

PALOMAR  
POMERADO  
HEALTH  
SPECIALIZING IN YOU

**BOARD OF DIRECTORS  
AGENDA PACKET**

July 13, 2009

*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**  
**Linda C. Greer, RN, Vice Chairman**  
**Nancy L. Bassett, RN, MBA, Secretary**  
**T. E. Kleiter, Treasurer**  
**Marcelo R. Rivera, MD**  
**Alan W. Larson, MD**  
**Jerry Kaufman, MAPT**

**Michael H. Covert, FACHE, 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](http://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, July 13, 2009  
Commences 6:30 p.m.**

**Pomerado Hospital  
Meeting Room E  
15615 Pomerado Road  
Poway, CA 92064**

**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>
<b>I. CALL TO ORDER</b>		
<b>II. OPENING CEREMONY</b>	2	
A. Pledge of Allegiance		
<b>III. PUBLIC COMMENTS</b>	5	
<i>(5 mins allowed per speaker with cumulative total of 15 min per group – for     further details &amp; policy see Request for Public Comment notices available     in meeting room).</i>		
<b>IV. * MINUTES</b>	5	5-13
Regular Board Meeting – June 08 <sup>th</sup> , 2009		
<b>V. * APPROVAL OF AGENDA to accept the Consent Items as listed</b>	5	14-23
A. May 2009 & YTD FY2009 Financial Report ( <i>Addendum A</i> )		
B. Approval of Revolving, Patient Refund and Payroll Fund Disbursements–May, 2009		
1. Accounts Payable Invoices	\$43,168,191.00	
2. Net Payroll	<u>\$15,523,121.00</u>	
Total	<u>\$58,691,312.00</u>	
C. Ratification of Paid Bills		
D. Medical Director Golembeski		
E. Medical Foundation		
<b>VI. * PRESENTATIONS</b>		
A. North Inland Community Prevention Program (NICPP) – <i>Mary Anne Dijak</i>	10	24-43
<i>“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”</i>		

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

Illegal Drug Paraphernalia Resolution

**VII. REPORTS**

- |  |    |               |
|--|----|---------------|
| A. <b><u>Medical Staffs</u></b>  | 15 | 44-51         |
| * 1. Palomar Medical Center – <i>John Lilley, M.D.</i>                         |    |               |
| a. Credentialing/Reappointments  |    |               |
| * 2. Pomerado Hospital – <i>Frank Martin, M.D.</i>                             |    |               |
| a. Credentialing/Reappointments  |    |               |
| <br>B. <b><u>Administrative</u></b>  |    |               |
| 1. <u>Chairman of Palomar Pomerado Health Foundation</u> – <i>Bill Chaffin</i> |    |               |
| a. Update on PPHF Activities   | 5  | Verbal Report |
| 2. <u>Chairman of the Board</u> – <i>Bruce Krider</i>                          | 15 | Verbal Report |
| 3. <u>President and CEO</u> – <i>Michael H. Covert, FACHE</i>                  | 10 | Verbal Report |

**VIII. INFORMATION ITEMS**      *(Discussion by exception only)*

52-56

- A. Human Resources – Leadership Development Plan
- B. Strategic Planning – Financial and Capital Plan
- C. Strategic Planning – Criteria for Capital Allocation
- D. Strategic Planning – Healthcare Environment Considerations
- E. Strategic Planning – Programs in Pomerado Outpatient Pavilion

**IX. COMMITTEE REPORTS**      *(Minutes available on the Leadership Drive)*

15

57-70

- A. **Internal Audit and Compliance Committee** – *Did not meet in June*
- B. **Governance Committee** – *Did not meet in June*
- C. **Human Resources Committee**
- D. **Community Relations** – *Did not meet in June*
- \* E. **Facilities and Grounds** – *DPR Contract*
- F. **Board Quality Review Committee**
- G. **Finance Committee**
- H. **Strategic Planning Committee**

I. **Other Committee Chair Comments on Committee Highlights** *(standing item)*

**X. BOARD MEMBER COMMENTS/AGENDA ITEMS  
FOR NEXT MONTH**

**XI. ADJOURNMENT**

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

**Palomar Pomerado Health**  
**BOARD OF DIRECTORS**  
**REGULAR BOARD MEETING**  
Pomerado Hospital/ Meeting Room E  
Monday, June 08<sup>th</sup>, 2009

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<b>CALL TO ORDER</b>	6:30 pm Quorum comprised Directors Bassett, Greer, Kaufman, Kleiter, Larson and Rivera.  Absent: Chairman Krider		
<b>OPENING CEREMONY</b>	The Pledge of Allegiance was recited in unison.		
<b>MISSION AND VISION STATEMENTS</b>	The PPH mission and vision statements are as follows:  <i>The mission of Palomar Pomerado Health is to heal, comfort and promote health in the communities we serve.</i>  <i>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.</i>		
<b>NOTICE OF MEETING</b>	Notice of Meeting was mailed consistent with legal requirements		
<b>PUBLIC COMMENTS</b>	Judie Gahagan, a critical care nurse, spoke about the cost of Magnet and stated her opinion on the impact of Magnet at PPH. Donald Bush, a CHEU member, spoke about the pension and health care benefits at PPH. Maria Perez, a CHEU member, spoke about the need for affordable health benefits and the pension plan. Pacita Balcom, CHEU Vice-President, spoke about the need for the best healthcare benefits and pension. She stated that there should be an increase in insured workers.		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	<p>John Mendez, a CNA representative, spoke about the relationship with the hospital being built on mutual respect. He stated his opinion about the amount of take-aways on the table at this stage of the negotiations process. He asked to have the negotiators directed back to the table.</p> <p>Herminia Filares asked that health benefits not be priced out.</p> <p>Margie Camomile, a PPH employee, spoke about the pension and the pension matching as well as healthcare benefits.</p> <p>Bonnie McKinney, a PPH employee, spoke about the upcoming contract. She stated her opinion on fair compensation and the hard work of fellow employees. Ms. McKinney spoke about maximizing the resources and budget as well as the Magnet designation.</p> <p>Patricia Hirst, an Escondido resident and CNA negotiation team member, spoke about her reasons for returning to be a PPH employee. Ms. Hirst asked the Board to bring a contract that could be ratified with enthusiasm.</p> <p>Darlene Roy, a PPH employee, spoke about the Magnet recognition and asked the Board to make sure that the nurses were retained and cared for.</p> <p>Director Greer thanked everyone for coming and sharing their opinions with the Board.</p>		
<p><b>APPROVAL OF MINUTES</b></p> <ul style="list-style-type: none"> <li>Regular Board Meeting May 11, 2009</li> </ul>		<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Bassett and carried to approve the May 11, 2009 Regular Board minutes as submitted.</p> <p>All in favor. None opposed.</p>	
<p><b>APPROVAL OF AGENDA to accept the Consent Items as listed</b></p> <p><b>A.</b> April 2009 &amp; YTD FY2009 Financial Report (Addendum A)</p> <p><b>B.</b> Approval of Revolving,</p>		<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Kaufman and carried to approve the Consent Items A – H as submitted.</p> <p>All in favor. None opposed.</p>	



AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	<p>and the factors leading to the increases in health care insurance premiums were reviewed.</p> <p>Key facts about California hospitals were presented and legislative issues were outlined. The FY10 Federal Budget's impact on Medicare, Medicaid, health care coverage, workforce and health care reform were reviewed. The presentation concluded with the impact on healthcare information technology.</p>		
<b>REPORTS</b>			
<b>Medical Staff</b>			
<b>Palomar Medical Center</b>			
<ul style="list-style-type: none"> <li><b>Credentialing</b></li> </ul>	John J. Lilley, MD., Chief of PMC Medical Staff, presented PMC's requests for approval of Credentialing Recommendations.	<p><b>MOTION:</b> by Greer, 2<sup>nd</sup> by Kleiter and carried to approve the PMC Medical Staff Executive Committee credentialing recommendations for the PMC Medical Staff, as presented.</p> <p>Director Larson abstained. Five in favor. None opposed.</p>	
<b>Pomerado Hospital</b>			
<ul style="list-style-type: none"> <li><b>Credentialing</b></li> </ul>	Frank Martin, MD., Chief of Pomerado Medical Staff, presented Pomerado Hospital's requests for approval of Credentialing Recommendations.	<p><b>MOTION:</b> by Kaufman, 2<sup>nd</sup> by Kleiter and carried to approve the Pomerado Hospital Medical Staff Executive Committee credentialing recommendations for the Pomerado Medical Staff, as presented.</p> <p>Director Larson abstained. Five in favor. None opposed.</p>	
<b>Administrative</b>			
<b>Chairman - Palomar Pomerado Health Foundation</b>	<i>Al Stehly</i>		
<b>Foundation Updates</b>	Mr. Stehly spoke about the annual Foundation elections and stated that Bill Chaffin was elected as the new Chairman. There are currently 13 Board members with a maximum allotment of 35 and the Foundation is looking to fill additional seats.		



AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	<p>The campaign theme has been decided and is “Building Your Healthcare System of the Future.”</p> <p>Saturday, June 13<sup>th</sup> is the second annual Night of Nights Gala and is sold out. The funded auction will support the trauma department at the new hospital and there are 150 items in the silent auction. The Foundation will be sending out a list of attendees to all Leadership later this week. Upon checking in, Leadership will be given a ribbon signifying them as PPH employees. This years Gala has already generated as much money as last year’s Gala and this is prior to the auction.</p> <p>The Foundation is in the process of planning a joint meeting of the Foundation and PPH Boards.</p> <p>The Foundation has changed accounting firms and selected the firm of Klinginsmith, Kincaid and Klein.</p> <p>The PMC West topping off party will be held Friday, July 10<sup>th</sup> at 3:00pm.</p>		
<b>PPHF Board approved gift acceptance polices</b>	Mr. Stehly reviewed the PPHF Board approved gift acceptance policy. Mr. Stehly highlighted how to recognize gifts for campaigns.		
<b>PMC West Naming Opportunities</b>	Mr. Stehly reviewed the Board policy for naming opportunities t PMC West, East and POM. Mr. Stehly asked for approval at the July meeting.		
<b>Chairman of the Board - Palomar Pomerado Health</b>	<i>Vice Chair Linda Greer in for Chairman Bruce Krider</i>		
	<p>Director Greer thanked the Board for her time as interim Board Chair.</p> <p>Director Greer spoke about the CSUSM School of Nursing’s first graduation ceremony. Director Greer stated that the Board is proud of the graduates and thanked Lorie Shoemaker.</p>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	<p>Director Greer announced that the budget process has been completed and stated the need to tighten spending across the board. Director Greer thanked all of the EMT for their hard work in finalizing the budget.</p>		
<b>President and CEO</b>	<i>Michael Covert, President and CEO</i>		
<b>Recognition of Lawrence Koenig, MD, Medical Director of Expresscare</b>	<p>Mr. Covert spoke about appearing before the City Council for approval of the Rancho Penasquitos Outpatient Wellness Center. The City Council chose not to take action until they could agree on the right zoning for the application and sent it back to staff. There will be more discussions to follow in August or September.</p> <p>PPH received a response from the Grand Jury regarding PPH's contractual agreement with Kaiser. Last Thursday the Grand Jury declared that there were no irregularities in the PPH/Kaiser contract and that PPH was appropriate in redacting segments as trade secrets. The Grand Jury foreman complemented Mr. Hemker as a primary reason for the case being dismissed.</p> <p>The Board goals for the next year will be presented at the July Strategic Planning committee and then brought to the full Board for approval.</p> <p>Negotiations with AETNA, Blue Shield, and Blue Cross should be finalized by the end of June though the latter two will be a challenge. Mr. Covert stated that he thinks that they will meet their obligations and continue in a successful relationship with PPH.</p> <p>Mr. Covert recognized Dr. Koenig and Vicky Lister for their work in assisting PPH in establishing the first Express Care clinic.</p> <p>Mr. Covert spoke about the town hall meetings</p>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	and the questions regarding staying competitive in the marketplace. Mr. Covert stated his desire to remain competitive during these challenging economic times. PPH is and will continue to do the right thing by the staff, employees, and community. There will be more to follow on the union negotiations.		
<b>INFORMATION ITEMS</b>	<i>Discussion by exception only</i>		
▪ <b>Internal Audit and Compliance</b>	▪ Internal Audit and Compliance – OIG Work Plan		
▪ <b>Governance</b>	▪ Governance - Political Activity on PPH Property (Gov 27) ▪ Governance – Media Relations (Gov 21)		
<b>COMMITTEE CHAIR COMMENTS</b>			
• <b>Internal Audit</b>	Dir Larson and Dir Kaufman spoke about the search for the Dir of Corp Compliance and that there are two finalists at this point. Both candidates are outstanding candidates and meet the needs of the organization. A decision should be made in the next couple of weeks. Dir Greer thanked the Ad Hoc committee of Larson and Kaufman.		
• <b>Governance</b>	The Governance committee reviewed policies Gov 27 and Gov 21 as well as current legislation/pending bills. Dir Greer thanked Dir Kaufman for his contributions to the Governance committee.		
• <b>Human Resources</b>	Dir Bassett stated that a policy has been passed by the HR committee to inform staff when an employee has passed away so that condolences may be extended or services may be attended. The policy will come before the full Board for approval at the July Board meeting. Dir Bassett stated that the number of RNs hired in 2008 was 297 and so far in 2009 there have been 257 hired.		
• <b>Strategic Planning</b>	Dir Larson spoke about the matrix of financial criteria for Strategic priorities. Mr. Hemker presented the information at the June Strategic		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	Planning meeting and it has been sent back to EMT for use in ranking projects based on dollars.		
<ul style="list-style-type: none"> <li><b>Community Relations</b></li> </ul>	Directors Greer, Kaufman and Rivera participated in the LT school events this week. The students running in the events received autographed photos of LT. LT also toured the PMC and POM campuses. The Board members felt that the events were very successful and appreciated being involved.		
<ul style="list-style-type: none"> <li><b>Board Facilities and Grounds</b></li> </ul>	Dir Rivera stated that PMC West is on schedule. The committee also discussed permitting and licensing facilities in Ramona as well as the ongoing discussion in Rancho Penasquitos with community members. Presentations on the Nordal Bridge and Citricado Parkway were made by the City of Escondido. The construction contract with DPR should be completed in July and the Green Roof might be eligible for government funding or carbon credits. Alternatives for solar energy are being looked into where appropriate and the outsourcing of Power Plant was discussed.		
<ul style="list-style-type: none"> <li><b>Board Quality Review</b></li> </ul>	Dir Rivera stated that PPH is doing well on the Balanced Scorecard and doing excellent in safety.		
<ul style="list-style-type: none"> <li><b>Finance</b></li> </ul>	Dir Kleiter stated that the Finance committee reviewed and approved of the budget. The independent citizen's oversight committee for general obligation bonds had four vacancies. Two of the four candidates that applied qualified as tax payer organizations. All four applicants were appointed.		
<b>BOARD MEMBER COMMENTS and AGENDA ITEMS FOR NEXT MONTH</b>	<p>Dir Kleiter will be away 06.10.09 – 06.12.09 and 06.17.09 – 06.19.09.</p> <p>Dir Rivera has forwarded articles to the Board regarding the use of technology in healthcare for medical records.</p> <p>Dir Rivera spoke about the bundle payments for physicians.</p>		

<b>AGENDA ITEM</b>	<b>DISCUSSION</b>	<b>CONCLUSIONS/ACTION</b>	<b>FOLLOW-UP/RESPONSIBLE PARTY</b>
<b>ADJOURNMENT</b>	<b>8:05p.m.</b>		
<b>SIGNATURES</b> <ul style="list-style-type: none"> <li>▪ <b>Board Secretary</b></li> <li>▪ <b>Board Assistant</b></li> </ul>	<hr/> <b>Nancy Bassett, RN, MBA</b>  <hr/> <b>Nicole Dennis</b>		

## May 2009 & YTD FY2009 Financial Report

**TO:** Board of Directors

**MEETING DATE:** Monday, July 13, 2009

**FROM:** Robert Hemker, CFO

**BY:** Board Finance Committee  
Tuesday, June 30, 2009

**Background:** The Board Financial Reports (unaudited) for May 2009 and YTD FY2009 are submitted for the Board's approval.

**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 May 2009 and YTD FY2009 as presented.

**Motion:** X

**Individual Action:**

**Information:**

**Required Time:**

**PALOMAR POMERADO HEALTH  
CONSOLIDATED DISBURSEMENTS  
FOR THE MONTH OF  
MAY 2009**

05/01/09	TO	05/31/09	ACCOUNTS PAYABLE INVOICES	\$	43,168,191
05/01/09	TO	05/29/09	NET PAYROLL	\$	<u>15,523,121</u>
				\$	<b>58,691,312</b>

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, D. Tam

**Independent Contractor Agreement  
With David Golembeski, M.D.  
Medical Advisor for the Home Health Maternal Infant Program**

**TO:** Board of Directors

**MEETING DATE:** Monday, July 13, 2009

**FROM:** Elissa Hamilton, RN, CNA-BC, MBA, Director Home Health

**BY:** Board Finance Committee  
Tuesday, June 30, 2009

**BACKGROUND:** The Home Health Maternal Infant Program is in need of a Medical Advisor. David Golembeski, M.D., has served in the past as the Medical Advisor for the Welcome Home Baby Grant. He is familiar with the Home Health program and would offer education and clinical advisory oversight.

**BUDGET IMPACT:** Budgeted for FY2010

**STAFF RECOMMENDATION:** Approval

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:** The Board Finance Committee recommends approval of the one-year **[July 1, 2009 to June 30, 2010]** Independent Contractor Agreement with David Golembeski, M.D., as Medical Advisor for the Home Health Maternal Infant Program.

**Motion:** X

**Individual Action:**

**Information:**

**Required Time:**



**PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT**

Section Reference	Term/Condition	Term/Condition Criteria
	<b>TITLE</b> Independent Contractor Agreement: Medical Advisor to the Home Health Maternal Infant Program.	Dr. Golembeski (Contractor) shall provide consulting services on an as-needed basis as agreed to between Contractor and PPH. Contractor will serve as medical advisor to the Home Health Maternal Infant Program.
	<b>AGREEMENT DATE</b>	July 1, 2009 through June 30, 2010
	<b>PARTIES</b>	PPH (Home Health Department) and David Golembeski, MD
	<b>PURPOSE</b>	Medical Advisor to the Home Health Maternal Infant Program
	<b>SCOPE OF SERVICES</b>	Contractor shall provide consulting services on an as-needed basis as agreed to between Contractor and PPH. Contractor will conduct annual in-services of Maternal/Infant Health care issues; attend Ad-hoc committee meetings as requested; conduct monthly chart reviews/plan of care oversight and attend Professional Advisory Committee Meetings held three times per year.
	<b>PROCUREMENT METHOD</b>	<input type="checkbox"/> Request For Proposal <input type="checkbox"/> Discretionary
	<b>TERM</b>	One year
	<b>RENEWAL</b>	
	<b>TERMINATION</b>	30 day written notice without cause
	<b>COMPENSATION METHODOLOGY</b>	Monthly payment on or before the 15 <sup>th</sup> of the month with supporting documentation.
	<b>BUDGETED</b>	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	<b>EXCLUSIVITY</b>	<input type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	<b>JUSTIFICATION</b>	Education for Maternal Infant Home Health staff. Medical Advisor as needed for staff/medical staff/patient related issues.
	<b>AGREEMENT NOTICED</b>	<input type="checkbox"/> YES <input type="checkbox"/> NO Methodology & Response:
	<b>ALTERNATIVES/IMPACT</b>	
	<b>Duties</b>	<input checked="" type="checkbox"/> Provision for Staff Education <input type="checkbox"/> Provision for Medical Staff Education <input checked="" type="checkbox"/> Provision for participation in Quality Improvement <input type="checkbox"/> Provision for participation in budget process development
	<b>COMMENTS</b>	
	<b>APPROVALS REQUIRED</b>	<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

## **INDEPENDENT CONTRACTOR AGREEMENT**

This Independent Contractor Agreement ("Agreement") is entered into by and between David Golembeski, MD ("Contractor"), with a principal place of business at 3020 Children's Way; San Diego, CA 92123 and Palomar Pomerado Health, a local healthcare district organized pursuant to Division 23 of the California Health and Safety Code ("PPH"), with a principal place of business at 15255 Innovation Drive, San Diego, California 92128.

WHEREAS, Contractor is a medical doctor with necessary privileges to practice medicine at PPH's medical facilities. Contractor shall provide consulting services on an as-needed basis as agreed to between Contractor and PPH. Contractor will serve as medical advisor to the Home Health Maternal Infant Program.

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

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

### **1. DUTIES OF CONTRACTOR**

#### **1.1 Scope of Services:**

1.1.1 Contractor shall provide consulting services on an as-needed basis as agreed to between Contractor and PPH. Contractor will serve as medical advisor to the Home Health Maternal Infant Program. Contractor will conduct annual in-services of Maternal/Infant Health care issues; attend Ad-hoc committee meetings as requested; conduct monthly chart reviews/plan of care oversight and attend Professional Advisory Committee Meetings held three (3) times per year. Aside from officially scheduled meetings or work, Contractor shall not engage in any billable activities under this Agreement without the prior permission of PPH. PPH may limit the number of hours worked under this Agreement to one-two (1-2) per month (20 hours/year).

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

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

## Medical Foundation Formation: 1206(I)

**TO:** Board of Directors

**MEETING DATE:** Monday, July 13, 2009

**FROM:** Robert Trifunovic, MD

**BY:** Board Finance Committee  
Tuesday, June 30, 2009

**Background:** A Business Model to facilitate growth of primary care and needed specialties for the District. Approval of the attached non-binding Letter of Intent would allow PPH and Centre for HealthCare to proceed with creation of structure, governance, and professional service agreements within the Foundation Model.

**Budget Impact:** At this point, the current request of the Committee has no fiscal impact to the Finances of the District, except for already-budgeted consultancy fees.

**Staff Recommendation:** Approval

### Committee Questions:

**COMMITTEE RECOMMENDATION:** The Board Finance Committee recommends approval of the non-binding Letter of Intent, allowing PPH and Centre for HealthCare to proceed with creation of structure, governance, and professional service agreements within the Foundation Model.

**Motion:** X

**Individual Action:**

**Information:**

**Required Time:**

## **LETTER OF INTENT**

THIS LETTER OF INTENT is made effective on the \_\_\_\_ day of \_\_\_\_, 2009 (the “effective date”), by and between Center for Healthcare (“CHC”) and Palomar Pomerado Health, a California healthcare district organized under Section 23 of the Health and Safety Code, (“PPH”).

WHEREAS, CHC is a multispecialty physician practice organization with 2 physician clinics located throughout the North County San Diego region; and

WHEREAS, PPH is a California health district which owns and operates two licensed acute care hospitals in Poway and Escondido, California, as well as numerous outpatient services throughout its district; and

WHEREAS, the parties have a longstanding and collaborative relationship for the provision of health care services to residents of PPH’s health district; and

WHEREAS, the parties believe that the reimbursement and competitive environments in the future will require greater services and economic, operational and strategic planning integration in order to provide accessible quality care at a reasonable price.

NOW, THEREFORE in consideration of the mutual promises contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## **AGREEMENT**

### **1. Principal Terms.**

The parties hereby state their intent to enter into an agreement with one another upon the principle terms and conditions described on Exhibit “A” attached hereto. The parties agree to use their best efforts to consummate the transaction described on Exhibit “A” by December 31, 2009, subject to (i) each party’s due diligence, (ii) the successful negotiation, preparation, execution and delivery of definitive agreements, (iii) each parties legal counsels’ satisfactory review of potential legal and regulatory restrictions, and (iv) each parties board approval.

### **2. Exclusive Negotiations.**

In consideration of, among other things, the execution of this Letter Agreement and the expenditure of extensive time, effort and expense by or on behalf of the parties in negotiating the definitive agreements and otherwise proceeding in accordance herewith, each party agrees that until the expiration of the term thereof, they will not directly or indirectly solicit, initiate or participate in any way in discussions or negotiations with or provide any information to any other person or entity concerning the issues described in Exhibit A. Each party agrees that to the extent any such discussions are presently occurring, they will terminate the discussions during the term of this agreement.

**Deleted:** any affiliation, merger, joint venture, business combination or similar transaction related to owning, operating or providing health services within PPH’s health district

### **3. Confidentiality of Exchanged Information.**

During the negotiations concerning the agreement, the term of this Letter Agreement and at all times following the expiration of negotiations and this Letter Agreement, the parties will not disclose any information exchanged between them which is confidential and proprietary and not in the public domain, including but not limited to financial proposals, price lists, forecasts, studies, information concerning potential risk sharing arrangements, business plans, and other confidential information (“Confidential Information”). None of the parties shall photograph or photocopy the other parties’ Confidential Information without the consent of the other. In addition, nothing herein shall require or permit CHC or PPH to exchange price related information for patient care service rendered by them.

#### **4. Return of Information.**

Within ten (10) days following a written request therefore by either party, all Confidential Information thereof and all analysis, compilations, forecasts, studies, or other documents prepared by the other party based upon the Confidential Information will be returned to the requesting party.

#### **5. Remedies for Breach of Letter Agreement.**

If a party discloses another party’s Confidential Information or otherwise breaches this Letter of Intent, the other party may resort to any one or more of the following remedies, which are intended by the parties to be cumulative and in addition to any other rights and/or remedies that might exist at law or in equity:

- 5.1 Obtain an injunction or other equitable relief preventing the party from disclosing the Confidential Information or otherwise breaching this Letter Agreement, it being the understanding and agreement of the parties that any such disclosure or breach will cause immediate and irreparable harm and that damages at law arising from any such breach may be difficult to ascertain and not adequately compensate a party for harm suffered as a result of such disclosure or breach.
- 5.2 Obtain and/or seek such other legal and/or equitable relief to which the injured party may be entitled under applicable law.
- 5.3 In the event of any controversy, claim or action being filed or instituted between the parties to this Letter of Intent to enforce the terms and conditions of this Letter of Intent or arising from the breach of any provision hereof, the prevailing party will be entitled to receive from the other party all costs, damages and expenses, including reasonable attorney fees, incurred by the prevailing party, whether or not such controversy or claim is litigated or prosecuted to judgment. The prevailing party will be that party who was awarded judgment as a result of trial or arbitration, or who receives a payment of money from the other party in settlement of claims asserted by that party.

#### **6. Compliance with Laws.**

The parties intend this Letter Agreement be in strict compliance with applicable law, statutes, rules and regulations. If, in the opinion of any party’s legal counsel, laws, regulations, interpretations or rulings raise questions regarding the enforceability of this Letter of Intent, or if such matters adversely effect strict compliance with this Letter of Intent, or if any authority commences regulatory or enforcement action, the parties shall renegotiate any

terms of this Letter of Intent to cure the unenforceable term and secure such strict compliance.

**7. Costs.**

Each party will bear its own costs with respect to legal services, tax accounting advice, and other professional services related to the transactions contemplated hereby.

**8. Representations.**

Each party shall obtain their own legal counsel and shall rely exclusively upon their own legal counsel in evaluating the legal issues raised by way of the transaction contemplated herein.

**9. Scope of Agreement.**

This Letter of Intent is an outline of the basic provisions to be set forth in definitive agreements implementing the transactions described herein. Except for the agreement of the parties to use their best efforts to consummate the transaction and except for the provisions of paragraphs 3, 4, and 5 hereof (which are legally binding agreements of the parties), there is no legally binding or enforceable contract between the parties until such time as definitive agreements are prepared, reviewed and executed by the parties.

The parties have accepted and agreed to the terms of this Letter Agreement effective the date first above written.

**CENTER FOR HEALTHCARE**

**Dated:** \_\_\_\_\_, 2009

**By:** \_\_\_\_\_  
**Chief Executive Officer**

**PALOMAR POMERADO HEALTH**

**Dated:** \_\_\_\_\_, 2009

**By:** \_\_\_\_\_  
**Michael H. Covert**  
**President & Chief Executive Officer**

**LETTER OF INTENT**  
**EXHIBIT A**

The purpose of the Letter of Intent between CHC and PPH, dated \_\_\_\_ June, 2009, shall be to take such action as necessary towards the development of a nonprofit medical foundation structure under California Code 1206(l). The parties will discuss issues addressing economic, operational, and strategic planning integration.

This includes exploring the development of the structure, governance, and professional services agreements necessary to create the medical foundation.

# **NORTH INLAND COMMUNITY PREVENTION PROGRAM**



*Preventing problems  
associated with alcohol,  
tobacco, and other drugs in  
the communities of:*

*Bonsall  
Borrego Springs  
Carmel Mountain Ranch  
Escondido  
Fallbrook  
Julian  
Pala Mesa  
Pauma Valley  
Poway  
Ramona  
Rancho Bernardo  
Rancho Peñasquitos  
Sabre Springs  
San Marcos  
Scripps Ranch  
Valley Center  
Warner Springs*

12344 Oak Knoll Road C-1  
Poway, CA 92064  
Phone: (858) 391-9303  
Fax: (858) 391-9302

*NICPP is a program of  
Mental Health Systems Inc.  
Funds are provided by San  
Diego County Health &  
Human Services Agency,  
Alcohol and Drug Services*

**mhs** MENTAL  
HEALTH  
SYSTEMS  
INC.

Dear Board of Directors of Palomar Pomerado Health,

North Inland Community Prevention Program, a program of Mental Health Systems, would like to thank you for your consideration of the Illegal Drug Paraphernalia Resolution.

It is noble that Palomar Pomerado Health understands the problems associated with the abuse of alcohol, tobacco and other drugs, and applauds its role in prevention. As we all know, no child, no family and no community are immune -- and the costs to the community are tremendous.

NICPP is committed to combating the noxious community side effects of substance abuse by advancing environmental prevention principles and strategies that seek to change public and private policies. This approach can, and will ultimately change community standards as they relate to the overconsumption of alcohol, and the pernicious use of tobacco and other drugs. It is our goal to decrease the level of problems resulting from the use of illicit substances such as marijuana.

The mission of North Inland Community Prevention is to provide leadership, guidance, training, advocacy and service to reduce alcohol and other drug use in collaboration with community coalition(s) throughout San Diego County's North Inland region. It is through collaborations with Escondido Police Department, Escondido PPH CAC and PPH ATOD Committee that this resolution has been brought forward for your consideration.

In this packet, we have attached information showing that it is illegal to sell drug paraphernalia in the State of California, and on the businesses known as "smoke shops" that have become such a problem in the County of San Diego. By passing this resolution you will join other policy makers in the county in demonstrating their support of our law enforcement partners in continuing their enforcement of the California Health and Safety Codes which states that the sale of drug paraphernalia is illegal, defines what drug paraphernalia is, and provides penalties violators.

We urge you to support this resolution. If there are any questions or if we can be of support in any other way, please don't hesitate to contact us. Your willingness to adopt this resolution is admirable, but your respect for health is held in great respect.

Sincerely,

Mary Anne Dijak  
Prevention Specialist



## **North Inland Community Prevention Program (NICPP) Illegal Drug Paraphernalia Resolution**

**TO:** Board of Directors

**MEETING DATE:** Monday, July 13, 2009

**FROM:** North Inland Community Prevention Program (NICPP) a program of  
Mental Health Systems

**BY:** Nancy Roy

### **Background:**

In California, selling or possessing drug paraphernalia with the intent to sell is prohibited by state law. The definitions of illegal drug paraphernalia are found in the Health and Safety Code section 11014.5 and penalties for its sale are found in section 11364.7.

In December of 2008, law enforcement officials served search warrants on 11 businesses in Vista, San Marcos and Escondido that were in violation of CA Health and Safety Code sections 11014.5 and 11364.7. In this operation 17,300 pieces of drug paraphernalia were seized. These shops have proliferated throughout San Diego County, and this operation was in response the public's demand that these smoke shops be brought into compliance with the law.

North Inland Community Prevention Program (NICPP), a program of Mental Health Systems, is seeking support from stakeholders and policymakers for law enforcement in enforcing California's laws regarding drug paraphernalia and stop the sale of these harmful and unhealthy items.

The Escondido PPH CAC and the PPH Alcohol, Tobacco and Other Drug Subcommittee support this resolution. Escondido Union School and Escondido High School District have also passed similar resolutions.

Enforcement is key to reducing youth's easy access to the tools of addiction. In addition retailers selling drug paraphernalia facilitate, normalize, and trivialize drug use which undermines efforts to teach youth that marijuana is a dangerous and harmful drug.

**Budget Impact:** N/A

**North Inland Community Prevention Program (NICPP)  
Illegal Drug Paraphernalia Resolution**

**Staff Recommendation:** N/A

**Committee Questions:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

BOARD OF DIRECTORS  
PALOMAR POMERADO HEALTH

Resolution in Support of Enforcing California	)	Resolution
State Health and Safety Code, Section 11014.5	)	
(Defines Drug Paraphernalia) and Section 11364.7	)	
(Provides Penalties for Its Sale)	)	

On a motion of Member \_\_\_\_\_ and seconded by Member \_\_\_\_\_  
Following resolution is adopted:

WHEREAS, marijuana was found to be the drug of choice for 74 percent of clients in the San Diego County Alcohol Drug Treatment Data System under 18 years of age; and

WHEREAS, marijuana is more often smoked than tobacco in a 30-day period among Teenagers; and

WHEREAS, smoking marijuana can lead to abnormal functioning of lung tissue injured or destroyed by marijuana smoke; and

WHEREAS, retailers selling drug paraphernalia provide easy access for youth; and

WHEREAS, retailers selling drug paraphernalia facilitate, normalize, and trivialize drug use; and

WHEREAS, retailers selling drug paraphernalia undermine efforts to teach youth that Marijuana is a dangerous and harmful drug; and

WHEREAS, at least nineteen retailers throughout North San Diego County are illegally selling drug paraphernalia as identified in California State Health and Safety Code Section 11014.5;

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors Palomar Pomerado Health hereby requests that elected officials in the cities of Escondido, San Marcos, Poway, San Diego and the County of San Diego enforce California's laws regarding drug paraphernalia and stop the sale of these harmful and unhealthy items.

PASSED AND ADOPTED by the Board Of Directors of Palomar Pomerado Health  
of San Diego County, California

April 20, 2009



Honorable Bonnie Dumanis  
San Diego County District Attorney  
Hall of Justice  
330 W. Broadway  
San Diego, CA 92101

Dear Ms. Dumanis,

We are writing to you on behalf of the Escondido Palomar Pomerado Health Community Action Council (PPH-CAC), and would like to thank you and your office for your leadership on the North County Marijuana Paraphernalia Initiative. As you know, in San Diego County, marijuana use is the number one reason youth enter county funded treatment programs, and 90% of marijuana use begins before the age of 18. The illegal sale of drug paraphernalia like bongs, glass pipes, and test kits fuel the use of marijuana in our community.


We offer our support to you and your office's endeavors to prosecute those businesses that were in violation of California Health and Safety Code 11014.5 and 11364-11376. Please accept our commitment to maintaining the community momentum behind this initiative. Our community organizers are prepared, and look forward to the opportunity to provide your team with ample community support in your prosecution efforts.

The goal of the residents and community activists that sit on PPH-CAC is to create a safe, supportive, caring, and drug-free environment. With the removal of drug paraphernalia from the 78 corridor, you are assisting us in achieving our ideal community – a safe, healthy, and drug-free place to call home.

Sincerely,

  
Mary Anne Dijak  
Co-Chair

Sincerely,

  
Adriana Paulson  
Co-Chair

## Committee on Alcohol, Tobacco and other Drugs

*Promoting health through awareness, prevention, advocacy and action*

July 1, 2009

Bruce Krider  
Chairman, Board of Directors  
Palomar Pomerado Health  
15525 Innovation Drive  
San Diego, CA 92128

Dear Mr. Krider:

Drug paraphernalia retailers claim that their products are for tobacco, but state laws (California Health & Safety Code Sections 11014.5 & 11364.7) classify their products as drug paraphernalia and prohibit the sale of these products. Along with pipes, bongs, stash kits, and scales they sell chemicals to mask the presence of drugs so users can pass a drug screen. The presence of these shops in our communities provides easy access to drug paraphernalia and promotes a pro-drug message that trivializes and normalizes drug use.

According to SANDAG's Substance Abuse Monitoring report (2007) forty-four percent (44%) of juvenile arrestees in San Diego County tested positive for marijuana. Of the 93% were not arrested for using drugs, but for crimes against people and property. Educators, parents and responsible adults tell children that drug use is dangerous and illegal. The selling of drug paraphernalia in our communities undermines and counters those messages.

People are often surprised to learn that there are two state laws making the sale of drug paraphernalia illegal. Nineteen (19) retail operations in North County sell drug paraphernalia. Last October, all nineteen of the stores in North County were given warnings from the District Attorney's Office to remove the illegal drug items or face prosecution. A few complied but many did not. In January their inventory was removed by law enforcement. In the county wide sweep of these stores more than 15, 000 drug paraphernalia items were removed from seven East County stores.

The California Office of Environmental Health Hazard Assessment last month added marijuana smoke to the official list of substances known by the state to cause cancer. The state is required to maintain this list under Proposition 65, approved by nearly two-thirds of California voters in 1986. Marijuana use can also lead to problems with behavior, health, learning, depression, hostility, aggression, apathy, and memory at a critical time in a young person's development. Getting high impairs judgment and can lead to risky decisions about sex, criminal activity and driving. After alcohol, marijuana is the most frequently found drug involved in car crashes.

According to a report from the White House Office of National Drug Control Policy (ONDCP), children (12-17) who smoked marijuana were found to be 2 times more likely to have a grade average below "D" and 4 times as likely to skip school. A drop out in California is estimated to cost \$365,000 as two thirds will end up on welfare. Children who smoke marijuana were twice as likely to get into a serious fight, three times more likely to carry a gun, five times more likely to steal or try to steal and 12 times more likely to sell illegal drugs. (SAMHSA 2006)

Current research indicates that the use of marijuana, on a regular basis during adolescence, is a strong marker for ensuring drug problems later in life. Young people who continue to use marijuana will continue to put their education, jobs, and relationships at significant risk.

On behalf of the PPH ATOD Committee, thank you for considering adoption of a Resolution of Support for Enforcing California Health & Safety Codes regarding drug paraphernalia.

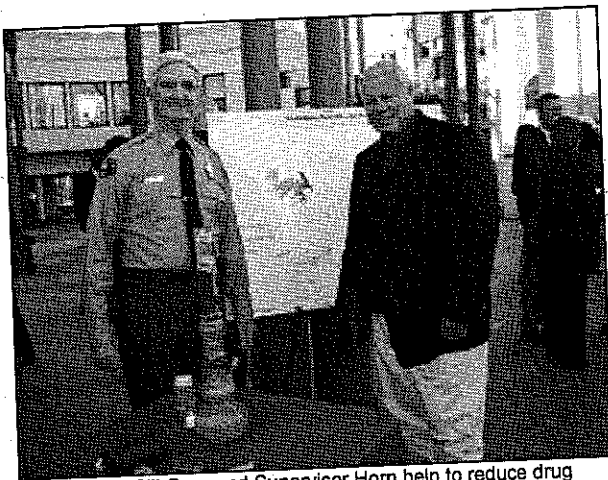
Respectfully,

*Dana J. Stevens*

Dana J. Stevens, Chair  
Palomar Pomerado Health Committee on Alcohol, Tobacco and Other Drugs

January 26, 2009

### Smoked!



Undersheriff Bill Gore and Supervisor Horn help to reduce drug paraphernalia

Last month about 40 law enforcement personnel from the Sheriff's Department and Escondido Police Department raided three "smoke" shops in North County. It was part of an operation targeting illegal sales of drug paraphernalia in Vista, San Marcos and Escondido.

The results of those raids were on display at a news conference I attended along with Escondido Mayor Lori Holt Pfeiler, Vista Mayor Morris Vance, San Marcos Vice-Mayor Hal Martin, Undersheriff Bill Gore and Deputy District Attorney Damon Mosler.

It's not as if the shops were not warned. The District Attorney's Office sent letters to the shops telling them what items to remove from shelves. In Vista alone almost 4,000 pieces of drug paraphernalia were seized.

I appreciate the dedicated work of our law enforcement professionals and the support of community groups such as HARM (Health Advocates Rejecting Marijuana) and its facilitator, Judi Strang.

In this edition of the "Word," you'll also learn about major improvements at Palomar Airport, a new veterans' internship program at the County and three cheers for two North County high school football champions.

*Dice Horn*

# Head Shops Sell Illegal Drug Paraphernalia...

*Even though they call themselves "smoke shops", many sell little, if any, tobacco*

**Bongs**

**Glass  
Pipes**

**Test Kits  
To**



**All Line The Shelves of 8  
Escondido Smoke Shops**

**Scales**

**Baggies**

**Stash Kits  
To Hide  
Drugs  
From Law**

**Illegal:** The California State Health and Safety Code section 11014.5 provides clear definitions of illegal drug paraphernalia, and it appears that store owners use this section of the code as a purchasing guide for their inventory. Regardless of a store owner's assertion that their products are for tobacco, the State says they are illegal, and Section 11364.7 of the code provides penalties for its sale. In the case, *People v. Nelson*, state law was affirmed. Nelson was convicted for selling bongs and other paraphernalia for marijuana, he appealed, and the conviction was upheld.

**Prevalence:** These stores are located all around Escondido making access to drug paraphernalia easy and convenient for our youth. They are located near schools and parks in our neighborhood shopping malls, next to pizza parlors, dry cleaners, convenience stores dentist and family gyms.



**Message:** The message these stores send is clear:

**Drug use is a normal and accepted part of their community life.**

This is a concern to us because in San Diego County:

- 49% of juvenile arrestees tested positive for marijuana
- Marijuana is the number one reason youth enter substance abuse treatment
- 68% of high school juniors report that marijuana is easy to get and, 25% report that they used marijuana in the last 30 days.

## **Call to Action:**

Engage parents and community groups on the issue of the sale of illegal drug paraphernalia in Escondido. Visit these stores and take neighbors who live close by. Contact the Mayor and Council, tell them what you have found and ask that they take steps to remove this illegal from stores here. Write letters to the editor, and submit opinion articles. Support Escondido law enforcement efforts.

For More Information Please Contact: John Lopez or Celeste Young  
12344 Oak Knoll Road, #C-1 Poway, CA 92064

858-391-9303

Funds provided by County of San Diego, Health and Human Service Agency, Alcohol & Drug Services

CALIFORNIA HEALTH AND SAFETY CODE  
SECTION 11014.5

11014.5.(a) "Drug paraphernalia" means all equipment, products and materials of any kind designed or marketed for use, in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled substance in violation of this division. It includes, but is not limited to:

- (1) Kits designed or marketed for use in planting, propagating, cultivating, growing, or harvesting of any species of plant which is a controlled substance or from which a controlled substance can be derived.
- (2) Kits designed or marketed for use in manufacturing, compounding, converting, producing, processing, or preparing controlled substances.
- (3) Isomerization devices designed or marketed for use in increasing the potency of any species of plant which is a controlled substance.
- (4) Testing equipment designed or marketed for use in identifying, or in analyzing the strength, effectiveness, or purity of controlled substances.
- (5) Scales and balances designed or marketed for use in weighing or measuring controlled substances.
- (6) Containers and other objects designed or marketed for use in storing or concealing controlled substances.
- (7) Hypodermic syringes, needles, and other objects designed or marketed for use in parenterally injecting controlled substances into the human body.
- (8) Objects designed or marketed for use in ingesting, inhaling, or otherwise introducing marijuana, cocaine, hashish, or hashish oil into the human body, such as:
  - (A) Carburetion tubes and devices.
  - (B) Smoking and carburetion masks.
  - (C) Roach clips, objects used to hold burning material (i.e. marijuana cigarette too small/short to be held in the hand).
  - (D) Miniature cocaine spoons, and cocaine vials.
  - (E) Chamber pipes
  - (F) Carburetor pipes
  - (G) Electric pipes
  - (H) Air-driven pipes
  - (I) Chillums
  - (J) Bongs
  - (K) Ice pipes or chillers

11014.5.(b) For the purposes of this section, the phrase "marketed for use" means advertising, distributing, offering for sale, displaying for sale, or selling in a manner which promotes the use of equipment, products, or materials with controlled substances.

11014.5.(c) In determining whether an object is drug paraphernalia, a court or other authority may consider, in addition to all other logically relevant factors, the following:

- (1) Statements by an owner or by anyone in control of the object concerning its use.
- (2) Instructions, oral or written, provided with the object concerning its use for ingesting, inhaling, or otherwise introducing a controlled substance into the human body.
- (3) Descriptive materials accompanying the object which explain or depict its use.
- (4) National and local advertising concerning its use.
- (5) The manner in which the object is displayed for sale.
- (6) Whether the owner, or anyone in control of the object, is a legitimate supplier of like or related items to the community, such as a licensed distributor or dealer of tobacco products.
- (7) Expert testimony concerning its use.

11014.5.(d) If any provision of this section or the application thereof to any person or circumstance is held invalid, it is the intent of the Legislature that the invalidity shall not affect other provisions or applications of the section which can be given effect without the invalid provision or application and to this end the provisions of this section are severable.



CALIFORNIA HEALTH AND SAFETY CODE  
SECTION 11364.7

11364.7 (a) Except as authorized by law, any person who delivers, furnishes, or transfers, possesses with intent to deliver, furnish, or transfer, or manufactures with the intent to deliver, furnish, or transfer, drug paraphernalia, knowing, or under circumstances where one reasonably should know, that it will be used to plant, propagate, cultivate, grow, harvest, compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or otherwise introduce into the human body a controlled substance, except as provided in subdivision (b) in violation of this division, is guilty of a misdemeanor.

No public entity, its agents, or employees shall be subject to criminal prosecution for distribution of hypodermic needles or syringes to participants in clean needle and syringe exchange projects authorized by the public entity pursuant to a declaration of a local emergency due to the existence of a critical local public health crisis.

(b) Except as authorized by law, any person who manufactures with intent to deliver, furnish, or transfer drug paraphernalia knowing, or under circumstances where one reasonably should know, that it will be used to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or otherwise introduce into the human body cocaine, cocaine base, heroin, phencyclidine, or methamphetamine in violation of this division shall be punished by imprisonment in a county jail for not more than one year, or in the state prison.

11364.7. (c) Except as authorized by law, any person, 18 years of age or over, who violates subdivision (a) by delivering, furnishing, or transferring drug paraphernalia to a person under 18 years of age who is at least three years his or her junior, or who, upon the grounds of a public or private elementary, vocational, junior high, or high school, possesses a hypodermic needle, as defined in paragraph (7) of subdivision (a) of Section 11014.5, with the intent to deliver, furnish, or transfer the hypodermic needle, knowing, or under circumstances where one reasonably should know, that it will be used by a person under 18 years of age to inject into the human body a controlled substance, is guilty of a misdemeanor and shall be punished by imprisonment in a county jail for not more than one year, by a fine of not more than one thousand dollars (\$1,000), or by both that imprisonment and fine.

(d) The violation, or the causing or the permitting of a violation, of subdivision (a), (b), or (c) by a holder of a business or liquor license issued by a city, county, or city and county, or by the State of California, and in the course of the licensee's business shall be grounds for the revocation of that license.

(e) All drug paraphernalia defined in Section 11014.5 is subject to forfeiture and may be seized by any peace officer pursuant to Section 11471.

(f) If any provision of this section or the application thereof to any person or circumstance is held invalid, it is the intent of the Legislature that the invalidity shall not affect other provisions or applications of this section which can be given effect without the invalid provision or application and to this end the provisions of this section are severable.

# The Mercury News

MercuryNews.com

## Marijuana smoke is a carcinogen, California board rules

By April Dembosky  
Mercury News

Posted: 06/19/2009 12:39:11 PM PDT

Updated: 06/19/2009 11:04:03 PM PDT

### Related section

- Health news, forums and interactives

Joints and baggies sold at California's medical marijuana dispensaries will soon carry a new warning label. Next to tags like "Purple Haze" and "White Widow" will be the advisory: Contents may cause cancer when smoked.

On Friday, California added marijuana smoke to its official list of known carcinogens, joining the ranks of arsenic, asbestos and DDT. Pot brownies, lollipops and other non-inhalables are not affected by the new ruling.

Scientists found the pungent smoke shares many of the same harmful properties as tobacco smoke, warranting its inclusion on the Proposition 65 warning list. The law requires the state to publish a list of chemicals known to cause cancer or reproductive toxicity, and businesses and government agencies must post warnings when they use such chemicals or sell products containing them.

"Marijuana smoke is a mixture of different chemicals, and a number of those were already on the Prop. 65 list," said Allan Hirsch, chief deputy

director of the state Office of Environmental Health Hazard Assessment, which made the designation.

From a health perspective, pot advocates say the ruling was not surprising, given the state's track record on documenting the harmful effects of all kinds of smoke inhalation. However, some are worried about its political implications as advocates attempt to legalize recreational use of marijuana.

"I definitely have concerns about law enforcement and politicians who aren't in favor of medical marijuana or law reform, who would use this designation to further restrict access," said Allen St. Pierre, executive director of NORML, the National Organization for the Reform of Marijuana Law, based in Washington, D.C. "This will be a vexing series of conversations and negotiations."

Though marijuana smoke was added to the list Friday, the labeling requirements won't go into effect until June 19, 2010. Only medical marijuana dispensaries with 10 employees or more are required to post a warning either in their shop or on the products themselves. Violations of the law carry a fine up to \$2,500 a violation per day.

The panel of scientists at the state Office of Environmental Health Hazards Assessment reviewed an extensive body of research finding links between marijuana smoke and cancer, particularly head and neck cancers.

"There's not one single piece of evidence that was a slam dunk," said Dr. George Alexeeff, deputy director for scientific affairs at the OEHHA. "But the pieces together form a very compelling argument."

The panel did not consider studies showing medical benefits of marijuana, like reducing nausea and restoring appetite after chemotherapy or

Advertisement

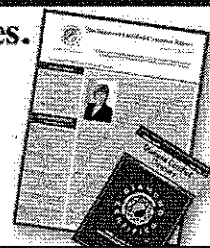
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# The Mercury News

MercuryNews.com

slowing the progression of glaucoma.

"Singling out marijuana is gratuitous," said Assemblyman Tom Ammiano, D-San Francisco, who introduced a bill to legalize recreational marijuana.

"Many, many symptoms of disease can be alleviated through smoking marijuana."

St. Pierre says the ruling may factor into the larger philosophical debate about the role public health officials may play in adult choices. He hopes the national conversation will turn to minimizing the harmful consequences of smoking pot, rather than aiming for a utopian drug-free society.

Because the ruling highlighted the harmful effects of smoking pot, St. Pierre believes it may accelerate what he calls the "pharmaceuticalization" of the drug: marijuana pills, arm patches, under-tongue sprays and suppositories. His organization has even paid for studies showing the benefits of the vaporizer, a device that heats marijuana to a very high temperature to release THC, the active substance in marijuana, in a vapor that is cleaner and more pure than smoke.

"In years to come, kids won't be smoking blunts or bongs, they're going to be vaporizing," he said, remembering a young man who recently asked to take his photo with him. "He wore a T-shirt that said 'Got Vape?'"

Contact April Dembosky at [adembosky@mercurynews.com](mailto:adembosky@mercurynews.com) or 408-920-5064.

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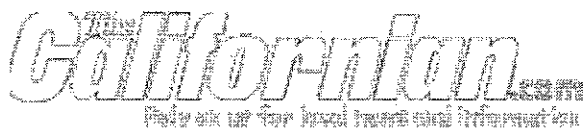


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June 19, 2009

## California regulators find pot smoke causes cancer

SAN FRANCISCO (AP) — Marijuana smoke has joined tobacco smoke and hundreds of other chemicals on a list of substances California regulators say cause cancer.

The ruling Friday by the Office of Environmental Health Hazard Assessment likely will force pot shops with 10 or more employees to post warnings. Final guidelines are expected by the time warning requirements take effect in a year.

The listing only applies to marijuana smoke, not the plant itself.

Spokesman Sam Delson says the state agency found marijuana smoke contains 33 of the same harmful chemicals as tobacco smoke.

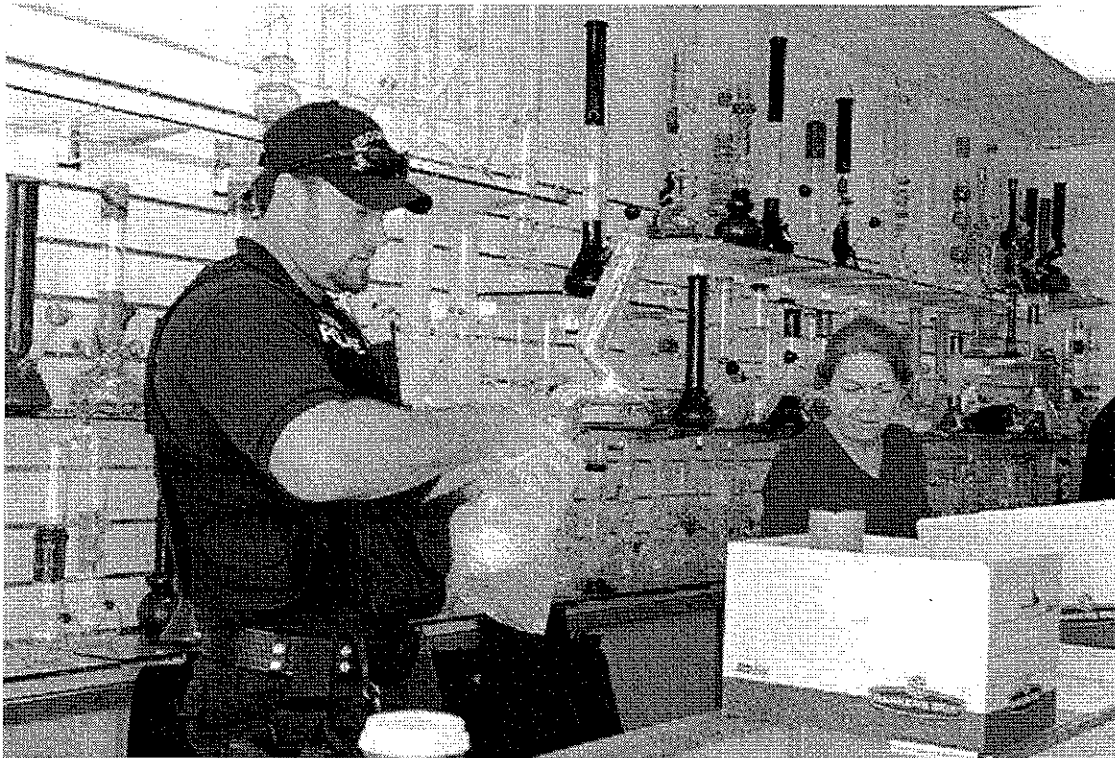
Delson says the findings came from a review of more than 30 scientific papers.

California's Proposition 65 requires businesses to warn consumers of chemicals that cause cancer or reproductive harm.

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## **REGION: Smoke shops raided in Vista, San Marcos, Escondido**

***Officials seize thousands of pipes in Vista, San Marcos, Escondido***



Escondido Police Gang Investigator John Hurley and Sgt. Sandy Patten confiscate glass pipes from the Smokin' Glass smoke shop off of Felicita Ave in Escondido on Thursday.  
(Photo by Jamie Scott Lytle - Staff Photographer)



Escondido Police Lt. Craig Carter speaks with a woman who said she was the owner of the Smokin' Glass shop located off Felicita Ave in Escondido. (Photo by Jamie Scott Lytle - Staff Photographer)



Some of the glass pipes sold at Smokin' Glass smoke shop in Escondido. (Photo by Jamie Scott Lytle - Staff Photographer)

As part of a crackdown on so-called "head shops" and smoke shops, law enforcement officials this week served search warrants at 11 businesses in Vista, San Marcos and Escondido.

They seized thousands of pipes and other smoking materials that authorities said are blatant drug paraphernalia.

Shopkeepers and owners at some of the shops were cited for misdemeanor drug charges, mostly for selling paraphernalia, but more charges could be filed as the investigation continues, said Damon Mosler, a deputy district attorney who heads the office's narcotics unit.

The operation was in response to numerous complaints from the public countywide about the shops, which have proliferated over the last few years, Mosler said.

The District Attorney's office spearheaded the crackdown, which was carried out by Escondido police and San Marcos and Vista sheriff's deputies.

"Head shops" are characterized by overt references to drug culture ---- for example, they stock magazines about drug use, psychedelic artwork and T-shirts emblazoned with marijuana leaves ---- all legal merchandise, Mosler said. But the shops also sell various smoking pipes, from pocket-sized to 6-foot-tall.

Mosler said the pipes are offered under the pretense they are used for tobacco. In many of the shops, customers know they must ask to see a "water pipe" instead of a "bong," a drug term.

"I believe a jury will tell me that's not for tobacco," Mosler said. "It's common sense that it's for marijuana, and not tobacco."

Because the enforcement push is new, it is not clear how successful prosecutions will be. The District Attorney's office has filed charges against individuals from two Imperial Beach shops that sheriff's deputies raided in late October, Mosler said, but those cases have not been tried yet.

The new enforcement began in North County about a month ago, when the District Attorney's office sent letters to 20 head shops and tobacco stores in Escondido, Vista and San Marcos warning them they might be in violation of laws against the sale of drug paraphernalia.

Undercover detectives then entered the shops to see whether they had complied with the letter, Mosler said. They found that nine shops, mostly mom-and-pop tobacco shops that had stocked a few incidental marijuana pipes, had complied.

But detectives said seven shops in Escondido, two in Vista and two in San Marcos are accused of continuing to sell drug paraphernalia, or selling tobacco products to minors. Mosler would not detail each store's exact offense, or how detectives concluded the items were for drug use.

The shops that authorities said were violating the law were raided Wednesday and Thursday. A complete list of the shops was not available Friday.

Manager Chris Pancer seemed miffed when about 10 Escondido police officers descended on Smokin' Glass, a strip mall store on Felicita Avenue, on Thursday afternoon.

"We have nothing to hide. Everything in here is for legal tobacco use; they're probably looking for stuff for illegal drug use," Pancer said.

The pristine store had hundreds of what Pancer called "art pieces for tobacco use" arranged neatly on shelves on each side of the store, art glass figurines and small colorful pipes in cases. There were no references to drugs in the store; a bold sign in the window asserts, "All items sold at this store are for use with tobacco and legal herbs only."

Pancer asked the police to be careful with the merchandise as they wrapped and boxed it. He said some of the shop's items sold for more than \$1,000.

Escondido police Lt. Craig Carter said undercover detectives had cited Pancer selling a pipe to someone under 18, a misdemeanor. Pancer said he always carded customers.

A woman who identified herself as the shop's owner, but would give only her first name, showed up as police worked. She grew increasingly upset, and explained that she had opened the shop to serve people who want to enjoy smoking tobacco leaves in a beautiful piece of art glass ---- a legal venture.

Mosler said that 17,300 items were seized from the shops in three cities this week. If individuals from the shops are convicted of selling drug paraphernalia, the stock, which was seized as evidence, will not be returned.

The misdemeanor charge carries a penalty of fines and up to six months in jail, Mosler said. But he said he wasn't interested in punishing the shops ---- only in getting them to stop selling the drug paraphernalia.

Contact staff writer Sarah Gordon at (760) 740-3517 or sgordon@nctimes.com

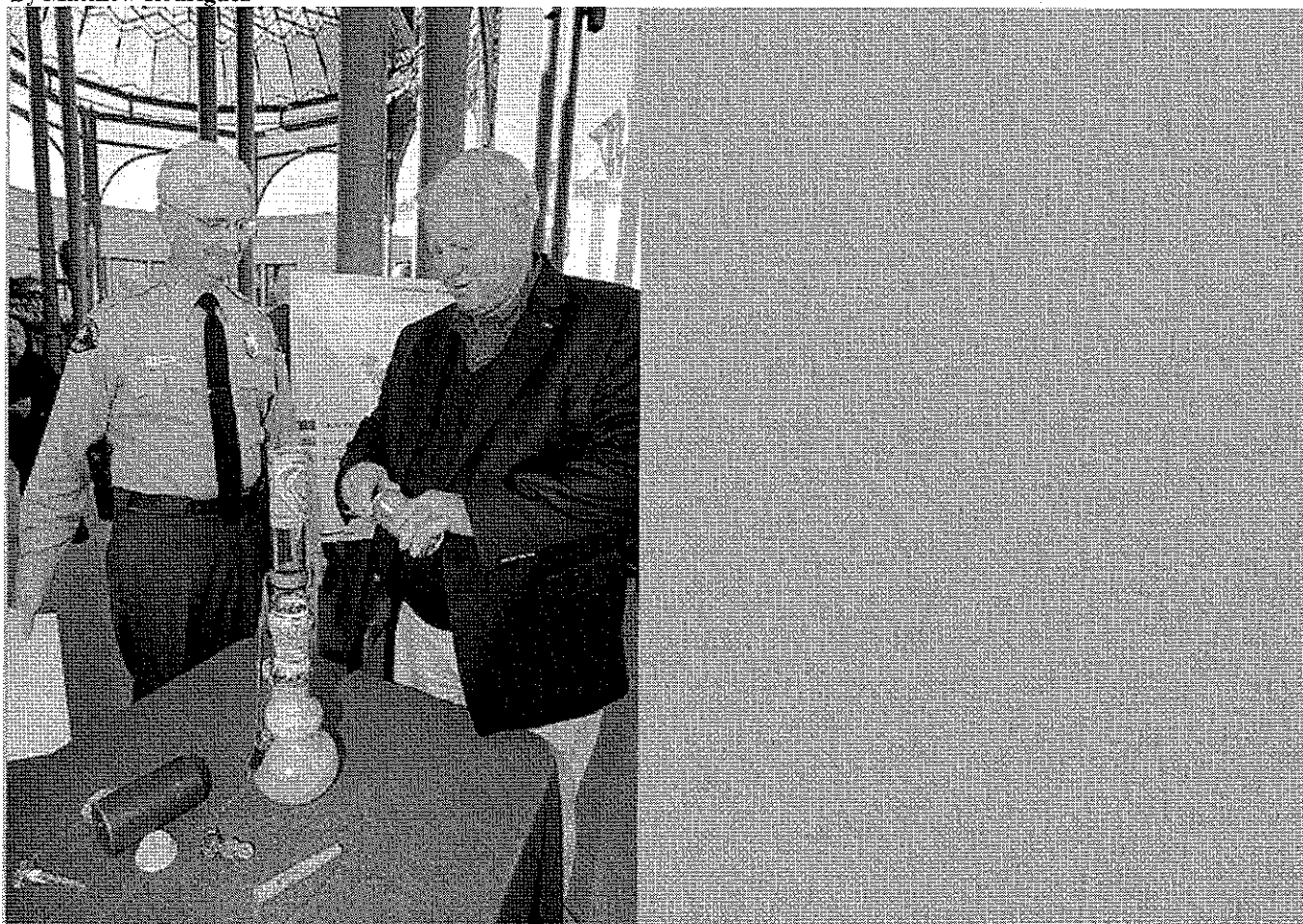


12:02 a.m. December 20, 2008

## Smoke shops targeted in series of police raids

Community groups said to back action

By Matthew Rodriguez



At a press conference in front of Escondido City Hall, Undersheriff Bill Gore, left, and County Supervisor Bill Horn inspect samples of confiscated marijuana paraphernalia, similar to ones seized in this week's raids. CHARLIE NEUMAN / Union-Tribune

**NORTH COUNTY** — A clerk stood outside the Lung Doctor in Escondido, taking a smoke break in front of a painted advertisement in the window that read, "Happy Holidays 20% to 30% Off."

As he stood there, authorities drove up in unmarked cars and vans, dressed in a mix of police uniforms and street clothes. They entered the store and served a search warrant, one of 11 carried out this week at smoke shops in Escondido, San Marcos and Vista.

In all, 17,300 pieces of drug paraphernalia were confiscated and 10 misdemeanor citations were issued for violations of the state Health and Safety Code, Undersheriff Bill Gore said.

Authorities said various community groups had supported a crackdown. Vista Mayor Morris Vance said 200 people delivered a petition to City Hall yesterday, and his wife's signature was last on the list.

The raids followed an operation in Imperial Beach on Oct. 22, when authorities confiscated 2,500 pipes from two stores.



At a news conference yesterday, Gore mentioned drug-related violence in Mexico to argue that drug use isn't a victimless crime. "Let's look at the hundreds of people that are dying every month down there," he said.

The operation Wednesday and Thursday involved Escondido police, the county Sheriff's Department and the District Attorney's Office. The district attorney sent letters to 19 stores in late October, quoting the Health and Safety Code and warning of its "intention to cite and prosecute any violators of this law."

Escondido police Lt. Craig Carter said eight stores complied with the letter. Some shop owners say the glass pipes they sell are used to smoke tobacco, but authorities respond that they are meant solely for use with illegal drugs.

On Wednesday, two stores in San Marcos were raided and 5,000 items confiscated, and two in Vista, from which 4,000 pieces were seized. Deputies cited two people in each city.

About 40 law enforcement personnel searched seven businesses in Escondido on Thursday. Two businesses had removed glass pipes from their shelves, but one still had some in a backroom. Reporters were allowed to go along with the Thursday raids on the condition that they not publish or broadcast any stories until yesterday's news conference.

During a search of the Lung Doctor on South Escondido Boulevard shortly after 12:15 p.m., a few customers tried to enter. One man quickly left, wide-eyed, after seeing authorities inside. A few people gathered down the street to watch.

A few minutes later, at Smokin' Glass on South Centre City Parkway, police stood behind the counters, removing dozens of glass pipes from display cases and putting them in bubble wrap.

Signs on the door read "18 and Over Only" and "We Don't Sell Oil Burners," which are pipes used for smoking methamphetamine.

Store manager Chris Pancner said authorities cited him for selling drug paraphernalia to minors, but he denied that, saying he hadn't broken any laws.

"We've been in full compliance since we opened," Pancner said. "We've never sold any questionable products. All of our products are for tobacco use."

He said a few of the items in the store that were seized cost from \$200 to \$1,800.

The store's owner showed up during the raid. She said she had called the Police Department before opening her store to find out what she could sell.

"I will be getting all of my product back," she said. "I follow the law to a T here."

Matthew Rodriguez: (760) 737-7577; matthew.rodriguez@uniontrib.com

BOARD OF EDUCATION  
ESCONDIDO UNION HIGH SCHOOL DISTRICT  
ESCONDIDO, CALIFORNIA

RESOLUTION #R2008-2009/42

Resolution in Support of Enforcing California )  
State Health and Safety Code, Section 11014.5 )  
(Defines Drug Paraphernalia) and Section 11364.7 )  
(Provides Penalties for Its Sale) )

On a motion of Member Tina Pope and seconded by Member George McClure the following resolution is adopted:

WHEREAS, marijuana was found to be the drug of choice for 74 percent of clients in the San Diego County Alcohol Drug Treatment Data System under 18 years of age; and

WHEREAS, marijuana is more often smoked than tobacco in a 30-day period among teenagers; and

WHEREAS, a teenage marijuana user's odds of dropping out of school are more than twice that of a non-user; and

WHEREAS, retailers selling drug paraphernalia provide easy access for youth; and

WHEREAS, retailers selling drug paraphernalia facilitate, normalize, and trivialize drug use; and

WHEREAS, retailers selling drug paraphernalia undermine efforts to teach youth that marijuana is a dangerous and harmful drug; and

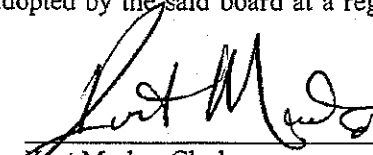
WHEREAS, at least seven retailers throughout the city of Escondido are selling illegal drug paraphernalia as identified in California State Health and Safety Code Section 11014.5;

NOW, THEREFORE BE IT RESOLVED, that the Board of Education of the Escondido Union High School District hereby requests that elected officials in the city of Escondido enforce California's laws regarding drug paraphernalia and stop the sale of these harmful and unhealthy items.

PASSED AND ADOPTED by the Board Of Education of the Escondido Union High School District of San Diego County, California, on May 19, 2009.

AYES: Marler, McClure, Petersen, Pope  
NOES: 0  
ABSENT: 0

I, Kurt Marler, Clerk of the Board of Education, do hereby certify that the foregoing is a full, true, and correct copy of a resolution passed and adopted by the said board at a regularly called and conducted meeting held on May 19, 2009.

  
Kurt Marler, Clerk  
Board of Education

BOARD OF EDUCATION  
ESCONDIDO UNION SCHOOL DISTRICT  
ESCONDIDO, CALIFORNIA

Resolution in Support of Enforcing California	)	Resolution 2008-09-27
State Health and Safety Code, Section 11014.5	)	
(Defines Drug Paraphernalia) and Section 11364.7	)	
(Provides Penalties for Its Sale)	)	

On a motion of Member Carpenter and seconded by Member Gardner, the following resolution is adopted:

WHEREAS, marijuana was found to be the drug of choice for 74 percent of clients in the San Diego County Alcohol Drug Treatment Data System under 18 years of age; and

WHEREAS, marijuana is more often smoked than tobacco in a 30-day period among teenagers; and

WHEREAS, a teenage marijuana user's odds of dropping out of school are more than twice that of a non-user; and

WHEREAS, retailers selling drug paraphernalia provide easy access for youth; and

WHEREAS, retailers selling drug paraphernalia facilitate, normalize, and trivialize drug use; and

WHEREAS, retailers selling drug paraphernalia undermine efforts to teach youth that marijuana is a dangerous and harmful drug; and

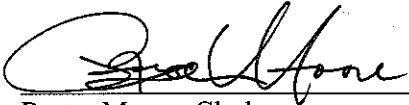
WHEREAS, at least seven retailers throughout the city of Escondido are selling illegal drug paraphernalia as identified in California State Health and Safety Code Section 11014.5;

NOW, THEREFORE BE IT RESOLVED, that the Board of Education of the Escondido Union School District hereby requests that elected officials in the city of Escondido enforce California's laws regarding drug paraphernalia and stop the sale of these harmful and unhealthy items.

PASSED AND ADOPTED by the Board Of Education of the Escondido Union School District of San Diego County, California, on April 30, 2009.

AYES: Carpenter, Gardner, Gilbert, Moore, Woods  
NOES: None  
ABSENT: None

I, Royce Moore, Clerk of the Board of Education, do hereby certify that the foregoing is a full, true, and correct copy of a resolution passed and adopted by the said board at a regularly called and conducted meeting held on April 30, 2009.

  
\_\_\_\_\_  
Royce Moore, Clerk  
Board of Education

## MEDICAL STAFF SERVICES

June 23, 2009

TO: Board of Directors

BOARD MEETING DATE: July 13, 2009

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 (07/13/2009 – 06/30/2011)  
Emily L. Chou, M.D., Internal Medicine  
Matthew S. Smelik, M.D., Family Practice  
William W. Winternitz, Jr., M.D., Orthopaedic Surgery
- II. Reappointment to Associate Category (07/13/2009 – 10/31/2010)  
Teja Singh, Jr., M.D., Internal Medicine/Geriatrics (With no clinical privileges)
- III. Advance from Provisional to Courtesy Category (07/13/2009 – 08/31/2010)  
Casey L. Wang, M.D., Neonatal-Perinatal Medicine
- IV. Change in Department Membership  
Bradley B. Bailey, M.D., Wound Care – Change from Department of Emergency Medicine to Department of Surgery.
- V. Additional Privileges  
Bassem A. Georgy, M.D., Diagnostic Radiology
  - Peripheral Percutaneous Transluminal Angioplasty and Associated Peripheral Vascular Interventions BundleMel M. Kurtulus, M.D., Gynecology
  - DaVinci Surgical SystemDaniel F. Mulvihill, M.D., Cardiology
  - Intravascular Ultrasound (IVUS)Ramin Sorkhi, M.D., General Surgery
  - Percutaneous Endoscopic GastrostomyMark S. Stern, M.D., Neurosurgery
  - Stereotactic Radiosurgery and Radiotherapy Intracranial and Extracranial
- VI. Voluntary Resignations/Withdrawals  
Douglas Shapiro, M.D., Anesthesiology (Effective 07/31/2009)
- VII. Allied Health Professional Appointments (07/13/2009 – 06/30/2011)  
Dianne H. Sandel, F.N.P., Nurse Practitioner - ExpressCare; Sponsor: Dr. Paz

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

☐ POMERADO  
HOSPITAL  
15615 Pomerado Road  
Poway, CA 92064  
Tel 858.613.4664  
Fax 858.613.4217

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

VIII. Allied Health Professional Additional Privileges

Jacqueline Y. Copeland, F.N.P., Nurse Practitioner

- ExpressCare Nurse Practitioner Privileges; Sponsor: Dr. Paz.
- Nurse Practitioner Privileges in the Department of Family Practice; Sponsor: Dr. Panzer (Includes PCCC)

Harold Thomas Frank, P.A.-C., Physician Assistant

- Cardiac Physician Assistant Privileges; Sponsor: Dr. Reichman

IX. Allied Health Professional Withdrawal

Rupinderjit K. Jadav, N.P., ExpressCare Nurse Practitioner (Effective 06/03/2009)

Priya V. Sapra, P.A.-C., Emergency Department Physician Assistant (Effective 07/01/2009)

X. Reappointments Effective 08/01/2009 – 07/31/2011

Roger J. Acheatel, M.D.	Cardiology	Dept of Medicine	Active
Merle A. Albin, M.D.	Internal Medicine	Dept of Medicine	Active
Aria Anvar, M.D.	Family Practice	Dept of Family Practice	Active
(Includes PCCC)			
Delois J. Bean, M.D.	Orthopaedic Surgery	Dept of Ortho/Rehab	Active
Tyler L. Crawford, M.D.	Diagnostic Radiology	Dept of Radiology	Active
Elaine H. Davidson, M.D.	Family Practice	Dept of Family Practice	Associate
(No Clinical Privileges)			
John P. Einck, M.D.	Radiation Oncology	Dept of Radiology	Courtesy
(Changed from Active to Courtesy)			
Steven G. Eisenberg, D.O.	Medical Oncology	Dept of Medicine	Active
Ronald E. Feldman, M.D.	Gastroenterology	Dept of Medicine	Active
Robert T. Gramins, D.D.S.	Oral/Maxillofacial Surg	Dept of Surgery	Courtesy
David L. Greenwald, M.D.	Neurosurgery	Dept of Surgery	Courtesy
Bruce T. Hutchinson, D.P.M.	Podiatry	Dept of Ortho/Rehab	Associate
(Includes PCCC)			
Howard I. Krausz, M.D.	Ophthalmology	Dept of Surgery	Active
(Changed from Courtesy to Active) (Includes PCCC)			
Mahesh G. Kumar, M.D.	Internal Medicine	Dept of Medicine	Active
Richard E. Mallo, M.D.	Internal Medicine	Dept of Medicine	Active
(Includes PCCC)			
Michael Nussbaum, M.D.	Anesthesiology	Dept of Anesthesia	Active
Atalanta C. Olito, D.O.	Anesthesiology	Dept of Anesthesia	Active
Dennis M. Ordas, M.D.	Psychiatry	Dept of Medicine	Associate
Colin A. Scher, M.D.	Pediatric Ophthalmology	Dept of Surgery	Consulting
Raluan A. Soltero, M.D.	Plastic Surgery	Dept of Surgery	Active
John T. Steele, M.D.	Critical Care Surgery	Dept of Surgery	Active
(Includes PCCC)			
Travis C. Westermeyer, D.P.M.	Podiatry	Dept of Ortho/Rehab	Active

XI. Allied Health Reappointments Effective 08/01/2009 – 07/31/2011

Heidi A. Gauthreaux, P.A.-C., Emergency Medicine Physician Assistant; Sponsors: CEP

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  
July, 2009**

**PERSONAL INFORMATION**

<i>Provider Name &amp; Title</i>	Emily L. Chou, M.D.
<i>PPHS Facilities</i>	Palomar Medical Center

**SPECIALTIES/BOARD CERTIFICATION**

<i>Specialties</i>	Internal Medicine – Certified 2004 Pediatrics – Certified 2005
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**ORGANIZATIONAL NAME**

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

<i>Medical Education Information</i>	UCSD School of Medicine, La Jolla, CA From: 09/01/1996      To: 06/04/2000 Doctor of Medicine Degree
<i>Internship Information</i>	N/A
<i>Residency Information</i>	University of Michigan Hospitals and Health Centers, Ann Arbor, MI Internal Medicine/Pediatrics From: 06/24/2000      To: 06/30/2004
<i>Fellowship Information</i>	N/A
<i>Current Affiliation Information</i>	Kaiser Permanente, San Diego

**PALOMAR POMERADO HEALTH SYSTEM  
PROVISIONAL APPOINTMENT  
July, 2009**

**PERSONAL INFORMATION**

<i>Provider Name &amp; Title</i>	Mark H. Mikulics, M.D.
<i>PPHS Facilities</i>	Pomerado Hospital

**SPECIALTIES/BOARD CERTIFICATION**

<i>Specialties</i>	Orthopaedic Surgery – Certified 1995; Re-Certified 2006
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**ORGANIZATIONAL NAME**

<i>Name</i>	Mark H. Mikulics, M.D.
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**EDUCATION/AFFILIATION INFORMATION**

<i>Medical Education Information</i>	University of California, Los Angeles From: 09/01/1981 To: 06/15/1984 Doctor of Medicine Degree
<i>Internship Information</i>	University of Pennsylvania, Philadelphia, PA General Surgery From: 06/16/1984 To: 06/14/1985
<i>Residency Information</i>	University of Pennsylvania, Philadelphia, PA Orthopaedic Surgery From: 07/01/1985 To: 06/30/1989
<i>Fellowship Information</i>	University of California, San Diego Orthopaedics, Hand & Microvascular Surgery From: 07/01/1989 To: 06/30/1990
<i>Current Affiliation Information</i>	Sharp Memorial Hospital, San Diego, CA Coast Center for Orthopedic Arthroscopic Surgery, San Diego, CA

**PALOMAR POMERADO HEALTH SYSTEM  
PROVISIONAL APPOINTMENT  
July, 2009**

**PERSONAL INFORMATION**

<i>Provider Name &amp; Title</i>	Matthew S. Smelik, M.D.
<i>PPHS Facilities</i>	Palomar Medical Center

**SPECIALTIES/BOARD CERTIFICATION**

<i>Specialties</i>	Family Practice – Certified 2001; Re-Certified 2008
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**ORGANIZATIONAL NAME**

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

<i>Medical Education Information</i>	University of California, Davis From: 09/01/1994      To: 06/19/1998 Doctor of Medicine Degree
<i>Internship Information</i>	N/A
<i>Residency Information</i>	Kaiser Foundation Hospital, Fontana Family Practice From: 06/29/1998      To: 06/30/2001
<i>Fellowship Information</i>	N/A
<i>Current Affiliation Information</i>	Kaiser Permanente, San Diego



**PALOMAR POMERADO HEALTH SYSTEM  
PROVISIONAL APPOINTMENT  
July, 2009**

**PERSONAL INFORMATION**

<b>Provider Name &amp; Title</b>	William W. Winternitz, Jr., M.D.
<b>PPHS Facilities</b>	Palomar Medical Center

**SPECIALTIES/BOARD CERTIFICATION**

<b>Specialties</b>	Orthopaedic Surgery – Certified 1986; Re-Certified 2007 Sports Medicine – Certified 2008
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**ORGANIZATIONAL NAME**

<b>Name</b>	William W. Winternitz, Jr., M.D.
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**EDUCATION/AFFILIATION INFORMATION**

<b>Medical Education Information</b>	University of Kentucky College of Medicine, Lexington, KY From: 08/27/1973      To: 06/04/1977 Doctor of Medicine Degree
<b>Internship Information</b>	University of Minnesota, Minneapolis, MN General Surgery From: 07/01/1977      To: 06/30/1978
<b>Residency Information</b>	University of Minnesota, Minneapolis, MN Orthopaedic Surgery From: 07/01/1978      To: 06/30/1982
<b>Fellowship Information</b>	University of Oregon/Orthopedic Healthcare Northwest, Eugene, OR Sports Medicine From: 07/01/1982      To: 09/30/1982
<b>Current Affiliation Information</b>	SCA Rancho Bernardo Surgery Center, San Diego, CA Poway Surgery Center, Poway, CA Pomerado Hospital, Poway, CA

**PALOMAR POMERADO HEALTH  
ALLIED HEALTH PROFESSIONAL  
APPOINTMENT  
JULY 2009**

<b>NAME:</b>	<b>Dianne H. Sandel, F.N. P.</b>	
<b>SPECIALTY:</b>	Family Nurse Practitioner	
<b>SERVICES:</b>	Expresscare Nurse Practitioner for Palomar Pomerado Health	
<b>TRAINING:</b>	San Diego State University	
	Bachelor of Science in Nursing	9/01/79-05/28/82
	University of California, San Francisco	
	Master of Science in Nursing- Family Nurse Practitioner and Advanced Practice Neonatal Nursing	09/01/96-06/04/99
<b>PRACTICE:</b>	ExpressCare Nurse Practitioner, Palomar Pomerado Health	
	Retail Outpatient Clinics, Escondido&Rancho Penasquitos,CA	04/13/09-Present
	Family Nurse Practitioner, Minute Clinic, San Diego, CA	10/06/08-01/31/09
	Family Nurse Practitioner, San Diego Cardiovascular Associates, Encinitas, CA	05/05/08-Present
	Family Nurse Practitioner, Metro Family Physicians Medical Group, San Diego, CA	05/01/07-Present
	Family Nurse Practitioner, Alliance Medical Group, Inc., Pinole, CA	1/01/02-12/31/06
	Family Nurse Practitioner, Neighborhood Healthcare (formerly East Community Health), La Mesa, CA	11/01/99-8/31/01
	R.N., UCSD Medical Center, San Diego, CA	1987-1990
	R.N., NICU, Sharp Mary Birch Hospital, San Diego, CA	08/29/80-Present
<b>SPONSORS:</b>	Alejandro Paz, M.D., Lawrence Koenig, M.D.	
<b>CERTIFICATION:</b>	American Nurses Credentialing Center-FNP	2004
	National Certification Corporation - NNP	1999
<b>FACILITIES:</b>	Palomar Medical Center and Pomerado Hospital	



**Pomerado Hospital Medical Staff Services**

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

DATE: July 1, 2009  
TO: Board of Directors - July 13, 2009  
FROM: Franklin M. Martin, M.D., Chief of Staff, Pomerado Hospital Medical Staff  
SUBJECT: Medical Staff Credentials Recommendations – June 2009

Provisional Appointments: (07/13/2009 – 06/30/2011)  
Mark Mikulics, M.D. – Surgery/Orthopedic Surgery

Biennial Reappointments: (08/01/2009 – 07/31/2011)  
Roger J. Acheatel, M.D. – Active – Medicine/Cardiology -  
Aria Anvar, M.D. – Active – Family Practice (includes Villa)  
Tyler L. Crawford, M.D. – Active - Radiology  
Steven G. Eisenberg, D.O. – Courtesy – Medical Oncology  
Robert T. Gramins, D.D.S. – Active – Surgery/Oral & Maxillofacial  
Howard I. Krausz, M.D. – Active - Ophthalmology  
Michael Nussbaum, M.D. Active - Anesthesia  
Dennis M. Ordas, M.D. – Courtesy - Psychiatry  
John T. Steele, M.D. – Courtesy - Surgery  
Zehui Tan, M.D. – Affiliate – Internal Medicine  
Douglas S. Winter, M.D. Affiliate - Anesthesia

Advancements:  
Hanh M. Le, M.D. – OB/GYN – Active Category (07/13/2009 - 05/31/2011)  
Nicole J. Nguyen, M.D. – OB/GYN - Active Category (07/13/2009 – 09/30/2009)  
Casey Wang, M.D. - Neonatal-Perinatal Medicine – Courtesy Category (07/13/2009 – 08/31/2010)

Reinstatement and Advancement to Active Category:  
Theodore W. Schafer, M.D. – Gastroenterology – Active Category (07/13/2009 – 08/31/2009)

Resignation:  
David Edwards, M.D. – Ophthalmology

Two Year Leave of Absence:  
Julie Le, D.O. Psychiatry (07/13/2009 – 07/12/2011)

Allied Health Professional Appointment: (07/13/2009 – 06/30/2011)  
Dianne H. Sandel, F.N.P. (Expresscare) Sponsor Lawrence Koenig, M.D.

Allied Health Professional Reappointment: (08/01/2009 – 07/31/2011)  
Heidi A. Gauthreaux, P.A.-C

Allied Health Professional Additional Privileges:  
Jacqueline Y. Copeland, F.N.P. (Expresscare) Sponsor Lawrence Koenig, M.D.

Allied Health Professional Resignation:  
Priya V. Sapra, P.A.-C  
Rupinderjit Jadav, F. N.P. (Expresscare)

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.

## Information: Human Resources – Leadership Development Plan

**TO:** PPH Board

**MEETING DATE:** July 13, 2009

**FROM:** Human Resources Committee

**BACKGROUND:** James O'Malley, Organizational Development Director presented information relating to the revised Leadership Development program. Mr. O'Malley outlined the best practices in leadership development and the conceptual model for developing skills and competency. The exemplary leadership practice model incorporated five elements; model the way, inspire a shared vision, challenge the process, enable others to act and encourage the heart. The six components of the model consisted of assessments, individual and group coaching, special projects/initiatives, development planning, mentoring and knowledge/skill acquisition. The PPH leadership competencies were identified and the Management Council was discussed. The presentation concluded with an overview of the Leadership Orientation, Leadership Challenges (1-5) and Leadership Boot Camp.

**BUDGET IMPACT:**

**STAFF RECOMMENDATION:**

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:** X

**Required Time:**

## **Information: Strategic Planning – Financial and Capital Plan**

**TO:** PPH Board

**MEETING DATE:** July 13, 2009

**FROM:** Strategic Planning Committee

**BACKGROUND:** Mr. Hemker provided an updated financial plan and capital plan with service line initiatives and BOD initiatives from the 2009 strategic planning workshop.

Mr. Hemker discussed the issues for consideration, and the service line initiatives currently identified in the financial and capital plan. The total expected operating income contribution from FY2010 to FY2019 is approximate \$115 million based on an estimated investment of approximately \$24.1 million; these initiatives will have significant contributions in latter years.

New strategies and initiatives identified in the 2009 strategic planning process were reviewed and the summary totals for the new initiatives were provided. Mr. Hemker modeled the initiatives with various scenarios and a capital position summary compared the various scenarios to show where PPH would be financially in 10 years under each scenario.

**BUDGET IMPACT:**

**STAFF RECOMMENDATION:**

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information: X**

**Required Time:**

## **Information: Strategic Planning – Criteria for Capital Allocation**

**TO:** PPH Board

**MEETING DATE:** July 13, 2009

**FROM:** Strategic Planning Committee

**BACKGROUND:** Mr. Hemker provided an overview of capital allocation. The future strategies per the HFMA Survey from March 2009 were reviewed to show what is going on in the industry and the categories of capital projects were outlined. The development/review of new business plans and PPH's IT project prioritization criteria were reviewed. Categories/drivers in the outside world were reviewed and sample scoring criteria and weights were outlined. The external marketplace criteria being used were highlighted and the next steps in the process were reviewed.

The committee discussed how to weight the criteria at this point. Dir Larson suggested that the EMT rank the criteria and present the results at a full Board meeting.

**BUDGET IMPACT:**

**STAFF RECOMMENDATION:**

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information: X**

**Required Time:**

## Information: Strategic Planning – Healthcare Environment Considerations

**TO:** PPH Board

**MEETING DATE:** July 13, 2009

**FROM:** Strategic Planning Committee

**BACKGROUND:** Mr. Hemker presented an overview of the current healthcare environment and current legislation efforts/considerations/impacts for PPH. Results from the 2009 Healthcare industry report were analyzed and reviewed. Approximately 70% of those surveyed felt that it was likely major healthcare legislation would pass during Obama's presidency. National healthcare expenditures and projected national healthcare expenditures were analyzed. The top healthcare issues confronting hospitals between 2005 and 2008 were reviewed. The top financial challenges facing hospitals and the percentage of hospitals reporting effects of the credit crisis were presented. The inpatient utilization from 1981 through 2006 was reviewed and the average length of stay was compared with other countries. Hospital revenue by source was highlighted and the percentage of recommended care received was compared to the actual treatment received. Payments to cost ratios were analyzed and uncompensated care was reviewed. Healthcare from an employer perspective was discussed and the factors leading to the increases in health care insurance premiums were reviewed.

Key facts about California hospitals were presented and legislative issues were outlined. The FY10 Federal Budget's impact on Medicare, Medicaid, health care coverage, workforce and health care reform were reviewed. The presentation concluded with the impact on healthcare information technology.

**BUDGET IMPACT:**

**STAFF RECOMMENDATION:**

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:** X

**Required Time:**

<b>Information: Strategic Planning – Programs in Pomerado Outpatient Pavilion</b>
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**TO:** PPH Board

**MEETING DATE:** July 13, 2009

**FROM:** Strategic Planning Committee

**BACKGROUND:** Industry outpatient market trends and women's services market trends were reviewed. Background was provided on the Pomerado Outpatient Pavilion background and the planned services were outlined. The current services provided at the Pomerado Outpatient Pavilion were listed by floor and the Jean McLaughlin Women's center was discussed. The presentation concluded with proposed services for the pavilion.

**BUDGET IMPACT:**

**STAFF RECOMMENDATION:**

**COMMITTEE QUESTIONS:**

<b>COMMITTEE RECOMMENDATION:</b>
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**Motion:**

**Individual Action:**

**Information: X**

**Required Time:**



## **PPH Board Subcommittee Activity Summary**

**June, 2009**

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### **Internal Audit Committee**

***DID NOT MEET IN JUNE***

#### **ACTION ITEMS:**

- None

#### **INFORMATION ITEMS:**

- None

## **PPH Board Subcommittee Activity Summary**

**June, 2009**

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### **Governance Committee**

***DID NOT MEET IN JUNE***

#### **ACTION ITEMS:**

- None

#### **INFORMATION ITEMS:**

- None

## **PPH Board Subcommittee Activity Summary**

**June 23, 2009**

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### **Human Resources Committee**

#### **ACTION ITEMS:**

- None

#### **INFORMATION ITEMS:**

- **Leadership Development Plan** was presented

## **PPH Board Subcommittee Activity Summary**

**June 23, 2009**

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### **Human Resources Committee**

*DID NOT MEET IN JUNE*

#### **ACTION ITEMS:**

- None

#### **INFORMATION ITEMS:**

- None

## DPR Construction Management Contract

**TO:** Board of Directors  
Board Facilities and Grounds Committee

**MEETING DATE:** Monday, July 13, 2009

**FROM:** David Tam, MD, CAO, Pomerado

**BY:** Board Finance Committee  
Tuesday, June 30, 2009

**Background:** An update on the status of discussions/negotiations with DPR regarding the contract was provided at the Board Finance Committee meeting, including previously outlined questions/requirements by the Board (see *attached presentation*).

**Budget Impact:** Embedded in overall project budget.

**Staff Recommendation:** Staff requested a consensus from the Board Finance Committee that they were following the appropriate path toward successful completion of the negotiations

### Committee Questions:

**COMMITTEE RECOMMENDATION:** The Board Finance Committee concurred with the direction in which Management was taking the negotiations. Further, the Finance Committee understood that when the negotiations had been finalized, they would be presented via an update at the Board Facilities and Grounds Committee and/or the next Board meeting, both of which are to be held on Monday, February 13, 2009.

**Motion:**

**Individual Action:**

**Information:** X

**Required Time:**

# DPR Construction Manager Agreement - Update

PPH Board Finance Committee

30 June 2009

# Background

- R&S as original CM, terminated in 2008
  - Scheduling Concerns
  - Issues regarding Cost Estimates
- DPR selected as new CM in June, 2008. Has been operating under several LOA's during transition and as CM agreement being negotiated.

# Initial Approach to CMA

- Develop a Fully Inclusive Cost Estimate
- Utilize an Integrated Product Delivery (IPD) methodology to implement LEAN Construction techniques
- Identify Incentive levels as “percentage” of cost / schedule savings
- Fee, General Conditions (general requirement cost and reimbursable expenses), and Incentive Savings Payment



# Challenges with Initial CMA approach

- Final Cost Estimate still in flux
  - Changes in Economy
  - Aggressive VE process
  - OSHPD associated changes
- Schedule issues
  - VE impacts
  - Prior CM unrealistic schedule
- Net result
  - Savings Incentives difficult to calculate / negotiate
  - Realization that Schedule optimization is critical
  - Time = Money
  - Negotiating incentives on dollar savings potentially meaningless and possibly counter-productive

# Modified CMA approach

- Lump Sum Fee
- Combine under General Conditions
  - Reimbursable Expenses
  - General Requirement Costs
- No specific Incentive based upon percentage of savings
- Specified Completion Date

# Benefits of Proposed Approach

- Incentivize early completion / occupancy
- Indirectly incentivizes cost savings (time = money)
- Can move forward with agreement without finalization of Final Cost Estimate
- Simplifies alignment of all parties – accelerate the construction process to save time and money while maintaining quality

# Next steps

- Approve methodology
- Finalize negotiations with respect to dollar values for Fee / General Conditions
  - Review industry standards
  - Review of previous and upcoming expenses
  - Proposed figures by DPR covered in the current Budget / Cost Estimate
  - Present for approval at next Board Finance Committee / Full Board.
- Complete implementation of Facilities / Construction Re-engineering to align with optimal execution of the agreement and project

# MEMORANDUM

**TO:** Nicole Dennis, Assistant to the Board  
Nancy Wood, Assistant to the CEO

**FROM:** Tanya Howell, Assistant to the Board Finance Committee

**DATE:** July 7, 2009

**RE:** Board Finance Committee – JUNE 30, 2009, MEETING SUMMARY

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## **INFORMATION ITEMS:**

Although there were no formal information items listed on the agenda, Bob Hemker commented on the following items:

- We successfully renegotiated a multi-year agreement with Blue Cross;
- The lease with CSUSM for the School of Nursing is in the process of being successfully renegotiated for another two years, with a two-year option.

## **ACTION ITEMS:**

**Independent Contractor Agreement for Home Health:** Recommended approval of a one-year **[July 1, 2009 through June 30, 2010]** Independent Contractor Agreement with David Golembeski, M.D., as Medical Advisor to the Home Health Maternal Infant Program.

**DPR Construction Management Contract:** Reviewed an update on the status of the negotiations with DPR and concurred with the direction in which Management was taking those negotiations. As financial aspects are not completed, no formal action was taken.

**Formation of a Medical Foundation 1206(i):** Reviewed and recommended approval to finalize due diligence for the formation of a Medical Foundation 1206(i) with Centre for Health Care.

**May 2009 and YTD FY2009 Financial Report:** Utilizing the standard Financial Reporting Packet, reviewed May financial performance and YTD, which reflected a \$20.01 million bottom line net income YTD, which is \$11.63 million greater than last year.

## **PPH Board Subcommittee Activity Summary**

**June 2, 2009**

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### **Strategic Planning Committee**

#### **ACTION ITEMS:**

- None

#### **INFORMATION ITEMS:**

- **Financial and Capital Plans** - were discussed
- **Criteria for Capital Allocation** – was provided
- **Healthcare Environment Financial Considerations** – were discussed
- **North County Radiology** – an update was provided
- **Programs in the Pomerado Outpatient Pavilion** – an overview was provided