

PALOMAR
POMERADO
HEALTH
SPECIALIZING IN YOU

**BOARD OF DIRECTORS
AGENDA PACKET**

April 14, 2008

*The mission of Palomar Pomerado Health
is to heal, comfort and promote health
in the communities we serve.*

A California Health Care District (Public Entity)

PALOMAR POMERADO HEALTH BOARD OF DIRECTORS

Bruce G. Krider, MA, Chairman
Marcelo R. Rivera, MD, Vice Chairman
Linda Bailey, Secretary
T. E. Kleiter, Treasurer
Nancy L. Bassett, RN, MBA
Linda C. Greer, RN
Alan W. Larson, MD

Michael H. Covert, President and CEO

*Regular meetings of the Board of Directors are usually held on the second Monday
of each month at 6:30 p.m., unless indicated otherwise
For an agenda, locations or further information
call (858) 675-5106, or visit our website at www.pph.org*

MISSION STATEMENT

***The Mission of Palomar Pomerado Health is to:
Heal, Comfort, Promote Health in the Communities we Serve***

VISION STATEMENT

***Palomar Pomerado Health will be the health system of choice for patients, physicians and employees,
recognized nationally for the highest quality of clinical care and access to comprehensive services***

CORE VALUES

Integrity

To be honest and ethical in all we do, regardless of consequences

Innovation and Creativity

To courageously seek and accept new challenges, take risks, and envision new and endless possibilities

Teamwork

To work together toward a common goal, while valuing our difference

Excellence

To continuously strive to meet the highest standards and to surpass all customer expectations

Compassion

*To treat our patients and their families with dignity, respect and empathy at all times and
to be considerate and respectful to colleagues*

Stewardship

To inspire commitment, accountability and a sense of common ownership by all individuals

Affiliated Entities

Escondido Surgery Center * Palomar Medical Center * Palomar Medical Auxiliary & Gift Shop * Palomar Continuing Care Center *
Palomar Pomerado Health Foundation * Palomar Pomerado Home Care * Pomerado Hospital * Pomerado Hospital Auxiliary & Gift Shop *
San Marcos Ambulatory Care Center * Ramona Radiology Center * VRC Gateway & Parkway Radiology Center * Villa Pomerado
• Palomar Pomerado Health Concern* Palomar Pomerado Health Source*Palomar Pomerado North County Health Development, Inc.*
• North San Diego County Health Facilities Financing Authority*

PALOMAR POMERADO HEALTH
BOARD OF DIRECTORS
REGULAR MEETING AGENDA

Monday, April 14, 2008

Commences 6:30 p.m.

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

Mission and Vision

*"The mission of Palomar Pomerado Health is to heal, comfort and
promote health in the communities we serve."*

*"The vision of PPH is to be the health system of choice for patients,
physicians and employees, recognized nationally for the highest quality
of clinical care and access to comprehensive services."*

	<u>Time</u>	<u>Page</u>
I. CALL TO ORDER		
II. OPENING CEREMONY	2 min	
A. Pledge of Allegiance		
III. PUBLIC COMMENTS	5	
<i>(5 mins allowed per speaker with cumulative total of 15 min per group – for further details & policy see Request for Public Comment notices available in meeting room).</i>		
IV. * MINUTES	5	
Regular Board Meeting – March 10, 2008 <i>(separate cover)</i>		
V. * APPROVAL OF AGENDA to accept the Consent Items as listed	5	1-120
A. Consolidated Financial Statements		
B. Revolving Fund Transfers/Disbursements – March, 2008		
1. Accounts Payable Invoices	\$31,322,577.00	
2. Net Payroll	<u>10,016,481.00</u>	
Total	<u>\$41,339,058.00</u>	
C. Ratification of Paid Bills		
D. February 2008 & YTD FY2008 Financial Report		
E. Physician Recruitment Agreement – Family Medicine – Ving Yam, D.O. commencing practice April 2008 with Dr. Weinberg		

*"In observance of the ADA (Americans with Disabilities Act), please notify us at 858-675-5106,
48 hours prior to the meeting so that we may provide reasonable accommodations"*

*Asterisks indicate anticipated action;
Action is not limited to those designated items.*

- F. **Medical Director Agreement – Physician Advisor Pomerado Bariatric Program – Charles D. Callery, MD [April 1, 2008 – March 31, 2010]**
- G. **Auction Rate Securities**
- H. **PPH Board Policies – GOV-03; GOV-13; GOV-14; GOV-16; GOV-19; GOV-20; FIN-05**

VI. PRESENTATIONS - *None*

VII. REPORTS

- A. **Medical Staffs** 10
 - * 1. Palomar Medical Center – *John J. Lilley, M.D.*
 - a. Credentialing/Reappointments 121-130
 - b. PPH Credentialing Process – *including by Benjamin Kanter, M.D.* 131-134
 - * 2. Pomerado Hospital – *Benjamin Kanter, M.D.*
 - a. Credentialing/Reappointments 135-136
 - b. Proposed Revisions to Anesthesia Rules & Regulations 137
 - c. Proposed Revisions to Pomerado Hospital Bylaws/Rules and Regulations/Credentials Policy Manual 138-157
- B. **Administrative**
 - 1. Chairman of Palomar Pomerado Health Foundation – *Al Stehly*
 - a. Update on PPHF Activities 5 *Verbal Report*
 - 2. Chairman of the Board – *Bruce G. Krider, M.A.* 10 *Verbal Report*
 - a. Presentation of 5-year Employee Anniversary (1/03) Award Pin to Michael H. Covert, FACHE, President & CEO 158
 - b. Annual Board CEO Evaluation Meeting held March 24
 - c. Invitation to City of Escondido to send a regular guest to PPH Facilities & Grounds Committee
 - d. Special Board Educational Session April 10 – Annual Nursing Report
 - e. 5th Annual Leadership Banquet April 11
 - f. Upcoming Annual Board Self-Evaluation Meeting April 21; and Special Board Educational Training April 22
 - 3. President and CEO – *Michael H. Covert, FACHE* 10 *Verbal Report*
 - a. Welcome to David Tam, MD, COO, Pomerado Hospital
 - b. Receipt of \$25,000 Grant awarded by Cardinal Health to PPH
 - c. Recognition of Bradley Wiscons, CAPE Examiner of the Year Award
 - d. 2008 VHA Leadership Award for Clinical Excellence, May 4, Philadelphia (clinical performance – acute myocardial infarction)

*Asterisks indicate anticipated action;
Action is not limited to those designated items.*

- e. Acknowledgement of Social Work Month
- f. Quarterly Reports from Executive Staff
 - i. Lorie Shoemaker, Chief Nurse Executive
 - ii. Sheila Brown Clinical Outreach
 - iii. Gerald Bracht, Palomar Medical Center
 - iv. David Tam, MD, Pomerado Hospital

VIII. INFORMATION ITEMS *(Discussion by exception only)* 159-186

A. Annual Review of HR Committee section of PPH Bylaws	Human Resources
B. Quarterly HR Report	Human Resources
C. Position Comparison	Human Resources
D. Hiring of Military Corpsmen	Human Resources
E. Smoke Free Environment	Human Resources
F. Long Term Care Strategy Development	Strategic Planning
G. Physician Recruitment Update	Strategic Planning
H. Strategic Planning Retreat Discussion	Strategic Planning
I. Interior Design Process Discussion	Strategic Planning
J. Landscape Community Involvement	Strategic Planning
K. Internal Audit Policy	Audit & Compliance
L. Business Standards of Conduct	Audit & Compliance
M. Internal Control Risk Assessment Process 2008	Audit & Compliance
N. Vontu/Cyber Watch	Audit & Compliance
O. Revised Committee Charter	Audit & Compliance
P. HIPAA Audit	Audit & Compliance
Q. 3M Audit Expert installation	Audit & Compliance
R. Proposal for new Board Policy – Use of External Legal Services	Governance
S. Proposed Overall Review of PPH Bylaws	Governance
T. Overview of PMC and Pomerado Medical Staffs’ Bylaws	Governance
U. Governance Committee Accomplishments Update	Governance
V. Annual Review of Governance Committee section of PPH Bylaws ; and Board Member Position Description	Governance
W. Annual Board Self-Evaluation Format Update	Governance
X. Legislative Update	Governance
Y. Round Table and Meeting Assessment	Governance
Z. Revised Board Policy – Charity Care	Finance

IX. COMMITTEE REPORTS -

A. <u>Governance Committee</u> - Director Linda Greer, RN, Chair	10
* 1. Approval of Change of Name of Audit Committee to Audit and Compliance Committee	187
* 2. Approval of Amendment to Strategic Planning Committee Board Member Position Description	188-190

*Asterisks indicate anticipated action;
Action is not limited to those designated items.*

- * 3. Resolution No. 04.14.08 (01) – 03 Adoption of Revised PPH Bylaws 191-216

B. Finance Committee - Director T. E. Kleiter, Chair 5

- * 1. Resolution No. 04.14.08 (02) – 04 Authorizing Utilization of the LAIF (Local Agency Investment Fund) in the State Treasury as a depository for the current authorized bond proceeds from the General Obligation Bonds, Election of 2004, Series 2007A GO Bond issue 217-222

C. Other Committee Chair Comments on Committee Highlights 10
(standing item)

Human Resources – Nancy L. Bassett, RN, MBA, Chair

Community Relations – Linda Bailey, Chair

Facilities and Grounds – Marcelo Rivera, MD, Chair

Quality Review – Marcelo Rivera, MD, Chair

Strategic Planning – Alan W. Larson, MD, Chair

Audit and Compliance – Linda Greer, RN, Chair

Governance – Linda Greer, RN, Chair

Finance – T. E. Kleiter, Chair

X. BOARD MEMBER COMMENTS/AGENDA ITEMS FOR NEXT MONTH

XI. ADJOURNMENT

*Asterisks indicate anticipated action;
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**PALOMAR POMERADO HEALTH
CONSOLIDATED DISBURSEMENTS
FOR THE MONTH OF
MARCH 2008**

02/01/08	TO	02/29/08	ACCOUNTS PAYABLE INVOICES	\$31,322,577.00
02/08/08	TO	02/22/08	NET PAYROLL	<u>\$10,016,481.00</u>
				\$41,339,058.00

I hereby state that this is an accurate and total listing of all accounts payable, patient refund and payroll fund disbursements by date and type since the last approval.



CHIEF FINANCIAL OFFICER

APPROVAL OF REVOLVING, PATIENT REFUND AND PAYROLL FUND DISBURSEMENTS:

Treasurer, Board of Directors PPH _____

Secretary, Board of Directors PPH _____

This approved document is to be attached to the last revolving fund disbursement page of the applicable financial month for future audit review.

cc: M. Covert, G. Bracht, R. Hemker

February 2008 & YTD FY2008 Financial Report

TO: Board of Directors

MEETING DATE: Monday, April 14, 2008

FROM: Board Finance Committee
Tuesday, March 25, 2008

BY: Robert Hemker, CFO

Background: The Board Financial Reports (unaudited) for February 2008 and YTD FY2008 are submitted for the Board's approval (*Addendum C*).

Budget Impact: N/A

Staff Recommendation: Staff recommends approval.

Committee Questions:

COMMITTEE RECOMMENDATION: The Board Finance Committee recommends approval of the Board Financial Reports (unaudited) for February 2008 and YTD FY2008.

Motion: X

Individual Action:

Information:

Required Time:

Financial Statements

February 2008

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Financial Report Narrative 3-7

Balanced Scorecard Comparisons 8

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Statistical Indicators 9-24

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Adjusted Discharges 38-43

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Year-To-Date 46-47

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Weighted Patient Days
Adjusted Discharges

Cash Flow Statement - Consolidated 60

Bond Covenant Ratios 61

Balanced Scorecard Graphs 62-64

HealthWorX Dashboard 68-70

Flash Report 71-72

Statistics

	Jan	Feb	Jan vs Feb % Change	Feb Budget	Act vs Bud % Variance
CONSOLIDATED					
Patient Days Acute	9,876	9,970	1.0%	9,041	10.3%
Patient Days SNF	6,448	5,932	-8.0%	6,125	-3.2%
ADC Acute	318.59	343.80	7.9%	311.78	10.3%
ADC SNF	208.00	204.55	-1.7%	211.21	-3.2%
Surgeries CVS Cases	11	16	45.5%	11	45.5%
Surgeries Total	1,723	1,610	-6.6%	1,582	1.8%
Number of Births	427	442	3.5%	436	1.4%
NORTH					
Patient Days Acute	7,351	7,466	1.6%	6,826	9.4%
Patient Days SNF	2,576	2,355	-8.6%	2,545	-7.5%
ADC Acute	237.14	257.46	8.6%	235.40	9.4%
ADC SNF	83.10	81.21	-2.3%	87.76	-7.5%
SOUTH					
Patient Days Acute	2,525	2,504	-0.8%	2,215	13.0%
Patient Days SNF	3,872	3,577	-7.6%	3,580	-0.1%
ADC Acute	81.45	86.34	6.0%	76.38	13.0%
ADC SNF	124.90	123.34	-1.2%	123.45	-0.1%

5

Balance Sheet

Current Cash & Cash Equivalents decreased \$4.4 million from \$79.7 million in January to \$75.3 million in February. This decrease is primarily due to the increase in Construction in Progress of \$7.7 million of which \$4.5 million was reimbursed by Bond funds. Total Cash and Investments are \$89.5 million, compared to \$95.8 million at January 31, 2008. Days Cash on Hand went from 86 days in January to 80 days in February.

Net Accounts Receivable increased to \$94.4 million in February as compared to \$92.7 million in January. Gross A/R days increased from 49.3 days in January to 50.4 days in February.

February patient account collections including capitation are \$32.0 million compared to budget of \$33.1 million. February YTD collections are \$260.1 million compared to budget of \$264.8 million.

Construction in Progress increased \$7.7 million from \$173.2 million in January to \$180.9 million in February. The increase is attributed to Building Expansion A&E Services and construction costs \$5.8 million and Pomerado Outpatient Pavilion tenant improvements \$0.5 million.

Other Current Liabilities decreased \$0.9 million from \$18.5 million to \$17.6 million primarily due to the realization of deferred property tax revenue of \$1.1 million.

Income Statement

Gross Patient Revenue for YTD reflects a favorable budget variance of \$30.6 million. The \$30.6 million favorable variance is composed of \$8.9 million unfavorable volume variance and \$39.5 million favorable rate variance based on adjusted discharges.

Routine revenue (inpatient room and board) reflects an unfavorable \$2.4 million budget variance. Inpatient Ancillary revenue represents a \$15.7 million favorable budget variance. North reflects \$7.7 million favorable variance and South reflects \$8.0 million favorable variance.

Outpatient revenue reflects a favorable budget variance of \$17.3 million. North has a \$17.8 million favorable variance. This amount is decreased by Outreach \$0.5 million unfavorable variance.

Deductions from Revenue reflect a YTD unfavorable variance of \$30.0 million. Total Deductions from Revenue is 70.32% of gross revenue compared to a budget of 69.38%. Deductions from Revenue (excluding Bad Debt/Charity/Undocumented expenses) is 65.83% of YTD Gross Revenue compared to budget of 65.12%.

The net capitation reflects a YTD unfavorable budget variance of \$0.9 million. Cap Premium and Out of Network Claim Expense both show a favorable budget variance of \$2.0 million and \$3.8 million, respectively. A favorable variance of Cap Premium is due to retro 2006 premium adjustments in August. Cap Valuation shows an unfavorable variance of \$6.7 million.

Income Statement (cont'd)

Other Operating Revenue reflects a YTD unfavorable budget variance of \$4.0 million. The most significant contributor to this variance is the Foundation where actual revenue is zero versus a budget of \$2.4 million. After the budget was prepared, a change in procedure was initiated to credit the Foundation's expenses instead of revenue for funding requests. Therefore, the offset to this revenue loss is a reduction to expenses. This variance will be ongoing throughout the year. PPNC Health Development has a YTD unfavorable variance of \$0.9 million. Also contributing to this variance is the Grant program for Home Health Outreach and Welcome Home Baby where the YTD variances are unfavorable by \$0.8 million and \$0.6 million, respectively. All these negative variances are partially offset by the Spartanburg class action settlement of \$0.2 million, a VHA Rebate of \$0.1 million and the insurance settlement for the Graybill Auditorium water damage of \$0.2 million.

Salaries, Wages & Contract Labor has a YTD unfavorable budget variance of \$6.1 million. The breakdown is as follows:

	YTD Actual	YTD Budget	Variance
Consolidated	137,731,941	131,569,515	(6,162,426)
North	79,420,933	76,611,703	(2,809,230)
South	32,642,951	30,773,747	(1,869,204)
Central	19,518,240	18,055,234	(1,463,006)
Outreach	6,149,817	6,128,831	(20,986)

Income Statement (cont'd)

Benefits Expense has a YTD favorable budget variance of \$9.0 thousand. This variance can be broken down into the following categories: FICA - unfavorable by \$1.3 million; Health and Dental - unfavorable by \$0.7 million; Workers Compensation - favorable by \$1.0 million; Pension - favorable by \$0.1 million and All Other Benefits - favorable by \$0.9 million.

Supplies Expense reflects a YTD unfavorable budget variance of \$2.0 million. The unfavorable variance is composed prosthesis supplies at \$0.8 million surgery general at \$0.6 million, and other supplies at \$0.6 million.

Prof Fees & Purchased Services reflect a YTD favorable budget variance of \$0.6 million. The favorable variance of \$1.6 million in professional fees is due to physician income guarantees not realized and consulting fees in Design/Facility and Welcome Home Baby.

The unfavorable variance of \$1.0 million in purchase services is due to contracted purchased services.

Non-Operating Income reflects a YTD favorable variance of \$3.4 million. This is due to a favorable investment income variance of \$2.9 million. Interest expense is also favorable by \$0.5 million.

Ratios & Margins

All required bond covenant ratios were achieved in February, 2008.

November December January February

Actual	Actual	Actual	Actual	Budget / PY	Variance	% Actual to Budget
7.7%	-0.8%	3.8%	9.2%	10.4%	-1.2%	
\$ 2,807.97	\$ 2,949.50	\$ 2,636.61	\$ 2,429.69	\$ 2,684.53	\$ 254.84	90.5%
\$ 1,662.78	\$ 1,871.72	\$ 1,545.02	\$ 1,408.08	\$ 1,581.36	\$ 173.28	89.0%
6.41	6.94	5.98	6.15	6.64	0.49	92.6%
12,969	13,000	13,967	13,874	12,191	1,683	113.8%

PPH Indicators:

OEBITDA Margin w/Prop Tax	
Expenses/Wtd Day	90.5%
SWB/Wtd Day	89.0%
Prod FTE's/Adj Occupied Bed	92.6%
Weighted Patient Days	113.8%

PPH North Indicators:

OEBITDA Margin w/Prop Tax	
Expenses/Wtd Day	89.3%
SWB/Wtd Day	87.7%
Prod FTE's/Adj Occupied Bed	93.5%
Weighted Patient Days	115.6%

PPH South Indicators:

OEBITDA Margin w/Prop Tax	
Expenses/Wtd Day	201.6%
SWB/Wtd Day	91.7%
Prod FTE's/Adj Occupied Bed	91.3%
Weighted Patient Days	100.3%

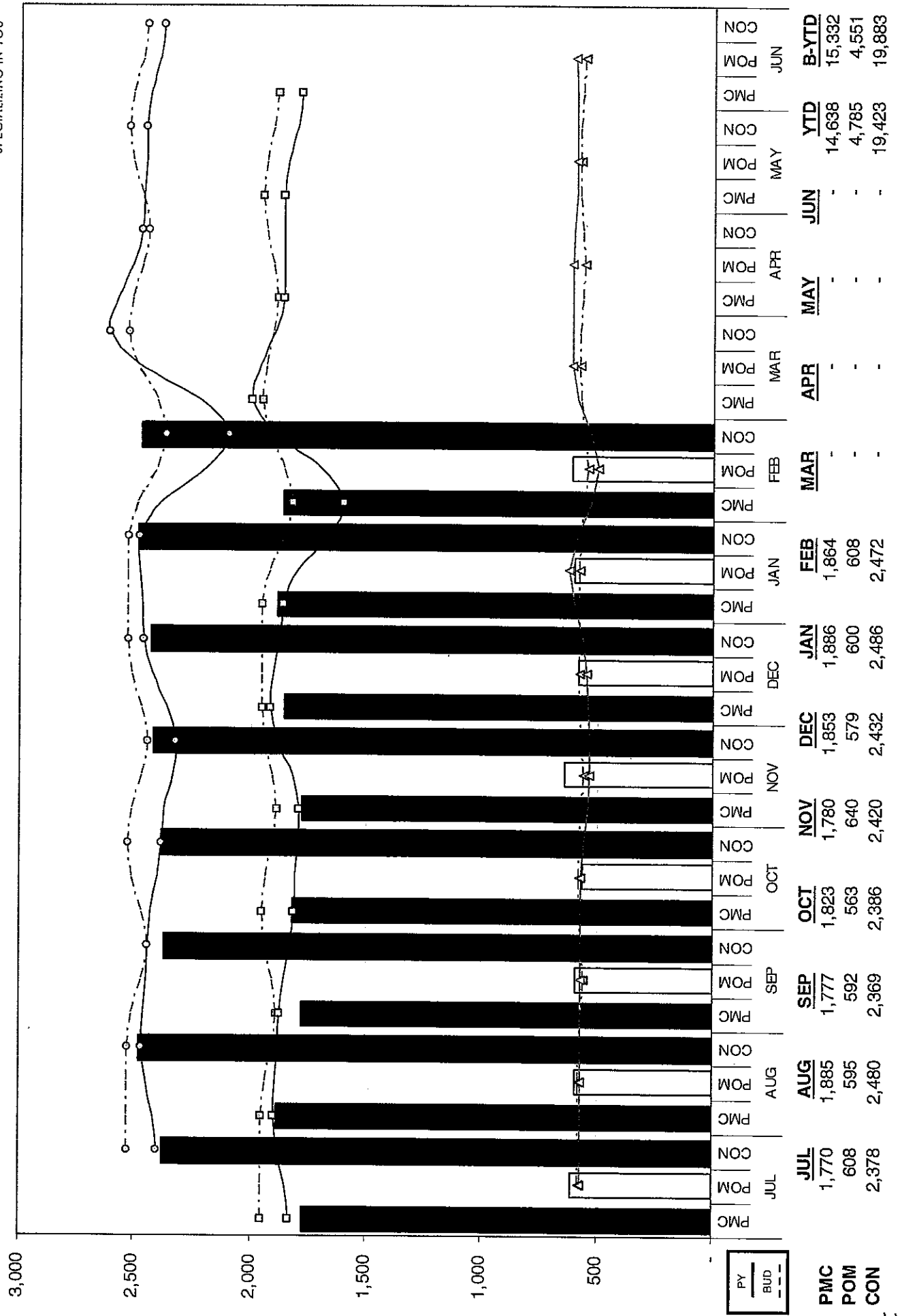
YTD 2008

Actual	Budget	Variance	% Actual to Budget	Prior Year Actual
6.5%	9.8%	-3.3%		8.9%
2,697.03	\$ 2,685.40	\$ (11.63)	100.4%	2,501.97
1,609.00	\$ 1,578.78	\$ (30.22)	101.9%	1,498.99
6.41	6.63	0.22	96.7%	6.02
106,209	104,347	1,862	104.0%	102,171

6.9%	10.9%	-4.0%		9.1%
2,570.88	\$ 2,526.44	\$ (44.44)	101.8%	2,379.68
1,322.48	\$ 1,308.77	\$ (13.71)	101.0%	1,247.27
5.29	5.29	-	100.0%	5.09
73,983	72,988	995	104.5%	70,808

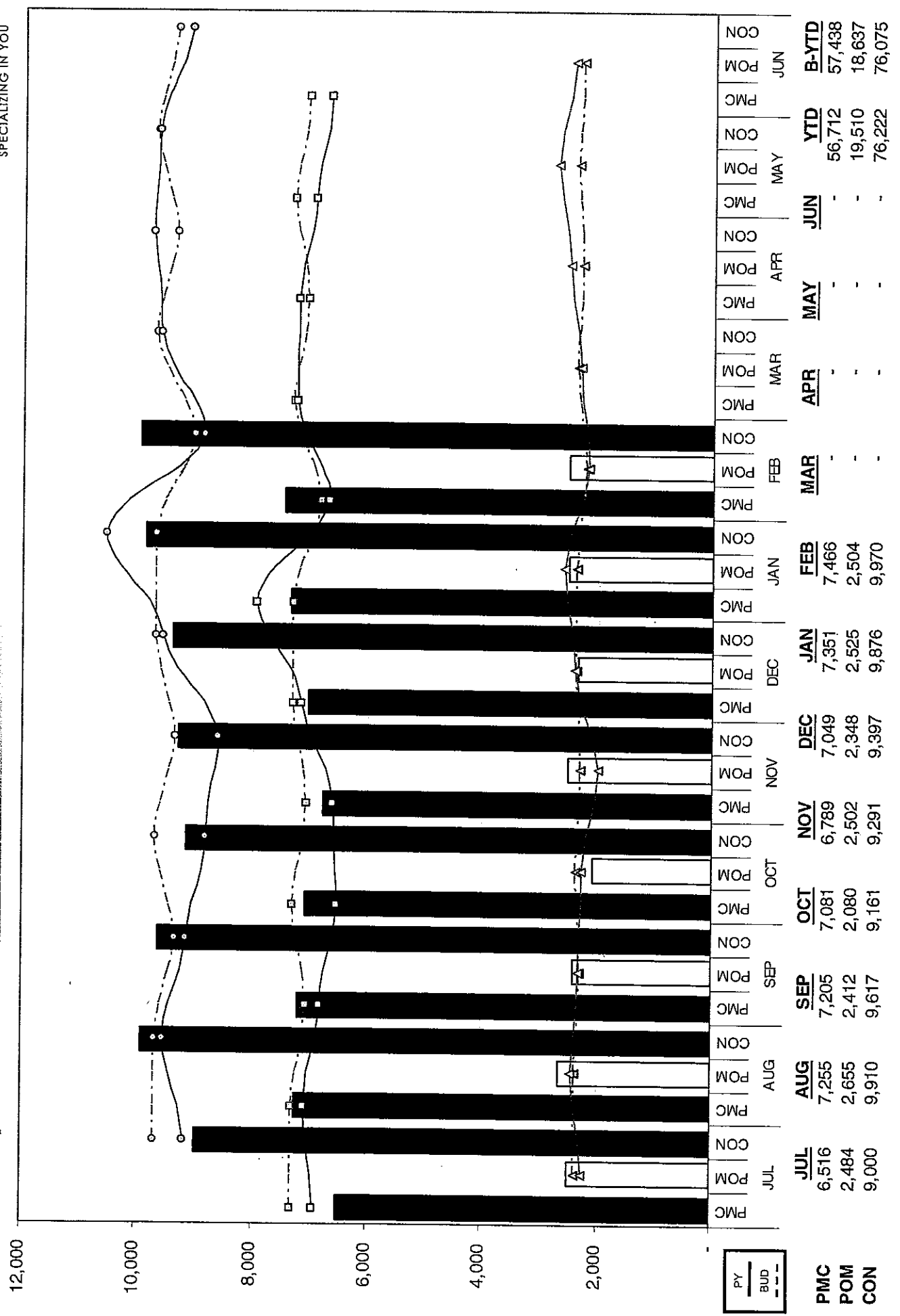
5.1%	5.5%	-0.4%		6.1%
2,568.91	\$ 2,575.64	\$ 6.73	99.7%	2,408.32
1,315.15	\$ 1,303.39	\$ (11.76)	100.9%	1,251.52
6.13	6.07	(0.06)	101.0%	5.39
30,463	29,595	868	103.8%	29,347

Weighted Patient Days is compared with Prior Year Actual

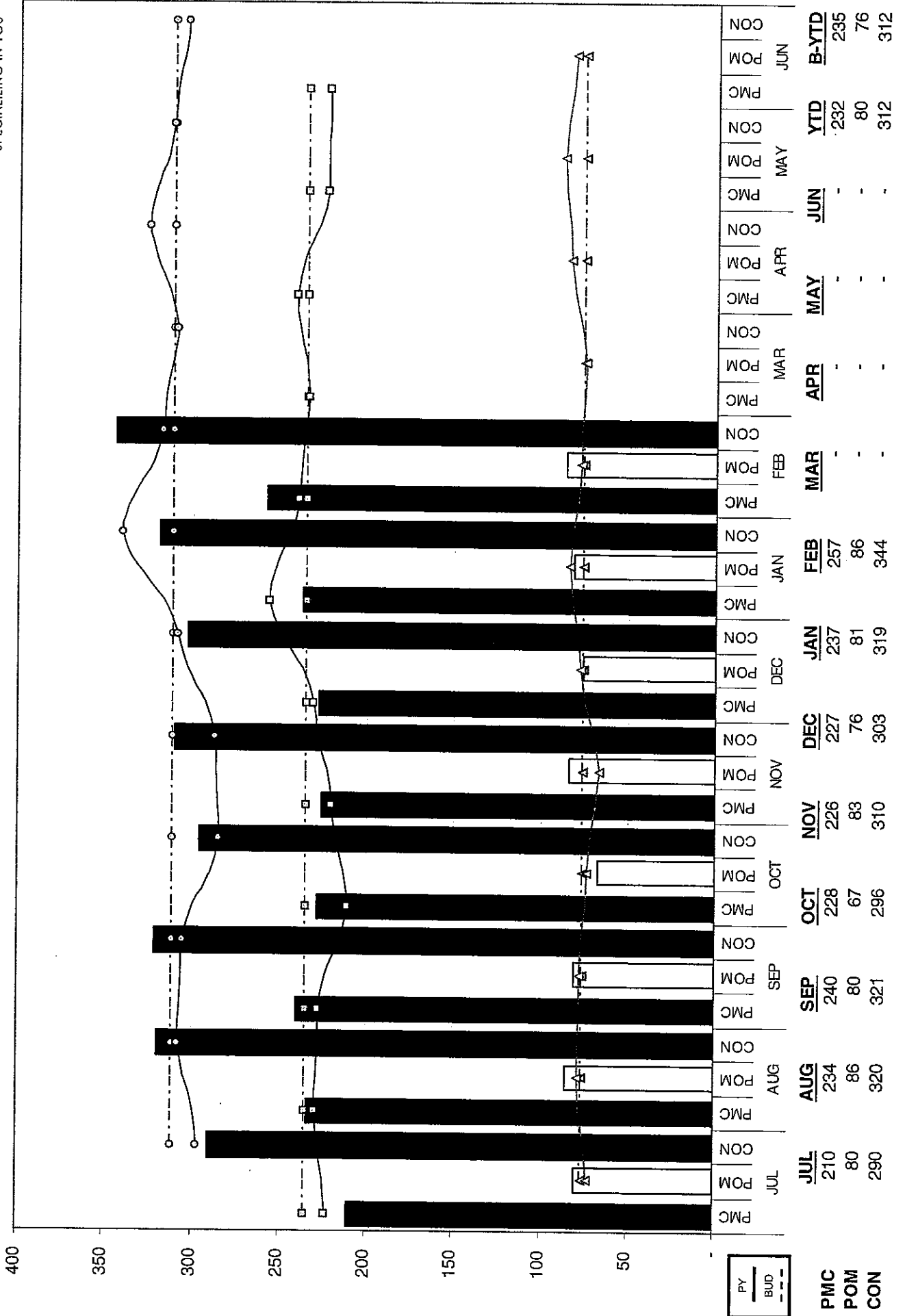


FISCAL YEAR 2008

10 PALOMAR
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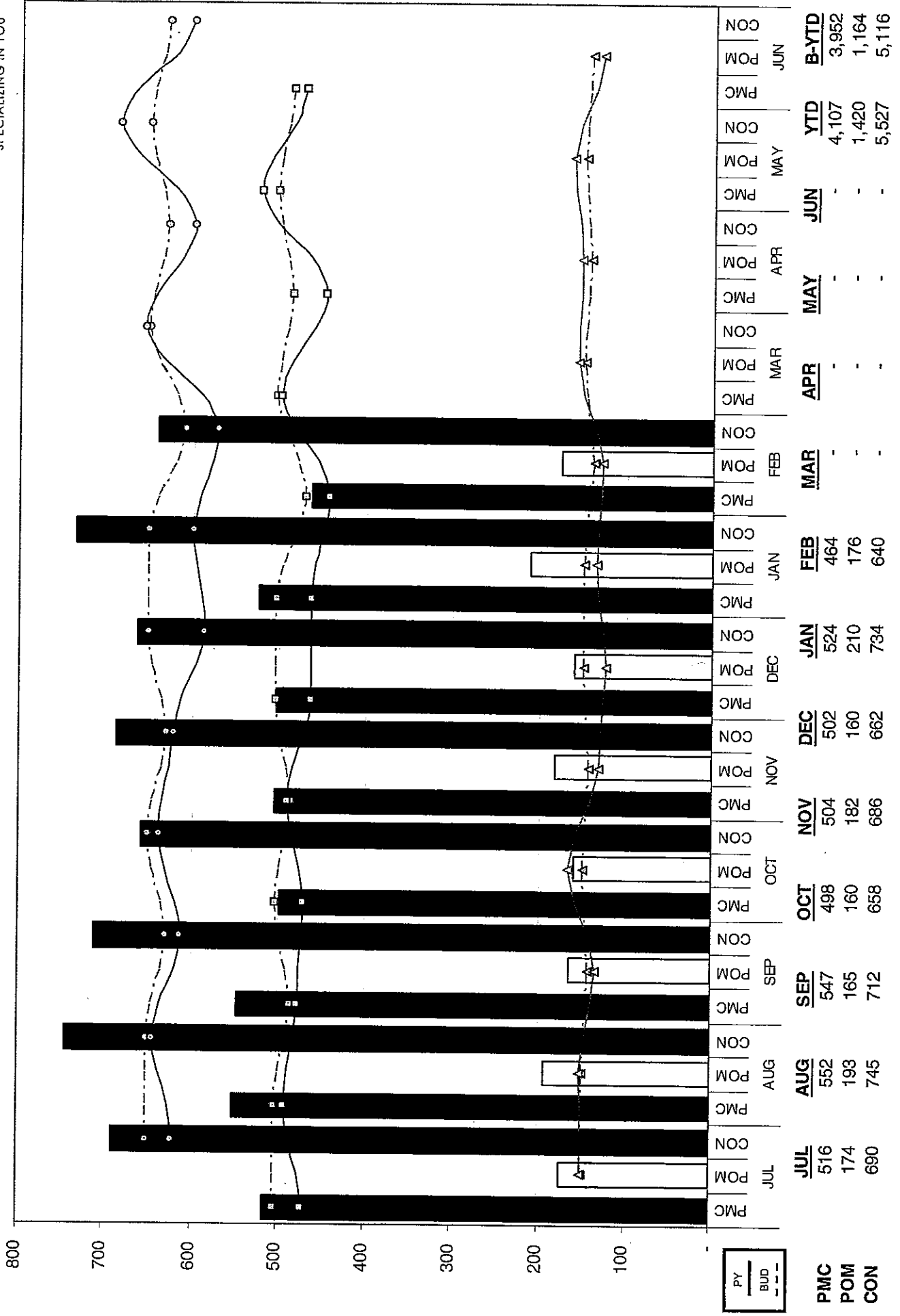


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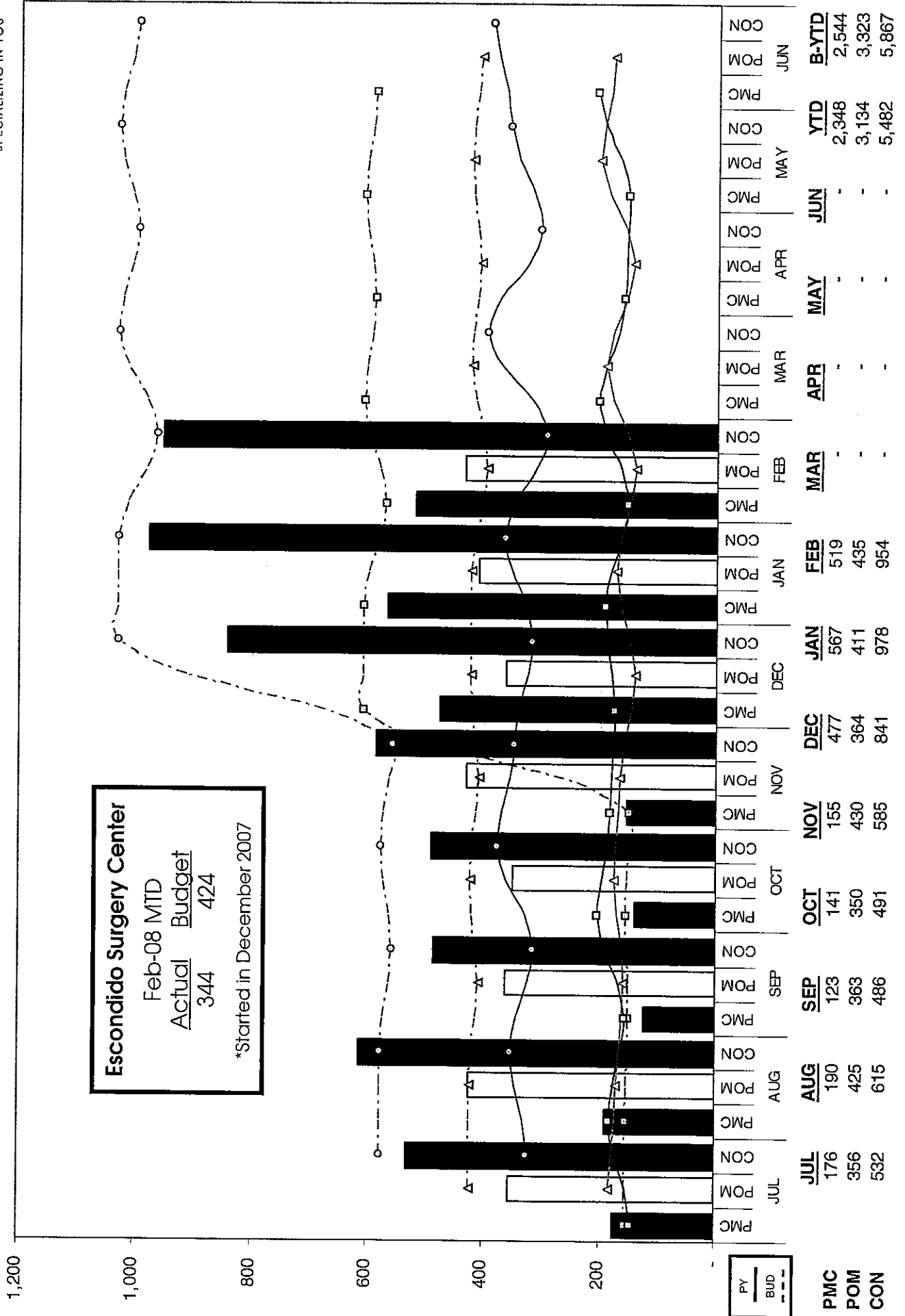
Month	1,000	2,000	3,000	4,000	5,000	6,000	7,000	8,000	9,000	10,000
JUN										
MAY										
APR										
MAR										
FEB	1,198	389	799	1,039	878	2,270	371	1,021	488	679
JAN	1,151	370	770	1,110	888	2,457	275	929	490	569
DEC	1,171	216	727	1,045	881	2,232	226	1,013	491	515
NOV	1,046	270	762	1,069	818	2,212	201	923	470	670
OCT	1,112	322	761	1,034	853	2,050	217	968	450	541
SEP	1,134	414	750	1,104	833	2,169	206	1,003	489	658
AUG	1,205	461	793	1,123	900	2,451	174	930	512	715
JUL	1,009	371	732	949	731	2,186	205	983	425	653

Category	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	B-YTD
ICU/CCU	6,516	7,255	7,205	7,081	6,789	7,049	7,351	7,466	-	-	-	-	56,712	57,488
NICU	2,484	2,655	2,412	2,080	2,502	2,348	2,525	2,504	-	-	-	-	19,510	18,637
Telemetry	9,000	9,910	9,617	9,161	9,291	9,397	9,876	9,970	-	-	-	-	76,222	76,075
IMC														
Med-Onology														
Surg-Ortho														
Med Surg														
Pediatrics														
Labor Delivery Recovery														
Rehb Acute														
MHU														

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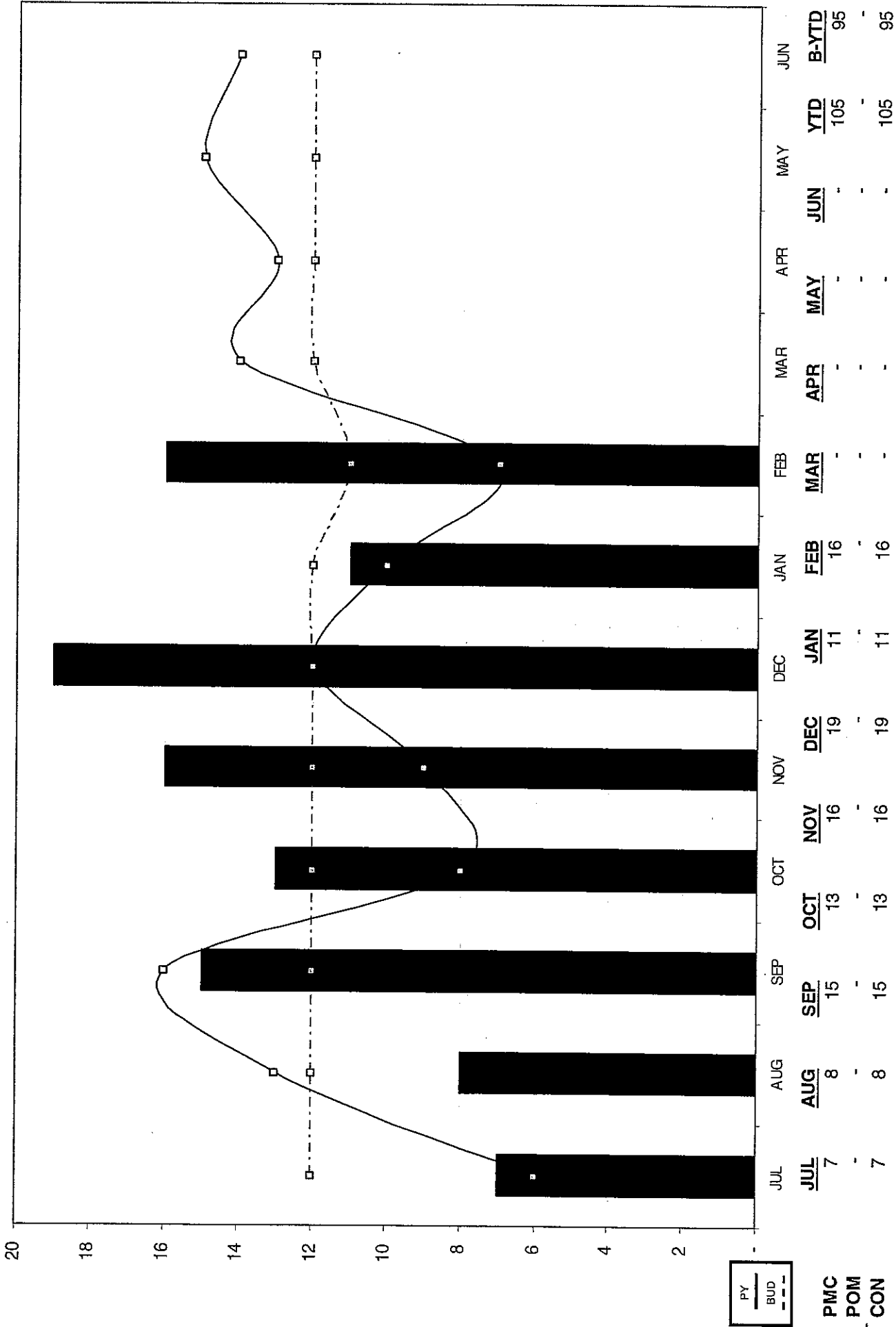


Escondido Surgery Center
Feb-08 MTD
Actual 344 Budget 424
*Started in December 2007

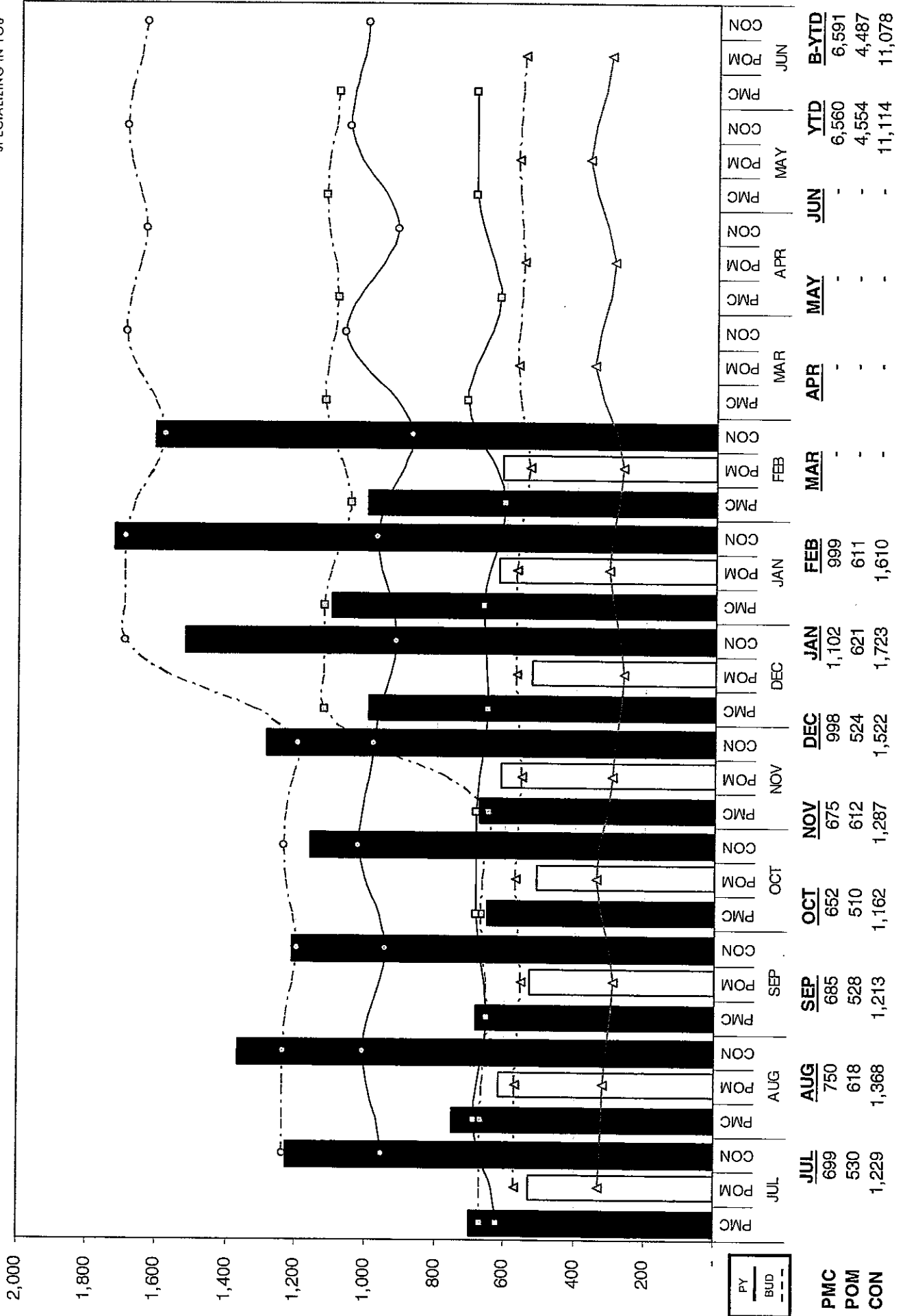
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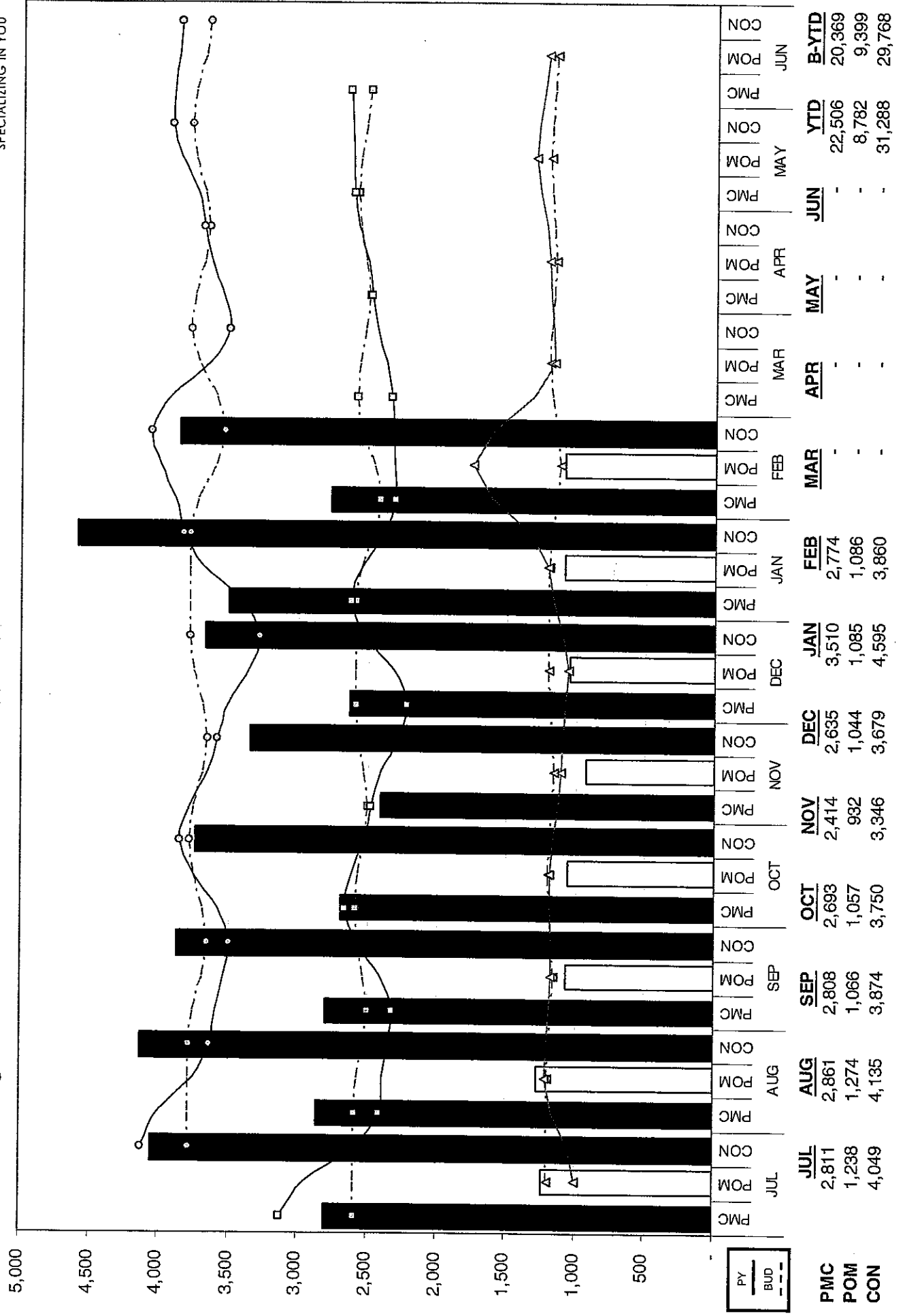


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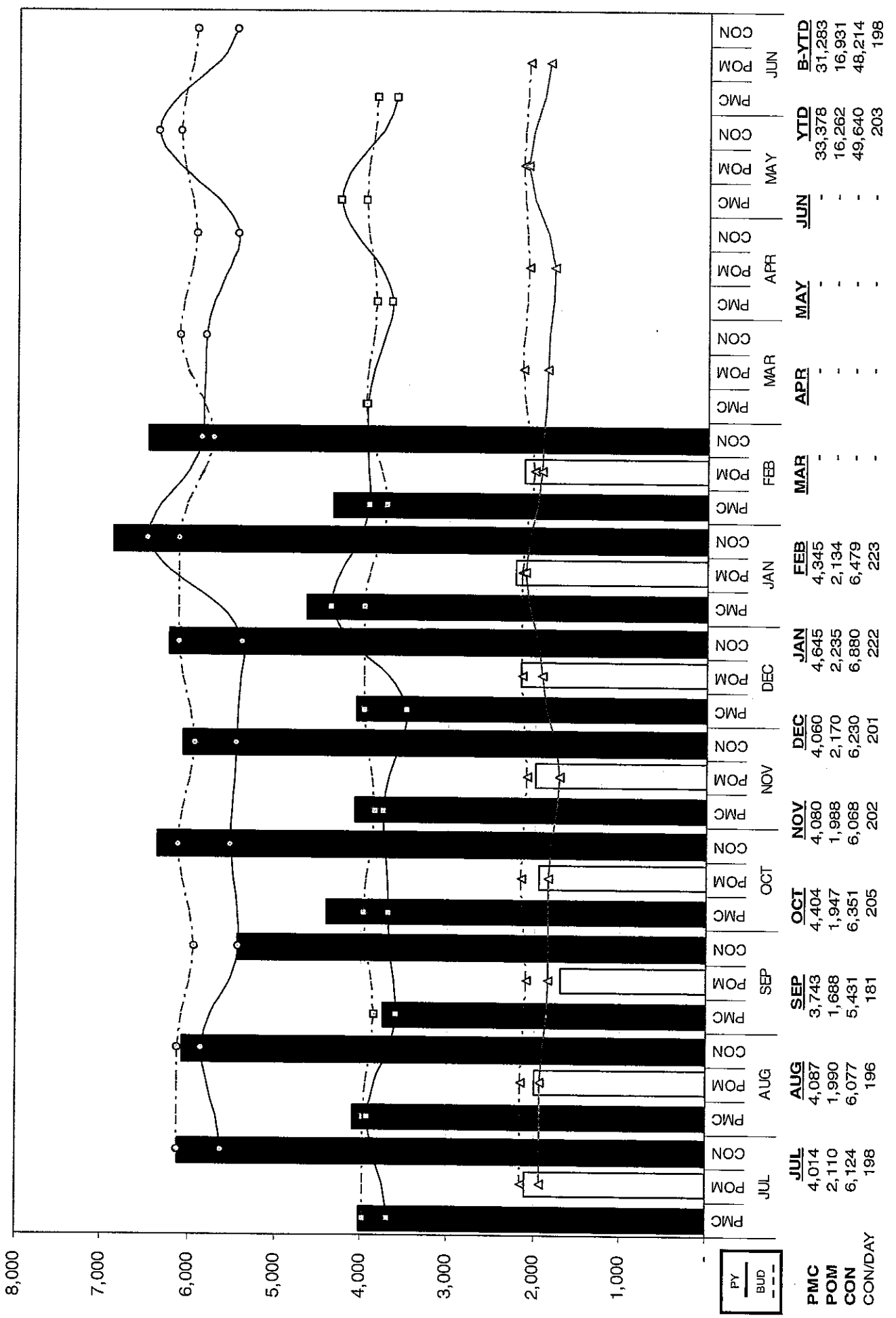


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Expenditures (Lab)

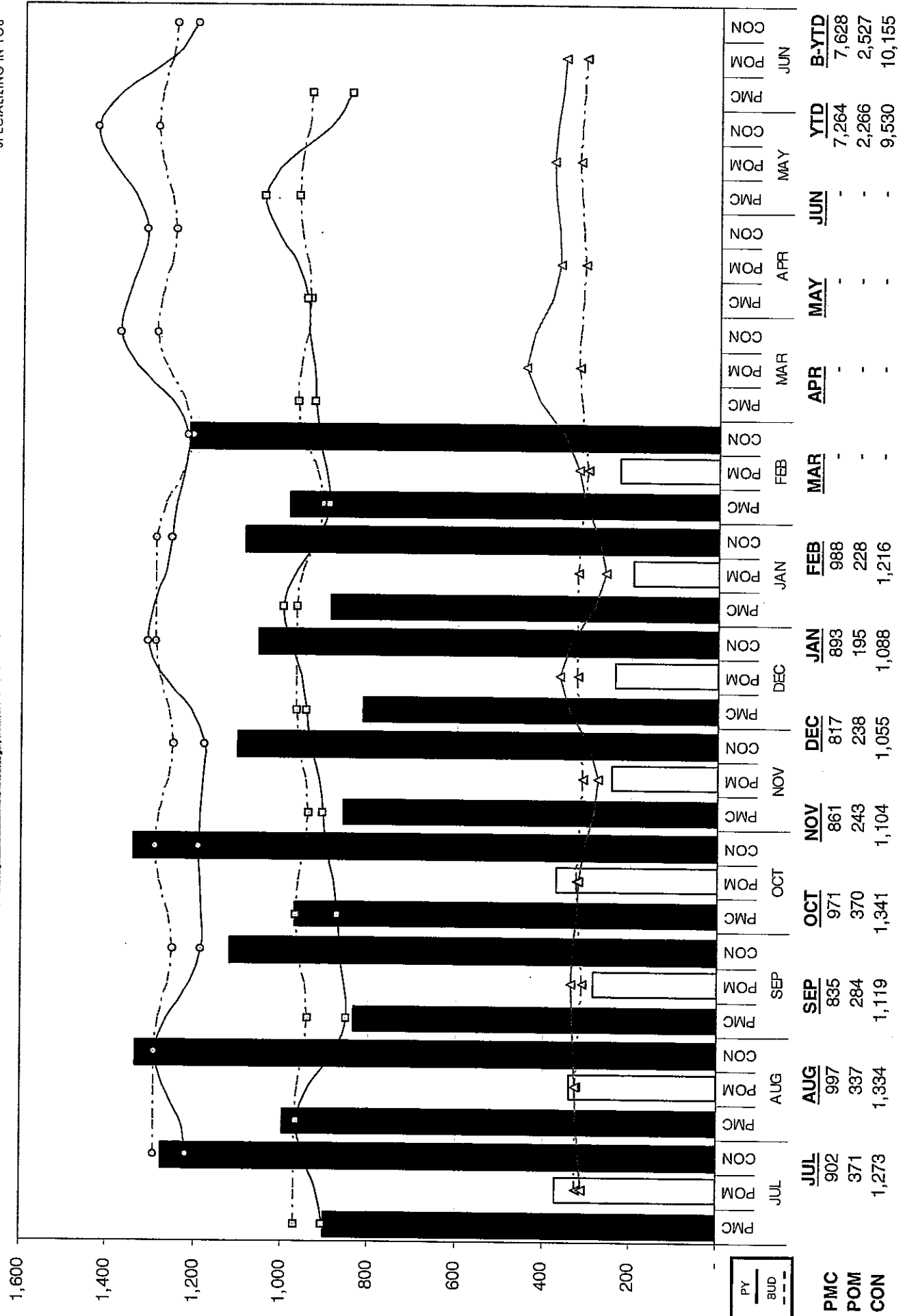


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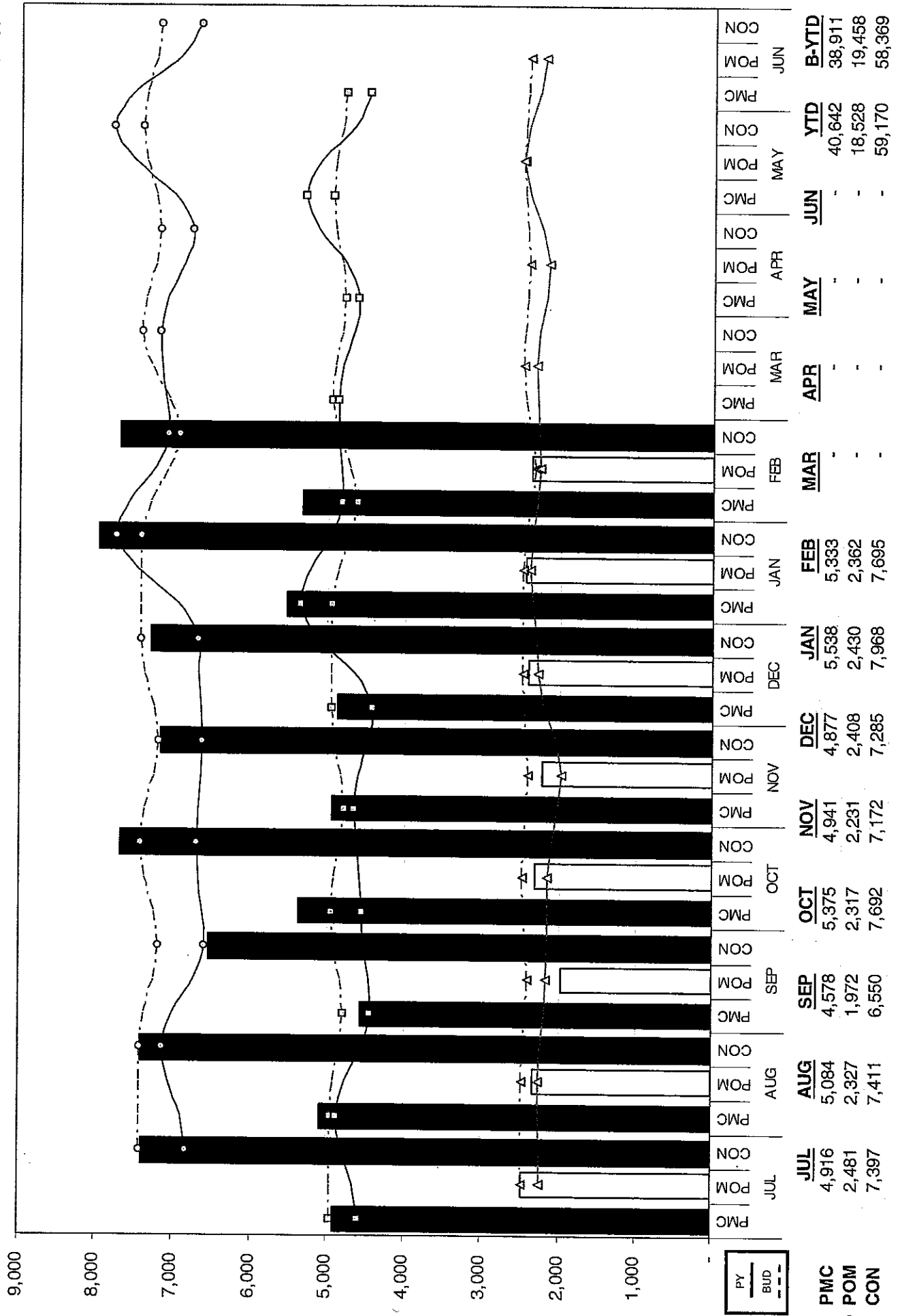


FISCAL YEAR 2008
(Budgetary only)

19 PALOMAR
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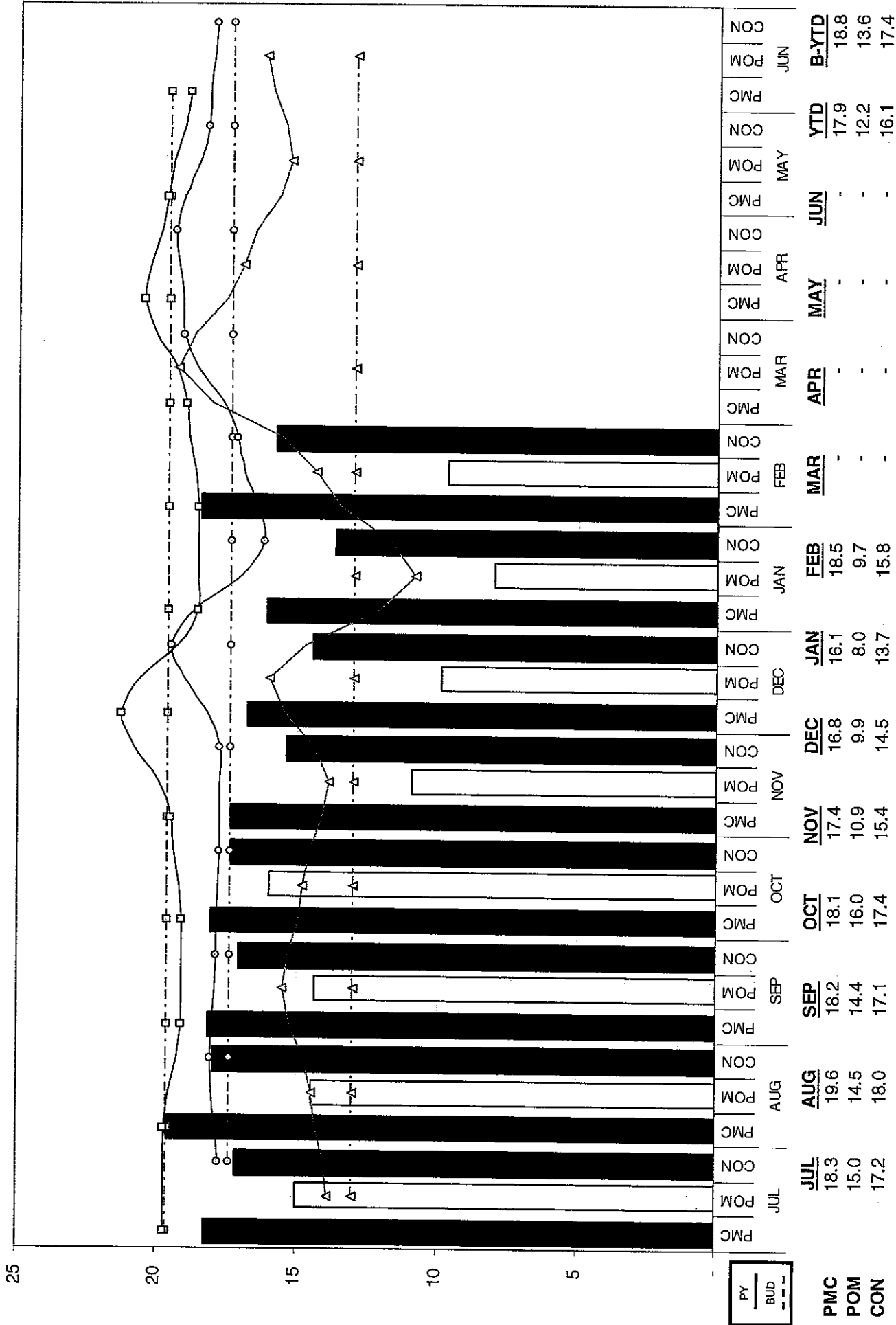


(Includes Trauma)

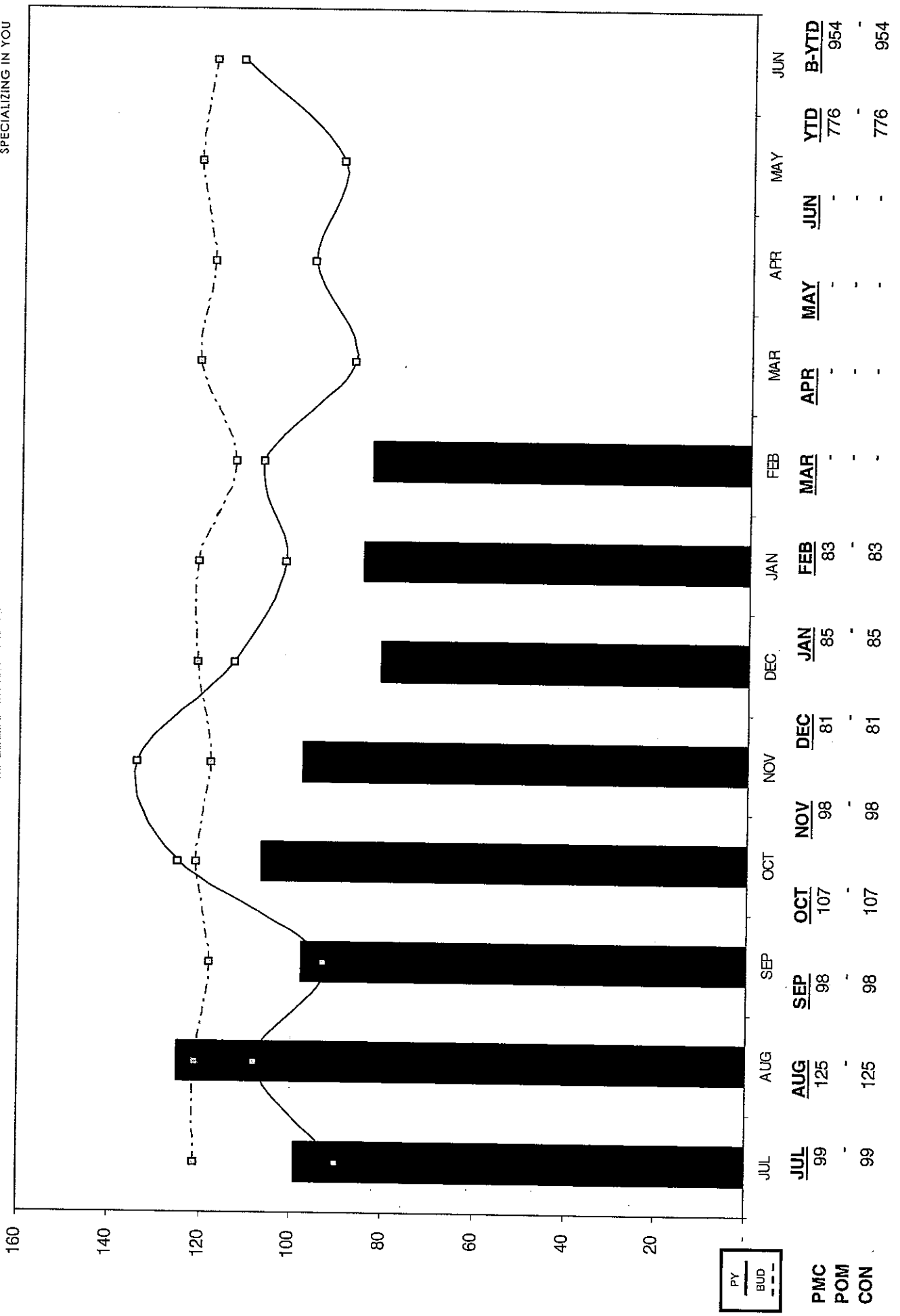


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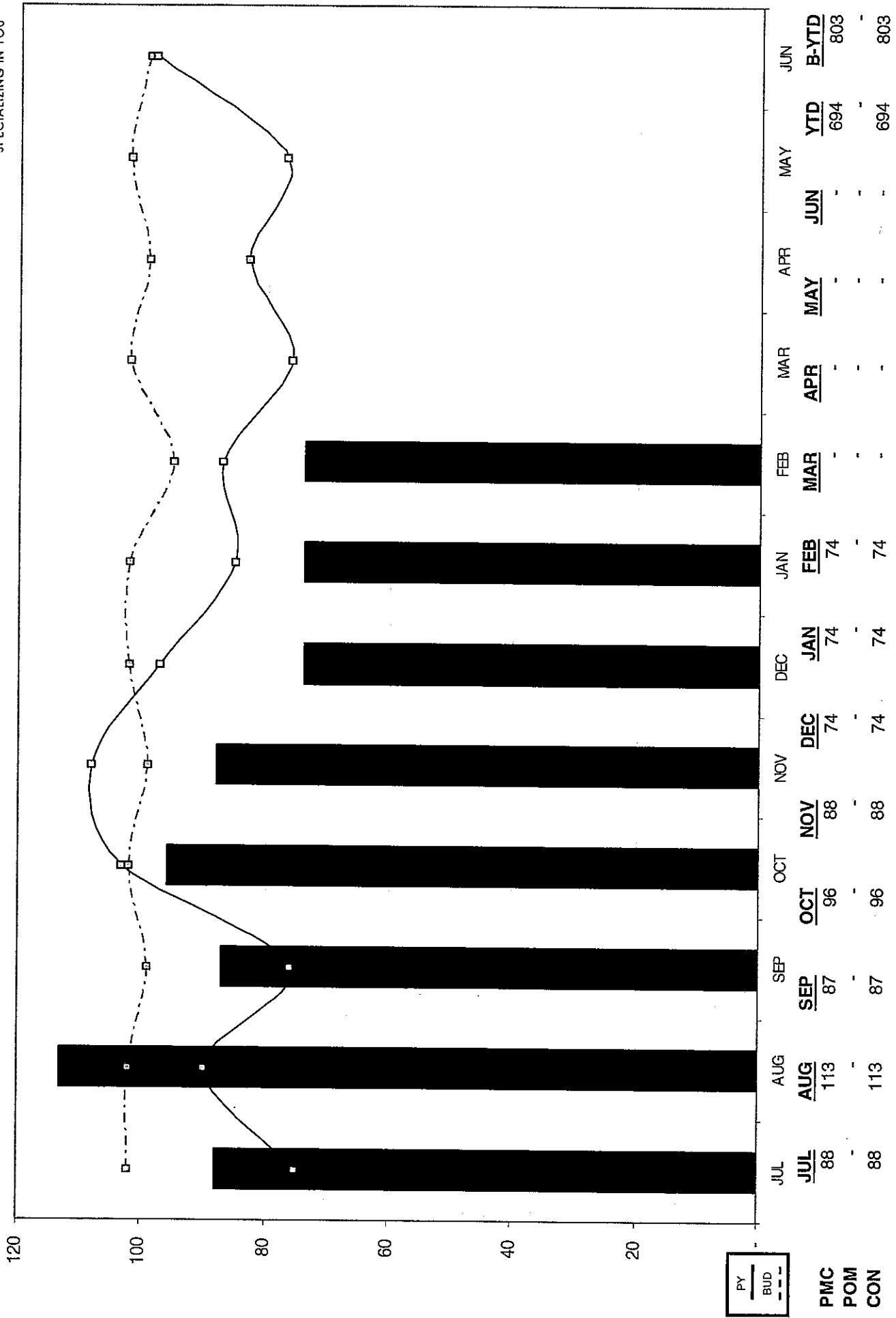
OF ER VISITS



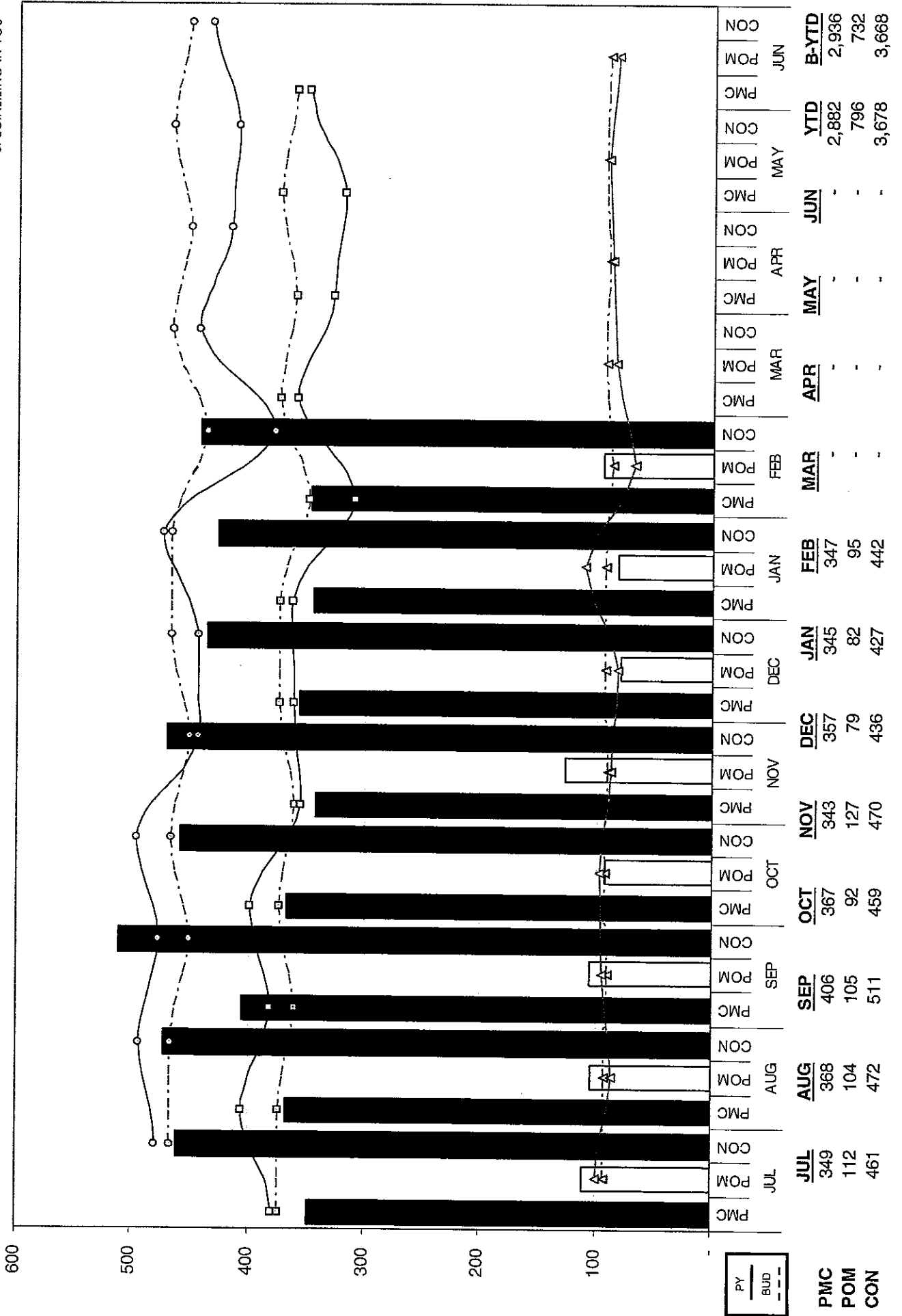
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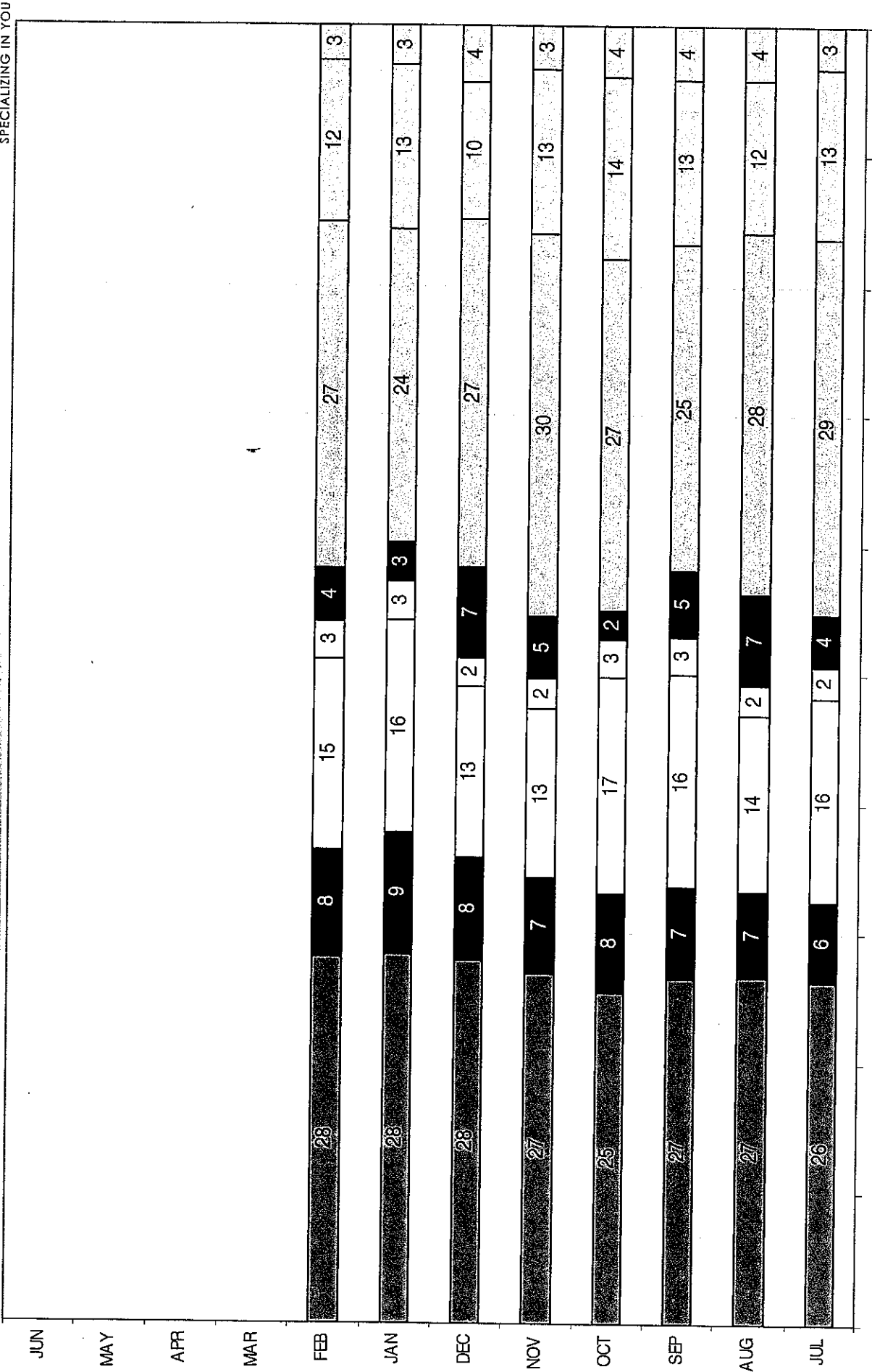
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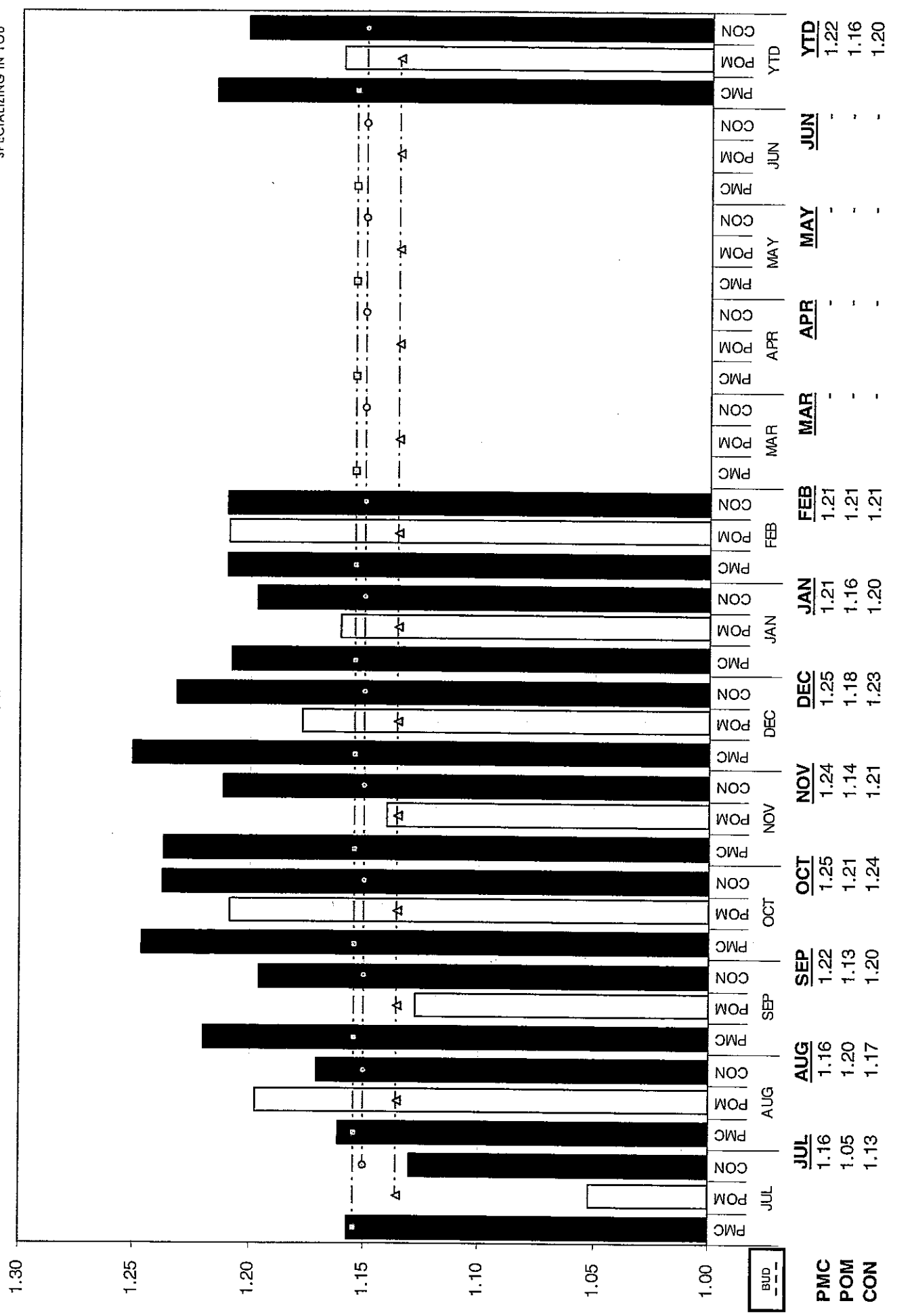
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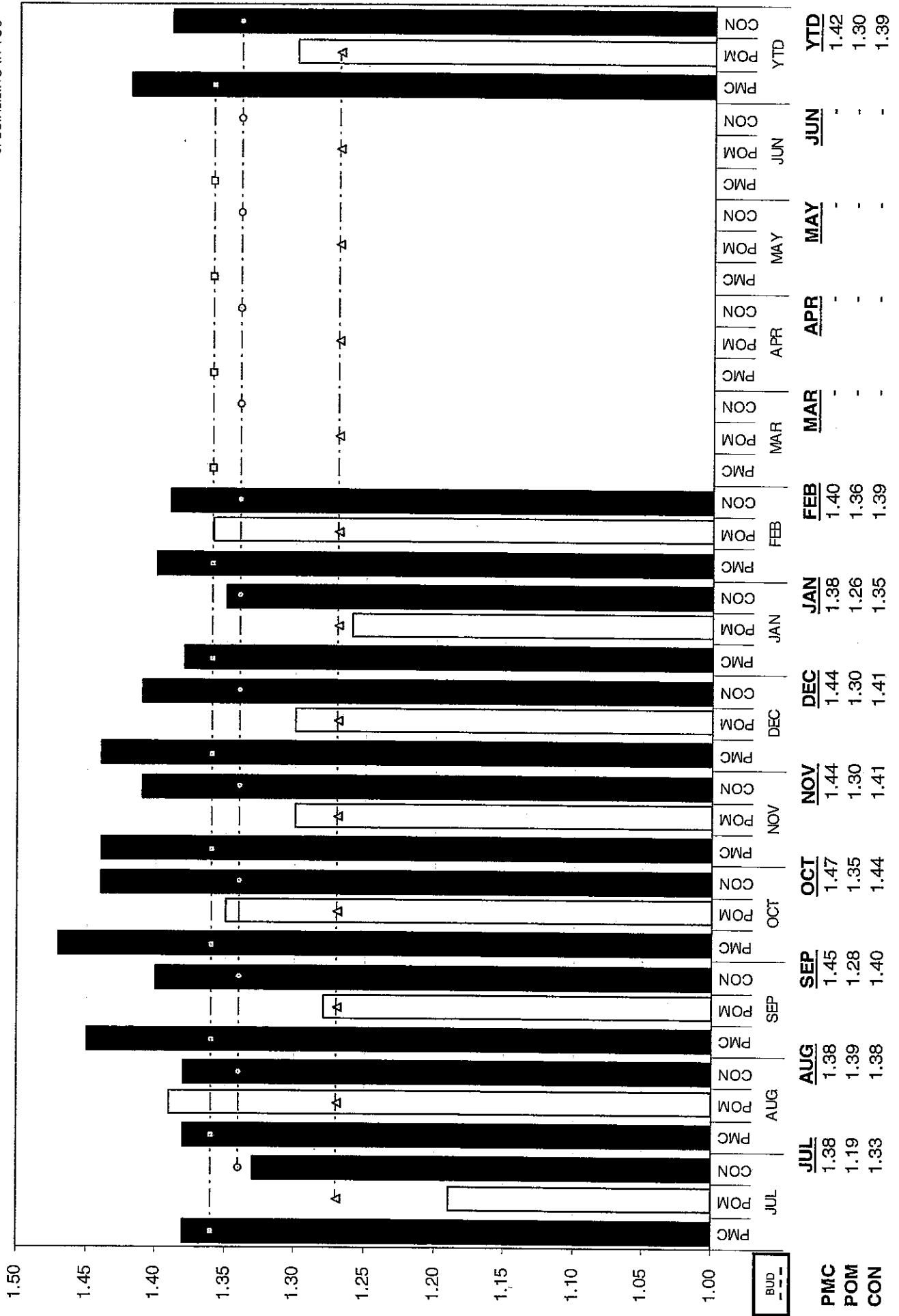
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MEDICARE
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 CAP
 OTHER

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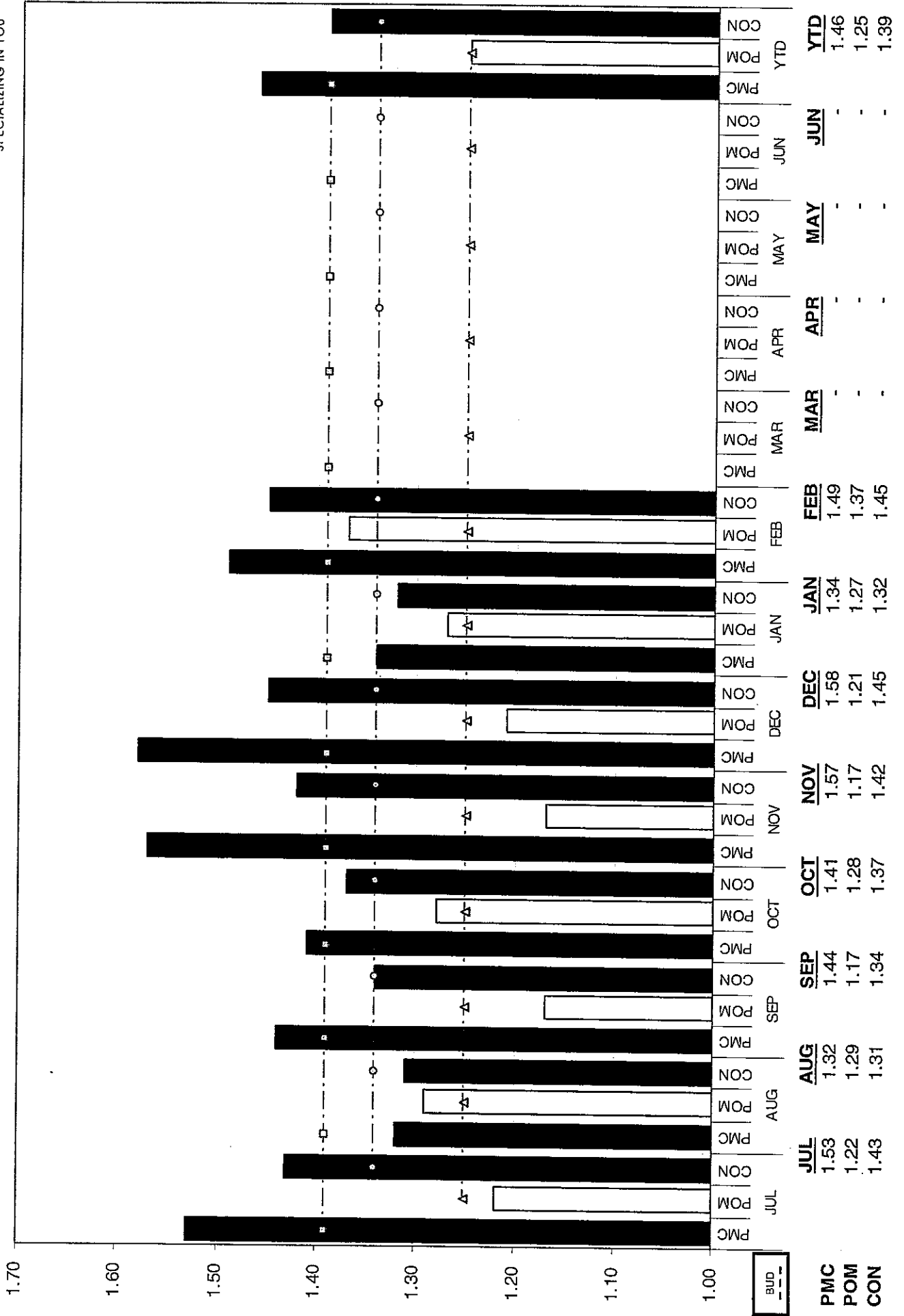
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BUD

PMC
POM
CON

29



BUD - - - -
ACT - - - -
 PM
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20

	ACTUAL	BUDGET	VARIANCE	FY 2007
<u>ADMISSIONS - Acute:</u>				
Palomar Medical Center	14,638	15,332	(694)	14,582
Pomerado Hospital	4,785	4,551	234	4,474
Total:	<u>19,423</u>	<u>19,883</u>	<u>(460)</u>	<u>19,056</u>
<u>ADMISSIONS - SNF:</u>				
Palomar Medical Center	330	393	(63)	394
Pomerado Hospital	364	372	(8)	374
Total:	<u>694</u>	<u>765</u>	<u>(71)</u>	<u>768</u>
<u>PATIENT DAYS - Acute:</u>				
Palomar Medical Center	56,712	57,438	(726)	55,788
Pomerado Hospital	19,510	18,637	873	18,473
Total:	<u>76,222</u>	<u>76,075</u>	<u>147</u>	<u>74,261</u>
<u>PATIENT DAYS- SNF:</u>				
Palomar Medical Center	20,595	21,409	(814)	21,321
Pomerado Hospital	30,096	30,116	(20)	29,950
Total:	<u>50,691</u>	<u>51,525</u>	<u>(834)</u>	<u>51,271</u>

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Results

<u>WEIGHTED PATIENT DAYS</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>FY 2007</u>
Palomar Medical Center	73,983	72,988	995	70,808
Pomerado Hospital	30,463	29,595	868	29,950
Other Activities	1,763	1,764	(1)	1,413
Total:	106,209	104,347	1,862	102,171

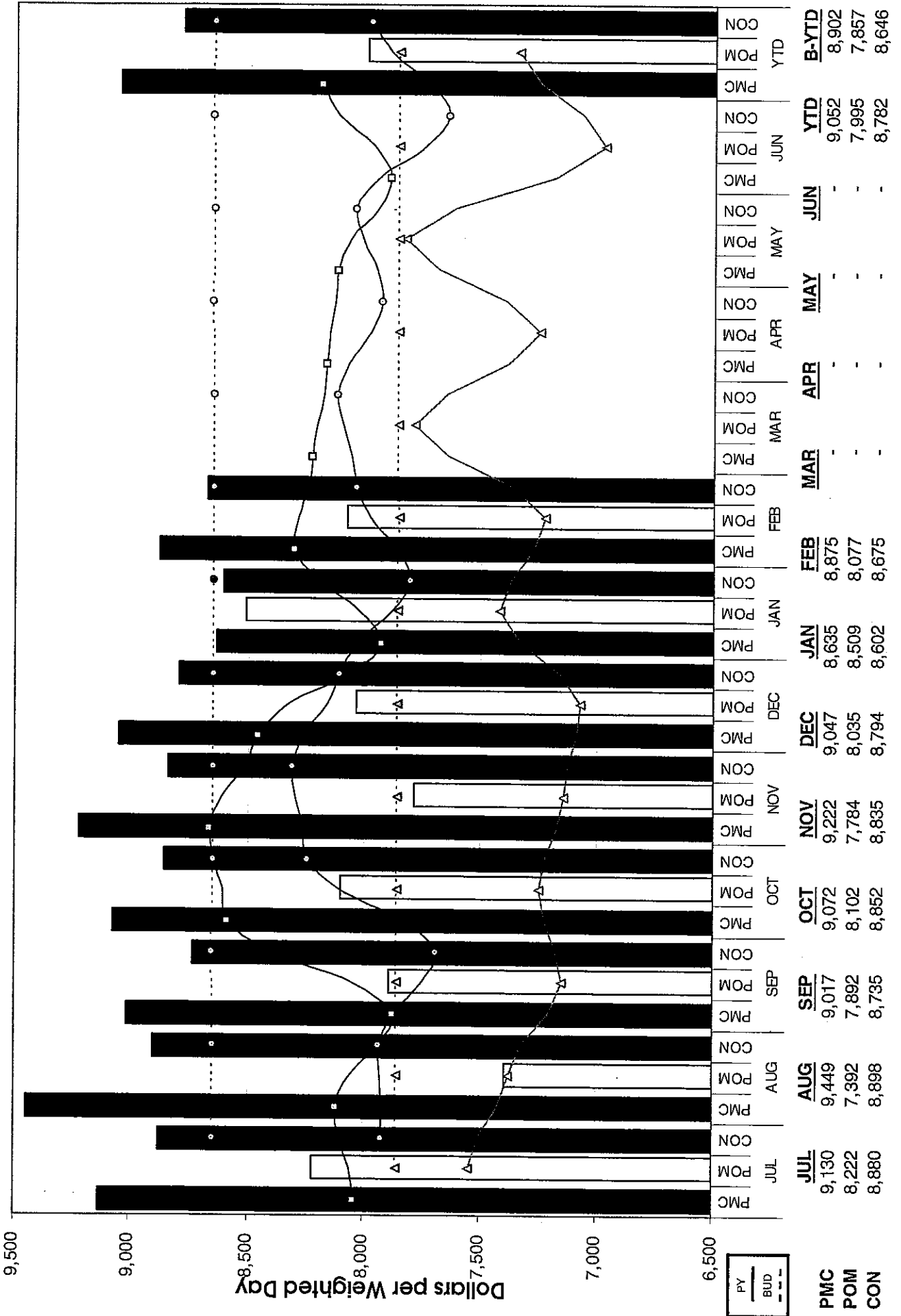
<u>ADJUSTED DISCHARGES</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>FY 2007</u>
Palomar Medical Center	19,053	19,496	(443)	18,774
Pomerado Hospital	7,064	6,829	235	6,736
Other Activities	549	607	(58)	663
Total:	26,666	26,932	(266)	26,173

<u>AVERAGE LENGTH OF STAY- Acute:</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>FY 2007</u>
Palomar Medical Center	3.87	3.75	0.12	3.77
Pomerado Hospital	4.05	4.10	(0.05)	4.11
Total:	3.92	3.83	0.09	3.85

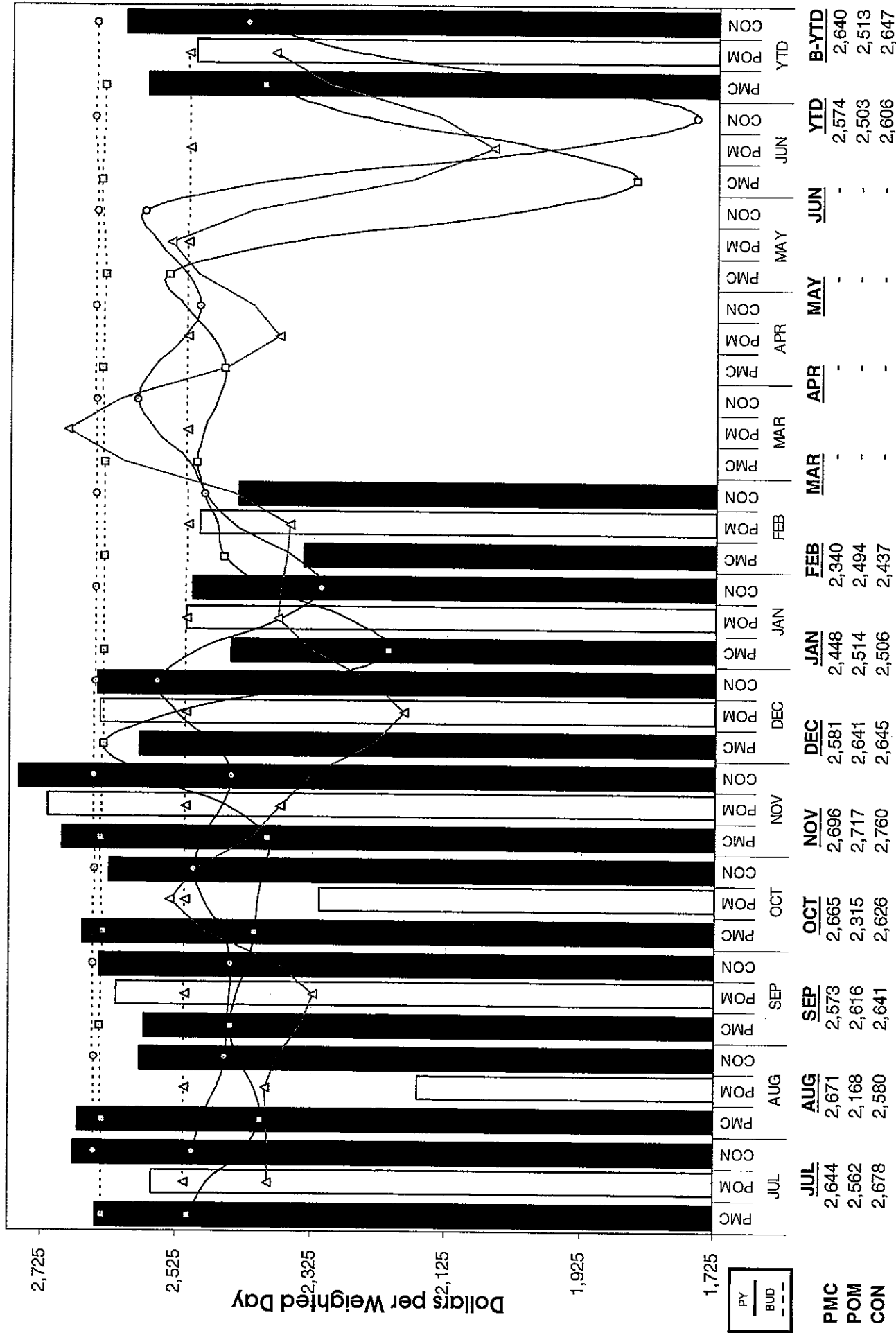
<u>AVERAGE LENGTH OF STAY - SNF:</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>FY 2007</u>
Palomar Medical Center	63.96	55.61	8.35	55.52
Pomerado Hospital	81.78	80.96	0.82	80.73
Total:	73.47	68.06	5.41	67.91

Results

	ACTUAL	BUDGET	VARIANCE	FY 2007
<u>EMERGENCY ROOM VISITS & TRAUMA CASES:</u>				
Palomar Medical Center	33,378	31,283	2,095	30,392
Pomerado Hospital	16,262	16,931	(669)	15,180
Total:	<u>49,640</u>	<u>48,214</u>	<u>1,426</u>	<u>45,572</u>
<u>EMERGENCY & TRAUMA ADMISSIONS:</u>				
Palomar Medical Center	7,264	7,628	(364)	7,334
Pomerado Hospital	2,266	2,527	(261)	2,510
Total:	<u>9,530</u>	<u>10,155</u>	<u>(625)</u>	<u>9,844</u>
<u>SURGERIES:</u>				
Palomar Medical Center	6,560	6,591	(31)	5,243
Pomerado Hospital	4,554	4,487	67	2,428
Total:	<u>11,114</u>	<u>11,078</u>	<u>36</u>	<u>7,671</u>
<u>BIRTHS:</u>				
Palomar Medical Center	2,882	2,936	(54)	2,957
Pomerado Hospital	796	732	64	727
Total:	<u>3,678</u>	<u>3,668</u>	<u>10</u>	<u>3,684</u>

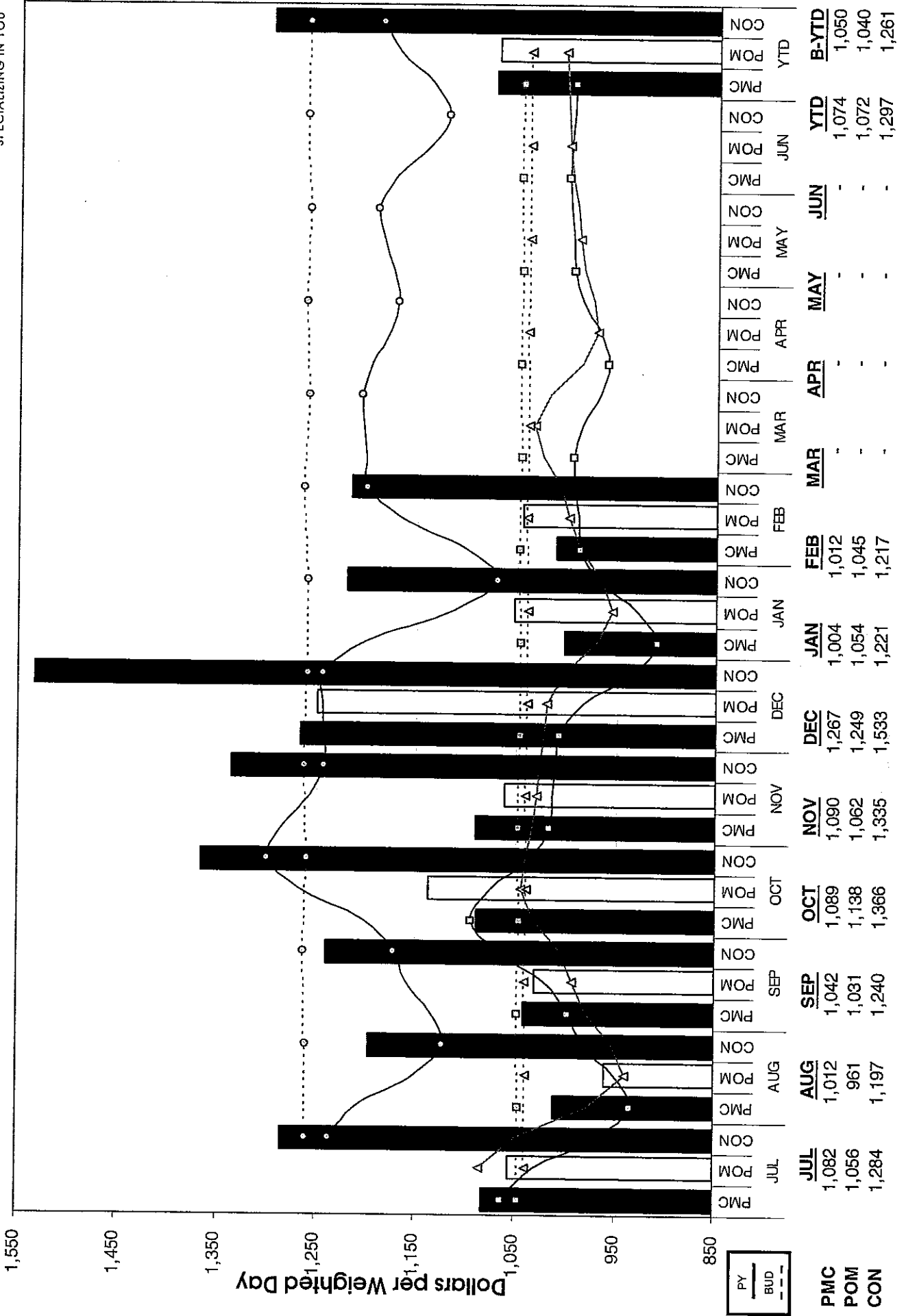


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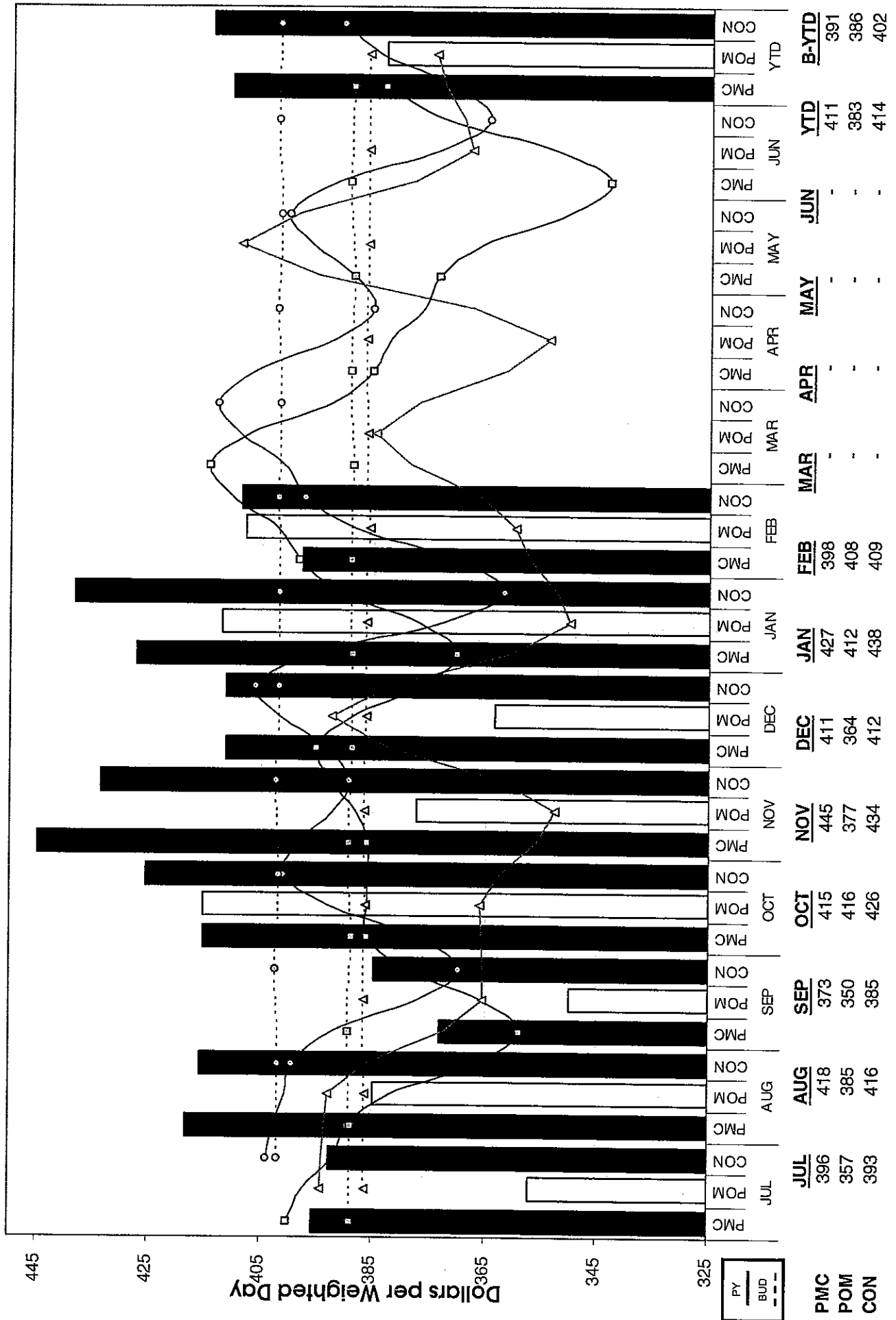


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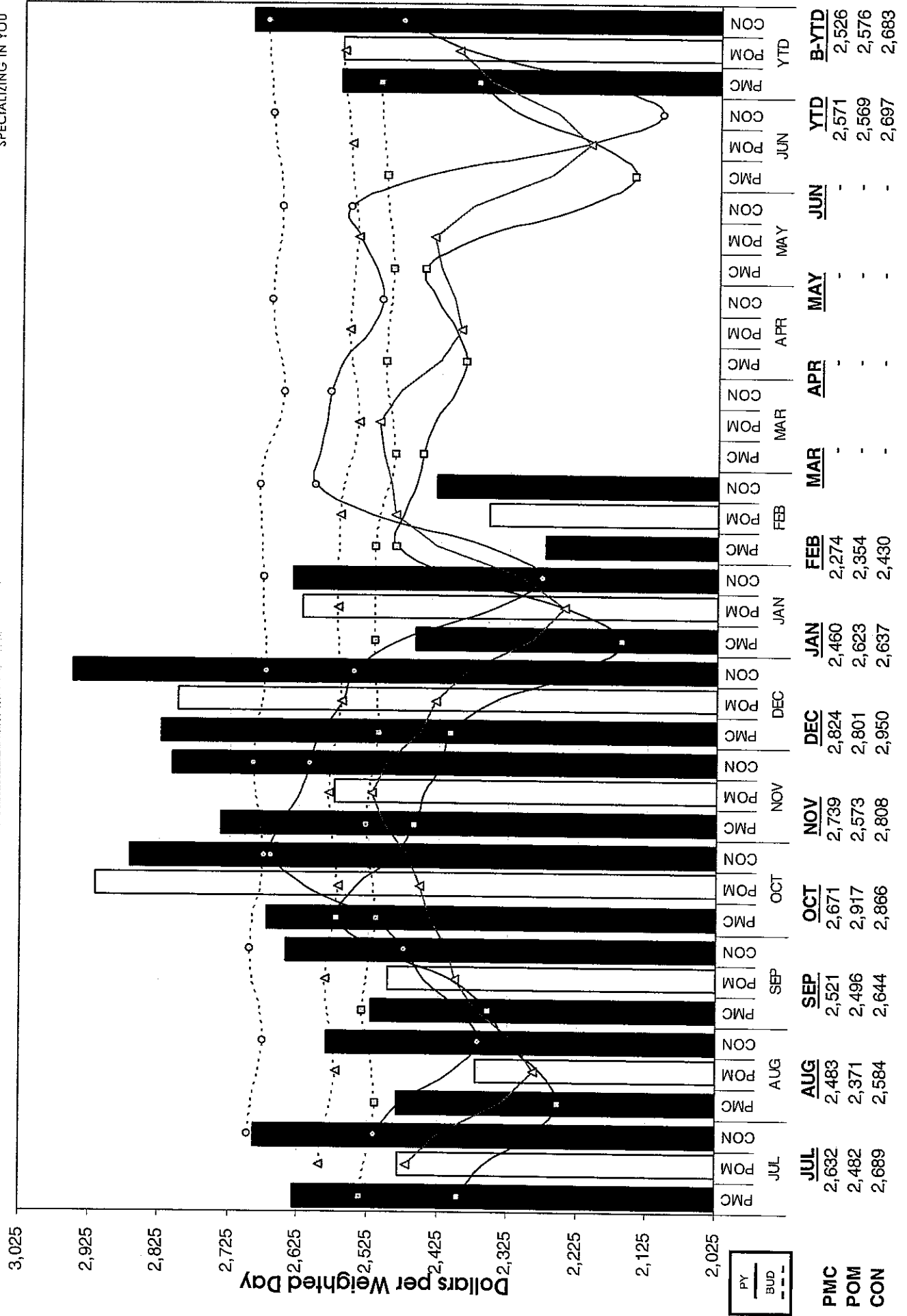
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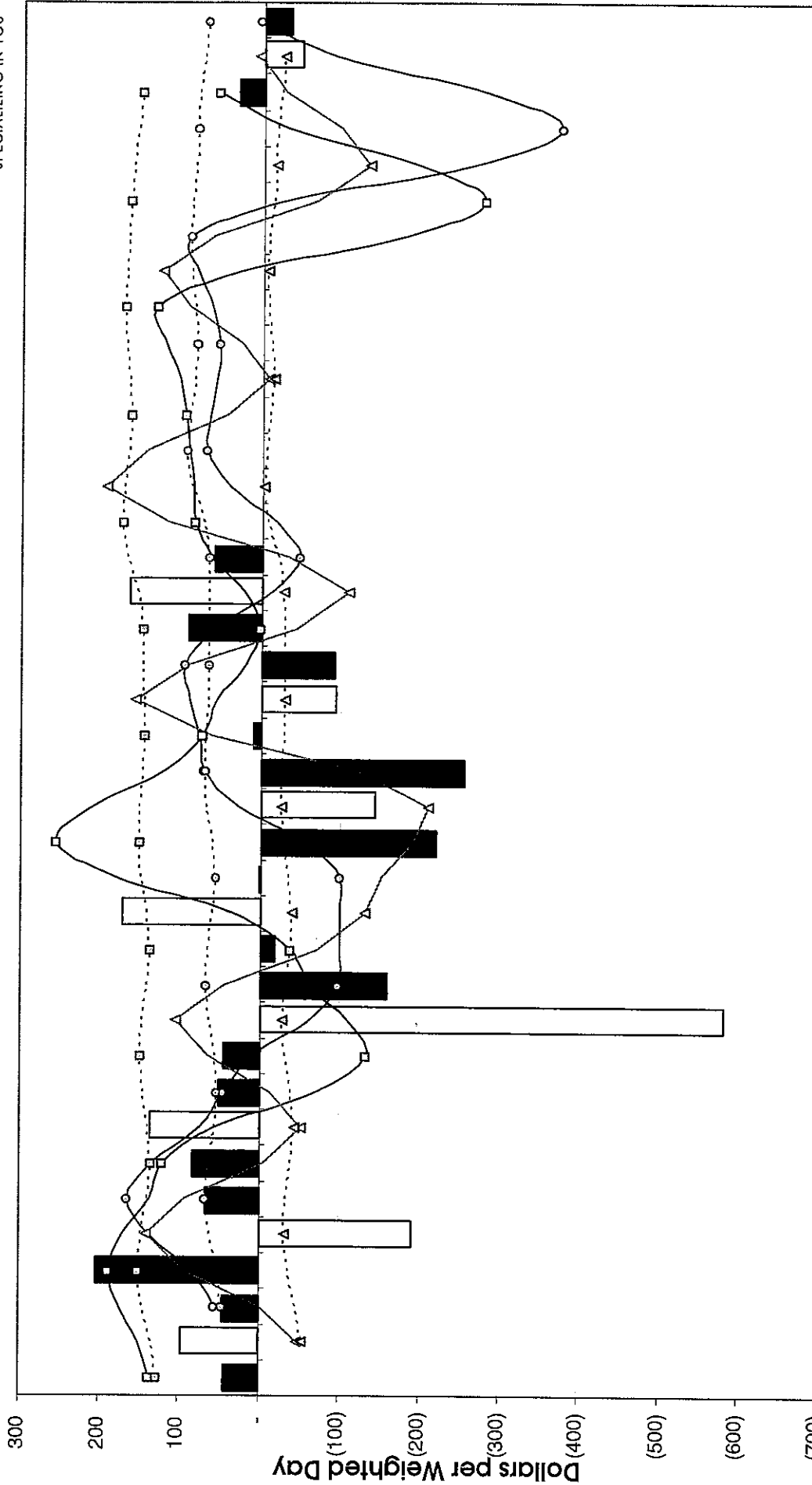
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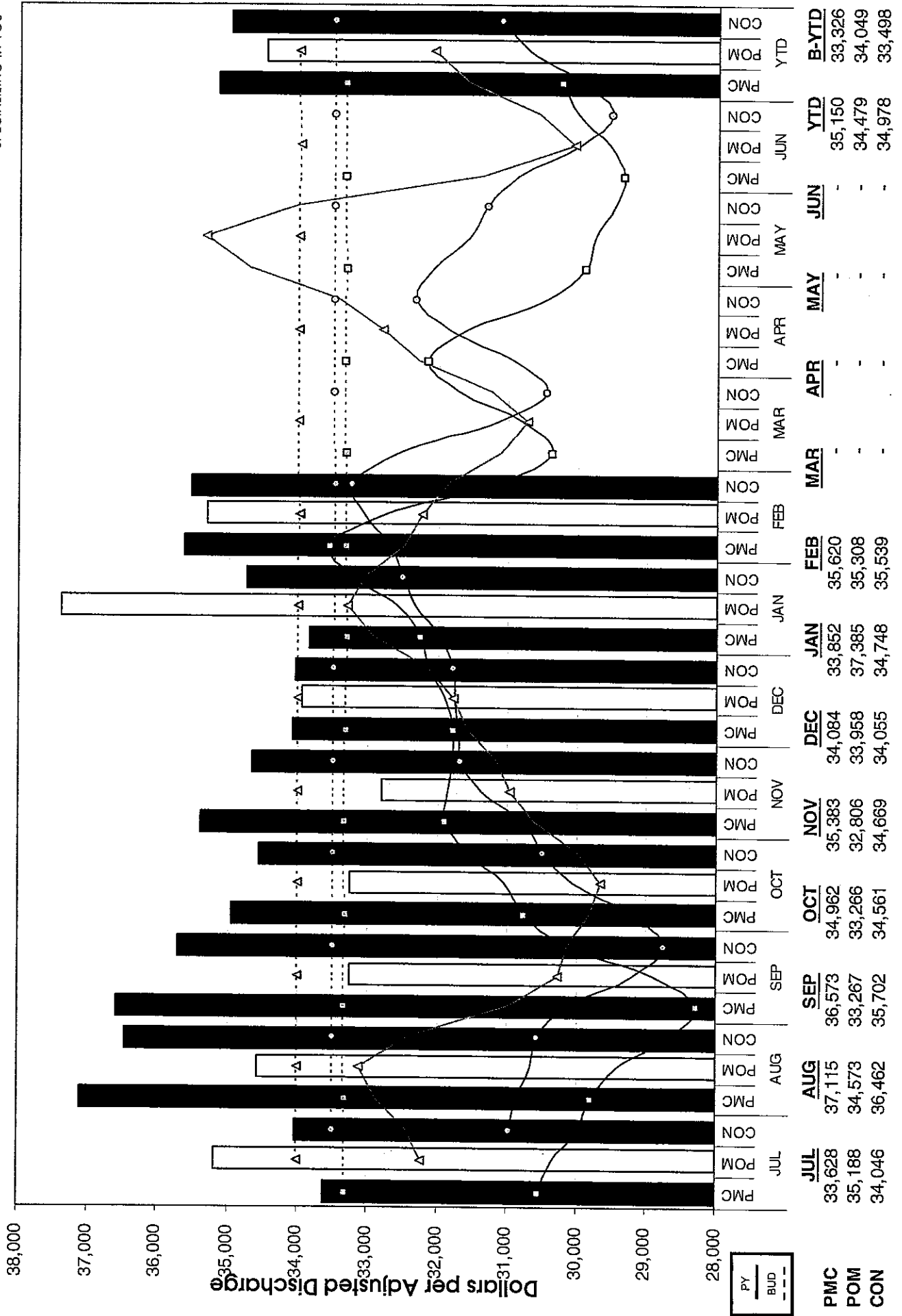
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	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	B-YTD
PMC	43	204	83	46	(19)	(220)	10	90	-	-	-	-	31	141
POM	96	(190)	136	(582)	171	(142)	(93)	165	-	-	-	-	(47)	(35)
CON	45	68	51	(158)	1	(254)	(91)	59	-	-	-	-	(34)	61

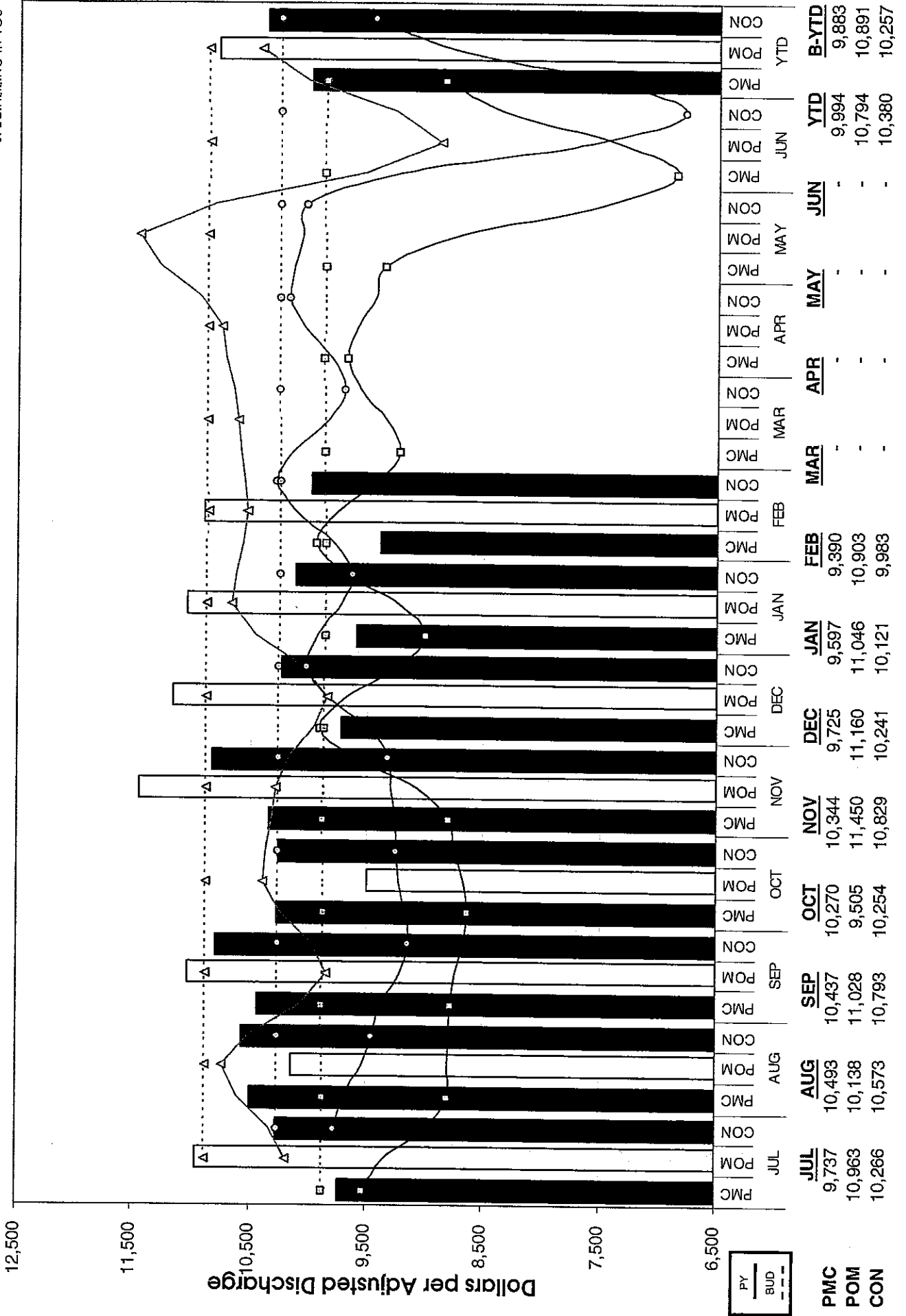
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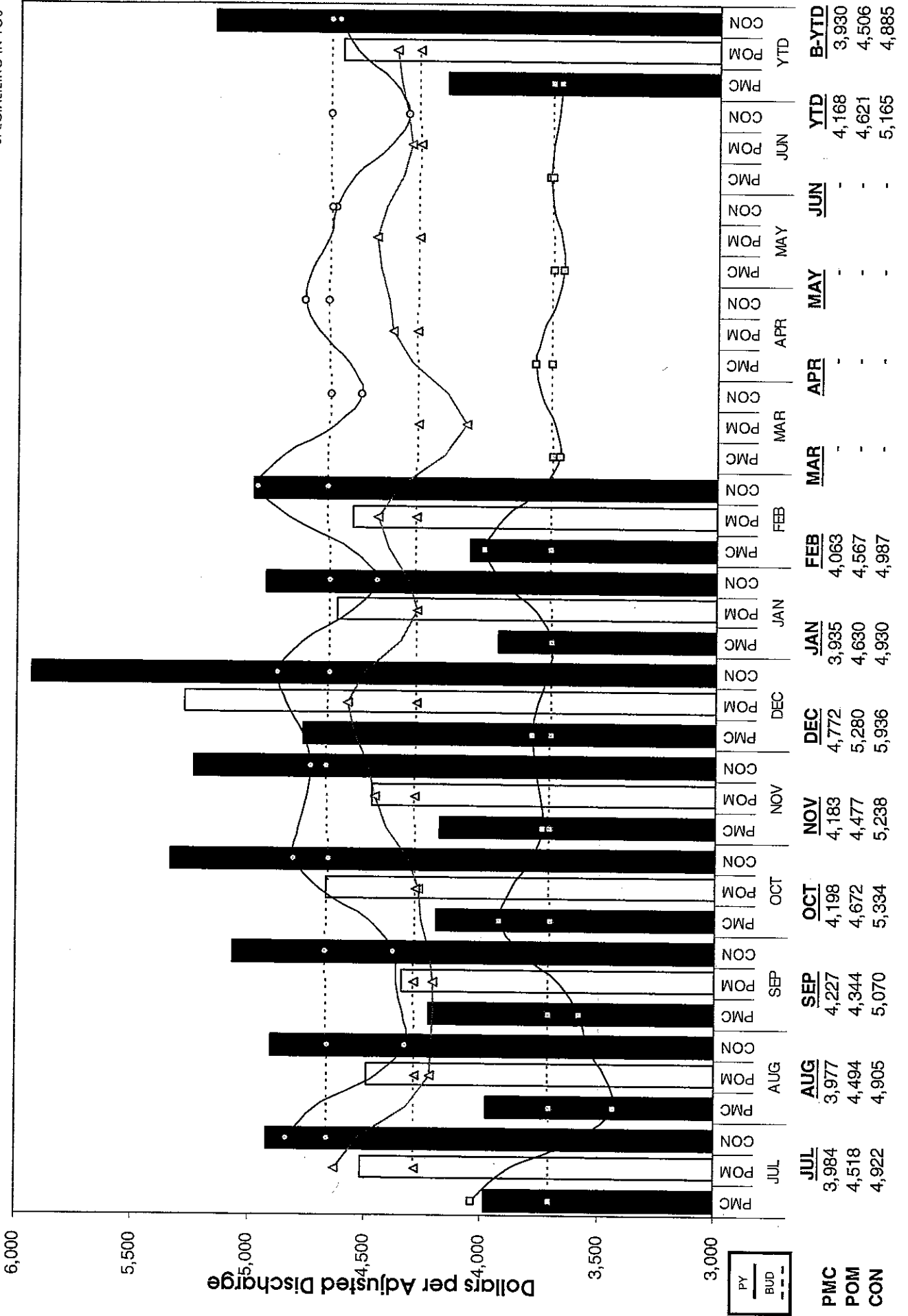
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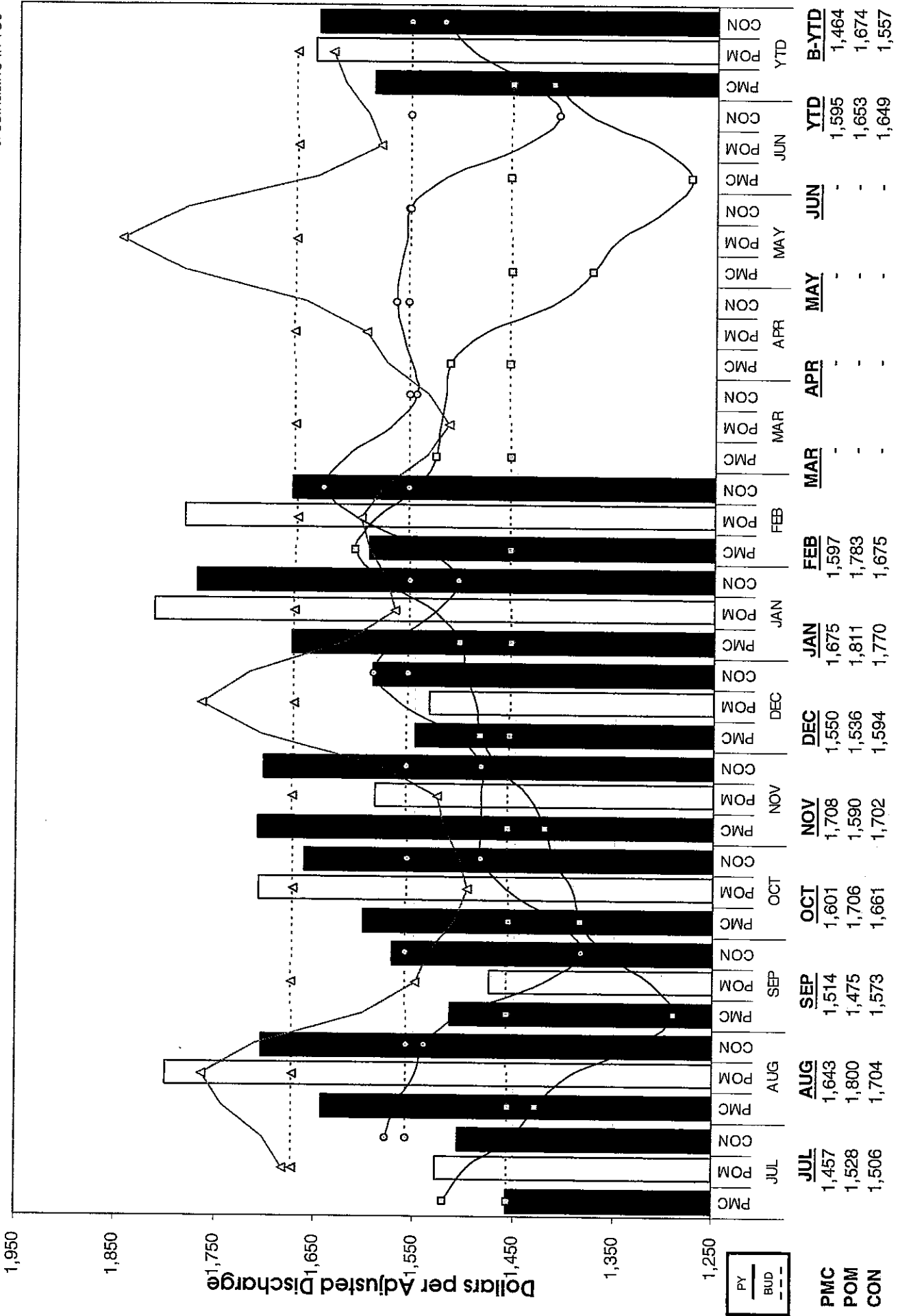


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Adjusted Discharges

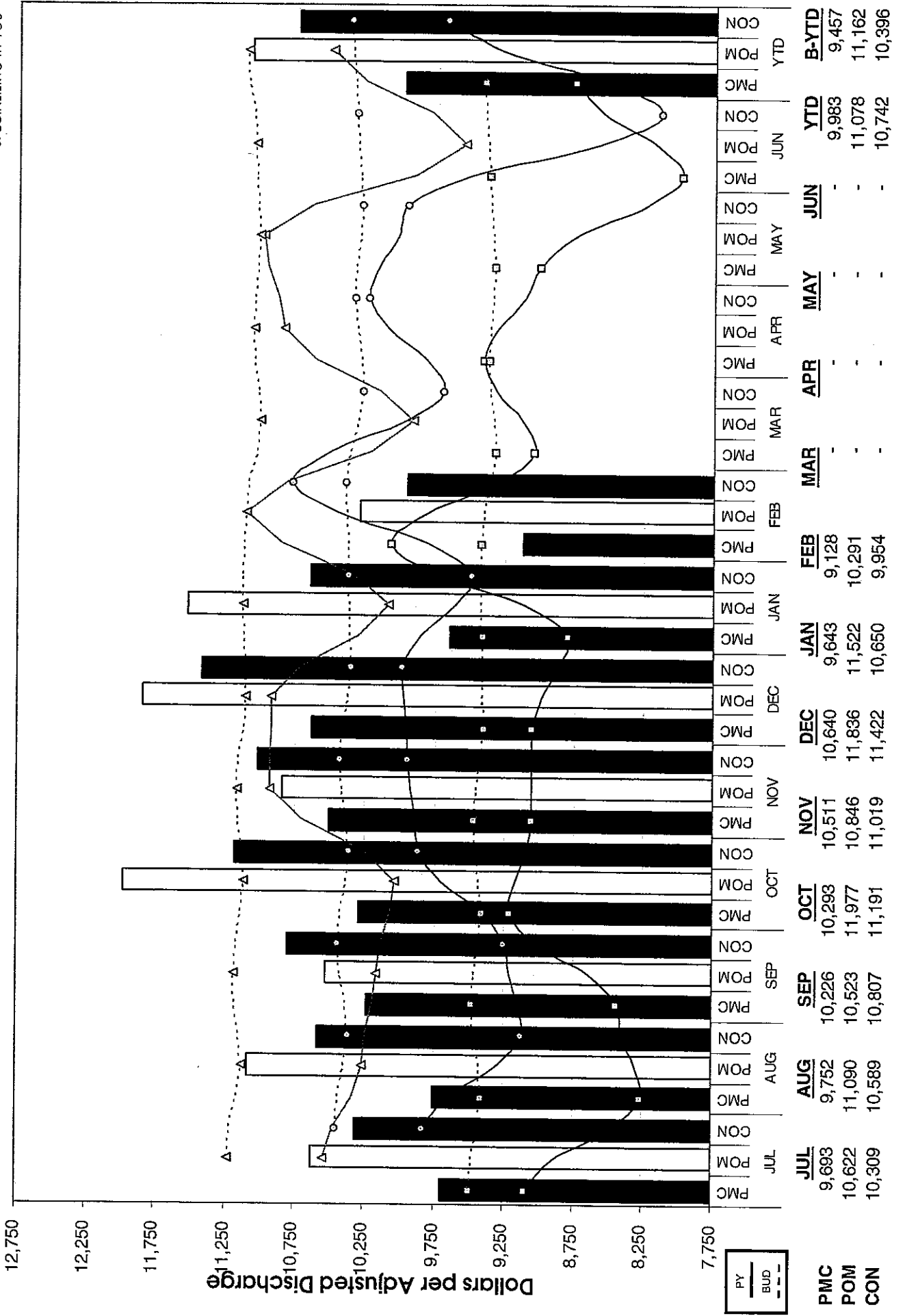






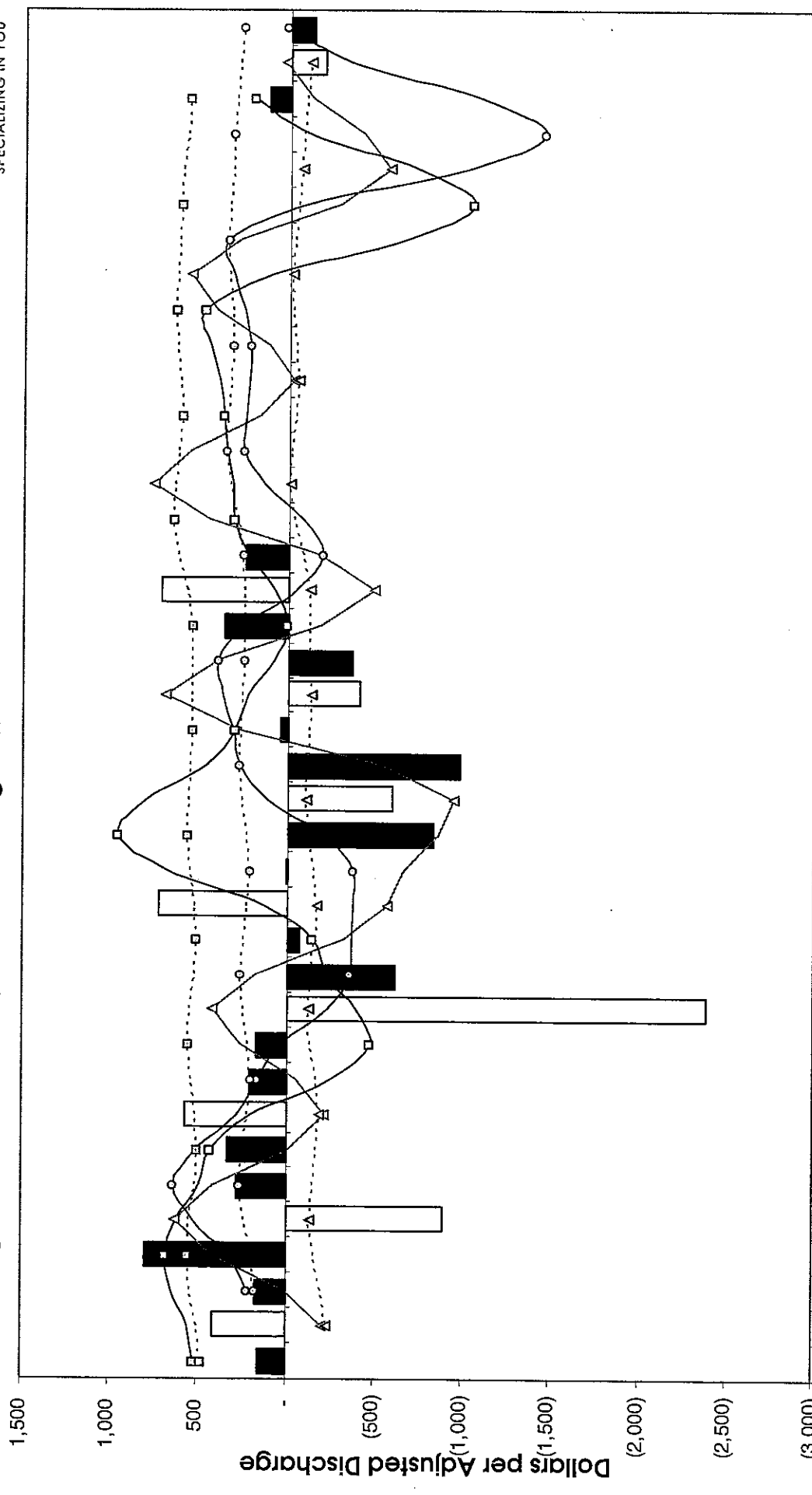
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Discharges



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Adjusted Discharges



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	B-YTD
PMC	158	799	335	177	(72)	(828)	40	360	-	-	-	-	119	528
POM	411	(889)	575	(2,388)	722	(602)	(408)	719	-	-	-	(202)	(153)	
CON	171	278	208	(618)	5	(985)	(366)	242	-	-	-	(134)	235	

PY
BUD

PMC
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	Actual	Budget	Variance Detail	Variance
Net Income From Operations	821,159	804,805		16,354
Total Net Revenue				1,001,874
Net Patient Revenue			1,001,874	
Other Revenue				(535,183)
PPH Foundation			(294,834)	
PPNC Health Development			(116,864)	
Home Health Outreach			(105,808)	
Welcome Home Baby			(48,379)	
Other			30,702	
Salaries & Wages				(1,077,317)
Volume variance			(864,482)	
Rate & Efficiency			(212,835)	
Overtime	(254,859)			
Benefits				1,299,155
FICA			(259,385)	
Health and Dental			(113,278)	
Other Benefits			105,098	
Pension			126,779	
Worker's Comp			1,439,941	
Contract Labor				(148,409)
Volume variance			(40,605)	
Rate & Efficiency (Nursing & Non-Nursing)			(107,804)	

	Actual	Budget	Variance Detail	Variance
Supplies				
Volume variance			(288,047)	(686,307)
Rate Variance			(398,260)	
Prosthesis .631	(330,600)			
Other Minor Equipment .649	(104,791)			
Other Non Medical .650	(103,057)			
Pharmaceutical .638	(59,058)			
Surgery General .634	(43,554)			
Professional Fees & Purchased Services				
Professional Fees & Purchased Services	133,999	133,999		133,999
Depreciation				
Depreciation	61,035	61,035		61,035
Other Direct Expenses				
Other	(32,493)	(32,493)		(32,493)
Total Actual to Budget Variance for February 2008			16,354	16,354

TS

	Actual	Budget	Variance Detail	Variance
Net Income From Operations	(3,586,087)	6,320,170		(9,906,257)
Total Net Revenue				567,039
Net Patient Revenue			567,039	
Other Revenue				(4,022,741)
PPH Foundation			(2,358,679)	
PPNC Health Development			(904,374)	
Home Health Outreach			(789,792)	
Welcome Home Baby			(568,863)	
VHA Rebate			161,144	
Graybill Auditorium water damage settlement			210,978	
Spartanburg Class Action Lawsuit			267,000	
Other			(40,155)	
Salaries & Wages				(4,734,283)
Volume variance			1,241,099	
Rate & Efficiency			(5,975,382)	
Bonus-Dec-22			(2,268,811)	
Overtime			(2,683,896)	
Benefits				8,584
FICA			(1,265,019)	
Health and Dental			(682,108)	
Pension			138,804	
Other Benefits			864,776	
Worker's Comp			952,131	
Contract Labor				(1,428,143)
Volume variance			58,377	
Rate & Efficiency (Nursing & Non-Nursing)			(1,486,520)	

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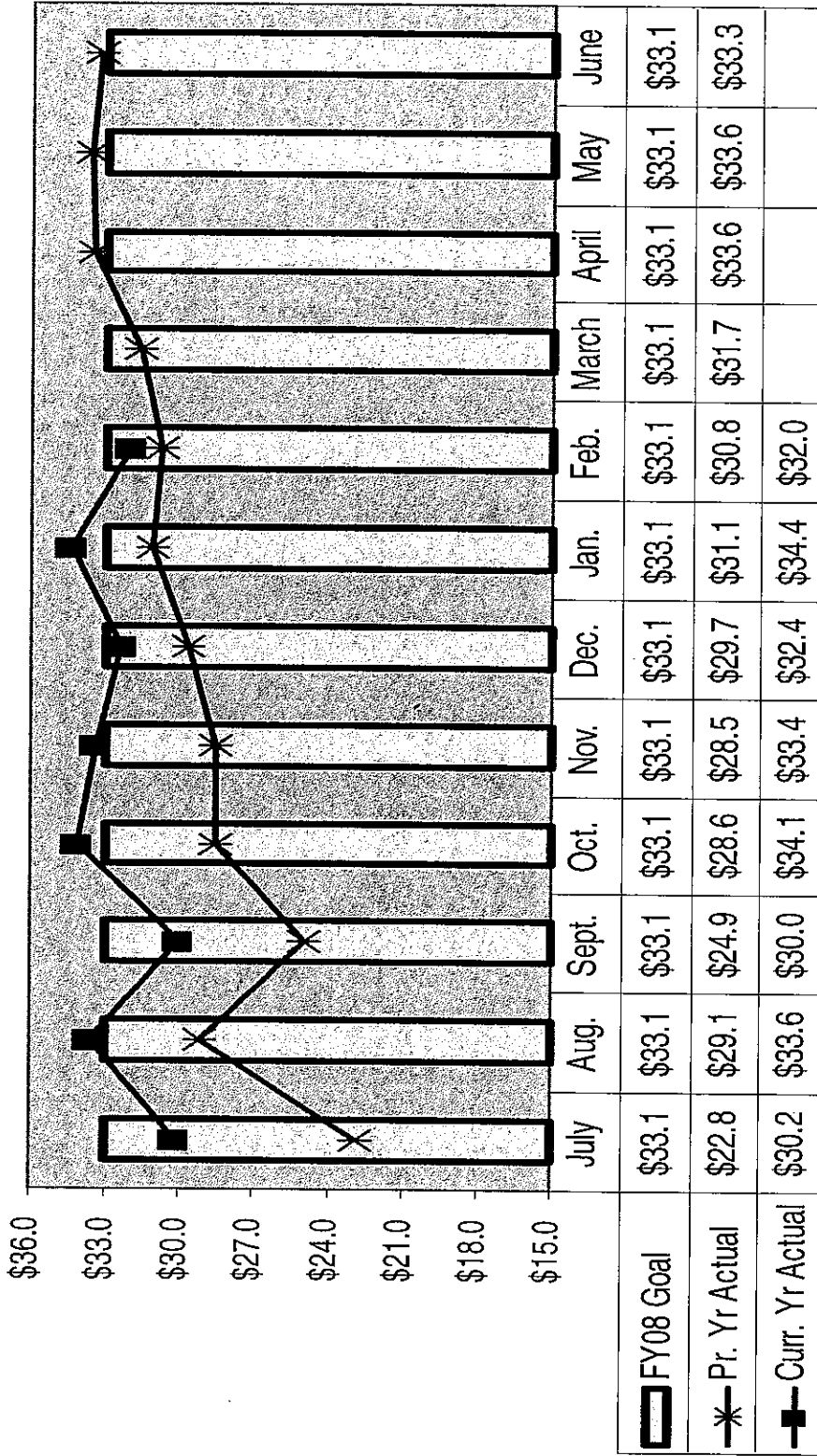
	Actual	Budget	Variance Detail	Variance
Supplies				(2,040,170)
Volume variance			414,232	
Rate Variance			(2,454,402)	
da Vinci Robot	(311,739)			
Prosthesis .631	(836,082)			
Surgery General .634	(583,727)			
Other Non Medical .650	(505,680)			
Supplies Other Medical .641	(409,120)			
Other Minor Equipment .649	(256,837)			
Professional Fees				1,676,050
Consulting			(304,713)	
Public Relations/Advertising Oth Pro Fees			268,725	
WHB Other Pro Fees (for First Five Commission Subcontractors)			540,792	
Physician Income Guarantees Not Realized			935,379	
Other			235,867	
Purchased Services				(1,028,241)
Repairs & Maintenance			(543,207)	
Disaster Relief Expenses			(256,847)	
Other			(228,186)	
Depreciation				(86,515)
Depreciation			(86,515)	
Other Direct Expenses				1,182,162
Rent building (POP)			(1,145,217)	
Marketing			(414,369)	
Foundation			1,595,759	
Other			1,145,989	
			(9,906,257)	(9,906,257)

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Account	Descriptions	YTD Actual	YTD Budget	Variance
631000	Prosthesis	10,202,160	9,366,078	(836,082)
634000	Supplies Surgery General	3,231,483	2,647,756	(583,727)
650000	Other Non Medical	4,785,652	4,279,972	(505,680)
641000	Supplies Other Medical	9,849,829	9,440,709	(409,120)
649000	Other Minor Equipment	792,705	535,868	(256,837)
646000	Supplies Office/Administration	765,331	709,870	(55,461)
647000	Supplies Employee Apparel	96,467	61,909	(34,558)
642000	Supplies Food/Meat	370,764	341,970	(28,794)
639000	Supplies Radioactive	546,458	518,086	(28,372)
636000	Supplies Oxygen/Gas	203,809	175,669	(28,140)
645000	Supplies Cleaning	276,119	255,824	(20,295)
644000	Supplies Linen	22,866	17,866	(5,000)
635000	Supplies Anesthesia Material	10,308	5,772	(4,536)
648000	Instruments/Minor Equipment	261,496	278,228	16,732
646100	Supplies Forms	387,462	406,523	19,061
632000	Sutures/Surgical Needles	1,006,032	1,030,183	24,151
633000	Supplies Surgical Pack	1,218,990	1,244,581	25,591
637000	Supplies IV Solutions	314,610	344,619	30,009
640000	Supplies X-ray Material	17,686	50,801	33,115
643000	Supplies Food Other	1,701,758	1,757,615	55,857
638000	Supplies Pharmaceutical	7,918,386	8,470,301	551,915
Grand Total		43,980,370	41,940,200	(2,040,170)

→ da Vinci expenses=\$311,739.54

PBS Monthly Collections
in Millions



	Current Month	Prior Month	Prior Fiscal Year End
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Assets	Current Month	Prior Month	Prior Fiscal Year End
Current Assets			
Cash on Hand	\$10,065,937	\$4,564,612	\$1,365,825
Cash Marketable Securities	65,294,669	75,114,113	107,847,524
Total Cash & Cash Equivalents	75,300,606	79,678,725	109,213,349
Patient Accounts Receivable	196,769,407	186,746,237	160,767,031
Allowance on Accounts	-102,340,923	-94,007,777	-81,286,268
Net Accounts Receivable	94,428,484	92,738,460	79,480,763
Inventories	7,061,292	7,004,411	7,025,980
Prepaid Expenses	4,400,167	5,220,154	2,071,008
Other	9,545,020	9,146,566	5,094,523
Total Current Assets	190,735,569	193,788,316	202,885,623
Non-Current Assets			
Restricted Assets	372,177,757	378,377,695	173,111,797
Restricted by Donor	302,156	300,765	296,184
Board Designated	14,231,843	16,141,523	0
Total Restricted Assets	386,711,756	394,819,983	173,407,981
Property Plant & Equipment	364,266,471	363,949,756	373,271,092
Accumulated Depreciation	-225,918,732	-225,531,144	-222,304,232
Construction in Process	180,876,040	173,245,842	121,244,746
Net Property Plant & Equipment	319,223,779	311,664,454	272,211,606
Investment in Related Companies	1,970,019	1,970,019	265,204
Deferred Financing Costs	20,289,114	20,240,721	17,245,255
Other Non-Current Assets	6,559,104	6,364,675	5,715,558
Total Non-Current Assets	734,753,772	735,059,852	468,845,604
Total Assets	\$925,489,341	\$928,848,168	\$671,731,227

	Current Month	Prior Month	Prior Fiscal Year End
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Liabilities	Current Month	Prior Month	Prior Fiscal Year End
Current Liabilities			
Accounts Payable	\$17,754,966	\$22,198,771	\$27,500,989
Accrued Payroll	18,073,872	19,554,165	14,778,493
Accrued PTO	13,539,033	13,018,663	12,638,138
Accrued Interest Payable	2,975,902	3,172,536	1,906,574
Current Portion of Bonds	9,660,000	9,660,000	13,220,000
Est Third Party Settlements	-23,306	-123,820	-2,579,788
Other Current Liabilities	17,565,789	18,452,334	12,085,069
Total Current Liabilities	79,546,256	85,932,649	79,549,475
Long Term Liabilities			
Bonds & Contracts Payable	532,006,592	531,987,720	294,723,824
General Fund Balance			
Unrestricted	299,402,495	294,485,514	297,161,750
Restricted for Other Purpose	302,156	300,765	296,184
Board Designated	14,231,843	16,141,523	0
Total Fund Balance	313,936,494	310,927,802	297,457,934
Total Liabilities / Fund Balance	\$925,489,341	\$928,848,168	\$671,731,227

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Year-to-Date
Days

	Variance			\$/Wtg Pt Day	
	Volume	Rate/Eff	Actual	Budget	Variance

	Actual	Budget	Variance
Admissions - Acute	19,423	19,883	(460)
Admissions - SNF	694	765	(71)
Patient Days - Acute	76,222	76,075	147
Patient Days - SNF	50,691	51,525	(834)
ALOS - Acute	3.92	3.83	0.09
ALOS - SNF	73.47	68.06	5.41
Weighted Patient Days	106,209	104,347	1,862

Revenue:

Gross Revenue	\$ 932,723,974	\$ 902,160,254	\$ 30,563,720	F	\$ 16,098,425	\$ 14,465,295	\$ 8,781.97	\$ 8,645.77	\$ 136.20
Deductions from Rev	(655,918,702)	(625,922,021)	(29,996,681)	U	(11,169,145)	(18,827,536)	(6,175.74)	(5,998.47)	(177.27)
Net Patient Revenue	276,805,272	276,238,233	567,039	F	4,929,280	(4,362,241)	2,606.23	2,647.30	(41.07)
Other Oper Revenue	6,042,330	10,065,071	(4,022,741)	U	179,604	(4,202,345)	56.89	96.46	(39.57)
Total Net Revenue	282,847,602	286,303,304	(3,455,702)	U	5,108,884	(8,564,586)	2,663.12	2,743.76	(80.64)

Expenses:

Salaries, Wages & Contr Labor	137,731,941	131,569,516	(6,162,425)	U	(2,347,767)	(3,814,658)	1,296.80	1,260.88	(35.92)
Benefits	33,162,877	33,171,461	8,584	F	(591,922)	600,506	312.24	317.90	5.65
Supplies	43,980,369	41,940,200	(2,040,169)	U	(748,394)	(1,291,775)	414.09	401.93	(12.16)
Prof Fees & Purch Svc	40,844,219	41,492,028	647,809	F	(740,397)	1,388,206	384.56	397.64	13.07
Depreciation	14,300,487	14,213,972	(86,515)	U	(253,638)	167,123	134.64	136.22	1.57
Other	16,413,795	17,595,957	1,182,162	F	(313,988)	1,496,150	154.54	168.63	14.09
Total Expenses	286,433,689	279,983,134	(6,450,554)	U	(4,996,105)	(1,454,449)	2,696.89	2,683.19	(13.69)

Net Inc Before Non-Oper Income

	(3,586,087)	6,320,170	(9,906,256)	U	112,779	(10,019,035)	(33.76)	60.57	(94.33)
Property Tax Revenue	9,000,000	9,000,000	-	-	160,599	(160,599)	84.74	86.25	(1.51)
Non-Operating Income	3,990,148	530,546	3,459,602	F	9,467	3,450,135	37.57	5.08	32.48

Net Income (Loss)

	\$ 9,404,061	\$ 15,850,716	\$ (6,446,655)	U	\$ 282,845	\$ (6,729,499)	\$ 88.54	\$ 151.90	\$ (63.36)
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Net Income Margin

OEBITDA Margin w/o Prop Tax	3.1%	5.3%	-2.2%
OEBITDA Margin with Prop Tax	3.5%	6.8%	-3.3%
	6.5%	9.8%	-3.3%

F= Favorable variance

U= Unfavorable variance

Days

Statistics:	Actual		Budget		Variance	
	Actual	Budget	Variance	Actual	Budget	Variance

Admissions - Acute	2,472	2,363	109			
Admissions - SNF	85	92	(7)			
Patient Days - Acute	9,970	9,041	929			
Patient Days - SNF	5,932	6,125	(193)			
ALOS - Acute	4.04	3.83	0.21			
ALOS - SNF	68.98	67.31	1.67			
Weighted Patient Days	13,874	12,402	1,472			

Revenue:	Actual		Budget		Variance		Rate/Eff	Actual	Budget	Variance
	Actual	Budget	Variance	Actual	Budget	Variance				

Gross Revenue	\$ 120,370,754	\$ 107,203,710	\$ 13,167,044	F	\$ 442,978	\$ 8,675.99	\$ 8,644.07	\$	31.93
Deductions from Rev	(86,557,550)	(74,392,380)	(12,165,170)	U	(3,335,499)	(6,238.83)	(5,998.42)		(240.41)
Net Patient Revenue	33,813,204	32,811,330	1,001,874	F	(2,892,520)	2,437.16	2,645.65		(208.48)
Other Oper Revenue	722,950	1,258,133	(535,183)	U	(684,511)	52.11	101.45		(49.34)
Total Net Revenue	34,536,154	34,069,463	466,691	F	(3,577,032)	2,489.27	2,747.09		(257.82)

Expenses:	Actual		Budget		Variance		Rate/Eff	Actual	Budget	Variance
	Actual	Budget	Variance	Actual	Budget	Variance				

Salaries, Wages & Contr Labor	16,891,071	15,665,345	(1,225,726)	U	633,602	1,217.46	1,263.13		45.67
Benefits	2,647,480	3,946,635	(1,299,155)	F	1,767,583	190.82	318.23		127.40
Supplies	5,671,856	4,985,549	(686,307)	U	(94,570)	408.81	402.00		(6.82)
Prof Fees & Purch Svc	4,604,768	4,738,767	(134,000)	F	696,446	331.90	382.10		50.20
Depreciation	1,721,380	1,782,415	(61,035)	F	272,591	124.07	143.72		19.65
Other	2,178,440	2,145,947	(32,493)	U	222,211	157.02	173.03		16.02
Total Expenses	33,714,995	33,264,658	(450,337)	U	3,497,863	2,430.08	2,682.20		252.12
Net Inc Before Non-Oper Income	821,159	804,805	16,354	F	(79,169)	59.19	64.89		(5.71)
Property Tax Revenue	1,125,000	1,125,000	-		(133,527)	81.09	90.71		(9.62)
Non-Operating Income	161,786	66,319	95,467	F	87,596	11.66	5.35		6.31
Net Income (Loss)	\$ 2,107,945	\$ 1,996,124	\$ 111,821	F	(125,100)	\$ 151.93	\$ 160.95		(9.02)

Net Income Margin 5.3% 5.6% -0.3%

OEBITDA Margin w/o Prop Tax 6.4% 7.3% -0.9%

OEBITDA Margin with Prop Tax 9.2% 10.4% -1.2%

F= Favorable variance
U= Unfavorable variance

UX

vs. Prior Year-to-Date
Days

Statistics:	February 08		February 07		Variance			\$/Wtg Pt Day		
	YTD		YTD		Volume	Rate/Eff	Actual	Budget	Variance	
Admissions - Acute	19,423		16,957	2,466						
Admissions - SNF	694		688	6						
Patient Days - Acute	76,222		65,384	10,838						
Patient Days - SNF	50,691		45,357	5,334						
ALOS - Acute	3.92		3.82	0.10						
ALOS - SNF	73.47		67.30	6.17						
Weighted Patient Days	106,209		23,226	82,983						

	February 08	February 07	Variance	Volume	Rate/Eff	Actual	Budget	Variance
Revenue:								
Gross Revenue	\$ 932,723,974	\$ 817,164,212	\$ 115,559,762	\$ 2,919,604,659	\$ (2,804,044,897)	\$ 8,781.97	\$ 35,183.17	\$ (26,401.20)
Deductions from Rev	(655,918,702)	(565,894,232)	(90,024,470)	(2,021,854,863)	1,931,830,393	(6,175.74)	(24,364.69)	18,188.95
Net Patient Revenue	276,805,272	251,269,980	25,535,292	897,749,796	(872,214,504)	2,606.23	10,818.48	(8,212.25)
Other Oper Revenue	6,042,330	6,950,316	(907,986)	24,832,432	(25,740,418)	56.89	299.25	(242.36)
Total Net Revenue	282,847,602	258,220,296	24,627,306	922,582,228	(897,954,922)	2,663.12	11,117.73	(8,454.60)
Expenses:								
Salaries, Wages & Contr Labor	137,731,941	122,115,321	(15,616,620)	(436,299,651)	420,683,031	1,296.80	5,257.70	3,960.90
Benefits	33,162,877	31,038,233	(2,124,644)	(110,894,932)	108,770,288	312.24	1,336.36	1,024.12
Supplies	43,980,369	39,900,652	(4,079,717)	(142,559,020)	138,479,303	414.09	1,717.93	1,303.84
Prof Fees & Purch Svc	40,844,219	34,592,473	(6,251,746)	(123,593,696)	117,341,950	384.56	1,489.39	1,104.82
Depreciation	14,300,487	13,181,657	(1,118,830)	(47,096,075)	45,977,245	134.64	567.54	432.89
Other	16,413,795	14,682,979	(1,730,816)	(52,460,073)	50,729,257	154.54	632.18	477.64
Total Expenses	286,433,688	255,511,315	(30,922,373)	(912,903,447)	881,981,074	2,696.89	11,001.09	8,304.20
Net Inc Before Non-Oper Income	(3,586,086)	2,708,981	(6,295,067)	9,678,781	(15,973,848)	(33.76)	116.64	(150.40)
Property Tax Revenue	9,000,000	8,433,328	566,672	30,131,011	(29,564,339)	84.74	363.10	(278.36)
Non-Operating Income	3,990,148	1,987,061	2,003,087	7,099,470	(5,096,383)	37.57	85.55	(47.98)
Net Income (Loss)	\$ 9,404,061	\$ 13,129,370	\$ (3,725,308)	\$ 46,909,262	\$ (50,634,570)	\$ 88.54	\$ 565.29	\$ (476.74)
Net Income Margin	3.1%	4.8%	-1.7%					
OEBITDA Margin w/o Prop Tax	3.5%	5.8%	-2.3%					
OEBITDA Margin with Prop Tax	6.5%	8.9%	-2.4%					

F= Favorable variance
U= Unfavorable variance

9-Month Projection
Days

	8 Act + 4 Bud		FY 08 Budget		Variance		\$/Wtg Pt Day		
					Volume	Rate/Eff	Actual	Budget	Variance
Statistics:									
Admissions - Acute	29,367	29,827		(460)					
Admissions - SNF	1,076	1,147		(71)					
Patient Days - Acute	114,258	114,111		147					
Patient Days - SNF	76,429	77,263		(834)					
Weighted Patient Days	42,259	40,397		1,862					
Revenue:									
Gross Revenue	\$ 1,383,828,987	\$ 1,353,265,267	\$ 30,563,722	F	\$ 62,375,422	\$ (31,811,702)	\$ 32,746.37	\$ 33,499.15	\$ (752.78)
Deductions from Rev	(968,879,750)	(938,883,067)	(29,996,683)	U	(43,275,497)	13,278,814	(22,927.18)	(23,241.41)	314.22
Net Patient Revenue	414,949,237	414,382,200	567,039	F	19,099,925	(18,532,888)	9,819.19	10,257.75	(438.55)
Other Oper Revenue	11,074,865	15,097,606	(4,022,741)	U	695,887	(4,718,628)	262.07	373.73	(111.66)
Total Net Revenue	426,024,102	429,479,806	(3,455,702)	U	19,795,812	(23,251,516)	10,081.26	10,631.48	(550.21)
Expenses:									
Salaries, Wages & Contr Labor	203,516,584	197,354,158	(6,162,426)	U	(9,096,553)	2,934,127	4,815.93	4,885.37	69.43
Benefits	49,748,562	49,757,147	8,585	F	(2,293,433)	2,302,018	1,177.23	1,231.70	54.47
Supplies	64,954,442	62,914,273	(2,040,169)	U	(2,899,878)	859,709	1,537.06	1,557.40	20.34
Prof Fees & Purch Svc	60,281,022	60,928,830	647,807	F	(2,808,364)	3,456,172	1,426.47	1,508.25	81.79
Depreciation	21,430,147	21,343,632	(86,515)	U	(983,782)	897,267	507.11	528.35	21.23
Other	25,211,802	26,393,963	1,182,161	F	(1,216,565)	2,398,726	596.60	653.36	56.76
Total Expenses	425,142,559	418,692,003	(6,450,557)	U	(19,298,574)	12,848,018	10,060.40	10,364.43	304.03
Net Inc Before Non-Oper Income	881,543	10,787,803	(9,906,259)	U	497,237	(10,403,497)	20.86	267.04	(246.18)
Property Tax Revenue	13,500,000	13,500,000	-		622,249	(622,249)	319.46	334.18	(14.72)
Non-Operating Income	4,255,424	795,822	3,459,600	F	36,681	3,422,921	100.70	19.70	81.00
Net Income (Loss)	\$ 18,636,967	\$ 25,083,625	(6,446,655)	U	\$ 1,156,168	\$ (7,602,826)	\$ 441.02	\$ 620.93	\$ (179.91)
Net Income Margin	4.1%	5.6%	-1.5%						
OEBITDA Margin w/o Prop Tax	4.9%	7.1%	-2.2%						
OEBITDA Margin with Prop Tax	7.9%	10.1%	-2.2%						

F= Favorable variance
U= Unfavorable variance

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Statistics:

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	YTD
Admissions - Acute	2,378	2,480	2,369	2,386	2,420	2,432	2,486	2,472	19,423
Admissions - SNF	98	83	95	82	79	97	75	85	694
Patient Days - Acute	9,000	9,910	9,617	9,161	9,291	9,397	9,876	9,970	76,222
Patient Days - SNF	6,453	6,703	6,262	6,200	6,252	6,441	6,448	5,932	50,691
LOS - Acute	3.77	4.03	4.03	3.85	3.84	3.82	3.95	4.04	3.92
LOS - SNF	74.17	77.94	63.90	68.89	90.61	68.52	80.60	68.98	73.47
Weighted Patient Days	12,587	13,756	13,284	12,775	12,969	13,000	13,967	13,874	106,209
Adjusted Discharges	3,283	3,357	3,250	3,272	3,305	3,357	3,458	3,387	26,666

Revenue:

Gross Revenue	\$ 111,773,221	\$ 122,404,049	\$ 116,030,872	\$ 113,082,612	\$ 114,581,236	\$ 114,323,264	\$ 120,157,964	\$ 120,370,754	\$ 932,723,974
Deductions from Rev	(78,069,250)	(86,911,029)	(80,952,920)	(79,532,906)	(78,791,347)	(79,944,031)	(85,159,672)	(86,557,550)	(655,918,702)
Net Patient Revenue	33,703,971	35,493,020	35,077,952	33,549,706	35,789,889	34,379,233	34,998,292	33,813,204	276,805,272
Other Oper Revenue	701,388	986,768	719,079	1,046,518	644,683	657,106	563,842	722,950	6,042,330
Total Net Revenue	34,405,359	36,479,788	35,797,031	34,596,224	36,434,572	35,036,339	35,562,134	34,536,154	282,847,602

Expenses:

Salaries, Wages & Contr Labor	16,158,669	16,464,478	16,477,521	17,451,691	17,312,652	19,926,214	17,049,645	16,891,071	137,731,941
Benefits	4,208,437	4,396,919	4,327,260	4,393,500	4,252,006	4,406,086	4,531,188	2,647,480	33,162,877
Supplies	4,942,769	5,720,791	5,111,919	5,436,382	5,624,615	5,349,701	6,122,338	5,671,856	43,980,369
Prof Fees & Purch Svc	4,291,556	5,235,293	5,463,126	5,405,362	5,518,907	4,989,017	5,336,191	4,604,768	40,844,219
Depreciation	1,787,630	1,785,978	1,804,198	1,804,702	1,911,015	1,887,683	1,597,900	1,721,380	14,300,487
Other	2,455,357	1,944,304	1,937,161	2,125,075	1,797,432	1,785,175	2,190,850	2,178,440	16,413,795
Total Expenses	33,844,418	35,547,763	35,121,185	36,616,712	36,416,627	38,343,876	36,828,112	33,714,995	286,433,689

Net Inc Before Non-Oper Income

	560,941	932,026	675,846	(2,020,488)	17,945	(3,307,537)	(1,265,978)	821,159	(3,586,087)
Property Tax Revenue	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	9,000,000
Non-Operating Income	331,466	517,863	795,728	174,686	918,390	76,272	1,013,956	161,786	3,990,148

Net Income (Loss)

	\$ 2,017,407	\$ 2,574,888	\$ 2,596,574	\$ (720,802)	\$ 2,061,335	\$ (2,106,265)	\$ 872,978	\$ 2,107,945	\$ 9,404,061
Net Income Margin	5.8%	5.8%	7.9%	-2.1%	5.2%	-5.7%	2.3%	5.3%	3.1%
OEBITDA Margin w/o Prop Tax	6.8%	6.1%	7.0%	-0.6%	4.9%	-3.8%	0.9%	6.4%	3.5%
OEBITDA Margin with Prop Tax	10.1%	8.6%	10.1%	2.6%	7.7%	-0.8%	3.8%	9.2%	6.5%

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	Actual			Budget			Variance			\$/Adjusted Discharges		
	Actual	Budget	Variance	Actual	Budget	Variance	Volume	Rate/Eff	Actual	Budget	Variance	
Statistics:												
Admissions - Acute	19,423	19,883	(460)									
Admissions - SNF	694	765	(71)									
Patient Days - Acute	76,222	76,075	147									
Patient Days - SNF	50,691	51,525	(834)									
ALOS - Acute	3.92	3.83	0.09									
ALOS - SNF	73.47	68.06	5.41									
Adjusted Discharges	26,666	26,932	(266)									
Revenue:												
Gross Revenue	\$ 932,723,974	\$ 902,160,254	\$ 30,563,720	F			\$ (8,910,390)	\$ 39,474,110	\$34,978.02	\$ 33,497.71	\$ 1,480.32	
Deductions from Rev	(655,918,702)	(625,922,021)	(29,996,681)	U			6,182,061	(36,178,742)	(24,597.57)	(23,240.83)	(1,356.74)	
Net Patient Revenue	276,805,272	276,238,233	567,039	F			(2,728,329)	3,295,368	10,380.46	10,256.88	123.58	
Other Oper Revenue	6,042,330	10,065,071	(4,022,741)	U			(99,410)	(3,923,331)	226.59	373.72	(147.13)	
Total Net Revenue	282,847,602	286,303,304	(3,455,702)	U			(2,827,739)	(627,963)	10,607.05	10,630.60	(23.55)	
Expenses:												
Salaries, Wages & Contr Labor	137,731,941	131,569,516	(6,162,425)	U			1,299,476	(7,461,901)	5,165.08	4,865.25	(279.83)	
Benefits	33,162,877	33,171,461	8,584	F			327,625	(319,041)	1,243.64	1,231.67	(11.96)	
Supplies	43,980,369	41,940,200	(2,040,169)	U			414,232	(2,454,401)	1,649.31	1,557.26	(92.04)	
Prof Fees & Purch Svc	40,844,219	41,492,028	647,809	F			409,805	238,004	1,531.70	1,540.62	8.93	
Depreciation	14,300,487	14,213,972	(86,515)	U			140,388	(226,903)	536.28	527.77	(8.51)	
Other	16,413,795	17,595,957	1,182,162	F			173,790	1,008,372	615.53	653.35	37.81	
Total Expenses	286,433,689	279,983,134	(6,450,554)	U			2,765,317	(9,215,871)	10,741.53	10,395.93	(345.60)	
Net Inc Before Non-Oper Income	(3,586,087)	6,320,170	(9,906,256)	U			(62,423)	(9,843,833)	(134.48)	234.67	(369.15)	
Property Tax Revenue	9,000,000	9,000,000	-	-			(88,891)	88,891	337.51	334.17	3.33	
Non-Operating Income	3,990,148	530,546	3,459,602	F			(5,240)	3,464,842	149.63	19.70	129.93	
Net Income (Loss)	\$ 9,404,061	\$ 15,850,716	(6,446,655)	U			(156,553)	(6,290,101)	\$ 352.66	\$ 588.55	(235.88)	
Net Income Margin	3.1%	5.3%	-2.2%									
OEBITDA Margin w/o Prop Tax	3.5%	6.8%	-3.3%									
OEBITDA Margin with Prop Tax	6.5%	9.8%	-3.3%									

F= Favorable variance
U= Unfavorable variance

WJ

Discharges

Statistics:	Actual		Budget		Variance	
	Actual	Budget	Variance	Volume	Rate/Eff	Actual
Admissions - Acute	2,472	2,363	109			
Admissions - SNF	85	92	(7)			
Patient Days - Acute	9,970	9,041	929			
Patient Days - SNF	5,932	6,125	(193)			
ALOS - Acute	4.04	3.83	0.21			
ALOS - SNF	68.98	67.31	1.67			
Adjusted Discharges	3,387	3,202	185			

Revenue:

	Actual	Budget	Variance	Volume	Rate/Eff	Actual	Budget	Variance
Gross Revenue	\$ 120,370,754	\$ 107,203,710	\$ 13,167,044	\$ 6,193,843	6,973,201	\$ 35,539,05	\$ 33,480,23	\$ 2,058.81
Deductions from Rev	(86,557,550)	(74,392,380)	(12,165,170)	(4,298,123)	(7,867,047)	(25,555.82)	(23,233.10)	(2,322.72)
Net Patient Revenue	33,813,204	32,811,330	1,001,874	1,895,720	(893,846)	9,983.23	10,247.14	(263.90)
Other Oper Revenue	722,950	1,258,133	(535,183)	72,690	(607,873)	213.45	392.92	(179.47)
Total Net Revenue	34,536,154	34,069,463	466,691	1,968,411	(1,501,720)	10,196.68	10,640.06	(443.38)

Expenses:

Salaries, Wages & Contr Labor	16,891,071	15,665,345	(1,225,726)	(905,087)	(320,639)	4,987.03	4,892.36	(94.67)
Benefits	2,647,480	3,946,635	1,299,155	(228,022)	1,527,177	781.66	1,232.55	450.89
Supplies	5,671,856	4,985,549	(686,307)	(288,047)	(398,260)	1,674.60	1,557.01	(117.58)
Prof Fees & Purch Svc	4,604,768	4,738,767	134,000	(273,789)	407,788	1,359.54	1,479.94	120.40
Depreciation	1,721,380	1,782,415	61,035	(102,982)	164,017	508.23	556.66	48.43
Other	2,178,440	2,145,947	(32,493)	(123,985)	91,492	643.18	670.19	27.01
Total Expenses	33,714,995	33,264,658	(450,337)	(1,921,912)	1,471,575	9,954.24	10,388.71	434.48

Net Inc Before Non-Oper Income

Property Tax Revenue	821,159	804,805	16,354	46,499	(30,145)	242.44	251.34	(8.90)
Non-Operating Income	1,125,000	1,125,000	-	64,998	(64,998)	332.15	351.34	(19.19)
Net Income (Loss)	2,107,945	1,996,124	111,821	115,329	(3,508)	622.36	623.40	(1.04)

Net Income Margin 5.3% 5.6% -0.3%
 OEBITDA Margin w/o Prop Tax 6.4% 7.3% -0.9%
 OEBITDA Margin with Prop Tax 9.2% 10.4% -1.2%

F= Favorable variance
 U= Unfavorable variance

FISCAL YEAR 2008 vs Prior Year-to-Date Changes

	February 08		February 07		Variance			\$/Adjusted Discharges		
	YTD		YTD		Volume	Rate/Eff	Actual	Budget	Variance	
Statistics:										
Admissions - Acute	19,423		16,957	2,466						
Admissions - SNF	694		688	6						
Patient Days - Acute	76,222		65,384	10,838						
Patient Days - SNF	50,691		45,357	5,334						
ALOS - Acute	3.92		3.82	0.10						
ALOS - SNF	73.47		67.30	6.17						
Adjusted Discharges	26,666		23,226	3,440						

	February 08	February 07	Variance	Volume	Rate/Eff	Actual	Budget	Variance
Revenue:								
Gross Revenue	\$ 932,723,974	\$ 817,164,212	\$ 115,559,762	\$ 121,030,091	(5,470,329)	\$ 34,978.02	\$ 35,183.17	\$ (205.14)
Deductions from Rev	(655,918,702)	(565,894,232)	(90,024,470)	(83,814,525)	(6,209,945)	(24,597.57)	(24,364.69)	(232.88)
Net Patient Revenue	276,805,272	251,269,980	25,535,292	37,215,566	(11,680,274)	10,380.46	10,818.48	(438.02)
Other Oper Revenue	6,042,330	6,950,316	(907,986)	1,029,410	(1,937,396)	226.59	299.25	(72.65)
Total Net Revenue	282,847,602	258,220,296	24,627,306	38,244,976	(13,617,670)	10,607.05	11,117.73	(510.68)

	February 08	February 07	Variance	Volume	Rate/Eff	Actual	Budget	Variance
Expenses:								
Salaries, Wages & Contr Labor	137,731,941	122,115,321	(15,616,620)	(18,086,485)	2,469,865	5,165.08	5,257.70	92.62
Benefits	33,162,877	31,038,233	(2,124,644)	(4,597,069)	2,472,425	1,243.64	1,336.36	92.72
Supplies	43,980,369	39,900,652	(4,079,717)	(5,909,681)	1,829,964	1,649.31	1,717.93	68.63
Prof Fees & Purch Svc	40,844,219	34,592,473	(6,251,746)	(5,123,487)	(1,128,259)	1,531.70	1,489.39	(42.31)
Depreciation	14,300,487	13,181,657	(1,118,830)	(1,952,334)	833,504	536.28	567.54	31.26
Other	16,413,795	14,682,979	(1,730,816)	(2,174,694)	443,878	615.53	632.18	16.65
Total Expenses	286,433,688	255,511,315	(30,922,373)	(37,843,749)	6,921,376	10,741.53	11,001.09	259.56

Net Inc Before Non-Oper Income	(3,586,086)	2,708,981	(6,295,067)	401,227	(6,696,294)	(134.48)	116.64	(251.12)
Property Tax Revenue	9,000,000	8,433,328	566,672	1,249,059	(682,387)	337.51	363.10	(25.59)
Non-Operating Income	3,990,148	1,987,061	2,003,087	294,303	1,708,784	149.63	85.55	64.08
Net Income (Loss)	\$ 9,404,061	\$ 13,129,370	\$ (3,725,308)	\$ 1,944,589	\$ (5,669,897)	\$ 352.66	\$ 565.29	\$ (212.63)

Net Income Margin 3.1% 4.8% -1.7%
 OEBITDA Margin w/o Prop Tax 3.5% 5.8% -2.3%
 OEBITDA Margin with Prop Tax 6.5% 8.9% -2.4%

F= Favorable variance
 U= Unfavorable variance

Financial Projections

	8 Act + 4 Bud		FY 08 Budget		Variance		Variance				\$/Adjusted Discharges		
							Volume	Rate/Eff	Actual	Budget	Variance		
Statistics:													
Admissions - Acute	29,367		29,827	(460)									
Admissions - SNF	1,076		1,147	(71)									
Patient Days - Acute	114,258		114,111	147									
Patient Days - SNF	76,429		77,263	(834)									
Adjusted Discharges	40,131		40,397	(266)									
Revenue:													
Gross Revenue	\$ 1,383,828,987	\$ 1,353,265,267	\$ 30,563,722	F	\$ 39,474,495	\$ 34,482.79	\$ 33,499.15	\$	983.64				
Deductions from Rev	(968,879,750)	(938,883,067)	(29,996,683)	U	(36,178,897)	(24,142.93)	(23,241.41)		(901.52)				
Net Patient Revenue	414,949,237	414,382,200	567,039	F	3,295,598	10,339.87	10,257.75		82.12				
Other Oper Revenue	11,074,865	15,097,606	(4,022,741)	U	(3,923,329)	275.97	373.73		(97.76)				
Total Net Revenue	426,024,102	429,479,806	(3,455,702)	U	(627,731)	10,615.84	10,631.48		(15.64)				
Expenses:													
Salaries, Wages & Contr Labor	203,516,584	197,354,158	(6,162,426)	U	(7,461,934)	5,071.31	4,885.37		(185.94)				
Benefits	49,748,582	49,757,147	8,585	F	(319,048)	1,239.65	1,231.70		(7.95)				
Supplies	64,954,442	62,914,273	(2,040,169)	U	(2,454,437)	1,618.56	1,557.40		(61.16)				
Prof Fees & Purch Swc	60,281,022	60,928,830	647,807	F	246,613	1,502.11	1,508.25		6.15				
Depreciation	21,430,147	21,343,632	(86,515)	U	(227,055)	534.00	528.35		(5.66)				
Other	25,211,802	26,393,963	1,182,161	F	1,008,366	628.24	653.36		25.13				
Total Expenses	425,142,559	418,692,003	(6,450,557)	U	(9,207,495)	10,593.87	10,364.43		(229.44)				
Net Inc Before Non-Oper Income	881,543	10,787,803	(9,906,259)	U	(9,835,226)	21.97	267.04		(245.08)				
Property Tax Revenue	13,500,000	13,500,000	-		88,893	336.40	334.18		2.22				
Non-Operating Income	4,255,424	795,822	3,459,600	F	(5,240)	106.04	19.70		86.34				
Net Income (Loss)	\$ 18,636,967	\$ 25,083,625	\$ (6,446,655)	U	(6,281,491)	\$ 464.40	\$ 620.93		\$ (156.52)				
Net Income Margin	4.1%	5.6%	-1.5%										
OEBITDA Margin w/o Prop Tax	4.9%	7.1%	-2.2%										
OEBITDA Margin with Prop Tax	7.9%	10.1%	-2.2%										

F= Favorable variance
U= Unfavorable variance

	February	YTD
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income (Loss) from operations	821,909	(3,586,587)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation Expense	1,721,380	14,300,486
Provision for bad debts	6,228,767	28,225,531
Changes in operating assets and liabilities:		
Patient accounts receivable	(7,918,792)	(35,810,100)
Property Tax and other receivables	(881,458)	(20,346,626)
Inventories	(56,881)	(20,020)
Prepaid expenses and Other Non-Current assets	819,987	(2,508,729)
Accounts payable	(4,443,805)	(13,810,441)
Accrued compensation	(959,923)	3,650,156
Estimated settlement amounts due third-party payors	100,514	1,560,891
Other current liabilities	238,455	17,311,524
Net cash provided by operating activities	(4,329,847)	(11,033,915)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net (purchases) sales of investments	17,987,671	(162,695,277)
Interest (Loss) received on investments	629,673	6,728,861
Investment in affiliates	124,483	(1,965,104)
Net cash used in investing activities	18,741,827	(157,931,520)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Receipt of G.O. Bond Taxes	162,472	6,599,440
Receipt of District Taxes	126,102	7,744,686
Net cash used in non-capital financing activities	288,574	14,344,126
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of property plant and equipment	(7,514,222)	(53,494,637)
Proceeds from sale of asset	0	0
Deferred Financing Costs	(48,393)	(15,412,112)
G.O. Bond Interest paid	(1,636,613)	(3,382,325)
Revenue Bond Interest paid	0	(1,856,203)
Proceeds from issuance of debt	0	246,791,175
Payments of Long Term Debt	0	(13,220,000)
Net cash used in activities	(9,199,228)	159,425,898
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,501,326	4,804,589
CASH AND CASH EQUIVALENTS - Beginning of period	4,564,612	5,261,349
CASH AND CASH EQUIVALENTS - End of period	10,065,937	10,065,937

Cushion Ratio

	Jun-06	Jun-07	Feb-08
Cash and Cash Equivalents	112,036,430	109,213,349	75,300,606
Board Designated Reserves	9,267,526	-	14,231,843
Trustee-held Funds	12,170,183	143,341,920	103,983,989
Total	133,474,139	252,555,269	193,516,438
Divided by: Max Annual Debt Service (Bond Year 2008)	10,697,594	16,972,692	16,972,692

**Cushion Ratio
REQUIREMENT**

	12.5	14.9	11.4
	1.5	1.5	1.5
	Achieved	Achieved	Achieved

Days Cash on Hand

	Jun-06	Jun-07	Feb-08
Cash and Cash Equivalents	112,036,430	109,213,349	75,300,606
Board Designated Reserves	9,267,526	-	14,231,843
Total	121,303,956	109,213,349	89,532,449

Divide Total by Average Adjusted Expenses per Day

Total Expenses	364,120,335	385,355,509	286,433,689
Less: Depreciation	18,737,467	19,453,013	14,300,487
Adjusted Expenses	345,382,868	365,902,496	272,133,202
Number of days in period	365	365	244
Average Adjusted Expenses per Day	946,254	1,002,473	1,115,300

**Days Cash on Hand
REQUIREMENT**

	128	109	80
	90	80	80
	Achieved	Achieved	Achieved

Net Income Available for Debt Service

	Jun-06	Jun-07	Feb-08
Excess of revenue over expenses Cur Mo.	1,315,850	2,963,446	2,107,944
Excess of revenues over expenses YTD (General Funds)	11,558,633	21,974,509	9,404,061
ADD:			
Depreciation and Amortization	18,737,467	19,453,013	14,300,487
Interest Expense	4,405,929	3,343,683	2,978,900
Net Income Available for Debt Service	34,702,029	44,771,205	26,683,448

Aggregate Debt Service

1993 Insured Refunding Revenue Bonds	3,639,772	0	0
1999 Insured Refunding Revenue Bonds	6,950,508	8,249,916	5,500,590
2006 Certificates of Participation	10,590,280	4,373,342	4,998,105
Aggregate Debt Service	21,180,560	12,623,258	10,498,695

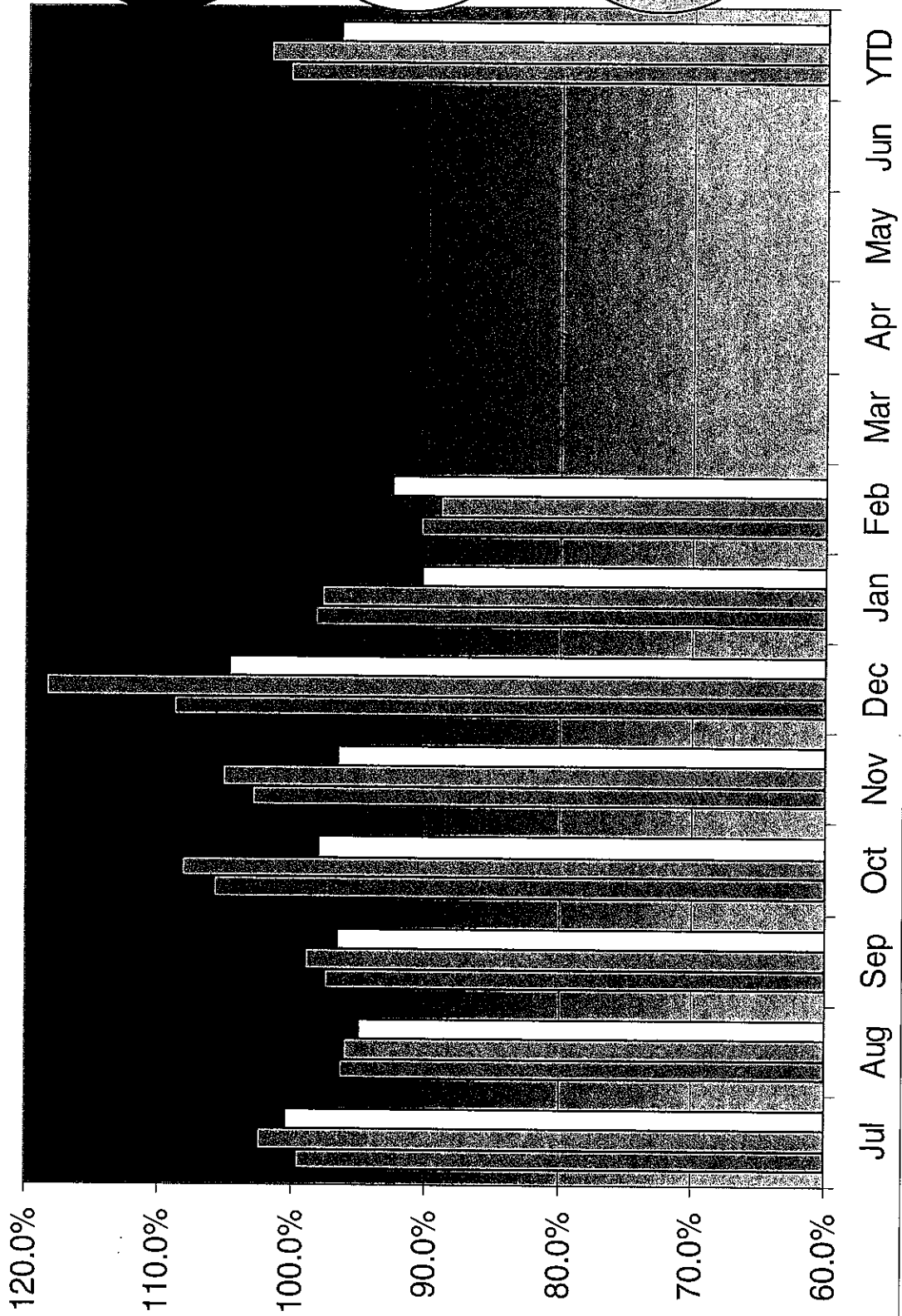
Net Income Available for Debt Service

Required Coverage	3.28	3.55	2.54
	1.15	1.15	1.15
	Achieved	Achieved	Achieved

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Total Consolidated Financial Indicators BSC-FY08

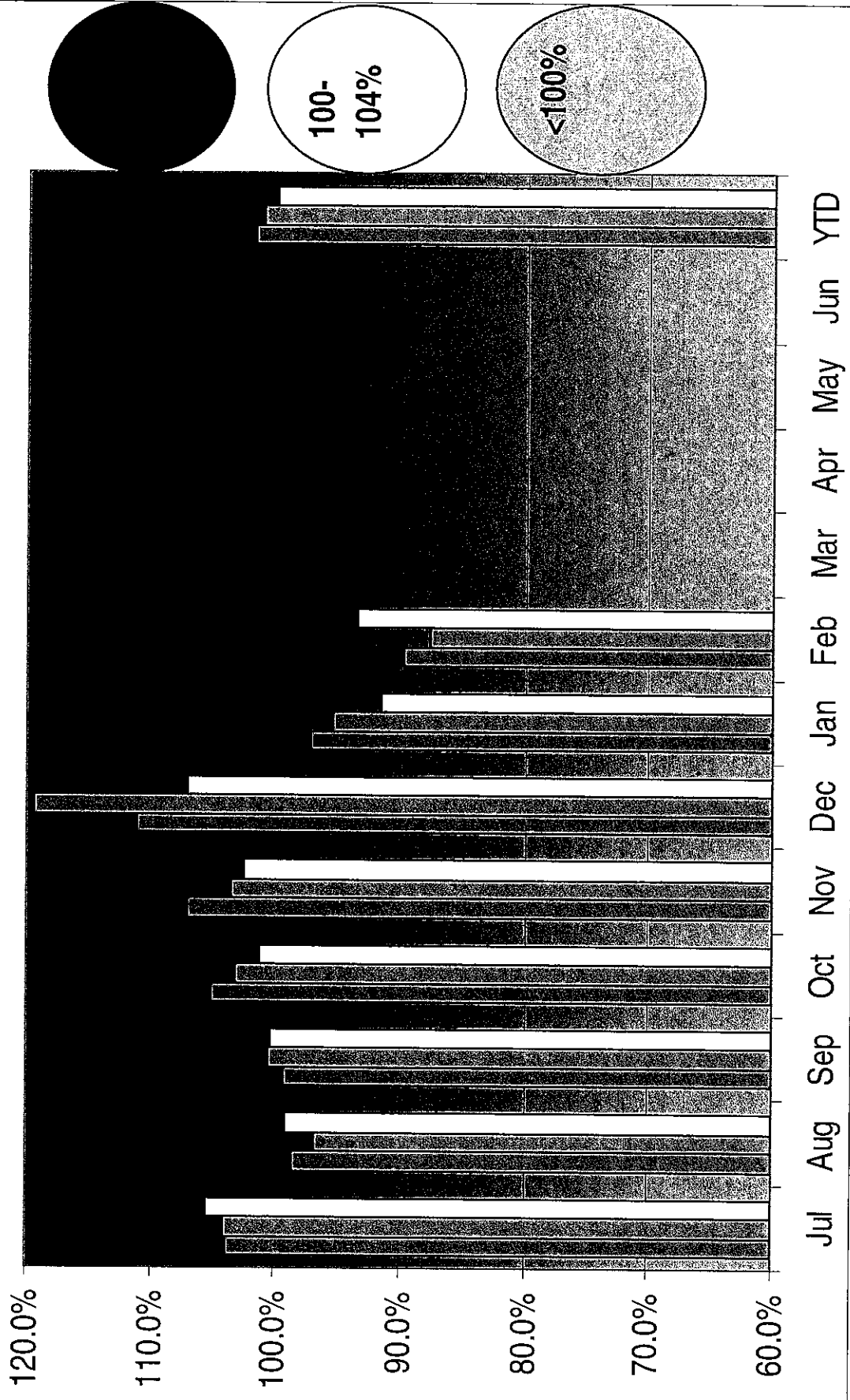
Legend:
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▨ % SWB/wt pt day
□ % Prod FTE/AOB



6x

North Consolidated Financial Indicators BSC-FY08

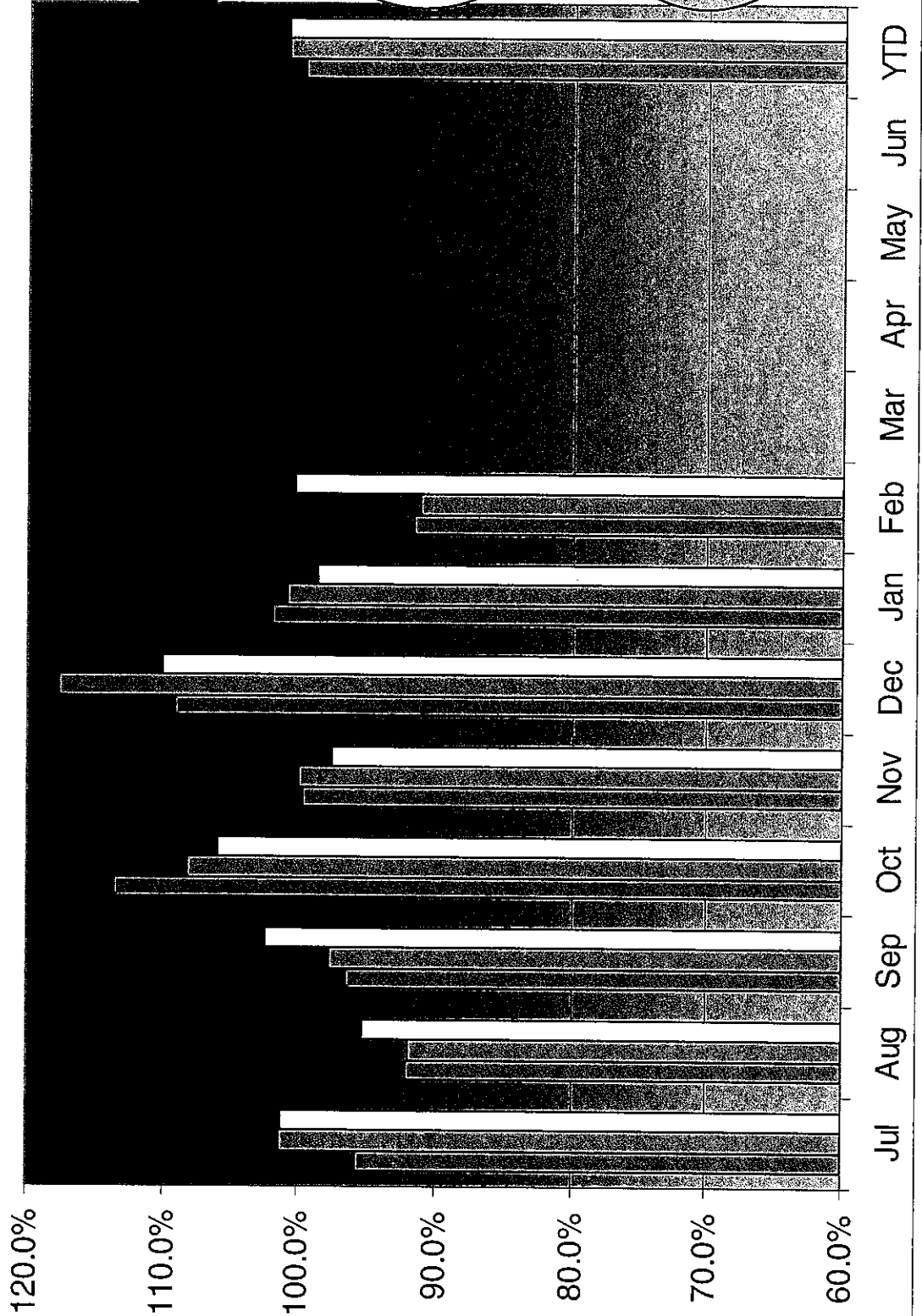
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5

South Consolidated Financial Indicators BSC-FY08

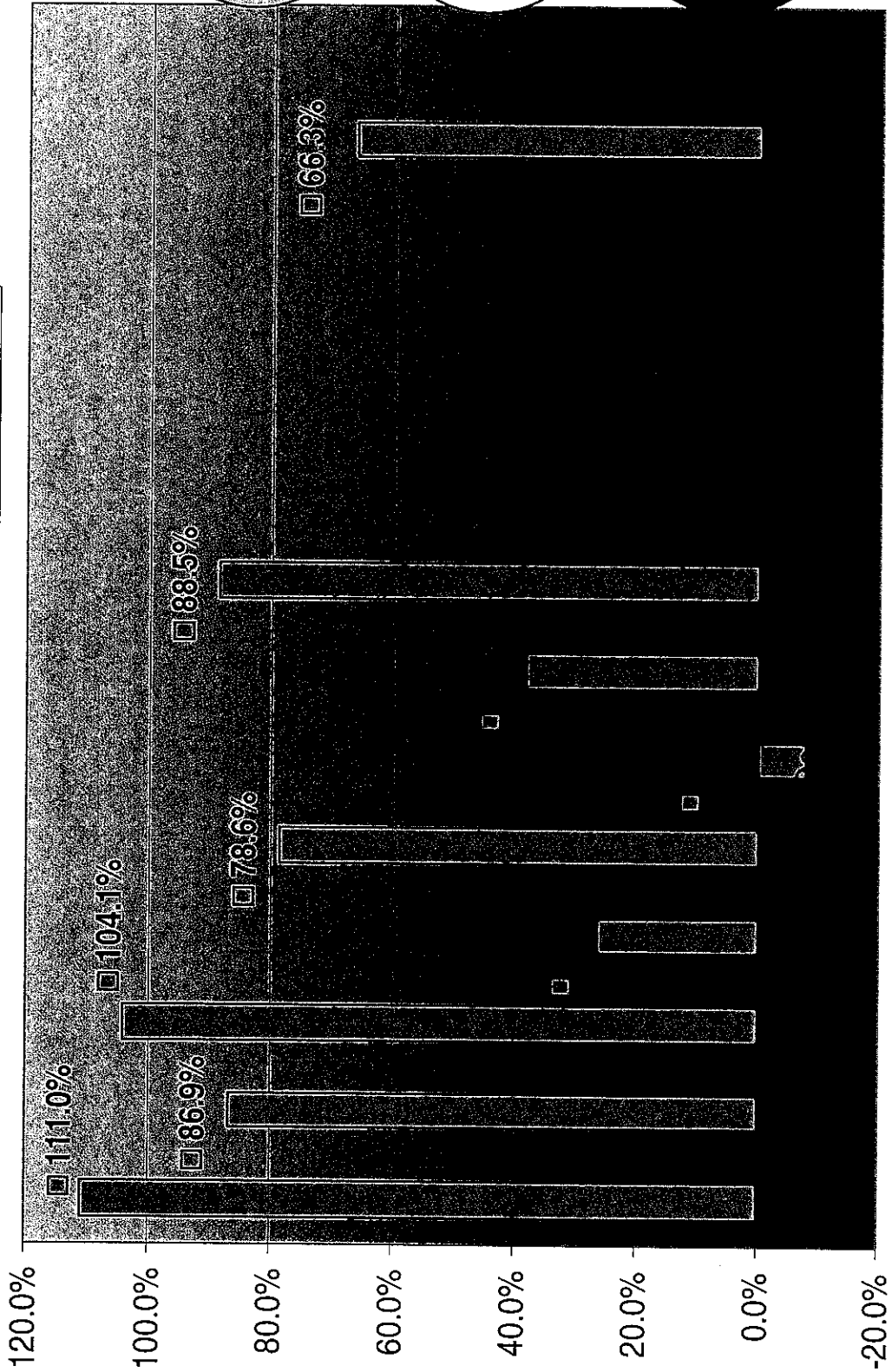
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Consolidated

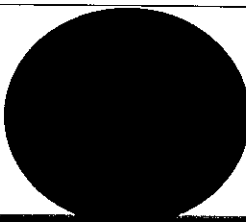
Total Consolidated OEBITDA w/ Prop Taxes -FY08

■ % of Actual to Budget



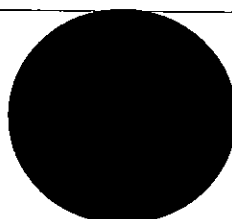
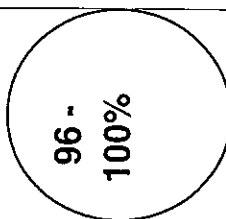
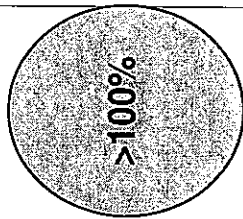
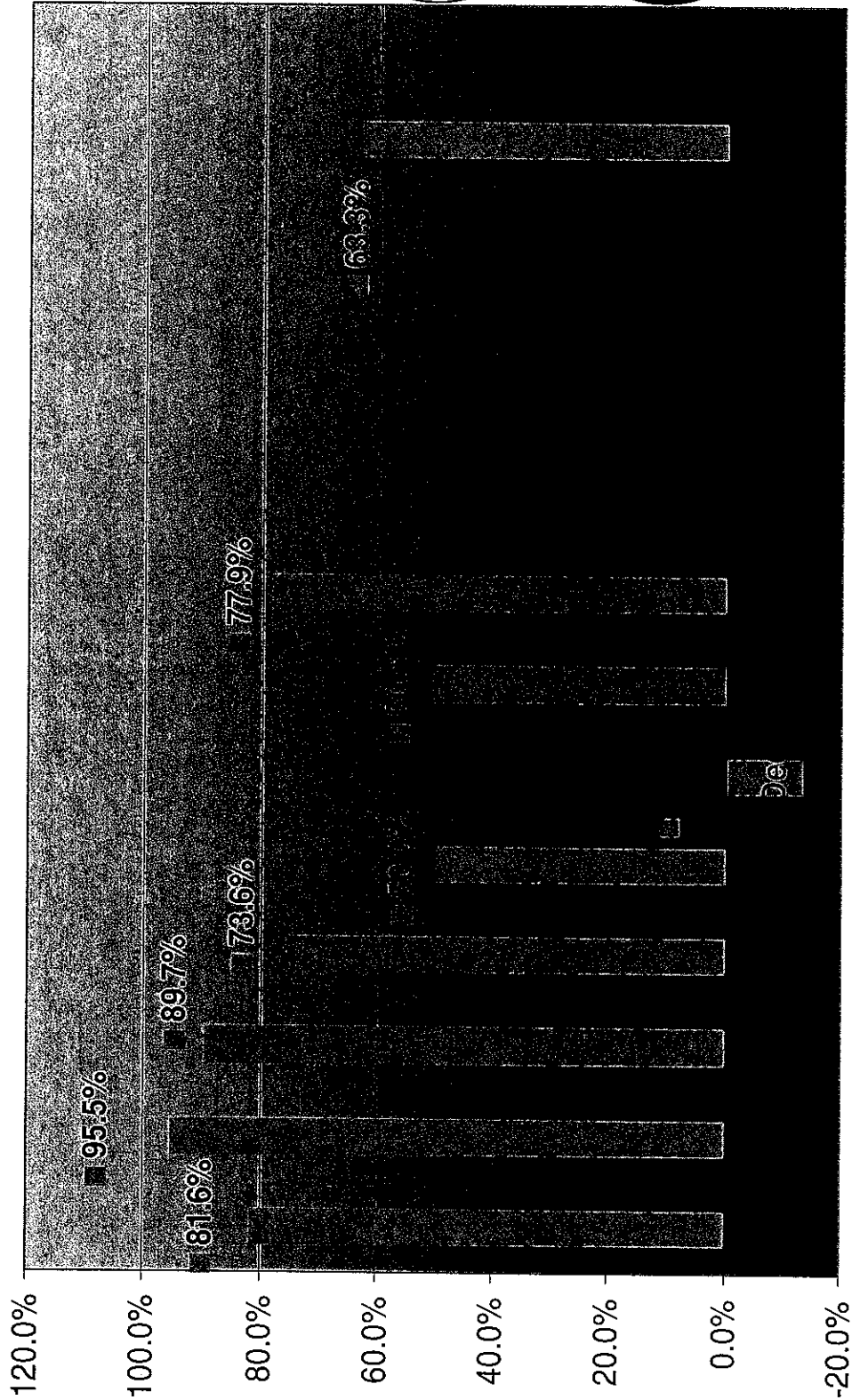
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96 - 100%

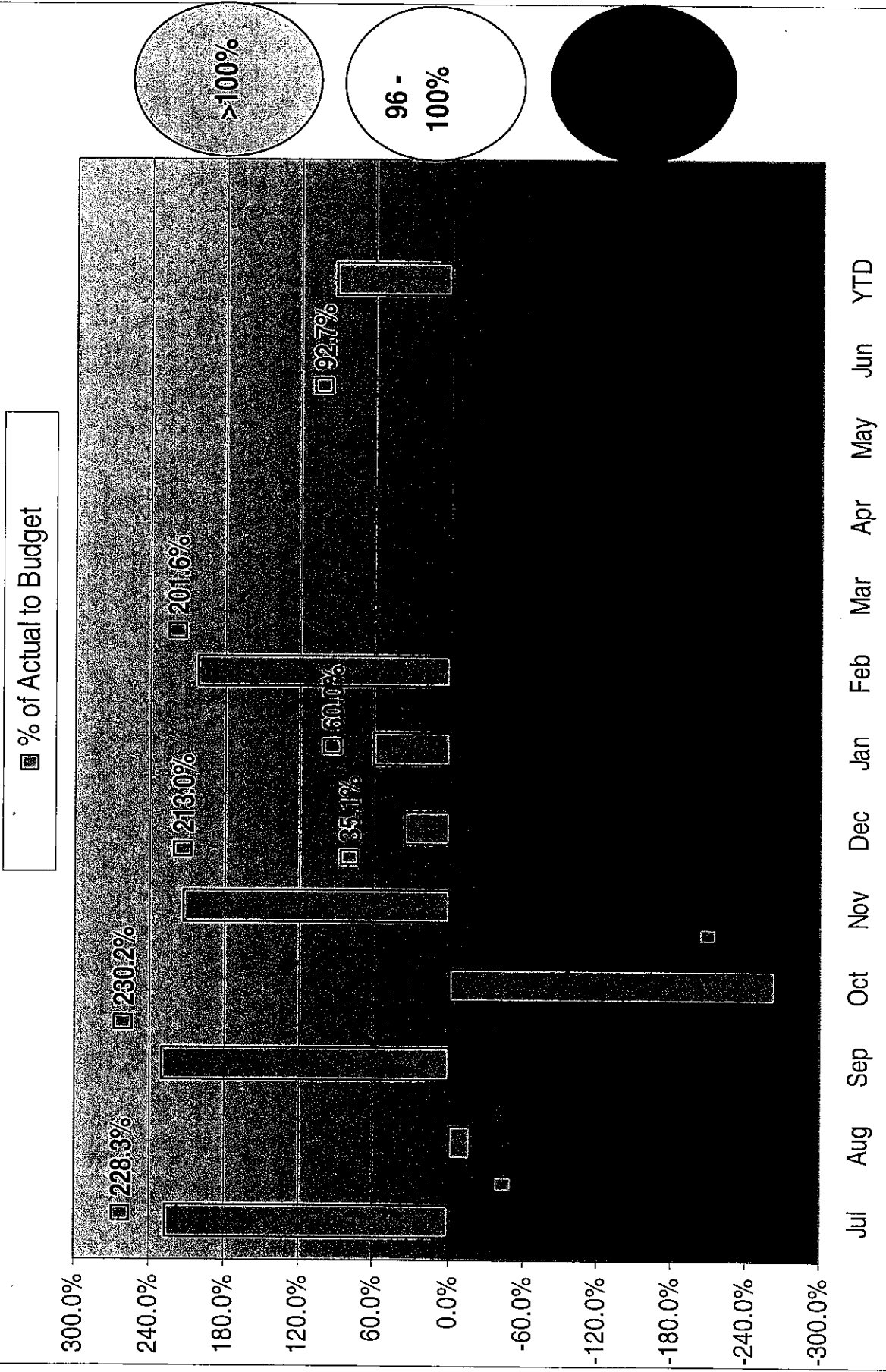


North Consolidated OEBITDA w/ Prop Taxes - FY08

■ % of Actual to Budget



South Consolidated OEBITDA w/ Prop Taxes - FY08





Source	Current Month End	Most Recent Month End	Most Recent Month End	Current Fiscal Year Year-to-Date	Most Recent Year End	Prior Year Y-T-D	Change from Prior Month
Period Ending Days in Period	2/29/2008 29	1/31/2008 31	12/31/2007 31	2/29/2008 244	6/30/2007 365	2/28/2007 243	
Revenue							
Gross for Month (Month to Date)	118,302,671	118,313,389	112,502,936	913,147,963	1,205,732,433	796,779,330	(10,718)
Net Revenue	35,727,407	34,212,680	33,661,402	272,082,489	371,016,682	241,428,815	1,514,527
Net:Gross %	30.2%	28.9%	29.9%	29.8%	30.8%	30.3%	1.3%
Last 3 Month Daily Average (Gross)	3,836,472	3,723,488	3,698,574	3,742,410	3,303,377	3,278,927	112,984
Last 3 Month Daily Average (Net)	1,138,480	1,115,253	1,099,780	1,115,092	1,016,484	993,534	23,227
Cash Collections							
Month to Date	32,002,678	34,370,722	32,376,467	260,125,814	357,733,249	225,518,427	(2,368,044)
Month to Date Goal	34,952,941	34,036,853	33,582,023	267,960,006	358,561,284	239,040,856	816,089
Over (under) Goal	(2,850,263)	333,869	(1,205,556)	(7,834,192)	(828,035)	(13,522,429)	(3,184,133)
% of Goal	92%	101%	96%	97.1%	99.8%	94.3%	-9.2%
Point of Service Collections							
Cash 10 days	245,741	295,094	205,007	2,178,502	3,244,728	2,093,065	(49,353)
Cash 10 days	360,800	360,800	328,000	1,875,000	3,265,740	2,177,160	816,089
Over (under) Goal	\$(115,059)	\$(65,706)	\$(122,993)	\$303,502	\$(21,012)	\$(84,095)	\$(49,353)
% of Goal	68.1%	81.8%	62.5%	116.2%	99.4%	96.1%	-13.7%
Accounts Receivable							
0-30	\$ 92,486,299	\$ 83,759,963	\$ 91,763,515		\$ 73,718,929	\$ 85,958,391	\$ 8,726,336
31-60	26,489,921	28,978,153	29,336,477		19,857,146	33,426,702	(2,488,233)
61-90	16,860,915	17,180,246	17,767,927		13,499,609	15,610,155	(319,331)
91-180	27,873,599	26,124,659	27,222,624		26,694,468	26,200,284	1,748,939
Over 180	24,750,643	22,910,978	23,439,829		21,653,269	26,160,409	1,839,665
Total	\$ 188,461,377	\$ 178,954,001	\$ 189,630,372		\$ 155,423,421	\$ 187,355,941	\$ 9,507,376
A/R Days (Gross)	49.12	48.06	52.09		47.05	57.14	1.06
% of AR aged over 180 days	13.1%	12.8%	12.4%		14%	14.0%	0.00
Number of Accounts	60,133	59,792	60,570		61,809	NA	341
Credit Balance Accounts:							
Dollars ATB	\$ (1,828,298)	\$ (1,786,521)	\$ (1,934,496)		\$ (3,955,501)	\$	(41,777)
Number of Accounts ATB	1,434	1,152	1,970		1,642		282

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Source	Current Month End	Most Recent Month End	Most Recent Month End	Current Fiscal Year Year-to-Date	Most Recent Year End	Prior Year Y-T-D	Change from Prior Month
Accounts Receivable by Major Payer							
Medicare	2/29/2008	1/31/2008	12/31/2007	2/29/2008	6/30/2007	2/28/2007	
	29	31	31	244	365	243	
AR Comp	43,034,471	40,209,105	43,023,471	\$	\$ 31,212,504	\$ 33,221,810	\$ 2,825,366
Lawson	1,083,838	1,040,586	980,937		965,874	956,581	\$ 43,252
Calc	39.71	38.64	43.86		32.32	34.73	1.06
MediCal (includes M-Cal HMO)	27,179,916	27,946,463	28,574,315		23,655,071	27,047,708	(766,547)
Lawson	666,936	624,412	613,369		522,046	588,075	42,524
Calc	40.75	44.76	46.59		45.31	45.99	-4.00
Comm/Managed Care (incl Medicare HMO)	84,715,775	79,369,918	84,843,423		72,445,182	94,325,581	5,345,857
Lawson	1,903,770	1,875,933	1,873,393		1,679,046	1,647,426	27,837
Calc	44.50	42.31	45.29		43.15	57.26	2.19
Self-Pay	33,531,215	31,428,515	33,089,164		28,110,665	32,760,842	2,102,700
Lawson	181,928	182,557	170,875		165,713	220,030	(629)
Calc	184.31	172.16	193.65		169.63	148.89	12.15
Bad Debt Write-offs	2,196,785	4,598,857	2,854,390	20,310,119	28,183,764	(79,108)	(2,402,072)
M-T-D Amount net of Recovery	1.9%	3.9%	2.5%	2.2%	2.3%	0.0%	-2.0%
% of Gross Revenue (Target < 2%)							
Charity & Undocumented Write-offs	1,161,882	1,149,039	2,331,704	14,558,064	13,375,244	1,601,794	12,843
M-T-D Amount	1.0%	1.0%	2.1%	1.6%	1.1%	0.2%	0.0%
% of Gross Revenue (Target < 2%)							
Denial & Other Admin Adjustments	566,363	449,194	496,745	4,225,649	3,471,349	542,824	117,168
M-T-D Amount	0.5%	0.4%	0.4%	0.5%	0.3%	0.1%	0.1%
% of Gross Revenue (Target < 1%)							



Source	Current Month End	Most Recent Month End	Most Recent Month End	Current Fiscal Year Year-to-Date	Most Recent Year End	Prior Year Y-T-D	Change from Prior Month
	2/29/2008	1/31/2008	12/31/2007	2/29/2008	6/30/2007	2/28/2007	
Period Ending Days in Period	29	31	31	244	365	243	
Discharged Not Final Billed (DNFB)							
DNFB Action Required							
HIM (Waiting for Coding)	\$ 8,425,053	\$ 6,810,494	\$ 17,001,618		6,249,765		\$ 1,614,559
PBS (Correction required)	266,157	853,210	771,118		18,284		\$ (587,053)
Other holds requiring correction	-	-	-		-		\$ -
Total Action Required	8,691,210	7,663,704	17,772,736		6,268,049		1,027,506
# of AR Days Action Required	2.27	2.06	4.88		1.83		0.21
DNFB No Action Required							
4 Day Standard Delay	\$ 26,103,121	\$ 23,118,482	\$ 20,420,634		22,948,148		\$ 2,984,639
Other	5,247,606	2,449,285	2,787,499		664,451		2,798,321
Total No Action Required	31,350,727	25,567,767	23,208,133		23,612,599		5,762,960
Total DNFB	\$ 40,041,937	\$ 33,231,471	\$ 40,980,869		29,880,648		6,810,466
Total Days in DNFB	10.44	8.92	11.26		8.73		1.51
Late Charges							
Late Charges from Date of Service 5 to 20 Days							
Number of line items	6,420	9,562	2,076	94,788			(3,142)
Dollar amount of Charges	810,743	963,454	405,959	6,688,933			\$ (152,711)
Dollar amount of Credits	(560,663)	(483,741)	(115,628)	(3,501,204)			\$ (76,942)
Net Dollar Amount	250,080	479,713	290,331	3,187,730			\$ (229,653)
Absolute Dollar Amount	\$ 810,743	\$ 963,454	\$ 405,959	\$ 8,277,032			\$ (152,711)
Late Charges from Date of Service > 21 Days							
Number of line items	25,434	33,822	33,014	361,291			(8,388)
Dollar amount of Charges	1,018,049	631,820	568,410	5,657,558			386,230
Dollar amount of Credits	(1,111,898)	(789,088)	(422,159)	(8,718,096)			(322,811)
Net Dollar Amount	(93,849)	(157,268)	146,251	(3,060,538)			63,419
Absolute Dollar Amount	\$ 2,129,948	\$ 1,420,907	\$ 990,570	\$ 14,375,654			\$ 709,040
Denials:							
Inventory of OPEN denials - # encounters	2,675	2,772	2,639		1,219		(97)
Inventory of OPEN denials - (\$ at risk)	\$ 32,234,925	\$ 33,745,868	\$ 33,053,616		\$ 21,403,453		\$ (1,510,943)

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March 08	Feb29-Mar6	Mar7-13	Mar14-20	MTD Total	MTD Budget	% Variance
ADC (Acute)	346	337	332	338	312	8.55
PMC	260	252	247	253	235	7.37
POM	87	85	85	86	76	12.21
PCCC	84	77	79	80	88	(8.61)
VP	123	122	125	123	123	(0.15)
Patient Days (Acute)	2423	2361	2324	7,108	6,548	8.55
PMC	1817	1764	1727	5,308	4,944	7.37
POM	606	597	597	1,800	1,604	12.21
PCCC	586	542	556	1,684	1,843	(8.61)
VP	861	854	873	2,588	2,592	(0.15)
Discharges	599	555	588	1,742	1,711	1.80
PMC	457	435	429	1,321	1,320	0.11
POM	142	120	159	421	392	7.52
Number of Surgeries	224	249	255	728	667	9.21
PMC	151	154	174	479	453	5.85
POM	73	95	81	249	214	16.32
Number of Births	109	102	106	317	316	0.42
PMC	88	72	87	247	253	(2.25)
POM	21	30	19	70	63	11.11

March 08	Feb29-Mar6	Mar7-13	Mar14-20	MTD Total	MTD Budget	% Variance
Outpatient Visits (inc. Lab)						
PMC	2507	2096	2025	6,628	5,822	13.85
POM	1686	1366	1292	4,344	3,844	13.02
	821	730	733	2,284	1,978	15.47
ER Visits						
PMC	1893	1933	1905	5,731	5,023	14.09
POM	1307	1309	1280	3,896	3,348	16.35
	586	624	625	1,835	1,675	9.58
Trauma Visits						
IP	32	22	13	67	82	(18.26)
OP	30	20	10	60	69	(13.17)
	2	2	3	7	13	(45.61)
Gross IP Revenue	21,137,049	22,849,698	21,572,655	65,559,402	59,507,597	10.17
Gross OP Revenue	7,161,717	7,416,122	7,084,154	21,661,993	18,135,878	19.44
Cash Collection	7,571,179	7,601,166	7,038,414	22,210,759	23,610,569	(5.93)
Days cash on hand	97	93	91	91	80	
Prod Hrs (PP18 & 19)						
PMC - North	223,606		229,738	453,344	456,529	0.70
POM - South	131,207		133,841	265,048	266,401	0.51
Others	56,780		58,605	115,385	118,749	2.83
	35,619		37,292	72,911	71,379	(2.15)
Prod \$ (PP 18 & 19)						
PMC - North	7,188,430		7,264,619	14,453,049	14,287,555	(1.16)
POM - South	4,237,429		4,246,899	8,484,328	8,432,323	(0.62)
Others	1,757,601		1,773,447	3,531,048	3,500,625	(0.87)
	1,193,400		1,244,273	2,437,673	2,354,607	(3.53)

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Physician Recruitment Agreement

TO: Board of Directors

MEETING DATE: Tuesday, April 14, 2008

FROM: Board Finance Committee
Tuesday, March 25, 2008

BY: Marcia Jackson, Chief Planning Officer

Background: The PPH community lacks an adequate number of primary care physicians as verified by Medical Development Specialists, a national consulting firm that specializes in physician manpower studies. PPH has an established physician recruitment program and had allocated resources to attract additional Family Medicine physicians to relocate to Inland North San Diego County. Ving Yam, D.O., has signed the PPH Physician Recruitment Agreement in order to establish a practice in Escondido, CA. He intends to begin practicing in April 2008 with Dr. Weinberg.

Budget Impact: None

Staff Recommendation: Approval of the Physician Recruitment Agreement with Dr. Yam and recommend approval by the full Board of Directors.

Committee Questions:

COMMITTEE RECOMMENDATION: The Board Finance Committee recommends approval of the Physician Recruitment Agreement with Ving Yam, DO.

Motion: X

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Physician Recruitment Agreement—Family Medicine
	AGREEMENT DATE	
	PARTIES	1) PPH 2) Ving Yam, D.O.
Recitals	PURPOSE	Provide recruitment assistance to enable Dr. Yam to establish a full-time Family Medicine practice in Escondido
Article 4	SCOPE OF SERVICES	Dr. Yam will establish a full-time Family Medicine practice in Escondido and will participate in government-funded programs.
2.1; 6.3; 6.4	TERM	1 year of income assistance; two year repayment/forgiveness period
Recruitment procedure D.2	RENEWAL	None available
Article 8; 9.17	TERMINATION	Contract stipulates conditions for termination
Article 2	COMPENSATION METHODOLOGY	For monthly income guarantee physician will submit monthly report of expenses and collections. For relocation and start-up cost assistance physician will submit receipts.
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT: None
5.1; 9.19	EXCLUSIVITY	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN: Government prohibits hospitals from requiring physician to exclusively have privileges or make referrals only to their hospital. The contract does include a non-compete clause.
	PHYSICIAN MANPOWER STUDY	Medical Development Specialists, a national consulting firm who performed our Physician Manpower Study, completed an analysis which confirmed there is a justifiable community need for this recruitment
	EXTERNAL FINANCIAL VERIFICATION	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Methodology: Medical Development Specialists (MDS) developed a proforma for the practice to establish the contract value to cover income guarantee and cash flow needs. MDS also provided the market comparison to establish an appropriate income guarantee.
	LEGAL COUNSEL REVIEW	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO No exceptions to the standard agreement. Legal Counsel has approved this contract.
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> CPO <input checked="" type="checkbox"/> General Counsel <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Finance Committee on March 25, 2008 <input checked="" type="checkbox"/> BOD

**PRACTICE RECRUITMENT AGREEMENT
BETWEEN PALOMAR POMERADO HEALTH
AND
VING YAM, D.O.**

This is an Agreement dated February 16, 2008 (“**Agreement**”) between Palomar Pomerado Health, a California health district organized under Section 23 of the Health and Safety Code (“**PPH**”), and Ving Yam, D.O. (“**Physician,**”) collectively hereinafter the “**parties**”).

PPH owns and operates Palomar Medical Center, an acute-care hospital located in Escondido, California and Pomerado Hospital, an acute-care hospital in Poway, California, collectively hereinafter “**PPH**”. The service area of PPH includes, but is not limited to, north San Diego County and other surrounding communities (“**Service Area**”).

PPH has determined that a portion of its Service Area has substantial unmet medical needs, evidenced by a population that is rapidly expanding and that is in need of services in Physician’s medical specialty. PPH has further determined that under available benchmark criteria, the number of physicians in its Service Area practicing in Physician’s medical specialty is insufficient to serve current and potential patients in need of such services.

PPH’s Service Area has not proven sufficiently appealing on its own to attract and retain a suitable number of physicians in Physician’s specialty. The Board of Directors of PPH has determined that it is within PPH’s mission to recruit a physician in Physician’s specialty who is willing to locate a medical practice in PPH’s service area, join the medical staff of PPH, provide a reasonable amount of charity care, and serve the medical needs of the community.

Physician is a medical doctor specializing in Family Medicine who has not previously practiced that specialty in PPH’s service area. Physician is willing to establish a medical practice in Escondido, California, on the terms and conditions set forth below, and PPH is willing to provide assistance to Physician to help establish such a practice:

Therefore, the parties agree as follows:

ARTICLE 1

DEFINITIONS

1.1 Definitions. As used in this Agreement, the following terms shall have the following definitions:

1.1.1 Approved Expenses. The term “*Approved Expenses*” shall mean the expenses listed in Exhibit B or that have otherwise been approved by PPH before they are incurred.

Physician Advisor Agreement for Bariatric Services Program

TO: Board of Directors

MEETING DATE: Monday, April 14, 2008

FROM: Board Finance Committee
Tuesday, March 25, 2008

BY: David Tam, CAO, Pomerado Hospital
Steve Gold, District Administrator, SNF Services

Background: Charles Callery, M.D., will act as the Physician Advisor of the Bariatric Services Program of the Surgery Department at Pomerado Hospital. The Physician Advisor will assist PPH and its bariatric surgery program in successfully maintaining its designation as a center that has achieved credentialing with the American Society for Metabolic Bariatric Surgery ("ASMBS") Center of Excellence. The Physician Advisor will be the designated Medical Director for bariatric surgery and will participate in the relevant decision-making administrative meetings of PPH.

Budget Impact: No Budget Impact, renewal of agreement

Staff Recommendation: Approval

Committee Questions:

COMMITTEE RECOMMENDATION: The Board Finance Committee recommends approval of the two-year [April 1, 2008 to March 31, 2010] Physician Advisor Agreement for the Bariatric Program at POM with Charles D. Callery, MD.

Motion: X

Individual Action:

Information:

Required Time:

PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Physician Advisor Between Palomar Pomerado Health (Pomerado Hospital) and Charles Callery, M.D.
	AGREEMENT DATE	April 1, 2008
	PARTIES	1) PPH 2) Charles Callery, M.D.
	PURPOSE	Charles Callery, M.D. Physician Advisor shall act as the Physician Advisor of Bariatric Services Program of the Surgery Dept at Pomerado Hospital and as Medical Director for Bariatric Surgery.
	SCOPE OF SERVICES	Physician Advisor will assist PPH and its bariatric surgery program in successfully maintaining its designation as a center that has achieved credentialing with the American Society for Metabolic Bariatric Surgery ("ASMBS") Center of Excellence. Physician Advisor will be the designated Medical Director for bariatric surgery and will participate in the relevant decision-making administrative meetings of PPH.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
	TERM	April 1, 2008 through March 31, 2010
	RENEWAL	N/A\
	TERMINATION	A. Immediately for cause B. Not less than 90 Days of written notice without cause
	COMPENSATION METHODOLOGY	Monthly Installments on or before the 15 th of the month with supporting documentation of the prior month's time record
	BUDGETED	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO – IMPACT:
	EXCLUSIVITY	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	Medical oversight for our Bariatric Surgical Program is a requirement of our credentialing with the American Society for Bariatric Surgery
	AGREEMENT NOTICED	<input type="checkbox"/> YES <input type="checkbox"/> No Methodology & Response:
	ALTERNATIVES/IMPACT	Proceeding without this agreement would cause our services to be out of compliance with ASBS standards
	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

PHYSICIAN ADVISOR AGREEMENT

between

PALOMAR POMERADO HEALTH

a local hospital district

and

Charles D. Callery, MD

April 1, 2008



PHYSICIAN ADVISOR AGREEMENT

THIS PHYSICIAN ADVISOR AGREEMENT ("Agreement") is made and entered into effective April 1, 2008 by and between Palomar Pomerado Health System, a local health care district organized pursuant to Division 23 of California Health and Safety Code ("PPH") and Charles D. Callery, MD ("Physician Advisor").

R E C I T A L S

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

B. Hospital performs Bariatric Surgery Services ("Services").

C. Physician Advisor is a physician who is qualified and licensed to practice medicine in the State of California, is experienced and qualified in the specialized field of General Surgery and Bariatric Surgery, and who is a member of the Medical Staff of Hospital ("Medical Staff").

D. The Bariatric Surgery Department consists of facilities and equipment owned by Hospital and staffed by Hospital employees.

E. Hospital desires to retain Physician Advisor as an independent contractor to provide certain administrative services ("Administrative Services") in the operation of Services and has determined that this proposed arrangement with Physician Advisor will enhance the Service's and Hospital's organization, procedure standardization, economic efficiency, professional proficiency, and provide other benefits to enhance coordination and cooperation among the Services' providers and users.

F. Hospital and Physician Advisor acknowledge and agree that this Agreement shall supercede the agreements, if any, previously entered into by the parties for the provision of Administrative Services.

G. It is the intent of both Hospital and Physician Advisor 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 Department of Health and Human Services, Office of Inspector General, and in the Ethics in Patient Referral Act.

Auction Rate Securities

TO: Board of Directors

MEETING DATE: Monday, April 14, 2008

FROM: Board Finance Committee
Tuesday, March 25, 2008

BY: Bob Hemker, CFO

Background: In December 2006, PPH closed a Revenue Bond financing through the issuance of \$180 million of Auction Rate Securities (ARS) in 3 Series of \$60 million each. The ARS instrument was utilized in lieu of Fixed Rate Bonds based upon significant due diligence, establishment of a Board variable rate debt policy, tolerance for risk, safety of ARS instruments, significant debt service savings, and stability of the marketplace related to ARSs. This form of financing had been widely utilized by well respected healthcare entities

Until the week of February 11, 2008, the performance on the ARS weekly resets of PPH bonds was performing well - averaging 3.79%. However, the recent market turmoil related to ARSs, ratings of Bond Insurers, etc., has caused significant uncertainty in the ARS marketplace (approx. \$325 billion of issued debt). These market conditions and uncertainty have resulted in interest rate resets at significantly higher levels, including failed auctions in many cases. While PPH has not had any failed auctions, resets have ranged from 6.7% to 10% on each of the Series. As a result, we are evaluating options that include the use of Variable Rate Demand Obligations (VRDOs) and/or refunding to fixed rate bonds to mitigate the interest rate exposure while the future of ARS instruments is defined by the marketplace.

At the Board Finance Committee meeting, the Bond Financing Team presented an in-depth assessment of then-current conditions (in that conditions were changing rapidly, information provided at the time of the Committee meeting was updated as of close of business the day prior), options available to PPH on a go-forward basis, and a recommended strategy.

Budget Impact: TBD based upon strategy utilized and market conditions at the time of executing the strategy.

Staff Recommendation: Staff recommended further review of several options as potential go-forward strategies and requested approval to continue efforts toward defining one recommended strategy.

Committee Questions:

COMMITTEE RECOMMENDATION: The Board Finance Committee recommends approval to continue monitoring the situation and the development of possible exit strategies, with a report back within 30 days

Motion: X

Individual Action:

Information:

Required Time:

**Governance Committee
Board Review of PPH Policies**

TO: Board of Directors
MEETING DATE: April 14, 2008
FROM: Governance Committee Meeting, March 18, 2008
BY: Jim Neal, Director Corporate Compliance & Integrity

BACKGROUND: Reviewed and approved revisions of current Board Policies listed below. In attendance were: Directors Linda Greer (Chair), Linda Bailey, Ted Kleiter, together with CEO, Michael Covert, Gustavo Friederichsen and Jim Neal. Board approval is sought.

It was noted that discussion on Board Policy FIN-05 – Compensation of Board Members, would be deferred to the upcoming Annual Board Self-Evaluation Meeting.

Policies for approval:

- GOV-03 Conflict of Interest Code
- GOV-13 Promulgation of PPH Procedures
- GOV-14 Code of Ethics
- GOV-16 Leadership and Management
- GOV-19 Annual Fees for Board packets
- GOV-20 Public Comments and Attendance at public Board Meetings

BUDGET IMPACT: None

STAFF RECOMMENDATIONS: Staff Recommended approval

COMMITTEE RECOMMENDATION: Board approval requested for the above listed revised and new policies.

Motion: X

Individual Action:

Information:

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First-Quarter Review of Policies **Implementing the Annual Review Cycle**

April 14, 2008

As of this date PPH is **not** current with the Policy Review Cycle. The following policies are still being updated and reviewed. **This report meets the reporting requirements of GOV-15:**

FIN-13, Physician Recruitment and Retention, has undergone review and change in support of STARK III and now has been resubmitted to legal for update under the new Physician Respective Payment System which just came out. Upon completion of changes by legal, this policy will have to go to the Board Finance Committee for approval then to Governance. This report meets the reporting requirements of GOV-15

FIN-10 Charity Care, is currently being updated to include the requirements of AB 774. Upon completion this policy must be reviewed and approved by the Board Finance Committee prior to submission to governance.

QLT-16 Patient and Family Education, is currently being updated to include joint commission requirements.

Reviewed and Approved Policies.

GOV-03 Conflict of Interest Code

Change Summary: No changes. This review is required as a part of a two-year review and report to the state.

GOV-13 Promulgation of PPH Procedures

Change Summary: No changes

GOV-14 Code of Ethics

Change Summary: No changes

GOV-16 Leadership and Management

Change Summary: No changes

GOV-19 Annual Fees for Board packets

Change Summary: No changes

GOV-20 Public Comments and Attendance at public Board Meetings

Change Summary:

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Policy	Title	Revue Cycle	Quarter Year of Review	Current Approval Date	Comments
GOV-01	Access by Board to PPH records	3 years	4 - 2007	12/17/07	Approved
GOV-03	Conflict of Interest Code	2 years	4 - 2007		
GOV-04	Confidentiality Statement	3 years	4 - 2007	12/17/07	Approved
GOV-06	Governing Body Orientation	1 year	4 - 2007	12/17/07	Approved
GOV-10	Affects of Absenteeism	3 years	4 - 2007	12/17/07	Approved
GOV-15	Governance /was HR	1 year	4 - 2007	12/17/07	Approved
HR-04	Total Compensation	3 years	4 - 2007	12/17/07	Approved
HR-05	Employee Relations	3 years	4 - 2007	12/17/07	Approved
FIN-10	Charity Care				
QLT-07	EMTALA: Non Position Medical Screen Exam for OB Patients	2 years	4 - 2007	12/17/07	Approved
QLT-16	Patient and Family Education				
QLT-23	Discharge Policy: Home Health	1 year	4 - 2007	12/17/07	Approved
QLT-27	Medical Supervision: Home Health	1 year	4 - 2007	12/17/07	Approved
QLT-32	Professional Advisory Committee - Program Evaluation: Home Health	1 year	4 - 2007	12/17/07	Approved
GOV-23	Naming Policy	3 year	4 - 2007	12/17/07	Approved
GOV-13	Promulgation of PPH Procedures	3 years	1 - 2008		
GOV-14	Code of Ethics	3 years	1 - 2008		
GOV-16	Leadership and Management	3 years	1 - 2008		
GOV-18	Agenda Items: Board Packet Preparation	3 years	1 - 2008	2/1/08	Approved
GOV-19	Annual Fees for Board packets	3 years	1 - 2008		
GOV-20	Public Comments and Attendance at public Board Meetings	3 years	1 - 2008		
GOV-02	Organizations By Laws	1 year	2 - 2008		
GOV-17	Establishing Board Meeting Dates	3 years	2 - 2008		
FIN-05	Compensation of Board Members	3 years	2 - 2008		
FIN-07	Disposition of Property	3 years	2 - 2008		
FIN-09	Professional Liability Insurance	3 years	2 - 2008		
FIN-13	Physician Recruitment and Retention	1 year	2 - 2008		
QLT-01	Patient Complaints and Grievances	2 years	2 - 2008		
QLT-03	Life Sustaining, No Code withdrawal	2 years	2 - 2008		
GOV-23	Smoking Policy in PPH Facilities	3 years	3 - 2008		
GOV-24	Inspection and Coping of Public Records	3 years	3 - 2008		
GOV-26	Opening Ceremony for Board Meetings	3 years	3 - 2008		
QLT-20	Admission Criteria: Home Health	1 year	3 - 2008		
QLT-22	Clinical Records: Home Health	1 year	3 - 2008		
QLT-25	Emergency Care - Disaster Preparedness: Home Health	1 year	3 - 2008		
QLT-30	Personnel qualifications and Competency: Home Health	1 year	3 - 2008		

**PALOMARPOMERADO HEALTH
BOARD POLICY**

GOV-03

CONFLICT OF INTEREST CODE

April, 2008

ATB

Change Summary

1. Reviewed the current Government Code § 1098 and Administrative Code § 18702 and 18702.2 for compliance.
2. No changes

NINTH AMENDED AND RESTATED
CONFLICT OF INTEREST CODE
OF PALOMAR POMERADO HEALTH

I. Purpose

Pursuant to the Political Reform Act, Government Code Sections 87100 *et seq.* and its implementing regulations at Title 2 of the California Code of Regulations Sections 18100 *et seq.* (collectively, the "PRA"), Palomar Pomerado Health (the "District") hereby adopts the following Conflict of Interest Code (this "Code"). Nothing contained herein is intended to modify or abridge the provisions of the PRA; the provisions of this Code are additional to those found in the PRA and any other applicable laws pertaining to conflicts of interest. Except as otherwise indicated, the definitions of the PRA and any amendments thereto are incorporated herein and this Code shall be interpreted in a manner consistent therewith.

II. Definitions

A. Investment:

Any financial interest in or security issued by a business entity, including but not limited to common stock, preferred stock, rights, warrants, options, debt instruments and any partnership or other ownership interest owned directly, indirectly or beneficially by the Official (as defined below), or his or her immediate family, if the business entity or any parent, subsidiary or otherwise related business entity has an interest in real property in the jurisdiction, or does business or plans to do business in the jurisdiction, or has done business within the jurisdiction at any time during the two years prior to the time any Statement or other action is required under the PRA. No asset shall be deemed an investment unless its fair market value exceeds Two Thousand Dollars (\$2,000). The term "investment" does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, interest in a diversified mutual fund registered with the Securities and Exchange Commission under the Investment Company Act of 1940 or a common trust fund which is created pursuant to Section 1564 of the Financial Code, or any bond or other debt instrument issued by any government or government agency. Investments include a pro rata share of investments of any business entity, mutual fund or trust in which the Official (as defined below) or his or her family owns, directly, indirectly or beneficially, a ten percent (10%) interest or greater.

B. Interest

"Interest in real property" includes any leasehold, beneficial or ownership interest or an option to acquire such an interest in real property located in the jurisdiction owned directly, indirectly or beneficially by the public official or other filer, or his or her immediate family) if the fair market value of the interest is one thousand dollars (\$1,000) or more. Interests in real property of an individual includes a pro rata share of interests in real property of any business entity or trust in which the individual or immediate family owns, directly, indirectly or beneficially, a ten percent interest or greater. Jurisdiction includes property within two miles outside the boundaries of the District or within two miles of any land owned or used by the District.

C. Income

1. Income means, except as provided in subsection (2) hereof a payment received, including but not limited to any salary, wage, advance, dividend interest, rent, proceeds from any sale, gift,

including any gift of food or beverage, loan, forgiveness or payment or indebtedness received by the filer, reimbursement for expenses, per diem, or contribution to an insurance or pension program paid by any person other than an employer, and including any community property interest in income of a spouse. Income also includes an outstanding loan income also includes a pro rated share of any income of any business entity or trust in which the Official (as defined below) or spouse owns, directly, indirectly or beneficially, a ten percent (10%) interest or greater, "Income," other than a gift, does not include income received from any source outside the Jurisdiction and not doing business within the jurisdiction, not planning to do business within the jurisdiction, or not having done business within the jurisdiction during the two years prior to the time any Statement or other action is required under the PRA.

2. Income does not include:
 - a. Campaign contributions required to be reported under Chapter 4 of the PRA;
 - b. Salary and reimbursement for expenses or per diem received from a state or local government agency and reimbursement for travel expenses and per diem received from a bona fide nonprofit entity exempt from taxation under Section 501(c)(3) of the Internal Revenue Code;
 - c. Any devise or inheritance;
 - d. Interest, dividends or premiums on a time or demand deposit in a financial institution, shares in a credit union or any insurance policy, payments received under any insurance policy, or any bond or other debt instrument issued by any government or government agency;
 - e. Dividends, interest or any other return on a security which is registered with the Securities and Exchange Commission of the United States government or a commodity future registered with the Commodity Futures Trading Commission of the United States government, except proceeds from the sale of these securities and commodities future;
 - f. Redemption of a mutual fund;
 - g. Alimony or child support payments;
 - h. Any loan or loans from a commercial lending institution which are made in the lender's regular course of business on terms available to members of the public without regard to official status if:
 - (1) The loan is secured by the principal residence of filer; or
 - (2) The balance owed does not exceed Ten Thousand Dollars (\$10,000).
 - i. Any loan from or payments received on a loan made to an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, uncle, aunt or first cousin, or the spouse of any such person provided that a loan or a loan payment received, from any such person shall be

considered income if he or she is acting as an agent or intermediary for any person not covered by this paragraph.

- j. Any indebtedness created as part of a retail installment or credit card transaction if made in the lender's regular course of business on terms available to members of the public without regard to official status, so long as the balance owed to the creditor does not exceed Ten Thousand Dollars (\$10,000).
- k. Payments received under a defined benefit pension plan qualified under Internal Revenue Code Section 401(a).
- l. Proceeds from the sale of securities registered with the Securities and Exchange Commission of the United States government if the filer sells the securities or the commodities futures on a stock or commodities exchange and does not know or have reason to know the identity of the purchaser.

D. Business Position

Business position means any business entity in which the Official (as defined below) holds any position of management, if the business entity or any parent, subsidiary or otherwise related business entity has an interest in real property in the Jurisdiction, or does business or plans to do business in the jurisdiction or has done business in the jurisdiction at any time during the two years prior to the date the Statement of Interest is required to be filed.

E. Official

Includes every PPH director, officer, employee and Consultant and Candidate (as defined herein), including but not limited to members of the District's Board of Directors ("Board"), those employees identified in **Attachment 1** hereto and District management personnel.

F. Statement of Economic Interests

The then current Form 700 Statement of Economic Interests provided by the California Fair Political Practices Commission.

G. Consultant

Includes any individual who, pursuant to a contract with the District, makes a District decision, including any decision that would be made by an Official in the absence of the Consultant's contract with the District.

III. Text / Standards Of Practice

A. DISCLOSURE CATEGORIES.

All Board members, candidates who have officially declared their intention to stand for election to the Board ("Candidates"), designated employees and any other persons and Officials designated under the PRA must disclose their material financial interests, including completion and submission of a Statement of Economic Interests.

B. STATEMENTS OF ECONOMIC INTERESTS: PLACE OF FILING:

All designated employees required to submit a Statement of economic interests shall file the original with the Chief Executive Officer or designee, The District Chief Executive Officer or designee shall make and retain a copy and forward the original to the San Diego County Board of Supervisors.

C. STATEMENTS OF ECONOMIC INTERESTS: TIME OF FILING:

1. **Initial Statements.** All Officials employed by the District on the effective date of this Code as originally adopted, promulgated and approved by the San Diego County Board of Supervisors, shall file Statements within 30 days after the effective date of this Code. Thereafter, each person already in a position when he or she is designated by an amendment to this Code shall file an initial Statement within 30 days after the effective date of the amendment.
2. **Assuming Office Statements.** All Officials assuming designated positions after the effective date of this Code shall file Statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed. During this same 30 day period, and prior to filing such Statements, all such persons shall attend an information session presented by the District which describes the contents and requirements of this Code and discusses the potential disqualifications applicable to the individual at issue.
3. **Annual Statements.** All designated employees shall file Statements no later than April 1 of each year.
4. **Leaving Office Statements.** Every Official who leaves a designated position shall file a Statement within 30 days after leaving his or her position.
5. **Candidate Statements.** Every Candidate shall file a Statement of Economic Interests within 10 days after the effective date of his or her candidacy as determined by applicable election laws.

D. STATEMENTS FOR PERSONS WHO RESIGN PRIOR TO ASSUMING OFFICE:

1. Any Official who resigns within 12 months of initial appointment or election, or within 30 days of the date of notice provided by the filing officer to file an assuming office Statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office Statement.
2. Any Official who resigns a position within 30 days of the date of notice from the filing officer shall do both of the following:
 - a. File a written resignation with the appointment power;

- b. File a written Statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the District or receive, or become entitled to receive, any form of payment by virtue of being appointed or elected to the position.

E. CONTENTS OF AND PERIOD COVERED BY STATEMENTS OF ECONOMIC INTERESTS:

1. **Contents of Initial Statements.** Initial Statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the Code and income received during the 12 months prior to the effective date of the Code.
2. **Contents of Assuming Office Statements.** Assuming office Statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.
3. **Contents of Annual Statements.** Annual Statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an Official's first annual Statement shall begin on the effective date of this Code or the date of assuming office, whichever is later.
4. **Content of Leaving Office Statements.** Leaving office Statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last Statement filed and the date of leaving office.
5. **Contents of Candidate Statements.** Candidate Statements shall disclose such interests as are reportable under an assuming office Statement as described above.

F. MANNER OF REPORTING:

1. Statements of economic interests shall contain at least the following information:
 - a. **Investment and Real Property Disclosure.** When an investment or an interest in real property is required to be reported the Statement shall contain at least the following.
 - (1) A Statement of the nature of the investment or interest;
 - (2) The name of (he business entity in which each investment is held and a general description of the business activity in which the business entity is engaged.
 - (3) The address or other precise location of the real property;
 - (4) A Statement whether the fair market value of the investment or interest in real property exceeds Two Thousand Dollars (\$2,000) but does not exceed Ten Thousand Dollars (\$10,000), whether it exceeds Ten Thousand Dollars (\$10,000) but does not exceed One Hundred Thousand Dollars (\$100,000), whether it exceeds One Hundred

Thousand Dollars (\$100,000) but does not exceed One Million Dollars (\$1,000,000), or whether it exceeds One Million Dollars (\$1,000,000).

2. **Personal Income Disclosure.** When personal income is required to be reported, the Statement shall contain:
 - a. The name and address of each source of income aggregating Two Hundred Fifty Dollars (\$500) or more in value, or Fifty Dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source.
 - b. A Statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was at least Five Hundred Dollars (\$500) but did not exceed One Thousand Dollars (\$1,000), whether it was in excess of One Thousand Dollars (\$1,000), but was not greater than Ten Thousand Dollars (\$10,000), whether it was greater than Ten Thousand Dollars (\$10,000), but was not greater than One Hundred Thousand Dollars (\$100,000), or whether it was greater than One Hundred Thousand Dollars (\$100,000);
 - c. A description of the consideration, if any, for which the income was received;
 - d. In the case of a gift. The name, address and business activity of the donor and any intermediary through which the gift was made. a description of the gift, the amount or value of the gift, and the date on which the gift was received;
 - e. In the case of a loan: The annual interest rate and the security, if any, given for the loan and the term of the loan.

2. **Business Entity Income Disclosure:** When income of a business entity, including income of a sole proprietorship, is required to be reported," the Statement shall contain:
 - a. The name, address, and a general description of the business activity of the business entity;
 - b. The name of every person from whom the business entity received payments if the Official's pro rata share of gross receipts from such person was equal to or greater than Ten Thousand Dollars (\$10,000).

3. **Business Position Disclosure:** When business positions are required to be reported the Official shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds an\ position of management, a description of [he business activity in which the business entity is engaged, and the designated Official 's position with the business entity.

4. **Acquisition or Disposal During Reporting Period.** In the case of an annual or leaving office Statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the Statement of Economic Interest, the Statement shall contain the date of acquisition or disposal.
5. **Update of Information.** Officials shall have an ongoing obligation to update information included in their respective Statements of Economic Interests. Any change in fact or circumstance which alters or affects the information reported in the most recently filed Statement of Economic Interests shall be reported in writing to the CEO within 30 days of such change in fact or circumstance. Notwithstanding the foregoing, Board members shall submit such written reports to the CEO within 30 days of the change in fact or circumstance or five days prior to the next Board meeting after such change, whichever occurs sooner.

G. PROHIBITION ON RECEIPT OF HONORARIA:

1. No Official shall accept any honorarium from any source if he or she would be required to report such honorarium on his or her Statement of Economic Interests. Subdivisions (a), (b) and (c) of Government Code Section 89501 shall apply to the prohibitions in this section. This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code Section 89506.

H. PROHIBITION ON RECEIPT OF GIFTS IN EXCESS OF \$340

1. No Official shall accept gifts with a total value of more than \$340 in a calendar year from any single source if the Official would be required to report the receipt of gift on his or her Statement of Economic Interests. Subdivisions (e), (f) and (g) of Government Code Section 89503 shall apply to the prohibitions in this Section.

I. LOANS TO OFFICIALS:

1. No Official shall, from the date of his or her election, appointment or hire through the date that he or she vacates office or terminates his or her employment, receive any personal loan from any officer, employee, member, or consultant of the state or local government agency in which the Official holds office or over which the District has direction and control.
2. No Official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office or employment, receive a personal loan from any officer, employee, member, or consultant of the State or local government agency in which the Official holds office or over which District has direction and control. This subdivision shall not apply to loans made to an Official whose duties are solely secretarial, clerical, or manual.
3. No Official shall, from the date of his or her election or appointment to office or hire through the date that he or she vacates office or terminates employment, receive a personal loan from any person who has a contract with the state or local government agency to which that Official

has been elected or over which the District has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to official status.

4. No Official who is exempt from the state civil services system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office or employment, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which PPH has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to official status. This subdivision shall not apply to loans made to an Official whose duties are solely secretarial, clerical, or manual.
5. This Section shall not apply to the following:
 - a. Loans made to the campaign committee of an elected Official;
 - b. Loans made by an Official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making me loan is not acting as an agent or intermediary for any person not otherwise exempted under this section;
 - c. Loans from a person which, in the aggregate, do not exceed Two Hundred Fifty Dollars (\$250) at any given time: or
 - d. Loans made or offered in writing, before January 1, 1998;

J. LOAN TERMS.

1. Except as set forth in subdivision (B) of this section, no Official shall, from the date of his or her election, appointment or hire through the date he or she vacates office or otherwise leaves PPH, receive a personal loan of Five Hundred Dollars (\$500) or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.
2. This Section shall not apply to the following types of loans:
 - a. Loans made to an Official's campaign committee;

- b. Loans made to the Official by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this Section; or
 - c. Loans made, or offered in writing, before January 1, 1998.
3. Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

K. PERSONAL LOANS.

- 1. Except as set forth in subdivision (B) of this section, a personal loan received by any Official shall become a "gift" for the purposes of this Section in the following circumstances:
 - a. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired;
 - b. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:
 - (1) The date the loan was made;
 - (2) The date the last payment of One Hundred Dollars (\$100) or more was made on the loan: or
 - (3) The date upon which the debtor has made payments on the loan aggregating to less than Two Hundred Fifty Dollars (\$250) during the previous 12 months.
- 2. This Section shall not apply to the following types of loans:
 - a. A loan made to an Official's campaign committee;
 - b. A loan that would otherwise not be a "gift" as defined in this Title;
 - c. A loan that would otherwise be a "gift" as set forth under subdivision 1, but on which the creditor has taken reasonable action to collect the balance due;
 - d. A loan that would otherwise be a "gift" as set forth under subdivision 1, but on which the creditor, based on reasonable business considerations, has not undertaken collection action, except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations; or
 - e. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

3. Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

L. DISQUALIFICATION.

1. No Official shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any PPH and/or Board decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the Official or a member of his or her immediate family or on:
 - a. Any business entity in which the Official has, or has had within the last 12 months, a direct or indirect investment worth Two Thousand Dollars (\$2,000) or more;
 - b. Any real property in which the Official has, or has had within the last 12 months, a direct or indirect interest worth Two Thousand Dollars (\$2,000) or more;
 - c. Any source of income from a business entity or otherwise, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating Five Hundred Dollars (\$500) or more in value provided to, received by or promised to the Official within 12 months prior to the time when the decision is made;
 - d. Any business entity in which the Official is, or has been (a) a director, officer, partner, trustee, medical director, manager or administrator within the last 18 months, or (b) an employee within the last 12 months; or
 - e. Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating Three Hundred Twenty Dollars (\$340) or more provided to, received by, or promised to the Official within 12 months prior to the time when the decision is made.
2. Disqualification from participation in the making of a governmental decision shall include, without limitation: (a) the exclusion of the disqualified Official from that portion of any meeting during which discussions regarding the subject area of the conflicted issue take place; and (b) the prohibition of the Official's access to any writings, documents, statements, reports, letters, instructions, memoranda, notes, records, files, whether electronic or otherwise, or video or audio tapes pertaining to the subject area of the conflicted issue.
3. Examples of "business entities" within the scope of the prohibition described in Section 1 above include, but are not limited to:
 - a. Payors, including health maintenance organizations, that contract with the District or any affiliate (including Joint venture partners) of the District, except those payers in which the District itself has an ownership interest;
 - b. Provider organizations, including but not limited to independent practice associations, medical groups, and physician hospital organizations, that contract with or compete with the District or any affiliate (including Joint venture partners) of the District; or

- c. Any other business entities that contract or compete with the District or any affiliate (including joint venture partners) of the District.
4. Officials who have a conflict of interest based upon the terms of Section 15(A)(1) (*investment interest*), Section 15(A)(2) (*real property interest*), Section 14(A)(4)(a) (*officer, director, etc.*), and/or Section 15(E) (*litigation*) shall be disqualified from participating in any strategic planning which in any way, directly or indirectly, relates to the issue on which the Official is conflicted. As described at Section 15(A) in relation to decisions and the decision-making process, disqualification from participation in strategic planning shall include without limitation: (a) the exclusion of the Official from that portion of any meeting during which strategic planning discussions take place; and (b) the prohibition of the Official's access to any writings, documents, statements, reports, letters, instructions, memoranda, notes, records or files, whether electronic or otherwise, pertaining to strategic planning.
 5. In addition to the prohibition of Section 1 above, no Official who is also a licensed physician, nurse or other professional medical service provider shall make or participate in making any decision or participate in any discussion regarding:
 - a. Staff issues that may directly or indirectly affect the Official's financial interests, or which would otherwise create an appearance of impropriety; and/or;
 - b. Staff issues that may directly or indirectly affect the Official's financial interests, or which would otherwise create an appearance of impropriety; and/or
 6. In addition to the prohibition of Section 1 above, no Official shall make or participate in making any decision or participate in any discussion relating to a pending or threatened lawsuit, arbitration, mediation or other action against:
 - a. The District that has been filed by the Official, any member of the Official's immediate family, or any business entity' in which the Official is a director, officer, partner, trustee, employee, holds any position of management or holds or has held a business position as defined herein; or
 - b. The Official that has been filed by the District or an affiliate thereof.

M. LEGALLY REQUIRED PARTICIPATION:

1. No Official shall be prevented from making or participating in the making of any decision to the extent that his or her participation is legally required for the decision to be made. The fact that the vote of an Official who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this Section.
2. In the event that such participation of a conflicted Official is legally required, the non-conflicted Officials of the decision-making body shall select which disqualified Official(s) shall

participate in the decision-making process. Such participation shall include participation in all discussions and deliberations preceding the making of such decisions.

3. The non-conflicted Officials shall select amongst disqualified Officials by determining which of them is disqualified under the fewest categories of disqualification set forth at Section 15. The disqualified Official who is subject to the fewest categories of disqualification shall participate in the decision and the decision-making process. If the selection process results in the selection of more than the required number of Officials needed to make the decision at issue, the disqualified Official who participates in the decision and the decision-making process shall be chosen by lot from the group of selected disqualified Officials.
4. Once an otherwise disqualified Official is selected based upon the process identified above, the disqualified Official shall similarly participate in future related decisions if there is a legal requirement to include a disqualified Official in the decision and decision-making process.

N. DISTRICT CONTRACTS DISQUALIFICATION:

1. In addition to the general disqualification provisions of Section 15, no Official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the Official knows or has reason to know that any party to the contract is a person with whom the Official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:
 - a. Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or
 - b. Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value of One Thousand Dollars (\$1,000) or more.

O. MANNER OF DISQUALIFICATION:

In addition to the general disqualification provisions of Section 15, no Official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the Official knows or has reason to know that any party to the contract is a person with whom the Official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

P. ASSISTANCE OF THE COMMISSION AND COUNSEL:

Any Official who is unsure of his or her duties under this Code may request assistance from the FPPC pursuant to the PRA, or from PPH's attorney, provided that nothing in this Section requires PPH's attorney to issue any formal or informal opinion.

Q. VIOLATIONS.

This Code has the force and effect of law. Officials violating any provision of this Code are subject to the administrative, criminal and civil sanctions provided in the PRA. In addition, a decision in relation to which a violation of the disqualification provisions of this Code or of Government Code Section 87100 or 87450 has occurred may be set a side as void pursuant to Government Code Section 91003.

R. PUBLIC OFFICIAL AUTHORITY:

Board members shall exercise authority with respect to the District and its affairs only when acting in their capacity as Board members and during Board meetings or meetings of Board-authorized committees. Notwithstanding the foregoing, (i) the President of the Board shall confer with the CEO regarding Board and committee agendas and other matters between Board meetings, and (ii) the Chairpersons of Board-authorized committees are expected to confer with the President of the Board and/or the CEO, as appropriate, regarding Board agendas and other matters which may arise outside Board meetings. Members of the Board are not authorized to independently exercise management authority with respect to the District or its affairs.

S. DESIGNATED EMPLOYEES:

The persons holding positions listed in Appendix 1 hereto are, in addition to those identified by the PRA, "designated employees" who make or participate in the making of decisions which may foreseeably have a material effect on financial interests. This Code shall also apply to Board members and other individuals specified in the PRA for purposes of determining disqualification. Disclosure obligations for such individuals are described in Section 4 below.

ATTACHMENT 1

Designated Employees

The designated employees listed in this Attachment shall disclose economic interests:

1. Board Members
2. CEO
3. CFO
4. Executive Management Team
5. All Directors and above

**PALOMAR POMERADO HEALTH
BOARD POLICY**

GOV-13

PROMULGATION OF PPH PROCEDURES

March 18, 2008

Change Summary

1. Researched California Code of Regulations and regulations and found no laws regarding or dressing this topic.
2. No changes.

I. PURPOSE:

To provide guidelines to clarify and standardize the process for the President and Chief Executive Officer and each member of the Executive Management team (collectively, "EMT") to develop and independently promulgate procedures for the purpose of implementing policies adopted by the board of directors ("Board") of PPH.

II. DEFINITIONS:

- A. "Policy" means a Board-approved statement that provides broad strategic direction and/or a governing mandate for PPH, enabling the development of Procedures.
- B. "Procedure" means any specific instruction or mode of conduct for the purpose of implementing a Policy.
- C. "Publication" means the reduction of a Procedure to writing and its subsequent distribution, by the promulgating Authorized Officer, to those individuals affected by said Procedure and the Board.

III. TEXT / OF PRACTICE:

- A. EMT members shall have the authority to develop and promulgate Procedures, as appropriate in light of their respective areas of administrative responsibility, for the purpose of implementing Policies. In no event shall any EMT member attempt to promulgate a Procedure that is either inconsistent with a Policy or Bylaw or which directly affects a matter for which another EMT member is primarily responsible or materially affects the operation of the organization.
- B. The Board shall at all times, in its discretion, have the sole and absolute authority to review and modify or rescind Procedures promulgated pursuant to this Policy, upon the request of the President and Chief Executive Officer or upon the Board's own initiative. In the event two or more Procedures are promulgated that are inconsistent with each other, such conflicting Procedures shall be submitted to the President and Chief Executive Officer for reconciliation and resolution.
- C. A Procedure developed pursuant to this Policy shall become effective and binding immediately upon its approval and publication in LUCIDOC by the promulgating EMT member. Every Procedure promulgated pursuant to this Policy shall state explicitly the Policy that it is intended to implement.
- D. The Authorized EMT member responsible for promulgating any Procedure pursuant to this Policy shall be primarily responsible for supervising implementation of such Procedure and compliance therewith by PPH. Violation of any Procedure shall be reported by the Authorized EMT member responsible for its administration and may result in appropriate disciplinary action by the appropriate PPH EMT member or the Board.
- E. Each Authorized EMT member shall be responsible for reviewing all Procedures within his or her jurisdiction at least once every three (3) years, or earlier when warranted based on changes in the law, state of the art, current knowledge, technology or other factors.

- F. All PPH Policies and Procedures promulgated prior to the effective date of this Policy are hereby ratified to the extent they are not inconsistent with this Policy or each other and notwithstanding the manner in which they were promulgated.
- G. The board will direct an audit of procedures periodically or as necessary to determine if procedures support Board Policies.
- H. This policy will be reviewed and updated as required or at least every three years.

IV. DOCUMENT / PUBLICATION HISTORY:

Original Document Date: 3/13/01
Reviewed: 2/02; 1/05; 4/08
Revision Number: 1 Dated: 1/20/05
Document Owner: Michael Covert
Authorized Promulgating Officers: Bruce G. Krider, Chairman

V. CROSS REFERENCE DOCUMENTS:

Prior to 2005, this policy was Board Policy 10-209

Change Summery

1. Reviewed the current Health and Safety Code § 32150, and 32121 – 32138; Business and Professions Code § 809 – 809.9; and the 2005 JCAHO “Hospital Accreditation Standards” for compliance.
2. No changes

I. PURPOSE:

To establish policy in recognition of the institution's responsibility for the delivery of services that adhere to ethical standards including interacting with patients in an honest and open manner, doing good while avoiding harm, respecting life and individual rights, encouraging personal responsibility, balancing the need for economic stability with the obligation to provide healthcare for the community, and pledging to fair business practices.

II. DEFINITIONS:

III. TEXT / STANDARDS OF PRACTICE:

PPH has established this policy in recognition of the institution's responsibility to patients, staff, physicians, and the communities served. It is the responsibility of every member of the PPH community to act in a manner that is consistent with this organizational expectation. Behavior is guided by the following general principles:

A. Patient Care

1. Treating all patients with dignity, respect, and courtesy. A commitment is made to guard the valued trust between the physician and the patient. Whenever practical, patients (or their surrogate decision makers) are involved in decisions regarding care. Employees and physicians also seek to inform all patients about the modes of medical treatment available and the risks associated with the care they are seeking. Employees and physicians also share information about outcomes. Staff constantly strives to understand and respect individual patient objectives for their care.
2. In all of the various settings in which this health care organization provides patient services, well-designed standards of care based upon the needs of the patient are constantly adhered to. Patients are admitted, treated, transferred, and discharged based on established standards of practice. Clinical decisions are based on identified patient care needs.
3. PPH staff provides services only to patients to whom they can safely care for within the organization and do not turn patients away who are in need of emergency services. The Health District only markets those services that can safely be provided.
4. It is recognized that from time to time conflict arises among those who participate in patient care decisions. Whether this conflict is between members of administration, medical staff, employees, or the Board of Directors of this District, or between patient caregivers and the patient, a methodology or means to resolve all conflicts fairly and objectively is sought.
5. Employees of Palomar Pomerado Health recognize that the potential for conflict of interest exists for decision-makers at all levels within the health District. This includes members of the governing board, administration, the medical staff, and all other employees. It is the policy of this Health District

to request disclosure of potential conflicts of interest so that appropriate action may be taken to ensure that such conflict does not inappropriately influence important decisions and is in compliance with State of California law regarding this subject. In the event a potential conflict of interest has a direct implication for patient care, the health District may convene the Bioethics Committee to assist in the resolution of this issue.

6. When patients are referred to a service by members of the Health District, the patient is informed if a financial relationship exists between the referring provider and the recipient service.

B. Fair Business Practices

1. PPH charges patients or third parties only for services actually provided. Assistance is provided to patients seeking an understanding of the charges related to their care. An attempt to resolve questions and objections to the best of one's ability includes a review of medical records to insure that no errors have been made.
2. Negotiations are made in good faith with businesses in order to comply with agreements made. When more than one option exists for a purchase or service, staff are trained and encouraged to objectively consider all options before making a final decision.

C. Confidentiality

1. The Health District recognizes the extreme need to maintain patient and other information in a confidential manner. As such, patient information is not shared in an unauthorized manner and sensitive information concerning personnel and management issues is maintained in the strictest confidence, utilized only by those individuals authorized to review and act upon such information.
2. Information, however, on areas that are subject to the Public Records Act will be made readily available on request to the public.
3. Underlying each of the above principles is the health District's overall commitment to act with integrity in all activities and to treat the health District's employees, patients, physicians, and many constituents, with the utmost respect.

D. Review

This policy will be reviewed and updated as required or at least every three years.

IV. ADDENDUM:

V. DOCUMENT / PUBLICATION HISTORY: (template)

Revision Number: 2
Effective date: 2/03
Review date: 3/05

Document owner: Michael H. Covert CEO

Authorized Promulgating Officer: Bruce G. Krider, Chairman

VI. CROSS-REFERENCE DOCUMENTS:(template)

**PALOMAR POMERADO HEALTH
BOARD POLICY**

GOV-16

LEADERSHIP AND MANAGEMENT

March 18,2008

Change Summary

1. Reviewed the current JCAHO Standards, Health and Safety Code; Government Code, Civil Code and Administrative Code for compliance.
2. No changes

I. PURPOSE:

To provide directions from the Board of Directors to the Leadership of Palomar Pomerado Health relative to leadership and management of the organization.

II. DEFINITIONS:

III. TEXT / STANDARDS OF PRACTICE:

A. The Board of Directors of Palomar Pomerado Health empowers the Chief Executive Officer to be responsible for the management of PPH facilities in compliance with applicable laws and regulations. This includes responsibility for:

1. Establishing effective operations.
2. Establishing information and support systems.
3. Recruiting and maintaining staff.
4. Conserving physical and financial assets.
5. Establishing appropriate PPH procedures in accordance with Board Policies.

B. Leaders within the organization will:

1. Plan and design services:

Provide a collaborative process to develop a mission that is reflected in long range, strategic, and operational plans; service design; resource allocation, and organization procedures. Assess needs of patients and other users of the PPH services in this planning process.

2. Direct Services:

Provide organization, direction and staffing for patient care and support services according to the scope of services offered.

3. Integrate and coordinate services:

Communicate objectives and coordinate efforts to integrate patient care and support services throughout the PPH facilities including providing for clear lines of responsibility and accountability within departments and between departments and administration.

4. Improve performance:

Establish expectations, plans, prioritizes and manages the performance improvement processes within a culture of continuously improving performance and Shared Governance.

Ensure implementation of processes to measure, assess and improve the performance of the hospital's governance, management, clinical and support processes.

5. Develop the organization and its employees:

Encourage staff participation.

Develop leaders at all levels to fulfill the system's mission, and values.

Provide mechanisms to help teach and coach staff at all levels.

6. Report to the Board of Directors regarding:
 - a. Recommendations from planning, regulatory and inspecting agencies and the subsequent plans.
 - b. Short and long term plans.
 - c. Operational Updates.
 - d. Program efficiency and effectiveness.
 - e. Financial status and performance.
 - f. Operational and capital budget recommendations.
 - g. Performance Improvement.
 - h. Staff Competence.
7. Review

This policy will be reviewed and updated as required or at least every year.

IV. ADDENDUM:

V. DOCUMENT / PUBLICATION HISTORY: (template)

Revision Number	Effective Date	Document Owner at Publication	Description
1	12/17/2001	Michael H. Covert, F.A.C.H.E., President + CEO	Original Version

Authorized Promulgating Officers: Bruce G. Krider, Chairman

VI. CROSS-REFERENCE DOCUMENTS:(template)

Reference Type	Title	Notes
Source Documents	1	
JCAHO CAMH Standard	LD.1.20	
JCAHO CAMH Standard	LD.2.10	
JCAHO CAMH Standard	LD.2.20	
JCAHO CAMH Standard	LD.2.50	

**PALOMAR POMERADO HEALTH
BOARD POLICY**

GOV-19

ANNUAL FEES FOR BOARD PACKETS

March 18, 2008

Change Summary

1. Reviewed the current Government Code § 54954, Health and Safety Code; and the Administrative Code for compliance.
2. No changes

I. PURPOSE:

In accordance with current statute, Palomar Pomerado Health shall have the option of establishing and charging for the costs of notices of public Board meetings. Such fees shall be based on the actual cost of providing the service.

II. DEFINITIONS:

None

III. TEXT / OF PRACTICE

- A. The cost of providing simple notices of Board meetings is minimal. Therefore, Palomar Pomerado Health shall bear the cost for those residents and members of the press who so request in writing.
- B. The information packet which accompanies the board and/or committee agendas shall be provided free of charge to members of the board, staff and medical staff leaders. Members of the public and the press who so request in writing may be provided with Board information packets, subject to Section D below and any applicable laws and regulations, though such requesting parties may be charged reproduction and postage costs, payable in advance on an annual basis. However, such charges have not normally been levied as a goodwill gesture within the community, so long as printing and distribution of the number of packets is not considered exorbitant.
- C. All requests for notice shall be honored for a period of one year.
- D. Notwithstanding the foregoing, in the event the Board deems that certain portions of a Board information packet and/or committee meeting agenda should not be disclosed to the public or the news media pursuant to applicable laws and regulations, included but not limited to the Public Records Act, the Board shall remove such protected and/or non-disclosable information from any materials provided pursuant to this Policy.
- E. This policy will be reviewed and updated as required or at least every three years.

IV. DOCUMENT / PUBLICATION HISTORY:

Original Document Date: 11/14/85
Reviewed: 1/93; 1/99; 2/02; 9/05; 3/08
Revision Number: 1 Dated: 9/20/05
Document Owner: Michael Covert
Authorized Promulgating Officers: Bruce G. Krider, Chairman

VI. CROSS REFERENCE DOCUMENTS:

Prior to 2005, this policy was Board Policy 10-405

**PALOMAR POMERADO HEALTH
BOARD POLICY**

GOV-20

**PUBLIC COMMENTS AND ATTENDANCE AT PUBLIC
BOARD MEETINGS**

March 18, 2008

Change Summary

1. Reviewed the current Government Code § 54953 and 54954, Health and Safety Code; and the Administrative Code for compliance.
2. No change

I. PURPOSE:

- A. To provide guidelines in the interest of conducting orderly, open public meetings while ensuring that the public is afforded opportunity to attend and to address the board.

II. DEFINITIONS:

None

III. TEXT / OF PRACTICE

- A. Members of the public who wish to address the board are asked to complete a *Request for Public Comment* form and submit to the Board Assistant prior to the meeting. The information requested shall be limited to name, address, phone number and subject.
- B. Should Board action be requested, the request should be included on the form as well. Written copies of presentations are encouraged and may be attached to the form.
- C. The subject matter is to be confined to the topic requested and must be germane to Palomar Pomerado Health's jurisdiction.
- D. The maximum allowable time is five minutes per speaker with a cumulative total of fifteen minutes per group.
- E. The time and date of presentation are at the discretion of the Board Chair. Questions or comments will be entertained either during "Public Comments" section on the agenda or at the time the subject is discussed, provided that either time is prior to or during the time the item is being considered. Public comments at Board workshops will be limited to the "Public Comments" section.
- F. The public shall be accommodated by a designated seating area at all public meetings, unless room accommodations preclude it.
- G. In the event of a disturbance that is sufficient to impede the proceedings, all persons may be excluded with the exception of newspaper personnel who were not involved in the disturbance in question.
- H. The public shall be afforded those rights listed below (Government Code Section 54953 and 54954).
1. To receive appropriate notice of meetings;
 2. To attend with no pre-conditions to attendance;
 3. To testify within reasonable limits prior to ordering consideration of the subject in question;
 4. To know the result of any ballots cast;
 5. To broadcast or record proceedings (conditional on lack of disruption to meeting);
 6. To review recordings of meetings within thirty days of recording; minutes to be Board approved before release,

7. To publicly criticize Palomar Pomerado Health or the Board; and
8. To review without delay agendas of all public meetings and any other writings distributed at the meeting.

I. Board Committee Meetings.

1. The public may attend Committee meetings of the Board and will comply with the following:
 - a. Members of the public will not sit at the table unless invited to do so by the Committee Chair.
 - b. Members of the public will not eat the food and beverages provided to the Board and invited guest.
 - c. Members of the public will not comment or interrupt the proceedings of the Committee until invited to do so by the Committee Chair at the beginning of the meeting.

J. This policy will be reviewed and updated as required or at least every three years.

IV. DOCUMENT / PUBLICATION HISTORY:

Original Document Date: 2/94

Reviewed: 8/95; 1/99; 9/05; 4/06; 3/08

Revision Number: 2 Dated: 4/11/06

Document Owner: Michael Covert

Authorized Promulgating Officers: Bruce G. Krider, Chairman

V. CROSS REFERENCE DOCUMENTS:

Prior to 2005, this policy was Board Policy 10-406

MEDICAL STAFF SERVICES

March 25, 2008

TO: Board of Directors

BOARD MEETING DATE: April 14, 2008

FROM: John J. Lilley, M.D., Chief of Staff
PMC Medical Staff Executive Committee

SUBJECT: Palomar Medical Center Medical Staff Credentialing Recommendations

- I. Provisional Appointment (04/14/2008 – 03/31/2010)
Sandhya K. Bhalla-Regev, M.D., Internal Medicine
Hilary M. Bowers, M.D., Pediatrics
Chunjai P. Clarkson, M.D., OB/GYN
Arati Malhotra, M.D., Pediatrics
Maria E. Lai, M.D., Family Practice (includes PCCC)
- II. Reappointment and Advancement to Active Status
Yoo Jin Chong, M.D., Internal Medicine (04/14/2008 – 11/30/2008)
- III. Advance from Provisional to Active Status
Peter D. Gougov, M.D., Anesthesiology (Includes ESC) (04/14/2008 – 01/31/2009)
Amy R. Milliken, M.D., OB/GYN (04/14/2008 – 03/31/2009)
- IV. Additional Privileges
Nicola C. Bugelli, M.D., Internal Medicine (to include San Marcos Wound Care Center)
▪ Chronic Wound Management
▪ Hyperbaric Oxygen Therapy Supervision
Anatoly J. Bulkin, M.D., General Vascular Surgery (to include San Marcos Wound Care Center)
▪ Chronic Wound Management
Antoine A. Hallak, M.D., Plastic Surgery (to include San Marcos Wound Care Center)
▪ Chronic Wound Management
Robert J. Vallone, D.P.M., Podiatry (to include San Marcos Wound Care Center)
▪ Chronic Wound Management
- V. Change from Associate to Active Status
Venus F. Ramos, M.D., Physical Medicine & Rehab
- VI. Leave of Absence – Two Year
Alan L. Berkowitz, M.D., Psychiatry (includes PCCC) (04/14/2008 – 03/31/2010)
- VII. Voluntary Resignations/Withdrawals
Janna Z. Andrews, M.D., Radiation Oncology (Effective 04/14/2008)
Tanya Dansky, M.D., Pediatrics (Effective 03/13/2008)
Jonathan Nissanoff, M.D., Orthopaedic Surgery (Effective 04/30/2008)
Parmjit M. Singh, M.D., Internal Medicine (Effective 04/30/2008)
Mark B. Zweifach, M.D., Psychiatry (Effective 04/14/2008)
- VIII. Allied Health Professional Appointment (04/14/2008 – 03/31/2010)
Tania M. Marek, N.P., Family Nurse Practitioner; Sponsors: Dr. Paz, Dr. Herip.
Marsha L. Mueller, P.A.-C., Physician Assistant; Sponsors: CEP
John S. Watkins, P.A.-C., Physician Assistant; Sponsors: Kaiser Orthopaedic Surgeons (Includes ESC)

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Fax 760.739.2926

POMERADO
HOSPITAL
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Fax 858.613.4217

ESCONDIDO
SURGERY CENTER
343 East Grand Avenue
Escondido, CA 92025
Tel 760.480.6606
Fax 760.480.1288

- IX. Allied Health Professional Leave of Absence – Two Year
 Ray A. Brown, O.T., Orthopaedic Technologist; Sponsors: Kaiser Orthopaedic Surgeons. (Effective 02/20/2008 – 01/31/2010)
- X. Allied Health Professional Withdrawal of Membership
 Kathleen D. Hamilton, N.P., Nurse Practitioner. (Effective 04/14/2008)
 Beverly c. Lipscomb, Orthopaedic Technician (Effective 10/31/2007) (Includes ESC)
 Sarah A. Zgainer, N.P., Nurse Practitioner (Effective 04/14/2008)
- XI. Reappointment Effective 05/01/2008 – 04/30/2010
- | | | | |
|--|-------------------------|----------------------------|-----------|
| William S. Bornmann, D.O. | Emergency Medicine | Dept of Emergency Medicine | Active |
| Frank C. Cairo, M.D. | Pediatrics | Dept of Pediatrics | Courtesy |
| (Changed from Active to Courtesy Status) | | | |
| Kevin M. Deitel, M.D. | Orthopaedic Surgery | Dept of Ortho/Rehab | Active |
| John H. Detwiler, M.D. | Cardiology | Dept of Medicine | Active |
| Michele M. Fang, M.D. | Internal Medicine | Dept of Medicine | Active |
| Michele A. Grad, M.D. | Emergency Medicine | Dept of Emergency Medicine | Active |
| Abraham Joseph, M.D. | Geriatric Medicine | Dept of Medicine | Associate |
| (Includes PCCC) | | | |
| Wayne I. Levin, M.D. | Internal Medicine | Dept of Medicine | Active |
| Ian S. McDonald, DMD, M.D. | Oral/Maxillofacial Surg | Dept of Surgery | Associate |
| (Includes ESC) | | | |
| Michael A. Newhouse, M.D. | Psychiatry | Dept of Medicine | Active |
| (Includes PCCC) | | | |
| Robert R. Oakley, M.D. | Gastroenterology | Dept of Medicine | Courtesy |
| Patrick M. O'Meara, M.D. | Orthopaedic Surgery | Dept of Ortho/Rehab | Active |
| (Includes ESC) | | | |
| Alejandro Paz, M.D. | Family Practice | Dept of Family Practice | Active |
| (Includes PCCC and ESC) | | | |
| Karin Schiff, M.D. | Family Practice | Dept of Family Practice | Active |
| (Includes PCCC) | | | |
| Nguyen P. Tran, M.D. | Family Practice | Dept of Family Practice | Active |
- XII. Allied Health Professional Reappointment Effective 05/01/2008 – 04/30/2010
 Richard N. Brownsberger, P.A.-C., Physician Assistant; Sponsors: Drs. Georgy, Federhart, Price, Rickards, Sung, Taggart (No longer has sponsoring physician at ESC)
 Naomi Cohen, N.P., Nurse Practitioner; Sponsors: Kaiser Continuing Care Physicians
 (Includes PCCC)
 Cherie Dragan, R.N., Clinical Research Coordinator; Sponsors: Drs. Bender, Burrows, Hirsch, Otoshi and Trestman.
 Dolores L. Fazzino, RNFA, Registered Nurse First Assistant; Sponsors: Dr. Milling and Dr. T. Jones
 (Includes ESC)
 Laurie K. Higbee, R.N., Clinical Research Coordinator; Sponsor: Dr. Schechter
 Shelly A. Peppe-Nani, P.A.-C., Physician Assistant; Sponsors: CEP
 Terri A. Schneider-Biehl, NNP, Neonatal Nurse Practitioner; Sponsors: Drs. Fatayerji, Golembeski, Johnsgard, Segall

Certification by and Recommendation of Chief of Staff:

As Chief of Staff of Palomar Medical Center, I certify that the procedures described in the Medical Staff Bylaws for appointment, reappointment or alteration of staff membership or the granting of privileges and that the policy of the Palomar Pomerado Health System's Board of Directors regarding such practices have been properly followed. I recommend that the action requested in each case be taken by the Board of Directors.

**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
April, 2008**

PERSONAL INFORMATION

<i>Provider Name & Title</i>	Sandhya K. Bhalla-Regev, M.D.
<i>PPHS Facilities</i>	Palomar Medical Center

SPECIALTIES/BOARD CERTIFICATION

<i>Specialties</i>	Internal Medicine – Certified 2004
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ORGANIZATIONAL NAME

<i>Name</i>	Kaiser Permanente
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EDUCATION/AFFILIATION INFORMATION

<i>Medical Education Information</i>	State University of New York at Stony Brook From: 09/01/1997 To: 05/18/2001 Doctor of Medicine Degree
<i>Internship Information</i>	N/A
<i>Residency Information</i>	State University of New York at Stony Brook Internal Medicine From: 07/01/2001 To: 06/30/2005 Chief Resident: 07/01/2004-06/30/2005
<i>Fellowship Information</i>	N/A
<i>Current Affiliation Information</i>	Kaiser Permanente, San Diego

**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
April, 2008**

PERSONAL INFORMATION

<i>Provider Name & Title</i>	Hilary M. Bowers, M.D.
<i>PPHS Facilities</i>	Pomerado Hospital Palomar Medical Center

SPECIALTIES/BOARD CERTIFICATION

<i>Specialties</i>	Pediatrics – Certified 2003
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ORGANIZATIONAL NAME

<i>Name</i>	Children's Primary Care Medical Group
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EDUCATION/AFFILIATION INFORMATION

<i>Medical Education Information</i>	University of Washington School of Medicine, Seattle, WA From: 09/01/1996 To: 06/09/2000 Doctor of Medicine Degree
<i>Internship Information</i>	N/A
<i>Residency Information</i>	Cedars-Sinai Medical Center, Los Angeles, CA Pediatrics From: 06/24/2000 To: 06/30/2003
<i>Fellowship Information</i>	N/A
<i>Current Affiliation Information</i>	Rady Children's Hospital, San Diego

**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
April, 2008**

PERSONAL INFORMATION

<i>Provider Name & Title</i>	Chunjai P. Clarkson, M.D.
<i>PPHS Facilities</i>	Palomar Medical Center

SPECIALTIES/BOARD CERTIFICATION

<i>Specialties</i>	Obstetrics and Gynecology – Certified 1999; Re-Certified 2007
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ORGANIZATIONAL NAME

<i>Name</i>	Vista Community Clinic
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EDUCATION/AFFILIATION INFORMATION

<i>Medical Education Information</i>	Uniformed Services University - Health Sciences, Bethesda, MD From: 08/26/1985 To: 05/19/1990 Doctor of Medicine Degree
<i>Internship Information</i>	Naval Hospital, Oakland Transitional From: 07/01/1990 To: 06/30/1991
<i>Residency Information</i>	Naval Medical Center, San Diego Obstetrics/Gynecology From: 07/01/1994 To: 06/30/1997
<i>Fellowship Information</i>	N/A
<i>Current Affiliation Information</i>	Tri-City Medical Center

**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
April, 2008**

PERSONAL INFORMATION

<i>Provider Name & Title</i>	Maria E. Lai, M.D.
<i>PPHS Facilities</i>	Pomerado Hospital (Villa Pomerado) Palomar Medical Center (Palomar Continuing Care Center)

SPECIALTIES/BOARD CERTIFICATION

<i>Specialties</i>	Family Practice – Certified 2002 Geriatric Medicine – Certified 2004
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ORGANIZATIONAL NAME

<i>Name</i>	Kaiser Permanente
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EDUCATION/AFFILIATION INFORMATION

<i>Medical Education Information</i>	Medical College of Wisconsin, Milwaukee, WI From: 06/01/1995 To: 05/22/1999 Doctor of Medicine Degree
<i>Internship Information</i>	N/A
<i>Residency Information</i>	Scripps Mercy Hospital, Chula Vista Family Practice From: 06/24/1999 To: 09/23/2002
<i>Fellowship Information</i>	University of California, San Diego Geriatrics and Family Medicine From: 07/01/2002 To: 06/30/2003
<i>Current Affiliation Information</i>	Kaiser Permanente, San Diego Sharp Grossmont Hospital

**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
April, 2008**

PERSONAL INFORMATION

<i>Provider Name & Title</i>	Arati Malhotra, M.D.
<i>PPHS Facilities</i>	Palomar Medical Center

SPECIALTIES/BOARD CERTIFICATION

<i>Specialties</i>	Pediatrics – Certified 1997; Re-Certified 2005
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ORGANIZATIONAL NAME

<i>Name</i>	North County Health Services
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EDUCATION/AFFILIATION INFORMATION

<i>Medical Education Information</i>	McGill University, Montreal, Canada From: 08/01/1990 To: 05/31/1994 Doctor of Medicine Degree
<i>Internship Information</i>	N/A
<i>Residency Information</i>	Baylor College of Medicine, Houston, TX Pediatrics From: 10/01/1994 To: 10/06/1997
<i>Fellowship Information</i>	N/A
<i>Current Affiliation Information</i>	None

**PALOMAR POMERADO HEALTH SYSTEM
PROVISIONAL APPOINTMENT
April, 2008**

PERSONAL INFORMATION

<i>Provider Name & Title</i>	Colin A. Scher, M.D.
<i>PPHS Facilities</i>	Pomerado Hospital

SPECIALTIES/BOARD CERTIFICATION

<i>Specialties</i>	Ophthalmology – Certified 1985
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ORGANIZATIONAL NAME

<i>Name</i>	Children's Specialists of San Diego
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EDUCATION/AFFILIATION INFORMATION

<i>Medical Education Information</i>	University of Cape Town, South Africa From: 01/01/1972 To: 12/08/1977 Doctor of Medicine Degree
<i>Internship Information</i>	University of Cape Town, Groote Schuur Hospital, South Africa Rotating: Internal Medicine, General Surgery, Orthopaedic Surgery From: 08/07/1978 To: 07/01/1979
<i>Residency Information</i>	University of Pennsylvania, Philadelphia, PA Ophthalmology From: 07/01/1981 To: 06/30/1984 Scheie Eye Institute/Children's
<i>Fellowship Information</i>	Children's Hospital of Philadelphia, PA Pediatric, Ophthalmology From: 07/01/1984 To: 06/30/1985
<i>Current Affiliation Information</i>	Scripps Mercy Hospital, Chula Vista Scripps Mercy Hospital, San Diego Sharp Memorial Hospital Sharp Grossmont Hospital Sharp Memorial Hospital, Chula Vista Sharp Mary Birch Hospital El Centro Regional Medical Center Rady Children's Hospital, San Diego Palomar Medical Center (Escondido Surgery Center)

**PALOMAR POMERADO HEALTH
ALLIED HEALTH PROFESSIONAL
APPOINTMENT
APRIL 2008**

NAME: Tania M. Marek, P.A.-C
SPECIALTY: Nurse Practitioner
SERVICES: Expresscare Nurse Practitioner for Palomar Pomerado Health
TRAINING: San Diego State University, San Diego, CA
Bachelor of Science in Nursing 1/01/96-12/28/98
University of California, San Francisco, San Francisco, CA
Master of Science in Nursing including Nurse Practitioner 8/28/01-06/15/03
PRACTICE: ExpressCare Nurse Practitioner, Palomar Pomerado Health
Retail Outpatient Clinics, Escondido&Rancho Penasquitos,CA 1/03/08-Present
Nurse Practitioner, Rady's Childrens Hospital, San Diego,CA 9/01/06-01/04/08
Nurse Practitioner, Shiley Eye Center, UCSD Medical Center, San Diego, CA 6/30/06-11/27/06
Lecturer, Hahn School of Nursing, University of San Diego 8/22/05-12/10/06
Nurse Practitioner, Vista Community Clinic, Vista, CA 8/01/05-06/01/06
Nurse Practitioner, Planned Parenthood, San Diego, CA 4/01/04-present
Registered Nurse, San Francisco General Hospital, San Francisco,CA 08/21/00-05/05/01
Registered Nurse, Stanford University Hospital, Stanford, CA 01/01/99-05/25/04
SPONSORS: Alejandro Paz, M.D., Donald Herip, M.D., Lawrence Koenig, M.D.
CERTIFICATION: American Nurses Credentialing Center 2004
FACILITIES: Palomar Medical Center and Pomerado Hospital

NAME: Marsha L. Mueller, P.A.-C
SPECIALTY: Physician Assistant
SERVICES: Emergency Room Physician Assistant for California
Emergency Physicians
TRAINING: California State Polytechnic University, Pomona, CA
Bachelor of Science – Biology/Physiology 09/01/01-06/01/04
Western University of Health Sciences, College of Allied Health Professions, Pomona, CA
PRACTICE: Master of Science in Physician Assistant Practice 08/01/04-07/31/06
Physician Assistant, California Emergency Physicians
Palomar Medical Center, Escondido, CA 3/01/08-Present
Physician Assistant, California Emergency Physicians,
Pomona Valley Hospital Medical Center, CA 04/01/07-Present
Physician Assistant, California Emergency Physicians,
St. Mary Medical Center ER Dept., Apple Valley, CA 02/01/07-Present
Physician Assistant, California Emergency Physicians,
St. Bernardine Medical Center ER, San Bernardino, CA 01/01/07-12/01/07
Physician Assistant, Central Avenue Urgent Care Center, Montclair, CA 12/01/06-Present
SPONSORS: Jaime Rivas, M.D. & California Emergency Physicians
at Palomar Medical Center and Pomerado Hospital
CERTIFICATION: National Commission on Certification of Physician Assistants 2006
FACILITIES: Palomar Medical Center and Pomerado Hospital

**PALOMAR POMERADO HEALTH
ALLIED HEALTH PROFESSIONAL
APPOINTMENT
APRIL 2008 (continued)**

NAME:	Jonathan Sales, P.A.-C.	
SPECIALTY:	Physician Assistant	
SERVICES:	Physician Assistant services for Jonathan Nissanoff, M.D. at Pomerado Hospital	
TRAINING:	Weill Medical College of Cornell University, New York, NY	
PRACTICE:	Physician Assistant Program Certificate	03/30/05-05/18/07
	Physician Assistant, Advanced Orthopaedics/Jonathan Nissanoff, M.D. Poway, CA	08/01/07-Present
	EMT/ER technician, Santa Barbara Cottage Hospital, Santa Barbara, CA	09/14/03-03/08/05
	Unit Coordinator, Dept of Orthopaedics, Santa Barbara Cottage Hospital	07/09/01-09/14/03
SPONSORS:	Jonathan Nissanoff, M.D.	
CERTIFICATION:	National Commission on Certification of Physician Assistants	2007
FACILITY:	Pomerado Hospital	
NAME:	Cristina L. Shoukry, N.P.	
SPECIALTY:	Nurse Practitioner	
SERVICES:	Expresscare Nurse Practitioner for Palomar Pomerado Health	
TRAINING:	California Hospital School of Nursing, Los Angeles, CA	
	Diploma in Nursing	06/01/81-06/15/84
	University of San Diego, San Diego, CA	
	Bachelor of Science in Nursing	9/08/97-05/30/99
	University of San Diego, San Diego, CA	
	Master of Science in Nursing including Family Nurse Practitioner	9/07/99-01/31/01
PRACTICE:	ExpressCare Nurse Practitioner, Palomar Pomerado Health	
	Retail Outpatient Clinics, Escondido&Rancho Penasquitos, CA	2008-Present
	Diabetes Care Manager, R.N., Palomar Pomerado Health, Escondido, CA	02/01/06-present
	Family Nurse Practitioner, San Diego Family Care, Mid-City Community Clinic, San Diego, CA	8/01/03-Present
	Family Nurse Practitioner, Michael Markopoulos, M.D., San Diego, CA	7/01/02-01/31/03
	Family Nurse Practitioner, Santa Fe Health Center, Arturo Leon, M.D. San Diego, CA	4/01/01-04/30/02
	Clinical R.N., Tri-City Medical Center, Vista, CA	08/01/90-08/01/05
SPONSORS:	Alejandro Paz, M.D., Donald Herip, M.D., Lawrence Koenig, M.D.	
CERTIFICATION:	American Nurses Credentialing Center	2007
FACILITIES:	Pomerado Hospital	
NAME:	John S. Watkins, P.A.-C.	
SPECIALTY:	Physician Assistant	
SERVICES:	Physician Assistant services for Kaiser Orthopaedic Surgeons at Palomar Medical Center	
TRAINING:	University of Nebraska Medical Center/Academy of Health Science, Interservice Physician Assistant Program	
PRACTICE:	Bachelor of Science – Physician Assistant Medicine	05/04/98-05/06/00
	Physician Assistant, Dept of Orthopaedics, Kaiser Permanente, San Diego, CA	01/28/06-Present
	Physician Assistant, William Previte, D.O., San Diego, CA	11/15/00-12/19/06
	Physician Assistant/Battalion Senior Medical Officer, California Army National Guard, 1 st Battalion 185 th Armor regiment	05/19/00-03/08/05
SPONSORS:	Kaiser Orthopaedic Surgeons at Palomar Medical Center	
CERTIFICATION:	National Commission on Certification of Physician Assistants	2000
FACILITY:	Palomar Medical Center including Escondido Surgery Center	

MEDICAL STAFF SERVICES

PALOMAR
POMERADO
HEALTH

Date: April 1, 2008
To: Palomar Pomerado Health Board of Directors
From: John J. Lilley, M.D., Chief of Staff, Palomar Medical Center
Benjamin Kanter, M.D., Chief of Staff, Pomerado Hospital
Subject: Credentialing Process

The Executive Committee of Palomar Medical Center, in its meeting of March 24, 2008, and the Executive Committee of Pomerado Hospital, in its meeting of March 25, 2008, recommended that modifications to the attached PPH Credentialing Process be forwarded to the Board of Directors with a recommendation for approval. The modifications clarify the process and include the implementation of background checks for applicants to the Pomerado Hospital Medical Staff effective 02/27/2008.

Recommendations for additional wording are underlined and deletions are crossed out.

Attachment

PALOMAR MEDICAL
CENTER
555 East Valley Parkway
Escondido, CA 92025
Tel 760.739.3140
Fax 760.739.2926

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Poway, CA 92064
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Escondido, CA 92025
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Fax 760.480.1288

**PALOMAR POMERADO HEALTH
CREDENTIALING PROCESS**

- 1) When a request for application to Palomar Medical Center; ~~and/or Pomerado Hospital and/or Escondido Surgery Center~~ is received, a "Pre-Application Letter" is sent to the requestor. The letter must be completed, signed, and returned along with the applicable documentation (e.g. copy of board certification, ~~copy of residency certificate~~, copy of letter documentation from appropriate "Board" ~~indicating admissibility~~ indicating active engagement in the board application and certification process, or letter from Residency Program Director confirming that a potential applicant is in the final months of his/her Residency and in good standing). The pre-application letter, when completed, provides us with, a) request in writing; b) statement by applicant that he/she is board certified or residency trained and ~~board-admissible~~ actively engaged in the board application and certification process; c) designates the PPH facilities that the potential applicant desires to apply to.
- 2) If the completed Pre-Application Letter is returned with the appropriate documentation, an application packet, specific to the specialty of the applicant, is sent via U.S. Mail.
- 3) In addition to completion of the application itself, the following items are requested:
 - Copies of certificates of education and training (Medical School, Internship, Residency, Fellowship), as applicable.
 - Board certification (if not received with pre-application letter).
 - Signed Applicant's Statement – Board Certification Requirement (only if applicant is not board certified).
 - ~~Copies of licensure (California medical/dental license; DEA certificate; out-of-state license(s); X-Ray Permit, if applicable).~~
 - Copy of DEA certificate and X-Ray Permit, if applicable.
 - Copy of CPR certification, if applicable (e.g. ATLS, ACLS, PALS, NALS).
 - Copy of current certificate of malpractice liability coverage with minimum limits of liability in the amount \$1,000,000 per occurrence/\$3,000,000 annual aggregate.
 - Professional Liability History (form provided).
 - Documentation of current TB skin test. If positive, a documented positive test must be submitted along with a current chest x-ray report done within the last 12 months and completed annual tuberculosis questionnaire.
 - Documentation of continuing medical education (CME) for the previous 2 year period.
 - Wallet size photograph(s).
 - Copy of curriculum vitae.
 - Completed Request for Clinical Privileges (form provided) as well as supporting documentation (e.g. summary of hospital clinical activity and outcome data for the past two years, or copies of operative/procedure reports, or copy of Residency Log, as appropriate to specialty and Request for Clinical Privileges checklist).
 - Signed Bylaws Acknowledgement (form provided).
 - Signed Agreement to Guard the Privacy of Others (form provided).
 - Completed and signed Medicare Acknowledgement (form provided).
 - Completed and signed Practice Intent after Provisional Period (form provided).
 - Plans for Coverage of Patients when Unavailable (form provided).
 - Signed Acknowledgement that the applicant has reviewed information provided on Sexual Harassment, Disruptive Activity and Informed Consent (**Palomar**)
 - Signed Acknowledgement of Receipt of the article, "Providing Emergency Care Under Federal Law: EMTALA" (Pomerado)
 - Signed Disclosure and Consent Concerning Consumer and Investigative Consumer Reports (Investigative background checks are required to be performed on all new applicants to Palomar Medical Center Medical Staff effective 03/17/2004 and Pomerado Hospital Medical Staff applicants effective 02/27/2008).

PPH Credentialing Process

Page 2

- Non-refundable application fee: \$550 if applying to both Palomar Medical Center (may or may not include Escondido Surgery Center **and Palomar Continuing Care Center**) and Pomerado Hospital (**may or may not include Villa Pomerado**); \$400 if applying to Palomar Medical Center (~~may or may not include Escondido Surgery Center~~) only; ~~\$300~~ **\$400** if applying to Pomerado Hospital only.
- 4) Upon processing of the application, primary source verification will be sought for:
- Successful completion of and dates of training for Medical School, Internship, Residency, Fellowship.
 - Verification from director of training program(s) that training included privileges requested (if program(s) completed in last two years).
 - All previous (last ten years) and current hospital affiliations and employment.
 - Board Certification.
 - All previous and current medical licensure, including California Medical Board.
 - Three professional (peer) references: **one of which must be in same specialty/subspecialty.**
 - National Practitioner Data Bank Query.
 - Medicare Sanctions via the OIG website.
 - All applicants are required to present an acceptable photo identification in person prior to the completion of the application process.
- 5) When all verifications are received:
- a. Palomar:
- (1) The file is presented to the Credentials Committee (usually to the Chair) for review. If Credentials Committee deems the application complete, it is presented to the appropriate Department Chair for review and recommendation regarding privileges. Please note that for applications within the Department of Surgery, most will require the approval of a subsection representative (e.g. Plastic Surgery, General Surgery, Ophthalmology) prior to approval by the Department Chair.
 - (2) Once the application has been reviewed and approved by the Department Chair, temporary privileges can be considered.
 - (3) The recommendation from the Department Chair is then forwarded to the Executive Committee as part of the monthly agenda.
 - (4) The Executive Committee recommendation (if for approval) is then forwarded to the Board of Directors.
- b. Pomerado:
- (1) When Pomerado Hospital application is complete, the credentials file is sent to Pomerado Hospital for processing, per Pomerado Medical Staff Bylaws.
 - (2) **The file is presented to the Department Chair for review and recommendation privileges.**
 - (3) **Once the application has been reviewed and approved by the Department Chair, temporary privileges can be considered.**
 - (4) **The recommendation from the Department Chair is then forwarded to the Executive Committee as part of the monthly agenda.**
 - (5) **The Executive Committee recommendation (if for approval) is then forwarded to the Board of Directors**
- c. ~~Escondido Surgery Center:~~
- (1) ~~All applications for Escondido Surgery Center are processed in conjunction with Palomar Medical Center applications.~~

PPH Credentialing Process

Page 3

- 6) If an application is joint (both Palomar and Pomerado), Executive Committee recommendations must be jointly sent to the Board of Directors. There may be a delay if the application process is not complete at one facility



Pomerado Hospital Medical Staff Services

15615 Pomerado Road
Poway, CA 92064
Phone – (858) 613-4664
FAX – (858) 613-4217

DATE: March 31, 2008
TO: Board of Directors - April 14, 2008 Meeting
FROM: Benjamin Kanter, M.D., Chief of Staff, Pomerado Hospital Medical Staff
SUBJECT: Medical Staff Credentials Recommendations – March 2008

Provisional Appointments: (04/14/2008 – 03/31/2010)

Hilary M. Bowers, M.D. – Pediatrics
Maria E. Lai, M.D. – Medicine/Family Practice
Colin A. Scher, M.D. – Surgery/Ophthalmology

Advancements:

Peter D. Gougov, M.D. – Active (04/14/2008 – 01/31/2009)
Anthony Schapera, M.D. – Affiliate (04/14/2008 – 8/31/2008)

Biennial Reappointments: (05/01/2008 – 04/30/2010)

William S. Bornmann, D.O. – Emergency Medicine - Active
Kevin M. Deitel, M.D. – Surgery – Active
John H. Detwiler, M.D. – Medicine - Courtesy
Michele A. Grad, M.D. – Emergency Medicine – Active
Abraham Joseph, M.D. – Medicine – Associate (includes Villa)
Timothy Maresh, M.D. – OB/GYN – Active
Richard J. Snyder, M.D. – Medicine – Active
Elizabeth E. Vierra, M.D. – Medicine – Affiliate

Change in Category:

Douglas W. Reavie, M.D. – Affiliate to Provisional

Voluntary Resignation:

Parmjit Singh, M.D. (Leave of Absence expires 4/30/2008)

Additional Privilege:

John Anshus, M.D.

- Chronic Wound Management
- Hyperbaric Oxygen Therapy Supervision

Bradley Bailey, M.D.

- Chronic Wound Management
- Hyperbaric Oxygen Therapy Supervision

Nicola C. Bugelli, M.D., Internal Medicine

- Chronic Wound Management
- Hyperbaric Oxygen Therapy Supervision

Anatoly J. Bulkin, M.D., General Vascular Surgery

- Chronic Wound Management

John H. Detwiler, M.D.

- Performance and Interpretation of CT Coronary Angiography

Antoine A. Hallak, M.D., Plastic Surgery

- Chronic Wound Management

Marc M. Sedwitz, M.D.

- Chronic Wound Management

Robert J. Vallone, D.P.M., Podiatry

- Chronic Wound Management

Clifford Wolf, M.D.

- Chronic Wound Management

Allied Health Professional Appointments: (4/14/2008 – 3/31/2010)

Tania M. Marek, N.P. – Sponsor - Lawrence Koenig, M.D.

Marsha L. Mueller, P.A. – Sponsors – Jaime Rivas, M.D. and CEP Physicians

Jonathan D. Salas, P.A.-C – Sponsor – Jonathan Nissanoff, M.D.

Christina L. Shoukry, N.P. – Sponsor – Lawrence Koenig, M.D.

Allied Health Professional Reappointment: (05/01/2008 – 04/30/2008)

Richard N. Brownsberger, P.A.-C., Physician Assistant; Sponsors: Drs. Georgy, Federhart, Price, Rickards, Sung, Taggart

Naomi Cohen, N.P., Nurse Practitioner; Sponsors: Kaiser Continuing Care Physicians (includes Villa)

Cherie Dragan, R.N., Clinical Research Coordinator; Sponsors: Drs. Bender, Burrows, Hirsch, Otoshi and Trestman.

Dolores L. Fazzino, RNFA, Registered Nurse First Assistant; Sponsors: Dr. Milling and Dr. T. Jones

Laurie K. Higbee, R.N., Clinical Research Coordinator; Sponsor: Dr. Schechter

Shelly A. Peppe-Nani, P.A.-C., Physician Assistant; Sponsors: CEP

Terri A. Schneider-Biehl, NNP, Neonatal Nurse Practitioner; Sponsors: Drs. Fatayerji, Golembeski, Johnsgard, Segall

POMERADO HOSPITAL: Certification by and Recommendation of Chief of Staff: As Chief of Staff of Pomerado Hospital, I certify that the procedures described in the Medical Staff Bylaws for appointment, reappointment, or alternation of staff membership or the granting of privileges and the policy of the Palomar Pomerado Health System's Board of Directors regarding such practices have been properly followed. I recommend that the Board of Directors take the action requested in each case.

MEDICAL STAFF SERVICES

PALOMAR
POMERADO
HEALTH

Date: March 31, 2008
To: Palomar Pomerado Health Board of Directors -- Meeting April 14, 2008
From: Benjamin Kanter, M.D., Pomerado Hospital Chief of Staff
Re: Proposed Revision to Anesthesia Rules and Regulations

The following amendment to the Pomerado Hospital Section of Anesthesia Rules and Regulations were recommended at the February 1, 2008 Section of Anesthesia meeting. The proposed amendments were sent to all Active Member of the Section of Anesthesia. Results of approval were referred to the March 25, 2008 Executive Committee meeting. Amendment has received legal review.

These revisions are now being forwarded to the Board of Directors for approval.

I. MEMBERSHIP

A. Qualifications

Anesthesiology care shall be provided by physicians who have completed an approved residency program in Anesthesiology accredited by the Accreditation Council for Graduate Medical Education, or equivalent accreditation as determined by the Section of Anesthesiology, and who are Board Certified in Anesthesiology. If not Board certified in Anesthesiology, the applicant shall sign an affidavit as described in the Pomerado Medical Staff Bylaws, Section 3.2.2, attesting to their ability to achieve Board certification within a period not to exceed three (3) years from the date of the application to the Section.

Clinical privileges will be limited to anesthesiologists who meet the requirement specified in the Medical Staff Bylaws, are affiliated with the group holding an active service contract with Pomerado Hospital, and who meet such additional criteria for specific privileges as the Section and Executive Committee shall determine. However, for chronic pain services, which are currently not part of the exclusive active service contract held by the anesthesia providing group, other anesthesiologists qualified to provide chronic pain services may obtain chronic pain privileges, provided that they meet specific additional criteria for privileges as the Section and Executive Committee may determine.

B. Responsibilities

1. Participation in Section business by serving on committees and as monitors, as required.
2. Compliance with the Section of Anesthesiology Rules and Regulations.

PALOMAR MEDICAL
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SURGERY CENTER
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Escondido, CA 92025
Tel 760.480.6606
Fax 760.480.1288

MEDICAL STAFF SERVICES

PALOMAR
POMERADO
HEALTH

Date: March 31, 2008
To: Palomar Pomerado Health Board of Directors – Meeting April 14, 2008
From: Benjamin Kanter, M.D., Pomerado Hospital Chief of Staff
Subject: Proposed Revisions to Pomerado Hospital Bylaws/Rules and Regulations/Credentials Policy Manual

Attached please find a copy of the revisions to the Pomerado Hospital Bylaws/Rules and Regulations and Credentials Policy Manual. These were approved by the Pomerado Executive Committee on January 29, 2008 and sent to the Active Category Members for approval. These were developed to meet all Joint Commission standards and were recommended by a Joint Commission consultant's review of the current Bylaws. These will allow us to be in line as much as possible with JC standards. All proposed amendments have received legal review.

These revisions are now being forwarded to the Board of Directors with a recommendation for approval.

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**PROPOSED AMENDMENTS TO POMERADO HOSPITAL MEDICAL STAFF BYLAWS
RULES AND REGULATIONS AND CREDENTIALS POLICY MANUAL**

**ARTICLE I
MEMBERSHIP**

1.1 NATURE OF MEMBERSHIP

Membership is a privilege, which shall be extended only to professional competent Practitioners who continuously meet the qualifications, standards, and requirements set forth in these bylaws and such other standards, consistent with these bylaws or as shall otherwise be specified by the Medical Staff and/or the Board of Directors.

1.2 QUALIFICATIONS

1.2.2 All Practitioners who apply for membership after the effective date (March 11, 1996) of this section shall be certified by a member Board of the American Board of Medical Specialties or by the American Board of Osteopathic Specialties or by the American Board of Podiatric Surgery or by the American Board of Oral and Maxillofacial Surgery, or another board with equivalent requirements, or shall be actively engaged in the Board application and certification process. Every applicant to the Medical Staff who is not board certified shall sign a statement at the time of application attesting that he/she is qualified and shall attain certification within thirty-six (36) months of appointment to the Medical Staff or within the timeframe permitted by the American Board of Medical Specialties. Any individual who does not attain board certification within thirty-six (36) months or within the timeframe permitted by the American Board of Medical Specialties may request a waiver. The individual requesting the waiver bears the burden of demonstrating that his or her qualifications are equivalent to board certification. The Board may grant a waiver in exceptional cases after considering the findings of the Executive Committee, the specific qualifications of the individual in question, and the best interests of the Hospital and the community it serves. The granting of a waiver in a particular case is not intended to set a precedent for any other individual. No individual is entitled to a waiver or to a hearing if the Board determines not to grant a waiver. A determination that an individual is not entitled to a waiver is not a "denial" of appointment or clinical privileges.

**ARTICLE III
CLINICAL PRIVILEGES**

3.1.2 Non-Applicants

The Vice President/Administrator may grant temporary clinical privileges, with the written concurrence of the appropriate Clinical Service Division Director and the Chief of Staff to fulfill an important patient care, treatment and/or service need.

The following criteria must be met and documented in order to grant temporary privileges to meet an important care need:

- The individual must have a current license to practice in the State in which privileges are sought.

- The individual must have current competence to perform the privileges requested. Evidence of current competence can be demonstrated by meeting the following:
 - Graduate of an approved residency program in the area in which privileges are being requested, and evidence of recent relevant (past 2 years) education, training, and experience in the area of privileges being requested.
 - Additional criteria (if any) for the specific privileges requested

~~to a Practitioner who is not an applicant for membership for the sole purpose of assisting in a specific surgical procedure, provided that there shall first be obtained such Practitioner's signed acknowledgement that he/she has received and read a copy of the bylaws, rules and regulations of the Medical Staff, and that he/she agrees to abide by the terms thereof in all matters relating to his/her temporary clinical privileges. In addition, evidence of current California licensure must be submitted along with documentation of professional liability insurance with limits outlined in Section 3.2.5. Additional information may be elicited from the National Practitioner Data Bank, as required. Current competence shall be verified before temporary privileges are granted. The applicant shall notify the hospital, in writing, promptly and no later than fourteen (14) days from the occurrence of among other things a receipt of written notice of any adverse action against the applicant under any federal health care program, such as the Medicare/Medicaid program, including but not limited to fraud and abuse proceedings or convictions. Such temporary clinical privileges shall not be extended to Practitioners who desire to provide primary care to patients. The Vice President/Administrator upon recommendation of the Chief of Staff may grant an exception, if the expertise in a highly specialized field of medicine is not available from the Medical Staff, and if such restriction might be detrimental to patient care. Temporary clinical privileges to non-applicants shall not be granted more than four (4) times in a calendar year.~~

A practitioner who desires privileges only to assist at surgery, without primary patient responsibility, shall submit an application for membership as provided in the Credentials Policy Manual, stating in the application that such are the only privileges requested. The application shall be processed in the same manner described in the Credentials Policy Manual. Requirements of supervision and reporting shall be imposed by the appropriate Clinical Service Division Director on any Practitioner granted temporary privileges. Temporary clinical privileges shall be immediately terminated by the Vice President/Administrator, with the concurrence of the Chief of Staff or the appropriate Clinical Service Division Director upon notice of any failure by the Practitioner to comply with such special conditions.

3.1.3 Termination

Except as provided in this Section, a Practitioner shall not be entitled to the procedural rights afforded by the Medical Staff Rights Manual because his or her temporary privileges are terminated or suspended. When the Executive Committee makes a determination that temporary privileges should be denied or terminated based on conduct of the Practitioner that is reasonably considered likely to be detrimental to patient safety or to the delivery of patient care, the Practitioner is entitled to request a hearing pursuant to the Medical Staff Rights Manual. If temporary privileges are suspended based on such conduct, as a result of a determination by the Executive Committee, the Practitioner will be entitled to request a hearing pursuant to the Medical Staff Rights Manual only when the suspension is reportable pursuant to Business and Professions Code Section 805.

3.1.4 Palomar Medical Staff Members

Temporary clinical privileges may be granted by the Vice President/Administrator, with the written concurrence of the appropriate Clinical Service Division Director and the

Chief of Staff, to a Practitioner who is not an applicant for membership or whose application is pending if the Practitioner is currently an active member of the Medical Staff of Palomar Medical Center. Current licensure and competence will be verified through the Palomar Medical Staff Office before any such privileges are granted. These privileges may be granted only where there is an unusual circumstance, which warrants the granting of such privileges and shall be limited to those privileges the Practitioner could perform if he/she was a Member. . Unusual circumstances include, without limitation, situations when there is an important patient care, treatment and/or service need. Space or staff limitations do not qualify as important care needs, unless harm would occur to the patient by not granting these temporary privileges. These needs must be documented Unusual circumstances include, without limitation, situations when a service usually performed at Palomar Medical Center cannot be performed due to space or staff limitations. The privileges will be granted, if at all, on a case-by-case basis and shall continue for the duration of the admission as required for patient care. However, such temporary privileges shall be limited to one-hundred twenty (120) days. All cases performed at the Hospital may be subject to review by the Quality Management Committee and the Quality Management Committee of Palomar Medical Center's Medical Staff. The cases performed at the Hospital may be utilized in reviewing the Practitioner's performance at Palomar Medical Center. The granting of temporary privileges for an individual case will not give a Practitioner the right to perform another case without the granting of additional privileges by the Vice President/Administrator. Such temporary privileges shall be terminated by the Vice President/Administrator with the concurrence of the Chief of Staff or appropriate Clinical Service Division Director at any time and for any reason.

ARTICLE VI COMMITTEES

6 PHYSICIAN WELL BEING COMMITTEE

6.8.1 Composition

In order to improve the quality of care and promote the competence of the medical staffs, the Executive Committee shall establish a combined committee of the Medical Staffs of Palomar Medical Center and Pomerado Hospital comprised of five (5) active category Members from each Medical Staff. A subcommittee of this committee shall be formed at each hospital, composed of the five (5) representatives from the respective hospital, with the provision that at least one (1) member shall be a psychiatrist. Except for initial appointments, each member shall serve a term of two (2) years and the terms shall be staggered as deemed appropriate by the Executive Committee to achieve continuity. Insofar as possible, members of the committee shall not serve as active participants on other peer review or quality assurance committees while serving on the Physician Well Being Committee. The Chiefs of Staff shall appoint the chairperson in alternate years.

6.8.2 Duties

~~The Physician Well Being Committee may be contacted by a Member or receive reports concerning the ability of a Member to perform all of the essential mental and physical functions related to his/her clinical privileges due to impairment by mental illness or chemical dependency, without posing a significant risk of harm to hospitalized patients. As it deems appropriate, the Committee, or its Chairperson, may meet with the Member and work cooperatively with him/her to develop and implement a plan addressing any issues pertaining to the Member's ability to perform all of the essential mental and physical functions related to the exercise of his/her clinical privileges. The activities of and the information collected by the Committee shall be confidential. However, if the Committee determines that the Member poses a significant risk of harm to hospitalized~~

patients, and the Member refuses or is unable to arrive at a mutually acceptable resolution of the problem, this determination may be referred to the Chief of Staff or the Executive Committee for purposes of corrective action. The Committee shall also consider general matters related to the ability of the Member of the Medical Staff to perform all of the essential mental and physical functions related to the specific clinical privileges, and with the approval of the Executive Committee, shall develop educational programs on related activities.

To implement a process to identify and manage matters of individual health for licensed independent practitioners. This process is separate from actions taken for disciplinary purpose. The Medical Staff shall establish a Physician Well-Being Committee devoted to the well-being of LIP who are members of the medical staff. The purpose of this Committee shall include, but not necessarily be limited to, implementation of the provisions noted in this section. The Committee (or other appropriate entity) shall periodically educate the medical staff and other staff on illness and impairment issues that may affect LIP'. This education may take the form of any of the following:

- Written memoranda
- Discussion at meetings of the medical and other staff
- Continuing education and other inservice or training programs
- Provision of information at the time of appointment / reappointment

Any LIP may refer himself / herself to the Committee for assistance. The LIP may contact any member of the Committee to request assistance. The LIP may also contact his or her Department Chair of the Medical Staff Office for assistance in accessing the Committee. Other LIP or staff may refer a LIP to the Committee. The person referring may contact any member of the Committee to request assistance. The person referring may also contact the LIP's Department Chair or the Medical Staff Office for assistance in accessing the Committee.

If the Committee receives a complaint or concern regarding an LIP, the Committee shall first evaluate the credibility of the complaint before determining if any actions or assistance should be afforded to the LIP. As it deems appropriate, the Committee or subcommittee(s), or its chairperson, may meet with the Member and work cooperatively with him/her to develop and implement a plan. If the complaint is of a nature that poses a serious and immediate risk to the safety and health of patients or others, the Committee may implement requirements upon the LIP until such time as the credibility of the complaint can be ascertained, this determination may be referred to the Chief of Staff or Executive Committee for purposes of corrective action. Referral to the Committee shall be considered confidential. If the LIP is referred by another individual, that individual's identity will remain confidential and shall not be disclosed to the LIP.

All investigations and actions taken by the Committee and the LIP shall be considered confidential except as limited by law, ethical obligation, or when the health and/or safety of the patient are threatened. In these situations, information will be shared with necessary entities as deemed appropriate by the Medical Executive Committee and the Chief Executive Officer of the organization. Depending on the particular issue and/or circumstances, the Committee may decide to refer an LIP to either internal and/or external sources for assistance. The decision to refer an LIP to sources for assistance shall be made by a majority vote of the Committee, and – when possible – should include the consent and agreement of the LIP. As appropriate to the specific needs, circumstances, and issues involving the LIP, the Committee shall determine the most appropriate and effective method to monitor the LIP and the safety of patients until any requirements placed upon the LIP by the Committee have been met. Monitoring of the LIP shall continue until requirements are met, and thereafter as determined by the Committee. This includes, but is not necessarily limited to, the following:

- Monitored performance of the LIP clinical privileges
- Submission of reports by the LIP or internal / external sources on the progress / compliance with requirements

- Solicitation of feedback from individuals or entities affected by the LIP. Any unsafe and/or problematic practice, action, and/or behavior of an LIP should be promptly reported to the Committee or other actionable entity of the medical staff. The Committee shall then undertake those actions necessary to address the situations consistent with this policy, other policy as applicable, and with the various rules, regulations, and bylaws of the medical staff. The Medical Executive Committee shall be notified if an LIP fails to complete requirements imposed by the Committee (such as completion of a rehabilitation program). The Medical Executive Committee shall determine what actions – if any – shall be taken. The recommendations of the Committee shall be considered in making such decisions.

6.8.3 Meetings

The Medical Staff-specific subcommittee may meet as often as necessary, and the combined Physician Well Being Committee shall meet as often as necessary, but at least twice a year. It shall maintain a record of its proceedings as it deems advisable, but shall report on its activities on a quarterly basis to the Executive Committee.

RULES AND REGULATIONS

1. ADMISSION OF PATIENTS

- 1.1 The Hospital shall accept patients for care and treatment except for those with primary psychiatric diagnoses or patients with critical burns.
- 1.2 Only Members, as per these bylaws, may admit a patient to the Hospital. Patients who require admission to the Intensive Care Unit may only be admitted by an M.D. or D.O. licensed practitioner.
- 1.3 A Member, designated as the attending Physician, or his/her qualified call coverage, shall be responsible for the medical care, the accuracy of medical records, necessary special instructions, and transmitting reports of the condition of the patient to relatives of the patient. Whenever consultations are requested or required, the rules of ethics outlined in the bylaws shall apply. Consultants shall write their findings and recommendations in the progress notes. All orders shall continue to be by the attending Physician (unless otherwise specifically requested by the attending Physician). Nurses shall contact the attending Physician for additional orders. Referral or transfer of patient responsibility to another attending Physician or surgeon shall be with the consent of the referral Physician and the patient. This may be either temporary for a specific procedure, a period of time, or for the remainder of the hospitalization. Orders on the chart must clearly reflect this transfer of responsibility. The consultant shall be responsible for transmitting reports of the condition of the patient to the referring Physician and/or family as may be appropriate.
- 1.4 A complete history and physical examination shall be prepared within twenty-four (24) hours of admission of all patients. A “short admission” form may be employed for patients with problems of a minor nature who require less than a twenty-four (24) hour period of hospitalization and in the case of normal newborn infants and uncomplicated obstetric deliveries. The “short admission” form shall not be used for patients undergoing procedures requiring anesthesia or conscious sedation with American Society of Anesthesia (ASA) scores of greater than two (2). History shall include a description of the patient, the presenting clinical problem, family history,

social history, past medical history, system review, plus a list of current medications and allergies.

It is the responsibility of the Medical Staff to assure that a medical history and appropriate physical examination (H&P) is performed on patients being admitted for inpatient care, as well as prior to operative and complex invasive procedures in either an inpatient or outpatient setting.

Patients requiring an H&P will receive a full H&P, an abbreviated H&P, or an update note as set forth in these rules and regulations. The minimum required content of each H&P' is noted below:

Full H&P:

A full H&P is defined as an H&P that contains the following data elements:

- A chief complaint
- Details of the present illness
- Past medical and surgical history
- Relevant past psycho-social history (appropriate to the patients age)
- A physical examination inventoried by body systems. Unless relevant to the chief complaint or necessary to establish diagnosis, a pelvic and/or rectal exam need not be performed.
- A statement on the conclusions or impressions drawn from the history and physical examination.
- A statement on the course of action planned for the patient for that episode of care.

Abbreviated H&P:

An abbreviated H&P is defined as an H&P that contains the following data elements:

- A chief complaint
- Details of present illness
- Relevant past medical and surgical history pertinent to the operative or invasive procedure being performed.
- Relevant past psycho-social history pertinent to the operative or invasive procedure being performed.
- A relevant physical examination of those body systems pertinent to the operative or invasive procedure performed, but including at a minimum an appropriate assessment of the patients cardio-respiratory status
- A statement on the conclusions or impressions drawn from the history and physical examination.
- A statement on the course of action planned for the patient for that episode of care.

Update Note:

An update note is defined as a statement entered into the patient's medical record that the H&P was reviewed and that:

1. There are no significant changes to the findings contained in the H&P since the time it was performed, or
2. There are significant changes and such changes are subsequently documented in the patient's medical record.

The update note must be performed by someone who has the privileges to perform an H&P.

While it is recommended that the update note be documented on or appended to the H&P, documentation may be entered anywhere in the medical record. For patient's undergoing outpatient surgical or complex invasive procedures, the performance of a pre-anesthesia / sedation assessment that includes a pertinent history and physical examination may be considered an update note to the H&P provided the assessment was performed on the day of the surgery or the procedure.

The requirement as to which type of H&P must be performed, and associated time frames are noted in the following table:

PATIENT TYPE	H&P REQUIREMENTS
Inpatient Admission Except OB Admissions for Vaginal Delivery	A full H&P is required. The H&P must be completed no more than 30 days prior to admission or within 24 hours after admission. If the H&P is performed within 30 days prior to admission, an update note must be entered into the record within 24 hours after admission.
Inpatient Surgical Procedure	A full H&P is required. If the surgery is performed more than 24 hours after admission, then the admission H&P is considered the surgical procedure H&P as well. No update is needed since the physician progress notes constitute an "updating" of the patient's condition. If surgery is to be performed within the first 24 hours of admission, but an admission H&P has not been done, then an H&P must be completed on the day of surgery prior to the start of the procedure. In an emergent situation, the H&P should be completed as soon as possible after surgery. If surgery is to be performed within the first 24 hours of admission, and an H&P was performed prior to admission, then an update note must be entered into the record on the day of surgery prior to the start of the procedure. In an emergent situation, the update note should be completed as soon as possible after surgery.
Outpatient Surgical Procedure	A full or abbreviated H&P is required. The H&P must be completed no more than 30 days prior to surgery or on the day of surgery prior to the start of the procedure. If the H&P was performed within 30 days prior to surgery, an update note must be entered into the record on the day of surgery prior to the start of the procedure.
Outpatient Complex Invasive Procedure	A full H&P, abbreviated H&P, or the patient's prenatal record is required. The H&P must be completed no more than 30 days prior to admission or within 24 hours after admission. If the H&P is performed within 30 days prior to admission, an update note must be entered into the record within 24 hours after admission.
OB Admissions for Vaginal Deliveries	If the patient's prenatal record is used in lieu of an H&P, the last entry on the prenatal record must be within 30 days of admission and an update note must be entered into the record within 24 hours after admission. Otherwise, an H&P must be done.

Oral and Maxillofacial Surgeons:

Oral and Maxillofacial Surgeons may perform an H&P if they possess the clinical privileges to do so in order to assess the medical, surgical, and/or anesthetic risks of the proposed operative and/or other procedure. (See section 5.3.1)

Dentists & Podiatrist:

Doctors of dentistry or podiatry are responsible for that part of the patient's history and physical examination that relate, respectively, to dentistry and podiatry whether or not they are granted clinical privileges to take a complete history and perform a complete examination. Doctors of dentistry or podiatry may perform a complete H&P if they possess the clinical privileges to do so. If the Dentist or Podiatrist does not possess such privileges, then a qualified Physician must perform the H&P.

Licensed Dependent Practitioners

If a licensed dependent practitioner (e.g. physician assistant, nurse practitioner, etc) is granted privileges to perform part or all of an H&P, the findings and conclusions are confirmed or endorsed by a qualified Physician.

1.8 All orders shall be dated and timed in writing. Orders from non-medical staff practitioners have to be counter-signed by the responsible attending Physician. Relevant verbal orders can be accepted by a licensed nurse, registered nurse, registered pharmacist, registered physical or respiratory therapy personnel, and other specialists allowed by law if such specialist has been approved for the same by the Executive Committee and the Board of Directors. All Physicians must sign verbal orders at their next visit and in no case later than forty-eight (48) hours. Verbal orders shall be signed by the person to whom dictated with the name of the Physician and his/her own name. Verbal or telephone orders must be signed by the physician dictating the order or by the covering physician at the next visit and in no case later than forty-eight (48) hours.

4. MEDICATIONS

4.1 There shall be an automatic stop order for all narcotics, sedatives, hypnotics, antibiotics and anticoagulants, which are ordered with a specific time limitation.

4.2 All limitations for the various drugs are as follows:

4.2.1 All DEA schedule 2, controlled substances, and schedule 3, narcotic controlled substances, seven (7) days.

4.2.2 Sedatives, hypnotics and anticoagulants, seven (7) days.

4.2.3 Antimicrobials, excluding aminoglycosides, seven (7) days.

4.2.4 Antipsychotic medications should be administered according to Title 9 California Code of Regulations.

4.2.5 All medications not listed above shall be reviewed and renewed every thirty (30) days by the attending physician.

4.2.6 Medications acquired by a practitioner from sources other than the pharmacy for patient care within the PPH system that bypass PPH Pharmacy review are prohibited.

6. INFORMED CONSENT

a. It is the treating Member's responsibility to obtain informed consent. This responsibility cannot be delegated to personnel of the Hospital.

b. In order to give informed consent, the patient is to be informed of

- (a) The nature of the treatment.
 - (b) Risks, possible complications and expected benefits or effects from such treatment; including potential problems related to recuperation.
 - (c) Likelihood of success.
 - (d) Alternatives to the procedures and their risks and benefits, including the possible results of non-treatment.
 - (e) The name of the physician or other practitioner who has primary responsibility for the patient's care.
 - (f) The identity and professional status of individuals responsible for authorizing and performing procedures or treatment.
 - (g) Any professional relationship to another health care provider or institution that might suggest a conflict of interest.
 - (h) When indicated, any limits on the confidentiality of information learned from or about the patient.
 - (i) Their relationship to educational institutions involved in the patient's care.
 - (j) Any business relationship between individuals treating the patient, or between the organization and any other health care, service, or educational institutions involved in the patient's care, or other potentially conflicting interests.
- c. When informed consent has been obtained, this shall be documented either in the Physician's progress notes, history and physical, or x-ray report in the medical record.
 - d. Informed consent shall be obtained prior to any pre-procedure medication, which might render the patient incapable of giving consent.
 - e. If informed consent is not obtained, the reasons shall be documented in the progress note of the medical record.
 - f. Informed consent is not required in the case of a "simple," "common" procedures such as venipuncture, arterial blood gas puncture and routine injections of medications.
 - g. In the event the patient is incompetent to give informed consent by age or physical or medical status, the treating Physician shall make a determination whether an emergency exists and document his/her findings in the medical record. If the physician finds an emergency, a second Member shall concur and sign an appropriate progress note to that effect. For these purposes, an emergency is defined as a situation in which treatment appears to be immediately required and necessary to prevent deterioration or aggravation of the patient's condition. In these cases, if it is reasonable to assume that the patient would have consented to the treatment if he/she were capable of doing so, treatment may proceed. Any relative or any legal representative should be solicited for their consent. If the patient is a minor and the parents are unavailable to give consent, the same findings

are required by the treating physician. In addition, prior to rendering services the physician may seek the consent of the juvenile court.

- h. In all cases dealing with informed consent, the Member shall refer to the Hospital's procedure on who may give consent to medical treatment.

16. REQUIREMENTS FOR ESTABLISHING CLINICAL PRIVILEGES FOR NEW PROCEDURES

PURPOSE

To establish a process to determine whether sufficient space, equipment, staffing, and financial resources are in place or available within a specified period of time to support each requested privilege.

To assure that the organization consistently determines the resources needed for each requested privilege.

1. Requests for clinical privileges to perform a significant procedure or service not currently being performed at a PPH facility (or a significant new technique to perform an existing procedure ("new procedure")) will not be processed until:

- a) a determination has been made that the procedure will be offered by the hospital and
- b) criteria to be eligible to request those clinical privileges has been established.

POLICY

Prior to the establishment of a clinical privilege, the medical staff and the organization will assure the following:

- That criterion has been developed defining current competence for practitioners who may request the privilege. (see below)
- That the setting in which the privilege may or may not be performed has been determined.
- That the privilege is within the scope of services provided by the organization.
- That appropriate policies – where necessary – have been developed to support the privilege
- That the organization has the appropriate equipment and supplies to support the privilege.
- That the organization has an adequate number of qualified staff to support the privilege.
- That financial resource necessary to support the privilege have been committed.

NEW PRIVILEGES

If it is recommended that the new procedure be offered, the Department and/or Credentials Committee shall conduct research and consult with experts, including those on the Medical Staff or those outside the hospital, and review guidelines published by professional organizations and develop recommendations regarding: a) the minimum education, training, and experience necessary to perform the new procedure, and b) the extent of monitoring and supervision that should occur if the privileges are granted. The Department and/or the Credentials Committee may also develop criteria and/or indications for when the new procedure is appropriate.

For new privileges added after January 1, 2007, a new privilege information form (see attached) must be completed by the individual or department(s) that is requesting the privilege. The form will be reviewed by the originating department(s) and a recommendation made to the Medical Executive Committee (MEC) on whether or not to establish the privilege. The MEC will review the recommendation and the privilege information form and make a final determination as to whether or not the privilege will be established. If established, the privilege may be requested and granted under processes otherwise codified by the medical staff.

EXISTING PRIVILEGES

The Medical Staff Office will facilitate an annual review of existing privileges against the requirements of this policy by each department. This will be accomplished by reviewing each department's privilege list. If a privilege no longer meets the requirements set forth in this policy, the department(s) will remove the privilege from availability and inform applicable practitioners and the MEC of this action.

POMERADO HOSPITAL MEDICAL STAFF CREDENTIALS POLICY MANUAL

PROFESSIONAL PRACTICE EVALUATION

1.1 PURPOSE

To define, determine, maintain, and evaluate the competency of members of the medical staff to provide care, treatment, and service in accordance with the credentialing and privileging processes and requirements of the medical staff.

1.2 APPLICABILITY

Unless otherwise noted, this policy applies to all members of the medical staff.

1.3 TERMS

GENERAL COMPETENCIES

General competencies form in six areas

1.3.1 Patient Care

Practitioners are expected to provide patient care that is compassionate, appropriate, and effective for the promotion of health, prevention of illness, treatment of disease, and care at the end of life.

1.3.2 Medical / Clinical Knowledge

Practitioners are expected to demonstrate knowledge of established and evolving biomedical, clinical, and social sciences, and the application of their knowledge to patient care and the education of others.

1.3.3 Practice Based Learning Environment

Practitioners are expected to be able to use scientific evidence and methods to investigate, evaluate, and improve patient care practices

1.3.4 Interpersonal and Communication Skills

Practitioners are expected to demonstrate interpersonal communication skills that enable them to establish and maintain professional relationships with patients, families, and other members of the health care team.

1.3.5 Professionalism

Practitioners are expected to demonstrate behaviors that reflect a commitment to continuous professional development, ethical practice, and understanding and sensitivity to diversity and a responsible attitude toward their patients, their profession, and society.

1.3.6 Systems Based Practice

Practitioners are expected to demonstrate both an understanding of the contexts and systems in which health care is provided, and the ability to apply this knowledge to improve and optimize health care.

1.4 FOCUSED PROFESSIONAL PRACTICE EVALUATION

Focused professional practice evaluation is a process whereby the privilege specific competence of a practitioner who does not have documented evidence of competently performing the requested privilege at the organization is evaluated. This process may also be used when a question arises regarding a current practitioner's ability to provide safe, high-quality patient care for which he or she possesses current privileges.

1.5 ONGOING PROFESSIONAL PRACTICE EVALUATION

Ongoing professional practice evaluation is the continuous evaluation of the practitioner's professional performance, rather than a cyclical or episodic evaluation. It is intended to identify and resolve potential performance issues as soon as possible, as well as foster a more efficient, evidence-based privilege renewal process.

1.6 DETERMINATION OF GENERAL COMPETENCIES

Applicants and members of the medical staff must satisfactorily exhibit the general competencies outlined in this policy at the time of appointment and reappointment respectively. The general competencies of the practitioner can be ascertained in several ways:

1.6.1 Peer references that affirmatively attest to the general competencies of the practitioner along with a positive recommendation for appointment or reappointment to the medical staff. Peer recommendations must be obtained from a practitioner in the same professional discipline as the applicant with personal knowledge of the applicant's ability to practice. Recommendations from peers will be obtained and evaluated for all new applicants for privileges. At a minimum, peer recommendations will be obtained upon renewal of privileges if there is insufficient practitioner-specific data available for review.

1.6.2 The decision of the Department, Credentials Committee, and the Medical Executive Committee (MEC) that the practitioner exhibits the general competencies based on the practitioners relevant education, training, experience and known information about the practitioners performance.

1.6.3 Specific information that may arise out of ongoing and/or focused evaluation of a practitioner that affirmatively or adversely speaks to that practitioner's general competencies.

A practitioner that is unable to satisfactorily exhibit the general competencies outlined in this policy may be subject to the focused evaluation of his or her professional practice as noted in this policy.

1.7 FOCUSED PROFESSIONAL PRACTICE EVALUATION

1.7.1 Initially Requested Privileges

When a practitioner is granted privileges for the first time, he or she may undergo an initial period of focused evaluation. Such evaluation will be required for initial privileges requested on or after January 1, 2008.

1.7.2 Quality of Care Concern

A focused review of a practitioner's performance will occur when issues are identified that may effect the provision of safe, high-quality medical care. The following criteria will trigger the need for a focused evaluation:

1.7.2.1 There is aggregate, valid, practitioner specific data that demonstrates a significant untoward variation from internal or external benchmarks or performance.

1.7.2.2 There is a problematic pattern or trend identified as a result of the ongoing professional practice evaluation of the practitioner.

1.7.2.3 There is a complaint or quality of care concern raised against the practitioner that is of a serious nature.

1.7.2.4 There is evidence of behavior, health, and/or performance issues that carries an immediate threat to the health and safety of the patient, public, or other members of the health care team.

1.7.3 Evaluation Process

There are two basic processes under which focused evaluation will occur; an expedited process and a standard process:

1.7.3.1 Expedited Process

An expedited process will be implemented when a quality of care concern arises that carries an immediate threat to the health and safety of the patient, public, or other members of the health care team. The following steps will be taken:

- Either the Department Chair, Chief of Staff, Chief Executive Officer, or any of their authorized designee, will be contacted immediately and informed of the concern.
- Any of the aforementioned individuals are authorized to instruct the practitioner involved that a focused evaluation is occurring. The practitioner will immediately cease practicing all or certain aspects of his or her privileges if requested by the Department Chair, Chief of Staff, Chief Executive Officer, or any of their authorized designee until the evaluation process has concluded. If necessary, alternate providers will be identified and assigned to cover the practitioner's care, treatment and service.
- The Chief of Staff, in collaboration with the Chief Executive Officer and Department Chair, shall determine the construct of the evaluation. The scope, nature, and duration of the evaluation will be only as necessary to determine if in fact an immediate threat to the health and safety of the patient, public, or other member of the healthcare team is present.
- If such a determination is made, then the practitioner will be informed by the organization and appropriate actions (e.g. summary suspension, termination, revocation or suspension of privileges, membership, etc.) consistent with the bylaws and rules and regulations of the medical staff.
- If such a determination is not made, then the aforementioned individuals will make a decision as to whether further action is needed.

1.7.3.2 Standard Process

A standard process will be implemented for initial requests for privileges and for quality of care concerns that do not indicate an immediate threat to the health and safety of the patient, public, or other members of the healthcare team. The following steps will be taken:

- The Department Chair and/or the MEC will determine the type, amount, frequency, and duration of the focused evaluation period. In making such a determination, the following criteria shall be employed:
 - a. The monitoring plan will be specific to the privilege in question.
 - b. The practitioner involved will be monitored by a peer
 - c. The type of monitoring shall be appropriate to the competencies needed. In general, privileges that involve primarily didactic or knowledge based competencies can be evaluated by either concurrent or retrospective chart review. Privileges that are primarily procedural in nature and/or involve technical skills should be evaluated by concurrent monitoring of actual or simulated performance.
 - d. Cases evaluated should be of sufficient number to allow for adequate information to determine competency. The number of cases will be determined by the Department Chair and/or MEC based on the practitioner's relevant education, training, and experience, as well as the competency need being assessed. Unless otherwise determined by the Department Chair or stipulated by other policy, rules, regulations, or bylaws, at least three (3) cases must be evaluated in order for sufficient information to be considered obtained.
 - e. The frequency of monitoring should be appropriate to the competencies needed. Whenever possible, monitoring should occur early in the evaluation period. Case review and/or monitored performance should occur in the initial number of cases performed by the practitioner, not sporadically over time.
 - f. The duration of monitoring shall be only as long as deemed necessary to collect sufficient information about the practitioner's ability to safely and competently perform the privileges in question.
- Information gleaned from the monitoring plan shall be submitted to the Department Chair either throughout or at the end of the evaluation period. The Department Chair shall then review the information and make a recommendation to the MEC to take one or more of the following actions:
 - a. That the focused evaluation period be concluded and that one of the following actions occur:
 - No further action is necessary
 - The practitioner involved receives the education and/or training necessary to more competently perform the privilege(s) in question.
 - That appropriate mechanisms as outlined in medical staff bylaws, rules, regulations, or other policy be implemented to address suspension, termination, limitation, and/or revocation of the privilege(s) in question.
 - b. That the focused evaluation period be continued for a determined period of time in order to acquire the information necessary to make an appropriate recommendation to the MEC.

c. The MEC will either accept or reject the recommendation and shall then take such action as deemed necessary in accordance with the bylaws, rules, regulations, and policies of the medical staff.

1.7.4 Circumstances Requiring Evaluation from an External Source

At times, there may be need for an outside evaluation to occur. The following guidelines address the use of outside review. Outside evaluation should be conducted under the following circumstances:

- There is no peer on the Medical Staff.
- There are no peers on the Medical Staff who are not involved in the issues surrounding the evaluation.
- The Department or the MEC determines that an outside evaluation will assist in making a determination on the competency of the practitioner.
- The practitioner being evaluated requests an outside review and in the opinion of the Department Chair or the MEC, there is merit to the request.

1.7.5 Notifying the Practitioner of a Focused Evaluation

The practitioner being evaluated is to be informed of the following:

- The reason(s) for the evaluation and how the evaluation will be conducted
- The practitioner's responsibilities during the evaluation period
- The result(s) of the evaluation
- Actions taken as a result of the evaluation

1.7.6 Use of Evaluation Findings in Appointment / Reappointment

A summary of the evaluation findings will be made available to the Department Chair at the time of the practitioner's reappointment and/or request for privileges. This information shall be considered in making the recommendation for reappointment and/or privileging.

1.8 ONGOING PROFESSIONAL PRACTICE EVALUATION

Ongoing professional practice evaluation allows the organization to identify professional practice trends that may impact on the quality of care and patient safety. Early identification of problematic performance allows for timely intervention.

1.8.1 Indicators Used in Ongoing Professional Practice Evaluation

On an annual basis, each department of the medical staff shall determine the quality and patient safety indicators that shall comprise the ongoing professional practice evaluation of its members. These indicators may be occurrence based (i.e. identified each time they occur), or rate based (i.e. monitored as a percentage of occurrence against a defined population). The indicators chosen by departments may include, but not necessarily be limited to, the following areas:

- Performance of operative and/or invasive procedures and their outcomes
- Patterns of blood and/or pharmaceutical usage
- Requests for tests and procedures
- Length of stay patterns
- Morbidity and mortality data
- Practitioner use of consultants
- Complaints received from patients, families, or staff and/or unusual occurrences
- Other relevant indicators as determined by the medical staff

1.8.2 Collecting Information

Once the departments have determined the indicators to be measured, the organization will employ those processes necessary to assure that information on practitioners can be collected, aggregated, analyzed, and acted upon. Collection of this information may take the form of the any of the following:

- Periodic chart review
- Direct observation
- Monitoring of diagnostic and treatment techniques
- Use of valid data from health information systems
- Discussions with other individuals involved in the care or each patient including consulting physicians, assistants (at surgery for example), nursing, and administrative personnel.

1.8.3 Reporting of Information

Information on the professional practice of practitioners will be presented to the practitioner's department and/or other appropriate medical staff committee / forum. Information should be presented at intervals frequent enough to assure timely identification of issues, patterns, or trends. The following guidelines should be used in determining when information is reviewed by the department.

- Occurrence based indicators should be submitted within 60 days of occurrence. This does not apply to occurrences which may pose an immediate threat to the health and safety of patients, the public, or other members of the healthcare team. These occurrences must be reviewed immediately under the expedited focus review requirements noted in this policy.
- Rate based indicators should be reported on a quarterly basis or more frequently if indicated.

1.8.4 Evaluation of Information

The information presented will be evaluated by the practitioner's peer(s) to determine if a potential quality of care or safety issue exists. The evaluation by the peer should be completed within 30 days of submission for review. If no peer is available, then review by an external source should occur as noted under the focused review section of this policy. The evaluation of information may be performed by a peer, by the department, and/or by a multidisciplinary committee as determined by the medical staff.

1.8.5 Use of Information

As a result of the evaluation, the following actions may occur:

- No action is necessary as the review demonstrates satisfactory performance by the practitioner.
- Education and/or training are warranted to improve the practitioner's performance in the indicator(s) measured.
- Focused evaluation of the practitioner is warranted to better understand practice issues relative to the indicator(s) measured and/or to determine competency.
- Appropriate mechanisms as outlined in medical staff bylaws, rules, regulations, or other policy are implemented to address suspension, termination, limitation, and/or revocation of the privilege(s) in question.

A summary of the ongoing professional practice evaluation will be made available to the Department Chair at the time of the practitioner's reappointment and/or request for privileges. This information shall be considered in making the recommendation for reappointment and/or privileging.

1.9 CONFIDENTIALITY OF INFORMATION

All activities surrounding the professional evaluation of members of the medical staff are considered part of the medical staff's quality management program and are therefore considered protected and confidential to the extent permitted by law and regulation.

6. PROTOCOL FOR CREDENTIALING LICENSED INDEPENDENT PHYSICIANS AND ADVANCED-LEVEL PRACTITIONERS IN THE EVENT OF A DISASTER

6.1 — Definitions:

- (a) — ~~“Advanced level Practitioner” is defined as a currently licensed physician assistant, nurse mid wife, nurse practitioner or nurse anesthetist.~~
- (b) — ~~“Disaster” is defined as any officially declared emergency, whether it is local, state or national.~~

To define Palomar Pomerado Health’s policy allowing the provision of care, treatment, or services by volunteers who are licensed independent practitioners when the organization’s disaster plan has been implemented, and the immediate needs of patients cannot be met by the organization’s staffing capabilities. This is an organization-wide policy. It applies to all settings and services. This policy applies to volunteer practitioners that are required by law and regulation to have a license, certification, or registration to practice their profession.

6.2 Process

~~During disasters in which the emergency management plan has been activated and the hospital is unable to handle the immediate patient needs, emergency privileges may be granted by the Administrator, or the Chief of Staff or their designee(s).~~

~~Under such circumstances, the organization’s Disaster Commander or authorized designee is Administrator or the Chief of Staff is authorized to implement this policy and grant disaster privileges or permission to treat patients to volunteer physicians, nurses, and other professionals upon receipt of satisfactory evidence that such individuals are currently licensed in some state or otherwise capable of providing services to patients.~~

A volunteer practitioner must present a valid government issued photo identification issued by a state or federal agency (e.g. driver’s license or passport). In addition, the volunteer practitioner must provide at least one of the following:

A current hospital picture identification card that clearly identifies the individual’s professional designation

- A current license, certification, or registration
- Primary source verification of licensure, certification or registration

- Identification indicating that the individual is a member of a Disaster Medical Assistance Team (DMAT), Medical Reserve Corps (MRC), Emergency System for Advance Registration of Volunteer Health Professionals (ESAR-VHP), or other recognized state or federal organization or group(s).
- Identification indicating that the individual has been granted authority to render patient care, treatment, or services in disaster circumstances (such as authority having been granted by a federal, state, or municipal entity).
- Identification by a current member of the organization who possesses personal knowledge regarding the volunteer practitioner's qualifications.

Allied Health Professionals (AHP) defined as a currently licensed physician assistant, nurse midwife, nurse practitioner or nurse anesthetist may be granted disaster privileges to provide services at the request of responsible officials or pursuant to a mutual aid operation plan established and approved under the California Emergency Service Act, only if they are licensed in California and a licensed physician will supervise their practice during the disaster. ~~The supervising physician does not have to be available personally or electronically if that availability is not possible or practical due to the disaster. If the supervising physician is not available to supervise the physician assistant, the physician assistant may be supervised during a disaster by a local licensed physician health officer and/or a licensed physician designated by a local health officer who does not have the Medical Board of California approval that is usually required for supervising physicians.~~ During a disaster, there is no limit on the number of physician assistants a supervising physician may simultaneously supervise.

As soon as the immediate situation is under control, the organization should obtain primary source verification of the volunteer practitioner's license, certification, or registration. Primary source verification must be completed within 72 hours from the time the volunteer practitioner presented to the organization. In extraordinary circumstances (e.g. no means of communication or a lack of resources), verification may exceed 72 hours, but must be completed as soon as possible.

Primary source is the entity or agency that has the legal authority to issue the credential in question. If the entity or agency has designated another entity or agency to communicate information about the status of a staff member's credential, then the other entity or agency may be considered the primary source.

If the credential is not required by law or regulation in order for the staff member to practice his or her profession, then it is not necessary to obtain verification from the primary source. If the volunteer practitioner is not providing care, treatment, or service for which a license, certification, or registration is required, then primary source verification is not required.

Volunteer practitioners will be identified by a name badge to tag provided by the organization. The badge / tag will list the name and professional designation of the volunteer (e.g. John Smith RN) as well as the notation that the individual is a volunteer. The volunteer practitioner will be required to wear the badge / tag on his or her person while performing in that role / capacity.

Volunteer practitioners will be assigned to a member of the organization's staff who possesses similar license, certification, or registration who is a peer in the volunteer's area of practice and experience. The organization's staff member will serve as a mentor and resource for the volunteer practitioner.

The organization's staff member will be responsible for overseeing the professional performance of the volunteer practitioner. This may be accomplished by:

- Direct observation
- Clinical review of care documented in the patient's medical record.

Volunteer practitioners will cease providing care, treatment, or service if any one of the following criteria is met:

1. Implementation of the emergency management plan ceases.
2. The capability of the organization's staff becomes adequate to meet patient care needs.

3. After 72 hours (or sooner if warranted) a decision is made that the professional practice of the volunteer practitioner does not meet organization standards.

There will be no rights to any hearing or review in the event a physician's or an AHP's disaster privileges are terminated, regardless of the reason for the termination.

~~If possible, verification of the volunteer's identity by a current Medical Staff member or photo identification, current photo identification from another hospital and/or identification indicating the individual is a member of a Disaster Medical Assistance Team shall also be obtained, if possible. Furthermore, notwithstanding any delineation of privileges or scope of authority, during a mass disaster current Medical Staff members, employees and volunteers are authorized to take whatever step they reasonably believe are necessary to save or preserve the life or health of patients or to protect the public health.~~

~~A physician's and an AHP's privileges will be rescinded as determined by the Chief of Staff. A physician's or an AHP's disaster privileges will be immediately rescinded by the Chief of Staff or his or her designee in the event any information is received that suggests the person is not capable of rendering services in a disaster.~~

Executive Committee – Approved 1/29/2008
Ratified by Executive Committee 3/25/2008
PPH Board of Directors

SERVICE AWARD PIN - CEO

TO: Board of Directors

DATE: April 14, 2008

FROM: Bruce G. Krider, Chairman

BY: Christine Meaney, Board Assistant

BACKGROUND: Service Award Pins for Staff are awarded in three, five, ten year and upwards increments.

Congratulations are extended to Michael H. Covert, FACHE, President and CEO, in recognition of five years of service with Palomar Pomerado Health, effective anniversary date being January 2003.

Informational: Annual Review of PPH Bylaws Relating to HR Committee

TO: PPH Board of Directors
MEETING DATE: April 14, 2008
FROM: Human Resources Committee: March 11, 2008

BACKGROUND:

HR Committee reviewed the PPH Bylaws relating to this Committee.

BUDGET IMPACT: None

COMMITTEE RECOMMENDATION:

Approval of bylaws deferred to the April 8, 2008, Human Resource Committee meeting at which time L. Shoemaker will have researched the Joint Commission verbiage to determine how (c) Duties: (ii) should read.

COMMITTEE QUESTIONS:

1. Director Larson questioned the information in 6.2.3 (c) Duties: (ii). Clarity is needed for the meaning of "oversight". It is difficult to know if this section is referring to the oversight of the process, or the actual performance reviews.
2. It was suggested that the section might actually mean the oversight of annual employee competencies because this could possibly be a regulatory requirement.

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

Informational: Quarterly HR Report

TO: PPH Board of Directors
MEETING DATE: April 14, 2008
FROM: Human Resources Committee: March 11, 2008

BACKGROUND:

Wallie George, CHRO, provided the HR Committee with a quarterly HR report relative to employee turnover.

1. Turnover rates have improved. General employee turnover is at 13.1% with the goal being 15%. RN turnover is at 14.1% with a goal of 14.4%.
2. External timeliness of offers is at 1.8 days with a goal of 3.0 days.
3. External job offers are at 7.3 days with a goal of 8.0 days.

BUDGET IMPACT: None

COMMITTEE RECOMMENDATION:

N. Bassett suggested this information be presented to the Board. L. Shoemaker replied that the data would be included in the nursing report she is providing the Board in April.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

Informational: Position Comparison

TO: PPH Board of Directors

MEETING DATE: April 14, 2008

FROM: Human Resources Committee: March 11, 2008

BACKGROUND:

Committee Chair N. Bassett had requested a comparison of management positions to hourly workers. She is concerned that the ratio of management to hourly workers is not balanced.

1. B. Turner shared that currently PPH comparison data is as follows:

		Emp Count			FTE Count		
%	Exec to All Emps SLAs and above to All	17	3589	0.47%	16	2577.8	0.62%
%	Emps	35	3589	0.98%	33.5	2577.8	1.30%
%	Dir and above to All Emps	80	3589	2.23%	77.5	2577.8	3.01%

2. Discussion included retrieval of comparison information from other facilities. W. George was not optimistic about procuring good results due to the differences in organizational structuring.
3. A. Larson suggested reviewing PPH management positions and salaries in comparison to hourly workers. If we could obtain this same information from other facilities at least we would all be in the same ball park.
4. A. Larson requested the same comparison data over the past four years, including ratios of managers per revenue.
5. N. Bassett is interested in the trends between management and hourly workers.

BUDGET IMPACT: None

COMMITTEE RECOMMENDATION:

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

Informational: Hiring of Military Corpsmen

TO: PPH Board of Directors

MEETING DATE: April 14, 2008

FROM: Human Resources Committee, March 11, 2008

BY: Wallie George, Chief Human Resources Officer

BACKGROUND:

Director Ted Kleiter requested the Strategic Planning Committee approve moving forward with Director Bassett's proposal to jump-start the corpsman training for RN programs. This would involve developing a program for medics ending their military obligations. Strategic Planning approved the suggestion and requested N. Bassett present her proposal to the HR Committee.

At the December 2007 meeting this Committee requested this topic remain an agenda item.

1. Pending data compilation, W. George will present information on human capital at a future meeting.
2. Human capital information will lead to discussions on PPH needs with schools such as Palomar College and other allied professional schools.

March 11:

1. L. Shoemaker reported that she met with the Workforce Partnership and the UCSD LVN → RN program is in the development stage; step-up stage transitioning military personnel in 6 months.
2. Concerns were expressed at the partnership meeting that the transition should actually occur earlier than the 6 months to be able to help the transition clinically.
3. It was noted that when Grossmont offered their program for corpsmen the attrition rate was tremendous because students need to make a living while attending school.
4. L. Shoemaker suggested working with Palomar College to develop a special Cohort to help the corpsmen through college, working as CNAs and including the use of grants.
5. W. George reminded everyone that resources for preceptors are limited. New grads are available now and may be a better use of PPH funds.

BUDGET IMPACT: Not Applicable

STAFF RECOMMENDATION:

This topic to be placed on the back burner until a committee member requests re-opening the topic with new information.

Informational: Hiring of Military Corpsmen

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

Update: Smoke Free Environment

TO: PPH Board of Directors
MEETING DATE: April 14, 2008
FROM: Human Resources Committee, March 11, 2008
BY: Wallie George, Chief Human Resources Officer

BACKGROUND: HR Committee discussed the possible creation of a PPH Campus Non-Smoking Policy as requested by L. Greer. At the July 9 Board meeting the proposed Smoke Free Environment Policy was approved and forwarded to the Governance Committee.

March 11:

1. W. George reported that the program is going well. Employees and visitors are complying with the procedure. There have been a few challenges, but overall the process has been going smoothly.
2. Permanent signage will be going up shortly.
3. National data has been surfacing supporting the positive affect on patients, especially those in psych units.

BUDGET IMPACT: Not Applicable

STAFF RECOMMENDATION:

This is the final update on the smoke free environment unless a situation develops.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

Long Term Care Strategy Development

TO: PPH Board of Directors
DATE: April 14, 2008
FROM: Strategic Planning Committee on March 11, 2008
BY: Steve Gold, District Administrator, Skilled Nursing Facilities

BACKGROUND: With new construction and expansion of both hospitals, and the renovation of the Palomar East campus, acute care capacity increases will drive the need for additional Skilled Nursing capacity and other alternative levels of care. The purpose of this presentation was to update the Committee regarding the impact of these additional beds and a current research project to assess planning strategies for our future growth.

PPH will be partnering with Health Dimensions, a consulting firm, to develop a strategy to assess the growth of our long-term care program need and market need. They will perform a demand analysis based on the population data in our service area, assess financial implications for our use of and expansion of current and additional beds, performing a three-month study, examining alternative levels of care outside of skilled levels, such as independent living, assisted living, and memory impairment units. This analysis will be critical to our development of plans for the Palomar East Campus as well as services at Palomar West and Pomerado.

BUDGET IMPACT: Included in annual operating budget

STAFF RECOMMENDATION: For information only

COMMITTEE RECOMMENDATION:

Information: X

Physician Recruitment Update

TO: PPH Board of Directors
DATE: April 14, 2008
FROM: Strategic Planning Committee on March 11, 2008
BY: Marcia Jackson, Chief Planning Officer

BACKGROUND: Attracting high quality physicians to PPH's district area is a priority. In order to assist some physicians to move to the area to establish their practice, PPH's Physician Development Department has been involved in physician recruitment for the past five years. This presentation provided a summary of physicians who have been recruited and identified the current recruitment priorities.

The recruitment process begins with identifying annual recruitment targets, and an Independent Physician Needs Assessment must show a need for a particular specialty. Also taken into consideration are: requests from current medical staff, succession planning, and service line and clinical priority areas. The next step is to meet with the current medical staff in that specialty, and the following step is to discuss recruitment needs and contracting options with Primary Care Groups.

Then, the actual recruitment process can take place with a candidate, and PPH can conduct physician candidate interviews and on-site visits, and obtain PPH and Medical Staff feedback on the candidate. We make every attempt to match the physician candidate with the practice opportunity. Next, we complete the Physician Agreement negotiations, and assist the physician with credentialing and practice set-up. We also set up and manage financial components of the Physician Agreement, and then stay in close contact with the physician to ensure placement success.

The FY08 Recruitment Priorities are as follows:

- Primary Care
- OB/GYN
- ENT
- Neurosurgery
- Urologist, da Vinci fellowship
- Nephrology

The Physician Development department is currently in active negotiations with the following:

- 3 Family Practitioners
- 1 Internal Medicine Physician
- 1 Urologist
- 2 OB/GYNs
- 1 Neurosurgeon
- 1 ENT

Dr. Kanter questioned how all of this information would be communicated to the physicians, and suggested that Marcia Jackson come to the med exec committee meetings. Marcia will discuss attending upcoming med exec meetings with Dr. Kanter and Dr. Lilley.

BUDGET IMPACT: None

STAFF RECOMMENDATION: For information only

COMMITTEE RECOMMENDATION:

Information: X

Strategic Planning Retreat

TO: PPH Board of Directors
DATE: April 14, 2008
FROM: Strategic Planning Committee on March 11, 2008
BY: Marcia Jackson, Chief Planning Officer

BACKGROUND: PPH will be undertaking a strategic planning process, beginning this summer, to establish a strategic plan for the next 3 years. The goal is to finalize the strategic plan by the end of 2008. The Committee discussed the strategic planning process and provided input to management on the process, stakeholder involvement and timeline.

Marcia asked the Committee if they had a preference for an all-day Saturday meeting, or a couple of evenings, possibly from 6:00 p.m. - 9:00 p.m., and the group expressed a preference for an all-day Saturday meeting.

Bruce Krider commented that he felt that the January 2007 Strategic Planning Retreat was very good, and that the representatives from Kaufman Hall were very good facilitators.

Dr. Larson noted that he felt rushed after the breakout sessions, and that we could spend more time after future breakout sessions.

Bruce Krider suggested that city officials could attend our retreat, but it was noted that we were in closed session in our previous retreat.

Different options and combination of options were discussed, including informal options, such as meetings with the Foundation, Health Care Advisory Councils, and Medical Office Managers, and more formal options, like the Strategic Planning Retreat that we had back in January 2007 at the RB Inn, which included Board members, physicians, and EMT members.

BUDGET: None

STAFF RECOMMENDATION: For information only

COMMITTEE RECOMMENDATION:

Information: X

Interior Design Process

TO: PPH Board of Directors
DATE: April 14, 2008
FROM: Strategic Planning Committee on March 11, 2008
BY: Marcia Jackson, Chief Planning Officer
Mike Shanahan, Director Facilities Planning & Development

BACKGROUND: The completion of the Women's Center in the Pomerado Outpatient Pavilion provides an opportunity to consider how processes worked on this project in order to refine and improve processes in future projects. At the February Strategic Planning Committee meeting, a few Committee members raised concerns about the interior design of the Women's Center, and a request was made to have time at the March meeting for the Committee to discuss the Interior Design process.

Mike Shanahan made a presentation on the planning processes that took place with the Interior Design Committee as well as the Design Review Committee.

Many different viewpoints were discussed, as well as opportunities for improvement. It was suggested that meetings such as the Interior Design Committee be held at times when more people could attend. It was also suggested that we hire a designer who has broader experience than only designing the interiors of hospitals, and that the Board have the final approval and sign-off of the design.

Mike Shanahan and Marcia Jackson will work with the architects and interior designer, and more information about the interior design will be included in the next Board Facilities Update.

BUDGET: None

STAFF RECOMMENDATION: For information only

COMMITTEE RECOMMENDATION:

Information: X

Landscape Community Involvement

TO: PPH Board of Directors
DATE: April 14, 2008
FROM: Strategic Planning Committee on March 11, 2008
BY: Alan Larson, M.D.

BACKGROUND: Modeling after how other organizations have engaged community involvement in landscape/garden projects, Dr. Larson requested an opportunity for the Committee to discuss this idea for PPH projects.

Mike Shanahan presented a slide show on various philanthropic opportunities, such as those at Children's Hospital, where donors had bronze plaques in gardens for certain levels of contributions.

Also discussed were volunteer opportunities for landscaping and gardening assistance, such as the Community Gardening Societies, the ASLA, the San Diego Bamboo Society, and school agricultural classes.

BUDGET: None

STAFF RECOMMENDATION: For discussion only

COMMITTEE RECOMMENDATION:

Information: X

AUDIT & COMPLIANCE COMMITTEE

Review GOV-29 "Corporate Compliance and Integrity Program"

TO: Board of Directors
DATE: April 14, 2008
FROM: Audit & Compliance Committee, March 18, 2008
BY: Jim Neal

BACKGROUND: Reviewed and approved revisions of the Compliance and Integrity Program policy. Changing the policy from a Governance Committee Policy (GOV-29) to an Audit Committee Policy (AUD-01).

Change Overview

1. Change the policy from a Governance Policy to an Audit Policy.
2. Page 3 paragraph B. Business Standards corrected the title for the "PPH Code of Conduct and Business Standards"
3. Page 4 paragraph D. Discharge, to read more clearly regarding the requirements of the law. Removed reference to policy QLT-23 Discharged Policy as this was for Home Health only.
4. Page 5 paragraph E.3. Changed "free medical care" to "charity care". Added a statement where an evaluation group can make determinations to wave payments up to \$500.
5. Page 6 paragraph J. Conflict of Interest changed the word "our" to "their".
6. Page 8 paragraph Q. Political Activity changed the phrase "many states" to "California". Remove the word neither and added the word not to more clearly identify the interest.

In attendance were: Directors Linda Greer (Chair), Linda Bailey, together with CEO, Michael Covert, Tom Boyle and Jim Neal. Audit & Compliance Committee approval was sought.

BUDGET IMPACT: None

STAFF RECOMMENDATION: None

Committee Questions/Suggestions/Requests:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

AUDIT & COMPLIANCE BOARD COMMITTEE

Code Of Conduct and Business Standards

TO: Board of Directors
DATE: April 14, 2008
FROM: Audit & Compliance Board Committee, March 18, 2008
BY: Jim Neal

BACKGROUND: This document was presented to the committee for their review and updated and brought back to Audit & Compliance committee at the next meeting for approval. In attendance were: Directors Linda Greer (Chair), Linda Bailey, together with CEO, Michael Covert, Tom Boyle and Jim Neal

BUDGET IMPACT: None

STAFF RECOMMENDATION: None

Committee Questions/Suggestions/Requests:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

AUDIT & COMPLIANCE COMMITTEE

Risk Assessment Process

TO: Board of Directors
DATE: April 14, 2008
FROM: Audit & Compliance Committee, March 18, 2008
BY: Jim Neal

1. **BACKGROUND:** Tom Boyle explained the process used to determine what area will be scheduled for an audit by how high the risk is and where the risk is. In attendance were: Directors Linda Greer (Chair), Linda Bailey, together with CEO, Michael Covert, Tom Boyle and Jim Neal.

BUDGET IMPACT: None

STAFF RECOMMENDATION: None

Committee Questions/Suggestions/Requests:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

AUDIT & COMPLIANCE COMMITTEE

Vontu/Cyber watch

TO: Board of Directors
DATE: April 14, 2008
FROM: Audit & Compliance Committee, March 18, 2008
BY: Jim Neal

1. **BACKGROUND:** Luba Halich, Information Security Officer, gave an update on the Vontu/Cyber watch Audit. In attendance were: Directors Linda Greer (Chair), Linda Bailey, together with CEO, Michael Covert, Tom Boyle and Jim Neal.

BUDGET IMPACT: None

STAFF RECOMMENDATION: None

Committee Questions/Suggestions/Requests:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

AUDIT & COMPLIANCE COMMITTEE

revised Committee Charter

TO: Board of Directors
DATE: April 14, 2008
FROM: Audit & Compliance Committee, March 18, 2008
BY: Jim Neal

1. **BACKGROUND:** A revised committee charter was presented and discussed to reflect the expansion of the committee's scope to include both Internal Audit and Compliance. The committee members reviewed the document and voted on accepting the changes. In attendance were: Directors Linda Greer (Chair), Linda Bailey, together with CEO, Michael Covert, Tom Boyle and Jim Neal.

BUDGET IMPACT: None

STAFF RECOMMENDATION: None

Committee Questions/Suggestions/Requests:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

AUDIT & COMPLIANCE COMMITTEE

Action plan and response for the HIPAA audit

TO: Board of Directors
DATE: April 14, 2008
FROM: Audit & Compliance Committee, March 18, 2008
BY: Jim Neal

1. **BACKGROUND:** Luba Halich, Information Security Officer, and Kim Jackson, Director Health Information, gave an update on the HIPAA Audit. In attendance were: Directors Linda Greer (Chair), Linda Bailey, together with CEO, Michael Covert, Tom Boyle and Jim Neal.

BUDGET IMPACT: None

STAFF RECOMMENDATION: None

Committee Questions/Suggestions/Requests:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

AUDIT & COMPLIANCE COMMITTEE

Discussion of 3M Audit Expert

TO: Board of Directors
DATE: April 14, 2008
FROM: Audit & Compliance Committee, March 18, 2008
BY: Jim Neal

1. **BACKGROUND:** Update on the lack of progress in getting 3M Audit Expert installed in Cerner. In attendance were: Directors Linda Greer (Chair), Linda Bailey, together with CEO, Michael Covert, Tom Boyle and Jim Neal.

BUDGET IMPACT: None

STAFF RECOMMENDATION: None

Committee Questions/Suggestions/Requests:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

**Governance Committee
Proposed new Board Policy**

TO: Board of Directors
DATE: April 14, 2008
FROM: Governance Committee, March 18, 2008
BY: Christine Meaney, Secretary to Governance Committee
for Jim Neal, Compliance Officer

BACKGROUND: Following request by a board member to the Governance Committee Chair, the committee was requested to consider drafting by staff of a new board policy describing how, and when, outside legal services are obtained for PPH by staff/employees. In-house legal counsel would likely serve as the gatekeeper for outside requests, and be accountable for those deliverables as well as budget implications. It was also suggested that such policy should not apply to board members seeking legal advice from its board counsel, as any impediments in this regard would jeopardize the board's fiduciary and oversight responsibilities as public officials.

Governance Committee approval was requested for staff to draft a new board policy in this regard.

BUDGET IMPACT: None

COMMITTEE DISCUSSION: Following Committee discussion, it was generally agreed that the matter of a new Board Policy in this regard be referred to the full Board for deliberation, which would likely be the upcoming Special Board Self-Evaluation Meeting.

COMMITTEE RECOMMENDATION: Informational – potentially deferred for full Board deliberation to upcoming Special Board Self-Evaluation Meeting.

Motion:

Individual Action:

Information: X

Required Time:

Governance Committee – Proposed Overall Review of PPH Bylaws

TO: Board of Directors

MEETING DATE: April 14, 2008

FROM: Christine Meaney, Secretary to Governance Committee

BY: Janine Sarti, General Counsel

BACKGROUND: The current Amended and Restated Bylaws of Palomar Pomerado Health were last reviewed in-house by the Compliance Officer in conjunction with the Board Office, and adopted by resolution of the board, signed into effect February 13, 2006. Since that time, various amendments have been made and approved through the Governance Committee to the Board of Directors, but no complete review of the Bylaws has been made or adopted by the Board.

Now that in-house counsel is available it was proposed that a complete review/update of these Bylaws be made during 2008, with particular emphasis on membership (voting and non-voting) of Standing Committees, with ultimate adoption by the Board of an updated version of the Amended and Restated Bylaws.

The Committee's input/approval to such review was requested.

BUDGET IMPACT: None

STAFF RECOMMENDATIONS: Complete review of PPH Bylaws

COMMITTEE RECOMMENDATION: Following review by the Committee, it was felt this item should be referred to the Special Board Annual Self-Evaluation Meeting for further deliberation, particularly regarding voting and non-voting memberships of standing board committees.

Motion:

Individual Action:

Information: X

Required Time:

Governance Committee – Overview of Medical Staffs' Bylaws

TO: Board of Directors

MEETING DATE: April 14, 2008

FROM: Director Greer, RN, Committee Chair

BY: Christine Meaney, Secretary to Governance Committee

BACKGROUND: Following inquiry by the Committee Chair regarding peer review and medical staff privileges at PMC and Pomerado Hospital, relevant Bylaws were provided for review. Committee discussion ensued, ultimately noting that it was hoped eventually there would be only one set of bylaws encompassing the PMC and Pomerado Medical Staffs.

BUDGET IMPACT: None

STAFF RECOMMENDATION: Informational

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

Governance Committee
Annual Review – Committee Summary of Accomplishments Calendar Year 2007

TO: Board of Directors

DATE: April 14, 2008

FROM: Christine Meaney, Secretary to Committee
for Michael Covert, CEO

BACKGROUND: The Governance Committee Board Member Position Description provides under “Responsibilities #6 – Provision of a brief one-page Committee Summary of Accomplishments for the respective (past) Calendar Year to the Annual Board Self-Evaluation Meeting.”

The Compliance Officer was working on the Governance Committee Summary of Accomplishments, which will be included in a submission for the Annual Board Self-Evaluation meeting.

In addition the Board Assistant had already requested brief Annual Committee Summaries for calendar year 2007 from all other committee staff persons for inclusion, as these summaries were considered a starting point for the Board’s Annual Self-Evaluation.

BUDGET IMPACT: None

STAFF RECOMMENDATION: Informational

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:	
Motion:	
Individual Action:	
Information:	X
Required Time:	

Governance Committee
Update - Annual Board Self-Evaluation / "Peer Review" Survey Format

TO: Board of Directors
DATE: April 14, 2008
FROM: Governance Committee, March 18, 2008
BY: Christine Meaney, Committee Secretary for Michael Covert, CEO

BACKGROUND: Following discussion at the February 1, 2008 Governance Committee meeting, the CEO provided an additional update to the committee regarding a new format for the upcoming Annual Board Self-Evaluation. No additional input had been received, therefore it was proposed that the Board Chairman and he would determine whatever may be necessary for distribution to the Board for the upcoming annual self-evaluation meeting.

BUDGET IMPACT:

STAFF RECOMMENDATION:

Informational.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:	
Motion:	
Individual Action:	
Information:	X
Required Time:	

**Governance Committee
Legislative/Governmental Relations Update**

TO: Board of Directors
DATE: April 14, 2008
FROM: Governance Committee, March 18, 2008
BY: Christine Meaney, Committee Secretary, for Michael Covert, CEO

BACKGROUND: So that regular information may be provided to this Committee, Gustavo Friederichsen, Chief Marketing and Communication Officer, provided an update on legislative/governmental issues. Discussion ensued on proposed healthcare budgetary cuts and the need for sending letters, as opposed to e-mail, to our legislators. It was proposed that such letters be from the Chair of the Board to elected officials and that Gustavo Friederichsen be involved in compilation of the letters.

BUDGET IMPACT: None

**STAFF
RECOMMENDATION:** Informational

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

**Governance Committee
Round Table / Meeting Assessment**

TO: Board of Directors
DATE: April 14, 2008
FROM: Governance Committee, March 18, 2008
BY: Christine Meaney, Secretary to Committee, for
Michael Covert, CEO

BACKGROUND: Round Table Review/Meeting Assessment was undertaken by the committee at the end of the meeting, noting that the agenda had covered a number of items that required discussion.

BUDGET IMPACT:

STAFF RECOMMENDATION:

Informational

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

Charity Policy

TO: Board of Directors

MEETING DATE: Monday, April 14, 2008

FROM: Board Finance Committee
Tuesday, March 25, 2008

BY: Bob Hemker, CFO
Melanie Van Winkle, Exec Director, Revenue Cycle

Background: This document defines Palomar Pomerado Health's (PPH) policy for the identification, documentation and handling of Financial Assistance (Charity Care). In accordance with its Statement of Mission, it is the policy of PPH to provide a reasonable amount of hospital services without charge to eligible patients who cannot afford to pay for care. In addition, PPH is regulated and follows the California Assembly Bill, AB774, which mandates certain practices related to providing charity care or discounting for the uninsured or underinsured.

Budget Impact: None

Staff Recommendation: Board adoption of policy

Committee Questions: The Board Finance Committee questioned if AB774 is applicable to Districts. Management to research and validate applicability. Findings to be forwarded to Governance Committee.

COMMITTEE RECOMMENDATION: The Board Finance Committee forwarded the revised Board Policy for the Identification, Documentation and Handling of Financial Assistance (Charity Care) to the Board Governance Committee with a recommendation for its adoption as drafted, after clarification regarding the mandates of AB774.

Motion:

Individual Action:

Information: X

Required Time:

I. PURPOSE:

This document defines Palomar Pomerado Health's (PPH) policy for the identification, documentation and handling of Financial Assistance (Charity Care). In accordance with its Statement of Mission, it is the policy of PPH to provide a reasonable amount of hospital services without charge to eligible patients who cannot afford to pay for care. In addition, PPH is regulated and follows the California Assembly Bill, AB774, which mandates certain practices as it related to providing charity care or discounting for the uninsured or underinsured.

II. DEFINITIONS:

Financial Assistance is defined as health care services provided for no charge or at a reduced charge to the patient (the term "patient" refers to the patient or guarantor ultimately responsible for the financial resolution of an account) who does not have or cannot obtain adequate financial resources to pay for his/her health care services. This is in contrast to bad debt, which occurs when a patient who, having the requisite financial resources to pay for health care services, has demonstrated by his/her actions an unwillingness to resolve his/her bill. Financial Assistance eligibility may be determined prior to or at the time of an admission, during a hospital stay or after a patient is discharged. Each situation is different and shall be evaluated at the time of the application based upon the patient's circumstances. Eligibility for Financial Assistance does not apply to services rendered by any physician, whether rendered on an inpatient or outpatient basis, or to health care providers other than PPH.

III. TEXT / STANDARDS OF PRACTICE:

A. The General guidelines for Financial Assistance approval are:

1. Patients who do not have or cannot obtain adequate financial resources to pay for their health care services.
2. Uninsured patients, as well as insured patients for the portion of their bill not covered by insurance, may be eligible.
3. Resources from third party payors, local charitable agencies, Queenscare, Victim of Crime, Medi-Cal, Healthy Families, etc. must be exhausted before a charity adjustment can be applied.
4. Only hospital services provided by PPH shall be considered.
5. Eligibility determinations shall be based primarily upon income and family size. While expenses and other factors may be considered, these shall not serve as the primary basis for determining eligibility.

B. Clinical Determination:

The evaluation of the necessity for medical treatment of any patient shall be based upon clinical judgment, regardless of insurance or financial status, in compliance with PPH's Statement of Mission. The clinical judgment of the patient's personal physician or the Emergency Department (ED) staff physician shall be the primary determining criteria for a patient's admission. In cases where an emergency medical condition exists, any evaluation of possible payment alternatives shall occur only after an appropriate medical screening examination has occurred and necessary stabilizing services have been provided in accordance with all applicable State and Federal laws and regulations.

C. Exclusions:

Patients who are not permanent citizens or permanent residents of the United States.

IV. ADDENDUM:

V. DOCUMENT / PUBLICATION HISTORY:

VI. CROSS-REFERENCE DOCUMENTS:

Charity Care Services at PPH (Procedure #2467)
Self Pay Discounting and Extended Payment Plan (Procedure #25853)
Undocumented Compensation Program (Procedure #26152)

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**Governance Committee
“Audit and Compliance Committee”**

TO: Board of Directors
MEETING DATE: April 14, 2008
FROM: Governance Committee, March 18, 2008
BY: Jim Neal, Director Corporate Compliance & Integrity

BACKGROUND: Following discussion with Michael Covert, President and CEO PPH, Tom Boyle, Director Internal Audit Department and Janine Sarti, General Counsel, it was agreed to recommend to the Governance Committee of the Board of Directors, that the compliance reports be made to the Audit Committee of the Board and that the name of that committee be changed to the “Audit and Compliance Committee”. The reason behind this recommendation is that both the compliance and audit functions would fit more appropriately with this committee and eliminate the requirement for duplication of reporting by each department to different committees of the board.

BUDGET IMPACT: None

STAFF RECOMMENDATIONS: Staff Recommends approval

COMMITTEE RECOMMENDATION: Board approval requested.

Motion: X

Individual Action:

Information:

Governance Committee
Annual Review – Strategic Planning Committee Bylaws Section; & Board Member
Position Description

TO: Board of Directors
DATE: April 14, 2008
FROM: Governance Committee, March 18, 2008
BY: Marcia Jackson, Chief Planning Officer

BACKGROUND: Annually, each Board Committee is to review and approve the section of the Bylaws and Board Member Position Description pertaining to the Committee. After Strategic Planning Committee reviewed and discussed the Bylaws and Board Member Position Description at the January 2008 meeting, Dr. Larson commented that he would like to invite more members of the medical staff on a regular basis to the meetings to increase input. He suggested the Chiefs of Staff Elect and the past Chiefs of Staff be included as non-voting members. Dr. Trifunovic explained that he is creating a Physician Strategic Planning Group that could attend this meeting to provide more physician input. Dr. Trifunovic would send information about this group to Dr. Larson.

Also at the January meeting, Bruce Krider suggested that Strategic Planning should add a duty to this Committee to monitor approved initiatives and programs. Marcia Jackson drafted this and brought it back to the February Strategic Planning Committee meeting for review.

Dr. Larson suggested leaving the Bylaws, and Board Member Position Description as written in the *attached* revision. A motion was made by Bruce Krider, seconded by Nancy Bassett, and carried unanimously, to leave the Bylaws and Board Member Position Description as revised. Revised Bylaws and Board Member Position Description were presented to the PPH Board of Directors at the March 10, 2008 meeting as an informational item. **Following Governance Committee review and approval, the amendment to the Bylaws is included under the Strategic Planning Committee section of the Amended and Restated Bylaws already submitted to this April 14 Board Meeting, for adoption by resolution.** However, Board approval is respectfully requested to the amendment to the Strategic Planning Committee Board Member Position Description per attached.

COMMITTEE RECOMMENDATION:

Action/Approval: X

1.1.1 Strategic Planning Committee.

- (a) Voting Membership. The Committee shall consist of seven voting members, including four members of the Board and one alternate who shall attend Committee meetings and enjoy voting rights on the Committee only when serving as an alternate for a voting Committee member, the President and Chief Executive Officer and the Chiefs of Staff of the Hospitals or the designees of the Chiefs of staff, as approved by the Committee Chairperson.
- (b) Non-Voting Membership. The Chief Financial Officer, Chief Planning Officer, Chief Administrative Officers Palomar Medical Center and Pomerado Hospital, the Chief Nurse Executive, Chief Executive Officer of the Palomar Pomerado Health Foundation, a board member of the Palomar Pomerado Health Foundation recommended by the Foundation and approved by the Committee Chairperson and an additional physician from each hospital as recommended by each hospital's Chief of Staff and as approved by the Committee Chairperson.
- (c) Duties. The duties of the Committee shall include but are not limited to:
 - (i) Review and make recommendations to the Board regarding the District's short and long range strategic plans, master and Facility plans, physician development plans and strategic collaborative relationships; and
 - (ii) Review annually those policies within the Committee's 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
 - (iii) Undertake planning regarding physician recruitment and retention and program development of new and enhanced services and Facilities; and
 - (iv) Monitor new initiatives and programs; and
 - (v) Perform such other duties as may be assigned by the Board.

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PALOMAR POMERADO HEALTH BOARD
STRATEGIC PLANNING COMMITTEE

Board Member Position Description

Function:

It is the responsibility of the Board Member to provide oversight to ensure that the mission and vision of the Board are implemented in an effective and meaningful manner through the establishment and implementation of plans and programs that enhance the well being of the citizens of the District.

Responsibilities:

1. To review and make recommendations to the Board regarding the District's short and long range plans and strategic collaborative relationships.
2. Develop and approve physician development plans and oversee the implementation of physician recruitment and retention programs on an annual basis.
3. Monitor completion of annual goals in order to ensure their effective completion on behalf of the system.
4. Develop educational programs and enhance Board members understanding of trends in the Local, State and National health care arena and issues affecting the system.
5. Review the development of new programs and system initiatives to ensure their direction is in accordance with the mission and vision of the organization and support the strategic plans of the District.
6. Monitor new initiatives and programs.
7. Provision of a brief one-page Committee Summary of Accomplishments for the respective Calendar Year to the Annual Board Self-Evaluation Meeting (per Governance Committee of 1-20-05 & Board Meeting of 2-7-05).
8. Complete other duties as may be assigned by the Chair of the Committee.

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Requirements

1. Interest and willingness to commit time and energy to completion of Strategic Planning Committee responsibilities and meeting requirements.
2. A general knowledge of Healthcare issues and trends affecting Healthcare organizations and medical staffs; a willingness to actively expand ones knowledge in this arena.
3. A commitment to the general requirements of Board members as outlined in the Palomar Pomerado Health Board member position description.

**Governance Committee
Amended and Restated PPH Bylaws**

TO: Board of Directors
MEETING DATE: April 14, 2008
FROM: Board Governance Committee, March 18, 2008
BY: Jim Neal, Director Corporate Compliance & Integrity

BACKGROUND: The Governance Committee reviewed section 7.7.14 of the current Board Bylaws and found a conflict that relates to CEO's voting privileges and recommended that the following statement be added to the end of the paragraph :: (*page 17 of current Bylaws attached for reference*) -... "unless authorized by the Board to be a voting member of a specific Committee".

Section 7.7.14 would read:

7.7.14. "Participating as a non-voting member in all meetings of standing committees of the Board unless authorized by the Board to be a voting member of a specific Committee".

For ease in administering the Bylaws and in order to avoid confusion, PPH now desires to restate the Bylaws to incorporate the amendment and adopt such restated Bylaws by **Resolution attached**. A copy of the restated Bylaws, including anticipated Board-approved name change from Audit Committee to Audit and Compliance Committee already listed on this April 14, 2008 board agenda, is included as **Exhibit A**.

BUDGET IMPACT: None

STAFF RECOMMENDATIONS: Staff Recommends approval

COMMITTEE RECOMMENDATION: Adoption of attached Board Resolution respectfully requested for the PPH Amended and Restated Bylaws, as submitted.

Motion:

Individual Action: X

Information:

**RESOLUTION OF THE BOARD OF DIRECTORS OF
PALOMAR POMERADO HEALTH
FOR ADOPTION OF AMENDED AND RESTATED BYLAWS
Resolution No. 04.14.08 (01) - 03**

WHEREAS, Palomar Pomerado Health (“PPH”) in accordance with an annual, comprehensive review of the District Bylaws which has been undertaken and following previous amendments to the Bylaws at meetings of the Board of Directors held January 13, 2003, February 10, 2003, May 12, 2003, and January 2004, October 18, 2004, December 12, 2005, and February 13, 2006 (the “Amendments”); and

WHEREAS, for ease in administering the Bylaws and in order to avoid confusion, PPH now desires to restate the Bylaws to incorporate the Amendments and adopt such restated Bylaws, a true and correct copy of which is attached hereto as Exhibit A (the “Amended and Restated Bylaws”).

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Amended and Restated Bylaws are hereby approved and adopted in the form of Exhibit A, attached hereto.

PASSED AND ADOPTED at a duly held meeting of the Board of Directors on April 14, 2008, by the following vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

ATTESTED:

Bruce G. Krider, Chairman

Linda Bailey, Secretary

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

**BYLAWS
OF
PALOMAR POMERADO HEALTH**

**ARTICLE I.
DEFINITIONS**

- 1.1 “Hospital(s)” means Palomar Medical Center, 555 East Valley Parkway, Escondido, California, and/or Pomerado Hospital, 15615 Pomerado Road, Poway, California.
- 1.2 “Board” means the Board of Directors of the District.
- 1.3 “District” means Palomar Pomerado Health.
- 1.4 “Medical Staff(s)” or “Staff(s)” means the organized medical staff of Palomar Medical Center, the organized medical staff of Pomerado Hospital, and/or the organized medical staff of other District Facilities, as indicated.
- 1.5 “Facility” or “Facilities” means a Hospital or the Hospitals, Home Health, Skilled Nursing Facilities, or any other health care facility or facilities operated by the District.
- 1.6 “Practitioner” means a physician (*i.e.*, M.D. or D.O.), dentist (D.D.S. or D.M.D.) or podiatrist (D.P.M.) who is duly licensed in the State of California to practice within the scope of said license.

**ARTICLE II.
ORGANIZATION, POWERS AND PURPOSES**

- 2.1 ORGANIZATION. The District is a political subdivision of the State of California organized under the Division 23 of the Health and Safety Code (“Local Health Care District Law”).
- 2.2 PURPOSES AND POWERS. The District is organized for the purposes described in the Local Health Care District Law and shall have and may exercise such powers in the furtherance of its purposes as are now or may hereafter be set forth in the Local Health Care District Law and any other applicable statutes, rules or regulations of the State of California.
- 2.3 BYLAWS, POLICIES AND PROCEDURES
 - 2.3.1 The Board shall have the powers to adopt, amend, and promulgate District Bylaws, Policies, and Procedures as appropriate, and may delegate its power to promulgate Procedures in its discretion. For purposes of these Bylaws, “Policies” shall denote Board approved statements that provide broad strategic directions and/or governing mandates for the District, enabling the development of Procedures. The term “Procedures” shall mean any specific instruction or mode of conduct for the purpose of implementing a policy that may be promulgated by those District officers designated by the Board.
 - 2.3.2 The Board shall review and approve the District Bylaws annually.

2.3.3 The Governance Committee will have the responsibility to oversee and ensure collaboration between the Board and District management for the purpose of developing, reviewing and revising the District Bylaws, Policies, Procedures, and other rules or regulations prior to being brought to the full Board for approval.

2.4 DISSOLUTION. Any proposal to dissolve the District shall be subject to confirmation by the voters of the District in accordance with the Government Code.

ARTICLE III.
OFFICES

3.1 PRINCIPAL OFFICE. The principal office of the District is hereby fixed and located at 15255 Innovation Drive, San Diego, California.

3.2 OTHER OFFICES. Branch or subordinate offices may be established at any time by the Board at any place or places.

ARTICLE IV.
BOARD

4.1 GENERAL POWERS. The Board is the governing body of the District. All District powers shall be exercised by or under the direction of the Board. The Board is authorized to make appropriate delegations of its powers and authority to officers and employees.

4.2 OPERATION OF FACILITIES. The Board shall be responsible for the operation of the Facilities according to the best interests of the public health, and shall make and enforce all rules, regulations and bylaws necessary for the administration, government, protection and maintenance of the Facilities and all property belonging thereto, and may prescribe the terms upon which patients may be admitted to the Facilities. Such rules, regulations and bylaws applicable to the Facilities shall include but not be limited to the provisions specified in the Health and Safety Code, and shall be in accordance with and contain minimum standards no less than the rules and standards of private or voluntary hospitals. Unless specifically prohibited by law, the Board may adopt other rules which could be lawfully adopted by private or voluntary hospitals.

4.3 RATES. In setting the rates the Board shall, insofar as possible, establish such rates as will permit the Facilities to be operated upon a self-supporting basis. The Board may establish different rates for residents of the District than for persons who do not reside within the District.

4.4 NUMBER AND QUALIFICATION.

4.4.1 The Board shall consist of seven members, each of whom shall be a registered voter residing in the District.

4.4.2 Except as otherwise provided in applicable law, no Board member shall possess any ownership interest in any other hospital serving the same area as that served by the District or be a director, policymaking management employee, or medical staff officer of any hospital serving the same area as that served by the District, unless the boards of directors of the District and the hospital have determined that the situation will further joint planning, efficient delivery of health care services, and the best interests of the areas

served by their respective hospitals, or unless the District and the hospital are affiliated under common ownership, lease, or any combination thereof. No Board member shall simultaneously hold any other position over which the Board exercises a supervisory, auditory, or removal power.

- 4.4.3 For purposes of this section, a hospital shall be considered to serve the same area as the District if more than five percent of the hospital's patient admissions are District residents.
- 4.4.4 For purposes of this section, the possession of an ownership interest, including stocks, bonds, or other securities by the spouse or minor children or any person shall be deemed to be the possession or interest of the person.
- 4.4.5 Any candidate who elects to run for the office of member of the Board, and who owns stock in or who works for any health care facility that does not serve the same area served by the District, shall disclose on the ballot his or her occupation and place of employment.
- 4.5 **CONFLICTS OF INTERESTS.** The Board shall endeavor to eliminate from its decision making processes financial or other interests possessed by its members that conflict with the District's interests. Board members and other persons who are "Designated Employees," as defined in the current Conflict of Interests Code of Palomar Pomerado Health as it may be amended from time to time, shall at all times comply with said Code any and all laws and regulations relating to conflicts of interests, including but not limited to the Government Code.
- 4.6 **ELECTION AND TERM OF OFFICE.** An election shall be held in the District on the first Tuesday after the first Monday in November in each even-numbered year, at which a successor shall be chosen to each Director whose term shall expire on the first Friday of December following such election. The election of Board members shall be an election at large within the District and shall be consolidated with the statewide general election. The candidates receiving the highest number of votes for the offices to be filled at the election shall be elected thereto. The term of office of each elected Board member shall be four years, or until the Board member's successor is elected and has qualified, except as otherwise provided by law in the event of a vacancy.
- 4.7 **NEW MEMBER ORIENTATION.** An orientation shall be provided which familiarizes each new Board member with his or her duties and responsibilities, including the Board's responsibilities for quality care and the Facilities' quality assurance programs. Continuing education opportunities shall be made available to Board members.
- 4.8 **EVALUATION.** The Board shall evaluate its own performance as well as those of its officers and employees on an annual or other periodic basis.
- 4.9 **VACANCIES.** Vacancies on the Board shall be filled in accordance with the applicable provisions of the Government Code.
- 4.10 **RESIGNATION OR REMOVAL.** Any Board member may resign effective upon giving written notice to the Chairperson or the Secretary of the Board, unless the notice specifies a later time for the effectiveness of such resignation. The term of any member of the Board shall expire if the member is absent from three consecutive regularly scheduled monthly Board meetings or from three of any five

consecutive regular meetings of the Board and if the Board by resolution declares that a vacancy exists on the Board. All or any of the members of the Board may be recalled at any time by the voters following the recall procedure set forth in Division 16 of the Election Code.

- 4.11 **LIABILITY INSURANCE.** The Board may purchase and maintain liability insurance on behalf of any person who is or was a director, officer, employee or agent of the District, or is or was serving at the request of the District as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or as a member of any committee or similar body, against any liability asserted against such person and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the District would have the power to indemnify him or her against such liability.
- 4.12 **COMPENSATION.** The Board shall serve without compensation unless the Board authorizes, by resolution adopted by majority vote, compensation of not to exceed \$100 per meeting for a maximum of five meetings per month for each member of the Board. For purposes of this section, "meeting" shall mean any regular or special Board meeting, whether open or closed, any standing or ad hoc committee meetings or any orientation sessions. For compensation purposes, successive open and closed meetings shall be considered as one meeting.
- 4.13 **HEALTH AND WELFARE BENEFITS.** Notwithstanding Section 4.12 above, the Board may provide health and welfare benefits, pursuant to Government Code Section 53200 *et seq.*, for the benefit of its elected and former members and their dependents, or permit its elected and former members and their dependents to participate in District programs for such benefits, in accordance with all applicable laws and regulations.
- 4.14 **TRAVEL AND INCIDENTAL EXPENSES REIMBURSEMENT.** Each member of the Board shall be reimbursed for his or her actual necessary traveling and incidental expenses incurred in the performance of official business of the District as approved by the Board and in accordance with District Policy. Such reimbursement, if approved by the Board, shall not constitute "compensation" for purposes of Section 4.12 above.

ARTICLE V.
BOARD MEETINGS

- 5.1 **MEETINGS OPEN TO THE PUBLIC.** Meetings of the Board shall be open to the public, except as otherwise provided in applicable laws or regulations, including but not limited to the Brown Act and the Local Health Care District Law.
- 5.2 **BOARD MEETING.** A meeting of the Board is any congregation of a majority of the members of the Board at the same time and place to hear, discuss or deliberate upon any item that is within the subject matter jurisdiction of the Board. A meeting is also the use of direct communication, personal intermediaries or technological devices that is employed by a majority of the members of the Board to develop a collective concurrence as to action to be made on an item by the members of the Board. Board meetings may be held by teleconference subject to applicable laws and regulations including the Government Code.
- 5.3 **REGULAR MEETINGS.** Regular meetings of the Board shall be held as follows:

- 5.3.1 The Board's annual organizational meeting shall be held in December at the place and time designated by the Board in the Resolution discussed in Section 5.3.2 below.
- 5.3.2 At the annual organizational meeting, the Board shall pass a resolution stating the dates, times and places of the Board's regular monthly meetings for the following calendar year.
- 5.4 HOLIDAYS. Meetings of the Board may be held on any calendar day as determined by the Board.
- 5.5 NOTICE AND ACTION. The Board shall provide public notice of its meetings in accordance with the Brown Act. No "action," as defined in the Brown Act, shall be taken on any item not appearing on the posted agenda unless permitted under applicable law.
- 5.6 MEMBERS OF THE PUBLIC. Members of the public shall be afforded an opportunity to participate in District decision making processes and Board meetings to the extent permitted under applicable laws, including but not limited to the Brown Act and the Local Health Care District Law.
- 5.7 ANNUAL ORGANIZATIONAL MEETING. At its annual organizational meeting, the Board shall organize by the election of officers. One member shall be elected as Chairperson, one as Vice Chairperson and one as Secretary. The Board may also appoint the Treasurer at the annual organizational meeting, who may also be the Chairperson of the Finance Committee.
- 5.8 SPECIAL MEETINGS.
 - 5.8.1 A special meeting may be called at any time by the Chairperson, or by four or more Board members, by delivering personally or by mail written notice to each Board member and to each local newspaper of general circulation, radio or television station requesting notice in writing. Such notice must be delivered personally or by mail at least 24 hours before the time of such meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted; no other business shall be considered at special meetings. Written notice may be dispensed with as to any Board member who at or prior to the time the meeting convenes files with the Secretary a written waiver of notice. Such written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes.
 - 5.8.2 The call and notice shall also be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public. Notice shall be required pursuant to this Section regardless of whether any action is taken at the special meeting.
 - 5.8.3 In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board may hold an emergency meeting without complying with either or both the 24 hour notice or posting requirements. In the event the notice and/or posting requirements are dispensed with due to an emergency situation, each local newspaper of general circulation and radio or television station which has requested notice of special meetings shall be notified by the Chairperson, or his designee, one hour prior to the emergency meeting, by telephone. All telephone numbers provided in the most recent request of such newspaper or station for notification of special meetings shall be exhausted. In the event that telephone services are not functioning, the notice requirements of this

paragraph shall be deemed waived, and the Board, or its designee, shall notify those newspapers, radio stations or television stations of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible. Notwithstanding this Section, the Board shall not meet in closed session during a meeting called as an emergency meeting. With the exception of the 24 hours notice and posting requirements, all requirements contained in this Section shall be applicable to any meeting called due to an emergency situation.

- 5.8.4 The minutes of an emergency meeting, a list of persons who the Chairperson, or his designee, notified or attempted to notify, a copy of the roll call vote, and any actions taken at the meeting shall be publicly posted for a minimum of ten days as soon possible after the meeting.
- 5.9 QUORUM. A vote is to be determined by a simple "majority vote". If there are abstentions on a vote, the non-abstaining members of the Board must constitute a quorum of the whole board (four members or more) for the transaction of business. Except as otherwise provided by law or these Bylaws, the act of the majority of the non-abstaining Board members voting will be the "majority vote".
- 5.10 ADJOURNMENT AND CONTINUANCE. The Board may adjourn any of its meetings in accordance with applicable laws, including but not limited to the Brown Act.
- 5.11 DISRUPTED MEETINGS. In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible, and order cannot be restored by the removal of individuals who were willfully interrupting the meeting, the Board may order the meeting room closed and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. The Board may establish a procedure for readmitting an individual or individuals not responsible for willfully disrupting the orderly conduct of the meeting.
- 5.12 MEDICAL STAFF REPRESENTATION. The Medical Staff of each Facility shall have the right of representation at all meetings of the Board, except closed sessions at which such representation is not requested, by and through the Chief of Staff or President of each Medical Staff, who shall have the right of attendance, the right to participate in Board discussions and deliberations, but who shall not have the right to vote.

ARTICLE VI. BOARD COMMITTEES

- 6.1 APPOINTMENT. Standing committees are established by the Board and shall be advisory in nature unless otherwise specifically authorized to act by the Board. Members of all committees, whether standing or special (ad hoc) shall be appointed by the Chairperson of the Board.
- 6.1.1 A standing committee of the Board is any commission, committee, board or other body, whether permanent or temporary, which is created by formal action of the Board and has continuing subject matter jurisdiction and/or a meeting schedule fixed by charter, ordinance, resolution, or formal action of the Board. Actions of committees shall be advisory in nature with recommendations being made to the full Board.

6.1.2 Special or ad hoc committees are appointed by the Chair of the Board and shall exist for a single, limited purpose with no continuing subject matter or jurisdiction. Special or advisory committees shall be advisory in nature and shall make recommendation to the full Board. The committee shall be considered disbanded upon conclusion of the purpose for which it was appointed.

6.1.3 The Audit Committee of the Board shall function pursuant to a charter approved by the Board and amended from time to time.

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.

6.2.2 Governance Committee.

- (a) Voting Membership. Membership shall consist of no more than three members of the Board and one alternate. The alternate shall attend and enjoy voting rights only in the absence of a voting Committee member.
- (b) Non-Voting Membership. The President and Chief Executive Officer, the General Counsel and the Chief marketing and Communication Officer.
- (c) Duties. The duties of the Committee shall include but are not limited to:
 - (i) Review periodically and make recommendations regarding pending and existing federal, state and local legislation which, in the committee's opinion, may impact the District;
 - (ii) Make an annual, comprehensive review of the District bylaws, policies and procedures and receive reports regarding same, and elicit recommendations on such issues from management;
 - (iii) Review any initiation of legislation;
 - (iv) Review such other issues associated with PPH and/or Board governance and its effectiveness, including but not limited to Board member orientation and continuing education;
 - (v) Make recommendations regarding the annual self-assessment of the Board; and
 - (vi) Perform such other duties as may be assigned by the Board.
 - (vii) The Committee will advise the Board on the appropriate structure and operations of all committees of the Board, including committee member qualifications;
 - (viii) The Committee will monitor developments, trends and best practices in corporate governance, and propose such actions to the full Board; and
 - (ix) The Committee will oversee, as it deems appropriate, an evaluation process of the Board and each of the Board Committees as well as an annual self-performance evaluation, and present its findings to the Board.

6.2.3 Human Resources Committee.

- (a) Voting Membership. Membership shall consist of no more than three members of the Board and one alternate. The alternate shall attend Committee meetings and enjoy voting rights only in the absence of a voting Committee member.
- (b) Non-Voting Membership. The President and Chief Executive Officer, Chief Human Resources Officer, the Chief Administrative Officers Palomar Medical Center and Pomerado Hospital and the Chief Nurse Executive.
- (c) Duties. The duties of the Committee shall include but are not limited to:
 - (i) Make recommendations to the President and Chief Executive Officer and the Board to improve communications among the Board, Medical Staffs, District employees and auxiliaries, including initiating special studies;
 - (ii) Maintain ultimate oversight of annual performance reviews of all District officers and employees and, in the appropriate circumstances and upon request by the Board, make a report of such reviews to the Board; and
 - (iii) 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 to the Board regarding modification of existing or creation of new policies and procedures; and
 - (iv) Review and make recommendations to the Board regarding compensation, incentive, and benefit plans offered to District Officers and other employees.
 - (v) Ensure that all special studies and recommendations/proposals are in alignment with the PPH mission, vision and strategic plan as well as government regulations.
 - (vi) Perform such other duties as may be assigned by the Board.
- (d) Meeting Requirement. The human resources committee will meet a minimum of six (6) times per year or more often if needed.

6.2.4 Strategic Planning Committee.

- (a) Voting Membership. The Committee shall consist of seven voting members, including four members of the Board and one alternate who shall attend Committee meetings and enjoy voting rights on the Committee only when serving as an alternate for a voting Committee member, the President and Chief Executive Officer and the Chiefs of Staff of the Hospitals or the designees of the Chiefs of staff, as approved by the Committee Chairperson.
- (b) Non-Voting Membership. The Chief Financial Officer, Chief Planning Officer, Chief Administrative Officers Palomar Medical Center and Pomerado Hospital, the Chief Nurse Executive, Chief Executive Officer of the Palomar Pomerado Health Foundation, a board member of the Palomar Pomerado Health Foundation

recommended by the Foundation and approved by the Committee Chairperson and an additional physician from each hospital as recommended by each hospital's Chief of Staff and as approved by the Committee Chairperson.

- (c) Duties. The duties of the Committee shall include but are not limited to:
- (i) Review and make recommendations to the Board regarding the District's short and long range strategic plans, master and Facility plans, physician development plans and strategic collaborative relationships; and
 - (ii) Review annually those policies within the Committee's 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
 - (iii) Undertake planning regarding physician recruitment and retention and program development of new and enhanced services and Facilities; and
 - (iv) Monitor new initiatives and programs; and
 - (v) Perform such other duties as may be assigned by the Board.

6.2.5 Quality Review Committee.

- (a) Voting Membership. The Committee shall consist of five voting members, including three members of the Board and the Chairs of Medical Staff Quality Management Committees of the Hospitals or Physician Co-Chair, Quality Council (voting position will rotate between Chairs of Medical Staff Quality Management Committees and Physician Co-Chair Quality Council allowing only two votes total for these three positions) and an alternate, who shall attend and enjoy voting rights only in the absence of a voting Committee Member.
- (b) Non-Voting Membership. The President and Chief Executive Officer, the Chief Administrators of Pomerado Hospital and Palomar Medical Center, a nurse representative, the Chief Quality and Clinical Effectiveness Officer, Chair of the Patient Safety Committee, the Physician Co-Chair of Quality Council or the Chairs of the Quality Management Committees of Pomerado Hospital and Palomar Medical Center (non-voting position will rotate between Chairs of Medical Staff Quality Management Committees, and Physician Co-Chair Quality Council allowing only two votes total for these three positions)
- (c) Duties. The duties of the Committee shall include but are not limited to:
- (i) Pursuant to the Palomar Pomerado Health Performance Improvement/Patient Safety Plan oversees the performance improvement, patient safety and risk management activities of the hospitals and other

facilities, if applicable, and shall periodically report this conclusion and recommendations to the Board; and

- (ii) Oversee the performance improvement and risk management activities of the Hospitals and other Facilities, if applicable, and shall periodically report its conclusions and recommendations to the Board.

6.2.6 Community Relations Committee.

- (a) Voting Membership. The Committee shall consist of five voting members, including three members of the Board and one alternate who shall attend Committee meetings and enjoy voting rights on the Committee only when serving as an alternate for a voting Committee member, the President and Chief Executive Officer and a Board member of the Palomar Pomerado Health Foundation recommended by the Foundation and approved by the Committee Chairperson.
- (b) Non-Voting Membership. The Chief Marketing and Communications Officer, the Community Outreach Director, the Chief Executive Officer of the Palomar Pomerado Health Foundation, the Director HealthSource, the Director Marketing and Public Relations, a nurse representative and a representative of each District Auxiliary, as approved by the Committee Chairperson.
- (c) Duties. The duties of the Committee shall include but are not limited to:
 - (i) Review and make recommendations to the Board regarding the District's community relations and outreach activities, including marketing, community education and wellness activities;
 - (ii) Review marketing policies to ensure that they support the District's mission and goals. Such policies shall include market research, specific and marketing program planning and development, and internal and external communications. The Committee shall report its review of such policies to the Board on a regular basis;
 - (iii) Serve as Board liaison to the Foundation and annually review, recommend and prioritize capital projects and contemplated funding requests to the Foundation's Board of Directors, and review annual reports from the Foundation regarding donations and projects funded during the previous year;
 - (iv) Review annually those policies within the Committee's 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;
 - (v) Advise the Board on issues relating to health care advisory councils and District grant procurements;

- (vi) Undertake planning regarding the District's community relations and outreach activities, including marketing, community education and wellness activities; and
- (vii) Perform such other duties as may be assigned by the Board.

6.2.7 Audit and Compliance Committee.

- (a) Voting Membership. The Audit Committee shall consist of no more than three members of the Board and one alternate. The alternate shall attend Committee meetings and enjoy voting rights only in the absence of a voting Committee member.
- (b) Non-Voting Membership. The President and Chief Executive Officer, Director of Audit Services, Director Corporate Compliance and Integrity and a representative from each Hospital's Medical Staff. Any District Executive, representative or director will attend as an invited guest.
- (c) Duties. The duties of the Committee shall include but are not limited to:
 - (i) Approve the overall audit scope;
 - (ii) Ensuring that audits are conducted in an efficient and cost effective manner;
 - (iii) Overseeing the organizations financial statements and internal controls;
 - (iv) Recommending to the Board a qualified firm to conduct an annual, independent financial audit;
 - (v) Recommending to the Board the approval of the organizations annual audit reports;
 - (vi) Review annually those policies 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
 - (vii) Assess and monitor the independent status of the outside independent auditors;
 - (viii) Direct special investigations for the Board;
 - (ix) Meet periodically in closed session with only committee members present.
 - (x) Perform such other duties as may be assigned by the Board.

6.2.8 Facilities and Grounds Committee.

- (a) Voting Membership. The Facilities and Grounds Committee shall consist of four voting members, including three members of the Board, and the President and Chief Executive Officer. 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.
- (b) Non-Voting Membership. Chief Administrative Officer Pomerado Hospital, the Chief Financial Officer (CFO) or designee, nurse representative from PMC or POM and the Director of Facilities Planning and Development. As needed, other appropriate relevant staff in engineering, architectural, planning and Compliance and a Physician Advisory Committee member may be requested to attend along with PPH staff to facilitate the work of the committee.
- (c) Duties. The duties of the Committee shall include but are not limited to:
 - (i) Review construction estimates and expenses for accuracy and architectural plans completeness and effectiveness;
 - (ii) Approve construction project change orders in accordance with applicable district law and PPH policies;
 - (iii) Receive reports from the Construction Manager and the Director of Facilities Planning and Development and recommend action to the Board regarding facilities design and maintenance;
 - (iv) Review regulations and reports regarding facilities and grounds from external agencies, accrediting bodies and insurance carriers and make recommendations for appropriate action regarding the same to the Board;
 - (v) Approve the annual Facilities Development Plan and regularly review updates on implementation of plan;
 - (vi) Receive a biannual Environment of Care report;
 - (vii) Perform such other duties as may be assigned by the Board.

6.3 **SPECIAL COMMITTEES**. Special or ad hoc committees may be appointed by the Chairperson for special tasks as circumstances warrant and upon completion of the task for which appointed such special committee shall stand discharged. The Chairperson shall make assignments on special committees, and/or individual Board member assignments, to assure that each Board member shall have equal participation on special committees or individual Board assignments throughout the year. Some of the functions that may be the topic of special committees include the review of new projects, the review of special bylaw changes or the review of the Bylaws periodically, the meeting with other public agencies or health facilities on a specific topic and the evaluation of the Board.

6.4 **ADVISORS**. A committee chairperson may invite individuals with expertise in a pertinent area to voluntarily work with and assist the committee. Such advisors shall not vote or be counted in

determining the existence of a quorum and may be excluded from any committee session in the discretion of the committee chairperson.

- 6.5 MEETINGS AND NOTICE. Meetings of a committee may be called by the Chairperson of the Board, the chairperson of the committee, or a majority of the committee's voting members. The chairperson of the committee shall be responsible for contacting alternate committee members in the event their participation is needed for any given committee meeting.
- 6.6 QUORUM. A majority of the voting members of a committee shall constitute a quorum for the transaction of business at any meeting of such committee. Each committee shall keep minutes of its proceedings and shall report periodically to the Board.
- 6.7 MANNER OF ACTING. The act of a majority of the members of a committee present at a meeting at which a quorum is present shall be the act of the committee so meeting. No act taken at a meeting at which less than a quorum was present shall be valid unless approved in writing by the absent members. Special committee action may be taken without a meeting by a writing setting forth the action so taken signed by each member of the committee entitled to vote.
- 6.8 TENURE. Each member of a committee described above shall serve a one year term, commencing on the first day of January after the annual organizational meeting at which he or she is elected or appointed. Each committee member shall hold office until a successor is elected, unless he or she sooner resigns or is removed from office by the Board.

ARTICLE VII. OFFICERS

- 7.1 CHAIRPERSON. The Board shall elect one of its members as Chairperson at an organizational regular meeting. In the event of a vacancy in the office of Chairperson, the Board may elect a new Chairperson. The Chairperson shall be the principal officer of the District and the Board, and shall preside at all meetings of the Board. The Chairperson shall appoint all Board committee members and committee chairpersons, and shall perform all duties incident to the office and such other duties as may be prescribed by the Board from time to time.
- 7.2 VICE CHAIRPERSON. The Board shall elect one of its members as Vice Chairperson at an organizational meeting. In the absence of the Chairperson, the Vice Chairperson shall perform the duties of the Chairperson.
- 7.3 SECRETARY. The Board shall elect one of its members Secretary at an organizational meeting. The Secretary shall provide for the keeping of minutes of all meetings of the Board. The Secretary shall give or cause to be given appropriate notices in accordance with these bylaws or as required by law and shall act as custodian of District records and reports and of the District's seal.
- 7.4 TREASURER. The Board shall appoint a Treasurer who shall serve at the pleasure of the Board. The Treasurer shall be charged with the safekeeping and disbursal of the funds in the treasury of the District. The Treasurer may be the chairperson of the Finance Committee.
- 7.5 TENURE. Each officer described above shall serve a one-year term, commencing on the first day of January after the organizational meeting at which he or she is elected to the position. Each officer

shall hold office until the end of the one year term, or until a successor is elected, unless he or she shall sooner, resign or is removed from office.

- 7.6 REMOVAL. An officer described above may be removed from office by the affirmative vote of four members of the Board not counting the affected Board member. In addition, an officer described above will automatically be removed from office when his or her successor is elected and is sworn in as a Board member.
- 7.7 PRESIDENT AND CHIEF EXECUTIVE OFFICER. The Board shall select and employ a President and Chief Executive Officer who shall report to the Board. The President and Chief Executive Officer shall have sufficient education, training, and experience to fulfill his or her responsibilities, which shall include but not be limited to:
- 7.7.1 Reviewing, recommending changes to, and implementing District Policies and Procedures. By working with standing and special committees of the Board and joint committees of the Medical Staffs of the Facilities, the President and Chief Executive Officer is to participate in the elaboration of policies which provide the framework for patient care of high quality at reasonable cost.
 - 7.7.2 Maintaining District records and minutes of Board and committee meetings.
 - 7.7.3 Overall operation of the District, its Facilities and other health services, including out-of-hospital services sponsored by the District. This includes responsibility for coordination among Facilities and services to avoid unnecessary duplication of services, facilities and personnel, and control of costs. This also includes responsibility for sound personnel, financial, accounting and statistical information practices, such as preparation of District budgets and forecasts, maintenance of proper financial and patient statistical records, collection of data required by governmental and accrediting agencies, and special studies and reports required for efficient operation of the District.
 - 7.7.4 Implementing community relations activities, including, as indicated, public appearances, responsive communication with the media.
 - 7.7.5 Assisting the Board in planning services and facilities and informing the Board of Governmental legislation and regulations and requirements of official agencies and accrediting bodies, which affect the planning and operation of the facilities, services and programs sponsored by the District, and maintenance appropriate liaison with government and accrediting agencies and implementing actions necessary for compliance.
 - 7.7.6 Ensuring the prompt response by the Board and/or District personnel to any recommendations made by planning, regulatory or accrediting agencies.
 - 7.7.7 Hiring and termination of all employees of the District. To the extent the President and Chief Executive Officer deems appropriate, the President and Chief Executive Officer shall delegate to the District Officers the authority to hire and terminate personnel of their respective hospitals or other entities.
 - 7.7.8 Administering professional contracts between the District and Practitioners.

- 7.7.9 Providing the Board and Board committee with adequate staff support.
 - 7.7.10 Sending periodic reports to the Board and to the Medical Staffs on the overall activities of the District and the Facilities, as well as pertinent federal, state and local developments that effect the operation of District Facilities.
 - 7.7.11 Providing liaison among the Board, the Medical Staffs, and the District's operating entities.
 - 7.7.12 The maintenance of insurance or self-insurance on all physical properties of the District.
 - 7.7.13 Designate other individuals by name and position who are, in the order or succession, authorized to act for the District Officers during any period of absence.
 - 7.7.14 Participating as a non-voting member in all meetings of standing committees of the Board unless authorized by the Board to be a voting member of a specific Committee.
 - 7.7.15 Such other duties as the Board may from time to time direct.
- 7.8 ADMINISTRATIVE OFFICERS. The President and Chief Executive Officer, with the approval of the Board, may select and employ an Administrative Officer or other responsible individual for each of the Facilities, who shall report to the President and Chief Executive Officer. The Administrative Officer or other responsible individual shall be responsible for the day-to-day administration of their respective Facilities. Specifically, each such individual shall:
- 7.8.1 Be responsible for implementing policies of the Board in the operation of the Facility.
 - 7.8.2 Provide the Facility's professional staff with the administrative support and personnel reasonably required to carry out their review and evaluation activities.
 - 7.8.3 Organize the administrative functions of the Facility, delegate duties, and establish formal means of accountability on the part of subordinates.
 - 7.8.4 Be responsible for selecting, employing, controlling and discharging employees, in accordance with the authority delegated by the President and Chief Executive officer.
 - 7.8.5 Assist the President and Chief Executive Officer and the Finance Committee in annually reviewing and updating a capital budget and preparing an operating budget showing the expected receipts and expenditures for the Facilities, and supervise the business affairs of the Facilities to assure that the funds are expended in the best possible advantage.
 - 7.8.6 Perform any other duty within the express or implicit terms of his or her duties hereunder that may be necessary for the interest of the Facilities.
 - 7.8.7 Be responsible for the maintenance of the Facility's property.
 - 7.8.8 Perform such other duties as the Board or President and Chief Executive Officer may from time to time direct.

7.9 SUBORDINATE OFFICERS. The President and Chief Executive Officer, with the approval of the Board, may select and employ, such other officers as the District may require, each of who shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

ARTICLE VIII.
MEDICAL STAFFS

8.1 ORGANIZATION.

8.1.1 There shall be separate Medical Staff organizations for each of the District's Hospitals with appropriate officers and bylaws and with staff appointments on a biennial basis. The Medical Staff of each Hospital shall be self-governing with respect to the professional work performed in that Hospital. Membership in the respective Medical Staff organization shall be a prerequisite to the exercise of clinical privileges in each Hospital, except as otherwise specifically provided in the Hospital's Medical Staff bylaws.

8.1.2 District Facilities other than the Hospitals may also have professional personnel organized as a medical or professional staff, when deemed appropriate by the Board pursuant to applicable law and Joint Commission on Accreditation of Healthcare Organizations ("JCAHO") and/or other appropriate accreditation standards. The Board shall establish the rules and regulations applicable to any such staff and shall delegate such responsibilities, and perform such functions, as may be required by applicable law and JCAHO and/or other appropriate accreditation standards. To the extent provided by such rules, regulations, laws and standards, the medical or professional staffs of such Facilities shall perform those functions specified in this Article VIII.

8.2 MEDICAL STAFF BYLAWS. Each Medical Staff organization shall propose and adopt by vote bylaws, rules and regulations for its internal governance which shall be subject to, and effective upon, Board approval, which shall not be unreasonably withheld. The bylaws, rules and regulations shall be periodically reviewed for consistency with Hospital policy and applicable legal or other requirements. The bylaws shall create an effective administrative unit to discharge the functions and responsibilities assigned to the Medical Staffs by the Board. The bylaws, rules and regulations shall state the purpose, functions and organization of the Medical Staffs and shall set forth the policies by which the Medical Staffs exercise and account for their delegated authority and responsibilities. The bylaws, rules and regulations shall also establish mechanisms for the selection by the Medical Staff of its officers, departmental chairpersons and committees.

8.3 MEDICAL STAFF MEMBERSHIP AND CLINICAL PRIVILEGES.

8.3.1 Membership on the Medical Staffs shall be restricted to Practitioners who are competent in their respective fields, worthy in character and in professional ethics, and who are currently licensed by the State of California. The bylaws of the Medical Staffs may provide for additional qualifications for membership and privileges, as appropriate.

8.3.2 While retaining its ultimate authority to independently investigate and/or evaluate Medical Staff matters, the Board hereby delegates to the Medical Staffs the responsibility and authority to carry out Medical Staff activities, including the investigation and

evaluation of all matters relating to Medical Staff membership, clinical privileges and corrective action. The Medical Staffs shall forward to the Board specific written recommendations, with appropriate supporting documentation that will allow the Board to take informed action, related to at least the following:

- (a) Medical Staff structure and organization;
- (b) The process used to review credentials and to delineate individual clinical privileges;
- (c) Appointing and reappointing Medical Staff members, and restricting, reducing, suspending, terminating and revoking Medical Staff membership;
- (d) Granting, modifying, restricting, reducing, suspending, terminating and revoking clinical privileges;
- (e) All matters relating to professional competency;
- (f) The process by which Medical Staff membership may be terminated; and
- (g) The process for fair hearing procedures.

8.3.3 Final action on all matters relating to Medical Staff membership, clinical privileges and corrective action shall be taken by the Board after considering the Medical Staff recommendations. The Board shall utilize the advice of the Medical Staff in granting and defining the scope of clinical privileges to individuals, commensurate with their qualifications, experience, and present capabilities. If the Board does not concur with the Medical Staff recommendation relative to Medical Staff appointment, reappointment or termination of appointment and granting or curtailment of clinical privileges, there shall be a review of the recommendation by a conference of two Board members and two members of the relevant Medical Staff, before the Board renders a final decision.

8.3.4 No applicant shall be denied Medical Staff membership and/or clinical privileges on the basis of sex, race, creed, color, or national origin, or on the basis of any other criterion lacking professional justification. The Hospitals shall not discriminate with respect to employment, staff privileges or the provision of professional services against a licensed clinical psychologist within the scope of his or her licensure, or against a physician, dentist or podiatrist on the basis of whether the physician or podiatrist holds an M.D., D.O, D.D.S., D.M.D. or D.P.M. degree. Wherever staffing requirements for a service mandate that the physician responsible for the service be certified or eligible for certification by an appropriate American medical board, such position may be filled by an osteopathic physician who is certified or eligible for certification by the equivalent appropriate American Osteopathic Board.

8.4 PERFORMANCE IMPROVEMENT.

8.4.1 The Medical Staffs shall meet at regular intervals to review and analyze their clinical experience, in order to assess, preserve and improve the overall quality and efficiency of patient care in the Hospitals and other District Facilities, as applicable. The medical

records of patients shall be the basis for such review and analysis. The Medical Staffs shall identify and implement an appropriate response to findings. The Board shall further require mechanisms to assure that patients with the same health problems are receiving a consistent level of care. Such performance improvement activities shall be regularly reported to the Board.

8.4.2 The Medical Staffs shall provide recommendations to the Board as necessary regarding the organization of the Medical Staffs' performance improvement activities as well as the processes designed for conducting, evaluating and revising such activities. The Board shall take appropriate action based on such recommendations.

8.4.3 The Board hereby delegates to the Medical Staffs the responsibility and authority to carry out these performance improvement activities. The Board, through the President and Chief Executive Officer, shall provide whatever administrative assistance is reasonably necessary to support and facilitate such performance improvement activities.

8.5 MEDICAL RECORDS. A complete and accurate medical record shall be prepared and maintained for each patient.

8.6 TERMS AND CONDITIONS. The terms and conditions of Medical Staff membership, and of the exercise of clinical privileges, shall be as specified in the Hospitals' Medical Staff bylaws.

8.7 PROCEDURE. The procedure to be followed by the Medical Staff and the Board in acting on matters of membership status, clinical privileges, and corrective action, shall be specified in the applicable Medical Staff bylaws.

8.8 APPELLATE REVIEW. Any adverse action taken by the Board with respect to a Practitioner's Staff status or clinical privileges, shall, except under circumstances for which specific provision is made in the Medical Staff bylaws, be subject to the practitioner's right to an appellate review in accordance with procedures set forth in the bylaws of the Medical Staffs.

ARTICLE IX. AUXILIARY ORGANIZATIONS

9.1 FORMATION. The Board may authorize the formation of auxiliary organizations to assist in the fulfillment of the purposes of the District. Each such organization shall establish its bylaws, rules and regulations, which shall be subject to Board approval and which shall not be inconsistent with these bylaws or the policies of the Board.

9.2 EXISTING ORGANIZATIONS. The Palomar Medical Center Auxiliary and the Pomerado Hospital Auxiliary are existing auxiliary organizations to assist in the fulfillment of the purposes of the District, both of which have been authorized, and their bylaws approved, by the Board.

ARTICLE X. CLAIMS AND JUDICIAL REMEDIES

10.1 CLAIMS. The District is subject to Division 3.6 of Title 1 of the California Government Code, pertaining to claims against public entities. The Chief Executive Officer or his designee is authorized to perform those functions of the Board specified in Part 3 of that Division, including the allowance,

compromise or settlement of any claims if the amount to be paid from the District's treasury does not exceed \$50,000. Any allowance, compromise or settlement of any claim in which the amount to be paid from the District's treasury exceeds \$10,000 shall be approved personally by the Chief Executive Officer rather than his or her designee.

10.2 JUDICIAL REVIEW. The California Code of Civil Procedure shall govern the rights of any person aggrieved by any decision of the Board or the District, including but not limited to an action taken pursuant to Article VIII of these Bylaws.

10.3 CLAIMS PROCEDURE. Notwithstanding any exceptions contained in Section 905 of the Government Code, no action based on a claim shall be brought against the District unless presented to the District within the time limitations and in the manner prescribed by Government Code Section 910 *et seq.*, and shall be further subject to Section 945.4 of the Government Code.

**ARTICLE XI.
AMENDMENT**

These bylaws may be amended or repealed by vote of at least four members of the Board at any Board meeting. Such amendments or repeal shall be effective immediately, except as otherwise indicated by the Board.

SECRETARY'S CERTIFICATE

I, the undersigned, the duly appointed, qualified and acting Secretary of the Board of Directors for Palomar Pomerado Health, do hereby certify that attached hereto is a true, complete and correct copy of the current Bylaws of Palomar Pomerado Health.

Dated: _____, 2008

Secretary

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LAIF Depository Account

TO: Board of Directors

MEETING DATE: Monday, April 14, 2008

FROM: Board Finance Committee
Tuesday, March 25, 2008

BY: Bob Hemker, CFO

Background: The Local Agency Investment Fund (LAIF) in the State Treasury is an investment fund available to government entities. PPH currently utilizes the LAIF for some working capital and Management is seeking to utilize it as a depository for current authorized bond proceeds. A separate resolution is required by LAIF for the deposit of bond proceeds. The application to deposit, along with the requisite resolution, was presented at the Board Finance Committee meeting for review and approval.

Budget Impact: N/A

Staff Recommendation: Staff recommended that authorization be given to utilize the LAIF as a depository for current authorized bond proceeds from the General Obligation Bonds, Election of 2004, Series 2007A, including approval of the requisite resolution.

Committee Questions:

COMMITTEE RECOMMENDATION: The Board Finance Committee recommends that authorization be given to utilize the LAIF in the State Treasury as a depository for the current authorized bond proceeds from the General Obligation Bonds, Election of 2004, Series 2007A GO Bond issue.

Motion:

Individual Action: X

Information:

Required Time:

STATE OF CALIFORNIA
OFFICE OF THE STATE TREASURER
LOCAL AGENCY INVESTMENT FUND
P.O. BOX 942809
SACRAMENTO, CA 94209-0001
(916) 653-3001

APPLICATION TO DEPOSIT BOND PROCEEDS

Name and Address of Local Agency (Issuer) Palomar Pomerado Health
15255 Innovation Drive
San Diego, CA 92128

Title of Bond Issue Palomar Pomerado Health
General Obligation Bonds
Election of 2004, Series 2007A

Principal Amount \$ 241,083,000

- 1) The undersigned is an officer of the district and is authorized to execute this document.
- 2) The Issuer requests permission to deposit \$ 241,083,000 of the above-named bond issue in the Local Agency Investment Fund. Attached to this form is an estimated monthly drawdown schedule.
 - It will be necessary for an authorized representative to contact the Local Agency Investment Fund to initiate a bond proceeds deposit transfer.
- 3) Attached to or accompanying this form is a copy of the Official Statement for the Bond Issue.

PALOMAR POMERADO HEALTH

Name of Local Agency

- 4) The Agency understands and acknowledges that the Local Agency Investment Fund will not provide any special services or information relating to investment methods or earnings on the bond proceeds being deposited, besides its normal policies, by which the Agency will be credited quarterly with its proportionate share of investment earnings of the State's Pooled Money Investment Account (PMIA), minus an administrative charge of no more than one-half of one percent of the earnings. The State believes that, for the purposes of the Agency's calculation of "arbitrage rebate" under Section 148 of the Internal Revenue Code of 1986, the PMIA qualifies as a "commingled fund" within the meaning of the Treasury regulations Section 1.148-4. The State will not perform any rebate calculations, which are entirely the responsibility of the Agency.

Signature (Must be authorized on Resolution)

ROBERT A. HEMKER

Print Name

CHIEF FINANCIAL OFFICER

Title

Date

858-675-5567

Telephone #

Trustee Bond Account Resolution

RESOLUTION NO. 04.14.08 (02) – 04

RESOLUTION OF THE BOARD OF DIRECTORS OF PALOMAR POMERADO HEALTH AUTHORIZING DEPOSIT AND WITHDRAWAL OF BOND PROCEEDS IN THE LOCAL AGENCY INVESTMENT FUND

WHEREAS, Pursuant to Chapter 730 of the statutes of 1976, Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Directors ("the Board") of Palomar Pomerado Health ("the District") does hereby find that the deposit and withdrawal of proceeds from bonds, notes, certificates of participation, or other forms of indebtedness ("proceeds") in the Local Agency Investment Fund in accordance with the provisions of Government Code Section 16429.1 is in the best interest of the District and the holders of the District's indebtedness.

NOW, THEREFORE, BE IT RESOLVED that the Board does hereby authorize the deposit and withdrawal of District proceeds in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Government Code Section 16429.1 for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that regard; and,

BE IT FURTHER RESOLVED, that the following trustee or fiscal agent of the District shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund: ROBERT A. HEMKER, CFO, until the District notifies the Local Agency Investment Fund in writing of any change in the trustee or fiscal agent.

PASSED AND ADOPTED at a meeting of the Board of Directors of Palomar Pomerado Health held on April 14, 2008, by the following vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

Dated: April 14, 2008

BY: _____
Bruce G. Krider, MA
Chair, Board of Directors
Palomar Pomerado Health

ATTESTED:

Linda Bailey
Secretary, Board of Directors
Palomar Pomerado Health

Note: Resolution must be adopted by the governing body. Please submit an original resolution or a certified copy of the resolution to LAIF. A certified copy is 1) a copy of the resolution affixed with the seal of the agency or 2) a copy of the resolution attested by the City Clerk/Board Secretary with his/her original signature. Resolutions received by LAIF supersede current resolutions on file with LAIF unless otherwise specified. (Revised July 30, 2007)

LOCAL AGENCY INVESTMENT FUND
AGENCY BOND ACCOUNT

AGENCY NAME PALOMAR POMERADO HEALTH PHONE # (858) 675-5567
 ADDRESS 15255 Innovation Drive FAX # (858) 675-5132
San Diego, CA 92128

BANKING INFORMATION *

**CORRESPONDENT BANK
(STO RECEIVING BANK)**

BANK NAME Bank of America	ACCOUNT # 1450450006	
BRANCH #	ABA# 0260-0959-3	
ADDRESS 450 'B' Street, Suite 100		
San Diego, CA 92101		
TELEPHONE # (619) 515-7531		

*Subject to verification by State Treasurer's Office (STO)

AUTHORIZATION FOR TRANSFER OF FUNDS

NAME	TITLE	SIGNATURE Ω
ROBERT HEMKER	CFO	
TIM NGUYEN	CORPORATE CONTROLLER	
STEPHANIE SCHULTE	MANAGER - GENERAL ACCOUNTING	

Ω Indicates LAIF account authorization and that bank information is accurate and true

AUTHORIZED SIGNATURE FROM RESOLUTION

AUTHORIZED SIGNATURE FROM RESOLUTION

PLEASE MAIL COMPLETED DOCUMENT TO:

STATE TREASURER'S OFFICE
 LOCAL AGENCY INVESTMENT FUND
 PO BOX 942809
 SACRAMENTO, CA 94209-0001
 (916) 653-3001

OVERNIGHT
 915 CAPITAL MALL ROOM 106
 SACRAMENTO, CA 945814

ESTIMATED DRAWDOWN SCHEDULE

PALOMAR POMERADO HEALTH

Name of Local Agency

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
7/2008	\$11,400,000	7/2009	\$21,300,000
8/2008	\$11,400,000	8/2009	\$17,183,000
9/2008	\$11,400,000		
10/2008	\$15,700,000		
11/2008	\$15,600,000		
12/2008	\$15,600,000		
1/2009	\$19,900,000		
2/2009	\$19,900,000		
3/2009	\$19,900,000		
4/2009	\$20,600,000		
5/2009	\$20,600,000		
6/2009	\$20,600,000		

Signature (Must be authorized on Resolution)

Date

*** PLEASE NOTE ***

- 1) **Bond Proceeds may be withdrawn 30 calendar days from date of initial deposit and each 30 calendar day period thereafter.**
- 2) **Should a drawdown date fall on a weekend or holiday it will be moved to the first business day following.**
- 3) **Please provide LAIF with 24 hours notice when making a drawdown of \$10 million or more.**