

PALOMAR
POMERADO
HEALTH
SPECIALIZING IN YOU

**BOARD OF DIRECTORS
AGENDA PACKET**

December 17, 2007

*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
Bruce G. Krider, MA, Vice Chairman
Linda C. Greer, RN, Secretary
T. E. Kleiter, Treasurer
Linda Bailey
Nancy L. Bassett, RN, MBA
Alan W. Larson, MD

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 17, 2007

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."

	<u>Time</u>	<u>Page</u>
I. CALL TO ORDER		
II. OPENING CEREMONY	2 min	
A. Pledge of Allegiance		
III. 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>		
IV. * MINUTES		
Regular Board Meeting – November 12, 2007		<i>(deferred)</i>
V. * APPROVAL OF AGENDA to accept the Consent Items as listed	5	1 - 152
A. Consolidated Financial Statements		
B. Revolving Fund Transfers/Disbursements – October, 2007		
1. Accounts Payable Invoices	\$30,161,808.00	
2. Net Payroll	9,689,253.00	
Total	<u>\$39,851,061.00</u>	
C. Ratification of Paid Bills		
D. October 2007 & YTD FY2008 Financial Report		
E. Retail Health Clinics Professional Services & Medical Director Agreement – PIMG Inc., dba Centre for Healthcare Medical Associates – PPH <i>expresscare</i> -Penasquitos		
F. Independent Contractor Agreement – California Emergency Physicians (CEP) –		
<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"</i>		

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

- PMC & Pomerado Wound Care/HBOT**
- G. Professional Services Agreement – California Emergency Physicians (CEP) – PMC & Pomerado Emergency Services
 - H. Adult Medicine & Skilled Nursing Facility Hospitalist Service Agreement – Neighborhood Health Care
 - I. Purchase of a Share of VHA Stock by Palomar Pomerado Health Foundation
 - J. FY 2007 Incentive Compensation Outcome
 - K. PPH Board Policies Review/Approval *per Governance Committee December 7, 2007*
 incl FIN-13; FIN-10; OLT-16 (*these continue being updated & reviewed*);
 FIN -12 Expenditure & Requisition Approval Authority Policy (*referred to Finance Committee for review/input*)
 Board approval requested for: GOV-01; 04; O6; 10; 15; 30; HR-04; 05;
 QLT-07 EMTALA; 23; 27; 32; and new Policy GOV-23 Naming Policy

VI. PRESENTATIONS -

- A. “Hear for the Holidays” Program : Announcement and Presentation to Winner for 2007 by David Illich, AuD., FAAA, Chief Audiologist for PPH (*coordinated by Andy Hoang*) 15
- B. Media Update 15
 - Gustavo Friederichsen, Chief Marketing and Communication Officer
 - Andy Hoang, Manager, Media Relations

VII. REPORTS

- A. Medical Staffs 15
 - * 1. Palomar Medical Center – *John J. Lilley, M.D.*
 - a. Credentialing/Reappointments, incl Escondido Surgery Center 153 - 164
 - * 2. Pomerado Hospital – *Benjamin Kanter, M.D.*
 - a. Credentialing/Reappointments 165 - 166
- B. Administrative
 - 1. Chairman of Palomar Pomerado Health Foundation – *Al Stehly*
 - a. Update on PPHF Activities 5 *Verbal Report*
 - 2. Chairman of the Board – *Marcelo R. Rivera, M.D.* 15 *Verbal Report*
 - a. Press Ganey Award to PPH
 - Director Nancy L. Bassett, RN, MBA
 - b. Service Award Pin 167
 - Bruce G. Krider, MA - 4 years
 - c. Election of Officers: 2008 – *Chair; Vice Chair; Secretary; Treasurer* 168

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

- d. * **Resolution No. 12.17.07 (01) – 19 Establishing Board Meetings for Calendar Year 2008** 169 - 170
- 3. **President and CEO – Michael H. Covert, FACHE** 20 *Verbal Report*
 - a. Acknowledgement of new Board Officers for 2008
 - b. **National University Peak Performance Award Finalist – PPH presentation to Board Chairman**
 - c. * **Resolution No. 12.17.07 (02) – 20** for Designation of Applicant’s Agent Resolution from the State of California Office of Emergency Services so as to continue with the FEMA reimbursement process by obtaining appropriate signatures from PPH Board Member(s), CEO and CFO 171 - 172
 - d. Quarterly Reports from Executive Staff
 - i. Lorie Shoemaker, Chief Nurse Executive
 - ii. Sheila Brown Clinical Outreach
 - iii. Gerald Bracht, Palomar Medical Center
 - iv. Steve Gold, Pomerado Hospital

VIII. INFORMATION ITEMS (Discussion by exception only) 173 - 223

- A. Recent Fire Disaster Human Resources
- B. Smoke Free Environment Human Resources
- C. Hiring of Military Corpsmen Human Resources
- D. Board Policies Review – Clarification Governance
- E. Compliance Report 1st/2nd/3rd Quarters, 2007 Governance
- F. Potential Board Meetings – *Calling Special Board Mtgs* Governance
- G. Potential Board Member Job Descriptions for Board Officers Governance
- H. Review of Annual Board Self-Evaluation (“Peer Review”) Survey Instrument Governance
- I. Legislative Update Governance
- J. Round Table Governance
- K. Date of Next Meeting Governance
- L. Current State of PPNC Health Development Finance
- M. Recap of Legal Firms Finance
- N. Issuance of General Obligation Bonds Election of 2004, Series 2007A Finance
- O. PPH Independent Citizens’ Oversight Committee – Appointment of Officers Finance

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

IX. COMMITTEE REPORTS -

- A. **ad hoc CEO Evaluation (format) Committee –**
Director Bruce Krider, MA, Chair 10 *Verbal Report*
- B. **Finance Committee – Director T. E. Kleiter, Chair** 10 224 - 226
- * 1. **Resolution No. 12.17.07 (03) – 21 of the Governing Board of PPH re: Authorized Individuals and Enabling Resolutions for Metropolitan Life Insurance Company Deposit Account with JP Morgan Chase Manhattan Bank**
- C. **Board Facilities and Grounds – Director Bruce Krider, MA, Chair** 10 227 - 241
- * 1. **Resolution No. 12.17.07 (04) – 22 of the Governing Board of PPH re: Adopting an addendum to the previously Certified final environmental impact report for the Escondido Research and Technology Center (SCH No. 2001121065) and approving rock crushing operation**

X. BOARD MEMBER COMMENTS/AGENDA ITEMS FOR NEXT MONTH


XI. ADJOURNMENT

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

**PALOMAR POMERADO HEALTH
CONSOLIDATED DISBURSEMENTS
FOR THE MONTH OF
OCTOBER 2007**

10/01/07	TO	10/31/07	ACCOUNTS PAYABLE INVOICES	\$30,161,808.00
10/05/07	TO	10/19/07	NET PAYROLL	<u>\$9,689,253.00</u>
				\$39,851,061.00

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

October 2007 & YTD FY2008 Financial Report

TO: Board of Directors
MEETING DATE: Monday, December 17, 2007
FROM: Board Finance Committee
Tuesday, December 4, 2007
BY: Robert Hemker, CFO

Background: The Board Financial Reports (unaudited) for October 2007 and YTD FY2008 are submitted for the Finance Committee's approval.

Budget Impact: N/A

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

Committee Questions:

COMMITTEE RECOMMENDATION: The Board Finance Committee recommends approval of the Board Financial Reports (unaudited) for October 2007 and YTD FY2008.

Motion: X

Individual Action:

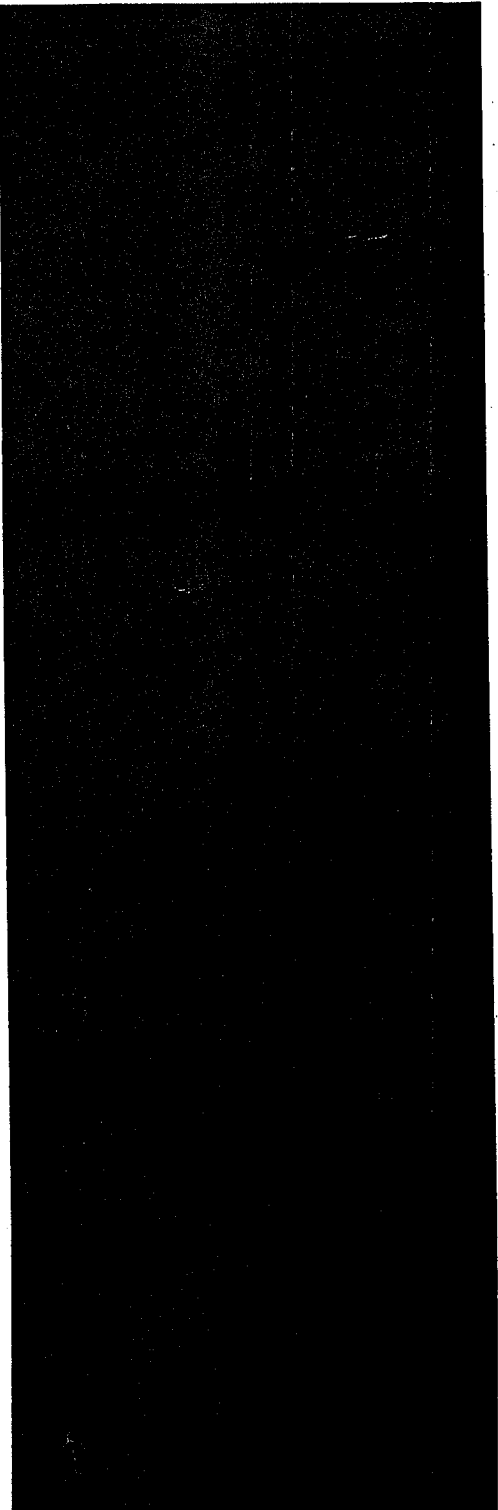
Information:

Required Time:

Financial Statements

October 2007

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Board Financial Report

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October 2007 Financial Results Executive Summary and Highlights

Statistics:

	SEP	OCT	SEP vs OCT % Change	BUDGET	ACT vs BUD % Variance
CONSOLIDATED					
Patient Days Acute	9,617	9,161	-4.7%	9,666	-5.2%
Patient Days SNF	6,262	6,200	-1.0%	6,546	-5.3%
ADC Acute	320.57	295.53	-7.8%	311.82	-5.2%
ADC SNF	208.73	200.00	-4.2%	211.16	-5.3%
Surgeries CVS Cases	15	13	-13.3%	12	8.3%
Surgeries Total	982	945	-3.8%	984	-4.0%
Number of Births	511	459	-10.2%	466	-1.5%
NORTH					
Patient Days Acute	7,205	7,081	-1.7%	7,298	-3.0%
Patient Days SNF	2,564	2,471	-3.6%	2,720	-9.2%
ADC Acute	240.19	228.44	-4.9%	235.43	-3.0%
ADC SNF	85.47	79.71	-6.7%	87.74	-9.2%
SOUTH					
Patient Days Acute	2,412	2,080	-13.8%	2,368	-12.2%
Patient Days SNF	3,698	3,729	0.8%	3,826	-2.5%
ADC Acute	80.39	67.10	-16.5%	76.38	-12.1%
ADC SNF	123.27	120.29	-2.4%	123.42	-2.5%

October 2007 Financial Results Executive Summary and Highlights (cont'd)

Balance Sheet:

Current Cash & Cash Equivalents increased \$11.0 million from \$68.2 million in September to \$79.2 million in October. This increase is due to a reclass of funds from Board Designated Non-Current Assets of \$4.4 million and draw-downs of Bond funds totaling \$7.4 million. Total Cash and Investments are \$102.0 million, compared to \$95.3 million at September 30, 2007. Days Cash on Hand went from 88 days in September to 94 days in October.

Net Accounts Receivable decreased to \$87.0 million in October as compared to \$88.8 million in September. Gross A/R days increased from 51.2 days in September to 55.9 days in October. October patient account collections including capitation are \$34.1 million compared to budget of \$33.1 million. September YTD collections are \$127.9 million compared to budget of \$132.4 million.

Construction in Progress increased \$5.1 million from \$146.0 million in September to \$151.1 million in October. The increase is attributed to Building Expansion A & E Services and construction costs \$1.0 million, Pomerado Outpatient Pavilion tenant improvements \$1.3 and the Trilogy Radiation Therapy System \$2.8 million.

Other Current Liabilities decreased \$1.9 million from \$22.3 million to \$20.4 million primarily due to the realization of Deferred Property Tax Revenue of \$1.1 million and a decrease in the capitation liability in October.

October 2007 Financial Results Executive Summary and Highlights (cont'd)

Income Statement:

Gross Patient Revenue for YTD reflects a favorable budget variance of \$8.5 million. This includes South's unfavorable MTD variance of \$2.6 million; a result of South being closed 3 days due to the fires. The \$8.5 million favorable variance is composed of \$13.8 million unfavorable volume variance and \$22.3 million favorable rate variance based on adjusted discharges.

Routine revenue (inpatient room and board) reflects an unfavorable \$1.9 million budget variance. Inpatient Ancillary revenue represents a \$4.4 million favorable budget variance. North reflects \$2.8 million favorable variance and South reflects \$1.6 million favorable variance.

Outpatient revenue reflects a favorable budget variance of \$6.0 million. North has a \$7.8 million favorable variance. This amount is decreased by South \$0.9 million unfavorable variance and Outreach \$0.9 million unfavorable variance.

Deductions from Revenue reflect a YTD unfavorable variance of \$10.0 million. Total Deductions from Revenue is 70.25% of gross revenue compared to a budget of 69.38%. Deductions from Revenue (excluding Bad Debt/Charity/Undocumented expenses) is 66.27% of YTD Gross Revenue compared to budget of 65.12%.

October 2007 Financial Results Executive Summary and Highlights (cont'd)

Income Statement (cont'd):

The net capitation reflects a YTD favorable budget variance of \$26.0 thousand. Cap Premium and Out of Network Claim Expense both show a favorable budget variance of 2.70 million and \$1.14 million respectively. A favorable variance of Cap Premium is due to retro 2006 premium adjustments in August. Cap Valuation shows an unfavorable variance of \$3.81 million to offset; due to using bill drop date instead of discharge date.

Other Operating Revenue reflects a YTD unfavorable budget variance of \$1.6 million. The most significant contributor to this variance is the Foundation where actual revenue is zero versus a budget of \$1.2 million. After the budget was prepared, a change in procedure was initiated to credit the Foundation's expenses instead of crediting revenue for funding requests. Therefore, the offset to this revenue loss is a reduction to expenses. This variance will be ongoing throughout the year. PPNC Health Development has a YTD unfavorable variance of \$437 thousand. Also contributing to this variance is the Grant program for Welcome Home Baby and Home Health Outreach where the YTD variances are unfavorable by \$318 thousand and \$360 thousand, respectively. All these negative variances are partially offset by the VHA Rebate of \$161 thousand and the insurance settlement for the Graybill Auditorium water damage of \$211 thousand.

Salaries, Wages & Contract Labor has a YTD unfavorable budget variance of \$0.2 million. The breakdown is as follows:

	YTD Actual	YTD Budget	Variance
Consolidated	66,552,360	66,305,071	(247,289)
North	38,399,724	38,309,677	(90,047)
South	15,707,124	15,510,819	(196,305)
Central	9,311,586	9,089,844	(221,742)
Outreach	3,133,926	3,394,731	260,805

October 2007 Financial Results Executive Summary and Highlights (cont'd)

Income Statement (cont'd):

Benefits Expense has a YTD unfavorable budget variance of \$607 thousand. This variance is due to various categories. They are: FICA – unfavorable by \$462 thousand; Health and Dental – unfavorable by \$442 thousand; and Workers Compensation – unfavorable by \$99 thousand. These are partially offset by a favorable variance in Other Benefits of \$396 thousand.

Supplies Expense reflects a YTD unfavorable budget variance of \$71 thousand. The unfavorable variance is composed of a \$643 thousand favorable volume variance and \$714 thousand unfavorable rate variance.

Prof Fees & Purchased Services reflect a YTD favorable budget variance of \$0.8 million. The favorable variance of \$1.0 million in professional fees is due to physician income guarantees not realized and consulting fees in both Design/Facility and Welcome Home Baby. The unfavorable variance of \$0.2 million in purchased services is due to purchased services.

Non-Operating Income reflects a YTD favorable variance of \$1.6 million. This is due to a favorable investment income variance of \$1.1 million. Interest expense is also favorable by \$0.4 million.

Ratios & Margins:

All required bond covenant ratios were achieved in October 2007.

Balanced Scorecard Financial Indicators October 31, 2007

	July	August	September	October	YTD 2008		
	Actual	Actual	Actual	Budget / PY	Variance	% Actual to Budget	
10.1%	\$ 2,720.58	\$ 2,613.59	\$ 2,665.13	\$ 2,888.56	\$ 2,707.38	9.9%	
	\$ 1,618.11	\$ 1,516.53	\$ 1,566.15	\$ 1,710.00	\$ 1,577.84		
6.65	6.29	6.41	6.49	6.62			
12,587	13,756	13,284	12,775	12,431			
8.4%	\$ 2,661.58	\$ 2,505.69	\$ 2,543.86	\$ 2,692.66	\$ 2,541.26	11.0%	
	\$ 1,357.29	\$ 1,264.19	\$ 1,312.57	\$ 1,345.84	\$ 1,304.67		
5.53	5.20	5.27	5.31	5.24			
8,530	9,384	9,256	9,203	8,475			
10.5%	\$ 2,485.96	\$ 2,367.77	\$ 2,496.40	\$ 2,916.94	\$ 2,568.22	5.6%	
	\$ 1,320.81	\$ 1,199.30	\$ 1,274.35	\$ 1,411.65	\$ 1,303.06		
6.12	5.76	6.19	6.40	6.04			
3,809	4,181	3,760	3,334	3,713			

	Actual	Budget	Variance	% Actual to Budget	Prior Year Actual
OEBITDA Margin w/Prop Tax Expenses/Wtd Day	7.9%	9.7%	-1.8%		9.5%
SWB/Wtd Day	2,719.29	\$ 2,718.34	\$ (0.95)		2,533.57
Prod FTEs/Adj Occupied Bed Weighted Patient Days	1,600.61	\$ 1,578.37	\$ (22.24)	101.4%	1,503.48
	6.47	6.62	0.15		6.13
	52,404	52,601	(197)		50,679

	Actual	Budget	Variance	% Actual to Budget	Prior Year Actual
OEBITDA Margin w/Prop Tax Expenses/Wtd Day	9.3%	10.8%	-1.5%		9.2%
SWB/Wtd Day	2,598.34	\$ 2,551.00	\$ (48.34)	101.9%	2,423.55
Prod FTEs/Adj Occupied Bed Weighted Patient Days	1,319.03	\$ 1,304.94	\$ (14.09)	101.1%	1,266.99
	5.35	5.25	(0.10)		5.21
	36,372	36,605	(233)		34,865

	Actual	Budget	Variance	% Actual to Budget	Prior Year Actual
OEBITDA Margin w/Prop Tax Expenses/Wtd Day	2.4%	5.2%	-2.8%		8.0%
SWB/Wtd Day	2,551.57	\$ 2,579.77	\$ 28.20		2,412.33
Prod FTEs/Adj Occupied Bed Weighted Patient Days	1,295.88	\$ 1,303.29	\$ 7.41		1,251.23
	6.12	6.06	(0.06)		5.46
	15,081	14,918	163		14,724

PPH Indicators:

PPH North Indicators:

PPH South Indicators:

Weighted Patient Days is compared with Prior Year Actual

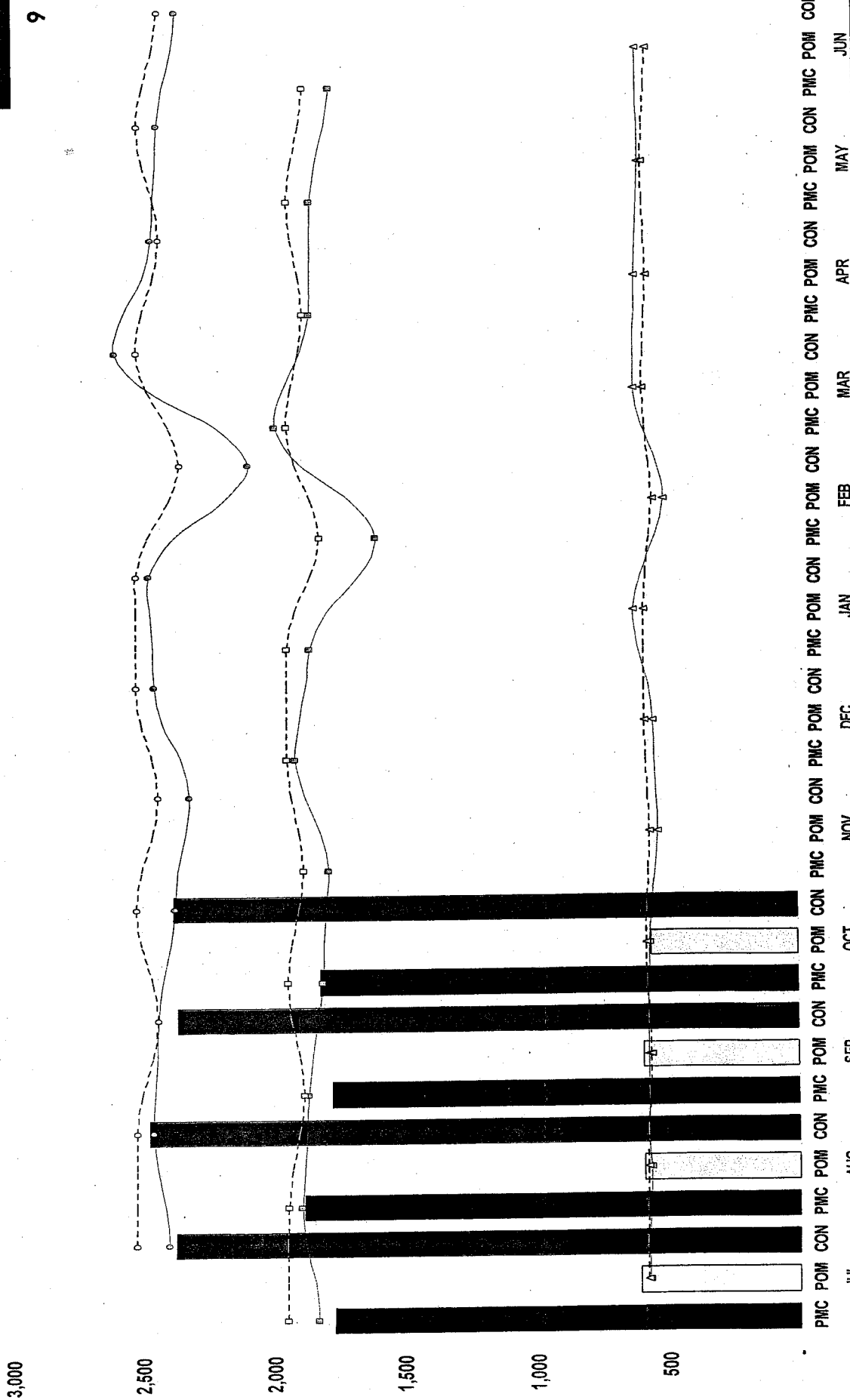
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Admissions - Acute

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FISCAL YEAR 2008



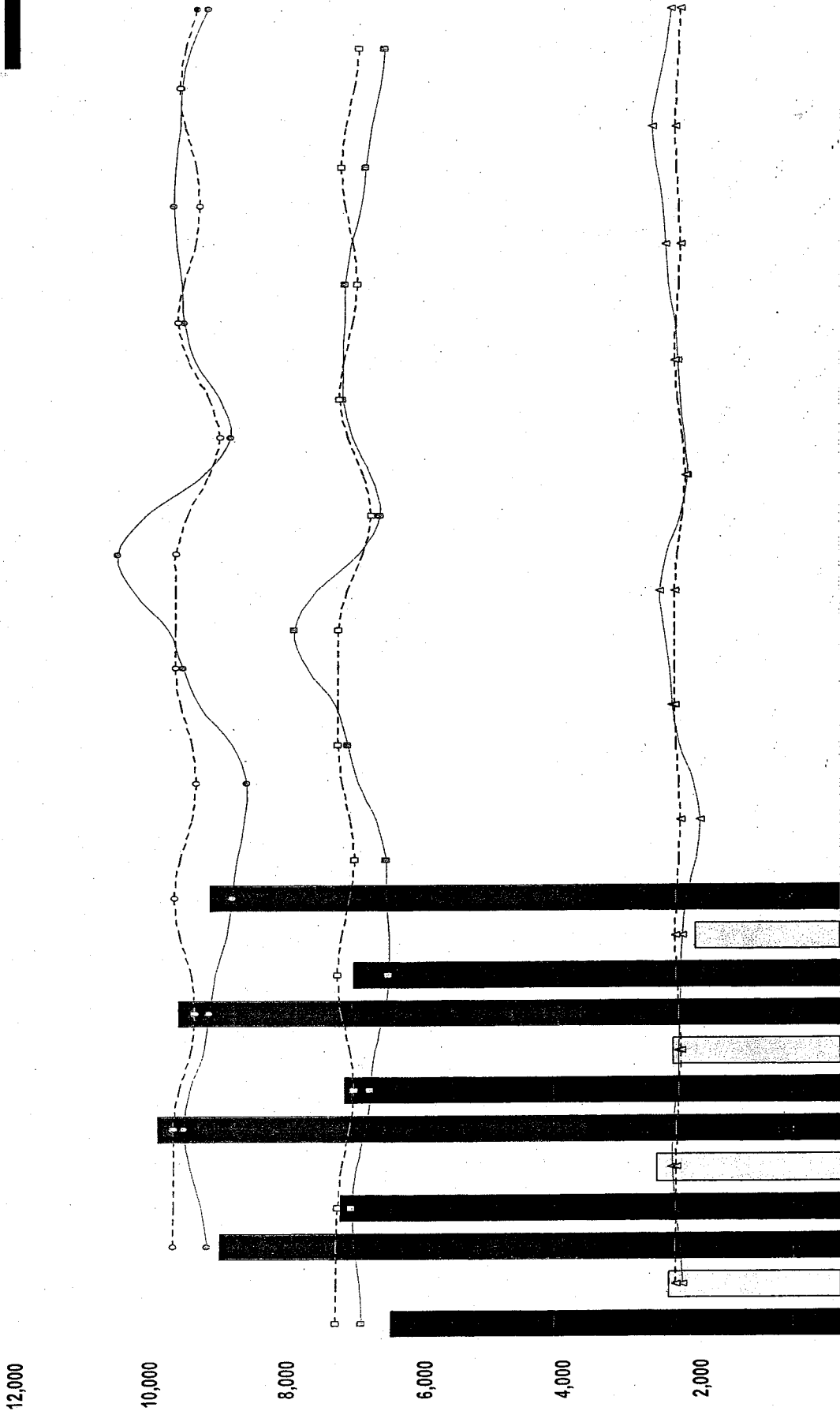
	FY												Bud YTD	
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN		JUN
PMC	1,770	1,885	1,777	1,823	-	-	-	-	-	-	-	-	7,255	7,729
POMI	608	595	592	563	-	-	-	-	-	-	-	-	2,358	2,294
CON	2,378	2,480	2,369	2,386	-	-	-	-	-	-	-	-	9,613	10,023

Patient Days - Acute

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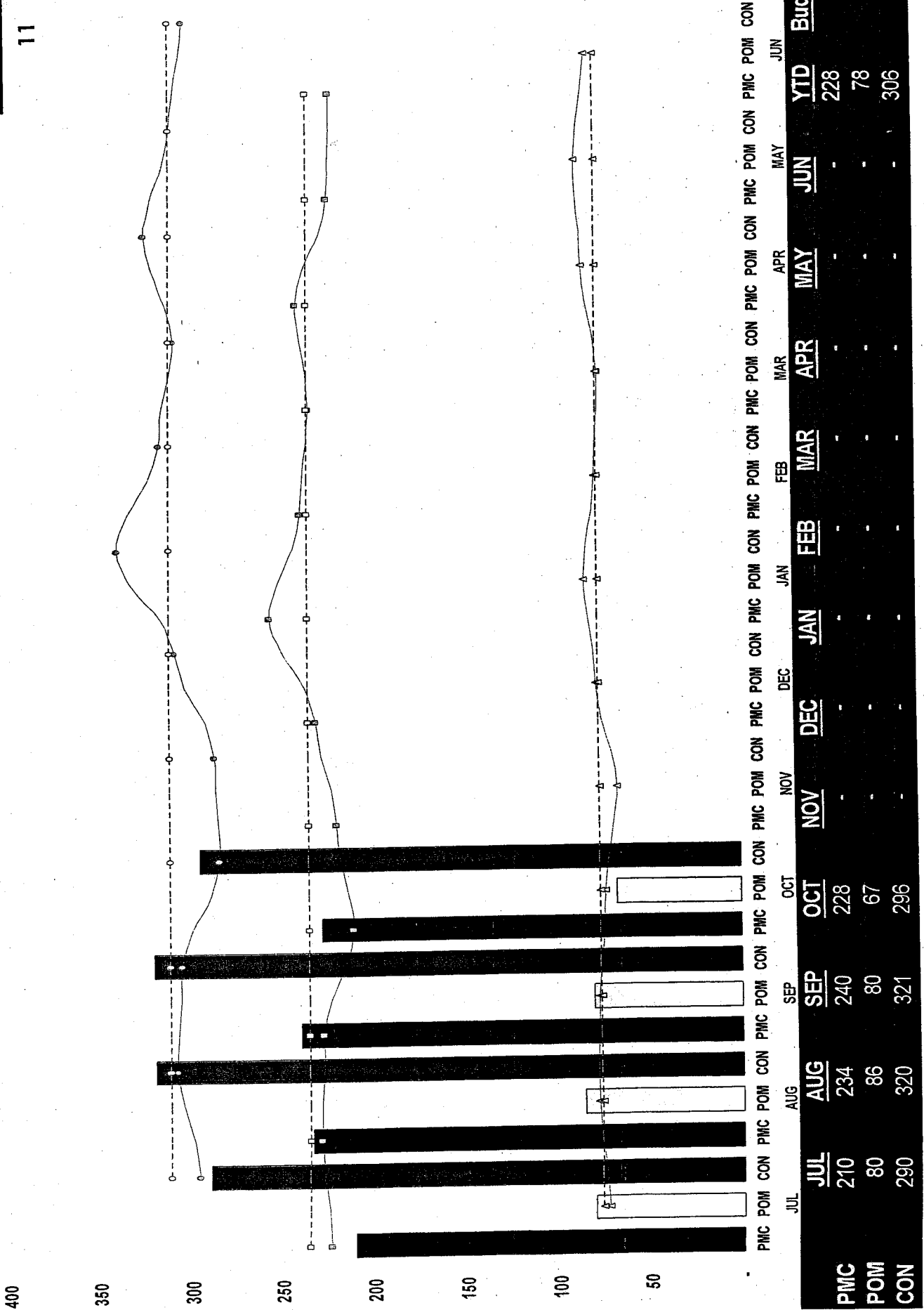
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PY	BUD													
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	Bud YTD
PMC	6,516	7,255	7,205	7,081	-	-	-	-	-	-	-	-	28,057	28,955
POM	2,484	2,655	2,412	2,080	-	-	-	-	-	-	-	-	9,631	9,395
CON	9,000	9,910	9,617	9,161	-	-	-	-	-	-	-	-	37,688	38,350

Average Daily Census - Acute

FISCAL YEAR 2008



Patient Days

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F I S C A L Y E A R 2 0 0 8

JUN -
MAY -
APR -
MAR -
FEB -
JAN -
DEC -
NOV -

OCT	322	761	1,034	853	2,050	217	968	450	534
SEP	414	750	1,104	833	2,169	206	1,003	489	550
AUG	461	793	1,123	900	2,451	174	930	512	572
JUL	371	732	949	731	2,186	205	983	425	350

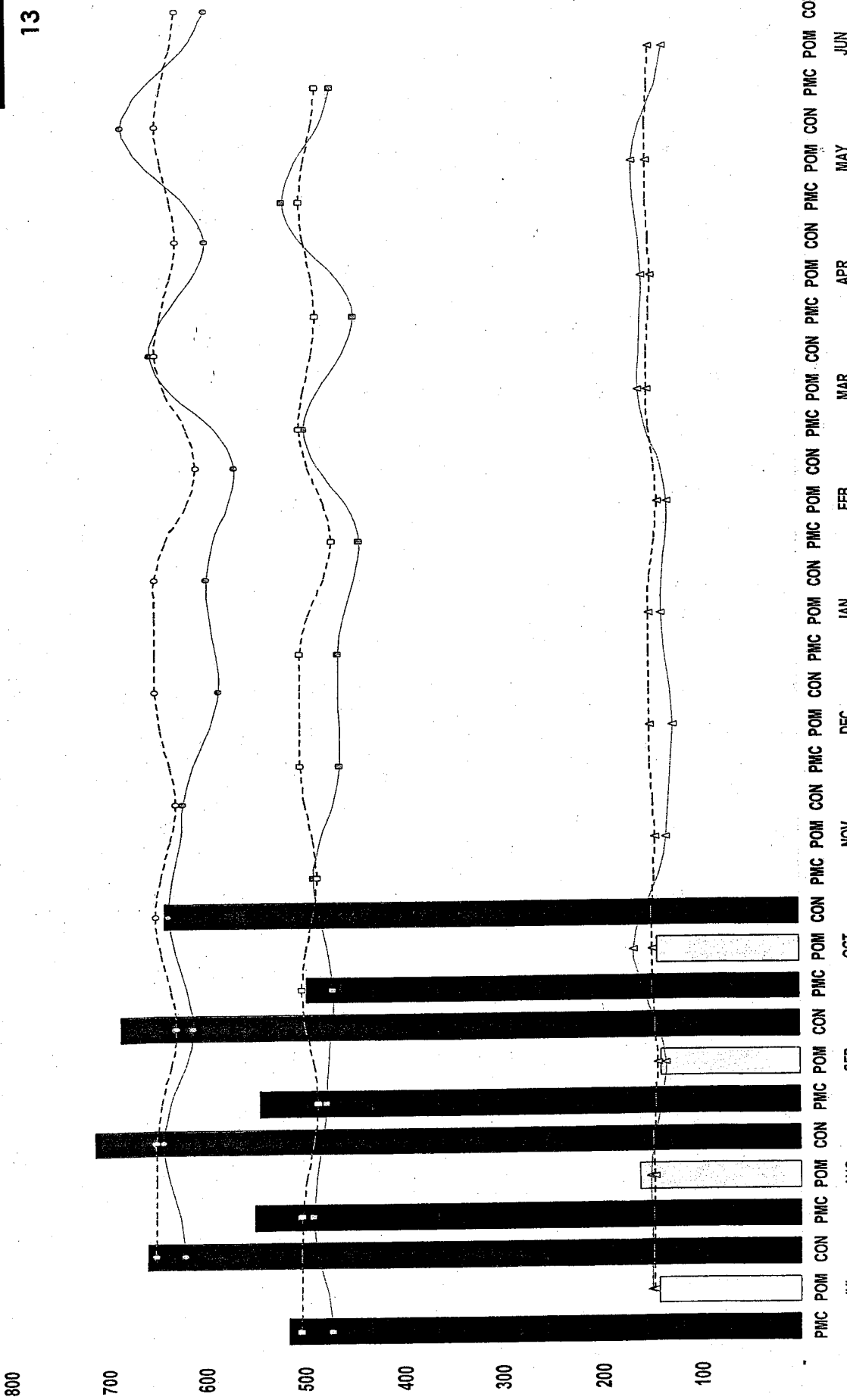
	1,000	2,000	3,000	4,000	5,000	6,000	7,000	8,000	9,000	10,000	
JUL	6,516	7,255	7,205	7,081	-	-	-	-	-	-	
AUG	2,484	2,655	2,412	2,080	-	-	-	-	-	-	
SEP	9,000	9,910	9,617	9,161	-	-	-	-	-	-	
OCT	ICU/CCU	TELEMETRY	IMC	MED-ONCO	SURG-ORTHO	MED SURG	TZ SURG	PEDS	LDR	REHAB ACUTE	MHU
NOV	-	-	-	-	-	-	-	-	-	-	-
DEC	-	-	-	-	-	-	-	-	-	-	-
JAN	-	-	-	-	-	-	-	-	-	-	-
FEB	-	-	-	-	-	-	-	-	-	-	-
MAR	-	-	-	-	-	-	-	-	-	-	-
APR	-	-	-	-	-	-	-	-	-	-	-
MAY	-	-	-	-	-	-	-	-	-	-	-
JUN	-	-	-	-	-	-	-	-	-	-	-
YTD	28,955	28,057	28,057	28,057	28,057	28,057	28,057	28,057	28,057	28,057	28,057
Bud YTD	28,955	28,057	28,057	28,057	28,057	28,057	28,057	28,057	28,057	28,057	28,057

Surgeries (In-Patient)

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FISCAL YEAR 2008



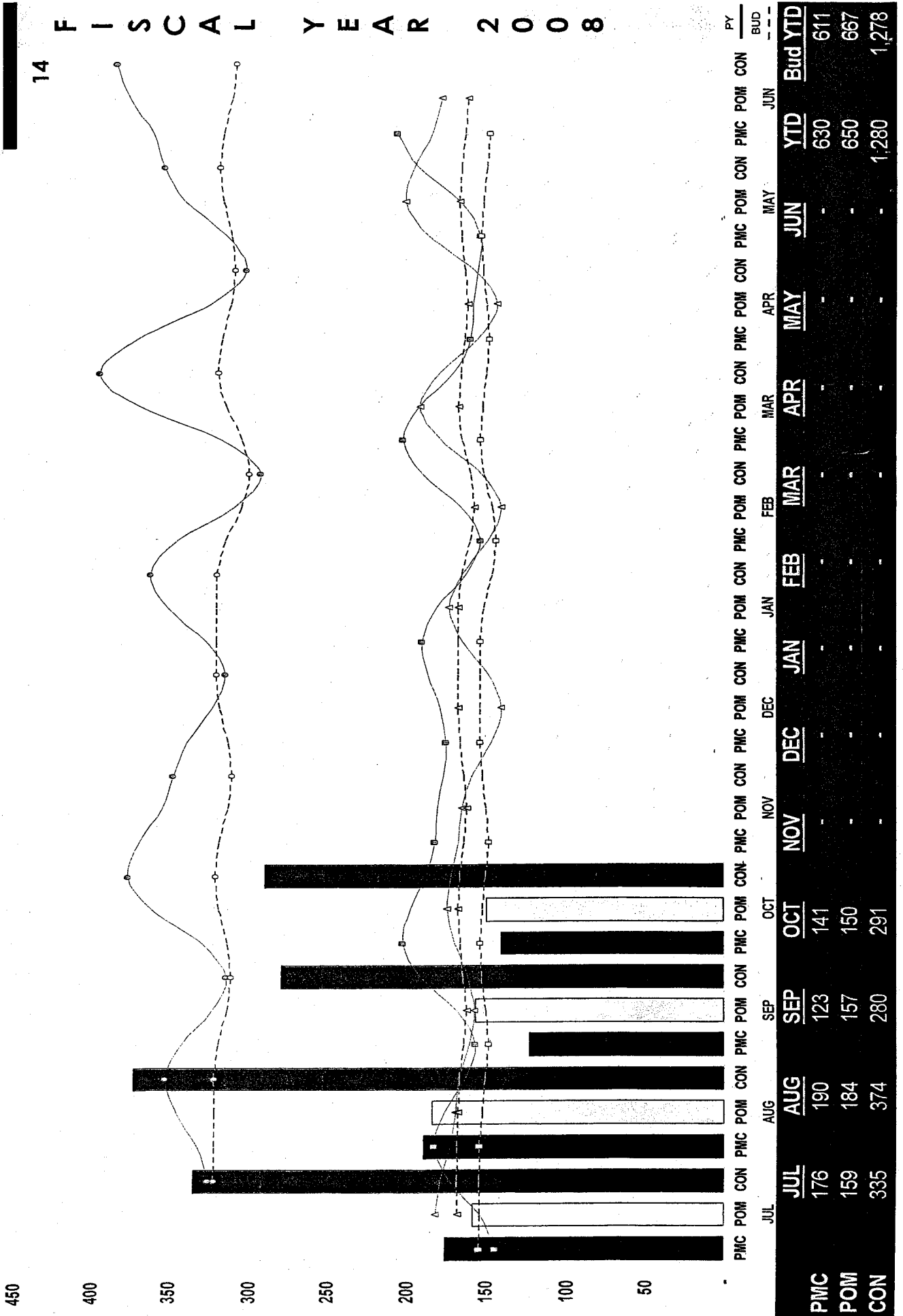
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	Bud YTD
PMC	516	552	547	498	-	-	-	-	-	-	-	-	2,113	1,992
POMI	143	163	140	143	-	-	-	-	-	-	-	-	589	587
CON	659	715	687	641	-	-	-	-	-	-	-	-	2,702	2,579

Surgeries (Out-Patient)

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FISCAL YEAR 2008



Total Surgeries

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POMERADO
HEALTH
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16

FISCAL YEAR 2008

1,200

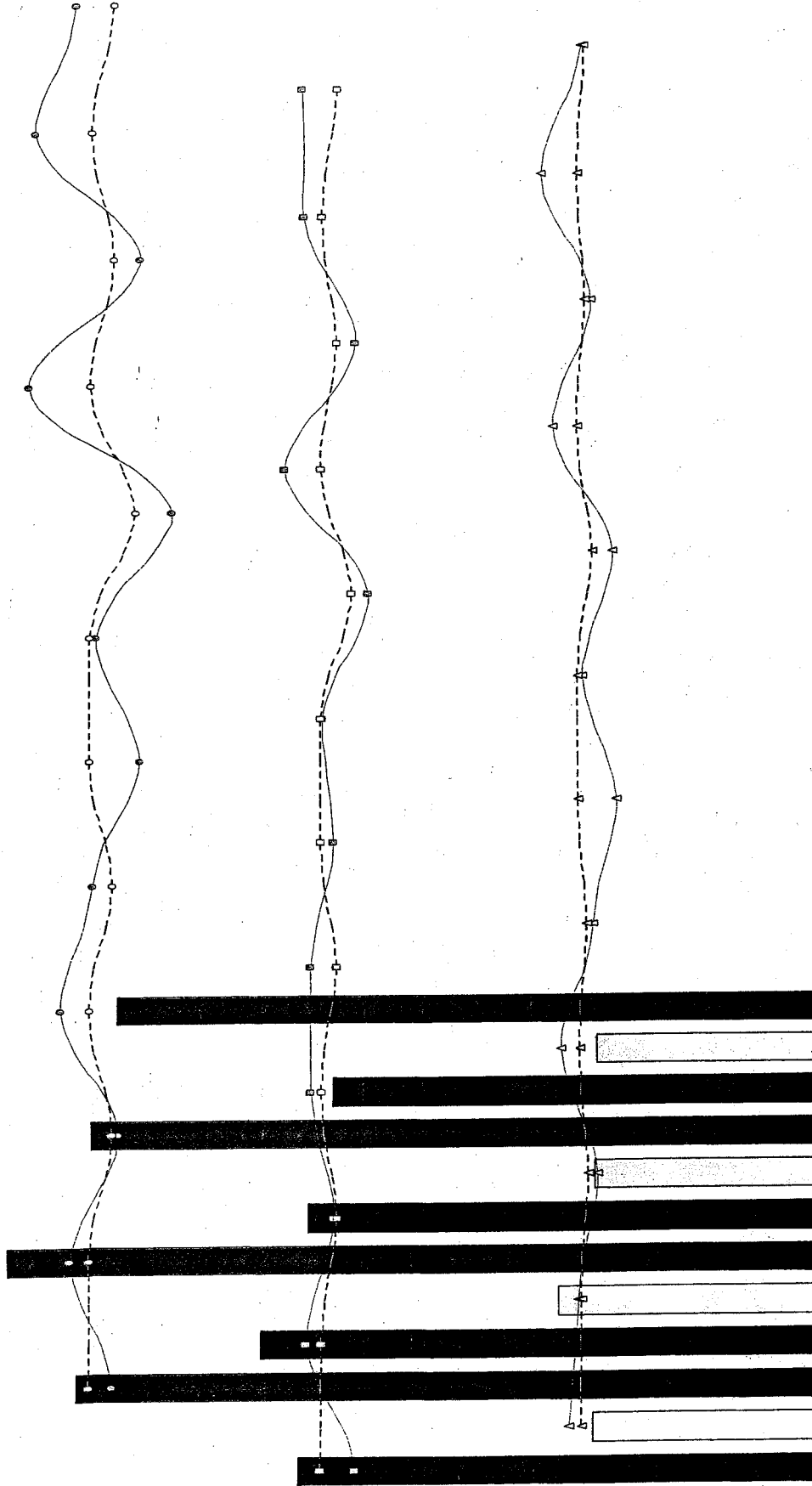
1,000

800

600

400

200



PY	BUD													
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	Bud YTD
PMIC	699	750	685	652	-	-	-	-	-	-	-	-	2,786	2,651
POM	302	347	297	293	-	-	-	-	-	-	-	-	1,239	1,254
CON	1,001	1,097	982	945	-	-	-	-	-	-	-	-	4,025	3,905

18

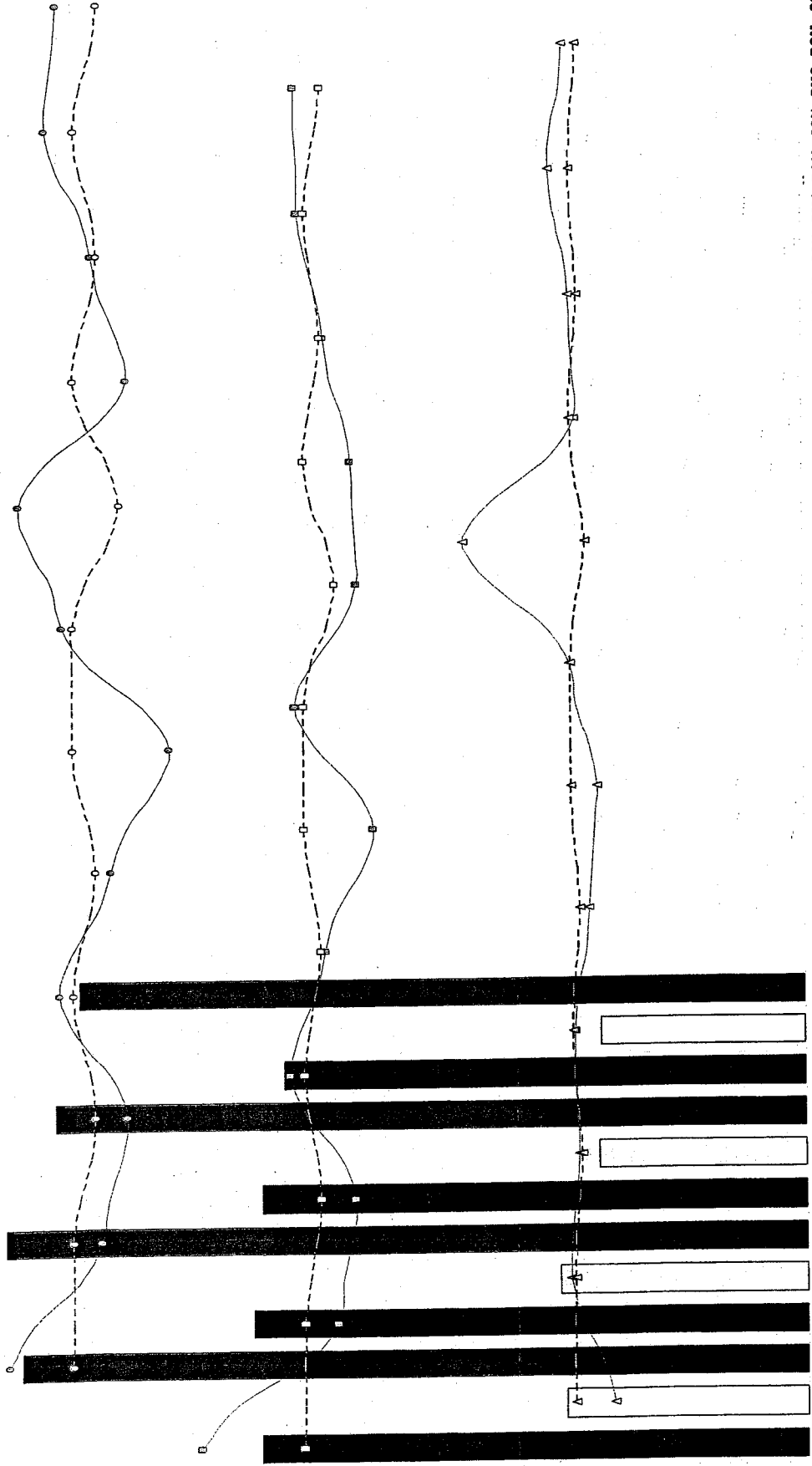
Outpatient Registration

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17

FISCAL YEAR 2008

4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500



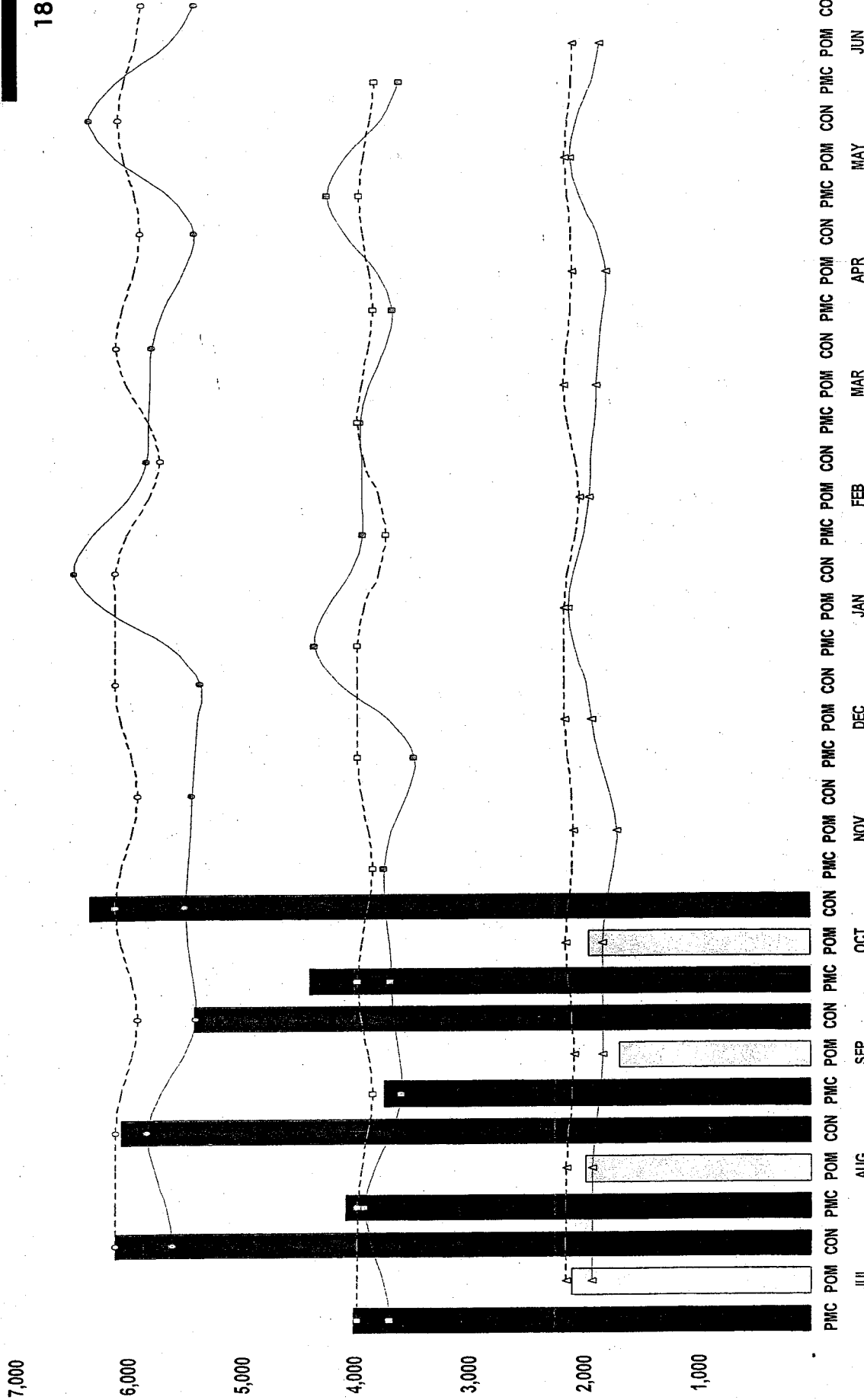
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	Bud YTD
POM	2,811	2,861	2,808	2,693	-	-	-	-	-	-	-	-	11,173	10,268
POM	1,238	1,274	1,066	1,057	-	-	-	-	-	-	-	-	4,635	4,738
CON	4,049	4,135	3,874	3,750	-	-	-	-	-	-	-	-	15,808	15,006

ER Visits includes Trauma

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FISCAL YEAR 2008



PY	FISCAL YEAR 2008													
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Bud YTD	
PMIC	4,014	4,087	3,743	4,404	-	-	-	-	-	-	-	-	16,248	15,769
POM	2,110	1,990	1,688	1,947	-	-	-	-	-	-	-	-	7,735	8,535
CON	6,124	6,077	5,431	6,351	-	-	-	-	-	-	-	-	23,983	24,304

ER Admissions includes Trauma

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1,600

1,400

1,200

1,000

800

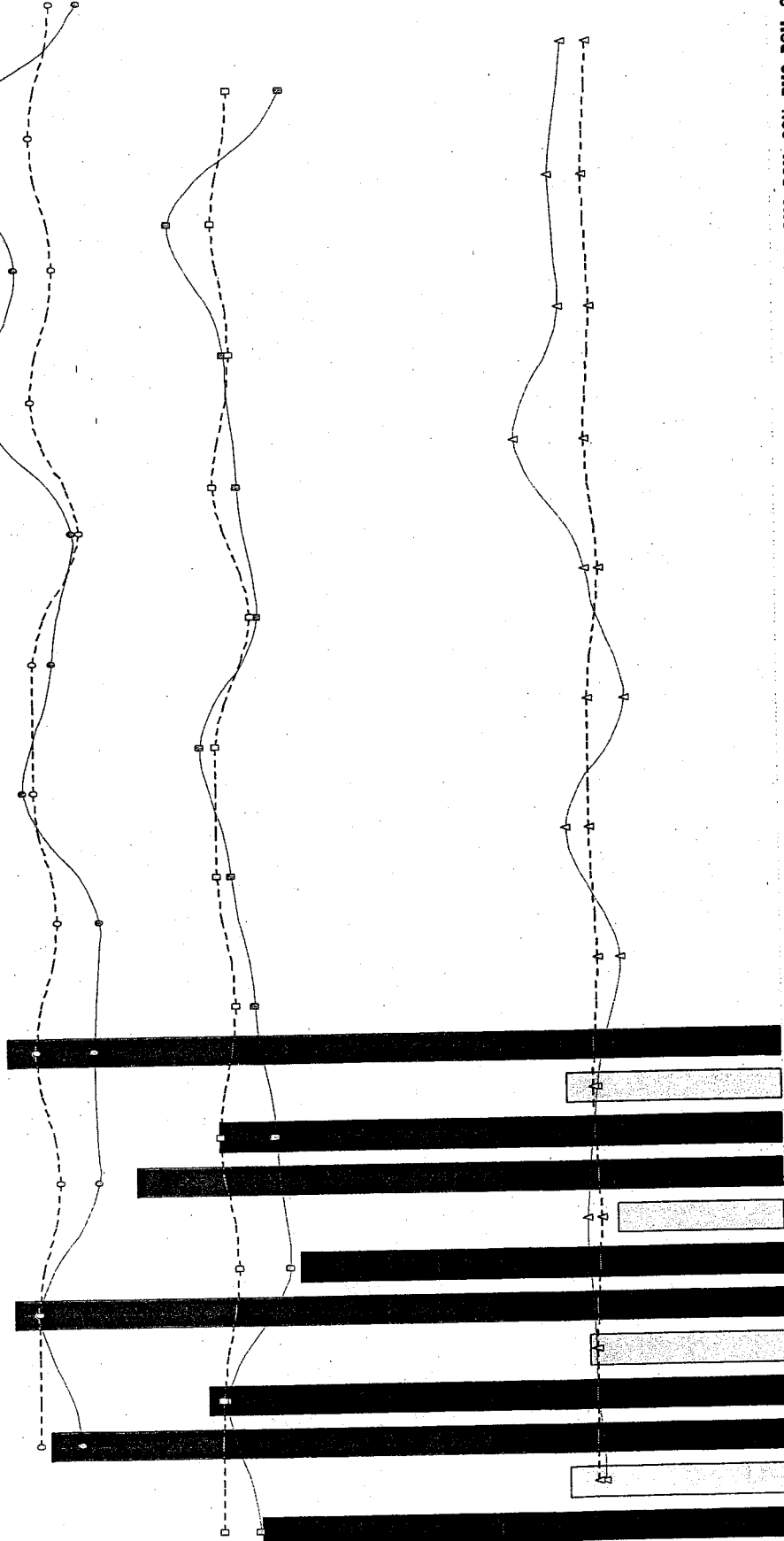
600

400

200

19

FISCAL YEAR 2008



PY	FISCAL YEAR 2008												Bud YTD	
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN		JUN
PMc	902	997	835	971	-	-	-	-	-	-	-	-	3,705	3,845
POM	371	337	284	370	-	-	-	-	-	-	-	-	1,362	1,274
CON	1,273	1,334	1,119	1,341	-	-	-	-	-	-	-	-	5,067	5,119

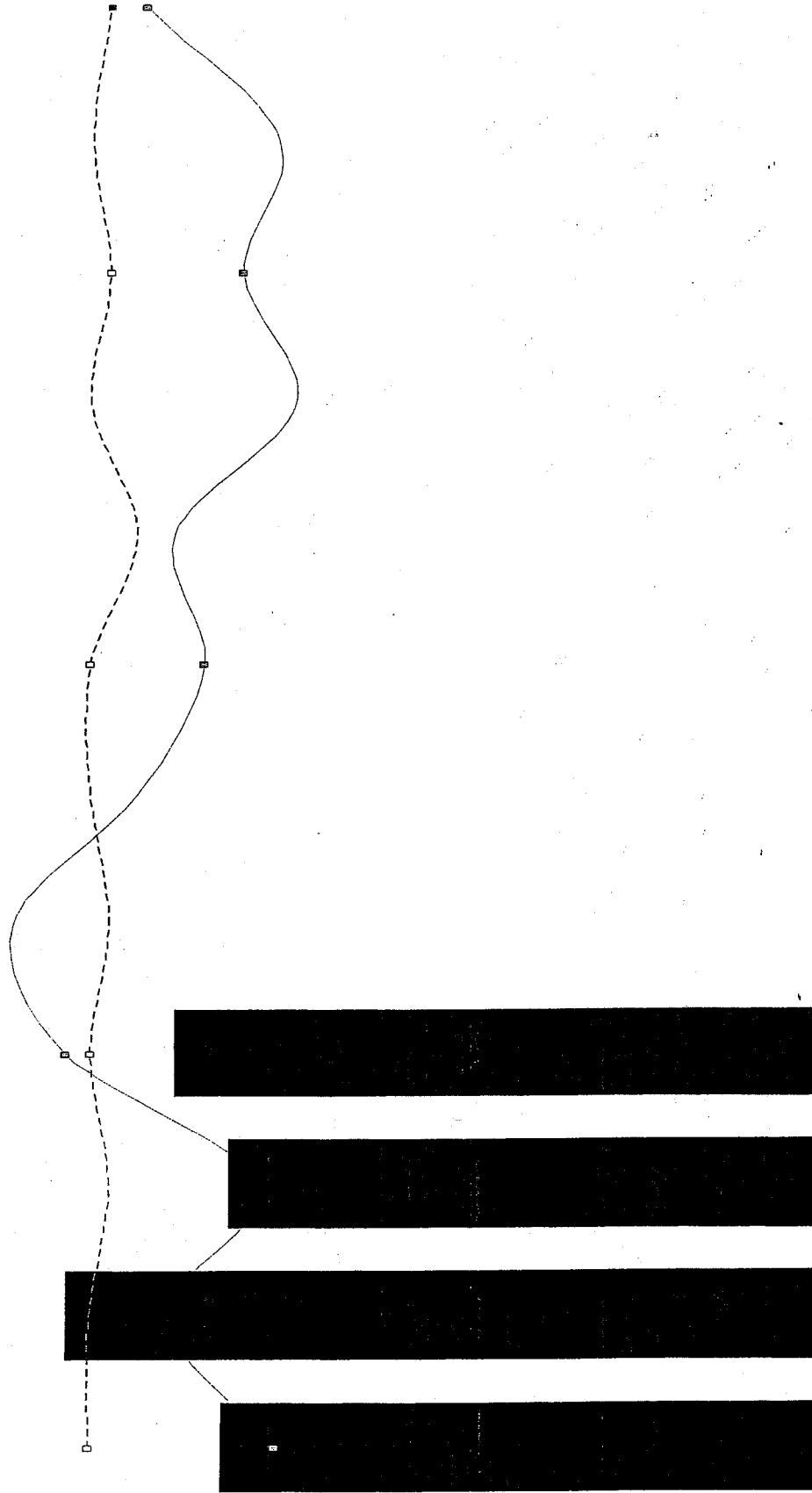
Trauma Cases (PMC)

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20

F I S C A L Y E A R 2 0 0 8

160
140
120
100
80
60
40
20



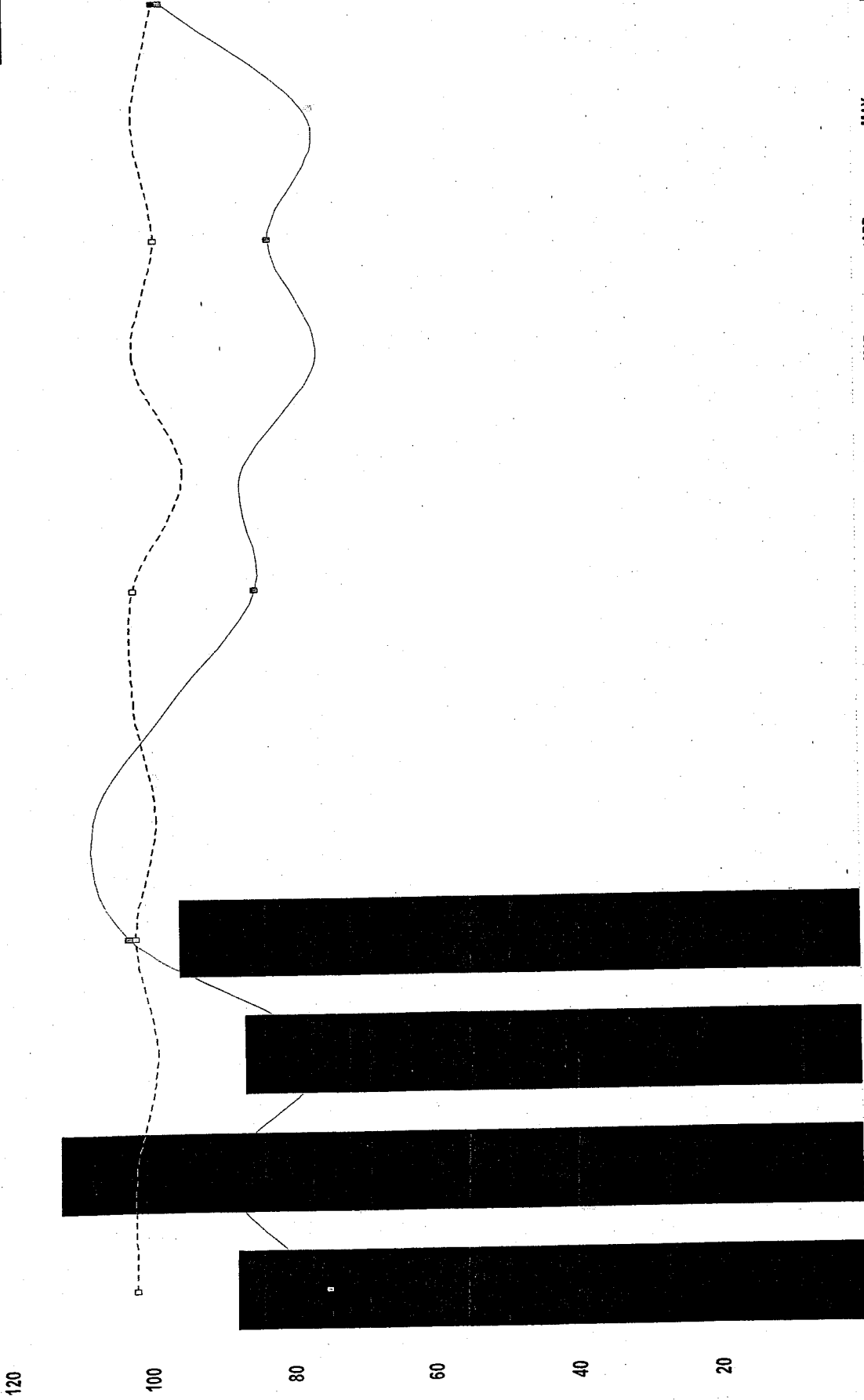
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUN	YTD	Bud YTD
PMC	99	125	98	107	-	-	-	-	-	-	-	-	-	429	481
POM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CON	99	125	98	107	-	-	-	-	-	-	-	-	-	429	481

Trauma Admissions (PMC)

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F I S C A L Y E A R 2 0 0 8



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	Bud YTD
PMC	88	113	87	96	-	-	-	-	-	-	-	-	384	405
POI	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CON	88	113	87	96	-	-	-	-	-	-	-	-	384	405

Deliveries

PALOMAR
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FISCAL YEAR 2008

600

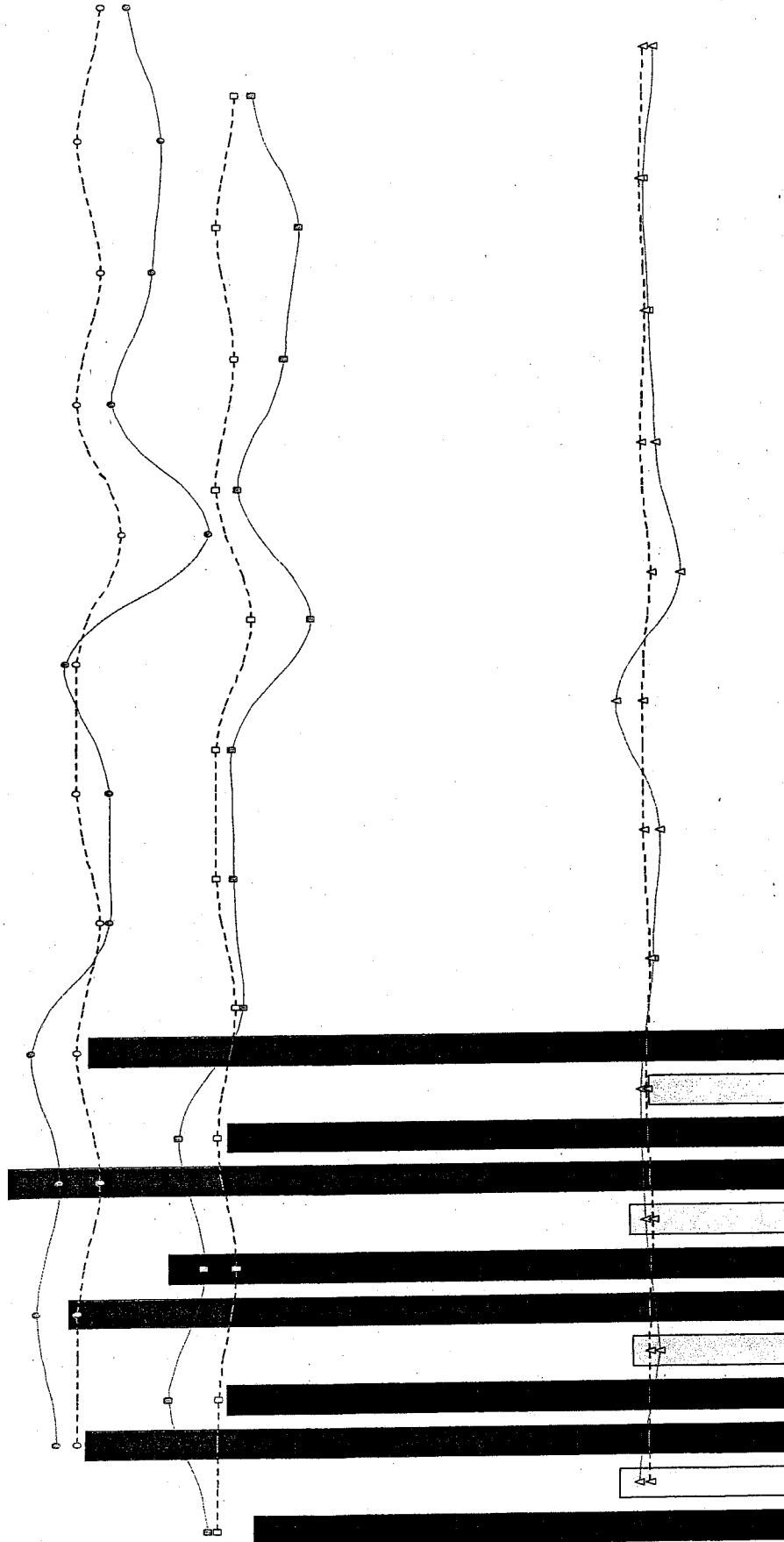
500

400

300

200

100



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	Bud YTD
PMC	349	368	406	367	-	-	-	-	-	-	-	-	1,490	1,480
POM	112	104	105	92	-	-	-	-	-	-	-	-	413	369
CON	461	472	511	459	-	-	-	-	-	-	-	-	1,903	1,849

Payor Mix based on Gross Revenue

JUN -

MAY -

APR -

MAR -

FEB -

JAN -

DEC -

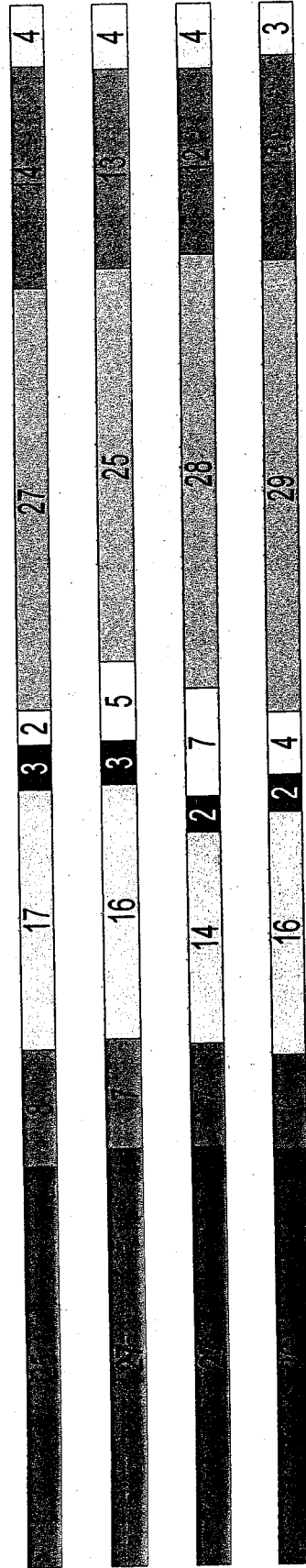
NOV -

OCT

SEP

AUG

JUL



0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

MEDICARE
 MCAR MGD
 MEDICAL
 MCAL MGD
 SELF PAY
 MGD CARE
 CAP
 OTHER

Summary of Key Indicators and Results

FYTD October 2007

	ACTUAL	BUDGET	VARIANCE	FY 2007
<u>ADMISSIONS - Acute:</u>				
Palomar Medical Center	7,255	7,729	(474)	7,414
Pomerado Hospital	2,358	2,294	64	2,279
Total:	9,613	10,023	(410)	9,693
<u>ADMISSIONS - SNF:</u>				
Palomar Medical Center	170	198	(28)	214
Pomerado Hospital	188	187	1	183
Total:	358	385	(27)	397
<u>PATIENT DAYS - Acute:</u>				
Palomar Medical Center	28,057	28,955	(898)	27,390
Pomerado Hospital	9,631	9,395	236	9,295
Total:	37,688	38,350	(662)	36,685
<u>PATIENT DAYS - SNF:</u>				
Palomar Medical Center	10,559	10,792	(233)	10,802
Pomerado Hospital	15,059	15,181	(122)	15,248
Total:	25,618	25,973	(355)	26,050

Summary of Key Indicators and Results FYTD October 2007 (cont'd)

	ACTUAL	BUDGET	VARIANCE	FY 2007
<u>WEIGHTED PATIENT DAYS</u>				
Palomar Medical Center	36,372	36,605	(233)	9,693
Pomerado Hospital	11,745	14,918	(3,173)	397
Other Activities	4,287	1,078	3,209	40,589
Total:	52,404	52,601	(197)	50,679
<u>ADJUSTED DISCHARGES</u>				
Palomar Medical Center	9,372	9,777	(405)	9,526
Pomerado Hospital	3,487	3,442	45	3,448
Other Activities	302	355	(53)	360
Total:	13,161	13,574	(413)	13,334
<u>AVERAGE LENGTH OF STAY - Acute:</u>				
Palomar Medical Center	3.87	3.75	0.12	3.67
Pomerado Hospital	4.07	4.10	(0.03)	4.04
Total:	3.92	3.83	0.09	3.76
<u>AVERAGE LENGTH OF STAY - SNF:</u>				
Palomar Medical Center	61.03	55.63	5.40	51.68
Pomerado Hospital	80.10	81.18	(1.08)	85.18
Total:	70.96	68.17	2.79	67.14

Summary of Key Indicators and Results

FYTD October 2007 (cont'd)

	ACTUAL	BUDGET	VARIANCE	FY 2007
<u>EMERGENCY ROOM VISITS & TRAUMA CASES:</u>				
Palomar Medical Center	16,248	15,769	479	14,876
Pomerado Hospital	7,735	8,535	(800)	7,516
Total:	23,983	24,304	(321)	22,392
<u>EMERGENCY & TRAUMA ADMISSIONS:</u>				
Palomar Medical Center	3,705	3,845	(140)	3,591
Pomerado Hospital	1,362	1,274	88	1,290
Total:	5,067	5,119	(52)	4,881
<u>SURGERIES:</u>				
Palomar Medical Center	2,786	2,651	135	2,642
Pomerado Hospital	1,239	1,254	(15)	1,287
Total:	4,025	3,905	120	3,929
<u>BIRTHS:</u>				
Palomar Medical Center	1,490	1,480	10	1,566
Pomerado Hospital	413	369	44	379
Total:	1,903	1,849	54	1,945

Gross Patient Revenue per Weighted Patient Days

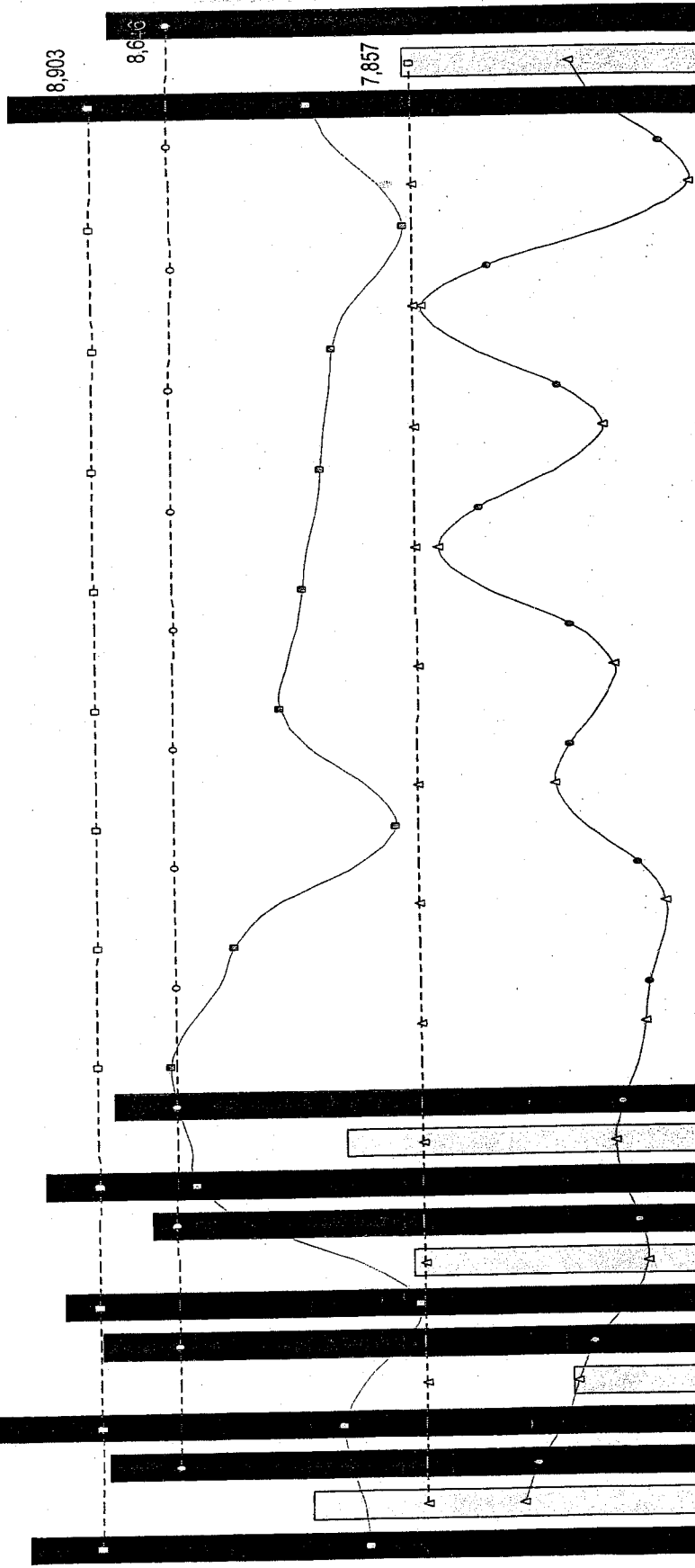
PALOMAR
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9,925

27

F I S C A L Y E A R 2 0 0 8

8,925



Dollars per Weighted Day

8,425

7,925

7,425

6,925

	FY												Bud YTD	
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN		YTD
PMIC	9,130	9,449	9,017	9,072	-	-	-	-	-	-	-	-	9,169	8,901
POM	8,222	7,392	7,892	8,102	-	-	-	-	-	-	-	-	7,885	7,857
CON	8,880	8,898	8,735	8,852	-	-	-	-	-	-	-	-	8,841	8,645

Net Patient Revenue per Weighted Patient Days

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28

FISCAL YEAR 2008

2,825

2,725

2,625

2,525

2,425

2,325

2,225

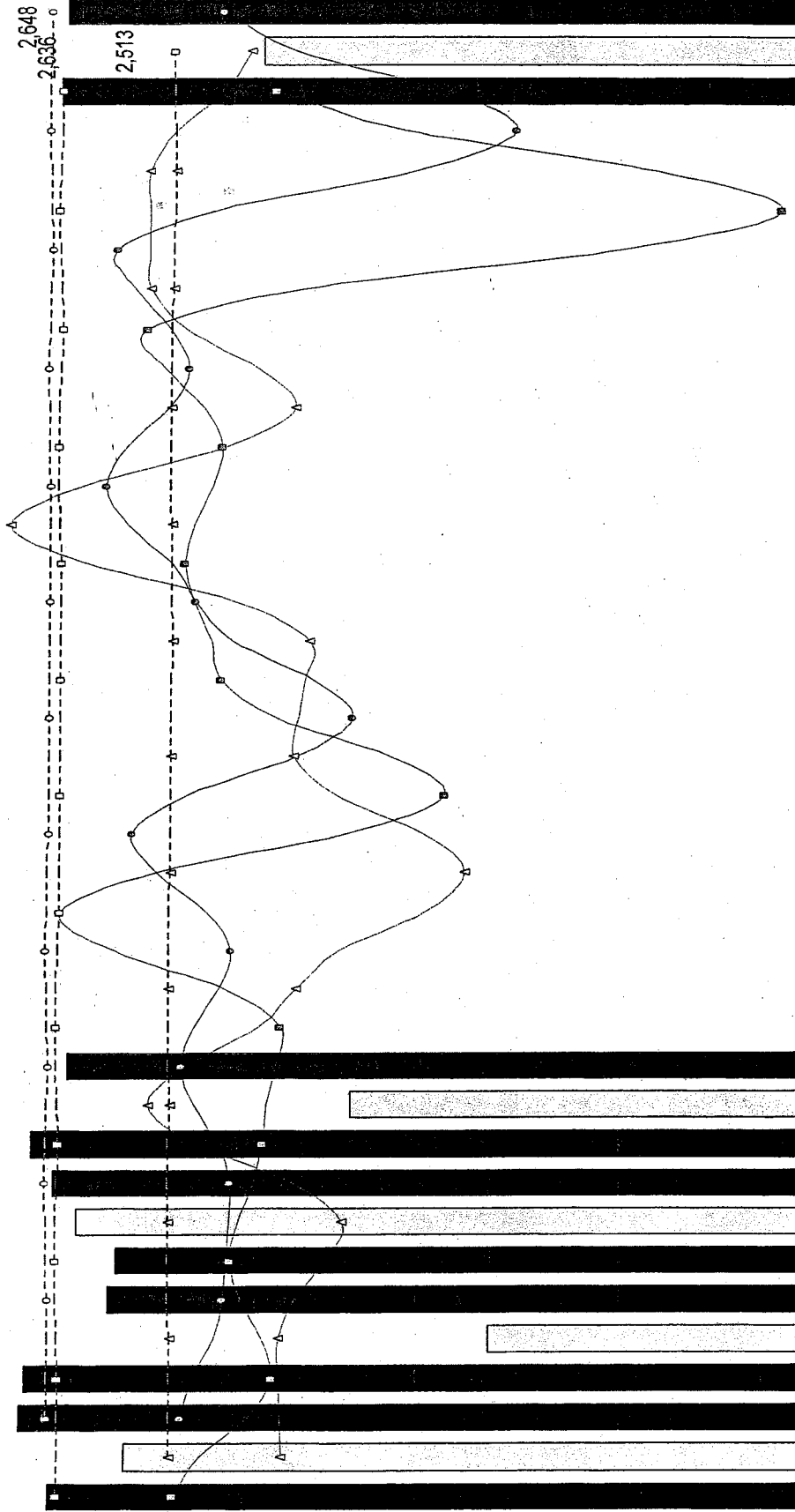
2,125

2,025

1,925

1,825

Dollars per Weighted Day



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUN	YTD	Bud YTD
PMC	2,644	2,671	2,573	2,665	-	-	-	-	-	-	-	-	-	2,638	2,635
POM	2,562	2,168	2,616	2,315	-	-	-	-	-	-	-	-	-	2,412	2,513
CON	2,678	2,580	2,641	2,626	-	-	-	-	-	-	-	-	-	2,630	2,647

Salaries per Weighted Patient Days

FISCAL YEAR 2008

1,450

1,350

1,250

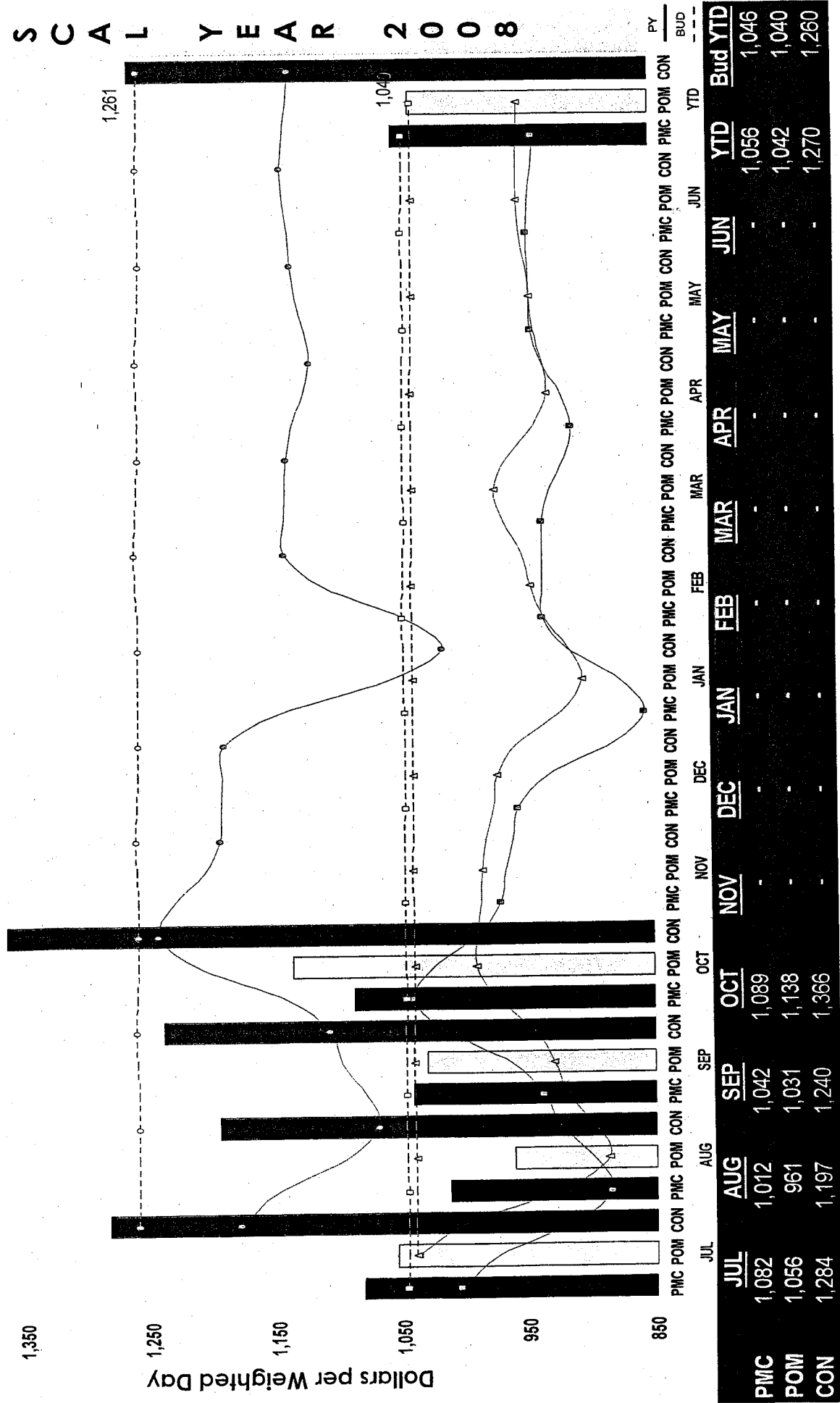
1,150

1,050

950

850

Dollars per Weighted Day



PY
BUD

YTD

JUN

MAY

APR

MAR

FEB

JAN

DEC

NOV

OCT

SEP

AUG

JUL

PMC POM CON

Supplies per Weighted Patient Days

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30

FISCAL YEAR 2008

430

420

410

400

390

380

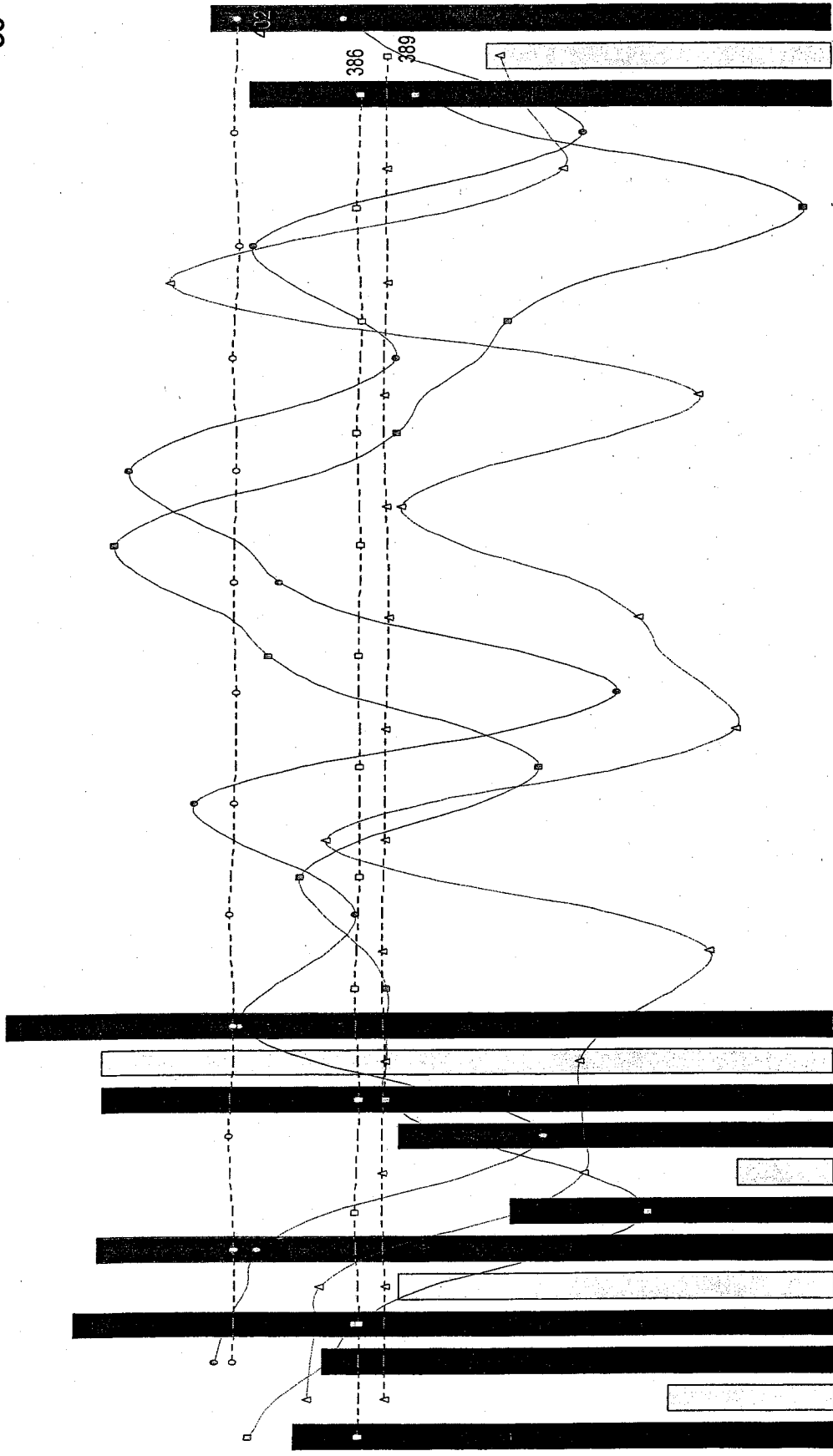
370

360

350

340

Dollars per Weighted Day



PMC POM CON PMC POM CON PMC POM CON PMC POM CON PMC POM CON PMC POM CON PMC POM CON PMC POM CON PMC POM CON PMC POM CON

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUN	YTD	Bid YTD
PMC	396	418	373	415	-	-	-	-	-	-	-	-	-	401	389
POM	357	385	350	416	-	-	-	-	-	-	-	-	-	376	386
CON	393	416	385	426	-	-	-	-	-	-	-	-	-	405	402

2 7

Total Expenses per Weighted Patient Days

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31

F I S C A L Y E A R 2 0 0 8

3,025

2,925

2,825

2,725

2,625

2,525

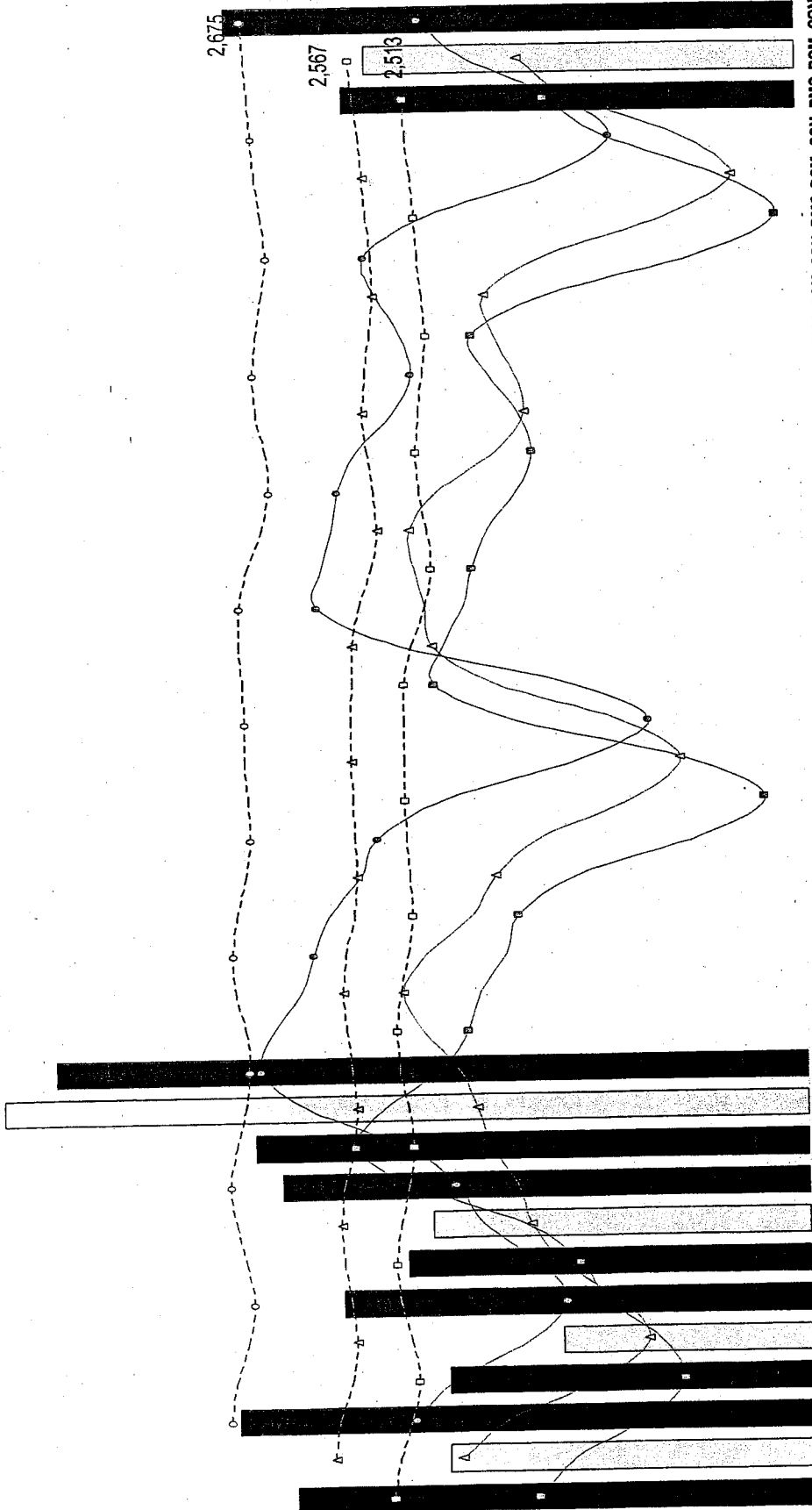
2,425

2,325

2,225

2,125

Dollars per Weighted Day



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	YTD	Bud YTD
PMIC	2,632	2,483	2,521	2,671	-	-	-	-	-	-	-	-	-	2,575	2,512
POM	2,482	2,371	2,496	2,917	-	-	-	-	-	-	-	-	-	2,552	2,571
CON	2,689	2,584	2,644	2,866	-	-	-	-	-	-	-	-	-	2,693	2,688

Gross Patient Revenue per Adjusted Discharges

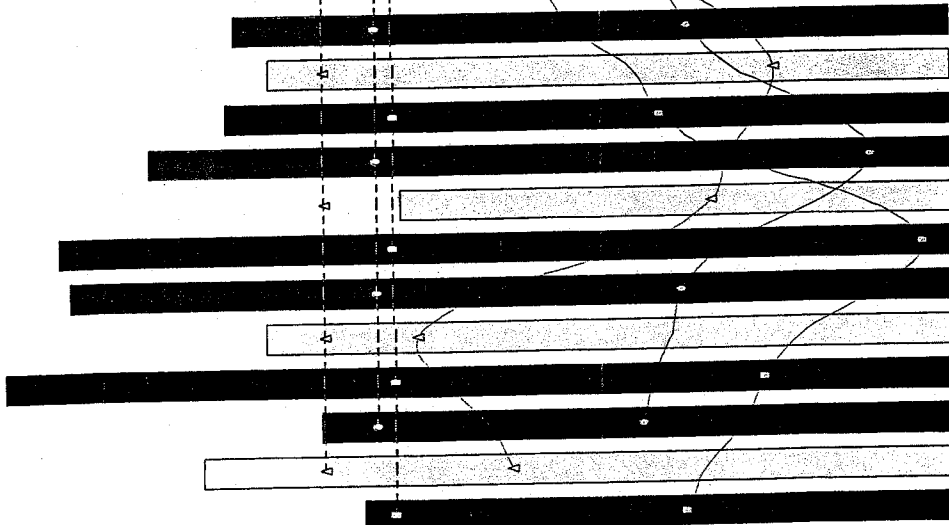
PALOMAR
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33

F I S C A L Y E A R 2 0 0 8

38,000
37,000
36,000
35,000
34,000
33,000
32,000
31,000
30,000
29,000
28,000

Dollars per Adjusted Discharges



	FISCAL YEAR 2008												YTD	Bud YTD	
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN			
PMCs	33,628	37,115	36,573	34,962	-	-	-	-	-	-	-	-	-	35,584	33,235
POMs	35,188	34,573	33,267	34,542	-	-	-	-	-	-	-	-	-	34,101	33,456
CONs	34,046	36,462	35,702	34,870	-	-	-	-	-	-	-	-	-	35,202	33,490

Net Patient Revenue per Adjusted Discharges

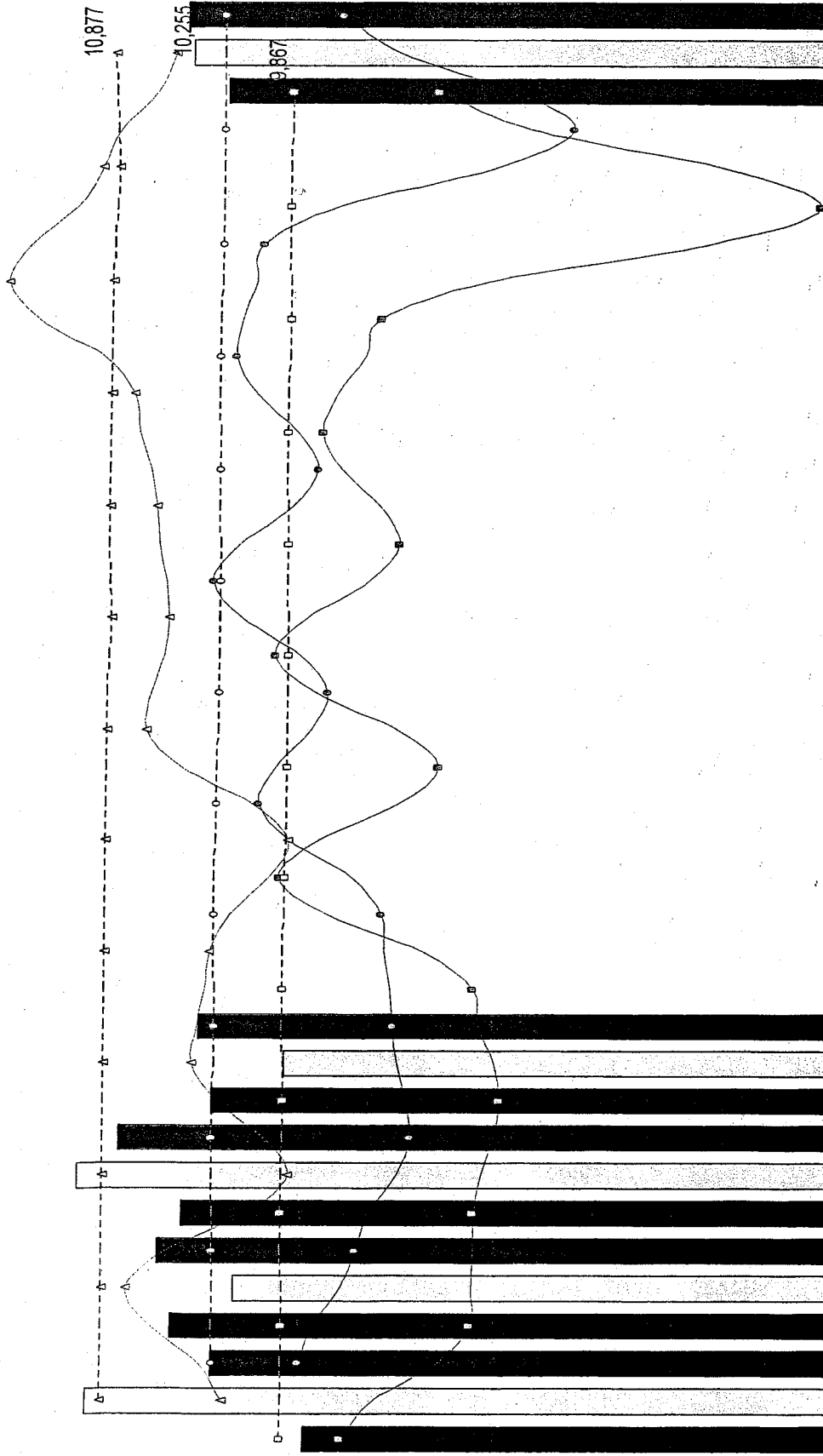
PALOMAR
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FISCAL YEAR 2008

11,800
11,300
10,800
10,300
9,800
9,300
8,800
8,300
7,800
7,300
6,800

Dollars per Adjusted Discharges



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	BUD
PMC	9,737	10,493	10,437	10,270	-	-	-	-	-	-	-	-	10,239	9,838
POM	10,963	10,138	11,028	9,870	-	-	-	-	-	-	-	-	10,432	10,701
CON	10,266	10,573	10,793	10,345	-	-	-	-	-	-	-	-	10,472	10,257

Salaries per Adjusted Discharges

FISCAL YEAR 2008

5,700

5,200

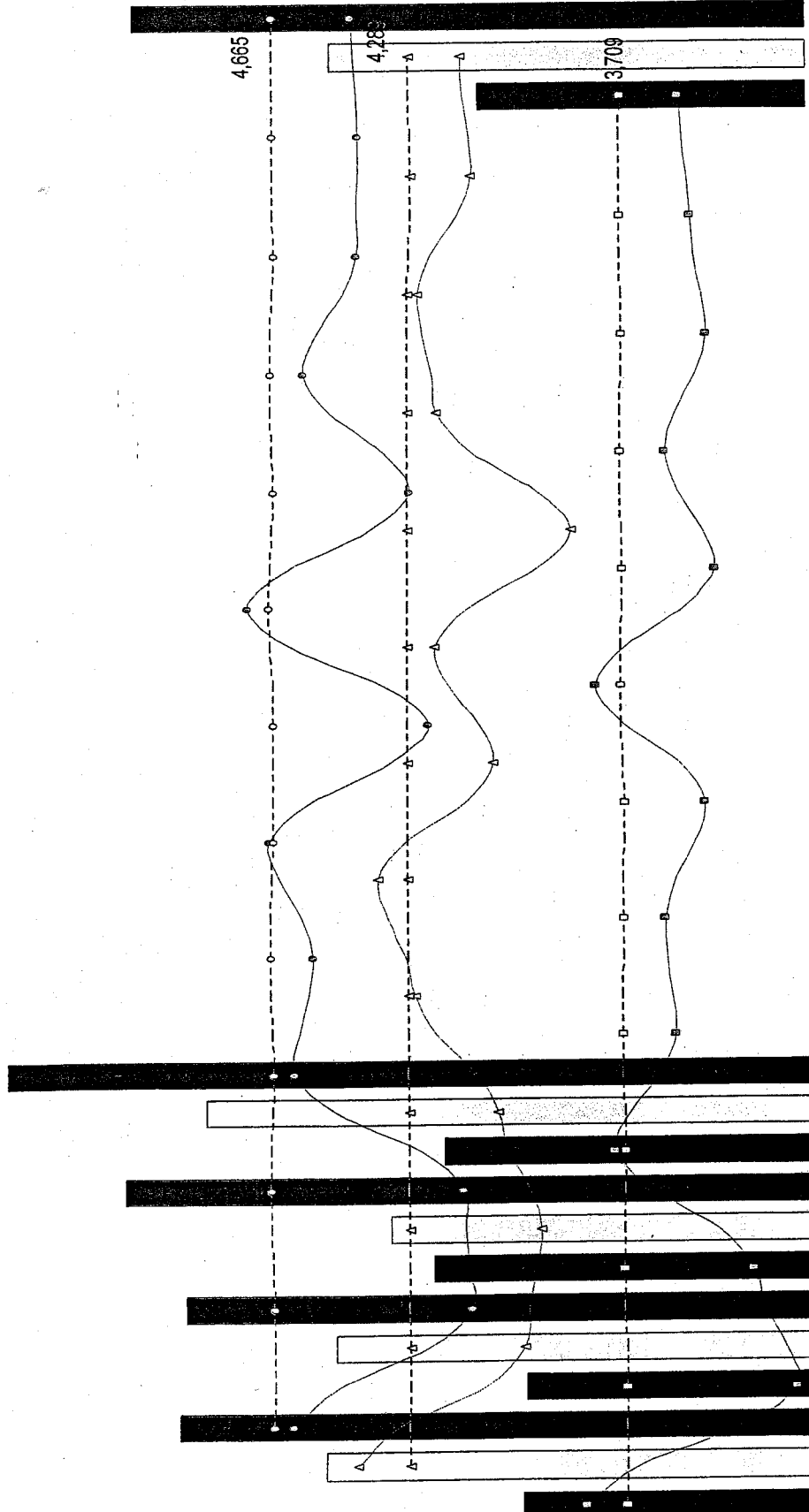
Dollars per Adjusted Discharges

4,700

4,200

3,700

3,200



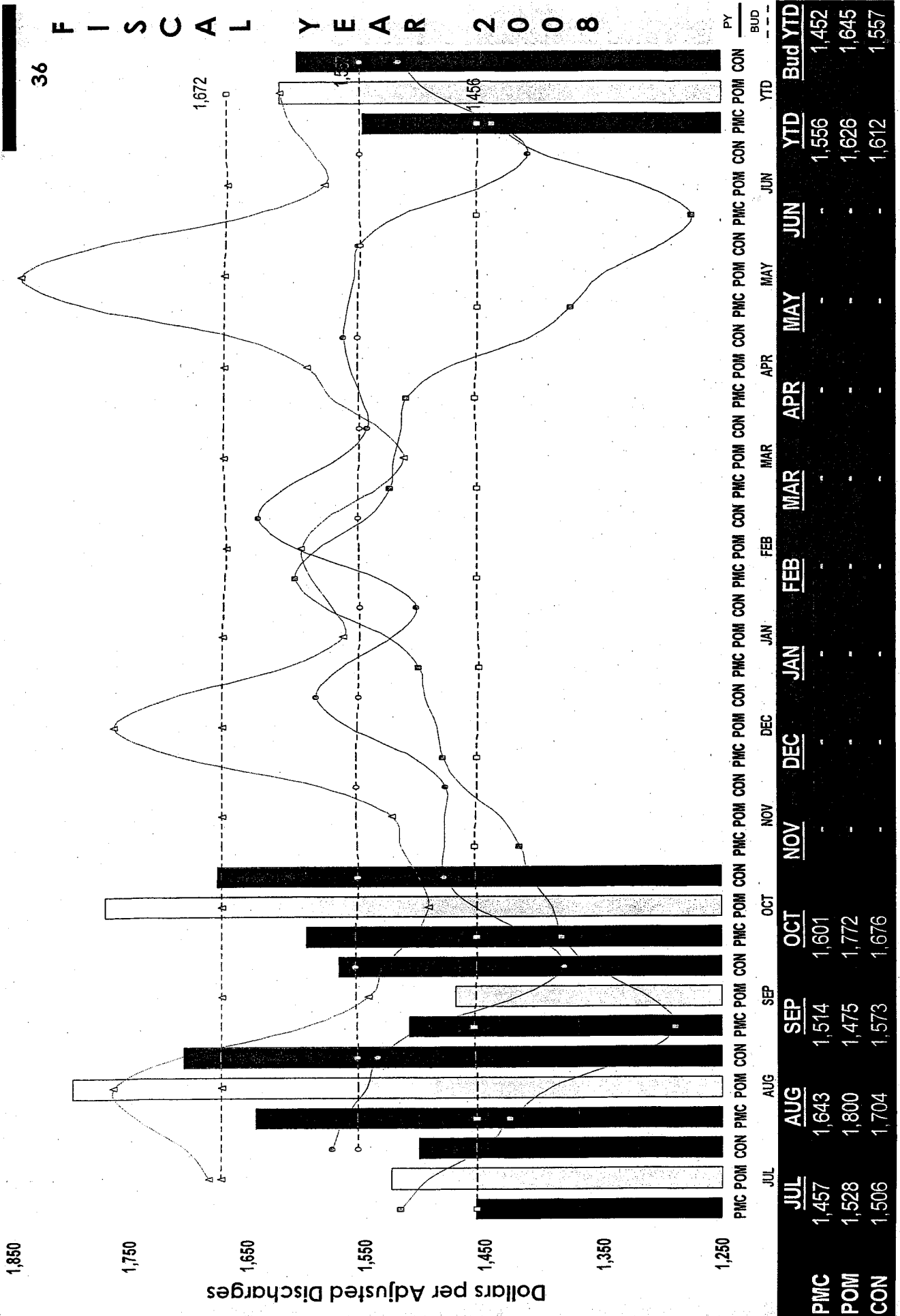
	FY												YTD	BUD	
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN			
PMC	3,984	3,977	4,227	4,198	-	-	-	-	-	-	-	-	-	4,097	3,907
POM	4,518	4,494	4,344	4,852	-	-	-	-	-	-	-	-	-	4,504	4,427
CON	4,922	4,905	5,070	5,381	-	-	-	-	-	-	-	-	-	5,057	4,883

Supplies per Adjusted Discharges

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FISCAL YEAR 2008



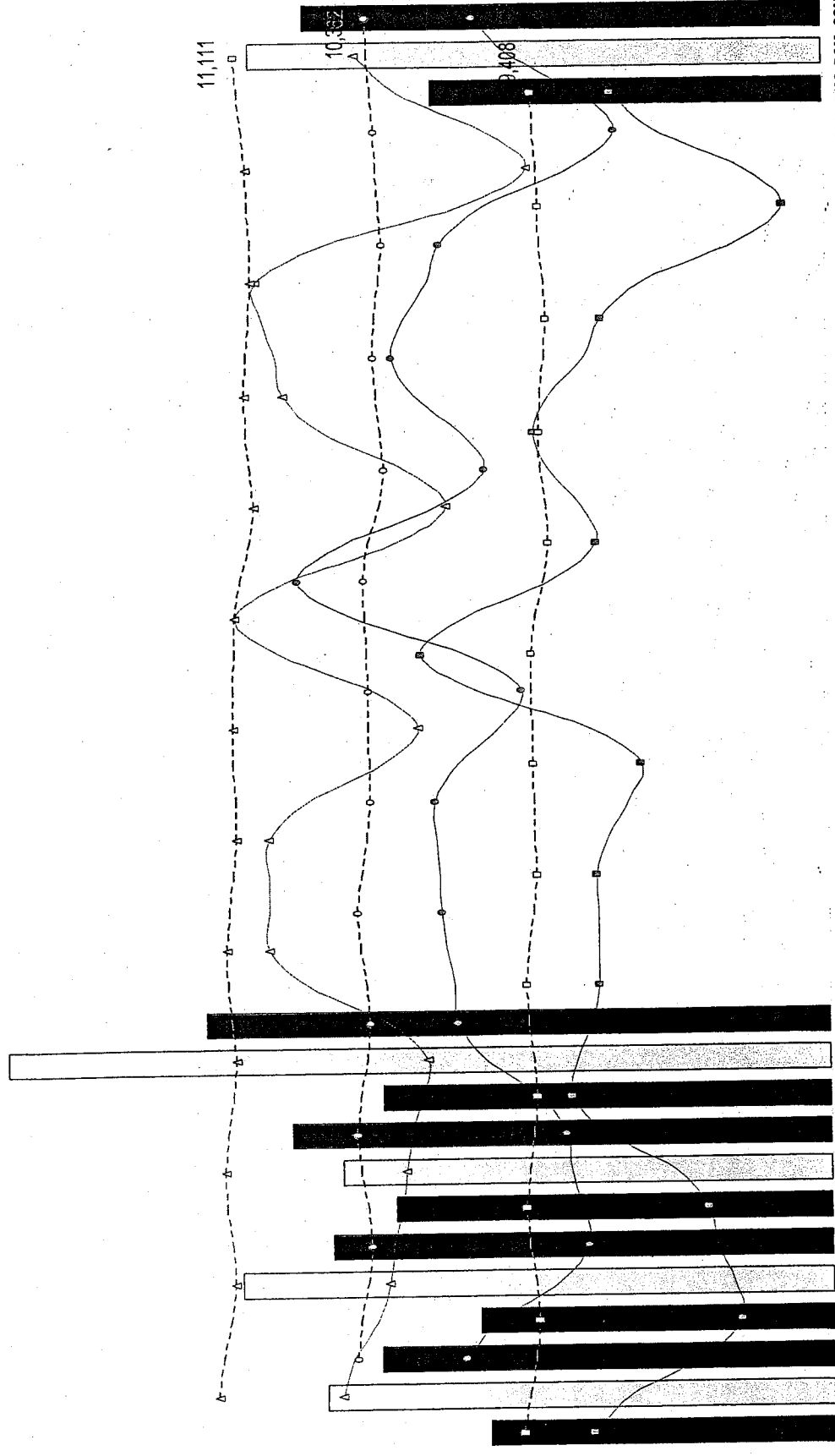
Total Expenses per Adjusted Discharges

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FISCAL YEAR 2008

12,750
12,250
11,750
11,250
10,750
10,250
9,750
9,250
8,750
8,250
7,750



Dollars per Adjusted Discharges

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	Bud YTD
PMC	9,693	9,752	10,226	10,293	-	-	-	-	-	-	-	9,994	9,994	9,423
POM	10,622	11,090	10,523	12,436	-	-	-	-	-	-	-	11,035	11,035	10,998
CON	10,309	10,589	10,807	11,291	-	-	-	-	-	-	-	10,723	10,723	10,409

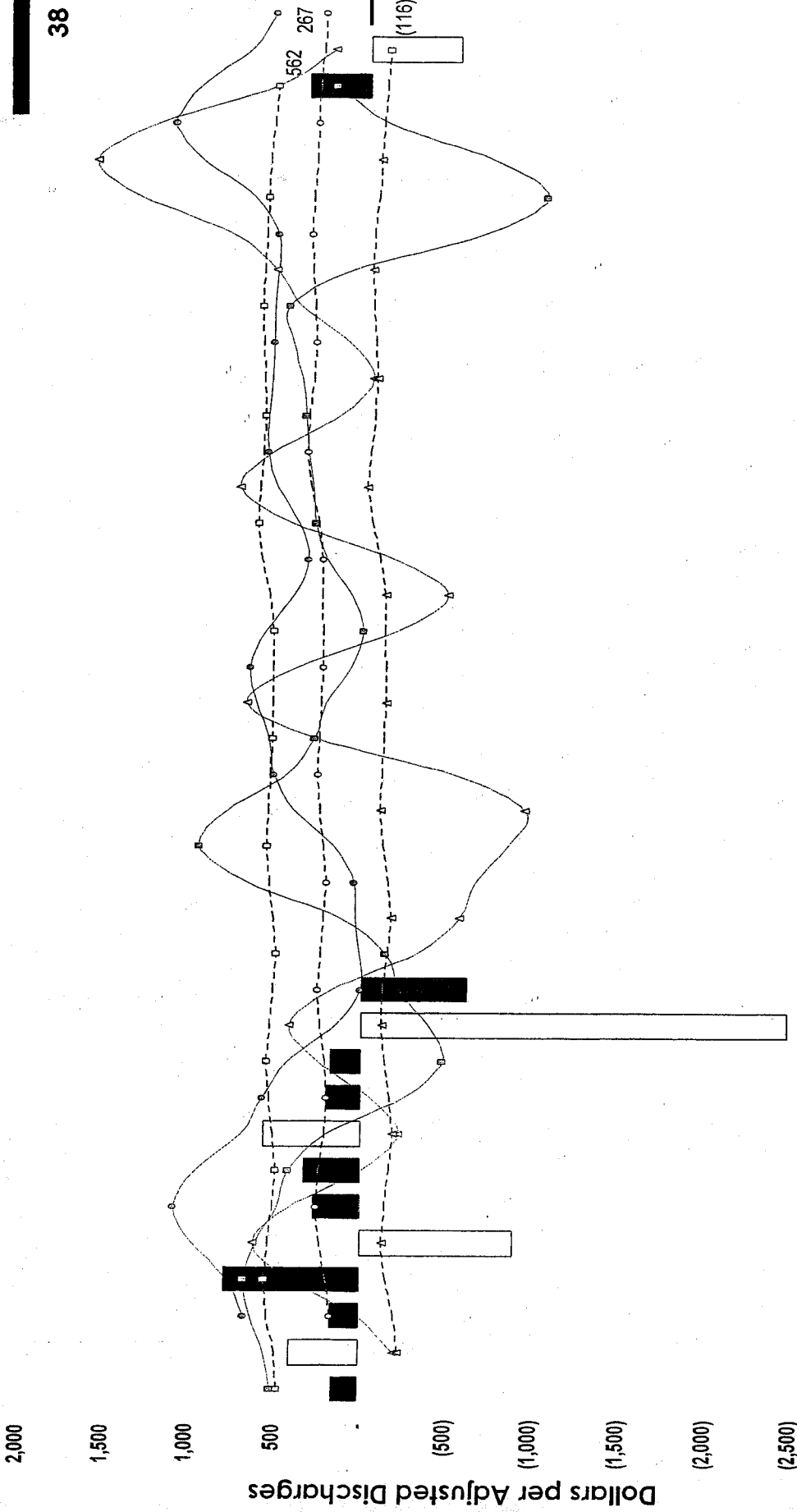
PY
BUD

Net Operating Income per Adjusted Discharges

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FISCAL YEAR 2008



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	Bud YTD
PMC	158	799	335	177	-	-	-	-	-	-	-	-	370	516
POM	411	(889)	575	(2,480)	-	-	-	-	-	-	-	-	(532)	(184)
CON	171	278	208	(623)	-	-	-	-	-	-	-	-	11	216

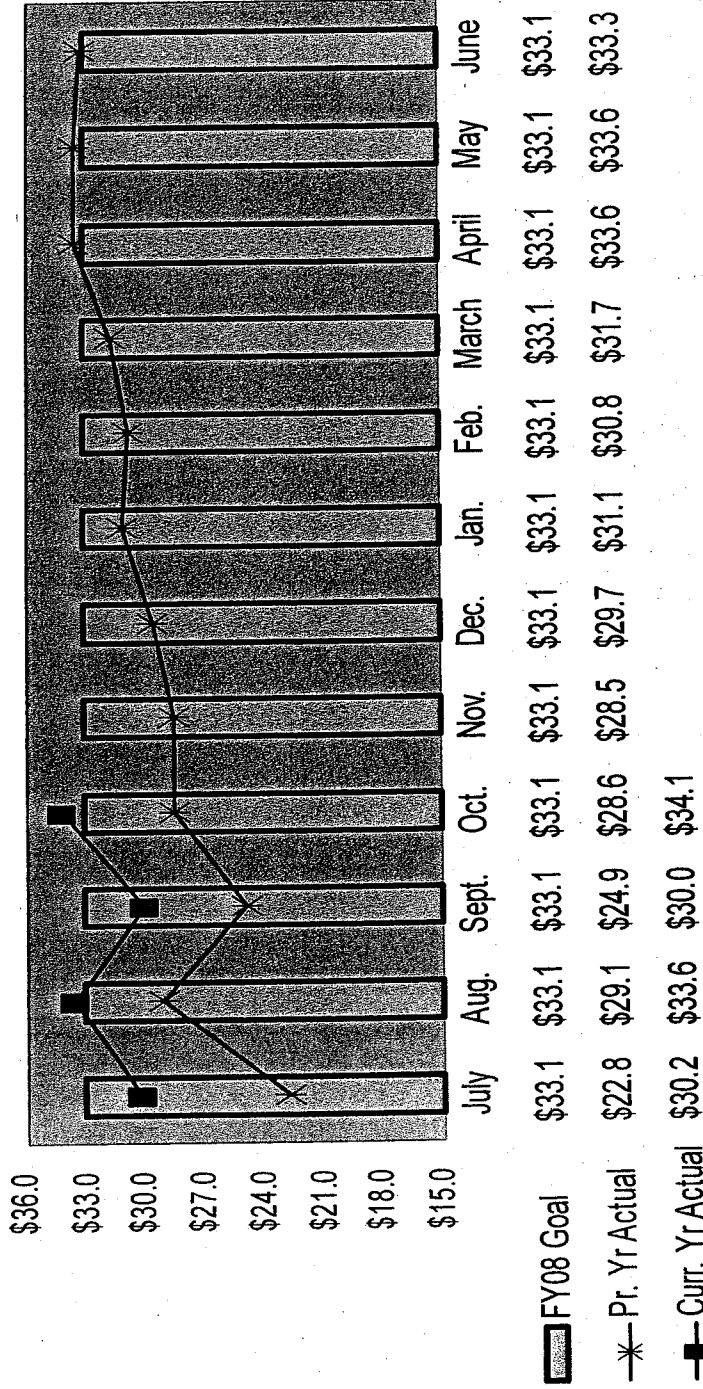
Key Variance Explanations October 2007

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Adjusted Discharges (Contractual %)	3,272 69.96%	3,421 69.48%	(149)
Gross Patient Revenue:	113,082,612	114,616,558	(1,533,946)
Contractuals:	79,115,512	79,630,009	514,497
Net Capitation:	(417,394)	107,136	(524,530)
Other Operating Revenue:	1,046,518	1,258,134	(211,616)
PPH Foundation			(294,835)
Home Health Outreach			(162,885)
PPNC Health Development			(116,864)
VHA Rebate			161,144
Insurance Settlement - Graybill Auditorium water damage			210,978
Salaries & Wages:	16,519,994	15,955,133	(564,861)
Rate variance			(1,259,779)
Volume			694,918
Benefits:	4,393,500	4,212,966	(180,534)
FICA			(107,803)
Health and Dental			(75,077)
Worker's Compensation			(28,731)
Pension			(26,050)
Other Benefits			63,515
Contract Labor:	931,698	750,839	(180,859)
Nursing			(172,113)
Other			(8,746)

Key Variance Explanations October 2007 (cont'd)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Professional Fees:			
Revenue Cycle: Jacobus Consulting Fees	2,586,908	2,580,413	(6,495)
Physician Income Guarantees Not Realized			(136,348)
WHB Other Pro Fees (for First Five Commission Subcontractors)			46,620
			67,599
Supplies:			
Rate variance	5,436,382	5,326,861	(109,521)
Volume variance			(341,530)
			232,009
Purchased Services:			
Repairs & maintenance	2,818,453	2,643,404	(175,049)
Collections			(208,529)
Pomerado MRI services			(109,401)
Reclass			(79,732)
Other			144,112
			78,501
Depreciation:			
	1,804,702	1,774,857	(29,845)
Other Direct Expenses:			
Marketing / Recruiting Foundation	2,125,075	2,217,335	92,260
			(162,125)
			172,076
Net Income From Operations	(2,020,488)	890,010	(2,910,497)

PBS Monthly Collections in Millions



Palomar Pomerado Health
Consolidated Balance Sheet
As of October 31, 2007

	Current Month	Prior Month	Prior Fiscal Year End
Assets			
Current Assets			
Cash on Hand	\$13,371,270	\$3,849,920	\$1,365,825
Cash Marketable Securities	65,838,468	64,321,761	107,847,524
Total Cash & Cash Equivalents	79,209,738	68,171,681	109,213,349
Patient Accounts Receivable	211,812,783	183,757,737	160,767,031
Allowance on Accounts	-124,808,666	-104,984,193	-81,286,268
Net Accounts Receivable	87,004,127	88,773,544	79,480,763
Inventories	6,957,786	6,825,791	7,025,980
Prepaid Expenses	3,730,417	3,516,897	2,071,008
Other	19,261,898	19,186,023	5,094,523
Total Current Assets	196,163,966	186,473,936	202,885,623
Non-Current Assets			
Restricted Assets	160,231,756	165,164,481	173,111,797
Restricted by Donor	299,451	298,481	296,184
Board Designated	22,756,994	27,175,222	0
Total Restricted Assets	183,288,201	192,638,184	173,407,981
Property Plant & Equipment	368,130,746	370,519,849	373,271,082
Accumulated Depreciation	-224,135,922	-224,998,805	-222,304,232
Construction in Process	151,076,916	145,974,332	121,244,746
Net Property Plant & Equipment	295,071,740	291,495,376	272,211,606
Investment in Related Companies	238,469	278,906	265,204
Deferred Financing Costs	17,038,944	17,105,838	17,245,255
Other Non-Current Assets	5,619,030	5,442,877	5,715,558
Total Non-Current Assets	501,256,384	506,961,181	468,845,604
Total Assets	\$697,420,350	\$693,435,117	\$671,731,227
Liabilities			
Current Liabilities			
Accounts Payable	\$35,324,762	\$30,867,153	\$27,500,989
Accrued Payroll	17,627,947	16,932,929	14,778,493
Accrued PTO	13,025,752	12,532,665	12,638,138
Accrued Interest Payable	1,598,097	1,246,642	1,906,574
Current Portion of Bonds	8,640,000	8,640,000	13,220,000
Est Third Party Settlements	-479,613	-181,791	-2,579,788
Other Current Liabilities	20,357,975	22,270,645	12,085,069
Total Current Liabilities	96,094,920	92,308,243	79,549,475
Long Term Liabilities			
Bonds & Contracts Payable	293,924,929	293,905,576	294,723,824
General Fund Balance			
Unrestricted	284,344,059	279,747,599	297,161,750
Restricted for Other Purpose	299,451	298,481	296,184
Board Designated	22,756,994	27,175,222	0
Total Fund Balance	307,400,504	307,221,302	297,457,934
Total Liabilities / Fund Balance	\$697,420,350	\$693,435,117	\$671,731,227

PALOMAR POMERADO HEALTH
CONSOLIDATED
Year-to-Date as of October FY 2008

	Actual		Budget		Variance			Volume		Rate/Eff		Actual		Budget		Variance		
Statistics:																		
Admissions - Acute	9,613	10,023	(410)															
Admissions - SNF	358	385	(27)															
Patient Days - Acute	37,688	38,350	(662)															
Patient Days - SNF	25,618	25,973	(355)															
ALOS - Acute	3.92	3.83	0.09															
ALOS - SNF	70.96	68.17	2.79															
Weighted Patient Days	52,404	52,601	(197)															
Revenue:																		
Gross Revenue	\$ 463,290,759	\$ 454,786,551	\$ 8,504,208	F	\$ 10,207,464	\$ 8,840.75	\$ 8,645.97	\$ 194.78										
Deductions from Rev	(325,466,103)	(315,526,257)	(9,939,846)	U	(11,121,547)	(6,210.71)	(5,998.48)	(212.23)										
Net Patient Revenue	137,824,656	139,260,294	(1,435,638)	U	(914,084)	2,630.04	2,647.48	(17.44)										
Other Oper Revenue	3,453,749	5,032,536	(1,578,787)	U	(1,559,939)	65.91	95.67	(29.77)										
Total Net Revenue	141,278,405	144,292,830	(3,014,425)	U	(2,474,023)	2,695.95	2,743.16	(47.21)										
Expenses:																		
Salaries, Wages & Contr Labor	66,552,360	66,305,073	(247,287)	U	(495,611)	1,269.99	1,260.53	(9.46)										
Benefits	17,326,116	16,718,896	(607,220)	U	(669,835)	330.63	317.84	(12.78)										
Supplies	21,211,860	21,140,756	(71,104)	U	(150,280)	404.78	401.91	(2.87)										
Prof Fees & Purch Svc	20,395,336	21,159,464	764,128	F	684,882	389.19	402.26	13.07										
Depreciation	7,182,509	7,099,428	(83,081)	U	(109,670)	137.06	134.97	(2.09)										
Other	8,461,898	8,833,673	371,775	F	338,691	161.47	167.94	6.46										
Total Expenses	141,130,079	141,257,290	127,211	F	(401,822)	2,693.12	2,685.45	(7.67)										
Net Inc Before Non-Oper Income	148,326	3,035,540	(2,887,214)	U	(2,875,845)	2.83	57.71	(54.88)										
Property Tax Revenue	4,500,000	4,500,000	-		16,853	85.87	85.55	0.32										
Non-Operating Income	1,819,743	265,272	1,554,471	F	(993)	34.73	5.04	29.68										
Net Income (Loss)	\$ 6,468,069	\$ 7,800,812	\$ (1,332,743)	U	(1,303,528)	\$ 123.43	\$ 148.30	(24.87)										
Net Income Margin	4.3%	5.2%	-0.9%															
OEBITDA Margin w/o Prop Tax	4.9%	6.7%	-1.8%															
OEBITDA Margin with Prop Tax	7.9%	9.7%	-1.8%															

F= Favorable variance
U= Unfavorable variance

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PALOMAR POMERADO HEALTH
CONSOLIDATED
Month-to-Date as of October FY 2008

	Actual		Budget		Variance	
	Volume	Rate/Eff	Volume	Rate/Eff	Volume	Rate/Eff
Admissions - Acute	2,386		2,526		(140)	
Admissions - SNF	82		97		(15)	
Patient Days - Acute	9,161		9,666		(505)	
Patient Days - SNF	6,200		6,546		(346)	
ALOS - Acute	3.85		3.83		0.02	
ALOS - SNF	68.89		68.19		0.70	
Weighted Patient Days	12,775		13,258		(483)	

Revenue:

Gross Revenue	\$ 113,082,612	\$ 114,616,558	\$ (1,533,946)	U
Deductions from Rev	\$ (79,532,906)	\$ (79,522,873)	(10,033)	U
Net Patient Revenue	33,549,706	35,093,685	(1,543,979)	U
Other Oper Revenue	1,046,518	1,258,134	(211,616)	U
Total Net Revenue	34,596,224	36,351,819	(1,755,595)	U

Expenses:

Salaries, Wages & Contr Labor	17,451,691	16,705,974	(745,717)	U
Benefits	4,393,500	4,212,966	(180,534)	U
Supplies	5,436,382	5,326,861	(109,521)	U
Prof Fees & Purch Svc	5,405,362	5,223,817	(181,544)	U
Depreciation	1,804,702	1,774,857	(29,845)	U
Other	2,125,075	2,217,335	92,260	F
Total Expenses	36,616,712	35,461,809	(1,154,902)	U

Net Inc Before Non-Oper Income

	(2,020,488)	890,010	(2,910,497)	U
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Property Tax Revenue

	1,125,000	1,125,000	-	
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Non-Operating Income

	174,686	66,318	108,368	F
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Net Income (Loss)

	\$ (720,802)	\$ 2,081,328	\$ (2,802,129)	U
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Net Income Margin

	-2.1%	5.5%	-7.6%
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OEBITDA Margin w/o Prop Tax

	-0.6%	7.0%	-7.6%
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OEBITDA Margin with Prop Tax

	2.6%	9.9%	-7.3%
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F= Favorable variance

U= Unfavorable variance

	Variance		\$/Weighted Patient Days	
	Volume	Rate/Eff	Actual	Budget
	\$ (4,175,577)	\$ 2,641,631	\$ 8,851.87	\$ 8,645.09
	2,897,085	(2,907,118)	(6,225.67)	(5,998.10)
	(1,278,492)	(265,487)	2,626.20	2,646.98
	(45,835)	(165,781)	81.92	94.90
	(1,324,327)	(431,266)	2,708.12	2,741.88
	608,613	(1,354,330)	1,366.08	1,260.07
	153,482	(334,016)	343.91	317.77
	194,062	(303,583)	425.55	401.78
	190,308	(371,853)	423.12	394.01
	64,660	(94,505)	141.27	133.87
	80,779	11,481	166.35	167.25
	1,291,903	(2,446,805)	2,866.28	2,674.75
	(32,424)	(2,878,073)	(158.16)	67.13
	(40,985)	40,985	88.06	84.85
	(2,416)	110,784	13.67	5.00
	\$ (75,824)	\$ (2,726,305)	\$ (56.42)	\$ 156.99
				\$ (213.41)

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**PALOMAR POMERADO HEALTH
CONSOLIDATED**
October 2007 YTD vs. October 2006 YTD

	October 07		October 06		Variance		\$/Weighted Patient Days			
	YTD	YTD	YTD	Variance	Volume	Rate/Eff	Actual	Budget	Variance	
Statistics:										
Admissions - Acute	9,613	9,693	(80)							
Admissions - SNF	358	397	(39)							
Patient Days - Acute	37,688	36,685	1,003							
Patient Days - SNF	25,618	26,050	(432)							
ALOS - Acute	3.92	3.76	0.16							
ALOS - SNF	70.96	67.14	3.82							
Weighted Patient Days	52,404	50,679	1,725							
Revenue:										
Gross Revenue	\$ 463,290,759	\$ 402,550,007	\$ 60,740,752	F	\$ 13,701,903	\$ 47,038,849	\$ 8,840.75	\$ 7,943.13	\$	897.62
Deductions from Rev	(325,466,103)	(277,191,961)	(48,274,142)	U	(9,434,995)	(38,839,147)	(6,210.71)	(5,469.56)		(741.15)
Net Patient Revenue	137,824,656	125,358,046	12,466,610	F	4,266,908	8,199,702	2,630.04	2,473.57		156.47
Other Oper Revenue	3,453,749	3,650,778	(197,029)	U	124,264	(321,293)	65.91	72.04		(6.13)
Total Net Revenue	141,278,405	129,008,824	12,269,581	F	4,391,172	7,878,409	2,695.95	2,545.61		150.34
Expenses:										
Salaries, Wages & Contr Labor	66,552,360	61,103,724	(5,448,636)	U	(2,079,834)	(3,368,802)	1,269.99	1,205.70		(64.29)
Benefits	17,326,116	15,091,389	(2,234,727)	U	(513,677)	(1,721,050)	330.63	297.78		(32.84)
Supplies	21,211,860	19,938,178	(1,273,682)	U	(678,651)	(595,031)	404.78	393.42		(11.35)
Prof Fees & Purch Svc	20,395,336	17,008,260	(3,387,076)	U	(578,923)	(2,808,153)	389.19	335.61		(53.59)
Depreciation	7,182,509	6,638,754	(543,755)	U	(225,968)	(317,787)	137.06	131.00		(6.06)
Other	8,461,898	7,026,502	(1,435,396)	U	(239,166)	(1,196,230)	161.47	138.65		(22.83)
Total Expenses	141,130,079	126,808,807	(14,323,272)	U	(4,316,221)	(10,007,051)	2,693.12	2,502.16		(190.96)
Net Inc Before Non-Oper Income	148,326	2,202,017	(2,053,691)	U	74,952	(2,128,643)	2.83	43.45		(40.62)
Property Tax Revenue	4,500,000	4,216,664	283,336	F	143,526	139,810	85.87	83.20		2.67
Non-Operating Income	1,819,743	1,461,917	357,826	F	49,760	308,066	34.73	28.85		5.88
Net Income (Loss)	\$ 6,468,069	\$ 7,880,598	(1,412,529)	U	\$ 268,238	\$ (1,680,767)	\$ 123.43	\$ 155.50		(32.07)
Net Income Margin	4.3%	5.8%	-1.5%							
OEBITDA Margin w/o Prop Tax	4.9%	6.5%	-1.6%							
OEBITDA Margin with Prop Tax	7.9%	9.5%	-1.6%							

F= Favorable variance
U= Unfavorable variance

**PALOMAR POMERADO HEALTH
CONSOLIDATED
MONTHLY TREND**

	Jul	Aug	Sep	Oct	YTD
Statistics:					
Admissions - Acute	2,378	2,480	2,369	2,386	9,613
Admissions - SNF	98	83	95	82	358
Patient Days - Acute	9,000	9,910	9,617	9,161	37,688
Patient Days - SNF	6,453	6,703	6,262	6,200	25,618
LOS - Acute	3.77	4.03	4.03	3.85	3.92
LOS - SNF	74.17	77.94	63.90	68.89	70.96
Weighted Patient Days	12,587	13,756	13,284	12,775	52,404
Adjusted Discharges	3,283	3,357	3,250	3,272	13,161

	Jul	Aug	Sep	Oct	YTD
Revenue:					
Gross Revenue	\$ 111,773,221	\$ 122,404,049	\$ 116,030,872	\$ 113,082,612	\$ 463,290,759
Deductions from Rev	(78,069,250)	(86,911,029)	(80,952,920)	(79,532,906)	(325,466,103)
Net Patient Revenue	33,703,971	35,493,020	35,077,952	33,549,706	137,824,656
Other Oper Revenue	701,388	986,768	719,079	1,046,518	3,453,749
Total Net Revenue	34,405,359	36,479,788	35,797,031	34,596,224	141,278,405

	Jul	Aug	Sep	Oct	YTD
Expenses:					
Salaries, Wages & Contr Labor	16,158,669	16,464,478	16,477,521	17,451,691	66,552,360
Benefits	4,208,437	4,396,919	4,327,260	4,393,500	17,326,116
Supplies	4,942,769	5,720,791	5,111,919	5,436,382	21,211,860
Prof Fees & Purch Svc	4,291,556	5,235,293	5,463,126	5,405,362	20,395,336
Depreciation	1,787,630	1,785,978	1,804,198	1,804,702	7,182,509
Other	2,455,357	1,944,304	1,937,161	2,125,075	8,461,898
Total Expenses	33,844,418	35,547,763	35,121,185	36,616,712	141,130,079

Net Inc Before Non-Oper Income	560,941	932,026	675,846	(2,020,488)	148,326
Property Tax Revenue	1,125,000	1,125,000	1,125,000	1,125,000	4,500,000
Non-Operating Income	331,466	517,863	795,728	174,686	1,819,743
Net Income (Loss)	\$ 2,017,407	\$ 2,574,888	\$ 2,596,574	\$ (720,802)	6,468,069

Net Income Margin	5.8%	5.8%	7.3%	-2.1%	4.3%
OEBITDA Margin w/o Prop Tax	6.8%	6.1%	7.0%	-0.6%	4.9%
OEBITDA Margin with Prop Tax	10.1%	8.6%	10.1%	2.6%	7.9%

**PALOMAR POMERADO HEALTH
CONSOLIDATED
Year-to-Date as of October FY 2008**

	Actual		Budget		Variance		Rate/Eff		\$/Adjusted Discharges	
					Volume		Actual	Budget	Actual	Budget
Statistics:										
Admissions - Acute	9,613	10,023	(410)							
Admissions - SNF	358	385	(27)							
Patient Days - Acute	37,688	38,350	(662)							
Patient Days - SNF	25,618	25,973	(355)							
ALOS - Acute	3.92	3.83	0.09							
ALOS - SNF	70.96	68.17	2.79							
Adjusted Discharges	13,161	13,574	(413)							
Revenue:										
Gross Revenue	\$ 463,290,759	\$ 454,786,551	\$ 8,504,208	F	\$ (13,837,251)	\$ 22,341,459	\$ 35,201.79	\$ 33,504.24	\$ 1,697.55	
Deductions from Rev	(325,466,103)	(315,526,257)	(9,939,846)	U	9,600,143	(19,539,989)	(24,729.59)	(23,244.90)	(1,484.69)	
Net Patient Revenue	137,824,656	139,260,294	(1,435,638)	U	(4,237,108)	2,801,470	10,472.20	10,259.34	212.86	
Other Oper Revenue	3,453,749	5,032,536	(1,578,787)	U	(153,119)	(1,425,668)	262.42	370.75	(108.33)	
Total Net Revenue	141,278,405	144,292,830	(3,014,425)	U	(4,390,227)	1,375,802	10,734.63	10,630.09	104.54	
Expenses:										
Salaries, Wages & Contr Labor	66,552,360	66,305,071	(247,289)	U	2,017,386	(2,264,675)	5,056.79	4,884.71	(172.07)	
Benefits	17,326,116	16,718,896	(607,220)	U	508,686	(1,115,906)	1,316.47	1,231.69	(84.79)	
Supplies	21,211,860	21,140,756	(71,104)	U	643,225	(714,329)	1,611.72	1,557.44	(54.28)	
Prof Fees & Purch Svc	20,395,336	21,159,466	(764,130)	F	643,794	120,336	1,549.68	1,558.82	9.14	
Depreciation	7,182,509	7,099,428	(83,081)	U	216,006	(299,087)	545.74	523.02	(22.73)	
Other	8,461,898	8,833,673	(371,775)	F	268,772	103,003	642.95	650.78	7.83	
Total Expenses	141,130,079	141,257,290	127,211	F	4,297,868	(4,170,657)	10,723.36	10,406.46	(316.90)	
Net Inc Before Non-Oper Income	148,326	3,035,540	(2,887,214)	U	(92,359)	(2,794,855)	11.27	223.63	(212.36)	
Property Tax Revenue	4,500,000	4,500,000	-		(136,916)	136,916	341.92	331.52	10.40	
Non-Operating Income	1,819,743	265,272	1,554,471	F	(8,071)	1,562,542	138.27	19.54	118.73	
Net Income (Loss)	\$ 6,468,069	\$ 7,800,812	(1,332,743)	U	\$ (237,346)	\$ (1,095,397)	\$ 491.46	\$ 574.69	\$ (83.23)	
Net Income Margin	4.3%	5.2%	-0.9%							
OEBITDA Margin w/o Prop Tax	4.9%	6.7%	-1.8%							
OEBITDA Margin with Prop Tax	7.9%	9.7%	-1.8%							

F= Favorable variance
U= Unfavorable variance

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**PALOMAR POMERADO HEALTH
CONSOLIDATED
Month-to-Date as of October FY 2008**

	Actual		Budget		Variance		Rate/Eff		Actual		Budget		Variance	
					Volume									
Statistics:														
Admissions - Acute	2,408	2,526	(118)											
Admissions - SNF	82	97	(15)											
Patient Days - Acute	9,161	9,666	(505)											
Patient Days - SNF	6,200	6,546	(346)											
ALOS - Acute	3.82	3.83	(0.01)											
ALOS - SNF	68.89	68.19	0.70											
Adjusted Discharges	3,272	3,421	(149)											
Revenue:														
Gross Revenue	\$ 113,082,612	\$ 114,616,558	\$ (1,533,946)	U	\$ (4,992,069)	\$ 3,458,123	\$ 34,560.70	\$ 33,503.82	\$ (1,061.62)					
Deductions from Rev	\$ (79,532,906)	\$ (79,522,873)	(10,033)	U	3,463,580	(3,473,613)	(24,307.12)	(23,245.51)	(1,061.62)					
Net Patient Revenue	33,549,706	35,093,685	(1,543,979)	U	(1,528,488)	(15,491)	10,253.58	10,258.31	(4.73)					
Other Oper Revenue	1,046,518	1,258,134	(211,616)	U	(54,797)	(156,819)	319.84	367.77	(47.93)					
Total Net Revenue	34,596,224	36,351,819	(1,755,595)	U	(1,583,286)	(172,309)	10,573.42	10,626.08	(52.66)					
Expenses:														
Salaries, Wages & Contr Labor	17,451,691	16,705,974	(745,717)	U	727,621	(1,473,338)	5,333.65	4,883.36	(450.29)					
Benefits	4,393,500	4,212,966	(180,534)	U	183,494	(364,028)	1,342.76	1,231.50	(111.26)					
Supplies	5,436,382	5,328,861	(107,521)	U	232,009	(341,530)	1,661.49	1,557.11	(104.38)					
Prof Fees & Purch Svc	5,405,362	5,223,817	(181,544)	U	227,521	(409,066)	1,652.01	1,526.99	(125.02)					
Depreciation	1,804,702	1,774,857	(29,845)	U	77,303	(107,148)	551.56	518.81	(32.75)					
Other	2,125,075	2,217,335	(92,260)	F	96,575	(4,315)	649.47	648.15	(1.32)					
Total Expenses	36,616,712	35,461,809	(1,154,902)	U	1,544,522	(2,699,424)	11,190.93	10,365.92	(825.01)					
Net Inc Before Non-Oper Income	(2,020,488)	890,010	(2,910,497)	U	(38,764)	(2,871,733)	(617.51)	260.16	(877.67)					
Property Tax Revenue	1,125,000	1,125,000	-		(48,999)	48,999	343.83	328.85	14.98					
Non-Operating Income	174,686	66,318	108,368	F	(2,888)	111,256	53.39	19.39	34.00					
Net Income (Loss)	\$ (720,802)	\$ 2,081,328	(2,802,129)	U	\$ (90,651)	\$ (2,711,478)	\$ (220.29)	\$ 608.40	\$ (828.69)					
Net Income Margin	-2.1%	5.5%	-7.6%											
OEBITDA Margin w/o Prop Tax	-0.6%	7.0%	-7.6%											
OEBITDA Margin with Prop Tax	2.6%	9.9%	-7.3%											

F = Favorable variance
U = Unfavorable variance

PALOMAR POMERADO HEALTH
CONSOLIDATED
October 2007 YTD vs. October 2006 YTD

	October 07		October 06		Variance			\$/Adjusted Discharges		
	YTD		YTD	Variance	Volume	Rate/Eff	Actual	Budget	Variance	
Statistics:										
Admissions - Acute	9,613		9,693	(80)						
Admissions - SNF	358		397	(39)						
Patient Days - Acute	37,688		36,685	1,003						
Patient Days - SNF	25,618		26,050	(432)						
ALOS - Acute	3.92		3.76	0.16						
ALOS - SNF	70.96		67.14	3.82						
Adjusted Discharges	13,161		13,334	(173)						
Revenue:										
Gross Revenue	\$ 463,290,759	\$ 402,550,007	\$ 60,740,752	F	\$ (5,222,825)	\$ 65,963,577	\$ 35,201.79	\$ 30,189.74	\$ 5,012.05	
Deductions from Rev	(325,466,103)	(277,191,961)	(48,274,142)	U	3,596,396	(51,870,528)	(24,729.59)	(20,788.36)	(3,941.23)	
Net Patient Revenue	137,824,656	125,358,046	12,466,610	F	(1,626,439)	14,093,049	10,472.20	9,401.38	1,070.82	
Other Oper Revenue	3,453,749	3,650,778	(197,029)	U	(47,366)	(149,663)	262.42	273.79	(11.37)	
Total Net Revenue	141,278,405	129,008,824	12,269,581	F	(1,673,806)	13,943,387	10,734.63	9,675.18	1,059.45	
Expenses:										
Salaries, Wages & Contr Labor	66,552,360	61,103,724	(5,448,636)	U	792,781	(6,241,417)	5,056.79	4,582.55	(474.24)	
Benefits	17,326,116	15,091,389	(2,234,727)	U	195,801	(2,430,528)	1,316.47	1,131.80	(184.68)	
Supplies	21,211,860	19,938,178	(1,273,682)	U	258,685	(1,532,367)	1,611.72	1,495.29	(116.43)	
Prof Fees & Purch Svc	20,395,336	17,008,260	(3,387,076)	U	220,671	(3,607,747)	1,549.68	1,275.56	(274.12)	
Depreciation	7,182,509	6,638,754	(543,755)	U	86,134	(629,889)	545.74	497.88	(47.86)	
Other	8,461,898	7,026,502	(1,435,396)	U	91,164	(1,526,560)	642.95	526.96	(115.99)	
Total Expenses	141,130,079	126,806,807	(14,323,272)	U	1,645,236	(15,968,508)	10,723.36	9,510.04	(1,213.32)	
Net Inc Before Non-Oper Income	148,326	2,202,017	(2,053,691)	U	(28,570)	(2,025,121)	11.27	165.14	(153.87)	
Property Tax Revenue	4,500,000	4,216,664	283,336	F	(54,708)	338,044	341.92	316.23	25.69	
Non-Operating Income	1,819,743	1,461,917	357,826	F	(18,967)	376,793	138.27	109.64	28.63	
Net Income (Loss)	\$ 6,468,069	\$ 7,880,598	(1,412,529)	U	(102,246)	(1,310,283)	\$ 491.46	\$ 591.02	(99.56)	
Net Income Margin	4.3%	5.8%	-1.5%							
OEBITDA Margin w/o Prop Tax	4.9%	6.5%	-1.6%							
OEBITDA Margin with Prop Tax	7.9%	9.5%	-1.6%							

F= Favorable variance
U= Unfavorable variance

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Statement of Cash Flows

	October	YTD
Fiscal Year 2008		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income (Loss) from operations	(2,020,488)	147,824
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation Expense	1,804,702	7,182,508
Provision for bad debts	1,253,028	10,476,702
Changes in operating assets and liabilities:		
Patient accounts receivable	516,388	(12,183,987)
Property Tax and other receivables	(744,909)	(16,128,773)
Inventories	(131,995)	83,486
Prepaid expenses and Other Non-Current assets	(173,083)	(107,429)
Accounts payable	4,457,609	3,759,355
Accrued compensation	1,188,105	2,690,950
Estimated settlement amounts due third-party payors	(297,822)	1,104,584
Other current liabilities	(787,670)	14,248,268
Net cash provided by operating activities	5,063,865	11,273,488
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net (purchases) sales of investments	7,833,276	40,124,479
Interest (Loss) received on investments	547,372	3,068,525
Investment in affiliates	(300)	(2,089,587)
Net cash used in investing activities	8,380,348	41,103,417
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Receipt of G.O. Bond Taxes	245,341	573,481
Receipt of District Taxes	247,839	775,987
Net cash used in non-capital financing activities	493,180	1,349,469
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of property plant and equipment	(4,482,938)	(26,253,799)
Proceeds from sale of assets	0	0
Deferred Financing Costs	66,894	(12,161,942)
G.O. Bond Interest paid	0	(1,745,713)
Revenue Bond Interest paid	0	0
Proceeds from issuance of debt	0	0
Payments on Long Term Debt	0	(5,455,000)
Net cash used in activities	(4,416,044)	(45,616,453)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,521,350	8,109,921
CASH AND CASH EQUIVALENTS - Beginning of period	3,849,920	5,261,349
CASH AND CASH EQUIVALENTS - End of period	13,371,270	13,371,270

**PALOMAR POMERADO HEALTH
BOND COVENANT RATIOS**

Cushion Ratio	Jun-06	Jun-07	Oct-07
Cash and Cash Equivalents	112,036,430	109,213,349	79,209,738
Board Designated Reserves	9,267,526	-	22,756,994
Trustee-held Funds	12,170,183	143,341,920	141,683,628
Total	133,474,139	252,555,269	243,650,360

Divided by:
Max Annual Debt Service
(Bond Year 2008) 16,972,692 16,972,692

Cushion Ratio	12.5	14.9	14.4
REQUIREMENT	1.5	1.5	1.5
	Achieved	Achieved	Achieved

Days Cash on Hand	Jun-06	Jun-07	Oct-07
Cash and Cash Equivalents	112,036,430	109,213,349	79,209,738
Board Designated Reserves	9,267,526	-	22,756,994
Total	121,303,956	109,213,349	101,966,732

Divide Total by Average Adjusted Expenses per Day
Total Expenses 364,120,335 385,355,509 141,130,079
Less: Depreciation 18,737,467 19,453,013 7,182,509
Adjusted Expenses 345,382,868 365,902,496 133,947,570

Number of days in period	365	365	123
Average Adjusted Expenses per Day	946,254	1,002,473	1,089,005
Days Cash on Hand	128	109	94
REQUIREMENT	90	80	80
	Achieved	Achieved	Achieved

Net Income Available for Debt Service	Jun-06	Jun-07	Oct-07
Excess of revenue over expenses Cur Mo.	1,315,850	2,963,446	(720,802)
Excess of revenues over expenses YTD (General Funds)	11,558,633	21,974,509	6,468,069
ADD:			
Depreciation and Amortization	18,737,467	19,453,013	7,182,509
Interest Expense	4,405,929	3,343,683	1,370,925
Net Income Available for Debt Service	34,702,029	44,771,205	15,021,503

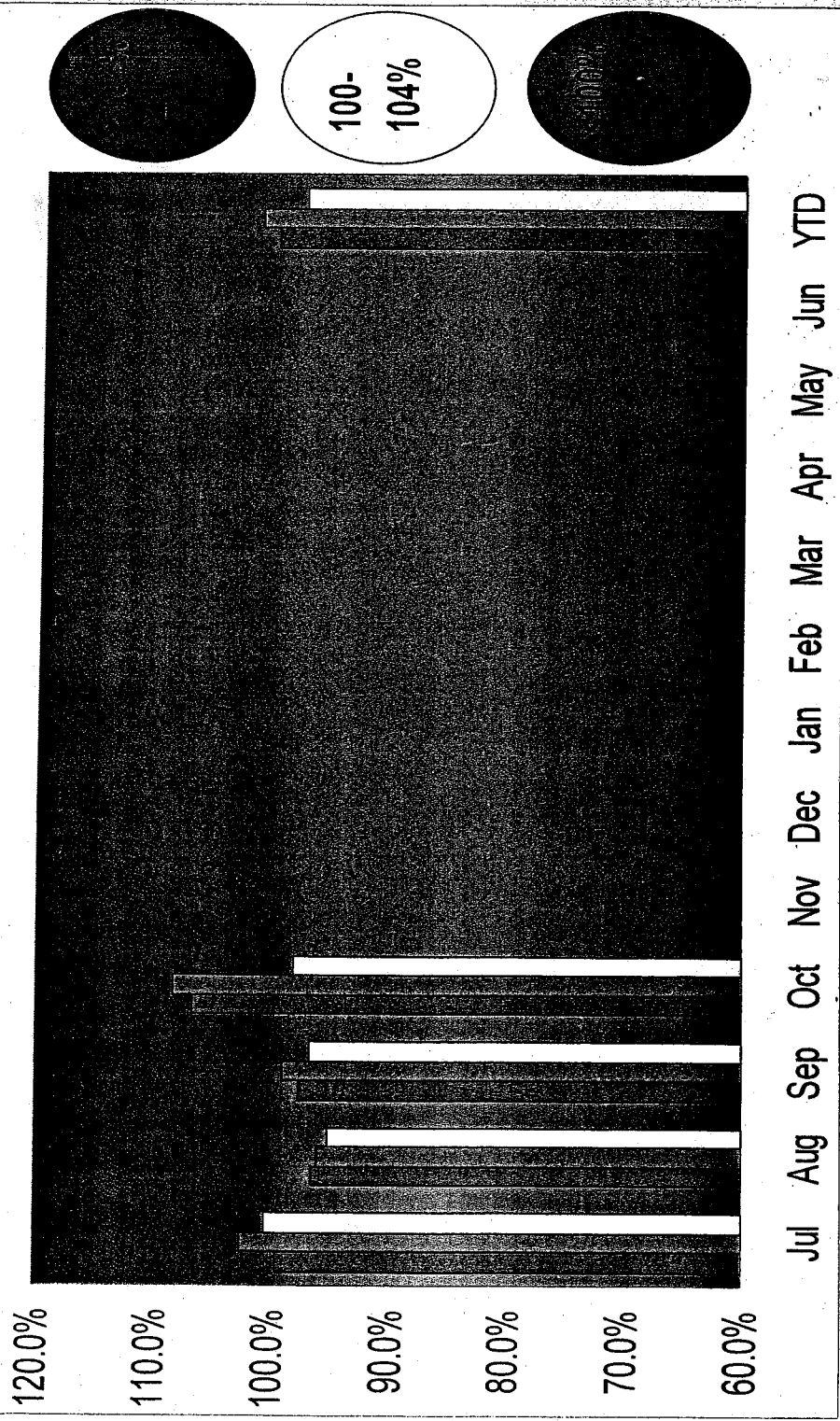
Aggregate Debt Service	Jun-06	Jun-07	Oct-07
1993 Insured Refunding Revenue Bonds	3,639,772	0	0
1999 Insured Refunding Revenue Bonds	6,950,508	8,249,916	2,750,295
2006 Certificates of Participation	10,590,280	4,373,342	2,499,052
Aggregate Debt Service	21,180,560	12,623,258	5,249,347

Net Income Available for Debt Service	3,28	3.55	2.86
Required Coverage	1.15	1.15	1.15
	Achieved	Achieved	Achieved

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Total Consolidated Financial Indicators BSC-FY08

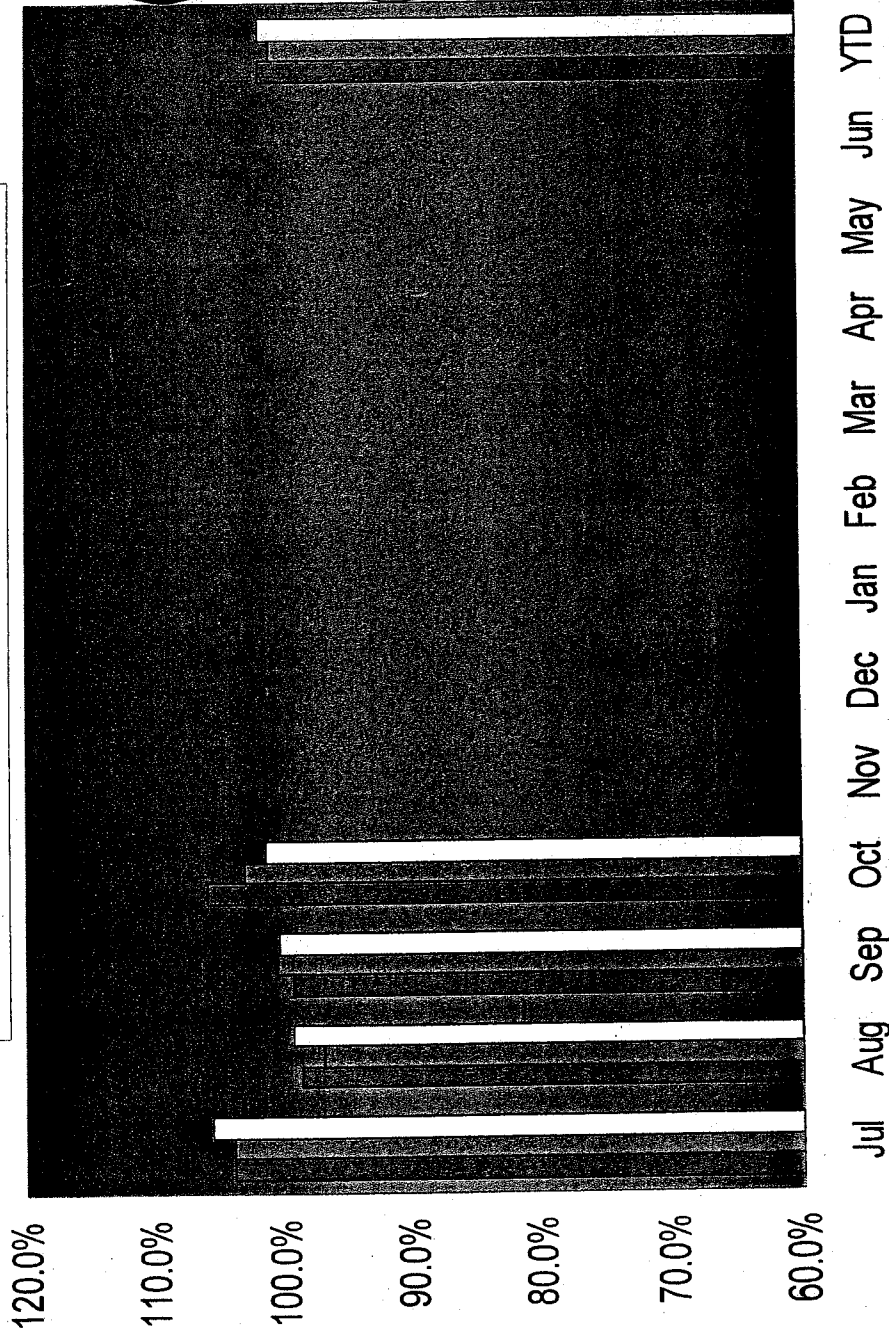
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North Consolidated Financial Indicators BSC-FY08

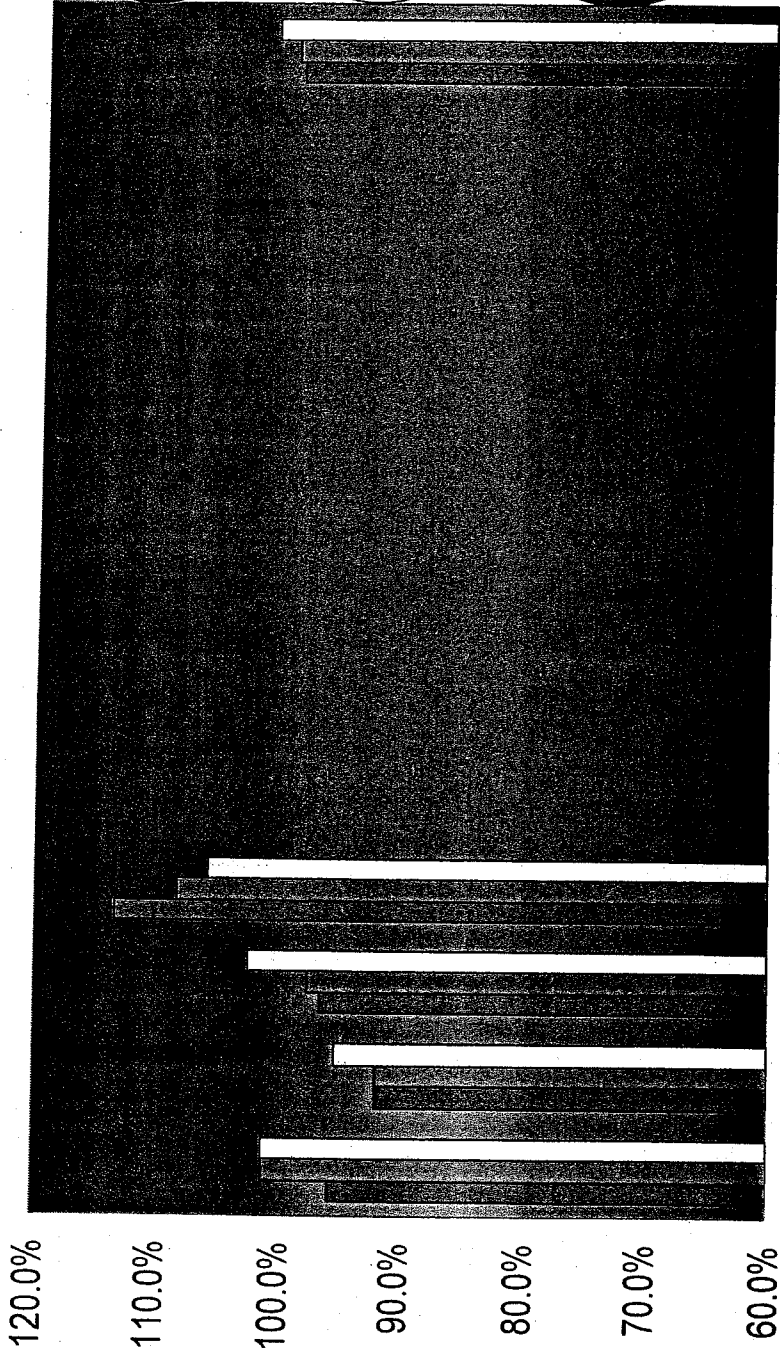
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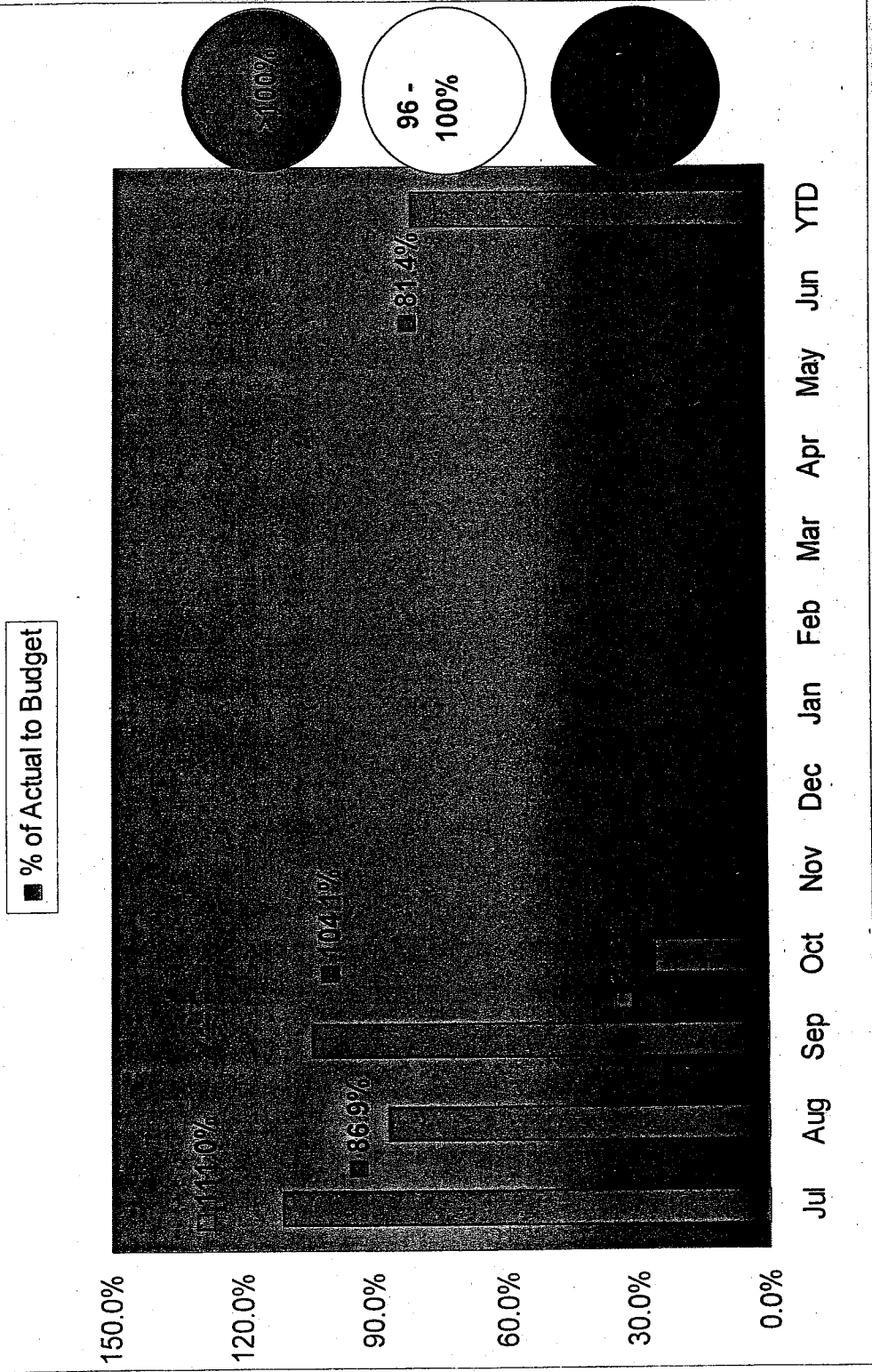
100-104%

South Consolidated Financial Indicators BSC-FY08

■ % exp /wtd pt day ■ % SWB/wt pt day □ % Prod FTE/AOB

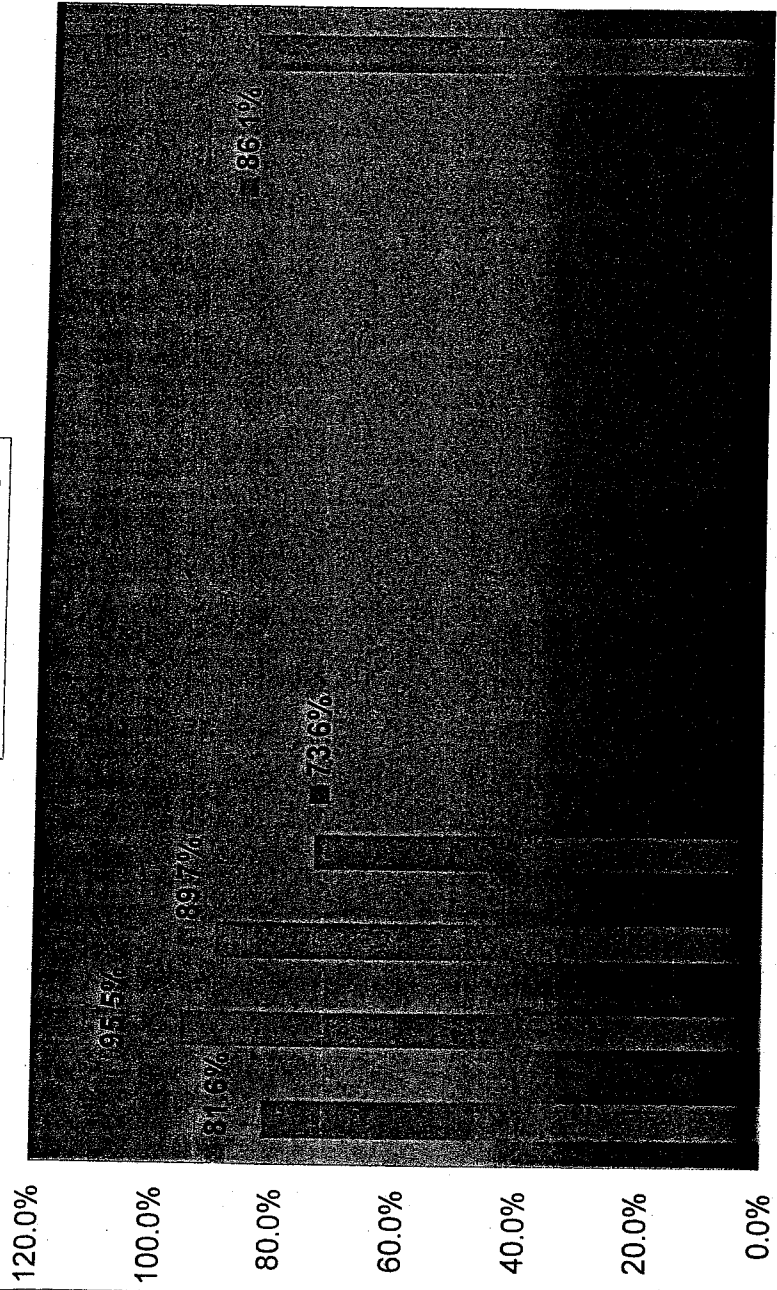


Total Consolidated OEBITDA w/ Prop Taxes -FY08



North Consolidated OEBITDA w/ Prop Taxes - FY08

■ % of Actual to Budget

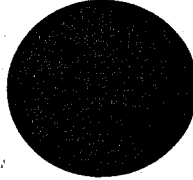
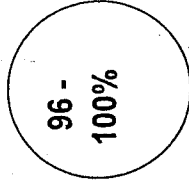
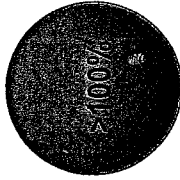
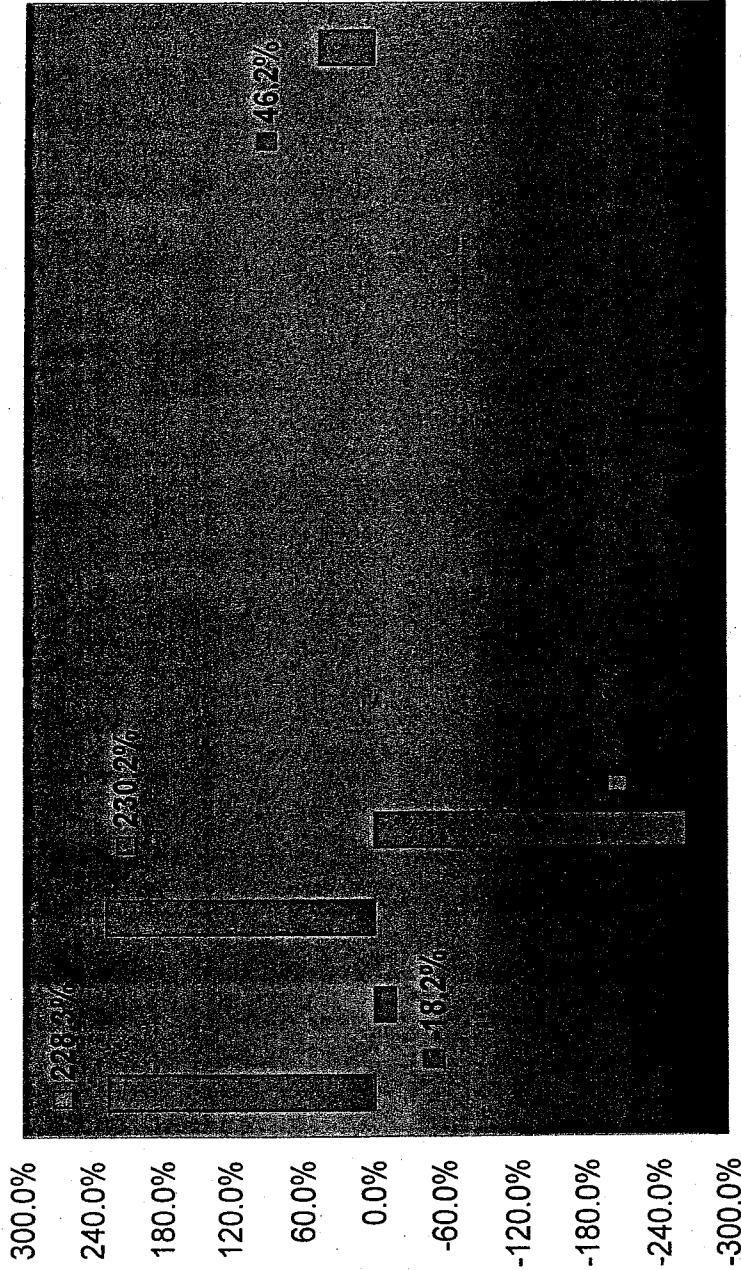


Legend:

- 100%
- 96 - 100%

South Consolidated OEBITDA w/ Prop Taxes - FY08

■ % of Actual to Budget

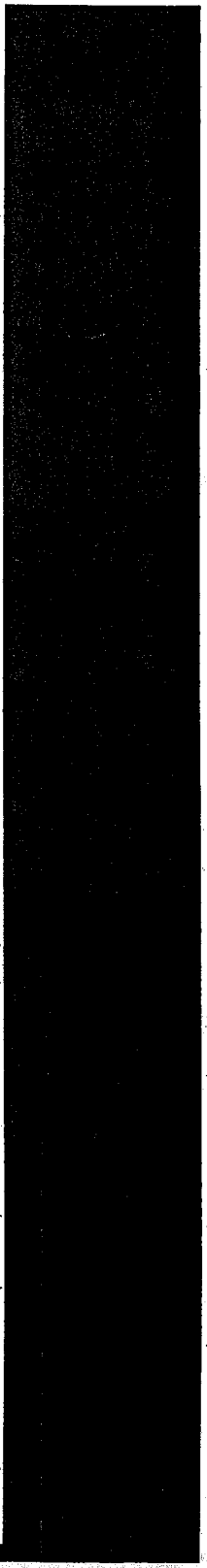


Source	Current Month End	Most Recent Month End	Prior Month	Current Fiscal Year Year-to-Date	Most Recent Year End	Prior Year Y-T-D	Change from Prior Month
	10/31/2007	9/30/2007	8/31/2007	10/31/2007	6/30/2007	10/31/2006	
Revenue	31	30	31	123	365	123	
Gross for Month (Month to Date)	110,501,244 \$	113,132,929 \$	119,574,558 \$	452,284,373 \$	1,205,732,433 \$	392,425,818 \$	(2,631,385)
Net Revenue	33,371,376 \$	34,001,268 \$	34,328,490 \$	134,333,789 \$	371,016,882 \$	120,552,128 \$	(629,892)
Net:Gross %	30.2%	30.1%	28.7%	29.7%	30.8%	30.7%	0.1%
Last 3 Month Daily Average (Gross)	3,730,526 \$	3,715,034 \$	3,535,333 \$	3,677,109 \$	3,303,377 \$	3,190,454 \$	15,492
Last 3 Month Daily Average (Net)	1,105,447	1,097,418	1,015,071	1,092,145	1,016,484	980,099	8,030
Cash Collections							
Month to Date	34,139,078 \$	29,998,440 \$	33,603,517 \$	127,947,072 \$	357,733,249 \$	105,438,777 \$	4,140,638
Month to Date Goal	35,059,317	34,331,679	31,374,144	131,681,924	358,561,284	119,520,428 \$	727,638
Over (Under) Goal	(920,239)	(4,333,239)	2,229,373 \$	(3,734,852) \$	(828,035) \$	(14,081,651) \$	3,413,000
% of Goal	97%	87%	107%	97.2%	99.8%	88.2%	10.0%
Point of Service Collections							
Month to Date	323,959 \$	268,468 \$	322,273 \$	1,174,251 \$	3,244,728 \$	1,070,726 \$	55,491
Month to Date Goal	328,000	297,000	297,000	1,219,000	3,265,740	1,088,580 \$	31,000
Over (Under) Goal	(4,041) \$	(28,532) \$	25,273 \$	(44,749) \$	(21,012) \$	(17,854) \$	24,491
% of Goal	98.8%	90.4%	108.5%	96.3%	99.4%	98.4%	8.4%
Accounts Receivable							
0-30	110,507,718 \$	92,326,129 \$	110,082,206 \$		73,718,929 \$	69,926,802 \$	18,181,589
31-60	27,942,238	23,662,650	18,201,606		19,857,146	14,986,876	4,279,588
61-90	17,834,773	15,517,444	10,752,921		13,499,609	19,899,059	2,317,328
91-180	24,852,934	27,989,145	21,262,246		26,694,468	41,835,648	(3,136,211)
Over 180	24,781,284	27,971,945	18,795,543		21,653,269	23,072,528	(3,190,661)
Total	\$ 205,918,946	\$ 187,467,313	\$ 179,094,522		\$ 155,423,421	\$ 169,720,913	\$ 18,451,633
A/R Days (Gross)	55.20	50.46	50.66		47.05	53.20	4.74
% of AR aged over 180 days	12.0%	14.9%	10.5%		14%	13.6%	-0.03
Number of Accounts	60,275	61,972	60,396		NA	NA	(1,697)
Credit Balance Accounts:							
Dollars ATB	\$ (3,699,107)	\$ (2,818,162)	\$ (2,546,487)		\$ (3,955,501)	\$ (880,945)	\$ (30)
Number of Accounts ATB	1,746	1,776	1,843		1,642		

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Source	Current Month End	Most Recent Month End	Prior Month	Current Fiscal Year Year-to-Date	Most Recent Year End	Prior Year Y-T-D	Change from Prior Month
	10/31/2007	9/30/2007	8/31/2007	10/31/2007	6/30/2007	10/31/2006	
Period Ending Days in Period	31	30	31	123	123	123	
Accounts Receivable by Major Payer							
Medicare	46,005,816 \$	38,414,328 \$	37,807,359 \$		31,212,504 \$	33,812,634 \$	7,591,488 \$
Last 3 months daily average revenue	983,702	980,879	954,009		965,874	852,183 \$	2,823
Gross Days revenue outstanding	46.77	39.16	39.63		32.32	39.68	7.60
MediCal (Includes M-Cal HMO)	33,515,257	27,941,164	25,218,261		23,655,071	26,526,011	5,574,093
Last 3 months daily average revenue	687,702	665,283	590,817		522,046	525,471	22,419
Gross Days revenue outstanding	48.74	42.00	42.68		45.31	50.48	6.74
Comm/Managed Care (Incl Mcare HMO)	94,989,226	84,177,118	81,589,051		72,445,182	76,644,121	10,812,108
Last 3 months daily average revenue	1,869,709	1,868,008	1,784,240		1,679,046	1,631,320	1,701
Gross Days revenue outstanding	50.80	45.06	45.73		43.15	46.98	5.74
Self-Pay	31,408,647	36,934,703	34,479,851		28,110,665	32,738,147	(5,526,056)
Last 3 months daily average revenue	180,609	202,223	179,365		165,713	200,028	(21,613)
Gross Days revenue outstanding	173.90	182.64	192.23		169.63	163.67	-8.74
Bad Debt Write-offs	4,887,299	(535)	2,941,465	8,767,671		4,561,671 \$	4,887,934
M-T-D Amount net of Recovery	4.4%	0.0%	2.5%	1.9%		1.2%	4.4%
% of Gross Revenue (Target < 2%)							
Charity & Undocumented Write-offs	2,710,367	3,140,492	1,273,118	7,123,977		3,588,860 \$	(430,124)
M-T-D Amount	2.5%	2.8%	1.1%	1.6%		0.9%	-0.3%
% of Gross Revenue (Target < 2%)							
Denial & Other Admin Adjustments	566,461	506,285	643,626	1,716,372		661,171 \$	60,177
M-T-D Amount	0.5%	0.4%	0.5%	0.4%		0.2%	0.1%
% of Gross Revenue (Target < 1%)							

Source	Current Month End	Most Recent Month End	Prior Month	Current Fiscal Year Year-to-Date	Most Recent Year End	Prior Year Y-T-D	Change from Prior Month
	10/31/2007	9/30/2007	8/31/2007	10/31/2007	6/30/2007	10/31/2006	
	31	30	31	123	365	123	
Discharged Not Final Billed (DNFB)	\$ 9,650,157	\$ 8,126,127	\$ 5,195,217	9,650,157			\$ 1,524,030
DNFB Action Required	578,343	340,901	161,705	578,343			\$ 237,442
HIM (Waiting for Coding)							\$ -
PBS (Correction required)							\$ 1,761,472
Other holds requiring correction							\$ 0.46
Total Action Required	10,228,500	8,467,028	5,356,922	10,228,500			
# of AR Days action Required	2.74	2.28	1.52	2.74			
DNFB No Action Required	\$ 19,270,871	\$ 23,613,635	\$ 24,448,655	23,613,635			\$ (4,342,764)
4 Day Standard Delay	1,127,493	4,008,534	1,053,805	4,008,534			\$ (2,881,041)
Other	20,398,364	27,622,169	25,502,460	27,622,169			\$ (7,223,805)
Total No Action Required	\$ 30,626,864	\$ 36,089,197	\$ 30,859,382	36,089,197			\$ (5,462,333)
Total DNFB	8.21	9.71	8.73	9.71			\$ (1.50)
Total Days in DNFB							
Late Charges							
Late Charges from Date of Service 5 to 20 Days							
Number of line items	22,384	25,759	16,201	72,588			\$ (3,375)
Dollar amount of Charges	703,864	715,422	1,620,077	3,714,760			\$ (11,558)
Dollar amount of Credits	(393,481)	(266,183)	(958,292)	(1,981,581)			\$ (125,299)
Net Dollar Amount	310,382	447,239	661,785	1,733,180			\$ (136,857)
Absolute Dollar Amount	\$ 703,864	\$ 983,604	\$ 2,578,369	\$ 5,302,860			\$ (279,741)
Late Charges from Date of Service > 21 Days							
Number of line items	7,206	70,743	55,471	162,296			\$ (63,537)
Dollar amount of Charges	518,436	1,157,895	966,133	3,045,018			\$ (639,458)
Dollar amount of Credits	(426,489)	(1,157,359)	(2,743,784)	(5,874,297)			\$ 730,869
Net Dollar Amount	91,947	536	(1,777,651)	(2,829,279)			\$ 91,411
Absolute Dollar Amount	\$ 944,926	\$ 2,315,253	\$ 3,709,916	\$ 8,919,315			\$ (1,370,327)
Denials:							
Inventory of OPEN denials - # encounters	3,040	2,884	2,298	1,219			\$ 156
Inventory of OPEN denials - (\$ at risk)	\$ 28,740,365	\$ 28,869,347	\$ 27,752,700	\$ 21,403,453			\$ (128,982)



Weekly Flash Report

November 07	Nov 2-8	Nov 9-15	Nov16-22	Nov23-29	MTD Total	MTD Budget	% Variance
ADC (Acute)	323	308	305	298	308	312	(1.11)
PMC	237	225	218	217	225	235	(4.57)
POM	85	82	87	80	84	76	9.57
PCCC	82	84	83	82	83	88	(5.60)
VP	124	127	124	126	125	123	1.44
Patient Days (Acute)	2258	2154	2137	2083	8,632	8,729	(1.11)
PMC	1661	1577	1529	1522	6,289	6,590	(4.57)
POM	597	577	608	561	2,343	2,138	9.57
PCCC	573	586	583	577	2,319	2,457	(5.60)
VP	869	889	869	879	3,506	3,456	1.44
Discharges	593	593	540	513	2,239	2,282	(1.88)
PMC	444	436	389	370	1,639	1,759	(6.84)
POM	149	157	151	143	600	523	14.80
Number of Surgeries	247	271	189	236	943	889	6.02
PMC	171	174	132	156	633	604	4.82
POM	76	97	57	80	310	286	8.54
Number of Births	126	128	98	88	440	421	4.53
PMC	95	86	75	66	322	337	(4.43)
POM	31	42	23	22	118	84	40.48

Weekly Flash Report (cont'd)

November 07	Nov 2-8	Nov 9-15	Nov 16-22	Nov 23-29	MTD Total	MTD Budget	% Variance
Outpatient Visits (inc. Lab)							
PMC	2301	2092	1661	1722	7,776	7,763	0.17
POM	1462	1363	1068	1116	5,009	5,125	(2.26)
	839	729	593	606	2,767	2,638	4.91
ER Visits							
PMC	1667	1733	1679	1752	6,831	6,699	1.96
POM	1135	1180	1130	1173	4,618	4,466	3.40
	532	553	549	579	2,213	2,233	(0.92)
Trauma Visits							
IP	21	31	22	17	91	110	(17.37)
OP	20	28	17	17	82	92	(11.26)
	1	3	5	0	9	18	(49.25)
Gross IP Revenue	20,182,550	20,709,500	19,213,668	19,830,427	79,936,145	79,362,737	0.72
Gross OP Revenue	5,939,048	6,190,609	5,563,377	5,559,671	23,252,705	24,178,351	(3.83)
Cash Collection	8,277,076	5,936,253	4,920,669	14,294,877	33,428,875	33,054,796	1.13
Days cash on hand	93	97	97	100	100	80	
Prod Hrs (PP10 & 11)							
PMC - North		222,181		206,253	428,434	427,972	(0.11)
POM - South		127,597		120,326	247,923	243,035	(2.01)
Others		56,241		53,280	109,521	112,919	3.01
		38,343		32,647	70,990	72,018	1.43
Prod \$ (PP 10 & 11)							
PMC - North		6,941,361		6,542,503	13,483,864	13,252,000	(1.75)
POM - South		3,988,743		3,847,457	7,836,200	7,602,618	(3.07)
Others		1,678,588		1,623,709	3,302,297	3,282,173	(0.61)
		1,274,030		1,071,337	2,345,367	2,367,209	0.92

**PALOMAR
POMERADO
HEALTH**
SPECIALIZING IN YOU

**PALOMAR POMERADO HEALTH *expresscare*-Penasquitos
MEDICAL DIRECTOR – Administrative Oversight/Quality Assurance**

TO: Board of Directors
MEETING DATE: Monday, December 17, 2007
FROM: Board Finance Committee
Tuesday, December 4, 2007
BY: Sheila Brown, BSN, MBA, FACHE; Chief Clinical Outreach Officer
Stonish Pierce, MHA; Manager, Clinical Outreach Services

BACKGROUND: PPH is the owner and operator of retail-based health clinics known as PPH *expresscare* whereby Nurse Practitioners practice independently while working in collaboration with board certified physicians. As a norm in this emerging segment of the health care industry, physicians are typically available on an on-call basis during regular operating hours to respond to any questions or inquiries that Nurse Practitioners may have and/or when presenting patients should be referred to more appropriate levels of care. Physician oversight and program involvement is further recommended in the guidelines referenced by several medical professional societies (AAFP, AMA, AAP) to ensure evidence-based and quality improvement oriented medicine, to ensure that the scope of services remains limited, to ensure that a consistent referral process remains in place and a team-based approach with community physicians is emphasized to support continuity of care.

BUDGET IMPACT: \$2,000 monthly

STAFF RECOMMENDATION: At the Board Finance Committee meeting, Staff recommended that PPH sign the *Retail Health Clinics Professional Services & Medical Director Agreement* with PIMG, Inc. (dba Centre for Healthcare Medical Associates) to assist in quality assurance, ensure that physicians are available during normal operating hours to respond to Nurse Practitioner inquiries and ensure that a dedicated physician provides administrative oversight (i.e. review of patient records, regular clinic visits) on a continuous basis to Family Nurse Practitioners working in the system's *expresscare* health centers.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION: The Board Finance Committee recommends that PPH sign the *Retail Health Clinics Professional Services & Medical Director Agreement* with PIMG, Inc. (dba Centre for Healthcare Medical Associates) to assist in quality assurance, ensure that physicians are available during normal operating hours to respond to Nurse Practitioner inquiries and ensure that a dedicated physician provides administrative oversight (i.e. review of patient records, regular clinic visits) on a continuous basis to Family Nurse Practitioners working in the system's *expresscare* health centers.

Motion: X

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
Recitals	TITLE	<i>Retail Health Clinics Professional Services and Medical Director Agreement</i>
Recitals	AGREEMENT DATE	November 1, 2007
Recitals	PARTIES	Palomar Pomerado Health dba PPH expresscare and PIMG, Inc. dba Centre for Healthcare Medical Associates
Recitals A-F	PURPOSE	PPH is the owner and operator of retail-based health clinics known as PPH <i>expresscare</i> whereby Nurse Practitioners practice independently while working in collaboration with board certified physicians. As a norm in this emerging segment of the health care industry, physicians are typically available on an on-call basis during regular operating hours to respond to any questions or inquiries that Nurse Practitioners may have and/or when presenting patients should be referred to more appropriate levels of care. Physician oversight and program involvement is further recommended in the guidelines referenced by several medical professional societies (AAFP, AMA, AAP) to ensure evidence-based and quality improvement oriented medicine, to ensure that the scope of services remains limited, to ensure that a consistent referral process remains in place and a team-based approach with community physicians is emphasized to support continuity of care.
Recitals	SCOPE OF SERVICES	<p>PPH has retained the Medical Group as an independent contractor to provide administrative medical oversight services to Nurse Practitioners, assist with clinical protocol development, conduct weekly patient record review, conduct regular clinic site visits and participate in the interviewing, training and ongoing continuing education of the program's Nurse Practitioners.</p> <p>PPH has also retained the Medical Group as an independent contractor to provide certain administrative services, including consultation and medical director services required for the proper development and operation of the Program. PPH has determined that this arrangement will enhance the Program's organization, procedure standardization, economic efficiency, professional proficiency, and provide other benefits to enhance coordination and cooperation among the Program's providers and users.</p>
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
4.1	TERM	3 years (November 1, 2007 – October 31, 2010)
	RENEWAL	Both parties will have the option to discuss renewal of this Agreement following the end of the initial term. Any failure by PPH to request an additional term or refusal by Medical Group to accept an additional term shall not affect the parties' duties and obligations during the Initial Term of this Agreement.
4.2-4.3	TERMINATION	Either party shall have the right to terminate this Agreement without cause upon not less than ninety (90) days prior written notice to the other party. This Agreement may be terminated pursuant to any of the following: Mutual Agreement, Material Breach, Termination with or without Cause and Special Termination. For detailed descriptions please refer to Section 4.2-4.3 of the Agreement.
Please see	COMPENSATION	The compensation provided in this Agreement incorporates average

attachments	METHODOLOGY	salaries afforded to family physicians practicing in San Diego County, the Western United States and the nation. Among the various sources that were utilized to determine the compensation for this program included a 2006 San Diego County Medical Society compensation survey, a Medical Group Management Association compensation report, Salary.com and a Fair Market Value Assessment of the Agreement by an independent human resources consulting firm.
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
1.9	EXCLUSIVITY	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES – EXPLAIN: The parties recognize the need for Medical Group to devote efforts to the Program development activities. In consideration of the provisions of and payment for services under this Agreement, Medical Group and its participating physicians shall not, for a period of one year immediately following termination or expiration of this agreement directly or indirectly own, manage, operate, participate in, consult with or work for any other retail clinic operator or in any way compete with PPH in the provision of retail-based health clinic services. PPH will provide medical group with first right of refusal for any retail clinic ventures for the geographic areas included in zip codes 92036, 92064, 92065, 92127-28, 92129.
	JUSTIFICATION	The Agreement hereby referenced for consideration for medical director involvement is necessary for continuous program oversight and quality improvement activities.
	AGREEMENT NOTICED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Methodology & Response:
	ALTERNATIVES/IMPACT	There are no alternatives for physician oversight of Nurse Practitioners working in retail-based clinics.
	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 type="checkbox"/> VP <input type="checkbox"/> CFO <input type="checkbox"/> CEO <input type="checkbox"/> BOD Committee <input type="checkbox"/> BOD

RETAIL HEALTH CLINICS
PROFESSIONAL SERVICES AND MEDICAL DIRECTOR AGREEMENT

This *Retail Health Clinics Professional Services and Medical Director Agreement* ("Agreement") is made and entered into effective November 1, 2007 by and between **Palomar Pomerado Health**, a local health care district organized pursuant to Division 23 of California Health and Safety Code ("PPH") and PIMG, Inc. dba **Centre For Healthcare Medical Associates** ("Medical Group").

R E C I T A L S

A. PPH is the owner and operator of PPH *expresscare*-Penasquitos, a PPH outpatient clinic, located at 14340 Penasquitos Drive, San Diego, California ("Clinic").

B. Hospital wishes to develop and institute retail-based health clinics, to be known as *expresscare* Clinics (the "Program") to provide routine, primary health care services to current patients, PPH employees, retail partner employees and other individuals seeking convenient, non-emergent healthcare services rendered by Nurse Practitioners.

C. Medical Group is qualified and licensed to practice medicine in the State of California, is experienced and qualified in the specialized field of Family Practice or Emergency Medicine, and its designated Medical Director (administrative duties with no patient contact) and non-ambulatory participating physicians are members of the Medical Staff of Hospital ("Medical Staff"). The ambulatory participating physicians of the Medical Group that are not required to meet the Medical Staff membership requirements are hereby referenced in Exhibit D of this Agreement.

D. PPH will operate the Clinic as an outpatient department of the Hospital, pursuant to the ("Hospital Department"), and such Program shall consist of facilities licensed by PPH, equipment owned by PPH and staffed by PPH employees.

E. PPH desires to retain Medical Group as an independent contractor to provide medical oversight services to Nurse Practitioners, assist with clinical protocol development, conduct weekly patient record reviews and Clinic site visits through the Program ("Professional Services") and participate in the interviewing, training and ongoing education to Nurse Practitioners.

F. PPH also desires to retain Medical Group as an independent contractor to provide certain administrative services ("Administrative Services"), including consultation and medical director services required for the proper development and operation of the Program. PPH has determined that this arrangement will enhance the Program's organization, procedure standardization, economic efficiency, professional proficiency, and provide other benefits to enhance coordination and cooperation among the Program's providers and users.

G. PPH and Medical Group acknowledge and agree that this Agreement shall supersede any and all agreements that have been entered into by the parties previously for the provision of services identified under this Agreement.

H. It is the intent of both PPH and Medical Group 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 not limited to, the applicable requirements set forth in regulations promulgated by the Department of Health and Human Services, Office of Inspector General, and the Ethics in Patient Referral Act.

THEREFORE, THE PARTIES AGREE:

I. MEDICAL GROUP RESPONSIBILITIES

1.1 Professional Services. As part of the Program, Medical Group shall provide medical oversight Services to Nurse Practitioners. Medical Group shall be *available* for 10 hours per month to perform Medical Director duties which may include, but not be limited to reviewing patient records, conducting clinic site visits and responding to Nurse Practitioner inquiries, as necessary to ensure the delivery of quality care. Medical Group agrees to provide on-call services during the normal clinic hours of Monday through Friday from 9:00 AM to 9:00 PM, Saturdays from 9:00 AM to 5:00 PM and Sundays from 10:00 AM to 6:00 PM. Hours are subject to change to accommodate Clinic scheduling needs and meet patient demand. Medical Group agrees to cooperate with PPH in setting Physician's work schedule to maximize operations at the Clinic.

1.2 Maintenance of Records. Medical Group shall cooperate fully with PPH by maintaining and making available all necessary records and Time Reports (as defined herein) in order to ensure that PPH will be able to meet all requirements for participation in government programs or private third-party payors and for obtaining payment from those sources.

1.3 Assignment of Payments. Medical Group shall assign to PPH all rights to receive payments for the Professional Services provided by Medical Group under this Agreement. If any payments or reimbursements are not automatically assigned to PPH through the establishment of formal assignments under applicable government and commercial programs, Medical Group shall directly remit all such payments to PPH. Medical Group shall execute the Assignment Agreement set forth in **Exhibit A**, and Medical Group agrees to complete any other documentation or applications that may be required to effectuate automatic assignments under all applicable government and commercial payor programs.

1.4 Professional Standards. Medical Group shall, throughout the term of this Agreement, comply with the following:

(a) **License/Participation.** Medical Group participating physician(s) shall maintain licenses or certifications to practice medicine in the State of California without interruption;

(b) **Certification.** Medical Group participating physician(s) shall maintain Board Certification or Board Eligibility for Family Practice or Emergency Medicine with the applicable accreditation agency without interruption;

(c) **Medical Staff.** Medical Group participating physician(s) shall be member(s) in good standing of PPH's Medical Staff and shall comply with all applicable standards and recommendations of the Joint Commission throughout the term of this Agreement;

**Independent Contractor Agreement
Palomar & Pomerado Wound Care & Hyperbaric Oxygen Treatment**

TO: Board of Directors

MEETING DATE: Monday, December 17, 2007

FROM: Board Finance Committee
Tuesday, December 4, 2007

BY: Sheila Brown, FACHE; Chief Clinical Outreach Officer
Ann Moore, Director of the Palomar and Pomerado Wound Care Centers

BACKGROUND: To provide Medical oversight for Pomerado Wound Care/Hyperbaric Oxygen Treatment (HBOT) and Palomar Wound Care/HBOT. PPH desires to engage the California Emergency Physicians (CEP) as an independent contractor to provide medical oversight and coverage with respect to the Pomerado Wound Care/HBOT and Palomar Wound Care/HBOT and believes that the following can be achieved if Practitioner assumes such responsibility as set forth in this Agreement: This 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.

BUDGET IMPACT: \$75,600 annually for physician coverage at the Pomerado Wound Care/HBOT and Palomar Wound Care/HBOT.

STAFF RECOMMENDATION: At the Board Finance Committee meeting, staff recommended that PPH sign the CEP agreement to ensure that physicians are available for medical oversight for the Pomerado Wound Care/HBOT and Palomar Wound Care/HBOT.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION: The Board Finance Committee recommends that the Board approve the 3-year [October 1, 2007 through September 30, 2010] Independent Contractor Agreement with California Emergency Physicians for provision of Medical Director oversight for the Palomar and Pomerado Wound Care/HBOT programs.

Motion: X

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Medical Director for the Palomar and Pomerado Wound Care Centers
	AGREEMENT DATE	October 1, 2007
	PARTIES	1) PPH 2) California Emergency Physicians (CEP)
Recitals E	PURPOSE	To provide Medical oversight for Pomerado Wound Care/Hyperbaric Oxygen Treatment (HBOT) and Palomar Wound Care/HBOT
Exhibit A	SCOPE OF SERVICES	PPH desires to engage Group as an independent contractor to provide medical oversight and coverage with respect to the Pomerado Wound Care/HBOT and Palomar Wound Care/HBOT and believes that the following can be achieved if Practitioner assumes such responsibility as set forth in this Agreement: This 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.
	PROCUREMENT METHOD	<input type="checkbox"/> Request for Proposal <input checked="" type="checkbox"/> Discretionary
5.1	TERM	October 1, 2007 through September 30, 2010
	RENEWAL	There is no automatic renewal of this agreement.
5.3 5.4 5.5	TERMINATION	Either Party may terminate this Agreement immediately with cause or without cause, expense or penalty, effective thirty (30) days after written notice of termination is given to the other Party.
2.1	COMPENSATION METHODOLOGY	Monthly payment will be made 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: Related to Wound Care and HBOT
	JUSTIFICATION	Medical H&P and follow-up is a requirement for Wound Care services.
	POSITION NOTICED	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO METHODOLOGY & RESPONSE: Current Medical Director Scope of Service was extended to cover the Palomar Wound Care Center in San Marcos.
	ALTERNATIVES/IMPACT	Proceeding without this arrangement would cause lack of medical support for medically compromised patients in the Wound Care Program.
Exhibit A	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

WOUND CARE AND HYPERBARIC AGREEMENT

by and between

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

and

**CALIFORNIA EMERGENCY PHYSICIANS
October 1, 2007**

WOUND CARE AND HYPERBARIC AGREEMENT

THIS agreement with CALIFORNIA EMERGENCY PHYSICIANS (Group) FOR THE POMERADO WOUND CARE/HYPERBARIC OXYGEN THERAPY (HBOT) AND PALOMAR WOUND CARE/HYPERBARIC OXYGEN THERAPY (HBOT) ("Agreement") is entered into as of October 1, 2007, by and between Palomar Pomerado Health, a local health care district organized under Division 23 of the California Health and Safety Code ("PPH"), and the California Emergency Physicians Group. PPH and Group 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, known as Pomerado Hospital, located at 15615 Pomerado Road, Poway, California 92064 and Palomar Medical Center, located at 555 E. Valley Parkway, Escondido, CA 92025 ("PPH").

B. Group is a medical group composed of physicians ("Practitioner") who are licensed to practice medicine in the State of California, board certified for the practice of Emergency Medicine, Family Practice, Internal Medicine, or Surgery and are either certified or preparing to certify in the specialty of Wound Care and either certified or preparing to certify in Hyperbaric Medicine, and a member in good standing of PPH's medical staff (the "Medical Staff").

C. PPH desires to engage Group as an independent contractor to provide medical oversight with respect to the Pomerado Wound Care/HBOT and Palomar Wound Care/HBOT and believes that the following can be achieved if Practitioner assumes such responsibility as set forth in this Agreement: This 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. All Practitioners provided by Group will have the following qualifications and expertise to provide the services described in this Agreement: eligibility for Board Certification in either Emergency Medicine, Family Practice, Internal Medicine, or Surgery, engaged in preparation for subspecialization examinations in wound care and will have completed an approved forty hour training course for supervision of hyperbaric therapy. After establishing Board Eligibility in Hyperbaric Medicine for either the American College of Hyperbaric Medicine or the Undersea and Hyperbaric Medicine Society (two years of hyperbaric medicine practice), all practitioners provided by Group will sit for the examination for Board Certification by one of the two aforementioned certifying entities, within the two years of achieving eligibility.

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

1. The nature of Practitioner's duties set forth in Exhibit A, which is attached hereto and incorporated herein.

2. Practitioner'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 Group's performance of the services described in this Agreement.
5. The economic conditions locally and in the health care industry generally.

AGREEMENT

THE PARTIES AGREE AS FOLLOWS:

ARTICLE I. GROUP'S OBLIGATIONS

1.1 Group Services. Group, through its Practitioners shall provide to PPH those services set forth in Exhibit A ("Practitioner Services"), upon the terms and subject to the conditions set forth in this Agreement. Group shall ensure that all Practitioner Services are performed when and as needed, but shall also perform any Practitioner Services when and as requested by PPH from time to time.

1.2 Time Commitment. Group shall devote whatever time is necessary to ensure high-quality medical services for the wound care and hyperbaric treatment; provided, however, that Group shall perform Practitioner Services a maximum of twenty (20) hours per month. Group shall allocate time to Practitioner Services as reasonably requested by PPH from time to time. Medical Director not to exceed 20 hours per month. Associate Medical Director not to exceed 15 hours per month.

1.3 Availability. On or before the first (1st) day of each month, Group shall inform PPH of Practitioner's schedule and availability to perform Practitioner Services during that month. Group shall use its best efforts to adjust such schedule of availability if reasonably requested by PPH in order to meet the needs of PPH for Practitioner Services.

1.4 Personal Services; Absences. This Agreement is entered into by PPH in reliance on the professional and administrative skills of Group and its Practitioners. Except as otherwise provided in this Agreement, Group shall be solely responsible for performing Practitioner Services and otherwise fulfilling the terms of this Agreement; provided, however, that if Practitioner is temporarily unable to provide Practitioner Services due to illness, disability, continuing education responsibilities, or vacation, subject to the prior written approval of PPH Group may select a designee Physician to perform the duties of Practitioner in the Practitioner's absence. The designee shall meet all of the same qualifications as specified herein for Practitioner and Practitioner shall ensure that any such designated replacement meets any and all qualifications, obligations and requirements of Practitioner under this Agreement. Group shall be solely responsible for compensating and making any tax filings or withholdings with respect to any designated replacement providing Practitioner Services on Practitioner's behalf. If the length of Practitioner's absence is anticipated by PPH to be or actually is longer than sixty (60)

**PALOMAR POMERADO HEALTH
PROFESSIONAL SERVICES AGREEMENT
EMERGENCY SERVICES**

TO: Board of Directors
MEETING DATE: Monday, December 17, 2007
FROM: Board Finance Committee
Tuesday, December 4, 2007
BY: Kim Colonnelli, RN, SLA for Emergency, Trauma & Forensics

BACKGROUND: California Emergency Physicians (CEP) provides exclusive Emergency professional services to Palomar Medical Center (PMC) and Pomerado Hospital (POM). CEP has provided services to PPH for a number of years and has been responsive to the medical staff and health district in meeting the clinical needs of its patients.

The medical director and group physicians have been supportive of operational efforts to streamline throughput and reduce door-to-provider times in both emergency departments.

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

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

BUDGET IMPACT: January 1, 2008 – December 31, 2012

STAFF RECOMMENDATION: Approval

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION: The Board Finance Committee recommends approval of the 5-year [January 1, 2008 through December 31, 2012] Professional Services and Medical Director Agreement with California Emergency Physicians for exclusive Emergency services 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	Professional Services and Medical Director Agreement
	AGREEMENT DATE	January 1, 2008
Exhibit C	PARTIES	California Emergency Physicians and PPH
	PURPOSE	To provide emergency services coverage at Palomar Medical Center and Pomerado Hospital.
Recitals, A	SCOPE OF SERVICES	Professional medical coverage 24 hours per day, 365 days per year at PMC and POM.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
8.1	TERM	January 1, 2008 through December 31, 2012 (five years)
	RENEWAL	None
8.2	TERMINATION	For cause as defined in the agreement
	COMPENSATION METHODOLOGY	None
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	EXCLUSIVITY	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES – EXPLAIN: Hospital based physician
	JUSTIFICATION	Required for the operation of the emergency department
	POSITION POSTED	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO Methodology & Response:
	ALTERNATIVES/IMPACT	N/A
	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 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

EMERGENCY DEPARTMENT AGREEMENT

THIS EMERGENCY DEPARTMENT AGREEMENT ("Agreement") is entered into and executed as of January 1, 2008 ("Effective Date"), by and between the PALOMAR POMERADO HEALTH, a local health care district organized pursuant to Division 23 of the California Health and Safety Code ("PPH"), and CALIFORNIA EMERGENCY PHYSICIANS, a California general partnership ("CEP"), with respect to the following facts:

RECITALS

- A. PPH is the owner and operator of two general acute care hospitals, Palomar Medical Center, located at 555 East Valley Parkway, Escondido, California ("Palomar") and Pomerado Hospital, located at 15615 Pomerado Road, Poway, California ("Pomerado"). (Palomar and Pomerado are sometimes collectively referred to herein as ("Hospital.") As part of each Hospital's facilities, PPH operates an emergency department (collectively, "Department") which provides basic emergency medical services to patients of each Hospital and a 23-hour observation unit.
- B. CEP is a California general partnership duly organized and qualified to practice medicine under the laws of the State of California, whose physician providers are duly qualified and licensed to practice medicine in the State of California and are experienced in the operation of emergency room facilities and the rendition of emergency medical care.
- C. CEP administers a residency program within the Department which is affiliated with the Regents of the University of California (the "Residency Program").
- D. PPH desires to retain CEP as an independent contractor to provide, on an exclusive basis through its Physicians, certain administrative services and professional medical services in the operation of the Department and has determined that this proposed arrangement with CEP will enhance the Department's and Hospital's organization, procedure standardization, economic efficiency, professional proficiency, and provide other benefits to enhance coordination and cooperation among the Department's providers and users.
- E. In recognition of the valuable contribution that the Residency Program makes to PPH's patient care and educational objectives, and as payment for the costs associated with administering the Residency Program, PPH desires to compensate CEP for the administrative services that CEP has provided and will continue to provide in connection with the Residency Program.
- F. PPH and CEP acknowledge and agree that this Agreement shall supercede the agreements previously entered into by the parties for the provision of administrative services and professional medical services in the Department.
- G. It is the intent of both Hospital and CEP 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.

- H. The parties to this Agreement desire to enter into this Agreement in order to provide a full statement of their respective responsibilities in connection with the operation of the Department during the term hereof.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises contained herein, the parties agree as follows:

1. Hospital Responsibilities.

1.1 During the term hereof, Hospital shall make available for the use of the Department the space now occupied by the Department or such space that Hospital in the future deems necessary for the proper and efficient operation of the Department. Hospital shall also furnish to CEP a room in which its physicians may rest or sleep when their services are not otherwise required.

1.2 Hospital shall, within the limits of its Department budget, provide for use in the Department, such equipment, furniture and fixtures as Hospital, after consultation with CEP, deems reasonably necessary for the proper and efficient operation of the Department. CEP acknowledges that the equipment presently available in the Department is adequate for its purposes. Hospital shall maintain such equipment in good working order and repair. The Medical Director (defined below) shall advise Hospital of needed repairs observed by CEP's physicians.

1.3 Hospital shall, within the limits of its Department budget, provide the Department with ordinary utilities and services, including janitor, in-house mail service, laundry, electricity, gas, telephone, water, heat and air-conditioning, together with drugs and expendable supplies, as Hospital, after consultation with CEP, deems reasonably necessary for the proper and efficient operation and conduct of the Department.

1.4 Hospital will be responsible for employing nurses, administrative and other non-physician support personnel necessary, in Hospital's judgment, for the proper and efficient operation of the Department, and will be solely responsible for the salaries and all fringe benefits to which such personnel may be entitled as employees of Hospital and for all related employer's payroll taxes and workers' compensation coverage; provided, however, that Hospital may consult with the Medical Director in the hiring, retention and termination of such personnel.

1.5 Hospital will provide electronic documentation linked to the electronic medical record and the appropriate training thereof for use by CEP within 4 months of implementation date. CEP will partner with Hospital in effective implementation and 100% use by the Group of the electronic documentation system Upon successful installation of an

**PALOMAR POMERADO HEALTH
ADULT MEDICINE AND SKILLED NURSING FACILITY
HOSPITALIST SERVICE AGREEMENT**

TO: Board of Directors

MEETING DATE: Monday, December 17, 2007

FROM: Board Finance Committee
Tuesday, December 4, 2007

BY: Gerald Bracht, Chief Administrative Officer

BACKGROUND: Neighborhood Healthcare, has provided adult medicine hospitalist services on a 24/7 basis to PPH since 1999 and Skilled Nursing Facility coverage since 2005. The physicians providing coverage under the agreement are well respected by both the medical and hospital staff. Additionally, these physicians serve on multiple hospital committees in support of initiatives to improve patient safety and care and overall operational efficiency.

Compensation was based on an independent fair market survey of comparable programs in the region and provides for competitive salaries to assure the ability to recruit qualified physicians for the service.

Terms of this agreement place certain compensation at risk to be paid as a result of achieving pre-defined quality metrics. The pool of at-risk dollars grows over the term of the agreement, funded from a portion of the annual inflation increase provided for under the agreement.

This agreement represents an extension of the existing relationship for an additional three-year period.

BUDGET IMPACT: No Budget Impact.

STAFF RECOMMENDATION: Approval.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION: The Board Finance Committee recommends approval of the three-year [January 1, 2008 through December 31, 2010] extension of the agreement with Neighborhood Healthcare for hospitalist services and Skilled Nursing Facility coverage.

Motion: X

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
Preamble	TITLE	Adult Medicine and Skilled Nursing Facility Hospitalist Service Agreement
Preamble	AGREEMENT DATE	November 1, 2007
Preamble	PARTIES	1) PPH 2) Neighborhood Healthcare
Recitals D	PURPOSE	To provide adult medicine hospitalist services and Skilled Nursing Facility rounding services.
Section 1	SCOPE OF SERVICES	Medicine on-call and rounding professional services for unassigned patients at PPH hospitals and rounding for patients of PPH Skilled Nursing Facilities.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary Extension of current agreement
4.1	TERM	January 1, 2008 through December 31, 2010
	RENEWAL	None
4.2.1.1 4.2.2	TERMINATION	- Either party may terminate with 90 days written notice. - Either party may terminate immediately for cause as defined in the agreement.
3.1 3.1.2	COMPENSATION METHODOLOGY	Monthly stipend and incentive compensation
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO - IMPACT:
	EXCLUSIVITY	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	Required adult medicine on-call coverage for the emergency room and regulatory requirement to provide medicine rounding of skilled nursing patients.
	AGREEMENT NOTICED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – METHODOLOGY & RESPONSE: Announced at Medical Executive Committee of both hospitals
	ALTERNATIVES/IMPACT	Possible integration with a hospital intensivist service.
Exhibit B	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 Finance Committee <u>12/4/07</u> <input checked="" type="checkbox"/> BOD

**ADULT MEDICINE AND SKILLED NURSING FACILITY
HOSPITALIST SERVICE AGREEMENT**

between

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

and

**NEIGHBORHOOD HEALTHCARE
a California non-profit corporation**

November 1, 2007

**ADULT MEDICINE AND SKILLED NURSING FACILITY HOSPITALIST
SERVICE AGREEMENT**

THIS ADULT MEDICINE AND SKILLED NURSING FACILITY HOSPITALIST SERVICE AGREEMENT ("Agreement") is made and entered into effective November 1, 2007 by and between Palomar Pomerado Health, a local health care district organized pursuant to Division 23 of California Health and Safety Code ("PPH") and Neighborhood Healthcare, a California non-profit corporation ("NHC").

RECITALS

A. PPH is the owner and operator of Palomar Medical Center, a general acute care hospital, located at 555 East Valley Parkway, Escondido, California and Pomerado Hospital, located at 15615 Pomerado Road, Poway, California. PPH also owns and operates two Skilled Nursing Facilities, Palomar Continuing Care Center, at 1817 Avenida Del Diablo Escondido, California and Villa Pomerado, which is located on the Pomerado Hospital Campus ("Hospital"). Both Palomar Medical Center and Pomerado Hospital operate a fully licensed and qualified emergency room facility (the "Emergency Room").

B. Hospital operates an Adult medicine and Skilled Nursing Facilities Hospitalist Program ("Program").

C. NHC is a California nonprofit corporation duly organized and qualified to provide community clinic services under the laws of the state of California, whose physician providers are duly qualified and licensed to practice medicine in the State of California and experienced in the rendition of adult medicine, family practice and Skilled Nursing Facility care, and have or will obtain medical staff Skilled Nursing Facility and/or internal medicine privileges at Hospital.

D. In connection with the operation of the Program, Hospital must arrange for qualified physicians ("Covering Physicians") to be available to accept referrals from community physicians for adult medicine and Skilled Nursing Facility patients requiring admission to Hospital ("Adult medicine and Skilled Nursing Facility Hospitalist Services"). Program consists of facilities and equipment owned by Hospital and staffed by Hospital employees.

E. Hospital and NHC acknowledge and agree that this Agreement shall supercede the agreements, if any, previously entered into by the parties for the provision of Adult Medicine and Skilled Nursing Facility Hospitalist Services.

F. It is the intent of both Hospital and NHC that the terms and conditions of this Agreement, and the manner in which services are to be performed hereunder, fulfill and comply with all requirements of any applicable "safe harbor" or exception to the

Stark regulations, 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.

A G R E E M E N T

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

1. NHC RESPONSIBILITIES

1.1 **Community Referrals:** Beginning November 1, 2007, NHC shall arrange for its employed or contracted physicians (hereinafter, the Covering Physicians) to (a) provide On-Call Services to the Emergency Department, 24 hours a day, seven days a week for adult medicine and Skilled Nursing Facility patients. As used in this Agreement, "On-Call Services" mean that a Covering Physician shall be available to provide emergency services (including consultation) to a patient when both (i) an Emergency Department physician on duty considers it necessary that a patient immediately receive the services of a Covering Physician and (ii) that patient is not already under the care of a physician who is available to admit or provide attending services at Hospital (an "Unassigned Patient"). If requested by the Emergency Department attending physician, the Covering Physician must be present in the Hospital or Emergency Department within thirty (30) minutes from the time of phone contact. Further, the Covering Physician shall provide or arrange for the provision of follow-up care or holding orders for any Emergency Department Unassigned Patient if the Covering Physician directly attended to the Unassigned Patient in the Emergency Department, or if the Covering Physician provided telephone consultation to the Emergency Department attending physician. Covering Physician or NHC are not obligated to follow-up other Emergency Department patients, but will see outpatient referrals from the Emergency Department in accordance with Covering Physician's insurance and office policies and with the Department of Medicine Rules and Regulations; (b) be available 24 hours a day, seven days a week to accept referrals from community physicians for Skilled Nursing Facility patients ("Patients") requiring admission to Hospital. Covering Physician will act as attending physician for such referred Patients and ensure regular communication with referring physician as to the status of Patients. Covering Physician shall return Patients to care of referring physician upon discharge from adult medicine and Skilled Nursing Facility hospitalist program.

1.2 **Adult Medicine and Skilled Nursing Facility Hospitalist Services:** NHC shall ensure the completion of Adult Medicine and Skilled Nursing Facility Hospitalist Services as outlined in Exhibit "A" attached hereto and made a part of this agreement..

**Purchase of a Share of VHA Stock by
Palomar Pomerado Health Foundation**

TO: Board of Directors

MEETING DATE: Monday, December 17, 2007

FROM: Board Finance Committee
Tuesday, December 4, 2007

BY: Robert A. Hemker, CFO

Background: VHA, Inc. ("VHA"), a group purchasing cooperative, has agreed to permit Palomar Pomerado Health Foundation (the "Foundation") to purchase a share (the "Share") of VHA stock. As a group purchasing cooperative, VHA facilitates the purchase of hospital equipment and supplies at reduced prices by its nonprofit hospital membership. If the Foundation were to purchase the Share, VHA would permit Palomar Pomerado Health ("PPH" or the "Foundation") to participate in the organization as if it were itself the shareholder.

The source of funding would be through a loan of funds by PPH to the Foundation, under terms and conditions to be negotiated.

Budget Impact: Line of credit to Foundation.

Staff Recommendation: At the Board Finance Committee meeting, staff recommended approval of the loan of funds by PPH to the Foundation to facilitate the purchase of the Share of VHA stock.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion: X

Individual Action:

Information:

Required Time:

SHD

FY2007 Incentive Compensation Outcome

TO: Board of Directors

MEETING DATE: Monday, December 17, 2007

FROM: Board Finance Committee
Tuesday, December 4, 2007

BY: Bob Hemker, Chief Financial Officer
Brenda Turner, Executive Director, Human Resources

BACKGROUND: The Palomar Pomerado Health incentive compensation plan is composed of three components: market, individual performance and organizational performance as approved by the Board of Directors. Annually, the outcomes of the Plan are reviewed to determine if the organizational performance component has been achieved and an award is to be made pursuant to the plan criteria. In summary, the component of the plan evaluated and discussed at the Board Finance Committee meeting is as follows:

Directors and Above

Organizational Performance Award –

- The EBITDA goal must be reached in order for an organizational performance award to be paid.
- If the EBITDA goal is reached, a 5% bonus will be paid.
- Four additional balanced scorecard domain goals will be established each year for the organization. One goal will be established in each of the following domain categories: quality, customer service, work force development and work place development.
- Each domain goal will have a threshold, target and maximum established for it. Threshold on each goal will be worth 1%, target will be worth 2% and maximum will be worth 3%.
- Total payment for accomplishment of domain goals may be 0-12%.
- Total potential organizational performance award would be 17% (5% financial, 3% for each of the domain goals or a total of 12%).
- The directors, executive directors/service line administrators and EMT members are all eligible for the same maximum 17% bonus for organizational performance.
- To be eligible for participation, individuals must be hired by January 1st of the year and must still be actively employed on the payout date.
- Estimated cost impact at time of adoption = \$1,247,000.

Front Line Staff through Manager

Organizational Performance Award –

- A lump sum of up to \$600 will be paid to all eligible employees when the EBITDA goal is obtained.
- The bonus will be based 1/3 on the achievement of the EBITDA goal (\$200), 1/3 on the department's achievement of their financial target (\$200) and 1/3 on a goal from one of the remaining organizational balanced scorecard domains (\$200).

FY2007 Incentive Compensation Outcome

- The balanced scorecard domains include quality, customer service, work force development and work place development. This goal will be determined by EMT at the beginning of each fiscal year and communicated to employees.
- To be eligible for organizational performance award, employees must:
 - be hired on or before 4/1 of each year,
 - be employed on the date of award,
 - have no written disciplinary actions during the fiscal year,
 - be in a full-time, part-time or per diem employment status. Per diems with over 1,000 worked will be eligible for the full bonus; per diems with 500-1,000 hours worked will be eligible for \$300 bonus (half); per diems with less than 500 hours worked are not eligible to participate.
- Estimated cost impact at time of adoption = \$1,162,000.

Management will present information for consideration in determining achievement of the Organizational Performance Award criteria at the meeting.

BUDGET IMPACT: \$2.2 million from Fiscal Year 2008 Operating Budget

STAFF RECOMMENDATION: At the Board HR Committee meeting on November 20, 2007, Staff recommended awarding PPH incentive compensation for FY2007 based on threshold performance level, and the Board HR Committee voted to recommend approval to the Board Finance Committee.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION: The Board Finance Committee recommends awarding PPH incentive compensation for FY2007 based on threshold performance level.

Motion: X

Individual Action:

Information:

Required Time:

Board Review of PPH Policies

TO: Board of Directors
MEETING DATE: December 17, 2007
FROM: Governance Committee Meeting December 7, 2007
BY: Jim Neal, Director Corporate Compliance & Integrity

BACKGROUND: Reviewed and approved revisions of current Board Policies listed below. In attendance were: Directors Nancy Bassette (Chair), Linda Greer, Bruce Krider, together with CEO, Michael Covert, Janine Sarti and Jim Neal. Board approval is sought.

Policies for approval:

- GOV-01 Access by the Board to District Records
- GOV-04 Confidentiality Statement
- GOV-06 Governing Body Orientation
- GOV-10 Effects of Abstentions
- GOV-15 Governance
- GOV-30 Succession Planning Policy
- HR-04 Total Compensation
- HR-05 Employee Relations
- QLT-07 EMTALA: Non-Physician Medical Screening Exam for OB Patients
- QLT-23 Discharge Policy (Home Health)
- QLT-27 Medical Supervision (Home Health)
- QLT-32 Medical Supervision (Home Health)
- GOV-23 Naming Policy

BUDGET IMPACT: None

STAFF RECOMMENDATIONS: Staff Recommended approval

COMMITTEE RECOMMENDATION: Board approval requested for the above listed revised and new policies.

Motion: X

Individual Action:

Information:

Fourth-Quarter and New Review of Policies **Implementing the Annual Review Cycle**

December 17, 2007

As of this date PPH is **not** current with the Policy Review Cycle. The following policies are still being updated and reviewed. **This report meets the reporting requirements of GOV-15:**

FIN-13, Physician Recruitment and Retention, has undergone review and change in support of STARK III and now has been resubmitted to legal for update under the new Physician Respective Payment System which just came out. Upon completion of changes by legal, this policy will have to go to the Board Finance Committee for approval then to Governance. This report meets the reporting requirements of GOV-15

FIN-10 Charity Care, is currently being updated to include the requirements of AB 774. Upon completion this policy must be reviewed and approved by the Board Finance Committee prior to submission to governance.

QLT-16 Patient and Family Education, is currently being updated to include joint commission requirements.

Quarterly Review Chart of Reviewed and Approved Policies.

GOV-01 Access by the Board to District Records

Change Summary: Corrected typographical error and in Paragraph III.A.2: Change the name to "Executive Assistant to the Board" from "Secretary to the Board"

GOV-04 Confidentiality Statement

Change Summary: No changes.

GOV-06 Governing Body Orientation

Change Summary: No changes.

GOV-10 Effects of Abstentions

Change Summary: No changes.

GOV-15 Governance

Change Summary: No changes.

GOV-30 Succession Planning Policy

Change Summary: This is a total rewrite of the policy.

HR-04 Total Compensation

Change Summary: No changes.

HR-05 Employee Relations

Change Summary: No changes.

OLT-07 EMTALA: Non-Physician Medical Screening Exam for OB Patients

Change Summery: No changes.

OLT-23 Discharge Policy (Home Health)

Change Summery: No changes.

OLT-27 Medical Supervision (Home Health)

Change Summery: The following change was made to provide clarification regarding physicians having a California license to refer patients. Underlined section was added.

III. TEXT/STANDARDS OF PRACTICE:

- A. Palomar Pomerado Home Care (PPHC) clinical staff will administer medications and treatments only under physician orders. The physician must have a valid California license. If a referral is received from an out of state practioner, the patient will be contacted and offered as an option the PPH physician's referral line. The one permitted exception to this requirement is for patients who have orders from military practitioners that do not have a California license (see Admission Criteria Outpatient). All physician orders taken over the phone must be "read back" to validate the order

OLT-32 Medical Supervision (Home Health)

Change Summery: No changes.

New Policies for Review

GOV-23 Naming Policy

Change Summery: No changes, new policy.

Policy	Title	Revue Cycle	Quarter Year of Review	Current Approval Date	Comments
GOV-05	Oath of Office	3 years	1-2007	11/20/06	Approved
GOV-11	Membership Organizations and Board Representations	3 years	1-2007	11/20/06	Approved
HR-02	Equal Employment Opportunity	3 years	1-2007	11/20/06	Approved
FIN-02	Annual Financial Audit	3 years	1-2007	11/20/06	Approved
FIN-03	PPH Credit Cards	3 years	1-2007	11/20/06	Approved
QLT-02	EMTALA Emergency Situations Outside the Hospital	3 years	1-2007	7/17/06	Approved
QLT-14	Nursing - Chief Nursing Executive	2 years	1-2007	3/12/07	Approved
GOV-02	Organizations By Laws	3 years	1-2007	3/12/07	Approved
FIN-13	Physician Recruitment and Retention	1 year	2-2007	11/20/06	Approved. Change required by change in By-Laws
QLT-05	EMTALA: Medical Screening Policy	1 year	2-2007	6/16/05	Review by legal
QLT-09	Provision of Care: Treatment and Service	2 years	2-2007	6/11/07	Approved
QLT-17	Performance Improvement	2 years	2-2007	4/16/07	Approved
QLT-18	Patient Rights and Ethics	2 years	2-2007	6/11/07	Approved
QLT-19	Medication Management	3 years	2-2007	6/11/07	Approved
FIN-01	Annual Budget Approval	3 years	3-2007		
FIN-12	Expenditure and Requisition Approval Authority	3 years	3-2007		Returned for finance committee review
QLT-06	EMTALA: Reporting Violations	3 years	3-2007		Returned for finance committee review
QLT-08	EMTALA: Transfer Policy	2 years	3-2007	9/17/07	Approved
QLT-11	Infection Control	2 years	3-2007	9/17/07	Approved
QLT-12	Information Management	2 years	3-2007	9/17/07	Approved
QLT-13	Medical Staff	2 years	3-2007	9/17/07	Approved
QLT-20	Admission Criteria: Home Health	2 years	3-2007	9/17/07	Approved
QLT-22	Clinical Records: Home Health	1 year	3-2007	9/17/07	Approved
QLT-25	Emergency Care - Disaster Preparedness: Home Health	1 year	3-2007	9/17/07	Approved
QLT-30	Personnel qualifications and Competency: Home Health	1 year	3-2007	9/17/07	Approved
QLT-31	Plan of Care - Plan of treatment: Home Health	1 year	3-2007	9/17/07	Approved
QLT-33	Reassessment Policy: Home Health	1 year	3-2007	9/17/07	Approved
GOV-01	Access by Board to PPH records	1 year	3-2007	9/17/07	Approved
GOV-04	Confidentiality Statement	3 years	4-2007		
GOV-06	Governing Body Orientation	3 years	4-2007		
GOV-10	Affairs of Absenteeism	1 year	4-2007		
GOV-15	Governance was HR	3 years	4-2007		
HR-04	Total Compensation	1 year	4-2007		
HR-05	Employee Relations	3 years	4-2007		
HR-11	Service Awards for Board Members	3 years	4-2007		
FIN-10	Charity Care	3 year	4-2007		
OI T-07	EMTALA: Non Position Medical Screen Exam for OB Patients	1 year	4-2007		
QLT-16	Patient and Family Education	2 years	4-2007		

Q1.1-23	Discharge Policy: Home Health	1 year	4 - 2007		
Q1.1-27	Medical Supervision: Home Health	1 year	4 - 2007		
Q1.1-32	Professional Advisory Committee - Program Evaluation: Home Health	1 year	4 - 2007		

**PALOMAR POMERADO HEALTH
BOARD POLICY**

GOV-01

ACCESS BY BOARD TO DISTRICT RECORDS

November, 2007

Change Summery

1. Reviewed the current Government Code § 1098 and Administrative Code § 18702 and 18702.2 for compliance.
2. Corrected typographical error.
3. Paragraph III.A.2: Change the name to "Executive Assistant to the Board" from "Secretary to the Board"

I. PURPOSE:

To provide guidelines to clarify and standardize the process by which Board members obtain District Records.

II. DEFINITIONS:

For purposes of these Guidelines, "Records" means any document or other recorded medium containing information relating to the conduct of the business of the District prepared, owned, used or retained by the District, regardless of physical form or characteristics of such document.

III. TEXT / STANDARDS OF PRACTICE:

- A. Any Board member requesting Records shall make such request to the District's President/CEO or designee, who shall process such request as expeditiously as reasonably possible, pursuant to these Guidelines. The President/CEO or designee shall notify the Chairperson of the Board of all Board member requests for Records. Exceptions to this rule are as follows:
1. Committee chairpersons may request Records from the administrative staff member responsible for that committee. The staff member shall notify the President/CEO of all such requests.
 2. Board officers may request Records from the administrative staff member responsible for functions pertinent to the officer's duties. For example, the Treasurer may request records from the Chief Financial Officer and the Secretary may request Records from the Executive Assistant Secretary to the Board. The staff member shall notify the President/CEO of all such requests.
- B. If a report or other information is requested by a Board member pursuant to paragraph A above and such report or information is not otherwise being prepared for the Board or a Board committee all other Board members shall be provided a copy of the report at the same time as it is provided to the requesting Board member.
- C. No Boardmember shall use District Records in violation of Government Code Section 1098.
- D. All Boardmembers shall execute a Confidentiality Statement (GOV-04).
- E. In the event of a violation of these Guidelines or the Confidentiality Statement by any Board member, he/she may be subject to public censure following a hearing before the Board.
- F. Nothing in this policy shall be construed to impair the right of any Board member to obtain or adequately review Records relevant to the performance of his/her duties under the Local Hospital District Law or any other provision of law.
- G. Any questions concerning these Guidelines shall be resolved by the Board.
- H. This policy will be reviewed and updated as required or at least every three years.

IV. ADDENDUM:

Type your addenda here.

V. DOCUMENT / PUBLICATION HISTORY:

Original Document Date: 2/94
Reviewed: 4/95; 1/99; 1/05
Revision Number: 1 Dated: 1/20/05
Document Owner: Michael Covert
Authorized Promulgating Officers: Marcelo R. Revera, Chairman

IV. CROSS REFERENCE DOCUMENTS:

Prior to 2005, this policy was Board Policy 10-100

**PALOMAR POMERADO HEALTH
BOARD POLICY**

GOV-04

CONFIDENTIALITY STATEMENT

November, 2007

25

Change Summery

1. Reviewed the current Health and Safety Code § 32150, and 32121 - 32138; Business and Professions Code § 809 - 809.9; and the 2005 JCAHO "Hospital Accreditation Standards" for compliance.
2. No changes required

Palomar Pomerado Health

PALOMAR
POMERADO
HEALTH

Confidentiality Statement

Policy

Policies, BOD only

GOV-04

(Rev 1) Official

Applicable to:
All PPH Entities - 00

Affected Departments:
All Departments
Board of Directors

I. PURPOSE:

To provide a standardized statement form to be signed by Board directors in recognition of a director's frequent access to private or confidential information and the need to maintain confidentiality.

II. DEFINITIONS:

- A. PHI is "Protected Health Information" and covers any paper documentation containing information on a patient's treatment.
- B. EPHI is the same information in an electronic media such as computer hard drive or email.

III. TEXT / STANDARDS OF PRACTICE:

- A. Confidential information is to be accessed and used only in an official capacity as an elected official.
- B. The following "Confidentiality Statement" will to be signed by all Board directors:

IV. ADDENDUM:

CONFIDENTIALITY STATEMENT

QUALITY MANAGEMENT

I recognize that effective peer review and quality management cannot be achieved unless the confidentiality of all discussions, deliberations, records and other information generated in connection with these activities is maintained. I recognize that such confidentiality ensures the candid participation of staff members in these activities that are critically important for the evaluation and improvement of the quality of care rendered throughout the Palomar Pomerado Health (PPH). I agree to respect and maintain the confidentiality of all discussions, deliberations, records and information related to these activities. I agree not to disclose voluntarily any such information to anyone except to persons authorized to receive the information in the conduct or peer review affairs or the PPH Board of Directors.

PATIENT INFORMATION

I acknowledge that I may have access to private and confidential information about all patients who have been are, or will be care for by PPH facilities. I agree to treat such information as confidential and will not disclose it to any other party except as necessary for the performance of my duties. I understand that I must implement, maintain and use appropriate administrative, technical and physical safeguards, in compliance with Federal HIPAA regulations and state law to prevent use or disclosure of PHI and EPHI other than as required by law. I understand that any access to computerized data granted to me by PPH is solely for my use in my capacity as a member of the Board of Directors. I understand that the combination of my "user ID" (initials) and password to access the computer constitutes my electronic signature. I understand that I am NOT to grant access to any other individual to PPH computerized information by divulging my password. In the event that I feel that my password has been compromised, I will immediately notify the appropriate administrative personnel to obtain a new password.

CONSEQUENCES OF VIOLATIONS

I understand that PPH is entitled to undertake such action as deemed appropriate to ensure that the

Am

confidentiality of medical staff, patient and employee information is preserved. In an ever in doubt about the confidential status of any item of information, I agree to consult PPH Administration for clarification and agree to follow their findings. I understand and acknowledge that any breach of this agreement or threatened breach may subject me to disciplinary action.

Director's Signature

Date

This policy will be reviewed and updated as required or at least every three years.

IV. DOCUMENT / PUBLICATION HISTORY:

Original Document Date: 1/92
Reviewed: 4/95; 1/99;
Revision Number: 1 Dated: 1/20/05
Document Owner: Michael Covert
Authorized Promulgating Officers: Marcelo R. Rivera, Chairman

VI. CROSS REFERENCE DOCUMENTS:

Prior to 2005, this policy was Board Policy 10-105

V. DOCUMENT / PUBLICATION HISTORY: (template)

Revision Number	Effective Date	Document Owner at Publication	Description
(this version) 1	01/20/2005	James Neal, Director of Corporate Integrity	Original Document Date: 1/92 Reviewed: 4/95; 1/99; Revision Number: 1 Dated: 1/20/05 Document Owner: Michael Covert Authorized Promulgating Officers: Marcelo R. Rivera, Chairman

Authorized Promulgating Officers: (01/20/2005) James Neal, Director of Corporate Integrity
(01/20/2005) Dr. Marcelo R Rivera, Director, PPH Board

VI. CROSS-REFERENCE DOCUMENTS:(template)

Reference Type	Title	Notes
Referenced Documents	Prior to 2005, this policy was Board Policy 10-105	

Paper copies of this document may not be current and should not be relied on for official purposes. The current version is in Lucidoc at

[http://www.lucidoc.com/cgi.doc/gw/plr/cf/pphealth/21799\\$1/frame/DOC/BODY](http://www.lucidoc.com/cgi.doc/gw/plr/cf/pphealth/21799$1/frame/DOC/BODY)

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**PALOMAR POMERADO HEALTH
BOARD POLICY**

GOV-06

GOVERNING BODY ORIENTATION

November, 2007

Change Summery

1. Reviewed Government Code §11146.
2. Removed the reference to the PMC and POM Auxiliary bylaws. These bylaws no longer exist as the Auxiliaries are now departments within PPH. (Item III.A.4.n and o) reality but ties this section.
3. There are no other changes to this policy.

I. PURPOSE:

To establish policy, to maintain patient care; and to provide for institutional management and planning in accordance with the standards of the Joint Commission on Accreditation of Health Care Organizations and with the laws of the State of California.

II. DEFINITIONS:

None

III. TEXT / OF PRACTICE:

A. Consistent with the desire of the Board of Directors to fully understand and fulfill their responsibilities to the residents of the Palomar Pomerado Health it shall be incumbent upon the administrative staff of the District to formulate and provide an orientation program for all newly elected or appointments of the Board. Such program shall include, but not be limited to, the following components:

1. Administration of the oath of office.
2. Provision and obtaining of signatures on Confidentiality Statements and Statements of Economic Interests.
3. Copies of board and committee meeting minutes for the previous three-month period.
4. Board of Directors Handbook containing:
 - a. Board of Directors, Members;
 - b. Board of Directors, Committee Members;
 - c. Board of Directors, Calendar of Events;
 - d. Board of Directors, Organizational Chart;
 - e. Local Healthcare District Law;
 - f. California Open Meeting Laws (Brown Act)
 - g. Open and Public (Users Guide, Brown Act);
 - h. PMC Medical Staff, Committees and Roster;
 - i. PMC Medical Staff Bylaws;
 - j. POM Medical Staff, Committees and Roster;
 - k. POM Medical Staff Bylaws;
 - l. Palomar Pomerado North County Health Development Inc. Board Members;
 - m. Palomar Pomerado North County Health Development Inc. Bylaws;

n. POM Medical Staff Bylaws

0 POM Appendix B Law 2

- n. Board Members Position Description;
 - o. Parliamentary Procedures;
 - p. Healthcare Acronyms and Terms;
 - q. Citizens Guide to Special Districts in California.
5. Structured orientation meeting relative to governance and/or *boardsmanship*.
 6. Individual meetings with the C.E.O., Board Assistant, and members of the staff as determined by the C.E.O. or requested by a Board member.
 7. Facilities' tour.
 8. Subscriptions to *Trustee* and other publications that may be of interest or value.
 9. Information relative to programs on hospital governance when available.
 10. Meeting with the Compliance officer for Ethics Training required by Assembly Bill 1234 and Government Code §11146.

B. This policy will be reviewed and updated as required or at least every three years.

IV. DOCUMENT / PUBLICATION HISTORY:

Original Document Date: 2/94

Reviewed: 1/93; 2/94; 2/99; 1/05; 7/06

Revision Number: 1 Dated: 1/05

Document Owner: Michael Covert

Authorized Promulgating Officers: Marcelo R. Rivera, Chairman

VI. CROSS REFERENCE DOCUMENTS:

Prior to 2005 this policy was Board Policy 10-108

PALOMAR POMERADO HEALTH

BOARD POLICY

GOV-10

EFFECTS OF ABSTENTIONS

November, 2007

Change Summery

1. Reviewed the current Health and Safety Code § 32150, and 32121 -- 32138; Business and Professions Code § 809 -- 809.9; and the 2005 JCAHO "Hospital Accreditation Standards" for compliance.
2. No changes to this policy

Palomar Pomerado Health

PALOMAR
POMERADO
HEALTH

Policies, BOD only

Affects of Absenteeism

GOV-10

Policy

(Rev: 0) Official

Applicable to:
All PPH Entities - 00

Affected Departments:
All Departments
Board of Directors

I. PURPOSE:

Recognizing that the PPH Bylaws provide that an act of the majority of the board members present at a meeting (with a quorum present) is deemed to be an act of the board.

II. DEFINITIONS:

None.

III. TEXT / STANDARDS OF PRACTICE:

- A. As indicated in Roberts Rules of Order New Revised a vote is to be determined by a simple majority vote. If there are abstentions on a vote, the non-abstaining members of the Board must constitute a quorum of the whole board (four members or more) for the transaction of business. Except as otherwise provided by law or PPH Bylaws, the act of the majority of the non-abstaining Board members voting will be the majority vote
- B. If there is not a quorum of non-abstaining members of the Board to constitute a quorum of the whole board, abstaining members will be selected to vote on the issue by the drawing of straws.
- C. Board members are encouraged to express an opinion vote whenever possible.
- D. This policy will be reviewed and updated as required or at least every three years.

IV. ADDENDUM:

V. DOCUMENT / PUBLICATION HISTORY:

Original Document Date: 4/95
 Reviewed: 2/99; 1/05
 Revision Number: 1 Dated: 1/20/05
 Document Owner: Michael Covert
 Authorized Promulgating Officers: Marcelo R. Rivera, Chairman

VI. CROSS REFERENCE DOCUMENTS:

Prior to 2005, this policy was Board Policy 10-114

V. DOCUMENT / PUBLICATION HISTORY: (template)

Revision Number	Effective Date	Document Owner at Publication	Description
(this version)	12/04/2006	James Neal, Director of Corporate Integrity	

Original Document Date: 4/95

Reviewed: 2/99; 1/05

Revision Number: 1 Dated: 1/20/05

Document Owner: Michael

Covert

Authorized Promulgating
Officers: Marcelo R. Rivera,
Chairman

Authorized Promulgating Officers: (06/15/2006) James Neal, Director of Corporate Integrity
(12/04/2006) Dr. Marcelo R Rivera, Director, PPH Board

VI. CROSS-REFERENCE DOCUMENTS:(template)

Reference Type	Title	Notes
Source Documents	Prior to 2005 this policy was Board Policy 10-114	

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[http://www.lucidoc.com/cgi-bin/doc-gw.pl/ref/pphealth:20617/\\$0](http://www.lucidoc.com/cgi-bin/doc-gw.pl/ref/pphealth:20617/$0)

PALOMAR POMERADO HEALTH

BOARD POLICY

GOV-15

GOVERNANCE

November, 2007

Change Summery

1. Reviewed the current JCAHO Standards, Health and Safety Code; Government Code, Civil Code and Administrative Code for compliance.
2. There are no changes to this policy

Applicable to:

Affected Departments:

I. PURPOSE:

To describe the roles and responsibilities of the Board of Directors as they relate to establishing and meeting standards and regulations.

II. DEFINITIONS:

Type your definitions here.

III. TEXT / STANDARDS OF PRACTICE:

A. The Board of Directors will:

1. Establish bylaws for the governance of Palomar Pomerado Health addressing its Legal accountabilities and seeking appropriate consultations while maintaining responsibility to the patient population.
2. Select the Chief Executive Officer on a criteria based system.
3. Provide for appropriate medical staff participation in governance.
4. Delegate the responsibility of oversight, analysis, trending and performance improvement activities to the medical staff
5. Provide for compliance with applicable laws and regulations.
6. Provide for the collaboration of leadership in developing, reviewing and revising policies.
7. Provide policies to direct the facility's operations.
8. Provide sufficient resources to realize the system's mission, goals and objectives.
9. Provide for conflict resolution.
10. Identify lines of authority for key planning management and operations activities.
11. Provide for organizational management and planning.
12. Provide for coordination and integration among the districts leaders to maintain quality care and patient safety.
13. Annually evaluate facilities performance in relation to its vision, mission and goals.
14. This policy will be reviewed and updated as required or at least every three years

IV. ADDENDUM:

Type your addenda here.

V. DOCUMENT / PUBLICATION HISTORY: (template)

Revision Number	Effective Date	Document Owner at Publication	Description
(this version)	10/09/2007	James Neal, Director of Corporate Integrity	Review and update

VI. CROSS-REFERENCE DOCUMENTS:(template)

Reference Type	Title	Notes
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[http://www.lucidoc.com/cgi/doc-gw.pl/ref/pphhealth:26973\\$0](http://www.lucidoc.com/cgi/doc-gw.pl/ref/pphhealth:26973$0)

PALOMAR POMERADO HEALTH

BOARD POLICY

GOV-30

Succession Planning

December, 2007

Change Summery

1. Reviewed by Mr. Covert.
2. This policy is a total rewrite.

OLD POLICY

WITH

RESOLUTION

I. PURPOSE:

- A. The Board recognizes that it has a critical fiduciary responsibility to insure the continuity of Administrative leadership for the well-being and direction of the health district.
- B. It is, therefore, the policy of the Palomar Pomerado Health Board that it shall cause to be developed, maintained and updated on a regular basis, a formal succession plan in the event that the Chief Executive Officer position is vacated or the Chief Executive Officer is incapacitated (for an extended period of time) such that he/she is unable to perform his/her duties.

II. DEFINITIONS:

None

III. TEXT / OF PRACTICE:

- A. This plan should call for the provision of both interim and/or permanent leadership.
- B. The Board in the provision of the plan shall take into consideration the needs of the organization, constituencies served and the citizens of the district when putting this plan together. Specific leadership competencies will be identified and utilized as a basis for the recruitment and filling of the CEO position.
- C. Internal candidates that meet the criteria will be considered for the position, though the Board, it its sole discretion, may consider conducting an external search process in the recruitment for the CEO position.
- D. Members of the Board will confer with leadership of the Medical Staff(s) of the when determining the process and selection of candidates to fill the vacancy and in the makeup of any search committees established for the purposes of identification and selection of candidates.
- E. An annual review of the Succession Plan shall take place. The Chair of the Board will be accountable for seeing to it that such reviews occur and that when necessary, the plan is updated or changed to meet the needs of the District.
- F. This policy will be reviewed and updated as required or at least every three years.

IV. DOCUMENT / PUBLICATION HISTORY:

Original Document Date: 10/95

Reviewed:

Revision Number:

Document Owner: Michael Covert

Authorized Promulgating Officers: Marcelo R. Revera, Chairman

V. CROSS REFERENCE DOCUMENTS:

NEW POLICY

IN

LUCIDOC FORMAT

Palomar Pomerado Health
SUCCESSION PLANNING POLICY

I. PURPOSE:

- A. The Board of Directors of Palomar Pomerado Health believes that it is good business practice to promulgate and maintain a "Succession Plan" for its Chief Executive Officer and senior management leadership team. Therefore, it has adopted the following policy to assist the Board in the event of:
1. An immediate vacancy, unanticipated short-term or long-term caused by the death or extended disability of the Chief Executive Officer; or key member of the management team.
 2. An impending vacancy that will occur within several months caused by a notice of resignation.
 3. An anticipated vacancy from a long-term notice by the Chief Executive Officer or member of the senior management team due to resignation or retirement.
- B. The intent of this policy is to provide clarity to the transition process, with minimal disturbance to the performance and effectiveness of the Health District, subsidiaries and related organizations.
- C. It is the further intent of this policy to encourage and enhance the professional growth and development of the Leadership Team. This may take the form of guidance mentorship, consultation, support and outside educational programs.

II. DEFINITIONS:

None

III. TEXT / OR PRACTICE:

- A. It is the responsibility of the Chief Executive Officer of the District in consultation with the Board Chair to develop and maintain this plan; and to review such with the Board on an annual basis as part of the incumbent's performance evaluation.
- B. Chief Executive Officer incapacitation for more than thirty days but less than one year:
1. In the event of incapacitation of the Chief Executive Officer, the situation will be evaluated by the Chair and Vice-Chair of the Board in consultation with the Chiefs of Staff of Palomar Medical Center and Pomerado Hospital, and in turn, the full Board to determine the level of incapacitation and the need for the immediate appointment of an interim Chief Executive Officer.
 2. Appropriate arrangements will be made through the District's legal counsel and Chief Financial Officer for the interim Chief Executive Officer to have the necessary signing authority where required.

3. Further, a communications plan will be developed by the Board Chair in consultation with the Chief Marketing and Communications Officer to notify senior management, Board members, members of the Leadership Council, Medical Staff and others in regard to the temporary appointment should such need to be made.
4. At the appropriate time during the period of incapacitation, the Board Chair, in consultation with the Chief Human Resources Officer, will determine whether the incapacitation is temporary or permanent.
 - a. If temporary, the interim Chief Executive Officer will continue in that role until the determination is made that the Chief Executive Officer is in a position to resume his original role.
 - b. If permanent, the members of the Board will confer on the process to select and appoint a Search Committee to initiate the search for a new Chief Executive Officer.
5. Once a determination has been made, it will be the responsibility of the Board Chair to communicate the plan of action with the District leadership, medical staffs, auxiliaries, foundation, and employees the plan of action to be initiated in search of the new Chief Executive Officer. This may take the form of hot lines, special newsletters, e-mails, telephone calls, etc.
6. External audiences to be notified of the plan of action will include community and business leaders in the district, members of the press, affiliates and partners of PPH, including Kaiser Permanente, Children's Hospital, UCSD and social service agencies associated with the District.
7. During this period the Chief Marketing and Communications Officer will serve as the spokesperson for the District. All requests for information will be directed through this individual.
8. In the event of temporary incapacitation of the Chief Executive Officer, the following list identifies the positions and order that will be considered by the Board to fill the role for the period of the Chief Executive Officer's incapacitation.

Chief Financial Officer;

Chief Administrative Officer – Palomar Medical Center;

Chief Administrative Officer – Pomerado Hospital;

Chief Nurse Executive;

Other members of the senior leadership team.

C. Incapacitation of a member of the Executive Management Team.

1. The Chief Executive Officer will determine the level and extent of incapacitation of a member of the Executive Management Team in consultation with the Chief Human Resources Officer.
2. Should it be required that an interim Executive Management Team member be named, the Chief Executive Officer, after consultation with Board leadership, shall name an individual to fill the position.
3. The following table identifies positions that may be considered in filling key divisional roles:

Table 1

Position	Interim Officer
Chief Administrative Officer Palomar Medical Center	Chief Nurse Executive Chief Financial Officer Chief Administrative Officer, Pomerado Hospital
Chief Administrative Officer Pomerado Hospital	Chief Nurse Executive Chief Financial Officer Associate Chief Nursing Officer, Pomerado Hospital
Chief Financial Officer	Corporate Controller Director of Financial Planning
Chief Nurse Executive	Associate Chief Nursing Officer, Palomar Medical Center Associate Chief Nurse Executive, Pomerado Hospital Executive Director Nursing Education, Quality and Research Service Line Administrators Emergency, Trauma and Forensic Health Women's and Children's Services Peri-operative Services
Chief Outreach Officer	Service Line Administrator Rehabilitation Services Administrator SNF Services Administrator Escondido Surgery Center Service Line Administrator Behavioral Health Services
Chief Marketing and Communications Officer	Director Marketing, Palomar Medical Center Marketing Manager, Pomerado Hospital
Chief Human Resources Officer	Executive Director of Compensation/Benefits and Recruitment
Chief Informatics Officer	Director of System Applications Chief Medical Informatics Officer
Chief Quality Officer	Director of Quality and Case Management Services Chief Medical Quality Officer
Chief Fund Raising Officer	Senior Director of Individual Giving Director of Annual and Corporate Giving Director of Planned Giving

4. In the event that the Chief Executive Officer determines, during this period, that the incapacitation is permanent, he will initiate a formal search to replace the incumbent. This may take the form of naming the interim leader to the position or initiating a candidate search process to identify and select an individual for the position.

C. Impending Vacancy Caused By Resignation or Termination.

1. In the event of an impending vacancy in the Chief Executive Officer position, the Board shall meet as soon as practicable and initiate the following plan:
 - a. In order to ensure stability at the time of an immediate vacancy (within 30 days) an interim Chief Executive Officer will be named.
 - b. The Board, in consultation with the leadership of the medical staffs, shall determine whether the use of an outside management firm is appropriate or whether there is adequate internal leadership to assume responsibilities for the Chief Executive Officer.
 - c. It is anticipated that the chart of succession leadership (III.B.8 above) will be used as a basis for making this decision.
2. The Chair of the Board in consultation with the Vice-Chair, Treasurer and Chief Human Resources Officer will determine the level and extent of compensation (including any bonuses and/or benefits) to be paid to the individual assuming the interim Chief Executive Officer's role during the period in question.
3. Within 30 days of notification by the Chief Executive Officer of his impending resignation or retirement or in the event of termination, the Board of PPH shall form a Search Committee made up of a minimum of five and not more than eleven members; with the Chair to be named by the Chair of the Board of PPH.
4. Representation on the Search Committee will include but may not be limited to:
 - a. Members of the Health District Board;
 - b. Representation from the Medical Staff Leadership of Palomar Medical Center and Pomerado Hospital;
 - c. Representation from the Palomar Pomerado Health Foundation;
 - d. Community Leaders;
 - e. Auxiliaries;
 - f. Affiliated Partners;
 - g. Staff Members of PPH.
5. The role of the Search Committee will be to:
 - a. Manage the search process, including initiation of RFPs for selection of a search firm;
 - b. Interview and selection of a search firm, if appropriate;
 - c. Review and approve the Success Profile (job description/requirements) for the Chief Executive Officer position;

- i. Interview candidates and screen references;
 - ii. Recommend candidates to the PPH Board for approval.
6. The Search Committee will meet within two weeks of their appointment to begin the selection process. The Chief Human Resources Officer will serve as staff to the committee.
 7. Should the vacancy date be later than one year or longer, a Search Committee will be formed within six months of the Chief Executive Officer leaving the position to allow time for adequate selection of the incumbent's replacement and an effective transition to occur.
 8. The Chair of the Search Committee will make regular and timely reports to the Board on the progress of the search.
 9. Should the Chief Executive Officer be replacing a member of the senior management team, he will be expected to make regular reports to the Board and appropriate Board committees on the progress made to fill the position.

D. Palomar Pomerado Health President and Chief Executive Officer Job Description.

1. Reporting to the PPH District Board, the Chief Executive Officer is responsible for the strategic and day to day management of all programs, services and facilities of the Health District to effectively meet the health care needs of the citizens of the District, as defined in its mission and vision statement.
2. He/she is responsible for planning and goal development to ensure the effective stewardship and viability of the District, the organizational direction, control and use of resources and the effective management of staff to support and carry out the policies and directions of the Board.
3. The incumbent is further accountable for insuring that all necessary licensure, regulatory and accreditation requirements are met. He/she is responsible for developing and maintaining appropriate evaluation mechanisms to ensure the ongoing monitoring and improvement of the quality/safety of programs and services for PPH in conjunction with the medical staff leadership of the District.
4. He/she is accountable for the creation of a working environment that encourages best practice, ethical management, high levels of productivity and a focus on those to be served by the District.
5. Minimum education will be a Master's Degree in Health Care Administration or related field.
6. Minimum Experience is 7-10 years progressive position growth in a Health Care District or related entity with CIE credential or equivalent. Preferred Experience will be 10-15 years progressive growth with previous CEO experience as a Chief Executive Officer of a large hospital or health system and fellowship credential of ACHE or equivalent.
7. Skill Requirements are included as Attachment A.

E. Success Profiles for the Chief Executive Officer and Executive Management Team Member.

1. On an annual basis the Board and Chief Executive Officer will review and update the job description and requirements for the incumbent's position. The Chief Executive Officer will do the same with his Executive Management Team. Executive Management Team position descriptions will be kept on file in the Chief Executive Officer's office.
2. These job descriptions will be used as a basis for evaluating the performance of the leadership group and to identify areas for growth and development of the incumbents who hold these positions.

IV. DOCUMENT / PUBLICATION HISTORY:

Original Document Date: 3/94

Reviewed:

Revision Number:

Document Owner: Michael Covert

Authorized Promulgating Officers: Marcelo R. Rivera, Chairman

V. CROSS REFERENCE DOCUMENTS:

ATTACHMENT A

President and Chief Executive Officer Competencies and Basic Skills.

1. Healthcare Leadership Competencies will include but not limited to:
 - a. Ability to provide a clear sense of purpose, mission and direction for the organization and the ability to craft an effective vision for the District;
 - b. Ability to work in an effective and collaborative manner with Medical Staffs in the provision of clinical services to members of the District;
 - c. Ability to build a team oriented, open and positive culture. One that is receptive of change to meet the needs of those served throughout the District;
 - d. Ability to advocate with various constituency groups, on behalf of PPH, the health care needs of the citizens of the District and an ability to appreciate and work within the political environment;
 - e. Ability to effectively and efficiently manage large complex operations and systems and to build infrastructures to support such.
2. Basic Skills Required.
 - a. Strong knowledge and understanding of human relations and servant leadership skills, marketing and communications, information systems and technology development, quality improvement processes and systems; knowledge of philanthropy and experience in gaining philanthropic support;
 - b. Excellent visioning and measurement skills, strategic planning, goal setting and, an ability to be creative in the conception of new ideas and directions that can help develop the organization;
 - c. Financial management background and up-to-date experience in large organizations with a strong grounding and fundamental knowledge of healthcare finance and reimbursement;
 - d. Coalition and consensus building skills as well as excellent listening, teaching, communications (oral and written) and negotiation skills;
 - e. Excellent understanding of and effective management and support of Boards of Directors with particular experience in the public setting preferred;
 - f. An ability to model the organization's values and beliefs through his/her compassion for others;
 - g. Recognition of the importance of innovation and creativity, with particular emphasis on teamwork and trust building and a commitment to life-long learning and education.

- h. Demonstrated integrity, humility, selflessness and other behaviors, as personal attributes and a strong appreciation and understanding of the importance and need for recognition and appreciation of others;
- i. High level of maturity, self-confidence, patience and tolerance of diversity;
- j. Have an ability to effectively work in a dynamic and changing environment;
- k. An ability to make structure out of ambiguity and the capability to make decisions, recognizing and acting on the opportunities to fulfill the mission and goals of the health District;
- l. Flexibility in dealing with a broad range of interests in order to create "win-win" situations and build unity and support for achievement of the organizational goals;
- m. An ability to absorb and process a wide range of information as well as having excellent skills in multi-tasking and management of issues, challenges and opportunities;
- n. A high energy level and commitment to improving the quality, effectiveness and timeliness of the services provided by PPH.

3. General Skills Required

- a. Speak and read English at a level that is sufficient to satisfactorily perform the essential functions of the position.
- b. Excellent verbal and written communication with internal and external customers at all levels
- c. Well-organized, action-oriented; enjoys working in a fast-paced environment
- d. Open, direct, honest, respectful communicator
- e. Able to manage multiple projects simultaneously
- f. Embraces a culture of accountability and empowerment
- g. Demonstrates commitment to support PPH
- h. Demonstrated staff management
- i. Standard office equipment and personal computer with related hardware and software (i.e., Word, Excel PowerPoint, e-mail)
- j. Windows computer skills including proficient use of keyboarding, use of mouse or keys for functions such as selecting items, use of drop down menus, scroll bars, opening folders, copying and similar operations required upon employment or within the first two weeks of employment
- k. Travel between sites and to community events required

PALOMAR POMERADO HEALTH

BOARD POLICY

HR-04

Total Compensation

November, 2007

Change Summery

1. There were no changes to this policy.
2. Reviewed by HR Committee.

Total Compensation

Human Resources

HR-04

Pending Release(Rev: 2)

Applicable to:

Affected Departments:

I. PURPOSE:

To provide a basis for pay and benefit-related procedures and decision-making at Palomar Pomerado Health, including but not limited to base pay, overtime, premiums, bonuses, medical and other insured benefit plans, workers' compensation, unemployment compensation, personal time off, and other forms of pay and benefits that contribute to the total compensation of employees.

II. DEFINITIONS:

Total compensation-The result of combining the costs of all forms of pay and benefits. A principle used in designing compensation and benefit plans, in accurately calculating the dollar value of pay and benefits to employees, in making comparisons between competing organizations, and in budgeting.

Market-The organizations in a given geographic area that compete against each other for business and/or for employees. Markets may differ for different job classifications.

III. TEXT / STANDARDS OF PRACTICE:

The employees of PPH are its most valuable assets. Far from being a platitude, this is a financial fact, because there is no budget category that exceeds the cost of payroll and benefits. PPH considers this its most significant investment--an investment in people--and the dividend is fulfillment of the organization's mission to "heal, comfort, and promote health in the communities we serve."

On a proactive basis, PPH continually monitors compensation and benefits data for the market(s) appropriate for given job classifications and strives to achieve and maintain a competitive position in the market(s), to ensure that pay and benefits are fair, equitable, and sufficient to retain and recruit employees. Competing organizations differ in the way they construct their compensation and benefit plans and in the proportion of funds they allocate to each, so the most accurate comparison between organizations is often the total compensation they offer to employees in given job classifications.

Compensation and benefit costs are included in the fiscal year budget, approved by the PPH Board of Directors. These costs represent over half of the overall budget, and they must be carefully managed. The principle of total compensation applies to this budget. There are no separate funding sources for compensation or for benefits that would allow PPH to exceed budgeted expenditures for one without affecting the funds available for the other.

Compensation and benefits are highly regulated by the state and federal governments. PPH complies with all pertinent laws.

The Chief Human Resources Officer is designated by the PPH Board of Directors as the officer responsible for this policy, including system, procedure and program development, management, monitoring, and reporting on all compensation and benefit-related matters. Each member of the PPH management team--including supervisors, managers, directors, and executives--is responsible for complying with this policy and with contributing to its successful administration throughout PPH.

This policy will be reviewed and updated as required, or at least every three years.

IV. **ADDENDUM:**

V. **DOCUMENT / PUBLICATION HISTORY: (template)**

Revision Number	Effective Date	Document Owner at Publication	Description
2		Michael H. Covert, F.A.C.H.E., President + CEO	
1	12/17/2002	Gilbert Taylor, SVP	Original Version

VI.

Authorized Promulgating Officers: (unsigned) Michael H. Covert, F.A.C.H.E., President + CEO
(unsigned) James Neal, Director of Corporate Integrity
(unsigned) Dr. Marcelo R Rivera, Director, PPH Board

VI. **CROSS-REFERENCE DOCUMENTS:(template)**

Reference Type	Title	Notes
		<i>Paper copies of this document may not be current and should not be relied on for official purposes. The current version is in Lucidoc at http://www.lucidoc.com/cgi-bin/gis.pl/ref/pph/eth/1684.</i>

PALOMAR POMERADO HEALTH

BOARD POLICY

HR-05

Employee Relations

November, 2007

Change Summery

1. There were no changes to this policy.
2. Reviewed by HR Committee.

V. DOCUMENT / PUBLICATION HISTORY: (template)

Revision Number	Effective Date	Document Owner at Publication	Description
0		Michael H. Covert, F.A.C.H.E., President + CEO	Per Gil Taylor response on 7/22/04, there are no changes to this policy document than has been previously adopted by the BOD but not loaded as Official copy into Lucidoc. 1/20/05 Further revisions in preparation for JCAHO (title changes)

VI.

Authorized Promulgating Officers: (unsigned) Michael H. Covert, F.A.C.H.E., President + CEO
 (unsigned) James Neal, Director of Corporate Integrity
 (unsigned) Dr. Marcelo R Rivera, Director, PPH Board

VI. CROSS-REFERENCE DOCUMENTS:(template)

Reference Type	Title	Notes
Referenced Documents	Grievance	
<p><i>Paper copies of this document may not be current and should not be relied on for official purposes. The current version is in Lucidoc at http://www.lucidoc.com/cgi-bin/doc.cgi?ref_pph_mch_1.rvs</i></p>		

PALOMARPOMERADO HEALTH

BOARD POLICY

QLT-07

**EMTALA: Non-Physicians Medical Screen Exam for OB
Patients**

November, 2007

Non-Physician Medical Screening Exam for OB Patients

EMTALA

3634

(Rev: 1) Archive

Applicable to:

PMC - 20

POM - 30

Affected Departments:

Birth Center

Emergency Department

I. PURPOSE:

- A. To describe the mechanisms for non-physician medical screening examinations in order to assure PPH compliance with EMTALA regulations.
- B. It is the policy of PPH, as determined by the Board of Directors, that appropriately qualified personnel, other than physicians, and to be known as "designated screening professionals," may provide the medical screening examinations required by State and Federal law for obstetrics and gynecology patients consistent with this policy.
- C. This Policy is to be used in conjunction with the following PPH Policies: "EMTALA Compliance: Medical Screening," and "EMTALA Compliance: Transfer Policy."

II. DEFINITIONS:

A. Emergency Medical Condition means:

- 1. A medical condition manifesting itself by acute symptoms or sufficient severity such that the absence of prompt and appropriate medical attention could result in:
 - a. Placing the health or safety of the patient or unborn child in jeopardy;
 - b. Serious impairment to bodily functions; or
 - c. Serious dysfunction of any bodily organ or part.
- 2. The following conditions are declared to be emergency conditions by statute and regulation:
 - a. Pregnancy with contractions present when:

There is inadequate time to effect a safe transfer to another hospital before delivery; or the transfer may pose a threat to the health or safety of the woman or her unborn child.
 - b. Acute pain rising to the level of the general definition Emergency Medical Condition.
 - c. Psychiatric disturbances.
 - d. Symptoms of substance abuse, including alcohol.

B. Stabilized or to Stabilize means:

- 1. With respect to an Emergency Medical Condition:
 - a. That no material deterioration of the condition is likely, within reasonable medical probability, to result from or occur during the transfer of an individual from the facility; or
 - b. To provide such medical treatment of the condition as is necessary to assure, within reasonable medical probability that no material deterioration of the condition is likely to result from or occur during the transfer of the individual from the facility; or
- 2. With respect to a pregnant woman who is having contractions and who cannot be safely transferred, that the woman has delivered the child and the placenta.

C. Transfer Means:

The movement (including discharge) of an individual outside the facility at the direction of any person employed by (or affiliated or associated, directly or indirectly, with) the facility, but does not include such a movement of an individual who:

- 1. Has been declared dead. or
- 2. Leaves the facility without permission.

D. Contractions Present Means:

For the purposes of this policy, uterine contractions are deemed present when, over the period of observation, contractions of the uterus are present in a regular pattern of contractions seven (7) minutes apart or less. Patients with contractions present must be examined by a physician and may not be discharged unless the criteria specified in paragraph V. 12. are satisfied.

III. **TEXT / STANDARDS OF PRACTICE:**

Patients who present to the hospital in a condition of pregnancy and in excess of 20 weeks gestation may be seen in the Birth Center for evaluation and screening consistent with the existing policies of PPH.

- A. All pregnant women presenting to the Birth Center for care will receive a medical screening examination and assessment of labor when requested without discrimination and regardless of their ability to pay. A designated screening professional, i.e., a non-physician, is authorized to provide a medical screening on the basis of meeting the qualifications established by this policy/procedure and approved by the Medical Staff and the Board of Directors.
1. The designated screening professional shall be responsible for the initial evaluation of the patient. Following examination and assessment, the RN/Certified Nurse Midwife (CNM) will apprise the physician of the findings. Based on that evaluation a determination will be made on whether the patient shall be seen by the physician or, consistent with the provision of this policy and procedure, treatment and discharge with follow up instructions will be provided by the designated screening professional.

- B. A physician must be notified immediately to come to the hospital if any of the following conditions are present or develop:

1. Excessive vaginal bleeding.
2. Hyper-stimulation of the uterus.
3. Tetanic contraction.
4. Non-reassuring FHR.
5. Premature gestation with ruptured membranes.
6. Other serious complications of pregnancy.

Qualifications:

- C. A medical screening exam may be performed by an RN or CNM who meets the following qualifications:

1. Possess a valid California Nursing License.
2. Current NRP certification.
3. Successful completion of hospital & Birth Center orientation.
4. Successfully completed the annual competency validation.
5. Knowledge of the Standardized Procedure for OB medical screening exams.
6. Evidence of successful completion of electronic fetal monitoring class every two years.
7. RN experience in care of the laboring patient.

- D. Evaluation of the Medical Screening Nurse:

1. Initial Evaluation: Three charts will be audited within the first three months of the nurse performing the medical screening exam independently to verify compliance with Standardized Procedure.
2. On-Going Evaluation: One chart will be audited during the nurse's annual performance evaluation.

- E. Areas requiring increased proficiency, as determined by the initial or annual evaluation, will be re-evaluated by the clinical manager at appropriate intervals until acceptable skill level is achieved. Additional instruction and/or counseling will be implemented as appropriate.

Patient Evaluation:

Patients will be evaluated upon arrival to the Unit to obtain information necessary to classify the urgency of the patient's needs according to the following criteria:

F. CLASS I (Emergent):

Patients who are actively laboring or present with conditions requiring immediate evaluation and therapeutic intervention.

Examples: Vaginal bleeding (greater than a normal period, clots), seizure, active labor, pre-term labor.

G. CLASS II (Urgent):

Patient with conditions that do not require immediate intervention, but should be seen within 20 minutes.

Examples: Minimal vaginal bleeding, labor (coping well), vomiting, fever/chills, pre-eclampsia symptoms, abdominal pain - unknown etiology, decreased fetal movement.

H. CLASS III (Non-urgent):

Patients with presenting complaints that can be evaluated after 20 minutes.

Examples: ROM - not in labor, decreased FM -sent from MD office, pre-eclampsia symptoms-sent from MD office, cold symptoms (no fever or labor), UTI symptoms, sonogram, curettement, amniocentesis, incisional pain/discharge, ambulating patients, not in active labor.

I. All patients assigned to Classification Level I shall be immediately referred to a physician for further evaluation and treatment.

J. For patients assigned Classification II or III, the designated screening professional will initiate the medical screening examination as soon as possible after the patient's arrival to the unit. The exam shall include but not be limited to the following:

1. Chief complaint.
2. Physical, medical and psychosocial history
3. Review of the pre-natal record when available
4. Fetal heart assessment
5. Vital signs, including pain assessment
6. Vaginal exam, if not contraindicated.

K. Ongoing assessments and documentation will continue until disposition of the patient has been decided by the physician.

L. At any time the designated screening professional deems a physician examination to be necessary, the physician shall respond to personally evaluate the patient in a timely manner.

Resolution:

On completion of the medical screening examination the patient's physician will be informed of the medical screening exam finding:

M. If the patient's personal physician is unavailable and the patient has an obstetrical condition, the obstetrician on-call will be notified.

N. If it is a non-obstetrical condition the patient will be transported to the Emergency Department to be seen.

O. Admission, discharge or transfer orders shall be obtained from the physician.

1. Any patient discharged will be given written discharge instructions, which are signed, dated and timed by the RN providing the instructions. A copy will be placed on the patient's record.
 2. If the patient is to be transferred to another facility the procedure, follow the procedures in "EMTALA Compliance: Transfer Policy" document.
- P. Pertinent nursing observations and nursing care provided will be documented on the Outpatient Assessment Record and sent to Health Information Systems in a timely manner.
- Q. In the absence of a designated screening professional, all presenting patients will receive a medical screening by a physician.

IV. **ADDENDUM:**

V. **DOCUMENT / PUBLICATION HISTORY:**

The previous revision date is: 05/19/1998.

VI. **CROSS-REFERENCE DOCUMENTS:**

V. **DOCUMENT / PUBLICATION HISTORY: (template)**

Revision Number	Effective Date	Document Owner at Publication	Description
(Changes) 3	02/08/2007	Theresa M Scherl, Birth Center Nurse Manager	wording of procedure changed to reflect practice re: discharge instruction sheet. Update signature list
(Changes) 2	01/13/2004	Theresa M Scherl, Birth Center Nurse Manager	this document has been revised and was approved by IDP at PMC in 12/2004 and by IDP at POM on 2/16/2005.
(this version) 1	12/17/2001	Jane Frincke	The previous revision date is: 05/19/1998.

VI.

Authorized Promulgating Officers: (12/17/2001) George G. Gigliotti, Chairman

VI. **CROSS-REFERENCE DOCUMENTS:(template)**

Reference Type	Title	Notes
Source Documents		
JCAHO CAMH Standard	Patient Rights and Organization Ethics	
JCAHO CAMH Standard	Emergency Medicine Treatment/Active Labor Act	

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PALOMARPOMERADO HEALTH

BOARD POLICY

QLT-23

Discharge Policy

November, 2007

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Change Summery

1. There were no changes to this policy.
2. Reviewed by the appropriate Home Health Committee.

PALOMAR
POMERADO
HEALTH

Palomar Pomerado Health

Discharge Policy

Policies, HH only

QLT-23

Applicable to:
HH - 54

Affected Departments:

I. PURPOSE:

To ensure appropriate, timely discharge with provision for continuing care as needed.

II. DEFINITIONS:

- A. **Home Health Advance Beneficiary Notices (HHABNs)** advise beneficiaries, before items or services actually are furnished, when Medicare is likely to deny payment for them. ABNs allow beneficiaries to make informed consumer decisions about receiving items or services for which they may have to pay out-of-pocket and to be more active participants in their own health care treatment decisions.
- B. **Advance Notice ("Important Medicare message of non-coverage")** is a specific notification for patients covered by Medicare+ Choice Plans (M + C). This notice provides standardized information on a patient's appeal rights and instructions on how to initiate an appeal, if necessary.
- C. **The Center for Medicare and Medicaid Services (CMS)** is a Federal Agency with over-sight responsibility of the U.S. Department of Health and Human Services of the Medicare and Medicaid (Medi-Cal) program.

III. TEXT / STANDARDS OF PRACTICE:

- A. Patients/clients may be discharged from home care services based on any one of the following criteria:
1. Goals have been met.
 2. Certification has ended.
 3. Care provided is no longer reasonable and necessary.
 4. Death of the patient.
 5. The patient is no longer homebound if required by the payor.
 6. The patient does not require skilled nursing, physical therapy, speech therapy, or occupational therapy (Certified only).
 7. The patient is hospitalized and does not return to home care services within the 60 day certification period.
 8. The patient refuses services and/or requests discharge from services.
 9. The patient/client and/or caregiver are no longer available, willing and able to participate in the plan of care, comply with the therapeutic regimen and agree that the patient/client should receive care at home. If the patient requires shift care, there needs to be a family member or a trained and competent caregiver to assume care in the event the agency is unable to staff a shift.
 10. The agency no longer has adequate and qualified personnel and resources to provide the services required; this includes the ability to provide care to patients in all age groups and nationalities with language needs considered.
 11. For private duty shift care:
 - a. Physical facilities and resources in the patients home, school and/or community environments are no longer adequate for proper and safe care to the client and staff member.
 - b. The patient no longer has a family member or a trained and competent caregiver to assume care in the event the agency is unable to staff a shift.
 - c. The patient/family no longer agrees to keep privately owned medical and emergency equipment appropriately calibrated and maintained for safe and accurate delivery of nursing care.
 12. The home situation is inadequate for the safe care of the patients.
 13. The home situation is unsafe for agency staff
 14. The patient moves from the geographical area served by the agency

15. The physician fails to renew orders and orders cannot be obtained by a new primary physician (as applicable).
 16. The physician gives orders, which are not consistent with the stated diagnosis, and fails upon agency request to give needed orders.
 17. Payment sources are exhausted, and the agency is fiscally unable to provide free care.
 18. The service needed is not available from the agency.
 19. The agency is closing out a particular service or all of its services.
 20. Patient requests, and then signs a Home Health Advanced Beneficiary Notice (HHABN) requesting discharge.
- B. When discharge is appropriate the physician will be contacted to discuss same and to obtain orders (if applicable). Discharge planning will be initiated upon admission and continuing throughout care with patient/client/family involvement.
 - C. Instructions will be given regarding follow-up; referrals to other facilities, providers or community resources will be made as appropriate. A Home Health Advance Beneficiary Notice will be initiated if appropriate. *If the patient is covered by a Medicare+ Choice organization, the Home Health Agency is required by CMS to deliver a notice to the patient of termination of service no later than two days before the proposed end of service. This would typically be the second to the last approved scheduled visit.*
 - D. A discharge summary will be completed and placed in the patients /clients record, a copy will be sent to the physician upon request. The discharge summary will include the date and reason for discharge, referrals made to other agencies, a summary of care provided and the status of the patients/clients at the time of discharge, and the goals attained. Discharge OASIS survey, if applicable will be completed at the time of discharge by one of the following disciplines: Registered Nurse, Physical Therapist, Speech Therapist, and Occupational Therapist.
 - E. The patients chart will be audited and closed within 30 days of discharge. The chart will be stored in the department for a minimum of 3 months after discharge. During the 4th month they will be transferred to the Iron Mountain record Storage facility.

History:

- A. The previous revision dates are 5/21/01, 2/11/02, 8/27/03

IV. ADDENDUM:

V. DOCUMENT / PUBLICATION HISTORY: (template)

Revision Number	Effective Date	Document Owner at Publication	Description
(this version) 2	08/01/2005	Lucia A Nolan, Admin Partner Home Health	Removed Christine Greenstein's name from the list of authorized Promulgating Officers
(Changes)	02/11/2002	Elissa Hamilton	The previous revision date is: 05/25/01.

Authorized Promulgating Officers:

- (08/01/2005) Sheila Brown, RN, MBA, Chief Clinical Outreach Officer
- (07/15/2005) James Neal, Director of Corporate Integrity
- (07/17/2005) Dr. Marcelo R Rivera, Director, PPH Board

VI. CROSS-REFERENCE DOCUMENTS:(template)

Reference Type	Title	Notes
Source Documents	...	
Source Documents	...	
Source Documents	...	

Paper copies of this document may not be current and should not be relied on for official purposes. The current

PALOMAR POMERADO HEALTH

BOARD POLICY

QLT-27

Medical Supervision
Home Health

November, 2007

Change Summary

1. The following change was made to provide clarification regarding physicians having a California license to refer patients. Underlined section was added.

III. TEXT/STANDARDS OF PRACTICE:

- A. **Palomar Pomerado Home Care (PPHC) clinical staff will administer medications and treatments only under physician orders.** The physician must have a valid California license. If a referral is received from an out of state patient, the patient will be contacted and offered as an option the PPHC physician's referral line. The care permitted in violation to this requirement is for patients who have orders from military or veterans that do not have a California license (see address at Criteria Outpatient). **All physician orders taken over the phone must be "read back" to validate the order**

2. There were no other changes to this document. The document was reviewed by the appropriate committee.

Palomar Pomerado Health

Medical Supervision - Home Health

Policies, HH only

QLT-27

(Rev: 3) Official

Applicable to:
HH - 54Affected Departments:
Policies, HH only**I. PURPOSE:**

To assure services are provided under physician orders, to facilitate communication between the organization and physician offices, and to provide information to physicians regarding their responsibilities for medical supervision.

II. DEFINITIONS:

- A. **Plan of Treatment (POT)** is the typed documentation of the Plan of Care that is sent to the Physician for signature. It is also referred to as the '485'. It is the document that the Department of Health Services and Medicare Conditions of Participation refer to as the physician's plan of care.
- B. **Plan of Care (POC)** is the individual discipline care plan that is developed on admission and updated a minimum of every 60 days or as the patient's condition changes.
- C. **Hot Sheet** - A disciplinary summary reporting physician licensure status located at www.medbd.ca.gov/publications.htm
- D. **60-day Summary Report** provides a brief but comprehensive summary of the patient's status, progress, or regression to the physician for the certification period just ending.

III. TEXT/STANDARDS OF PRACTICE:

- A. Palomar Pomerado Home Care (PPHC) clinical staff will administer medications and treatments only under physician orders. All physician orders taken over the phone must be "read back" to validate the order.
- B. PPHC clinical staff are expected to contact physician upon patient's admission to home care services (under POT), whenever there is a change in the patient's/client's status, and upon discharge from services.
- C. PPHC will communicate any significant changes in patient condition, or instance of patient non-compliance to the physician. In addition, a written summary (60-Day Summary Report) will be provided to the physician no less than every 60 days.
- D. PPHC will be available to physicians or their staff at all times to answer questions or provide information about their patients. The physician will be available to organization staff at all times to respond to questions/orders for patient care.
- E. PPHC is committed to preserving patient confidentiality in all correspondence and requests the same of physicians and their staff.
- F. The physician will participate in the care planning process. Patient care follows an established plan of care that is periodically reviewed by a physician. The physician is available for emergency calls or will provide on-call back up for emergencies. In the event that a patient's regular physician or designee cannot be reached the PPHC Medical Director will be consulted.
- G. Phone orders shall be received by a licensed nurse or a person lawfully authorized to receive such orders as appropriate to their specialty areas. RN supervisors may receive physician orders for all disciplines. The Rehabilitation Lead may receive orders for PT, OT, ST and MSW intervention. When phone orders are received they must be documented in the patient/client progress note and verified by a "Written Confirmation of Physician's Order/Verbal Order." Any phone orders will be read back and documented (R.B. is an approved abbreviation for this purpose).
- H. Physician orders will be signed and returned to the agency within 30 working days.
- I. The physician's office will be informed of the requirement to notify the agency when patients are referred to other agencies or physicians when in relationship to the care provided by the agency.
- J. Palomar Pomerado Home Care will verify the licensure of any physician ordering treatments, procedures or medications for their home care patients.

1. If the physician is officially on the staff of either Palomar Hospital or Pomerado Hospital their licensure is verified by that hospital. Each hospital will provide to the home care department, on a quarterly basis, an updated physician roster. The roster will include a listing of physicians added to staff and of physicians deleted from staff.
2. If a physician is not on staff at either Palomar or Pomerado Hospital, the home care staff will verify licensure by contacting the State of California Medical board at [docboard.org/ca/df/casearch.htm](http://www.docboard.org/ca/df/casearch.htm) <<http://www.docboard.org/ca/df/casearch.htm>>
3. The "Hot Sheet" - a Disciplinary Summary will be monitored monthly for change of physician status.
4. An annual review will be done in January on all physicians servicing patients during the prior 12-month period.

IV. ADDENDUM:

V. DOCUMENT / PUBLICATION HISTORY: (template)

Revision Number	Effective Date	Document Owner at Publication	Description
(this version) 3	06/02/2006	Lucia A Nolan, Admin Partner Home Health	Added text. to sec III-A from admission criteria procedures Luc #10074. added additional text same section. myrna
(Changes) 2	09/28/2005	Lucia A Nolan, Admin Partner Home Health	Removed Christine Greenstein's name from the list of authorized Promulgating Officers
(Changes) 1	02/11/2002	Elissa Hamilton	The previous revision date is: 10/10/01.

Authorized Promulgating Officers:

- (10/24/2005) Sheila Brown, RN, MBA, Chief Clinical Outreach Officer
- (01/13/2006) Elissa Hamilton
- (03/23/2006) James Neal, Director of Corporate Integrity
- (06/02/2006) Dr. Marcelo R Rivera, Director, PPH Board

VI. CROSS-REFERENCE DOCUMENTS:(template)

Reference Type	Title	Notes
Referenced Documents	Admission Criteria Outpatient	
Referenced Documents	www.nmcb.ca.gov/publications.htm	
Source Documents	Care of Patients	
Source Documents	Continuation of Care	

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**PALOMAR POMERADO HEALTH
BOARD POLICY**

QLT-32

**Professional Advisory Committee – Program Evaluation
Home Health**

November, 2007

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Change Summery

1. There were no changes to this policy.
2. This policy was reviewed and approved by the appropriate Home Health Committee

PALOMAR
POMERADO
HEALTH

Palomar Pomerado Health

Professional Advisory Committee - Program Evaluation

Policy

Policies, HH only

QLT-32

(Rev. 2) Official

Applicable to:
HH - 54

Affected Departments:
Policies, HH only

I. PURPOSE:

The Professional Advisory Committee will establish, assess, and review agency policies governing scope of services provided. The evaluation assesses the extent to which the agency's program is appropriate, adequate, effective and efficient.

II. DEFINITIONS:

- A. Professional Advisory Committee is a group of committee members that include at least one physician and one registered nurse (preferably a public health nurse) and appropriate representation from all other professional disciplines. At least one member of the group is neither an owner nor employee of the agency. The Professional Advisory Committee advised the agency on health and financial issues, participates in the evaluation of the agency's programs, assists the agency in maintaining liaison with other health care providers in the community and in the agency's community information program, and participates in the agency's quality assessment and performance improvement program.
- B. *Agency means the "primary home health agency" that is responsible for the services furnished to patients and for implementation of the plan of care.*
- C. Appropriateness is the assurance that the area being evaluated addresses existing or potential problems.
- D. Adequacy is a determination as to whether the agency has the capacity to overcome or minimize existing or potential problems.
- E. Effectiveness determines that the services offered accomplish the objectives of the agency and anticipated patient outcomes.
- F. Efficiency determines whether there is a minimal expenditure of resources by the agency to achieve desired goals and anticipated patient outcomes.

III. TEXT / STANDARDS OF PRACTICE:

- A. The Professional Advisory Committee will meet a minimum of three times per year with one meeting designated as annual evaluation of the agency's program. The agency and Professional Advisory Committee will evaluate appropriateness and adequacy through a review of policies, procedures, protocols, and practices. Effectiveness will be determined through an outside review of patient satisfaction results, chart audit data, educational and training material, and patient infection control data. Efficiency will be determined through a financial analysis of the fiscal year, and utilization of resources.
- B. The director will preside as chairperson at all meetings. The Chief Clinical Outreach Officer participates in the committee meetings and maintains liaison among the PPH Board of Directors, the Professional Advisory Committee, and the home care staff and discusses recommendations with same. A secretary will record minutes of all meetings including documentation of recommendations, and notify members of meeting dates and times. In the absence of the chairperson, a designee shall preside over meetings. Membership in the committee shall be for the length of time agreed upon between the member and Palomar Pomerado Home Care. Membership may be terminated upon notice from either party. On issues requiring a vote, each member shall have one vote, with a simple majority ruling. Vacancies on the committee shall be filled by approval of the management team and/or other committee members.
- C. The committee establishes and annually reviews the agency's policies governing scope of services offered, admission and discharge policies, medical supervision and plan of care, emergency care, clinical records, personnel qualifications and program evaluation. As part of the evaluation process the policies and administrative practices of the agency are reviewed to determine the extent to which they promote patient care that is appropriate, adequate, effective and efficient.
- D. Collectively included in the Professional Advisory Committee responsibilities is the monitoring of the following functions and processes:
 - 1. Evaluation of the professional service program

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2. Advisement of the agency on professional issues.
 3. Establishment and annual review of the agency's policies governing:
 - a. scope of services offered
 - b. admission and discharge
 - c. medical supervision and plans of care
 - d. emergency care
 - e. clinical records
 - f. personnel qualifications and performance
 - g. program evaluation
 4. Assistance in maintaining liaison with other health care providers in the community.
 5. Participation in an overall evaluation of the agency's total program at least once a year.
 6. Assistance with agency's community information program.
 7. Participation in the agency's quality assessment and performance improvement program.
- E. At the annual evaluation, a committee member may present a summary report noting significant developments, changes and /or problems and highlight the adequacy, appropriateness, efficiency and effectiveness of the program or policies. An annual agenda will be developed to assure review of all of the required areas. The results of the evaluation and recommendations will be acted upon by those responsible for the operations of the agency. The annual evaluation will be maintained separately as an administrative record in a separate binder. The required areas to be reviewed are:
1. Organization
 2. Governing Body
 3. Professional Advisory Committee
 4. Annual Safety Education
 5. Human Resources
 6. Clinical Records
 7. Financial
 8. Risk Management
 9. Administrative Personnel
 10. Fiscal Budgets/Contracts
 11. Quality Mangement
 12. Patient Rights
 13. Policies

IV. ADDENDUM:

V. DOCUMENT / PUBLICATION HISTORY: (template)

Revision Number	Effective Date	Document Owner at Publication	Description
(this version) 2	08/01/2005	Lucia A Nolan, Admin Partner Home Health	Removed Christine Greenstein's name from the list of authorized Promulgating Officers
	02/11/2002	Elissa Hamilton	The previous revision date is: 10/10/01.

Authorized Promulgating Officers:

- (08/01/2005) Sheila Brown, RN, MBA, Chief Clinical Outreach Officer
- (07/15/2005) James Neal Director of Corporate Integrity
- (07/17/2005) Dr. Marcelo R Rivera, Director, PPH Board

VI. CROSS-REFERENCE DOCUMENTS:(template)

Reference Type
Source Documents

Title
Leadership and Management

Notes

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<https://www.lucidoc.com/cgi-bin/doc-gw.pl/ref/pphealth/11337>

PALOMAR POMERADO HEALTH

BOARD POLICY

GOV-23

NAMING POLICY

December, 2007

Change Summery

1. Reviewed local state and city laws and regulations.
2. This is a new policy

Palomar Pomerado Health

Facility Naming Policy

Policy Purpose: To provide named recognition to various components within the Palomar Pomerado Health District as a result of philanthropic contributions;

1. Palomar Pomerado Health (PPH) shall adhere to the following standardized procedures for naming buildings, rooms, public spaces, programs, awards, and scholarships;
2. Naming for new or unnamed buildings, building additions or for renaming existing buildings are subject to approval by the Palomar Pomerado Health District Board of Directors;
3. Naming or renaming of a room, part of a building, public space, program, scholarship or award is subject to approval by the President and CEO, PPH through written notification by the Chair of the Board, Palomar Pomerado Health Foundation;
4. The naming or renaming of a building, room, part of a building, public space, program, award or scholarship shall be considered in accordance with the following principle:
 - 1) That a significant or substantial donation is made to the Palomar Pomerado Health Foundation towards the cost of the naming opportunity as determined by PPH Foundation
5. Each proposal for naming in recognition of a gift shall be considered on it's own merit;
6. No more than one building, room, part of a building or public space on each campus site shall hold a similar name with the exception of a single named opportunity towards the entire Health System;
7. The naming of any entity within PPH should not conflict with "way finding"
8. Removing a name will be upon recommendation of the PPH President and CEO, the decision of the District Board in consultation with the Foundation Board of Directors. That decision should also include a conversation with the donor or if the donor is deceased with a family member or Trustee;
9. Naming opportunities for components are applicable for the duration of the useful life of the component;
10. In the exercise of its discretion, the PPH Board of Directors may waive any limitations contained in subsection 6;
11. In considering potential named components, the PPH District Board of Directors may consult the Foundation Board of Directors, PPH constituents and community groups;
12. For buildings a) located on PPH property and not owned by PPH or b) built cooperatively in partnership with another entity, the selection of a name shall be done in consultation with the

President and CEO of PPH and the partner;

13. The PPH District Board maintains the right to name in tribute buildings, rooms, public spaces, scholarship and awards in recognition of years of community service to PPH without consideration of a philanthropic gift.
14. The Palomar Pomerado Health Facility Naming Policy applies to all PPH facilities including but limited to: buildings, rooms, specific interior or exterior locations, real property and signage on any portion of any PPH facility. The Policy is also intended to provide named recognition for PPH programs scholarships and awards

MEDICAL STAFF SERVICES

PALOMAR
POMERADO
HEALTH

November 27, 2007

TO: Board of Directors
BOARD MEETING DATE: December 17, 2007
FROM: John J. Lilley, M.D., Chief of Staff
PMC Medical Staff Executive Committee
SUBJECT: Medical Staff Credentialing Recommendations

PALOMAR MEDICAL CENTER

- I. Provisional Appointment (12/17/2007 – 11/30/2009)
Nayan P. Desai, M.D., Neurology
Jamie G. Lien, M.D., Pediatrics
Mary E. Meyers, M.D., OB/GYN (OB Privileges Only)
Joseph B. Motamed, M.D., OB/GYN (OB Privileges Only)
David M. Plourd, M.D. OB/GYN (OB Privileges Only)
Adina G. Smarandache, M.D., Internal Medicine (Includes PCCC)
- II. Advance from Provisional to Active Status
Richard L. Austin, Jr., M.D., Anesthesia (12/17/2007 – 03/31/2008) (Includes ESC Reappointment)
Nguyen P. Tran, M.D., Family Practice (12/17/2007 – 04/30/2008)
- III. Advance from Provisional to Associate Status
Paul E. Kim, M.D., Pain Management (12/17/2007 – 10/31/2009) (Includes PCCC) (Includes ESC Reappointment)
- IV. Advance from Provisional to Courtesy Status
M. Bradley Silverman, M.D., OB/GYN (12/17/2007 – 08/31/2008)
- V. Additional Privileges
Alison A. Learn, M.D., Otolaryngology
 - Consultation and Admission of Patients
- VI. Leave of Absence
Kathleen P. Gates, M.D., Pediatrics (12/17/2007 – 11/30/2009)
Michael A. LaRocque, M.D., Urology (12/31/2007 – 12/31/2009) (Includes ESC)
- VII. Voluntary Resignations/Withdrawals
Jeffrey T. Ho, M.D., Physical Medicine & Rehab (Effective 12/31/2007)
Gregory F. Thomas, D.O., Orthopaedic Surgery (Effective 12/17/2007)
- VIII. Change to Retired Status
Lynn Sheffey, M.D., Family Practice (Effective 01/01/2008)

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 Grand Avenue
Escondido, CA 92025
Tel 760.480.6606
Fax 760.480.1288

- IX. Allied Health Professional Appointment (12/17/2007 – 11/30/2009)
 David A. Hustosky, P.A.-C., Physician Assistant; Sponsor: Dr. Cohen
 Barry E. McGinnis, Jr., P.A.-C., Physician Assistant; Sponsors: Kaiser Orthopaedic Surgeons (Includes ESC)
 Kalani K. Thomson, P.A.-C., Physician Assistant; Sponsors: Kaiser Orthopaedic Surgeons (Includes ESC)

- X. Allied Health Professional Withdrawal
 Rachel A. Christian, P.A.-C., Physician Assistant; Sponsors: CEP (Effective 11/13/2007)
 Joshua J. Del'Homme, P.A., Physician Assistant; Sponsor: Dr. Stern (Effective 07/31/2007)

- XI. Reappointments Effective 01/01/2008 – 12/31/2009
- | | | | |
|-----------------------------------|----------------------|-------------------------|------------|
| Erika Albani, M.D. | Family Practice | Dept of Family Practice | Associate |
| Philip C. Bosch, M.D. | Urology | Dept of Surgery | Active |
| (Includes PCCC and ESC) | | | |
| Donald B. Fuller, M.D. | Radiation Oncology | Dept of Radiology | Consulting |
| Bill C. Joswig, M.D. | Cardiology | Dept of Medicine | Courtesy |
| David M. Kaiden, M.D. | Family Practice | Dept of Family Practice | Active |
| Joseph M. Leeba, M.D. | Diagnostic Radiology | Dept of Radiology | Active |
| Gina J. Mansy, M.D. | Radiation Oncology | Dept of Radiology | Consulting |
| William D. McKown, M.D. | Pediatrics | Dept of Pediatrics | Courtesy |
| (Changed from Active to Courtesy) | | | |
| Arvin L. Mirow, M.D. | Psychiatry | Dept of Medicine | Associate |
| (Includes PCCC) | | | |
| Kenneth H. Morris, M.D. | Pediatrics | Dept of Pediatrics | Active |
| Richard J. Price, M.D. | Radiology | Dept of Radiology | Active |
| Edward C. Reno, M.D. | Pediatrics | Dept of Pediatrics | Active |
| Andrew C. Schiffman, M.D. | Psychiatry | Dept of Medicine | Active |
| Jeffrey S. Schiffman, M.D. | Orthopaedic Surgery | Dept of Ortho/Rehab | Active |
| (Includes PCCC and ESC) | | | |
| Michael J. Shack, M.D. | Neurology | Dept of Medicine | Active |
| Dylan L. Steer, M.D. | Nephrology | Dept of Medicine | Associate |
| (Includes PCCC) | | | |

- XII. Allied Health Professional Reappointment Effective 01/01/2008 – 12/31/2009
 Christine M. Anderson, AuD., Audiology; Sponsors: Dr. Kripps
 (Includes PCCC)

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, 2007**

PERSONAL INFORMATION

<i>Provider Name & Title</i>	Nayan P. Desai, M.D.
<i>PPHS Facilities</i>	Pomerado Hospital Palomar Medical Center

SPECIALTIES/BOARD CERTIFICATION

<i>Specialties</i>	Neurology – Certified 2003 Clinical Neurophysiology – Certified 2005
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ORGANIZATIONAL NAME

<i>Name</i>	Nayan P. Desai, M.D.
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EDUCATION/AFFILIATION INFORMATION

<i>Medical Education Information</i>	Gujarat University, Almedabad, India From: 07/01/1983 To: 11/25/1989 Doctor of Medicine Degree
<i>Internship Information</i>	Henry Ford Hospital, Detroit, MI Transitional From: 07/01/1998 To: 06/30/1999
<i>Residency Information</i>	Henry Ford Hospital, Detroit, MI Neurology From: 07/01/1999 To: 06/30/2002
<i>Fellowship Information</i>	Children's Hospital Medical Center, Cincinnati, OH Ophthalmology From: 04/06/1995 To: 06/30/1996 Strabismus (Ocular Motility) Michigan State University, Lansing, MI Ophthalmology From: 07/01/1996 To: 06/30/1998 Neuro-Ophthalmology Stanford University Medical Center, Stanford, CA Neurology From: 07/01/2002 To: 06/30/2003 Neuromuscular Diseases and Electrodiagnostic Medicine California Pacific Medical Center, San Francisco, CA Neuromuscular From: 07/01/2002 To: 06/30/2003
<i>Current Affiliation Information</i>	Shiley Eye Center, UCSD University of California, San Diego Veterans Administration, San Diego

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**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
December, 2007**

PERSONAL INFORMATION

<i>Provider Name & Title</i>	Jamie G. Lien, M.D.
<i>PPHS Facilities</i>	Palomar Medical Center

SPECIALTIES/BOARD CERTIFICATION

<i>Specialties</i>	Pediatrics – Certified 2006
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ORGANIZATIONAL NAME

<i>Name</i>	Children's Specialists of San Diego
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EDUCATION/AFFILIATION INFORMATION

<i>Medical Education Information</i>	Pennsylvania State University College of Medicine, Hershey, PA From: 09/01/1999 To: 05/31/2003 Doctor of Medicine Degree
<i>Internship Information</i>	University of California, San Diego Pediatrics From: 06/24/2003 To: 06/27/2004
<i>Residency Information</i>	University of California, San Diego Pediatrics From: 07/01/2004 To: 06/30/2006 University of California, San Diego Pediatrics From: 07/01/2006 To: 06/30/2007 Chief Resident
<i>Fellowship Information</i>	N/A
<i>Current Affiliation Information</i>	Rady Children's Hospital, San Diego

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**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
December, 2007**

PERSONAL INFORMATION

<i>Provider Name & Title</i>	James F. Marino, M.D.
<i>PPHS Facilities</i>	Pomerado Hospital

SPECIALTIES/BOARD CERTIFICATION

<i>Specialties</i>	Orthopaedic Surgery – Certified 1985
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ORGANIZATIONAL NAME

<i>Name</i>	James F. Marino, M.D., Inc.
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EDUCATION/AFFILIATION INFORMATION

<i>Medical Education Information</i>	Howard University, Washington D.C. From: 08/25/1975 To: 05/13/1978 Doctor of Medicine Degree
<i>Internship Information</i>	University of California, San Diego General Surgery From: 06/24/1978 To: 06/27/1979
<i>Residency Information</i>	University of California, San Diego Orthopaedic Surgery From: 07/01/1979 To: 06/30/1983
<i>Fellowship Information</i>	N/A
<i>Current Affiliation Information</i>	None

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**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
December, 2007**

PERSONAL INFORMATION

<i>Provider Name & Title</i>	James R. McClurg, M.D.
<i>PPHS Facilities</i>	Pomerado Hospital

SPECIALTIES/BOARD CERTIFICATION

<i>Specialties</i>	Orthopaedic Surgery – Certified 1994; Re-Certified 2005
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ORGANIZATIONAL NAME

<i>Name</i>	James R. McClurg, M.D.
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EDUCATION/AFFILIATION INFORMATION

<i>Medical Education Information</i>	University of Puerto Rico From: 08/01/1982 To: 06/30/1986 Doctor of Medicine Degree
<i>Internship Information</i>	University Hospital, San Juan, Puerto Rico General Surgery From: 07/01/1986 To: 06/30/1987
<i>Residency Information</i>	University of Puerto Rico Orthopaedic Surgery From: 07/01/1987 To: 06/30/1991
<i>Fellowship Information</i>	Loma Linda University Medical Center, Loma Linda, CA Hand Surgery From: 07/01/1991 To: 06/30/1992
<i>Current Affiliation Information</i>	Sharp Memorial Hospital La Jolla Orthopaedic Surgery Center

**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
December, 2007**

PERSONAL INFORMATION

<i>Provider Name & Title</i>	Mary E. Meyers, M.D.
<i>PPHS Facilities</i>	Palomar Medical Center

SPECIALTIES/BOARD CERTIFICATION

<i>Specialties</i>	Obstetrics and Gynecology – Certified 1984; Re-Certified 2006
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ORGANIZATIONAL NAME

<i>Name</i>	Vista Community Clinic
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EDUCATION/AFFILIATION INFORMATION

<i>Medical Education Information</i>	University of California, Davis From: 09/01/1974 To: 06/16/1978 Doctor of Medicine Degree
<i>Internship Information</i>	University of California, Davis Family Practice From: 06/25/1978 To: 06/30/1979
<i>Residency Information</i>	University of California, Davis Obstetrics/Gynecology From: 07/01/1979 To: 06/30/1982
<i>Fellowship Information</i>	N/A
<i>Current Affiliation Information</i>	Tri-City Medical Center

**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
December, 2007**

PERSONAL INFORMATION

<i>Provider Name & Title</i>	Joseph B. Motamed, M.D.
<i>PPHS Facilities</i>	Palomar Medical Center

SPECIALTIES/BOARD CERTIFICATION

<i>Specialties</i>	Obstetrics and Gynecology – Certified 1988; Re-Certified 1997
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ORGANIZATIONAL NAME

<i>Name</i>	Vista Community Clinic
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EDUCATION/AFFILIATION INFORMATION

<i>Medical Education Information</i>	Tehran University of Medical Sciences, Iran From: 09/01/1961 To: 06/30/1968 Doctor of Medicine Degree
<i>Internship Information</i>	University of California, Irvine Obstetrics/Gynecology From: 07/01/1981 To: 06/30/1982
<i>Residency Information</i>	New York Medical College at Metropolitan Hospital, New York, NY Obstetrics/Gynecology From: 07/01/1982 To: 06/30/1986
<i>Fellowship Information</i>	N/A
<i>Current Affiliation Information</i>	Tri-City Medical Center

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**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
December, 2007**

PERSONAL INFORMATION

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

SPECIALTIES/BOARD CERTIFICATION

<i>Specialties</i>	Obstetrics and Gynecology – Certified 1988; Re-Certified 1997
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ORGANIZATIONAL NAME

<i>Name</i>	Vista Community Clinic
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EDUCATION/AFFILIATION INFORMATION

<i>Medical Education Information</i>	University of California, Los Angeles From: 08/01/1978 To: 06/30/1982 Doctor of Medicine Degree
<i>Internship Information</i>	University of California, Irvine Obstetrics/Gynecology From: 07/01/1982 To: 06/30/1983
<i>Residency Information</i>	University of California, Irvine Obstetrics/Gynecology From: 07/01/1983 To: 06/30/1986
<i>Fellowship Information</i>	N/A
<i>Current Affiliation Information</i>	Tri-City Medical Center Naval Medical Center, San Diego

**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
December, 2007**

PERSONAL INFORMATION

<i>Provider Name & Title</i>	Adina G. Smarandache, 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 2004
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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 Medicine & Pharmacy Iuliu Hatieganu, Romania From: 09/01/1992 To: 10/01/1998 Doctor of Medicine Degree
<i>Internship Information</i>	N/A
<i>Residency Information</i>	St. Vincent's Medical Center, Bridgeport, CT Medicine From: 07/01/2001 To: 06/30/2004
<i>Fellowship Information</i>	Oregon Health Sciences University, Portland, OR Geriatrics From: 07/01/2004 To: 06/30/2005 Geriatric Medicine
<i>Current Affiliation Information</i>	None

**PALOMAR POMERADO HEALTH
ALLIED HEALTH PROFESSIONAL
APPOINTMENT
DECEMBER, 2007**

NAME: David A. Hustosky, P.A.-C
SPECIALTY: Physician Assistant
SERVICES: Orthopedic Physician Assistant
TRAINING: Western University of Health Sciences
 College of Allied Health Sciences
 Primary Care Physician Assistant Certificate 08/07/97-07/31/99
 University of Nebraska Medical Center
 College of Medicine
 Master of Physician Assistant Practice 04/01/05-05/06/06
PRACTICE: Physician Assistant, Brad Cohen, M.D., Poway, CA 10/15/07-Present
 Physician Assistant, Centre for HealthCare, Poway, CA 04/01/01-Present
 Physician Assistant, Scripps Clinic, La Jolla, CA 12/28/99-3/23/01
 Physician Assistant, Sharp Rees-Stealy Urgent Care,
 San Diego, CA 09/99-12/99
SPONSORS: Brad Cohen, M.D.
CERTIFICATION: National Commission on Certification of Physician Assistants 1999
FACILITIES: Palomar Medical Center

NAME: Jim P. Marte, P.A.-C
SPECIALTY: Physician Assistant
SERVICES: Orthopedic Physician Assistant
TRAINING: Grossmont College, El Cajon, CA
 Orthopedic Technologist Program Certificate 08/25/97-07/30/98
 University of Southern California, Keck School of
 Medicine, Los Angeles, CA
 Master of Physician Assistant Practice 08/00-05/16/03
PRACTICE: Physician Assistant, North County Spine Center &
 Orthopedics (Jeffrey Schiffman, M.D.),
 Escondido, CA 11//03-Present
 Orthopedic Technologist, Kaiser Permanente,
 Los Angeles, CA 05/99-03/01/04
SPONSORS: Jeffrey Schiffman, M.D.
CERTIFICATION: National Commission on Certification of Physician Assistants 2003
FACILITIES: Pomerado Hospital

NAME: Barry E. McGinnis, P.A.-C.
SPECIALTY: Physician Assistant
SERVICES: Physician Assistant services for Kaiser Orthopaedic Surgeons
TRAINING: University of Texas, San Antonio Health Science Center/
 U.S. Army Academy of Health Sciences
 B.S. Physician Assistant studies 9/23/96-05/23/98
 Arrowhead Regional Medical Center, Colton, CA
 Orthopaedic Physician Assistant Residency Program 09/01/98-08/31/99
PRACTICE: Orthopaedic Physician Assistant, Kaiser Permanente, San Diego, CA 03/20/00-Present
 Physician Assistant, Arrowhead Regional Medical Center, Colton, CA 9/13/99-03/13/01
 Physician Assistant, Beach Physicians & Surgeons, Huntington Beach, CA 3/1/98-9/30/98
 Physician Assistant, CA Army National Guard 6/1/98-08/31/06
SPONSORS: Kaiser Orthopaedic Surgeons
CERTIFICATION: National Commission on Certification of Physician Assistants 1998
FACILITY: Palomar Medical Center & Escondido Surgery Center

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**PALOMAR POMERADO HEALTH
ALLIED HEALTH PROFESSIONAL
APPOINTMENT
DECEMBER, 2007 (continued)**

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NAME:	Kalani K. Thomson, P.A.-C.	
SPECIALTY:	Physician Assistant	
SERVICES:	Physician Assistant services for Kaiser Orthopaedic Surgeons	
TRAINING:	Western University of Health Science, Pomona, CA	
	Certificate – Physician Assistant program	08/07/97-07/31/99
	Arrowhead Regional Medical Center, Colton, CA	
	Orthopaedic Physician Assistant Residency Program	09/01/00-08/31/01
PRACTICE:	Orthopaedic Physician Assistant, Kaiser Permanente, San Diego, CA	05/20/02-Present
	Physician Assistant, Southern California Institute, Van Nuys, CA	10/01/01-05/10/02
	Physician Assistant, Emergency Dept, Arrowhead Regional Medical Center, Colton, CA	02/29/00-08/29/01
SPONSORS:	Kaiser Orthopaedic Surgeons	
CERTIFICATION:	National Commission on Certification of Physician Assistants	1999
FACILITY:	Palomar Medical Center & Escondido Surgery Center	

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

DATE: November 30, 2007
TO: Board of Directors - December 17, 2007
FROM: Benjamin Kanter, M.D., Chief of Staff, Pomerado Hospital Medical Staff
SUBJECT: Medical Staff Credentials Recommendations – November 2007

Provisional Appointments: (12/17/2007 – 11/30/2009)

Nayan P. Desai, M.D. – Medicine/Neurology
James F. Marino, M.D. – Surgery/ Orthopedic (Assisting only)
James R. McClurg, M.D. – Surgery/Orthopedic
Adina G. Smarandache, M.D. – Medicine/Internal Medicine (includes Villa)

Advancements:

Richard L Austin, M.D. - Active Category – 12/17/2007 – 03/31/2008
Jayanthi Magesh, M.D. – Active Category - 12/17/2007- 01/31/2008
Lynn A. Shipman – Affiliate Category – 12/17/2007 – 03/31/2009
M. Bradley Silverman, M.D. – Consulting Category - 12/17/2007 – 08/31/2008

Biennial Reappointments: (01/01/2008 – 12/31/2009)

Philip Bosch, M.D. – Courtesy – Surgery (includes Villa)
Donald B. Fuller, M.D. – Consulting - Radiology
Abhay Gupta, M.D. – Active – Surgery (includes Villa)
Lynn B. Herring, M.D. – Active - Pediatrics
Bill C. Joswig, M.D. – Active – Medicine (includes Villa)
Ruth A. Larson, M.D. – Affiliate - Medicine
Joseph M. Leeba, M.D.- Active - Radiology
Gina J. Mansy, M.D. – Consulting - Radiology
Arvin L. Mirow, M.D. – Courtesy - Medicine
Richard J. Price, M.D. – Active - Radiology
Stephen W. Shewmake, M.D. – Affiliate - Medicine
Dylan L. Steer, M.D. – Consulting – Medicine (includes Villa)

Resignations/Expiration of Membership:

James M. Fait, M.D. – Kaiser Physician
Donald C. Fithian, M.D. – Kaiser Physician
Robert F. Hempton, M.D. – Kaiser Physician
William F. Luetzow, M.D. – Kaiser Physician
Dennis M. Mamaril, M.D.
Scott D. Shoemaker, M.D. – Kaiser Physician
Gary G. Tong, M.D.

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Leave of Absences

Michael LaRocque, M.D. 12/31/2007 – 12/30/2009

Kathleen P. Gates, M.D. 12/17/2007 – 12/16/2009

Reinstatement from Leave of Absence and Advancement to Affiliate Category

Zehui Tan, M.D. 12/17/2007 - 07/31/2009

Additional Consulting and Admitting Privileges:

Alison Learn, M.D.

Allied Health Profession Appointment 12/17/2007 –11/30/2009

Jim P. Marte, P.A.-C – Sponsor Jeffrey Schiffman, M.D.

Allied Health Renewal of Membership: (01/01/2008 – 12/31/2009

Christine M. Anderson, AuD – Sponsor Marvin Kripps, M.D.

Allied Health Resignation:

Rachel Christian, P.A.-C - Sponsors CEP Physicians

Joshua Del’Homme, P.A.-C – Sponsor Mark S. Stern, M.D.

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.

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SERVICE AWARD PINS FOR DIRECTORS

TO: Board of Directors

DATE: December 17, 2007

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 or appointment, and in four-year increments thereafter, and are presented at the Annual Meeting.

Congratulations to Director Krider for four years of service (2003).

**ELECTION OF OFFICERS – BOARD OF DIRECTORS
for CALENDAR YEAR 2008**

TO: Board of Directors
DATE: December 17, 2007
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 2008**

TO: Board of Directors

DATE: December 17, 2007

FROM: Christine Meaney, Board Assistant

SUBJECT: **RESOLUTION TO ESTABLISH DATES OF REGULAR
BOARD MEETINGS FOR CALENDAR YEAR 2008**

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.

The resolution presented appears to represent no conflicts with either PPH observed holidays nor with major religious holidays.

RESOLUTION NO. 12.17.07 (01) - 19

RESOLUTION OF THE BOARD OF DIRECTORS OF
PALOMAR POMERADO HEALTH
ESTABLISHING REGULAR BOARD MEETINGS
FOR CALENDAR YEAR 2008

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 2008:

2008 BOARD MEETING SCHEDULE

January 14	Pomerado	July 14	Pomerado
February 11	PMC	August 11	PMC
March 10	Pomerado	September 8	Pomerado
April 14	PMC	October 13	PMC
May 12	Pomerado	November 10	Pomerado
June 9	PMC	December 8	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 17, 2007, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

DATED: December 17, 2007

APPROVED:

ATTESTED:

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

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

DESIGNATION OF APPLICANT'S AGENT

TO: Board of Directors
MEETING DATE: Monday, December 17, 2007
FROM: Michael H. Covert, FACHE, President & CEO

Background: Pursuant to the claim filed with FEMA related to the Southern California Wildfires of October 2007, the Board is requested to designate the Chief Financial Officer and/or the Chief Executive Officer as authorized agents of PPH for matters pertaining to disaster assistance. The attached resolution accomplishes that authorization.

Budget Impact: N/A

Staff Recommendation: Approval.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action: X

Information:

Required Time:

RESOLUTION NO. 12.17.07 (02) – 20

**DESIGNATION OF
APPLICANT'S AGENT**

BE IT RESOLVED by the Board of Directors of Palomar Pomerado Health
(Governing Body) (Name of Applicant)

THAT THE Chief Financial Officer, OR
(Title of Authorized Agent)

Chief Executive Officer, OR
(Title of Authorized Agent)

is hereby authorized to execute for and in behalf of Palomar Pomerado Health, a public entity established under the laws of the State of California, this application and to file it in the Office of Emergency Services for the purpose of obtaining certain federal financial assistance under P.L. 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the Natural Disaster Assistance Act.

THAT Palomar Pomerado Health, a public entity established under the laws of the State of California, hereby authorizes its agent(s) to provide to the State Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.

APPROVED AND ADOPTED at a meeting of the Board of Directors of Palomar Pomerado Health held on December 17, 2007, by the following vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

BY: _____
Marcelo Rivera, M.D.
Chair, Board of Directors
Palomar Pomerado Health

Dated: December 17, 2007

CERTIFICATION

I, Linda Greer, R.N., duly appointed Secretary of the Board of Directors of Palomar Pomerado Health,
(Name) (Title)
do hereby certify that the above is a true and correct copy of a resolution passed and approved by the
Board of Directors of Palomar Pomerado Health on the 17th day of December, 2007.
(Governing body) (Name of Applicant)

ATTESTED:

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

Informational: Recent Fire Disaster

TO: PPH Board of Directors
MEETING DATE: December 17, 2007
FROM: Human Resources Committee, November 20, 2007
BY: Wallie George, Chief Human Resources Officer

BACKGROUND:

1. B. Turner shared that 15 employee homes were lost during the recent fires, affecting 16 employees (one husband/wife team). She also shared that the courage and determination of staff is phenomenal.
2. Each employee has been contacted and provided with applications for available funds including: PPH Foundation, vendor, and staff donations (including the PTO donation by staff).
3. In addition to employees who lost their homes, other employees suffered due to loss of electric (spoiled food), water and smoke damage. Assistance is available for them as well.
4. N. Bassett would like an update to this committee on what employees have requested and what, or how much they actually received.
 - a. B. Turner noted that all funds will be distributed to fire victims.
 - b. Other items being collected and distributed are: furniture, TVs, etc.
5. The Holiday Baskets will be targeted for PPH employees this year. Families are being contacted to determine if they would like to receive a basket. If so, they are being encouraged to register at some of the local stores such as Target, Mervyns, Walmart, etc. with those items they need.
6. W. George shared that cookies and coffee sessions have been scheduled providing employees' access to counselors, EAP professionals, and Chaplains. More of these sessions will be set up as needed.

BUDGET IMPACT: Not Applicable

STAFF RECOMMENDATION:

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

Informational: Smoke Free Environment

TO: PPH Board of Directors

MEETING DATE: December 17, 2007

FROM: Human Resources Committee, November 20, 2007

BY: Wallie George, Chief Human Resources Officer

BACKGROUND:

1. Two events have occurred to bring information to employees:
 - a. The annual Benefits Fair during which time approximately 500 people picked up Question & Answer sheets and literature on kicking the habit. 21 people signing up for information on the PPH Smoking Cessation Program.
 - b. Cookies were distributed at all PPH facilities on November 15 during the Great American Smoke-out. Cookies had a frosting turkey on them with the words, "PPH is going cold turkey" circling the turkey. Literature was also available at this event.
2. A third event is being planned for January that will involve EMT members meeting employees as they come to work. Employees will be given lanyards and welcomed to PPH, the latest company to join an elite group of San Diego Corporations that have instituted an no smoking policy.
3. A movie communication is also being developed to provide management with ways to respond to employees. This movie will be in a silent movie format with right and wrong ways to respond to smoking questions/statements. The 4-5 minute video will also be linked to a Hot News that all employees may access.
4. W. George has met with the Chiefs of Staff, Drs. Kanter and Lilly. They will help get the word out to physicians that they may not write orders for patients to smoke.
5. W. George will also be meeting with Security in December to help them understand their duties in enforcing the smoking policy. He will also be meeting with other departmental management groups.
6. Ads are being placed in the Tribune. Letters from M. Covert will be going out to all employees helping them understand why and what to expect from the smoking policy.
7. Letters are also going out to venders and contractors working on PPH properties.
8. Steve Gold has addressed the smoking policy with the Centre for Healthcare and they have agreed to support PPH.
9. Latham & Watkins researched statements made by the UCSD Patient Advocate in a letter to Sheila Brown. They were unable to find any laws referencing a non-smoking policy with regards to behavioral health. However, SNF facilities must transition patients to meet the new policy. Current residents may not be turned out.

Informational: Smoke Free Environment

BUDGET IMPACT: Not Applicable

STAFF RECOMMENDATION:

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

Informational: Hiring Military Corpsmen

TO: PPH Board of Directors
MEETING DATE: December 17, 2007
FROM: Human Resources Committee, November 20, 2007
BY: Wallie George, Chief Human Resources Officer

BACKGROUND:

1. At a recent Strategic Planning Committee Director Ted Kleiter requested the Strategic Planning Committee approve moving forward with Director Bassett's proposal to jump-start the corpsman training for RN programs. This would involve developing a program for medics ending their military obligations. Strategic Planning approved the suggestion and requested N. Bassett present her proposal to the HR Committee.
2. N. Bassett noted that she has been trying to gain state and/or federal approval for this type of program for several years.
3. L. Shoemaker shared information that UCSD has been working on a plan to bring the military medical personnel into public health services. UCSD is hoping to have their Corpsmen to RN program approved within the next 3 weeks. As more details are available, L. Shoemaker will look into the possibility of PPH being a North County partner to help incorporate these students into the workforce.
4. B. Turner is working with a state workforce planning group. There is a possibility of creating healthcare academies within high schools. Students may become CNAs at 16 years of age. This would make them immediately employable upon graduation from high school.

BUDGET IMPACT: Not Applicable

STAFF RECOMMENDATION:

This topic is to remain as a standing agenda item.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

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**Governance Committee
Board Policies Review - Clarification**

TO: Board of Directors
DATE: December 17, 2007
FROM: Governance Committee, December 7, 2007
BY: Christine Meaney, Secretary to Governance Committee

BACKGROUND: Jim Neal, Compliance Officer, requested clarification from the Committee regarding the need for submission of all Board Policies to Governance Committee, whether or not they required amendment.

Following discussion, the Committee generally agreed that all review of Board Policies, or potential new Board Policies, continue to be brought to the relevant Board Committees and then to Governance Committee to assure input from all concerned, whether or not there may be need for updates, following which they would be presented to the Board as normal.

BUDGET IMPACT: None

**STAFF
RECOMMENDATION:** Information

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

**Governance Committee
Compliance Report**

TO: Board of Directors

DATE: December 17, 2007

FROM: Governance Committee, December 7, 2007

BY: Christine Meaney, Secretary to Governance Committee

BACKGROUND: Compliance reports are normally submitted on a quarterly basis to the Committee. Jim Neal, Compliance Officer, presented his report for 1st/2nd/3rd Quarters, 2007, for the Committee's information, noting that the Annual Compliance Report to the Board will be presented in the early part of 2008.

BUDGET IMPACT: None

**STAFF
RECOMMENDATION:** Informational

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

Governance Committee
Potential Board Policy – Calling Special Board Meetings

TO: Board of Directors
DATE: December 17, 2007
FROM: Governance Committee, December 7, 2007
BY: Christine Meaney, Secretary to Governance Committee

BACKGROUND: Following inquiry by a Board member, discussion ensued regarding calling of Special Board Meetings and the potential for a Board Policy in this regard. It was noted that the Bylaws refer to this matter, and that if it was felt a quorum of the Board was necessary in order to establish a call for a special board meeting, such request of the Board may be handled through the Board Office with a requested response time to that office of twenty-four hours. Suggestion was also made that relevant revision may be made to the Bylaws to incorporate this timeframe.

BUDGET IMPACT: None

STAFF RECOMMENDATION: Information

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

Governance Committee
Potential Board Member Job Descriptions for Board Officers

TO: Board of Directors
DATE: December 17, 2007
FROM: Governance Committee, December 7, 2007
BY: Michael Covert, CEO

BACKGROUND: In follow-up to recent request made at the November 27, 2007 ad hoc CEO Evaluation (format) Committee, the ad hoc Committee forwarded to Governance Committee, consideration of potential Board Officers Job Descriptions for the Board Chair; Vice Chair; Secretary; and Treasurer which, if agreed and drafted for eventual Board approval, may be combined with Board Member Position Descriptions for Standing Board Committees into a new "**Board Responsibilities Policy**" (latter per motion of Governance Committee February 20, 2007).

Following discussion by the Committee with input from the CEO, it was generally agreed that the CEO would draft such descriptions and bring back to this Committee for further discussion, including incorporation of potential goals.

BUDGET IMPACT: None

STAFF RECOMMENDATION: Information

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

Governance Committee
Review of Annual Board Self-Evaluation ("Peer Review") Survey Instrument

TO: Board of Directors

DATE: December 17, 2007

FROM: Governance Committee, December 7, 2007

BY: Michael Covert, CEO

BACKGROUND: A revised format for the Annual Board Self-Evaluation "Peer Review" survey instrument was under consideration, as it was generally felt that the present one-page format was unable to provide adequate individual peer evaluation.

In response to recent request made at the November 27, 2007 ad hoc CEO Evaluation (format) Committee, the ad hoc Committee forwarded to Governance Committee, consideration for a new survey instrument for the Annual Board Self-Evaluation "**Peer Review**". The current one-page "Peer Review" survey, together with new survey format provided by The Governance Institute, was presented to the Committee for consideration, in addition to other suggestions that the Governance Committee may wish to make.

Following discussion, it was generally agreed that the CEO bring this matter back to Governance Committee for further review and discussion, so that a format that may be eventually presented to the full Board.

BUDGET IMPACT: None

STAFF RECOMMENDATION: Information

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

**Governance Committee
Legislative/Governmental Relations Update**

TO: Board of Directors

DATE: December 17, 2007

FROM: Governance Committee, December 7, 2007

BY: Michael Covert, CEO

BACKGROUND: So that regular information may be provided to this committee, Gustavo Friederichsen, Chief Marketing and Communication Officer, provides an update on legislative/governmental issues. However, in his absence, the CEO presented a brief verbal report on his behalf.

BUDGET IMPACT: None

**STAFF
RECOMMENDATION:** Information

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

**Governance Committee
Round Table**

TO: Board of Directors
DATE: December 17, 2007
FROM: Governance Committee, December 7, 2007
BY: Michael Covert, CEO

BACKGROUND: General discussion ensued during the round table, including Special Board Educational meetings whereby well-known speakers are often brought in to address the Board and EMT, in addition to discussion on future Board educational conferences and relevant association memberships.

BUDGET IMPACT: None

**STAFF
RECOMMENDATION:** Information

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

**Governance Committee
Date of Next Meeting**

TO: Board of Directors
DATE: December 17, 2007
FROM: Governance Committee, December 7, 2007
BY: Christine Meaney, Secretary to Governance Committee

BACKGROUND: The date and time of Friday, December 21, 2007 at 8:30 a.m. was currently on the calendar for a Governance Committee meeting. Subsequently, it was found not necessary to hold this meeting and was canceled. Governance Committee and public made aware.

BUDGET IMPACT: None

**STAFF
RECOMMENDATION:** Information

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

Update on the Current State of PPNC Health Development

TO: Board of Directors

MEETING DATE: Monday, December 17, 2007

FROM: Board Finance Committee
Tuesday, December 4, 2007

BY: Bradley Wiscons, Director of Grant Services, PPNC Health Development

Background: The staff of PPNC Health Development provided the Board Finance Committee with an update on the growth and activity that has been undertaken over the past year by Health Development, including total grant dollars managed, an update on the new division of the Research Institute, a review of the ongoing progress of the MAA program, and the Health Development Strategic Plan (*See Attached*).

Budget Impact: None – For information only.

Staff Recommendation: None – For information only.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

Update on Current State of Health Development

A Presentation to the
Finance Committee of the
Palomar Pomerado Health
Board of Directors

December 2007

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Current Key Projects

- Fund Administration
- Research Institute
- MAA
- Strategic Planning

Health Development June '07 Income Statement

	YTD Actual	YTD Budget	Budget Variance YTD
Revenue			
Grants and Contracts	130,670	229,000	(98,330)
Other	13,446	8,700	4,746
Total Revenue	144,116	237,700	(93,584)
Expense			
Salaries & Wages	253,310	284,130	31,381
Benefits	66,105	58,666	(7,439)
Professional Fees	334,254	327,700	12,626
Supplies	4,758	12,998	9,671
Purchased Services	4,314	6,700	2,386
Depreciation	6,212	6,397	185
Interest	97,435	89,955	(7,480)
Direct Expenses	13,305	19,288	10,172
Total Expense	754,332	805,834	51,502
Net from Operations	(610,215)	(568,134)	42,082

Health Development June '07 Balance Sheet

	Current Year	Prior Year
Assets		
Cash		
Cash in Bank - Operating	2,867	490
Cash in Bank-Money Market	1,101	3,543
Petty Cash	200	200
Total Cash	4,168	4,233
Receivables		
Accounts Receivable - Customer	405,416	70,596
Interfund Receivable	15,096	17,453
Total Receivables	420,512	88,049
Prepaid Services	1,643	1,632
Equipment	12,263	12,263
Software License	9,331	9,331
Accumulated Depreciation	(7,136)	(4,034)
Accumulated Amortization	(7,258)	(4,147)

Health Development June '07 Balance Sheet

Liabilities & Fund Balance	Current Year	Prior Year
Payables		
Accounts Payable - Customer	332,382	130
Accounts Payable - Other	573	14,400
Total Payables	332,955	14,530
Note Payable - PPH	1,525,245	912,859
Accrued Payables	12,700	7,100
Shareholder Contribution - PPH	35,000	35,000
Fund Balance	(862,162)	(862,162)
Excess Revenue over Expenditures	(610,215)	0
Total Liabilities & Fund Balance	433,524	107,327

Health Development Sept 07 Income Statement

	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Budget Variance YTD</u>
Revenue			
Grants and Contracts	32,186	59,711	(27,525)
Other	3,289	5,000	(1,711)
Total Revenue	35,475	64,711	(29,236)
Expense			
Salaries & Wages	69,138	79,507	10,368
Benefits	20,286	21,296	1,010
Professional Fees	71,558	63,775	(7,783)
Supplies	1,740	1,789	48
Purchased Services	761	1,675	914
Depreciation	1,624	1,803	180
Interest	32,547	30,640	(1,907)
Direct Expenses	7,391	16,008	8,473
Total Expense	205,045	216,493	11,304
Net from Operations	(169,570)	(151,782)	(17,931)

Health Development Sept 07 Balance Sheet

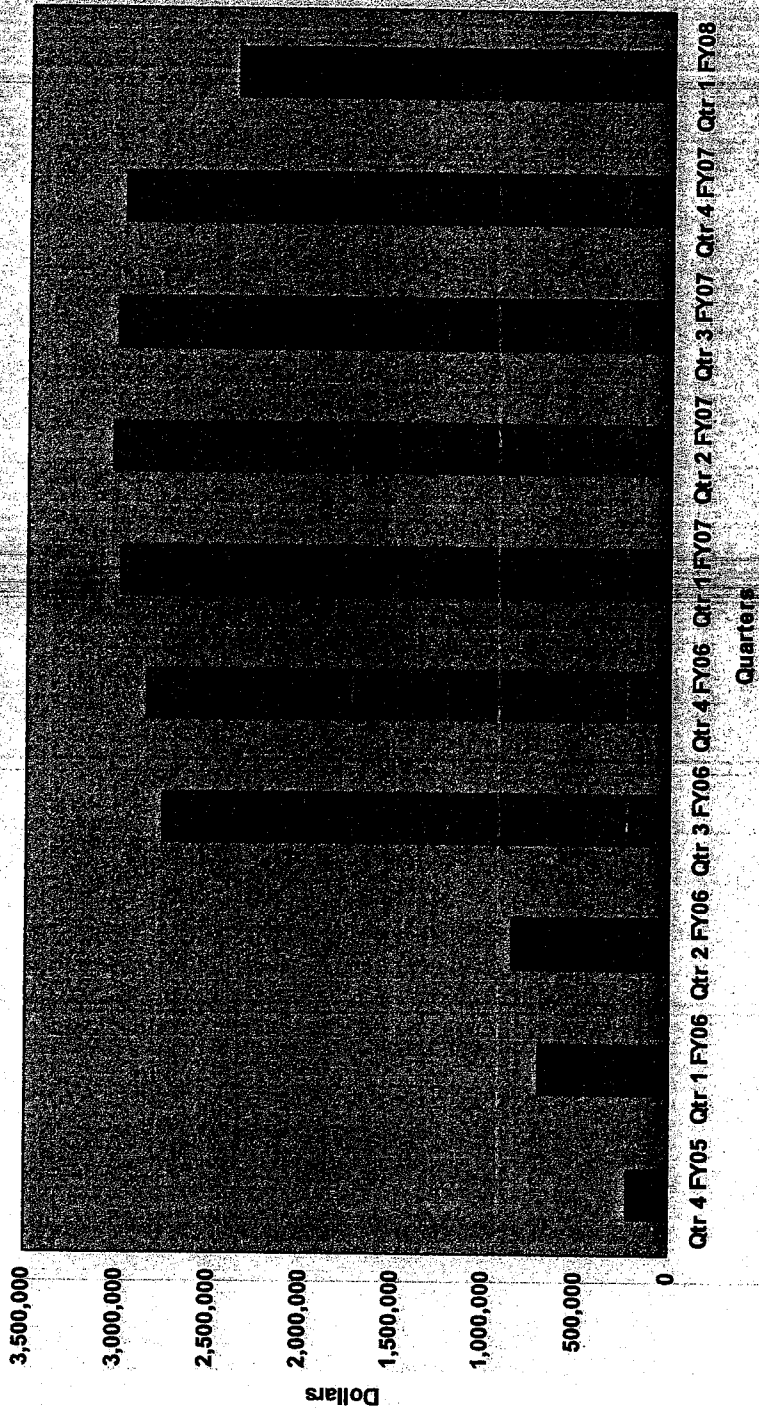
	Current Year	Prior Year
Assets		
Cash		
Cash in Bank - Operating	3,836	2,867
Cash in Bank-Money Market	2,117	1,101
Petty Cash	200	200
Total Cash	6,153	4,168
Receivables		
Accounts Receivable - Customer	320,192	405,416
Interfund Receivable	43,134	15,096
Total Receivables	363,326	420,512
Prepaid Services	1,461	1,643
Equipment	12,263	12,263
Software License	12,230	9,331
Accumulated Depreciation	(7,861)	(7,136)
Accumulated Amortization	(8,156)	(7,258)
Total Assets	379,416	433,524

Health Development Sept 07 Balance Sheet

	Current Year	Prior Year
Liabilities & Fund Balance		
Payables		
Accounts Payable - Customer	285,580	332,382
Accounts Payable - Other	75	573
Total Payables	285,655	332,955
Note Payable - PPH	1,720,193	1,525,245
Accrued Payables	5,875	12,700
Shareholder Contribution - PPH	35,000	35,000
Fund Balance	(1,497,738)	(1,472,376)
Excess Revenue over Expenditures	(169,570)	0
Total Liabilities & Fund Balance	379,416	433,524

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Total Dollars Managed by Health Development by Quarter



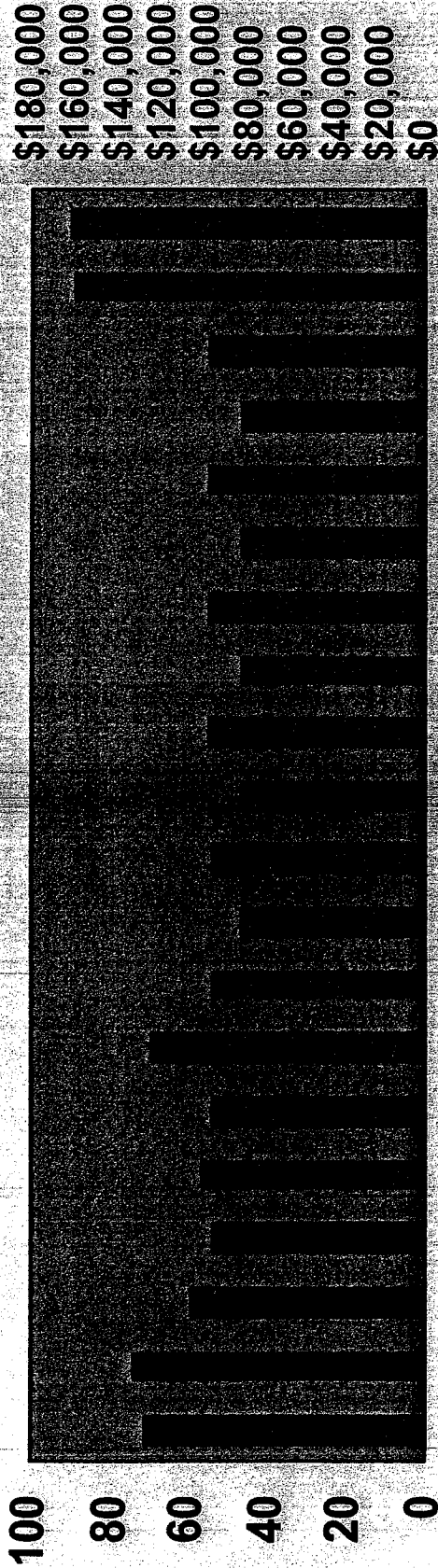
Research Institute

- Purpose
- Leadership/Management Staff
 - Richard Just, MD, Medical Director
 - Todd Saretzky, MPH, Research Manager
 - Ming Ji, Ph.D., Biostatistician Consultant
- Scientific Advisory Panel Chairs
 - Greg Hirsch, MD: Drug Trials
 - Larry McKinley, MD: Innovative Technology
 - Jerry Kolins, MD: Process Improvement

Research Institute

- Data management packages
 - Velos
 - SPSS
- Beginning Administrative Review of all studies
- Marketing materials being finalized

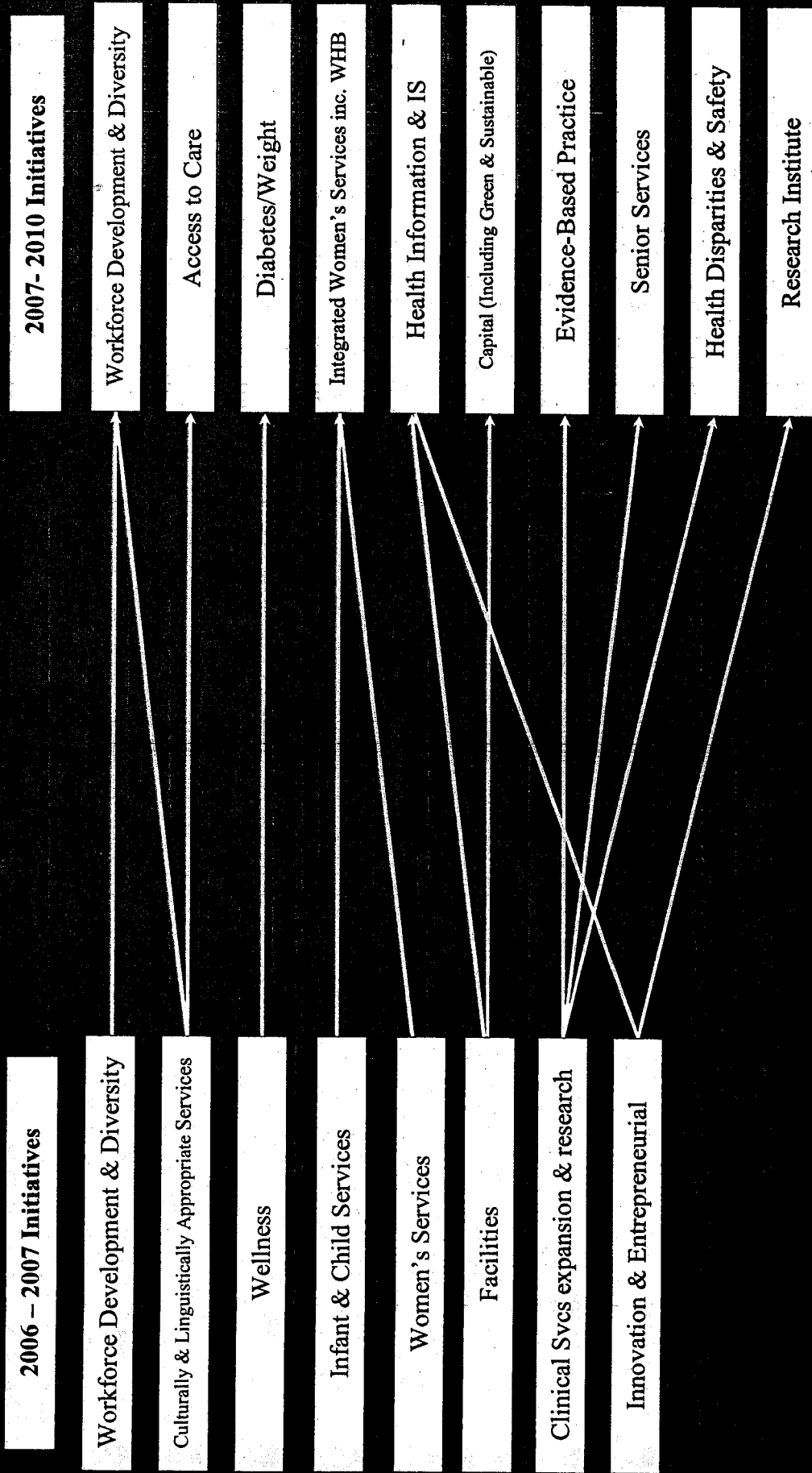
MAA



■ Participants ■ Amount

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Strategic Plan



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Thank you, any questions?

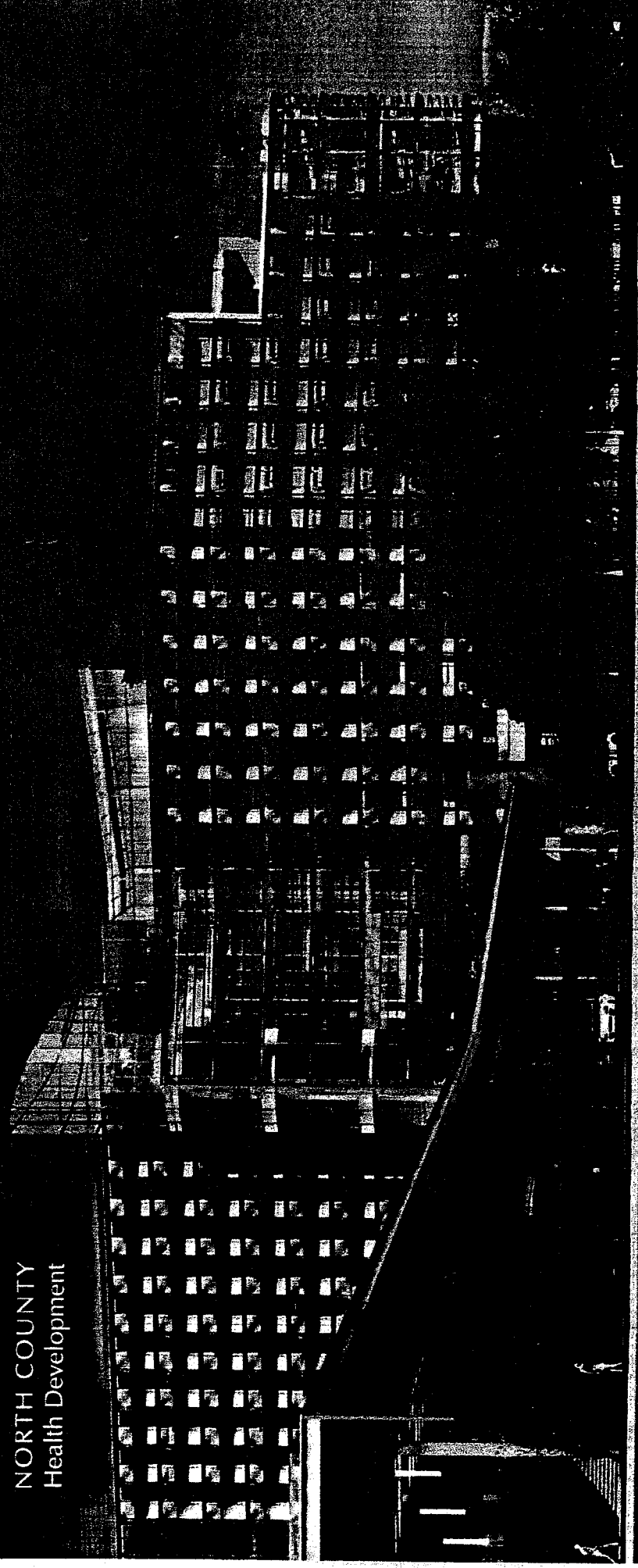
We are now located at Innovation
Our main number is 858.675.5457

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NORTH COUNTY
Health Development

2007 ANNUAL REPORT



TODAY & TOGETHER

Building Health Care's Future

200



TODAY & TOGETHER

*One generation plants the trees,
and another gets the shade.*
— Chinese Proverb

**PALOMAR
POMERADO**
NORTH COUNTY
Health Development

On the cover, Palomar Medical Center-West, opening 2011.

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MESSAGE FROM THE BOARD CHAIR

Dear Health Care Stakeholder,

Many have wondered recently what the future will hold. With the fires that ravaged our area in October many homes were lost and lives changed forever. Thousands across the region, including myself, were directly affected by the fires. However through all of this I have seen the best qualities in people rise to the surface, neighbors have helped one another, volunteers arrived in droves, our children were cared for and we were given a place to sleep when we didn't have our own.

Hope for the Future

I believe that through this tragedy comes hope, hope for the future. My hope for the future is to continue to create the Hospital of the Future. This is not an easy job and it is not one that an individual or single department can do by itself. Making our dream a reality takes the cooperation, expertise and dedication of every employee, donor, staff member, and member of the community. From research to innovation, education to environment, all play a key role in the future of our hospital system.

Our journey started in 2005 when Palomar Pomerado Health formed Palomar Pomerado North County Health Development, Inc. — or Health Development, as it became known, a 501(c)(3) non-profit corporation. Health Development's mission is to identify the community's health care priorities and meet these priorities in conjunction with the district's strategic goals.

So far, we've excelled at our job. Over the last two years, we've secured over \$5.5 million in grants from 18 sources

to help make a lasting impact on the system. Our dedication and passion to raise money in order to improve the quality of health care and access to services for our diverse region raised \$2.5 million alone this past year.

Leading the Way by Working Together

Health Development has made great strides in using funding to create the health care system of the future. The grant opportunities continually pursued are based on substantial due diligence ensuring that they are always aligned with the community's needs. This past year has been a formative one with our Board of Directors' continuous hard work of strategic planning and implementation. Partnering with doctors and staff, community organizations, educators, students and families, we treat each investment with care as we take pride in our region's health and our reputation as a solid and esteemed organization.

During the day to day operations many may not see the effects of the hard work, but, without a doubt, the results are there, and we are on our way to achieving our goals. I encourage each of you to take a step back and appreciate the progress made thus far; I'm excited to be part of the future with you!

Sincerely and in good health,



Nancy Bassett, RN, MBA
Chair, Palomar Pomerado Health Development Board

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Health Development

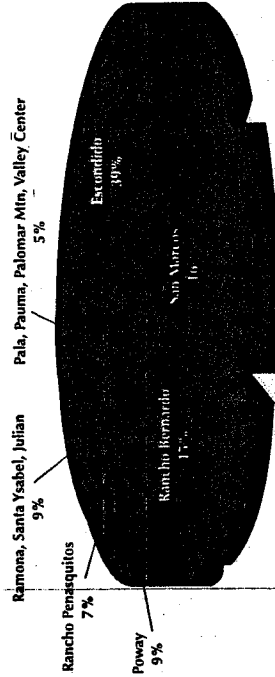
PALOMAR POMERADO

NORTH COUNTY Health Development

ABOUT PALOMAR POMERADO HEALTH

The State's Largest Public Health District

Serving nearly half a million people in San Diego's North County, the Palomar Pomarado Health District covers 800 square miles, while its trauma center serves a 1,400 square mile region. Communities served include:

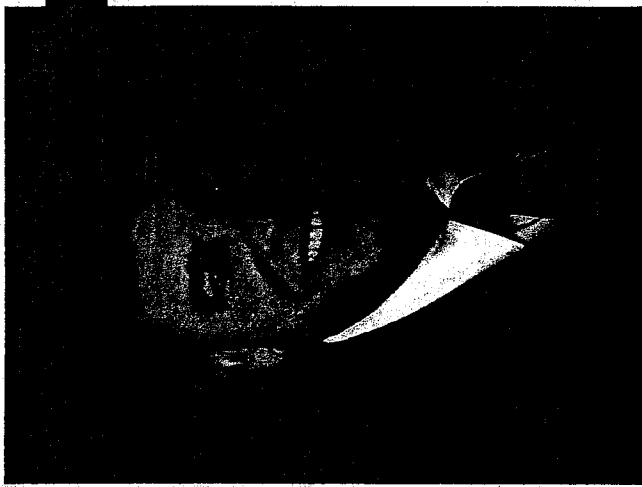


"We must not wait to develop excellence in health care. The role of Health Development in creating the Hospital of the Future starts today by forming partnerships and collaborating with organizations in the district and across the community."

— Brad Wiscons
Executive Director,
Palomar Pomarado Health Development

Palomar Medical Center ESCONDIDO	Pomarado Hospital POWAY	System Statistics
<ul style="list-style-type: none"> • Acute care hospital with 324 beds. • North County's only designated trauma center and 24-hour ER. • State-of-the-art cardiac care, rehabilitation and orthopedic services. • Oncology program features the Varian 2300 C/D linear accelerator. • General medical/surgical services. • Family-friendly Birth Center. • 6-bed Level II Neonatal Intensive Care Unit (NICU). • 23-bed cheerful pediatric unit. • Joint Commission accredited. 	<ul style="list-style-type: none"> • Acute care hospital with 107 beds. • 24-hour Emergency Department. • Family-friendly birthing center with Level II Neonatal Intensive Care Unit (NICU). • Cardio-pulmonary services. • Seniors services. • Wound Management Program. • General medical/surgical services. • Adjacent 129-bed Villa Pomarado Convalescent Care Center. • Behavioral Medicine Center addresses psychiatric and physical needs of patients. • Joint Commission accredited. 	<p>Demographics</p> <ul style="list-style-type: none"> • 60% White • 26% Hispanic • 9% Asian • 2% African American • 23% 14 and younger • 65% 15 to 64 • 12% 65 and older <p>Access</p> <ul style="list-style-type: none"> • 87% of adults insured • 89% of children insured • 56% of Hispanic adults insured
<p>Palomar Medical Center West</p> <ul style="list-style-type: none"> • New hospital site in Escondido • Opening in 2011. • Will feature the most advanced medical technology practices and facilities in the country. 	<p>Pomarado Hospital Expansion</p> <ul style="list-style-type: none"> • New 177,000-square-foot outpatient pavilion and parking garage opened in 2007. • A hospital expansion scheduled to open in 2011 will nearly double its medical campus. 	

MESSAGE FROM THE PPH PRESIDENT & CEO



First and foremost, we would like to extend our thoughts to those who continue to recover from the devastating wild fires in October. It was a trying time in our community and it is comforting to see everyone pull together to help each other rebuild and start over. While we were forced to evacuate Pomarado Hospital for a short time during the fires, our entire staff worked tirelessly to ensure everyone's safety, health and well being. We at Palomar Pomarado Health (PPH) strive to provide superior quality of care during times of disaster and throughout the rest of the year. Our goal is nothing less than to be the best hospital system in the county by putting the needs of our patients first.

We have much to be proud of as we reflect on our accomplishments in 2007 and look ahead to 2008. At PPH, patients have access to the latest medical technology, an outstanding team of highly trained medical staff, and new, state-of-the-art facilities, including the Pomarado Outpatient Services Pavilion, all of which support the healing process. Our entire health care team is committed to delivering high quality care with compassion, courtesy, and respect to every individual who walks through our doors.

As the single largest endeavor we have undertaken in our history, our vision to create the Hospital of the Future will leave a lasting impression on the region and our health care system for generations to come. These efforts will allow us to continue our traditions of excellence in patient care, education, research, and community service.

Throughout our efforts, we have remained fiscally responsible, due in large part to the professionalism and the dedication of our staff and supporters in our community. In the coming year we will continue to adopt new technology to better save lives in our community; we'll do our part to better the environment for those in our state; and through the newly established PPH Research Institute, we'll embark on medical research aimed at eradicating illnesses around the world.

As the catalyst for the district in establishing new programs and forming partnerships with key institutions in the community, PPH has already proved that, by working together toward a common goal, the results can be even better than we imagined.

Respectfully,

Michael H. Covert
President & CEO
Palomar Pomarado Health

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Health Development

2008

YEAR IN REVIEW

In its second year, Health Development has achieved great milestones and has set high goals for the years ahead. The momentum of the first year was steadily increased with millions of grant dollars secured, partnerships formed and key initiatives enabled.

While Health Development's work is often seen on a grand scale, the effects are felt by individuals. By the nurses who entered the **Palomar Pomerado Center for Health Education** in its inaugural year, by the high school students who are on their way to a career in health care thanks to the **Health Care Academies** and by the women served through **The Jean McLaughlin Women's Center for Health and Healing**.

THE HOSPITAL OF THE FUTURE

Last year the entire district launched the **Hospital of the Future** initiative. This vision keeps PPH focused on innovation and it has helped shape the planning and development of all hospital buildings and programs.

- **The Research Institute**, opened by Dr. Richard Just and his team in October, is developing industry recognition for PPH as a "Center of Excellence for Translational Research." Over the next year the Research Institute will attract research-oriented staff to the hospitals, improve internal research, establish a data warehouse and centralize research activity. (See page 8-9)
- The Health District has officially gone 'Green' with the **Green Hospital Initiative**. The entire hospital district is now using non-toxic, environmentally friendly materials. In the coming year PPH will establish a district-wide recycling program that will eliminate tons of waste. (See page 10)
- Orlando Portale joined PPH as Chief Technology and Innovation Officer. Currently his team is investigating Remote Presence Robotics which allows physicians to be at their patient's bedside any time, anywhere; Safe Beds which use technology to help staff monitor patients; and implementing a virtual Palomar West. (See page 12)

- Opening in late 2007, **The Jean McLaughlin Women's Center for Health and Healing** is the first outpatient center in San Diego dedicated solely to the comprehensive care of women, from adolescents to seniors. (See page 13)
- The popularity of **Health Care Academies** for high school students increased dramatically. Four more Academies were added in 2007, for a total of six across North San Diego County. They've introduced dozens of students, including Priscilla Delgado and Idalia Flores, to careers in health care. (See page 16)

BOTTOM LINE SAVINGS

Health Development's entrepreneurial spirit prevailed again with the pursuit and achievement of more than \$2.5 million in grant dollars. During 2006 - 2007 Health Development secured grant sources as well as cost savings that contribute to today's bottom line. Decisions that continue to be innovative yet fiscally responsible embrace the mission of PPH. The graph below outlines the grants we received in 2007. The California Wellness Foundation, FEMA, The Parker Foundation and the County of San Diego Health and Human Services Agency all provided new funding sources and the First 5 Commission continued to be a major funding source.

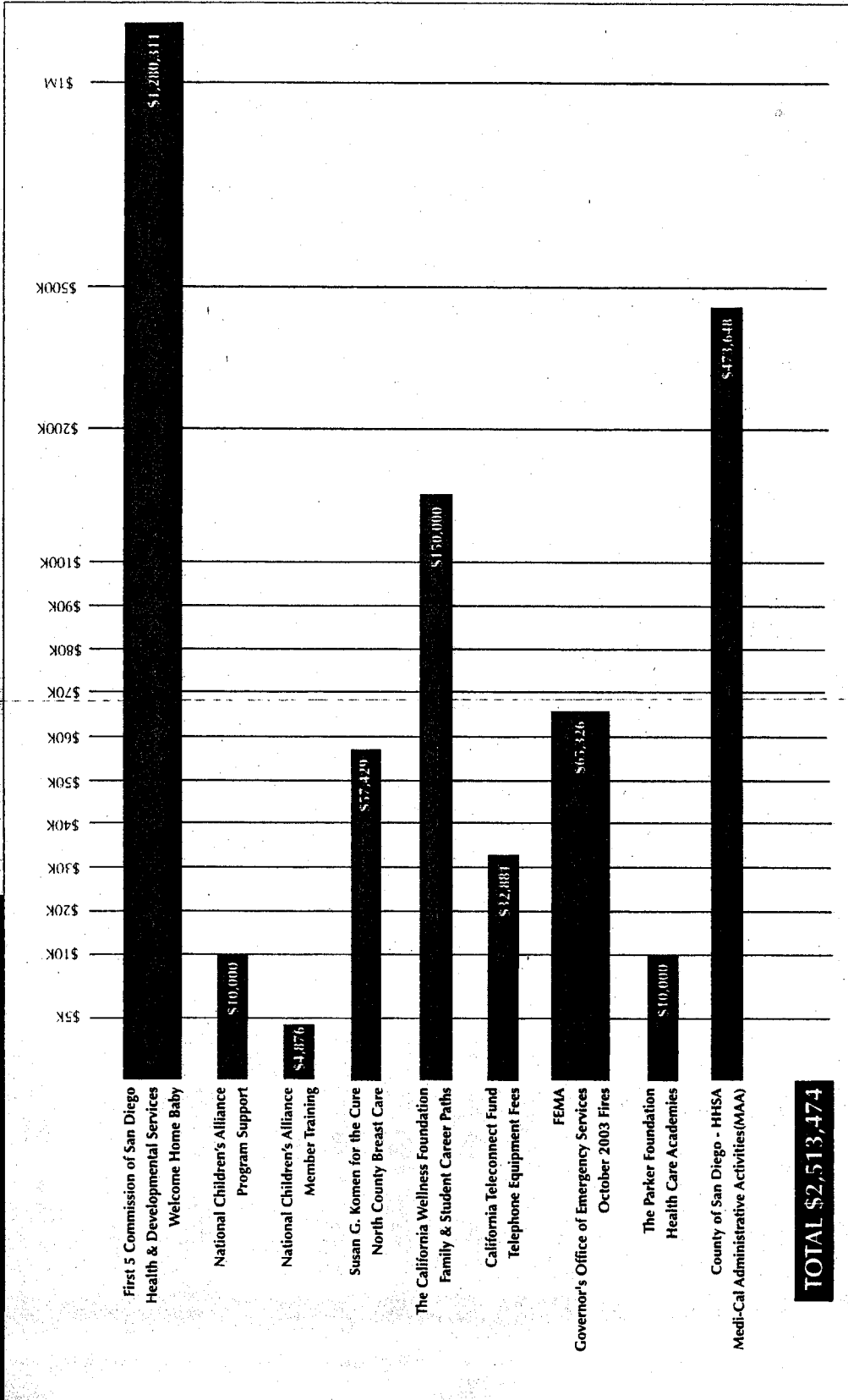
The accomplishments are many, but so is our to-do list and without the cooperation and dedication from every member of our staff Palomar would not be what it is today nor would it achieve the goals we have for the future.

With great respect,



Brad Wiscons
Executive Director, Palomar Pomerado Health Development

2007 FINANCIAL REPORT: GRANTS RECEIVED



Accountable / ac-count-able / Adj. capable of being accounted for. By being *accountable* and holding itself to the highest standards, Palomar Pomarado Health Development is building its reputation for honesty and following through on what it says it's going to do.

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KEY INITIATIVES

Palomar Pomerado North County Health Development, Inc. works together with the entire health district in order to further develop key initiatives that will benefit staff, patients and the North County community as a whole.

In October 2007, the Research Institute (See page 8), led by Dr. Richard Just, began accepting its first applications for research. The institute will put PPH on the regional and national radar by working with world-class researchers to bring the latest innovative techniques and medicines to patients in the safest and quickest manner possible. Collaborating with the Clinical Investigation Institute at the University of California San Diego and other academic research partners, the Research Institute will have access to significant government studies.

From programs in the classroom to plans for the new Palomar West going 'Green', Health Development is making a difference today to bring the Hospital of the Future into the present.

- **The Research Institute**
- **Facilities**
- **Innovation**
- **Integrated Women, Childcare & Infant Health**
- **Workforce Development and Diversity**

RESEARCH INSTITUTE

at Palomar Pomerado Health

Palomar Pomerado Health is collaborating with doctors, staff and community partners to establish an independent Research Institute. As PPH works to achieve the system-wide goal of the Hospital of the Future, the Research Institute will be an important catalyst in that effort. It will provide the health care services of the future by working with world-class researchers to bring the latest innovative techniques and medicines to patients in the safest and quickest manner possible. After many months of planning and development of initial seed funding through Palomar Pomerado Health, the Research Institute began applying for and accepting research grants and contracts in October 2007. The Institute will ramp up over the next three to five years, at which time it is expected to play a significant role in supporting the Hospital of the Future. As part of the capital campaign PPH will establish an endowment for the Research Institute.

Collaboration – The Research Institute will collaborate with the Clinical Investigation Institute at the University of California San Diego and other academic research partners, who will help write grants, establish basic research protocols and act as the scientific manager of the research studies. PPH will translate the research findings into practice, enroll patients, manage the site, manage finances, maintain data integrity and support research coordinators. This partnership will enhance the Research Institute's access to the most significant government studies.

Goals – Over the next year the goals for the Research Institute are:

1. Attract research-oriented staff to the hospitals
2. Improve internal research
3. Establish data warehouse
4. Centralize research activity
5. Work with PPH Foundation in attracting endowed gifts

Focus of Research – The Research Institute will not limit research to one area. It will have multiple foci, including systems and quality improvement, drug trials and development of new medical devices. This research will directly benefit the residents of Palomar Pomerado Health District.

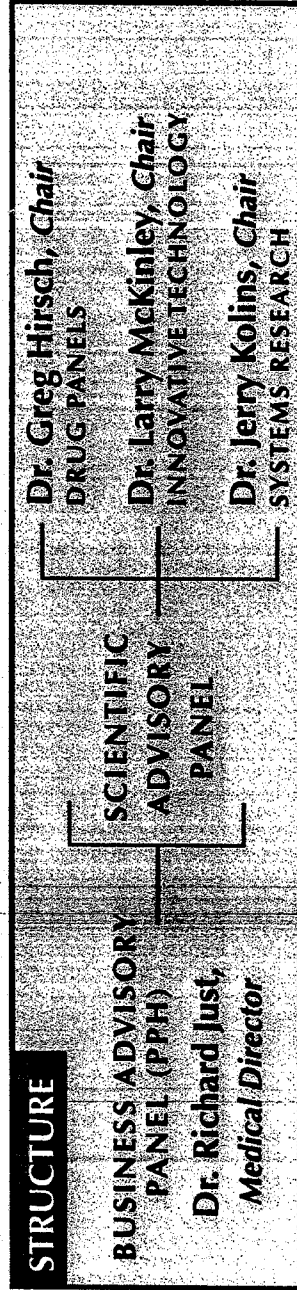
Benefits – The Research Institute will:

- Help develop industry recognition for PPH as a "Center of Excellence for Translational Research."
- Achieve academic and industry recognition on regional and national levels.
- Attract more drug and device trials and the attention of pharmaceutical corporations and medical device manufacturers seeking an outlet for translational research for those products.
- Attract and retain renowned physicians who are looking for the kind of exciting opportunities research provides.

Anticipated Funding Sources

1. National Institute of Health
2. Seed Grant Start-Up Funds from PPH
3. Philanthropic Giving
4. Private Industry
5. Grants

The Research Institute at Palomar Pomerado Health is a division of Palomar Pomerado North County Health Development, Inc. Inquiries regarding research or partnerships should be directed to Brad Wilsons, Executive Director, 858.675.5457.



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DR. RICHARD JUST

Palomar Pomerado Health is proud to name Richard Just, M.D., as the founding Medical Director of the Research Institute. For nearly 40 years, Dr. Just has been at the forefront of medical research in Southern California. Most notably, his work in Oncology and Hematology has earned numerous awards, honors and the respect of colleagues across the country.

Dr. Just has served as the principal investigator on more than 50 cancer-related research studies and has been chairing the Investigational Review Committee at Palomar Pomerado Health for the last 18 years. He has been part of the medical team at Pomerado Hospital and Palomar Medical Center for more than three decades.

Dr. Just will use his role as medical director of the newly-created Research Institute at Palomar Pomerado Health to lead the system into the future and keep it at the forefront of medical research. "By creating an independent research institute, we are ensuring the best staff, medical practices and technology are available to our patients," said Dr. Just.

In his new role, Dr. Just will participate in fundraising efforts, oversee the institute, determine the focus of new protocols, report to Health Development and establish the focus of various research committees.



"Medicine isn't just a career, it's a passion."
—Dr. R. Just

Dr. Richard Just, Medical Director
Research Institute at Palomar Pomerado Health

Education: Chicago Medical School — M.D.
University of Michigan — B.S.

Board Certification: Internal Medicine
Medical Oncology
Hematology
Licensed in the State of California

Personal: Married with two children, two grandchildren



at Palomar Pomerado Health

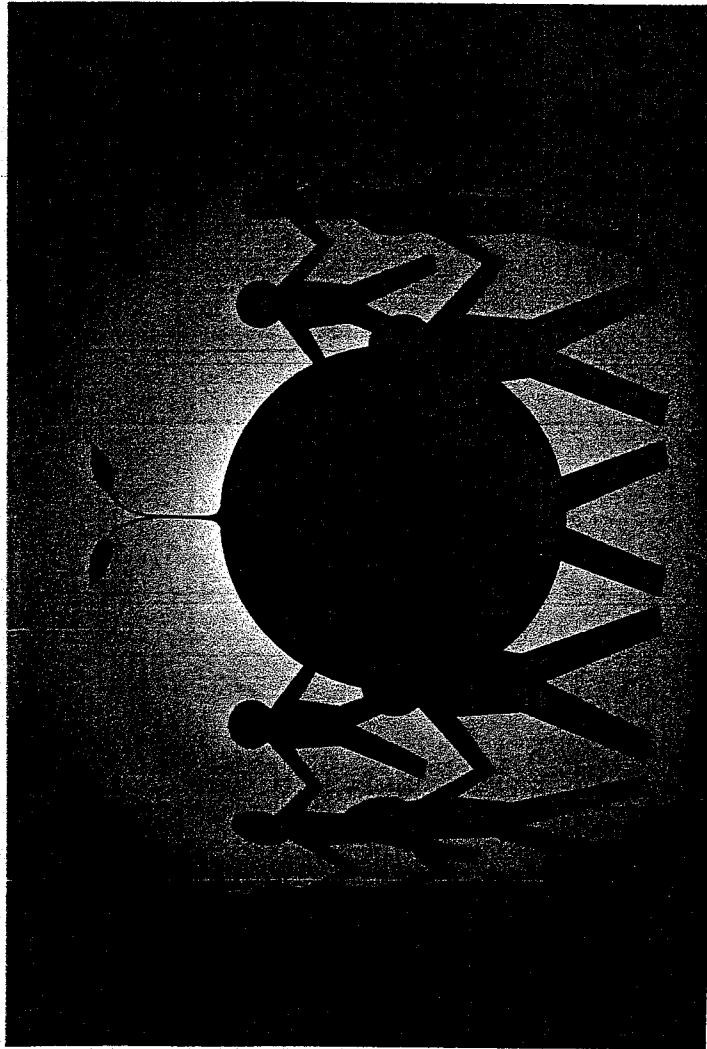
FACILITIES

The Future is Green & Sustainable

Palomar Pomerado Health is committed to creating a sustainable healing environment that comforts and promotes health by honoring the relationship of the individual to their environment.

Two years ago, the Green Hospital initiative was established by a grant from the Kresge Foundation to ensure that Palomar Pomerado Health's new hospital in Escondido, the renovations on the downtown campus, and all buildings district-wide are built as green-friendly as possible. This past year, additional grants have allowed the Sustainability team to continue its efforts to bring PPH closer to the cutting-edge of Green health care design.

- A new Interior Design committee has been formed to review materials for the new hospital and renovations for existing buildings. The committee ensures that non-toxic, renewable, recyclable materials are used and polluting materials such as polyvinyl chlorides are eliminated. New material such as Nora's Ecoplan and Amtico's Stratica are selected based on material content, low energy maintenance level, product safety, durability, and environmental performance.
- The new Waste Management committee is instituting a hospital-wide recycling program that will significantly reduce costs and gain revenue.
- A new partnership has been formed with Hospitals for a Healthy Environment, a national movement for environmental sustainability in health care, to better educate and provide resources to the district.



Did you know?

Even though Green construction costs one to seven percent more than traditional methods, the added upfront costs result in 30 percent less energy usage by the facility and shorter patient stays.

Studies show that hospitals with greater outdoor light intensity reduce patients' depression and reduce errors made by physicians.

* Center for Health Design

FACILITIES *(continued)*

Nursing Program Holds Bright Future

Launched in September 2006, the Palomar Pomerado Center for Health Education (PPCHE) is the only baccalaureate nursing program in North San Diego and Southwest Riverside counties. Health Development helped secure funds to create a place where students can realize their dreams and a new generation of health care workers can be born.

During its exceptional freshman year, students like Michelle Alfe, 53, are achieving their dreams to be a part of the health care industry. Born in Mexico City and fluent in three languages, Alfe knew she made the right decision when she entered the program. The program has allowed Alfe to not only learn about the skills needed to enter the field, but taught her how the health care system works in other countries, thanks to frequent field trips to Mexico.

"The staff and teachers of this school take students' goals personally, allow each of us to have mentors and enable the students to be truly taken care of," says Alfe, previously a personal trainer. "Nursing school is hard work and physically demanding, and it helps to know you have people supporting you each step of the way."

Alfe will be one of the first students to graduate from the program in the fall of 2009. After graduation, she wants to work with the professors of the program and do humanitarian work in other countries.

This year PPH opened The Jean McLaughlin Women's Center for Health and Healing, the first outpatient center in San Diego dedicated solely to the comprehensive care of women. The center is a remarkable concentration of quality women's services and state-of-the-art facilities designed to heal, comfort and promote health throughout all the phases of a woman's life. (See page 13)



Did you know?

- An additional \$300,000 annual grant was established from the Chancellor's Office at California State University San Marcos for capacity building.
- Kaiser Permanente supplied initial funds of \$340,000 to develop an entry-level baccalaureate program that will start in the spring of 2008. The program will allow a maximum of 42 students in the 15-month program who want to change careers and enter the nursing field.

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INNOVATION

The Face of Innovation

For the first time in its history, Palomar Pomerado Health has a Chief Technology and Innovation Officer. Orlando Portale, a veteran health care expert, is responsible for facilitating and adopting new and forward-looking programs that will add value and expand the benefits PPH provides the community.

"PPH is a hospital organization that seeks change and gets ahead by being early adopters of technology," says Portale. "We are proud to be one of the two percent of hospital organizations that are willing to shed their heritage and embrace and adopt new ideas."

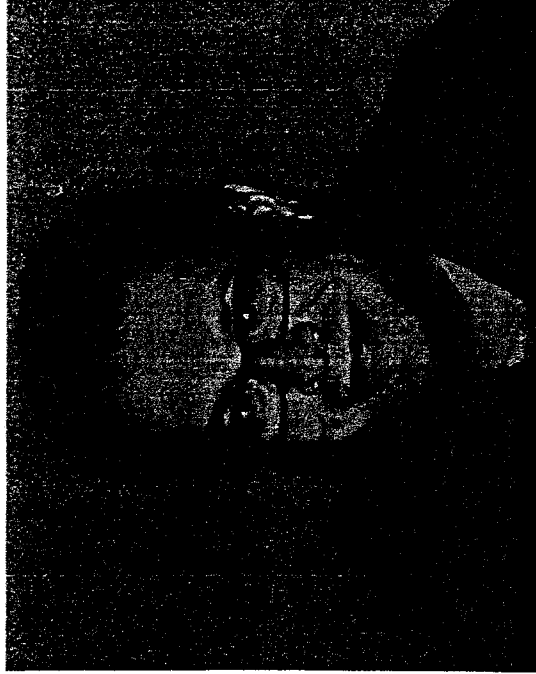
Innovation In Progress

Remote Presence Robotics – Physician expertise can be available at the patient bedside anytime, anywhere through a high-tech robot. Linking physicians with their patients in a whole new way, the robots allow physicians to check on patients from a remote location. Studies show that immediate assistance and 24/7 access to physicians through robots helps free up beds enabling more patients to be seen in less amount of time.

eResearch+LINK – This software supports study administration and clinical data management in a single, integrated environment. Specifically to be used for the new Research Institute, eResearch+LINK expedites the research process, enhances quality and improves access to data by integrating systems, aggregating information and centralizing processes.

Safe Bed – How can hospital beds save lives? The answer lies in the technology. Employing a smart mattress cover with built-in physiological sensors that alert staff to clinically significant changes in a patient's condition, safe beds also alert staff if a patient has gotten out of bed. If approved, Pomerado Hospital would be the first hospital in California to use this technology.

Virtual Palomar West – While the new Palomar West is still under construction, staff and board members can prepare for the new facility now through the internet. Second Life is a web site that will contain a virtual model of a patient room, universal procedure room and an innovation amphitheatre to hold virtual meetings.



Orlando Portale, Chief Technology and Innovation Officer for Palomar Pomerado Health

1985 – 1996: Department Head, Applied Clinical Informatics at the University of Michigan Health System

1996 – 2002: Senior Health Care Advisor, Science Applications International Corporation

2002 – 2005: General Manager, Global Health Industry, Sun Microsystems

2005 – 2007: CEO and Founder of Portale & Co., Inc., a health care consulting firm

2007 – Present: Chief Technology and Innovation Officer, Palomar Pomerado Health

Innovate / in•no•vate

Verbs: to make changes; do something in a new way. Establishing Health Development was a means for PPH to innovate a more collaborative and focused approach to working with the community and advancing health care's future.

INTEGRATED WOMEN, CHILDCARE & INFANT HEALTH

New Women's Center for Health & Healing Opens

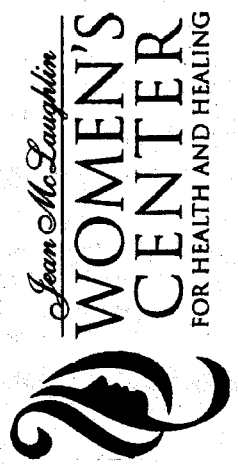
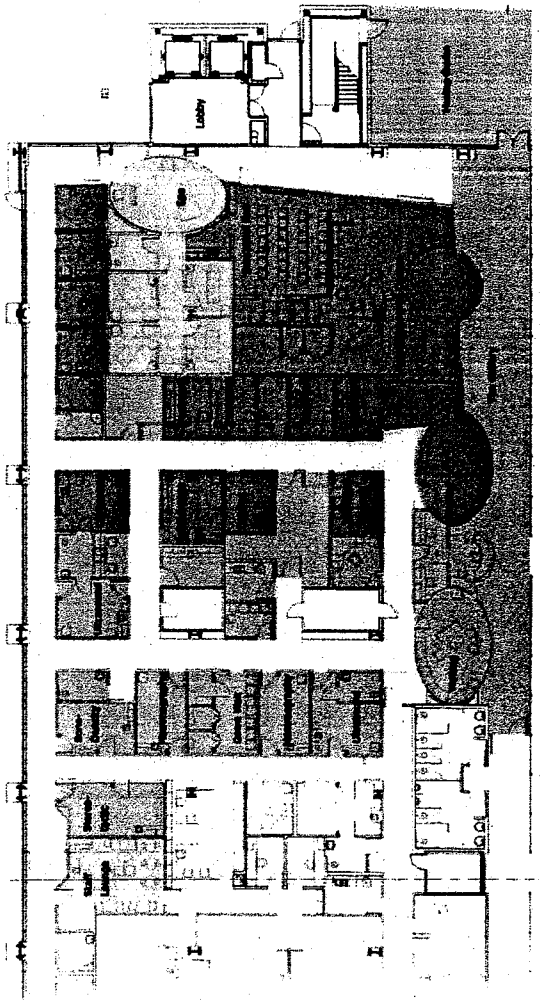
This year PPH marked the development and construction of the first outpatient center in San Diego dedicated solely to the comprehensive care of women, from adolescents to seniors. Opened in November, 2007, **The Jean McLaughlin Women's Center for Health and Healing** is a remarkable concentration of quality women's services and state-of-the-art facilities designed to heal, comfort and promote health throughout all the phases of a woman's life.

The vision of the center is to provide a continuum of comprehensive, coordinated care in one location where women have access to physicians, imaging services, education, preventative screenings, and information to improve their health. This continuum of services allows patients to schedule multiple appointments in a single day, and be referred to specialists across the hall instead of across town.

From the waiting areas, to the treatment rooms, to the outdoor healing garden, the Women's Center was specifically designed to feel more like a retreat than a medical facility. The 10,406 square-foot center is located on the first floor of the Pomerado Outpatient Pavilion (POP) campus of Pomerado Hospital.

Some of the Services available at the Women's Center include:

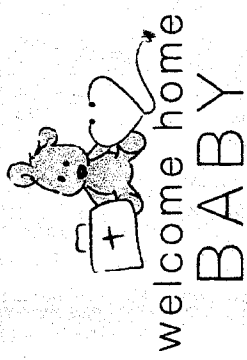
- Comprehensive breast care
- Lactation consultation
- Heart, bone & bladder health
- Boutique specializing in lactation and cancer support supplies
- Stroke and diabetes prevention
- Wellness center and spa
- Prenatal testing
- Resource center and library



"The opening of the Pomerado Women's Center truly signals a transformation in women's health care in San Diego's North County. The opportunity for women to obtain dedicated screening and diagnostic testing with access to specialists and wellness education all within the compassionate and healing environment of the health center are valuable additions to the Palomar Pomerado Health District."

—Cynthia A. Robertson, M.D., F.A.C.P.
Integrative Medicine Specialist, PPH

INTEGRATED WOMEN, CHILDCARE & INFANT HEALTH (continued)



We've Come A Long Way... Welcome Home Baby

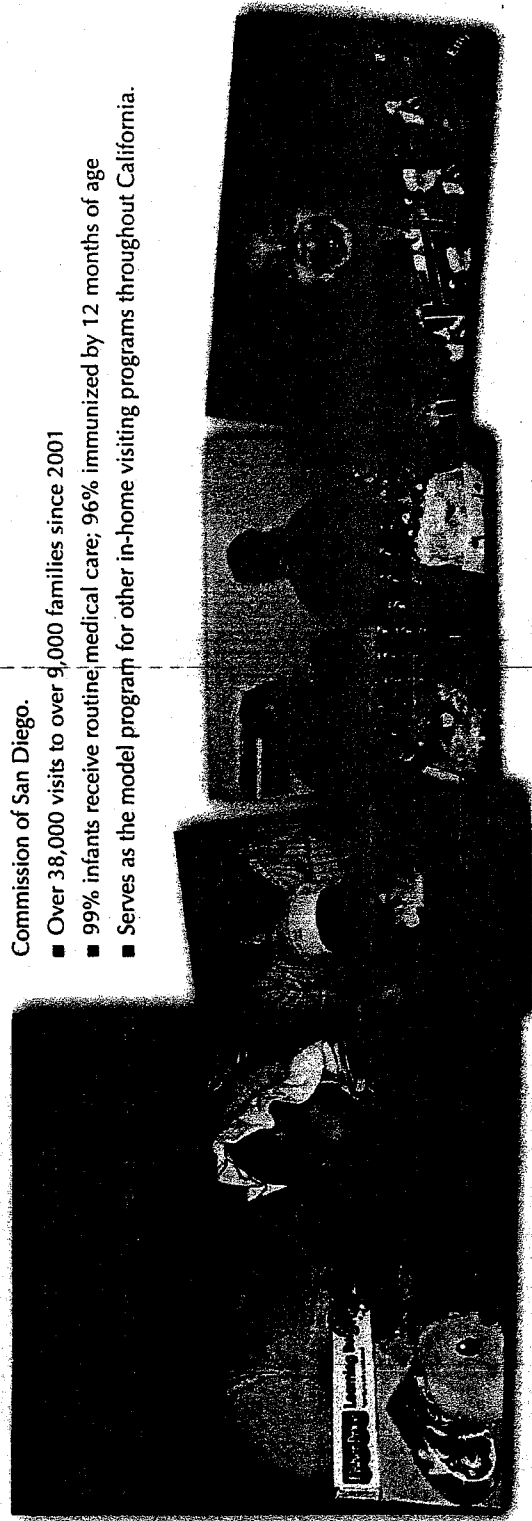
In 2006-2007, Welcome Home Baby, a newborn home visiting program for first time parents, celebrated its fifth year of service, ensuring the health and well being of infants throughout San Diego County and establishing itself as a model home-visiting program with far-reaching impact.

With the continued support and fiscal oversight of Health Development, the program and its staff of 10 registered nurses, lactation consultants, registered dietitians and health educators make an average of 600 home visits per month offering free, hand-on assistance to local mothers and their newborns.

As a result, Welcome Home Baby sees its fair share of hardship—babies sleeping on floors; new mothers who are alone; babies in unsafe, hand-me-down car seats, if they have a car seat at all. Because the staff goes into private homes, Welcome Home Baby is able to identify and help families who need the bare necessities for child safety, as well as educational guidance on baby's good health and development.

All Welcome Home Baby services are absolutely free to participants due to a \$6.9 million grant from the First 5 Commission of San Diego.

- Over 38,000 visits to over 9,000 families since 2001
- 99% infants receive routine medical care; 96% immunized by 12 months of age
- Serves as the model program for other in-home visiting programs throughout California.



Compassion / com-pas-sion

Noun: sympathetic consciousness of others' distress together with a desire to alleviate it. Welcome Home Baby brings medical knowledge balanced with a dose of much needed *compassion* to struggling parents of newborns.

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WORKFORCE DEVELOPMENT AND DIVERSITY

GO-MED, Creating Health Care Workers of Tomorrow

About Go-Med

When the shortage of health care workers seemed insurmountable, PPH decided to go directly into schools and introduce students to the benefits of working in the health care industry. The grass-roots effort, Go-Med (Growing Our Own Medical Employees Development Program), spans elementary, middle and high schools in North San Diego County. Launched three years ago, Go-Med reaches at-risk kids who otherwise may not have realized their opportunity for a health care career. Through Go-Med, PPH works with high school districts to open Health Care Academies, a two-year occupational program that gives juniors and seniors the opportunity to earn college credit in pre-nursing and pre-allied health courses, as well as CPR certification, during high school. The program was launched three years ago and today PPH continues to offer real opportunities to kids by teaching them the value of academics, hope for the future and the benefits of role models.

With help from a \$10,000 grant from the Parker Foundation this past year, PPHD opened four new Health Care Academies. There are now a total of six academies across North San Diego County serving 420 students who receive hands-on training using hospital equipment donated by PPH and are part of a mentor program. Students will also be able to participate in the "Red Shirt" mentoring program, which will give students first-hand experience working as volunteer interns at PPH facilities.

Red Shirt Program, launched in April 2006 by PPHD, gives students first-hand experience working as volunteer interns at PPH facilities. Since its inception, the program has enrolled 100 active volunteers.



Dr. Marcelo Rivera
 Chairman, PPH Board of Directors and champion of the Workforce Development and Diversity initiative at PPH

"I didn't want anyone to go through what I went through." At age six Dr. Marcelo Rivera was sitting in his first grade classroom when he asked his friend if he could borrow two cents for milk money he had forgotten that day. His teacher, Ms. Melville, immediately slapped him with a ruler. Not because of what he asked, but because of how he asked it. He spoke in Spanglish, or half English half Spanish, and because of his teacher's actions he was mortified in front of his classmates. He vowed from that day forward never to let anyone treat him like that again, and more importantly to always embrace his culture and help others to do the same.

Collaborate / col•lab•o•rate

Verb: To work together, especially in a joint intellectual effort. Collaborating with its partners in the Community Health Development not only inspires and supports young people to pursue promising careers, but also trains them to make the right choices early on in life.

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WORKFORCE DEVELOPMENT AND DIVERSITY (continued)

Health Development Expands Health Care Academies

When Priscilla Delgado saw a presentation in school during her sophomore year on the *Health Care Academy* at Mission Hills High School she thought she'd enjoy working in the health care field. "It seemed interesting and I like working with people," said Delgado. Now a senior and in her second year of the *Health Care Academy*, Delgado is on track to become a pediatrician or a pediatric nurse.

"I don't think I would have known that this career was an option for me without the *Health Care Academy*. Between my classes and my internship at Vista Community Clinic I've learned what it takes to succeed in this field," commented Delgado. Now she is applying to several colleges and plans to start her freshman year in the fall of 2008.

On average, 69 percent of high school students graduate and of those who graduate, many are unsure of what career they want to enter into. Initiatives like the *Health Care Academies* are helping to reverse that trend. They've shown Delgado not only an interest in a career in health care, but a focus of what she wants to study in college.

"My family is so excited for me; everyone wants me to become a doctor now!"

—Priscilla Delgado
Health Care Academy Student

Delgado's classmate, Idalia Flores, now in her second year of the *Health Care Academy*, has grown to like classes such as Medical Terminology and Advanced First-Aid. "The program sounded interesting at first so I thought I'd try it out. Once I started the classes I just loved it!" Flores says her favorite part has to be the internship, where she has been shadowing physical therapists at Palomar Medical Center. "I like interacting with the patients, talking to them, getting to know them, seeing how different exercises can help and ultimately seeing their progress," said Flores. "I like seeing how my actions can make people feel better."

Lisa Dow, the instructor at Mission Hills for the *Health Care Academy*, says she sees a promising future for many of the students in the program. "These kids will see when they go on to college and work, the material they learn in this classroom will be the basis for everything else they learn. They'll be familiar with medical terms and how a hospital operates. This class is invaluable and gives kids the tools they need to have a successful career. Someday they'll look back and say their career started in high school."

The two-year program is currently in five school districts across North San Diego County including San Marcos Unified School District (two schools), Ramona Unified School District, Valley Center Unified School District, Escondido Union High School District and Poway Unified School District.



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**PALOMAR
POMERADO**
NORTH COUNTY
Health Development

ACKNOWLEDGEMENTS

Palomar Pomerado North County Health Development Inc. extends deep appreciation to the following organizations for helping us make this past year a success. With the grant money donated, we are able to share many success stories and create a healthier, positive community.

California Teleconnect Fund

California Wellness Foundation

County of San Diego – Health and Human Services Agency

County of San Diego – Health Resources and Services Administration

FEMA

First 5 Commission of San Diego

Governor's Office of Emergency Services

Kresge Foundation

National Children's Alliance

Parker Foundation

Susan G. Komen for the Cure

Individual donors seeking to support the work of Palomar Pomerado Health are encouraged to contact the Palomar Pomerado Health Foundation. Call 858-675-5457, or go online to www.pphfoundation.org to learn more.

PPHD Board of Directors

Current

- Nancy Bassett, RN, MBA (Chair)
- Michael H. Covert (Vice Chair)
- Robert Hemker (Treasurer)
- Marcelo Rivera (Secretary)
- Gary Powers (Director)

Past

- Alan Larson, M.D. (2005-2006)
- Nancy Scofield (2005 – 2006)

PPHD Staff

- Brad Wiscons
- Jackie McDermott
- Larry Ward
- Todd Saretsky
- Rosemary Massey
- Gracie Lovato
- Kalina Aki

Dedicated / dedi·i·ca·t·ed

Adjs. devoted to a cause, ideal, or purpose. The staff and board of Palomar Pomerado Health Development are dedicated to advancing health care's future in our communities.

PALOMAR
POMERADO
NORTH COUNTY
Health Development

Palomar Pomerado Health Development | 15255 Innovation Drive | San Diego, CA 92128 | 858.675.5457 | FAX 858.675.5482 | www.pph.org

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Recap of Legal Firms

TO: Board of Directors

MEETING DATE: Monday, December 17, 2007

FROM: Board Finance Committee
Tuesday, December 4, 2007

BY: Janine Sarti, General Counsel

Background: Pursuant to a request made at the September 25, 2007, Board Finance Committee meeting, a summary of the legal expenses paid by PPH for calendar year 2007 was presented. In addition, that information was compared to the records for calendar years 2005 and 2006. (See attached).

Budget Impact:

Staff Recommendation:

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

Legal Charges - January to October 2007

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	TOTAL
Aquirre Law Group				\$1,445.00				\$7,030.00			\$8,475.00
Davis Wright Tremaine	\$27,332.90	\$55,022.69	\$13,703.92	\$35,921.92	\$4,879.00	\$87,527.79	\$53,314.68		\$16,592.37		\$294,295.27
DHR International								\$18,461.00			\$18,461.00
Fulbright & Jaworski									\$2,102.90	\$3,772.24	\$5,875.14
Hawley Troxell Ennis & Hawley									\$726.40		\$726.40
Hooper Lundy & Bookman	\$53,737.00	\$33,387.00	\$54,289.00	\$39,733.00	\$14,457.00	\$11,482.00	\$1,060.00	\$39,182.02	\$7,196.00	\$14,055.16	\$268,578.18
Latham & Watkins	\$69,189.00	\$76,457.00	\$78,358.00	\$59,373.00	\$121,218.00	\$52,898.00	\$167,381.00	\$157,377.00	\$82,089.00	\$168,301.82	\$1,032,641.82
Law offices Leticia Trujillo	\$19,540.45	\$13,191.61	\$14,862.57	\$11,332.00	\$16,519.00	\$14,925.00	\$11,689.00	\$13,476.00	\$17,067.00	\$9,781.00	\$142,383.63
Lewis, Brisbois, Bisgaard & Smith									\$61.08		\$61.08
Louis M. Zigman							\$1,514.19				\$1,514.19
McDermott, Will & Emery							\$13,268.30				\$13,268.30
Orrick, Herrington & Sutcliffe		\$3,030.00									\$3,030.00
Pepper Hamilton		\$2,020.00									\$2,020.00
Peter Stoloff										\$1,202.85	\$1,202.85
Public Agency Law Group	\$540.00	\$3,167.00			\$6,315.35	\$1,061.60					\$11,084.95
Rosenberg and Kaplan	\$5,345.00										\$5,345.00
The Taylor Law Firm	\$540.00	\$6,901.05		\$7,250.00	\$4,633.00	\$2,265.00			\$3,104.80		\$21,589.05
	\$176,224.35	\$193,176.35	\$161,213.49	\$155,054.92	\$168,021.35	\$170,159.39	\$248,227.17	\$237,900.02	\$128,939.55	\$203,081.57	\$1,841,998.16
											TOTAL CHARGES

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Legal Charges January 2005 to October 2007

	2005	2006	2007
Aquire Law Group			8,475.00
Davis Wright Tremaine	553,558.24	476,759.27	294,295.27
DHR International			18,461.00
Eilana Marceron	19,618.75		
Friestad Law Firm	391,980.53	6,875.00	
Fulbright & Jaworski			5,875.14
Hawley Troxell Ennis & Hawley	11,895.02		726.40
Healthcare Legal Services		1,595.00	
Healthcare Regulatory	1,003.75		
Higgs, Fletcher & Mack	313,813.11	415,401.18	268,578.18
Hooper Lundy & Bookman	15,153.79		
JAMS, Inc.		1,501.00	
Jones, Jessica Sanders			
Latham & Watkins	1,241,716.23	884,703.80	963,184.80
L/W GO Bonds, Land & Real Estate	945,050.80	921,867.00	69,457.00
Law offices Leticia Trujillo	177,231.80	74,148.93	142,383.63
Lewis, Brisbois, Bisgaard & Smith	4,884.87		61.08
Lounsbury, Ferguson	21,264.23	13,905.40	
Louis M. Zigman			1,514.19
Marilyn Tanacio	63.35		
McDermott, Will & Emery	26,562.99	64,445.82	13,268.30
McHargue, John		43.27	
Medical Development Spec		21,844.00	
Norma Straup		85.00	
Orrick, Herrington & Sutcliffe		23,510.19	3,030.00
Pepper Hamilton			2,020.00
Peter Stoloff			1,202.85
PMC Judicial Exp		142,192.20	
PPH Exp		11,500.84	
Public Agency Law Group		7,827.25	16,562.75
Roberts, Thomas	550.00		
Rosenberg and Kaplan		35,426.50	11,313.50
The Taylor Law Firm			21,589.05
Villapondo, Jami		101.58	
TOTALS	3,724,347.46	3,103,735.23	1,841,998.14

**Issuance of General Obligation Bonds,
Election of 2004, Series 2007A**

TO: Board of Directors

MEETING DATE: Monday, December 17, 2007

FROM: Board Finance Committee
Tuesday, December 4, 2007

BY: Robert A. Hemker, CFO

Background: The issuance of the General Obligation (GO) Bonds, Election of 2004, Series 2007A, as approved at the November 19, 2007, meeting of the Board of Directors, is in process. Rating agency outcomes were presented at the Board Finance Committee meeting: Underlying ratings were as follows: Moody's rating was Aa3; Fitch's was AA- and Standard & Poor's was A+, which we have elected to also apply to the 2007 GO Bond issue.

The Bond Purchase Agreement was signed December 4, 2007, with a total interest cost of 4.862% and an average life of 22.34 years. The issue was composed of: 1) \$66.1 million of Capital Appreciation Bonds with varying maturities – 2011 to 2027; 2) \$15 million of 4.5% coupon 2032 Term Bonds; 3) \$61.9 million of 5% coupon 2032 Term Bonds; and 4) \$98.1 million of 5 1/8% coupon 2037 Term Bonds. Bond Insurance was obtained through MBIA. Nearly 100% of the negotiated sale to Citi was pre-subscribed.

The transaction is scheduled to be closed on or about December 20th.

Budget Impact: Approximately \$241.08 million tranche on remaining \$416 million GO Bond authorization

Staff Recommendation: N/A

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

**PPH Independent Citizens' Oversight Committee
Appointment of Officers**

TO: Board of Directors

MEETING DATE: Monday, December 17, 2007

FROM: Board Finance Committee
Tuesday, December 4, 2007

BY: Robert Hemker, CFO

Background: Pursuant to the Policies, Procedures & Guidelines of the PPH Independent Citizens' Oversight Committee (ICOC), the PPH Board of Directors appoints the Officers of the ICOC. At its July 2005 meeting, the PPH Board delegated responsibility for those appointments to the Board Chair and the Finance Committee Chair.

- The terms of office expired on June 30, 2007
- Officers can serve up to three consecutive annual terms

Budget Impact: N/A

Staff Recommendation: At the Board Finance Committee meeting, staff recommended that the following incumbent Officers of the ICOC be re-appointed to their currently held offices. If re-appointed, each Officer would be serving a third consecutive term of office.

- **Steve Yerxa, Chair**
- **Bob Wells, Vice-Chair**
- **John McIver, Secretary**

Committee Questions: The Board Finance Committee concurred and recommended that the incumbent Officers of the ICOC be re-appointed for a second consecutive term of office. Board Finance Committee Chair Ted Kleiter re-appointed the incumbents listed above on behalf of the Board of Directors.

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

**Authorized Individuals and Enabling Resolutions
for a Metropolitan Life Insurance Company Deposit Account
with JP Morgan Chase Manhattan Bank**

TO: Board of Directors

MEETING DATE: Monday, December 17, 2007

FROM: Board Finance Committee
Tuesday, December 4, 2007

BY: Bob Hemker, CFO

Background: Palomar Pomerado Health ("PPH") has entered into an Agreement with Metropolitan Life Insurance Company ("MetLife") relating to the payment of benefits under the PPH Employee Benefits Plan. A part of that Agreement requires that PPH open an account with JP Morgan Chase Manhattan Bank (the "Bank"), with withdrawals therefrom to be subject to the direction of MetLife.

At the November 12, 2007, meeting, the Board adopted Resolution 11.12.07 (04) 16, memorializing the authorizations for PPH and MetLife with regard to the opening and maintenance of the Palomar Pomerado Health Dental Benefits Account (the "Account"). The Bank reviewed that Resolution after adoption and realized that revisions made by PPH and MetLife inadvertently assigned duties to officers of PPH instead of to officers of the Bank. A corrected Resolution and a redline illustrating the changes are presented for review and approval.

Budget Impact: N/A

Staff Recommendation: At the Board Finance Committee meeting, staff recommended approval of the revised PPH Resolution Re: Authorized Individuals and Enabling Resolutions for a Metropolitan Life Insurance Company Deposit Account with JP Morgan Chase Manhattan Bank.

Committee Questions:

COMMITTEE RECOMMENDATION: The Board Finance Committee recommends approval of the revised PPH Resolution Re: Authorized Individuals and Enabling Resolutions for a Metropolitan Life Insurance Company Deposit Account with JP Morgan Chase Manhattan Bank.

Motion:

Individual Action: X

Information:

Required Time:

RESOLUTION NO. 12.17.07 (03) – 21

**RESOLUTION OF THE GOVERNING BOARD OF PALOMAR
POMERADO HEALTH RE: AUTHORIZED INDIVIDUALS AND
ENABLING RESOLUTIONS FOR A METROPOLITAN LIFE
INSURANCE COMPANY DEPOSIT ACCOUNT WITH
JP MORGAN CHASE MANHATTAN BANK**

WHEREAS, to implement an Agreement between Palomar Pomerado Health ("PPH") and Metropolitan Life Insurance Company ("MetLife") relating to the payment of benefits under PPH's employee benefit plan, PPH desires to open an account with JP Morgan Chase Manhattan Bank (the "Bank"), with withdrawals therefrom to be subject to the direction of MetLife.

RESOLVED, that PPH open a deposit account with the Bank to be entitled **Palomar Pomerado Health Dental Benefits Account** or such other name designated by the Chief Executive Officer or Chief Financial Officer of PPH ("Account").

RESOLVED, that such designated officers of PPH and MetLife are authorized to deposit funds of PPH or MetLife in the Account.

RESOLVED, that any funds deposited in the Account be subject at any time, to withdrawal, transfer or charge upon the following terms only: (1) upon checks, drafts or other orders for the payment of money drawn in the name of PPH and bearing the signature of persons designated to the Bank from time to time by the Treasurer or any Vice President or any other duly authorized officer of MetLife or when bearing or purporting to bear the facsimile signature of such persons and (2) in accordance with orders, instructions and information transmitted to the Bank on magnetic tape, by computer transmissions, in writing or by means of telecommunications by or on behalf of MetLife.

RESOLVED, that the Bank is authorized (1) to pay any such check, draft or other order or make or permit any such withdrawal, transfer or charge in accordance with such orders, instructions or information, regardless of by whom or by what means the actual or purported facsimile signature(s) thereon may have been affixed, (2) to receive same from any holder without inquiry as to the circumstances of issue or the disposition of the proceeds, it being understood that some or all of the funds on deposit in the Account will be transferred from time to time to an account(s) maintained by MetLife with the Bank and, (3) at the option of the Bank, to pay any such check, draft or other order to make or permit such withdrawal, transfer or charge even if the Account shall not be in credit to the full amount of such instrument, withdrawal, transfer or charge.

RESOLVED, that the Bank is authorized and directed (1) to send MetLife checks or drafts purporting to be drawn by PPH upon itself which are made payable through the Bank or information relating to such checks or drafts and (2) to accept instructions from the persons designated by the Treasurer, any Vice President or any other duly authorized officer of MetLife to charge the Account and pay the checks or drafts designated by such persons, to stop payment thereon, or to return such checks or drafts unpaid to the presenter provided any such checks or drafts have been returned to the Bank by MetLife.

RESOLVED, that all statements of account in connection with the Account shall be addressed and delivered to the Corporate Controller of PPH, with copies thereof to MetLife, and all canceled checks, drafts, other orders and correspondence in connection with the Account shall be addressed and delivered to MetLife.

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PALOMAR POMERADO HEALTH
Actionable Item

TO: Facilities and Grounds Committee

MEETING DATE: Monday, December 17, 2007

BY: Michael Shanahan, Director - Facilities Planning & Development
Palomar Pomerado Health

- **Background:** Rock crushing operations are required for the on-going excavation and earthwork final site preparations for the New Palomar West Hospital. As Lead public agency and in conformance with the California Environmental Quality Act, PPH has prepared an addendum to the Final ERTC EIR in support of these operations.

Budget Impact: NONE

Staff Recommendation: APPROVE AND RECOMMEND FINDINGS

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion: X

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH

RESOLUTION NO. 12.17.07 (04) - 22

**RESOLUTION ADOPTING AN ADDENDUM
TO THE PREVIOUSLY CERTIFIED FINAL
ENVIRONMENTAL IMPACT REPORT FOR
THE ESCONDIDO RESEARCH AND
TECHNOLOGY CENTER (SCH NO.
2001121065) AND APPROVING ROCK
CRUSHING OPERATION**

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

Whereas, an Addendum ("Addendum") to the Final Environmental Impact Report for the ERTC Specific Plan 2001-01-SPA ("ERTC FEIR") for the amendments to the ERTC Specific Plan, 2005-81-SPA, was prepared and certified by the Palomar Pomerado Board of Directors acting in its role as lead agency, and the Addendum was considered by the City of Escondido acting in its role as responsible agency;

Whereas, an Addendum to the previously certified ERTC FEIR has been prepared to evaluate the potential environmental effects of allowing a temporary rock crushing operation associated with the necessary building footprint excavation and final site grading to occur a minimum of 600 feet from the nearest residence; and

Whereas, All environmental issues associated with rock crushing operations occurring at a minimum distance of 600 feet from the nearest residence have been adequately analyzed and addressed in the ERTC FEIR and the Addendum, with the exception of noise; and

Whereas, noise monitoring was conducted for the proposed rock crushing; and

Whereas, an addendum to the ERTC FEIR has been prepared in compliance with CEQA Guidelines Sections 15164 and 15162 to address the rock crushing activity; and

Whereas, CEQA Guidelines Section 15164(a) states that the lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred; and

Whereas, the decision making body has consider the addendum with the ERTC FEIR; and

NOW, THEREFORE, BE IT RESOLVED THAT:

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

Section 2. Adoption of the Addendum. The Board of Directors adopts the addendum to the previously certified ERTC FEIR.

Section 3. Findings in Support of the Addendum. The Board of Directors makes the following findings in adopting the addendum:

- A. Noise monitoring was conducted for the proposed temporary rock crushing, which found that with site topography, the permanent 10-foot site perimeter berm, and an 18-foot noise attenuation barrier, the resulting rock crusher noise level at the nearest residential property line is 45.5 dBA. This is below the City's 50 dBA Leq threshold. Therefore, noise associated with proposed rock crushing activities at a minimum distance of 600 feet of the nearest residence would comply with the City's noise ordinance criteria and would not exceed the allowable noise levels at the nearest residence. Therefore no significant impacts to adjacent residences would occur.
- B. The proposed rock crushing operation is consistent with the certified ERTC FEIR and will not result in any new significant noise impacts;
- C. None of the conditions defined in Sections 15162 and 15163 of the State CEQA Guidelines that would require preparation of a subsequent or supplemental EIR have been met:
 - (1) No substantial changes are proposed to the project which will require major revisions to the ERTC FEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
 - (2) No substantial changes have occurred with respect to the circumstances under which the project is undertaken which will require major revisions to the ERTC FEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
 - (3) No new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the ERTC FEIR was certified as complete, shows any of the following:
 - (A) The project will have one or more significant effects not discussed in the ERTC FEIR;
 - (B) Significant effects previously examined in the ERTC FEIR will be substantially more severe than shown in the ERTC FEIR;
 - (C) Mitigation measures or project alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects on the environment, but the City declined to adopt the mitigation measure or alternative; or
 - (D) Mitigation measures or project alternatives which are considerably different from those analyzed in the ERTC FEIR would substantially reduce one or more significant effects on the environment, but the City declined to adopt the mitigation measure or alternative.

Section 4. Approval of Rock Crushing Operation. The Board of Directors approves the proposed rock crushing operation which is necessary in order to complete building footprint excavation and final site grading subject to the following:

- A. The rock crushers shall be located a minimum of 600 feet from the nearest residence.
- B. An 18-foot dirt noise attenuation barrier shall be constructed and maintained to the west of the rock crushers.

**ADDENDUM TO THE PREVIOUSLY CERTIFIED FINAL
ENVIRONMENTAL IMPACT REPORT FOR THE
ESCONDIDO RESEARCH AND TECHNOLOGY CENTER
(SCH No. 2001121065)
December 2007**

PURPOSE

To allow rock crushing activities to occur on Planning Area 4 of the ERTC Specific Plan in connection with the excavation of building footprints and final grading at a minimum of 600 feet from the nearest residence.

CEQA CONTEXT

Applicable CEQA Guidelines

This Addendum is intended to evaluate the potential impacts of rock crushing activities in connection with the excavation of building footprints and final grading at a minimum distance of 600 feet from the nearest residence and to determine if this action results in impacts beyond those analyzed in the Final Environmental Impact Report (FEIR) thus requiring the preparation of a Subsequent or Supplemental EIR per Sections 15162-15163 of the State CEQA Guidelines. Section 15164(a) of the California Environmental Quality Act (CEQA) Guidelines, states that an Addendum to a previously certified EIR may be prepared if some changes or additions are necessary, but none of the conditions described in Section 15162(a) or Section 15163(a) calling for the preparation of a subsequent or supplemental EIR have occurred. According to Section 15162(a), a subsequent EIR shall not be prepared for this project unless Palomar Pomerado Healthcare District (lead agency) determines, based on substantial evidence in light of the whole record, one or more of the following would occur:

- (1) Substantial changes are proposed to the project which will require major revisions to the ERTC FEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
- (2) Substantial changes have occurred with respect to the circumstances under which the project is undertaken which will require major revisions to the ERTC FEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
- (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the ERTC FEIR was certified as complete, shows any of the following:
 - (A) The project will have one or more significant effects not discussed in the ERTC FEIR;
 - (B) Significant effects previously examined in the ERTC FEIR will be substantially more severe than shown in the FEIR;

(C) Mitigation measures or project alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects on the environment, but the lead agency declined to adopt the mitigation measure or alternative; or

(D) Mitigation measures or project alternatives which are considerably different from those analyzed in the ERTC FEIR would substantially reduce one or more significant effects on the environment, but the lead agency declined to adopt the mitigation measure or alternative.

Further, Section 15163(a) states that the lead agency may choose to prepare a supplement to an EIR, rather than a subsequent EIR or an Addendum to a previously certified EIR, if:

- (1) Any of the conditions described in Section 15162(a) would require the preparation of a subsequent EIR, and
- (2) Only minor additions or changes would be necessary to make the previous EIR adequately apply to the project in the changed situation.

CEQA Guidelines Conclusion

The conclusion supported by the information presented below indicates that an Addendum to the previously certified ERTC FEIR is the appropriate environmental document to fulfill the requirements of CEQA in conformance with Section 15164(a) of the CEQA Guidelines.

BACKGROUND

The implementation and impacts of the ERTC Specific Plan were evaluated in the FEIR prepared by the City of Escondido (City) in November 2002. This EIR adequately addressed the project's potential impacts associated with the following environmental issues: Land Use and Planning; Transportation/Circulation; Air Quality; Noise; Hazards; Biological Resources; Aesthetics; Water Quality; Public Services and Utilities; Cultural Resources; and Geological Hazards. An Addendum to the ERTC FEIR was adopted by PPH in 2005 and relied on by the City to adopt a Specific Plan Amendment (SPA) for the ERTC Specific Plan in 2006. Summaries of the ERTC FEIR (2002) and Addendum to the ERTC FEIR (2005) are provided below.

Escondido Research and Technology Center Final Environmental Impact Report (2002), SCH No. 2001121065. The ERTC Specific Plan amended and supersedes the previously adopted Specific Plan known as Quail Hills, which was approved by the City in January 1988. The ERTC Specific Plan acts as a bridge between the policies of the City of Escondido General Plan (1990) and individual projects within the Specific Plan area. The ERTC Specific Plan designates eight planning areas, land uses, and the circulation system for the project area. The FEIR evaluated the impacts of the implementation of the ERTC Specific Plan, including Planning Areas 1 through 8 of the Specific Plan area (186 acres). The planning areas include a power generating facility and light industrial development. For each of the planning areas, specific uses, development standards, detailed regulatory controls, and implementation programs have been identified. Please see Chapter 1.0 of the certified FEIR for a complete description of the project description, location and environmental setting of the ERTC FEIR. The ERTC FEIR is

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available for review at the City of Escondido Planning Department, which is located at 201 North Broadway, Escondido, CA 92025.

Addendum to the Escondido Research and Technology Center Specific Plan Final Environmental Impact Report (2005). The primary purpose of the Addendum to the ERTC FEIR was to evaluate the potential environmental effects of proposed modifications to the ERTC Specific Plan, and the construction of a new hospital/medical campus on Planning Area 4. The EIR Addendum evaluated the proposed modifications to the ERTC Specific Plan and hospital/medical campus and concluded that the proposed project would not result in new or substantially more severe environmental impacts than those impacts identified in the FEIR. Please see Section III, Project Description, of the EIR Addendum for a complete description of the proposed modifications to the ERTC Specific Plan and hospital/medical campus. The Addendum to the ERTC EIR is available for review on the City's website at <http://www.ci.escondido.ca.us/depts/cd/planning/index.html> and at the City of Escondido Planning Department, which is located at 201 North Broadway, Escondido, CA 92025.

USE OF THE EIR ADDENDUM

This Addendum to the ERTC FEIR, SCH No. 2001121065, has been prepared in accordance with CEQA Guidelines Section 15164. It updates the ERTC FEIR that was prepared for the City and certified in November 2002. Since the FEIR was certified, new information has been identified regarding the noise associated with temporary rock crushing activities in connection with the excavation of building footprints and final grading at a minimum distance of 600 feet from the nearest residence.. This EIR Addendum (2007) to the certified FEIR (2002) for the ERTC Specific Plan provides a discussion of the new information that has become available and the associated environmental effect that the new information has on noise impacts.

PROJECT DESCRIPTION

The "proposed project" for the purposes of this EIR Addendum is the implementation of rock crushing activities in connection with the excavation of building footprints and final grading at a minimum distance of 600 feet from the nearest residence. Excavation of building footprints and final grading associated with rock crushing activities have been previously addressed and analyzed in the ERTC FEIR (2002) and the Addendum to the ERTC FEIR (2005). The FEIR included analysis of the environmental effects of air quality and noise associated with project construction activities (Sections 2.3 and 2.4 of the 2002 FEIR, respectively). The ERTC FEIR Addendum (2005) analyzed the potential environmental impacts of the construction of a hospital/medical campus on Planning Area 4. As identified in these two previous documents, the following best management practices (BMPs) would be implemented during grading/crushing operations within the ERTC Specific Plan area, including Planning Area 4.

Dust Control. Dust control measures would be incorporated into the project to reduce fugitive dust emissions during excavation of building footprints and final grading activities. The following BMPs would be implemented during construction:

- Water active grading sites at least twice daily;
- Cease all rock crushing activities during second-stage smog alerts and periods of high winds (25 mph) if dust is being transported to offsite locations and cannot be controlled by watering;

- Stabilize dirt or rock stockpiles by using chemical binders, tarps, fencing or other erosion controls;
- Sweep streets immediately if visible soil materials have been carried onto adjacent public paved roads; and
- Reduce traffic speeds to 15 mph or less on all unpaved surfaces.

NOISE ANALYSIS

All environmental issues associated with rock crushing activities in connection with the excavation of building footprints and final grading at a minimum distance of 600 feet from the nearest residence have been adequately analyzed and addressed in the ERTC FEIR (2002) and the Addendum to the ERTC FEIR (2005), with the exception of noise. Therefore, an analysis of potential noise impacts of rock crushing activities in connection with the excavation of building footprints and final grading at a minimum distance of 600 feet from the nearest residence, pursuant with the provisions of CEQA and the CEQA Guidelines, is provided below.

Existing Environmental Setting

Please see Section 2.4.1 of the certified ERTC FEIR for a summary of the existing environmental setting for noise impacts.

Proposed Project Modifications

The City of Escondido noise ordinance for the property line of residential occupancies at usable outdoor space (patios, balconies, etc.) is 50 dBA Leq (one-hour average). With two rock crushers in operation, as is proposed for the development of the hospital/medical campus on Planning Area 4, the noise level would be 93 dBA at 50 feet. Under direct line-of-sight conditions, a 93 dBA level at 50 feet would diminish to 67 dBA at 1,000 feet from the source. Therefore, with no intervening topography or other noise attenuation factors, a 1,000-foot separation by itself would not be sufficient to meet the City's daytime noise ordinance standard of 50 dBA Leq.

However, the ERTC Specific Plan area is not at-grade with surrounding properties. Specifically, Planning Area 4 is separated from the residential properties to the west by a 60-foot grade separation in which Planning Area 4 is elevated above the residences. In addition, a 10-foot permanent perimeter berm has been erected along the western and northern site boundaries of Planning Area 4. To determine noise levels at the nearest residential property line, field noise measurements were taken on November 2, 2007 during a one-hour test run of the two operating rock crushers at Planning Area 4. The rock crushers were set up a distance of 600 feet from the nearest residence. In addition, an 18-foot temporary noise wall constructed of dirt was located immediately west of the rock crushers to provide additional noise attenuation. The resulting noise level at the bottom of the slope adjacent to the nearest residential property line on Allenwood Lane was 45.5 dBA, which is well under the City's 50 dBA Leq threshold. The noise measurements taken during the one-hour test run are provided as Attachment A (Giroux & Associates 2007).

Conclusion

With site topography, the permanent 10-foot site perimeter berm, and an 18-foot noise attenuation barrier, the resulting noise level from the operation of two rock crushers at a minimum distance of 600 feet from the nearest residential property line is 45.5 dBA. This is well below the City's 50 dBA Leq threshold. Therefore, noise associated with rock crushing activities, in connection with the excavation of

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building footprints and final grading, at a minimum distance of 600 feet from the nearest residence would comply with the City's noise ordinance criteria and would not exceed the allowable noise levels at the nearest residence. No significant impacts to adjacent residences would occur.

FINDINGS

The proposed rock crushing activity in connection with the excavation of building footprints and final grading at a minimum distance of 600 feet from the nearest residence is consistent with the certified FEIR and will not result in any new significant noise impacts. The resulting noise level of the proposed rock crushing activity located at a minimum distance of 600 feet from the nearest residence would not result in a new impact not previously disclosed in the certified ERTC FEIR (2002). Therefore, the required CEQA findings are summarized below. None of the conditions defined in Sections 15162 and 15163 of the State CEQA Guidelines that would require preparation of a subsequent or supplemental EIR have been met.

Major Revisions Not Required. The proposed rock crushing activity in connection with the excavation of building footprints and final grading at a minimum distance of 600 feet from the nearest residence will not result in any new significant noise impacts, nor is there a substantial increase in the severity of impacts from those described in the certified FEIR.

No Substantial Change in Circumstances Requiring Major EIR Revisions. There is no substantial evidence in the record or otherwise to indicate that there are substantial changes in the circumstances under which the noise analysis was undertaken for the ERTC Specific Plan EIR compared to the proposed rock crushing activity, in connection with the excavation of building footprints and final grading at a minimum distance of 600 feet from the nearest residence, that would require major changes to the certified FEIR.

No New Information Showing Greater Significant Effects Than in the Previous EIR. This Addendum has analyzed all available relevant information to determine whether there is new information that was not available at the time that the FEIR was certified indicating that a new significant effect not reported in the certified FEIR may occur. Based on the information and analysis above, there is no substantial new information indicating that there will be a new significant noise impact requiring major revisions of the certified FEIR.

No New Information Showing Ability to Reduce Significant Effects in Previous EIR. Since the proposed rock crushing activity, in connection with the excavation of building footprints and final grading at a minimum distance of 600 feet from the nearest residence, would not result in a new significant noise impact, no alternatives to the project or additional mitigation measures are necessary that would otherwise substantially reduce one or more of the potentially significant noise effects identified in and considered by the certified FEIR.

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REFERENCES

City of Escondido

- 2002 *Escondido Research and Technology Center Specific Plan.*
- 2002 *Final Environmental Impact Report for the Escondido Research and Technology Center Specific Plan (SCH# 2001121065).* November.

Giroux & Associates

- 2007 *Palomar Medical Center Rock Crusher Noise Measurements.* November 5.

Palomar Pomerado Healthcare District

- 2005 *Addendum to the Final Environmental Impact Report (FEIR) for the Escondido Research and Technology Center.* December 6.

ATTACHMENT A

**Palomar Medical Center West
Rock Crusher Noise Measurements**

Giroux & Associates, November 2007

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MEMO

To: Diane Catalano, PBS&J
From: Hans Giroux, Senior Analyst
Subject: Palomar Medical Center West Rock Crusher Noise Measurements
Date: November 5, 2007

Via e-mail
Giroux Reference No.: P07-052

As per your request, we monitored noise levels during a trial run of the two rock crushers located on the above project site along Citricado Parkway in Escondido. Measurements were made from 10:30 A.M. to 11:40 A.M. atop the site perimeter berm at the top of the western slope, and at the closest homes on Allenwood Lane at the bottom of the large vegetated slope to the west. Each location monitored was the nearest point of the potential rock crusher noise impact. The emphasis was on the potentially affected homes. The top of berm meter was selected to determine the extent of the additional noise reduction benefit of the large grade separation between the source and receiver.

The two rock crushers are located behind a secondary sound wall/berm close to the equipment to provide additional shielding. The primary audible noise during "normal" operations is from the rubber-tired loader feeding the first ("jaw") crusher. For this test, a tracked dozer was also used to push a wall of rock from the top of the stockpile for pick-up by the loader in order to create a worst-case noise condition. Both the loader and dozer had a line-of-sight relationship with the "top-of-berm" meter, but were not visible at the "bottom-of-slope" monitor at the nearest homes. During the sound test, all other on-site construction activities were terminated in order to create as quiet a background condition as possible upon which crusher activity noise was then superimposed. The sound level meters used in this measurement were two LDL Model 700B meters with modified microphones and pre-amplifiers to increase their accuracy from Type 2 (ambient grade) to Type 1 (laboratory grade). The meters were calibrated before and after the measurement period.

The City of Escondido noise ordinance compliance standard is 50 dB LEQ. The noise detail in 5-minute increments before and during rock crusher operations is shown in the attached measurement summary. The LEQ attributable to crusher operations was calculated by a logarithmic subtraction of the "with crusher" minus "background only" readings as follows (dB LEQ):

Measurement Location	Background Only	Background Max. w/ Crusher	Crusher Only
Top of Berm (project site)	51.5	60.5	60.0
Bottom of Slope (nearest residence)	42.0	45.5*	43.0

* - excluding 5-minute period with low-flying helicopter

The crusher and associated activity was almost inaudible at the bottom of the slope at the closest residence. The resident at the corner of Allenwood Lane and Live Oak Road agreed that the rock crusher activity was generally inaudible when he inquired as to the nature of our activity at his property line. The maximum rock crusher-only contribution of 43.0 dB LEQ is well within the allowable 50 dB LEQ noise ordinance threshold at the nearest residential property line with a very large margin of safety. The combination of the perimeter berm and the extensive grade separation (plus several hundred feet of additional distance) creates an additional noise attenuation of 17 dB.

It is our professional opinion that the rock crusher operation can operate within allowable noise limits in the present configuration.

Noise Measurement Data (dB) – 11/02/07

Location: On the perimeter berm at the top-of-slope

Start:	LEQ	Lmax	Lmin	L10	L33	L50	L90
10:31	51.5	63.5	47.5	54.0	50.5	49.5	48.5
10:36	Begin crusher operations – conversation near meter						
10:41	58.0	64.0	53.5	59.5	58.0	57.5	56.0
10:46	57.0	63.5	53.0	59.5	57.5	56.5	54.5
10:51	57.5	76.0	51.5	58.5	56.5	56.0	53.5
10:56	56.0	61.0	51.5	58.0	56.5	55.5	53.5
11:01	56.0	60.0	52.0	58.0	56.0	55.5	53.5
11:06	56.0	61.0	52.0	57.5	56.5	55.5	53.5
11:11	57.0	62.0	52.0	58.5	57.5	56.5	54.5
11:16	Helicopter flying low overhead						
11:21	59.0	67.5	52.5	62.0	59.5	56.5	53.5
11:26	59.5	67.0	54.0	62.0	59.5	58.5	56.0
11:31	60.5	70.0	55.0	63.0	60.5	59.0	56.5
11:36	58.0	64.5	55.0	59.5	58.5	57.5	56.5

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Noise Measurement Data (dB) – 11/02/07

Location: At the closest home at the bottom-of-slope

Start:	LEQ	Lmax	Lmin	L10	L33	L50	L90
11:31	42.0	49.5	40.0	43.0	42.0	41.5	40.5
11:36	Begin crusher operations – conversation near meter						
11:41	43.5	63.0*	40.5	48.5	43.0	42.5	41.0
11:46	42.5	49.5	41.0	44.0	42.5	42.0	41.5
11:51	45.5	62.0*	39.5	46.5	42.5	42.0	40.0
11:56	44.0	49.0	39.5	47.5	44.0	42.5	40.0
11:01	43.5	58.0*	39.0	43.0	41.5	41.5	40.0
11:06	41.5	51.5	39.5	42.0	41.5	41.0	40.0
11:11	Approaching helicopter						
11:16	Helicopter flying low overhead						
11:21	42.0	49.0	40.5	43.5	42.0	41.5	41.0
11:26	43.5	50.5	39.5	47.5	42.5	41.5	40.0
11:31	42.5	47.0	41.0	44.0	42.5	42.5	41.5
11:36	43.0	50.0	41.0	44.5	43.0	42.5	42.0

* = car passing near meter on Allenwood Lane

