomar Medical Center	14,876	15,177	(301)	14,304
Pomerado Hospital	7,516	7,865	(349)	7,389
Total:	22,392	23,042	(650)	21,693
<u>EMERGENCY & TRAUMA ADMISSIONS:</u>				
Palomar Medical Center	3,591	3,824	(233)	3,553
Pomerado Hospital	1,290	1,377	(87)	1,255
Total:	4,881	5,201	(320)	4,808
<u>SURGERIES:</u>				
Palomar Medical Center	2,642	2,689	(47)	2,643
Pomerado Hospital	1,287	1,441	(154)	1,324
Total:	3,929	4,130	(201)	3,967
<u>BIRTHS:</u>				
Palomar Medical Center	1,566	1,508	58	1,543
Pomerado Hospital	379	472	(93)	386
Total:	1,945	1,980	(35)	1,929

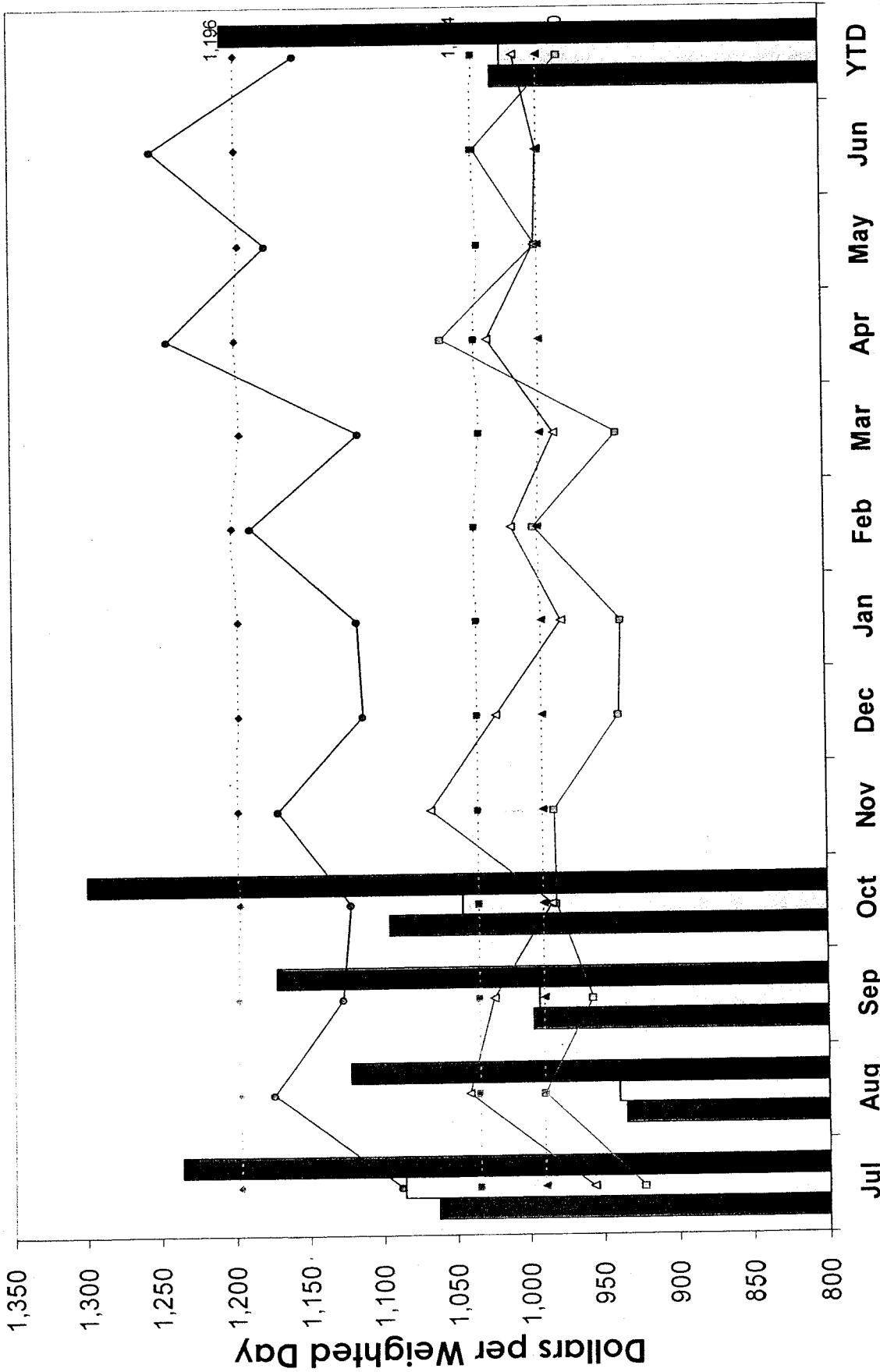


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FISCAL YEAR 2007

Salaries per Weighted Patient Days

22



PMC
 POM
 CON
 PY PMC
 PY POM
 PY CON

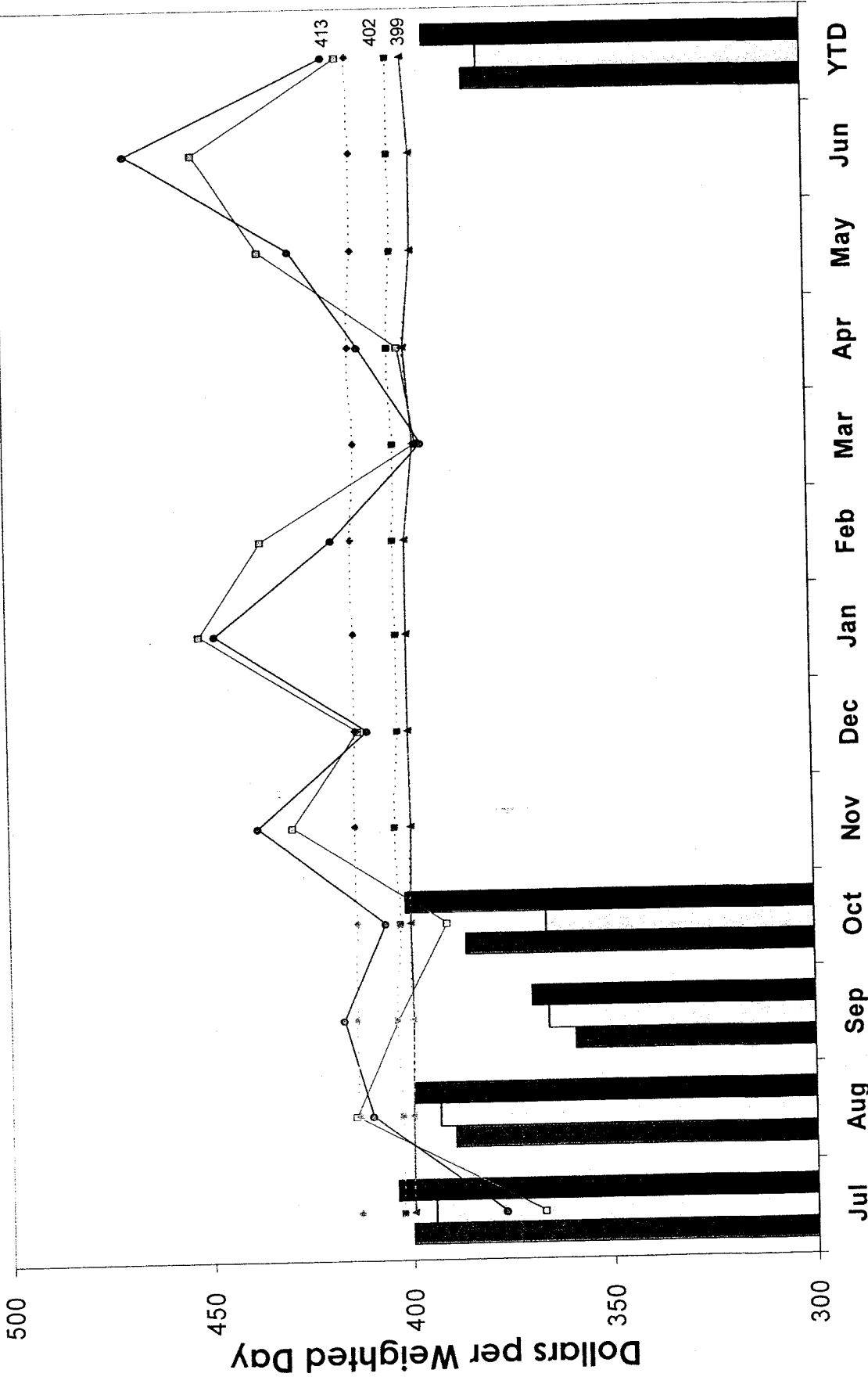
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD	Bud YTD
PMC	1,063	935	998	1,095	-	-	-	-	-	-	-	-	1,021	990
POM	1,086	940	993	1,045	-	-	-	-	-	-	-	-	1,015	1,034
CON	1,236	1,122	1,172	1,299	-	-	-	-	-	-	-	-	1,206	1,196

FF

FISCAL YEAR 2007

Supplies per Weighted Patient Days

23



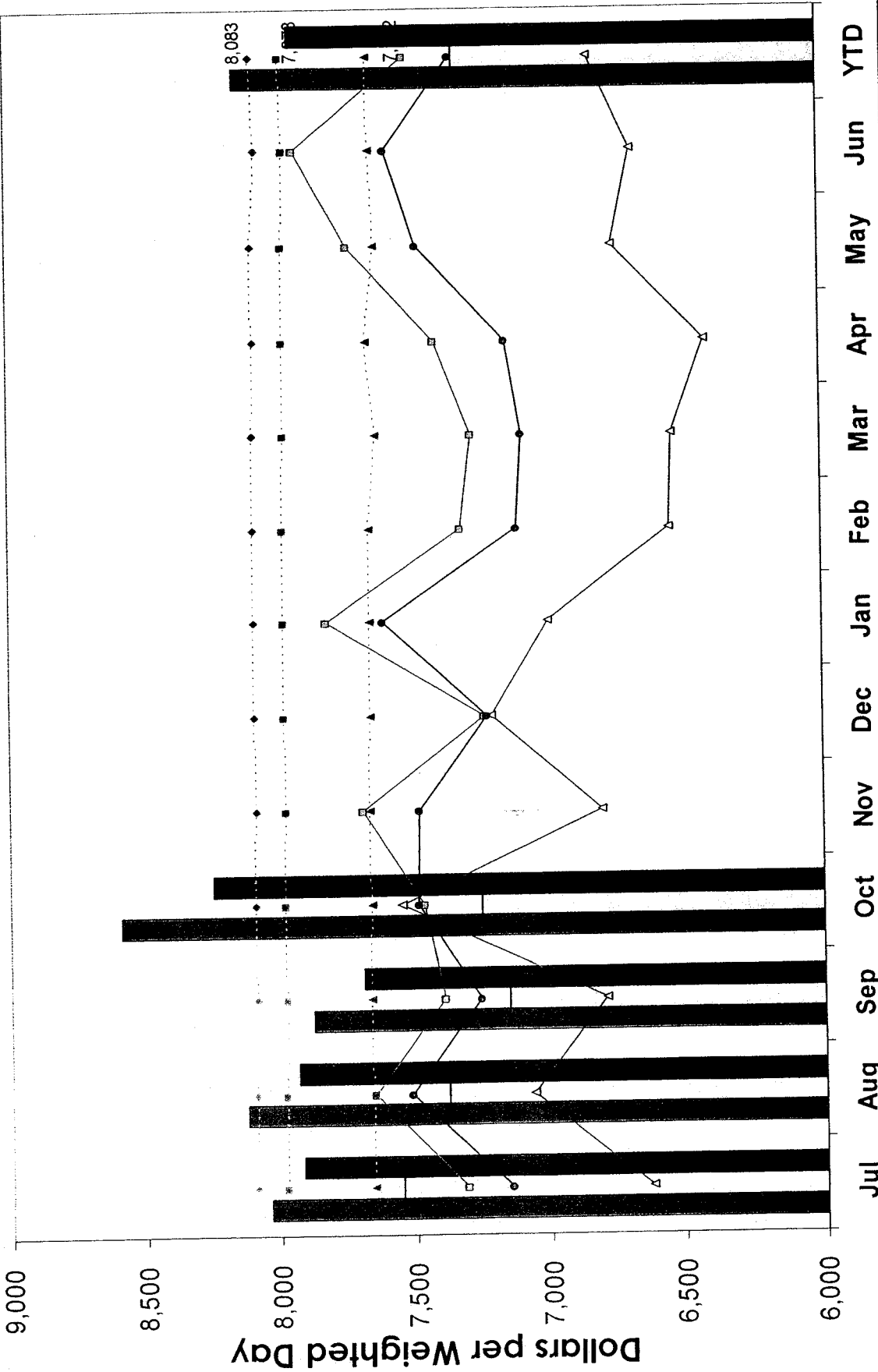
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD	Bud YTD
PMC	400	389	359	386	-	-	-	-	-	-	-	-	384	402
POM	394	393	365	366	-	-	-	-	-	-	-	-	380	400
CON	404	399	370	401	-	-	-	-	-	-	-	-	393	413

TS

FISCAL YEAR 2007

Gross Patient Revenue per Weighted Patient Days

24



■ PMC
 □ POM
 ■ CON
 ● PY PMC
 □ PY POM
 ▲ PY CON

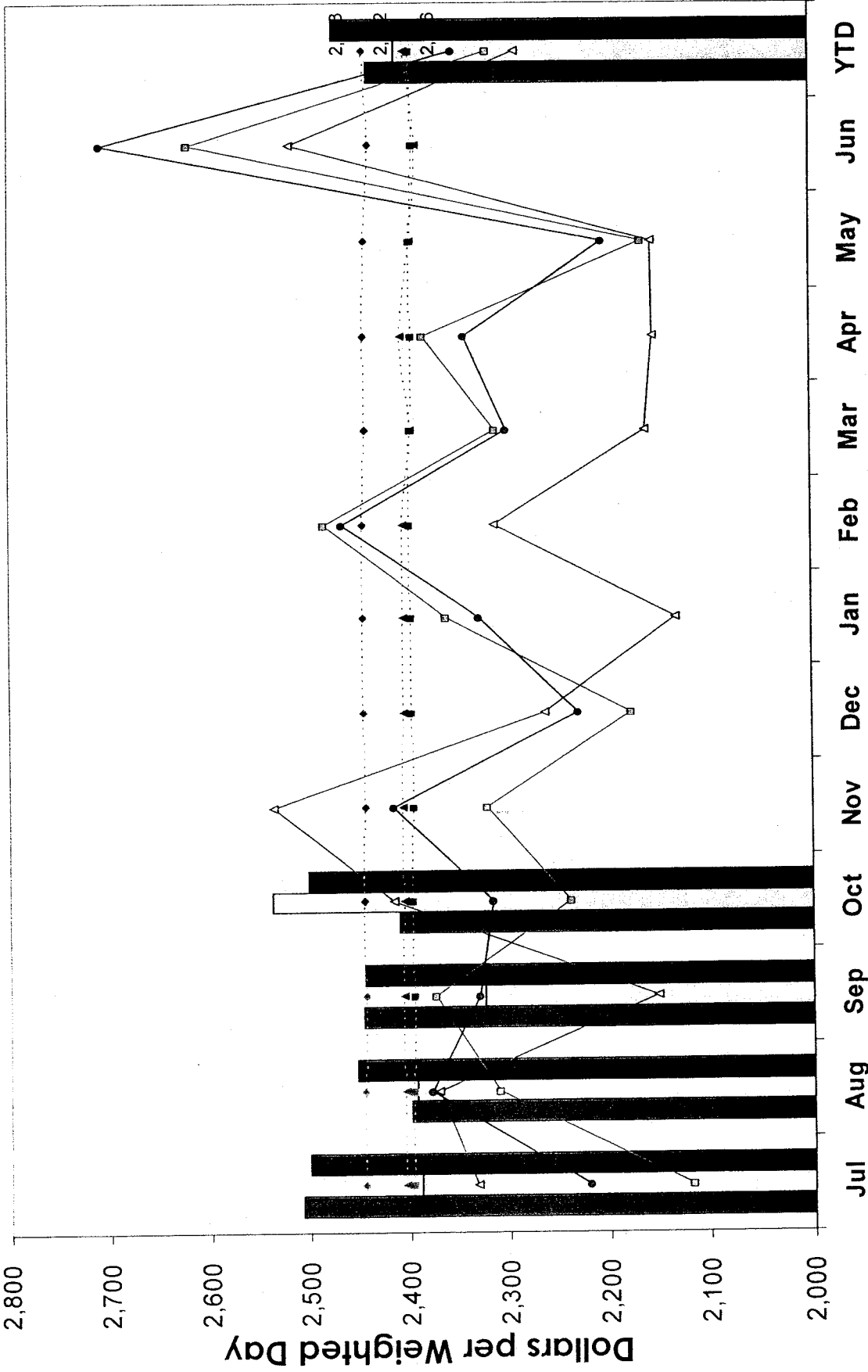
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD	Bud YTD
PMC	8,041	8,120	7,875	8,587	-	-	-	-	-	-	-	-	8,151	8,084
POM	7,552	7,379	7,149	7,247	-	-	-	-	-	-	-	-	7,331	7,658
CON	7,921	7,932	7,690	8,242	-	-	-	-	-	-	-	-	7,943	7,976

FE

FISCAL YEAR 2007

Net Patient Revenue per Weighted Patient Days

25

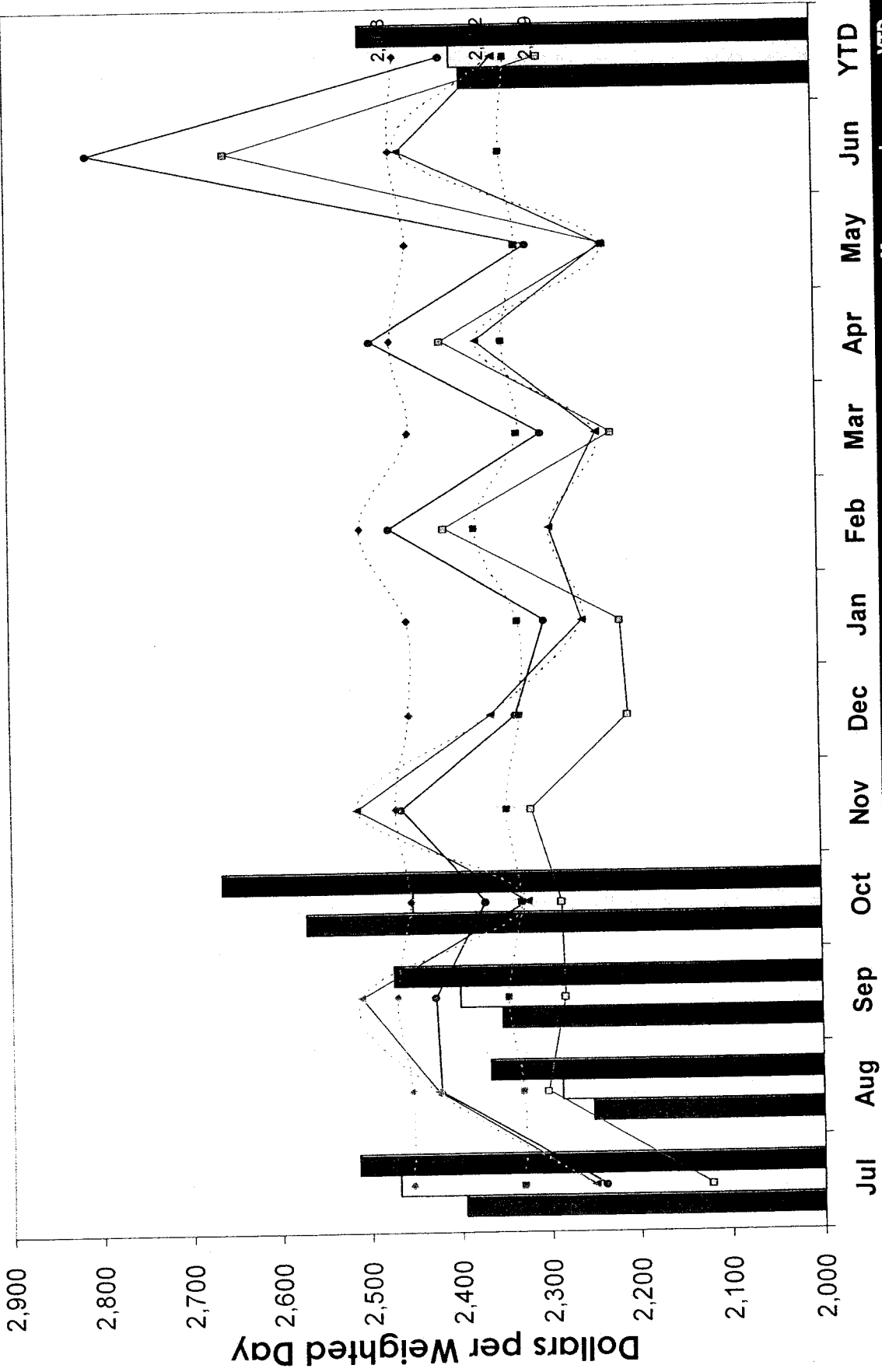


47

FISCAL YEAR 2007

Total Expenses per Weighted Patient Days

26

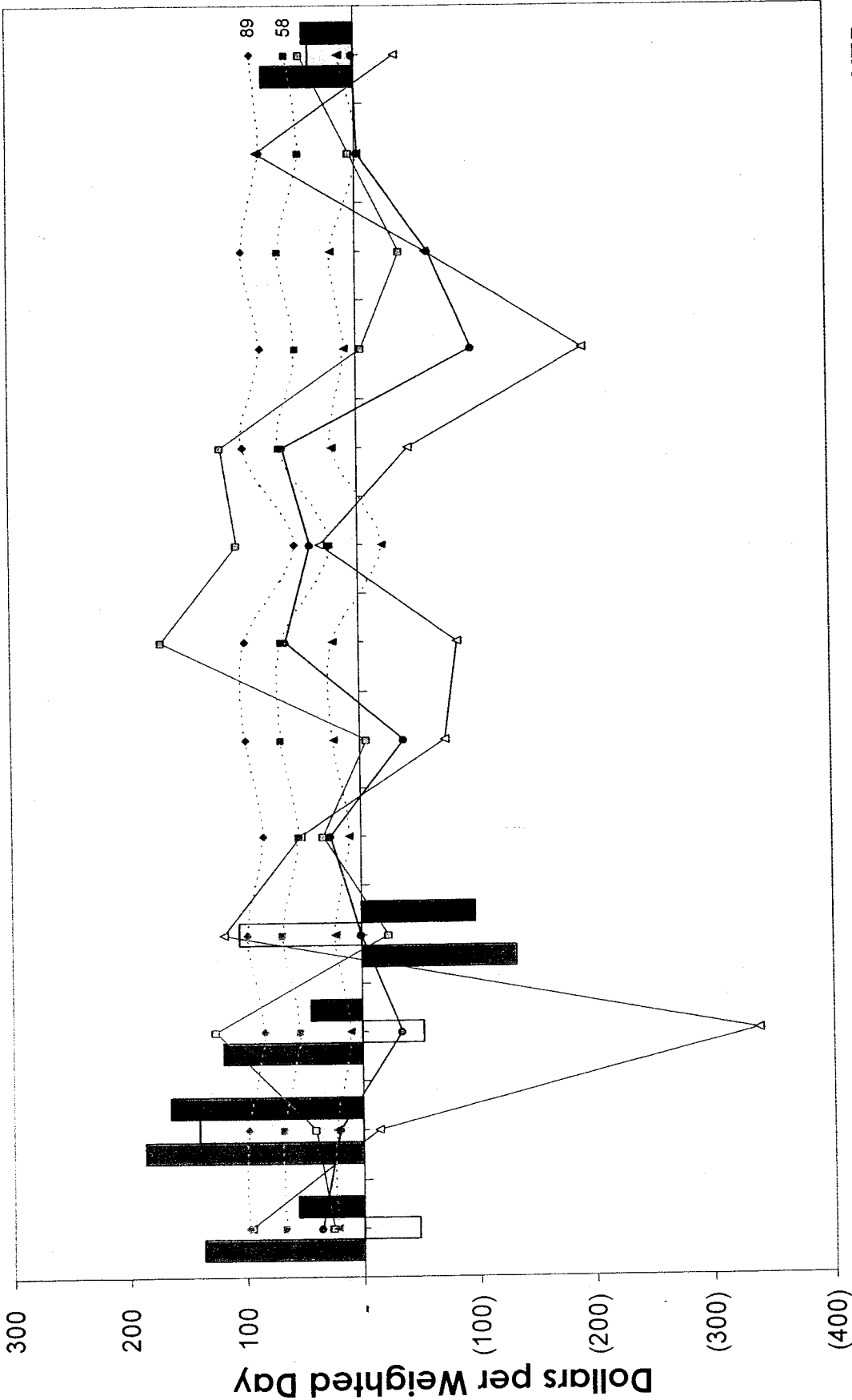


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD	Bud YTD
PMC	2,395	2,252	2,352	2,571	-	-	-	-	-	-	-	-	2,389	2,334
POM	2,469	2,287	2,400	2,451	-	-	-	-	-	-	-	-	2,400	2,410
CON	2,514	2,367	2,473	2,665	-	-	-	-	-	-	-	-	2,502	2,458

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Net Operating Income per Weighted Patient Days

27



PMC
 POM
 CON
 PY PMC
 PY POM
 PY CON

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD	Bud YTD
PMC	137	186	120	(133)	-	-	-	-	-	-	-	-	80	94
POM	(48)	140	(52)	105	-	-	-	-	-	-	-	-	39	19
CON	56	164	45	(98)	-	-	-	-	-	-	-	-	43	63

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PALOMAR POMERADO HEALTH
Key Variance Explanations for October 2006

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Weighted Patient Days	12,431	13,331	(900)
Gross Patient Revenue:	102,455,908	106,338,260	(3,882,352)
Due to lower than budgeted volumes			(3,296,737)
Contractuals:	71,518,551	73,812,302	2,293,751
Due to lower than budgeted gross revenue			
Net Capitalization:	144,087	63,927	80,160
Other Operating Revenue:	836,197	1,007,597	(171,400)
Health Development			(55,750)
PPH Foundation			(64,256)
Salaries & Wages:	15,471,247	15,256,595	(214,652)
Annual merit increase and longevity			
Benefits:	4,022,437	3,774,533	(247,904)
Deferred Compensation			(164,450)
Contract Labor:	675,568	678,883	3,315

PALOMAR POMERADO HEALTH

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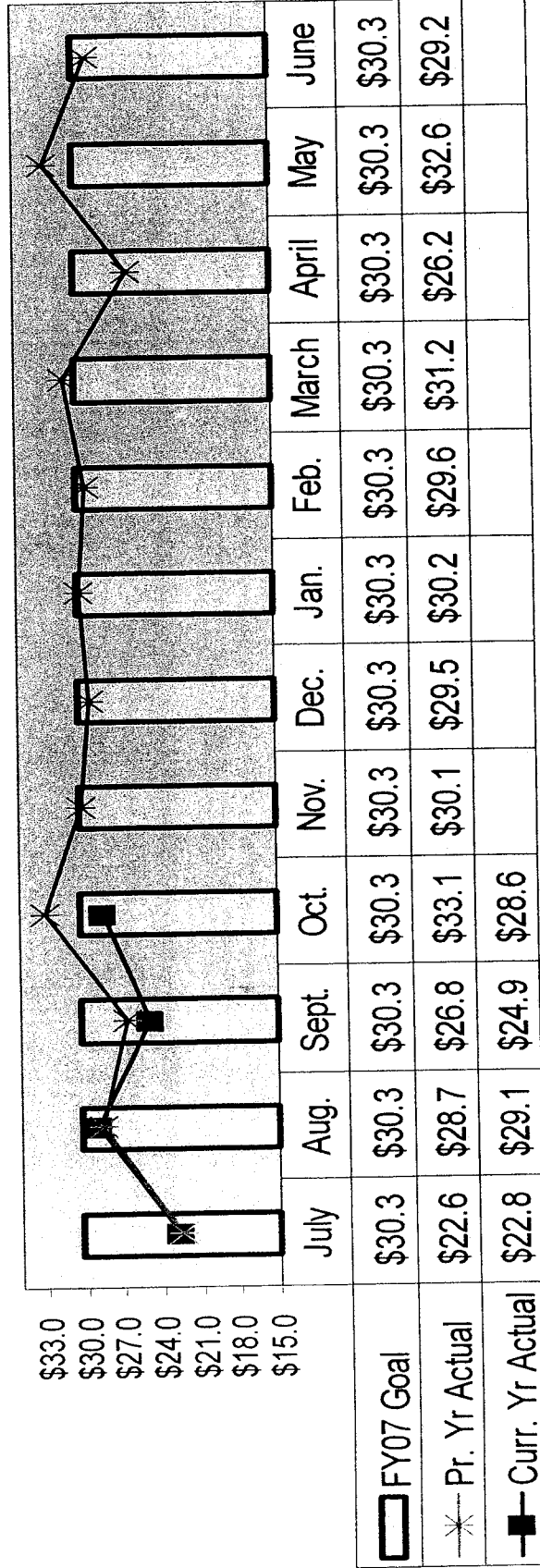
PALOMAR POMERADO HEALTH
Key Variance Explanations for October 2006 (Cont'd)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Professional Fees:			
Physician Fees (includes some retro fees)	2,169,854	1,815,681	(354,173)
Legal Fees			(223,528)
Consulting Fees			(96,000)
			(30,430)
Supplies:			
Prosthesis	4,986,864	5,503,090	516,226
Due to lower than budgeted volumes			250,019
Other non-medical			144,702
			126,770
Purchased Services:			
Survey service fees	2,321,346	2,164,495	(156,851)
Collection Fees			(63,583)
Cost Report service fees			(37,222)
Elevator services late billing			(34,181)
			(23,912)

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PBS Monthly Collections in Millions



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PALOMAR POMERADO HEALTH
Key Variance Explanations for October 2006 (Cont'd)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Depreciation:	1,668,606	1,568,084	(100,522)
CIP's newly closed			(64,832)
Escondido Surgery Center			(35,290)
Other Direct Expenses:	1,818,374	1,949,209	130,835
Marketing / Recruiting			90,704
Utilities			83,938
Net Income From Operations	(\$1,216,655)	\$886,912	(\$2,103,567)

PALOMAR POMERADO HEALTH

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**PALOMAR POMERADO HEALTH
CONSOLIDATED**

FY 2007 Month-to-Date as of October

	Month Activity		Variance	Variance			\$/Wtg Pt Day		
	Actual	Budget		Volume	Rate/Eff	Actual	Budget	Variance	
Statistics:									
Admissions - Acute	2,384	2,524	(140)						
Admissions - SNF	104	119	(15)						
Patient Days - Acute	8,819	9,922	(1,103)						
Patient Days - SNF	6,590	6,591	(1)						
ALOS - Acute	3.64	4.00	(0.36)						
ALOS - SNF	69.37	54.93	14.44						
Weighted Pt Days	12,431	13,331	(900)						

	Actual	Budget	Variance	U	Actual	Budget	Variance	U
Revenue:								
Gross Revenue	\$ 102,455,908	\$ 106,338,260	\$ (3,882,352)	U	\$ 8,241,977	\$ 7,976,777	\$ 265,200	U
Deductions from Rev	(71,374,464)	(73,748,375)	2,373,911	F	(5,741,655)	(5,532,100)	(209,555)	U
Net Patient Revenue	31,081,444	32,589,885	(1,508,441)	U	2,500,320	2,444,677	55,643	U
Other Oper Revenue	836,197	1,007,597	(171,400)	U	67,277	75,588	(8,311)	U
Total Net Revenue	31,917,641	33,597,482	(1,679,841)	U	2,567,587	2,520,255	47,332	U
Expenses:								
Salaries, Wages & Contr Labor	16,146,815	15,935,478	(211,337)	U	1,298,920	1,195,370	103,550	U
Benefits	4,022,437	3,774,533	(247,904)	U	323,580	283,140	40,440	U
Supplies	4,986,864	5,503,090	516,226	F	401,160	412,800	11,640	U
Prof Fees & Purch Svc	4,491,200	3,980,176	(511,024)	U	361,290	298,570	62,720	U
Depreciation	1,668,606	1,568,084	(100,522)	U	134,230	117,630	16,600	U
Other	1,818,374	1,949,209	130,835	F	146,220	146,220	(0.06)	U
PPH Allocation	-	-	-		-	-	-	
Total Expenses	33,134,296	32,710,570	(423,726)	U	2,665,460	2,453,720	(211,740)	U
Net Inc Before Non-Oper Income	(1,216,655)	886,912	(2,103,567)	U	(97,870)	66,530	(164,400)	U
Property Tax Revenue	1,054,166	1,054,166	-		84,800	79,080	5,720	U
Non-Operating Income	190,429	73,058	117,371	F	15,320	5,480	9,840	U
Net Income (Loss)	\$ 27,940	\$ 2,014,136	\$ (1,986,196)	U	\$ 2.25	\$ 151.09	\$ (148.84)	U

Net Income Margin 0.1% 5.7% -5.6%
 OEBITDA Margin w/o Prop Tax 1.3% 7.0% -5.7%
 OEBITDA Margin with Prop Tax 4.4% 9.9% -5.5%

F= Favorable variance
 U= Unfavorable variance



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PALOMAR POMERADO HEALTH
Consolidated Balance Sheet
As of October 31, 2006

	Current Month	Prior Month	Prior Fiscal Year End
Assets			
Current Assets			
Cash on Hand	\$5,415,265	\$172,781	\$2,001,279
Cash Marketable Securities	92,637,284	98,333,076	110,035,151
Total Cash & Cash Equivalents	98,052,549	98,505,857	112,036,430
Patient Accounts Receivable			
Allowance on Accounts	176,940,672	182,435,472	149,045,009
Net Accounts Receivable	-88,664,851	-95,690,974	-78,078,378
	88,275,821	86,744,498	70,966,631
Inventories	6,880,380	6,872,906	6,937,645
Prepaid Expenses	2,387,017	2,115,754	2,293,992
Other	18,209,847	17,562,924	3,868,903
Total Current Assets	213,805,614	211,801,939	196,103,601
Non-Current Assets			
Restricted Assets	52,329,424	54,216,818	66,734,609
Restricted by Donor	291,127	288,774	288,265
Board Designated	10,256,775	12,235,047	9,267,526
Total Restricted Assets	62,877,326	66,741,639	76,290,400
Property Plant & Equipment	339,312,674	339,933,839	343,335,572
Accumulated Depreciation	-221,231,290	-220,923,479	-220,455,460
Construction in Process	100,360,230	98,379,353	85,858,842
Net Property Plant & Equipment	218,441,614	217,389,713	208,738,954
Investment in Related Companies	1,360,849	1,305,985	268,203
Deferred Financing Costs	3,594,315	3,469,576	3,354,469
Other Non-Current Assets	2,555,197	2,555,197	2,594,765
Total Non-Current Assets	288,828,301	291,462,110	291,246,791
Total Assets	\$502,634,915	\$503,264,049	\$487,350,392
Liabilities			
Current Liabilities			
Accounts Payable	\$17,417,008	\$20,074,089	\$23,154,953
Accrued Payroll	17,694,697	16,271,101	13,504,395
Accrued PTO	11,527,623	11,094,734	11,133,368
Accrued Interest Payable	2,875,619	2,256,333	2,265,274
Current Portion of Bonds	12,015,000	12,015,000	12,745,000
Est Third Party Settlements	-277,639	-472,484	-995,051
Other Current Liabilities	19,897,474	21,351,613	9,482,924
Total Current Liabilities	81,149,782	82,590,366	71,290,863
Long Term Liabilities			
Bonds & Contracts Payable	145,962,266	145,944,428	151,347,395
General Fund Balance			
Unrestricted	264,974,965	262,204,417	255,156,342
Restricted for Other Purpose	291,127	289,774	288,265
Board Designated	10,256,775	12,235,047	9,267,526
Total Fund Balance	275,522,867	274,729,238	264,712,133
Total Liabilities / Fund Balance	\$502,634,915	\$503,264,049	\$487,350,392

PALOMAR POMERADO HEALTH

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**PALOMAR POMERADO HEALTH
CONSOLIDATED
MONTHLY TREND - FY 2007**

	Jul-06	Aug-06	Sep-06	Oct-06	FYTD
Statistics:					
Admissions - Acute	2,402	2,464	2,443	2,384	9,693
Admissions - SNF	104	99	90	104	397
Patient Days - Acute	9,180	9,535	9,151	8,819	36,685
Patient Days - SNF	6,635	6,517	6,308	6,590	26,050
LOS - Acute	3.86	3.82	3.70	3.64	3.76
LOS - SNF	72.12	63.27	64.37	69.37	67.14
Weighted Pt Days	12,517	13,150	12,568	12,431	50,679

Revenue:

Gross Revenue	\$ 99,141,914	\$ 104,303,733	\$ 96,648,451	\$ 102,455,908	\$ 402,550,007
Deductions from Rev	(67,846,129)	(72,046,060)	(65,925,304)	(71,374,464)	(277,191,961)
Net Patient Revenue	31,295,785	32,257,673	30,723,147	31,081,444	125,358,046
Other Oper Revenue	872,741	1,024,339	917,501	836,197	3,650,778
Total Net Revenue	32,168,526	33,282,012	31,640,648	31,917,641	129,008,824

Expenses:

Salaries, Wages & Contr Labor	15,474,327	14,754,829	14,727,754	16,146,815	61,103,725
Benefits	3,710,570	3,719,161	3,639,220	4,022,437	15,091,388
Supplies	5,053,134	5,252,262	4,645,918	4,986,864	19,938,178
Prof Fees & Purch Svc	3,957,885	4,023,887	4,535,289	4,491,200	17,008,261
Depreciation	1,647,188	1,661,866	1,661,093	1,668,606	6,638,753
Other	1,626,284	1,709,799	1,872,046	1,818,374	7,026,502
Total Expenses	31,469,388	31,121,804	31,081,320	33,134,296	126,806,807

Net Inc Before Non-Oper Income

	699,138	2,160,208	559,328	(1,216,655)	2,202,017
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**Property Tax Revenue
Non-Operating Income**

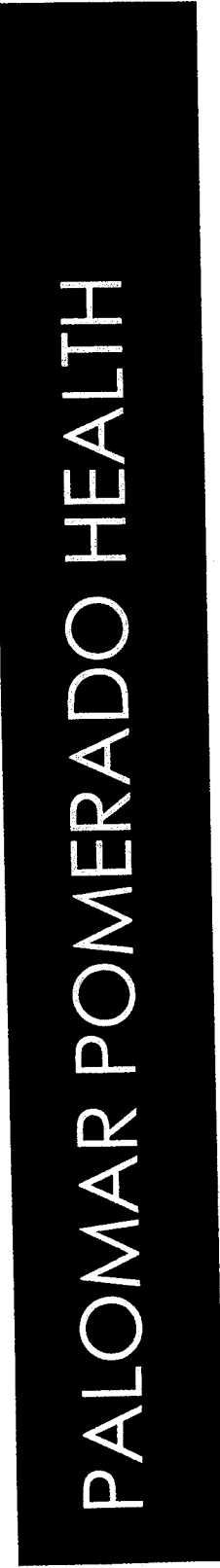
	1,054,166	1,054,166	1,054,166	1,054,166	4,216,664
	427,875	505,503	338,114	190,429	1,461,917

Net Income (Loss)

	\$ 2,181,179	\$ 3,719,874	\$ 1,951,605	\$ 27,940	\$ 7,880,598
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**Net Income Margin
OEBITDA Margin w/o Prop Tax
OEBITDA Margin with Prop Tax**

	6.5%	10.0%	6.1%	0.1%	5.8%
	6.9%	10.3%	6.9%	1.3%	6.5%
	10.1%	13.2%	10.2%	4.4%	9.5%



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**PALOMAR POMERADO HEALTH
CONSOLIDATED**

FY 2007 Year-to-Date as of October

	Month Activity		Variance			Variance			\$Mtg Pt Day	
	Actual	Budget		Variance		Volume	Rate/Eff		Actual	Budget
Statistics:										
Admissions - Acute	9,693	10,015		(322)						
Admissions - SNF	397	472		(75)						
Patient Days - Acute	36,685	39,368		(2,683)						
Patient Days - SNF	26,050	26,151		(101)						
ALOS - Acute	3.76	4.00		(0.24)						
ALOS - SNF	67.14	54.94		12.20						
Weighted Pt Days	50,679	52,898		(2,219)						

Revenue:													
Gross Revenue	\$ 402,550,007	\$ 421,894,346	\$	(19,344,339)	U	\$ (17,697,901)	\$	(1,646,438)	\$ 7,943.13	\$ 7,975.62	\$	(32.49)	
Deductions from Rev	(277,191,961)	(292,596,140)		15,404,179	F	12,274,015		3,130,164	(5,469.56)	(5,531.33)		61.76	
Net Patient Revenue	125,358,046	129,298,206		(3,940,160)	U	(5,423,886)		1,483,726	2,473.57	2,444.29		29.28	
Other Oper Revenue	3,650,778	4,030,388		(379,610)	U	(169,069)		(210,541)	72.04	76.19		(4.15)	
Total Net Revenue	129,008,824	133,328,594		(4,319,770)	U	(5,592,955)		1,273,185	2,545.61	2,520.48		25.12	
Expenses:													
Salaries, Wages & Contr Labor	61,103,725	63,243,154		2,139,429	F	2,652,965		(513,536)	1,205.70	1,195.57		(10.13)	
Benefits	15,091,388	15,029,257		(62,131)	U	630,457		(692,588)	297.78	284.12		(13.67)	
Supplies	19,938,178	21,843,561		1,905,383	F	916,308		989,075	393.42	412.94		19.52	
Prof Fees & Purch Svc	17,008,261	15,843,198		(1,165,063)	U	664,601		(1,829,664)	335.61	299.50		(36.10)	
Depreciation	6,638,753	6,272,336		(366,417)	U	263,116		(629,533)	131.00	118.57		(12.42)	
Other	7,026,502	7,766,970		740,468	F	325,814		414,654	138.65	146.83		8.18	
PPH Allocation													
Total Expenses	126,806,807	129,998,476		3,191,669	F	5,453,261		(2,261,592)	2,502.16	2,457.53		(44.63)	
Net Inc Before Non-Oper Income	2,202,017	3,330,118		(1,128,101)	U	(139,694)		(988,407)	43.45	62.95		(19.50)	
Property Tax Revenue	4,216,664	4,216,664		-		(176,883)		176,883	83.20	79.71		3.49	
Non-Operating Income	1,461,917	292,232		1,169,685	F	(12,259)		1,181,944	28.85	5.52		23.32	
Net Income (Loss)	\$ 7,880,598	\$ 7,839,014		\$ 41,584	F	\$ (328,836)		\$ 370,420	\$ 155.50	\$ 148.19		\$ 7.31	
Net Income Margin	5.8%	5.6%		0.2%									
OEBITDA Margin w/o Prop Tax	6.5%	6.9%		-0.4%									
OEBITDA Margin with Prop Tax	9.5%	9.9%		-0.4%									

F= Favorable variance
U= Unfavorable variance

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**PALOMAR POMERADO HEALTH
BOND COVENANT RATIOS**

	Jun-06	Jun-06	Oct-06
CUSHION RATIO			
Cash and Cash Equivalents	109,043,208	112,036,430	97,269,032
Board Designated Reserves	22,388,648	9,267,526	10,256,775
Trustee-held Funds	12,026,055	12,170,183	15,963,894
Total	143,457,911	133,474,139	123,489,701

Divided by:
Max Annual Debt Service
(Bond Year 2012)

CUSHION RATIO	13.4	12.5	11.5
REQUIREMENT	1.5	1.5	1.5
	Achieved	Achieved	Achieved

	Jun-05	Jun-06	Oct-06
DAYS CASH ON HAND			
Cash and Cash Equivalents	109,043,208	112,036,430	98,052,549
Board Designated Reserves	22,388,648	9,267,526	10,256,775
Total	131,431,856	121,303,956	108,309,324

Divide Total by Average Adjusted Expenses per Day

Total Expenses	340,338,156	364,120,335	126,806,807
Less: Depreciation	16,394,985	18,737,467	6,638,754
Adjusted Expenses	323,943,171	345,382,868	120,168,053
Number of days in period	365	365	123
Average Adjusted Expenses per Day	887,516	946,254	976,976

DAYS CASH ON HAND	148	128	111
REQUIREMENT	90	90	90
	Achieved	Achieved	Achieved

	Jun-05	Jun-06	Oct-06
Net Income Available for Debt Service			
Excess of revenue over expenses Cur Mo.	1,490,930	1,315,850	27,940
Excess of revenues over expenses YTD (General Funds)	17,052,649	11,558,633	7,880,598
ADD:			
Depreciation and Amortization	16,394,985	18,737,467	6,638,754
Interest Expense	5,272,031	4,405,929	1,591,473
Net Income Available for Debt Service	38,719,665	34,702,029	16,110,825

Aggregate Debt Service			
1993 Insured Refunding Revenue Bonds	6,020,301	3,639,772	816,196
1999 Insured Refunding Revenue Bonds	4,356,844	6,950,508	2,749,326
Aggregate Debt Service	10,377,145	10,590,280	3,565,522

Net Income Available for Debt Service	3.73	3.28	4.52
Required Coverage	1.15	1.15	1.15
	Achieved	Achieved	Achieved

PALOMAR POMERADO HEALTH

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Palomar Pomerado Health
STATEMENTS OF CASH FLOWS
 Fiscal Year 2007

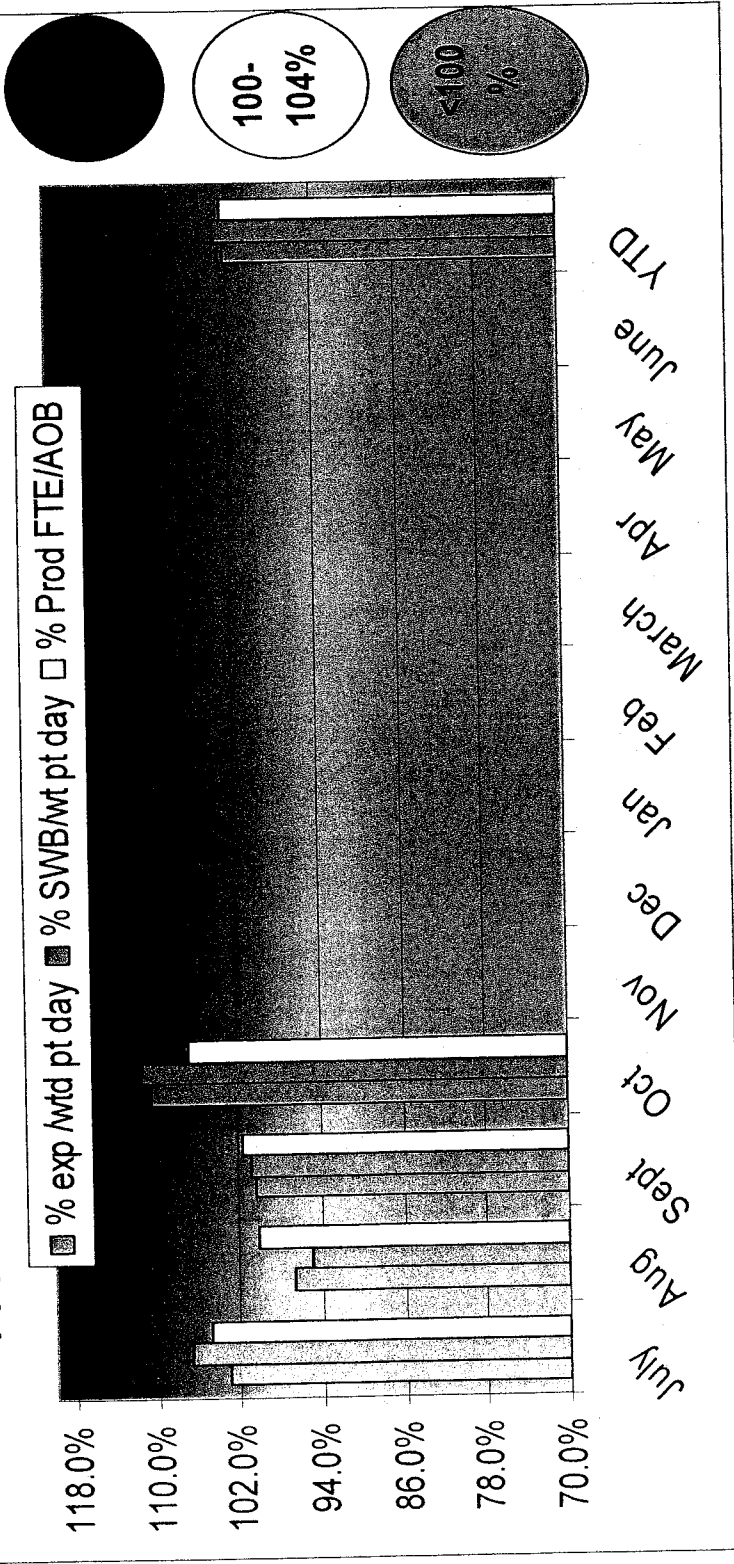
	<u>October</u>	<u>YTD</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income (Loss from operations)	(1,216,655)	2,201,517
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation Expense	1,668,606	6,638,754
Provision for bad debts	2,926,630	11,631,806
Changes in operating assets and liabilities:		
Patient accounts receivable	(4,457,953)	(28,882,647)
Property Tax and other receivables	(1,171,648)	(1,105,937)
Inventories	(7,474)	57,265
Prepaid expenses and Other Non-Current assets	(326,127)	(1,185,671)
Accounts payable	(2,657,081)	(13,207,640)
Accrued comp	(372,997)	2,495,238
Estimated settlement amounts due third-party payors	264,891	787,458
Other current liabilities	2,152,434	4,529,372
Net cash provided by operating activities	<u>(3,197,374)</u>	<u>(16,040,485)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net (purchases) sales on investments	9,560,105	30,810,941
Interest (Loss) received on investments	574,421	3,044,434
Investment in affiliates	283,097	686,148
Net cash used in investing activities	<u>10,417,623</u>	<u>34,541,523</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:		
Receipt of G.O. Bond Taxes	234,158	559,389
Receipt of District Taxes	229,150	738,712
Net cash used in activities	<u>463,308</u>	<u>1,298,101</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of property plant and equipment	(2,441,074)	(16,070,644)
Proceeds from sale of asset	0	0
G.O. Bond Interest paid	0	(1,838,488)
Revenue Bond Interest paid	0	0
Proceeds from issuance of debt	0	0
Payments of LT Debt	0	(6,185,000)
Net cash used in activities	<u>(2,441,074)</u>	<u>(24,094,132)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,242,483	(4,294,993)
CASH AND CASH EQUIVALENTS - Beginning of period	172,782	9,710,258
CASH AND CASH EQUIVALENTS - End of period	5,415,265	5,415,265

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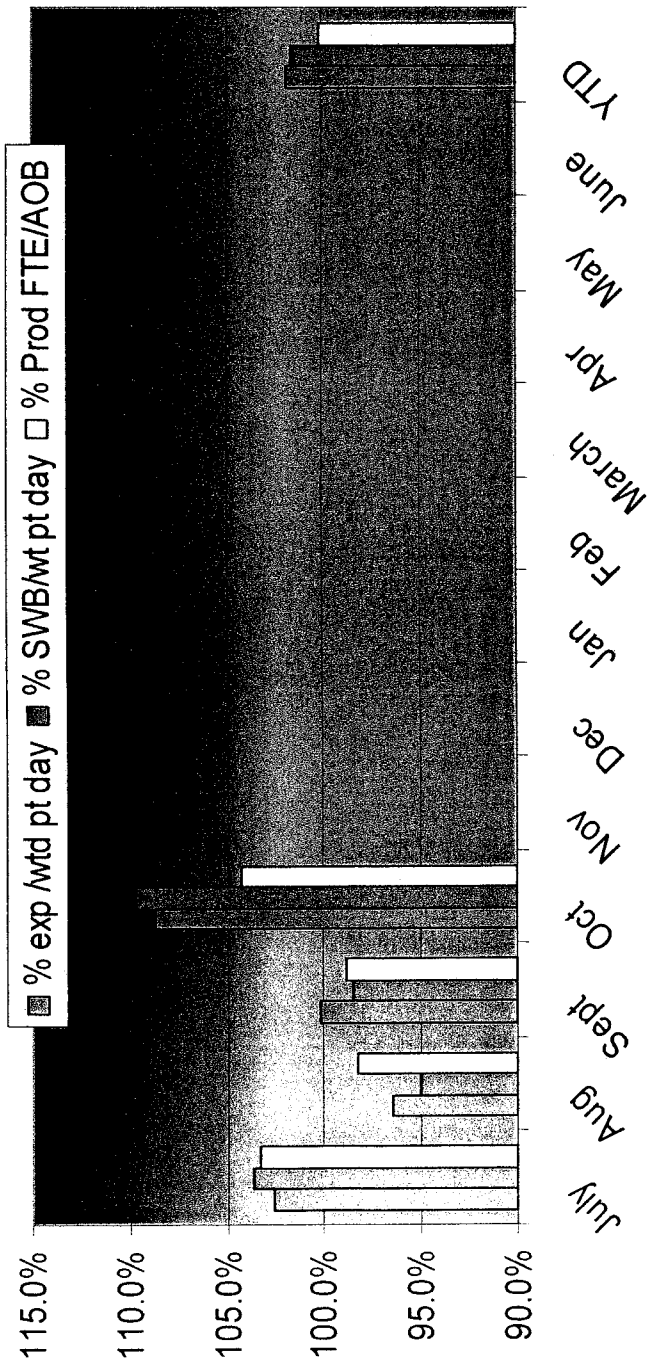
PPH North Consolidated Financial Indicators BSC-FY07



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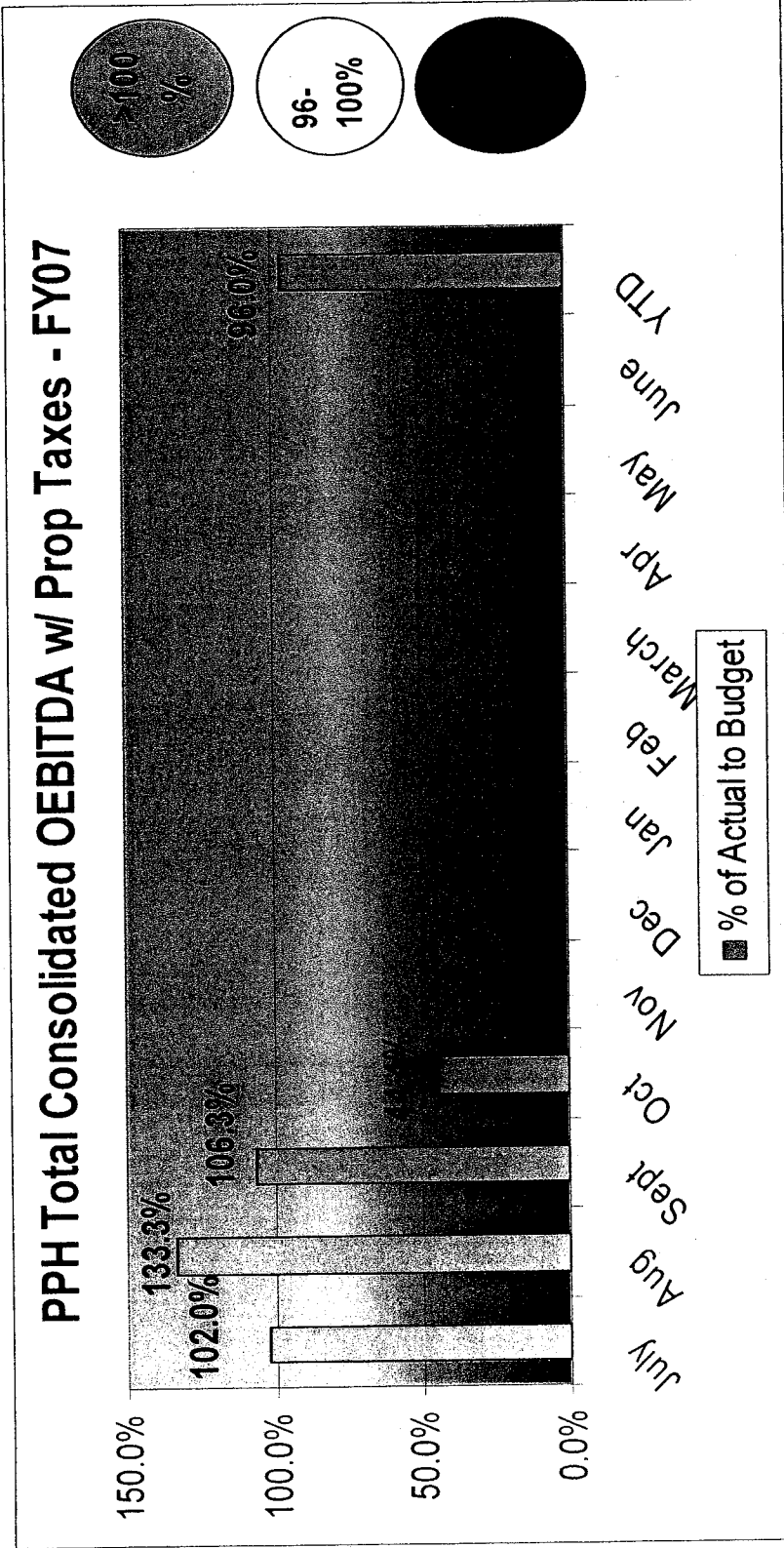
PPH Total Consolidated Financial Indicators BSC-FY07



100-104%
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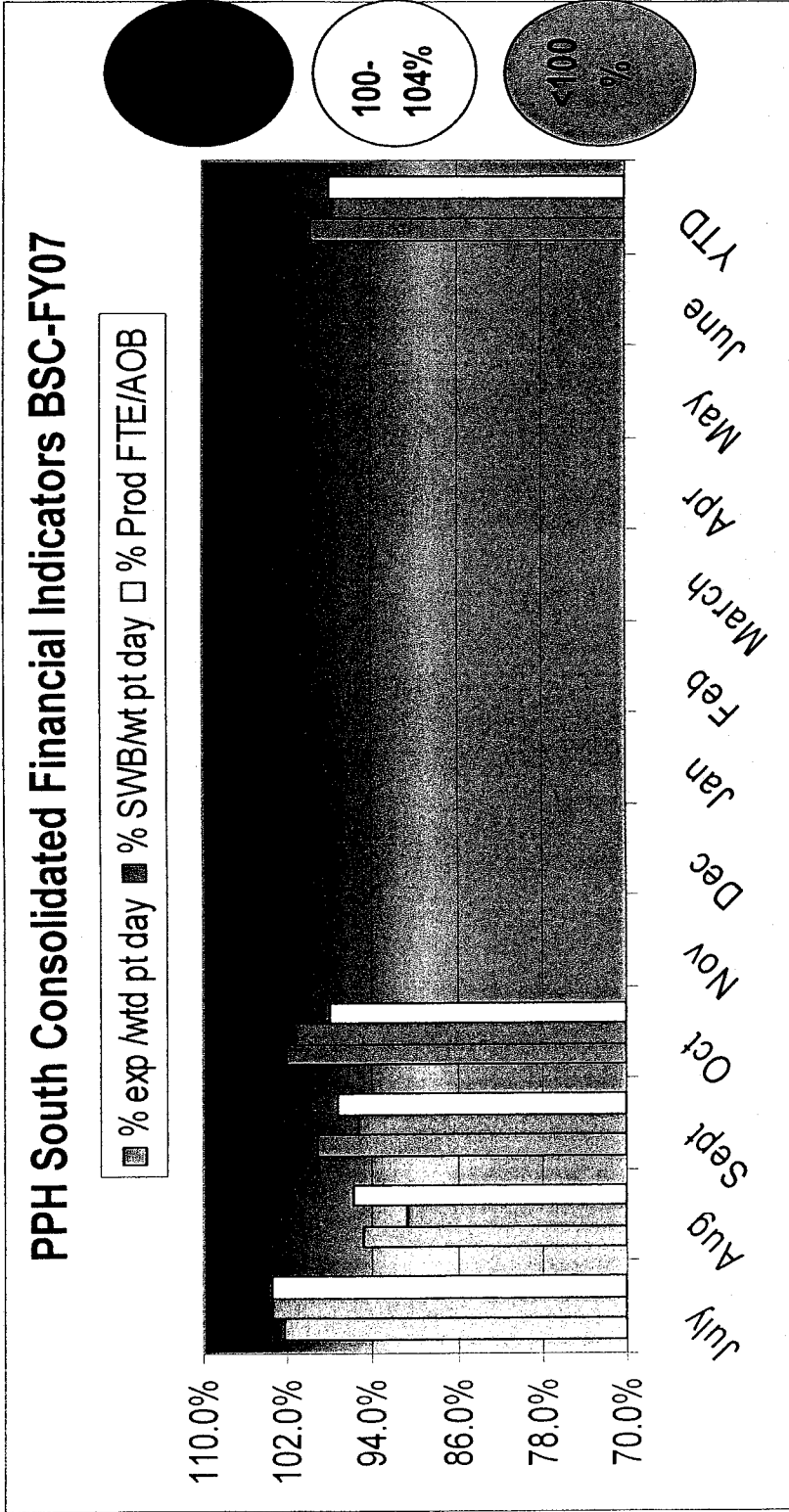
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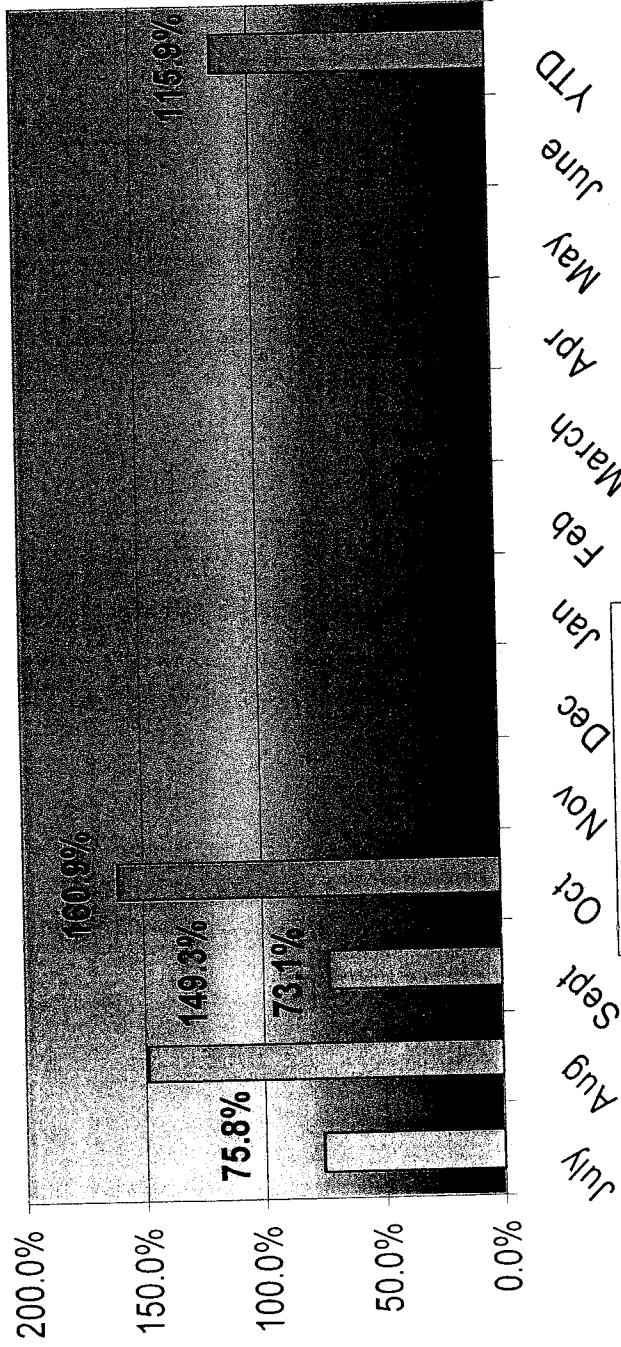
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PPH South Consolidated OEBITDA w/ Prop Taxes - FY07



Legend:

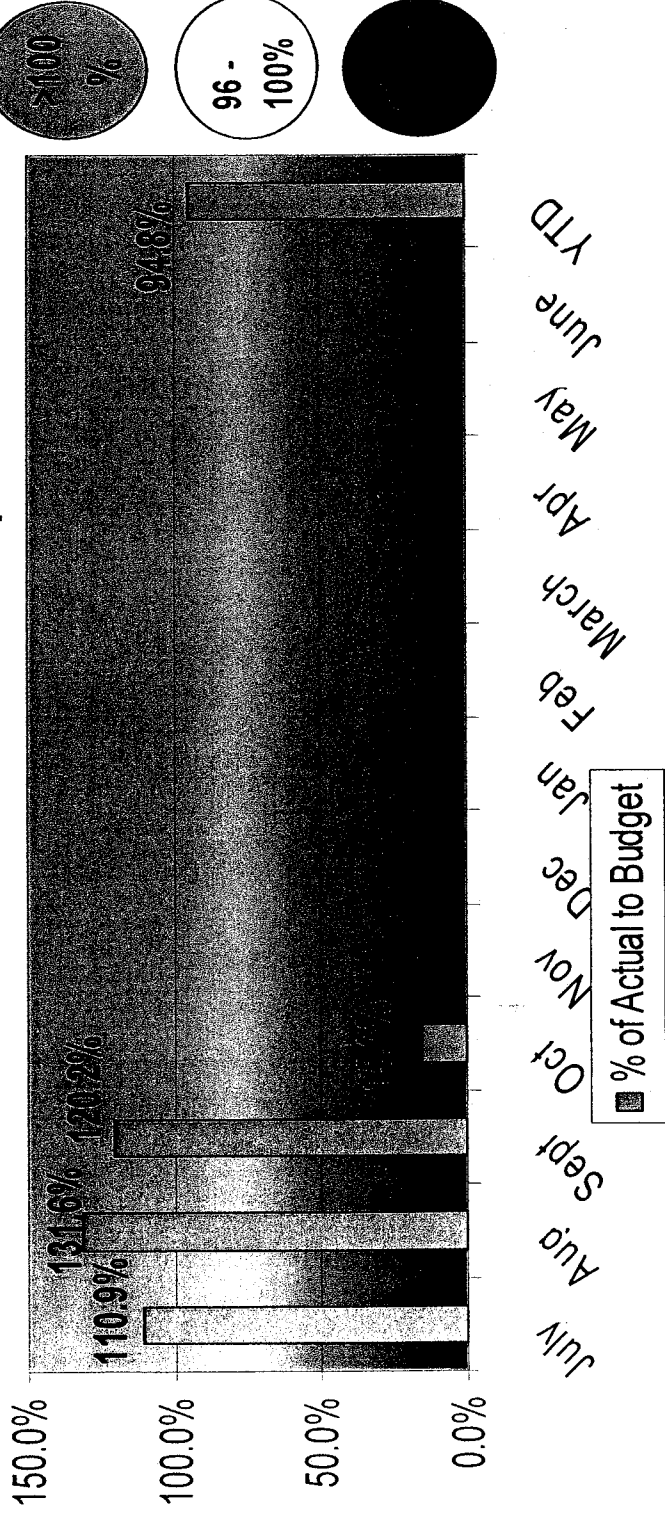
- Circle with >100%: Values above 100%
- Circle with 96 - 100%: Values between 96% and 100%
- Black circle: Values below 96%

■ % of Actual to Budget

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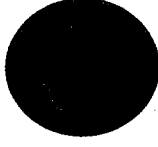
PALOMAR POMERADO HEALTH

PPH North Consolidated OEBITDA w/ Prop Taxes - FY07



>100%
%

96 -
100%



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PPH Weekly Flash Report

November 2006	Nov 3 - 9	Nov 10-16	Nov 17-23	Nov 24-30	MTD Total	MTD Budget	% Variance
Gross IP Revenue	18,121,647	18,313,268	16,675,735	16,922,454	70,033,104	74,882,128	(6.48)
Gross OP Revenue	5,047,428	5,114,582	4,713,805	4,860,662	19,736,477	21,138,800	(6.63)
Cash Collection	5,263,268	5,410,239	5,371,876	8,673,073	28,531,854	29,880,107	(4.51)
Days cash on hand	109	106	104	102	102	80	
Productive Hrs (PP 10 & 11)							
PMC - North		204,946		190,631	395,577	401,289	1.42
POM - South		119,137		114,046	233,183	234,859	0.71
Others		51,565		47,883	99,448	98,351	(1.12)
		34,244		28,702	62,946	68,079	7.54
Productive \$ (PP 10 & 11)							
PMC - North		6,119,154		5,734,041	11,853,195	12,051,835	1.65
POM - South		3,552,732		3,450,288	7,003,020	7,089,262	1.22
Others		1,476,418		1,381,806	2,858,224	2,836,683	(0.76)
		1,090,004		901,947	1,991,951	2,125,890	6.30

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PPH Weekly Flash Report

November 2006	Nov 3 - 9	Nov 10-16	Nov 17-23	Nov 24-30	MTD Total	MTD Budget	% Variance
ADC (Acute)	286	293	276	279	284	320	(11.38)
PMC	218	229	210	211	217	239	(8.98)
POM	68	64	66	68	67	82	(18.40)
PCCC	91	89	88	88	89	89	0.41
VP	124	127	122	118	122	124	(1.27)
Patient Days (Acute)	2005	2048	1934	1955	7,942	8,962	(11.38)
PMC	1527	1602	1471	1480	6,080	6,680	(8.98)
POM	478	446	463	475	1,862	2,282	(18.40)
PCCC	635	626	616	614	2,491	2,481	0.41
VP	866	887	851	824	3,428	3,472	(1.27)
Discharges	535	519	506	475	2,035	2,280	(10.75)
PMC	406	406	385	375	1,572	1,680	(6.43)
POM	129	113	121	100	463	600	(22.85)
Number of Surgeries	230	252	195	208	885	940	(5.84)
PMC	152	177	145	143	617	611	0.93
POM	78	75	50	65	268	329	(18.43)
Number of Births	103	100	99	106	408	450	(9.31)
PMC	83	79	82	84	328	343	(4.24)
POM	20	21	17	22	80	107	(25.47)
Outpatient Visits (inc. Lab)	1565	1549	1177	1306	5,597	7,657	(26.90)
PMC	1016	1031	783	854	3,684	5,221	(29.44)
POM	549	518	394	452	1,913	2,436	(21.47)
ER Visits	1640	1550	1461	1573	6,224	6,430	(3.20)
PMC	1125	1054	995	1068	4,242	4,325	(1.92)
POM	515	496	466	505	1,982	2,105	(5.83)
Trauma Visits	33	31	32	31	127	96	32.11
IP	23	27	28	25	103	72	43.32
OP	10	4	4	6	24	24	(1.10)

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Professional Services Agreement
	AGREEMENT DATE	November 1, 2006
Exhibit A	PARTIES	Southwest Neurology Medical Group and PPH
	PURPOSE	To provide professional neurology medical coverage in all departments of the Palomar Medical Center.
1.1, 1.7	SCOPE OF SERVICES	Professional medical coverage 24 hours per day, 365 days per year at PMC.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
6, 7.1	TERM	November 1, 2006 through October 31, 2009 (three years)
	RENEWAL	Three automatic one year renewals unless terminated upon 90 days written notice prior to the anniversary date
8.2.1.1 8.2.2	TERMINATION	For cause as defined in the agreement
3.1 Exhibit B	COMPENSATION METHODOLOGY	Monthly payment on or before the 15 th day of each calendar month commencing with the second (2 nd) calendar month of the term of this Agreement.
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	EXCLUSIVITY	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	Required for standard of care for patients who develop a neurological condition
	POSITION POSTED	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO Methodology & Response:
	Duties	All included <input type="checkbox"/> Provision for Staff Education <input type="checkbox"/> Provision for Medical Staff Education <input type="checkbox"/> Provision for participation in Quality Improvement
	COMMENTS	This is an update of the previous agreement.
	APPROVALS REQUIRED	<input type="checkbox"/> VP <input type="checkbox"/> CFO <input type="checkbox"/> CEO <input type="checkbox"/> BOD Committee <input type="checkbox"/> BOD

**PALOMAR POMERADO HEALTH
NEUROLOGY
PROFESSIONAL SERVICES AGREEMENT**

TO: Board of Directors
FROM: Board Finance Committee
Tuesday, December 5, 2006
MEETING DATE: Monday, December 11, 2006
BY: Kim Colonnelli, RN
Service Line Administrator for Emergency, Trauma & Forensics

BACKGROUND: Southwest Neurology Medical Group, Inc. (SWNMG), provides exclusive Neurology professional services to Palomar Medical Center (PMC). SWNMG has provided services to PPH for a number of years and has been responsive to the medical staff and health system in meeting the clinical needs of its patients. SWNMG provides on-call coverage for emergency situations.

The medical director and group physicians have been supportive of operational efforts to develop a streamlined approach to stroke management and will be actively involved in the effort to obtain stroke certification.

The current agreement was reviewed by contracting with no recommended changes.

This agreement represents a renewal of the exclusive agreement for an additional three years.

BUDGET IMPACT: Budgetary impact for the period November 1, 2006 – June 30, 2007.

STAFF RECOMMENDATION: At the Board Finance Committee meeting, staff recommended approval of the exclusive three-year Professional Services Agreement for Neurology at Palomar Medical Center with Southwest Neurology Medical Group, Inc.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION: The Board Finance Committee recommends approval of the exclusive three-year (November 1, 2006, through October 31, 2009) Professional Services Agreement for Neurology at Palomar Medical Center with Southwest Neurology Medical Group, Inc.

Motion: X

Individual Action:

Information:

Required Time:

**PALOMAR POMERADO HEALTH
NEUROLOGY
PROFESSIONAL SERVICES AGREEMENT**

TO: Board of Directors
FROM: Board Finance Committee
Tuesday, December 5, 2006
MEETING DATE: Monday, December 11, 2006
BY: Kim Colonnelli, RN
Service Line Administrator for Emergency, Trauma & Forensics

BACKGROUND: Pacific Center for Neurological Disease, Inc. (PCND), provides exclusive Neurology professional services to Pomerado Hospital (POM). PCND has provided services to PPH for a number of years and has been responsive to the medical staff and health system in meeting the clinical needs of its patients. PCND provides on-call coverage for emergency situations.

The medical director and group physicians have been supportive of operational efforts to develop a streamlined approach to stroke management and will be actively involved in the effort to obtain stroke certification.

The current agreement was reviewed by contracting with no recommended changes.

This agreement represents a renewal of the exclusive agreement for an additional three years.

BUDGET IMPACT: Budgetary impact for the period November 1, 2006 – June 30, 2007.

STAFF RECOMMENDATION: At the Board Finance Committee meeting, staff recommended approval of the exclusive three-year Professional Services Agreement for Neurology at Pomerado Hospital with Pacific Center for Neurological Disease, Inc.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION: The Board Finance Committee recommends approval of the exclusive three-year (November 1, 2006, through October 31, 2009) Professional Services Agreement for Neurology at Pomerado Hospital with Pacific Center for Neurological Disease, Inc.

Motion: X

Individual Action:

Information:

Required Time:

EMERGENCY ON-CALL AGREEMENT

THIS EMERGENCY ON-CALL DELEGATION AGREEMENT ("Agreement") is made and entered into effective as of the 1st day of November 2006, by and between Palomar Pomerado Health, a California local health care district ("PPH"), and Southwest Neurology Medical Group, a California medical group ("SWNMG").

RECITALS

A. PPH owns and operates Palomar Medical Center, a general acute care hospital (the "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 and other inpatient departments of the Hospital (collectively, the "Departments").

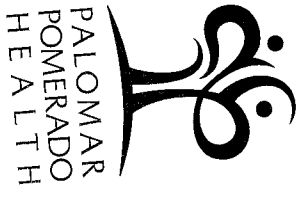
B. Pursuant to state and federal law, the Hospital has established an "on-call" panel of physicians ("On-Call Panel") in order to assure the availability of adequate physician coverage for its Departments.

C. SWNMG engages physicians who are licensed to practice medicine in the State of California, are Board certified or eligible for certification in their respective specialties, are members of Hospital's medical staff and are approved by Hospital's medical staff to serve on the On-Call Panel ("SWNMG Physicians").

D. PPH and SWNMG each recognize that the On-Call Panel performs a necessary patient care function at the Hospital and SWNMG agrees to render coverage and services as a member of said On-Call Panel to provide services to PPH's patients.

E. SWNMG acknowledges Hospital's medical staff bylaws and rules and regulations provide, with some exceptions, that SWNMG Physicians are required to serve on the On-Call Panel.

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



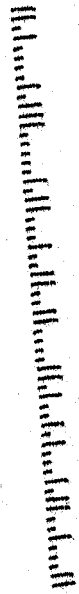
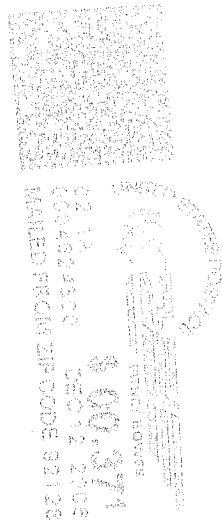
15255 Innovation Drive
San Diego, CA 92128-3410

Robroy Fawcett
1576 Katella Way
Escondido, CA 92027

A California Health Care District

KAVZAMP 92027

REGISTERED FIRST CLASS



PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Professional Services Agreement
	AGREEMENT DATE	November 1, 2006
Exhibit A	PARTIES	Pacific Center for Neurological Disease, Inc., and PPH
	PURPOSE	To provide professional neurology medical coverage in all departments of Pom
1.1, 1.7	SCOPE OF SERVICES	Professional medical services for one year at POM.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal
6, 7.1	TERM	November 1, 2006 to November 1, 2007
	RENEWAL	Three automatic 90-day renewals with 30 days written notice
8.2.1.1 8.2.2	TERMINATION	For cause as defined in the agreement
3.1 Exhibit B	COMPENSATION METHODOLOGY	Monthly payment starting one month commencing on the start date of this Agreement
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO - If not, provide details
	EXCLUSIVITY	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES - If not, provide details
	JUSTIFICATION	Required for start of new neurological contract
	POSITION POSTED	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO - If not, provide details
	ALTERNATIVES/IMPACT	N/A
	Duties	All included <input type="checkbox"/> Provision for... <input type="checkbox"/> Provision for... <input type="checkbox"/> Provision for...
	COMMENTS	This is an update to the existing agreement
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> VP <input type="checkbox"/> CFO <input type="checkbox"/> Other

EMERGENCY ON-CALL AGREEMENT

THIS EMERGENCY ON-CALL DELEGATION AGREEMENT ("Agreement") is made and entered into effective as of the 1st day of November 2006, by and between Palomar Pomerado Health, a California local health care district ("PPH"), and Pacific Center for Neurological Disease, Inc., a California medical group ("PCND").

RECITALS

A. PPH owns and operates Pomerado Hospital, a general acute care hospital (the "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 and other inpatient departments of the Hospital (collectively, the "Departments").

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

C. PCND engages physicians who are licensed to practice medicine in the State of California, are Board certified or eligible for certification in their respective specialties, are members of Hospital's medical staff and are approved by Hospital's medical staff to serve on the On-Call Panel ("PCND Physicians").

D. PPH and PCND each recognize that the On-Call Panel performs a necessary patient care function at the Hospital and PCND agrees to render coverage and services as a member of said On-Call Panel to provide services to PPH's patients.

E. PCND acknowledges Hospital's medical staff bylaws and rules and regulations provide, with some exceptions, that PCND Physicians are required to serve on the On-Call Panel.

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

**PALOMAR POMERADO HEALTH
FORENSIC HEALTH SERVICES
MEDICAL DIRECTOR AGREEMENT**

TO: Board of Directors
FROM: Board Finance Committee
Tuesday, December 5, 2006
MEETING DATE: Monday, December 11, 2006
BY: Kim Colonnelli, RN
Service Line Administrator for Emergency, Trauma & Forensics

BACKGROUND: Mary Spencer, M.D., provides exclusive clinical services and medical director oversight for both the Child Abuse Program (CAP) and the Sexual Assault Response Team (SART) at both Palomar Medical Center and Pomerado Hospital. Dr. Spencer has provided reliable Forensic professional services to PPH for a number of years and has been responsive to the medical staff and health system in meeting the clinical needs of its patients with no administrative compensation.

To continue with the CAP and SART services as they currently exist, Dr. Spencer is asking to be compensated for her administrative time. She is currently paid for the clinical evaluation of patients by law enforcement.

The agreement calls for Dr. Spencer to keep track of administrative time per the timecard attached to the medical director agreement. Payment for medical evaluations of alleged child abuse victims is authorized by the requesting law enforcement agency. PPH will pay Dr. Spencer and, in turn, will be reimbursed by the law enforcement agency. No additional compensation is provided by PPH to Dr. Spencer under this agreement.

Section 5.1 of the agreement was amended to include BETA malpractice insurance coverage for both the administrative and clinical services provided by Dr. Spencer (*redline of agreement language attached*).

This agreement represents a renewal of the exclusive agreement for a three-year term.

BUDGET IMPACT: None.

STAFF RECOMMENDATION: At the Board Finance Committee meeting, staff recommended approval of the exclusive three-year Agreement with Mary Spencer, M.D., for clinical services and Medical Director oversight for both the CAP and the SART at Palomar Medical Center and Pomerado Hospital.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION: The Board Finance Committee recommends approval of the exclusive three-year (**July 1, 2006, through June 30, 2009**) Agreement with Mary Spencer, M.D., for clinical services and Medical Director oversight for both the CAP and the SART at Palomar Medical Center and Pomerado Hospital.

Motion: X

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Forensic Health Services Medical Director Agreement
7.1	AGREEMENT DATE	July 1, 2006
	PARTIES	Mary Spencer, MD, and Palomar Pomerado Health
	PURPOSE	Medical oversight of Forensic Health to include both Child Abuse Program (CAP) and Sexual Assault Response Team (SART).
	SCOPE OF SERVICES	Medical Director leadership for CAP patients and SART programs. Both programs provide needed services to citizens in our service area who are alleged victims of child abuse or sexual assault.
4.1	TERM	Three years with 90 days written notice prior to anniversary date to terminate
4.1	RENEWAL	Three automatic one year renewals unless terminated upon 90 days written notice prior to the anniversary date
4.2	TERMINATION	For cause as defined in the agreement Without cause as defined in the agreement with 90 days notice
3.1	COMPENSATION METHODOLOGY	Monthly payment on or before the 15 th of each month with supporting documentation of the prior month's time records.
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT: None
	EXCLUSIVITY	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	Required for the continued delivery of high quality, uninterrupted forensic health services.
	POSITION POSTED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Methodology & Response: Posted in Medical Staff Services per PPH policy.
	ALTERNATIVES/IMPACT	
Exhibit A #s 2, 3, 9, 10	Duties	<input checked="" type="checkbox"/> Provision for Staff Education <input checked="" type="checkbox"/> Provision for Medical Staff Education <input checked="" type="checkbox"/> Provision for participation in Quality Improvement <input checked="" type="checkbox"/> Provision for participation in budget process development
	COMMENTS	
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> VP <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Committee FINANCE <input checked="" type="checkbox"/> BOD

**FORENSIC HEALTH
MEDICAL DIRECTOR AGREEMENT**

between

**PALOMAR POMERADO HEALTH
a local health care district**

and

Mary Spencer, M.D.

MEDICAL DIRECTOR AGREEMENT

THIS MEDICAL DIRECTOR 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 Mary Spencer, M.D. ("Medical Director").

R E C I T A L S

- A. Palomar Pomerado Health is the owner and operator of both Palomar Medical Center, a general acute care hospital, located at 555 East Valley Parkway, Escondido, California and Pomerado Hospital, a general acute care hospital, located at 15215 Pomerado Road, Poway, California ("Hospitals").
- B. Hospitals operate a Forensic Health Program, which encompasses services for Child Abuse and Sexual Assault (the 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 Forensic Medicine, and is a member of the Medical Staff of Hospitals ("Medical Staff").
- D. Department consists of facilities and equipment owned by PPH and staffed by PPH employees.
- E. PPH desires to retain Medical Director as an independent contractor to provide certain administrative and clinical services ("Services") in the operation of the Department and has determined that this proposed arrangement with Medical Director will enhance PPH'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. PPH 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 PPH 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.

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 PPH'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. PPH 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 PPH effort to contract with any other individual or entity for the provision of services or to interfere in any way with any relationship between PPH and physicians who may replace Medical Director.

5. INSURANCE

5.1 Professional Liability. During the term of this Agreement, PPH shall maintain at its sole cost and expense professional liability insurance for Medical Director as required by this Section. Such insurance shall provide coverage for Medical Director as the named insured and PPH as an additional insured, and such policy shall cover any acts of Medical Director's professional negligence, ~~which may have occurred during the term of this Agreement while providing any and all administrative and clinical services during the term of this Agreement.~~ Such policies of insurance shall be written with limits of liability of no less than \$1,000,000 per claim/\$3,000,000 annual aggregate. PPH shall maintain continuous coverage for the term of the Agreement.

5.2 General Liability. PPH shall provide, at its own cost and expense, general liability insurance, personal property insurance covering loss or damage to PPH's personal property and workers' compensation insurance. The general liability insurance policy shall name Medical Director as an additional insured and shall provide that any claims made pursuant to the policy shall apply both to PPH and Medical Director as if the policy were separate policies insuring PPH and Medical Director independent of each other.

6. INDEMNIFICATION

6.1 Indemnification. Each party shall indemnify, hold harmless and defend the other party and its officers, agents and employees against any loss or liability arising out of or resulting in any way from the acts or omissions of such party or its own officers, employees or agents, except that any such obligation to indemnify and hold harmless

**PALOMAR MEDICAL CENTER
CLINICAL DIRECTOR – OUTPATIENT BEHAVIORAL HEALTH**

TO: Board of Directors
FROM: Board Finance Committee
Tuesday, December 5, 2006
MEETING DATE: Monday, December 11, 2006

BY: Sheila Brown, R.N., M.B.A., Chief Clinical Outreach Officer
Susan Linback, R.N., M.B.A., Service Line Administrator, Behavioral Health

BACKGROUND: This is a request to approve the Clinical Director Agreement with Christopher Gorman, M.D. Dr. Gorman will provide Clinical Director coverage and medical leadership for the Palomar Outpatient Behavioral Health Program. CMS requires that this program be under the direction of a physician. This program provides needed services to outpatient clients who suffer from severe mental health disorders.

BUDGET IMPACT: No Budget Impact

STAFF RECOMMENDATION: At the Board Finance Committee meeting, staff recommended approval of the one-year Clinical Director Agreement with Christopher Gorman, M.D., for the Outpatient Behavioral Health Program at Palomar Medical Center.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION: The Board Finance Committee recommends approval of the one-year (July 1, 2006 through June 30, 2007) Clinical Director Agreement with Christopher Gorman, M.D., for the Outpatient Behavioral Health Program at Palomar Medical Center.

Motion: X

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Clinical Director Agreement – Palomar Medical Center Outpatient Behavioral Health Program Christopher Gorman, M.D.
	AGREEMENT DATE	July 1, 2006
	PARTIES	1) PPH 2) Christopher Gorman, M.D.
Recitals E	PURPOSE	To provide Medical oversight for Palomar Medical Center's Outpatient Behavioral Health Program
Exhibit A	SCOPE OF SERVICES	Christopher Gorman, M.D., will provide Clinical Director coverage and medical leadership for the Palomar Medical Center Outpatient Behavioral Health Program. CMS requires this program be under the direction of a physician. This Program provides needed services to outpatient clients who suffer from severe mental health disorders.
	PROCUREMENT METHOD	<input type="checkbox"/> Request for Proposal <input checked="" type="checkbox"/> Discretionary
5.1	TERM	July 1, 2006 through June 30, 2007
	RENEWAL	N/A
5.3 5.4 5.5	TERMINATION	a. Immediately for cause b. Not less than 90 days of written notice without cause
2.1	COMPENSATION METHODOLOGY	Monthly payment on or before the 15 th of each month with supporting documentation of the prior month's time records.
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO - IMPACT: None.
	EXCLUSIVITY	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	In order to remain compliant with CMS requirements for Outpatient Behavioral Health Services, medical oversight is needed.
	POSITION NOTICED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO METHODOLOGY & RESPONSE: Posted in Medical Staff Offices for 30 days
	ALTERNATIVES/IMPACT	Proceeding without this arrangement will cause the program to be out of compliance with CMS requirements and jeopardize ongoing mental health to a vulnerable population.
Exhibit E	DUTIES	<input checked="" type="checkbox"/> PROVISION FOR STAFF EDUCATION <input checked="" type="checkbox"/> PROVISION FOR MEDICAL STAFF EDUCATION <input checked="" type="checkbox"/> PROVISION FOR PARTICIPATION IN QUALITY IMPROVEMENT
	COMMENTS	
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> Officer <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Finance Committee <input checked="" type="checkbox"/> BOD

PSYCHIATRIC OUTPATIENT PROGRAM CLINICAL DIRECTOR AGREEMENT

by and between

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

and

CHRISTOPHER GORMAN, M.D.

July 1, 2006

PSYCHIATRIC OUTPATIENT PROGRAM CLINICAL DIRECTOR AGREEMENT

THIS PSYCHIATRIC OUTPATIENT PROGRAM CLINICAL DIRECTOR AGREEMENT ("Agreement") is entered into as of July 1, 2006, by and between Palomar Pomerado Health, a local health care district organized under Division 23 of the California Health and Safety Code ("PPH"), and Christopher Gorman, M.D., an individual ("Director"). PPH and Clinical Director are sometimes referred to in this Agreement individually as a "Party" or, collectively, as the "Parties."

RECITALS

A. Among other things, PPH owns and operates an acute care hospital facility, known as Palomar Medical Center ("PMC"), located at 555 East Valley Parkway, Escondido, CA 92025. PMC operates a Psychiatric Outpatient Program (the "Program") under its acute care license.

B. Director is licensed to practice medicine in the State of California, board certified for the practice of medicine in the specialty of Psychiatry (the "Specialty"), and a member in good standing of PPH's medical staff (the "Medical Staff").

C. PPH desires to engage Director as an independent contractor to provide medical and administrative oversight with respect to the Program and PPH believes that this proposed arrangement with Director will enhance the organization, procedure standardization, economic efficiency, professional proficiency, and provide other benefits to enhance coordination and cooperation among providers and user of the Program.

D. Director has the following qualifications and expertise to provide the services described in this Agreement: licensed physician and a member in good standing of Palomar Medical Center's medical staff.

E. PPH has considered the following factors in determining the necessity and amount of compensation payable to Director pursuant to this Agreement:

1. The nature of Director's duties set forth in Exhibit A, which is attached hereto and incorporated herein.
2. Director's qualifications as described herein.
3. The difficulty in obtaining a qualified physician to provide the services described in this Agreement.
4. The benefits to PPH and the surrounding community resulting from Director's performance of the services described in this Agreement.
5. The economic conditions locally and in the health care industry generally.

**PALOMAR POMERADO HEALTH
MEDICAL CONSULTANT-DIABETESHEALTH**

TO: Board of Directors

FROM: Board Finance Committee
Tuesday, December 5, 2006

MEETING DATE: Monday, December 11, 2006

BY: Sheila Brown, R.N., M.B.A., Chief Clinical Outreach Officer
Kris Hedges, M.B.A., System Director, DiabetesHealth

BACKGROUND: This is a request to approve the Medical Consultant Agreement with Timothy Bailey, M.D. Dr. Bailey will provide Clinical Consultancy and guidance to the Medical Director of DiabetesHealth. This program provides needed services to inpatients and outpatients who suffer from diabetes.

BUDGET IMPACT: No Budget Impact

STAFF RECOMMENDATION: At the Board Finance Committee meeting, staff recommended approval of the Medical Consultant Agreement with Timothy Bailey, M.D., for Clinical Consultancy and guidance to the Medical Director of Diabetes Health.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION: The Board Finance Committee recommends approval of the two-year (**July 1, 2006, through June 30, 2008**) Medical Consultant Agreement with Timothy Bailey, M.D., for Clinical Consultancy and guidance to the Medical Director of Diabetes Health.

Motion: X

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Medical Consultant Agreement – Palomar Pomerado Health DiabetesHealth Timothy Bailey, M.D.
	AGREEMENT DATE	July 1, 2006
	PARTIES	1) PPH 2) Timothy Bailey, M.D.
Recitals E	PURPOSE	PPH desires to retain Medical Consultant as an independent contractor to provide certain services (“Services”) in the operation of the Department and has determined that this proposed arrangement with Medical Consultant will enhance the Departments’ organization, procedure standardization, economic efficiency, professional proficiency, and provide other benefits to enhance coordination and cooperation among the Departments’ providers and users.
Exhibit A	SCOPE OF SERVICES	Timothy Bailey, M.D., shall assist the Medical Director to provide the overall medical direction of the Department and insure that professional standards of care and ethical practice are adhered in all situations of patient care.
	PROCUREMENT METHOD	<input type="checkbox"/> Request for Proposal <input checked="" type="checkbox"/> Discretionary
4.1	TERM	July 1, 2006 through June 30, 2008
	RENEWAL	N/A
4.3 4.4	TERMINATION	a. Immediately for cause b. Not less than 90 days of written notice without cause
3.1	COMPENSATION METHODOLOGY	Monthly payment on or before the 15 th of each month with supporting documentation of the prior month’s time records.
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO - IMPACT: None.
	EXCLUSIVITY	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	To ensure that Medical Director has appropriate and necessary clinical (Endocrinology) resources.
	POSITION NOTICED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO METHODOLOGY & RESPONSE: Posted in Medical Staff Offices for 30 days
	ALTERNATIVES/IMPACT	
Exhibit E	DUTIES	<input checked="" type="checkbox"/> PROVISION FOR STAFF EDUCATION <input checked="" type="checkbox"/> PROVISION FOR MEDICAL STAFF EDUCATION <input checked="" type="checkbox"/> PROVISION FOR PARTICIPATION IN QUALITY IMPROVEMENT
	COMMENTS	
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> Officer <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Finance Committee <input checked="" type="checkbox"/> BOD

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MEDICAL CONSULTANT AGREEMENT

between

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

and

Timothy Bailey, M.D.

July 1, 2006



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MEDICAL CONSULTANT AGREEMENT

THIS MEDICAL CONSULTANT AGREEMENT ("Agreement") is made and entered into effective July 1, 2006 by and between Palomar Pomerado Health ("PPH"), a local health care district organized pursuant to Division 23 of California Health and Safety Code ("Hospital") and Timothy Bailey, M.D. ("Medical Consultant").

R E C I T A L S

A. Hospital is the owner and operator of Palomar Medical Center ("PMC"), a general acute care hospital located at 555 East Valley Parkway, Escondido, California and Pomerado Hospital ("Pomerado"), a general acute care hospital located at 15615 Pomerado Road, Poway, California (collectively referred to as "Hospitals").

B. Medical Consultant 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 Endocrinology or Internal Medicine, and who is a member of the Medical Staff of Hospitals ("Medical Staff").

D. PPH operates Diabetes Health departments in both of its Hospitals that are dedicated to community education and the improvement of the glycemic health of patients in the community on an inpatient and outpatient basis ("Diabetes Health"). Diabetes Health departments at Hospitals are equipped by PPH and staffed by PPH employees.

E. PPH desires to retain Medical Consultant as an independent contractor to provide certain services ("Services") in the operation of the Department and has determined that this proposed arrangement with Medical Consultant will enhance the Departments' organization, procedure standardization, economic efficiency, professional proficiency, and provide other benefits to enhance coordination and cooperation among the Departments' providers and users.

F. PPH and Medical Consultant acknowledge and agree that this Agreement shall supercede the agreements, if any, previously entered into by the parties for the provision of Services.

G. It is the intent of both PPH and Medical Consultant 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.

MEDICAL STAFF SERVICES

November 28, 2006



TO: Board of Directors

BOARD MEETING DATE: December 11, 2006

FROM: Robert D. Trifunovic, M.D., Chief of Staff
PMC Medical Staff Executive Committee

SUBJECT: Medical Staff Credentialing Recommendations

PALOMAR MEDICAL CENTER

- I. Provisional Appointment (12/11/2006 – 11/30/2008)
Nicola C. Bugelli, M.D., Internal Medicine/Wound Care
Allen K. Chan, M.D., General/Vascular Surgery
Hisham N. El-Tayeb, M.D., Anesthesiology
Andrew D. Hull, M.D., Maternal-Fetal Medicine
Menashe Kfir, M.D., Maternal-Fetal Medicine
Nicole B. Mulder, M.D., Ophthalmology
Afshin A. Nahavandi, M.D., Internal Medicine/Hospitalist (Includes PCCC)
Michael S. Rafii, M.D., Neurology
Gladys A. Ramos, M.D., Maternal-Fetal Medicine
Marianna Siksay, M.D., Family Practice
Sanjeevi Vridhachalam, M.D., Diagnostic Radiology
- II. Change from Associate to Active Status
Tamara L. Aburto-Pratt, M.D., Family/General Practice
- III. Advance from Provisional to Active Status
Daniel A. Miller, M.D., Internal Medicine (12/11/2006 – 08/31/2007)
Sunil S. Rayan, M.D., General Vascular Surgery (12/11/2006 - 01/31/2008)
- IV. Additional Privileges
Hamed Bayat, M.D., Cardiology
▪ Coronary Artery Stent Placement
Lori A. Coleman, M.D., Radiation Oncology
▪ Moderate Sedation
Kris Ghosh, M.D., OB/Gyn
▪ Port Placement
Port Removal
- V. Leave of Absence
Mohammad Imandoust, M.D., Pediatrics (10/01/2006 – 09/30/2007)
- VI. Voluntary Resignations/Withdrawal of Membership
Arthur A. Blain, IV, M.D., Family Practice (Effective 08/01/2006) (Includes PCCC)
Marc A. Olivier, M.D., Internal Medicine (Effective 11/30/2006)
Cheryl C. Saenz, M.D., Gynecologic Oncology (Effective 11/21/2006)
Thomas J. Sergott, M.D., Plastic Surgery (Effective 12/31/2006)

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 760.480.1288

VII. Allied Health Professional Appointment (12/11/2006 – 11/30/2008)
Judith C. Blinkinsop, P.A.-C, Physician Assistant; Sponsors: CEP
Yong Sedonia Weary, C.N.M., Certified Nurse Midwife; Sponsors: Drs. Buringrud, Trifunovic, Ghosh, Cerrone,
Leon

VIII. Reappointment Effective 01/01/2007 – 01/31/2008

Kevin Yoo, M.D.	Neurosurgery	Dept of Surgery	Active
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Reappointments Effective 01/01/2007 – 12/31/2008

Theodore G. Geer, M.D.	Internal Medicine	Dept of Medicine	Active
Marvin W. Levenson, M.D.	Administrative Medicine	Dept of Anesthesia	Associate
Paul J. Rickards, M.D.	Diagnostic Radiology	Dept of Radiology	Active
H. R. Rinderknecht, M.D. (Includes PCCC)	Internal Medicine	Dept of Medicine	Active
Mary A. Rose, M.D.	Radiation Oncology	Dept of Radiology	Consulting
Ronald K. Shimmin, M.D.	Family/General Practice	Dept of Family Practice	Associate
Nicholas G. Tsoulos, M.D.	Pediatrics	Dept of Pediatrics	Active
Jose G. Veliz, M.D. (Changed from Active to Associate Category)	Pain Management	Dept of Anesthesia	Associate
Robert W. Ziering, M.D.	Allergy/Pediatrics	Dept of Pediatrics	Associate

IX. Allied Health Professional Reappointment Effective 01/01/2007 – 12/31/2008

Joy A. Biggers, CRC, Clinical Research Coordinator; Sponsors: Drs. Acheatel, Bayat, Detwiler, Gorwit, Gilbert, Leahy, Malek, Mulvihill

Lynette A. Derouen, F.N.P., Nurse Practitioner; Sponsors: Drs. Joseph, Arambulo, Howell, Heikoff, Nyberg, Simon, LaFond, Birnbaum, Han. (01/01/2007 – 12/31/2008) (Includes PCCC)

Lynn C. Hansen, CNM, Certified Nurse Midwife; Sponsors: Drs. Buringrud, Ghosh, Leon, Trifunovic

Certification by and Recommendation of Chief of Staff:

As Chief of Staff 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
December, 2006**

PERSONAL INFORMATION

Provider Name & Title	Nicola C. Bugelli, M.D.
PPHS Facilities	Palomar Medical Center

SPECIALTIES/BOARD CERTIFICATION

Specialties	Internal Medicine - Certified 2000 Hyperbaric Medicine - Certified 2003
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ORGANIZATIONAL NAME

Name	Nicola C. Bugelli, M.D.
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EDUCATION/AFFILIATION INFORMATION

Medical Education Information	University of Hawaii John Burns School of Medicine, Honolulu FROM: 09/01/1993 TO: 05/18/1997 Doctor of Medicine Degree
Internship Information	N/A
Residency Information	Santa Barbara Cottage Hospital, CA Internal Medicine From: 06/23/1997 To: 06/25/2000
Fellowship Information	N/A
Current Affiliation Information	Presbyterian-St. Luke's Medical Center, Denver, CO Sharp Coronado Hospital Sharp Grossmont Hospital

**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
December, 2006**

PERSONAL INFORMATION

<i>Provider Name & Title</i>	Allen K. Chan, M.D.
<i>PPHS Facilities</i>	Escondido Surgery Center Pomerado Hospital Palomar Medical Center

SPECIALTIES/BOARD CERTIFICATION

<i>Specialties</i>	Vascular Surgery - Certified 2004 Surgery, General - Certified 2002
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ORGANIZATIONAL NAME

<i>Name</i>	Allen K. Chan, M.D.
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EDUCATION/AFFILIATION INFORMATION

<i>Medical Education Information</i>	University of California, San Francisco FROM: 09/01/1988 TO: 06/13/1993 Doctor of Medicine Degree
<i>Internship Information</i>	N/A
<i>Residency Information</i>	Beth Israel Deaconess Medical Center, Boston, MA General Surgery From: 07/01/1993 To: 06/23/2000 Chief Resident from 06/22/99-06/23/00
<i>Fellowship Information</i>	University of Washington Medical Center, Seattle, WA Vascular Surgery From: 07/01/2000 To: 06/30/2002
<i>Current Affiliation Information</i>	Hemet Valley Medical Center Corona Regional Medical Center Inland Valley Regional Medical Center

**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
December, 2006**

PERSONAL INFORMATION

Provider Name & Title	Hisham N. El-Tayeb, M.D.
PPHS Facilities	Escondido Surgery Center Pomerado Hospital Palomar Medical Center

SPECIALTIES/BOARD CERTIFICATION

Specialties	Anesthesiology - Certified 1997
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ORGANIZATIONAL NAME

Name	Anesthesia Consultants of CA
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EDUCATION/AFFILIATION INFORMATION

Medical Education Information	Ain Shams University, Cairo, Egypt FROM: 09/01/1979 TO: 12/01/1985
Internship Information	St. Joseph Mercy Hospital, Pontiac, MI Internal Medicine From: 07/01/1991 To: 06/30/1992
Residency Information	St. Joseph Mercy Hospital, Pontiac Internal Medicine From: 07/01/1992 To: 06/30/1993 Texas Tech University Anesthesia From: 07/01/1993 To: 06/30/1994 LAC/University of Southern Calif. Medical Center Anesthesia From: 07/01/1994 To: 06/30/1996
Fellowship Information	N/A
Current Affiliation Information	Sharp Memorial Hospital, Chula Vista

**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
December, 2006**

PERSONAL INFORMATION

<i>Provider Name & Title</i>	Andrew D. Hull, M.D.
<i>PPHS Facilities</i>	Pomerado Hospital Palomar Medical Center

SPECIALTIES/BOARD CERTIFICATION

<i>Specialties</i>	Maternal-Fetal Medicine - Certified 2001 Obstetrics and Gynecology – Certified 1999
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ORGANIZATIONAL NAME

<i>Name</i>	UCSD Medical Center
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EDUCATION/AFFILIATION INFORMATION

<i>Medical Education Information</i>	University of Nottingham, England FROM: 09/01/1979 TO: 07/09/1981
<i>Internship Information</i>	Loma Linda University Medical Center Obstetrics/Gynecology From: 07/01/1993 To: 06/30/1994
<i>Residency Information</i>	Loma Linda University Medical Center Obstetrics/Gynecology From: 07/01/1994 To: 06/30/1996
<i>Fellowship Information</i>	Loma Linda University Medical Center Research From: 01/01/1990 To: 05/31/1993 Fetal/Neonatal Physiology University of California, San Diego Maternal-Fetal Medicine From: 07/01/1996 To: 06/30/1998
<i>Current Affiliation Information</i>	Sharp Grossmont Hospital Scripps Memorial Hospital, La Jolla Scripps Mercy Hospital University of California, San Diego UCSD Thornton Hospital

**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
December, 2006**

PERSONAL INFORMATION

Provider Name & Title	Menashe Kfir, M.D.
PPHS Facilities	Pomerado Hospital Palomar Medical Center

SPECIALTIES/BOARD CERTIFICATION

Specialties	Obstetrics and Gynecology Not Board Certified
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ORGANIZATIONAL NAME

Name	UCSD Medical Center
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EDUCATION/AFFILIATION INFORMATION

Medical Education Information	Sackler School of Medicine, Tel Aviv, Israel FROM: 07/01/1996 TO: 06/15/2000 Doctor of Medicine Degree
Internship Information	Mount Sinai Hospital - New York Obstetrics/Gynecology From: 07/01/2001 To: 06/30/2002
Residency Information	Mount Sinai Hospital - New York Obstetrics/Gynecology From: 07/01/2002 To: 06/30/2005 Chief Resident from 7/1/04-6/30/05
Fellowship Information	University of California, San Diego Perinatology From: 07/01/2005 To: Present Expected Date of Completion: 6/30/08
Current Affiliation Information	Scripps Memorial Hospital, La Jolla Scripps Mercy Hospital

**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
December, 2006**

PERSONAL INFORMATION

<i>Provider Name & Title</i>	Nicole B. Mulder, M.D.
<i>PPHS Facilities</i>	Escondido Surgery Center Palomar Medical Center

SPECIALTIES/BOARD CERTIFICATION

<i>Specialties</i>	Ophthalmology - Certified 2000
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ORGANIZATIONAL NAME

<i>Name</i>	Hidden Valley Eye Associates
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EDUCATION/AFFILIATION INFORMATION

<i>Medical Education Information</i>	Vanderbilt University, Nashville, TN FROM: 08/01/1989 TO: 05/07/1993 Doctor of Medicine Degree
<i>Internship Information</i>	William Beaumont Hospital - Michigan Transitional From: 06/24/1993 To: 06/23/1994
<i>Residency Information</i>	University of Iowa Hospitals and Clinics, Iowa City Ophthalmology From: 01/01/1995 To: 06/30/1998
<i>Fellowship Information</i>	N/A
<i>Current Affiliation Information</i>	N/A

**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
December, 2006**

PERSONAL INFORMATION

<i>Provider Name & Title</i>	Afshin A. Nahavandi , M.D.
<i>PPHS Facilities</i>	Pomerado Hospital (Villa Pomerado) Palomar Medical Center (Palomar Continuing Care Center)

SPECIALTIES/BOARD CERTIFICATION

<i>Specialties</i>	Internal Medicine – Certified 2003
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ORGANIZATIONAL NAME

<i>Name</i>	Neighborhood Healthcare
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EDUCATION/AFFILIATION INFORMATION

<i>Medical Education Information</i>	University of Tehran, Iran FROM: 09/01/1986 TO: 06/01/1994
<i>Internship Information</i>	St. Barnabas Hospital, Bronx, NY Internal Medicine From: 07/01/2000 To: 06/30/2001
<i>Residency Information</i>	St. Barnabas Hospital Internal Medicine From: 07/01/2001 To: 06/30/2002 Kettering Medical Center, Kettering, OH Internal Medicine From: 07/01/2002 To: 06/30/2003
<i>Fellowship Information</i>	N/A
<i>Current Affiliation Information</i>	Kaiser Permanente, San Diego Kaweah Delta Hospital, Visalia, CA

**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
December, 2006**

PERSONAL INFORMATION

<i>Provider Name & Title</i>	Michael S. Rafii, M.D.
<i>PPHS Facilities</i>	Palomar Medical Center

SPECIALTIES/BOARD CERTIFICATION

<i>Specialties</i>	Neurology Not Board Certified
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ORGANIZATIONAL NAME

<i>Name</i>	Southwest Neurology Med Group
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EDUCATION/AFFILIATION INFORMATION

<i>Medical Education Information</i>	Brown University School of Medicine, Providence, RI FROM: 08/01/1995 TO: 06/30/2002 Doctor of Medicine Degree
<i>Internship Information</i>	Johns Hopkins Hospital, Baltimore, MD Internal Medicine From: 06/23/2002 To: 06/22/2003 General Internal Medicine
<i>Residency Information</i>	Johns Hopkins Hospital Neurology From: 07/01/2003 To: 06/30/2006 Adult Clinical Neurology
<i>Fellowship Information</i>	N/A
<i>Current Affiliation Information</i>	University of California, San Diego Veterans Administration, San Diego

**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
December, 2006**

PERSONAL INFORMATION

Provider Name & Title	Gladys A. Ramos, M.D.
PPHS Facilities	Pomerado Hospital Palomar Medical Center

SPECIALTIES/BOARD CERTIFICATION

Specialties	Obstetrics and Gynecology Not Board Certified
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ORGANIZATIONAL NAME

Name	UCSD Medical Center
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EDUCATION/AFFILIATION INFORMATION

Medical Education Information	University of California, Irvine School of Medicine FROM: 09/01/1997 TO: 06/16/2001
Internship Information	Kaiser, San Francisco Obstetrics/Gynecology From: 06/01/2001 To: 06/30/2002
Residency Information	Kaiser, San Francisco Obstetrics/Gynecology From: 07/01/2002 To: 06/30/2005
Fellowship Information	University of California, San Diego Perinatology From: 07/01/2005 To: Present Expected Date of Completion: 06/30/2008
Current Affiliation Information	Scripps Mercy Hospital University of California, San Diego

**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
December, 2006**

PERSONAL INFORMATION

<i>Provider Name & Title</i>	Marianna Siksay, M.D.
<i>PPHS Facilities</i>	Palomar Medical Center

SPECIALTIES/BOARD CERTIFICATION

<i>Specialties</i>	Family Practice - Certified 2006
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ORGANIZATIONAL NAME

<i>Name</i>	Graybill Medical Group
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EDUCATION/AFFILIATION INFORMATION

<i>Medical Education Information</i>	Uzhgorod State University, Ukraine FROM: 09/01/1987 TO: 06/18/1993 Doctor of Medicine Degree
<i>Internship Information</i>	N/A
<i>Residency Information</i>	University of Wisconsin, Madison Family Practice From: 06/30/2003 To: 06/30/2006
<i>Fellowship Information</i>	University of California, San Diego Research From: 04/01/2001 To: 06/30/2002 Research Fellow – Ophthalmology
<i>Current Affiliation Information</i>	N/A

**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
December, 2006**

PERSONAL INFORMATION

Provider Name & Title	Sanjeevi Vridhachalam, M.D.
PPHS Facilities	Pomerado Hospital Palomar Medical Center

SPECIALTIES/BOARD CERTIFICATION

Specialties	Diagnostic Radiology – Certified 2004
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ORGANIZATIONAL NAME

Name	Stat Radiology Medical Corp.
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EDUCATION/AFFILIATION INFORMATION

Medical Education Information	New York Medical College, Valhalla FROM: 09/01/1995 TO: 05/14/1999
Internship Information	St. Vincent's Hospital and Medical Center, NY Medicine From: 07/01/1999 To: 06/30/2000
Residency Information	Harbor/UCLA Medical Center Radiology From: 07/01/2000 To: 06/30/2004
Fellowship Information	Harbor/UCLA Medical Center Body Imaging From: 07/01/2004 To: 06/30/2005
Current Affiliation Information	Banner Desert Medical Center, Mesa, AZ

**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
December, 2006**

PERSONAL INFORMATION

<i>Provider Name & Title</i>	Samuel H. Wood, M.D.
<i>PPHS Facilities</i>	Pomerado Hospital

SPECIALTIES/BOARD CERTIFICATION

<i>Specialties</i>	Reproductive Endocrinology - Certified 1995/2005 Obstetrics and Gynecology - Certified 1993/2003
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ORGANIZATIONAL NAME

<i>Name</i>	Samuel H. Wood, M.D.
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EDUCATION/AFFILIATION INFORMATION

<i>Medical Education Information</i>	Medical College of Virginia, Richmond FROM: 08/01/1981 TO: 05/18/1985
<i>Internship Information</i>	University of North Carolina Hospitals, Chapel Hill Obstetrics/Gynecology From: 07/01/1986 To: 06/30/1987
<i>Residency Information</i>	University of North Carolina Hospitals Obstetrics/Gynecology From: 07/01/1987 To: 06/30/1990
<i>Fellowship Information</i>	University of California, San Diego Reproductive Endocrinology From: 07/01/1990 To: 06/30/1992 Reproductive Endocrinology & Infertility
<i>Current Affiliation Information</i>	Scripps Memorial Hospital, La Jolla University of California, San Diego

**PALOMAR POMERADO HEALTH
ALLIED HEALTH PROFESSIONAL
APPOINTMENTS
FOR DECEMBER 2006**

NAME:	Judith Christine Blinkinsop, P.A.-C	
SPECIALTY:	Physician Assistant	
SERVICES:	Physician Assistant services for California Emergency Physicians In the Emergency Department	
TRAINING:	Riverside County Medical Center/Riverside Community College, Moreno Valley, CA – Certificate of Physician Assistant studies	09/01/03-09/09/05
PRACTICE:	Part time Physician Assistant, California Emergency Physicians Emergency Department at PPH	11/01/06-Present
	Physician Assistant, Per diem, Riverside Community Hospital, Riverside, CA	01/01/06-Present
	Physician Assistant, Part time, A+Urgent Care, Murrieta, CA	12/01/05-Present
	Physician Assistant, Part time, Rejuv Laser Spa, Temecula, CA	10/01/05-Prsent
SPONSORS:	Jaime Rivas, M.D. and California Emergency Physician	
CERTIFICATION:	National Commission on Certification of Physician Assistants	2005
FACILITY:	Palomar Medical Center and Pomerado Hospital	
NAME:	Yong Sedonia Weary, RN, CNM	
SPECIALTY:	Certified Nurse Midwife	
SERVICES:	Certified Nurse Midwife services at the PMC Birth Center	
TRAINING:	Riverside City College, Riveside, CA	
	Associate of Arts Degree – Nursing	09/01/76-06/19/79
	University of California, San Francisco/San Francisco General Hospital	
	Nurse Midwifery Program - Certificate	09/16/85-10/12/86
	San Jose State University/Education Program Associates Nurse Midwifery Program – Certificate	08/01/89-10/17/90
	University of Phoenix, Fountain Valley, CA	
	Bachelor of Science – Nursing	05/08/03-04/30/04
PRACTICE:	Certified Nurse Midwife, Palomar Medical Center	07/24/06-Present
	Per Diem Nurse Midwife(Clinician II) Planned Parenthood, San Diego,CA	04/19/01-Present
	Nurse-Midwife, Betty Daniels, M.D., Woman to Woman OB/GYN, San Bernardino, CA	10/01/99-07/01/06
	Nurse Midwife, Palomar Medical Center, Escondido, CA	09/01/96-03/30/99
	Nurse Midwife, Loma Linda Faculty Medical Group, Colton, CA	05/05/90-09/01/96
	Nurse Midwife, Olive View Medical Center, Sylmar, CA	01/01/89-02/01/90
	Nurse Midwife, Woman to Woman OB/GYN Medical Group, San Bernardino, CA	06/01/87-02/01/92
	Nurse Midwife, Inland Midwife Services, Redlands, CA	10/01/86-03/01/88
SPONSORS:	Drs. Buringrud, Cerrone, Ghosh, Leon, Trifunovic	
CERTIFICATION:	American College of Nurse Midwives	1991
FACILITY:	Palomar Medical Center	

MEDICAL STAFF SERVICES



DATE: November 28, 2006
MEMO TO: Palomar Pomerado Health
Board of Directors
FROM: Marvin Levenson, M.D.
Medical Director, Escondido Surgery Center
RE: **Medical Staff Recommendations**

The Medical Staff of Palomar Medical Center approved the following credentialing recommendations for Escondido Surgery Center for submission to the Board of Directors:

Appointment:

12/11/2006 – 11/30/2008

- ◆ Allen K. Chan, M.D., General/Vascular Surgery
- ◆ Hisham N. El-Tayeb, M.D., Anesthesiology
- ◆ Nicole B. Mulder, M.D., Ophthalmology

Voluntary Resignations/Withdrawals

- ◆ Arthur A. Blain, IV, M.D., Family Practice (Effective 08/01/2006)
- ◆ Thomas J. Sergott, M.D., Plastic Surgery (Effective 12/31/2006)

Reappointment:

01/01/2007 – 12/31/2008

- ◆ Marvin W. Levenson, M.D., Administrative Medicine
- ◆ Ronald K. Shimmin, M.D., Family/General Practice

Certification by and Recommendation of Escondido Surgery Center Medical Director:

As Medical Director of Escondido Surgery Center, I certify that the procedures described in the Escondido Surgery Center Bylaws for appointment, reappointment or the granting of privileges and that the policy of the Palomar Pomerado Health 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 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 760.480.1288



Pomerado Hospital Medical Staff Services
15615 Pomerado Road
Poway, CA 92064
Phone – (858) 613-4664
FAX - (858) 613-4217

DATE: November 28, 2006
TO: Board of Directors - December 11, 2006
FROM: Paul E. Tornambe, M.D., Chief of Staff, Pomerado Hospital Medical Staff
SUBJECT: Medical Staff Credentials Recommendations – **November 2006:**

Credentials Recommendations: November

Provisional Appointments: (12/11/2006 – 11/30/2008)

Allen K. Chan, M.D. – Surgery
Hisham N. El-Tayeb, M.D. – Anesthesia
Andrew D. Hull, M.D. – OB/GYN
Menashe Kfir, M.D. – OB/GYN
Afshin A. Nahavandi, M.D. – Medicine (includes Villa)
Gladys A. Ramos, M.D. – OB/GYN
Sanjeevi Vridhachalam, M.D. – Radiology
Samuel H. Wood, M.D. – OB/GYN

Biennial Reappointments: (01/01/2007 – 12/31/2008)

Frederic J. Arsham, M.D. – Affiliate – Medicine
C. Dennis Bucko, M.D. – Affiliate – Surgery
Colette M. Eastman, D.O. – Active – OB/GYN
Paul J. Rickards, M.D. – Active – Radiology
Nicholas G. Tsoulos, M.D. – Active – Pediatrics
Jose G. Veliz, M.D. – Affiliate – Anesthesia
Aeron D. Wickes, M.D. – Affiliate - Medicine

Advancements:

Sunil S. Rayan, M.D. – Surgery – Courtesy (12/11/2006 – 1/31/2008)
Jinnu A. Verma, M.D. – Medicine – Consulting (12/11/2006 – 05/31/2008)

Resignations/Withdrawal of Membership

William P. Hummel, M.D.
L. Michael Kettle, M.D.
Cheryl C. Saenz, M.D.

Allied Health Professionals Appointments: (12/11/2006 – 01/30/2008)

Judith C. Blinkinsop, P.A.C. – Sponsors Emergency Medicine Physicians

Allied Health Professionals Reappointment (01/01/2007 – 12/31/2008)

Joy A. Biggers, CRC – Sponsor Roger Acheatel, M.D.
Lynette A. Derouen, F.N.P.- Sponsors – Kaiser Physicians

AHP Withdrawal of Membership

Lien Minh Khuat, N.P.

POMERADO HOSPITAL **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.

**RESOLUTION DECLARING RESULTS OF NOVEMBER 7, 2006
GENERAL ELECTION**

TO: PPH Board of Directors

MEETING DATE: December 11, 2006

FROM: Christine D. Meaney, Board Assistant
for Marcelo R. Rivera, M.D., Chairman

SUBJECT: **RESOLUTION DECLARING RESULTS OF NOVEMBER 7,
2006 GENERAL ELECTION AND PRESENTATION OF
CERTIFICATES**

BACKGROUND:

As indicated at the November 20, 2006 Regular Board Meeting, the published results of the General Election reflected that four out of four PPH incumbents had been successful. Those results were unofficial pending the canvass of votes by the Registrar of Voters.

Those votes now having been certified by the Registrar of Voters of the County of San Diego, the results can be accepted and declared by adoption of the attached Resolution, and Certificates of Election can be distributed.

RESOLUTION NO. 12.11.06 (01) – 28

RESOLUTION OF THE BOARD OF DIRECTORS
OF PALOMAR POMERADO HEALTH
DECLARING THE RESULTS OF THE HOSPITAL DISTRICT
GENERAL ELECTION HELD TUESDAY, NOVEMBER 7, 2006

THE BOARD OF DIRECTORS OF PALOMAR POMERADO HEALTH HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The Palomar Pomerado Health General Election was duly and regularly held and conducted for Palomar Pomerado Health on Tuesday, November 7, 2006, for the purpose of choosing a successor to each Member of the Board of Directors whose term expires on December 1, 2006.

Section 2. Five Nominating Petitions were submitted in the form and in the manner required by law for four-year terms, and at said Election, there were submitted to the electors of Palomar Pomerado Health the nominees so nominated for the offices of Member of the Board of Directors of Palomar Pomerado Health, there being four vacancies to be filled for full terms of four years at said election.

Section 3. In accordance with Election Code Section 23554, the Registrar of Voters of San Diego County canvassed the returns of the General Election.

Section 4. This Board has received from the Registrar of Voters of the County of San Diego a statement of the result of the election, as follows:

<u>Names of Candidates (4-year term)</u>	<u>Total Vote</u>	<u>Percentage</u>
Alan W. Larson	63,727	23.94
Bruce G. Krider	58,970	22.16
T. E. (Ted) Kleiter	57,190	21.49
Gary L. Powers	54,938	20.64
M. David Meagher	30,767	11.56

Section 5. It is hereby declared that at said Election, Alan W. Larson, Bruce G. Krider, T. E. (Ted) Kleiter and Gary L. Powers were each elected to the office of Member of the Board of Directors of Palomar Pomerado Health for the full term of four years.

PASSED AND ADOPTED at a meeting of the Board of Directors of Palomar Pomerado Health held on December 11, 2006, by the following vote:

Resolution No. 12.11.06 (01) - 28
Declaring the Results of the Hospital District
General Election held Tuesday, November 7, 2006

AYES:

NOES:

ABSENT:

ABSTAIN:

DATED: December 11, 2006

APPROVED:

ATTEST:

Marcelo R. Rivera, M.D., Chairman
Board of Directors

Linda C. Greer, RN
Secretary, Board of Directors

CERTIFICATE

STATE OF CALIFORNIA }
 } ss.
COUNTY OF SAN DIEGO }

I, Mikel Haas, Registrar of Voters for the County of San Diego, do hereby certify that I have conducted the official canvass of the returns from the General Election held on November 7, 2006 in the County of San Diego. The following is a statement of the results showing the total number of ballots cast, the total number of votes for each candidate and the total number of votes in favor of and against each proposition.

Witness my hand and official seal this 5th day of December, 2006.



MIKEL HAAS
Registrar of Voters





Certificate of Election

State of California
County of San Diego

This certifies that at a General Election
held on November 7, 2006

Alan W. Larson

was elected to the office of
Member, Board of Directors
Palomar Pomarado Health

Mikel Haas
Registrar of Voters

December 5, 2006

Certificate of Election



State of California
County of San Diego

This certifies that at a General Election
held on November 7, 2006

Bruce G. Krider

was elected to the office of
Member, Board of Directors
Palomar Pomerado Health

December 5, 2006

Mikel Haas
Registrar of Voters



Certificate of Election

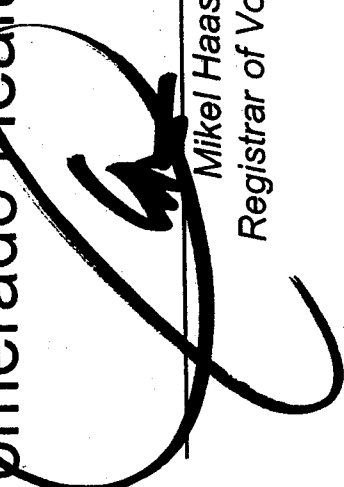
State of California
County of San Diego

This certifies that at a General Election
held on November 7, 2006

T.E. (Ted) Kleiter

was elected to the office of
Member, Board of Directors
Palomar Pomarado Health

December 5, 2006



Mikel Haas
Registrar of Voters

Certificate of Election



State of California
County of San Diego

This certifies that at a General Election
held on November 7, 2006

Gary L. Powers

was elected to the office of
Member, Board of Directors
Palomar Pomarado Health

December 5, 2006


Mikel Haas
Registrar of Voters

SERVICE AWARD PINS FOR DIRECTORS

TO: Board of Directors

DATE: December 11, 2006

FROM: Christine D. Meaney, Board Assistant
for Marcelo R. Rivera, M.D., Chairman

BY: Christine Meaney, Board Assistant

BACKGROUND: Service Award Pins for Directors are awarded upon election, and in four-year increments thereafter, and are presented at the Annual Meeting.

Congratulations to Director Larson for eight years of service (1998).

**ELECTION OF OFFICERS – BOARD OF DIRECTORS
for CALENDAR YEAR 2007**

TO: Board of Directors
DATE: December 11, 2006
FROM: Christine Meaney, Board Assistant

BACKGROUND:

The PPH Bylaws require that the Board of Directors elect officers at the annual, organizational meeting which is held in December of each year. The one possible exception is that the Board has the option of either electing the Treasurer or appointing the Chairperson of the Finance Committee to fill that position at such time as committee appointments are made.

The term of each office is one year. **The offices are assumed on January 1 of the ensuing year.**

The following are the offices along with a summary of prescribed duties:

1. **Chairperson.** *The Chairperson shall be the principal officer of the District and the Board and shall preside at all meetings of the Board. The Chairperson shall appoint all Board committee members and chairpersons and shall perform all duties incidental to the office and such other duties as may be prescribed by the Board from time to time.*

In the event of a vacancy in the office of Chairperson, the Board may elect a new Chairperson.
2. **Vice Chairperson.** *In the absence of the Chairperson, the Vice Chairperson shall perform the duties of the Chairperson.*
3. **Secretary.** *The Secretary shall provide for the keeping of minutes of meetings of the Board. The Secretary shall give or cause to be given appropriate notices in accordance with the bylaws or as required by law and shall act as custodian of District records and reports and of the District's seal.*
4. **Treasurer.** *The Treasurer shall serve at the pleasure of the Board. The Treasurer shall be charged with the safekeeping and disbursement of the funds in the treasury of the District. The Treasurer may be the Chairperson of the Finance Committee.*

**ESTABLISHING DATES OF REGULAR BOARD MEETINGS
for CALENDAR YEAR 2007**

TO: Board of Directors

DATE: December 11, 2006

FROM: Christine Meaney, Board Assistant

SUBJECT: **RESOLUTION TO ESTABLISH DATES OF REGULAR BOARD MEETINGS FOR CALENDAR YEAR 2007 and TENTATIVE BOARD CALENDAR**

BACKGROUND: Consistent with legal requirements to establish dates, times and locations of Regular Board Meetings prior to the pertinent calendar year, a resolution has been prepared for your approval. That resolution is predicated on meetings scheduled on the second Monday of each month, excepting those Mondays which fall on holidays observed by PPH and significant religious holidays.

A tentative working calendar has also been prepared and attached to indicate various events and holidays which may impact your personal calendars and conflict with Board Meetings.

The calendar presented represents no conflicts with either PPH observed holidays nor with major religious holidays. The following is noted either as an exception or for your information/consideration:

- **January** Due to the New Year holiday office closure anticipated as Monday, January 1, 2007 and prior holiday period, consideration may be given to holding the January meeting on the 15th rather than the 8th to allow more time for Staff/Board packet preparation.

**RESOLUTION OF THE BOARD OF DIRECTORS OF
PALOMAR POMERADO HEALTH
ESTABLISHING REGULAR BOARD MEETINGS
FOR CALENDAR YEAR 2007**

WHEREAS, Palomar Pomerado Health is required, pursuant to Section 54954 of the California Government Code and Section 5.2.2 of the PPH Bylaws, to pass a resolution adopting the time, place and location of the regular board meetings;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Palomar Pomerado Health that the following schedule of regular meetings will apply for calendar year 2007:

2007 BOARD MEETING SCHEDULE

January 15	Pomerado	July 9	Pomerado
February 12	PMC	August 13	PMC
March 12	Pomerado	September 10	Pomerado
April 9	PMC	October 8	PMC
May 14	Pomerado	November 12	Pomerado
June 11	PMC	December 10	PMC

Each meeting will begin at **6:30 p.m.** Those meetings held at Palomar will be in Graybill Auditorium; those at Pomerado will be in the third floor meeting room.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Palomar Pomerado Health, held on December 11, 2006, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

DATED: December 11, 2006

APPROVED:

ATTESTED:

Marcelo R. Rivera, M.D., Chairman
Board of Directors

Linda C. Greer, R.N., Secretary
Board of Directors

January 2007							February 2007							March 2007						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6			1	2	3					1	2	3		
7	8	9	10	11	12	13	4	5	6	7	8	9	10	4	5	6	7	8	9	10
14	15	16	17	18	19	20	11	12	13	14	15	16	17	11	12	13	14	15	16	17
21	22	23	24	25	26	27	18	19	20	21	22	23	24	18	19	20	21	22	23	24
28	29	30	31				25	26	27	28				25	26	27	28	29	30	31

Monday, January 01, 2007
 08:00am 08:15am NEW YEAR'S DAY

Tuesday, January 02, 2007
 08:00am 08:15am (Reminder to sched Ann Board off-site Co
 08:30am 08:45am (fyi--Check on CSUSM School of Nsg Grand

Saturday, January 06, 2007
 08:00am 08:15am (fyi reminder---Annual Roster of Public
 08:15am 08:30am (fyi reminder--Annual Review of PPH Byla

Monday, January 08, 2007
 09:30am 11:00am PMC Auxiliary Board Meeting
 Location: PMC OB Classrm - 4th
 06:30pm 09:00pm ??Regular Bd Mtg (or Jan 15??)
 Location: ??POM E

Tuesday, January 09, 2007
 10:00am 12:00pm GOV CTTEE?? (tent. hold)
 Location: ??

Thursday, January 11, 2007
 07:30am 09:00am PPH Birthday Celebration Breakfast
 Location: POM / Conf Rm E
 11:30am 01:00pm PPH Birthday Celebration Lunch
 Location: PMC / Graybill
 12:00pm 02:00pm Audit Board Committee - TBD djhc 5580

Monday, January 15, 2007
 06:30pm 09:00pm (HOLD - tent. Mthly Bd mtg, or Jan 8?)
 Location: ??POM E

Tuesday, January 16, 2007
 05:30pm 09:45pm Joint BOD/Strategic Planning Committee M
 Location: PMC -GB

Friday, January 19, 2007
 08:00am 12:01pm (SP BD EDCNL MTG) CAPE Executive Briefin
 Location: PMC Graybill Auditor

Monday, January 22, 2007
 09:30am 11:00am POMERADO Auxiliary Board Meeting
 Location: MR-E

Wednesday, January 24, 2007

12:30pm 02:00pm Health Development BOD Strategic Plannin
Location: Innov A

Saturday, January 27, 2007

08:00am 04:00pm PPH BD STRAT PLG RETREAT (per Lorie Harm
Location: RB INN

Monday, January 29, 2007

06:00pm 09:30pm ANN BD SELF-EVAL (cdm) w/Ron Riner, MD,
Location: RB INN--Grandee Rm

Tuesday, January 30, 2007

05:30pm 08:30pm ??Finance Cttee
Location: ??

Thursday, February 01, 2007

08:00am 08:15am (fyi--Reminder to sched off-site Ann Bd
09:00am 09:15am Diversity Conference
Location: Indian Health Council

Monday, February 12, 2007

09:30am 11:00am PMC Auxiliary Board Meeting
Location: PMC OB Classrm - 4th

Thursday, February 15, 2007

08:00am 10:00am Pension Committee
Location: PMC / Cafe Conf Rm
06:00pm 09:30pm ANN BD CEO EVAL FY 06 (cdm) (Grandee R
Location: ??RB INN--Grandee Rm

Friday, February 16, 2007

07:30am 09:00am PPH Birthday Celebration Breakfast
Location: PMC / Graybill
11:30am 01:00pm PPH Birthday Celebration Lunch
Location: POM / MR-E

Monday, February 19, 2007

08:00am 08:15am PRESIDENT'S DAY PUBLIC HOLIDAY

Monday, February 26, 2007

09:30am 11:00am POMERADO Auxiliary Board Meeting
Location: MR-E

Thursday, March 01, 2007

08:00am 08:15am (fyi--BD TO REVISIT IN APRIL '07 CEO'S C

Monday, March 12, 2007

09:30am 11:00am PMC Auxiliary Board Meeting
Location: PMC OB Classrm - 4th

Wednesday, March 14, 2007

07:30am 09:00am PPH Birthday Celebration Breakfast
Location: POM / MR-E
08:00am 08:15am CHA HLTH POLICY LEG DAY, SACRAMENTO
Location: SACRAMENTO CONV. CTR
11:30am 01:00pm PPH Birthday Celebration Lunch
Location: PMC / Graybill

Monday, March 19, 2007

11:30am 01:30pm Facilities & Ground Cmte Mtg - PMC Grayb

Monday, March 26, 2007

09:30am 11:00am POMERADO Auxiliary Board Meeting
Location: MR-E

Wednesday, March 28, 2007

12:30pm 02:00pm Health Development BOD/Budget Meeting (R
Location: Innov A

Thursday, March 29, 2007

11:00am 02:00pm Ann Phsyn Luncheon per Rochele Brengle/5
Location: PMC GRAYBILL
11:00pm 02:00am Ann Phsyn Luncheon
Location: ??

Friday, March 30, 2007

11:00am 02:00pm Ann Phsyn Luncheon per Rochele Brengle/5
Location: POM E

Sunday, April 01, 2007

08:00am 08:15am (fyi--GOV INST L'SHIP CONF)
Location: Scottsdale, AZ

Monday, April 02, 2007

08:00am 08:15am (fyi--GOV INST L'SHIP CONF)
Location: Scottsdale, AZ
08:00am 08:15am (fyi--Bd to revisit CEO's contract mid-t
09:00am 09:15am (Passover @ Sundown)

Tuesday, April 03, 2007

08:00am 08:15am (fyi--GOV INST L'SHIP CONF)
Location: Scottsdale, AZ

Wednesday, April 04, 2007

08:00am 08:15am (fyi--GOV INST L'SHIP CONF)
Location: Scottsdale, AZ

Friday, April 06, 2007

08:00am 08:15am (Good Friday)

Monday, April 09, 2007

08:00am 08:15am (Easter Monday)
09:30am 11:00am PMC Auxiliary Board Meeting
Location: PMC OB Classrm - 4th

Friday, April 20, 2007

07:30am 09:00am PPH Birthday Celebration Breakfast
Location: PMC / Graybill
11:30am 01:00pm PPH Birthday Celebration Lunch
Location: POM / MR-E

Monday, April 23, 2007

09:30am 11:00am POMERADO Auxiliary Board Meeting
Location: MR-E

Thursday, April 26, 2007

08:00am 08:15am (fyi--HOSPITAL OF THE FUTURE SYMPOSIUM--
Location: Orlando, FL

Friday, April 27, 2007

08:00am 08:15am (fyi--HOSPITAL OF THE FUTURE SYMPOSIUM--
Location: Orlando, FL

Tuesday, May 01, 2007

08:00am 08:15am (fyi--May completion Pom OSP & Parking S

Sunday, May 06, 2007

08:00am 08:15am CHA ANN CALIF ACTION PROGRAM, WASHINGTON
Location: MAYFLOWER HOTEL, WAS

Monday, May 07, 2007

08:00am 08:15am CHA ANN CALIF ACTION PROGRAM, WASHINGTON
Location: MAYFLOWER HOTEL, WAS
09:00am 09:15am (fyi--Nurses Week May 7-11)
12:00pm 02:00pm NURSE AWARDS CEREMONY - NURSES' WK,PMC
Location: PMC / ROOM??

Tuesday, May 08, 2007

08:00am 08:15am CHA ANN CALIF ACTION PROGRAM, WASHINGTON
Location: MAYFLOWER HOTEL, WAS
09:00am 09:15am (fyi--Nurses Week May 7-11)
12:00pm 02:00pm ??time/NURSE AWARDS CEREMONY POMERADO -
Location: POM / ROOM??

Wednesday, May 09, 2007

07:30am 09:00am PPH Birthday Celebration Breakfast
Location: POM / MR-E
08:00am 08:15am CHA ANN CALIF ACTION PROGRAM, WASHINGTON
Location: MAYFLOWER HOTEL, WAS
09:00am 09:15am (fyi--Nurses Week May 7-11)
11:30am 01:00pm PPH Birthday Celebration Lunch
Location: PMC / Graybill

Thursday, May 10, 2007

09:00am 09:15am (fyi--Nurses Week May 7-11)

Friday, May 11, 2007

09:00am 09:15am (fyi--Nurses Week May 7-11)

Monday, May 14, 2007

09:30am 11:00am PMC Auxiliary Board Meeting
Location: PMC OB Classrm - 4th

Thursday, May 17, 2007

08:00am 10:00am Pension Committee
Location: PMC / Cafe Conf Rm

Monday, May 28, 2007

07:30am 07:45am MEMORIAL DAY PUBLIC HOLIDAY

Monday, June 11, 2007

09:30am 11:00am PMC Auxiliary Board Meeting
Location: PMC OB Classrm - 4th

Monday, June 18, 2007

11:30am 01:30pm Facilities & Grounds Cmt mtg
Location: POM C

Thursday, June 21, 2007

07:30am 09:00am PPH Birthday Celebration Breakfast
Location: PMC / Graybill
11:30am 01:00pm PPH Birthday Celebration Lunch
Location: POM / MR-E

Monday, June 25, 2007

09:30am 11:00am POMERADO Auxiliary Board Meeting
Location: MR-E

Wednesday, June 27, 2007

12:30pm 02:00pm Health Development BOD Ann Org Mtg FY08
Location: Innov A

Wednesday, July 04, 2007

08:00am 08:15am INDEPENDENCE DAY PUBLIC HOLIDAY

Monday, July 09, 2007

09:30am 11:00am PMC Auxiliary Board Meeting
Location: PMC OB Classrm - 4th

Wednesday, July 11, 2007

07:30am 09:00am PPH Birthday Celebration Breakfast
Location: POM / MR-E
11:30am 01:00pm PPH Birthday Celebration Lunch
Location: PMC / Graybill

Monday, July 23, 2007

09:30am 11:00am POMERADO Auxiliary Board Meeting
Location: MR-E

Monday, August 13, 2007

09:30am 11:00am PMC Auxiliary Board Meeting
Location: PMC OB Classrm - 4th

Thursday, August 16, 2007

07:30am 09:00am PPH Birthday Celebration Breakfast
Location: PMC / Graybill
08:00am 10:00am Pension Committee
Location: PMC / Cafe Conf Rm
11:30am 01:00pm PPH Birthday Celebration Lunch
Location: POM / MR-E

Monday, August 20, 2007

11:30am 01:30pm Facilities & Grounds Cmte mtg
Location: PMC back 1/2 of Gray

Monday, August 27, 2007

09:30am 11:00am POMERADO Auxiliary Board Meeting
Location: MR-E

Monday, September 03, 2007

08:00am 08:15am LABOR DAY PUBLIC HOLIDAY

Monday, September 10, 2007

09:30am 11:00am PMC Auxiliary Board Meeting
Location: PMC OB Classrm - 4th

Wednesday, September 12, 2007

07:30am 09:00am PPH Birthday Celebration Breakfast
Location: POM / MR-E
11:30am 01:00pm PPH Birthday Celebration Lunch
Location: PMC / Graybill

Monday, September 24, 2007

09:30am 11:00am POMERADO Auxiliary Board Meeting
Location: MR-E

Monday, October 01, 2007

08:00am 08:15am (fyi--Schedule Ann Bd Self-Eval)

Monday, October 08, 2007

09:30am 11:00am PMC Auxiliary Board Meeting
Location: PMC OB Classrm - 4th

Monday, October 15, 2007

11:30am 01:30pm Facilities & Grounds Cmte mtg - mlg x419
Location: POM C

Thursday, October 18, 2007

07:30am 09:00am PPH Birthday Celebration Breakfast
Location: PMC / Graybill
11:30am 01:00pm PPH Birthday Celebration Lunch
Location: POM / MR-E

Monday, October 22, 2007

09:30am 11:00am POMERADO Auxiliary Board Meeting
Location: MR-E

Thursday, November 01, 2007

08:00am 08:15am (fyi--sched Ann CEO Eval)

Thursday, November 08, 2007

07:30am 09:00am PPH Birthday Celebration Breakfast
Location: POM / MR-E
11:30am 01:00pm PPH Birthday Celebration Lunch
Location: PMC / Graybill

Monday, November 12, 2007

09:30am 11:00am PMC Auxiliary Board Meeting
Location: PMC OB Classrm - 4th

Thursday, November 15, 2007

08:00am 10:00am Pension Committee
Location: PMC / Cafe Conf Rm

Thursday, November 22, 2007

08:00am 08:15am THANKSGIVING DAY PUBLIC HOLIDAY

Monday, November 26, 2007

09:30am 11:00am POMERADO Auxiliary Board Meeting
Location: MR-E

Monday, December 10, 2007

09:30am 11:00am PMC Auxiliary Board Meeting
Location: PMC OB Classrm - 4th

Friday, December 14, 2007

07:30am 09:00am PPH Birthday Celebration Breakfast
Location: PMC / Graybill
11:30am 01:00pm PPH Birthday Celebration Lunch
Location: POM / MR-E

Monday, December 17, 2007

11:30am 01:30pm Facilities & Grounds Cmte mtg - mlg x419
Location: PMC back 1/2 of Gray

Monday, December 24, 2007

09:30am 11:00am POMERADO Auxiliary Board Meeting
Location: MR-E

Tuesday, December 25, 2007

08:00am 08:15am CHRISTMAS DAY

Addendum to the Environmental Study & Mitigated Negative Declaration, Pomerado Hospital

TO: Board of Directors
MEETING DATE: Monday, December 11, 2006
FROM: Michael Covert, President and CEO
BY: Michael Shanahan, Director Facilities Planning & Development

BACKGROUND: This environmental document is an Addendum to the Final Mitigated Negative Declaration (MND) for the Pomerado Hospital Expansion Project, SCH No. 2005091082, adopted in November 2005 by Palomar Pomerado Healthcare District. The purpose of the MND Addendum is to provide an update to the Final MND with regard to Phase II Pomerado Hospital Expansion which was addressed in the Final MND in as much detail as could be planned and identified at that time. Specifically, the MND Addendum focuses on new information and minor revisions to the project.

Request is now respectfully submitted for Board adoption of the Addendum to the Environmental Study & Mitigated Negative Declaration, Pomerado Hospital, by the following two Resolutions, copies of which are attached:

12.11.06 (03) – 30 Adoption for an Addendum to the Final Mitigated Negative Declaration (Pomerado Hospital Expansion Phase II Project) Pursuant to the California Environmental Quality Act;

12.11.06 (04) – 31 Approval for Pomerado Hospital Expansion Project.

BUDGET None. Project is funded through the Facilities Master Plan

IMPACT:

Motion:

Individual Action: X

Information:

PALOMAR POMERADO HEALTH

RESOLUTION NO. 12.11.06 (03) - 30

**RESOLUTION OF ADOPTION FOR AN
ADDENDUM TO THE FINAL MITIGATED
NEGATIVE DECLARATION
(POMERADO HOSPITAL EXPANSION
PHASE II PROJECT)
PURSUANT TO THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT**

Whereas, in order to continue to provide accessible health care services, including trauma, emergency room and acute care services, to a population anticipated to grow to approximately 1.3 million within the next twenty years, the Board of Directors ("Board") of Palomar Pomerado Healthcare District ("District"), with the input of District medical staff, nursing personnel and support personnel and members of the public, has developed a comprehensive Facilities Master Plan to address the future health care needs of the population of the District;

Whereas, the existing Pomerado Hospital requires expansion in order to meet the goals of the Facilities Master Plan;

Whereas, the Board and City of Poway have approved the phased expansion of Pomerado Hospital;

Whereas, Phase I is currently being constructed and Phase II requires additional approvals from the Board and the City of Poway;

Whereas, pursuant to the laws of the State of California and pursuant to conditions of Measure BB, all projects in the Facilities Master Plan are required to comply with the rules and regulations of the California Environmental Quality Act ("CEQA");

Whereas, the applicant for the Pomerado Hospital Phase II Expansion ("Project") is the District and the lead agency for the Project under CEQA is also the District per CEQA Guidelines Section 15051;

Whereas, implementation of the Project requires the City of Poway to make discretionary land use approvals;

Whereas, a Final Mitigated Negative Declaration ("MND") was certified for the Pomerado Hospital Expansion including both Phase I and Phase II and implementation of the Project will not result in increasing environmental impacts above those evaluated in the MND;

Whereas, the District prepared an addendum to the MND for the Pomerado Hospital Phase II Expansion ("Addendum") to implement the Project pursuant to CEQA guidelines 15164 (b) because none of the conditions described in CEQA guidelines require the preparation of a new or subsequent Mitigated Negative Declaration or Environmental Impact Report.

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. Recitals and Findings. The foregoing recitals and findings are true and correct, and this Board so finds and determines.

Section 2. Review and Adoption of Addendum. The Board has read and considered the Addendum to the Final Mitigated Negative for Pomerado Hospital Phase II Expansion Project and accompanying Mitigation Monitoring and Reporting Program (Attachment 1) with the MND for and it represents the District's independent judgment and analysis and the Board hereby adopts the Addendum and accompanying Mitigation Monitoring and Reporting Program.

Section 3. Findings. The Board of Directors of the Palomar Pomerado Healthcare District acting in its capacity as lead agency has prepared an Addendum to the Final MND for the Pomerado Hospital Phase II Expansion and accompanying Mitigation Monitoring Report (Attachment 1) to implement the Project, and the Board after considering the whole record makes the following findings with respect to approval of the Project:

- **No Substantial Changes Requiring Major Revisions.** Based on the analysis and information contained in the Addendum and the record, there is no substantial evidence that the changes to the Pomerado Hospital Final Mitigated Negative Declaration require a major change to the adopted MND. The Project will not result in any new significant environmental impact, nor will there be a substantial increase in the severity of significant impacts previously described in the certified Final Mitigated Negative Declaration.
- **No Substantial Change in Circumstances Requiring Major Revisions.** Based on the analysis and information contained in the Addendum and the record, there is no substantial evidence that substantial changes have occurred with respect to the circumstances surrounding the Project that would require major revisions to the certified Final Mitigated Negative Declaration due to the involvement of new significant environmental effects or substantial increases in severity of previously identified significant effects.
- **No New Information Of Substantial Importance.** Based on the analysis and information contained in the Addendum and the record, there is no substantial evidence of new information of substantial importance which was not known and could not have

been known at the time the Final Mitigated Negative Declaration was approved showing: (A) that the project will have one or more significant effects not previously discussed, (B) that previously identified significant effects will be substantially more severe, (C) that mitigation measures or alternatives previously found to be infeasible would in fact be feasible and would substantially reduce one or more of the significant effects but the Project proponent declines to adopt them, or (D) that mitigation measures or alternatives which are considerably different from those analyzed previously would substantially reduce one or more of the significant effects but the Project proponent declines to adopt them.

PASSED AND ADOPTED by the Governing Board of Palomar Pomerado Health on this 11th day of December, 2006, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

IN WITNESS WHEREOF, this instrument has been duly signed and sealed as of the 11th day of December, 2006.

Marcelo R. Rivera, M.D.
Chairman, Board of Directors
Palomar Pomerado Health

ATTEST:

Linda C. Greer, R.N.
Secretary, Board of Directors
Palomar Pomerado Health

PALOMAR POMERADO HEALTH

RESOLUTION NO. 12.11.06 (04) - 31

**RESOLUTION OF APPROVAL FOR
POMERADO HOSPITAL
EXPANSION PROJECT**

Whereas, the Palomar Pomerado Healthcare District ("District") has prepared a Facilities Master Plan for the repair, replacement and expansion of health care facilities to meet the needs of Palomar Pomerado Healthcare participants through the year 2030;

Whereas, one objective of the Facilities Master Plan is to improve and expand the total combined number of patient beds in all Palomar Pomerado Healthcare hospital facilities by approximately 70 percent;

Whereas, the existing Pomerado Hospital requires expansion in order to meet the goals of the Facilities Master Plan;

Whereas, the need to admit patients of specific types or acuities at Pomerado Hospital often exceeds bed capacity and necessary improvements include the provision of additional hospital beds and expanded inpatient and outpatient services;

Whereas, due to the factors mentioned above the Palomar Pomerado Healthcare District Board of Directors ("Board") has determined that expansion of Pomerado Hospital is necessary to fulfill the stated need in the Facilities Master Plan;

Whereas, in November 2004 the voters of the District passed Proposition BB to provide bond financing to pay for repair, expansion and replacement of health care facilities in the Facilities Master Plan that will help meet projected health care needs;

Whereas, in 2005, the Board and the City of Poway approved the phased expansion of Pomerado Hospital;

Whereas, Phase I of the Pomerado Hospital Expansion includes construction of a new five-story Outpatient Services Pavilion, three-story Parking Structure, on-site and off-site improvements and relocation of interim waste management center;

Whereas, Phase I is currently being constructed;

Whereas, the City of Poway identified that additional planning approvals would be required for Phase II once detailed design had been finalized;

Whereas, the District has applied for the necessary approvals from the City of Poway to fully entitle Phase II;

Whereas, Phase II of the Pomerado Hospital Expansion includes the construction of a new Inpatient Bed Tower, a Conference and Education Center, expansion of the hospital Diagnostic and Treatment, administrative services and support, upgrade of central plant services, relocation of the existing helistop and remodel of existing facilities;

Whereas, in November 2005, the Board, acting as the lead agency in compliance with State law, adopted an Initial Study/ Final Mitigated Negative Declaration that analyzed a worst-case basis for both phases of the proposed expansion;

Whereas, the District has prepared an Addendum to the Final Mitigated Negative Declaration for the Phase II Expansion Project in compliance with the California Environmental Quality Act;

Whereas, the Project will give the District the ability to continue to provide exceptional health care to its participants and increase the regional capacity of health care facilities to meet future demand for care;

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. Recitals and Findings. The foregoing recitals and findings are true and correct, and this Board so finds and determines.

Section 2. Approval of Project. Based on the foregoing, the Board hereby approves the Project and directs District Staff to take all actions required to obtain the necessary approvals from the City of Poway and to implement the Project.

PASSED AND ADOPTED by the Governing Board of Palomar Pomerado Health on this 11th day of December, 2006, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

**IN WITNESS WHEREOF, this instrument has been duly signed and sealed as of the
11th day of December, 2006.**

Marcelo R. Rivera, M.D.
Chairman, Board of Directors
Palomar Pomerado Health

ATTEST:

Linda C. Greer, R.N.
Secretary, Board of Directors
Palomar Pomerado Health

Informational: Compensation

TO: PPH Board of Directors
MEETING DATE: December 11, 2006
FROM: Nancy Bassett, RN
Chair Human Resources Committee

BACKGROUND: An update on management compensation procedures was provided to the Committee.

Discussion included:

1. Contract provisions for CNA and CHEU employees as related to contractual agreements (step increases).
2. Provisions for non-union employees ensuring that non-union employees receive compensation equivalent to the union employees.
3. Incentive for management ensuring continued support of PPH initiatives.

BUDGET IMPACT: Not Applicable

STAFF RECOMMENDATION:

COMMITTEE QUESTIONS:

- A. Larson asked if the contracts include any provisions for employee incentives.
1. B. Turner replied that there are no incentives provisions in the contracts, however PPH does make adjustments if so indicated by market surveys.
- A. Larson questioned the process for estimating merit payouts for the budget process.
1. B. Turner explained the process used to blend the expected rate changes into the proposed budget.
- N. Bassett requested a comparison between union, non-union and management incentive plans.

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

Update: Adopt-A-Family Program

TO: PPH Board of Directors

MEETING DATE: December 11, 2006

FROM: Nancy Bassett, RN
Chair Human Resources Committee

BACKGROUND: This will be the 3rd year for the Holiday Family Basket Program. Our annual campaign assists co-workers and their families, who may need a little extra during this time of year.

Process: PPH employees can nominate anyone to receive a basket. Once the nominations are received they are matched with a department requesting to assist a needy family. Departments receive basic information on their family: ages and gender of children, specific gift requests (if known). Baskets include food as well as gifts.

BUDGET IMPACT: Not Applicable

STAFF RECOMMENDATION:

COMMITTEE QUESTIONS:

A. Larson expressed concerns about assisting employees only during the holiday season.

* B. Turner noted that PPH has several programs available to employees at any time during the year:

- 1) PTO Donation Program
- 2) Emergency Loan Program
- 3) Foundation Grants

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:



PPH Holiday Family Baskets

Nominating Department: _____

PPH Employee Family: _____

Tell us about an employee whose family won't have much of a holiday without some help from their PPH family.

Briefly describe why this family should receive a holiday basket from PPH employees

Age(s) and sex of family members:

Age _____ Male Female

Size _____ Hobbies/Wish

List _____

Age _____ Male Female

Size _____ Hobbies/Wish

List _____

Age _____ Male Female

Size _____ Hobbies/Wish

List _____

Age _____ Male Female

Size _____ Hobbies/Wish

List _____

Age _____ Male Female

Size _____ Hobbies/Wish

List _____

Nominations are due to
Lisa Hazard at Palomar Trauma office (3rd floor) or POM HR office
By 11/20/06

Questions? Please call Kim Colonnelli at x3320 or Brenda Turner at x5142



PPH Holiday Family Baskets

How to nominate a family:

You or someone in your department knows of a PPH Employee who may not have much of a holiday without a little assistance. We would ask that you speak with the individual and make sure that they are open to receiving a some help at this time of year.

Please have information about your family available such as age and sex, and any particular interests or needs e.g. reading, clothes, food, etc.

Fill out the form we have attached here for you. Please have completed forms turned in to:

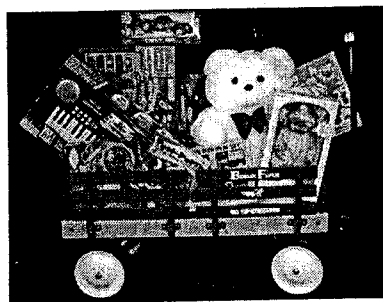
PALOMAR: **Lisa Hazard, Trauma Department (3rd floor towards CCU 4)**
POMERADO: **Human Resources Office (front desk)**

Nominations are due by

11/20/06

How to adopt a family:

E-mail kace and bct (Kim Colonnelli and Brenda Turner) and let them know you/your department are interested in adopting a family. We will match up families with adopting departments so that we can all have a wonderful holiday season this year!



Questions? Please call Kim Colonnelli at x3320 or Brenda Turner at x5142

**Expansion of the Service Center for Wound Care and Hyperbaric Medicine
to a Second Site in San Marcos, California**

TO: Board of Directors

FROM: Board Finance Committee
Tuesday, December 5, 2006

DATE: Monday, December 11, 2006

BY: Sheila Brown, MBA, Chief Officer Clinical Outreach Services
LeAnne Cooney, Senior Financial Analyst
Bob Hemker, Chief Financial Officer
Ann Moore, RN, MSN, CWCN System Director Wound Care & Hyperbaric Medicine

BACKGROUND: Since 1997, Palomar Pomerado Health has successfully provided wound care management to patients in North San Diego County who were experiencing chronic, non-healing wounds. In May of 2005, the PPH Administrative team partnered with Diversified Clinical Services to add hyperbaric oxygen to the services provided at the Center for Wound Care and Hyperbaric Medicine.

The financial results for the PPH Center for Wound Care and Hyperbaric Medicine for fiscal year 2006 showed a contribution margin of \$526,676. Overall patient satisfaction scores remain in the 99th percentile, and employee satisfaction is in the 95th percentile.

To further the continuum of wound care management from a comprehensive quality, best practice and financial standpoint, approval of an additional site of service in the San Marcos area is requested (*See attached Business Plan*). Capital allocation – strategic initiatives – estimated at \$930,000 (actual will depend on specific site).

BUDGET IMPACT: The 5-year projections for the San Marcos site are anticipated to produce a cumulative cash flow of \$661,835, with an Internal Rate of Return of 21% (*See attached pro forma*). Total payback on the capital investment is projected at 43 months. Projected income for Pomerado and the San Marcos site is estimated at \$527,000 in year 1, increasing steadily to \$915,000 in year 5.

STAFF RECOMMENDATION: At the Board Finance Committee meeting, the staff recommended approval of the establishment of an additional site of service for Wound Care and Hyperbaric Medicine in San Marcos, as well as aggressive marketing efforts to backfill the anticipated volume loss at the Pomerado site.

COMMITTEE RECOMMENDATION: The Board Finance Committee recommends approval of the establishment of an additional site of service for Wound Care and Hyperbaric Medicine in San Marcos, as well as aggressive marketing efforts to backfill the anticipated volume loss at the Pomerado site.

Motion: X

Individual Action:

Information:

Required Time:

Palomar - San Marcos
Wound Care and Hyperbaric Medicine
2007 Pro Forma ¹
Annual Revenue/Income Projections By Patient Volume

Hospital wage index	1.1406	Year1	Year2	Year3	Year4	Year5
Number of annual new patient registrations		310	360	390	420	450

REVENUE						
Evaluation & Management (E&M)	\$193,288	\$226,288	\$245,146	\$264,003	\$282,860	
Debridements & Other Wound Care Procedures	\$495,371	\$579,946	\$628,275	\$676,604	\$724,933	
Hyperbaric Oxygen (HBO)	\$573,549	\$671,472	\$727,427	\$783,383	\$839,339	
Outpatient Surgery Revenue (net)						
Total Net Revenue To Hospital	\$1,262,207	\$1,477,706	\$1,600,848	\$1,723,990	\$1,847,133	

EXPENSE						
Typical Staffing Expense ²						
Program Director	\$103,125	\$115,875	\$119,351	\$122,932	\$126,620	
Clinical Coordinator	\$97,396	\$109,438	\$112,721	\$116,102	\$119,585	
Hyperbaric Safety/Technical Director	\$51,563	\$57,938	\$59,676	\$61,466	\$63,310	
Certified Nurse Assistant (s)	\$42,900	\$48,204	\$49,650	\$51,140	\$52,674	
Administrative Assistant	\$42,900	\$48,204	\$49,650	\$51,140	\$52,674	
Administrative Specialist	\$0	\$0	\$0	\$0	\$0	\$0
RN(s) (full/part-time as required)	\$110,700	\$133,488	\$156,663	\$181,692	\$208,575	
HBOT Technician(s) (full/part-time as required)		\$54,981	\$64,527	\$74,836	\$85,909	
Total Staffing Expense (incl. Benefits and Payroll Taxes):	\$448,583	\$568,127	\$612,238	\$659,307	\$709,346	
Non-Staff Expense						
Video-based Data Tracking and Outcomes System with Integrated Digital Photography [WoundStar® or Wound Expert for example]				Provided and paid for by Diversified Clinical Services		
Training ³				Provided and paid for by Diversified Clinical Services		
Community Education ⁴				Provided and paid for by Diversified Clinical Services		
Maintenance of Hyperbaric Chambers and Related Equipment				Provided and paid for by Diversified Clinical Services		
Discretionary Advertising Media Expense	\$27,000	\$27,000	\$29,250	\$31,500	\$33,750	
Wound Care Supplies	\$36,900	\$43,200	\$50,700	\$58,800	\$67,500	
Provision for Bad Debts	\$0	\$0	\$0	\$0	\$0	
Miscellaneous	\$25,244	\$29,554	\$34,685	\$40,226	\$46,178	
Oxygen for HBO Chambers	\$8,610	\$10,080	\$10,920	\$11,760	\$12,600	
Laundry Service	\$3,690	\$4,320	\$5,070	\$5,880	\$6,750	
Utilities	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	
Medical Director Stipend				Provided and paid for by Diversified Clinical Services		
Rent (typically 2,500-5,000 sq. ft.)						
Total Non-Staff Expense:	\$104,444	\$117,154	\$133,625	\$151,166	\$169,778	
Capital Expenditure - Depreciation						
Monoplace Hyperbaric Chambers, Transcutaneous O ₂ Monitors				Provided and paid for by Diversified Clinical Services		
Examination Chairs & Lights				Provided and paid for by Diversified Clinical Services		
Renovation Costs including O ₂ supply	10	\$93,286	\$93,286	\$93,286	\$93,286	\$93,286
Total Capital Expenditure:		\$93,286	\$93,286	\$93,286	\$93,286	\$93,286
Management Fees to Diversified Clinical Services ⁵						
Wound Care Fee (based on # of visits/procedures)	\$138,935	\$162,656	\$190,895	\$221,393	\$254,150	
HBO Fee (based on # of treatments)	\$126,825	\$148,478	\$174,256	\$202,096	\$231,998	
Total Management Fees to Diversified Clinical Services:	\$265,761	\$311,134	\$365,151	\$423,488	\$486,147	
Total Expenses To Hospital	\$812,074	\$1,089,702	\$1,204,299	\$1,327,248	\$1,458,557	

ANNUAL INCOME TO HOSPITAL						
	\$350,134	\$388,004	\$396,549	\$396,743	\$388,575	
Less: Reduction in Pomerado volumes (to San Marcos)	\$149,590	\$174,880	\$0			
Less Increase In Accounts Receivable	(\$246,284)		(\$20,524)	(\$20,524)	(\$20,524)	
Add Increase In Accounts Payable	\$25,928		\$4,501	\$4,861	\$5,222	
Add back Depreciation (Non-Cash)	\$93,286	\$93,286	\$93,286	\$93,286	\$93,286	
Less Initial Capital Investment By Hospital (2 & 3)	(\$932,857)					
Net Cash Flow	(\$1,059,393)	\$306,491	\$473,813	\$474,366	\$466,559	

Cumulative Cash Flow \$661,835
IRR 21%
Payback, Months 43

Contract Type: P

135

Center for Wound Care and Hyperbaric Medicine

San Marcos

November 20, 2006

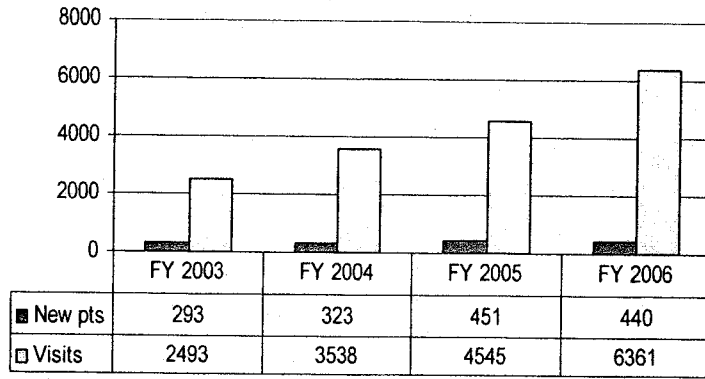
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Wound Care and Hyperbaric Medicine

- Background:
 - Pomerado Center opened in 1997
 - HBOT added in 2005
- Provide care for patients with chronic non-healing wounds
 - Diagnosis include – diabetic foot ulcers, venous leg ulcers, pressure ulcers to name but a few
 - Hyperbaric Oxygen Therapy indications – diabetic foot ulcers, latent effects of radiation affecting soft tissue as well as bone

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WCC & HBOT Volume Trends



FY 2005 5 % HBOT Visits (235)

FY 2006 30% HBOT Visits (1946)

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Outreach Strategy

- Satellite center commitment in bond initiative
- Limited PPH presence and market share in San Marcos
 - Even less presence in communities west
- Strategic emphasis on growing PPH business and market share in San Marcos and Vista area

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Why Target Wound Care and HBOT

- High Quality program
 - Nationally bench marked days to healing for all wound types currently at 47 days
 - consistently outperforms database benchmark 58 days
- High Patient Satisfaction
 - Consistently in the 99% of national scores
 - Employee engagement 95%
- Strong Financial contribution \$526,676 net revenue

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Why Target Wound Care and HBOT

- Strong Program
 - use as anchor for additional outpatient services
- Growing community need
 - Needs assessment - diabetes increasing

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Market Demand Analysis

- Demographic zip code analysis:
 - Pauma Valley to the north, Escondido to the south,
 - Ramona to the east
 - North county costal to west – Oceanside to Del Mar
- Census data reveals 50,000 Diabetic individuals
- Approximately 15,000 are potential wound patients
- Conservative projection of 300 pt admissions

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Competitive Analysis

- Tri City Approved comprehensive wound care to open 4/2007
- Scripps Mercy Closed a wound program in 1994
- Scripps La Jolla closed on Sept 30th
 - Wound Care only program
- Sharp – Initiating small MD run program at memorial

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Competitive Analysis

- Sharp Rees –Steely/Mission Park - Nurse run clinic two days per week at each site
- Sharp Grossmont – converting to physician based program from a nurse based program
- UCSD – HOBt and wound care programs non-integrated
- Paradise Valley - Wound care and HBOT program – do not get referrals from that market area too far south.

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Option One

- Business as usual
 - Do not try to establish a foothold in the north county coastal area for wound care and hyperbaric services
 - Continue one site of service at south campus
 - Allow Tri City to create a center for wound care and hyperbaric medicine - potential loss of Escondido patient population

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Option Two

- Create a defensive strategy
 - Establish a second site for the provision of wound care and hyperbaric services

 - Establish a gateway for individuals from the north county coastal area to PPH services
 - 78 corridor

 - Provide needed services in the community thereby preventing out migration

 - Partnership?

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Why Partner

- Already in partnership with Diversified Clinical Services

- Access to additional financial resources

- Access to latest clinical, educational and financial information related to services provided

- Minimize competitive penetration of same market share

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Why Diversified

- Largest Wound Management Services company
 - Over 150 centers throughout the country
- Immediate access to national network of clinicians
- Resource for latest clinical, financial changes in the industry
- National buying power for wound & HBOT specific equipment

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Financial Considerations Option One

- Do not grow business
- Costs us nothing
- Continue same community marketing
- Recognize volume loss to competition in north
 - Estimated to be \$349,688
 - 35% current pt volume from north zips

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Financial Considerations Option Two - Capital

- \$1.1 Million build out and equipment cost
- \$100,000 Diversified Clinical Contributions
 - In addition –HBOT chambers, exam chairs, TcPo2 machines
- \$ 1,000,000 million net capital cost to PPH

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Financial Considerations Option Two

- Annual income:
 - San Marcos \$ 350,134
 - Pomerado \$176,988
- Annual income combined \$527, 122
- IRR 21%
- ROI – 43 month payback

Proforma 11-22-2006

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Financial Considerations Option Two

- 35% patient loss to San Marcos
- 35% net revenue loss \$349,688 to POM

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PPH Consolidated Income Statement

	Year 1	Year 2	Year 3	Year 4	Year 5
Number of annual patient registrations (Palomar)	337	427	518	518	518
Number of annual patient registrations (Pomerado)	310	360	390	420	450
Annual income to hospital from San Marcos	\$350,134	\$388,004	\$396,549	\$396,743	\$388,575
Pomerado net income from Wound Care	\$176,988	\$351,789	\$526,590	\$526,591	\$526,592
Annual income to hospital from total program	\$527,122	\$739,793	\$923,139	\$923,333	\$915,167

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Marketing Strategies POM

- Hired a marketing person
- Media activities
- Hospital Based – grand rounds
- Special Events - community
- Other
 - Face to face MD Calls
 - Lunch and learns
 - Hand Delivery Progress notes
 - Education to Home Health/Case Managers
 - Unit tours for community MD's

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Managements Recommendation

- Establish second Center for Wound Care and Hyperbaric Medicine in San Marcos
- Aggressive Marketing efforts in the south to back fill volume

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Next Steps

- PPH Board Approval
- Target date for opening

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