

ADDENDUM B

Business Plan
The Jean McLaughlin Women's Center for Health and Healing
at the Pomerado Outpatient Pavilion
June 1, 2007

EXECUTIVE SUMMARY

Service/Program Description:

The pivotal position in health care is held by women who direct the economic flow in the U.S. health care consumer industry; the female population is also the mainstay of hospital business, representing the majority of hospital volumes and contribution profit.¹

In order to compete for this important consumer, PPH has prioritized the development of a comprehensive women's service line with a major component being a women's center. The Women's Center will be the first comprehensive women's center in San Diego. The Jean McLaughlin Women's Center for Health and Healing is primarily focused on providing outpatient services.

Women's health in particular has begun to define its own state of health care. Generation X (age 30+) women are beginning to influence the obstetrics units, infertility care and wellness programs. These women are well educated and discriminating in their choice of services and health care providers. They expect a comprehensive continuum of care paired with qualified physicians, state-of-the-art technology, immediate answers and an exceptional experience.²

The baby-boomers now represent the highest potential users of outpatient facilities for their health and medical care. They want additional services available to them in a central location to assist in maximizing their health. Key areas for women are outpatient urological/gynecologic surgery, holistic health and wellness spas, heart and cancer programs, orthopedics, and retail with one-stop convenient services. Women today expect empowerment through education, emphasis on holistic care, nurturing relationships with providers and time-conscious care delivery.²

The first outpatient women's center will be located in the Pomerado Outpatient Pavilion (POP) on the Pomerado Hospital campus. This center is scheduled to open November 2007.

The Jean McLaughlin Women's Center for Health and Healing ("Women's Center") at the POP will create a care delivery model that provides an environment that is easily navigated, convenient and has aesthetically pleasing decor. The physical design incorporates waiting and treatment areas designed for privacy, comfort and care in an environment that recognizes the importance of the mind,

¹ Future of Women's Services Service Line Innovation Brief - 2006

² Women's Snowmass Conference - 2007

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body and spirit. Patients will be able to schedule multiple tests, screenings or educational opportunities during a single visit. The Women's Center will offer extended and occasional weekend hours in order to accommodate a woman's busy schedule.

The Women's Center is an essential component of women's services necessary to establish PPH as a competitive player in the market. The state of health care in the United States today includes decreased reimbursement, increased costs, decreased payer mix, decreased loyalty among consumers, increased consumer expectations and patient flow issues.³ The Women's Center will address many of these new trends by offering cash-pay screenings, loyalty incentives (membership program), scheduling flexibility and an efficient, informative and "an experience" for the patient.

The initial components of the Women's Center will include:

- Comprehensive Breast Care Center
- Perinatal Testing Center
- Lactation Clinic
- Women's Metabolic Center (including diabetes program and weight management)
- Cardiac and Stroke Screening Programs
- Continence Center
- Wellness Center and Spa
- Physician timeshares
 - o Gynecological-Oncology
 - o Integrative medicine
 - o Cardiology
 - o Oncology
 - o Uro-gynecology
 - o Plastic Surgery
 - o Breast Surgery
 - o Acupuncture
 - o Primary Care
- Women's health promotion program
 - o Screenings
 - o Education
 - o Support groups
- Osteoporosis Screening
- Retail Boutique and Resource Center

The secondary components of the Women's Center may include:

- Orthopedics/Sports Medicine
- GI
- Cancer Center (Lung and Gyn)

³ Women's Snowmass Conference - 2007

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- Mid-Life Women's Wellness
- Adolescent Health
- Senior Health
- Behavioral Health
- Pain Management
- Membership Plan

See appendix A for spin off model.

Mission Implications:

The vision of the The Jean McLaughlin Women's Center for Health and Healing is to become a market leader in women's health care by providing a continuum of comprehensive, coordinated care in one location where women have access to physicians, imaging services, education, preventive screenings, health-related retail and healthcare information. The implementation of the Women's Center will provide comprehensive and integrated healthcare for women in our communities as well as support the PPH mission to heal, comfort and promote health for all phases of a woman's life.

Strategy Implications:

The Women's Center will be a key component to establishing a comprehensive women's service line impacting market share, financial performance and quality outcomes. The Women's Center will facilitate strategic partnerships with physicians within PPH as well as create the potential for recruitment of new physicians. Additionally, the Women's Center will present the opportunity to establish programs, joint physician and nursing staff education and clinical research trials in collaboration with other healthcare institutions such as University of California, San Diego. The Women's Center presents opportunities for PPH branding, increased physician's loyalty and enhanced patient loyalty.

Target Population:

The target market for the Women's Center is Poway, Rancho Penasquitos, Rancho Bernardo, Ramona, and Julian and with Scripps Ranch as secondary service area. Several of these zip codes have new housing developments that have either opened in the past 1-2 years or are in the process of opening.

The demographics in the PPH south area are very favorable. Women represent about 40% (166,154) of the total population in the south service area and are between the ages of 15-65+.⁴ This is the population that would utilize an outpatient women's center. By 2011 the total female population (15-65+) within the south service area will increase by 8% or 17,019 people. Although the demographics are favorable, many women in the area are migrating outside the district for health care. PPH has the opportunity to capture these women through the establishment of the Women's Center.

⁴ Claritas 2007

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Pomerado Hospital (South) Service Area Definition: Market Share by ZIP

ZIP	City	Section	POM	Patient Location	Cum	Total Discharges	Market Share
92128	Rancho Bernardo	South	1,460	19.2%	19.2%	4,358	33.5%
92064	Poway	South	1,385	18.2%	37.4%	3,752	36.9%
92065	Ramona	South	896	11.8%	49.2%	3,006	29.8%
92129	Rancho Penasquitos	South	522	6.9%	56.0%	2,961	17.6%
92127	Rancho Bernardo	South	426	5.6%	61.6%	1,818	23.4%
92036	Julian	South	69	0.9%	62.5%	297	23.2%
Sum of South Area			4,758	62.5%			
All Others			2,851	37.5%			
Total POM Discharges			7,609	100.0%		16,192	29.4%

Source: OSHPD
2005

South Service Area Demographics

Key Demographic Indicators/Trends		
	2007	2012
SA Population (2007)	213,154	230,173
Projected Growth (2007-2012)	8.00%	
Age Mix (2007)		
0-14	22.0%	21.0%
15-44	39.4%	37.4%
45-64	27.1%	29.1%
65+	11.5%	12.5%
Women 15-44	20.1%	19.1%
Women 45-64	13.8%	14.9%
Women 65+	5.9%	6.4%
Women 15-65+	39.8%	40.4%
Median Age	37	38
Ethnic Mix (2007)		
White	68.8%	66.2%
Hispanic	10.5%	11.2%
Asian & Pac. Islander	15.0%	16.6%
Black	1.8%	1.7%
Other	3.9%	4.3%
Average Household Income	\$100,508	\$112,031

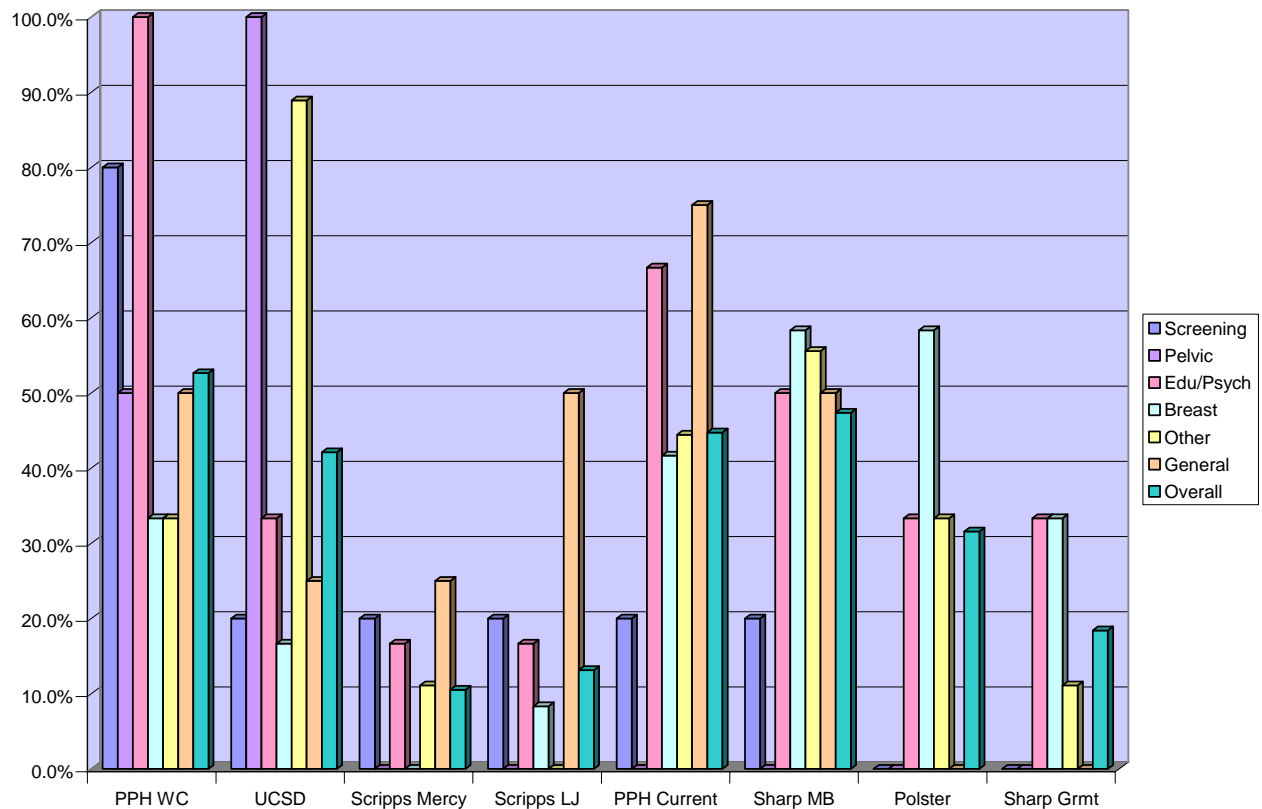
Source: Claritas 2007

Competitor Capabilities:

The Women's Center at the POP will be an integral component to women's outpatient services in the north San Diego area. The San Diego market is lacking a comprehensive women's outpatient center. UCSD, Scripps Mercy, Scripps La Jolla and Sharp Grossmont offer varied women's services including obstetrics and gynecology, perinatal testing centers, breast imaging services, education and health promotion in a fragmented and non-comprehensive manner with women seeking these services in multiple locations. There are two comprehensive breast centers, Sharp Mary Birch and Scripps Polster, which will be the Women's Center's main competition in the area of breast care.

Competitor Services Comparison

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* Please see appendix E for chart of women's services per competitor.

Operations Management

The Women's Center which is comprised of 10,406 square feet will be located on the first floor of the POP adjacent to the Outpatient Imaging Services on the campus of Pomerado Hospital. The Women's Center space includes the Breast Center, Lactation Clinic, Perinatal Testing Center, the Wellness Spa, exam rooms for screenings and other specialty programs, consult and timeshare space for visiting specialists, the Women's Health Connection and a small conference center. The hours of operation will be Monday through Friday with varied and extended hours based on program and patient need and potentially several Saturday mornings per month for the additional convenience of women and their busy lifestyle.

Human Resource Considerations

The Service Line Administrator for Women and Children's Services will oversee the outpatient services in the Women's Center. Initially, the Women's Center will be under the direction of the Project Manager for Women and Children's Services, however once construction and implementation is completed, the operational direction of the Women's Center will transfer to an office manager under the direct supervision of the Director of The Women's Center. The staffing needed in the Women's Center includes:

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Estimated FTE Needs					
FTE Descriptions	Already In-House	Need to Recruit	Location and Titles	Responsible Hiring Party	Projected Salary
Lactation Consultant	✓	0.3		WC	\$35/hr
Perinatal Testing Center	✓	0.2	Ultrasound Technician	WC	\$29/hr
Breast Navigator	✓	0.75		WC	\$50/hr
RN: Screening and Education		0.2	Continence	WC	\$28/hr
		0.2	Cardiology/Stroke	WC	\$28/hr
		0.2	Osteoporosis	WC	\$28/hr
Physical Therapist	✓	0.2	Lymphedema, Continence (biofeedback, electrical stim), Prenatal Education	PT	\$30/hr
Receptionist		1	Breast Center	WC	\$15/hr
		1	Women's Center	WC	\$15/hr
Admitting/Insurance Verifier		1	Breast Center/Women's Center	Admitting	\$15/hr
Back Office/Patient Concierge		1	Breast Center/Women's Center	WC	\$15/hr
Breast Ultrasonographer	✓	0.75	Breast Center	Imaging	\$29/hr
Mammography Technician	✓	1	Breast Center	Imaging	\$29/hr
Stereotactic Technician	✓	0.75	Breast Center	Imaging	\$29/hr
Genetic Counselor	✓	0.25	Genetic/oncology counseling/info	WC	\$50/hr
Diabetic Educator	✓	0.2	Diabetes Education	WC	\$35/hr
		0.2	Perinatal Testing Center	WC	\$35/hr
Office Manager		1		WC	\$35/hr
Project Manager (3 months)	✓	1	Women's and Children's Services	WC	\$55/hr
Housekeeping		2	Women's Center	EVS	\$12.50/hr
Scheduler/Interpreter	✓	0.2	Perinatal Testing Center	WC	\$18/hr
Director of Women's Outpatient Services		1		WC	\$58/hr
Nurse Practitioner (6 months)		1	Breast Center/Women's Center	WC	\$55/hr

Quality

Patient, physician, and staff satisfaction in addition to clinical outcome indicators will be developed in collaboration with members of the multidisciplinary team based on best practices for all specialties.

Marketing Plan

Women are the driving force for health care related choices; 67% of women are responsible for the majority of decisions regarding the purchase of health care services for the entire family. Women ages 50 – 70 are the healthiest and wealthiest generation controlling 80% of all spending in the United States.⁵ Marketing to women will increase volume and revenue for the Women's Center in addition to providing spin off revenue, volume and branding opportunities for other PPH programs, services and physicians.

Gender and age-specific marketing to create awareness of the Women's Center and its services is an essential component in increasing business, raising community awareness and the overall success of the Women's Center. The goal of the Women's Center is to meet the health care needs of all women

⁵ Women's Snowmass Conference - 2007

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at every stage of their life. The marketing plan is projected to increase volumes, revenue and branding through a cross-marketing strategy.

The Women's Center will be collaborating with the Health Source to schedule a myriad of education classes and health promotion programs for women at all stages of life. The program of classes will be designed to create higher volumes and spread community awareness of Women's Center services as well as other PPH programs and services

*Please see Appendix C for Marketing Plan and Appendix D for Marketing Plan Timeline.

Financial Analysis – See appendix F

Requirements

The Women's Center is scheduled to open in November 2007. The Women's Center will be an outpatient department of Pomerado Hospital. The center will utilize the current information systems technology and the support and ancillary services that are provided at Pomerado Hospital. The only regulatory requirement to open the Women's Center is a license from the Department of Health Services to obtain a license as an outpatient services provider. The required paperwork for licensure will be submitted to DHS in June 2007.

WOMEN'S CENTER PROGRAMS AND SERVICES

The Women's Center will offer a wide array of services for women of all ages in our community. The components of each program are explained in the following pages.

Breast Center

Program Description:

The Breast Center will provide comprehensive women's breast screening, diagnosis, treatment, education, and support in one location. The program will include state-of-the-art digital mammography, breast ultrasound, stereotatic biopsy, breast MRI, breast cancer support and education. The mission of this comprehensive program is to reduce fragmentation and expedite care within the patient care delivery process. Individualized care will be comprehensive and multidisciplinary, coordinated by a breast care nurse navigator who will proactively represent the patient and her family while assisting them with the diagnosis and throughout the complex health care system. A radiologist specializing in breast imaging will be available on site. Weekly interdisciplinary team conferences will be conducted to ensure collaboration and a coordinated treatment plan.

Demand Forecasting:

Breast cancer is the second leading cause of death for women in the United States. The incidence of breast cancer is 131.7 per 100,000 nationally and 139.2 per 100,000 in San Diego county.⁶ At this time

⁶ American Cancer Society

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PPH does not have a cancer center or a breast center; therefore Pomerado Hospital only has 20% of market share related to breast procedures. The current breast cancer related services are very fragmented requiring patients to go to various sites and physicians to receive the specialized care they need. Additionally, contracting and the availability of the required specialists have been obstacles to PPH's success in becoming a market share leader in this area.

Projected Volumes and Competitive Environment:

The inpatient breast procedures are projected to increase by 2 procedures per week as spin off from the breast center volumes.

Five Year Volume Summary

DETAILS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Number of FFS Procedures					
DEXA	277	378	504	630	756
Mammo	10,080	10,584	11,088	11,592	12,096
Breast Bx	189	252	315	378	441
Total FFS Procedures	10,546	11,214	11,907	12,600	13,293
Number of CAP Procedures					
DEXA	353	353	353	353	353
Mammo	2,898	2,898	2,898	2,898	2,898
Breast Bx	-	-	-	-	-
Total CAP Procedures	3,251	3,251	3,251	3,251	3,251
Total Procedures	13,797	14,465	15,158	15,851	16,544

Inpatient Female Breast Procedure Volumes and Market Share

Service Line	Pomerado Hospital	Palomar Med Ctr	Scripps Green Hospital	Sharp Memorial Hospital	Kaiser - SD	Scripps Memorial Hosp- La Jolla	UCSD Med Ctr	Children's Hospital - SD	All Others	Total
Inpatient Volumes										
Plastic Surgery	9	17	21	4	5	4	5	3	7	75
261 - Breast procedure for non-malignancy except biopsy and local excision	2	14	5	2	1	1	3	0	3	31
268 - Skin, subcutaneous tissue and breast plastic procedures	1	2	16	0	0	0	2	0	2	23
269 - Other skin, subcutaneous tissue and breast procedures w/ cc	3	1	0	0	3	3	0	0	0	10
270 - Other skin, subcutaneous tissue and breast procedures w/o cc	3	0	0	1	1	0	0	3	2	10
262 - Breast biopsy and local excision for non-malignancy	0	0	0	1	0	0	0	0	0	1
Medical - Other	21	9	1	5	3	3	0	3	1	46
281 - Trauma to skin, subcutaneous tissue and breast age >17 w/ cc	8	3	0	4	1	2	0	0	1	19
280 - Trauma to skin, subcutaneous tissue and breast age >17 w/o cc	10	5	1	1	0	1	0	0	0	18
276 - Non-malignant breast disorders	3	1	0	0	2	0	0	1	0	7
282 - Trauma to skin, subcutaneous tissue and breast age 0-17	0	0	0	0	0	0	0	2	0	2
Neoplasia	3	1	4	1	1	0	1	0	2	13
274 - Malignant breast disorder w/ cc	1	1	4	1	1	0	1	0	0	9
275 - Malignant breast disorder w/o cc	2	0	0	0	0	0	0	0	2	4
Total	33	27	26	10	9	7	6	6	10	134
Market Share										
Plastic Surgery	12.0%	22.7%	28.0%	5.3%	6.7%	5.3%	6.7%	4.0%	9.3%	100.0%
261 - Breast procedure for non-malignancy except biopsy and local excision	6.5%	45.2%	16.1%	6.5%	3.2%	3.2%	9.7%	0.0%	9.7%	100.0%
268 - Skin, subcutaneous tissue and breast plastic procedures	4.3%	8.7%	69.6%	0.0%	0.0%	0.0%	8.7%	0.0%	8.7%	100.0%
269 - Other skin, subcutaneous tissue and breast procedures w/ cc	30.0%	10.0%	0.0%	0.0%	30.0%	30.0%	0.0%	0.0%	0.0%	100.0%
270 - Other skin, subcutaneous tissue and breast procedures w/o cc	30.0%	0.0%	0.0%	10.0%	10.0%	0.0%	0.0%	30.0%	20.0%	100.0%
262 - Breast biopsy and local excision for non-malignancy	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Medical - Other	45.7%	19.6%	2.2%	10.9%	6.5%	6.5%	0.0%	6.5%	2.2%	100.0%
281 - Trauma to skin, subcutaneous tissue and breast age >17 w/ cc	42.1%	15.8%	0.0%	21.1%	5.3%	10.5%	0.0%	0.0%	5.3%	100.0%
280 - Trauma to skin, subcutaneous tissue and breast age >17 w/o cc	55.6%	27.8%	5.6%	5.6%	0.0%	5.6%	0.0%	0.0%	0.0%	100.0%
276 - Non-malignant breast disorders	42.9%	14.3%	0.0%	0.0%	28.6%	0.0%	0.0%	14.3%	0.0%	100.0%
282 - Trauma to skin, subcutaneous tissue and breast age 0-17	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Neoplasia	23.1%	7.7%	30.8%	7.7%	7.7%	0.0%	7.7%	0.0%	15.4%	100.0%
274 - Malignant breast disorder w/ cc	11.1%	11.1%	44.4%	11.1%	11.1%	0.0%	11.1%	0.0%	0.0%	100.0%
275 - Malignant breast disorder w/o cc	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%	100.0%
Total	24.6%	20.1%	19.4%	7.5%	6.7%	5.2%	4.5%	4.5%	7.5%	100.0%

Physician Assessment:

A medical director or a medical director and consultant model is being explored to facilitate the successful implementation of the breast center. The breast center requires a wide variety of specialists in the care of the patient. The required specialties include breast radiology, plastic surgery, breast surgery, medical oncology, radiation oncology and genetics. A series of interviews have been conducted with the previously mentioned specialties to determine strengths and weakness as it relates to establishing a breast center that provides care based on best practices, current trends and national benchmarks.

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PPH is presently contracted with a radiology group that has two physicians with specialized training in breast imaging. PPH has several surgeons who perform breast surgery although overall no one physician has more than 25% of their practice related to breast, nor is there wide-spread utilization of the current techniques relative to surgical approaches. Several surgeons have mentioned their willingness to pursue additional training relative to current trends and surgical approaches in breast cancer. A breast surgeon from Orange County who is known for his surgical expertise in breast surgery is interested in collaborating with PPH either in the role of consultant and/or potentially as a timeshare candidate. In conjunction with the medical director this surgeon is interested in facilitating the development and implementation of the breast program, physician and staff education, protocol development, establishment of clinical and quality benchmarks and mentoring PPH surgeons in the latest surgical techniques. Plastic surgeons are available to participate in the breast center. PPH has a female radiation oncologist with training in breast oncology and is interested in working at the breast center. Physician interviews and assessments are in process with PPH medical oncologists.

The lack of female specialists in the area of breast radiology, breast surgery and medical oncology will present a challenge as compared to the published best practice models for successful breast centers. The lack of a female breast surgeon is an area of weakness that should be an identified focus of physician recruitment.

Staffing:

The Breast Center will be under the umbrella of the Women's Center but will be predominately staffed by the Outpatient Imaging Department in order to provide and maintain the required technical competence and quality. In addition, the imaging component of the breast center will be part of the professional services structure established for the Outpatient Imaging Department.

Imaging will provide a:

- Receptionist/Scheduler
- Breast mammographer
- Mammography technician
- Stereotactic technician

The Women's Center will provide a:

- Breast Care Nurse Navigator
- Back office/patient concierge
- Genetic counselor

Admitting will provide an:

- Admitting/insurance verifier

*Please see the Human Resource section for details on recruitment, FTE needs and projected salaries.

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Equipment:

Required equipment includes: (* existing equipment to be relocated from Gateway)

- Digital mammography*
- Stereotatic biopsy*
- Breast ultrasound*
- Breast MRI
- Bone densitometry*

Perinatal Testing Center

Program Description:

The Perinatal Testing Center is primarily focused on providing outpatient services for patients with obstetrical, medical, and surgical complications related to pregnancy. Services provided by University of California, San Diego perinatologists include maternal and fetal medical care, monitoring, ultrasound examinations, genetic counseling, multiple births, diabetes management, and state-of-the-art diagnostic testing such as amniocentesis and antepartum fetal surveillance for monitoring fetal well-being. Patients are referred by their obstetrician. The center will offer perinatal testing and consultation services one half day per week.

Demand Forecasting:

Approximately 1 in 5 pregnancies is considered to be high risk due to many factors including advanced maternal age, multiple gestation, increased prematurity and diabetes.

Projected Volumes:

Pregnant women in the target market are currently being referred to UCSD or Sharp for high risk perinatal services. This program has a projected initial volume of 4 patients per week, annualized to 208 per year, which is an adequate volume to support perinatal testing for 0.5 days per week at the Women's Center. The Perinatal Testing Center will collaborate with the Marketing Department to create awareness about the Perinatal Testing Center among PPH physicians and the community, potentially increasing volumes and improving pregnancy outcomes. In addition, there may be the opportunity to accommodate some of the overflow volume from the Palomar Medical Center Perinatal Testing Center.

Physician Assessment:

Through a Professional Services and Medical Director agreement with the University of California, San Diego perinatologists who are board certified in Maternal-Fetal Medicine are on staff at both Palomar Medical Center and Pomerado Hospital. Dr. Tom Kelly has been identified by UCSD as the medical director for the perinatology service including the Perinatal Testing Center at both facilities.

Staffing:

The Women's Center will provide:

- Ultrasound technician
- Scheduler/interpreter

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*Please see the Human Resource section for details on recruitment, FTE needs and projected salaries.

Equipment:

The required equipment for the Perinatal Testing Center includes:

- Perinatal ultrasound machine and probes
- Wall clock
- Computer and keyboard
- Glove dispenser
- Sharp container
- Flowmeter – O₂
- Suction
- Linen hamper
- Waste receptacle
- Mayo stand
- Ultrasound probe soak station
- Stool/chair for sonographer
- Stretcher – OB/Gyn
- Gel warmer

Lactation Center:

Program Description:

Breast milk is recognized as the optimal food source for infants for the first six months of life.

Pomerado Hospital Birth Center has exceeded the Healthy People 2010 goals of 75% of mothers to be breastfeeding when discharged. PPH is committed to strive toward reaching Healthy People 2010 goal of 50% of babies which are breastfed at discharge will continue to be breastfed at 6 months of age. In addition, Pomerado Hospital has partnered with the Pomerado Tri Regional Advisory Council, as part of their initiative to decrease childhood obesity, by submitting an application for Baby Friendly status in July, 2006. The Baby-Friendly Hospital Initiative (BFHI) is a global program sponsored by the World Health Organization (WHO) and the United Nations Children's Fund (UNICEF) to encourage and recognize hospitals and birthing centers that offer an optimal level of care for lactation. The BFHI assists hospitals in giving breastfeeding mothers the information, confidence, and skills needed to successfully initiate and continue breastfeeding their babies and gives special recognition to hospitals that have done so. Providing outpatient one-on-one lactation consultation three days a week, four hours per day, with an International Board Certified Lactation Consultant (IBCLC) will greatly enhance Pomerado Hospital's ability to attain Baby Friendly Hospital status as well as serve the community.

The lactation consultants will assist with breastfeeding issues, provide support and education to mothers so that they continue breastfeeding, and also provide support for new moms returning to work. Referrals will also be made to the retail boutique for breast pumps and breastfeeding related products.

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Projected Volumes:

Currently PPH is not able to provide outpatient lactation services to new mothers due to space constraints. Patients with breastfeeding issues are currently being referred to other hospitals or private lactation consultants in the service area. PPH projects an initial volume of 6 new or continuing patients per week annualized to 352 visits per year. Women seeking lactation services are Self-referrals, physician referrals or may be referred from support groups. The Lactation Clinic will collaborate with the Marketing Department to create awareness of lactation services among PPH physicians and the community specifically targeting PPH pediatricians and family practice physicians, as well as pediatricians at Scripps Clinic in Carmel Mountain Ranch and Scripps Ranch and the Rancho Penasquitos area. Marketing breast feeding classes and the Lactation Clinic will increase consultation volume and increase quality outcomes related to breastfeeding such as length of breastfeeding, patient satisfaction, infant health and success of breastfeeding in women returning to work.

Staffing:

The Women's Center will provide:

- Lactation consultant

*Please see the Human Resource section for details on recruitment, FTE needs and projected salaries.

Equipment:

The required equipment for the Lactation Clinic includes:

- Office furniture
- Recliner (or fold out sleeper chair) for mother
- Infant scale
- Creamatocrit (to measure fat content of breast milk)
- Waste receptacle
- Side chair

Women's Metabolic Center:

Program Description:

The Women's Metabolic Center will provide educational programs and screening services to women with diabetes and weight management issues. Individual 1:1 consultation, classroom education and support groups will be available to help women discover their personal weight management solutions. This program may offer a medically supervised diet regimen which is currently being evaluated by the Diabetes Program Director at this time. Collaboration with the Bariatric Surgery Program is in process since 85% of bariatric surgery patients are women. Patients requiring further evaluation will be referred to their primary care physician or to an endocrinologist for follow-up

Demand Forecasting:

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Currently, 9.7 million women in the United States have diabetes and gestation diabetes appears in 2% of all pregnancies. 85% of the patients that obtain bariatric surgery are women.

Projected Volumes:

Pomerado Hospital performed 357 bariatric surgeries (DRG 288) on females in 2005 (OSHDP data). Between November and April of 2006, Pomerado's diabetes program provided services to 34 females which would be an estimated 70 patients annually. Women may access these services by self or physician referral. Diabetes screening and education programs for women will be provided at least one day a week at the Women's Center. The Women's Metabolic Center expects to increase diabetic and weight management screening and consultation volumes by 3% through physician referrals and community awareness programs, as well as serve as a referral source for the bariatric surgery program.

Physician Assessment:

Physician expertise and capacity exists within the PPH medical staff.

Staffing:

The Diabetes Program will provide:

- Diabetes educator

Cardiac and Stroke Screening Programs

Program Description:

Women's Heart Program:

The Women's Heart Program is designed to help women identify their risk for heart disease through screening and laboratory tests. The program will include a women's cardiac risk assessment questionnaire, blood screening for HDL, LDL, total cholesterol, triglyceride and glucose levels, blood pressure checks, smoking cessation classes, 1:1 consultation with a health-care provider, a support group for women with cardiac disease, as well as educational classes about heart disease, prevention and lifestyle management. Patients may access these services by self or physician. Patients requiring further evaluation will be referred to their primary care physician or to a cardiologist for follow-up.

Stroke screening:

Stroke screening will include a carotid artery screening, abdominal aortic aneurysm screening and a peripheral arterial disease screening. Patients may access these services by self or physician. Education classes will include topics such as hypertension, metabolic disease, nutrition, exercise, diabetes education and lifestyle management. Various support groups will be offered including a caregiver support group, a support group for the new stroke patient, a women's stroke support group and Mended Hearts. Patients requiring further evaluation will be referred to their primary care physician or to a specialist for follow-up.

Demand Forecasting:

PALOMAR POMERADO HEALTH

Cardiac disease is the number one killer for women in the United States and stroke is the third highest cause of death. Heart disease in women presents different symptoms and there is a lot of disparity from men. Heart disease claims 349,000 women each year; 56.5% of women ages 55-64 suffer from heart disease, 75% of women between 65-74 and 86.4% of women over 75.⁷ The volumes of this program are included in the Health Promotion program.

Projected Volumes and Competitive Environment:

Female Cardiovascular Discharges and Market Share

Service Line	Pomerado Hospital	Palomar Med Ctr	Scripps Green Hospital	Sharp Memorial Hospital	Kaiser - SD	Scripps Memorial Hosp- La Jolla	UCSD Med Ctr	Children's Hospital - SD	All Others	Total
Discharges										
Medical - Cardiovascular	1,287	458	226	291	194	86	38	24	89	2,692
Surgical - Cardiovascular	54	202	128	56	20	95	21	28	33	638
Total	1,341	660	354	347	214	181	59	52	122	3,330
Market Share										
Medical - Cardiovascular	47.8%	17.0%	8.4%	10.8%	7.2%	3.2%	1.4%	0.9%	3.3%	100.0%
Surgical - Cardiovascular	8.5%	31.7%	20.2%	8.8%	3.1%	14.9%	3.3%	4.4%	5.2%	100.0%
Total	56.3%	48.7%	28.6%	19.6%	10.3%	18.1%	4.7%	5.3%	8.5%	

Physician Assessment:

Physician expertise and capacity exists within the PPH medical staff.

Staffing:

The Women's Center will provide:

- A Registered Nurse.

Equipment:

The required equipment for the Heart and Stroke Screening Programs includes:

- Vital sign machine
- Computer stations and printer
- Television and DVD/VCR

Continence Center:

Program Description:

The National Association for Continence estimates that about 25 million adults in the United States experience urinary incontinence. Women experience it twice as often as men for a variety of reasons. In interviews with PPH urologists and gynecologists it was identified that many of the physicians offer urodynamics in their office, however do not provide screening, 1:1 counseling, biofeedback or other physical therapies. The Women's Center will provide screening and education related to the sensitive issue of continence. In addition, physical therapy services including biofeedback and other

⁷ American Heart Association

PALOMAR POMERADO HEALTH

non-invasive behavioral therapies will be offered in the Women's Center. Patients seen in the Women's Center for screening, evaluation, physical therapy and behavioral therapy will be referred to their primary care physician or urologist for further consultation and intervention if needed.

Demand Forecasting:

Demographic growth in age groups at a higher risk for urinary incontinence, an increasing array of therapies, as well as a higher rate of social acceptance and awareness of the condition and treatments are all contributing to growth in diagnostic and interventional incontinence procedures. Sling suspension outpatient procedures will nationally account for 60% of incontinence procedure profits over the next decade.

Projected Volumes:

Women may access this program by self referral or physician referral. The current number of patients referred to physical therapy for biofeedback and other behavioral therapies for incontinence is currently 6 patients per week, 312 estimated per year. Present awareness of the PPH physical therapy services related to incontinence is very low among PPH urologists and gynecologists. Currently, Pomerado Hospital holds only 25% of the market share in incontinence procedures within the south service area. With the addition of this program to the Women's Center and marketing efforts to PPH physicians and the community, volume is expected to increase by two procedures per month.

Competitive Environment:

North Service Area Incontinence Discharges and Market Share

DRG	Palomar Medical Center	Pomerado Hospital	Tri-City Medical Center	Sharp Memorial Hospital	Kasier Fnd Hosp - San Diego	Scripps Memorial Hospital - Encinitas	Scripps Memorial Hospital - La Jolla	Grossmont Hospital	All others	Total
Discharges										
320- Kidney & Urinary Tract Infections Age >17 w cc	183	97	20	16	12	9	7	6	22	372
308- Minor Bladder Procedures w cc	3	6	1	0	1	1	2	0	5	19
325- Kidney & Urinary Tract Signs & Symptoms Age >17 w cc	3	2	1	1	3	0	0	1	0	11
Total	189	105	22	17	16	10	9	7	27	402
Market Share										
320- Kidney & Urinary Tract Infections Age >17 w cc	49.2%	26.1%	5.4%	4.3%	3.2%	2.4%	1.9%	1.6%	5.9%	100%
308- Minor Bladder Procedures w cc	15.8%	31.6%	5.3%	0.0%	5.3%	5.3%	10.5%	0.0%	26.3%	100%
325- Kidney & Urinary Tract Signs & Symptoms Age >17 w cc	27.3%	18.2%	9.1%	9.1%	27.3%	0.0%	0.0%	9.1%	0.0%	100%
Total	47.0%	26.1%	5.5%	4.2%	4.0%	2.5%	2.2%	1.7%	6.7%	100%

South Service Area Incontinence Discharges and Market Share

PALOMAR POMERADO HEALTH

DRG	Palomar Medical Center	Pomerado Hospital	Sharp Memorial Hospital	Tri-City Medical Center	Kaiser Fnd Hosp - San Diego	Scripps Memorial Hospital - La Jolla	University of Calif-San Diego Medical Center	Scripps Memorial Hospital - Encinitas	All others	Total
Discharges										
320- Kidney & Urinary Tract Infections Age >17 w cc	179	104	25	20	16	13	11	9	25	402
308- Minor Bladder Procedures w cc	3	6	0	1	2	2	1	1	6	22
325- Kidney & Urinary Tract Signs & Symptoms Age >17 w cc	3	2	1	1	3	0	0	0	2	12
Total	185	112	26	22	21	15	12	10	33	436
Market Share										
320- Kidney & Urinary Tract Infections Age >17 w cc	44.5%	25.9%	6.2%	5.0%	4.0%	3.2%	2.7%	2.2%	6.2%	100%
308- Minor Bladder Procedures w cc	13.6%	27.3%	0.0%	4.5%	9.1%	9.1%	4.5%	4.5%	27.3%	100%
325- Kidney & Urinary Tract Signs & Symptoms Age >17 w cc	25.0%	16.7%	8.3%	8.3%	25.0%	0.0%	0.0%	0.0%	16.7%	100%
Total	42.4%	25.7%	6.0%	5.0%	4.8%	3.4%	2.8%	2.3%	7.6%	100%

Physician Assessment:

Physician expertise and capacity exists within the PPH medical staff.

Staffing:

The Physical Therapy Department will provide:

- Physical therapist

*Please see the Human Resource section for details on recruitment, FTE needs and projected salaries.

Equipment:

The required equipment for the Continence Center includes:

- Recliner chair for patient
- Biofeedback machine
- Disposables per patient use
- Waste receptacle
- Computer and keyboard

Wellness Center and Spa

Program Description:

The mission of the Women's Wellness Center and Spa is to provide services that support the mind, body and spirit by offering healing therapies that help to reduce stress, improve health or to simply pamper herself. PPH is exploring opportunities to partners with a local spa to create a presence in the Women's Center and offer therapeutic massage, aromatherapy and therapeutic skin care regimen. The spa will sublease the space from the Women's Center and will offer spa services in conjunction with screenings and procedures aimed at enhancing a sense of well-being.

Staffing:

The Spa partner will provide:

- Spa receptionist
- Massage therapist

PALOMAR POMERADO HEALTH

- Esthetician
- Additional staff required

Physician Timeshares

Program Description:

Timeshare space located in the Women's Center will consist of 3 offices and 4 exam rooms. Various physician specialties with practices aimed towards women's health issues are being recruited to participate in the physician timeshare. Targeted specialties are: gynecological oncology, integrative medicine, uro-gynecology, acupuncture, primary care, cardiology, oncology, breast and plastic surgeons.

Staffing:

Physician will provide their own back office staff.

Equipment:

All treatment rooms will include:

- Exam table
- Wall clock
- Wall mounted bracket for computer and keyboard
- Computer and keyboard
- Diagnostic set – wall mounted Ophthalmoscope/Otoscope/BP
- Glove dispenser – wall mount
- Sharp container
- Flowmeter – oxygen
- Suction
- Exam light – table mounted
- Waste receptacle

*Please see appendix B for physicians interviewed and physicians interested in timeshare space at the Women's Center.

Women's Health Promotion Program

Program Description:

The Women's Health Promotion Program is design to encourage health promotion and disease prevention throughout a woman's lifetime. Health screening packages will be offered for women of all ages to establish a baseline level of health and to serve as a resource for health promotion activities. Screenings will be packaged separately or in conjunction with other tests, procedures or educational programs for patient convenience. The packaged screenings will consist of:

- Teen-age Screenings (cost to be determined)
 - 13+ age group
 - Sports physicals

PALOMAR POMERADO HEALTH

- Health and lifestyle assessment
 - Diabetes and cholesterol screening (optional)
 - Nutritional assessment
 - Behavioral health/depression screening (optional)
 - HPV vaccine (optional)
 - STD screening (optional)
 - Sports massage
- Comprehensive Screening/Female Executive Screening (cost to be determined)
 - Screening mammogram
 - Blood tests for diabetes
 - Osteoporosis screening
 - Cardiac risk assessment
 - Stroke risk assessment
 - Behavioral health/depression screening (optional)
 - Colorectal screening
 - Medication screening
 - Endoscopy and/or colonoscopy (optional)
 - Massage or a facial
- Women's Time-Saver Package
 - Healthy Heart Screening
 - Osteoporosis Screening
 - Mammogram
 - Massage
- Women's Heart Program – private one-hour appointment
 - Full lipid and glucose screening
 - Blood pressure
 - Physical Activity Index
 - Abdominal measurements
 - Cardiac risk assessment questionnaire
 - Education session with a cardiac nurse
- Senior Screening Package
 - Osteoporosis screening
 - Cardiac screening
 - Blood pressure
 - Full lipid and glucose screening
 - Medication screening
 - Nutrition (constipation)
 - Behavioral health/depression screening

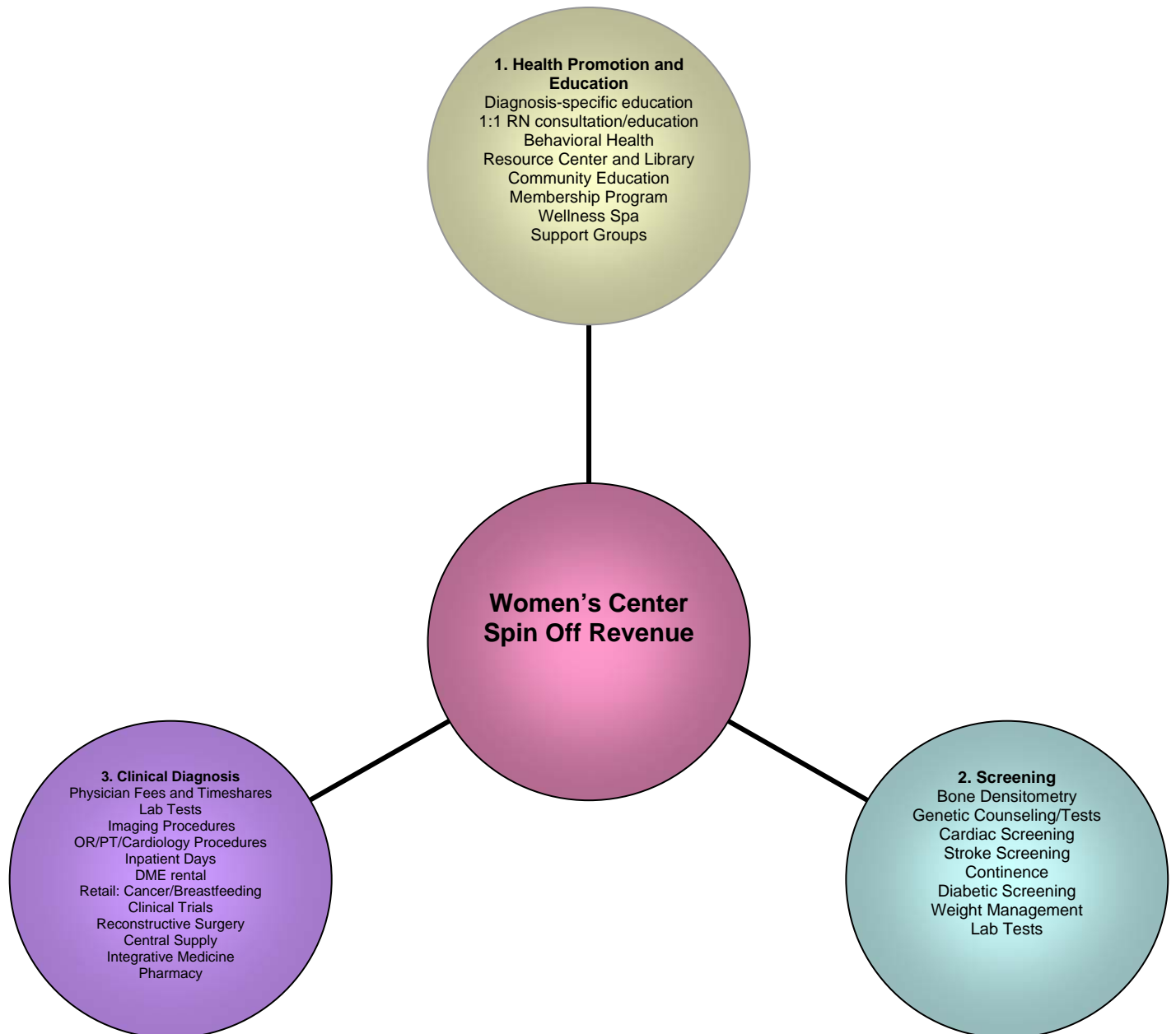
PALOMAR POMERADO HEALTH

- Colorectal screening
- Gentle massage

Projected Volumes

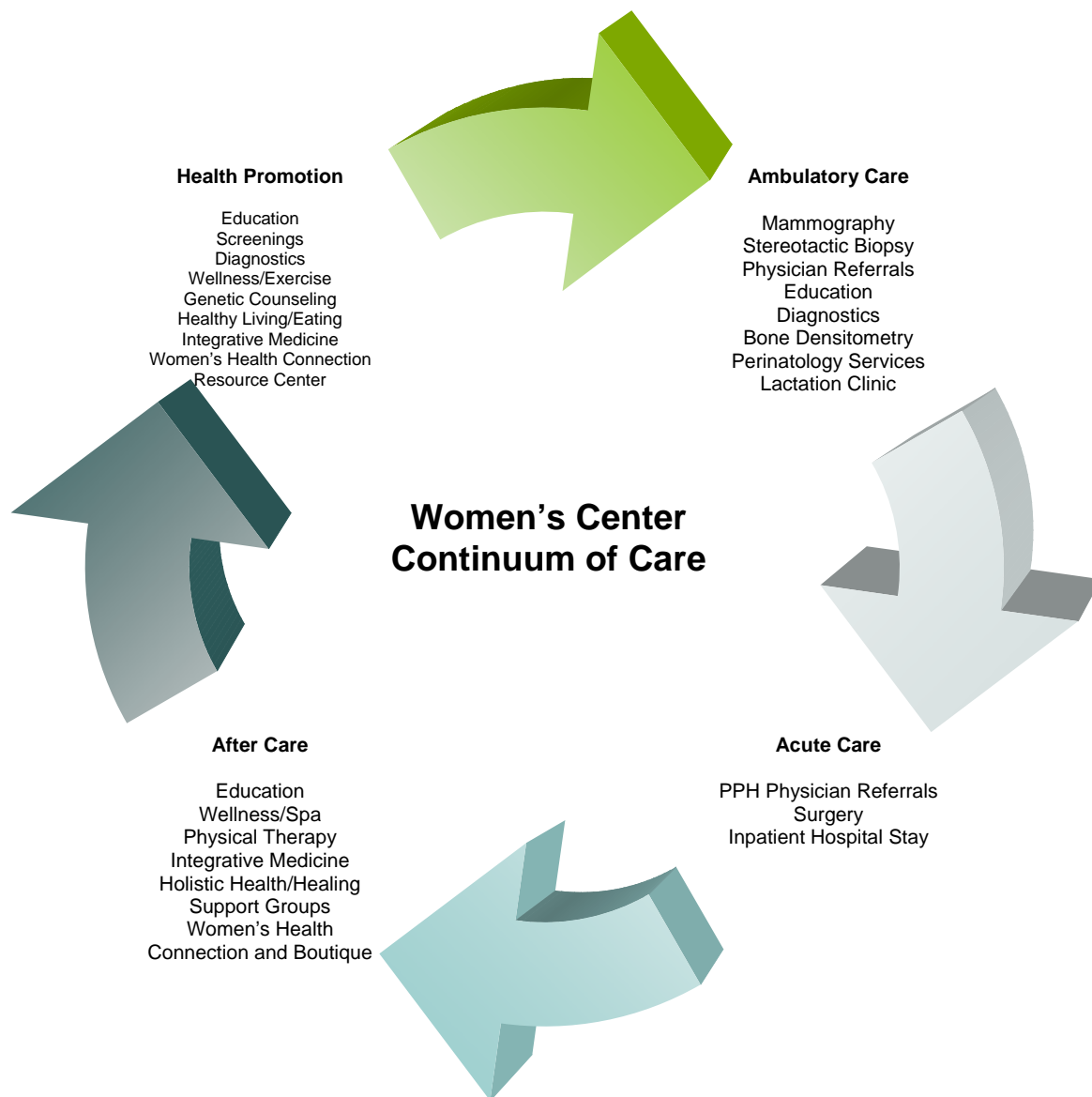
The screenings are projected to draw 20 women per week with an increase of 2 women per month.

Appendix A.1-2: Women's Center Spin-Off Revenue and Breast Center Spin-Off Revenue

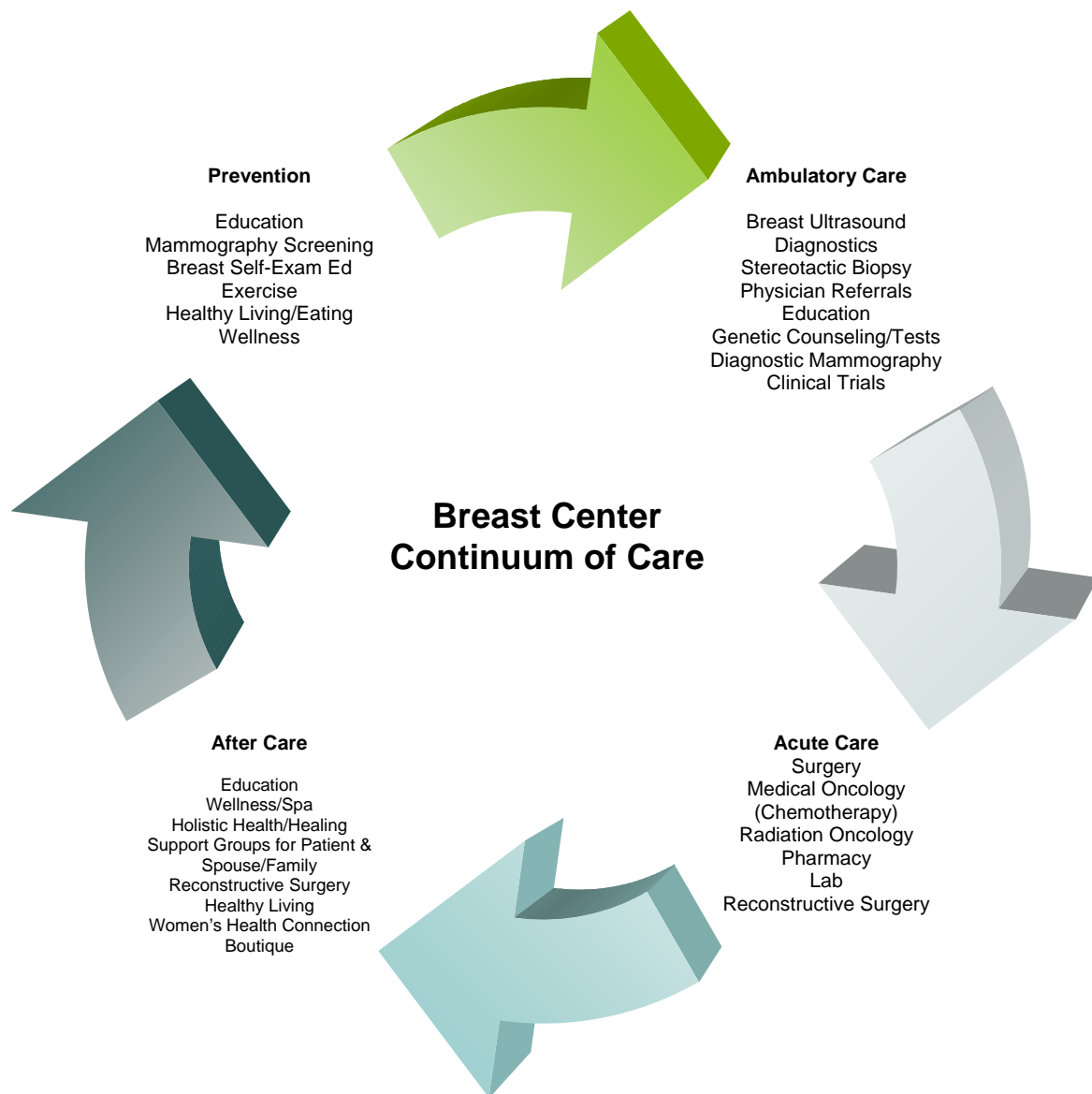




Appendix A.3: Women's Center Continuum of Care



Appendix A.4: Breast Center Continuum of Care



PALOMAR POMERADO H E A L T H

Appendix B: Physicians Interviewed

Possible Candidates for the timeshare:

- Kristen Burris - Acupuncturist
- Dr. Ghosh - Gyn/Onc
- Dr. Cynthia Robertson - IM
- Dr. Deck
- Dr. Moen - OB/Gyn
- Dr. Jeffrey Spear – Urology/Pomerado Hospital
- Dr. Callery
- Dr. Erica Cox

Other physicians interviewed:

- Dr. Tom Jones – Urology/Palomar Medical Center
- Dr. Saad Juma – Urology/Incontinence Research Institute
- Dr. Jill Cottell – IM/Pomerado Hospital
- Dr. Neustein – Urology/Pomerado Hospital
- Dr. Alan Larson - GI
- Dr. John Martin - Urology
- Dr. Conrad - IM
- Dr. Kanter - Pulmonary
- Dr. Rivera – IM
- Dr. Khalid – Integrative Medicine
- Dr. Nassar - Integrative Medicine
- Dr. Moldovan
- Dr. Potts
- Dr. Frank Martin
- Dr. Gupta
- Dr. Laverson
- Dr. Hallak
- Dr. Steele
- Dr. Coleman
- Dr. Jacquet
- Dr. Ormsby
- Dr. Maletz
- Dr. Ho
- Dr. Castillo
- Dr. Plaxe
- Dr. Gupta

Physicians still to be interviewed:

- Dr. Serry
- Dr. Just
- Dr. Lamon

Appendix C: Marketing Plan

- Women's Advisory Board
 - Powerful women within primary area of POM
 - Female executive leaders
- Physician Advisory Board
 - Physicians who support and understand women's issues
 - Market to physicians at PPH to increase awareness of Women's Center services
- Design Elements
 - Design new logo
 - Create color combinations for use
 - Create new stationery package/Branding
 - Focus groups on logo and women's center components
- Overall Campaign
 - Web Site Development
 - Online enrollment for classes, screenings, newsletter
 - Informational e-blasts
 - Retail and online store
 - Breast Center
 - Women's Center
 - New Homeowners Campaign
 - Move in packages with call to action
 - Separate campaign for Breast Center
 - Direct Mail to Women in primary service Area
 - 2 year direct mail campaign for Women's Center (newsletters and brochures)
 - 3 postcards related to the opening of the Women's Center: bi-monthly until opening in November
 - Brochure on Women's Center
 - Educational classes, screenings and event information
 - Mail out semi-annually: first in late October then January through June issue and July through December issue
 - Informational brochures for each service
- Individual Campaigns
 - Breast Center
 - Lactation/breast feeding classes
 - Cancer
 - Breast, lymphedema, gyn/onc
 - Genetic testing, second opinion
 - Perinatal testing center (OB physicians and staff only)
 - Continence center
 - Urogynecology

PALOMAR POMERADO HEALTH

- Osteoporosis center
- Women's heart program
- Stroke screening program
- Wellness Center and Spa
- Metabolic center
- Behavioral health
- Women's Membership Program
 - Card carrying members get special discounts for promotions
 - Form alliance with local retailers, women receive discounts for presenting their cards at these shops
 - Track downstream revenue
 - Electronic medical file tracking system to save inconvenience of women filling out new forms for each new PPH physician appointment
- Educational classes and support groups
 - Create fun classes and educational series, coordinate with HealthSource
 - Come up with more creative names to attract women (e.g. "Flirting for Your Health," "Dancing Through Pregnancy")
 - Coordinate with Chris Hedges diabetes classes
 - Coordinate with Virginia Barragan for pre/post pregnancy classes
- Screening packages
 - Teen-age Screening Package
 - Comprehensive Executive Screening Package
 - Women's Time-Saver Screening Package
 - Women's Heart Health
 - Senior Screening Package
- Overall Events
 - Open Houses
 - Community
 - Board
 - Physicians
 - Employees
 - Women's Groups
- Individual Events (Women want fun events)
 - Mothers Day Event
 - Women's Conference
 - Wine, chocolate and Women (coordinate with local winery)
 - Wear Red Event
 - Community Events Partnerships
 - Coordinate with Susan G. Koman, AIDS, and AHA, ADA, ACS, etc.
- Fundraising Elements (work with Foundation)
 - Brochure for fundraising
 - Opportunity to name sub-specialties (Jane Smith Cardiac Program)

See Appendix D: Marketing Plan timelines – see attached

Appendix E: Competitor Services Analysis

PPH Women's Center Competitor Analysis								
Components	UCSD	Scripps Polster	Scripps Mercy	Scripps La Jolla	PPH Current	PPH Women's Center	Sharp Grossmont	Sharp Mary Birch
Screening Tools								
Perinatology Testing	✓		✓	✓	✓	✓		✓
Cardiac Screening						✓		
Stroke Screening						✓		
Osteoporosis Screening						✓		
Pelvic Floor								
Incontinence Center	✓					✓		
Urodynamic Lab	✓							
Education and Behavioral Health								
Behavioral Health			✓		✓	✓		
Resource Center	✓				✓	✓		✓
Community Education Classes	✓	✓			✓	✓	✓	✓
Support Programs		✓		✓	✓	✓	✓	✓
Integrative Medicine: Acupuncture/Acupressure						✓		
Spa/Wellness Center						✓		
Breast Center								
Breast Center	✓	✓				✓		✓
Genetic Assessment and Counseling		✓				✓		
Mammography		✓			✓	✓		✓
Breast Ultrasound		✓			✓	✓		
Imaging Center				✓	✓		✓	✓
Oncology (Breast, Gynecologic, Radiation)	✓	✓			✓		✓	✓
Second Opinion Panel		✓						
Stereotactic Biopsy		✓						✓
Clinical Lab					✓		✓	
Lymphedema Clinic							✓	
Radiation Therapy/Chemotherapy								✓
Pathology								✓
Other								
Lactation Clinic	✓					✓	✓	✓
Lymphedema/Cardiac/Osteoporosis Physical Therapy	✓	✓			✓	✓		
Referral System	✓	✓				✓		
Infertility and Endocrinology	✓							✓
Healthy Woman's Primary Care	✓				✓			
Gynecology	✓		✓		✓			✓
Menopause Center	✓							
Young Women's/Community Outreach Program		✓						✓
Senior Women's Clinic	✓							✓
General								
Boutique				✓	✓	✓		✓
Extended Hours						✓		
Birthing Suites	✓		✓	✓	✓			
Outpatient Surgery (Cosmetic, General, Gynecologic)					✓			✓

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Appendix F:

CONSOLIDATED BREAST CENTER AND WOMEN'S CENTER BUDGET

DETAILS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Profit and Loss					
Revenue					
Women's Center	1,096,315	1,201,483	1,430,615	1,637,089	1,874,291
Breast Center	1,837,275	1,923,681	2,008,817	2,089,916	2,167,105
Direct Expenses	(831,437)	(872,700)	(914,686)	(954,654)	(993,185)
Gross Profit	\$ 2,102,154	\$ 2,252,465	\$ 2,524,746	\$ 2,772,351	\$ 3,048,211
Operating Expenses	(1,945,956)	(2,014,873)	(1,975,615)	(1,961,654)	(2,014,602)
Operating Profit/(Loss)	\$ 156,199	\$ 237,592	\$ 549,131	\$ 810,698	\$ 1,033,609
Net Interest	-	-	-	-	-
Profit/(Loss) Before Tax	\$ 156,199	\$ 237,592	\$ 549,131	\$ 810,698	\$ 1,033,609