

FINANCE COMMITTEE MEETING

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

**Posted
Mailed (US & E-mail)
Faxed
October 26, 2007**

Tuesday, October 30, 2007
5:30 p.m. (Buffet Dinner for Committee Members & Invited Guests *Only*)
6:00 p.m. Meeting

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

	<u>Time</u>	<u>Page</u>	<u>Target</u>
❖ CALL TO ORDER .....	.....	.....	6:00 p.m.
➤ Public Comments	5	.....	6:05 p.m.
➤ Information Item(s)			
• Status of RAC Audits	5	.....	6:10 p.m.
1. * Review/Approval: Plan of Finance	45	... Ag3-5	6:55 p.m.
• Updated Financial & Capital Plan (<i>Addendum A1</i>)			
• Issuance of \$250 Million General Obligation Bonds, Series 2007A, and Requisite Resolution (<i>Addendum A2</i>)			
2. * Review/Approval: PPH Outpatient Imaging Services	20	..... Ag6	7:15 p.m.
3. * Review/Approval: Trilogy Project	20	..... Ag7	7:35 p.m.
4. * Approval: Minutes – Tuesday, September 25, 2007 (<i>Addendum B</i>)	5	..... Ag8	7:40 p.m.
5. * Review/Approval: Banking	5		7:45 p.m.
• Updated Bank Account & Investment Account Listings (<i>Addendum C</i>).....		..... Ag9	
• New Deposit Account with JP Morgan Chase Manhattan Bank		Ag10-10a	
6. * Review/Approval: Professional and Medical Director Services Agreements	10		7:55 p.m.
• Valley Radiology Consultants Medical Group, Inc. – Services of Scott Olson, MD – Addendum to Add Endovascular Neurointerventional Radiology Services – Palomar Medical Center.....		Ag11-15	
• X-Ray Medical Group Radiation Oncology, Inc. – Radiation Oncology Services – Palomar Medical Center.....		Ag16-20	
• Children’s Specialists of San Diego, Inc. – Third Amendment for Neonatal Services – Palomar Medical Center & Pomerado Hospital		Ag21-23	
7. * Review/Approval: Medical Director Services Agreement	5		8:00 p.m.
• X-Ray Medical Group Radiation Oncology, Inc. – Services of Lori Coleman, MD – Breast Center		Ag24-28	
8. * Review/Approval: Physician Independent Contractor Agreements	10		8:10 p.m.
• Aria Anvar, BS, MD, MBA – Information Systems Services		Ag29-32	
• Cerner Physician Advisory Council (CPAC) – Cerner Optimization.....		Ag33-36	
• Marc Gipsman, MD & Rick Engel, MD – DocuSys		Ag37-40	
9. * Review/Approval: Administrative Services Agreement.....	5		8:15 p.m.
• William S. Samuel, MD – Quality & Clinical Effectiveness Department and Stroke Unit – Palomar Medical Center.....		Ag41-44	
10. * Review/Approval: Dissolution of Partnership – 343 E. 2 nd Avenue Investors, Ltd. .	5	Ag45-46	8:20 p.m.

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11. * Approval: September 2007 and YTD FY 2008 Financial Report (<i>Addendum D</i>)....	15 Ag47	8:35 p.m.
❖ ADJOURNMENT TO CLOSED SESSION			
~pursuant to California Government Code §54956.8			
CONFERENCE WITH REAL PROPERTY NEGOTIATORS			
Property:	451 E. Valley Parkway, Escondido, CA 92025		
	An approximate 3,456 sq. ft. building, exact legal description		
to	be provided in escrow.		
Agency Negotiator:	Robert A. Hemker, CFO	..... 10	.....
Negotiating Parties:	Joan Irving and Robert A. Hemker		
Under Negotiation:	Instruction to negotiator will concern Agency's interest in		
land,	building, price and terms of payment		
Estimated date of public disclosure:	October 2007		
	~Anticipated Action		
❖ RESUMPTION OF OPEN SESSION			8:45 p.m.
* Action Resulting from Closed Session Discussion, <i>if any</i>	..... 5		8:50 p.m.
❖ FINAL ADJOURNMENT			8:50 p.m.

**NOTE: If you have a disability, please notify us 72 hours
prior to the event so that we may provide reasonable accommodations.**

**Issuance of GO Bonds, Election of 2004, Series 2007A,
And
Financial and Capital Plan, updated October 2007**

TO: Board Finance Committee

MEETING DATE: Tuesday, October 30, 2007

FROM: Bob Hemker, CFO

Background: At its July 13, 2004, Board of Directors meeting, the Board adopted the \$753 million Facilities Master Plan (FMP) as recommended by the Strategic Planning Committee at its July 12, 2004, meeting. With the adoption of the FMP, the Plan of Finance to fund the FMP was finalized by the Financing Team and approved by the Board of Directors at its August 4, 2004, meeting. Included in this approval of the final FMP and the Integrated Plan of Finance was the use of a General Obligation Bond Measure (\$496 million), issuance of Revenue Bonds, and the balance from Cash/Philanthropy to fund the FMP. At its December 20, 2005, Board of Director's Strategic Planning Committee Meeting, the Committee, full Board invited, reviewed the current development of the FMP, including design, project scope, and updated cost estimates. As the result of current market conditions, notably increased material and labor costs, and refinement of project definition within the approved FMP, the project costs increased from a total of \$753 million to approximately \$983 million. At that time, the Board requested that Management and the Financing Team assess the impact on PPH's debt capacity and update the Plan of Finance, which was done as part of the 2006 Certificates of Participation (CoP) issuance.

To date, various financing and funding vehicles have been evaluated and utilized to fund the FMP. These vehicles include Tax-Exempt Revenue Bonds/CoP, General Obligation Bonds (GO Bonds), Cash Reserves, and Philanthropy. To date the following debt instruments have been issued:

- General Obligation Bonds, Election of 2004, Series 2005A – July 7, 2005, \$80 million
- Certificates of Participation, Series 2006A – December 7, 2006, \$60 million
- Certificates of Participation, Series 2006B – December 7, 2006, \$60 million
- Certificates of Participation, Series 2006C – December 7, 2006, \$60 million

The 2006 CoP issues included the refunding of the 1993 Revenue Bonds utilized auction rate securities – synthetic fixed rate indebtedness, and resulted in approximately \$127 million of new money project proceeds.

As part of the next scheduled issuance of indebtedness – a General Obligation Bond tranche, the Financing Team has:

- Updated the Financial and Capital Plan to reflect current financial performance, market conditions, master facility plan scope and timing
- Determined the maximum amount of a General Obligation Bond tranche achievable while maintaining the tax levy of \$17.75/\$100,000 of assessed value
- Prepared the requisite documentation and resolutions necessary to achieve a December 2007 issuance

**Issuance of GO Bonds, Election of 2004, Series 2007A,
And
Financial and Capital Plan, updated October 2007**

Provisions of The Local Health Care District Law relating to the issuance of GO Bonds, including Section 32310 of The Local Health Care District Law, provide for sale of GO Bonds by competitive bid. Alternatively, other provisions of the California Government Code, including Sections 6588 and 6589 of the California Government Code, authorize PPH to sell its GO Bonds to a Joint Exercise of Powers Authority and authorize the Joint Exercise of Powers Authority to simultaneously resell such GO Bonds or other bonds in a negotiated sale. A negotiated sale will help assure the most cost-effective interest rate is obtained for the bonds. As with the issuance of the first tranche, it is recommended that PPH issue the bonds through a negotiated sale and utilize the previously established Joint Exercise of Powers Authority.

Remaining steps include:

- Rating Agency presentations – early November
- Review / consent of the Joint Exercise of Powers Authority
- Completion of Due Diligence
- Finalize required documents / agreements

In continuation for the preparation of the issuance of the second tranche of GO Bonds on or about December 7, 2007, the following documents/resolutions, as attached, will require Finance Committee recommendation and Board approval (at its November 12, 2007 meeting):

- Bond Resolution
- Paying Agent Agreement
- Preliminary Official Statement (POS)
- Continuing Disclosure Undertaking
- Bond Purchase Agreement; Bond Resolution

In summary, management will review the updated Financial and Capital Plan and Bond Documents and will recommend and seek the following actions for the second tranche of GO Bonds:

- Approval of the updated Financial and Capital Plan, October 2007
- Authorize the issuance of GO Bonds, Election of 2004, Series 2007A December ____, 2007, not to exceed \$250 million
- Authorize the issuance of the bonds through a negotiated sale and utilize the previously established Joint Exercise of Powers Authority
- Approve the Resolution and requisite documents and agreements to consummate the issuance

Budget Impact: \$250 million tranche on remaining \$416 million General Obligation Bond authorization

**Issuance of GO Bonds, Election of 2004, Series 2007A,
And
Financial and Capital Plan, updated October 2007**

Staff Recommendation: Management recommends approval of the updated Financial and Capital Plan and the attached documents/resolutions and delegation to management of the authority to take the appropriate action necessary to complete the documents and matters necessary to issue the second tranche of GO Bonds on or about December 7, 2007.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

**PALOMAR POMERADO HEALTH
OUTPATIENT RADIOLOGY SERVICES
PARKWAY, GATEWAY AND POMERADO IMAGING**

TO: Board Finance Committee

MEETING DATE: Tuesday, October 30, 2007

BY: William Kail, Service Line Administrator, Imaging & Cardiology

BACKGROUND:. Parkway and Gateway (“P&G”) are outpatient imaging centers owned by Palomar Pomerado Health (“PPH”). They are operated as Physician Practices with Valley Radiology Consultants, Inc. (“VRC”).

Pomerado Imaging (“PI”) is an outpatient imaging center consisting of “high-end” technology (MRI & CT). PI is a Joint Venture (“JV, LLC”) between VRC and PPH, with VRC holding 60% ownership and PPH holding a 40% limited partner ownership. PI also operates as a Physician Group Practice (“PGP”) business with VRC.

Professional interpretation agreements, management agreements, and operation agreements between PPH and VRC allow VRC to operate as a PGP. The PGP also allows VRC to “global bill”, meaning collect all fees for services from payers. VRC then distributes funds to reimburse for professional management, operational, billing and marketing fees. The remaining collections are then distributed to the JV, LLC.

- P&G have both operated with large losses for PPH for a number of years
- VRC receives market rate compensation for professional fees and reimbursement for all costs of operations without risk, resulting in technical services losses for PPH
- PI has had marginal profitability, with little or no distribution to PPH for its ownership

BUDGET IMPACT: Elimination of the deficit from P&G, PI and VRC of approximately \$1.3 million per year by selling the outpatient assets

STAFF RECOMMENDATION: Staff recommends that PPH:

- 1) Sell Parkway, Gateway & Pomerado Imaging to VRC
- 2) Implement Women’s Imaging Services in the POP, under the ownership and management of PPH
- 3) Focus on Imaging Strategic Plan, including opportunities for PET/CT

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION: .

Motion:

Individual Action:

Information:

Required Time:

**PALOMAR MEDICAL CENTER
RADIATION THERAPY DEPARTMENT
TRILOGY JOINT VENTURE, LLC, WITH US RADIOSURGERY**

TO: Board Finance Committee

MEETING DATE: Tuesday, October 30, 2007

BY: William Kail, Service Line Administrator, Imaging & Cardiology

BACKGROUND: Approximately a year ago, Palomar Pomerado Health (“PPH”) approved the replacement of one of its linear accelerators. The state-of-the-art Varian Trilogy technology was selected. Renovation and equipment purchase were executed, forecasting December 2007 as the completion date.

Approximately eight months ago, PPH evaluated the possibility of investing in the CyberKnife Technology (Stereotactic Radiosurgery). Concurrently, several CyberKnife Centers were forming and opening in the surrounding community. Upon evaluating the CyberKnife Technology, it was discovered that it does not have a technological upgrade path, and that the technology is also limited to Stereotactic Radiosurgery (“SRS”).

PPH was also evaluating a Joint Venture (“JV”) model with US Radiosurgery which would utilize the CyberKnife technology. Based on the evaluation of that technology, both parties agreed to continue to explore the possibility of a joint venture model which would instead utilize the new Trilogy TX technology. The JV agreement will include reimbursement of the equipment capital back to PPH and implementation of Trilogy TX Services.

BUDGET IMPACT: Total capital investment \$5,057,864 – JV funded

STAFF RECOMMENDATION: Staff recommends that PPH finalize the JV with US Radiosurgery.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION: .

Motion:

Individual Action:

Information:

Required Time:

Minutes
Finance Committee – September 25, 2007

TO: Board Finance Committee

MEETING DATE: Tuesday, October 30, 2007

FROM: Tanya Howell, Secretary

BY: Bob Hemker, CFO

Background: The minutes of the Board Finance Committee meeting held on Tuesday, September 25, 2007, are respectfully submitted for approval (*Addendum B*).

Budget Impact: N/A

Staff Recommendation: Staff recommends approval of the Tuesday, September 25, 2007, Board Finance Committee minutes.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

**Bank and Investment Account
Addition of Authorized Signatories and
Changes to Named Signatories**

TO: Board Finance Committee

MEETING DATE: Tuesday, October 30, 2007

BY: Bob Hemker, CFO

BACKGROUND: The following changes are being requested for the board-designated signatory lists (*Addendum C*) for PPH Bank and Investment Accounts. The Resolution pertains only to the Titles of the additional Authorized Signatories.

ADDITIONAL AUTHORIZED SIGNATORIES – Action Required via Resolution		
All Bank Accounts (Except Auxiliary and Health Development Accounts)	General Accounting Manager Cash Control Manager	<i>Vacant</i> <i>Vacant</i>
All Investment Accounts (Except PPH GO Bond and Citracado Road Public Benefit Development Accounts)	General Accounting Manager Cash Control Manager	<i>Vacant</i> <i>Vacant</i>

The following changes are being made to the Names of Authorized Signatories. These changes are informational in nature and do not require any action on the part of the Board.

NAMING OF AUTHORIZED SIGNATORY – Information Only		
All Bank Accounts (Except Auxiliary and Health Development Accounts)	Chief Administrative Officer - POM Director of Finance	<i>Vacant</i> <i>Vacant</i>
All Investment Accounts (Except PPH GO Bond Accounts)	Director of Finance	<i>Vacant</i>

BUDGET IMPACT: None

STAFF RECOMMENDATION: Staff recommends approval of the additional Authorized Signatories.

COMMITTEE QUESTIONS:

<p>COMMITTEE RECOMMENDATION:</p> <p>Motion:</p> <p>Individual Action:</p> <p>Information:</p> <p>Required Time:</p>
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**Authorized Individuals and Enabling Resolutions
for a Metropolitan Life Insurance Company Deposit Account
with JP Morgan Chase Manhattan Bank**

TO: Board Finance Committee

MEETING DATE: Tuesday, October 30, 2007

FROM: Bob Hemker, CFO
Tim Nguyen, Corporate Controller

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

MetLife and the Bank have requested that the Board adopt a resolution to open the Palomar Pomerado Health Dental Benefits Account (the “Account”). The attached Resolution (*Addendum D*) memorializes the authorizations for both PPH and MetLife with regard to the opening and maintenance of the Account and has been drafted for Board review and approval.

Budget Impact: N/A

Staff Recommendation: Staff recommends approval of the PPH Resolution Re: Authorized Individuals and Enabling Resolutions for a Metropolitan Life Insurance Company Deposit Account with JP Morgan Chase Manhattan Bank.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

RESOLUTION NO. 11.12.07 () – ____

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

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

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

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

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

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

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

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

PALOMAR MEDICAL CENTER
ADDENDUM TO PROFESSIONAL AND MEDICAL DIRECTOR
SERVICES AGREEMENT FOR RADIOLOGY SERVICES
TO ADD
ENDOVASCULAR NEUROINTERVENTIONAL RADIOLOGY SERVICES

TO: Board Finance Committee

MEETING DATE: Tuesday, October 30, 2007

BY: William Kail
Service Line Administrator, Imaging & Cardiology

BACKGROUND: Valley Radiology Consultants Medical Group, Inc. (VRC), provides exclusive radiology professional and medical director services to Palomar Medical Center. VRC provided services to PPH for a number of years and has been responsive to the medical staff and health care district in meeting their clinical needs and those of patients. The physicians of VRC are well trained, bringing expertise to PPH in both traditional and contemporary methods of Radiology services.

The current Professional and Medical Director Services Agreement for Radiology Services with VRC—which expires in 2009—does not include coverage for endovascular neurointerventional radiology services. VRC is requesting an Addendum to the current Agreement which would allow VRC to begin providing coverage for endovascular neurointerventional radiology services by granting Scott Olson, M.D., access to the radiology department. This is a limited waiver of the exclusive rights in the Agreement (Section 1 of the Addendum).

The addendum does not change any other terms of the existing Professional and Medical Director Services Agreement with VRC.

BUDGET IMPACT: None

STAFF RECOMMENDATION: Approval

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION: .

Motion:

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Addendum to Professional and Medical Director Services Agreement for Radiology Services to add Endovascular Neurointerventional Radiology Services
	AGREEMENT DATE	October 2007
	PARTIES	PPH and Valley Radiology Consultants Medical Group, Inc. – for the services of Scott Olson, MD
Recitals D	PURPOSE	To provide addition of professional endovascular neurointerventional radiology services at Palomar Medical Center for the entire district.
1.3, 1.4, Exhibit 1.3	SCOPE OF SERVICES	Professional medical coverage available on call 24 hours per day 7 days per week including holidays and department staffed Monday through Friday, 8:30 a.m. to 4:30 p.m.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
7.1	TERM	July1, 2006 through June 30, 2009 (three years)
	RENEWAL	None
7.4 7.2	TERMINATION	a. Without cause with 90 days written notice by either party following the first 12 months of the agreement. b. Immediately for cause with written notice.
4.4	COMPENSATION METHODOLOGY	N/A
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT: None
1.14	EXCLUSIVITY	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES – EXPLAIN: Hospital based physician for Radiology Department services.
	JUSTIFICATION	Required for the continued operation of the radiology department.
	POSITION NOTICED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Methodology & Response: Medical staff was solicited for comment regarding the provision of services.
	ALTERNATIVES/IMPACT	N/A
Exhibit 1.5(a)	Duties	All included <input checked="" type="checkbox"/> Provision for Staff Education <input checked="" type="checkbox"/> Provision for Medical Staff Education <input checked="" type="checkbox"/> Provision for participation in Quality Improvement
	COMMENTS	none
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> VP <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Finance Committee on October 30, 2007 <input checked="" type="checkbox"/> BOD

ADDENDUM TO
RADIOLOGY DEPARTMENT
PROFESSIONAL AND MEDICAL DIRECTOR SERVICES AGREEMENT

THIS ADDENDUM TO RADIOLOGY DEPARTMENT PROFESSIONAL AND MEDICAL DIRECTOR SERVICES AGREEMENT ("Addendum"), is made and entered into effective October __, 2007, by and among Palomar Pomerado Health System, a local health care district organized under Division 23 of the California Health and Safety Code (the "PPH"), Valley Radiology Consultants Medical Group, Inc., a California professional corporation ("GROUP"), and Scott Olson, M.D., ("Dr. Olson"), with reference to the following facts:

RECITALS

A. WHEREAS, GROUP and PPH entered into that certain Radiology Department Professional And Medical Director Services Agreement dated July 1, 2006 (the "Radiology Department Agreement"):

B. WHEREAS, pursuant to the Radiology Department Agreement, GROUP has an exclusive contract to provide professional Radiology services, including interventional radiology services, in the Radiology Department at PPH;

C. WHEREAS, GROUP does not currently employ a physician who is qualified to provide endovascular neurointerventional radiology services at Palomar Medical Center;

D. WHEREAS, Scott Olson, M.D., is a physician who has recently applied for medical staff privileges at Palomar Medical Center, and Dr. Olson has been trained to provide endovascular neurointerventional radiology services; and

E. WHEREAS, in order to further the best interests of the community and patients served by PPH, and in order to support PPH in its efforts to provide endovascular neurointerventional radiology services at Palomar Medical Center, GROUP will agree to a limited waiver of its exclusive rights to provide all services in the Radiology Department, and if Dr. Olson is granted medical staff privileges, GROUP will allow Dr. Olson access to the Interventional Radiology suite ("IR Suite") at Palomar Medical Center, upon the terms and conditions set forth below, which are mutually acceptable to PPH and Dr. Olson;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of are hereby acknowledged, the parties mutually agree as follows:

1. Limited Waiver of Exclusivity. During the term of this Addendum, GROUP hereby grants Dr. Olson and PPH a limited waiver of the GROUP's exclusive right to provide all services in the Radiology Department, and specifically limits such waiver to the performance by Dr. Olson of endovascular neurointerventional radiology services in the Interventional Radiology suite in the Radiology Department at PPH.

1.1 Waiver Limited To IR Suite. Dr. Olson and PPH agree and acknowledge that Dr. Olson's neurointerventional radiology privileges are limited to the IR Suite and not the Radiology Department in general.

1.2 No Other Waiver. PPH and Dr. Olson agree that this Addendum does not constitute a waiver of any of GROUP's other exclusivity rights and privileges with respect to the Radiology Department at PPH.

2. Scheduling of Cases. Dr. Olson, PPH, and GROUP agree that all cases to be scheduled by GROUP or by Dr. Olson in the IR Suite shall be subject to normal Radiology Department scheduling policies and priorities, and that use of the IR Suite shall be scheduled in the manner which best serves the interests of the patients, taking into account the acuity or emergent nature of the services to be performed, and not the convenience of physicians performing the services.

3. Revocation or Termination of Waiver. Dr. Olson and PPH agree that GROUP at such time as GROUP employs or contracts with another physician who has neurointerventional radiology capabilities, the neurointerventional radiology privileges of Dr. Olson for the IR Suite in the Department will be subject to automatic termination by GROUP by giving PPH and Dr. Olson one hundred twenty (120) days written notice to Dr. Olson, PPH, and to the PPH Medical Staff office.

4. Effective Date. This Addendum shall become effective on October __, 2007.

5. Termination of Addendum. This Addendum may be terminated by any party upon one hundred eighty (180) days prior written notice to the other parties. Upon termination of this Addendum, all provisions of the Radiology Department Agreement shall continue in effect.

6. No Other Changes. Except as otherwise provided in this Addendum, there are no other changes to the Radiology Department Agreement.

7. Written Amendment. This Addendum is intended to comply with the provisions of Section 8.11 of the Radiology Department Agreement which provides that the Agreement may only be changed by a written document signed by PPH and GROUP.

This ADDENDUM TO RADIOLOGY DEPARTMENT PROFESSIONAL AND MEDICAL DIRECTOR SERVICES AGREEMENT has been executed by the parties in Escondido, California, on the dates set forth below:

"PPH"

PALOMAR POMERADO HEALTH SYSTEM, a local health care district organized under Division 23 of the California Health and Safety Code

By: _____

Its: _____

Date: September __, 2007

"GROUP"

VALLEY RADIOLOGY CONSULTANTS MEDICAL GROUP, INC., a California professional corporation

By: _____
Gary Spoto, M.D. President

Date: September __, 2007

AGREED AND ACKNOWLEDGED:

"DR. OLSON"

:

By: _____
Scott Olson, M.D.

Date: September __, 2007

**PALOMAR MEDICAL CENTER
RADIOLOGY DEPARTMENT
PROFESSIONAL AND MEDICAL DIRECTOR SERVICES AGREEMENT
RADIATION ONCOLOGY SERVICES**

TO: Board Finance Committee

MEETING DATE: Tuesday, October 30, 2007

BY: William Kail, Service Line Administrator, Imaging & Cardiology

BACKGROUND: X-Ray Medical Group Radiation Oncology, Inc. (XRO), provides exclusive radiation oncology professional and medical director services to Palomar Medical Center. XRO has provided services to PPH for a number of years and has been responsive to the medical staff and health care district in meeting their clinical needs and those of patients. The physicians of XRO are well trained, bringing expertise to PPH in both traditional and contemporary methods of oncological treatment, including the use of IMRT.

The agreement calls for professional services provided by XRO to be billed and collected by XRO as complete compensation for their services. No additional compensation is provided by PPH.

Both the medical director and the group in general have been supportive of operational efforts to maintain staff competency through training, involvement in the operating and capital budgeting process, and assisting administration in the expansion of services and growth of business.

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

BUDGET IMPACT: None

STAFF RECOMMENDATION: Staff recommends approval of the three-year [Nov. 1, 2007, through Oct. 30, 2010] Professional and Medical Director Services Agreement with X-Ray Medical Group Radiation Oncology, Inc., to provide coverage for Radiation Oncology Services.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION: .

Motion:

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Professional and Medical Director Services Agreement Radiation Oncology
	AGREEMENT DATE	July 1, 2004
	PARTIES	X-Ray Medical Group Radiation Oncology, Inc. and PPH
Recitals D	PURPOSE	To provide professional radiation oncology services and certain administrative services at Palomar Medical Center for the entire district.
1.3, 1.4, Exhibit 1.3	SCOPE OF SERVICES	Professional medical coverage available on call 24 hours per day 7 days per week including holidays and department staffed Monday through Friday, 8:30 a.m. to 4:30 p.m.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
7.1	TERM	July 1, 2004 through June 30, 2007 (three years)
	RENEWAL	November 1, 2007 through October 30, 2010 (three years)
7.4 7.2	TERMINATION	a. Without cause with 90 days written notice by either party following the first 12 months of the agreement. b. Immediately for cause with written notice.
4.4	COMPENSATION METHODOLOGY	N/A
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT: None
1.14	EXCLUSIVITY	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES – EXPLAIN: Hospital based physician for Radiology Department services.
	JUSTIFICATION	Required for the continued operation of the radiation oncology department.
	POSITION NOTICED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> No Methodology & Response: Medical staff was solicited for comment regarding the provision of services.
	ALTERNATIVES/IMPACT	N/A
Exhibit 1.5(a)	Duties	All included <input checked="" type="checkbox"/> Provision for Staff Education <input checked="" type="checkbox"/> Provision for Medical Staff Education <input checked="" type="checkbox"/> Provision for participation in Quality Improvement
	COMMENTS	This is a renewal of the previous agreement in order to conform to legal counsel template for professional and medical director services. Legal review was completed.
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> VP <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Finance Committee on October 30, 2007 <input checked="" type="checkbox"/> BOD

**RADIOLOGY DEPARTMENT
PROFESSIONAL AND MEDICAL DIRECTOR SERVICES AGREEMENT**

RADIATION ONCOLOGY SERVICES

by and between

PALOMAR POMERADO HEALTH (“Hospital”)

a local health care district

and

X-RAY MEDICAL GROUP RADIATION ONCOLOGY, INC. (“Group”)

July 1, 2004

RADIOLOGY DEPARTMENT

PROFESSIONAL AND MEDICAL DIRECTOR SERVICES AGREEMENT

THIS PROFESSIONAL AND MEDICAL DIRECTOR SERVICES AGREEMENT (this “**Agreement**”) is made and entered into as of July 1, 2004, by and between PALOMAR POMERADO HEALTH, a local health care district organized pursuant to Division 23 of California Health and Safety Code (“**Hospital**”), and X-Ray MEDICAL GROUP RADIATION ONCOLOGY, INC., a California professional corporation (“**Group**”). Hospital and Group are sometimes referred to herein as a “**Party**” or, collectively, as the “**Parties.**”

RECITALS

A. Hospital owns and operates Palomar Medical Center, a general acute care hospital located at 555 East Valley Parkway, Escondido, California, in which it operates a radiation oncology department (the “**Hospital Department**”) that provides radiation oncology services in order to serve its patients. Hospital Department consists of facilities and equipment owned by Hospital and staffed by Hospital employees.

B. Group employs and contracts with physicians who are duly licensed and qualified to practice medicine in the State of California, and experienced in the specialized field of radiation oncology (the “**Specialty**”) and are members of the medical staff of Hospital (the “**Medical Staff**”).

C. Hospital desires to retain Group on an exclusive basis to provide professional services and certain administrative services related to the development and operation of the Department, through qualified physician employees and independent contractors of Group (collectively, the “**Group Practitioners**” and each, a “**Group Practitioner**”).

D. Hospital has determined that an exclusive arrangement with Group for the provision of such services will:

1. Facilitate the administration of the Department, the supervision and training of Department personnel, the interrelationship between the Department and the rest of Hospital, and the efficient operation of other Hospital departments and services.
2. Ensure that Specialty professional services are available seven (7) days per week, twenty-four (24) hours per day to the Department and other departments of Hospital and that coverage of such departments is provided at night and on weekends, thereby reducing unnecessary delays in providing such services to Hospital patients.
3. Reduce disruptions in Hospital operations and relations between Hospital administration and Hospital’s medical staff and among members of the Medical Staff.

4. Promote participation in Hospital's educational programs.
5. Reduce inefficiencies resulting from having multiple practitioners and groups providing Specialty professional services in the Department.

AGREEMENT

THE PARTIES AGREE AS FOLLOWS:

ARTICLE I. GROUP'S OBLIGATIONS

1.1 Professional Services. Group shall provide the radiation oncology services described in Exhibit 1.1 (the "**Radiation Oncology Services**") to patients of the Department, upon the terms and subject to the conditions set forth in this Agreement.

1.2 Group Practitioners.

(a) Group shall ensure that Radiation Oncology Services are performed only by Group Practitioners who have been approved and accepted by Hospital, and have not been removed pursuant to Section 7.8 or 7.9 of this Agreement. Prior to providing any services under this Agreement, each Group Practitioner shall execute, and Group shall deliver to Hospital, a letter acknowledging such Group Practitioner's agreement to be bound by the terms of this Agreement, which letter shall be in the form attached as Exhibit 1.2(a).

(b) Group has initially engaged those Group Practitioners listed on Exhibit 1.2(b) to provide Radiation Oncology Services, which Group Practitioners are hereby approved and accepted by Hospital. Group may from time to time engage additional Group Practitioners to furnish Radiation Oncology Services under this Agreement; provided, however, that each additional Group Practitioner satisfies the professional standards and qualifications set forth in Article II of this Agreement and is approved by Hospital in writing prior to furnishing Radiation Oncology Services. Hospital shall have the right to withhold its approval of any Group Practitioner in its sole discretion and without the need for compliance with any provision set forth in the bylaws, rules, regulations, protocols, guidelines and policies of Hospital and the Medical Staff (collectively, the "**Hospital Rules**") or with any other term of this Agreement, except to the extent Hospital reasonably determines that such withholding of approval is reportable to the Medical Board of California pursuant to the reporting requirements of the State of California (the "**Reporting Requirements**").

(c) Group shall ensure that any and all Group Practitioners furnishing Radiation Oncology Services continuously satisfy the professional standards and qualifications set forth in Article II of this Agreement.

(d) Group shall ensure that all Radiation Oncology Services are performed on Hospital premises.

**PALOMAR POMERADO HEALTH
THIRD AMENDMENT TO PROFESSIONAL SERVICES
AND MEDICAL DIRECTOR AGREEMENT FOR NEONATAL SERVICES**

TO: Board Finance Committee

MEETING DATE: Tuesday, October 30, 2007

FROM: Diane Key, SLA, Women's & Children's Services

BACKGROUND: Further information regarding the attached Amendment will be provided at the meeting.

BUDGET IMPACT:

STAFF RECOMMENDATION:

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR MEDICAL CENTER

THIRD AMENDMENT TO PROFESSIONAL SERVICES AND MEDICAL DIRECTOR FOR NEONATAL SERVICES

This Third Amendment to the Service Agreement is made by **PALOMAR POMERADO HEALTH**, a local hospital district organized pursuant to Division 23 of California Health and Safety Code (“PPH”), and **CHILDREN’S SPECIALISTS OF SAN DIEGO, INC.** (“CSSD”).

RECITALS

PPH and Children’s Specialists of San Diego are parties to that certain Neonatal Services Agreement dated September 1, 2003 (the “Agreement”), pursuant to which Children’s Specialists of San Diego, Inc. provides Professional and Medical Director Services for Neonatal Services to Palomar Medical Center and Pomerado Hospital, owned and operated by PPH.

The Parties desire to enter into this Amendment in order to extend the term of the Agreement accordingly.

6.0 Billing and Compensation

6.2 Compensation for Provider Services

(a) For the administrative, supervisory and other provider services performed by Medical Group, Administrative Director, Neonatal Associates, and Nurse Practitioners at Palomar, Medical Group shall be paid Fourteen Thousand Seven Hundred Eighty-Seven & 54/100 dollars (\$14,787.54) per month for a total of One Hundred Seventy-Seven Thousand Four Hundred Fifty & 48/100 dollars (\$177,450.48) per year. Fifty-Three Thousand Seven Hundred Thirty-Two & 35/100 dollars (\$53,732.35) of that sum shall be for costs of administrative services.

(b) For the administrative, supervisory and other provider services performed by Medical Group, Administrative Director, Neonatal Associates, and Nurse Practitioners at Pomerado, Medical Group shall be paid Eight Thousand Nine Hundred Ninety-Five & 79/100 dollars (\$8,995.79) per month for a total of One Hundred Seven Thousand Nine Hundred Forty-Nine & 48/100 dollars (\$107,949.48) per year. Seventy-Four Thousand Five Hundred Eight & 86/100 dollars (\$74,508.86) of that sum shall be for costs of administrative services.

(c) Medical Group shall receive One Thousand Seven Hundred Sixty-Three & 00/100 dollars (\$1,763.00) per month for secretarial support for a total of Twenty-One Thousand One Hundred Fifty-Six & 00/100 dollars (\$21,156.00) per year.

(d) Medical Group agrees not to bill, nor cause to be billed, Medicare or Medi-Cal patients, or Medicare Part B carriers, or any other patients or their carriers, for administrative, supervisory or other administrative provider services.

(e) Medical Group shall be responsible for paying the Administrative Director, all Neonatal Associate stipends, all Nurse Practitioners expenses, the required malpractice insurance, all newborn exam allowance and all social security and other payroll taxes required as an independent contractor from said compensation.

(f) The compensation to Group shall be subject to an upward annual adjustment of the lesser of three percent (3%) or the cumulative Consumer Price Index (CPI-U) for hospital costs, Western United States, less the actual cumulative CPI-U for hospital costs, Western United States, increases received over the term of the agreement as specified on the United States Department of Labor (DOL) website.

7.0 Term and Termination

7.1 Term Notwithstanding its date(s) of execution by the parties, the term of this Agreement shall commence effective as of September 1, 2003, and shall terminate on December 31, 2010.

PALOMAR POMERADO HEALTH

By: _____

Name: _____
(Please Print)

Date: _____

CHILDREN'S SPECIALISTS OF SAN DIEGO, INC.

By: _____

Name: _____
(Please Print)

Date: _____

**PALOMAR POMERADO HEALTH
BREAST CENTER MEDICAL DIRECTOR AGREEMENT
WITH X-RAY MEDICAL GROUP RADIATION ONCOLOGY
FOR THE SERVICES OF LORI COLEMAN, M.D.**

TO: Board Finance Committee

MEETING DATE: Tuesday, October 30, 2007

FROM: Diane Key, SLA, Women's & Children's Services

BACKGROUND: Agreement previously submitted and approved by the Finance Committee on June 20, 2007, and by the Board of Directors on July 9, 2007, under the agreement name "Breast Center Medical Director Agreement between Palomar Pomerado Health and Lori Coleman, M.D." *Resubmitted due to change in agreement title only.* Agreement previously titled as "Breast Center Medical Director Agreement between Palomar Pomerado Health and Lori Coleman, M.D."

BUDGET IMPACT: Budget approved as part of the Women's Center business plan.

STAFF RECOMMENDATION: Staff recommends approval of the one-year Medical Director Agreement with X-ray Medical Group Radiation Oncology for the Services of Lori Coleman, M.D., for the Breast Center at Pomerado Hospital.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Breast Center Medical Director Agreement
Preamble	AGREEMENT DATE	September 25, 2007
Preamble	PARTIES	X-ray Medical Group Radiation Oncology, Inc. for the Services of Lori Coleman, MD, and Palomar Pomerado Health
Recital E	PURPOSE	Medical Directorship including Administrative services for the Breast Center at Pomerado
Exhibit A	SCOPE OF SERVICES	Medical Directorship including Administrative services for the Breast Center at Pomerado
	PROCUREMENT METHOD	Request For Proposal <input type="checkbox"/> Discretionary Memorandum regarding medical director position posted for all PPH medical staff.
4.1	TERM	One (1) year September 25, 2007 through September 24, 2008.
	RENEWAL	
4.2	TERMINATION	Without cause or penalty with no less than 90 days prior written notice, for cause as defined in the agreement
3.1	COMPENSATION METHODOLOGY	Compensation for medical director oversight for the Breast Center based approx 8 hours per week
	BUDGETED	YES <input checked="" type="checkbox"/> NO – IMPACT: Included in approved Women’s Center business plan.
Exhibit A	EXCLUSIVITY	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES – EXPLAIN: Administration recommends single provider group for scope of services to assure consistent administrative oversight.
	JUSTIFICATION	Required for consistent administrative oversight.
	POSITION POSTED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Methodology & Response: Memorandum regarding medical director position posted for all PPH medical staff.
	ALTERNATIVES/IMPACT	Hire a consultant to facilitate the development, implementation and provide oversight for the Breast Center.
Exhibit A	Duties	<input checked="" type="checkbox"/> Provision for Staff Education <input checked="" type="checkbox"/> Provision for Medical Staff Education <input checked="" type="checkbox"/> Provision for participation in Quality Improvement <input checked="" type="checkbox"/> Provision for participation in budget process development
	COMMENTS	
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> CAO <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Committee Finance <input checked="" type="checkbox"/> BOD

BREAST CENTER MEDICAL DIRECTOR AGREEMENT

between

PALOMAR POMERADO HEALTH

a local health care district

and

X-RAY MEDICAL GROUP RADIATION ONCOLOGY, INC.

For The Services of

Lori Coleman, M.D.

September 25, 2007

MEDICAL DIRECTOR AGREEMENT

THIS MEDICAL DIRECTOR AGREEMENT ("Agreement") is made and entered into effective September 25, 2007 by and between Palomar Pomerado Health, a local health care district organized pursuant to Division 23 of California Health and Safety Code ("PPH") and X-Ray Medical Group Radiation Oncology Inc., a California professional corporation ("Medical Group").

R E C I T A L S

A. Palomar Pomerado Health is the owner and operator of Pomerado Hospital, a general acute care hospital located at 15615 Pomerado Road, Poway, California ("Hospital").

B. Hospital operates a Breast Center ("the Center").

C. Medical Group is a professional medical corporation whose shareholder(s), employee(s) and contracting physician(s) ("Physicians") are duly qualified and licensed to practice medicine in the State of California, are experienced and qualified in the specialized field of radiation oncology, and are members of the Medical Staff of Hospital ("Medical Staff").

D. Lori Coleman, M.D., is an officer of Medical Group, is a physician who is qualified and licensed to practice medicine in the State of California, is experienced, and board certified in a Radiation Oncology, and is also experienced in the specialized field of Medicine related to the assessment, diagnosis, or treatment of breast health issues, and who is a member of the Medical Staff of Hospital ("Medical Staff").

E. Program consists of facilities and equipment owned by Hospital and staffed by Hospital employees.

F. Hospital desires to retain Medical Group as an independent contractor to provide certain administrative services ("Administrative Services") in the operation of the Center, and Hospital desires Medical Group to discharge its obligations primarily through the use of Lori Coleman, M.D., who will serve as the Medical Director of the Center. Hospital has determined that this proposed arrangement with Medical Group will enhance the Center's and Hospital's organization, procedure standardization, economic efficiency, professional proficiency, and provide other benefits to enhance coordination and cooperation among the Center's providers and users.

G. Hospital and Medical Group acknowledge and agree that this Agreement shall supercede the agreements, if any, previously entered into by the parties for the provision of Administrative Services with respect to the Center, but shall not supersede that certain Professional Services And Medical Director Agreement For Radiation Oncology Services, entered into by and between the parties, dated July 1, 2004.

H. It is the intent of both Hospital, Medical Group, and Medical Director that the terms and conditions of this Agreement, and the manner in which services are to be

performed hereunder, fulfill and comply with all applicable requirements of any applicable “safe harbor” or exception to Stark I and II including, but in no way limited to, the applicable requirements set forth in regulations promulgated by the Program of Health and Human Services, Office of Inspector General, and in the Ethics in Patient Referral Act.

A G R E E M E N T

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

1. MEDICAL DIRECTOR SERVICES

1.1 Medical Director of Program. Medical Group shall provide Lori Coleman, M.D., to act as the medical director ("Medical Director") of the Center in accordance with the terms of this Agreement, the Medical Staff bylaws ("Medical Staff Bylaws"), and Hospital's bylaws, rules, regulations, policies, and procedures (collectively, "Hospital Bylaws"). Medical Director, at all times during the term of this Agreement, shall be duly licensed as a physician under California law, shall be board certified in an area of specialization related to the assessment, diagnosis, or treatment of breast health issues, shall be a member in good standing of the active Medical Staff, shall comply with all applicable standards and recommendations of the Joint Commission on Accreditation of Healthcare Organizations ("JCAHO"), and shall hold all clinical privileges on the active Medical Staff of Hospital appropriate to the discharge of his or her obligations under this Agreement.

1.2 Assistant Medical Director. Medical Director is primarily responsible for the performance of Administrative Services hereunder. Subject to the prior written approval of Hospital, Medical Director shall appoint an Assistant Medical Director affiliated with Medical Group to perform the duties of Medical Director in Medical Director's absence. The Assistant Medical Director shall meet all of the same qualifications as specified herein for Medical Director.

1.3 Medical Director Administrative Duties. Medical Director shall perform the Administrative Services as set forth on Exhibit A. Medical Director and PMC shall use best efforts to meet monthly to discuss the performance of Administrative Services in the Center.

1.4 Administrative Hours. Medical Director shall commit to a minimum of 4-8 hours per week and Medical Director shall set his or her own work schedule consistent with the proper operation of the Center. In the event Medical Director seeks to provide more than hours 4-8 per week during any week in connection with this Agreement, Medical Director shall obtain advance approval from Hospital's administrative liaison.

1.5 Use of Premises. In order to preserve Hospital's exemption from property and other taxes, pursuant to state and federal law, Hospital space must be

**PALOMAR POMERADO HEALTH
PHYSICIAN INDEPENDENT CONTRACTOR AGREEMENT
INFORMATION SYSTEMS SERVICES**

TO: Board Finance Committee

MEETING DATE: Tuesday, October 30, 2007

FROM: Ben Kanter, MD, CMIO

BACKGROUND: Palomar Pomerado Health (PPH) requires the active training and involvement of physicians in many aspects of Information Systems programs, Quality and Safety projects, and Regulatory initiatives. Currently, PPH employs a CMIO (Benjamin Kanter, MD) who is solely responsible for the relationship between the medical staff and information systems. In addition to succession planning, another primary physician champion and expert in information systems will improve service to the entire PPH enterprise.

Aria Anvar, BS, MD, MBA, is a Hospitalist, currently on active staff at both PMC and Pomerado. From 1988-1993 he was an Information Systems Specialist for Unisys Corporation, where he led information systems implementation, database consolidation, and quality improvement projects. In addition, he has received training as a national Baldrige examiner.

Dr. Anvar has an abiding interest in improving the Quality and Safety of patient care delivery, and an intimate knowledge of PPH's infrastructure. His knowledge of information systems and the Quality/Safety/Baldrige work at Unisys make him a unique asset for PPH.

BUDGET IMPACT: After discussion with many different sites across the U.S., a fair market value was established for the mean value hourly reimbursement for such work. We have contracted for 20 hours of work/month. No budget impact – amount is budgeted.

STAFF RECOMMENDATION: Approval.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Independent contractor agreement
9.1	AGREEMENT DATE	April 1, 2007. Physician has provided services on an interim basis since that date.
Preamble	PARTIES	PPH and Dr. Aria Anvar
Recitals	PURPOSE	Contractor has agreed to serve as a consultant regarding implementation and performance of computer-based programs to be used at PPH medical facilities from the perspective of a trained medical practitioner.
1.1	SCOPE OF SERVICES	Contractor shall assist the CMIO in his work as it relates to the development and maintenance of the PPH electronic health record, the CAPE project, and with any other I.S. projects/initiatives that the parties mutually agree to.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
9.1	TERM	1 year
9.1	RENEWAL	None
9.2	TERMINATION	30 day written notice without cause. Immediate termination if the contractor loses PPH medical staff privileges, or his medical license.
2.1, 1.1.1	COMPENSATION METHODOLOGY	Aside from officially scheduled meetings or work, Contractor shall not engage in any billable activities without the prior permission of PPH. Contractor's work shall not exceed 20 hours/month.
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	EXCLUSIVITY	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	Standard reimbursement for physician work on hospital information systems and electronic medical record development.
	AGREEMENT NOTICED	<input type="checkbox"/> YES <input checked="" type="checkbox"/> No Methodology & Response: Physician interviewed and invited to serve by the CMIO
	ALTERNATIVES/IMPACT	none
	Duties	<input type="checkbox"/> Provision for Staff Education <input type="checkbox"/> Provision for Medical Staff Education <input type="checkbox"/> Provision for participation in Quality Improvement <input type="checkbox"/> Provision for participation in budget process development
	COMMENTS	
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> VP <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Finance Committee <input checked="" type="checkbox"/> BOD

INDEPENDENT CONTRACTOR AGREEMENT

This Independent Contractor Agreement ("Agreement") is entered into by and between Aria Anvar, MD ("Contractor"), with a principal place of business at _____ and Palomar Pomerado Health, a local healthcare district organized pursuant to Division 23 of the California Health and Safety Code ("PPH"), with a principal place of business at 15255 Innovation Drive, San Diego, California 92128.

WHEREAS, Contractor is a medical doctor with necessary privileges to practice medicine at PPH's medical facilities. Contractor has occasion to use various computer programs approved by PPH and in use at PPH facilities. Contractor has agreed to serve as a consultant regarding implementation and performance of computer-based programs to be used at PPH medical facilities from the perspective of a trained medical practitioner.

WHEREAS, PPH desires to engage Contractor to provide such services;

NOW, THEREFORE, in consideration of the promises, and of the mutual covenants hereinafter set forth, and intending to be legally bound hereby, the parties hereto agree as follows:

1. DUTIES OF CONTRACTOR

1.1 Scope of Services: Contractor shall assist the CMIO in his work as it relates to the development and maintenance of the PPH electronic health record, the CAPE project, and with any other Information System projects or initiatives that the parties mutually agree to.

1.1.1 Contractor shall provide the consulting services described herein on an as-needed basis as agreed between Contractor and PPH. Aside from officially scheduled meetings or work, Contractor shall not engage in any billable activities under this Agreement without the prior permission of PPH. PPH may limit the number of hours worked under this agreement, and in no event shall Contractor's work exceed 20 hours per month.

1.1.2 Contractor shall provide services in compliance with all applicable laws, regulations, and standards of care, as well as all PPH policies, procedures, rules and regulations.

1.2 Local, State and Federal Taxes: If Contractor is required to pay any federal, state or local sales, use, property or value added taxes based on the services provided under this Agreement, the taxes shall be separately billed to PPH. Contractor shall pay any interest or penalties incurred due to late payment or nonpayment of such taxes by PPH. In addition, Contractor shall pay all income taxes, Workers Compensation, and FICA (Social Security and Medicare taxes) incurred while performing under this

Agreement. PPH shall not:

1.2.1 withhold FICA (Social Security and Medicare taxes) from Contractor's payments or make FICA payments on Contractor's behalf;

1.2.2 make state or federal unemployment compensation contributions on Contractor's behalf; or

1.2.3 Withhold state or federal income tax from Contractor's payments.

2. **DUTIES OF PPH**

2.1 Payment for Services: PPH shall pay Contractor [REDACTED] per hour for consulting services provided under this Agreement. In addition to professional fees, PPH agrees to reimburse Contractor for reasonable, out-of-pocket expenses, to be approved in advance by PPH. If services are performed, Contractor shall send PPH invoices on a monthly basis. Contractor shall provide invoices for all services rendered under this agreement for work performed outside of formal meetings. Invoices shall be accompanied by the pertinent timesheets and an itemization of services and approved expenses for each consultation project. Payment shall be due within thirty (30) days of PPH's receipt of each undisputed invoice.

3. **INDEPENDENT CONTRACTOR**

3.1 In the performance of the duties and obligations of Contractor under this Agreement, it is mutually understood and agreed that Contractor is at all times acting and performing as an independent contractor, and nothing in this Agreement is intended nor shall be construed to create between PPH and Contractor an employer/employee, joint venture, lease or landlord/tenant relationship. Contractor has held himself out as having a particular expertise in the services to be provided under this Agreement. In that regard, Contractor shall be responsible for the manner in which he provides services under this Agreement in accordance with local, state and federal standards. Contractor shall not hold himself out as an officer, agent or employee of PPH and Contractor shall take all reasonable steps to disavow such status or relationship in every instance where a reasonable party might assume that such a relationship exists between the parties.

4. **EEO COMPLIANCE**

4.1 PPH is an equal employment opportunity employer and is in full compliance with any and all applicable anti-discrimination laws, rules, and regulations. Contractor agrees not to harass, discriminate against, or retaliate against any PPH employee because of his or her race, national origin, age, sex, religion, disability, marital status, or other category protected by law. In the event of any complaint of unlawful discrimination, harassment, or retaliation against Contractor by any employee of PPH, Contractor agrees to cooperate in the prompt investigation and resolution of such complaint.

**PALOMAR POMERADO HEALTH
PHYSICIAN INDEPENDENT CONTRACTOR AGREEMENT
CERNER OPTIMIZATION**

TO: Board Finance Committee

MEETING DATE: Tuesday, October 30, 2007

FROM: Ben Kanter MD, CMIO

BACKGROUND: Palomar Pomerado Health (PPH) requires the active participation of physicians in the design and implementation of the Cerner Optimization project. This team, known as the Cerner Physician Advisory Council (CPAC), is broad based and provides design review work and consultative oversight for the physician components of the Cerner Optimization project. Through its representative on the Cerner Optimization Steering Committee, CPAC has a defined role within the overall project.

The CPAC team is currently composed of the following physicians who would be covered under by these contracts:

Greg Hirsch – Critical Care, Internal Medicine, Pulmonary – PMC and POM
Frank Martin – General Surgery – POM and PMC
David Cloyd – General Surgery, Trauma – PMC
Robert Reichman – Cardiothoracic Surgery – PMC
Mikhail Malek – Cardiology – PMC and POM
Nabil Fatayerji – Neonatology – POM and PMC
Jaime Rivas – Emergency Services – PMC and POM
William Tench – Pathology, Lab – PMC and POM
Robert Felder – Internal Medicine, Kaiser – PMC
Serge Kaska – Orthopedic Surgery – PMC

It is probable that this list will expand and contract over the next 24 months.

BUDGET IMPACT: It is standard practice to reimburse physicians for their time spent on such projects. After discussion with many different sites across the U.S., a fair market value was established for the mean value hourly reimbursement for such work. We have contracted for 20 hours of work/month – aggregate for all physicians’ services. No budget impact – amount has been budgeted within the Cerner Optimization project.

STAFF RECOMMENDATION: Approval.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Independent contractor agreement
9.1	AGREEMENT DATE	May 3 rd , 2007. Physicians have provided services on an interim basis since that date.
Preamble	PARTIES	PPH and Drs: Nabil Fatayerji, David Cloyd, Gregory Hirsch, Robert Reichman, Mikhail Malek, John Martin, William Tench, Robert Felder, and Jaime Rivas
Recitals	PURPOSE	Contractor has agreed to serve as a consultant regarding implementation and performance of computer-based programs to be used at PPH medical facilities from the perspective of a trained medical practitioner.
1.1	SCOPE OF SERVICES	Contractor shall assist the CMIO in his work as it relates to the development and maintenance of the PH electronic medical record.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal X Discretionary
9.1	TERM	1 year
9.1	RENEWAL	None
9.2	TERMINATION	14 day written notice without cause. Immediate termination if the contractor loses PPH medical staff privileges, or his medical license.
2.1, 1.1.1	COMPENSATION METHODOLOGY	Aside from officially scheduled meetings or work, Contractor shall not engage in any billable activities without the prior permission of PPH. Contractor's work shall not exceed 6 hours/month.
	BUDGETED	X YES <input type="checkbox"/> NO – IMPACT:
	EXCLUSIVITY	X No <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	Standard reimbursement for physician work on hospital information systems and electronic medical record development
	AGREEMENT NOTICED	<input type="checkbox"/> YES X No Methodology & Response: Physicians invited to serve on the panel by the CMIO
	ALTERNATIVES/IMPACT	none
	Duties	<input type="checkbox"/> Provision for Staff Education <input type="checkbox"/> Provision for Medical Staff Education <input type="checkbox"/> Provision for participation in Quality Improvement <input type="checkbox"/> Provision for participation in budget process development
	COMMENTS	
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> VP <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Finance Committee <input checked="" type="checkbox"/> BOD

INDEPENDENT CONTRACTOR AGREEMENT

This Independent Contractor Agreement ("Agreement") is entered into by and between _____ ("Contractor"), with a principal place of business at _____ and Palomar Pomerado Health, a local healthcare district organized pursuant to Division 23 of the California Health and Safety Code ("PPH"), with a principal place of business at 15255 Innovation Drive, San Diego, California 92128.

WHEREAS, Contractor is a medical doctor with necessary privileges to practice medicine at PPH's medical facilities. Contractor has occasion to use various computer programs approved by PPH and in use at PPH facilities. Contractor has agreed to serve as a consultant regarding implementation and performance of computer-based programs to be used at PPH medical facilities from the perspective of a trained medical practitioner.

WHEREAS, PPH desires to engage Contractor to provide such services;

NOW, THEREFORE, in consideration of the promises, and of the mutual covenants hereinafter set forth, and intending to be legally bound hereby, the parties hereto agree as follows:

1. DUTIES OF CONTRACTOR

1.1 Scope of Services: Contractor shall assist the CMIO in his work as it relates to the development and maintenance of the PPH electronic health record.

1.1.1 Contractor shall provide the consulting services described herein on an as-needed basis as agreed between Contractor and PPH. Aside from officially scheduled meetings or work, Contractor shall not engage in any billable activities under this Agreement without the prior permission of PPH. PPH may limit the number of hours worked under this agreement, and in no event shall Contractor's work exceed 6 hours per month.

1.1.2 Contractor shall provide services in compliance with all applicable laws, regulations, and standards of care, as well as all PPH policies, procedures, rules and regulations.

1.2 Local, State and Federal Taxes: If Contractor is required to pay any federal, state or local sales, use, property or value added taxes based on the services provided under this Agreement, the taxes shall be separately billed to PPH. Contractor shall pay any interest or penalties incurred due to late payment or nonpayment of such taxes by PPH. In addition, Contractor shall pay all income taxes, Workers Compensation, and FICA (Social Security and Medicare taxes) incurred while performing under this Agreement. PPH shall not:

1.2.1 withhold FICA (Social Security and Medicare taxes) from Contractor's payments or make FICA payments on Contractor's behalf;

1.2.2 make state or federal unemployment compensation contributions on Contractor's behalf; or

1.2.3 Withhold state or federal income tax from Contractor's payments.

2. **DUTIES OF PPH**

2.1 Payment for Services: PPH shall pay Contractor [REDACTED] per hour for consulting services provided under this Agreement. In addition to professional fees, PPH agrees to reimburse Contractor for reasonable, out-of-pocket expenses, to be approved in advance by PPH. If services are performed, Contractor shall send PPH invoices on a monthly basis. Contractor shall provide invoices for all services rendered under this agreement for work performed outside of formal meetings. Invoices shall be accompanied by the pertinent timesheets and an itemization of services and approved expenses for each consultation project. Payment shall be due within thirty (30) days of PPH's receipt of each undisputed invoice.

3. **INDEPENDENT CONTRACTOR**

3.1 In the performance of the duties and obligations of Contractor under this Agreement, it is mutually understood and agreed that Contractor is at all times acting and performing as an independent contractor, and nothing in this Agreement is intended nor shall be construed to create between PPH and Contractor an employer/employee, joint venture, lease or landlord/tenant relationship. Contractor has held himself out as having a particular expertise in the services to be provided under this Agreement. In that regard, Contractor shall be responsible for the manner in which he provides services under this Agreement in accordance with local, state and federal standards. Contractor shall not hold himself out as an officer, agent or employee of PPH and Contractor shall take all reasonable steps to disavow such status or relationship in every instance where a reasonable party might assume that such a relationship exists between the parties.

4. **EEO COMPLIANCE**

4.1 PPH is an equal employment opportunity employer and is in full compliance with any and all applicable anti-discrimination laws, rules, and regulations. Contractor agrees not to harass, discriminate against, or retaliate against any PPH employee because of his or her race, national origin, age, sex, religion, disability, marital status, or other category protected by law. In the event of any complaint of unlawful discrimination, harassment, or retaliation against Contractor by any employee of PPH, Contractor agrees to cooperate in the prompt investigation and resolution of such complaint.

5. **COMPLIANCE WITH LAWS / PERFORMANCE STANDARDS**

**PALOMAR POMERADO HEALTH
PHYSICIAN INDEPENDENT CONTRACTOR AGREEMENT – DOCUSYS**

TO: Board Finance Committee

MEETING DATE: Tuesday, October 30, 2007

FROM: Ben Kanter, MD, CMIO

BACKGROUND: The DocuSys project comprises installation of a state of the art electronic anesthesia record as well as a bar-code controlled medication administration system within the operating rooms. Design, training, implementation, and maintenance of the system requires the active involvement of medical staff.

Anesthesia leadership is being provided by Drs. Marc Gipsman and Rick Engel. They are representing the needs and expectations of their colleagues and have expressed a desire to improve the quality and safety of medical care delivered in the operating rooms at both PMC and Pomerado.

BUDGET IMPACT: It is standard practice to reimburse physicians for their time spent on such projects. After discussion with many different sites across the U.S., a fair market value was established for the mean value hourly reimbursement for such work. We have contracted for 20 hours of work/month. It is estimated that the total cost will not exceed \$10,000 – budgeted for FY08.

STAFF RECOMMENDATION: Approval.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Independent contractor agreement
9.1	AGREEMENT DATE	September 7, 2006. Physicians have provided services on an interim basis since that date.
Preamble	PARTIES	PPH and Drs Marc Gipsman and Rick Engel
Recitals	PURPOSE	Contractor has agreed to serve as a consultant regarding implementation and performance of computer-based programs to be used at PPH medical facilities from the perspective of a trained medical practitioner.
1.1	SCOPE OF SERVICES	Contractor shall assist the CMIO in his work as it relates to the Docusys electronic anesthesia record and medication management project.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
9.1	TERM	1 year
9.1	RENEWAL	None
9.2	TERMINATION	14 day written notice without cause. Immediate termination if the contractor loses PPH medical staff privileges, or his medical license.
2.1, 1.1.1	COMPENSATION METHODOLOGY	Aside from officially scheduled meetings or work, Contractor shall not engage in any billable activities without the prior permission of PPH. Contractor's work shall not exceed 20 hours/month.
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT: The total cost is not expected to exceed \$10,000 for the duration of the project.
	EXCLUSIVITY	<input checked="" type="checkbox"/> No <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	Standard reimbursement for physician work on hospital information systems and electronic medical record development
	AGREEMENT NOTICED	<input type="checkbox"/> YES <input checked="" type="checkbox"/> No Methodology & Response: Physicians directly involved in the choice of vendor and invited to participate by the CMIO
	ALTERNATIVES/IMPACT	none
	Duties	<input type="checkbox"/> Provision for Staff Education <input type="checkbox"/> Provision for Medical Staff Education <input type="checkbox"/> Provision for participation in Quality Improvement <input type="checkbox"/> Provision for participation in budget process development
	COMMENTS	
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> VP <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Finance Committee <input checked="" type="checkbox"/> BOD

INDEPENDENT CONTRACTOR AGREEMENT

This Independent Contractor Agreement ("Agreement") is entered into by and between _____ ("Contractor"), with a principal place of business at _____ and Palomar Pomerado Health, a local healthcare district organized pursuant to Division 23 of the California Health and Safety Code ("PPH"), with a principal place of business at 15255 Innovation Drive, San Diego, California 92128.

WHEREAS, Contractor is a medical doctor with necessary privileges to practice medicine at PPH's medical facilities. Contractor has occasion to use various computer programs approved by PPH and in use at PPH facilities. Contractor has agreed to serve as a consultant regarding implementation and performance of computer-based programs to be used at PPH medical facilities from the perspective of a trained medical practitioner.

WHEREAS, PPH desires to engage Contractor to provide such services;

NOW, THEREFORE, in consideration of the promises, and of the mutual covenants hereinafter set forth, and intending to be legally bound hereby, the parties hereto agree as follows:

1. DUTIES OF CONTRACTOR

1.1 Scope of Services: Contractor shall assist the CMIO in his work as it relates to the Docusys electronic anesthesia record and medication management project.

1.1.1 Contractor shall provide the consulting services described herein on an as-needed basis as agreed between Contractor and PPH. Aside from officially scheduled meetings or work, Contractor shall not engage in any billable activities under this Agreement without the prior permission of PPH. PPH may limit the number of hours worked under this agreement, and in no event shall Contractor's work exceed twenty (20) hours per month.

1.1.2 Contractor shall provide services in compliance with all applicable laws, regulations, and standards of care, as well as all PPH policies, procedures, rules and regulations.

1.2 Local, State and Federal Taxes: If Contractor is required to pay any federal, state or local sales, use, property or value added taxes based on the services provided under this Agreement, the taxes shall be separately billed to PPH. Contractor shall pay any interest or penalties incurred due to late payment or nonpayment of such taxes by PPH. In addition, Contractor shall pay all income taxes, Workers Compensation, and FICA (Social Security and Medicare taxes) incurred while performing under this Agreement. PPH shall not:

1.2.1 withhold FICA (Social Security and Medicare taxes) from Contractor's payments or make FICA payments on Contractor's behalf;

1.2.2 make state or federal unemployment compensation contributions on Contractor's behalf; or

1.2.3 Withhold state or federal income tax from Contractor's payments.

2. **DUTIES OF PPH**

2.1 Payment for Services: PPH shall pay Contractor [REDACTED] per hour for consulting services provided under this Agreement. In addition to professional fees, PPH agrees to reimburse Contractor for reasonable, out-of-pocket expenses, to be approved in advance by PPH. If services are performed, Contractor shall send PPH invoices on a monthly basis. Contractor shall provide invoices for all services rendered under this agreement for work performed outside of formal meetings. Invoices shall be accompanied by the pertinent timesheets and an itemization of services and approved expenses for each consultation project. Payment shall be due within thirty (30) days of PPH's receipt of each undisputed invoice.

3. **INDEPENDENT CONTRACTOR**

3.1 In the performance of the duties and obligations of Contractor under this Agreement, it is mutually understood and agreed that Contractor is at all times acting and performing as an independent contractor, and nothing in this Agreement is intended nor shall be construed to create between PPH and Contractor an employer/employee, joint venture, lease or landlord/tenant relationship. Contractor has held himself out as having a particular expertise in the services to be provided under this Agreement. In that regard, Contractor shall be responsible for the manner in which he provides services under this Agreement in accordance with local, state and federal standards. Contractor shall not hold himself out as an officer, agent or employee of PPH and Contractor shall take all reasonable steps to disavow such status or relationship in every instance where a reasonable party might assume that such a relationship exists between the parties.

4. **EEO COMPLIANCE**

4.1 PPH is an equal employment opportunity employer and is in full compliance with any and all applicable anti-discrimination laws, rules, and regulations. Contractor agrees not to harass, discriminate against, or retaliate against any PPH employee because of his or her race, national origin, age, sex, religion, disability, marital status, or other category protected by law. In the event of any complaint of unlawful discrimination, harassment, or retaliation against Contractor by any employee of PPH, Contractor agrees to cooperate in the prompt investigation and resolution of such complaint.

5. **COMPLIANCE WITH LAWS / PERFORMANCE STANDARDS**

**PALOMAR POMERADO HEALTH
ADMINISTRATIVE SERVICES AGREEMENT
WILLIAM S. SAMUEL, M.D.**

TO: Board Finance Committee

MEETING DATE: Tuesday, October 30, 2007

FROM: Lorie Shoemaker, RN, MSN, CNAA-BC, Chief Nurse Executive

BACKGROUND: This is a request to approve the Administrative Services Agreement with William S. Samuel, M.D. Dr. Samuel will serve as a physician advisor at Palomar Medical Center and is responsible for serving as an expert resource to the staff of the Quality and Clinical Effectiveness Department and other medical staff members in developing and promoting compliance with evidence based clinical guidelines. Dr. Samuel will also be responsible for supervision of the Stroke Unit at Palomar Medical Center.

BUDGET IMPACT: Budgeted position – no budget impact.

STAFF RECOMMENDATION: Staff recommends approval of the Administrative Services Agreement with William S. Samuel, M.D., for the one-year **[June 14, 2007, through June 14, 2008, with a one-year renewal option]** physician advisory services to the Quality and Clinical Effectiveness Department and for supervision of the Stroke Unit at Palomar Medical Center.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
Preamble	TITLE	Administrative Services Agreement
Preamble	AGREEMENT DATE	June 14, 2007
Preamble	PARTIES	1) PPH 2) William S. Samuel, M.D.
Recitals C	PURPOSE	To provide certain administrative services at Palomar Medical Center with respect to the Quality and Clinical Effectiveness Department
Exhibit 1.1 1-9	SCOPE OF SERVICES	Duties as defined in the Director Services in the agreement.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
5.1	TERM	June 14, 2007 through June 14, 2008
5.1	RENEWAL	One one-year renewal option
5.2	TERMINATION	- Hospital may terminate immediately for cause as defined in the Agreement
5.3		- Practitioner shall have the right to terminate Agreement upon breach of Agreement by Hospital where the breach is not cured within thirty (30) calendar days after Practitioner gives written notice of the breach to Hospital
2.1	COMPENSATION METHODOLOGY	Hourly rate based on submission of time sheet indicating number of hours of service provided; 10 hours/month maximum
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	EXCLUSIVITY	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	Regulatory requirements call for Medical Staff oversight for the programs and services.
	AGREEMENT NOTICED	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO Methodology & Response:
	ALTERNATIVES/IMPACT	Required by Joint Commission for Stroke Certification Program, which was approved by the Strategic Planning Committee of the Board
	Duties	<input checked="" type="checkbox"/> Provision for Staff Education <input checked="" type="checkbox"/> Provision for Medical Staff Education <input checked="" type="checkbox"/> Provision for participation in Quality Improvement <input checked="" type="checkbox"/> Provision for participation in budget process development
	COMMENTS	
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> VP <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Committee Finance <input checked="" type="checkbox"/> BOD

ADMINISTRATIVE SERVICES AGREEMENT

by and between

PALOMAR POMERADO HEALTH ("Hospital")

and

William S. Samuel, M.D. ("Practitioner")

ADMINISTRATIVE SERVICES AGREEMENT

THIS ADMINISTRATIVE SERVICES AGREEMENT (this "**Agreement**") is entered into as of this _____ day of _____, 2007 (the "**Execution Date**"), by and between Palomar Pomerado Health, a local health care district organized under Division 23 of the California Health and Safety Code ("**Hospital**"), and William S. Samuel, M.D., an individual ("**Practitioner**"). Hospital and Practitioner are sometimes referred to in this Agreement individually as a "Party" or, collectively, as the "**Parties.**"

RECITALS

- A.** Hospital owns and operates Palomar Medical Center, an acute care hospital facility located in Escondido, California.
- B.** Practitioner is licensed to practice medicine in the State of California, board certified for the practice of medicine in the specialty of Neurology (the "**Specialty**") and a member in good standing of Hospital's medical staff (the "**Medical Staff**").
- C.** Hospital desires to engage Practitioner as an independent contractor to provide certain administrative services at Palomar Medical Center with respect to the Quality and Clinical Effectiveness Department (the "**Department**"), and believes that the following can be achieved if Practitioner assumes such responsibility as set forth in this Agreement. This will enhance the Hospital's organization, procedure standardization, economic efficiency, professional proficiency, and provide other benefits to enhance coordination and cooperation among the Hospital's providers and users.
- D.** Hospital has considered the following factors in determining the necessity and amount of compensation payable to Practitioner pursuant to this Agreement:
1. The nature of Practitioner's duties as contemplated by this Agreement.
 2. Practitioner's qualifications.
 3. Survey of practitioner compensation prepared by Sullivan Cotter and Associates, Inc.

**DISSOLUTION OF PARTNERSHIP
343 E. SECOND AVENUE INVESTORS, LTD.**

TO: Board Finance Committee

MEETING DATE: Tuesday, October 30, 2007

FROM: Marvin Levenson, MD, FACHE, Administrator, Escondido Surgery Center
Sheila Brown, RN, MBA, FACHE, Chief Clinical Outreach Officer

BACKGROUND: This is a follow-up resolution to the one approved by the Board of Directors on September 10, 2007. That resolution provided for the dissolution of the Escondido Ambulatory Surgical Center Investors, LP (“EASCI”). As each limited partner in the EASCI exercised their put option, the land and all limited partners’ interests in the partnership itself were transferred to Palomar Pomerado Health (“PPH”), the General Partner of EASCI.

PPH is the sole remaining entity with an ownership interest in 343 E. Second Avenue Investors, Ltd. (“343, Ltd.”). Its sole asset is the land beneath the building. The attached resolution provides for the dissolution of 343, Ltd., and a transfer of the assets of the Partnership directly to PPH.

BUDGET IMPACT: There is no budget implication. As the building sitting on this land is single purpose, the value of the land is not determined.

STAFF RECOMMENDATION: Staff recommends approval of the attached resolution, which terminates the 343, Ltd., partnership and transfers all assets from 343, Ltd., to PPH.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

RESOLUTION NO. 11.12.07 (___) – ___

RESOLUTION OF THE BOARD OF DIRECTORS OF PALOMAR POMERADO HEALTH (“PPH”) DIRECTING PPH’S OFFICERS, ACTING ON BEHALF OF 343 E. 2ND AVENUE INVESTORS, LTD. (“343, LTD.”), TO FORMALLY TRANSFER TITLE OF PARTNERSHIP ASSETS TO PPH AND TO FORMALLY DISSOLVE 343, LTD.

WHEREAS, PPH has acquired all limited partnership interests in 343, Ltd., and is the sole remaining entity with an ownership interest in 343, Ltd.; and

WHEREAS, California law defines a limited partnership as an entity formed by two or more persons;

NOW, THEREFORE, BE IT RESOLVED that:

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

Section 2. Transfer of Title. The Board directs PPH’s officers, acting on 343, Ltd.’s, behalf, to formally transfer title of the partnership assets, if any, to PPH.

Section 3. Dissolution. The Board directs PPH’s officers to formally dissolve 343, Ltd., pursuant to the dissolution procedures found in the Second Amended and Restated Agreement of Limited Partnership of 343 E. 2nd Avenue Investors, Ltd., a California Limited Partnership, and to take any steps as needed with the Secretary of State to formally dissolve 343, Ltd.

Section 4. Further Authorizations. The members of this Board and the officers of PPH are hereby authorized and directed, individually and collectively, to do any and all things that they deem necessary or advisable in order to effectuate the purposes of this Resolution.

APPROVED AND ADOPTED at a meeting of the Board of Directors of Palomar Pomerado Health held on November 12, 2007, by the following vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

Dated: November 12, 2007

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

ATTESTED:

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

September 2007 & YTD FY2008 Financial Report

TO: Board Finance Committee

MEETING DATE: Tuesday, October 30, 2007

FROM: Robert Hemker, CFO

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

Budget Impact: N/A

Staff Recommendation: Staff recommends approval.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time: