

ADDENDUM A

**BOARD FINANCE COMMITTEE MEETING
(BOARD MEETING WITH RESPECT TO BOARD MEMBERS ON THE COMMITTEE)**

**ATTENDANCE ROSTER & MEETING MINUTES
CALENDAR YEAR 2008**

MEMBERS	MEETING DATES:										
	1/22/08	2/26/08	3/25/08	4/29/08	5/27/08	7/1/08	7/29/08	8/26/08	9/30/08	10/28/08	12/2/08
NANCY BASSETT, R.N.	P	P									
TED KLEITER – CHAIR	P	P									
BRUCE KRIDER, M.A.	P	P									
MARCELO RIVERA, M.D.	P	P									
MICHAEL COVERT, FACHE	P	P									
BEN KANTER, M.D.	E	P									
JOHN LILLEY, M.D.	P	E									
<i>LINDA GREER – ALTERNATE</i>											
<i>LINDA BAILEY – 2ND ALTERNATE</i>											
<i>ALAN LARSON, M.D. – 3RD ALTERNATE</i>											
STAFF ATTENDEES											
BOB HEMKER	P	P									
GERALD BRACHT	P	P									
STEVE GOLD	P	P									
TANYA HOWELL – SECRETARY	P	P									
INVITED GUESTS	SEE TEXT OF MINUTES FOR NAMES OF GUEST PRESENTERS										

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BOARD FINANCE COMMITTEE – MEETING MINUTES – TUESDAY, FEBRUARY 26, 2008

AGENDA ITEM	DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
MEETING LOCATION	Meeting Room E, Pomerado Hospital, 15615 Pomerado Road, Poway, CA			
MEETING CALLED TO ORDER	6:03 p.m. by Chair Ted Kleiter			
ESTABLISHMENT OF QUORUM	See roster			
PUBLIC COMMENTS	There were no public comments			
INFORMATION ITEM(S)	<p>Bob Hemker reminded the Committee that—pursuant to the Brown Act—items not bullet-pointed on the agenda could be presented but could not be discussed:</p> <ul style="list-style-type: none"> • Update on Scripps Penn Elm <ul style="list-style-type: none"> o We have cancelled their capitated relationship with PPH; they chose not to contract in 2008 for non-capitated business o They continue to inform patient base that we cancelled o While they continue to inform patient base that they can no longer obtain services at PPH, the facts are: <ul style="list-style-type: none"> ▪ Patients can be seen ▪ We do have plan contracts in place that would apply ▪ Will be posting a notice on the PPH website with instructions for patients to call Margie Drobatschewsky if they have any questions ▪ Struggles in the ER related to the issue o We are staying the course o Margie D. did speak with Dr. Leahy and several other physicians immediately following the Board meeting to provide additional information/clarification on the situation • Volatility in the bond marketplace <ul style="list-style-type: none"> o Industry-wide issue, not just PPH - related to auction rate securities market <ul style="list-style-type: none"> ▪ Series 2006 Revenue Bonds are auction rate securities o Escalated rates are occurring industry-wide o Bob has been monitoring <ul style="list-style-type: none"> ▪ In constant contact with Financing team to develop a strategy <ul style="list-style-type: none"> ▲ Kaufman Hall, Citi, Bond Counsel and Bond Insurers ▪ Reviewing and developing possible exit strategies ▪ Will bring back to this Committee as necessary o The 2006 Revenue Bonds are insured by FSA, which is currently the best rated insurer in the market 	<i>Information Only</i>		

BOARD FINANCE COMMITTEE – MEETING MINUTES – TUESDAY, FEBRUARY 26, 2008

Draft

AGENDA ITEM	DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
<p align="center">MINUTES – JANUARY 22, 2008</p>	<p>No discussion.</p>	<p>MOTION: By Director Rivera, seconded by Director Krider and carried to approve the minutes of from the January 22, 2008, Board Finance Committee meeting as presented. All in favor. None opposed.</p>		
<p>FOLLOW-UP ITEMS FROM PRIOR MEETING(S)</p>	<p>Bob Hemker stated this will be a standing part of future agendas, in response to a request of the Board Chair</p> <ul style="list-style-type: none"> • Utilizing the attached handout (<i>Attachment 1</i>), Bob Hemker provided an update on the status of the RAC Audits <ul style="list-style-type: none"> o As requested at the January 22, 2008, meeting o CHA Advocacy <ul style="list-style-type: none"> ▪ PPH staff members participate in monthly conference calls ▪ California Delegation Letter o AHA & ACHD have also been involved in advocacy o H.R. 4105 <ul style="list-style-type: none"> ▪ Legislation introduced into Congress ▪ One-year moratorium pending a comprehensive report o Progressive national rollout plan to begin in March 2008 and run at least through January 2009 o VHA compiled a survey of chart requests <ul style="list-style-type: none"> ▪ One-day stays were primary cases audited <ul style="list-style-type: none"> ▲ Patient admitted as in-patient ▲ Auditor reviewed and said should not have been admitted <ul style="list-style-type: none"> (a) In-patient status denied, but statute of limitations to rebilling had expired, so facilities were unable to re-bill as out-patient ▲ Most of auditors' reasoning centers around "medical necessity" <ul style="list-style-type: none"> (a) Physicians (ER and Hospitalists, especially) need to clearly define reasons for admitting, backing it up with documentation (b) Ensure they are aware of the impact of the RAC audits (c) Part of the HealthWoRx process is a review of one-day stays ▪ Top DRGs were for respiratory & rehab procedures/diagnoses ▪ Largest amounts of dollars retracted were in acute rehab o PPH has gone from \$139K taken back in December to \$0 take-back in February • Update on Investments (<i>Attachment 2</i>) <ul style="list-style-type: none"> o As requested at the January 22, 2008, meeting o Will become a standing part of all future quarterly investment updates o How do our investments benchmark against industry standards? 	<p>Information Only</p>	<ul style="list-style-type: none"> • Bob Hemker/ 6-mo follow-up on ePayables 	<p>Due 072908</p>

BOARD FINANCE COMMITTEE – MEETING MINUTES – TUESDAY, FEBRUARY 26, 2008

Draft

AGENDA ITEM	DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
	<ul style="list-style-type: none"> ▪ Reviewed as of December 31, 2007 ▪ Compared yield to benchmark yields ▪ Except for Pacific Income Advisors, met or exceeded benchmarks in terms of governmentals • Back to Budget Discussion <ul style="list-style-type: none"> o As requested at the January 22, 2008, meeting o Michael Covert had indicated that he would follow up discussions either with the Board or at the next Board Finance Committee meeting o Bob Hemker stated that strategies were underway and the promised follow-up would be handled as part of the discussions regarding the January financial statements 			
INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE (ICOC)				
<p>NOTICE OF PENDING VACANCIES</p>	<ul style="list-style-type: none"> • Mr. Steve Friar resigned as he had changed employment and didn't want his employer to be conflicted should the opportunity arise for them to bid on any future projects with PPH <ul style="list-style-type: none"> o As Mr. Friar was the tenth member on a committee with a required membership of 9, resignation did not create a vacancy o There will be two vacancies created due to the normal course of term limits, effective June 30, 2008 <ul style="list-style-type: none"> ■ Dr. George Kung, MD – Required Nurse/Physician Member ■ Kathy Leech-McKinney – At Large Member o Staff requests authorization to go through the process of recruiting for the two vacancies <ul style="list-style-type: none"> ■ Public posting process as done in the past ■ Finance Committee to review applications and present proposed finalists to the Board for approval • Expiration of Dr. Kung's term creates a vacancy in Required Nurse/Physician Member seat <ul style="list-style-type: none"> o Current member Dr. Marguerite Jackson Dill is qualified to fill that seat as she is an RN o Staff recommends appointing Dr. Dill to fill Required Nurse/Physician seat <ul style="list-style-type: none"> ■ Two vacancies would then be posted for At Large seats 	<ul style="list-style-type: none"> • MOTION: By Director Rivera, seconded by Director Bassett and carried to recommend posting of the two (2) vacancies created by the pending term expirations of George Kung, MD, and Kathy Leech-McKinney; and, consistent with previous methodology, it is also recommended that the full Finance Committee evaluate all applicants (conducting phone and/or face-to-face interviews with the finalists as warranted) prior to recommending to the District Board the proposed finalists for the vacant seats on the ICOC <ul style="list-style-type: none"> • By Director Bassett, seconded by Director Rivera and carried to recommend that Dr. Marguerite Jackson Dill be appointed as the Required Nurse/Physician Member of the ICOC for the remainder of her term, to fill the vacancy that will be created at the expiration of Dr. George Kung's term on June 30, 2008 	<p>Forwarded to the March 10, 2008, Board of Directors meeting with recommendations for approval</p> <ul style="list-style-type: none"> • Bob Hemker is to coordinate potential interview schedules through Chairman Kleiter 	

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AGENDA ITEM	DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
<p>FINANCIAL REPORT JANUARY 2008 & YTD FY2008</p>	<ul style="list-style-type: none"> • Balanced Scorecard (BSC) <ul style="list-style-type: none"> o Key expense opportunities are related to overtime pay & supply management o YTD in red zone • Admission acute <ul style="list-style-type: none"> o Slightly up from prior month o Still a slight negative variance to budget YTD • Patient days <ul style="list-style-type: none"> o Radical upswing – almost 500 days more than prior month o Indicating longer LOS • ADC <ul style="list-style-type: none"> o Budget is 312 o Positive variance this month at 319 <ul style="list-style-type: none"> ■ Driven by LOS • Mix of business <ul style="list-style-type: none"> o Increased LOS is more on the medical side o Just starting to see the edge of the flu season • Surgeries <ul style="list-style-type: none"> o Inpatient surgeries are holding well o Outpatient surgeries <ul style="list-style-type: none"> ■ Higher North than South ■ Due in part to ESC o CV Surgeries <ul style="list-style-type: none"> ■ Not showing a trend ■ Peaked in December, but came back down in January ■ Up about 5 cases YTD o Total Surgeries YTD are just above budget • ER Visits <ul style="list-style-type: none"> o Increase over both budget & prior month <ul style="list-style-type: none"> ■ 650 more than prior month ■ Up almost 700 visits year on year • ER Admissions <ul style="list-style-type: none"> o ER visits increase is not trending to an increase in Admissions • Trauma Cases and Admissions <ul style="list-style-type: none"> o Both have a negative variance to Budget <ul style="list-style-type: none"> ■ Unrealized strategy related to transfers is key to budget shortfall • Deliveries 	<p>MOTION: By Director Krider, seconded by Director Bassett and carried to approve the Financial Report for January 2008 and YTD FY2008. All in favor. None opposed.</p>	<p>Forwarded to the March 10, 2008, Board of Directors meeting with a recommendation for approval</p>	

Draft

AGENDA ITEM	DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
	<ul style="list-style-type: none"> o Budget – positive variance of 4 o POM has softened up from first quarter • Payor mix <ul style="list-style-type: none"> o Variance in Medi-cal is the result of converting self-pay accounts to Medi-cal eligible • Case Mix Index <ul style="list-style-type: none"> o January was lighter than prior month o Consolidated at 1.38 • WPD vs Adjusted Discharge (AdjD) <ul style="list-style-type: none"> o We are focusing on AdjD as a better statistical indicator for monitoring/evaluating • Salary issues <ul style="list-style-type: none"> o Up about \$300/AdjD <ul style="list-style-type: none"> ■ Translates to about \$7M o December had a one-time event o Key operational issue is excess overtime usage <ul style="list-style-type: none"> ■ Approximately \$2.8M YTD ■ 40% over budget o Productivity is approximately 99%, so it is a rate of pay issue • Cash continues its upward trend <ul style="list-style-type: none"> o Highest month in almost 7 years • Key Results <ul style="list-style-type: none"> o YTD bottom bottom line has about a 6.1% OEBITDA <ul style="list-style-type: none"> ■ Negative variance to budget o Net income before non-operating income is negative \$4M o Salaries, Wages & Contract Labor <ul style="list-style-type: none"> ■ Negative \$7.1M rate efficiency variance ■ Causal events <ul style="list-style-type: none"> ▲ Fires = \$1.2M <ul style="list-style-type: none"> (a) Applications are in – should know by fiscal year end what the settlement will be (b) Still carrying as an unrecovered expense in the financials ▲ Productivity = \$800K-\$1M of the shortfall ▲ Incentive comp = \$2.2M ▲ Overtime = \$2.8M ▲ Registry = \$1.2M <ul style="list-style-type: none"> (a) About 13K hours over what was anticipated or \$136K ▲ Above is more than \$7.1M, as there were also some positive offsets 			

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AGENDA ITEM	DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
	<ul style="list-style-type: none"> o Supplies <ul style="list-style-type: none"> ■ \$2M negative rate efficiency variance • Year on year – bottom bottom line shows a negative \$4.8M variance <ul style="list-style-type: none"> o Salaries and wages are the key drivers • Fiscal year projections <ul style="list-style-type: none"> o \$18M bottom bottom line o 8% OEBITDA against a 10% budget o 2 issues <ul style="list-style-type: none"> ■ Supplies – internal consumption & product choice ■ Labor management • Will the economic situation have an effect in terms of the Plan of Finance? <ul style="list-style-type: none"> o Some exposure in terms of uncompensated care <ul style="list-style-type: none"> ■ Seeing some conversion into Medi-cal, creating a reversal of that o Costs of care issues associated with higher deductibles o Haven't seen a negative trend in terms of patients not being able to pay o No rate adjustments associated with utility/fuel rates • Medi-cal – pending changes, across board by provider <ul style="list-style-type: none"> o Institutional is by contracted or non-contracted <ul style="list-style-type: none"> ■ Could have some protection if contracted o SNFs could be at risk for payment reductions o Federal rates postponed to June/July <ul style="list-style-type: none"> ■ As of last week, nothing was being pushed forward ■ Several senators don't want to just give another extension – want the problem solved o Also have issue of federal match funds o Biggest challenge is timing as we begin trying to bring closure to FY09 budget <ul style="list-style-type: none"> ■ Whether to include possible changes in budget or not • Overtime analysis (<i>Attachment 3</i>) <ul style="list-style-type: none"> o Premium pay/rate of pay issue o Tool from which we'll be working <ul style="list-style-type: none"> ■ Composite of red/yellow/green – ties to BSC ■ Certain departments are doing well ■ Report goes back to the first of the fiscal year <ul style="list-style-type: none"> ▲ Only the last two weeks are shown – YTD actual ■ Shows actual budget per pay period – where the budget is vs YTD variance o Negative overtime variance of \$2.8M to budget <ul style="list-style-type: none"> ■ YTD actual is \$10.2M – \$7.4M budget; approximate 40% variance 			

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AGENDA ITEM	DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
	<ul style="list-style-type: none"> o Drilled down only on negative variances – red with a few yellows <ul style="list-style-type: none"> ■ \$3.4M for all negatives — encompasses everyone ■ “Top 24” broken down by operational areas <ul style="list-style-type: none"> ▲ Nursing = \$2M <ul style="list-style-type: none"> (a) Nursing + Emergency Services = \$2.3M ▲ Ancillaries, including Labor & Delivery = \$492K ▲ Support Departments (EVS, FANS, Finance, Admin) = \$94K ▲ Other Departments/Services = \$116K <ul style="list-style-type: none"> (a) Disaster expense = \$66K (b) Private home care = \$48K o Discussion of nurse staffing ratios <ul style="list-style-type: none"> ■ Overall nursing productivity is about 99% against labor standards ■ Nursing directly tied to nurse staffing ratios ■ Ratios are a challenge industry-wide o Task force meeting tomorrow morning to determine how to manage overtime issues <ul style="list-style-type: none"> ■ Lorie Shoemaker is heading up the task force ■ Charged with and held accountable to developing a plan that eliminates excess overtime ■ Whether we can recover at least a portion of that already expended is under evaluation • Productivity <ul style="list-style-type: none"> o YTD productivity is at 99% <ul style="list-style-type: none"> ■ 1% is close to \$1M in potential variance o Setting new benchmarks & standards <ul style="list-style-type: none"> ■ Carrie Frederick is leading analysis ■ Moving to the use of Solucient as our benchmarking tool ■ Adopting part as the FY09 budget rolls out <ul style="list-style-type: none"> ▲ If there are any opportunity deltas, they will be rolled into the budget process o Historical management of productivity <ul style="list-style-type: none"> ■ Done on a pay period basis ■ Comparison of actual to budgeted against labor standards ■ Report is done 2-3 days after the end of the pay period <ul style="list-style-type: none"> ▲ Already into a new pay period in terms of recovery capabilities ▲ Creates about a 10-day lag o Focus for remainder of FY08 will be on daily productivity <ul style="list-style-type: none"> ■ Daily productivity tool has been developed 			

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AGENDA ITEM	DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
	<ul style="list-style-type: none"> ■ Created for use at the departmental level <ul style="list-style-type: none"> ▲ At most only a 2 to 3-day lag if done daily – tightens up cycle ▲ Allows not just a retrospective recording – can be a predictive planning tool for flexing ▲ Utilizing the spreadsheet tool (copy attached as <i>Attachment 4</i>), Bob Hemker demonstrated how a manager can insert actual hours to determine current productivity and dollar variances as well as predict potential future variances ▲ Allows management of fluctuations in volume swings as well as the type of hours worked ▲ Requires a lot of manual effort <ul style="list-style-type: none"> (a) Once down to a science, takes 10-15 mins a day ▲ Not automated as doing it manually allows the manager to understand the concepts o Another concept being utilized to help manage productivity is a floating pool created within the EVS Department <ul style="list-style-type: none"> ■ Cross-training and collaborating with other departments of like skill levels (ie, FANS) ■ Even though there is a differential for floating between facilities, it is less than paying overtime • Supplies Analysis (<i>Attachment 5</i>) <ul style="list-style-type: none"> o If you have more volume, you'll automatically have a negative volume expense variance o Total \$1.3M negative variance o Listing of all categories in reverse order, from negative to positive <ul style="list-style-type: none"> ■ 4 largest negative variances <ul style="list-style-type: none"> ▲ Surgical ▲ Prosthetics ▲ Other nonmedical ▲ Other medical o Pharmacy has a \$610K positive variance o Breakdown was done based on how Supply Chain Services (SCS) manages orders <ul style="list-style-type: none"> ■ Stock = par carts ■ Non-stock = items used on a regular basis, but not put into stock ■ Specials = Implantables, specialties, etc. – ordered one at a time ■ Comparison is year on year ■ Those highlighted in yellow tie back to the key drivers o New products not previously used in FY07 = \$205K 			

BOARD FINANCE COMMITTEE – MEETING MINUTES – TUESDAY, FEBRUARY 26, 2008

Draft

AGENDA ITEM	DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
	<ul style="list-style-type: none"> o To date 30 cases on Da Vinci, with more on the books = \$322K in unbudgeted supply costs o Special orders <ul style="list-style-type: none"> ■ ICDs/Pacemakers were up almost \$400K ■ 42 more knee replacements in FY08, but at a lower cost per knee implant ■ Only a few more hip replacements, but at an average cost of almost \$300 more per implant ■ Bone product is up \$171K <ul style="list-style-type: none"> ▲ Technology related o Just over \$200K unfavorable variance in the clinical lab area o Expired/wasted supplies <ul style="list-style-type: none"> ■ Expired product cannot be used, but it is minimal at \$40K ■ Product taken to a patient room, must be used on that patient <ul style="list-style-type: none"> ▲ If not used, cannot be reused ▲ Currently costs about \$1K per month for these items ■ Nursing had proposed doing a supply analysis re: wastage, and the OR Committee agreed to do a time-out before surgery <ul style="list-style-type: none"> ▲ They are already doing a debrief after each case o Can't currently do barcoding on unit level as not every item is barcoded at the each level by the manufacturer • New flash report distributed (<i>Attachment 6 – replaces B66-67 in financial packet</i>) o Continues the trend 			
ADJOURNMENT	The meeting was adjourned at 7:55 p.m.			
SIGNATURES: <ul style="list-style-type: none"> • COMMITTEE CHAIR _____ Ted Kleiter • COMMITTEE SECRETARY _____ Tanya Howell 				

ATTACHMENT 1

RAC Update

February 2008

PALOMAR
POMERADO
HEALTH
SPECIALIZING IN YOU

CHA update 2/20/08

From: Patricia Blaisdell, CHA

Sent: Wednesday, February 20, 2008

- December 1, 2007 – after this date, (Maybe a couple days later, secondary to mail, etc) you should not have had any requests from RAC for medical records of any type. If you received letter after this date, please let me know, and if possible, please fax me a copy
- Late January – IRF providers should have received a letter informing them that rehab cases that had been suspended in the “paused” will be withdrawn and not reviewed. *If you have outstanding IRF cases and have not received such a letter, you should get in touch with PRG Schultz.*
- February 15, 2008 – The last date for any determination letters (again, subject to delivery time). After this time you should not receive any NEW determination letters.
- March 27, 2008. – The end of the demonstration program. IRF providers should also hear at this time about results of re-review.
- Next conference call: Monday March 3, 1:30 PM Ca time
- In the meantime, please let me know about any issues or questions you have for my communication with CMS and PRG.

PALOMA
POMERADO
HEALTH

ADD A-13



CHA Advocacy

CHA has initiated extensive communication on behalf of members

- Member conference calls
- CHA Communication with PRG Schultz, CMS Regional and Central Office , HHS, and NGS (Fiscal Intermediary)
- Provider Communication with CMS and PRG

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CHA Advocacy

CHA has advocated with legislators on behalf of providers

- California Delegation Letter, signed by 36 Members of Congress
- Congressional Briefings
- Legislation introduced November, 2007



H.R. 4105

The Medicare Recovery Audit Contractor Program Moratorium Act of 2007

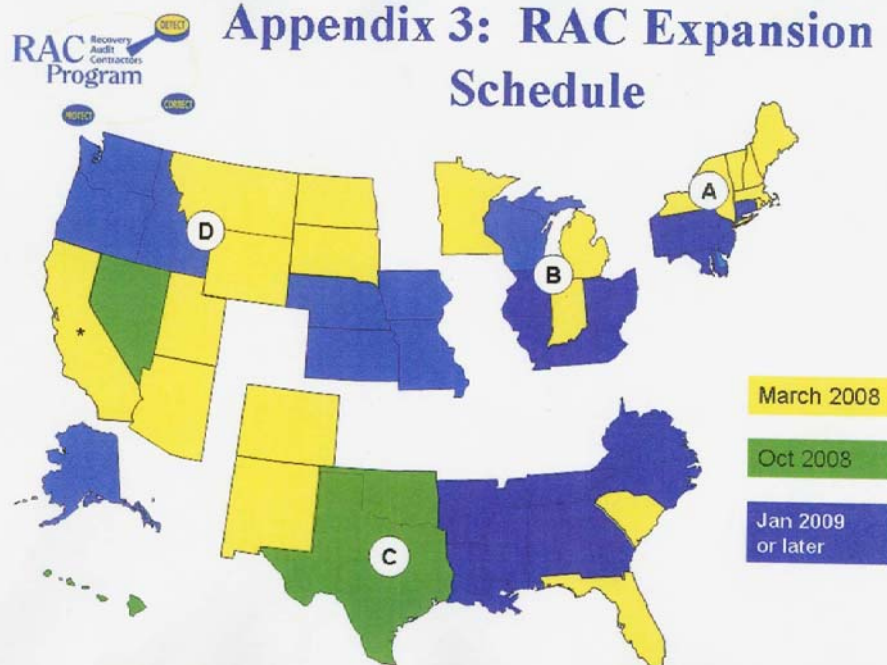
Introduced in Congress by Reps. Lois Capps (D) and
Devin Nunes (R)

Would implement One year moratorium on RAC program
pending completion of comprehensive report.

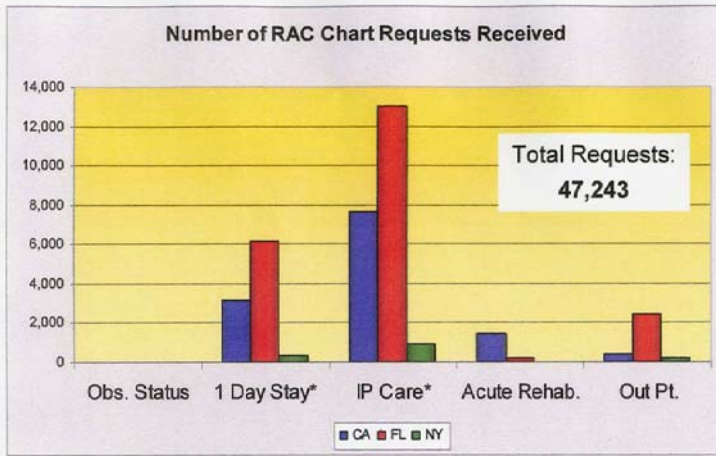
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National Rollout Plan

Appendix 3: RAC Expansion Schedule

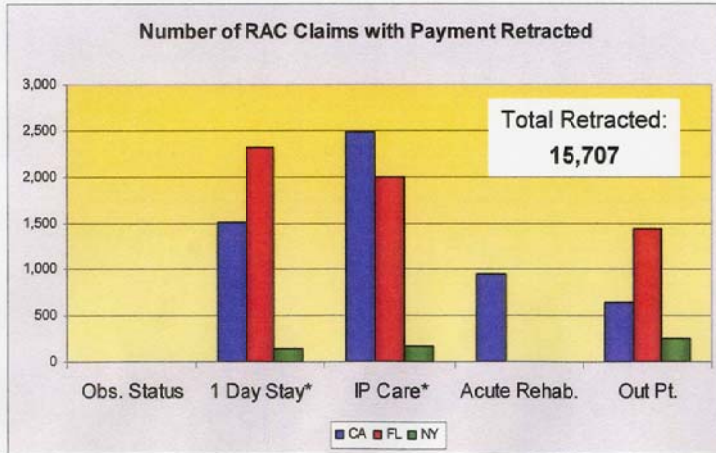


*California claims will not be available for review from March 2008-approximately Oct. 2008 due to a MAC transition



	CA "n"	FL "n"	NY "n"
OS			
1 Day Stay	10	4	2
IP Care	10	6	3
Acute Rehab.	6	2	1
Out Pt.	4	5	3
Total	13	11	6

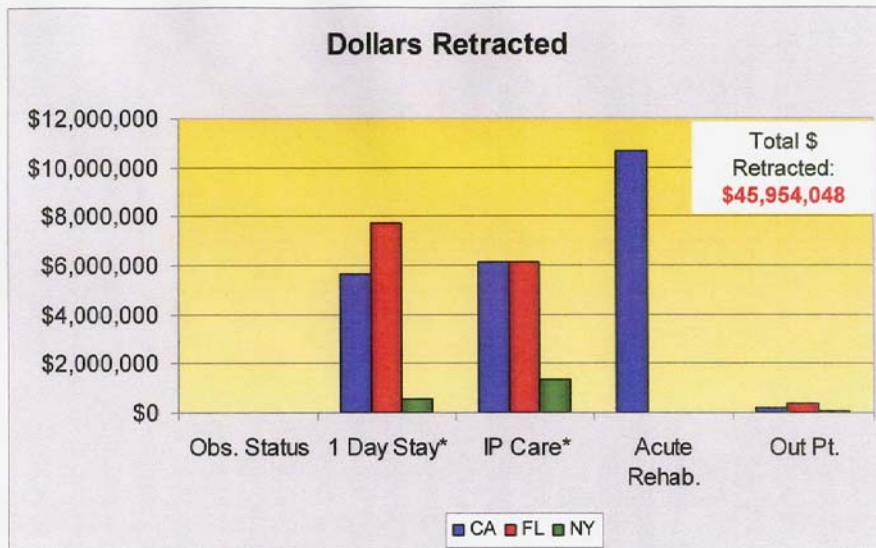
*Some Organizations combined
1 Day Stay and Inpatient



	CA "n"	FL "n"	NY "n"
OS	0	0	0
1 Day Stay	10	4	3
IP Care	11	6	5
Acute Rehab.	6	0	0
Out Pt.	5	5	5
Total	14	9	6

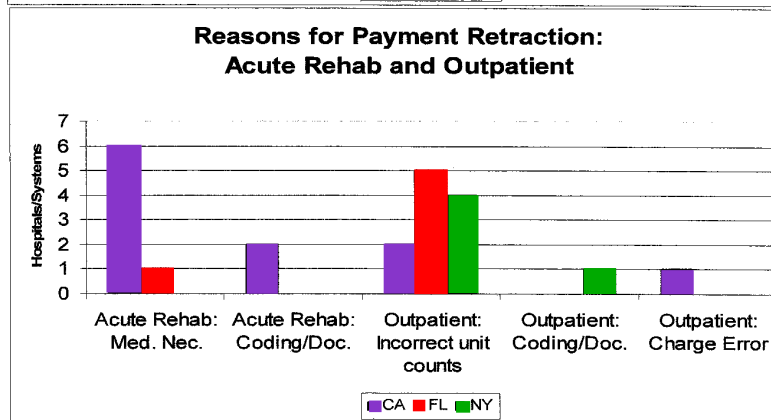
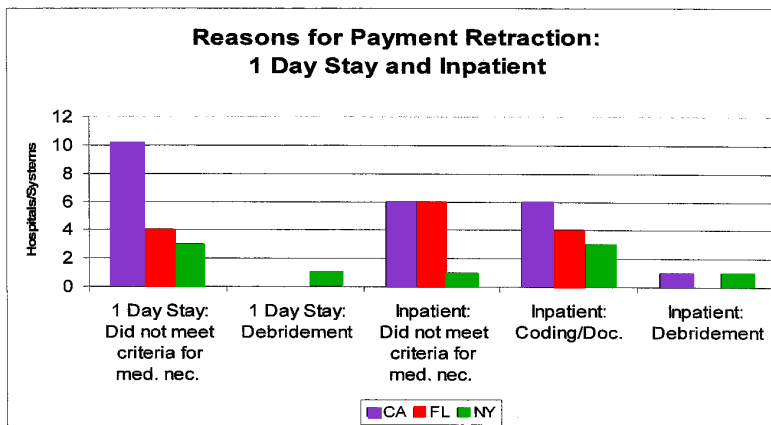
Top DRGs Selected for Review

DRG	Description	Region
76	Other Respiratory System O.R. Procedures with CC	Empire - Metro
120	Other Circulatory System O.R. Procedures	Empire - Metro
263	Skin Graft and/or Debridement for Skin Ulcer or Cellulitis with CC	Empire - Metro
468	Extensive OR procedure unrelated to principal diagnosis	Empire - Metro
475	Respiratory System diagnosis with ventilator support	Empire - Metro
143	Chest Pain	Southeast
416	Septicemia age > 17	Southeast
468	Extensive OR procedure unrelated to principal diagnosis	Southeast
79	Respiratory Infections and Inflammations, Age Greater than 17 with CC	West Coast
217	Wound debridement & skin graft except hand, for musclet & connective tissue disorders	West Coast
416	Septicemia age > 17	West Coast
468	Extensive OR procedure unrelated to principal diagnosis	West Coast
475	Respiratory System diagnosis with ventilator support	West Coast

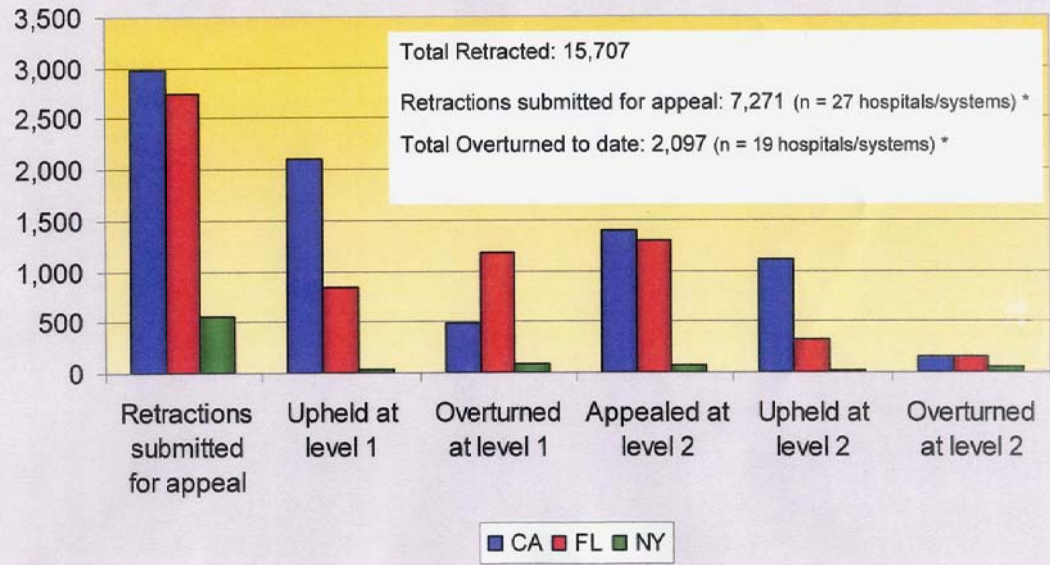


*Some Organizations combined 1 Day Stay and Inpatient

	CA "n"	FL "n"	NY "n"
OS			
1 Day Stay	9	3	2
IP Care	10	6	4
Acute Rehab.	7	1	0
Out Pt.	5	5	3
Total	12	15	4



Appeals Status



* Some organizations have not started the appeals process or are currently in the process of appealing 7

ATTACHMENT 2

Investment Fund – CY2007 Yield Analysis

Investment Account:	% of Portfolio at 12/31/07	Maturity Date	CY2007 Yield	Benchmark		Actual to Benchmark Variance
Fidelity-Institutional Portfolio Treasury Fund	1.12%	Demand	varied	4.70%	✓ (1)	N/A
State Treasurer Local Agency Investment Fund	0.67%	Demand	5.16%	4.70%	(1), (2) ✓	0.46%
Salomon Brothers	39.22%	Various	7.50%	7.40%	✓ (3)	0.10%
				5.50%	✓ (4)	2.00%
Pacific Income Advisors, Inc.	37.55%	Various	6.90%	7.10%	✓ (5)	-0.20%
				5.50%	✓ (4)	1.40%
Morgan Stanley & Co.	21.43%	Various	4.87%	4.70%	✓ (1)	0.17%
Total:	<u>100%</u>					

(1) Approximate average of 90 day T-Bills

(2) LAIF annual average return based upon monthly yields

(3) LB Intermediate Govt Credits

(4) S&P 500

(5) LB 1-3yr Govt Credits

ATTACHMENT 3

Overtime Analysis

YTD through
Pay Period Ending 2/16/08

PALOMAR
POMERADO
HEALTH
SPECIALIZING IN YOU

Overtime Analysis – YTD PPE 2/16/08

Palomar Pomerado Health
Pay Period # 17 Ending: 02/16/2008
Overtime Trend

Department	02/02/2008		02/16/2008		Year To Date Actual		Avg Budget OT/PP		Year To Date Budget		Variance	
	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars		Dollars
20610 Critical Care	1,045	56,179	1,062	58,733	19,024	987,627	684	18,073	11,633	307,243	(680,384)	
306179 Medical Surgical	1,017	44,392	835	33,748	12,854	533,600	472	7,584	8,024	128,929	(404,671)	
308010 Critical Care	488	25,650	357	21,745	7,460	415,827	301	14,692	5,118	249,770	(166,057)	
208720 Nursing Administration	630	21,631	484	16,299	6,500	225,892	196	5,413	3,170	92,016	(133,876)	
216580 Skilled Nursing	254	8,952	211	7,371	10,496	345,149	535	13,651	9,089	232,069	(113,083)	
316580 Skilled Nursing	685	19,886	648	18,814	11,732	363,093	638	15,145	10,847	257,462	(105,632)	
207420 Surgery	329	14,485	425	19,199	7,559	329,767	361	13,407	6,141	227,916	(101,851)	
207010 Emergency Room	462	22,596	525	24,812	9,573	436,859	491	19,626	8,353	337,072	(89,787)	
206179 Medical Surgical	233	12,154	362	15,468	5,550	224,352	251	8,370	4,270	142,256	(82,097)	
306070 Neonatal Intensive Care Unit	58	3,896	78	5,129	2,076	131,021	60	3,706	1,026	63,003	(68,018)	
108950 Disaster Expense	0	0	0	0	1,677	66,991	0	0	0	0	(66,991)	
207520 Laboratory Clinical	94	2,906	132	4,293	3,394	113,275	198	2,898	3,360	49,264	(64,011)	
207670 Ultrasound	71	4,057	121	6,169	1,421	74,096	15	730	262	12,411	(61,666)	
306150 Intermediate Care	171	6,923	205	8,605	2,607	104,235	60	2,639	1,019	44,868	(59,367)	
307010 Emergency Room	207	8,529	103	5,221	3,245	151,605	270	5,436	4,587	92,417	(59,188)	
206177 Surg/Otho	262	11,552	292	15,123	4,947	213,443	214	9,239	3,630	157,061	(56,382)	
207427 Post Anesthesia Care Unit	157	8,701	168	9,460	3,342	179,226	170	7,293	2,897	123,989	(55,238)	
206400 Labor Delivery Recovery	557	32,108	692	39,610	13,418	761,539	783	41,560	13,313	706,512	(55,027)	
206136 Telemetry	475	23,091	497	24,114	8,671	382,028	446	19,463	7,575	330,876	(51,152)	
207570 Cardiac Catheterization	72	4,854	115	7,597	1,727	132,134	78	4,812	1,321	81,804	(50,330)	
208440 Environmental Services	125	2,446	262	5,184	4,722	90,909	264	2,388	4,495	40,588	(50,321)	
206173 Med-Oncology	152	6,945	240	10,970	4,293	182,826	188	7,812	3,190	132,796	(50,030)	
547221 Private Home Care	175	4,236	123	2,729	3,193	73,622	64	1,462	1,096	24,662	(48,960)	
208320 Food Services	197	3,880	105	1,520	3,461	66,848	159	1,382	2,710	23,496	(43,352)	
others not listed												
Total PPH	12,444	\$549,320	12,612	\$558,596	240,947	\$10,204,364	12,149	\$435,029	206,535	\$7,395,487	(\$2,808,878)	

TOTAL PPH - NEGATIVE VARIANCES ONLY: (3,447,736)

TOTAL PPH - "RED" VARIANCES ONLY: (3,438,040)

TOTAL PPH - > \$40,000 NEGATIVE VARIANCES ONLY:
"TOP 24" (2,727,249)

TOP 24:

Nursing Depts. (2,025,733)
Ancillary Depts (492,090)
Support Depts (83,674)
Other Dept#Svs. (115,751)

Nursing Depts. plus Emergency and Surgical Svs. (2,341,797)

ATTACHMENT 4

Palomar Pomerado Health * Departmental Labor Productivity Monitoring**

Department - No.:	108511			
Department - Name:	Finance	(A)	PPE # :	18
Unit of Service:	Acute/SNF Dischg	(B)		3/1/2008
Budgeted Hours/Unit:	1.2244	(C)	Avg Regular Rate:	\$ 30.73
Budgeted Avg Wage/Hour:	\$ 31.47	(D)	Avg OT Rate:	\$ 29.51
			Avg Registry Rate:	
				Budgeted FTEs: 18.23
				Budgeted Volumes: 30,962
				Budgeted Daily UOS: 84.60

Day #	Date	Actual Units	Required		Actual Hours Worked				Total	Variance	Productivity Index	FTE's	Actual Labor Cost				Total	Variance
			Hours	Dollars	Regular	Education	OT	Registry					Regular	Education	OT	Registry		
1	2/17/2008	76	93.05	2,928	-			-	93.05	0%	-	-	-	-	-	-	2,928	
2	2/18/2008	85	104.07	3,275	24.00			24.00	80.07	434%	3.00	738	-	-	-	738	2,538	
3	2/19/2008	95	116.32	3,661	138.50			138.50	(22.18)	84%	17.31	4,256	-	-	-	4,256	(596)	
4	2/20/2008	94	115.09	3,622	145.50			145.50	(30.41)	79%	18.19	4,471	-	-	-	4,471	(849)	
5	2/21/2008	97	118.77	3,738	160.00			160.00	(41.23)	74%	20.00	4,917	-	-	-	4,917	(1,179)	
6	2/22/2008	99	121.22	3,815	148.75			148.75	(27.53)	81%	18.59	4,571	-	-	-	4,571	(756)	
7	2/23/2008	81	99.18	3,121	-			-	99.18	0%	-	-	-	-	-	-	3,121	
Total Week 1		627	767.70	24,159	616.75	-	-	-	616.75	150.95	124%	11.01	18,953	-	-	-	18,953	5,207
8	2/24/2008		-	-	-			-	-	0%	-	-	-	-	-	-	-	
9	2/25/2008		-	-	-			-	-	0%	-	-	-	-	-	-	-	
10	2/26/2008		-	-	-			-	-	0%	-	-	-	-	-	-	-	
11	2/27/2008		-	-	-			-	-	0%	-	-	-	-	-	-	-	
12	2/28/2008		-	-	-			-	-	0%	-	-	-	-	-	-	-	
13	2/29/2008		-	-	-			-	-	0%	-	-	-	-	-	-	-	
14	3/1/2008		-	-	-			-	-	0%	-	-	-	-	-	-	-	
Total Week 2		-	-	-	-	-	-	-	-	0%	-	-	-	-	-	-	-	
PP Total		627	767.70	24,159	616.75	-	-	-	616.75	150.95	124%	11.01	18,953	-	-	-	18,953	5,207

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This report is to be completed on a daily basis

ATTACHMENT 5

Supplies Analysis

YTD through 1/31/08

PALOMAR
POMERADO
HEALTH
SPECIALIZING IN YOU

Supplies Expense YTD 1/31/08

Account Description	Actual	Budget	Variances
634000 Supplies surgical general	\$ 2,873,051	\$ 2,332,879	\$ (540,172)
631000 Prosthesis	8,760,480	8,254,998	(505,482)
650000 Other non medical	4,172,495	3,769,871	(402,624)
641000 Supplies other medical	8,713,458	8,318,676	(394,782)
649000 Other minor equipment	624,231	472,185	(152,046)
646000 Supplies office/administration	666,570	625,502	(41,068)
642000 Supplies food/meat	342,035	301,326	(40,709)
639000 Supplies radioactive	495,413	456,668	(38,745)
636000 Supplies oxygen/gas	186,557	154,734	(31,823)
647000 Supplies employee apparel	79,515	54,552	(24,963)
645000 Supplies cleaning	242,805	225,415	(17,390)
644000 Supplies linen	19,850	15,742	(4,108)
635000 Supplies anesthesia material	7,964	5,085	(2,879)
646100 Supplies forms	345,944	358,205	12,261
648000 Instruments minor equipment	231,955	245,163	13,208
637000 Supplies iv solutions	275,112	303,656	28,544
640000 Supplies xray material	15,390	44,760	29,370
632000 Sutures/surgical needles	877,611	907,643	30,032
643000 Supplies food other	1,495,209	1,548,065	52,856
633000 Supplies surgical pack	1,030,988	1,096,672	65,684
638000 Supplies pharmaceutical	6,851,881	7,462,854	610,973
Total	\$ 38,308,514	\$ 36,954,651	\$ (1,353,863)

Supplies Expense YTD 1/31/08

Supply Expenditure Analysis
Comparison in product categories between the 1st 7 months of FY07 and the 1st 7 months of FY08

COMPARISON OF FY 08 USAGE TO FY 07 USAGE BY PRODUCT / SERVICE

	Stock orders	Non-stock order	Special orders	Total
1st 7 months of fy07	7,169,005	6,174,349	6,798,116	20,141,470
1st 7 months of fy08	7,468,498	7,168,914	7,973,211	22,610,623
Variance	(299,493)	(994,565)	(1,175,095)	(2,469,153)

Expired product - 8 pallets donated to PHS in FY08 at an estimated value of \$5,000 per pallet - total =

40,000

PPH brought new products in for FY08 not previously used in FY07 - and they did not replace products - they are additions to inventory - products include - shampoo caps, Biodegradable wipes, LMA Mask, etc. Total cost to date =

205,074

Solution increase in FY08 over FY07 - this was not due to price changes - but may be due in some extent to expiration:

40,000

Supplies Expense YTD 1/31/08

	Stock orders	Non-stock order	Special orders	Total
Variance	(299,493)	(994,565)	(1,175,095)	(2,469,153)

The following Lab product lines increased in usage between FY07 & FY08 - these increases are not based on any major price changes:

Tests	40,000
Reagents	30,000
Lab controls	10,000
Misc Kits	138,000

There were 73 wireless phones purchased in FY08 that were not purchased in FY07

20,000

DeVinci disposable supplies new for FY08

322,000

Bone Morphogenic Protein (BMP) - used primarily with spine cases - PPH used 10 more units in FY08 at an average cost of \$80 more in FY08 - total =

57,000

Ligasure - OR used 14 units more in FY08 at a cost that was \$360 less per unit than FY07 -

15,205

Cath Lab products - volume is down across all categories in cath lab - however - there were increases in expense in the following categories - Email sent to Paul Patchen.

Cath Guides	10,000
Guidewires	13,000
Generators/ICD/Pacers/BiV's	375,000

ATTACHMENT 6

FISCAL YEAR 2008					B-66 PALOMAR POMERADO HEALTH SPECIALIZING IN YOU		
Weekly Flash Report							
February 08	Feb 1-7	Feb 8-14	Feb 15-21		MTD Total	MTD Budget	% Variance
ADC (Acute)	327	341	338	0	335	312	7.53
PMC	253	256	252	0	254	235	7.71
POM	74	85	86	0	82	76	6.98
PCCC	79	83	85	0	82	88	(6.29)
VP	126	124	124	0	125	123	0.95
Patient Days (Acute)	2287	2384	2369	0	7,040	6,547	7.53
PMC	1769	1790	1765	0	5,324	4,943	7.71
POM	518	594	604	0	1,716	1,604	6.98
PCCC	550	582	595	0	1,727	1,843	(6.29)
VP	879	868	870	0	2,617	2,592	0.95
Discharges	569	589	599	0	1,757	1,711	2.68
PMC	435	449	442	0	1,326	1,319	0.50
POM	134	140	157	0	431	392	10.02
Number of Surgeries	244	239	225	0	708	667	6.16
PMC	164	166	152	0	482	453	6.50
POM	80	73	73	0	226	214	5.44
Number of Births	116	111	100	0	327	316	3.57
PMC	95	89	78	0	262	253	3.67
POM	21	22	22	0	65	63	3.17

FISCAL YEAR 2008					B-67 PALOMAR POMERADO HEALTH SPECIALIZING IN YOU		
Weekly Flash Report							
February 08	Feb 1-7	Feb 8-14	Feb 15-21		MTD Total	MTD Budget	% Variance
Outpatient Visits (inc. Lab)	2012	1953	1788	0	5,753	5,821	(1.17)
PMC	1400	1202	1129	0	3,731	3,844	(2.93)
POM	612	751	659	0	2,022	1,978	2.24
ER Visits	1897	2061	2023	0	5,981	5,024	19.05
PMC	1308	1432	1399	0	4,139	3,350	23.56
POM	589	629	624	0	1,842	1,674	10.02
Trauma Visits	17	23	21	0	61	82	(25.45)
IP	15	22	18	0	55	69	(20.05)
OP	2	1	3	0	6	13	(53.97)
Gross IP Revenue	22,207,648	22,801,021	21,209,552	0	66,218,221	59,492,199	11.31
Gross OP Revenue	6,268,162	7,246,029	6,092,032	0	19,606,223	18,138,069	8.09
Cash Collection	7,404,989	7,096,108	7,280,345	0	21,781,442	24,791,097	(12.14)
Days cash on hand	97	94	93	0	93	80	16.25
Prod Hrs (PP16 & 17)	228,771		228,109	0	456,880	457,280	0.09
PMC - North	132,208		132,937	0	265,145	267,444	0.86
POM - South	59,056		57,220	0	116,276	118,705	2.05
Others	37,507	-	37,952	-	75,459	71,131	(6.08)
Prod \$ (PP 16 & 17)	7,232,192		7,189,766	0	14,421,958	14,224,673	(1.39)
PMC - North	4,195,170		4,219,442	0	8,414,612	8,435,872	0.25
POM - South	1,789,119		1,710,468	0	3,499,587	3,444,227	(1.61)
Others	1,247,903	-	1,259,856	-	2,507,759	2,344,574	(6.96)