

# ADDENDUM A



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

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

Graybill Auditorium

Tuesday, September 26, 2006, Meeting Minutes

AGENDA ITEM	DISCUSSION	CONCLUSION/ACTION	FOLLOW UP
<b>NOTICE OF MEETING</b>	The notice of meeting was mailed before close of business on Friday, September 22, 2006, which is consistent with legal requirements		
<b>MEETING CALLED TO ORDER</b>	6:07 p.m. by Chairman Ted Kleiter		
<b>ESTABLISHMENT OF QUORUM</b>	By roll call. Present: Directors Nancy Bassett, R.N., Linda Greer, R.N., Ted Kleiter and Marcelo Rivera, M.D. Finance Committee Members Michael Covert and Robert Trifunovic, M.D. Absent: Paul Tornambe, M.D.		
<b>ATTENDANCE</b>	Gerald Bracht, Bob Hemker and Assistant Tanya Howell. Director Gary Powers also attended as a guest.		
<b>PUBLIC COMMENTS</b>	There were no public comments.		
<b>INFORMATION ITEMS</b>	<ul style="list-style-type: none"> <li>• Bob Hemker announced that – effective this Friday, September 29, 2006 – Ted Kleiter will be the new Chairman of the Association of California Healthcare District’s (ACHD) Board of Directors, having been elected to a two-year term.</li> <li>• Bob Hemker reported that Federal CMS had placed a mandatory delay in the processing of Medicare payments (9-day hold-back). Common practice within California’s Medi-Cal at fiscal year end, but not as common with Medicare. Estimated impact is \$2.4-2.5 million. Final impact will be reported at the next Finance Committee meeting.</li> <li>• The Service Line Administrator’s workgroup is meeting to identify new projects and programs/initiatives for the District. They will be reporting their priority initiatives at the next EMT Business Matters meeting.</li> <li>• Bob Hemker reported that PPH is participating in a pilot program with Care Payment, which provides credit cards for individuals to use as a payment method of last resort, after all other benefits and payment options are exhausted. There is a hierarchy of criteria for eligibility. The cards are discounted to Care Payment, and the individuals make a 2-year payback at 4%. Contract with Care Payment is a guarantee of \$86 back on each \$100. Management will monitor the pilot project before going public with any announcements regarding the program.</li> </ul>		<ul style="list-style-type: none"> <li>• Impact of CMS hold-back to be reported at October 31, 2006, meeting</li> <li>• Program Review Schedule for the next 12 months to be presented at the October 31, 2006, meeting</li> </ul>
<b>MINUTES</b> AUGUST 29, 2006	No discussion.	<b>MOTION:</b> By Director Bassett, seconded by Director Greer and carried, to approve the Minutes from the August 29, 2006, Finance Committee	

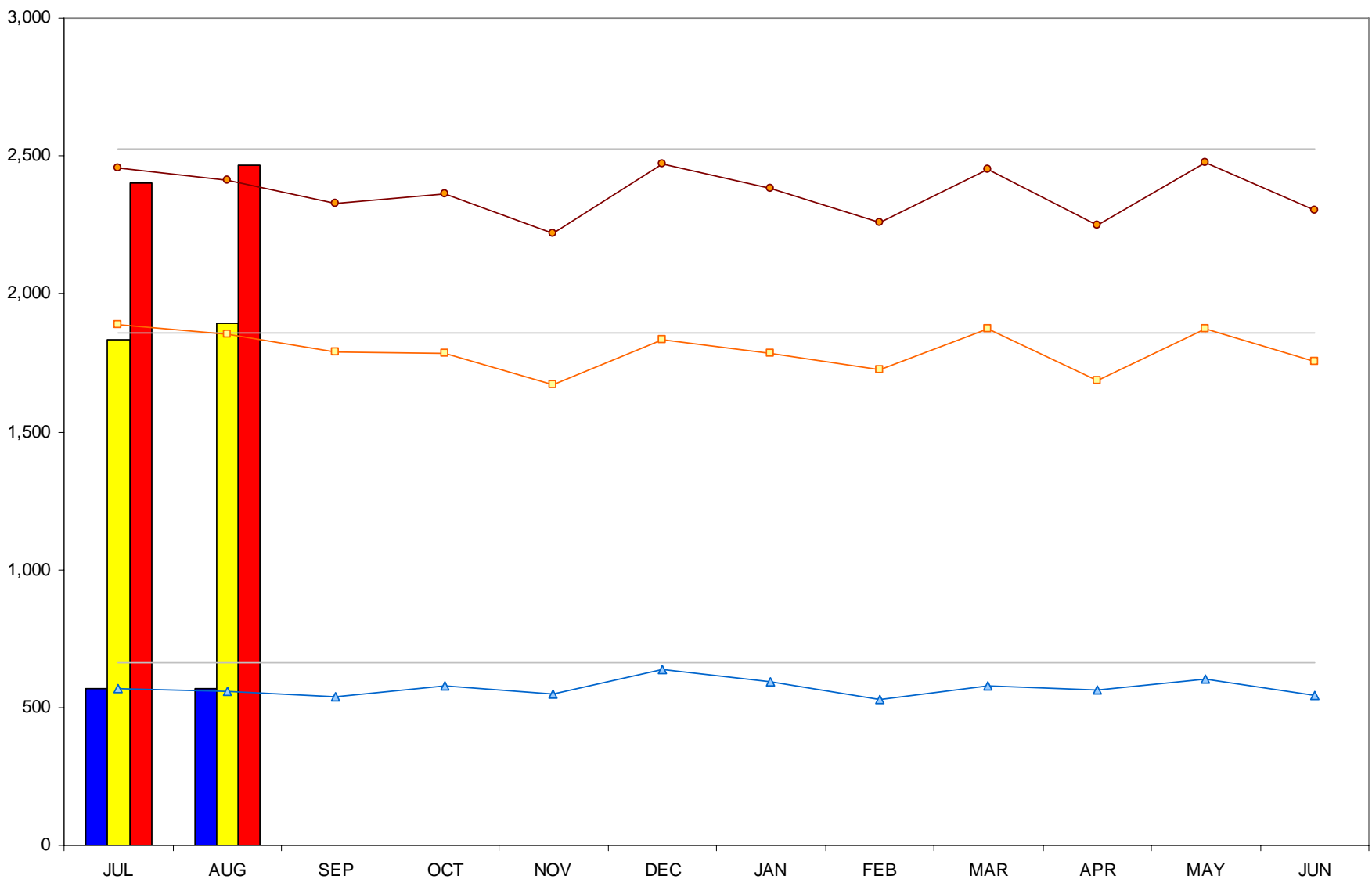
AGENDA ITEM	DISCUSSION	CONCLUSION/ACTION	FOLLOW UP <b>A-2</b>
		meeting.	
<b>PHYSICIAN RECRUITMENT AGREEMENTS</b>			
ALLEN K. CHAN, M.D.	<p>Marcia Jackson introduced Jackie Forsythe, the new Director of Physician Recruitment, who provided information regarding Dr. Chan</p> <ul style="list-style-type: none"> <li>• Vascular surgeon from Corona who will be opening a solo practice</li> <li>• Signed the standard agreement w/no changes</li> <li>• Interviewed with all the groups, has agreed to take call and will be on the trauma panel, as well as go to both hospitals as needed</li> <li>• Start date is December 1, 2006</li> </ul>	<b>MOTION:</b> By Michael Covert, seconded by Director Greer and carried to approve the Physician Recruitment Agreement with Allen K. Chan, M.D.	Forwarded to the October 9, 2006, Board of Directors meeting with a recommendation for approval.
SERGE KASKA, M.D.	Marcia Jackson stated that the Agreement with Dr. Kaska was not ready to move forward and requested that this item be removed from the agenda.		
<b>AUGUST 2006 &amp; YTD FY2007 FINANCIAL REPORT</b>	<p>Utilizing the presentation included in Addendum C of the agenda packet, Bob Hemker discussed the financial statements. He also introduced a set of schedules that display the current financial standings in relation to the FY2007 Budget in graph format. These graphs will become a regular part of the presentation going forward (<i>attached</i>):</p> <ul style="list-style-type: none"> <li>• Volume YTD is down to budget and level year-on-year</li> <li>• Acute Patient Days are up about 1.8% to budget but down about 5.7% FYTD</li> <li>• Weighted Patient Days are down about 3.7% to budget and up about 2.9% year-on-year, with more ambulatory business driving patient days <ul style="list-style-type: none"> <li>o Gerald Bracht reported that PMC is focusing on LOS issues and is dedicated to ensuring accurate and appropriate LOS</li> </ul> </li> <li>• Births were down at POM, both against budget and year-on-year, with a low LOS for births</li> <li>• Surgeries combined were down for inpatient but up for outpatient <ul style="list-style-type: none"> <li>o Discussion of surgical staff changes at PMC and anticipated increase in surgeries</li> </ul> </li> <li>• ED visits are up 1.8% year-on-year <ul style="list-style-type: none"> <li>o Total visits into admissions were about 17.9%, compared to 18.1% last year</li> <li>o Origin of admissions: 51.5% from ED vs. 51.2% last year</li> </ul> </li> <li>• Trauma showed a definitive growth in August vs. July <ul style="list-style-type: none"> <li>o Discussion regarding whether it would be possible/worthwhile to track whether trauma cases occurring within the district boundaries were actually transported elsewhere <ul style="list-style-type: none"> <li>■ It is possible w/specifcs on cases</li> <li>■ Worth vs. time involved in tracking was questionable but will be accessed</li> </ul> </li> </ul> </li> <li>• Capitation Plans <ul style="list-style-type: none"> <li>o Truing up at the mid-point of the plan year <ul style="list-style-type: none"> <li>■ 3 of 4 groups are showing positive capitation, with the 4<sup>th</sup> showing signs of improvement</li> </ul> </li> </ul> </li> </ul>	<b>MOTION:</b> By Director Rivera, seconded by Director Bassett and carried to approve the August 2006 and YTD FY2007 Financial Report as presented.	<p>Forwarded to the October 9, 2006, Board of Directors meeting with a recommendation for approval.</p> <ul style="list-style-type: none"> <li>• <b>Michael Covert requested a report during the first quarter of CY2007:</b> <ul style="list-style-type: none"> <li>o <b>What was anticipated in the budget from Kaiser surgeries?</b></li> <li>o <b>How much impact has the New Vision Program had on LOS?</b></li> </ul> </li> <li>• <b>Budget line in graphs needs to be a bolder color for visibility</b></li> </ul>

AGENDA ITEM	DISCUSSION	CONCLUSION/ACTION	FOLLOW UP <b>A-3</b>
	<ul style="list-style-type: none"> <li>o How risk pool is affected when patients are in PPH facilities or sent “out of network” to non-PPH facilities was discussed, including: <ul style="list-style-type: none"> <li>▪ Contracted rates with other local providers and how charged against the risk pool</li> <li>▪ Costs associated with make/buy decisions</li> </ul> </li> <li>• Flash Report <ul style="list-style-type: none"> <li>o Each week accumulates against the MTD budget</li> <li>o Key indicators for progression of the month – high level, quick first-check monitor</li> <li>o September volume is down 8% against budget, and ADC is behind</li> </ul> </li> </ul>		
<b>2006 REVENUE BOND ISSUANCE</b> <b>STATUS, TIMELINE &amp; REQUEST FOR SPECIAL FINANCE COMMITTEE MEETING</b>	<p>The Series 2006 Revenue Bonds Time and Responsibility Schedule (presented at the August Finance Committee meeting) has been revised, with issuance pushed out to December 2006, due to:</p> <ul style="list-style-type: none"> <li>• Complexity of the financing</li> <li>• Possible re-funding of existing debt</li> <li>• Conversations with FSA and MBIA regarding insurance</li> <li>• Timing of the need for draw-downs</li> </ul> <p>Management requests a special Finance Committee meeting on Tuesday, November 14, 2006, at 6:00 p.m., to be held at the Administrative Offices on Innovation Drive.</p>	<p><b>MOTION:</b> By Director Rivera, seconded by Director Bassett and carried to schedule a Special Board Finance Committee meeting on Tuesday, November 14, 2006, at 6:00 p.m., to be held at the Administrative Offices, 15255 Innovation Drive, San Diego, CA</p>	<p>Forwarded to the October 9, 2006, Board of Directors meeting as information.</p>
<b>ADJOURNMENT</b>	<p>There being no further business, the meeting was adjourned at 7:30 p.m.</p>	<p><b>MOTION:</b> Seconded and carried for adjournment.</p>	
<p><b>SIGNATURES:</b></p> <ul style="list-style-type: none"> <li>• <b>COMMITTEE CHAIR</b> _____ T.E. Kleiter</li> <li>• <b>COMMITTEE SECRETARY</b> _____ Tanya Howell</li> </ul>			

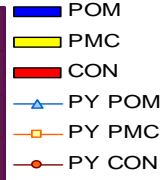
# Admissions - Acute

A-4

FISCAL YEAR 2007



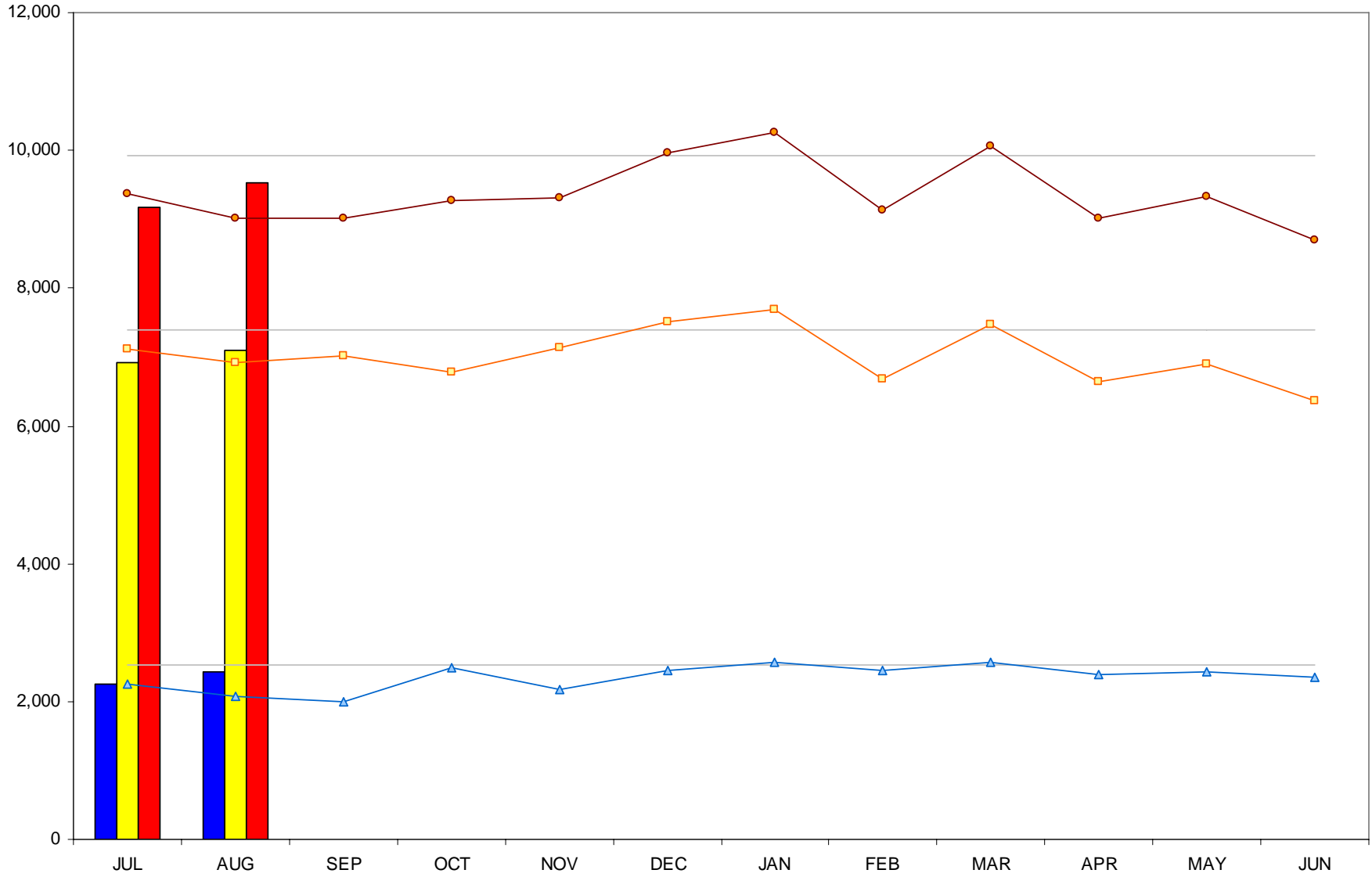
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
<b>POM</b>	570	569											1,139
<b>PMC</b>	1,832	1,895											3,727
<b>CON</b>	2,402	2,464											4,866



# Patient Days - Acute

A-5

FISCAL YEAR 2007



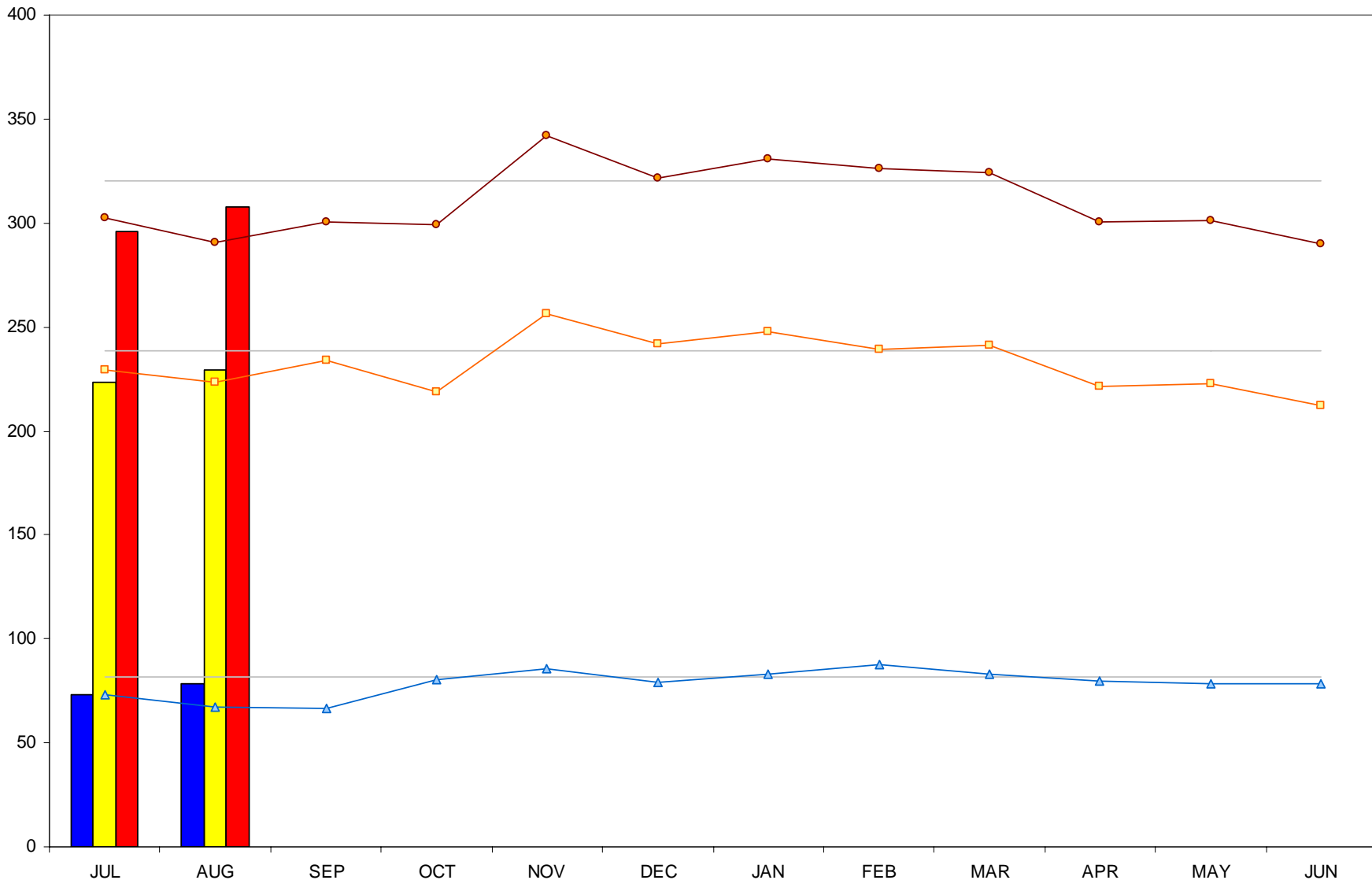
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
<b>POM</b>	2,261	2,433											4,694
<b>PMC</b>	6,919	7,102											14,021
<b>CON</b>	9,180	9,535											18,715

■ POM  
■ PMC  
■ CON  
▲ PY POM  
■ PY PMC  
● PY CON

# Average Daily Census - Acute

A-6

FISCAL YEAR 2007



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
<b>POM</b>	73	78											76
<b>PMC</b>	223	229											226
<b>CON</b>	296	308											302

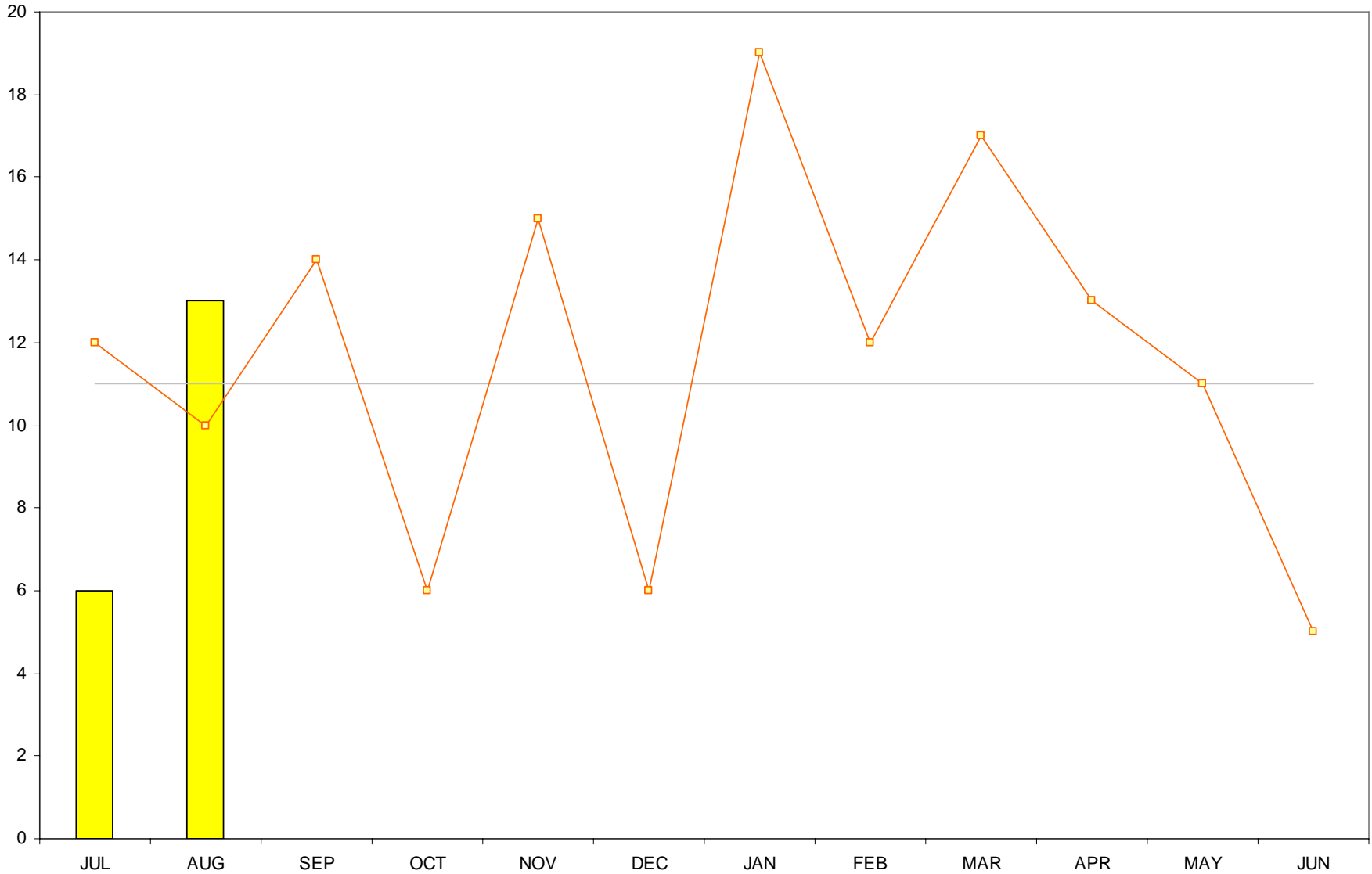
- POM
- PMC
- CON
- ▲ PY POM
- PY PMC
- PY CON



# Surgeries – CVS Cases

A-7

FISCAL  
YEAR  
2007



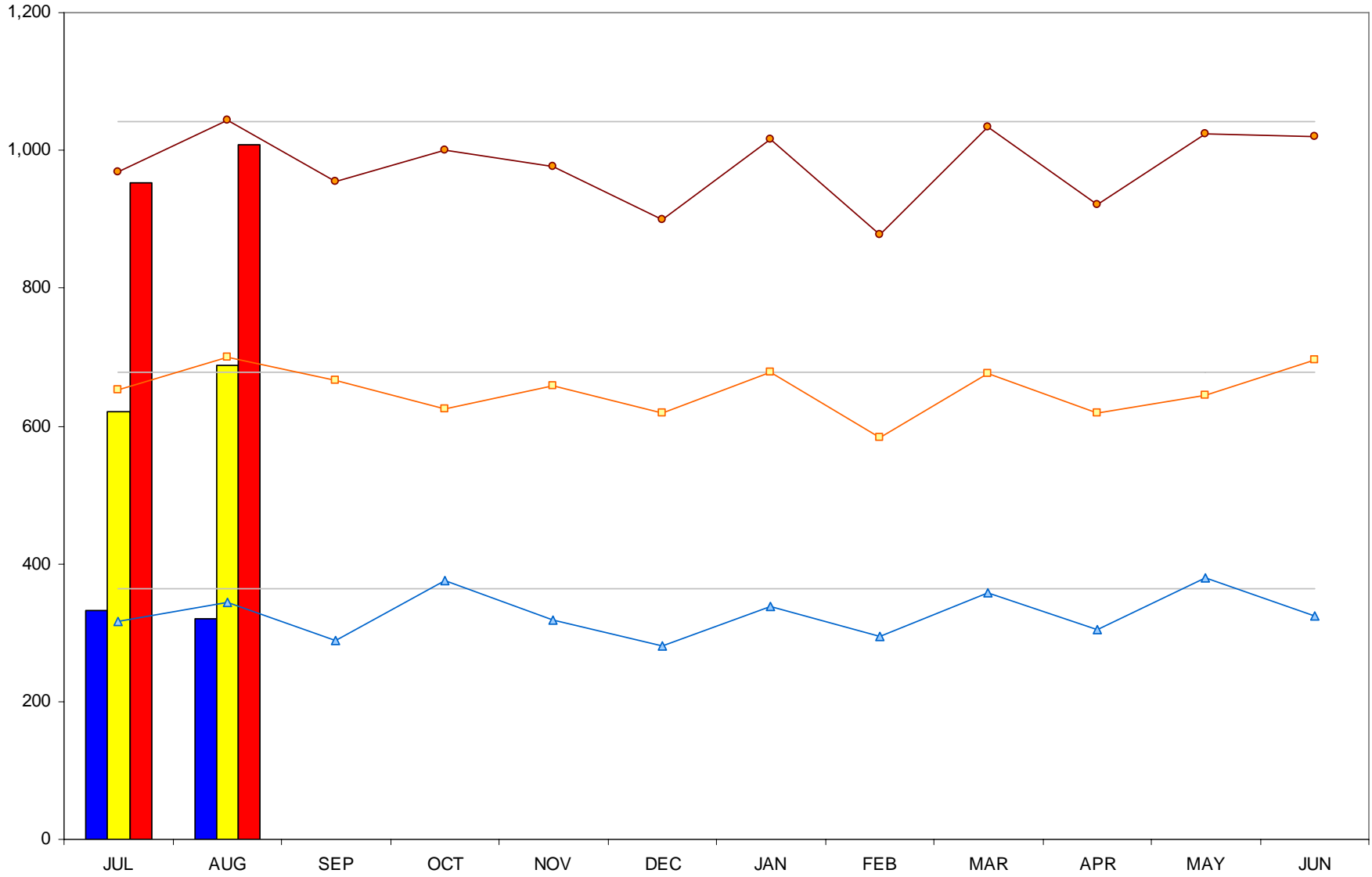
Month	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
PMC	6	13											19

- POM
- PMC
- CON
- ▲ PY POM
- ◻ PY PMC
- PY CON

# Total Surgeries

A-8

FISCAL  
YEAR  
2007



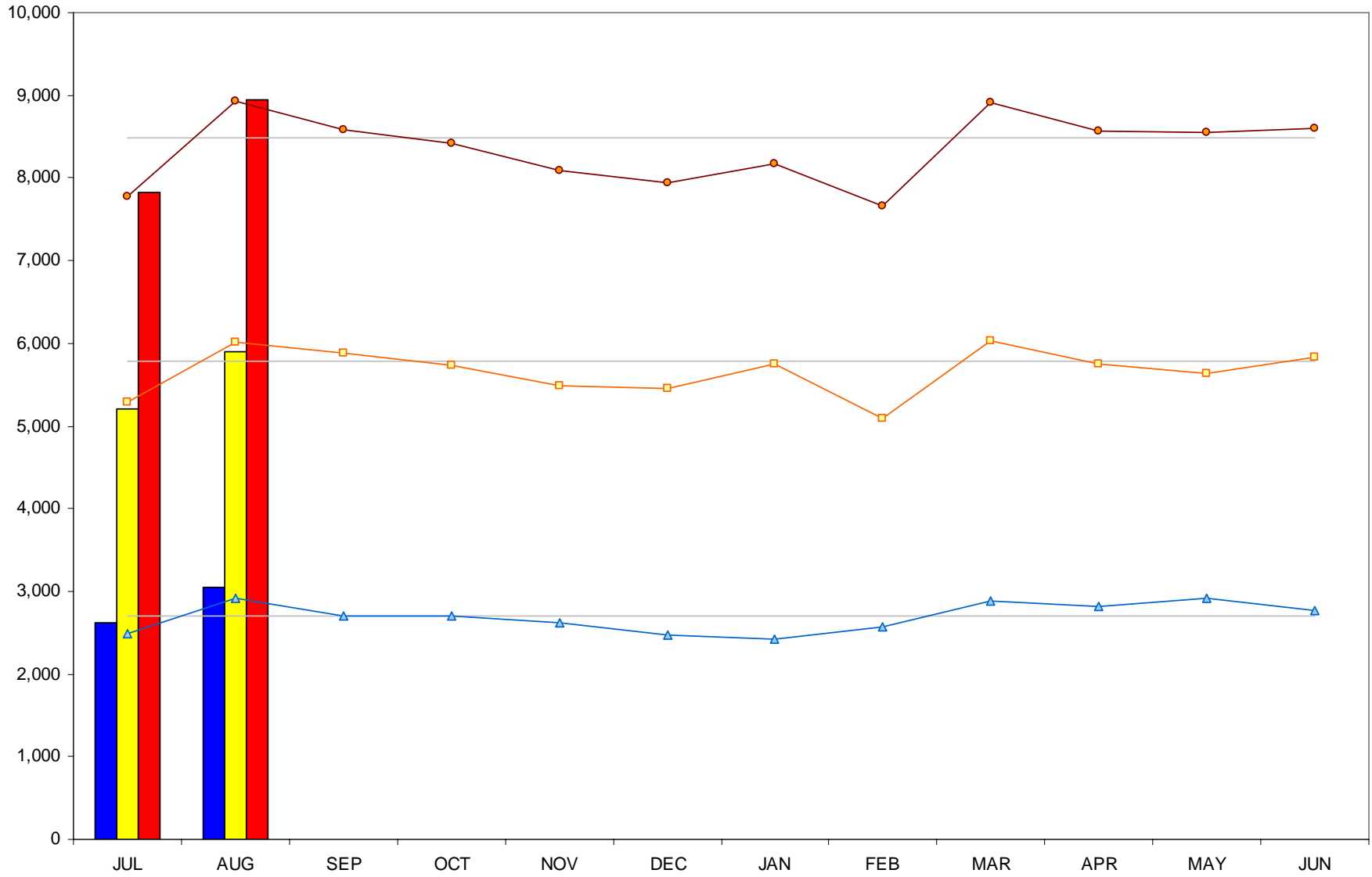
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
<b>POM</b>	332	321											653
<b>PMC</b>	621	688											1,309
<b>CON</b>	953	1,009											1,962

- POM
- PMC
- CON
- ▲ PY POM
- ◻ PY PMC
- PY CON

# Outpatient Registrations

A-9

FISCAL YEAR 2007



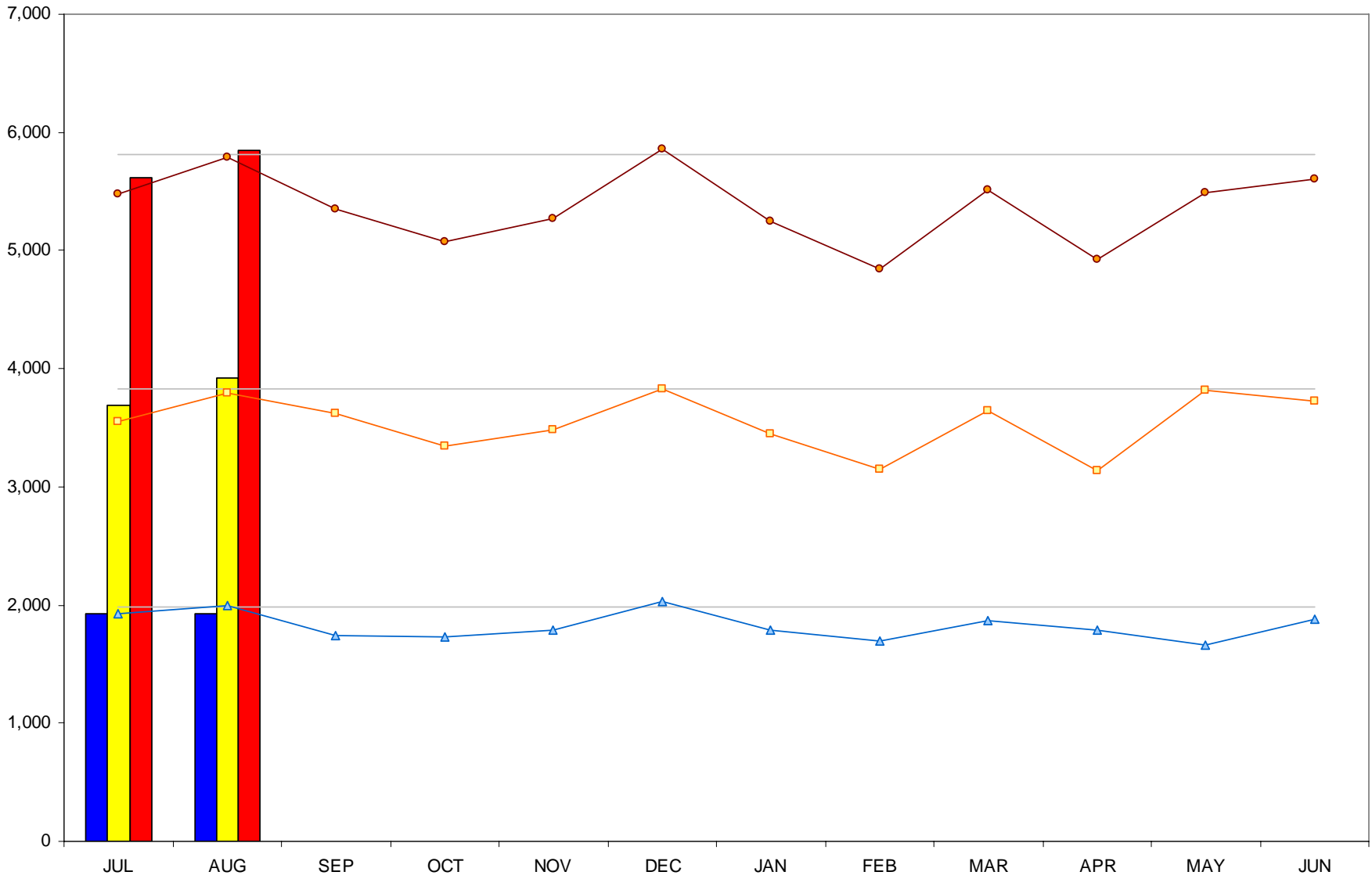
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
<b>POM</b>	2,615	3,044											5,659
<b>PMC</b>	5,204	5,900											11,104
<b>CON</b>	7,819	8,944											16,763

- POM
- PMC
- CON
- ▲ PY POM
- PY PMC
- PY CON

# ER Visits (includes Trauma)

A-10

FISCAL YEAR 2007



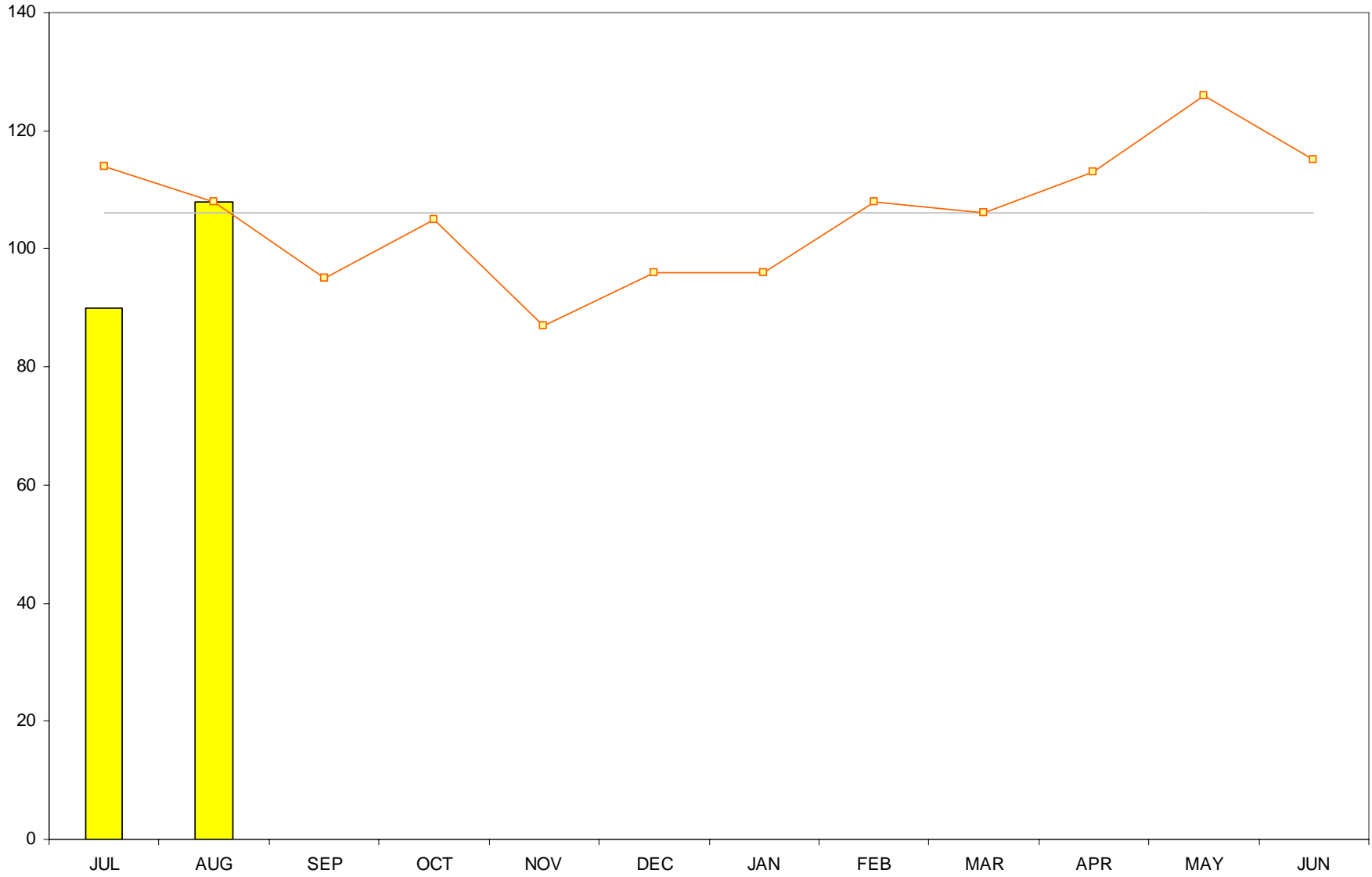
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
<b>POM</b>	1,930	1,930											3,860
<b>PMC</b>	3,685	3,916											7,601
<b>CON</b>	5,615	5,846											11,461

- POM
- PMC
- CON
- ▲ PY POM
- ◻ PY PMC
- PY CON

# Trauma Cases

A-11

FISCAL YEAR 2007



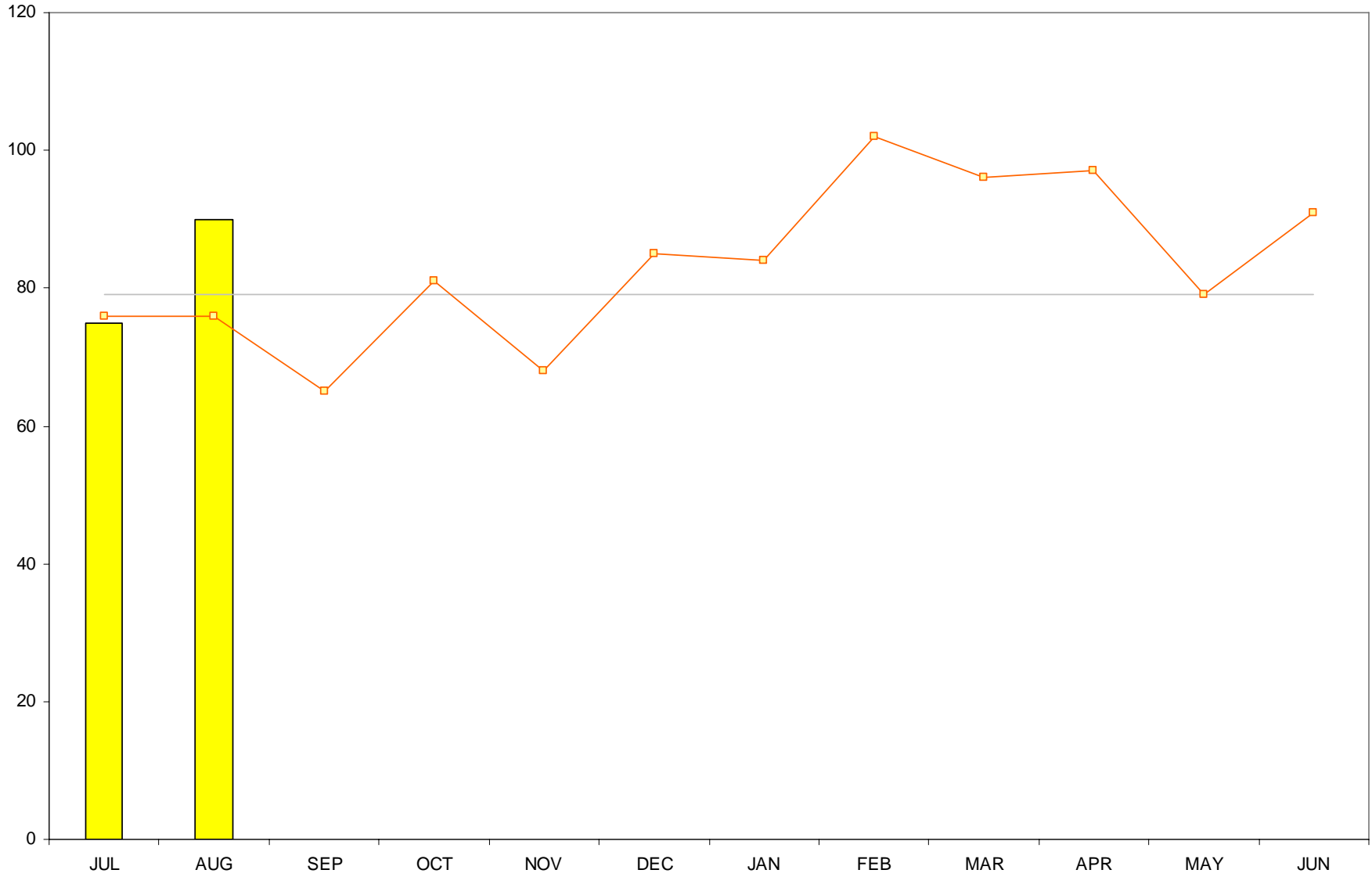
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
PMC	90	108											198

- POM
- PMC
- CON
- ▲ PY POM
- ◻ PY PMC
- PY CON

# Trauma Admissions

A-12

FISCAL YEAR 2007



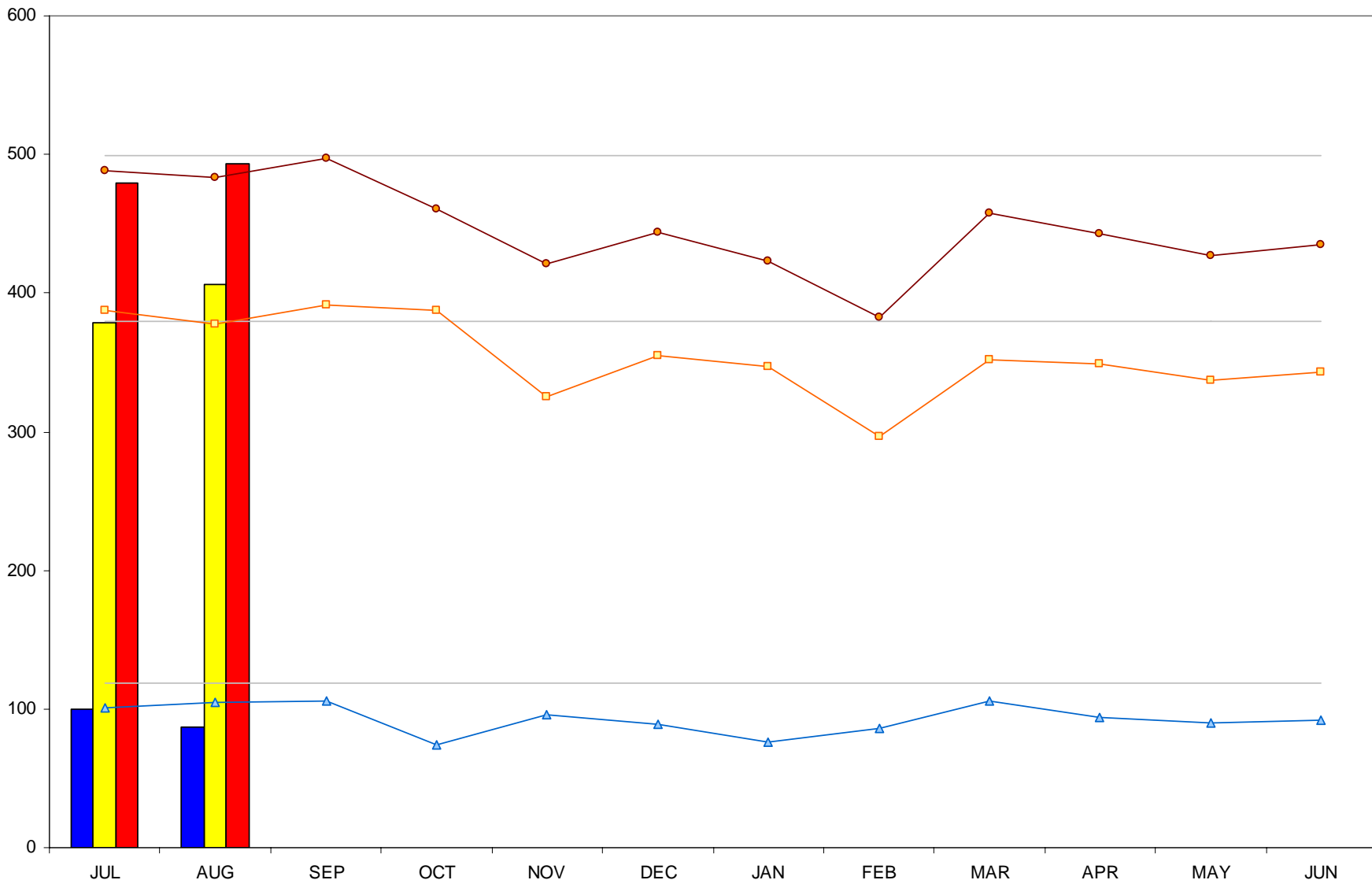
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
PMC	75	90											165

- POM
- PMC
- CON
- ▲ PY POM
- ◻ PY PMC
- PY CON

# Deliveries

A-13

FISCAL YEAR 2007



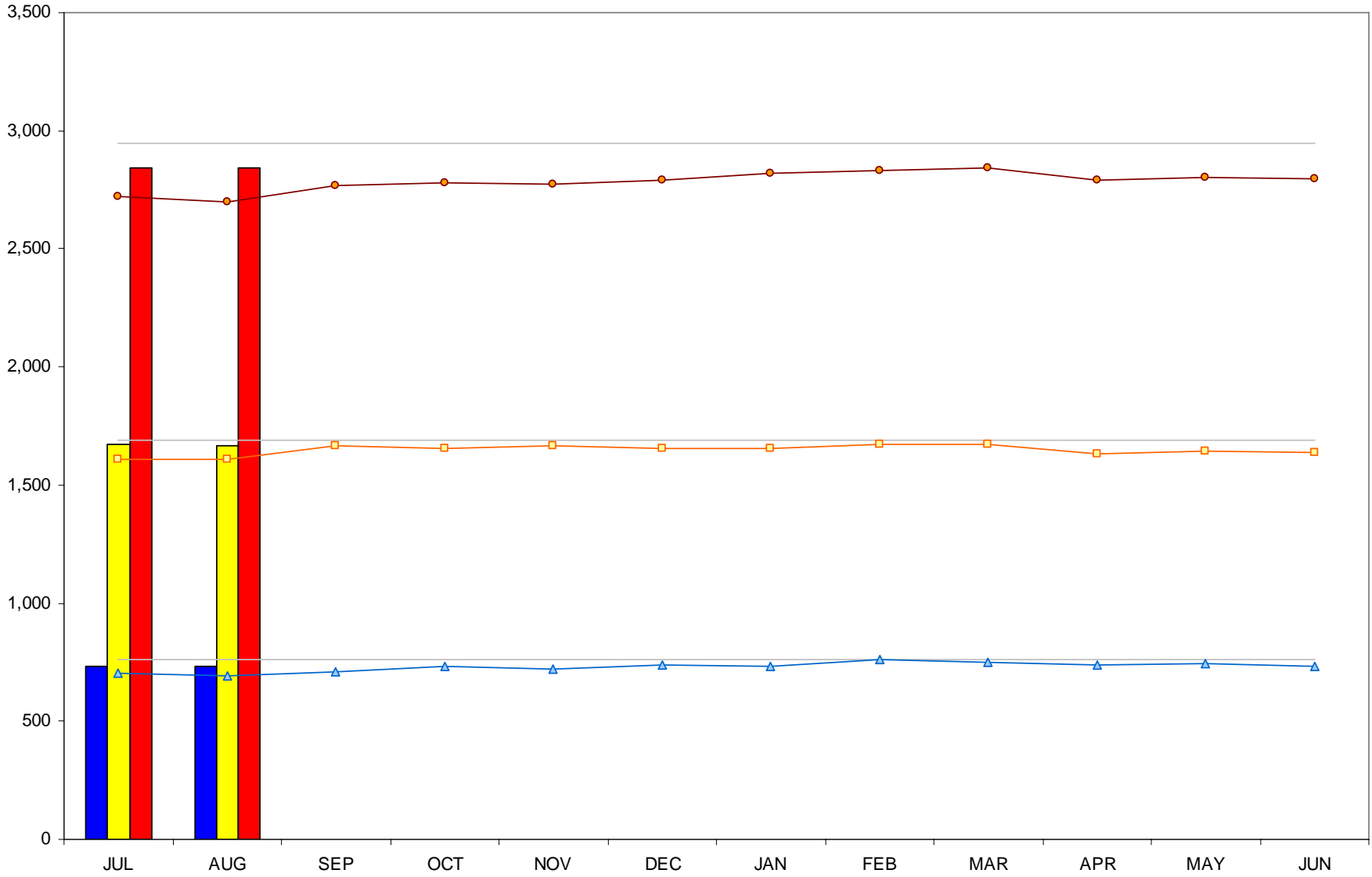
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
<b>POM</b>	100	87											187
<b>PMC</b>	379	406											785
<b>CON</b>	479	493											972

- POM
- PMC
- CON
- ▲ PY POM
- ◻ PY PMC
- PY CON

# Paid Full-Time Equivalents

A-14

FISCAL YEAR 2007



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
<b>POM</b>	733	735											734
<b>PMC</b>	1,672	1,667											1,670
<b>CON</b>	2,843	2,845											2,844

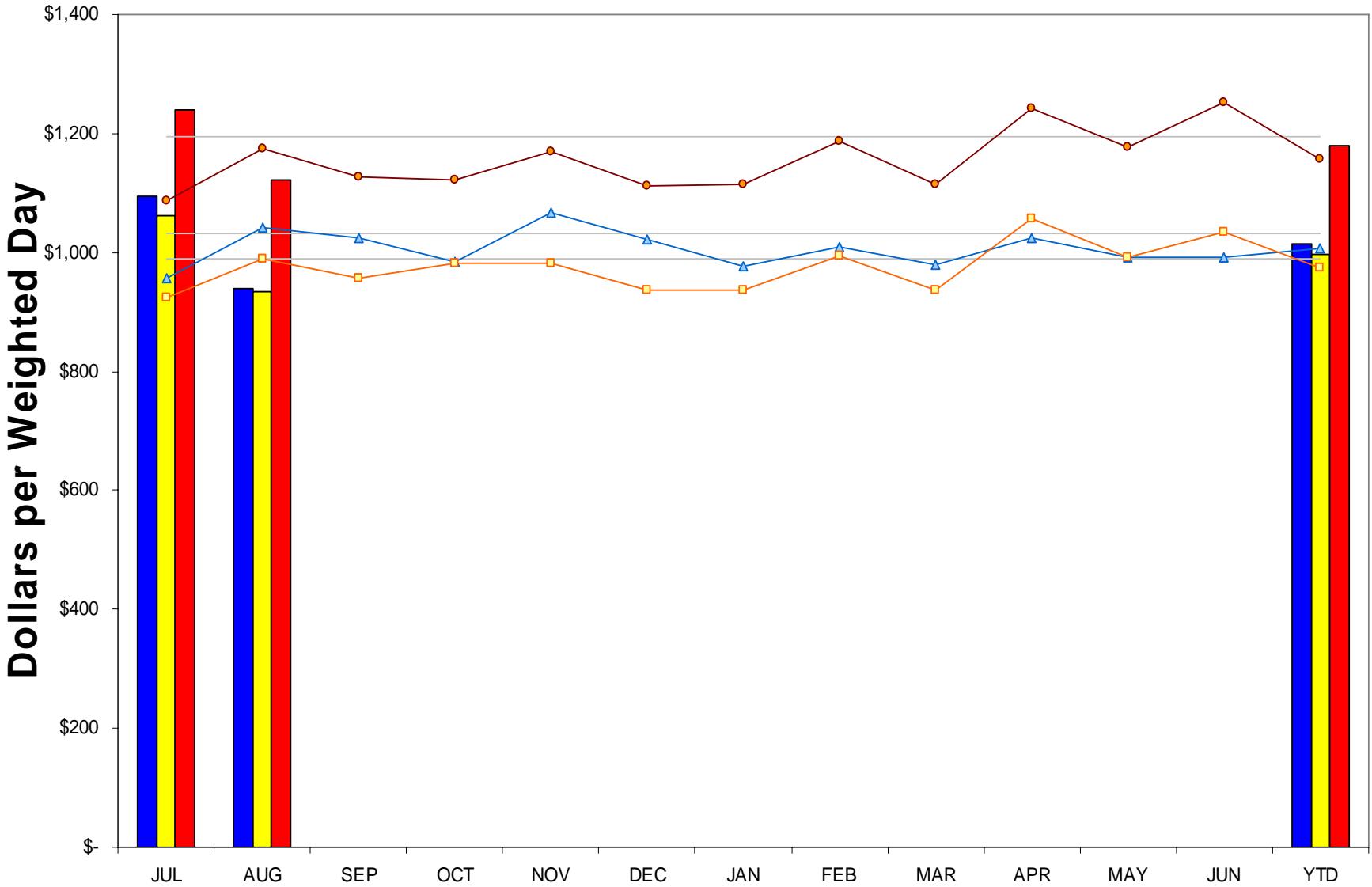
- POM
- PMC
- CON
- ▲ PY POM
- ◻ PY PMC
- PY CON



# Total Salaries per Weighted Patient Days

A-15

FISCAL YEAR 2007

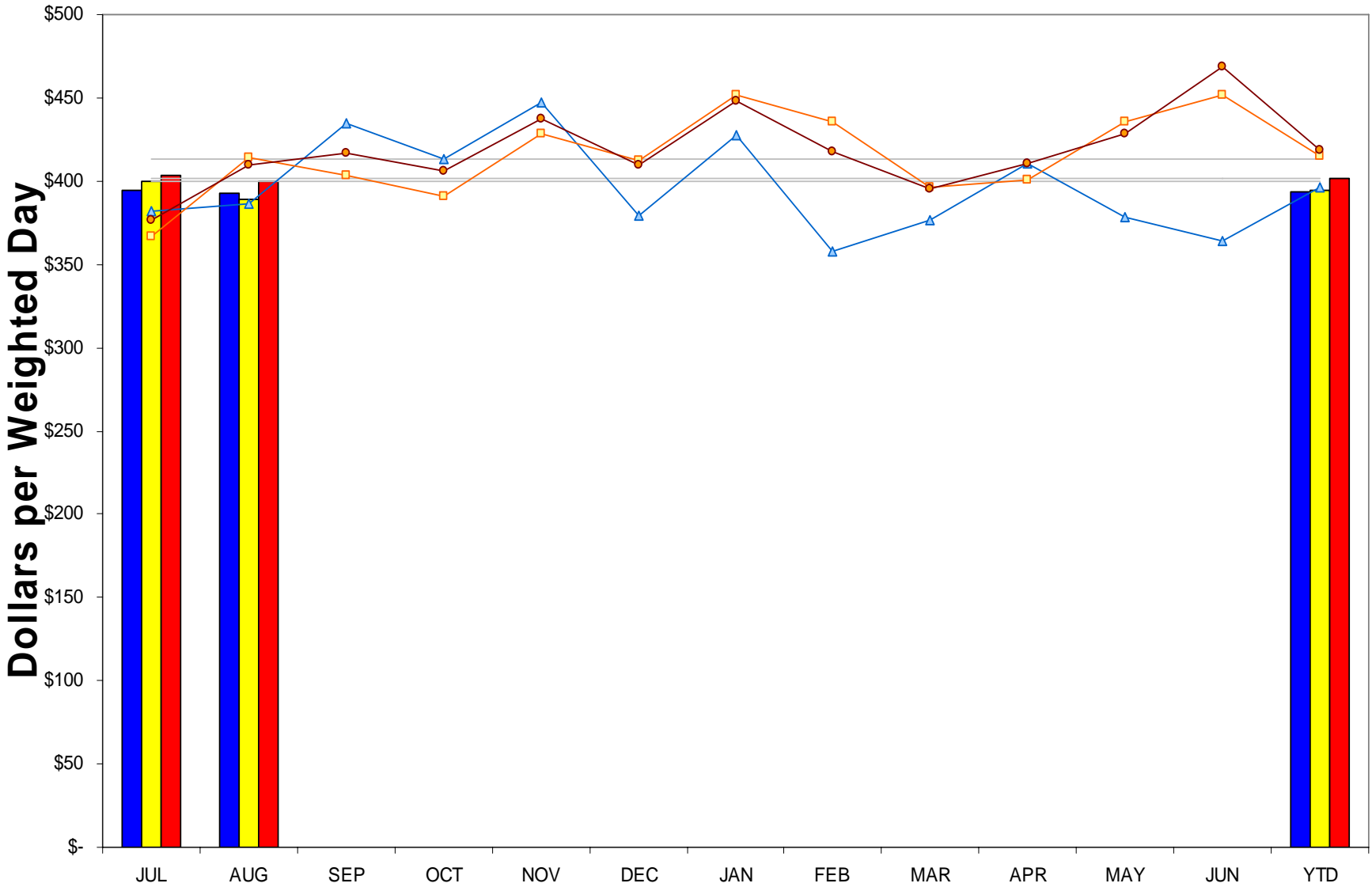


	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
<b>POM</b>	1,094	940											1,014
<b>PMC</b>	1,063	935											998
<b>CON</b>	1,239	1,122											1,179

- █ POM
- █ PMC
- █ CON
- ▲ PY POM
- ◻ PY PMC
- PY CON

# Supplies per Weighted Patient Days A-16

FISCAL YEAR 2007



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
POM	394	393											394
PMC	400	389											395
CON	404	399											401

- █ POM
- █ PMC
- █ CON
- ▲ PY POM
- ◻ PY PMC
- PY CON

# Flash Report – September 06 week #3

A-17

Month: September 2006	Week 1	Week 2	Week 3	Week 4	MTD Total	MTD Budget	% Variance
ADC (Acute)	291	297	292		880	960	(8.36)
PMC	215	221	224		660	717	(7.95)
POM	76	77	68		221	243	(9.17)
PCCC	93	91	92		276	267	3.53
VP	123	123	123		369	372	(0.69)
Patient Days (Acute)	2,036	2,080	2,042		6,158	6,721	(8.38)
PMC	1,505	1,544	1,568		4,617	5,010	(7.84)
POM	532	536	474		1,542	1,712	(9.90)
PCCC	657	640	647		1,944	1,861	4.48
VP	865	859	864		2,588	2,604	(0.61)
Discharges	520	537	541		1,598	1,710	(6.56)
PMC	382	407	422		1,211	1,260	(3.89)
POM	138	130	119		387	450	(14.02)
Number of Surgeries	218	219	232		669	705	(5.09)
PMC	150	139	165		454	459	(0.98)
POM	68	80	67		215	246	(12.74)
Number of Births	93	116	124		333	337	(1.30)
PMC	70	92	106		268	257	4.32
POM	23	24	18		65	81	(19.25)
Outpatient Visits (inc. Lab)	1,836	1,691	1,609		5,136	5,873	(12.55)
PMC	1,210	1,117	1,093		3,420	4,046	(15.47)
POM	626	574	516		1,716	1,827	(6.08)
ER Visits	1,629	1,530	1,656		4,815	4,822	(0.15)
PMC	1,111	1,006	1,117		3,234	3,244	(0.30)
POM	518	524	539		1,581	1,579	0.16
Trauma Visits	22	20	19		61	72	(15.40)
IP	20	14	10		44	54	(18.37)
OP	2	6	9		17	18	(6.59)

# Flash Report – September 06 week #3

A-18

Month: September 2006	Week 1	Week 2	Week 3	Week 4	MTD Total	MTD Budget	% Variance
Gross IP Revenue	16,190,145	15,913,988	16,156,700		48,260,833	56,161,596	(14.07)
Gross OP Revenue	4,302,160	4,661,595	4,948,350		13,912,105	15,854,100	(12.25)
Cash Collection	5,666,132	6,372,003	5,868,125		17,906,260	22,335,580	(19.83)
Days cash on hand			117		117	80	
Productive Hours	204,317		199,726		404,043	414,185	2.45
PMC	24,393		23,546		47,939	49,986	4.10
POM	24,256		22,369		46,625	45,673	(2.08)
Others	155,668		153,811		309,479	318,526	2.84
Productive Dollars	5,989,929		5,973,757		11,963,686	12,517,666	4.43
PMC	780,941		765,552		1,546,493	1,598,688	3.26
POM	390,505		369,556		760,061	731,766	(3.87)
Others	4,818,483		4,838,649		9,657,132	10,187,212	5.20