

# ADDENDUM A

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

**ATTENDANCE ROSTER & MEETING MINUTES  
CALENDAR YEAR 2007**

<b>MEMBERS</b>	<b>MEETING DATES:</b>										
	<b>1/23/07</b>	<b>2/27/07</b>	<b>3/27/07</b>	<b>4/27/07</b>	<b>5/29/07</b>	<b>6/26/07</b>	<b>7/31/07</b>	<b>8/28/07</b>	<b>9/25/07</b>	<b>10/30/07</b>	<b>12/4/07</b>
NANCY BASSETT, R.N.	P	P	P	P	P	P					
LINDA GREER, R.N.	P	E	P	P	P	P					
TED KLEITER – CHAIR	P	P	E	P	P	P					
MARCELO RIVERA, M.D.	P	P	P	P	P	P					
MICHAEL COVERT, FACHE	P	P	P	P	P	P					
BEN KANTER, M.D.	E	P	P	P	P	P					
ROBERT TRIFUNOVIC, M.D.	E	E	E	E	P	E					
<i>BRUCE KRIDER – ALTERNATE</i>			P			GUEST					
<i>GARY POWERS – 2<sup>ND</sup> ALTERNATE</i>		P	P			GUEST					
<b>STAFF ATTENDEES</b>											
BOB HEMKER	P	P	P	P	P	P					
GERALD BRACHT	P	P	P	E	P	P					
STEVE GOLD	P	P	P	P	P	P					
TANYA HOWELL – SECRETARY	P	P	P	P	P	P					
<b>INVITED GUESTS</b>	<b>SEE TEXT OF MINUTES FOR NAMES OF GUEST PRESENTERS</b>										

**MEETING MINUTES – TUESDAY, JUNE 26, 2007**

AGENDA ITEM	DISCUSSION	CONCLUSION/ACTION	FOLLOW UP
<b>MEETING LOCATION</b>	Graybill Auditorium, 555 E. Valley Parkway, Escondido, CA		
<b>MEETING CALLED TO ORDER</b>	7:13 p.m. by Chair Ted Kleiter		
<b>ESTABLISHMENT OF QUORUM</b>	<b>SEE ROSTER</b>		
<b>MINUTES – MAY 29, 2007</b>	No discussion	<b>MOTION:</b> By Director Kleiter, seconded by Director Bassett and carried to approve the minutes of the May 29, 2007, Board Finance Committee meeting as presented	
<b>DATE CHANGE OF AUGUST 2007 MEETING</b>	<p>Bob Hemker stated that he will be out of town on August 28, 2007</p> <ul style="list-style-type: none"> <li>• Spoke w/Chair about changing date to following Tuesday—September 4, 2007</li> <li>• Polled membership of Committee to ensure quorum would be available</li> <li>• Recommendation to hold meeting at new warehouse site                             <ul style="list-style-type: none"> <li>o A tour of the building can be arranged prior to meeting</li> </ul> </li> </ul>	<b>MOTION:</b> By Director Bassett, seconded by Director Rivera and carried to change the date of the August 28, 2007, Board Finance Committee to be held at 6:00 p.m. on Tuesday, September 4, 2007, at the new PPH warehouse building located at 2227 Enterprise Street, Escondido, CA.	<p>Forwarded to the July 9, 2007, Board of Directors meeting as information</p> <p>Public notice to be posted regarding change of date</p>
<b>OUTPATIENT WOMEN'S CENTER BUSINESS PLAN</b>	<p>As Diane Key, SLA for Women's Services, had a conflict later in the evening, Chairman Kleiter allowed this item to be moved up on the agenda. Ms. Key led a discussion regarding the Outpatient Women's Center Business Plan, utilizing the attached presentation and the Plan included in the agenda packet as Addendum B.</p> <ul style="list-style-type: none"> <li>• This plan has already been presented before many Committees of the Board                             <ul style="list-style-type: none"> <li>o Directors Bassett and Powers were consulted during the formation of the business plan</li> <li>o Plan has been presented and approved at Board Strategic Planning Committee meeting</li> </ul> </li> <li>• Focus on women's services                             <ul style="list-style-type: none"> <li>o Births, Baby Boomer and senior population growth</li> <li>o Women make the major healthcare choices for their families</li> <li>o Knowledgeable healthcare consumers</li> </ul> </li> <li>• Jean McLaughlin Women's Center – opening scheduled for 11/2007                             <ul style="list-style-type: none"> <li>o First comprehensive women's center with all services in one location in San Diego</li> <li>o Breast Care Navigator Kay Kimball                                     <ul style="list-style-type: none"> <li>■ Walks patient through all steps of the program</li> </ul> </li> <li>o Genetic assessment                                     <ul style="list-style-type: none"> <li>■ Screening and counseling for assessment of risk</li> </ul> </li> </ul> </li> </ul>	<b>MOTION:</b> By Director Bassett, seconded by Director Rivera and carried to approve the 5-year <i>pro forma</i> and budget for the consolidated Women's Center and Breast Center as scheduled in Appendix F of the Business Plan	<p>Forwarded as a consent agenda item to the July 9, 2007, Board of Directors meeting with a recommendation for approval</p> <p>Diane Key will report back to the Board Finance Committee on the progress of the Women's Center 6 months from startup – will be slated for the June 2008 meeting</p> <p>Diane Key will move forward with marketing and continue internal communications regarding employee benefit</p>

**MEETING MINUTES – TUESDAY, JUNE 26, 2007**

AGENDA ITEM	DISCUSSION	CONCLUSION/ACTION	FOLLOW UP
	<ul style="list-style-type: none"> <li>• Better utilization &amp; marketing of services already offered, as well as complementing services offered by physicians               <ul style="list-style-type: none"> <li>o Physicians will be asked to keep one slot open on specified days                   <ul style="list-style-type: none"> <li>■ If we receive a patient who needs to see a physician emergently, we'll know that, "Dr. X has Tuesday at 10:00 a.m. open"</li> </ul> </li> </ul> </li> <li>• Continuum of care services, including:               <ul style="list-style-type: none"> <li>o Perinatology center will operate one-half to one day per week</li> <li>o Lactation clinic – POM has applied for baby friendly status and is researching childhood obesity – will tie to the clinic</li> <li>o Metabolic center – nutrition &amp; exercise for all body types/needs                   <ul style="list-style-type: none"> <li>■ 85% of Bariatric patients are women</li> </ul> </li> <li>o Cardiac &amp; stroke screening program                   <ul style="list-style-type: none"> <li>■ Heart disease is the number one killer of women</li> </ul> </li> <li>o Education &amp; support groups                   <ul style="list-style-type: none"> <li>■ Prevention aid, gets people back here when they need services because that's where they learned about them</li> </ul> </li> <li>o Women's place for health care – referrals/information/treatment</li> <li>o Packaged screenings (health promotion program)</li> <li>o Osteoporosis screening</li> <li>o Wellness center &amp; spa                   <ul style="list-style-type: none"> <li>■ Joint Venture is being explored to provide service</li> <li>■ No income projected from the venture at this time – any income would be additional to business plan</li> <li>■ Will be brought back to the Finance Committee if outcome of negotiations affects business plan pro forma</li> </ul> </li> <li>o Physician timeshare located in center                   <ul style="list-style-type: none"> <li>■ 3 offices and 4 exam rooms</li> </ul> </li> </ul> </li> <li>• Marketing plan includes community events under development</li> <li>• Budget for the breast center &amp; women's center is combined – detailed on page B29 of agenda packet and reviewed thoroughly at Committee meeting</li> <li>• Action requested is approval of the 5-year <i>pro forma</i> and budget for the consolidated Women's Center and Breast Center as scheduled in Appendix F of the Business Plan (<i>page B29 in the agenda packet</i>), noting that FY08 is not budgeted, but would be an additive to the budget               <ul style="list-style-type: none"> <li>o 2/3 of pro forma in FY08 – approving a positive addition to the bottom line for FY08 of approximately 2/3 of suggested dollars</li> </ul> </li> </ul>		

**MEETING MINUTES – TUESDAY, JUNE 26, 2007**

AGENDA ITEM	DISCUSSION	CONCLUSION/ACTION	FOLLOW UP
<b>MEDICAL DIRECTOR AGREEMENT</b>			
<b>LORI COLEMAN, M.D.</b>	<p>In conjunction with the implementation of the Outpatient Women's Center Business Plan, Diane Key requested approval of a Medical Directorship for the Breast Center at Pomerado Hospital</p> <ul style="list-style-type: none"> <li>• Several physicians expressed interest &amp; were interviewed</li> <li>• Dr. Coleman, a Radiation Oncologist, was chosen following the interview process</li> </ul>	<p><b>MOTION:</b> By Director Rivera, seconded by Dr. Kanter and carried to approve the one-year Medical Director Agreement for the Breast Center with Lori Coleman, M.D.</p>	<p>Forwarded to the July 9, 2007, Board of Directors meeting with a recommendation for approval</p>
<b>PHYSICIANS' CAPITAL ADVISORY COMMITTEE (PCAC)</b>	<p>Bob Hemker reported that during the FY08 capital budget process, items were grouped into capital buckets by type of expenditure. The Medical Equipment bucket for items greater than \$100,000 was set at \$2.7 million. PCAC provided assistance in prioritizing those items.</p> <p>Alan Conrad, M.D., Chair of the PCAC, led a discussion on the prioritization process</p> <ul style="list-style-type: none"> <li>• Dr. Ben Kanter utilized a program that allows one to stratify and prioritize hierarchy of documents <ul style="list-style-type: none"> <li>o Polled all interested parties (i.e., department heads, managers, etc.) – why did they want/need particular pieces of equipment? <ul style="list-style-type: none"> <li>■ Have to prove to PCAC why it's needed – not just wanted – tool objectifies system</li> </ul> </li> <li>o Created hierarchy by rating of all capital expenditures <ul style="list-style-type: none"> <li>■ Grouped in Tiers 1, 2 or 3, based on how equipment rated out <ul style="list-style-type: none"> <li>▲ Tier 1 would be funded first; then 2, then 3</li> </ul> </li> <li>■ Hierarchy doesn't necessarily say when item will be funded/purchased</li> </ul> </li> <li>o Health/quality/safety issues taken into account</li> <li>o Considerations about any new equipment requests: <ul style="list-style-type: none"> <li>■ Is it moving to new facility?</li> <li>■ If we don't buy it now, when does it need to be bought; risks of not buying; etc. – alternatives?</li> <li>■ If only 2 are necessary out of 12 requested, replace only the required 2, then replace the other 10 as needed - not approving more than what is necessary</li> <li>■ Once opened as a capital item, it gets "funded"</li> </ul> </li> </ul> </li> <li>• Additional information will be reviewed from the Finance and Supply Chain Services Departments at the PCAC's next meeting, where the less than \$100,000 items will be stratified</li> <li>• PCAC will be meeting only as necessary thereafter</li> <li>• Administratively, management is appreciative of the engagement of the PCAC and the leadership of the committee</li> </ul>	<b>INFORMATION ONLY</b>	

**MEETING MINUTES – TUESDAY, JUNE 26, 2007**

AGENDA ITEM	DISCUSSION	CONCLUSION/ACTION	FOLLOW UP
<b>PHYSICIAN RECRUITMENT AGREEMENT</b>			
<b>HAHN LE, M.D.</b>	<p>Marcia Jackson, Chief Planning Officer, presented a request for approval of the recruitment agreement</p> <ul style="list-style-type: none"> <li>• Dr. Hahn Le will be joining another female OB/GYN in her practice in the south               <ul style="list-style-type: none"> <li>o Standard templated contract as approved by our attorneys</li> <li>o Relocating from Fallbrook – outside of the requisite 25-mile radius</li> </ul> </li> </ul>	<b>MOTION:</b> By Director Bassett, seconded by Director Greer and carried to approve the Physician Recruitment Agreement with Hahn Le, M.D.	Forwarded to the July 9, 2007, Board of Directors meeting with a recommendation for approval
<b>INCREASES IN THE LINES OF CREDIT</b>			
<b>PALOMAR POMERADO HEALTH FOUNDATION</b>	<p>Bob Hemker led a discussion about the request by the Palomar Pomerado Health Foundation (“PPHF”) Board for a temporary increase of \$2 million to bring their current Line of Credit (“LoC”) with the District to \$5 million (<i>request letter attached</i>)</p> <ul style="list-style-type: none"> <li>• PPHF brings in dollars associated w/contributions</li> <li>• LoC Expenses come through the District and we pay bills on their behalf</li> <li>• Their contributions go against draw               <ul style="list-style-type: none"> <li>o LoC covers shortages</li> </ul> </li> <li>• PPHF has a \$3 million approved LoC               <ul style="list-style-type: none"> <li>o Capital campaign is anticipated to cost \$3 million                   <ul style="list-style-type: none"> <li>■ Already at \$4.4 million in annual operating expenses</li> <li>■ Starting FY08 at a \$1.4 million draw on current line</li> </ul> </li> <li>o Deficit is anticipated to peak at about \$4.1 million in FY08</li> <li>o Requesting \$5 million over the next 4 yrs                   <ul style="list-style-type: none"> <li>■ Expecting \$1.1 million in contributions for FY08; \$6.6 million for FY09; with a zero balance draw in the LoC after anticipated \$9.4 million in contributions at the end of FY10</li> </ul> </li> </ul> </li> <li>• Request was unanimously approved by PPHF Finance Committee and Board               <ul style="list-style-type: none"> <li>o Looking at 5-year pledges – getting up and started in year 1, w/recovery in years 3-4</li> <li>o By FY10, PPHF would no longer be drawing on their LoC</li> <li>o Staff recommendation that the LoC embedded within the Management Services Agreement with PPHF be increased from \$3 million to \$5 million as requested by the PPHF Board</li> </ul> </li> </ul>	<b>MOTION:</b> By Dr. Kanter, seconded by Director Bassett and carried to approve the PPHF Board’s request for an increase in the PPHF Line of Credit from \$3 million to \$5 million for the two-year period encompassing Fiscal Years 2008 and 2009.	Forwarded to the July 9, 2007, Board of Directors meeting with a recommendation for approval
<b>PALOMAR POMERADO NORTH COUNTY HEALTH DEVELOPMENT</b>	<p>Bob Hemker led a discussion about the request by Palomar Pomerado North County Health Development (“Health Development”) for a total increase of \$1.3 million to their current Line of Credit (LoC) with the District of \$1.6 million (<i>request letter attached</i>)</p> <ul style="list-style-type: none"> <li>• Health Development brings in dollars associated w/grants</li> <li>• \$225 thousand remaining in current LoC</li> <li>• Request for an FY08 increase of \$700 thousand for operational expenses would bring LoC to \$2.3 million</li> <li>• Additional \$600 thousand is being requested for the Research Institute to fund start-up costs, staffing and other operational expenses</li> </ul>	<b>MOTION:</b> Motion by Director Bassett, seconded by Director Rivera and carried to approve the request by Health Development for an increase in their LoC for FY08 from \$1.6 million to \$2.9 million	Forwarded to the July 9, 2007, Board of Directors meeting with a recommendation for approval  Letters containing the requests will be emailed to committee membership  Reports from both entities will be incorporated on a

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	<ul style="list-style-type: none"> <li>Total LoC would increase to \$2.9 million through FY08 operations, consistent with the operating budget that is already approved and the new Research Institute</li> </ul>		quarterly basis
<b>FINANCIAL REPORT MAY 2007 &amp; YTD FY2007</b>	<p>Bob Hemker reviewed the May 2007 financial report, utilizing the presentation distributed as Addendum C in the agenda packet:</p> <ul style="list-style-type: none"> <li>Salaries, Wages and Benefits                             <ul style="list-style-type: none"> <li>Director Greer congratulated Management on flexing and achievement of productivity</li> <li>YTD \$2.3 million favorable – across the board by entity</li> <li>Final at 100% district wide</li> <li>Nursing productivity key</li> </ul> </li> <li>Capitation                             <ul style="list-style-type: none"> <li>\$6.3 million negative variance from premium &amp; Out of Network claims, offset by \$8.5million valuation for net favorable variance of \$2.2 million                                     <ul style="list-style-type: none"> <li>Roundtable discussion on management of utilization of district services vs positive/negative impacts of capitated patients going out of network</li> </ul> </li> </ul> </li> <li>YTD bottom bottom line of \$19 million is \$1.8 million negative to budget</li> <li>YTD OEBITDA at 9.3% vs 9.8% budget – negative .5% variance</li> <li>MTD showed a negative \$351 thousand mark to market adjustment</li> <li>OEBITDA of 11.1% for May – positive 1.1% variance</li> <li>Monthly trends for July, August, September and May characterize the types of months we'd like to see in FY08                             <ul style="list-style-type: none"> <li>Volume swings handled w/tight expense management</li> <li>Deferred Compensation benefit match is calculated into FY08 budget, so variance of FY07 should not recur next fiscal year</li> </ul> </li> <li>With the approval tonight on the Rancho Peñasquitos CEQA, how much can be recouped from bond money?                             <ul style="list-style-type: none"> <li>\$7.5 to \$8 million, plus the dollars spent on the coral building and the warehouse, amounts to approximately 14 days cash on hand</li> </ul> </li> <li>May YTD cash is almost at FY08 cash collection budget</li> <li>Transition to UB04 caused several lost days when claims weren't going through system due to the conversion, with similar experiences noted industry wide</li> </ul>	<b>MOTION:</b> By Director NB seconded by Director LG and carried to approve the May 2007 and YTD FY2007 Financial Report as presented	Forwarded to the July 9, 2007, Board of Directors meeting with a recommendation for approval
ADJOURNMENT	The meeting was adjourned at 8:35 p.m.		
<b>SIGNATURES:</b> <ul style="list-style-type: none"> <li><b>COMMITTEE CHAIR</b> _____ Ted Kleiter</li> <li><b>COMMITTEE SECRETARY</b> _____ Tanya Howell</li> </ul>			

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**The Jean McLaughlin Women's  
Center for Health and Healing at  
the Pomerado Outpatient Pavilion**

Board Finance Committee  
June 26, 2007

Presented by Diane Key

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**Pomerado Outpatient Pavilion**





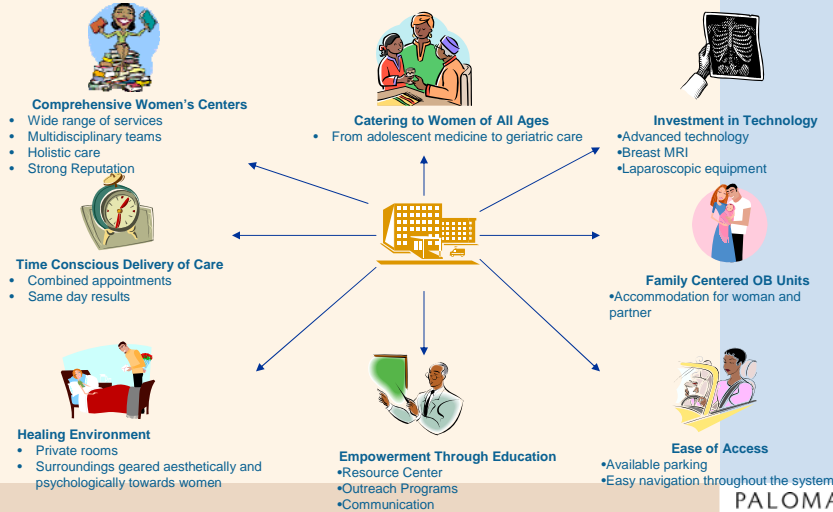
# Why the New Focus on Women?

- Growth in three key market segments:
  - Births - growth
  - Boomers – unprecedented growth
  - Seniors – unprecedented growth
- Medically unaffiliated for first pregnancy; may well become a patient for life
- Women
  - Control \$5 trillion in U.S. businesses and consumer spending and influence some 80% of all such spending nationally
  - Live longer than men
  - Actively seek information
  - Direct family health care

*\*Source: Advisory Board Company 2005*

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# What Women Want in a Women's Center



*\*Source: Advisory Board Company 2005*

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## Executive Summary

- The Jean McLaughlin Women's Center for Health and Healing will be located in the Pomerado Outpatient Pavilion on the Pomerado Hospital campus.
- The Jean McLaughlin Women's Center will be the first comprehensive women's center in San Diego and is scheduled to open in November 2007.
- The Women's Center will appeal to women of all ages by offering an array of health services, a continuum of quality care, the ability to schedule multiple procedures or screenings consecutively, attend an educational seminar or meet with their physician all in one visit.

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## The Initial Components of the Women's Center

- Comprehensive Breast Care Center
- Perinatal Testing Center
- Lactation Clinic
- Women's Metabolic Center (Diabetes, weight management)
- Cardiac and Stroke Screening Program
- Continence Center
- Wellness Center and Spa
- Physician Timeshares
- Women's Promotion Programs (screenings, educational classes, support groups)
- Osteoporosis Screenings
- Retail boutique and Resource Center

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## Phase Two Components of the Women's Center

- Orthopedics/Sports Medicine
- GI/Irritable Bowel Syndrome
- Cancer Center
- Mid-Life Women's Wellness
- Adolescent Health
- Senior Health
- Behavioral Health
- Pain Management

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## Mission and Strategic Implications

### Mission:

The vision of the Jean McLaughlin Women's Center for Health and Healing is to provide a continuum of comprehensive, coordinated care in one location where women have access to physicians, imaging services, education, preventive screenings and information to improve their health.

### Strategic:

The women's center will facilitate strategic partnerships with physicians as well as other health care institutions. Presents opportunities for PPH branding, increased physician engagement and enhanced patient loyalty.

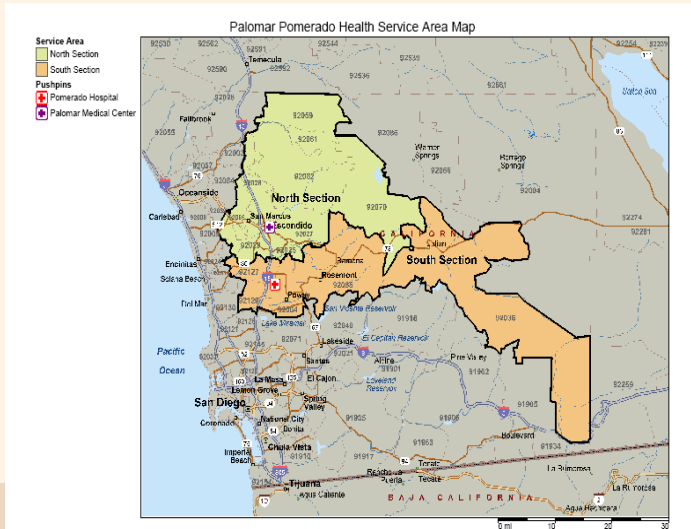
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## Target Populations

- The target market for the Women's Center is Poway, Rancho Penasquitos, Rancho Bernardo, Ramona, and Julian and Scripps Ranch.
- The demographics in PPH south area are very favorable. Forty-nine percent of the women in the south service area are between the ages of 25-64 accounting for 123,154 women in 2006 (Claritas 2006).
- By 2011 the total female population (25-64) within the south service area will increase by 8% or 17,019 people (Claritas 2006). The following graph demonstrates the population increases over the next 4 years.
- At the present time many women in the area are going outside the district for health care.

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## Palomar Pomerado Health Service Area



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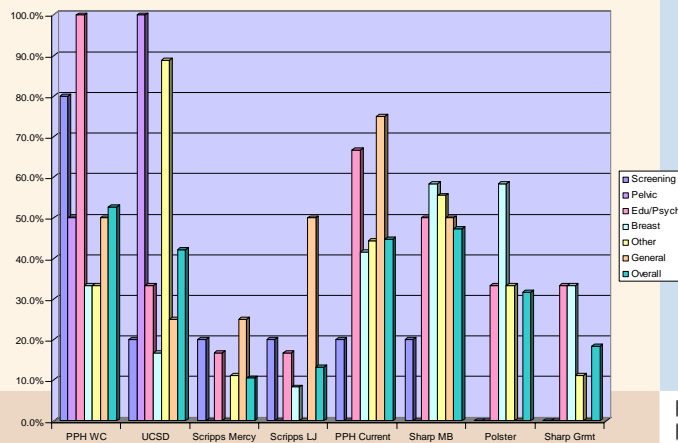
# South Service Area Demographics

Key Demographic Indicators/Trends		
	2006	2011 Projected
SA Population (2006)	213,154	230,173
Projected Growth (2006-2011)	8.00%	
Age Mix (2006)		
0-14	22.1%	21.0%
15-34	24.3%	25.1%
35-64	42.1%	41.4%
65+	11.5%	12.5%
<b>Women 15-44</b>	<b>19.9%</b>	<b>20.2%</b>
<b>Women 35-64</b>	<b>21.1%</b>	<b>20.7%</b>
Median Age	36	
Ethnic Mix (2006)		
White	68.8%	
Hispanic	10.5%	
Asian & Pac. Islander	15.0%	
Black	1.8%	
Other	3.9%	
Average Household Income	\$100,508	

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# Competitor Capabilities

The Women's Center will be a much needed addition to women's outpatient services in the region.



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# Operations Management

The Women's Center space which is comprised of 10,406 square feet includes the:

- Breast Center
- Lactation Clinic
- Perinatal Testing Center
- Wellness Center and Spa
- Exam rooms for screenings and other specialty programs
- Consult and timeshare space for visiting specialists
- Women's Health Connection
- Small conference center

The hours of operation will be Monday through Friday with varied and extended hours based on program and patient need.

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# Human Resource Considerations

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	Continenence	WC	\$28/hr
		0.2	Cardiology/Stroke	WC	\$28/hr
		0.2	Osteoporosis	WC	\$28/hr
Physical Therapist	✓	0.2	Lymphedema, Continenence (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

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## The Breast Center

### Services

- Screening and diagnostic mammography
- Breast Ultrasound
- Biopsy-Stereotactic/surgical
- Breast MRI
- Second Opinion (24 hour)
- Surgery Referrals
- Breast Care Nurse Navigator
- Tumor Registry
- Tumor Boards
- Genetic Assessment and Counseling
- Lymphedema Therapy
- Pt. Pretreatment Planning Conference
- Education Classes
- Support Groups

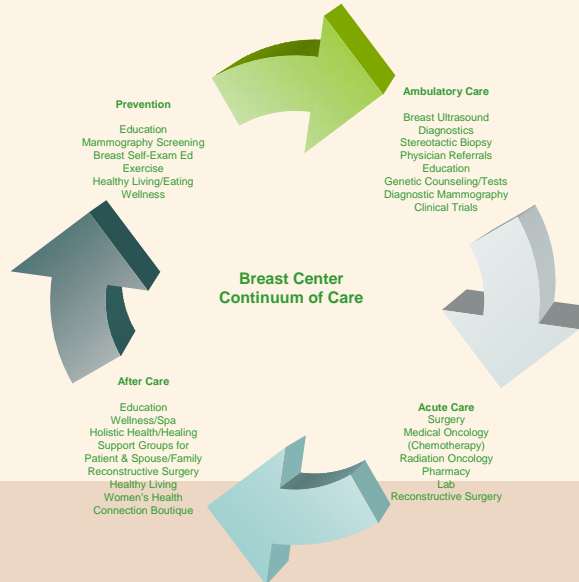
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## The Breast Center

- **Best Practices for Breast Centers include:**
  - Flexible scheduling with extended hours
  - Results within established benchmarks
  - Dedicated breast mammographer
  - Guarantee patient needs and concerns are met.
  - Rapid Pathway Program
    - Within 72 hours of referral, arrangements are made for patients to see a breast surgeon.
    - This is followed by review of the case by a multidisciplinary consultative tumor board that makes recommendations regarding treatment options.
    - Breast navigator to walk patient through all steps of the program.
  - Healing Environment

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## Breast Center Continuum of Care



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## Perinatal Testing Center

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

- Physician consultation will be provided by a UCSD based perinatologist
- Ultrasounds performed by ARDMS Ultrasonographer
- Open 0.5 – 1.0 days a week
- Genetic Counseling will be provided
- Sweet Success/diabetic management

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## Lactation Clinic

Outpatient Consulting Service. The lactation consultants will assist with breastfeeding problems and provide support for those returning to work.

- Clinic Hours will be MWF, 4 hours per day.
- Supports Baby Friendly Initiative
- Utilize current lactation per-diem staff.
- First visit is 2 hours at \$150.
- Each additional visit is \$75.
- Patients will receive a super bill so they can bill their insurance company.
- Referral to Boutique (retail space) for supplies/other resources.

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## The Metabolic Center

The Women's Metabolic Center will provide:

- Educational Programs
- Screening Services
- Diabetes Testing
- Diabetes Education
- Weight Management Classes
- Support Groups
- Collaboration with the Bariatric Surgery Center

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## Cardiac and Stroke Screening Program

Women's Heart and Stroke Program is designed to:

- Help women identify their risk of heart disease,
- Receive valuable information about heart disease
- Physician referrals for further tests and treatment

This program includes

- Women and heart questionnaire
- Blood screening for HDL, LDL, total cholesterol, triglyceride and glucose levels
- Blood pressure checks
- Smoking cessation classes
- Comprehensive one hour screening with a health-care provider
- Educational classes
- Support groups

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## The Continence Center

Prevalence of urinary incontinence increases with age.  
The incidence of incontinence in women is 50%.

Components of the Continence Center

- Intake counselor to assist with the written screening tool
- Biofeedback equipment to assist with the behavioral therapy
- Physical therapy for pelvic muscle training and post-partum education
- Educational classes
- Physician referral for urodynamic testing and surgery
- Support groups
- Referral to physicians for procedures

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## The Health Promotion Program

The women's health promotion program is designed:

- Encourage health promotion
- Disease prevention
- Establish a base line level of health

Screenings will either be packaged separately or in conjunction with other procedures or educational programs.

The packaged screenings will consist of:

- Teen-age Screenings
- Comprehensive Screening/Female Executive Screening
- Women's Time-Saver package
- Women's Heart program
- Senior Screening Package

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## Osteoporosis Screening

Provides comprehensive services for the diagnosis, prevention, and the treatment of osteoporosis.

- Bone densitometry testing of the spine and hip
- Peripheral bone density screening of the forearm and heel
- Exercise classes
- Educational classes and support groups will be offered

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## The Wellness Center and Spa

- The Philosophy of the Women's Center is to provide services that support the mind, body and spirit by offering healing therapies to help to reduce stress, improve health and create a sense of well-being.
- We are in the process of exploring with the Rancho Bernardo Inn the opportunity to joint venture the space.
- Components:
  - Therapeutic Massage
  - Skin Care
  - Acupuncture
  - Integrated Medicine
  - Meditation and Relaxation

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## Physician Timeshares

The timeshare located in the Women's Center consists of 3 physician offices and 4 exam rooms.

Specialties to approach for the timeshare:

- Urology
- Cardiology
- Oncology
- Breast Surgeon
- Plastic Surgeon
- Integrated Medicine
- Gynecology-Oncology
- Primary Care
- Behavioral Health

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# Women's Center Continuum of Care



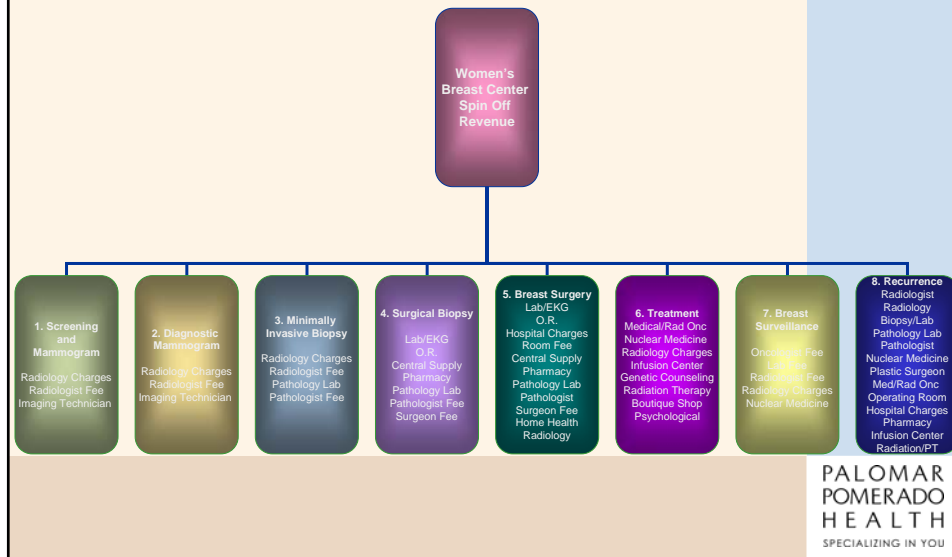
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# Women's Center Spin off Business



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# Breast Center Spin-Off Business



# Marketing Components

- Women Advisory Board
- Physician Advisory Board
- Focus Groups
- Community Education Classes
- Design Elements
- Health Screenings
- Opening Events
- Special Events
- Direct Mail Campaigns
- New Homeowners Campaign
- Individual Program Campaign
- Web Site Development
- Breast Center Newsletter
- Women Center Brochure
- Fundraising Elements
- Promotions such as: Mother's Day discounted mammograms

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## Combined Budget for Women's Center

DETAILS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>Profit and Loss</b>					
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)
<b>Gross Profit</b>	<b>\$ 2,102,154</b>	<b>\$ 2,252,465</b>	<b>\$ 2,524,746</b>	<b>\$ 2,772,351</b>	<b>\$ 3,048,211</b>
Operating Expenses	(1,945,956)	(2,014,873)	(1,975,615)	(1,961,654)	(2,014,602)
<b>Operating Profit/(Loss)</b>	<b>\$ 156,199</b>	<b>\$ 237,592</b>	<b>\$ 549,131</b>	<b>\$ 810,698</b>	<b>\$ 1,033,609</b>
Net Interest	-	-	-	-	-
<b>Profit/(Loss) Before Tax</b>	<b>\$ 156,199</b>	<b>\$ 237,592</b>	<b>\$ 549,131</b>	<b>\$ 810,698</b>	<b>\$ 1,033,609</b>

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## Pomerado Outpatient Pavilion



## Pomerado Outpatient Pavilion





**PALOMAR POMERADO  
HEALTH FOUNDATION  
BOARD OF DIRECTORS**

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Robert Hemker  
*Chief Financial Officer*  
Palomar Pomerado Health

**PPHF PRESIDENT AND CHIEF  
DEVELOPMENT OFFICER**  
Dana C. Dawson, CFRE

June 26, 2007

Mr. Bob Hemker  
Chief Financial Officer  
Palomar Pomerado Health  
15525 Innovation Drive  
San Diego, CA 92128

Dear Bob:

The Palomar Pomerado Health Foundation (PPHF) Board respectfully requests a temporary increase in the line of credit of \$2,000,000 between Palomar Pomerado Health (PPH) and Palomar Pomerado Health Foundation. The temporary increase will help fund the first two years of the planned capital campaign for the hospital expansion.

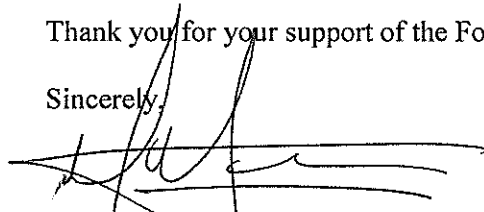
As you are aware the PPHF Board retained Ketchum Inc. to complete a leadership study and assist with the implementation of a major capital campaign. Upon completion of the study, Ketchum recommended to the PPHF Board that the Foundation begin the detailed planning and implementation of a four-year \$55 million capital campaign. Ketchum has assisted our staff in developing a projected budget for the four-year campaign. In addition to the campaign activities, the PPHF staff will continue to maintain the annual fundraising program however; the annual fund revenue will be very limited over the first three years of the campaign, as the majority of our resources will be spent on the campaign.

As we developed the combined budget for the annual operations and campaign activities, it was determined that during the first two years of campaign the majority of the cost will be expended. However, it is important to note that we anticipate receiving in excess of 60% of the total campaign goal within the first 18 months in pledge commitments. Attached is our projected budgeted expenses compared to anticipated funds to be granted to PPH for specific projects for Fiscal Year 2008, 2009 and 2010.

As shown, the Foundation is expected to owe PPH \$4,080,000 at the end of Fiscal Year 2008. Since we are projecting the campaign payments to PPH to occur at the end of the first year, we are asking for an increase in the line of credit from \$3,000,000 to \$5,000,000. This increase in the line of credit is for the two year period for 2008 and 2009. We anticipated to fully pay-off the line of credit in fiscal year 2010.

Thank you for your support of the Foundation.

Sincerely,



Dana C. Dawson  
President & Chief Development Officer  
Palomar Pomerado Health Foundation

cc: Al Stehly  
Terry McCune  
Michael Covert

Palomar Pomerado Health Foundation  
Request for Increase in Line of Credit  
26-Jun-07

	FY 08	FY09	FY 10
Projected Beginning Balance of Line of Credit	\$ (1,400,000)	\$ (4,080,000)	\$ (760,000)
Projected Campaign Expense	\$ (3,000,000)	\$ (2,500,000)	\$ (2,100,000)
Projected Annual Operations Expenses	\$ (780,000)	\$ (780,000)	\$ (780,000)
Projected Payments to Palomar Pomerado Health	\$ 1,100,000	\$ 6,600,000	\$ 9,350,000
Projected Ending Balance of Line of Credit	<u>\$ (4,080,000)</u>	<u>\$ (760,000)</u>	<u>\$ 5,710,000</u>

# HEALTH DEVELOPMENT

May 14, 2007



Bob Hemker, Chief Financial Officer  
Palomar Pomerado Health  
15255 Innovation Dr.  
San Diego, CA 92128

RE: Increase in line of credit.

This letter is a request to increase the current line of credit for PPNC Health Development with Palomar Pomerado Health.

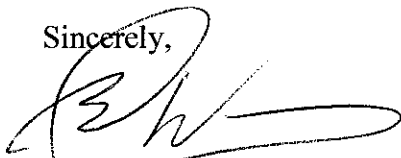
The current line of credit dated January 24, 2006 has been used to cover start up costs beginning in August 2004 and general operations of Health Development to date, that were not covered by indirect costs from grants. The total amount of the line of credit is \$1.6 million with approximately \$225,000 remaining as of March 31, 2007.

Health Development is requesting an increase of **\$700,000** in the line of credit for Health Development operational expenses. This increase is expected to cover the deficit we are projecting in our FY08 budget.

Additionally, we are requesting an increase of **\$600,000** in the line of credit for the Research Institute to fund start-up costs, staffing and other operational expenses. This increase will also fund an Information Systems Research Coordinator. These increases will bring our total line of credit to **\$2.9 million**.

Although this is one line of credit with PPH, Health Development will maintain separate accounting for the Research Institute and Information Systems Research Coordinator draws on this line of credit, and calculate interest accordingly.

Sincerely,



Brad Wiscons  
Director of Grant Services



Jackie McDermott  
Financial Services Manager

**PALOMAR POMERADO NORTH COUNTY HEALTH DEVELOPMENT, INC.**  
Schedule of Line of Credit with PPH

	<b>Date</b>	<b>Loan</b>	<b>Interest</b>	<b>Total Loan Amt</b>
Start-up	08/21/04 - 6/1/2005	298,188.39	6,511.45	304,699.84
	7/1/2005	56,976.49	2,155.19	59,131.68
	8/1/2005	45,384.61	2,438.48	47,823.09
	9/1/2005	36,739.48	2,582.87	39,322.35
	10/1/2005	48,207.39	2,974.59	51,181.98
	11/1/2005	44,638.48	3,149.70	47,788.18
	12/1/2005	48,941.14	3,568.72	52,509.86
	1/1/2006	67,587.15	3,992.73	71,579.88
	2/1/2006	42,535.28	4,263.60	46,798.88
	3/1/2006	60,020.92	5,143.89	65,164.81
	4/1/2006	34,104.78	5,412.70	39,517.48
	5/1/2006	37,909.13	5,698.62	43,607.75
	6/1/2006	37,747.62	5,985.36	43,732.98
	7/1/2006	46,316.36	6,466.44	52,782.80
	8/1/2006	43,879.63	6,805.86	50,685.49
	9/1/2006	44,607.86	7,152.47	51,760.33
	10/1/2006	58,140.34	7,348.64	65,488.98
	11/1/2006	24,374.53	7,555.63	31,930.16
	12/1/2006	41,611.88	7,876.45	49,488.33
	1/1/2007	43,371.74	8,603.73	51,975.47
	2/1/2007	38,984.54	8,004.48	46,989.02
	3/1/2007	41,463.52	9,200.33	50,663.85
	4/1/2007	37,479.15	9,109.81	46,588.96
	5/1/2007	45,628.69	9,465.46	55,094.15
	6/1/2007	22,000.00	9,669.90	31,669.90
	<b>Totals</b>	<b>1,346,839.10</b>	<b>151,137.11</b>	<b>1,497,976.21</b>
	Balance Remaining @ 6/1/07			102,023.79
	<b>Total Line of Credit</b>			<b>1,600,000.00</b>
	Additional requested for Health Development for FY08			700,000.00
	Total Requested for Research Institute for FY08			600,000.00
	<b>Total Additional Request</b>			<b>1,300,000.00</b>
	<b>Revised Total Line of Credit Requested</b>			<b>2,900,000.00</b>