

FINANCE COMMITTEE MEETING

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

**Posted
Mailed (US & E-mail)
Faxed
Friday, 1/19/07**

REMINDER: MEETING DATE & LOCATION CHANGE

TUESDAY, JANUARY 23, 2007

5:30 p.m.

(Buffet Dinner for Committee Members & Invited Guests Only)

6:00 p.m. Meeting

ADMINISTRATIVE OFFICES
15255 Innovation Drive, San Diego, CA
Conference Rooms B&C

	<u>Time</u>	<u>Page</u>	<u>Target</u>
CALL TO ORDER .....	.....	.....	6:00 p.m.
➤ Public Comments .....	..... 5	.....	6:00 p.m.
➤ Information Item(s)			
• Updated Program Review Calendar .....	..... 5	.....	6:05 p.m.
1. * Approval: Minutes – December 5, 2006, Finance Committee Meeting <i>(Addendum A)</i> .....	..... 5	..... 2A	6:10 p.m.
2. * Review/Approval: Annual Review of Finance Committee Bylaws.....	..... 5	..... 3-5A	6:15 p.m.
3. Review: Update on Information Systems Strategic Plan – 2002 .....	..... 15	..... 6A	6:20 p.m.
4. Review: Update on Skilled Nursing Facilities <i>(Addendum B)</i>.....	..... 15	..... 7A	6:35 p.m.
5. *Review/Approval: Minutes – December 19, 2006, ICOC Annual Meeting <i>(Addendum C)</i> .....	..... 10	..... 8A	6:50 p.m.
6. * Approval: Agreement to Reimburse PMC Medical Staff for Compensation to <i>(Addendum D)</i> : Chief of Staff & Chief of Staff Elect – 1/1/06 – 12/31/08			
Chair – Surgery Department – 9/1/06 – 12/31/08	}..... 10	.. 9-10A	7:00 p.m.
Department Chairs All Other Departments & QMC Chair – 1/1/06 – 12/31/07			
7. * Approval: Agreement to Reimburse POM Medical Staff for Compensation to <i>(Addendum E)</i> : Chief of Staff, Chief of Staff Elect, QMC Chair, Clinical Service Directors & Section Chiefs – 1/1/07 – 12/31/08.....	..... 10	11-12A	7:10 p.m.
8. * Approval: December 2006 & YTD FY2007 Financial Report <i>(Addendum F)</i>.....	..... 20	..... 13A	7:20 p.m.
9. * Approval: New Finance Committee Meeting Schedule for 2007 .....	..... 5	14-15A	7:40 p.m.
ADJOURNMENT.....	.....	.....	7:45 p.m.

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

Distribution:

Ted Kleiter, Chairperson
Nancy Bassett, RN
Linda Greer, RN
Marcelo Rivera, MD
Michael Covert, FACHE
Robert Trifunovic, MD
Paul E. Tornambe, MD
Bruce Krider, *Alternate*

Bob Hemker
Gerald Bracht
Jim Flinn

Tanya Howell, Secretary

Other packets to: Sharon Andrews, Tom Boyle, Sheila Brown, Duane Buringrud, MD, LeAnne Cooney, Dana Dawson, Kwaja Floyd, Gustavo Friederichsen, Janet Gennoe, Wallie George, Andy Hoang, Marcia Jackson, Christine Meaney, Jim Neal, Genevieve Nelwan, Tim Nguyen, Mary Oelman, Tina Pope, Opal Reinbold, Paul Sas, Mike Shanahan, Lorie Shoemaker, Steve Tanaka, Brenda Turner, Melanie Van Winkle, Deloitte and Touche (Drew Sutter)

Minutes
Finance Committee – December 5, 2006

TO: Board Finance Committee

MEETING DATE: Tuesday, January 23, 2007

FROM: Tanya Howell, Secretary

BY: Bob Hemker, CFO

Background: The minutes of the Finance Committee meeting held on Tuesday, December 5, 2006, are respectfully submitted for approval (*Addendum A*).

Budget Impact: N/A

Staff Recommendation: Approval of the Tuesday, December 5, 2006, Finance Committee minutes.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

Annual Review of Finance Committee Bylaws

TO: Board Finance Committee

MEETING DATE: Tuesday, January 23, 2007

FROM: Bob Hemker, CFO

Background: Annually, the Finance Committee is required to review the Bylaws of Palomar Pomerado Health as they relate to the Committee (*excerpt attached*) and recommend any necessary revisions.

Budget Impact: None.

Staff Recommendation: Recommend approval of existing Bylaws without revision.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

**AMENDED AND RESTATED
BYLAWS
OF
PALOMAR POMERADO HEALTH**

Revised February 13, 2006

6.2 STANDING COMMITTEES. There shall be the following standing committees of the Board: Finance, Governance, Human Resources, Strategic Planning, Community Relations, Quality Review, Audit Committee, and Facilities and Grounds Committee. Standing committees will be treated as the Board with respect to Article V of these bylaws. All provisions in Article V that apply to Board members shall apply to members of any standing committee.

6.2.1 Finance Committee.

- (a) Voting Membership. The Finance Committee shall consist of seven voting members, four members of the Board, the President and Chief Executive Officer and the Chief of Medical Staff from each hospital. One alternate Committee member shall also be appointed by the Chairperson who shall attend Committee meetings and enjoy voting rights on the Committee only when serving as an alternate for a voting Committee member. The Chairperson of the Board may appoint the Treasurer as the chairperson of the Finance Committee.
- (b) Non-Voting Membership. The Chief Financial Officer (CFO), the Chief Administrative Officers Palomar Medical Center and Pomerado Hospital and a nurse representative.
- (c) Duties. The duties of the Committee shall include but are not limited to:
 - (i) Review the preliminary, annual operating budgets for the District and Facilities and other entities;
 - (ii) Develop and recommend to the Board the final, annual, operating budgets;
 - (iii) Develop and recommend to the Board a three-year, capital expenditure plan that shall be updated at least annually. The capital expenditure plan shall include and identify anticipated sources of financing for and objectives of each proposed capital expenditure in excess of \$100,000;
 - (iv) Review and recommend approval of the monthly financial statements to the Board;
 - (v) Recommend to the Board cost containment measures and policies;
 - (vi) Review annually those policies and procedures within its purview and report the results of such review to the Governance Committee. Such reports shall include recommendations regarding the modification of existing or creation of new policies and procedures; and
 - (vii) Perform such other duties as may be assigned by the Board.

IT Strategic Plan Update

TO: Board Finance Committee

MEETING DATE: Tuesday, January 23, 2007

FROM: Steven Tanaka, CIO

BACKGROUND: The 2002 Information Technology Strategic Plan was a 2 to 3 year process to replace and update the majority of the information systems at Palomar Pomerado Health. The outcome of this plan was to provide an Information Technology environment that will improve the quality of care, enhance patient safety and facilitate clinical and financial processes and decision support analysis.

A status report on the project's status and information regarding new IT Strategic Planning and IT Governance activities will be provided at the meeting.

BUDGET IMPACT: None

STAFF RECOMMENDATION: Information only

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

Skilled Nursing Facilities Update

TO: Board Finance Committee
MEETING DATE: Tuesday, January 23, 2007
FROM: Steve Gold, Administrator SNF Services

BACKGROUND: An update on the two Skilled Nursing Facilities (SNFs) – Villa Pomerado and Palomar Continuing Care – will be presented at the meeting including financial operations, quality improvements, customer service enhancements and future directions for SNF services (*Addendum B*).

BUDGET IMPACT: None

STAFF RECOMMENDATION: Information only

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

Independent Citizens' Oversight Committee
Approval of Minutes from Annual Meeting, December 19, 2006

TO: Board Finance Committee
FROM: Independent Citizens' Oversight Committee
MEETING DATE: Tuesday, January 23, 2007
BY: Bob Hemker, CFO

Background: On Tuesday, December 19, 2006, the Palomar Pomerado Health Hospital, Emergency Care, Trauma Center Improvement and Repair Measure Bonds Independent Citizens' Oversight Committee (ICOC) held their annual meeting.

Pursuant to §6.4 of the ICOC PP&G, a draft report of all ICOC meetings is to be submitted to the District Board for inclusion in the Board's public records. The draft minutes from the Annual Meeting of December 19, 2006, have been reviewed by the Chair and the Secretary of the ICOC and approved for presentation to the ICOC members and the District Board (*Addendum C*).

Budget Impact: N/A

Staff Recommendation: Approval of the draft minutes from the ICOC Annual Meeting held on December 19, 2006.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion: X

Individual Action:

Information:

Required Time:

**PALOMAR MEDICAL CENTER
ADMINISTRATIVE SERVICES AGREEMENTS
MEDICAL STAFF OFFICERS, DEPARTMENT CHAIRS, QMC CHAIR**

TO: Board Finance Committee

MEETING DATE: Tuesday, January 23, 2007

BY: Gerald E. Bracht, Chief Administrative Officer

BACKGROUND: Palomar Medical Center Medical Staff Officers and Department Chairs are provided a stipend for services performed as required by the Medical Staff By-laws. The Agreement (*Addendum D*) serves to document the relationship of the Medical Staff Officers and Department Chairs to PPH, and the duties to be performed as consideration for the stipend to assure compliance with Federal regulations.

Presented is the Administrative Services Agreement for the Medical Staff Officers, Department Chairs and QMC Chair.

The Agreement encompasses the roles of 14 individuals at Palomar Medical Center:

- Chief of Staff – Robert D. Trifunovic, M.D.
- Chief of Staff Elect – John J. Lilley, M.D.
- Chairman, Department of Surgery – John T. Steele, M.D.
- Chairman, Department of Medicine – John J. Lilley, M.D.
- Chairman, Department of OB/GYN – Gregory Langford, M.D.
- Chairman, Department of Pediatrics – David Golembeski, M.D.
- Chairman, Department of Emergency Medicine – Jaime Rivas, M.D.
- Chairman, Department of Radiology – Gary Spoto, M.D.
- Chairman, Department of Trauma – Thomas S. Velky, M.D.
- Chairman, Department of Anesthesia – Pierre Lotzof, M.D.
- Chairman, Department of Pathology – Lachlan Macleay, M.D.
- Chairman, Department of Family Practice – Nicholas Jauregui, M.D.
- Chairman, Department of Orthopaedics – Paul Milling, M.D.
- Chairman, Quality Management Committee – Daniel Harrison, M.D.

The attached Agreement Abstract is the same for all fourteen individuals.

BUDGET IMPACT: None.

STAFF RECOMMENDATION: Approval of the Administrative Services Agreement: Three-year term for the Chief of Staff and Chief of Staff Elect (January 1, 2006 to December 31, 2008); two-year & four-month term for the Surgery Department Chair; and two-year term for all other Department Chairs and the QMC Chair (January 1, 2006 to December 31, 2007).

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Administrative Services Agreement
	AGREEMENT DATE	January 1, 2007
	PARTIES	Medical Staff Officers and Department/QMC Chairs, Palomar Medical Center Medical Staff and PPH
	PURPOSE	To provide administrative services on behalf of Palomar Medical Center Medical Staff in accordance with Medical Staff Bylaws
	SCOPE OF SERVICES	As per duties defined in Palomar Medical Center Medical Staff Bylaws
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
	TERM	January 1, 2007 – December 31, 2007 - Chief of Staff, Chief of Staff Elect, Chair, Quality Management Committee, and Chairmen Departments of Surgery, Orthopaedics, Medicine, Anesthesia, Emergency Medicine, Family Practice, Radiology, OB/GYN, Pediatrics, Trauma, and Pathology.
	RENEWAL	None
	TERMINATION	As described under §4
	COMPENSATION METHODOLOGY	Monthly after submission of payment documentation.
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	EXCLUSIVITY	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	These are positions elected or appointed by the Medical Staff in accordance with Medical Staff Bylaws.
	POSITION POSTED	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO Methodology & Response: Elected/Appointed by the Palomar Medical Center Medical Staff
	ALTERNATIVES/IMPACT	N/A
	DUTIES	Defined in the Palomar Medical Center Medical Staff Bylaws.
	COMMENTS	This new agreement template was developed by legal counsel. The positions are voted upon by Active members of the Medical Staff.
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> VP <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Committee <u>FINANCE</u> <input checked="" type="checkbox"/> BOD

**POMERADO HOSPITAL
ADMINISTRATIVE SERVICES AGREEMENT
MEDICAL STAFF OFFICERS, CLINICAL SERVICE DIRECTORS, SECTION CHIEFS, QMC CHAIR**

TO: Board Finance Committee

MEETING DATE: Tuesday, January 23, 2007

BY: Jim Flinn, FACHE, Chief Administrative Officer, Pomerado Hospital

BACKGROUND: Pomerado Hospital Medical Staff Officers are compensated for services performed as required by the Medical Staff Bylaws. The Agreement (*Addendum E*) serves to document the relationship of the Medical Staff Officers, Clinical Service Directors, Section Chiefs and QMC Chair to PPH, and the duties to be performed as consideration for the stipend to assure compliance with Federal regulations.

Presented is a two-year Administrative Services Agreement for the Chief of Staff, Chief of Staff Elect, Clinical Service Directors, Section Chiefs and Chairperson for the Quality Management Committee.

This Agreement encompasses the roles of eleven individuals at Pomerado Hospital:

Chief of Staff – Benjamin Kanter, M.D.

Chief of Staff Elect – Franklin Martin, M.D.

Clinical Service Director, Surgery – Kyle Potts, M.D.

Clinical Service Director, Diagnostic Services – Gary Spoto, M.D.

Clinical Service Director, Primary Care – Alan Conrad, M.D.

Clinical Service Director, Maternal Child – Timothy Maresh, M.D.

Section Chief, Pediatrics – Nabil Fatayerji, M.D.

Section Chief, Emergency Medicine – Jaime Rivas, M.D.

Section Chief, Pathology – Jerry Kolins, M.D.

Section Chief, Anesthesia – Marc Gipsman, M.D.

Chairman, Quality Management Committee – Roger Acheatel, M.D.

The attached Agreement Abstract is the same for all eleven individuals.

BUDGET IMPACT: None

STAFF RECOMMENDATION: Approval of the two-year (January 1, 2007 to December 31, 2008) Administrative Services Agreement for the Medical Staff Officers, Clinical Service Directors, Section Chiefs and QMC Chair.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Administrative Services Agreement
	AGREEMENT DATE	January 1, 2007
	PARTIES	Medical Staff Officers and Division Directors, Section Chiefs/QMC Chair, Pomerado Hospital Medical Staff and PPH
	PURPOSE	To provide administrative services on behalf of Pomerado Hospital Medical Staff in accordance with Medical Staff Bylaws
	SCOPE OF SERVICES	As per duties defined in Pomerado Hospital Medical Staff Bylaws
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
	TERM	January 1, 2007 – December 31, 2008 - Chief of Staff, Chief of Staff Elect, Quality Management Chair, Clinical Service Directors, Surgery, Diagnostic Services, Primary Care & Maternal Child, and Section Chiefs, Anesthesia, Emergency Medicine, Pathology and Pediatrics.
	RENEWAL	None
	TERMINATION	As described under §5.2 through §5.5
	COMPENSATION METHODOLOGY	Monthly upon submission of required monthly time reports
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	EXCLUSIVITY	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	These are positions elected by the Medical Staff in accordance with Medical Staff Bylaws.
	POSITION POSTED	<input type="checkbox"/> YES <input type="checkbox"/> NO Methodology & Response: N/A – Elected by the Pomerado Hospital Medical Staff
	ALTERNATIVES/IMPACT	N/A
	DUTIES	Defined in the Pomerado Hospital Medical Staff Bylaws. May include: <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	Agreement templates were developed by legal counsel. The positions are voted upon by Active members of the Medical Staff.
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> VP <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Committee <u>FINANCE</u> <input checked="" type="checkbox"/> BOD

December 2006 & YTD FY2007 Financial Report

TO: Board Finance Committee

MEETING DATE: Tuesday, January 23, 2007

FROM: Robert Hemker, CFO

Background: The Board Financial Reports (unaudited) for December 2006 and YTD FY2007 are submitted for the Committee's approval (*Addendum F*).

Budget Impact: N/A

Staff Recommendation: Staff recommends approval.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

2007 Finance Committee Meeting Dates

TO: Finance Committee
MEETING DATE: Tuesday, January 23, 2007
FROM: Tanya Howell, Secretary
BY: Bob Hemker, CFO

Background: Based on key financial dates regarding the monthly closing of financial results, as well as the calendars of the Board members on the Committee, Finance Committee meetings for the 2006 calendar year were held during the last week of the month.

The Board members on the Finance Committee having remained constant for the 2007 calendar year, the last Tuesday evening of the month will be discussed as the choice for the monthly meetings of the Finance Committee, except for the months of November/December, which have historically been held in a combined meeting on the first Tuesday of December. Alternatively, the meetings could be held on the fourth (4th) Tuesday (3 remaining months have 5 Tuesdays); or as daytime meetings.

Preliminary schedule—with the meetings rotating between Pomerado Hospital and Palomar Medical Center (as available)—is attached, based upon historical practice.

Budget Impact: N/A

Staff Recommendation: Meeting schedule as per discussion and Committee consensus.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

**PALOMAR POMERADO HEALTH
FINANCE COMMITTEE MEETING SCHEDULE
CALENDAR YEAR 2007**

Last Tuesday of every month¹

Meeting start time is 6:00 p.m. for all meetings, preceded by dinner² at 5:30 p.m.

DATE

Tuesday
January 23, 2007

Tuesday
February 27, 2007

Tuesday
March 27, 2007

Tuesday
April 24, 2007

Tuesday
May 29, 2007

LOCATION OF MEETING

Administrative Offices
Conference Rooms B&C

Palomar Medical Center
Graybill Auditorium

Pomerado Hospital
Conference Room E

Palomar Medical Center
Graybill Auditorium

Pomerado Hospital
Conference Room E



MAY 2007

**Budget Workshop & Board Meeting
Full Board Attendance**

**Palomar Medical Center
Graybill Auditorium**

Tuesday
June 26, 2007

Palomar Medical Center
Graybill Auditorium

Tuesday
July 31, 2007

Pomerado Hospital
Conference Room E

Tuesday
August 28, 2007

Palomar Medical Center
Graybill Auditorium

Tuesday
September 25, 2007

Pomerado Hospital
Conference Room E

Tuesday
October 30, 2007

Palomar Medical Center
Graybill Auditorium

Tuesday
December 4, 2007

Pomerado Hospital
Conference Room E

¹ **Exceptions noted in red**

² **Dinner will be catered at Palomar Medical Center and via the cafeteria line at Pomerado Hospital**