

**POSTED**  
**September 22, 2009**

**BOARD FINANCE COMMITTEE MEETING**



TUESDAY, SEPTEMBER 29, 2009  
 5:30 p.m. (Buffet Dinner for Committee Members & Invited Guests Only)  
 6:00 p.m. Meeting

PPH ADMINISTRATIVE OFFICES  
 456 E. GRAND AVENUE, ESCONDIDO, CA  
 1<sup>ST</sup> FLOOR CONFERENCE ROOM

	<u>Time</u>	<u>Page</u>	<u>Target</u>
<b>CALL TO ORDER .....</b>	.....	.....	<b>6:00 p.m.</b>
➤ Public Comments <i>5 minutes allowed per speaker with a cumulative total of 15 minutes per group.</i> <i>For further details &amp; policy, see Request for Public Comment notices available in meeting room.</i>	..... 5	.....	6:05 p.m.
➤ Information Item(s) • Proposition 1A Securitization Program	.....5	.....	6:10 p.m.
1. * Approval: Minutes – Tuesday, August 25, 2009 ( <i>Addendum A</i> ).....	.....5	AG2	6:15 p.m.
2. * Review/Approval: Status Update on Revenue Bond Issue & Plan of Finance....	.....30	AG3	6:45 p.m.
3. * Approval: Physician Agreements.....	.....10		6:55 p.m.
• Jeffrey Rosenberg, MD – Chair – Medical Staff Peer Review Committee – PMC		AG4-6	
• Paras Shah, MD – Emergency On-Call Agreement - Ophthalmology – POM		AG7-9	
• Sudabeh Moein, MD – Emergency On-Call Agreement Extension – Obstetrics & Gynecology – POM		AG10-12	
• Michael S. Raffii, MD – Medical Director – Neurology – PMC		AG13-15	
4. Review: Updated Board Program Review Schedule.....	.....15	AG16-17	7:10 p.m.
5. * Approval: August 2009 & YTD FY2010 Financial Report ( <i>Addendum B</i> ).....	.....20	AG18	7:30 p.m.
<b>FINAL ADJOURNMENT .....</b>	.....	.....	<b>7:30 p.m.</b>

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

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

**Minutes**  
**Finance Committee – Tuesday, August 25, 2009**

**TO:** Board Finance Committee

**MEETING DATE:** Tuesday, September 29, 2009

**FROM:** Tanya Howell, Secretary

**BY:** Bob Hemker, CFO

**Background:** The minutes of the Board Finance Committee meeting held on Tuesday, August 25, 2009, are respectfully submitted for approval (*Addendum A*).

**Budget Impact:** N/A

**Staff Recommendation:** Staff recommends approval of the Tuesday, August 25, 2009, Board Finance Committee minutes.

**Committee Questions:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

**Status Update on the 2009 Revenue Bond Issue  
And Plan of Finance**

**TO:** Board Finance Committee  
**MEETING DATE:** Tuesday, September 29, 2009  
**FROM:** Bob Hemker, CFO

**Background:** Status and timing of the 2009 Revenue Bond issue and the Plan of Finance will be discussed and may include a request for Board direction and/or authorization pertaining to said issuance. Materials will be provided at the meeting.

**Budget Impact:** N/A

**Staff Recommendation:** Staff will make a recommendation at the meeting.

**Committee Questions:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

**PALOMAR MEDICAL CENTER  
ADMINISTRATIVE SERVICES AGREEMENTS  
MEDICAL STAFF MSPRC CHAIR**

**TO:** Board/Finance Committee

**MEETING DATE:** Tuesday, September 29, 2009

**BY:** Gerald E. Bracht, Chief Administrative Officer – PMC

**BACKGROUND:** Palomar Medical Center Medical Staff Officers, Department Chairs, QMC Chair and MSPRC Chair are provided a stipend for services performed as required by the Medical Staff By-laws and Policies. These agreements serve to document the relationship of the medical staff officers, department chairs, QMC chair and MSPRC Chair to PPH, and the duties to be performed as consideration for the stipend to assure compliance with Federal regulations.

Presented is the Administrative Services Agreement for the MSPRC Chair for Palomar Medical Center.

Chairman, Medical Staff Peer Review Committee – Jeffrey Rosenberg, M.D.

**BUDGET IMPACT:** Unbudgeted for FY2010 – partial year, partial funding impact of \$5,000

**STAFF RECOMMENDATION:** Approval

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

## PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	<b>TITLE</b>	MSPRC Chair Service Agreement
	<b>AGREEMENT DATE</b>	September 1, 2009
	<b>PARTIES</b>	Medical Staff Peer Review Committee Chair, Palomar Medical Center Medical Staff and PPH
	<b>PURPOSE</b>	To provide administrative services on behalf of Palomar Medical Center Medical Staff in accordance with Medical Staff Bylaws and policies
	<b>SCOPE OF SERVICES</b>	As per duties defined in Palomar Medical Center Medical Staff Peer Review Policy
	<b>PROCUREMENT METHOD</b>	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
	<b>TERM</b>	September 1, 2009 – December 31, 2010 – Chair, Medical Staff Peer Review Committee
	<b>RENEWAL</b>	None
	<b>TERMINATION</b>	As described under §3.3 - 5
	<b>COMPENSATION METHODOLOGY</b>	Monthly.
	<b>BUDGETED</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO – <b>IMPACT:</b> Partial year, partial funding impact of \$5,000 for FY 2010
	<b>EXCLUSIVITY</b>	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – <b>EXPLAIN:</b>
	<b>JUSTIFICATION</b>	This position is appointed by the Medical Staff in accordance with Medical Staff Bylaws.
	<b>POSITION POSTED</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <b>Methodology &amp; Response:</b> Elected/Appointed by the Palomar Medical Center Medical Staff
	<b>ALTERNATIVES/IMPACT</b>	N/A
	<b>DUTIES</b>	Defined in the Palomar Medical Center Medical Staff Peer Review Policy.
	<b>COMMENTS</b>	The agreement template was developed by legal counsel in 2008. The position is appointed by the Chief of Staff.
	<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 <u>FINANCE</u> <input checked="" type="checkbox"/> BOD

## MEDICAL STAFF PEER REVIEW COMMITTEE CHAIR SERVICE AGREEMENT

THIS MEDICAL EXECUTIVE COMMITTEE SERVICE AGREEMENT (“Agreement”) is entered into on September 1, 2009, by and between Palomar Pomerado Health (“PPH”), a California health district organized under Division 23 of the California Health and Safety Code and Jeffrey Rosenburg, M.D. (“Physician”), with respect to the following facts:

### RECITALS:

A. PPH owns and operates Pomerado Hospital in Poway, CA and Palomar Medical Center in Escondido, CA.

B. The physicians and other independent practitioners practicing in PPH have organized themselves into a Medical Staff in conformity with the Medical Staff Bylaws of each hospital.

C. Physician is Chair of the Medical Staff Peer Review Committee (“MSPRC”) which has been established pursuant to the Medical Staff Peer Review Policy (“Policy”) of Palomar Medical Center. As Chair of the MSPRC, Physician is required to perform a number of duties (the “Duties”) set forth in the Policy.

D. The purpose of this Agreement is to provide a means of compensating Physician at no more than fair market value for performing the Duties required of a committee chair. Additionally, this Agreement will delineate the expectations of the parties and assure effective performance by Physician.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, it is hereby agreed as follows:

1. Recitals. The recitals set forth above are hereby incorporated into this Agreement as a material and substantive part of this Agreement.

2. Duties. The Duties of Physician as a member of the MSPRC are as set forth in the Medical Staff Peer Review Policy of PPH, as it may be amended from time to time, and shall include, without limitation, the Duties set forth on Exhibit A attached hereto and incorporated herein by this reference.

3. Compensation.

3.1 Monthly Rate. PPH agrees to pay Physician One Thousand dollars (\$1,000.00) per month for the months of September 2009 through December 2010 for Physician’s performance of the Duties as Chair of the Medical Staff Peer Review Committee. Payment shall be made monthly within 30 days of the end of the month for which payment is being made.

**POMERADO HOSPITAL  
EMERGENCY ON-CALL AGREEMENT**

**TO:** Board Finance Committee

**MEETING DATE:** Tuesday, September 29, 2009

**FROM:** David Tam, M.D., CAO, Pomerado Hospital

**BACKGROUND:** This is a request to approve the Emergency On-Call Agreement with Paras Shah, M.D. Physician shall serve as a member of the On-Call Panel on a rotating basis and provide On-Call Coverage for the specialty of Ophthalmology in accordance with the Hospital bylaws, rules and regulations, policies and procedures of PPH

**BUDGET IMPACT:** None

**STAFF RECOMMENDATION:** Approval

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

## PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	<b>TITLE</b>	Emergency On-Call Agreement
	<b>AGREEMENT DATE</b>	August 1, 2009
	<b>PARTIES</b>	1) Pomerado Hospital 2) Paras Shah, M.D.
Recitals E	<b>PURPOSE</b>	To serve on the On-Call Panel as required by the medical staff bylaws, and rules and regulations, of Pomerado Hospital.
Exhibit A	<b>SCOPE OF SERVICES</b>	To provide On-Call coverage pursuant to the On-Call Agreement for the specialty of Ophthalmology at Pomerado Hospital.
	<b>PROCUREMENT METHOD</b>	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
5	<b>TERM</b>	The term of this agreement shall commence effective as of August 1, 2009 through July 31, 2010.
N/A	<b>RENEWAL</b>	None
6	<b>TERMINATION</b>	1. Immediate for cause 2. Not less than 90 days of written notice without cause
2	<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 checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	<b>JUSTIFICATION</b>	Need for continued Ophthalmology consultation call coverage for the Emergency Department.
	<b>AGREEMENT NOTICED</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <b>Methodology &amp; Response:</b>
	<b>ALTERNATIVES/IMPACT</b>	N/A
1	<b>Duties</b>	Physician shall provide On-Call Panel Coverage and professional services in accordance with the Hospital's bylaws, rules and regulations, policies and procedures.
	<b>COMMENTS</b>	
	<b>APPROVALS REQUIRED</b>	<input checked="" type="checkbox"/> Officers <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Committee <input type="checkbox"/> Finance <input checked="" type="checkbox"/> BOD



## **EMERGENCY ON-CALL AGREEMENT**

THIS EMERGENCY ON-CALL AGREEMENT (“Agreement”) is made and entered into effective as of the first day of August 1, 2009 by and between Palomar Pomerado Health, a California local health care district created under Division 23 of the California Health and Safety Code (“PPH”), and Paras Shah, M.D. (“Physician”).

### **RECITALS**

A. PPH owns and operates two general acute care hospitals: Palomar Medical Center and Pomerado Hospital (collectively, the “Hospitals”), and provides emergency services to patients who present themselves for evaluation and treatment through the emergency and various other departments of the Hospitals, including, but not limited to, the intensive care unit and other inpatient departments of the Hospitals (collectively, the “Departments”).

B. Pursuant to state and federal law, the Hospitals have established “on-call” panels of physicians (“On-Call Panel”) in order to assure the availability of adequate physician coverage for the Departments.

C. Physician is licensed to practice medicine in the State of California, is Board certified or eligible for certification in his or her appropriate specialty, is a member of the medical staff of one or both Hospitals, and is approved by one or both of the Hospital medical staffs to serve on the On-Call Panel.

D. PPH and Physician each recognize that the On-Call Panel performs a necessary patient care function at PPH and Physician agrees to render coverage and services as a member of said On-Call Panel in assuring prompt and continuous availability of services to PPH’s patients.

E. Physician acknowledges his or her responsibility to serve on the On-Call Panel as required by the medical staff bylaws, and rules and regulations, of the applicable Hospital(s).

NOW, THEREFORE, in consideration of the recitals, covenants, conditions and promises herein contained, the parties hereby agree as follows:

#### **1. Physician’s On-Call Panel Coverage Services.**

1.1 Physician shall serve as a member of the On-Call Panel on a rotating basis, at such times as shall be determined by the appropriate PPH Department in accordance with Section 1.2 below, to provide On-Call Panel Coverage and professional services, regardless of payor class, to: (1) patients who are not currently assigned to any particular physician at the time coverage and services are provided, and (2) patients, including inpatients, who may be assigned to a particular physician, but who require consultation or other physician services from an On-Call Panel physician during the physician’s scheduled On-Call Panel period (collectively, “Coverage Patients”). Specifically, Physician shall provide those services set forth on Exhibit A, attached

**POMERADO HOSPITAL  
EMERGENCY ON-CALL AGREEMENT**

**TO:** Board Finance Committee

**MEETING DATE:** Tuesday, September 29, 2009

**FROM:** David Tam, M.D., Chief Administrative Officer,  
Pomerado Hospital

**BACKGROUND:** This is a request to approve the extension of the Emergency On-Call Agreement with Sudabeh Moein, MD. Physician shall continue to serve as a member of the On-Call Panel on a rotating basis and provide On-Call Coverage for the specialty of Obstetrics and Gynecology in accordance with the Hospital bylaws, rules and regulations, policies and procedures of PPH

**BUDGET IMPACT:** None

**STAFF RECOMMENDATION:** Approval

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

## PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	<b>TITLE</b>	Emergency On-Call Agreement
	<b>AGREEMENT DATE</b>	Original agreement of November 1, 2006 will be extended effective November 1, 2009.
	<b>PARTIES</b>	1) Pomerado Hospital 2) Sudabeh Moein, M.D.
Recitals E	<b>PURPOSE</b>	To serve on the On-Call Panel as required by the medical staff bylaws, and rules and regulations, of Pomerado Hospital.
Exhibit A	<b>SCOPE OF SERVICES</b>	To provide On-Call coverage pursuant to the On-Call Agreement for the specialty of Obstetrics and Gynecology at Pomerado Hospital.
	<b>PROCUREMENT METHOD</b>	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
5	<b>TERM</b>	The term of this extension shall commence effective as of November 1, 2009 through October 31, 2011.
N/A	<b>RENEWAL</b>	None
6	<b>TERMINATION</b>	1. Immediate for cause 2. Not less than 90 days of written notice without cause
2	<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 checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	<b>JUSTIFICATION</b>	Replacement of retired physician leaving the call pool. Need for continued Obstetrics and Gynecology consultation call coverage for the Emergency Department.
	<b>AGREEMENT NOTICED</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <b>Methodology &amp; Response:</b>
	<b>ALTERNATIVES/IMPACT</b>	N/A
1	<b>Duties</b>	Physician shall provide On-Call Panel Coverage and professional services in accordance with the Hospital's bylaws, rules and regulations, policies and procedures.
	<b>COMMENTS</b>	
	<b>APPROVALS REQUIRED</b>	<input checked="" type="checkbox"/> Officers <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD Committee <input type="checkbox"/> Finance <input checked="" type="checkbox"/> BOD

**CONTRACT AMENDMENT #1  
BETWEEN  
PALOMAR POMERADO HEALTH  
AND  
SUDABETH MOEIN, M.D.**

This Amendment is made by and between **PALOMAR POMERADO HEALTH**, a local healthcare district organized under Division 23 of the California Health and Safety Code, and **Sudabeth Moein, M.D.**, on this the 1st day of November, 2009 (“Effective Date of Amendment”).

In consideration of the mutual promises of the parties, the receipt and sufficiency of which are hereby acknowledged, the **Emergency On-Call Agreement** between the parties (“Agreement”) that was entered into effective November 1, 2007, and that has a term date beginning on November 1, 2006, is hereby amended as follows:

**5. Term of Agreement.**

Notwithstanding its date(s) of execution by the parties, the term of this Agreement shall commence effective as of November 1, 2006 and shall continue through October 31, 2011, unless earlier terminated as hereinafter provided.

All other terms of the Agreement remain in full force and effect. In the event of a conflict, the provisions, terms and conditions of this Amendment shall prevail.

The parties have executed this Amendment on the date set forth below.

**SUDABETH MOEIN, MD**

**PALOMAR POMERADO HEALTH**

By: \_\_\_\_\_  
Sudabeth Moein, MD

By: \_\_\_\_\_  
Robert A. Hemker  
Chief Financial Officer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## Neurology Medical Director

**TO:** Board Finance Committee

**MEETING DATE:** Tuesday, September 29, 2009

**FROM:** Kathleen Mendez, RN, MS, Director Cardiac Ortho Neuro Services

**Background:** The Neurology Medical Director position was developed in response to the JCAHO requirement for hospital Stroke Certification. Michael S. Rafii, MD, will be replacing the previous Stroke Medical Director for Palomar Medical Center, William Samuel, MD. The position now encompasses both Palomar and Pomerado campuses.

**Budget Impact:** Budgeted position

**Staff Recommendation:** This position was posted according to Medical Staff bylaws and the candidate selected by consensus of administrative and staff interview panel.

**Committee Questions:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

## PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	<b>TITLE</b>	Neurology Medical Director
	<b>AGREEMENT DATE</b>	October 1, 2009 to October 1, 2010
	<b>PARTIES</b>	Mark Rafii, MD, and Palomar Pomerado Health
	<b>PURPOSE</b>	To provide Medical Staff direction for the Stroke program and expansion of services for the neurologic patient.
	<b>SCOPE OF SERVICES</b>	Palomar and Pomerado Hospitals
	<b>PROCUREMENT METHOD</b>	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
	<b>TERM</b>	1 year
	<b>RENEWAL</b>	Automatic
	<b>TERMINATION</b>	At the discretion of either party at the end of each years term date.
	<b>COMPENSATION METHODOLOGY</b>	Billed monthly
	<b>BUDGETED</b>	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	<b>EXCLUSIVITY</b>	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES – EXPLAIN: Contractual
	<b>JUSTIFICATION</b>	Requirement of JCAHO for Stroke certification
	<b>AGREEMENT NOTICED</b>	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <b>Methodology &amp; Response:</b> Annual contract
	<b>ALTERNATIVES/IMPACT</b>	No alternatives available for JCAHO Stroke Certification other than to chose not to participate. Failure to participate will mean stroke patients will need to be directed to a certified Stroke facility.
	<b>Duties</b>	<input checked="" type="checkbox"/> Provision for Staff Education <input checked="" type="checkbox"/> Provision for Medical Staff Education <input checked="" type="checkbox"/> Provision for participation in Quality Improvement <input 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

## MEDICAL DIRECTORSHIP AGREEMENT

THIS MEDICAL DIRECTORSHIP AGREEMENT (this “**Agreement**”) is entered into as of    October 1, 2009, by and between Palomar Pomerado Health, a local health care district organized under Division 23 of the California Health and Safety Code and doing business as Palomar Medical Center and Pomerado Hospital (“**Hospital**”), and Michael S. Rafii, M.D, an individual (“**Practitioner**”). Hospital and Practitioner are sometimes referred to in this Agreement individually as a “**Party**” or, collectively, as the “**Parties.**”

### RECITALS

- A. Hospital owns and operates an acute care hospital facility located in Escondido and in Poway, California, in which it operates a Stroke Program under its acute care license.
- B. Practitioner is licensed to practice medicine in the State of California, board for the practice of medicine in the specialty of Neurology and a member in good standing of Hospital’s medical staff
- C. Hospital desires to engage Practitioner as an independent contractor to provide medical and administrative oversight with respect to the Neurology Program, and believes that comprehensive neurology services can be achieved if Practitioner assumes such responsibility as set forth in this Agreement.

### AGREEMENT

**THE PARTIES AGREE AS FOLLOWS:**

#### ARTICLE I. PRACTITIONER’S OBLIGATIONS

**1.1 Director Services.** Practitioner shall provide to Hospital those medical director services set forth on Exhibit 1.1 and Exhibit 1.1 (a) (“**Director Services**”), upon the terms and subject to the conditions set forth in this Agreement. Practitioner shall ensure that all Director Services are performed when and as needed, but shall also perform any Director Services when and as requested by Hospital from time to time.

**1.2 Time Commitment.** Practitioner shall devote whatever time is necessary to ensure the operation of a high-quality [Department/Program]; provided, however, that Practitioner shall perform Director Services a minimum of four (4) hours and a maximum of twenty(20) hours per month. Practitioner shall allocate time to Director Services as reasonably requested by Hospital from time to time.

**1.3 Availability.** On or before the first (1st) day of each month, Practitioner shall inform Hospital of Practitioner’s schedule and availability to perform Director Services during that month. Practitioner shall use his or her best efforts to adjust such schedule of availability if reasonably requested by Hospital in order to meet Hospital’s needs for Director Services.

## Board Program Review Schedule – Updated September 2009

**TO:** Board Finance Committee

**MEETING DATE:** Tuesday, September 29, 2009

**FROM:** Tanya Howell, Secretary

**BY:** Bob Hemker, CFO

**Background:** Pursuant to a request by this Committee, Management has compiled and prioritized a list of Board-approved programs, initiatives and services for which status updates are appropriate for review at future Board Finance Committee meetings. A copy of the schedule is attached and will be provided to all members of the Board to facilitate their attendance.

**Budget Impact:** N/A

**Staff Recommendation:**

**Committee Questions:**

### COMMITTEE RECOMMENDATION:

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**



## DRAFT PROGRAM REVIEW SCHEDULE FY2010

(Rev'd 9/2009)

Program/ Responsible Party	Date Presented to Board	Action at Board Meeting	Adjunct Dates	Date Due for Review	Date Reviewed	Review Committee(s)
Women's Programs at the POP/ Sheila Brown	7/9/2007	Approved 5-year <i>pro forma</i> and budget		10/27/2009		BoD Finance
Perinatology Program/ Sheila Brown	8/12/2008	Program Review	Implemented 7/2006	10/27/2009		BoD Finance
Friendly PC/ Robert Trifunovic	5/1/2009	Approved	Established 7/2009	10/27/2009		BoD Finance
San Diego Radiosurgery, LLC & Stereotactic Radiosurgery (SRS)/ Gerald Bracht & Bob Hemker?	10/8/2007	Approved JV for implementation of SRS services		10/27/2009		BoD Finance & Strategic
SNF Beds to Sub-Acute/ Steve Gold	6/9/2008	Approved	Opened 10/1/08	12/8/2009		BoD Finance
Physician Recruitment/ Gerald Bracht (Lisa Hudson)				1/26/2010		BoD Finance
Da Vinci/ Gerald Bracht (Bruce Grendel)	8/12/2008	8-month Program Review		3rd quarter FY2010		BoD Finance
Wound Care/ Sheila Brown	8/12/2008	Program Review	2nd site added December 2006	8/1/2010		BoD Finance
NICU Expansion/ Gerald Bracht	7/14/2008	Approved				
	6/8/2009	Approved additional funding to finalize project				
PPH Retail Group, LLC/ Sheila Brown	11/10/2008	Retail entity created for licensing retail operations (expresscare & Weight Solutions at that time)				BoD Finance
VHA Purchasing Coalition/ David Tam & Bob Hemker?	2/8/2009	Approval for participation in formation of coalition				
Pomerado Imaging LLC/ David Tam	8/14/2009	Approved creation of structure for new entity				
Physician Recruitment/ Gerald Bracht				1/26/2010		BoD Finance
Residency Programs (e.g., Family Practice, ED)/ Gerald Bracht & David Tam						

## August 2009 & YTD FY2010 Financial Report

**TO:** Board Finance Committee  
**MEETING DATE:** Tuesday, September 29, 2009  
**FROM:** Robert Hemker, CFO

**Background:** The Board Financial Reports (unaudited) for August 2009 and YTD FY2010 are submitted for the Finance Committee's approval (*Addendum B*).

**Budget Impact:** N/A

**Staff Recommendation:** Staff recommends approval.

**Committee Questions:**

### COMMITTEE RECOMMENDATION:

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

# ADDENDUM A

BOARD FINANCE COMMITTEE MEETING  
ATTENDANCE ROSTER & MEETING MINUTES  
CALENDAR YEAR 2009

MEMBERS	MEETING DATES:										
	1/27/09	2/24/09	3/31/09	4/28/09	5/26/09	6/30/09	7/28/09	8/25/09	9/29/09	10/27/09	12/8/09
NANCY BASSETT, R.N.	P	P	P	P	P	P	P	P			
TED KLEITER – CHAIR	P	P	P	P	P	P	E	P			
MARCELO RIVERA, M.D.	P	E	P	E	P	P	C	P			
MICHAEL COVERT, FACHE	P	P	P	P	P	P	P	P			
FRANK MARTIN, M.D.	P	P	P	P	P	P	P	P			
JOHN LILLEY, M.D.	P	P	P	P	A	P	E	P			
BRUCE KRIDER – ALTERNATE		P	G	E		G	P	G			
LINDA GREER, R.N. – 2 <sup>ND</sup> ALTERNATE			G	P			G				
– 3 <sup>RD</sup> ALTERNATE											
– 4 <sup>TH</sup> ALTERNATE											
STAFF ATTENDEES											
BOB HEMKER	P	P	P	P	P	P	P	P			
GERALD BRACHT	P	P	P	P	P	P	P	P			
DAVID TAM	P	P	P	P	P	P	P	E			
TANYA HOWELL – SECRETARY	P	P	P	P	P	P	P	P			
INVITED GUESTS	SEE TEXT OF MINUTES FOR NAMES OF GUEST PRESENTERS										

**BOARD FINANCE COMMITTEE – MEETING MINUTES – TUESDAY, AUGUST 25, 2009**

**1. AGENDA ITEM**

<b>DISCUSSION</b>	<b>CONCLUSION/ACTION</b>	<b>FOLLOW UP/RESPONSIBLE PARTY</b>	<b>FINAL?</b>
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**CALL TO ORDER**

- The meeting – held in the first floor conference room at 456 E. Grand Avenue, Escondido, CA – was called to order at 6:01 p.m. by Chair Ted Kleiter.

**ESTABLISHMENT OF QUORUM**

- See roster

**PUBLIC COMMENTS**

- There were no public comments

**INFORMATION ITEM(S)**

<ul style="list-style-type: none"> <li>Status of RAC Litigation                             <ul style="list-style-type: none"> <li>Janine Sarti provided an update on the suit filed on behalf of PPH related to RAC audit findings                                     <ul style="list-style-type: none"> <li>Federal government has responded to the complaint filed in Federal Court by the national consortium the FAIR Fund</li> <li>PPH will be filing a request for summary judgment</li> <li>Decision is anticipated by mid-November 2009</li> </ul> </li> </ul> </li> <li>Upcoming Revenue Bond Issue                             <ul style="list-style-type: none"> <li>Bob Hemker reported that the due diligence process has begun in anticipation of issuing a tranche of Revenue Bonds before the end of November                                     <ul style="list-style-type: none"> <li>There will be a tight calendar for this issue   <ul style="list-style-type: none"> <li>Anticipate having the a draft of the FY2009 audit report for the October 20<sup>th</sup> Board Audit Committee</li> <li>The Joint Powers Authority Board (JPA) meeting to ratify the purchase and sale is tentatively scheduled for October 23<sup>rd</sup> <ul style="list-style-type: none"> <li>Comprised of PPH, Tri-City and Grossmont Healthcare Districts</li> <li>Not obligated or a guarantor of any debt</li> </ul> </li> <li>A Special Board meeting to approve the transaction and related instruments will be required in late October and will likely be held in conjunction with the regular Board Finance meeting on October 27<sup>th</sup></li> <li>It is likely there will be an investor road show, with pricing expected on or about November 12<sup>th</sup></li> <li>Final close is scheduled for November 19<sup>th</sup></li> </ul> </li> <li>Consideration is being given to the use of Build America Bonds (BABs) as part of the issuance instruments   <ul style="list-style-type: none"> <li>BABs are a new instrument available under the stimulus package</li> <li>Short lifespan of availability</li> <li>Must be used for tax-exempt uses only, so monies associated with that portion of the issue would be tied to a wholly owned PPH asset</li> <li>Bond Counsel is comfortable with the instrument</li> </ul> </li> </ul> </li> </ul> </li> </ul>	<p><b>Information Only</b></p> <ul style="list-style-type: none"> <li>Bob Hemker will provide more information to the Board on BABs for educational purposes</li> <li>The final schedule for Board Program Reviews will be provided to Board Finance when complete, with a copy to the full Board</li> </ul>	<p>Forwarded to the September 14, 2009, Board of Directors meeting as information.</p>	<p><b>N</b></p>
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1. AGENDA ITEM

• DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
<ul style="list-style-type: none"> <li>▪ Would also use traditional revenue bonds (certificates of participation)</li> <li>▪ The Board will be kept apprised of the status through the Board Finance Committee</li> <li>▪ Can use 6/30/09 Audited Financials if bonds issue with in 130 days of year end</li> <li>▪ Anticipate issuing \$100-\$175M of new project monies</li> <li>o Other considerations to be weighed as part of bond due diligence                             <ul style="list-style-type: none"> <li>▪ Because of the State's budgetary shortfalls, they anticipate an 8% property tax shift as the result of Proposition 1A                                     <ul style="list-style-type: none"> <li>▲ Means the State would borrow 8% from the unrestricted property taxes paid to special districts, to be paid back in 2013 with interest   <ul style="list-style-type: none"> <li>(a) There are exceptions and we have clarified that the GO Bond tax levy is exempt as those funds are voter-specified</li> <li>(b) Current materials generated by the State are inflated as they contain both unrestricted and GO levy dollars</li> </ul> </li> <li>▲ Possible solutions   <ul style="list-style-type: none"> <li>(a) A Statewide JPA was created several years ago and used when vehicle taxes were diverted   <ul style="list-style-type: none"> <li>(i) Impacted agencies would coalesce by joining the JPA</li> <li>(ii) JPA would borrow the monies, with the State paying for costs of issuance and interest expense</li> <li>(iii) The members of the JPA would get their tax revenues without delay</li> </ul> </li> <li>(b) Agencies would not encumber their debt capacity</li> </ul> </li> </ul> </li> <li>▪ Auction Rate Securities (ARS) resets are continuing their downward trend                                     <ul style="list-style-type: none"> <li>▲ Reset rates are favorable   <ul style="list-style-type: none"> <li>(a) Lower than when the whole market for ARS went negative in February 2008</li> </ul> </li> <li>▲ Decision to hold them was favorable</li> </ul> </li> <li>▪ Medicare FY2010 final rules are out                                     <ul style="list-style-type: none"> <li>▲ Looks like we'll have a slight improvement that is consistent with budgeted amounts   <ul style="list-style-type: none"> <li>(a) Comprised of PMC and POM Inpatient, Inpatient Rehab and Home Health</li> </ul> </li> </ul> </li> <li>▪ Provider tax initiative is stalling out and may go to voter tax next November</li> <li>▪ County Medical Services is trying to do an intergovernmental transfer program to provide additional federal funds</li> </ul> </li> <li>o Provider tax had opportunity but also uncertainty if it would find its way back into the state</li> <li>o The State of California's federal waiver on Medicaid expires in 2010</li> </ul> <li>• Re-establishment of Board Program Reviews                             <ul style="list-style-type: none"> <li>o As requested by the Board Finance Committee, Bob Hemker reported that Management is compiling and prioritizing a list of Board-approved programs, initiatives and services for which status updates are appropriate to review at the Committee                                     <ul style="list-style-type: none"> <li>▪ Status updates will be scheduled for review at Board Finance Committee meetings throughout this fiscal year</li> </ul> </li> </ul> </li>			

**BOARD FINANCE COMMITTEE – MEETING MINUTES – TUESDAY, AUGUST 25, 2009**

1. AGENDA ITEM			
DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
<ul style="list-style-type: none"> <li>▲ A copy of the schedule will be provided to the Board when finalized, to facilitate attendance by other interested Board members</li> <li>▪ Pharmacy Residency Program is being presented this evening</li> <li>▪ An update on the strategic plan to in-source legal fees will also be presented this evening</li> </ul>			
1. MINUTES – JULY 28, 2009			
<ul style="list-style-type: none"> <li>• No discussion.</li> </ul>	<p><b>MOTION:</b> By Director Rivera, seconded by Director Bassett, carried to approve the minutes of the July 28, 2009, Board Finance Committee meeting as presented. All in favor. None opposed.</p>		<b>Y</b>
2. PHARMACY STEWARDSHIP			
<ul style="list-style-type: none"> <li>• Bob Hemker stated that Michael Kruse, Clinical Pharmacy Specialist and residency director, had made a presentation at P&amp;T that highlighted the operational and clinical efficiencies of the Pharmacy Department (<i>included in the agenda packet as Addendum B</i>). At that meeting, it was recommended that the information be shared with the EMT Finance Committee. The EMT Finance Committee was duly impressed and felt it important that the information be shared with the Board Finance Committee, especially as it tied into a status review of the Pharmacy Residency Program. He then introduced Mr. Kruse, who presented the materials             <ul style="list-style-type: none"> <li>○ Highlights of Pharmacy Residency Program review                 <ul style="list-style-type: none"> <li>– We have the appropriate resources for 2 residents                     <ol style="list-style-type: none"> <li>1) Sharp Chula Vista and UCSD have both expanded their programs</li> <li>2) We feel it is appropriate in coming years to maintain ours at 2</li> </ol> </li> <li>– Medicare gives us pass through education funds that cover most of the costs of the program</li> <li>– We have hired two of our residents in the past two years                     <ol style="list-style-type: none"> <li>1) Recruiting cost savings</li> </ol> </li> <li>– Several of the physicians are also preceptors</li> </ul> </li> <li>○ Summary – the Pharmacy Residency Program is self-funding and provides significant tangible and intangible benefits to the District</li> </ul> </li> </ul>	<b>Information Only</b>	Forwarded to the September 29, 2009, Board of Directors meeting as information	<b>Y</b>
3. UPDATE ON LEGAL FEES FOR FY2009			
<ul style="list-style-type: none"> <li>• Utilizing the attached presentation (<i>Attachment 1</i>), Janine Sarti presented an informational update on the Legal Department's Strategic Plan &amp; Outcome of budget for fy2009             <ul style="list-style-type: none"> <li>○ Serengeti Law                 <ul style="list-style-type: none"> <li>– Provides benchmarking information for legal firms</li> <li>– Also provides consulting services both to in-house and out sourced firms</li> <li>– Their 2008 benchmarking report is based on company size                     <ol style="list-style-type: none"> <li>1) PPH is considered a large company</li> </ol> </li> </ul> </li> </ul> </li> </ul>	<b>Information Only</b>	<p>Forwarded to the September 14, 2009, Board of Directors meeting as information</p> <ul style="list-style-type: none"> <li>• Updates will be presented as warranted</li> </ul>	<b>N</b>

1. AGENDA ITEM

• DISCUSSION

- o Average outside counsel fees for a year were significantly higher than in-source solution
  - PPH's fees for FY2009 were \$217K
    - 1) Those are total paid fees, not including costs of in-house attorneys
- o Fulbright & Jaworski is the main firm utilized as outside counsel
  - Open phone arrangement with them
    - 1) They charge PPH \$2K/month for phone contact with counsel
    - 2) For discussions lasting less 1hour, there is no extra charge
- o Also use one other outside firm for labor law
- o Compliance/Audit/Legal
  - Three legs of the internal regulatory stool
    - 1) If there are issues, Marty, Tom and Janine work collaboratively to investigate, then report on findings
  - Marty also has a legal background
    - 1) Unless the issue under investigation concerns the Legal Department, Marty will utilize Janine for legal counsel
  - Otherwise, Janine is the avenue of control over when outside counsel can be utilized
    - 1) If there is a difference of opinion, there is opportunity to go to the Board Chair for authorization to go to outside counsel

CONCLUSION/ACTION

FOLLOW UP/RESPONSIBLE PARTY

FINAL?

4. JUNE 2009 AND YTD FY2009 PRE-AUDIT CLOSE

- Utilizing the attached presentation (*Attachment 2*), Bob Hemker presented the pre-audit close financial statements for June 2009 and YTD FY2009
  - o These are the financials as handed over to Deloitte & Touche for audit
  - o Audited financials will go into the Offering Statement for the bond issue
  - o Kept the books open as long as we could to review any atypical items
    - Also reviewed any comments from last year's audit
    - Were not sent out ahead of time as finalized at 11<sup>th</sup> hour
  - o Only certain pages will be highlighted, and follow-up questions may be addressed to Bob
  - o Balanced Scorecard (BSC)
    - OEBITDA ended at 9.9% against a budget of 10.4%
    - Consolidated Salaries and Wages were yellow
      - 1) South Salaries and Wages & productive FTEs are both green
      - 2) North productive FTEs were blue
        - a) Much more improved performance
  - o Key Variance Explanations (*Slides 13-15*)
    - Net income from operations ended the year \$500K above budget at \$9.4M
    - Total net revenues were up \$7.8M above budget
    - Salaries and Wages showed a positive variance of \$2.8M

**MOTION:** By Dr. Lilley seconded by Dr. Martin and carried to recommend approval of the June 2009 and YTD FY2009 Pre-Audit Close Financial Statements as presented. All in favor. None opposed.

Forwarded to the September 14, 2009, Board of Directors meeting with a recommendation for approval.

N



1. AGENDA ITEM

• DISCUSSION

CONCLUSION/ACTION

FOLLOW UP/RESPONSIBLE PARTY

FINAL?

- 1) Offset by a negative variance in contract labor of \$3.2M
- 2) Total negative variance of just under \$400K, attributable to severance costs
  - Negative variance of \$2.9M in Group Health Insurance
    - 1) Settlement cost at the end of a 2-year program
      - a) Discounted rate for utilization was offset by higher utilizers out of network activity
  - Negative variance of \$219K in Professional Fees
    - 1) ER physician call coverage fee changes
  - Negative variance of \$3.7M in Supplies
    - 1) Due in large part to Prosthesis
    - 2) Non-pharmaceuticals were \$1.1M below budget
    - 3) Blood bank shows a positive variance to budget of about \$400K
  - Negative variance in Medi-Cal eligibility consulting services of \$589K is contra to the additional revenue derived from Medi-Cal
  - Negative variance of \$758K in Utilities
    - 1) Portion of increase due to having more properties come online during the fiscal year
  - Negative variance of \$500K in property tax
    - 1) Due to delinquencies in the fourth quarter and lower assessed value growth than expected
  - Investment income showed an overall 4.2% return
    - 1) Still bore a negative variance of \$2.4M
  - Interest Rate Swap on Auction Rate Securities
    - 1) Non-cash transaction – book entry only
    - 2) No collateral posted on them; swaps are generally neutralized by rating agencies in their review
    - 3) \$10.7M was recorded as a non-operating expense to adjust to the negative \$16.7M fair value of the swap at 6/30/09
  - Negative variance of \$1M on the PDP Investment related to the Pomerado Outpatient Pavilion (POP)
    - 1) Based on the interim loan structure
    - 2) LLC is looking for permanent financing and/or monetization of the asset solution
- o Balance Sheet (Slide 16)
  - Cash and equivalents is up \$31M year on year
    - 1) Net cash and Board-designated funds is a \$19M improvement year on year
  - Days cash on hand is up to 103 days
    - 1) Up about 14.7 days year on year
  - Accumulated depreciation is \$4M lower year on year
  - There is \$182M more in CIP Accounts than prior year

1. AGENDA ITEM

• DISCUSSION

CONCLUSION/ACTION

FOLLOW UP/RESPONSIBLE PARTY

FINAL?

- Total Fund Balance moved up \$23M against prior year
- Cash Collections of \$426.8M were \$5M short of budget
  - 1) Had an \$8M stretch goal in the budget amount, so exceeded what we expected
  - 2) \$23M more collected year on year
- Improved liquidity and net fund balance side
- o Monthly Trend Income Statement (Slide 17)
  - Consistency throughout the year in OEBITDA
    - 1) 4<sup>th</sup> quarter showed upward movement toward where it needs to be in FY10
- o YTD Income Statement (Slide 18)
  - Total Net Revenue had a positive variance of 1.5%
  - Admissions had a negative variance of 5.8%
  - Acute Patient Days had a negative variance of 3%
  - SNF Patient Days had a positive variance of .5%
  - Adjusted Discharges had a positive variance of .25%
  - Broke through \$1.5B on gross revenue from billed charges
  - Overall Salaries and Wages showed a negative variance to budget of just under \$400K
  - Supplies had a negative variance of 5%
  - Operating income had a positive variance of 5% to budget
- o Year on Year Income Statement (Slide 20)
  - Acute Admissions were down about 4%
  - Acute Patient Days were down about 3%
  - Adjusted Discharges were down .6%
  - ALOS Acute was flat-line
  - ALOS SNF was up .8%
    - 1) Overall case mix for this year was 1.27 compared to 1.21 in FY08
    - 2) Medicare was up to 1.48 from 1.4
    - 3) Overall case mix w/out births was up to 1.46 from 1.4
    - 4) Although volume units are down, intensity is getting higher
  - Overall Net Revenue was up 6.3%
    - 1) On a per unit measure up almost 7%
      - a) Driven by rate improvements, contract improvements, etc.
  - Salaries and Wages were up \$2.7M raw dollars
  - Supplies were up 6.3% up
  - Total expenses were up 1.75%
  - Operating Income showed almost a \$19M improvement
    - 1) Talked about our recovery plan last year when issuing bonds

1. AGENDA ITEM

• DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
<ul style="list-style-type: none"> <li>2) Proof is in these financials                             <ul style="list-style-type: none"> <li>– OEBITDA was up to 9.9% from 6%</li> <li>– Total Uncompensated Care was \$74.5M compared to \$64M last year                                     <ul style="list-style-type: none"> <li>1) Charity care was 5.5% compared to 10% last year</li> <li>2) Undocumented care was \$14.5M, up about 15% compared to last year</li> </ul> </li> </ul> </li> <li>o Investment Fund Schedules (<i>Slides 60-61</i>)                             <ul style="list-style-type: none"> <li>– Local Area Investment Fund (LAIF) bundles funds for government agencies who want to participate                                     <ul style="list-style-type: none"> <li>1) Provides same-day liquidity   <ul style="list-style-type: none"> <li>a) Treated as same day cash</li> </ul> </li> <li>2) Allows investment in longer term instruments we could not access as a district on a stand-alone basis</li> </ul> </li> <li>o Morgan Stanley , Pacific Income Investors and Salomon Brothers can all invest short, medium or long-term, although maturity durations are divided among the managers</li> </ul> </li> </ul>			

5. JULY 2009 AND YTD FY2010 FINANCIAL REPORT

<ul style="list-style-type: none"> <li>• Utilizing the presentation included as Addendum C of the agenda packet, Bob Hemker reviewed July 2009 and YTD FY2010 financial performance:                             <ul style="list-style-type: none"> <li>o BSC metrics are missing this month                                     <ul style="list-style-type: none"> <li>– They are being updated to reflect the FY2010 budget   <ul style="list-style-type: none"> <li>1) Had to close financials before update BSC update was complete</li> <li>2) Restated the budget to incorporate final terms and conditions of union contracts   <ul style="list-style-type: none"> <li>a) Contracted terms didn't change aggregate totals of the FY2010 budget</li> </ul> </li> </ul> </li> <li>– Will be included in next month's presentation</li> </ul> </li> <li>o Executive Summary – Key Indicators (<i>ADD C-3</i>)                                     <ul style="list-style-type: none"> <li>– Acute Admissions have a negative variance of 5.6%</li> <li>– Acute Patient Days have a negative variance of 5.3%</li> <li>– ALOS was also slightly negative to budget</li> <li>– Case Mix Index had a slight positive variance</li> <li>– Total surgeries had a positive variance of 140   <ul style="list-style-type: none"> <li>1) CV Surgeries were up 7</li> </ul> </li> <li>– Births had a negative variance of 27   <ul style="list-style-type: none"> <li>1) All at PMC</li> </ul> </li> <li>– ER Visits had a positive variance of 10.8%   <ul style="list-style-type: none"> <li>1) Conversion rate was down, so Levels 1 &amp; 2 were presenting at the ER</li> </ul> </li> <li>– Net income closed at just under \$1.4M, a positive variance of \$117K</li> <li>– Bottom bottom line had a positive variance of \$130K</li> </ul> </li> </ul> </li> </ul>	<p><b>MOTION:</b> By Director Bassett, seconded by Dr. Martin and carried to recommend approval of the July 2009 and YTD FY2010 Financial Statements as presented. All in favor. None opposed.</p>	<p>Forwarded to the September 14, 2009, Board of Directors meeting with a recommendation for approval.</p> <ul style="list-style-type: none"> <li>• The Board Policy regarding patient discounts needs to be brought back for review</li> </ul>	<p>Y</p> <p>N</p>
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1. AGENDA ITEM

• DISCUSSION

CONCLUSION/ACTION

FOLLOW UP/RESPONSIBLE PARTY

FINAL?

- Net income margin was slightly positive to budget at 6.1%
- Cash on hand continues to grow, with a positive variance of 24.2
- o Income Statement – Month to Date (ADD C-11)
  - Adjusted Discharges had a negative variance of 1%
  - Gross Revenue had a \$4.8M positive variance
    - 1) \$/Adjusted Discharge were \$43,404 against a budget of \$41,608
    - 2) When you take case mix into account – should have been approximately \$46K
  - Total Net Revenue \$/Adjusted Discharge was \$11,694
    - 1) Positive variance of 3.4%
  - SWB had a negative variance of \$195K
    - 1) Included the Fourth of July holiday
    - 2) Also made an accrual based on where we thought the union contracts would settle
      - a) Will take a couple of months to true up after adjustments are reconciled
  - Supplies had a negative variance of \$288K
    - 1) Detailed breakdown is on ADD C-17
  - OEBITDA margin percentage is right at budget – 10.9% vs. 11%
  - Despite volume uncertainties, we are managing to budget
- o Income Statement Vs. Prior YTD (ADD C-12)
  - Continue to see strength
  - Operating income is \$1,399,193
    - 1) Positive variance of \$533K compared to prior year
  - Adjusted Discharges had a negative variance of 5%
  - Bottom bottom line of \$2.4M
    - 1) Positive variance to last year of \$339K
  - Total Expense \$/Adjusted Discharge had a negative variance of \$1266 – up 12.6% over prior year
- o Supplies variance (ADD C-17)
  - Implants had the largest negative variance at \$361K
    - 1) Implant revenue is now carved out into its own revenue capture area, and there was a positive variance of \$1M more on the revenue side
      - a) Year on year there were 8 more implantable device cases
  - Haven't seen elective surgeries going up as it did last year when the economy started downturn
    - 1) Will watch for the same thing near calendar year end
- o ALOS (ADD C-21)
  - New slide added to the presentation
    - 1) Dashed lines indicate budget numbers

DRAFT

**BOARD FINANCE COMMITTEE – MEETING MINUTES – TUESDAY, AUGUST 25, 2009**

**1. AGENDA ITEM**

• DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
<ul style="list-style-type: none"> <li>– Value of slide is the variation shown by prior year trend lines</li> <li>o Monthly Collections (<i>ADD C-46</i>)                             <ul style="list-style-type: none"> <li>– Strong cash collections last year</li> <li>– Month of July is at \$39.2M                                     <ol style="list-style-type: none"> <li>1) Positive variance to budget of \$400K</li> <li>2) \$6.4M ahead of prior year</li> </ol> </li> <li>– Cash collections goal was increased this year (from \$2M last year to \$9M this year) for registration deposits (deductibles and co-pays)                                     <ol style="list-style-type: none"> <li>1) Based on new opportunities in the revenue budget, as well as improved processes</li> </ol> </li> </ul> </li> <li>o HealthWoRx Dashboard (<i>ADD C-47</i>)                             <ul style="list-style-type: none"> <li>– <i>Another new slide that reflects the various pillars of the Revenue Optimization Committee (ROC)</i> <ol style="list-style-type: none"> <li>1) One indicator for each pillar that can test whether that pillar is doing things right</li> <li>2) Quick snapshot in one place</li> </ol> </li> </ul> </li> <li>o The flash report for August MTD was distributed (<i>Attachment 3</i>)                             <ol style="list-style-type: none"> <li>1) New format for this year</li> <li>2) Now broken down between the two acute-care campuses</li> <li>3) Also added a few more volume indicators</li> <li>4) August translating into what would be expected from a slow summer month</li> </ol> </li> <li>• Patient inquiry of board regarding a potential additional discount                             <ul style="list-style-type: none"> <li>o Bob thanked the Board for their support of Administration with regard to the matter</li> <li>o The patient has now paid the account in full</li> </ul> </li> </ul>			
<b>ADJOURNMENT</b>	<b>The meeting was adjourned at 757 p.m.</b>		
<b>SIGNATURES:</b> <ul style="list-style-type: none"> <li>• <b>COMMITTEE CHAIR</b> _____ T. E. Kleiter</li> <li>• <b>COMMITTEE SECRETARY</b> _____ Tanya Howell</li> </ul>			

# ATTACHMENT 1

**PALOMAR  
POMERADO  
HEALTH**



## **Legal Services Update**

Janine Sarti, Esq.  
General Counsel  
August 25, 2009

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### **Legal Services Department Vision Statement**

- To have an unwavering focus on quality, cost and access to legal services.

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## Revenues per Company Size\*

- Small: less than \$100 million
- Medium: \$100 million to \$1 billion
- Large: greater than \$1 billion

\*Serengeti Law 2008 Benchmarking report

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## OUTSIDE LEGAL COUNSEL FEES\* Shown as a Percentage of Revenues

- Small Companies: 1.54%
- Medium Companies: .30%
- Large Companies: .13%

\*Serengeti Law 2008 Benchmarking report

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## OUTSIDE LEGAL COUNSEL FEES\*

- Small Companies: \$350,000
- Medium Companies: \$852,427
- Large Companies: \$4,817,105

\*Serengeti Law 2008 Benchmarking report

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## OUTSIDE LEGAL COUNSEL FEES

- Large Companies: \$4,817,105

PPH FY '09  
LEGAL FEES

**\$216,928**

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## OUTSIDE LEGAL COUNSEL FEES Shown as a Percentage of Revenues

- Large Companies: .13%

**PPH FY '08  
LEGAL FEES**  
.11%

**PPH FY '09  
LEGAL FEES**  
.02%

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## TOTAL LEGAL FEES PAID\* Shown as a Percentage of Revenues

- Small Companies: 3.66%
- Medium Companies: .57%
- Large Companies: .23%

\*Serengeti Law 2008 Benchmarking report

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## TOTAL LEGAL COUNSEL FEES\* Shown as a Percentage of Revenues

- Large Companies: .23%

**PPH FY '08  
LEGAL FEES**  
. 14%

**PPH FY '09  
LEGAL FEES**  
. 07%

\*Serengeti Law 2008 Benchmarking report

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## Number of Law Firms Used\*

- Small Companies: 4
- Medium Companies: 8
- Large Companies: 20

\*Serengeti Law 2008 Benchmarking report

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## Number of Law Firms Used by PPH

Benchmark for Large Companies: 20

FY '07

12

FY '08

7

FY '09

2

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## Legal Fees Cost Breakdown

▪ Board Counsel	\$22,365
▪ Labor/Employment	\$31,516
▪ Medical Staff	\$71,435
▪ General Matters	\$62,105
▪ Construction	\$ 3,507
▪ Open Phone	\$24,000

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## SIGNIFICANT ACCOMPLISHMENTS PROJECTS COMPLETED – FY '09

- Blalock Trust Dispute – approx 125 hours
- Grand Jury – Kaiser Contract - approx 100 hours
- Friendly PC - approx 100 hours
- Medical Staff Matters - approx 100 hours
- CA Privacy Law Training/Reporting - approx 150 hours
- Contract Review Training & Management - approx 2,000 hours
- G.O. Bonds - approx 770 hours

Total Hours: approximately 3275

Outside Counsel Expense @ \$500/hour:     \$\$1,637,500

In House Counsel Expense @ \$70 /hour:     \$\$ 229,250

**\$\$\$ SAVINGS = \$1,408,250 \$\$\$**

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## Fulbright Open-Phone Arrangement Matters Discussed

- Medical Staff
- Labor Law
- Public entity
- HIPAA disclosure
- Medical Foundation
- SNF fine
- Conflict of interest
- Will controversy
- Privacy breach
- Easement

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## Legal Services Department Team

- Janine Sarti – General Counsel
- Michele Gilmore – Executive Assistant
- Kate Philbin – Asst. General Counsel
- Roberta Brenton – Staff Counsel

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## Legal Services Department

- QUESTIONS?

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Legal Services Department

•THANK YOU!

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# ATTACHMENT 2



# Financial Statements

## June 2009

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FISCAL YEAR 2009		2	PALOMAR POMERADO HEALTH SPECIALIZING IN YOU
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FISCAL YEAR 2009								3 PALOMAR POMERADO HEALTH SPECIALIZING IN YOU				
Balanced Scorecard Financial Indicators												
March	April	May	June				YTD 2009					
Actual	Actual	Actual	Actual	Budget	Variance	% Actual to Budget	Actual	Budget	Variance	% Actual to Budget		
<b>PPH Indicators:</b>												
	9.4%	9.4%	9.8%	10.2%	11.2%	(1.0%)	81.1%	OEBITDA Margin w/Prop Tax	9.9%	10.4%	(0.5%)	85.2%
\$	11,183.33	10,574.82	10,808.65	11,479.70	10,712.51	(767.19)	107.2%	Expenses/Adj Discharge	\$ 10,898.41	\$ 10,742.22	\$ (157.19)	101.5%
\$	6,846.74	6,363.56	6,719.57	6,382.32	6,390.64	8.32	99.9%	SWB/Adj Discharge	\$ 6,485.01	\$ 6,417.33	\$ (67.68)	101.1%
	6.37	6.35	6.38	6.18	6.56	0.38	94.2%	Prod FTE's/Adj Occupied Bed	6.34	6.60	0.26	96.1%
	3,315	3,341	3,445	3,245	3,276	(31)	99.1%	Adjusted Discharges	40,052	39,951	101	100.3%
<b>PPH North Indicators:</b>												
	7.9%	7.6%	12.6%	9.8%	12.4%	(2.6%)	79.0%	OEBITDA Margin w/Prop Tax	10.1%	11.3%	(1.2%)	89.4%
\$	10,226.35	9,952.15	10,025.50	10,349.46	9,927.70	(421.76)	104.2%	Expenses/Adj Discharge	\$ 10,113.21	\$ 9,970.13	\$ (143.08)	101.4%
\$	5,390.53	5,118.57	5,280.77	5,272.96	5,185.60	(87.36)	101.7%	SWB/Adj Discharge	\$ 5,253.72	\$ 5,234.05	\$ (19.67)	100.4%
	5.19	5.21	5.26	5.02	5.30	0.28	94.7%	Prod FTE's/Adj Occupied Bed	5.23	5.37	0.14	97.4%
	2,434	2,421	2,497	2,397	2,365	32	101.4%	Adjusted Discharges	29,031	28,856	175	100.6%
<b>PPH South Indicators:</b>												
	6.3%	11.1%	3.2%	8.5%	6.8%	1.7%	125.0%	OEBITDA Margin w/Prop Tax	7.2%	6.6%	0.6%	109.1%
\$	13,006.85	11,165.51	11,658.41	13,680.37	11,663.20	(2,017.17)	117.3%	Expenses/Adj Discharge	\$ 11,824.48	\$ 11,665.74	\$ (158.74)	101.4%
\$	6,568.34	5,980.18	5,957.20	6,189.57	6,003.99	(185.58)	103.1%	SWB/Adj Discharge	\$ 5,915.09	\$ 6,002.40	\$ 87.31	98.59%
	6.67	6.57	6.34	6.56	6.45	(0.11)	101.7%	Prod FTE's/Adj Occupied Bed	6.35	6.42	0.07	98.9%
	845	862	928	827	891	(64)	92.6%	Adjusted Discharges	10,718	10,851	(133)	99.8%

FISCAL YEAR 2009						4 PALOMAR POMERADO HEALTH SPECIALIZING IN YOU	
Financial Results Executive Summary of Key Indicators							
<b>Statistics</b>							
	May	Jun	May vs Jun % Change	Jun Budget	Act vs Bud % Variance		
<b>CONSOLIDATED</b>							
Patient Days Acute	9,308	9,057	(2.7%)	9,337	(3.0%)		
Patient Days SNF	6,431	6,339	(1.4%)	6,242	1.6%		
ADC Acute	300.25	301.90	0.5%	311.24	(3.0%)		
ADC SNF	207.45	211.30	1.9%	208.07	1.6%		
Surgeries CVS Cases	15	12	(20.0%)	13	(7.7%)		
Surgeries Total	1,548	1,686	8.9%	1,594	5.8%		
Number of Births	414	429	3.6%	439	(2.3%)		
<b>NORTH</b>							
Patient Days Acute	7,026	6,917	(1.6%)	6,919	(0.0%)		
Patient Days SNF	2,744	2,645	(3.6%)	2,554	3.6%		
ADC Acute	226.64	230.57	1.7%	230.63	(0.0%)		
ADC SNF	88.52	88.17	(0.4%)	85.13	3.6%		
<b>SOUTH</b>							
Patient Days Acute	2,282	2,140	(6.2%)	2,418	(11.5%)		
Patient Days SNF	3,687	3,694	0.2%	3,688	0.2%		
ADC Acute	73.61	71.33	(3.1%)	80.60	(11.5%)		
ADC SNF	118.94	123.13	3.5%	122.93	0.2%		

FISCAL YEAR 2009				5 PALOMAR POMERADO HEALTH SPECIALIZING IN YOU			
Financial Results Executive Summary & Highlights							
	JUNE 2009			FY 09 Y-T-D @ JUNE 2009			Moody Benchmark
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>Statistics:</b>							
Acute Admissions	2,222	2,417	(195)	27,725	29,454	(1,729)	
Acute Patient Days	9,057	9,337	(280)	110,247	113,656	(3,409)	
Acute ALOS	4.08	3.86	0.22	3.94	3.86	0.08	
Case Mix Index (w/o Births)	1.53	1.40	0.13	1.46	1.40	0.06	
Total Surgeries	1,686	1,594	92	18,879	19,512	(633)	
Births	429	439	(10)	5,092	5,347	(255)	
E/R Visits & Admissions	7,643	7,442	201	90,450	90,626	(176)	
ER to Admit Rate	14.2%	16.5%	(2.3%)	16.4%	16.5%	(0.1%)	
Productivity %	99.0%	100%	(1.0%)	98.6%	100%	(1.4%)	
<b>Income Statement:</b>							
Net Patient Revenue	37,300,922	35,467,824	1,833,098	438,434,593	430,640,534	7,794,059	
Total Net Revenue	38,367,788	36,089,669	2,278,119	446,005,293	438,162,390	7,842,903	
Sal., Wages, Cont. Lbr	16,262,866	16,818,196	555,330	206,492,976	206,095,045	(397,931)	
Supplies	5,326,012	5,465,977	139,965	70,223,599	66,495,783	(3,727,816)	
Total Expenses	37,372,424	35,094,195	(2,278,229)	436,528,975	429,162,408	(7,366,567)	
Net Inc. (Loss) before Non-Op	995,364	995,474	(110)	9,476,318	8,999,982	476,336	
Net Income (Loss)	(8,677,871)	2,337,432	(11,015,303)	11,335,376	25,103,390	(13,768,014)	
<b>Cash Flow:</b>							
Cash Collections	37,700,000	36,000,000	1,700,000	426,800,000	432,000,000	(5,200,000)	
Days in A/R - Gross				44.1	52.4	(8.3)	
Days Cash on Hand				103.3	80.0	23.3	
<b>Ratios:</b>							
OEBITDA w/ Prop. Tax	10.2%	11.2%	(1.0%)	9.9%	10.4%	(0.5%)	
Net Income Margin	(22.6%)	6.5%	(29.1%)	2.5%	5.7%	(3.2%)	
Bad Debt % of Net Revenue	4.8%	10.1%	5.3%	12.4%	10.1%	(2.3%)	7.1%
Return On Assets				1.3%	2.9%	1.6%	4.3%
Annual Debt Service Coverage				2.9			4.4
Cushion Ratio				7.1			15.3

FISCAL YEAR 2009				6 PALOMAR POMERADO HEALTH SPECIALIZING IN YOU			
Financial Results Executive Summary & Highlights							
<b>Balance Sheet</b>							
<p>Current Cash &amp; Cash Equivalents increased \$3.6 million from \$113.9 million in May to \$117.5 million in June. Total Cash and Investments are \$117.8 million, compared to \$116.6 million at May. Days Cash on Hand went from 102.6 days in May to 103.3 days in June.</p>							
<p>Net Accounts Receivable decreased \$1.2 million from \$95.5 million in May to \$94.3 million in June. Gross A/R days decreased from 46.3 days in May to 44.1 days in June.</p>							
<p>June YTD collections including capitation are \$426.8 million compared to budget of \$432.0 million.</p>							
<p>Construction in Progress increased \$32.0 million from \$368.6 million in May to \$400.6 million in June. The increase is attributed to Building Expansion A &amp; E Services, construction and permitting costs of \$31.4 million and Other \$0.6 million.</p>							
<p>Other Current Liabilities decreased \$4.8 million from \$21.9 million to \$17.1 million. The decrease is due to the intercompany elimination of the \$3.2 million Health Development's Line of Credit at fiscal year end, \$1.0 million realization of deferred property tax revenue, and \$0.4 million decrease in capitation liability.</p>							

Income Statement

Gross Patient Revenue reflects a YTD favorable budget variance of \$81.2 million. The variance breakdown is as follows.

	North	South	Outreach	Consolidated
Total	54,471,532	24,620,316	2,130,845	81,222,693
Routine	(3,250,640)	(2,974,283)	-	(6,224,923)
IP Ancillary	(1,522,020)	9,494,949	-	7,972,929
OP	59,244,192	18,099,650	2,130,845	79,474,687

Deductions from Revenue reflect a YTD unfavorable budget variance of \$73.4 million. Total Deductions from Revenue is 72.26% of gross revenue compared to a budget of 71.28%.

Net Capitation reflects a YTD favorable budget variance of \$0.1 million. Cap Premium shows a favorable budget variance of \$7.4 million. This favorable variance is due to retro 2007 premium adjustments in July and August and an increase in Capitation premium amount per member per month. Cap Valuation and Out of Network Claim Expense both show an unfavorable budget variance of \$6.1 million and \$1.2 million, respectively.

Income Statement (cont'd)

Other Operating Revenue has a YTD favorable budget variance of \$0.05 million. The breakdown is a \$1.0 million favorable budget variance in Revenue Cycle Management; which is offset by a \$0.7 million unfavorable budget variance from a new department, Weight Solutions, and a \$0.3 million unfavorable budget variance from Health Development and the Research Institute combined.

Salaries, Wages & Contract Labor has a YTD unfavorable budget variance of \$0.4 million. The breakdown is as follows:

	YTD Actual	YTD Budget	Variance
Consolidated	206,492,976	206,095,045	(397,931)
North	122,934,791	122,128,313	(806,478)
South	51,409,919	53,163,855	1,753,936
Central	24,731,486	24,549,681	(181,805)
Outreach	7,416,780	6,253,196	(1,163,584)

Employee Benefits Expense has a YTD unfavorable budget variance of \$3.0 million primarily due to \$3.0 million unfavorable variance in Group Health Insurance.

Supplies Expense reflects a YTD unfavorable budget variance of \$3.7 million primarily due to Prosthesis expense.

Professional Fees & Purchased Services breaks even when compared to YTD budget.

Non-Operating Income reflects a YTD unfavorable budget variance of \$14.2 million. This is due to unfavorable \$10.7 million interest rate swap on auction rate securities, unfavorable \$2.4 million investment income, and unfavorable \$1.1 million PDP investment.

Ratios & Margins

All required Bond Covenant Ratios were achieved in June, 2009.

FISCAL YEAR 2009		9 PALOMAR POMERADO HEALTH SPECIALIZING IN YOU			
Financial Results Executive Summary & Highlights					
<b>Stat</b>	MTD	Budget	YTD	Budget	PY
Patient Days - Acute	9,057	9,337	110,247	113,656	113,359
Discharges - Acute	2,218	2,417	27,976	29,454	29,092
OP Registrations	4,649	3,985	52,104	48,492	48,381
Total ER Visits	7,643	7,442	90,450	90,626	1,155
Deliveries	429	439	5,092	5,347	5,358
<b>Profit &amp; Loss (in millions)</b>	MTD	Budget	YTD	Budget	PY
Capitation	0.6	Breakeven	(0.1)	(0.2)	(4.0)
Net Patient Revenue	37.3	35.5	438.4	430.6	408.7
Total Revenue	38.4	36.1	446.0	438.2	419.6
SWB	20.4	20.6	252.1	252.1	239.3
Contract Labor	0.3	0.4	7.6	4.3	11.1
Supplies	5.3	5.5	70.2	66.5	66.0
Total Expense	37.4	35.1	436.5	429.2	429.0
Net Income from Ops	1.0	1.0	9.5	9.0	(9.4)
Net Income	(8.7)	2.3	11.3	25.1	(4.1)

FISCAL YEAR 2009		10 PALOMAR POMERADO HEALTH SPECIALIZING IN YOU		
Key Variance Explanations Month-To-Date				
	Actual	Budget	Variance Detail	Variance
<b>Net Income From Operations</b>	<b>995,364</b>	<b>995,474</b>		<b>(110)</b>
<b>Total Net Revenue</b>				<b>1,833,098</b>
Net Patient Revenue			1,833,098	
<b>Other Operating Revenue</b>				<b>445,021</b>
Welcome Home Baby			210,524	
Rent - contra to "Other Direct"			181,396	
PPNC Health Development and Research Institute			147,191	
Weight Solutions - contra to "Supplies"			(60,309)	
Corporate Health			(112,440)	
Other			78,659	
<b>Salaries &amp; Wages</b>				<b>485,782</b>
Volume Variance			155,793	
Rate & Efficiency (Nursing & Non-Nursing)			329,989	
<b>Benefits</b>				<b>(330,221)</b>
Group Health Insurance			(536,198)	
Other			205,977	
<b>Contract Labor</b>				<b>69,548</b>
Volume Variance			3,353	
Rate & Efficiency (Nursing & Non-Nursing)			66,195	
<b>Breakdown of total variance:</b>				
Registered Nurse		63,986		
Other		5,562		

FISCAL YEAR 2009		11 PALOMAR POMERADO HEALTH SPECIALIZING IN YOU	
Key Variance Explanations Month-To-Date (cont'd)			
	Actual	Budget	Variance Detail      Variance
<b>Professional Fees</b>			(115,075)
Pom ER Physician Fees			(40,067)
Pal ER Physician Fees			(16,874)
Other			(58,134)
<b>Supplies</b>			139,965
Volume Variance			51,723
Rate & Efficiency			88,242
<u>Breakdown of Variance:</u>			
Prosthesis		(223,883)	
Other		363,848	
<b>Purchased Services</b>			(864,522)
Info Systems			(260,875)
Other			(603,647)
<b>Depreciation</b>			34,034
Depreciation			34,034
<b>Other Direct Expenses</b>			(1,697,740)
Foundation			(1,296,608)
Electricity			(233,909)
Radiosurgery			(220,500)
Other			53,277
<b>Total Actual to Budget MTD Variance for June 2009</b>			(110)      (110)

FISCAL YEAR 2009		12 PALOMAR POMERADO HEALTH SPECIALIZING IN YOU	
Key Variance Explanations Month-To-Date (cont'd)			
	Actual	Budget	Variance Detail      Variance
<b>Total Actual to Budget MTD Variance for June 2009</b>			(110)
<b>Non-Operating Income (Expense)</b>	(9,673,235)	1,341,958	(11,015,193)
<b>Property Tax</b>	1,072,045	1,166,674	(94,629)
<b>Investment Income (Loss)</b>	(219,684)	548,526	(768,210)
<u>Breakdown of Actual:</u>			
LAIF	57,734		
Salomon Bros (68% Gov't Sec, 31% Corp Bonds; 1% MMF)	21,765		
Pacific Inc (94% Gov't Sec 5% Corp Bonds, 1% MMF)	(79,536)		
Other (Dr's Loans, LOCs, Esc Escrow, Bond Inv, Accrued Int)	(219,647)		
<b>Interest Expense</b>	(11,038,102)	(488,038)	(10,550,064)
<u>Breakdown of Actual:</u>			
Interest Rate Swap	(10,726,776)		
Other	(311,326)		
<b>Other</b>	512,506	114,796	397,710
<u>Breakdown of Variance:</u>			
PDP Investment			(121,218)
Gateway/Parkway			719,808
Other			(200,880)
<b>Net Income</b>	(8,677,871)	2,337,432	(11,015,303)

FISCAL YEAR 2009		13 PALOMAR POMERADO HEALTH SPECIALIZING IN YOU	
Key Variance Explanations Year-To-Date			
	Actual	Budget	Variance
<b>Net Income From Operations</b>	<b>9,476,318</b>	<b>8,999,982</b>	<b>476,336</b>
<b>Total Net Revenue</b>			<b>7,794,059</b>
Net Patient Revenue			7,794,059
<b>Other Operating Revenue</b>			<b>48,844</b>
Revenue Cycle Management			1,000,000
Welcome Home Baby			876,783
Rent - contra to "Other Direct"			(118,604)
Corporate Health			(270,503)
PPNC Health Development & Research Institute			(257,620)
Weight Solutions - contra to "Supplies"			(723,708)
Other			(457,504)
<b>Salaries &amp; Wages</b>			<b>2,877,246</b>
Volume Variance			(510,125)
Rate & Efficiency (Nursing & Non-Nursing)			3,387,371
<b>Benefits</b>			<b>(2,960,826)</b>
Group Health Ins			(3,023,806)
Other			62,980
<b>Contract Labor</b>			<b>(3,275,177)</b>
Volume Variance			(10,903)
Rate & Efficiency (Nursing & Non-Nursing)			(3,264,274)
<u>Breakdown of Variance:</u>			
Registered Nurse	(3,369,555)		
Other	94,378		

FISCAL YEAR 2009		14 PALOMAR POMERADO HEALTH SPECIALIZING IN YOU	
Key Variance Explanations Year-To-Date (cont'd)			
	Actual	Budget	Variance
<b>Professional Fees</b>			<b>(216,610)</b>
Pom ER Physician Fees			(296,932)
Pal ER Physician Fees			(219,162)
Foundation - contra to "Other Direct"			285,084
Legal Counsel			390,036
Other			(375,636)
<b>Supplies</b>			<b>(3,727,816)</b>
Volume Variance			(168,108)
Rate & Efficiency			(3,559,708)
<u>Breakdown of variance:</u>			
Prosthesis		(4,157,616)	
Other		429,800	
<b>Purchased Services</b>			<b>276,991</b>
Medi-Cal eligibility services			(589,425)
Info Systems			(558,581)
Plant Maintenance			911,362
Other			513,635
<b>Depreciation</b>			<b>1,209,683</b>
Depreciation			1,209,683
<b>Other Direct Expenses</b>			<b>(1,550,058)</b>
Foundation - contra to other categories			(2,105,417)
Radiosurgery - contra to revenue			(1,313,750)
Utilities			(758,341)
Marketing			(282,165)
Rent - Timeshare reclass to "Non-Operating"			1,018,825
Insurance - Liability			1,453,181
Other			437,609
<b>Total Actual to Budget YTD Variance for June 2009</b>			<b>476,336</b>

FISCAL YEAR 2009		15 PALOMAR POMERADO HEALTH SPECIALIZING IN YOU	
Key Variance Explanations Year-To-Date (cont'd)			
	Actual	Budget	Variance
<b>Total Actual to Budget YTD Variance for June 2009</b>			<b>476,336</b>
<b>Non-Operating Income (Expense)</b>	<b>1,859,058</b>	<b>16,103,408</b>	<b>(14,244,350)</b>
<b>Property Tax</b>	<b>13,505,371</b>	<b>14,000,000</b>	<b>(494,629)</b>
<b>Investment Income (Loss)</b>	<b>4,147,639</b>	<b>6,582,312</b>	<b>(2,434,673)</b>
<u>Breakdown of Actual:</u>			
Salomon Bros (68% Gov't Sec, 31% Corp Bonds; 1% MMF)	1,849,421		
Pacific Inc (94% Gov't Secs; 5% Corp Bonds, 1% MMF)	1,542,252		
LAIF	393,897		
Other (Dr's Loans, LOCs, Escrow, Bond Inv, Accrued Int)	362,069		
<b>Interest Expense</b>	<b>(16,079,661)</b>	<b>(5,856,456)</b>	<b>(10,223,205)</b>
<u>Breakdown of Actual:</u>			
Interest Rate Swap	(10,726,776)		
Other	(5,352,885)		
<b>Other</b>	<b>285,709</b>	<b>1,377,552</b>	<b>(1,091,843)</b>
<u>Breakdown of Variance:</u>			
PDP Investment			(1,051,347)
Timeshare Reclass from "Other Direct"			(684,991)
Gateway/Parkway			719,808
Other			(75,313)
<b>Net Income</b>	<b>11,335,376</b>	<b>25,103,390</b>	<b>(13,768,014)</b>

FISCAL YEAR 2009		16 PALOMAR POMERADO HEALTH SPECIALIZING IN YOU	
Balance Sheet Consolidated			
	Current Month	Prior Month	Prior Fiscal Year End
<b>Assets</b>			
<b>Current Assets</b>			
Cash on Hand	\$10,354,783	\$9,217,354	\$12,578,422
Cash Marketable Securities	107,135,131	104,693,835	73,699,656
<b>Total Cash &amp; Cash Equivalents</b>	<b>117,489,914</b>	<b>113,911,189</b>	<b>86,278,078</b>
Patient Accounts Receivable	196,918,121	207,203,079	173,630,766
Allowance on Accounts	(102,639,179)	(111,748,975)	(87,408,726)
<b>Net Accounts Receivable</b>	<b>94,278,942</b>	<b>95,454,104</b>	<b>86,222,040</b>
Inventories	6,346,391	6,772,938	6,826,298
Prepaid Expenses	3,996,246	3,681,988	3,790,644
Other	4,488,921	4,801,895	5,722,105
<b>Total Current Assets</b>	<b>226,600,414</b>	<b>224,622,114</b>	<b>188,839,165</b>
<b>Non-Current Assets</b>			
Restricted Assets	278,894,137	302,485,946	343,067,128
Restricted by Donor	312,345	310,398	303,600
Board Designated	0	2,406,478	12,117,325
<b>Total Restricted Assets</b>	<b>279,206,482</b>	<b>305,202,822</b>	<b>355,488,053</b>
Property Plant & Equipment	389,824,433	370,931,063	387,410,913
Accumulated Depreciation	(222,241,081)	(226,530,293)	(226,979,355)
Construction in Process	400,568,817	368,607,658	218,854,882
<b>Net Property Plant &amp; Equipment</b>	<b>568,152,169</b>	<b>513,008,428</b>	<b>379,286,440</b>
Investment in Related Companies	1,418,426	5,024,644	3,109,523
Deferred Financing Costs	19,951,541	20,129,249	15,644,785
Other Non-Current Assets	6,630,935	6,173,545	5,956,094
<b>Total Non-Current Assets</b>	<b>875,359,553</b>	<b>849,538,688</b>	<b>759,484,895</b>
<b>Total Assets</b>	<b>\$1,101,959,967</b>	<b>\$1,074,160,802</b>	<b>\$948,324,060</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$49,101,571	\$18,045,433	\$44,500,881
Accrued Payroll	12,894,999	14,984,523	12,139,225
Accrued PTO	14,113,565	14,381,148	13,977,901
Accrued Interest Payable	13,733,994	12,161,759	8,065,133
Current Portion of Bonds	9,780,000	9,780,000	9,660,000
Est Third Party Settlements	2,343,270	3,184,821	807,165
Other Current Liabilities	17,138,642	21,873,424	15,815,317
<b>Total Current Liabilities</b>	<b>119,106,041</b>	<b>94,431,108</b>	<b>104,965,622</b>
<b>Long Term Liabilities</b>			
Bonds & Contracts Payable	654,147,176	643,444,629	537,979,367
<b>General Fund Balance</b>			
Unrestricted	328,394,405	333,568,189	292,958,146
Restricted for Other Purpose	312,345	310,398	303,600
Board Designated	0	2,406,478	12,117,325
<b>Total Fund Balance</b>	<b>328,706,750</b>	<b>336,285,065</b>	<b>305,379,071</b>
<b>Total Liabilities / Fund Balance</b>	<b>\$1,101,959,967</b>	<b>\$1,074,160,802</b>	<b>\$948,324,060</b>



FISCAL YEAR 2009												17	PALOMAR POMERADO HEALTH SPECIALIZING IN YOU
Income Statement: Monthly Trend Consolidated													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
<b>Statistics:</b>													
Admissions - Acute	2,540	2,454	2,367	2,357	2,253	2,330	2,299	2,045	2,230	2,327	2,301	2,222	27,725
Admissions - SNF	95	107	101	87	73	82	76	83	96	85	88	100	1,073
Patient Days - Acute	9,587	9,491	9,098	9,345	8,802	9,397	9,381	8,512	9,242	9,027	9,308	9,057	110,247
Patient Days - SNF	6,572	6,497	6,313	6,570	6,197	6,477	6,457	5,778	6,451	6,306	6,431	6,339	76,388
LOS - Acute	3.74	3.81	3.87	3.85	3.85	4.11	3.98	4.11	4.13	3.90	3.93	4.08	3.94
LOS - SNF	67.75	60.16	67.68	69.16	78.44	84.12	83.86	87.88	71.68	85.22	81.84	89.66	71.39
Adjusted Discharges	3,600	3,481	3,293	3,416	3,231	3,209	3,391	3,065	3,315	3,341	3,445	3,245	40,052
<b>Revenue:</b>													
Gross Revenue	\$ 131,046,951	\$ 131,438,267	\$ 127,873,677	\$ 135,991,410	\$ 122,619,993	\$ 132,503,423	\$ 131,229,449	\$ 124,523,304	\$ 137,155,192	\$ 134,882,810	\$ 135,865,919	\$ 135,504,164	\$ 1,580,454,557
Deductions from Rev	(84,493,955)	(84,588,259)	(81,280,995)	(88,599,181)	(86,054,844)	(86,106,529)	(84,874,558)	(80,747,923)	(100,163,374)	(88,885,164)	(87,993,658)	(89,203,243)	(1,142,919,964)
Net Patient Revenue	38,453,026	38,840,008	36,592,681	37,392,229	36,555,149	36,396,895	36,354,841	33,775,382	36,992,819	35,797,646	37,982,250	37,900,922	438,434,593
Other Oper Revenue	481,361	331,016	518,420	850,901	300,829	1,450,288	449,618	433,865	917,502	390,379	449,643	1,068,866	7,670,700
<b>Total Net Revenue</b>	<b>38,934,387</b>	<b>37,171,024</b>	<b>37,111,101</b>	<b>38,243,130</b>	<b>36,855,978</b>	<b>37,847,153</b>	<b>36,804,560</b>	<b>34,209,247</b>	<b>37,910,320</b>	<b>36,118,025</b>	<b>38,431,933</b>	<b>38,967,788</b>	<b>446,005,293</b>
<b>Expenses:</b>													
Salaries, Wages & Contr Labor	17,547,177	17,429,247	17,159,435	17,718,059	17,472,778	17,061,521	16,794,323	16,476,026	18,029,612	17,073,874	17,466,057	16,262,866	206,822,976
Benefits	4,496,086	4,177,042	4,146,197	4,187,628	4,239,835	4,298,735	4,614,774	4,099,486	4,667,333	4,186,780	5,682,859	4,447,754	53,244,509
Supplies	5,536,898	5,656,890	5,963,822	6,439,529	5,668,865	5,884,036	5,823,179	5,567,814	6,563,678	5,973,696	5,899,179	5,302,012	70,223,599
Prof Fees & Purch Svc	4,897,010	4,895,802	5,138,315	5,033,215	4,364,132	5,276,227	4,926,011	4,131,337	4,158,605	4,728,907	4,782,351	6,622,209	57,581,192
Depreciation	1,915,873	1,905,155	1,841,193	1,956,220	1,908,874	1,941,062	1,583,527	1,570,761	1,578,337	1,602,459	1,594,305	1,839,114	21,214,879
Other	1,975,226	2,253,503	2,382,627	2,203,376	2,392,334	2,403,317	2,251,771	2,359,127	2,059,948	1,831,610	1,807,514	3,874,469	27,771,650
<b>Total Expenses</b>	<b>38,968,270</b>	<b>36,227,639</b>	<b>36,631,589</b>	<b>37,538,026</b>	<b>36,046,874</b>	<b>36,864,898</b>	<b>35,972,065</b>	<b>34,206,651</b>	<b>37,072,533</b>	<b>35,296,379</b>	<b>37,232,265</b>	<b>37,973,424</b>	<b>438,528,974</b>
<b>Net Inc Before Non-Oper Income</b>	<b>866,117</b>	<b>943,385</b>	<b>479,512</b>	<b>705,104</b>	<b>809,100</b>	<b>982,295</b>	<b>831,975</b>	<b>3,296</b>	<b>837,787</b>	<b>822,649</b>	<b>1,199,668</b>	<b>995,364</b>	<b>9,476,318</b>
Property Tax Revenue	1,166,666	1,166,666	1,166,666	1,166,666	1,166,666	1,166,666	1,166,666	1,166,666	1,166,666	966,666	966,666	1,072,045	13,505,371
Non-Operating Income	69,375	147,884	(61,405)	75,236	831,064	513,358	(524,030)	(461,359)	(371,131)	(329,180)	(237,843)	(10,745,280)	(11,646,313)
<b>Net Income (Loss)</b>	<b>\$ 2,102,158</b>	<b>\$ 2,257,935</b>	<b>\$ -1,031,773</b>	<b>\$ 1,947,008</b>	<b>\$ 2,806,890</b>	<b>\$ 2,662,319</b>	<b>\$ 1,474,609</b>	<b>\$ 708,603</b>	<b>\$ 1,633,322</b>	<b>\$ 1,460,135</b>	<b>\$ 1,928,491</b>	<b>\$ (8,687,871)</b>	<b>\$ 11,335,376</b>
Net Income Margin	5.7%	6.1%	2.8%	5.1%	7.6%	7.0%	4.0%	2.1%	4.3%	4.0%	5.0%	(22.6%)	2.5%
OEBITDA Margin w/o Prop Tax	7.5%	7.7%	6.3%	7.0%	7.4%	7.7%	6.5%	4.6%	6.7%	6.7%	7.4%	6.9%	6.9%
OEBITDA Margin with Prop Tax	10.7%	10.8%	9.4%	10.0%	10.5%	10.8%	9.7%	8.0%	9.4%	9.4%	9.8%	10.2%	9.9%

FISCAL YEAR 2009												18	PALOMAR POMERADO HEALTH SPECIALIZING IN YOU
Income Statement: Fiscal Year-to-Date Consolidated - Adjusted Discharges													
Statistics:	Actual	Budget	Variance	Variance		\$/Adjusted Discharges							
				Volume	Rate/Eff	Actual	Budget	Variance					
Admissions - Acute	27,725	29,454	(1,729)										
Admissions - SNF	1,073	1,054	19										
Patient Days - Acute	110,247	113,656	(3,409)										
Patient Days - SNF	76,388	75,997	391										
ALOS - Acute	3.94	3.86	0.08										
ALOS - SNF	71.39	72.93	(1.54)										
Adjusted Discharges	40,052	39,951	101										
<b>Revenue:</b>													
Gross Revenue	\$ 1,580,454,557	\$ 1,499,231,864	\$ 81,222,693 F	\$ 3,790,203	\$ 77,432,490	\$39,460.07	\$ 37,526.77	\$ 1,933.30					
Deductions from Rev	(1,142,019,964)	(1,069,591,330)	(72,428,634) U	(2,701,502)	(70,727,132)	(26,513.43)	(26,747.55)	(1,765.88)					
Net Patient Revenue	438,434,593	430,640,534	7,794,059 F	1,088,701	6,705,358	10,948.63	10,779.22	167.42					
Other Oper Revenue	7,570,700	7,521,856	48,844 F	19,016	29,828	189.02	188.28	0.74					
<b>Total Net Revenue</b>	<b>446,005,293</b>	<b>438,162,390</b>	<b>7,842,903 F</b>	<b>1,107,717</b>	<b>6,735,186</b>	<b>11,135.66</b>	<b>10,967.49</b>	<b>168.16</b>					
<b>Expenses:</b>													
Salaries, Wages & Contr Labor	206,492,876	206,095,045	(397,831) U	(521,028)	123,097	5,155.62	5,158.70	3.07					
Benefits	83,244,509	50,283,683	(2,960,826) U	(127,122)	(2,833,704)	1,329.38	1,258.63	(70.75)					
Supplies	70,223,599	66,495,783	(3,727,816) U	(168,108)	(3,559,709)	1,753.31	1,664.43	(88.88)					
Prof Fees & Purch Svc	57,581,192	57,641,573	60,381 F	(145,723)	206,104	1,437.66	1,442.81	5.15					
Depreciation	21,214,879	22,424,562	1,209,683 F	(56,691)	1,266,374	529.68	561.30	31.62					
Other	27,771,820	26,221,762	(1,550,058) U	(66,291)	(1,483,767)	693.39	656.35	(37.05)					
<b>Total Expenses</b>	<b>436,528,975</b>	<b>429,162,408</b>	<b>(7,366,567) U</b>	<b>(1,084,964)</b>	<b>(6,281,603)</b>	<b>10,899.06</b>	<b>10,742.22</b>	<b>(156.84)</b>					
<b>Net Inc Before Non-Oper Income</b>	<b>9,476,318</b>	<b>8,999,982</b>	<b>476,336 F</b>	<b>22,753</b>	<b>453,583</b>	<b>236.60</b>	<b>225.28</b>	<b>11.32</b>					
Property Tax Revenue	13,505,371	14,000,000	(494,629) U	35,393	(530,022)	337.20	350.43	(13.23)					
Non-Operating Income	(11,646,313)	2,103,408	(13,749,721) U	5,318	(13,755,039)	(290.78)	52.65	(343.43)					
<b>Net Income (Loss)</b>	<b>\$ 11,335,376</b>	<b>\$ 25,103,390</b>	<b>(13,768,014) U</b>	<b>\$ 63,464</b>	<b>(13,831,478)</b>	<b>\$ 283.02</b>	<b>\$ 628.35</b>	<b>\$ (345.34)</b>					
Net Income Margin	2.5%	5.7%	(3.2%)										
OEBITDA Margin w/o Prop Tax	6.9%	7.2%	(0.3%)										
OEBITDA Margin with Prop Tax	9.9%	10.4%	(0.5%)										
F= Favorable variance U= Unfavorable variance													

FISCAL YEAR 2009				19 PALOMAR POMERADO HEALTH SPECIALIZING IN YOU					
Income Statement: Month-to-Date Consolidated - Adjusted Discharges									
Statistics:	Actual			Variance		\$/Adjusted Discharges			
	Actual	Budget	Variance	Volume	Rate/Eff	Actual	Budget	Variance	
Admissions - Acute	2,222	2,417	(195)						
Admissions - SNF	100	85	15						
Patient Days - Acute	9,057	9,337	(280)						
Patient Days - SNF	6,339	6,242	97						
ALOS - Acute	4.08	3.86	0.22						
ALOS - SNF	69.66	74.31	(4.65)						
Adjusted Discharges	3,245	3,276	(31)						
<b>Revenue:</b>									
Gross Revenue	\$ 135,504,164	\$ 123,165,753	\$ 12,338,411	F	\$ (1,165,488)	\$ 13,503,899	\$ 41,757.83	\$ 37,596.38	\$ 4,161.45
Deductions from Rev	(98,203,242)	(87,697,929)	(10,505,313)	F	829,864	(11,335,177)	(30,262.94)	(26,769.82)	(3,493.12)
Net Patient Revenue	37,300,922	35,467,824	1,833,098	F	(335,623)	2,168,721	11,494.89	10,626.56	668.33
Other Oper Revenue	1,066,866	621,845	445,021	F	(5,894)	450,905	328.77	189.82	138.95
<b>Total Net Revenue</b>	<b>38,367,788</b>	<b>36,089,669</b>	<b>2,278,119</b>	<b>F</b>	<b>(341,508)</b>	<b>2,619,627</b>	<b>11,823.66</b>	<b>11,016.38</b>	<b>807.28</b>
<b>Expenses:</b>									
Salaries, Wages & Contr Labor	16,262,866	16,818,196	555,330	F	159,147	396,183	5,011.67	5,133.76	122.09
Benefits	4,447,754	4,117,533	(330,221)	F	38,963	(369,184)	1,370.65	1,256.88	(113.77)
Supplies	5,326,012	5,465,977	139,965	F	51,723	88,242	1,641.30	1,668.49	27.19
Prof Fees & Purch Svc	5,622,209	4,642,612	(979,597)	F	43,932	(1,023,529)	1,732.58	1,417.16	(315.42)
Depreciation	1,839,114	1,873,148	34,034	F	17,725	16,309	566.75	571.78	5.03
Other	3,874,469	2,176,726	(1,697,743)	U	20,598	(1,718,341)	1,193.98	664.45	(529.53)
<b>Total Expenses</b>	<b>37,372,424</b>	<b>35,094,195</b>	<b>(2,278,229)</b>	<b>U</b>	<b>332,088</b>	<b>(2,610,317)</b>	<b>11,516.93</b>	<b>10,712.51</b>	<b>(804.41)</b>
<b>Net Inc Before Non-Oper Income</b>	<b>995,364</b>	<b>995,474</b>	<b>(110)</b>	<b>U</b>	<b>(9,420)</b>	<b>9,310</b>	<b>306.74</b>	<b>303.87</b>	<b>2.87</b>
Property Tax Revenue	1,072,045	1,166,674	(94,629)	U	(11,040)	(83,589)	330.37	356.13	(25.76)
Non-Operating Income	(10,745,280)	175,284	(10,920,564)	U	(1,659)	(10,918,905)	(3,311.33)	53.51	(3,364.84)
<b>Net Income (Loss)</b>	<b>\$ (8,677,871)</b>	<b>\$ 2,337,432</b>	<b>\$ (11,015,303)</b>	<b>F</b>	<b>\$ (22,119)</b>	<b>\$ (10,993,184)</b>	<b>\$ (2,674.23)</b>	<b>\$ 713.50</b>	<b>\$ (3,387.73)</b>
Net Income Margin	(22.6%)	6.5%	(29.1%)						
OEBITDA Margin w/o Prop Tax	7.4%	7.9%	(0.5%)						
OEBITDA Margin with Prop Tax	10.2%	11.2%	(1.0%)						

F= Favorable variance  
U= Unfavorable variance

FISCAL YEAR 2009				20 PALOMAR POMERADO HEALTH SPECIALIZING IN YOU					
Income Statement: Current vs. Prior Year-to-date Consolidated - Adjusted Discharges									
Statistics:	June 09 YTD			Variance		\$/Adjusted Discharges			
	June 09 YTD	June 08 YTD	Variance	Volume	Rate/Eff	Actual 09	Actual 08	Variance	
Admissions - Acute	27,725	28,928	(1,203)						
Admissions - SNF	1,073	1,092	(19)						
Patient Days - Acute	110,247	113,359	(3,112)						
Patient Days - SNF	76,388	75,770	618						
ALOS - Acute	3.94	3.90	0.04						
ALOS - SNF	71.39	70.62	0.77						
Adjusted Discharges	40,052	40,310	(258)						
<b>Revenue:</b>									
Gross Revenue	\$ 1,580,454,557	\$ 1,411,545,890	\$ 168,908,667	F	\$ (9,034,454)	\$ 177,943,121	\$ 39,460.07	\$ 35,017.26	\$ 4,442.80
Deductions from Rev	(1,142,019,964)	(1,002,882,595)	(139,137,369)	U	6,418,847	(145,556,216)	(28,513.43)	(24,879.25)	(3,634.18)
Net Patient Revenue	438,434,593	408,663,295	29,771,298	F	(2,615,607)	32,386,905	10,946.63	10,138.01	808.62
Other Oper Revenue	7,570,700	10,904,475	(3,333,775)	F	(69,793)	(3,263,982)	189.02	270.52	(81.49)
<b>Total Net Revenue</b>	<b>446,005,293</b>	<b>419,567,770</b>	<b>26,437,523</b>	<b>F</b>	<b>(2,685,400)</b>	<b>29,122,923</b>	<b>11,135.66</b>	<b>10,408.53</b>	<b>727.13</b>
<b>Expenses:</b>									
Salaries, Wages & Contr Labor	206,492,976	203,723,691	(2,769,285)	U	1,303,912	(4,073,197)	5,155.62	5,053.92	(101.70)
Benefits	53,244,509	46,594,925	(6,649,584)	U	298,226	(6,947,810)	1,329.38	1,155.91	(173.47)
Supplies	70,223,599	66,020,102	(4,203,497)	U	422,555	(4,626,052)	1,753.31	1,637.81	(115.50)
Prof Fees & Purch Svc	57,581,192	62,768,506	5,187,314	F	401,743	4,785,571	1,437.66	1,557.14	119.48
Depreciation	21,214,879	21,391,200	176,321	F	136,912	39,409	529.68	530.67	0.98
Other	27,771,820	28,506,516	734,696	F	182,453	552,243	693.39	707.18	13.79
<b>Total Expenses</b>	<b>436,528,975</b>	<b>429,004,940</b>	<b>(7,524,035)</b>	<b>U</b>	<b>2,745,802</b>	<b>(10,269,837)</b>	<b>10,899.06</b>	<b>10,642.64</b>	<b>(256.41)</b>
<b>Net Inc Before Non-Oper Income</b>	<b>9,476,318</b>	<b>(9,437,170)</b>	<b>18,913,488</b>	<b>F</b>	<b>60,402</b>	<b>18,853,086</b>	<b>236.60</b>	<b>(234.11)</b>	<b>470.72</b>
Property Tax Revenue	13,505,371	13,346,453	158,918	F	(85,423)	244,341	337.20	331.10	6.10
Non-Operating Income	(11,646,313)	(7,962,801)	(3,683,512)	U	50,965	(3,734,477)	(290.78)	(197.54)	(93.24)
<b>Net Income (Loss)</b>	<b>\$ 11,335,376</b>	<b>\$ (4,053,518)</b>	<b>\$ 15,388,894</b>	<b>F</b>	<b>\$ 25,944</b>	<b>\$ 15,362,950</b>	<b>\$ 283.02</b>	<b>\$ (100.56)</b>	<b>\$ 383.58</b>
Net Income Margin	2.5%	(1.0%)	3.5%						
OEBITDA Margin w/o Prop Tax	6.9%	2.8%	4.1%						
OEBITDA Margin with Prop Tax	9.9%	6.0%	3.9%						

F= Favorable variance  
U= Unfavorable variance

FISCAL YEAR 2009		21 PALOMAR POMERADO HEALTH SPECIALIZING IN YOU	
Cash Flow Statement			
	June	YTD	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Income (Loss) from operations	995,364	9,476,318	
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>			
Depreciation Expense	1,839,114	21,214,879	
Provision for bad debts	1,780,916	54,464,329	
<b>Changes in operating assets and liabilities:</b>			
Patient accounts receivable	(605,754)	(62,521,233)	
Property Tax and other receivables	(172,348)	(25,916,063)	
Inventories	426,545	479,907	
Prepaid expenses and Other Non-Current assets	3,291,960	1,485,495	
Accounts payable	31,056,139	4,600,690	
Accrued compensation	(2,357,107)	891,438	
Estimated settlement amounts due third-party payors	(841,551)	1,536,105	
Other current liabilities	(2,568,117)	23,290,936	
Net cash provided by operating activities	32,845,160	29,002,798	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Net (purchases) sales of investments	23,555,044	41,627,918	
Income (Loss) on investments	(219,684)	4,147,639	
Investment in affiliates	(586,137)	702,724	
Net cash used in investing activities	22,749,223	46,478,281	
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Receipt of G.O. Bond Taxes	125,037	11,975,665	
Receipt of District Taxes	157,493	13,464,478	
Net cash used in non-capital financing activities	282,530	25,440,143	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition of property plant and equipment	(54,917,192)	(188,248,201)	
Proceeds from sale of asset	0	0	
Deferred Financing Costs	177,708	151,574	
G.O. Bond Interest paid	0	(13,059,705)	
Revenue Bond Interest paid	0	(2,328,530)	
Proceeds from issuance of debt	0	110,000,000	
Payments of Long Term Debt	0	(9,660,000)	
Net cash used in activities	(54,739,484)	(103,144,861)	
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,137,429</b>	<b>(2,223,639)</b>	
<b>CASH AND CASH EQUIVALENTS - Beginning of period</b>	<b>9,217,354</b>	<b>12,578,422</b>	
<b>CASH AND CASH EQUIVALENTS - End of period</b>	<b>10,354,783</b>	<b>10,354,783</b>	

FISCAL YEAR 2009		22 PALOMAR POMERADO HEALTH SPECIALIZING IN YOU		
Summary of Key Indicators & Results Fiscal Year-to-Date				
	ACTUAL	BUDGET	VARIANCE	FY 2008
<b>ADMISSIONS - Acute:</b>				
Palomar Medical Center	20,866	22,057	(1,191)	21,690
Pomerado Hospital	6,859	7,397	(538)	7,238
<b>Total:</b>	<b>27,725</b>	<b>29,454</b>	<b>(1,729)</b>	<b>28,928</b>
<b>ADMISSIONS - SNF:</b>				
Palomar Medical Center	432	495	(63)	529
Pomerado Hospital	641	559	82	563
<b>Total:</b>	<b>1,073</b>	<b>1,054</b>	<b>19</b>	<b>1,092</b>
<b>PATIENT DAYS - Acute:</b>				
Palomar Medical Center	82,428	84,233	(1,805)	83,845
Pomerado Hospital	27,819	29,423	(1,604)	29,514
<b>Total:</b>	<b>110,247</b>	<b>113,656</b>	<b>(3,409)</b>	<b>113,359</b>
<b>PATIENT DAYS- SNF:</b>				
Palomar Medical Center	32,319	31,073	1,246	30,764
Pomerado Hospital	44,069	44,924	(855)	45,006
<b>Total:</b>	<b>76,388</b>	<b>75,997</b>	<b>391</b>	<b>75,770</b>

FISCAL YEAR 2009		PALOMAR POMERADO HEALTH		
Summary of Key Indicators & Results		SPECIALIZING IN YOU		
Fiscal Year-to-Date				
	ACTUAL	BUDGET	VARIANCE	FY 2008
<b>EMERGENCY ROOM VISITS &amp; TRAUMA CASES:</b>				
Palomar Medical Center	51,249	50,888	361	50,101
Pomerado Hospital	24,393	24,781	(388)	24,532
<b>Total:</b>	<b>75,642</b>	<b>75,669</b>	<b>(27)</b>	<b>74,633</b>
<b>EMERGENCY &amp; TRAUMA ADMISSIONS:</b>				
Palomar Medical Center	10,979	11,123	(144)	10,993
Pomerado Hospital	3,829	3,834	(5)	3,669
<b>Total:</b>	<b>14,808</b>	<b>14,957</b>	<b>(149)</b>	<b>14,662</b>
<b>SURGERIES:</b> - Escondido Surgery Center started in Dec-07.				
Palomar Medical Center	12,006	12,839	(833)	10,845
Pomerado Hospital	6,873	6,673	200	6,929
<b>Total:</b>	<b>18,879</b>	<b>19,512</b>	<b>(633)</b>	<b>17,774</b>
<b>BIRTHS:</b>				
Palomar Medical Center	3,914	4,145	(231)	4,147
Pomerado Hospital	1,178	1,202	(24)	1,211
<b>Total:</b>	<b>5,092</b>	<b>5,347</b>	<b>(255)</b>	<b>5,358</b>

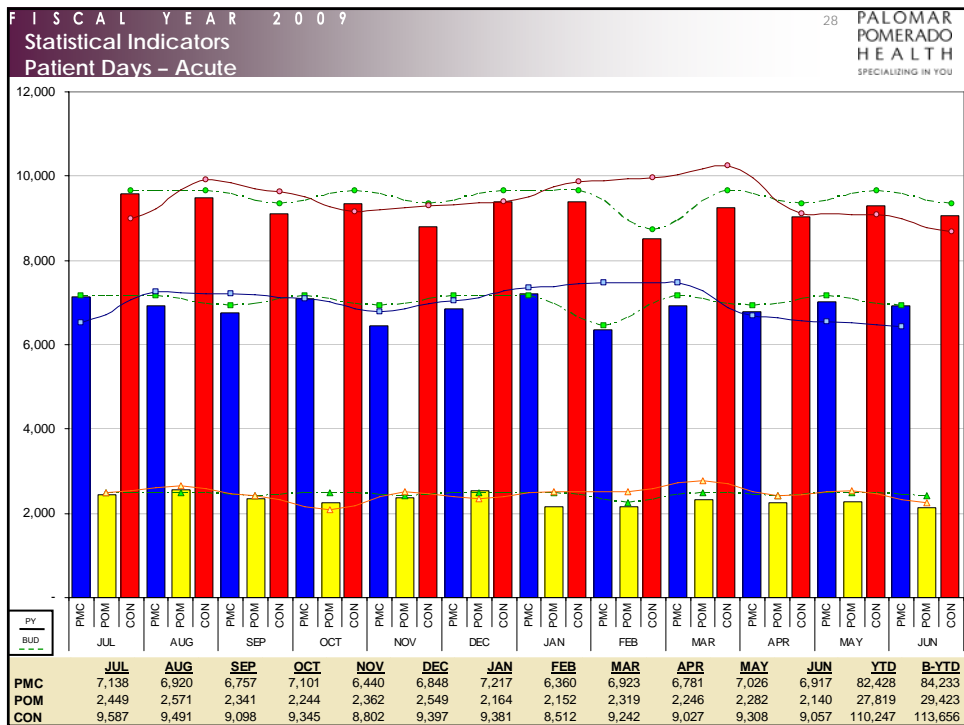
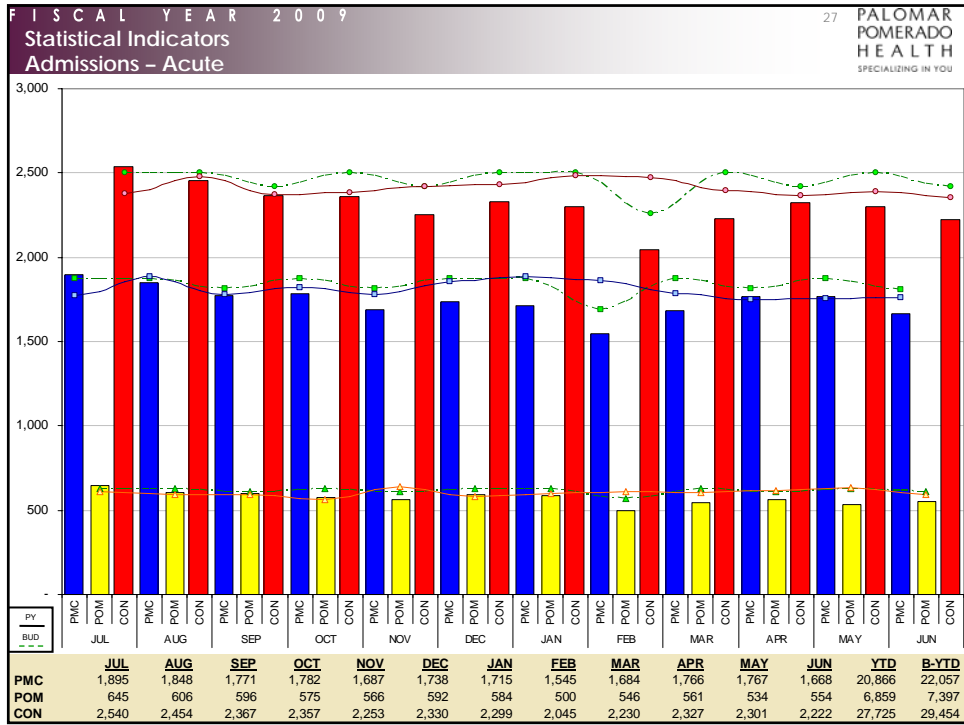
FISCAL YEAR 2009		PALOMAR POMERADO HEALTH		
Summary of Key Indicators & Results		SPECIALIZING IN YOU		
Fiscal Year-to-Date				
	ACTUAL	BUDGET	VARIANCE	FY 2008
<b>ADJUSTED DISCHARGES</b>				
Palomar Medical Center	29,031	28,856	175	28,779
Pomerado Hospital	10,718	10,851	(133)	10,761
Other Activities	303	244	86	770
<b>Total:</b>	<b>40,052</b>	<b>39,951</b>	<b>128</b>	<b>40,310</b>
<b>AVERAGE LENGTH OF STAY- Acute:</b>				
Palomar Medical Center	3.92	3.82	0.10	3.85
Pomerado Hospital	4.02	3.98	0.04	4.04
<b>Total:</b>	<b>3.94</b>	<b>3.86</b>	<b>0.08</b>	<b>3.90</b>
<b>AVERAGE LENGTH OF STAY - SNF:</b>				
Palomar Medical Center	74.47	64.33	10.14	60.09
Pomerado Hospital	69.29	80.36	(11.07)	80.22
<b>Total:</b>	<b>71.39</b>	<b>72.93</b>	<b>(1.54)</b>	<b>70.62</b>

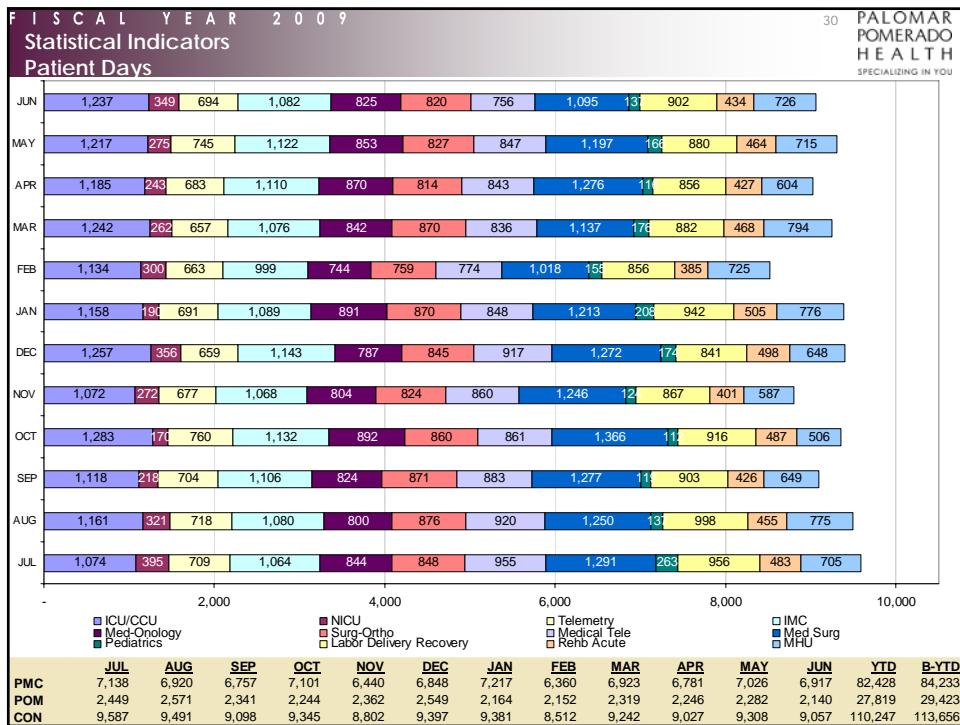
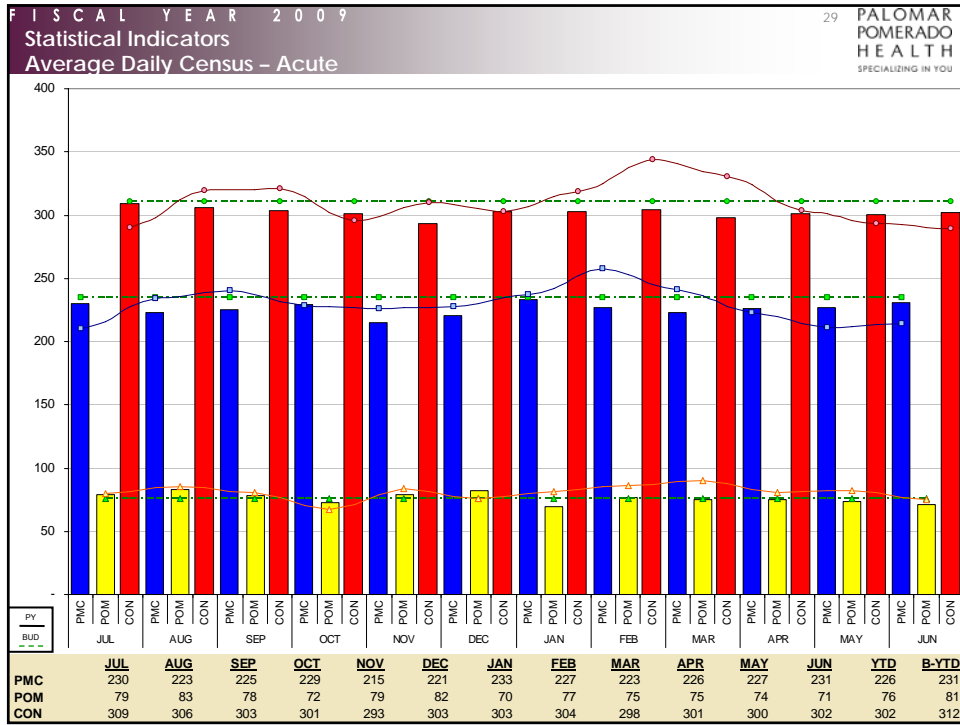
Supplies Expense  
Year-to-Date

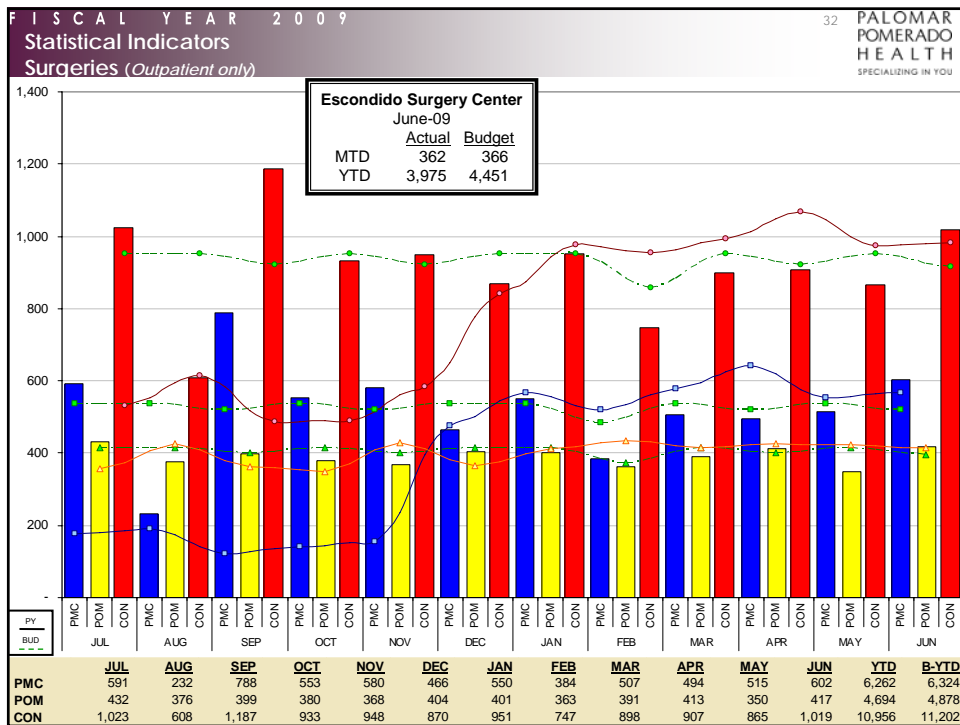
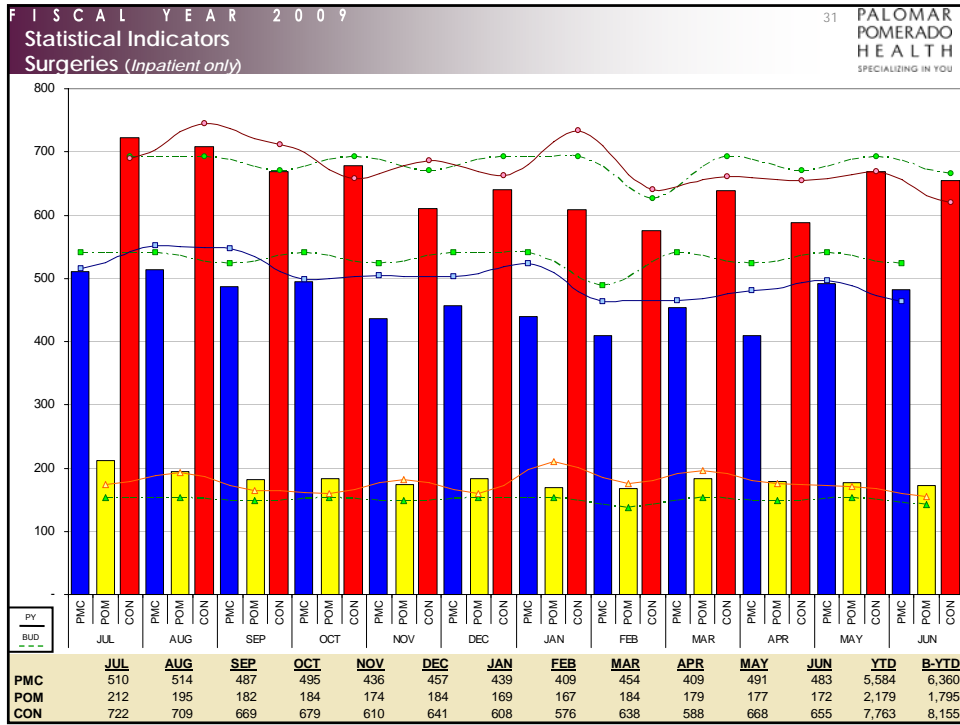
Account	Description	Actual	Budget	Variance
631000	Prosthesis	18,615,140	14,457,524	(4,157,616)
641000	Supplies Other Medical	15,492,785	14,534,752	(958,033)
632000	Sutures/Surgical Needles	1,822,280	1,543,862	(278,418)
634000	Supplies Surgery General	5,140,509	4,876,093	(264,416)
633000	Supplies Surgical Pack	2,114,087	1,957,027	(157,060)
647000	Supplies Employee Apparel	268,633	148,199	(120,434)
648000	Instruments/Minor Equipment	479,783	380,336	(99,447)
645000	Supplies Cleaning	474,824	414,767	(60,057)
635000	Supplies Anesthesia Material	44,384	12,210	(32,174)
642000	Supplies Food/Meat	575,748	543,860	(31,888)
637000	Supplies IV Solutions	493,603	491,000	(2,603)
640000	Supplies X-ray Material	26,210	27,261	1,051
644000	Supplies Linen	28,298	38,481	10,183
650000	Other Non Medical	6,868,755	6,888,247	19,492
639000	Supplies Radioactive	747,419	800,994	53,575
643000	Supplies Food Other	2,535,181	2,643,548	108,367
636000	Supplies Oxygen/Gas	147,899	286,885	138,986
646100	Supplies Forms	432,754	607,162	174,408
646000	Supplies Office/Administration	857,387	1,251,725	394,338
649000	Other Minor Equipment	818,643	1,229,941	411,298
638000	Supplies Pharmaceutical	12,239,276	13,361,909	1,122,632
<b>TOTAL</b>		<b>70,223,599</b>	<b>66,495,783</b>	<b>(3,727,816)</b>

Bond Covenant Ratios

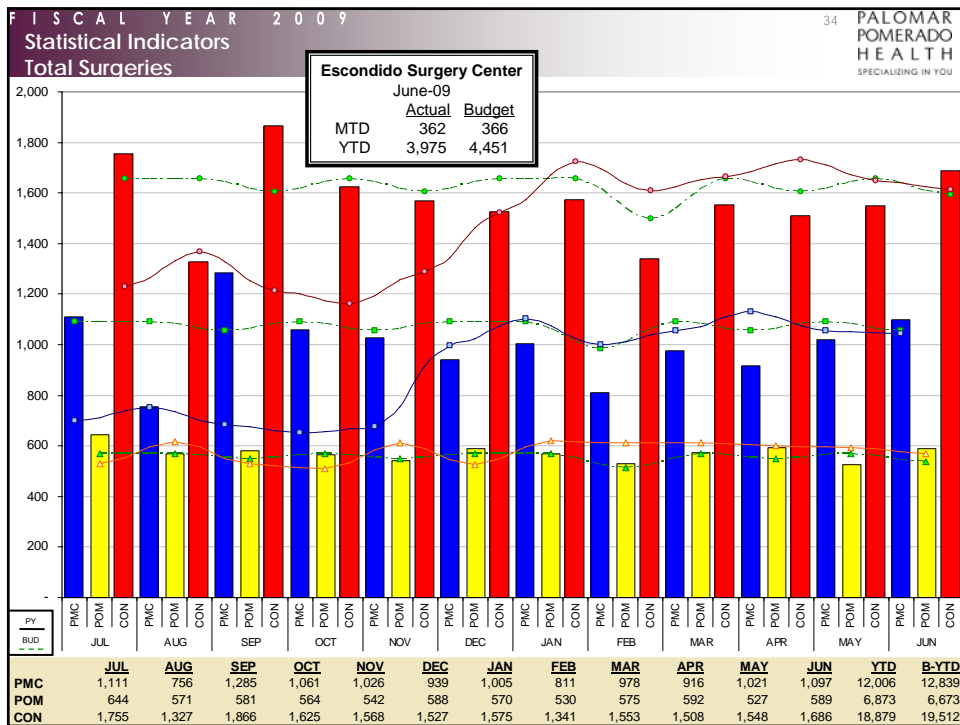
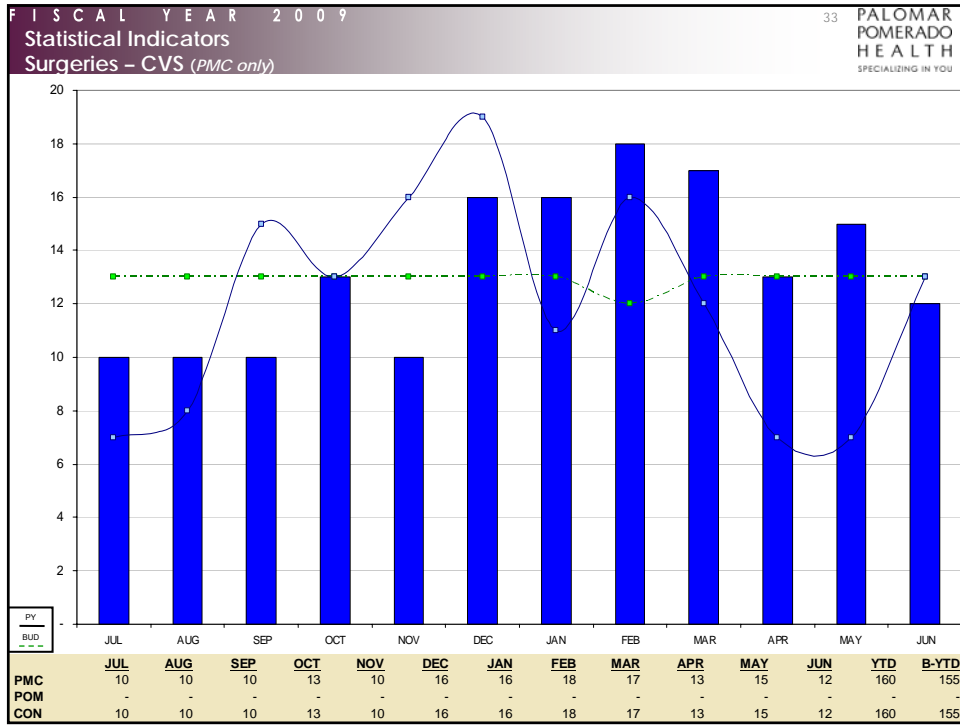
	Jun-07	Jun-08	Jun-09
<b>Cushion Ratio</b>			
Cash and Cash Equivalents	109,213,349	86,122,696	117,489,914
Board Designated Reserves	-	12,117,325	-
Trustee-held Funds (Revenue Fund only)	249,531	185,981	34,351
<b>Total</b>	<b>109,462,880</b>	<b>98,426,002</b>	<b>117,524,265</b>
Divided by:			
Annual Debt Service (excludes GO Bonds) (Bond Year 11/1/2009)	16,972,692	16,972,692	16,639,112
<b>Cushion Ratio</b>	<b>6.4</b>	<b>5.8</b>	<b>7.1</b>
<b>REQUIREMENT</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>
	<b>Achieved</b>	<b>Achieved</b>	<b>Achieved</b>
<b>Days Cash on Hand</b>			
Cash and Cash Equivalents	109,213,349	86,122,696	117,489,914
Board Designated Reserves	-	12,117,325	-
Trustee-held Funds (Revenue Fund only)	249,531	185,981	34,351
<b>Total</b>	<b>109,462,880</b>	<b>98,426,002</b>	<b>117,524,265</b>
Divide Total by Average Adjusted Expenses per Day			
Total Expenses	385,355,509	428,153,444	436,528,975
Less: Depreciation	19,453,013	21,572,031	21,214,879
<b>Adjusted Expenses</b>	<b>365,902,496</b>	<b>406,581,413</b>	<b>415,314,096</b>
Number of days in period	365	366	365
<b>Average Adjusted Expenses per Day</b>	<b>1,002,473</b>	<b>1,110,878</b>	<b>1,137,847</b>
<b>Days Cash on Hand</b>	<b>109.2</b>	<b>88.6</b>	<b>103.3</b>
<b>REQUIREMENT</b>	<b>80</b>	<b>80</b>	<b>80</b>
	<b>Achieved</b>	<b>Achieved</b>	<b>Achieved</b>
<b>Net Income Available for Debt Service</b>			
Excess of revenue over expenses Cur Mo.	2,963,446	(12,441,012)	(8,677,871)
Excess of revenues over expenses YTD (General Funds)	21,974,509	(4,053,517)	11,335,376
ADD:			
Depreciation and Amortization	19,453,013	21,391,200	21,214,879
Interest Expense	3,343,693	14,912,181	16,079,661
<b>Net Income Available for Debt Service</b>	<b>44,771,205</b>	<b>32,249,854</b>	<b>48,629,916</b>
<b>Aggregate Debt Service</b>			
1999 Insured Refunding Revenue Bonds	8,249,916	8,248,018	8,252,512
2008 Certificates of Participation	4,373,342	8,316,457	8,497,794
<b>Aggregate Debt Service</b>	<b>12,623,258</b>	<b>16,564,475</b>	<b>16,750,305</b>
<b>Net Income Available for Debt Service</b>	<b>3.55</b>	<b>1.95</b>	<b>2.90</b>
<b>Required Coverage</b>	<b>1.15</b>	<b>1.15</b>	<b>1.15</b>
	<b>Achieved</b>	<b>Achieved</b>	<b>Achieved</b>

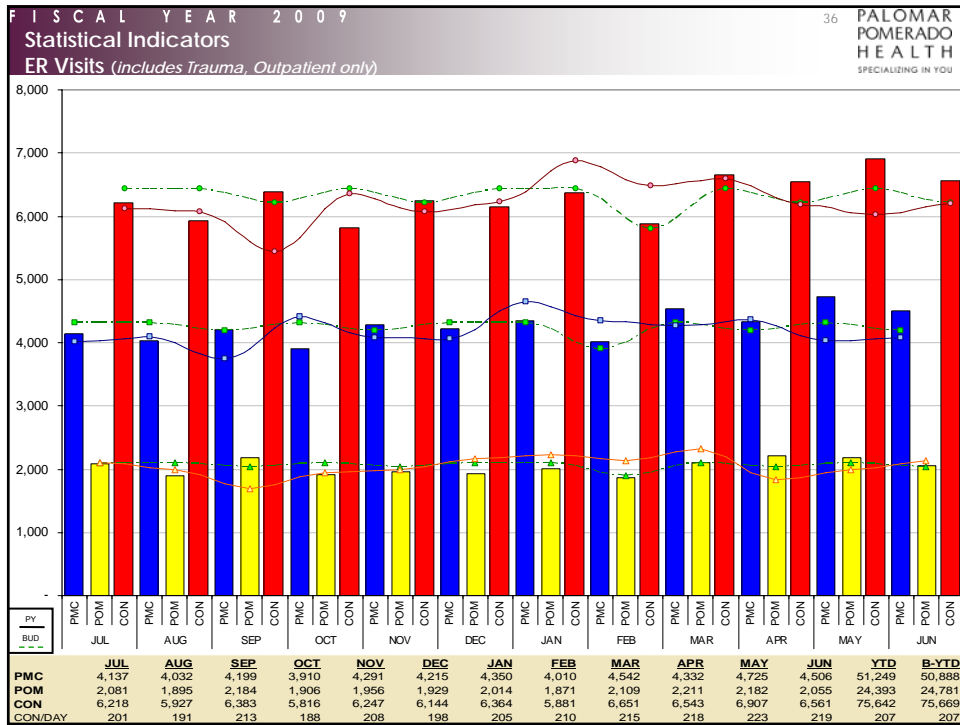
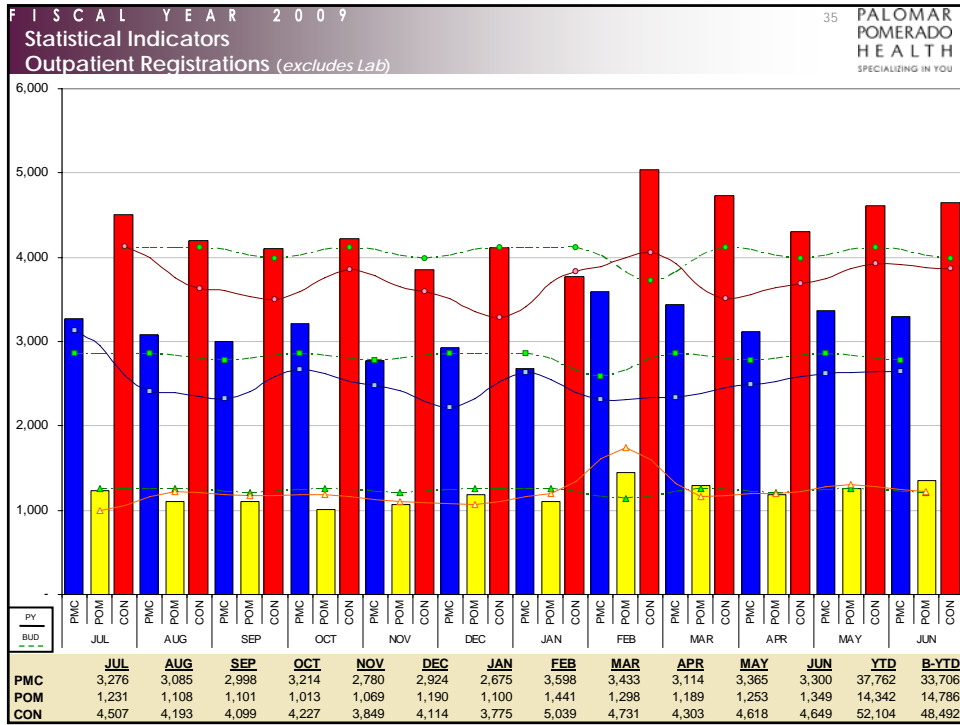


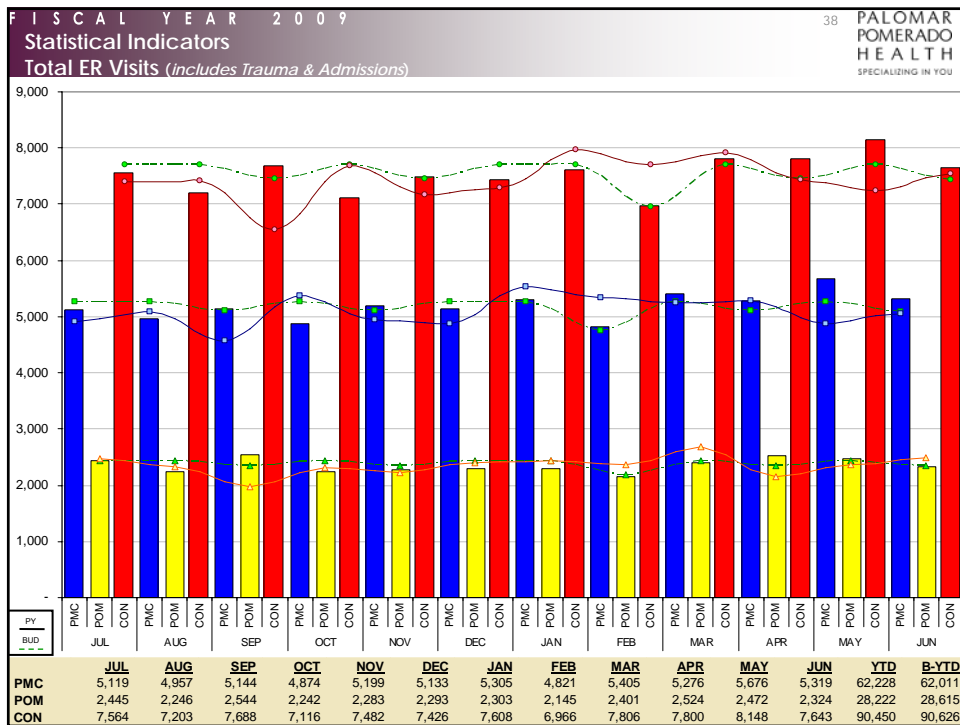
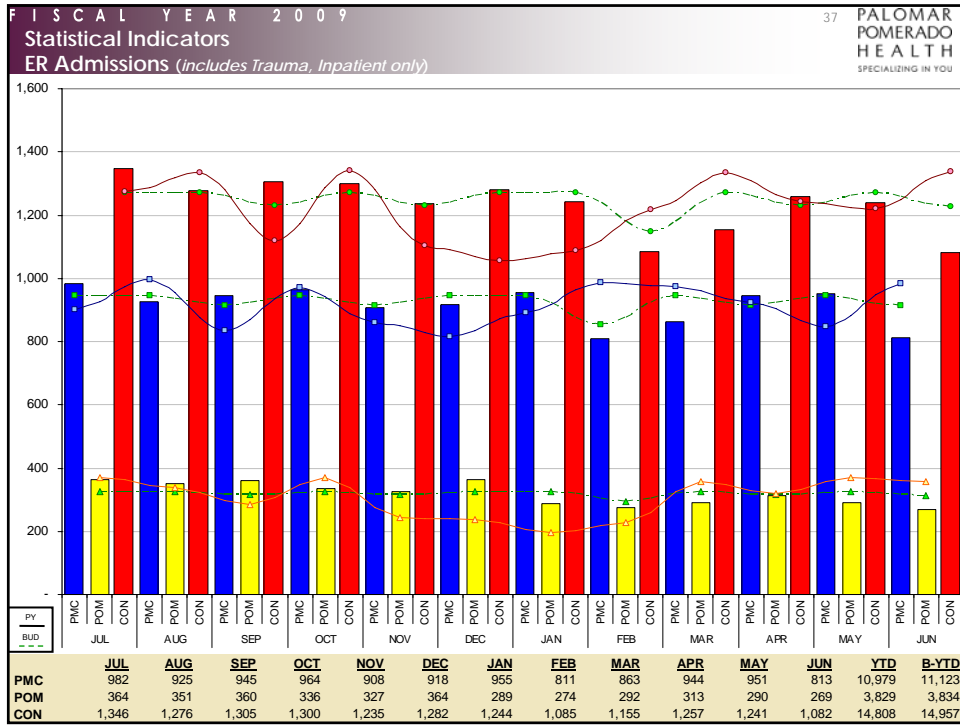


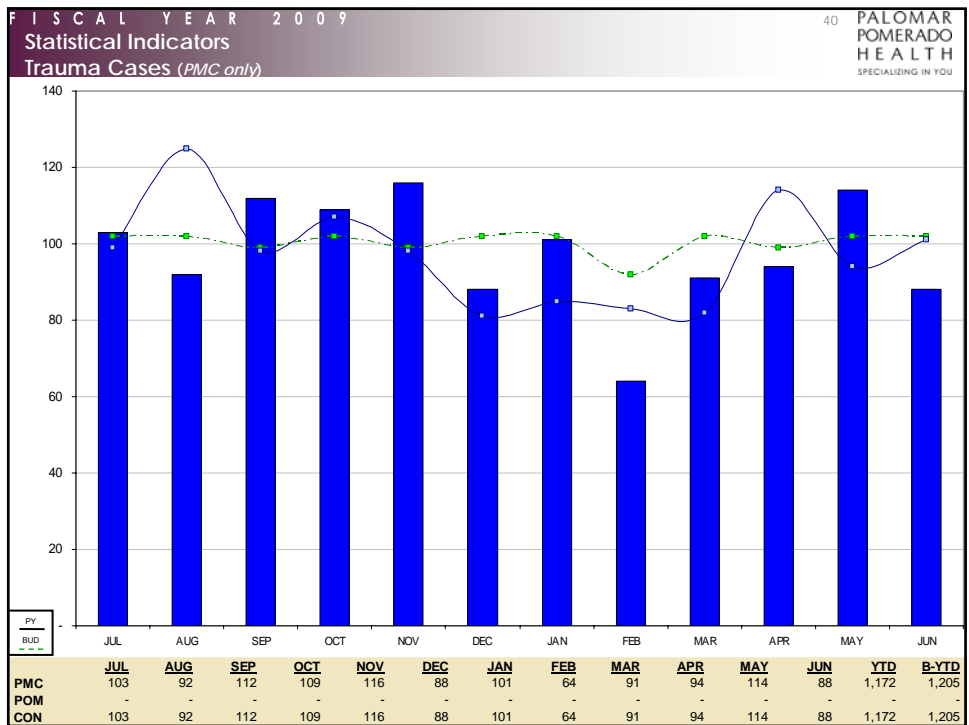
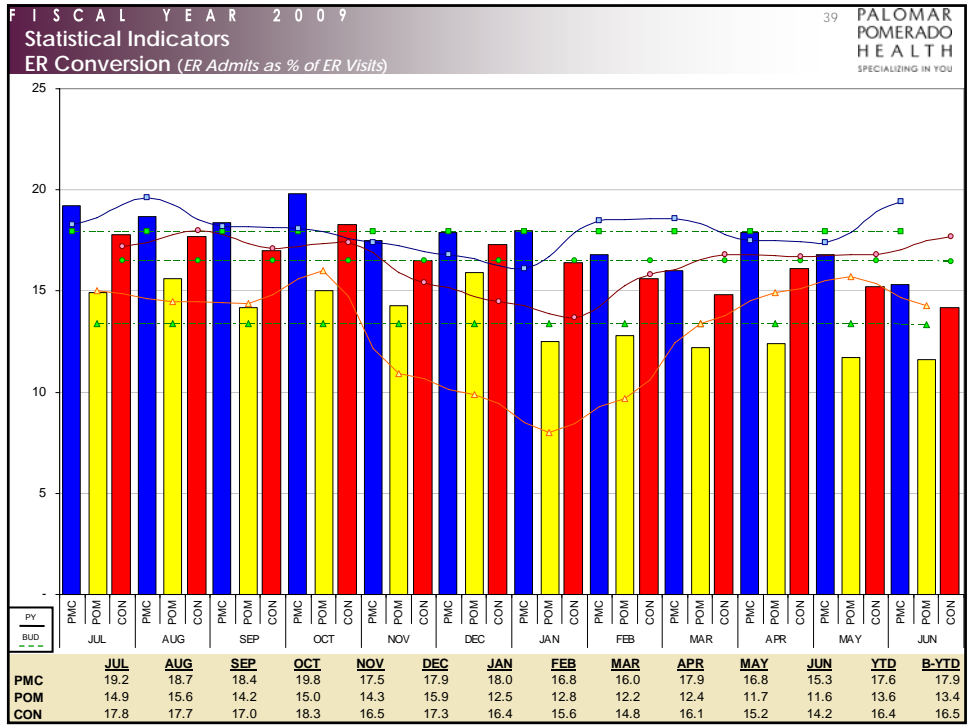


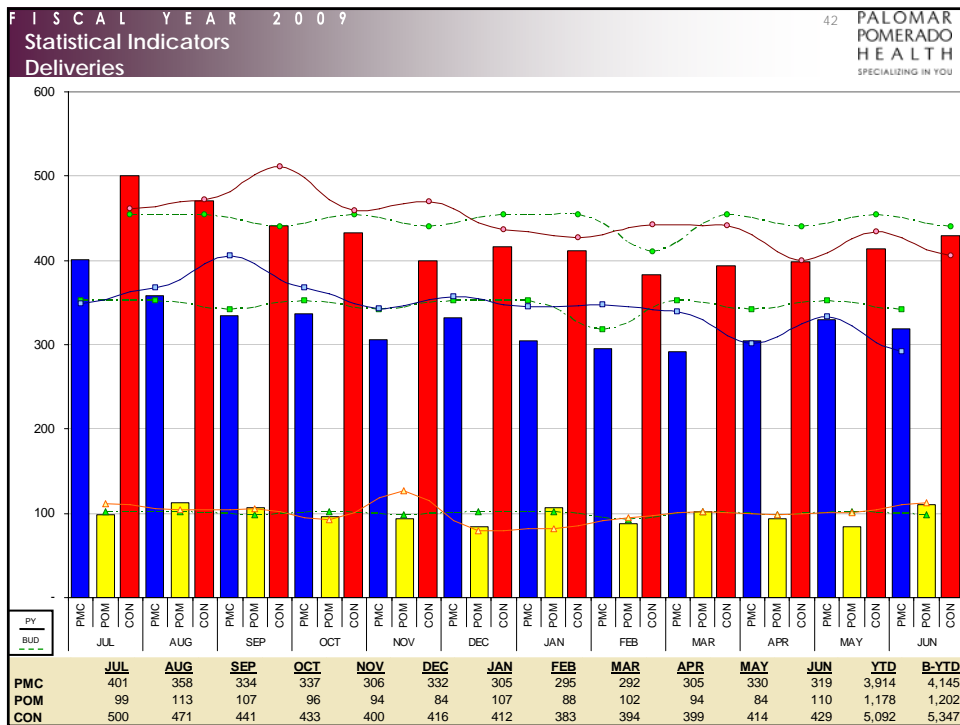
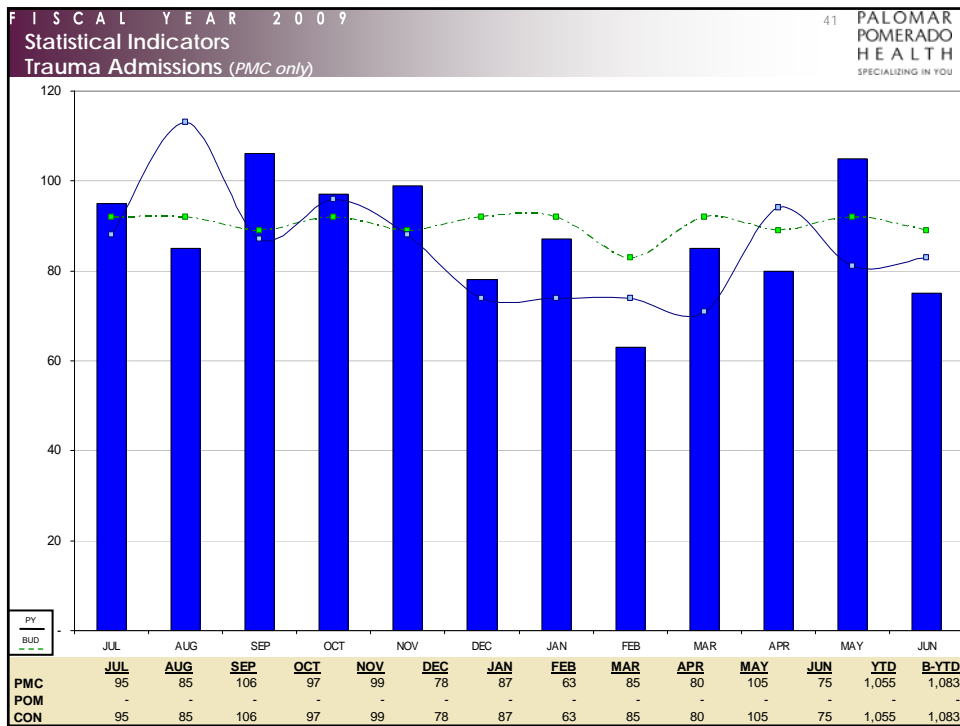


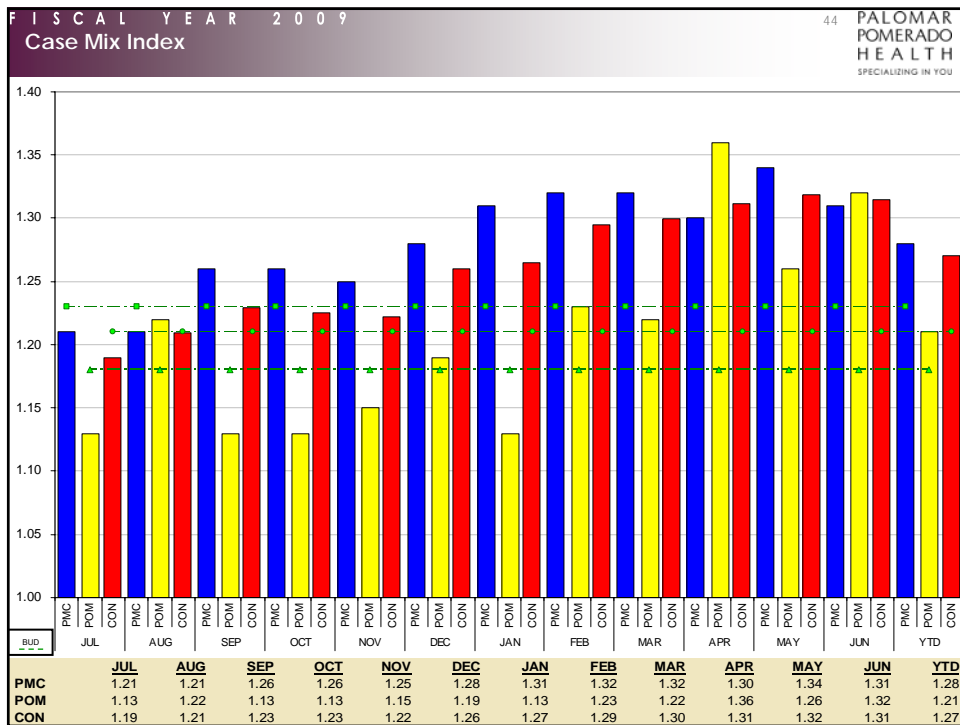
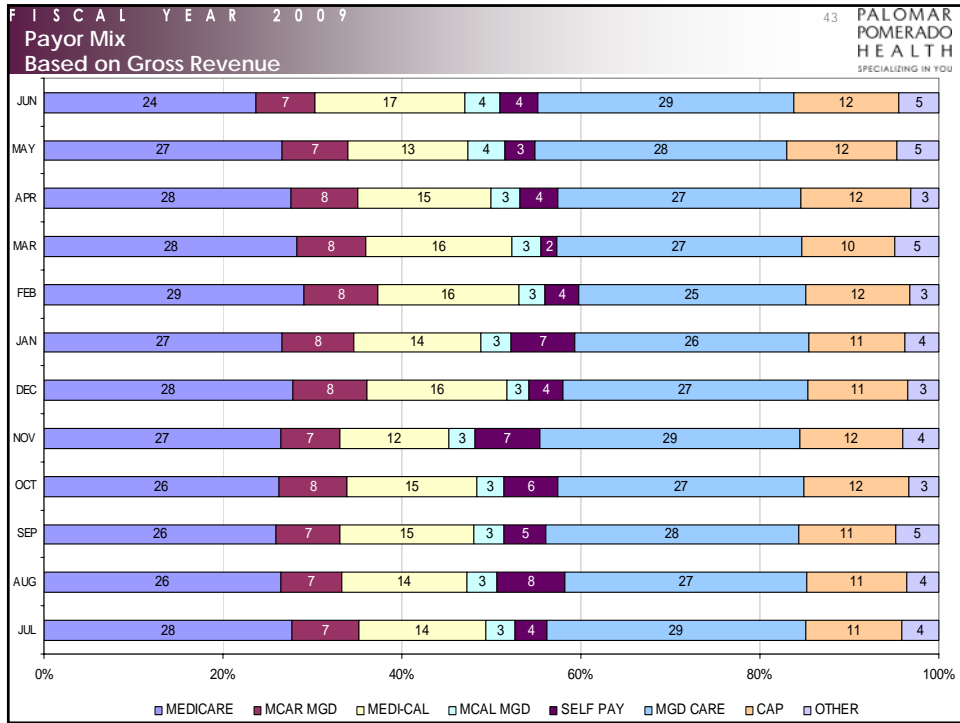


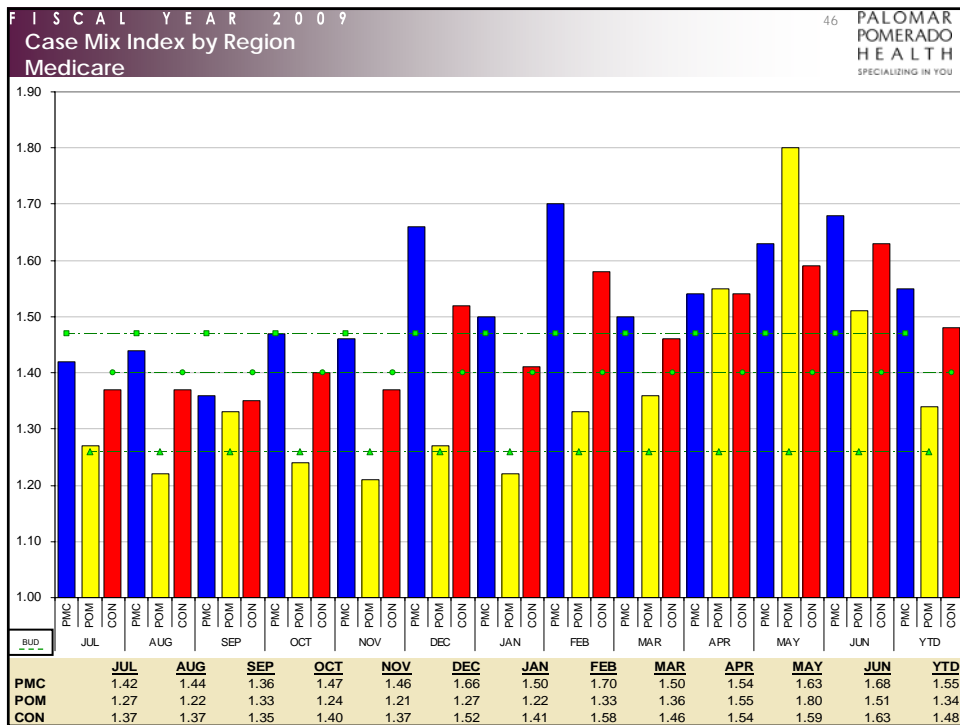
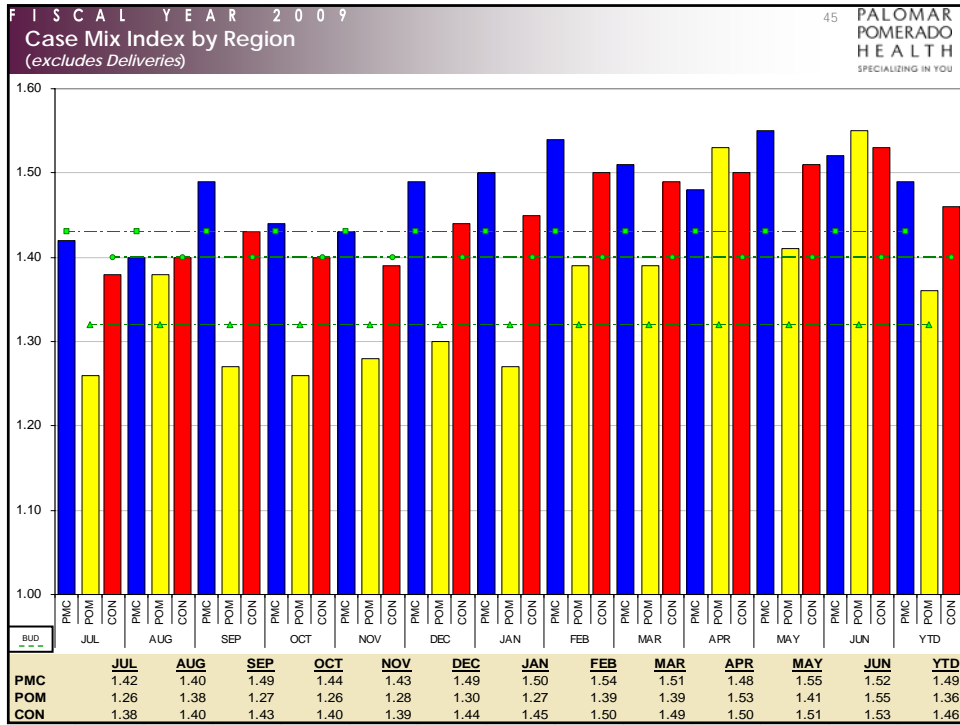


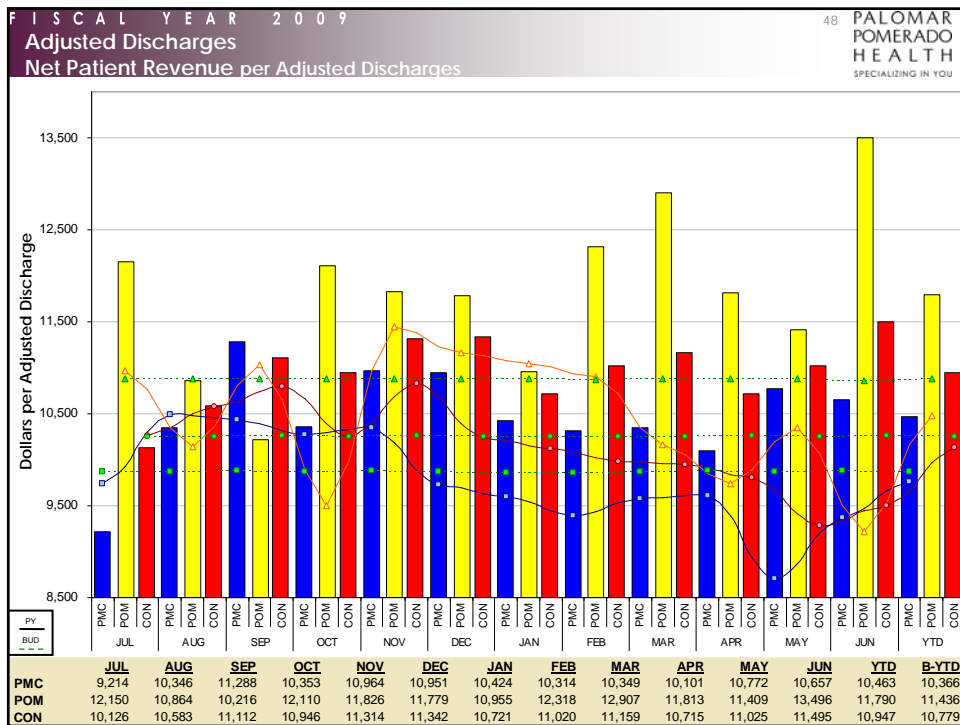
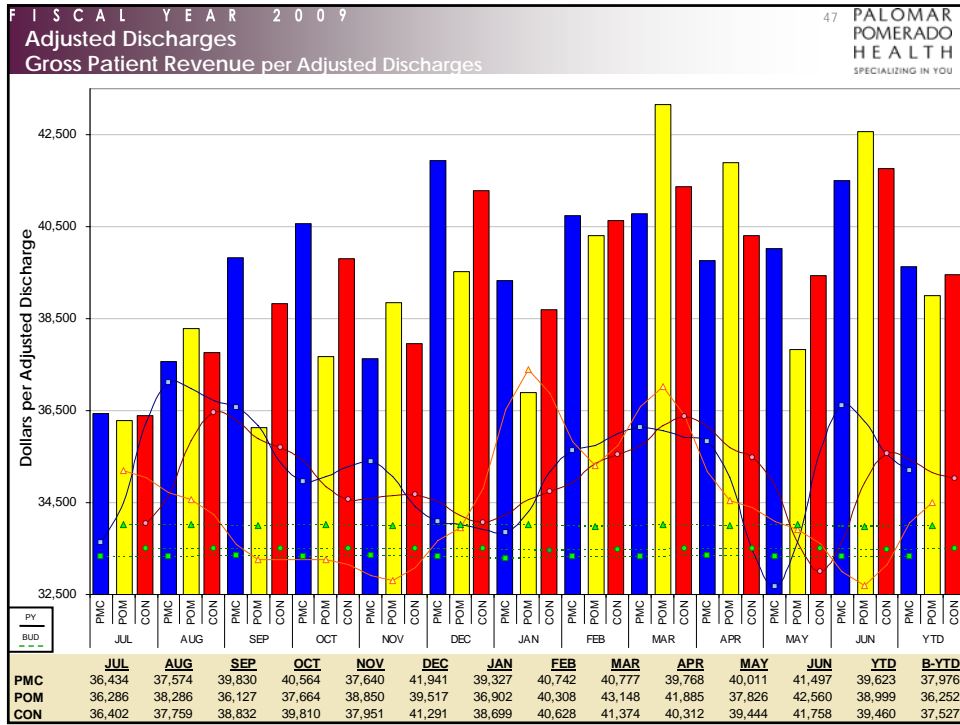




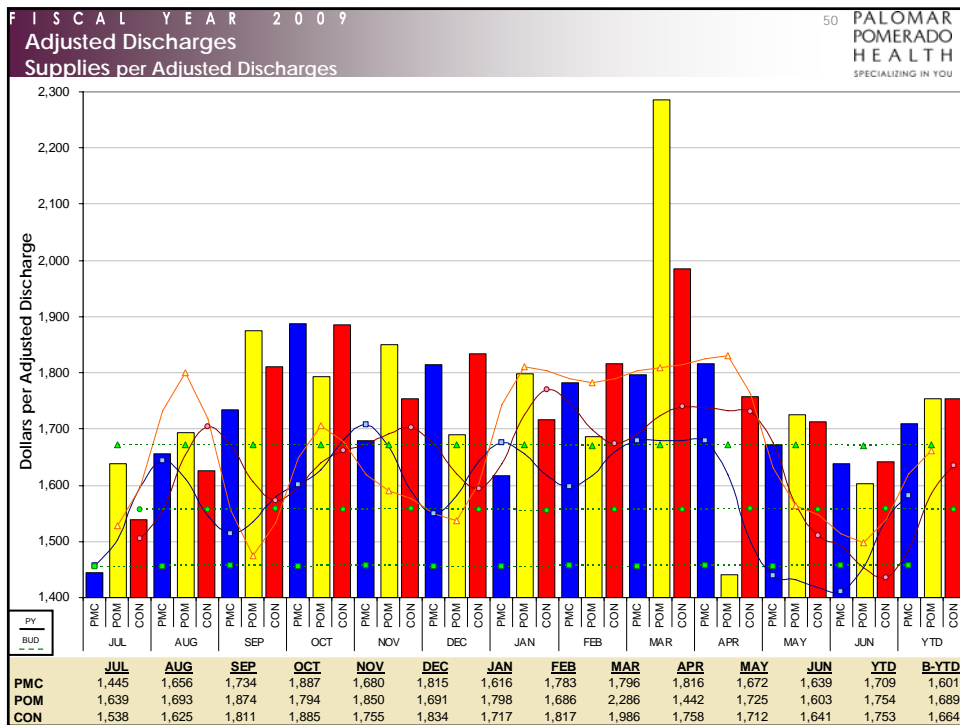
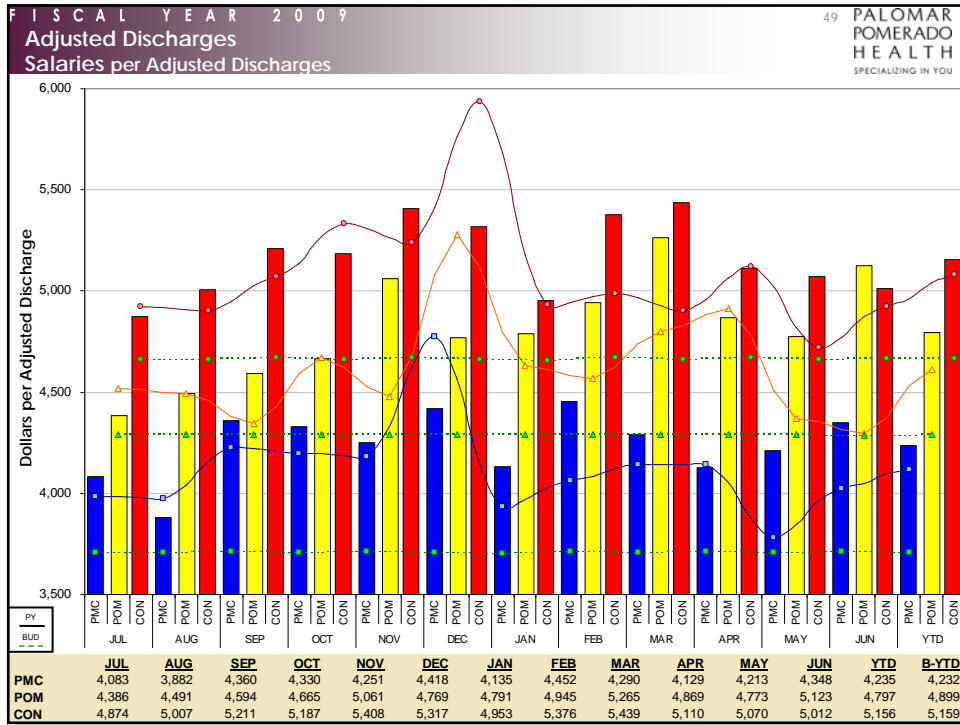


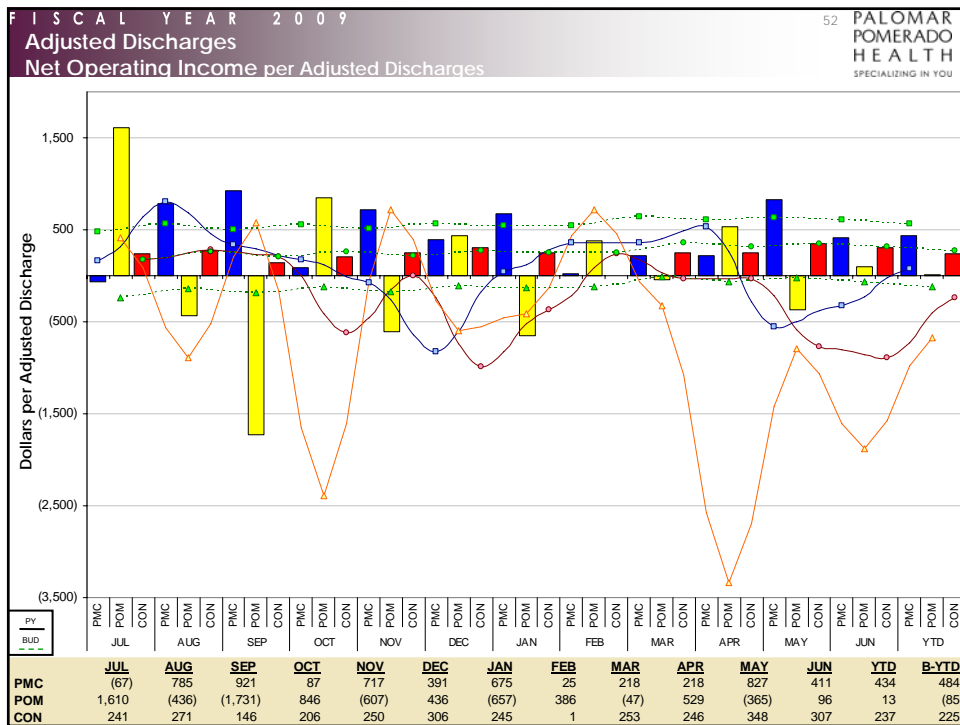
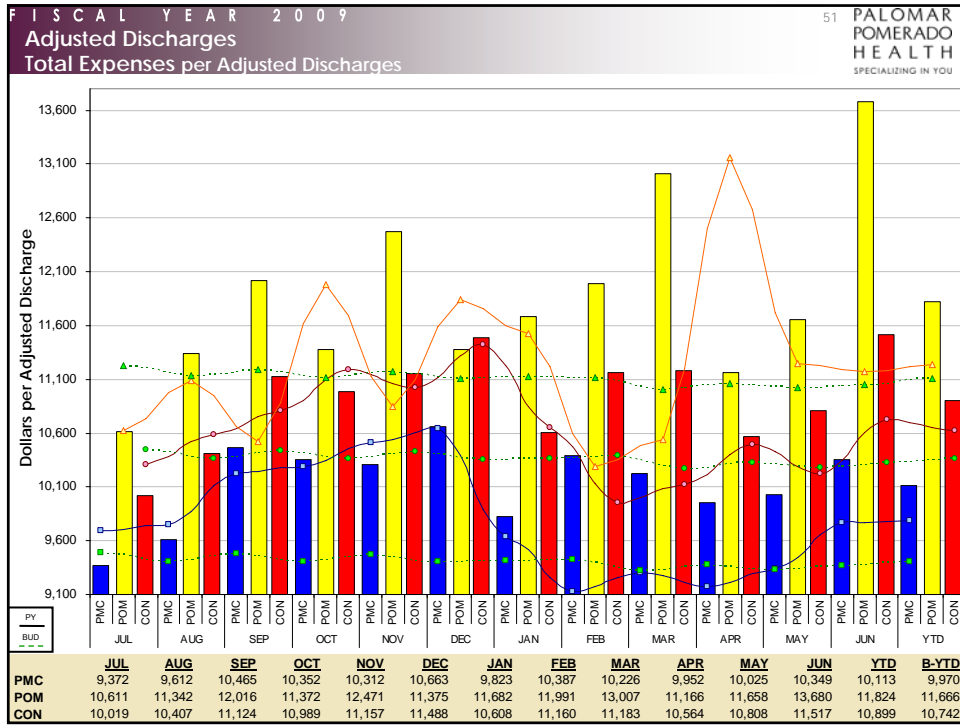




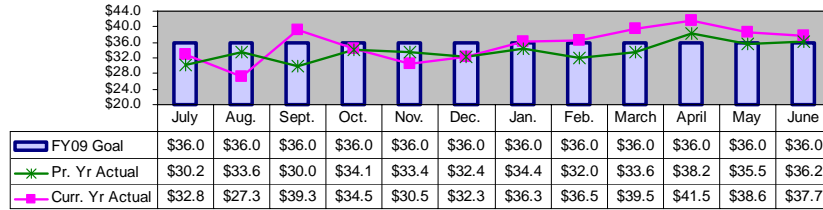








PPH Monthly Collections  
in Millions



	Current Month End	Previous Month End	Previous Month End	Current Fiscal Year Year-to-Date	Most Recent Year End	Current Month End	Change from Prior Month
Period Ending Days in Period	6/30/2009 30	5/31/2009 31	4/30/2009 30	6/30/2009 365	6/30/2008 366	6/30/2008 30	
<b>Revenue</b>							
Gross for Month - North & South	134,664,953	135,010,483	133,221,502	\$ 1,568,298,200	\$ 1,384,127,824	\$ 114,657,473	\$ (345,530)
Net Revenue - North & South	36,705,227	37,484,974	34,874,045	\$ 430,118,213	\$ 398,939,675	\$ 30,086,608	\$ (779,747)
Net:Gross %	27.3%	27.8%	26.2%	27.4%	28.8%	26.2%	-0.5%
Last 3 Month Daily Average (Gross)	4,427,439	4,390,689	4,406,593	\$ 4,296,707	\$ 3,781,770	\$ 3,809,339	\$ 36,750
Last 3 Month Daily Average (Net)	1,198,508	1,178,845	1,167,551	1,178,406	1,089,999	1,067,101	19,663
<b>Cash Collections</b>							
Month to Date	37,684,725	38,563,296	40,217,418	\$ 426,736,878	\$ 403,728,413	\$ 36,193,132	\$ (878,571)
Month to Date Goal	35,998,045	35,998,045	35,998,045	431,976,540	396,657,548	35,017,226	-
Over (under) Goal	1,686,680	2,565,251	4,219,373	\$ (5,239,662)	\$ 7,070,865	\$ 1,175,906	\$ (878,571)
% of Goal	105%	107%	112%	98.8%	101.8%	103.4%	-2.4%
<b>Point of Service Collections</b>							
Month to Date	556,182	537,504	476,461	\$ 5,262,743	\$ 3,387,302	\$ 286,510	\$ 18,678
Month to Date Goal	417,000	417,000	417,000	4,501,400	3,843,000	328,000	-
Over (under) Goal	\$ 139,182	\$ 120,504	\$ 59,461	\$ 761,343	\$ (455,698)	\$ (41,490)	\$ 18,678
% of Goal	133.4%	128.9%	114.3%	116.9%	88.1%	87.4%	4.5%
<b>Accounts Receivable</b>							
0-30	98,063,242	92,313,328	97,461,764		\$ 82,995,765	\$ 82,995,765	\$ 5,749,913
31-60	25,373,923	31,109,069	28,474,652		25,895,259	25,895,259	(5,735,147)
61-90	19,580,238	19,911,473	22,074,504		14,408,929	14,408,929	(331,235)
91-180	27,560,880	29,910,013	31,195,307		23,299,340	23,299,340	(2,349,133)
Over 180	19,047,671	26,515,188	24,841,284		19,271,702	19,271,702	(7,467,517)
Total	\$ 189,625,954	\$ 199,759,072	\$ 204,047,511		\$ 165,870,995	\$ 165,870,995	\$ (10,133,118)
<b>A/R Days (Gross)</b>	42.83	45.50	46.31		43.54	43.54	(2.67)
<b>% of A/R aged over 180 days</b>	10.0%	13.3%	12.2%		12%	12%	-0.03
<b>Number of Accounts</b>	62,583	71,105	73,558		61,570	61,570	(8,522)
<b>Credit Balance Accounts:</b>							
Dollars \$	(5,341,351)	(5,798,356)	(4,973,732)		\$ (3,144,574)	\$ (3,144,574)	\$ 457,004
Number of Accounts	10,265	10,135	9,932		4,136	4,136	130

FISCAL YEAR 2009  
 Revenue Cycle Key Indicators  
 Trend Report



	Current Month End	Previous Month End	Previous Month End	Current Fiscal Year Year-to-Date	Most Recent Year End	Current Month End	Change from Prior Month
<b>Period Ending Days In Period</b>	6/30/2009 30	5/31/2009 31	4/30/2009 30	6/30/2009 365	6/30/2008 366	6/30/2008 30	
<b>Accounts Receivable by Major Payer</b>							
Medicare	35,931,466	42,976,678	44,453,434	\$ 32,549,770	\$ 32,549,770	\$ 32,549,770	\$ (7,045,212)
Last 3 months daily average revenue	1,147,446	1,197,518	1,249,648	1,066,927	1,066,927	1,066,927	\$ (50,072)
Gross Days revenue outstanding	31.31	35.89	35.57	30.51	30.51	30.51	(4.57)
MediCal (Includes M-Cal HMO)	35,370,940	36,324,415	36,155,967	27,638,700	27,638,700	27,638,700	(953,474)
Last 3 months daily average revenue	828,775	804,322	819,659	660,788	660,788	660,788	24,453
Gross Days revenue outstanding	42.68	45.16	44.11	41.83	41.83	41.83	-2.48
Comm/Managed Care (Incl Mcare HMO)	89,731,384	91,342,436	92,046,073	78,740,548	78,740,548	78,740,548	(1,611,052)
Last 3 months daily average revenue	2,278,239	2,255,345	2,197,066	1,908,593	1,908,593	1,908,593	22,894
Gross Days revenue outstanding	39.39	40.50	41.89	41.26	41.26	41.26	(1.11)
Self-Pay (Incl Client Accts)	28,592,164	29,115,544	31,392,040	26,941,976	26,941,976	26,941,976	(523,380)
Last 3 months daily average revenue	172,978	133,504	140,220	172,970	172,970	172,970	39,474
Gross Days revenue outstanding	165.29	218.09	223.88	155.76	155.76	155.76	(52.79)
Accounts to Collections							
M-T-D Amount of BD to Collections	5,226,252	6,150,810	9,339,230	56,806,940	9,805,788	8,238,272	\$ (924,558)
% of Gross Revenue (Target < 2%)	3.9%	4.6%	7.0%	0.04	8.6%	7.2%	-0.7%
Charity & Undocumented Write-offs							
M-T-D Amount	1,699,427	938,876	2,821,976	20,111,080	2,847,359	2,847,359	\$ 760,551
% of Gross Revenue (Target < 2%)	1.3%	0.7%	2.1%	1.3%	2.5%	2.5%	0.6%
Administration Adjustments							
M-T-D Amount	271,502	81,642	293,592	1,604,801	624,358	624,358	\$ 189,860
% of Gross Revenue (Target < 1%)	0.2%	0.1%	0.2%	0.1%	0.5%	0.5%	0.1%

FISCAL YEAR 2009  
 Revenue Cycle Key Indicators  
 Trend Report



	Current Month End	Previous Month End	Previous Month End	Current Fiscal Year Year-to-Date	Most Recent Year End	Current Month End	Change from Prior Month
<b>Period Ending Days In Period</b>	6/30/2009 30	5/31/2009 31	4/30/2009 30	6/30/2009 365	6/30/2008 366	6/30/2008 30	
<b>Discharged Not Final Billed (DNFB)</b>							
<b>DNFB Action Required</b>							
HIM (Waiting for Coding)	\$ 955,981	\$ 1,412,575	\$ 2,467,518		5,423,822	5,423,822	\$ (456,594)
PBS (Correction required)	169,664	3,214	323,282		100,312	100,312	\$ 166,450
Other holds requiring correction			365				\$ -
<b>Total Action Required</b>	1,125,645	1,415,789	2,791,165		5,524,134	5,524,134	(290,144)
# of AR Days action Required	0.25	0.32	0.63		1.45	1.45	(0.07)
<b>DNFB No Action Required</b>							
4 Day Standard Delay	\$ 21,641,625	\$ 28,121,550	\$ 26,798,378		18,224,428	18,224,428	\$ (6,479,925)
Other	7,323,209	2,426,794	5,375,163		1,918,384	1,918,384	4,896,415
<b>Total No Action Required</b>	28,964,834	30,548,344	32,173,541		20,142,812	20,142,812	(1,583,510)
<b>Total DNFB</b>	\$ 30,090,479	\$ 31,964,133	\$ 34,964,706		25,666,946	25,666,946	(1,873,654)
<b>Total Days in DNFB</b>	6.80	7.28	7.93		6.74	6.74	(0.48)
<b>Late Charges</b>							
<b>Late Charges from Date of Service 5 to 20 Days</b>							
Number of line items	7,060	30,876	5,652	150,347	8,261	8,261	25,224
Dollar amount of Charges	1,124,729	1,030,579	403,761	19,098,598	949,778	949,778	\$ 626,818
Dollar amount of Credits	(717,914)	(574,447)	(527,954)	(22,727,989)	(660,172)	(660,172)	\$ (46,464)
Net Dollar Amount	406,814	456,132	(124,222)	(3,629,431)	289,606	289,606	\$ 589,354
Absolute Dollar Amount	\$ 1,124,729	\$ 1,605,026	\$ 931,745	\$ 37,420,254	\$ 949,778	\$ 949,778	\$ 673,281
<b>Late Charges from Date of Service &gt; 21 Days</b>							
Number of line items	16,384	8,457	6,589	229,595	95,068	95,068	1,868
Dollar amount of Charges	1,935,350	1,324,806	1,320,359	23,856,146	1,987,236	1,987,236	4,446
Dollar amount of Credits	(2,701,734)	(1,452,501)	(1,499,542)	(43,480,640)	(1,321,540)	(1,321,540)	47,041
Net Dollar Amount	(766,384)	(127,695)	(179,183)	(19,624,493)	665,696	665,696	51,488
Absolute Dollar Amount	\$ 4,637,083	\$ 2,777,307	\$ 2,819,902	\$ 67,336,786	\$ 3,308,776	\$ 3,308,776	\$ (42,595)

## SUPPLEMENTAL INFORMATION

	7/9/2009	7/16/2009	07/23/09	07/30/09	MTD Total	MTD Budget	% Variance
<b>Palomar Medical Center</b>							
Average daily census	226	216	221	213	219	230	(4.90)
Acute Patient Days	1,579	1,512	1,544	1,493	6,128	6,444	(4.90)
PCCC Days	612	608	596	578	2,394	2,506	(4.49)
Acute Discharges	379	392	404	386	1,561	1,664	(6.19)
Births	64	83	76	70	293	314	(6.69)
OP Visits w/o Lab	577	645	642	625	2,489	2,917	(14.67)
Lab Registrations	501	464	413	467	1,845	2,783	(33.70)
ED Visits	1,325	1,299	1,290	1,315	5,229	4,631	12.91
Trauma Admits	31	21	25	17	94	85	10.59
Trauma Outpatient	3	2	2	6	13	9	44.44
Inpatient surgeries	100	125	106	89	420	456	(7.89)
Outpatient surgeries	136	133	157	136	562	489	14.93
<b>Pomerado Hospital</b>							
Average daily census	65	63	62	79	67	79	(14.88)
Acute Patient Days	458	438	433	550	1,879	2,207	(14.88)
VP Days	882	871	861	840	3,454	3,444	0.29
Acute Discharges	136	124	121	147	528	553	(4.52)
Births	22	6	30	33	91	90	1.11
OP Visits w/o Lab	391	333	341	314	1,379	868	58.87
Lab Registrations	218	243	227	239	927	1,625	(42.95)
ED visits	569	530	608	583	2,290	2,139	7.06
Inpatient surgeries	35	44	28	37	144	142	1.41
Outpatient surgeries	58	44	40	34	176	170	3.53

	7/9/2009	7/16/2009	07/23/09	07/30/09	MTD Total	MTD Budget	% Variance
<b>Financial and Acuity</b>							
<b>Palomar Medical Center</b>							
Gross Inpatient Charges	\$ 18,595,555	\$ 17,759,855	\$ 17,658,196	\$ 16,085,800	\$ 70,099,406	\$ 70,835,074	(1.04)
Gross Outpatient Charges	\$ 5,999,628	\$ 6,750,815	\$ 6,560,118	\$ 6,769,038	\$ 26,079,599	\$ 23,484,874	11.05
Net Revenue per Adj. Patient Day (est.)	\$ 2,432	\$ 2,429	\$ 2,383	\$ 2,261	\$ 2,376	\$ 2,272	4.58
Total Expense per Adj. Patient Day (est.)	\$ 2,218	\$ 2,218	\$ 2,218	\$ 2,218	\$ 2,218	\$ 2,101	(5.57)
Supply Expense per Adj. Patient Day (est.)	\$ 367	\$ 367	\$ 367	\$ 367	\$ 367	\$ 333	(10.21)
Acute Case Mix Index	1.29	1.32	1.40	1.34			
<b>Pomerado Hospital</b>							
Gross Inpatient Charges	\$ 6,014,569	\$ 5,581,943	\$ 5,630,735	\$ 6,551,994	\$ 23,779,241	\$ 24,783,594	(4.05)
Gross Outpatient Charges	\$ 2,751,304	\$ 2,681,562	\$ 2,773,165	\$ 2,511,557	\$ 10,717,588	\$ 9,577,118	11.91
Net Revenue per Adj. Patient Day (est.)	\$ 1,718	\$ 1,652	\$ 1,693	\$ 1,719	\$ 1,696	\$ 1,604	5.74
Total Expense per Adj. Patient Day (est.)	\$ 1,516	\$ 1,516	\$ 1,516	\$ 1,516	\$ 1,516	\$ 1,472	(2.99)
Supply Expense per Adj. Patient Day (est.)	\$ 251	\$ 251	\$ 251	\$ 251	\$ 251	\$ 234	(7.26)
Acute Case Mix Index	1.24	1.33	1.24	1.46			
<b>Productivity and Cash</b>							
Cash Collection	9,761,133	9,075,708	10,309,913	10,090,660	39,237,414	38,761,021	1.23
Days Cash on Hand	114	114	117	113		80	
Productivity Hrs (PP 2)	209,957		213,066		423,023	430,640	1.77
PMC	125,862		128,017		253,879	260,567	2.57
POM	55,631		55,484		111,115	111,011	(0.09)
Others	28,464		29,565		58,029	59,062	1.75
Productivity \$\$\$ (PP 2)	6,859,801		6,818,887		13,678,688	14,698,791	6.94
PMC	4,126,920		4,099,298		8,226,218	8,942,409	8.01
POM	1,735,056		1,681,962		3,417,018	3,650,777	6.40
Others	997,825		1,037,627		2,035,452	2,105,605	3.33

**Investment Fund - Quarter Ended June 30, 2009 Yield Analysis**

Investment Account	% of Portfolio at 6/30/09	Maturity Date	Yield	Benchmark		Actual to Benchmark Variance	Total Yield
Fidelity-Institutional Portfolio Treasury Fund	0.93%	Demand	0.25%	0.00%	(1)	0.25%	0.00%
State Treasurer Local Agency Investment Fund	31.60%	Demand	1.51%	0.00%	(1), (2)	1.51%	0.48%
Salomon Brothers	34.38%	Various	0.80%	1.70%	(3)	-0.90%	0.28%
				15.90%	(4)	-15.10%	
Pacific Income Advisers, Inc.	32.72%	Various	0.40%	0.10%	(5)	0.30%	0.13%
				15.90%	(4)	-15.50%	
Morgan Stanley & Co.	0.36%	Various	0.22%	0.00%	(1)	0.22%	0.00%
Total:	<u>100.00%</u>					TOTAL YIELD:	<u>0.89%</u>

- (1) Approximate average of 90 day T-Bills
- (2) LAIF annual average return based upon monthly yields
- (3) LB Intermediate Government Credits
- (4) S&P 500
- (5) LB 1-3 yr Government Credits

**Investment Fund - Fiscal Year Ended June 30, 2009 Yield Analysis**

Investment Account:	% of Portfolio at 6/30/09	Maturity Date	Yield	Benchmark		Actual to Benchmark Variance	Total Yield
Fidelity-Institutional Portfolio Treasury Fund	0.93%	Demand	0.67%	0.80%	(1)	-0.13%	0.01%
State Treasurer Local Agency Investment Fund	31.60%	Demand	1.99%	0.80%	(1), (2)	1.19%	0.63%
Salomon Brothers	34.38%	Various	5.50%	5.30%	(3)	0.20%	1.89%
				-26.20%	(4)	31.70%	
Pacific Income Advisors, Inc.	32.72%	Various	5.10%	4.90%	(5)	0.20%	1.67%
				-26.20%	(4)	31.30%	
Morgan Stanley & Co.	0.36%	Various	1.03%	0.80%	(1)	0.23%	0.00%
<b>Total:</b>	<u>100.00%</u>						<u>4.20%</u>

- (1) Approximate average of 90 day T-Bills
- (2) LAIF annual average return based upon monthly yields
- (3) LB Intermediate Government Credits
- (4) S&P 500
- (5) LB 1-3 yr Government Credits

# ATTACHMENT 3



FISCAL YEAR 2010		ADD C-49				PALOMAR POMERADO HEALTH SPECIALIZING IN YOU			
Weekly Flash Report		Week Ending							
		8/6/2009	8/13/2009	8/20/2009	8/27/2009	MTD Total	MTD Budget	% Variance	
Volume	<b>Palomar Medical Center</b>								
	Average daily census	218	203	230	-	217	230	(5.64)	
	Acute Patient Days	1,526	1,423	1,611		4,560	4,833	(5.64)	
	PCCC Days	597	629	643		1,869	1,880	(0.58)	
	Acute Discharges	389	339	403		1,131	1,248	(9.38)	
	Births	73	58	78		209	236	(11.44)	
	OP Visits w/o Lab	720	638	648		2,006	2,187	(8.28)	
	Lab Registrations	493	508	456		1,457	2,087	(30.19)	
	ED Visits	1,223	1,263	1,257		3,743	3,473	7.77	
	Trauma Admits	22	14	26		62	64	(3.13)	
	Trauma Outpatient	-	4	1		5	7	(28.57)	
	Inpatient surgeries	101	124	101		326	342	(4.68)	
	Outpatient surgeries	135	116	139		390	366	6.56	
		<b>Pomerado Hospital</b>							
		Average daily census	79	62	64	-	68	79	(13.26)
		Acute Patient Days	551	437	448		1,436	1,656	(13.26)
		VP Days	862	870	880		2,612	2,583	1.12
		Acute Discharges	133	116	118		367	415	(11.57)
		Births	16	20	30		66	68	(2.94)
		OP Visits w/o Lab	358	388	358		1,104	651	69.59
		Lab Registrations	246	252	237		735	1,219	(39.70)
		ED visits	543	541	558		1,642	1,604	2.37
		Inpatient surgeries	17	24	27		68	106	(35.85)
	Outpatient surgeries	35	62	45		142	127	11.81	

FISCAL YEAR 2010		ADD C-50				PALOMAR POMERADO HEALTH SPECIALIZING IN YOU			
Weekly Flash Report		Week Ending							
		8/6/2009	8/13/2009	8/20/2009	8/27/2009	MTD Total	MTD Budget	% Variance	
Financial and Activity	<b>Palomar Medical Center</b>								
	Gross Inpatient Charges	\$ 16,775,950	\$ 16,613,795	\$ 18,469,762		\$ 51,859,507	\$ 53,126,305	(2.38)	
	Gross Outpatient Charges	\$ 6,924,781	\$ 6,991,267	\$ 6,985,803		\$ 20,901,851	\$ 17,613,656	18.67	
	Net Revenue per Adj. Patient Day (est.)	\$ 2,250	\$ 2,328	\$ 2,324		\$ 2,301	\$ 2,224	3.46	
	Total Expense per Adj. Patient Day (est.)	\$ 2,063	\$ 2,063	\$ 2,063		\$ 2,063	\$ 2,100	1.76	
	Supply Expense per Adj. Patient Day (est.)	\$ 338	\$ 338	\$ 338		\$ 338	\$ 333	(1.50)	
	Acute Case Mix Index	1.29	1.25						
		<b>Pomerado Hospital</b>							
		Gross Inpatient Charges	\$ 6,216,084	\$ 5,197,472	\$ 5,400,249		\$ 16,813,805	\$ 18,587,695	(9.54)
		Gross Outpatient Charges	\$ 2,485,762	\$ 2,619,114	\$ 2,796,302		\$ 7,901,178	\$ 7,182,048	10.01
		Net Revenue per Adj. Patient Day (est.)	\$ 1,601	\$ 1,539	\$ 1,579		\$ 1,574	\$ 1,588	(0.88)
		Total Expense per Adj. Patient Day (est.)	\$ 1,519	\$ 1,519	\$ 1,519		\$ 1,519	\$ 1,472	(3.19)
		Supply Expense per Adj. Patient Day (est.)	\$ 249	\$ 249	\$ 249		\$ 249	\$ 234	(6.41)
	Acute Case Mix Index	1.15	1.25						
Productivity and Cash	Cash Collection	7,226,474	7,708,153	7,170,930		22,105,557	27,686,444	(20.16)	
	Days Cash on Hand	112	115	117		117	80		
	Productivity Hrs (PP 4)	214,535		212,635		427,170	418,029	(2.19)	
	PMC	125,577		125,689		251,266	247,634	(1.47)	
	POM	57,043		55,569		112,612	109,771	(2.59)	
	Others	31,915		31,377		63,292	60,624	(4.40)	
	Productivity \$\$\$ (PP 4)	6,825,357		6,741,858		13,567,215	14,182,032	4.34	
	PMC	3,957,298		3,988,474		7,945,772	8,438,930	5.84	
POM	1,744,188		1,687,258		3,431,446	3,585,244	4.29		
Others	1,123,871		1,066,126		2,189,997	2,157,858	(1.49)		

# ADDENDUM B

# Financial Statements

Fiscal Year 2010

August

PALOMAR  
POMERADO  
HEALTH

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# Financial Results

## Executive Summary & Highlights

August				YTD 2010					
Actual	Budget	Variance	% Actual to Budget		Actual	Budget	Variance	% Actual to Budget	
<b>PPH Indicators:</b>									
	10.74%	10.79%	(0.06%)	99.4%	OEBITDA Margin w/Prop Tax	10.80%	10.88%	(0.08%)	99.3%
\$	11,506.89	\$ 10,955.70	\$ (551.19)	105.0%	Operating Expenses/Adj Discharge	\$ 11,394.08	\$ 10,948.42	\$ (445.66)	104.1%
	6.34	6.25	(0.09)	101.4%	Prod FTE's/Adj Occupied Bed	6.36	6.26	(0.10)	101.6%
\$	6,838.73	\$ 6,470.94	\$ (367.79)	105.7%	SWB/Adj Discharge	\$ 6,781.94	\$ 6,471.88	\$ (310.06)	104.8%
<b>PPH North Indicators:</b>									
	11.56%	10.49%	1.07%	110.2%	OEBITDA Margin w/Prop Tax	10.07%	10.58%	(0.51%)	95.2%
\$	10,458.17	\$ 10,100.37	\$ (357.80)	103.5%	Operating Expenses/Adj Discharge	\$ 10,605.77	\$ 10,089.63	\$ (516.14)	105.1%
	5.03	5.09	0.06	98.8%	Prod FTE's/Adj Occupied Bed	5.12	5.09	(0.03)	100.6%
\$	5,360.24	\$ 5,262.10	\$ (98.14)	101.9%	SWB/Adj Discharge	\$ 5,466.38	\$ 5,261.04	\$ (205.34)	103.9%
<b>PPH South Indicators:</b>									
	7.12%	9.25%	(2.13%)	77.0%	OEBITDA Margin w/Prop Tax	9.98%	9.32%	0.66%	107.1%
\$	12,924.93	\$ 12,182.34	\$ (742.59)	106.1%	Operating Expenses/Adj Discharge	\$ 12,243.60	\$ 12,180.14	\$ (63.46)	100.5%
	7.05	6.33	(0.72)	111.4%	Prod FTE's/Adj Occupied Bed	6.87	6.31	(0.56)	108.9%
\$	6,240.82	\$ 6,067.94	\$ (172.88)	102.8%	SWB/Adj Discharge	\$ 5,986.06	\$ 6,071.22	\$ 85.16	98.6%

### Statistics

<b>CONSOLIDATED</b>	<b>Jul</b>	<b>Aug</b>	<b>Jul vs Aug % Change</b>	<b>Aug Budget</b>	<b>Act vs Bud % Variance</b>
Patient Days Acute	9,067	8,998	(0.8%)	9,578	(6.1%)
Patient Days SNF	6,497	6,563	1.0%	6,588	(0.4%)
ADC Acute	292.49	290.24	(0.8%)	308.96	(6.1%)
ADC SNF	209.58	211.71	1.0%	212.52	(0.4%)
Surgeries CVS Cases	19	13	(31.6%)	12	8.3%
Surgeries Total	1,773	1,494	(15.7%)	1,633	(8.5%)
Number of Births	421	409	(2.9%)	448	(8.7%)
<b>NORTH</b>					
Patient Days Acute	6,896	6,977	1.2%	7,134	(2.2%)
Patient Days SNF	2,647	2,740	3.5%	2,775	(1.3%)
ADC Acute	222.46	225.06	1.2%	230.11	(2.2%)
ADC SNF	85.39	88.39	3.5%	89.52	(1.3%)
<b>SOUTH</b>					
Patient Days Acute	2,171	2,021	(6.9%)	2,444	(17.3%)
Patient Days SNF	3,850	3,823	(0.7%)	3,813	0.3%
ADC Acute	70.04	65.19	(6.9%)	78.83	(17.3%)
ADC SNF	124.19	123.32	(0.7%)	123.00	0.3%

# Financial Results

## Executive Summary of Key Indicators

	AUGUST 2009			FY 10 Y-T-D @ AUGUST 2009			Moody Benchmark
	Actual	Budget	Variance	Actual	Budget	Variance	
<b><i>Statistics:</i></b>							
Acute Admissions	2,188	2,454	(266)	4,506	4,908	(402)	
Acute Patient Days	8,998	9,578	(580)	18,065	19,156	(1,091)	
Acute ALOS	4.03	3.90	0.13	3.94	3.90	0.04	
Case Mix Index (w/o Births)	1.50	1.46	0.04	1.52	1.46	0.06	
Total Surgeries	1,494	1,633	(139)	3,098	3,266	(168)	
Births	409	448	(39)	830	896	(66)	
E/R Visits & Admissions	7,864	7,495	369	16,166	14,990	1,176	
ER to Admit Rate	14.9%	17.4%	(2.5%)	15.3%	17.4%	(2.1%)	
Productivity %	97.3%	100%	(2.7%)	98.7%	100%	(1.3%)	
<b><i>Income Statement:</i></b>							
Net Patient Revenue	38,593,578	38,341,236	252,342	78,045,819	76,685,246	1,360,573	
Total Net Revenue	39,202,534	38,978,489	224,045	79,151,341	77,959,752	1,191,589	
Sal., Wages, Cont. Lbr	17,838,866	17,979,655	140,789	36,013,710	35,959,310	(54,400)	
Supplies	6,214,913	6,216,467	1,554	12,718,939	12,432,939	(286,000)	
Total Expenses	37,949,721	37,760,555	(189,166)	76,499,336	75,459,989	(1,039,347)	
<b>Net Inc. (Loss) before Non-Op</b>	<b>1,252,813</b>	<b>1,217,934</b>	<b>34,879</b>	<b>2,652,005</b>	<b>2,499,763</b>	<b>152,242</b>	
<b>Net Income (Loss)</b>	<b>2,535,168</b>	<b>2,247,252</b>	<b>287,916</b>	<b>4,976,941</b>	<b>4,558,399</b>	<b>418,542</b>	
<b><i>Cash Flow:</i></b>							
Cash Collections	40,600,000	38,800,000	1,800,000	79,800,000	77,600,000	2,200,000	
Days Cash on Hand	107.7	80	27.7	107.7	80	27.7	
<b><i>Ratios:</i></b>							
OEBITDA w/ Prop. Tax	10.7%	10.8%	(0.1%)	10.8%	10.9%	(0.1%)	
Net Income Margin	6.5%	5.8%	0.7%	6.3%	5.8%	0.5%	
Bad Debt % of Net Revenue	18.2%	15.2%	(3.0%)	17.3%	15.2%	(2.1%)	7.1%
Return On Assets				3.3%	3.1%	(0.2%)	4.3%
Annual Debt Service Coverage				3.4			4.4
Cushion Ratio				7.6			15.3

## Balance Sheet

Current Cash & Cash Equivalents increased \$3.9 million from \$108.9 million in July to \$112.7 million in August. Total Cash and Investments are \$127.0 million, compared to \$123.8 million at July. Days Cash on Hand went from 104.2 days in July to 107.7 days in August.

Net Accounts Receivable decreased \$2.9 million from \$93.4 million in July to \$90.5 million in August. Gross A/R days decreased from 44.7 days in July to 43.6 days in August.

August YTD collections including capitation are \$79.8 million compared to budget of \$77.6 million.

Construction in Progress increased \$8.5 million from \$399.9 million in July to \$408.4 million in August. The increase is attributed to Building Expansion A & E services, construction and permitting costs of \$8.1 million and Other \$0.4 million.

Other Current Liabilities increased \$0.9 million from \$29.7 million to \$30.6 million. The increase is due to an increase in capitation liability accounts of \$2.2 million reduced by the realization of deferred property tax revenue of \$1.2 million and Other \$0.1 million.



### Income Statement

Gross Patient Revenue reflects a YTD favorable budget variance of \$2.0 million.

Net Capitation reflects an YTD favorable budget variance of \$2.4 million. Cap Premium and Valuation both show a favorable budget variance of \$3.5 million and \$0.3 million. The favorable variance in Cap Premium is due to retro 2008 premium adjustments in July and August. Out of Network Claim Expense shows an unfavorable budget variance of \$1.4 million.

Other Operating Revenue has a YTD unfavorable budget variance of \$0.2 million. The breakdown is a \$0.09 million unfavorable budget variance in the Grant Programs plus a \$0.04 million unfavorable budget variance in Health Development and the Research Institute.

Salaries, Wages & Contract Labor has a YTD unfavorable budget variance of \$0.1 million.

Employee Benefits Expense has a YTD unfavorable budget variance of \$0.9 million primarily due to unfavorable budget variances of \$0.5 million in Group Health Insurance, \$0.3 million in pension expense and \$0.1 million in Other.

Supplies Expense reflects a YTD unfavorable budget variance of \$0.3 million primarily due to Prosthesis expense.

Professional Fees & Purchased Services breakeven when compared to YTD budget.

### Ratios & Margins

All required Bond Covenant Ratios were achieved in August, 2009.

# Financial Results

## Executive Summary & Highlights

Stat	MTD	Budget	YTD	Budget	PY
Patient Days - Acute	8,998	9,578	18,065	19,156	19,078
Discharges - Acute	2,230	2,454	4,581	4,908	5,054
OP Registrations	3,607	4,190	8,706	8,380	8,700
Total ER Visits	7,864	7,495	16,166	14,990	14,767
Deliveries	409	448	830	896	971

Profit & Loss (in millions)	MTD	Budget	YTD	Budget	PY
Capitation	1.4	Breakeven	2.1	(0.2)	(0.2)
Net Patient Revenue	38.6	38.3	78.0	76.7	73.3
Total Revenue	39.2	39.0	79.2	78.0	74.1
SWB	22.3	21.9	45.0	43.8	42.2
Contract Labor	0.2	0.3	0.5	0.7	1.5
Supplies	6.2	6.2	12.7	12.4	11.2
Total Expense	37.9	37.8	76.5	75.5	72.3
Net Income from Ops	1.3	1.2	2.7	2.5	1.8
Net Income	2.5	2.2	5.0	4.6	4.4

# Key Variance Explanations

## Month-To-Date

	<u>Actual</u>	<u>Budget</u>	<u>Variance Detail</u>	<u>Variance</u>
<b>Net Income From Operations</b>	<b>1,252,813</b>	<b>1,217,934</b>		<b>34,879</b>
<b>Total Net Revenue</b>				<b>252,342</b>
Net Patient Revenue			252,342	
<b>Other Operating Revenue</b>				<b>(28,297)</b>
PPNC Health Development and Research Institute			(18,378)	
Welcome Home Baby			(16,222)	
Other			6,303	
<b>Salaries &amp; Wages</b>				<b>11,339</b>
Volume Variance			766,490	
Rate & Efficiency			(755,151)	
<b>Benefits</b>				<b>(383,108)</b>
Group Health Insurance			(187,814)	
Pension			(186,542)	
Other			(8,752)	
<b>Contract Labor</b>				<b>129,450</b>
Volume Variance			15,687	
Rate & Efficiency			113,763	

# Key Variance Explanations

## Month-To-Date (cont'd)

	<u>Actual</u>	<u>Budget</u>	<u>Variance Detail</u>	<u>Variance</u>
<b>Professional Fees</b>				<b>(124,694)</b>
Revenue Cycle Consulting, final payment			(88,064)	
Other			(36,630)	
<b>Supplies</b>				<b>1,554</b>
Volume Variance			270,438	
Rate & Efficiency			(268,884)	
<u>Breakdown of Variance:</u>				
Prosthesis	100,455			
Pharmaceutical	(207,760)			
Other	108,859			
<b>Purchased Services</b>				<b>58,210</b>
Purchased Services			58,210	
<b>Depreciation</b>				<b>34,124</b>
Depreciation			34,124	
<b>Other Direct Expenses</b>				<b>83,959</b>
Other Direct Expenses			83,959	
<b>Total Actual to Budget MTD Variance for August 2009</b>			<b>34,879</b>	<b>34,879</b>

# Key Variance Explanations

## Month-To-Date (cont'd)

	<u>Actual</u>	<u>Budget</u>	<u>Variance Detail</u>	<u>Variance</u>
<b>Total Actual to Budget MTD Variance for August 2009</b>				<b>34,879</b>
<b>Non-Operating Income (Expense)</b>	<b>1,282,355</b>	<b>1,029,318</b>		<b>253,037</b>
<b>Property Tax</b>	<b>1,166,666</b>	<b>1,166,666</b>	<b>0</b>	
<b>Investment Income (Loss)</b>	<b>415,508</b>	<b>314,432</b>	<b>101,076</b>	
<u>Breakdown of Actual:</u>				
Salomon Bros (68% Gov't Sec, 31% Corp Bonds; 1% MMF)	239,541			
Pacific Inc (92% Gov't Sec, 6% Corp Bonds, 2% MMF)	118,971			
LAIF	28,929			
Other (Dr's Loans, LOCs, Escrow, Bond Inv, Accrued Int)	28,067			
<b>Interest Expense</b>	<b>(393,045)</b>	<b>(481,154)</b>	<b>88,109</b>	
<b>Other</b>	<b>93,226</b>	<b>29,374</b>	<b>63,852</b>	
<b>Net Income</b>	<b><u>2,535,168</u></b>	<b><u>2,247,252</u></b>		<b><u>287,916</u></b>

# Key Variance Explanations Year-To-Date

	<b>Actual</b>	<b>Budget</b>	<b>Variance Detail</b>	<b>Variance</b>
<b>Net Income From Operations</b>	<b>2,652,005</b>	<b>2,499,763</b>		<b>152,242</b>
<b>Total Net Revenue</b>				<b>1,360,573</b>
Net Patient Revenue			1,360,573	
<b>Other Operating Revenue</b>				<b>(168,984)</b>
PPNC Health Development and Research Institute			(36,756)	
Welcome Home Baby			(86,809)	
Other			(45,419)	
<b>Salaries &amp; Wages</b>				<b>(305,048)</b>
Volume Variance			925,032	
Rate & Efficiency			(1,230,080)	
<b>Benefits</b>				<b>(855,891)</b>
Group Health Insurance			(481,338)	
Pension			(329,549)	
Other			(45,004)	
<b>Contract Labor</b>				<b>250,648</b>
Volume Variance			18,932	
Rate & Efficiency			231,716	

# Key Variance Explanations Year-To-Date (cont'd)

	<u>Actual</u>	<u>Budget</u>	<u>Variance Detail</u>	<u>Variance</u>
<b>Professional Fees</b>				<b>(47,536)</b>
Revenue Cycle Consulting			(88,064)	
Other			40,528	
<b>Supplies</b>				<b>(286,000)</b>
Volume Variance			326,376	
Rate & Efficiency			(612,376)	
<u>Breakdown of Variance:</u>				
Prosthesis	(260,560)			
Pharmaceutical	(180,470)			
Other	155,030			
<b>Purchased Services</b>				<b>66,817</b>
Purchased Services			66,817	
<b>Depreciation</b>				<b>83,848</b>
Depreciation			83,848	
<b>Other Direct Expenses</b>				<b>53,815</b>
Other Direct Expenses			53,815	
<b>Total Actual to Budget YTD Variance for August 2009</b>			<b>152,242</b>	<b>152,242</b>

# Key Variance Explanations Year-To-Date (cont'd)

	<u>Actual</u>	<u>Budget</u>	<u>Variance Detail</u>	<u>Variance</u>
<b>Total Actual to Budget YTD Variance for August 2009</b>				<b>152,242</b>
<b>Non-Operating Income (Expense)</b>	<b>2,324,936</b>	<b>2,058,636</b>		<b>266,300</b>
<b>Property Tax</b>	<b>2,333,332</b>	<b>2,333,332</b>	<b>0</b>	
<b>Investment Income (Loss)</b>	<b>744,913</b>	<b>628,864</b>	<b>116,049</b>	
<u>Breakdown of Actual:</u>				
Salomon Bros (68% Gov't Sec, 31% Corp Bonds; 1% MMF)	447,114			
Pacific Inc (92% Gov't Sec, 6% Corp Bonds, 2% MMF)	184,568			
LAIF	57,810			
Other (Dr's Loans, LOCs, Esc Escrow, Bond Inv, Accrued Int)	55,421			
<b>Interest Expense</b>	<b>(851,885)</b>	<b>(962,308)</b>	<b>110,423</b>	
<b>Other</b>	<b>98,576</b>	<b>58,748</b>	<b>39,828</b>	
<b>Net Income</b>	<b><u>4,976,941</u></b>	<b><u>4,558,399</u></b>		<b><u>418,542</u></b>



# Balance Sheet Consolidated

	Current Month	Prior Month	Prior Fiscal Year End
<b>Assets</b>			
<b>Current Assets</b>			
Cash on Hand	\$18,835,605	\$16,095,314	\$10,354,783
Cash Marketable Securities	93,899,868	92,781,932	107,135,131
<b>Total Cash &amp; Cash Equivalents</b>	<b>112,735,473</b>	<b>108,877,246</b>	<b>117,489,914</b>
<b>Patient Accounts Receivable</b>	<b>201,275,151</b>	<b>204,096,464</b>	<b>196,918,121</b>
Allowance on Accounts	(110,794,443)	(110,741,018)	(102,639,179)
<b>Net Accounts Receivable</b>	<b>90,480,708</b>	<b>93,355,446</b>	<b>94,278,942</b>
Inventories	6,304,412	6,374,253	6,346,391
Prepaid Expenses	4,068,724	4,016,805	3,996,246
Other	20,174,654	19,105,416	4,443,168
<b>Total Current Assets</b>	<b>233,763,971</b>	<b>231,729,166</b>	<b>226,554,661</b>
<b>Non-Current Assets</b>			
Restricted Assets	246,128,793	264,467,788	278,894,137
Restricted by Donor	312,345	312,345	312,345
Board Designated	13,924,814	14,655,288	0
<b>Total Restricted Assets</b>	<b>260,365,952</b>	<b>279,435,421</b>	<b>279,206,482</b>
Property Plant & Equipment	387,394,805	389,926,091	389,824,433
Accumulated Depreciation	(223,156,814)	(224,014,481)	(222,241,081)
Construction in Process	408,405,120	399,861,451	400,568,817
<b>Net Property Plant &amp; Equipment</b>	<b>572,643,111</b>	<b>565,773,061</b>	<b>568,152,169</b>
Investment in Related Companies	1,167,759	1,276,220	1,418,426
Deferred Financing Costs	19,763,166	19,857,302	19,951,541
Other Non-Current Assets	7,124,487	7,140,401	6,676,688
<b>Total Non-Current Assets</b>	<b>861,064,475</b>	<b>873,482,405</b>	<b>875,405,306</b>
<b>Total Assets</b>	<b>\$1,094,828,446</b>	<b>\$1,105,211,571</b>	<b>\$1,101,959,967</b>

	Current Month	Prior Month	Prior Fiscal Year End
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$19,838,800	\$32,031,426	\$49,101,571
Accrued Payroll	17,257,017	15,147,791	12,894,999
Accrued PTO	13,750,209	13,797,944	14,113,565
Accrued Interest Payable	2,079,112	7,651,001	5,384,506
Current Portion of Bonds	9,860,000	9,780,000	9,780,000
Est Third Party Settlements	2,396,976	2,379,008	2,343,270
Other Current Liabilities	30,592,447	29,665,776	16,996,638
<b>Total Current Liabilities</b>	<b>95,774,561</b>	<b>110,452,946</b>	<b>110,614,549</b>
<b>Long Term Liabilities</b>			
Bonds & Contracts Payable	663,228,704	662,468,610	662,496,664
<b>General Fund Balance</b>			
Unrestricted	321,588,022	317,322,382	328,536,409
Restricted for Other Purpose	312,345	312,345	312,345
Board Designated	13,924,814	14,655,288	0
<b>Total Fund Balance</b>	<b>335,825,181</b>	<b>332,290,015</b>	<b>328,848,754</b>
<b>Total Liabilities / Fund Balance</b>	<b>\$1,094,828,446</b>	<b>\$1,105,211,571</b>	<b>\$1,101,959,967</b>

# Income Statement: Monthly Trend

## Consolidated

	Jul	Aug	YTD
<b>Statistics:</b>			
Admissions - Acute	2,318	2,188	4,506
Admissions - SNF	96	91	187
Patient Days - Acute	9,067	8,998	18,065
Patient Days - SNF	6,497	6,563	13,060
LOS - Acute	3.86	4.03	3.94
LOS - SNF	65.63	73.74	69.47
Adjusted Discharges	3,416	3,298	6,714
<b>Revenue:</b>			
Gross Revenue	\$ 148,271,360	\$ 140,677,712	\$ 288,949,072
Deductions from Rev	(108,819,120)	(102,084,134)	(210,903,253)
Net Patient Revenue	39,452,240	38,593,578	78,045,819
Other Oper Revenue	496,566	608,956	1,105,522
<b>Total Net Revenue</b>	<b>39,948,806</b>	<b>39,202,534</b>	<b>79,151,341</b>
<b>Expenses:</b>			
Salaries, Wages & Contr Labor	18,174,843	17,838,866	36,013,710
Benefits	4,804,941	4,715,266	9,520,207
Supplies	6,504,026	6,214,913	12,718,939
Prof Fees & Purch Svc	4,813,171	5,026,545	9,839,717
Depreciation	1,773,400	1,789,000	3,562,400
Other	2,479,232	2,365,131	4,844,363
<b>Total Expenses</b>	<b>38,549,613</b>	<b>37,949,721</b>	<b>76,499,336</b>
<b>Net Inc Before Non-Oper Income</b>	<b>1,399,193</b>	<b>1,252,813</b>	<b>2,652,005</b>
Property Tax Revenue	1,166,666	1,166,666	2,333,332
Non-Operating Income	(124,084)	115,689	(8,396)
<b>Net Income (Loss)</b>	<b>\$ 2,441,775</b>	<b>\$ 2,535,168</b>	<b>\$ 4,976,941</b>
Net Income Margin	6.1%	6.5%	6.3%
OEBITDA Margin w/o Prop Tax	7.9%	7.8%	7.9%
OEBITDA Margin with Prop Tax	10.9%	10.7%	10.8%

# Income Statement: Month-to-Date

## Consolidated – Adjusted Discharges

				Variance		\$/Adjusted Discharges			
	Actual	Budget	Variance	Volume	Rate/Eff	Actual	Budget	Variance	
<b>Statistics:</b>									
Admissions - Acute	2,188	2,454	(266)						
Admissions - SNF	91	91	-						
Patient Days - Acute	8,998	9,578	(580)						
Patient Days - SNF	6,563	6,588	(25)						
ALOS - Acute	4.03	3.90	0.13						
Adjusted Discharges	3,298	3,448	(150)						
<b>Revenue:</b>									
Gross Revenue	\$ 140,677,712	\$ 143,464,153	\$ (2,786,441) U	\$ (6,241,190)	\$ 3,454,749	\$42,655.46	\$ 41,607.93	\$ 1,047.53	
Deductions from Rev	(102,084,134)	(105,122,917)	3,038,783 F	4,573,213	(1,534,430)	(30,953.35)	(30,488.08)	(465.26)	
Net Patient Revenue	38,593,578	38,341,236	252,342 F	(1,667,977)	1,920,319	11,702.12	11,119.85	582.27	
Other Oper Revenue	608,956	637,253	(28,297) U	(27,723)	(574)	184.64	184.82	(0.17)	
<b>Total Net Revenue</b>	<b>39,202,534</b>	<b>38,978,489</b>	<b>224,045 F</b>	<b>(1,695,700)</b>	<b>1,919,745</b>	<b>11,886.76</b>	<b>11,304.67</b>	<b>582.09</b>	
<b>Expenses:</b>									
Salaries, Wages & Contr Labor	17,838,866	17,979,655	140,789 F	782,178	(641,389)	5,409.00	5,214.52	(194.48)	
Benefits	4,715,266	4,332,158	(383,108) U	188,464	(571,572)	1,429.73	1,256.43	(173.31)	
Supplies	6,214,913	6,216,467	1,554 F	270,438	(268,884)	1,884.45	1,802.92	(81.53)	
Prof Fees & Purch Svc	5,026,545	4,960,061	(66,484) U	215,780	(282,264)	1,524.12	1,438.53	(85.59)	
Depreciation	1,789,000	1,823,124	34,124 F	79,312	(45,188)	542.45	528.75	(13.70)	
Other	2,365,131	2,449,088	83,957 F	106,544	(22,587)	717.14	710.29	(6.85)	
<b>Total Expenses</b>	<b>37,949,721</b>	<b>37,760,555</b>	<b>(189,166) U</b>	<b>1,642,716</b>	<b>(1,831,882)</b>	<b>11,506.89</b>	<b>10,951.44</b>	<b>(555.45)</b>	
<b>Net Inc Before Non-Oper Income</b>	<b>1,252,813</b>	<b>1,217,934</b>	<b>34,879 F</b>	<b>(52,984)</b>	<b>87,863</b>	<b>379.87</b>	<b>353.23</b>	<b>26.64</b>	
Property Tax Revenue	1,166,666	1,166,666	- -	(50,754)	50,754	353.75	338.36	15.39	
Non-Operating Income	115,689	(137,348)	253,037 F	5,975	247,062	35.08	(39.83)	74.91	
<b>Net Income (Loss)</b>	<b>\$ 2,535,168</b>	<b>\$ 2,247,252</b>	<b>\$ 287,916 F</b>	<b>\$ (97,763)</b>	<b>\$ 385,679</b>	<b>\$ 768.70</b>	<b>\$ 651.76</b>	<b>\$ 116.94</b>	
Net Income Margin	6.5%	5.8%	0.7%						
OEBITDA Margin w/o Prop Tax	7.8%	7.8%	0.0%						
OEBITDA Margin with Prop Tax	10.7%	10.8%	(0.1%)						

F= Favorable variance  
U= Unfavorable variance

# Income Statement: Fiscal Year-to-Date

## Consolidated – Adjusted Discharges

				Variance		\$/Adjusted Discharges		
	Actual	Budget	Variance	Volume	Rate/Eff	Actual	Budget	Variance
<b>Statistics:</b>								
Admissions - Acute	4,506	4,908	(402)					
Admissions - SNF	187	182	5					
Patient Days - Acute	18,065	19,156	(1,091)					
Patient Days - SNF	13,060	13,176	(116)					
ALOS - Acute	3.94	3.90	0.04					
ALOS - SNF	69.47	73.20	(3.73)					
Adjusted Discharges	6,714	6,895	(181)					
<b>Revenue:</b>								
Gross Revenue	\$ 288,949,072	\$ 286,930,095	\$ 2,018,977 F	\$ (7,532,175)	\$ 9,551,152	\$43,036.80	\$ 41,614.23	\$ 1,422.57
Deductions from Rev	(210,903,253)	(210,244,849)	(658,404) U	5,519,118	(6,177,522)	(31,412.46)	(30,492.36)	(920.10)
Net Patient Revenue	78,045,819	76,685,246	1,360,573 F	(2,013,057)	3,373,630	11,624.34	11,121.86	502.48
Other Oper Revenue	1,105,522	1,274,506	(168,984) U	(33,457)	(135,527)	164.66	184.84	(20.19)
<b>Total Net Revenue</b>	<b>79,151,341</b>	<b>77,959,752</b>	<b>1,191,589 F</b>	<b>(2,046,514)</b>	<b>3,238,103</b>	<b>11,789.00</b>	<b>11,306.71</b>	<b>482.29</b>
<b>Expenses:</b>								
Salaries, Wages & Contr Labor	36,013,710	35,959,310	(54,400) U	943,964	(998,364)	5,363.97	5,215.27	(148.70)
Benefits	9,520,207	8,664,316	(855,891) U	227,446	(1,083,337)	1,417.96	1,256.61	(161.35)
Supplies	12,718,939	12,432,939	(286,000) U	326,376	(612,376)	1,894.39	1,803.18	(91.21)
Prof Fees & Purch Svc	9,839,717	9,858,998	19,281 F	258,808	(239,527)	1,465.55	1,429.88	(35.68)
Depreciation	3,562,400	3,646,248	83,848 F	95,717	(11,869)	530.59	528.82	(1.77)
Other	4,844,363	4,898,178	53,815 F	128,582	(74,767)	721.53	710.40	(11.14)
<b>Total Expenses</b>	<b>76,499,336</b>	<b>75,459,989</b>	<b>(1,039,347) U</b>	<b>1,980,893</b>	<b>(3,020,237)</b>	<b>11,394.00</b>	<b>10,944.16</b>	<b>(449.84)</b>
<b>Net Inc Before Non-Oper Income</b>	<b>2,652,005</b>	<b>2,499,763</b>	<b>152,242 F</b>	<b>(65,621)</b>	<b>217,866</b>	<b>395.00</b>	<b>362.55</b>	<b>32.45</b>
Property Tax Revenue	2,333,332	2,333,332	- -	(61,252)	61,252	347.53	338.41	9.12
Non-Operating Income	(8,396)	(274,696)	266,300 F	7,211	259,089	(1.25)	(39.84)	38.59
<b>Net Income (Loss)</b>	<b>\$ 4,976,941</b>	<b>\$ 4,558,399</b>	<b>\$ 418,542 F</b>	<b>\$ (119,662)</b>	<b>\$ 538,207</b>	<b>\$ 741.28</b>	<b>\$ 661.12</b>	<b>\$ 80.16</b>
Net Income Margin	6.3%	5.8%	0.5%					
OEBITDA Margin w/o Prop Tax	7.9%	7.9%	0.0%					
OEBITDA Margin with Prop Tax	10.8%	10.9%	(0.1%)					

# Income Statement: Current vs. Prior Year-to-date

## Consolidated – Adjusted Discharges

				Variance		\$/Adjusted Discharges			
	August 09 YTD	August 08 YTD	Variance	Volume	Rate/Eff	Actual 09	Actual 08	Variance	
<b>Statistics:</b>									
Admissions - Acute	4,506	4,994	(488)						
Admissions - SNF	187	202	(15)						
Patient Days - Acute	18,065	19,078	(1,013)						
Patient Days - SNF	13,060	13,069	(9)						
ALOS - Acute	3.94	3.77	0.17						
ALOS - SNF	69.47	63.75	5.72						
Adjusted Discharges	6,714	7,080	(366)						
<b>Revenue:</b>									
Gross Revenue	\$ 288,949,072	\$ 262,485,217	\$ 26,463,855 F	\$ (13,569,151)	\$ 40,033,006	\$43,036.80	\$ 37,074.18	\$ 5,962.62	
Deductions from Rev	(210,903,253)	(189,192,184)	(21,711,069) U	9,780,274	(31,491,343)	(31,412.46)	(26,722.06)	(4,690.40)	
Net Patient Revenue	78,045,819	73,293,033	4,752,786 F	(3,788,877)	8,541,663	11,624.34	10,352.12	1,272.22	
Other Oper Revenue	1,105,522	812,377	293,145 F	(41,996)	335,141	164.66	114.74	49.92	
<b>Total Net Revenue</b>	<b>79,151,341</b>	<b>74,105,410</b>	<b>5,045,931 F</b>	<b>(3,830,873)</b>	<b>8,876,804</b>	<b>11,789.00</b>	<b>10,466.87</b>	<b>1,322.13</b>	
<b>Expenses:</b>									
Salaries, Wages & Contr Labor	36,013,710	34,976,424	(1,037,286) U	1,808,103	(2,845,389)	5,363.97	4,940.17	(423.80)	
Benefits	9,520,207	8,673,128	(847,079) U	448,357	(1,295,436)	1,417.96	1,225.02	(192.95)	
Supplies	12,718,939	11,193,788	(1,525,151) U	578,662	(2,103,813)	1,894.39	1,581.04	(313.35)	
Prof Fees & Purch Svc	9,839,717	9,422,812	(416,905) U	487,111	(904,016)	1,465.55	1,330.91	(134.65)	
Depreciation	3,562,400	3,821,027	258,627 F	197,528	61,099	530.59	539.69	9.10	
Other	4,844,363	4,208,730	(635,633) U	217,570	(853,203)	721.53	594.45	(127.08)	
<b>Total Expenses</b>	<b>76,499,336</b>	<b>72,295,909</b>	<b>(4,203,427) U</b>	<b>3,737,331</b>	<b>(7,940,758)</b>	<b>11,394.00</b>	<b>10,211.29</b>	<b>(1,182.72)</b>	
<b>Net Inc Before Non-Oper Income</b>	<b>2,652,005</b>	<b>1,809,501</b>	<b>842,504 F</b>	<b>(93,542)</b>	<b>936,046</b>	<b>395.00</b>	<b>255.58</b>	<b>139.42</b>	
Property Tax Revenue	2,333,332	2,333,332	- -	(120,621)	120,621	347.53	329.57	17.97	
Non-Operating Income	(8,396)	217,260	(225,656) U	(11,231)	(214,425)	(1.25)	30.69	(31.94)	
<b>Net Income (Loss)</b>	<b>\$ 4,976,941</b>	<b>\$ 4,360,093</b>	<b>\$ 616,848 F</b>	<b>\$ (225,395)</b>	<b>\$ 842,243</b>	<b>\$ 741.28</b>	<b>\$ 615.83</b>	<b>\$ 125.45</b>	

F= Favorable variance  
U= Unfavorable variance

# Cash Flow Statement

	August	YTD
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Income (Loss) from operations	1,252,813	2,652,006
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation Expense	1,789,000	3,562,400
Provision for bad debts	7,028,732	13,494,403
<b>Changes in operating assets and liabilities:</b>		
Patient accounts receivable	(4,153,994)	(9,696,169)
Property Tax and other receivables	(1,411,785)	(16,470,374)
Inventories	69,841	41,979
Prepaid expenses and Other Non-Current assets	56,542	178,189
Accounts payable	(12,192,626)	(29,262,771)
Accrued compensation	2,061,491	3,998,662
Estimated settlement amounts due third-party payors	17,968	53,706
Other current liabilities	3,093,339	17,929,143
Net cash provided by operating activities	<u>(2,388,679)</u>	<u>(13,518,826)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net (purchases) sales of investments	17,951,533	32,075,793
Income (Loss) on investments	415,508	744,914
Investment in affiliates	159,997	(188,631)
Net cash used in investing activities	<u>18,527,038</u>	<u>32,632,076</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Receipt of G.O. Bond Taxes	57,343	167,192
Receipt of District Taxes	103,479	237,812
Net cash used in non-capital financing activities	<u>160,822</u>	<u>405,004</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition of property plant and equipment	(5,815,868)	(2,956,404)
Proceeds from sale of asset	0	0
Deferred Financing Costs	94,136	188,375
G.O. Bond Interest paid	(6,022,313)	(6,022,313)
Revenue Bond Interest paid	(869,845)	(1,302,091)
Proceeds from issuance of debt	0	0
Payments of Long Term Debt	(945,000)	(945,000)
Net cash used in activities	<u>(13,558,890)</u>	<u>(11,037,432)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	2,740,291	8,480,822
<b>CASH AND CASH EQUIVALENTS - Beginning of period</b>	<u>16,095,314</u>	<u>10,354,783</u>
<b>CASH AND CASH EQUIVALENTS - End of period</b>	<u><u>18,835,605</u></u>	<u><u>18,835,605</u></u>

# Summary of Key Indicators & Results

## Fiscal Year-to-Date

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>FY 2009</u>
<b><u>ADMISSIONS - Acute:</u></b>				
Palomar Medical Center	3,414	3,684	(270)	3,743
Pomerado Hospital	1,092	1,224	(132)	1,251
<b>Total:</b>	<b>4,506</b>	<b>4,908</b>	<b>(402)</b>	<b>4,994</b>
<b><u>ADMISSIONS - SNF:</u></b>				
Palomar Medical Center	84	72	12	82
Pomerado Hospital	103	110	(7)	120
<b>Total:</b>	<b>187</b>	<b>182</b>	<b>5</b>	<b>202</b>
<b><u>PATIENT DAYS - Acute:</u></b>				
Palomar Medical Center	13,873	14,268	(395)	14,058
Pomerado Hospital	4,192	4,888	(696)	5,020
<b>Total:</b>	<b>18,065</b>	<b>19,156</b>	<b>(1,091)</b>	<b>19,078</b>
<b><u>PATIENT DAYS- SNF:</u></b>				
Palomar Medical Center	5,387	5,550	(163)	5,421
Pomerado Hospital	7,673	7,626	47	7,648
<b>Total:</b>	<b>13,060</b>	<b>13,176</b>	<b>(116)</b>	<b>13,069</b>

# Summary of Key Indicators & Results

## Fiscal Year-to-Date

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>FY 2009</u>
<b><u>EMERGENCY ROOM VISITS &amp; TRAUMA CASES:</u></b>				
Palomar Medical Center	9,420	8,352	1,068	8,169
Pomerado Hospital	4,270	4,028	242	3,976
<b>Total:</b>	<b>13,690</b>	<b>12,380</b>	<b>1,310</b>	<b>12,145</b>
<b><u>EMERGENCY &amp; TRAUMA ADMISSIONS:</u></b>				
Palomar Medical Center	1,862	1,902	(40)	1,907
Pomerado Hospital	614	708	(94)	715
<b>Total:</b>	<b>2,476</b>	<b>2,610</b>	<b>(134)</b>	<b>2,622</b>
<b><u>SURGERIES:</u></b>				
Palomar Medical Center	2,082	2,092	(10)	1,867
Pomerado Hospital	1,016	1,174	(158)	1,215
<b>Total:</b>	<b>3,098</b>	<b>3,266</b>	<b>(168)</b>	<b>3,082</b>
<b><u>BIRTHS:</u></b>				
Palomar Medical Center	634	696	(62)	759
Pomerado Hospital	196	200	(4)	212
<b>Total:</b>	<b>830</b>	<b>896</b>	<b>(66)</b>	<b>971</b>



Summary of Key Indicators & Results  
Fiscal Year-to-Date

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>FY 2009</u>
<b><u>ADJUSTED DISCHARGES</u></b>				
Palomar Medical Center	4,854	4,999	(145)	5,110
Pomerado Hospital	1,827	1,849	(22)	1,931
Other Activities	33	47	(14)	39
<b>Total:</b>	<u>6,714</u>	<u>6,895</u>	<u>(181)</u>	<u>7,080</u>
<b><u>AVERAGE LENGTH OF STAY- Acute:</u></b>				
Palomar Medical Center	4.04	3.87	0.17	3.73
Pomerado Hospital	3.66	3.99	(0.33)	3.92
<b>Total:</b>	<u>3.94</u>	<u>3.90</u>	<u>0.04</u>	<u>3.77</u>
<b><u>AVERAGE LENGTH OF STAY - SNF:</u></b>				
Palomar Medical Center	65.70	79.29	(13.59)	66.11
Pomerado Hospital	72.39	69.33	3.06	62.18
<b>Total:</b>	<u>69.47</u>	<u>73.20</u>	<u>(3.73)</u>	<u>63.75</u>

**Supplies Expense**  
**Month-to-Date**

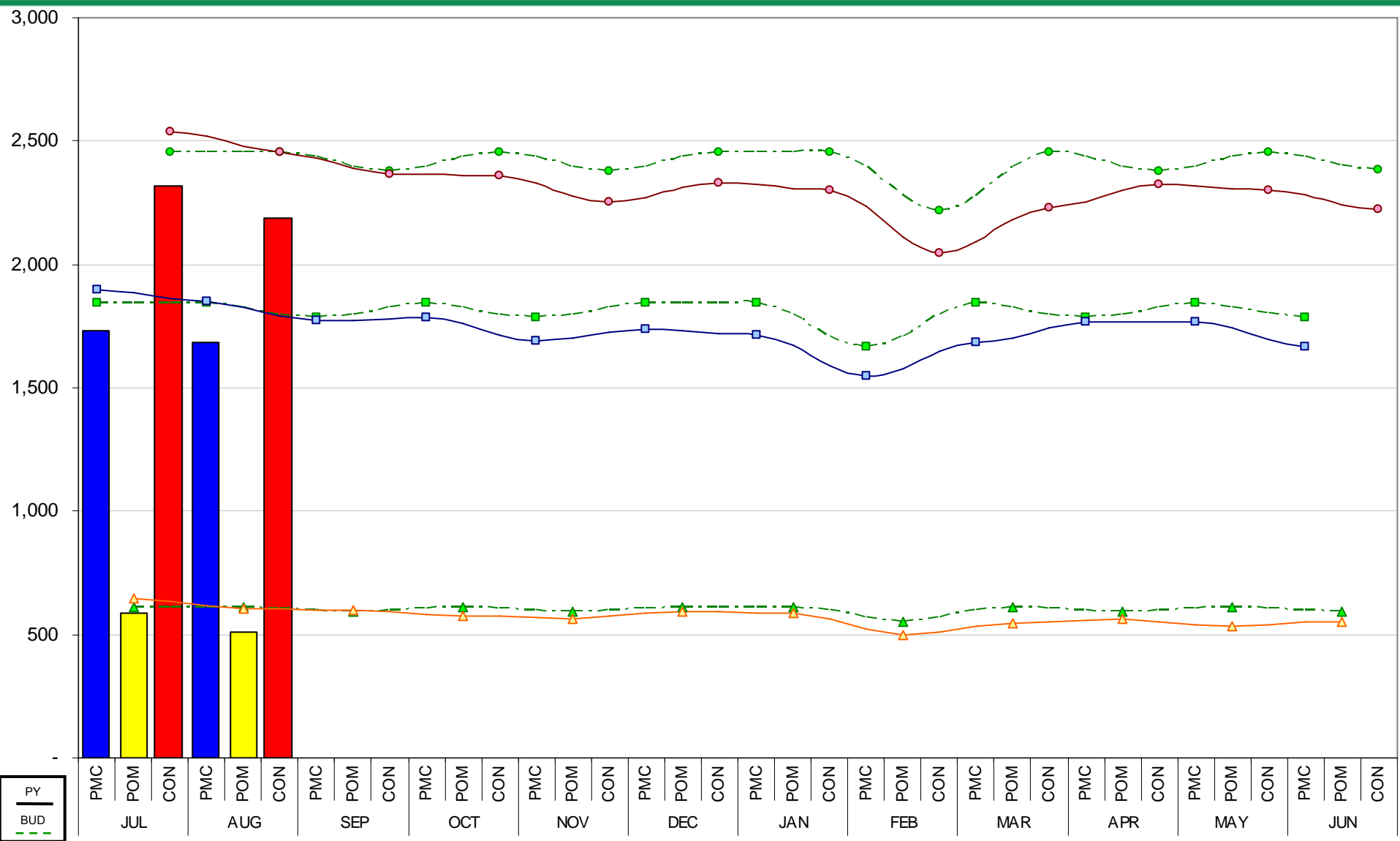
<b>Account</b>	<b>Description</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
631000	Prosthesis	3,459,658	3,199,098	(260,560)
638000	Supplies Pharmaceutical	2,557,248	2,376,778	(180,470)
632000	Sutures/Surgical Needles	346,942	280,288	(66,654)
646000	Supplies Office/Administration	182,150	151,170	(30,980)
633000	Supplies Surgical Pack	365,630	339,118	(26,512)
639000	Supplies Radioactive	123,906	103,268	(20,638)
649000	Other Minor Equipment	168,341	156,220	(12,121)
640000	Supplies X-ray Material	10,852	3,634	(7,218)
648000	Instruments/Minor Equipment	87,039	82,184	(4,855)
637000	Supplies IV Solutions	86,142	82,600	(3,542)
645000	Supplies Cleaning	76,279	73,268	(3,011)
635000	Supplies Anesthesia Material	9,710	8,000	(1,710)
647000	Supplies Employee Apparel	27,862	26,490	(1,372)
634000	Supplies Surgery General	843,503	855,218	11,715
644000	Supplies Linen	4,393	20,390	15,997
646100	Supplies Forms	61,388	84,444	23,056
636000	Supplies Oxygen/Gas	13,772	37,946	24,174
642000	Supplies Food/Meat	79,541	104,198	24,657
650000	Other Non Medical	1,279,298	1,312,715	33,417
643000	Supplies Food Other	373,232	467,662	94,430
641000	Supplies Other Medical	2,562,053	2,668,250	106,197
<b>TOTAL</b>		<b>12,718,939</b>	<b>12,432,939</b>	<b>(286,000)</b>

# Bond Covenant Ratios

Cushion Ratio	Jun-08	Jun-09	Aug-09
Cash and Cash Equivalents	86,122,696	117,489,914	112,735,473
Board Designated Reserves	12,117,325	-	13,924,814
Trustee-held Funds (Revenue Fund only)	185,981	34,351	39,207
Total	98,426,002	117,524,265	126,699,494
Divided by:			
Annual Debt Service (excludes GO Bonds) (Bond Year 11/1/2009)	16,972,692	16,639,112	16,639,112
<b>Cushion Ratio</b>	<b>5.8</b>	<b>7.1</b>	<b>7.6</b>
<b>REQUIREMENT</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>
	<b>Achieved</b>	<b>Achieved</b>	<b>Achieved</b>

Days Cash on Hand	Jun-08	Jun-09	Aug-09
Cash and Cash Equivalents	86,122,696	117,489,914	112,735,473
Board Designated Reserves	12,117,325	-	13,924,814
Trustee-held Funds (Revenue Fund only)	185,981	34,351	39,207
Total	98,426,002	117,524,265	126,699,494
Divide Total by Average Adjusted Expenses per Day			
Total Expenses	428,153,444	436,536,225	76,499,336
Less: Depreciation	21,572,031	21,214,879	3,562,400
Adjusted Expenses	406,581,413	415,321,346	72,936,936
Number of days in period	366	365	62
Average Adjusted Expenses per Day	1,110,878	1,137,867	1,176,402
<b>Days Cash on Hand</b>	<b>88.6</b>	<b>103.3</b>	<b>107.7</b>
<b>REQUIREMENT</b>	<b>80</b>	<b>80</b>	<b>80</b>
	<b>Achieved</b>	<b>Achieved</b>	<b>Achieved</b>

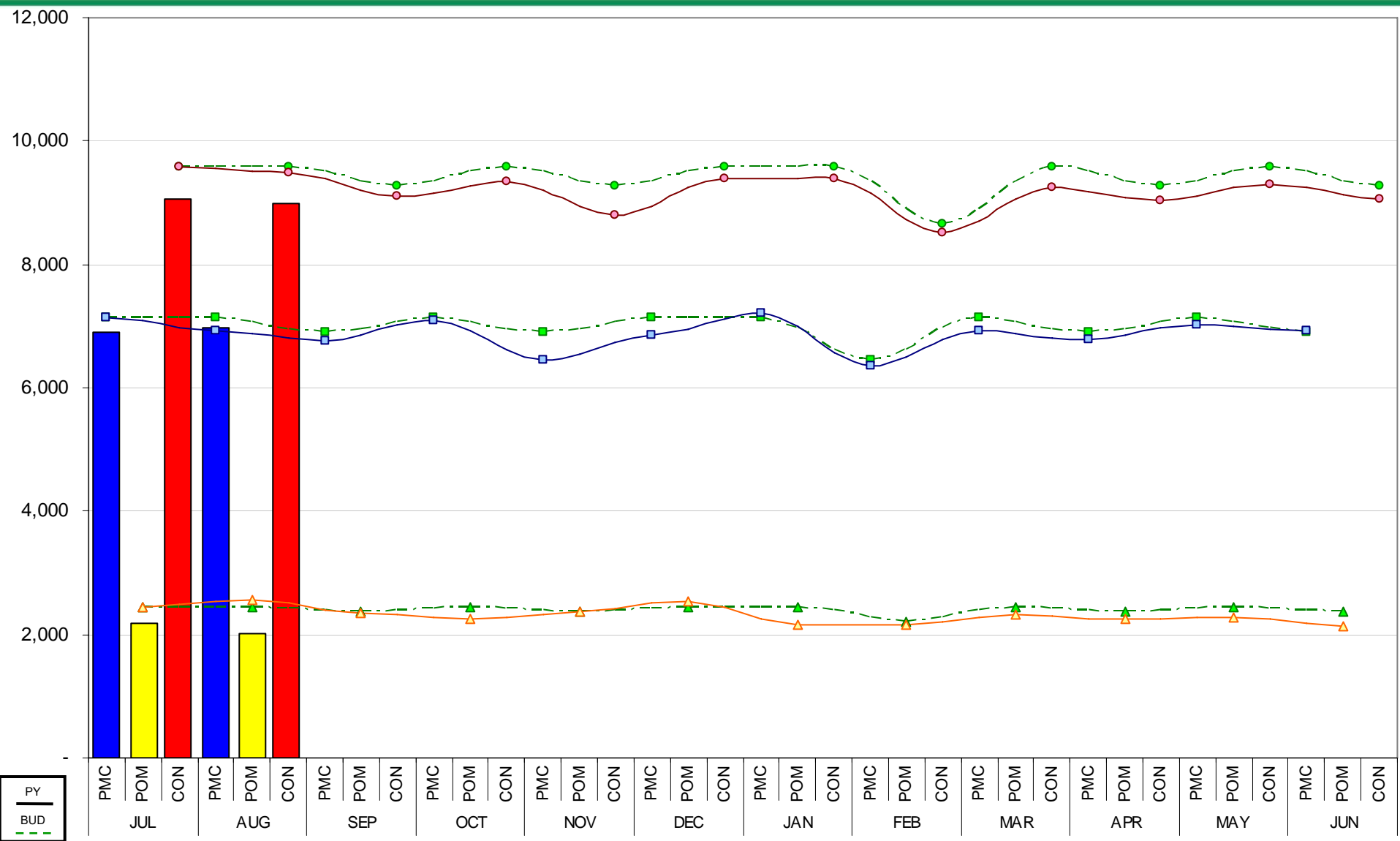
Net Income Available for Debt Service	Jun-08	Jun-09	Aug-09
Excess of revenue over expenses Cur Mo.	(12,441,012)	(8,535,867)	2,535,168
Excess of revenues over expenses YTD (General Funds)	(4,053,517)	11,477,380	4,976,942
ADD:			
Depreciation and Amortization	21,391,200	21,214,879	3,562,400
Interest Expense	14,912,181	16,079,661	851,885
Net Income Available for Debt Service	32,249,864	48,771,920	9,391,227
Aggregate Debt Service			
1999 Insured Refunding Revenue Bonds	8,248,018	8,252,512	1,375,913
2006 Certificates of Participation	8,316,457	8,497,794	1,397,273
Aggregate Debt Service	16,564,475	16,750,305	2,773,185
<b>Net Income Available for Debt Service</b>	<b>1.95</b>	<b>2.91</b>	<b>3.39</b>
<b>Required Coverage</b>	<b>1.15</b>	<b>1.15</b>	<b>1.15</b>
	<b>Achieved</b>	<b>Achieved</b>	<b>Achieved</b>



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
<b>PMC</b>	1,733	1,681	-	-	-	-	-	-	-	-	-	-	3,414	3,684
<b>POM</b>	585	507	-	-	-	-	-	-	-	-	-	-	1,092	1,224
<b>CON</b>	2,318	2,188	-	-	-	-	-	-	-	-	-	-	4,506	4,908

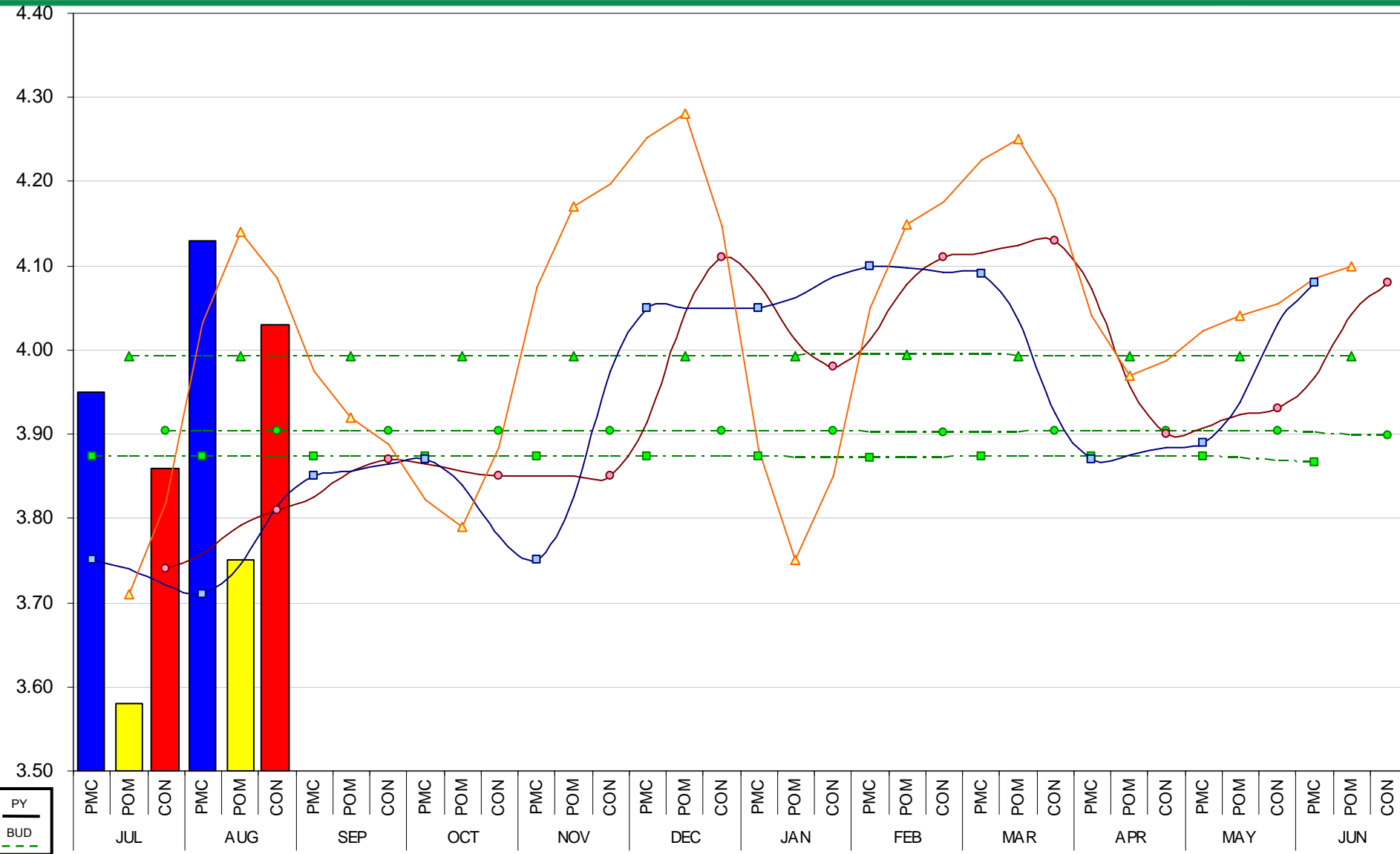
# Statistical Indicators

## Patient Days – Acute

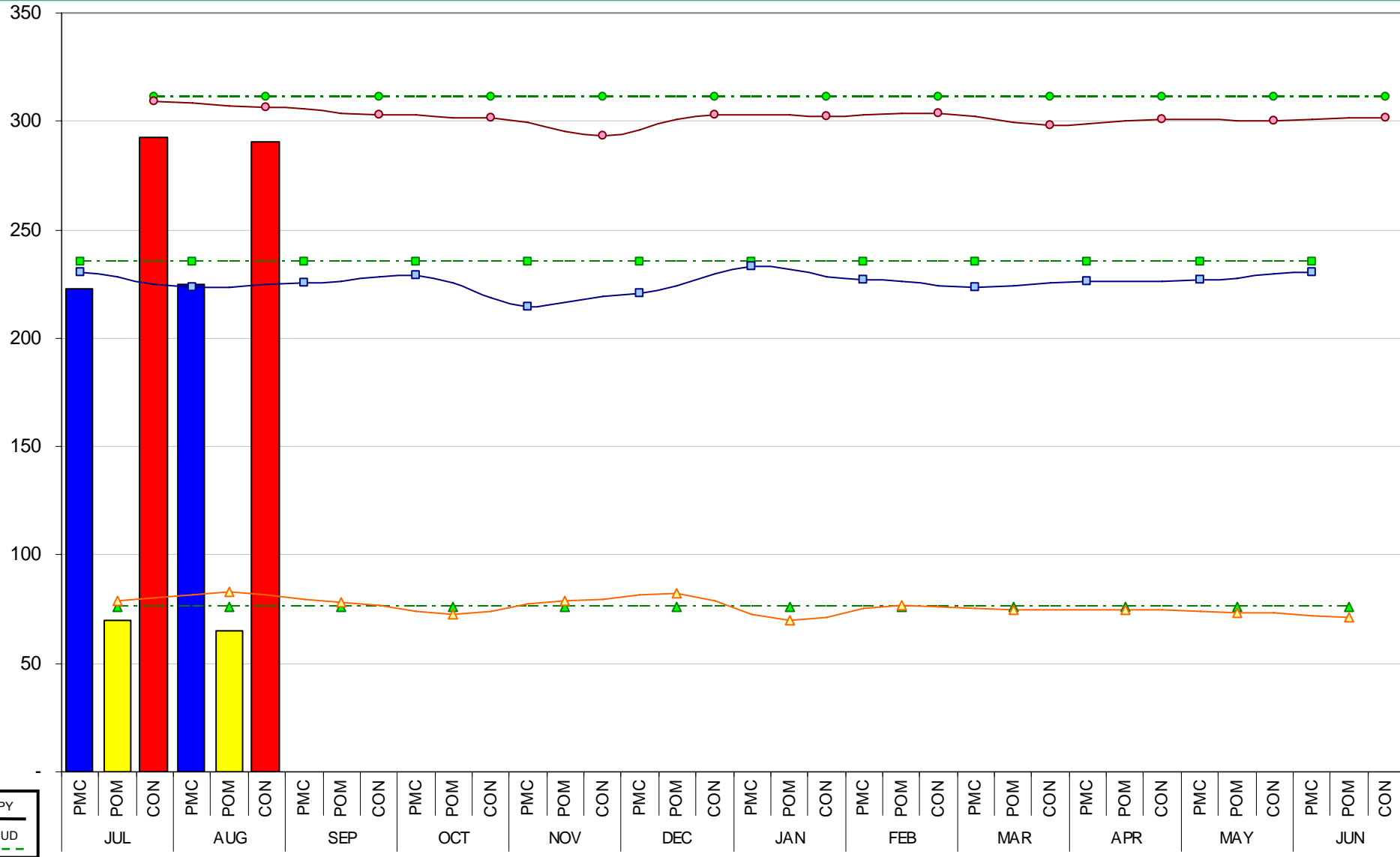


	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
<b>PMC</b>	6,896	6,977	-	-	-	-	-	-	-	-	-	-	13,873	14,268
<b>POM</b>	2,171	2,021	-	-	-	-	-	-	-	-	-	-	4,192	4,888
<b>CON</b>	9,067	8,998	-	-	-	-	-	-	-	-	-	-	18,065	19,156

Average Length of Stay - Acute

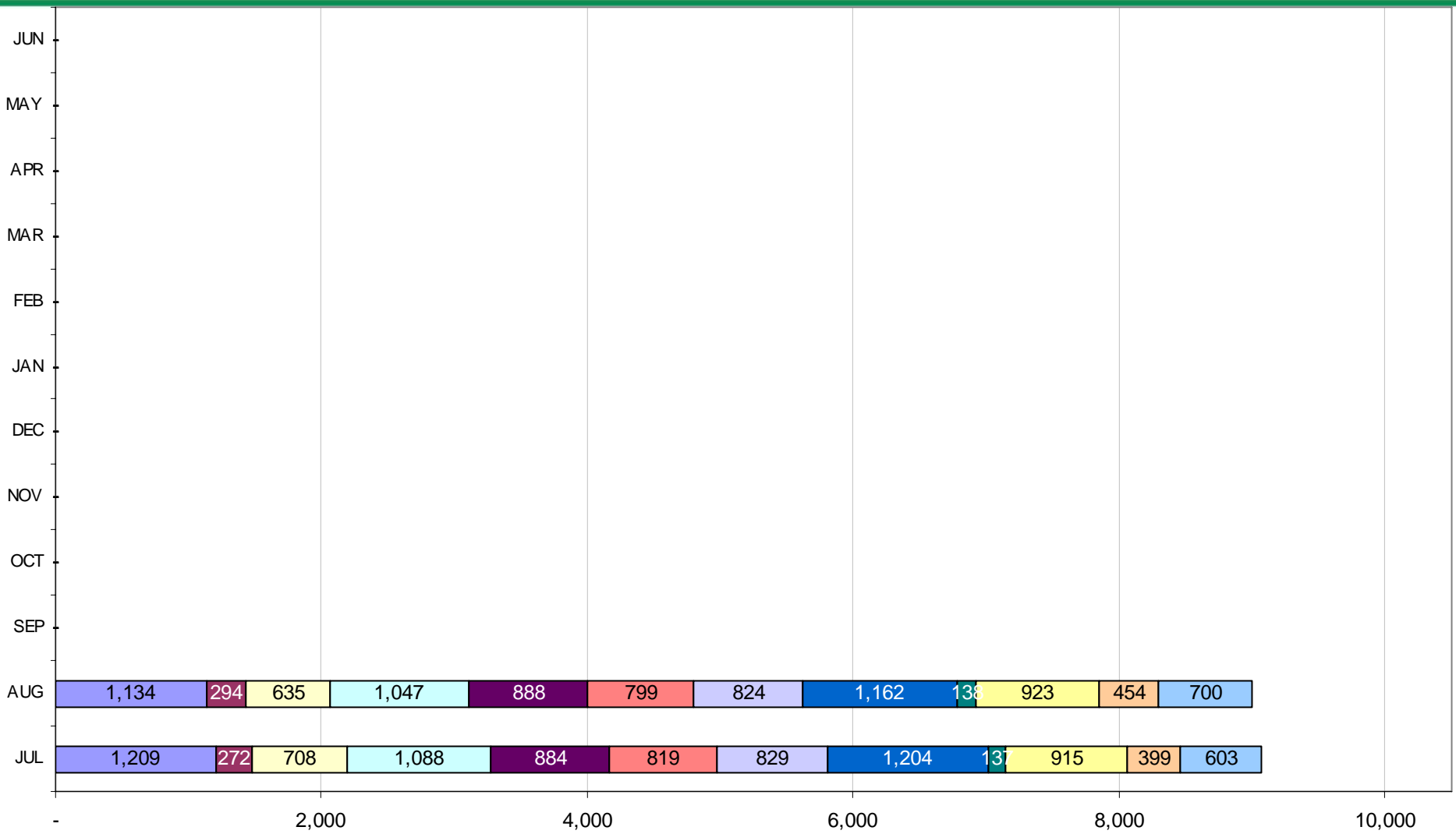


	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
<b>PMC</b>	3.95	4.13	-	-	-	-	-	-	-	-	-	-	4.04	3.99
<b>POM</b>	3.58	3.75	-	-	-	-	-	-	-	-	-	-	3.66	3.87
<b>CON</b>	3.86	4.03	-	-	-	-	-	-	-	-	-	-	3.94	3.90



PY  
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	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
<b>PMC</b>	222	225	-	-	-	-	-	-	-	-	-	-	224	230
<b>POM</b>	70	65	-	-	-	-	-	-	-	-	-	-	68	79
<b>CON</b>	292	290	-	-	-	-	-	-	-	-	-	-	291	309

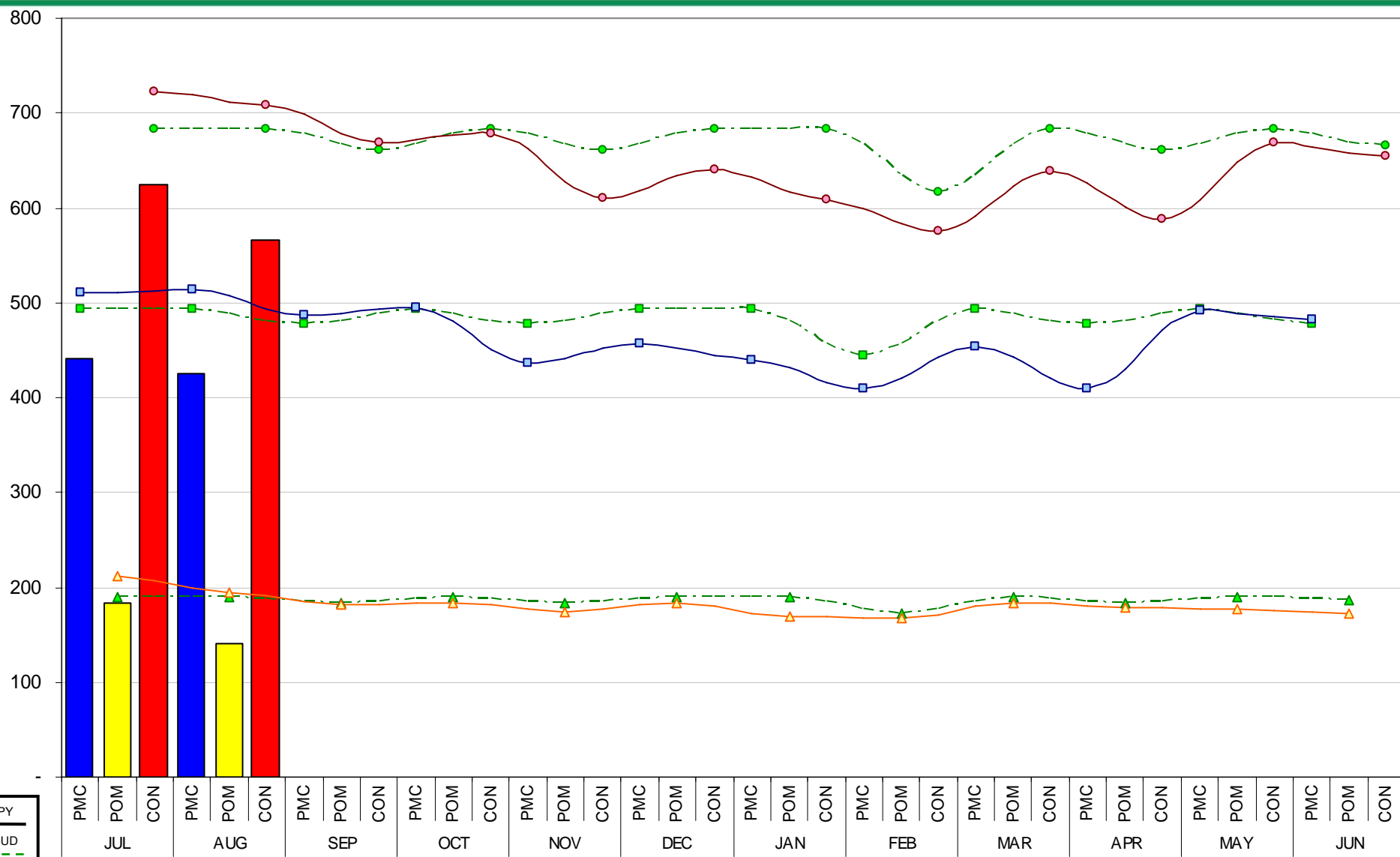


	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
<b>PMC</b>	6,896	6,977	-	-	-	-	-	-	-	-	-	-	13,873	14,268
<b>POM</b>	2,171	2,021	-	-	-	-	-	-	-	-	-	-	4,192	4,888
<b>CON</b>	9,067	8,998	-	-	-	-	-	-	-	-	-	-	18,065	19,156



# Statistical Indicators

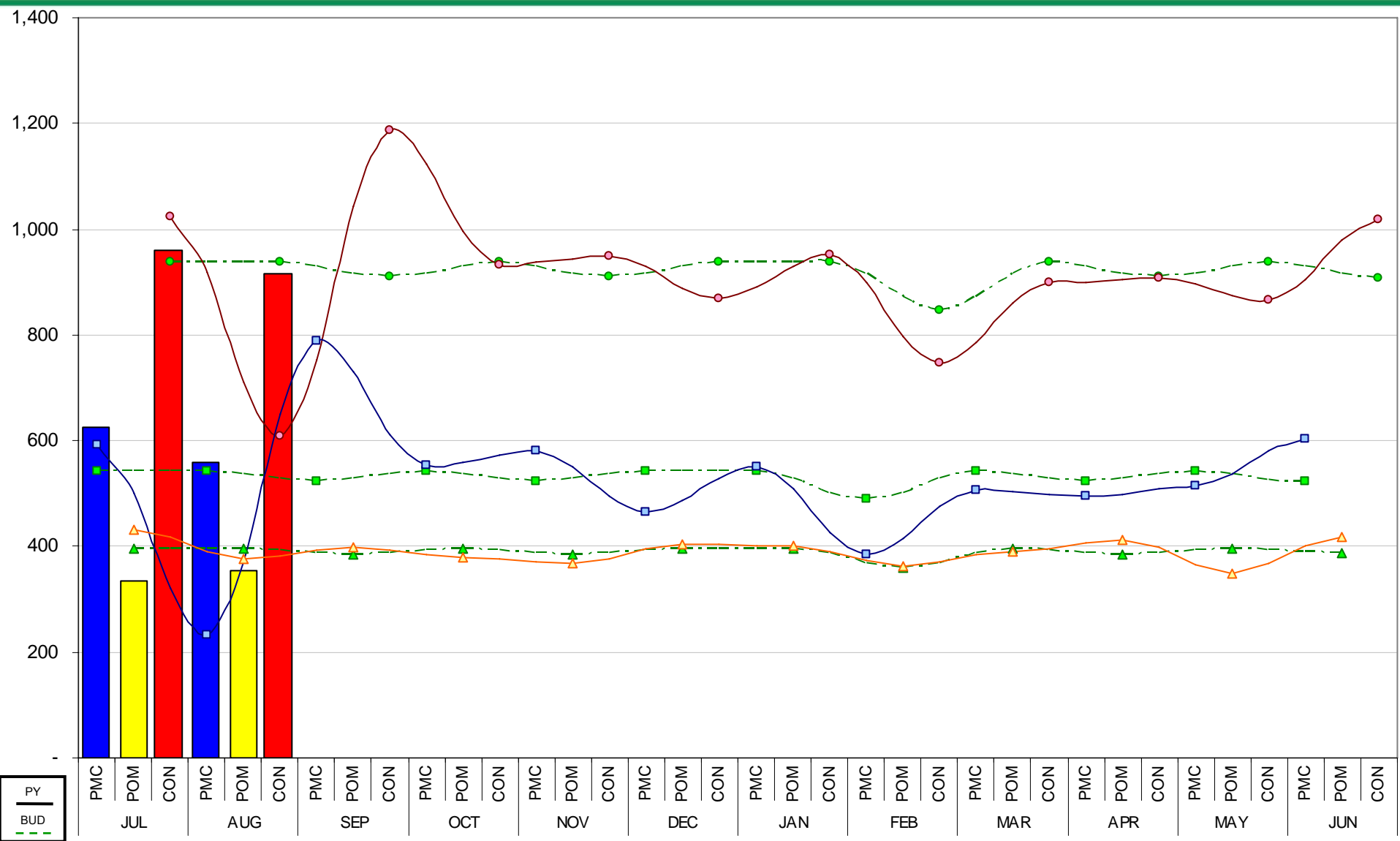
## Surgeries (Inpatient only)



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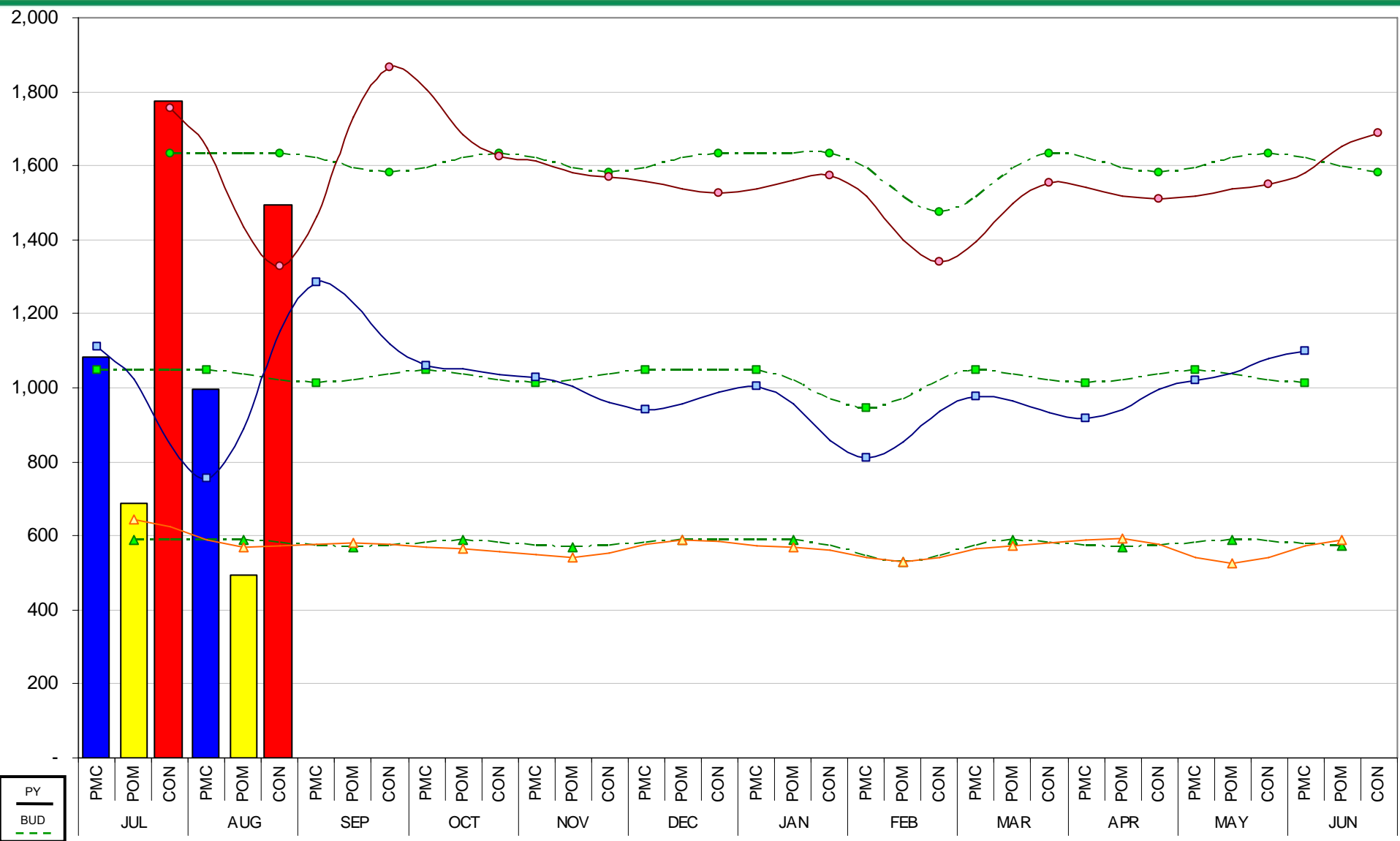
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	B-YTD
PMC	441	425	-	-	-	-	-	-	-	-	-	-	866	986
POM	184	141	-	-	-	-	-	-	-	-	-	-	325	380
CON	625	566	-	-	-	-	-	-	-	-	-	-	1,191	1,366

Statistical Indicators  
Surgeries (Outpatient only)

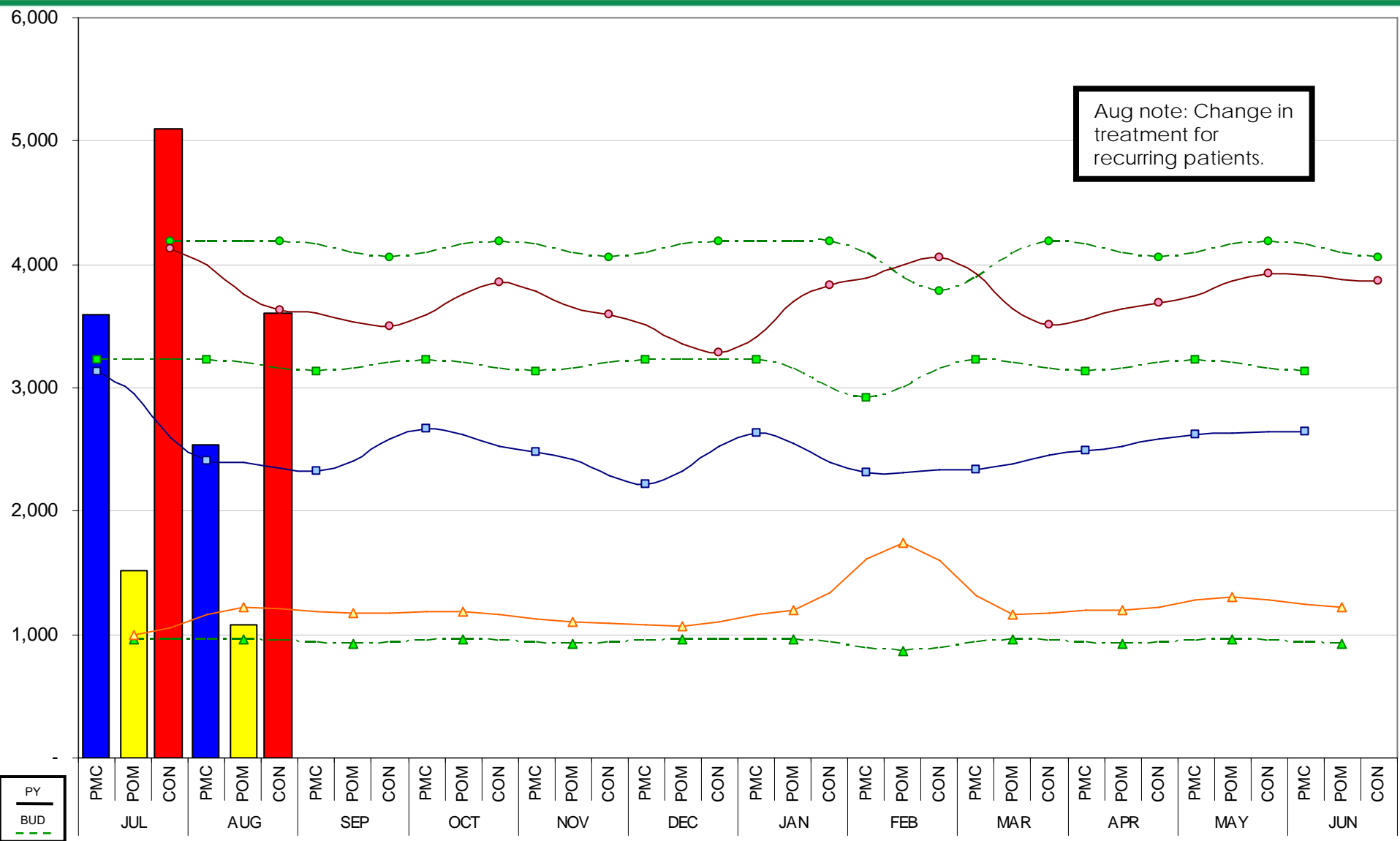


	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
<b>PMC</b>	624	560	-	-	-	-	-	-	-	-	-	-	1,184	1,082
<b>POM</b>	336	355	-	-	-	-	-	-	-	-	-	-	691	794
<b>CON</b>	960	915	-	-	-	-	-	-	-	-	-	-	1,875	1,876





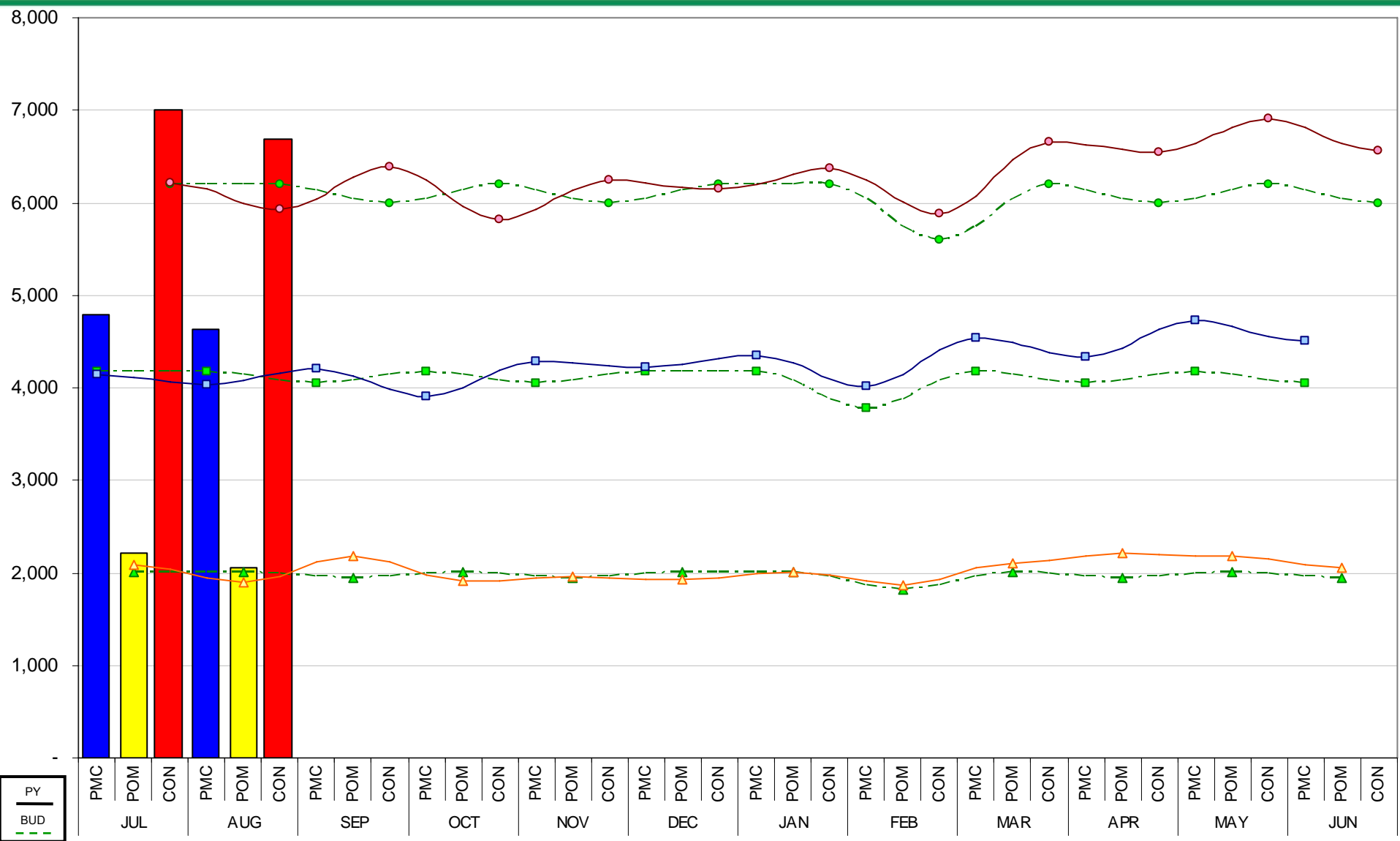
	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
<b>PMC</b>	1,084	998	-	-	-	-	-	-	-	-	-	-	2,082	2,092
<b>POM</b>	689	496	-	-	-	-	-	-	-	-	-	-	1,185	1,174
<b>CON</b>	1,773	1,494	-	-	-	-	-	-	-	-	-	-	3,267	3,266



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
<b>PMC</b>	3,587	2,533	-	-	-	-	-	-	-	-	-	-	6,120	6,458
<b>POM</b>	1,512	1,074	-	-	-	-	-	-	-	-	-	-	2,586	1,922
<b>CON</b>	5,099	3,607	-	-	-	-	-	-	-	-	-	-	8,706	8,380

# Statistical Indicators

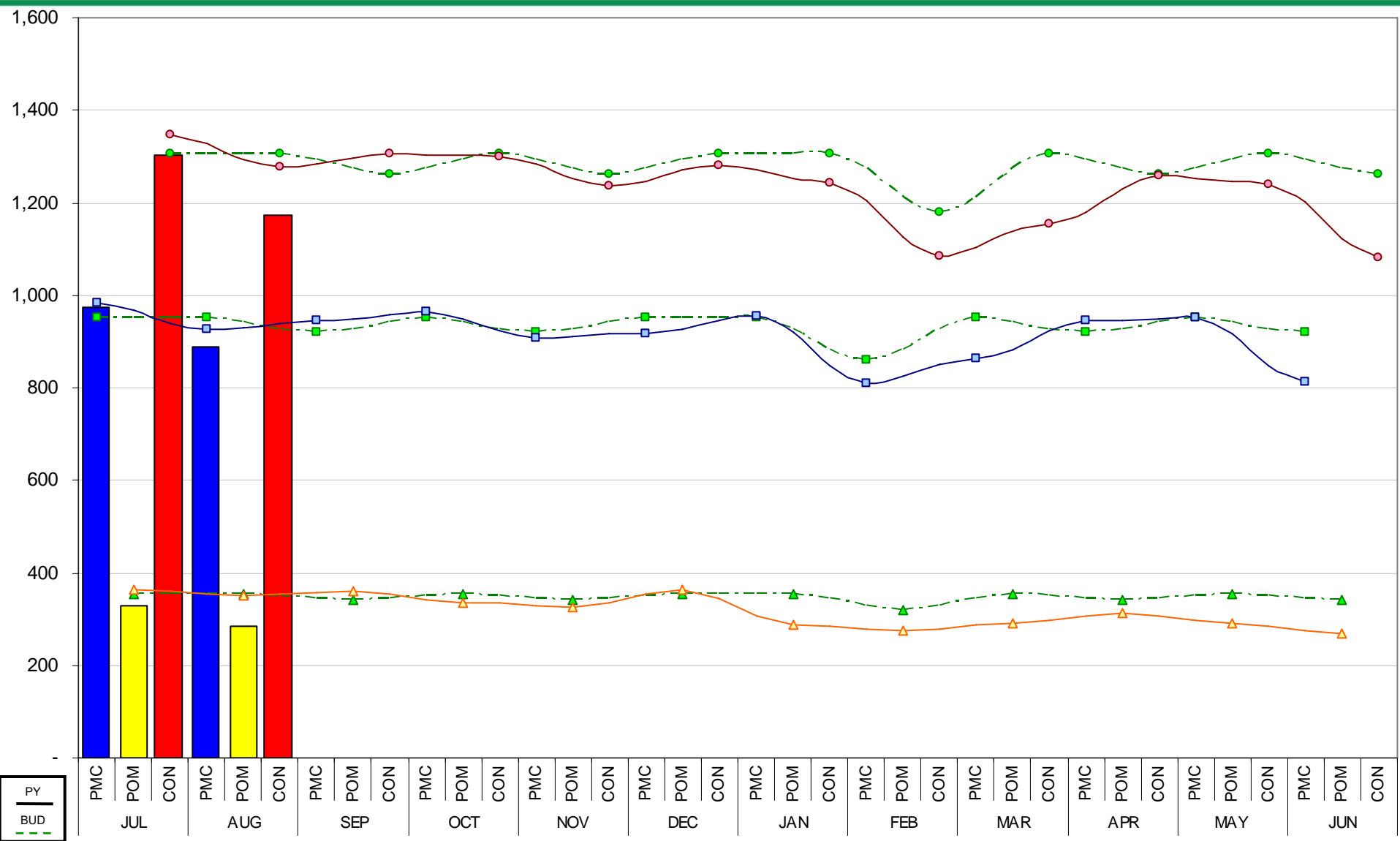
## ER Visits (includes Trauma, Outpatient only)



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
<b>PM</b>	4,788	4,632	-	-	-	-	-	-	-	-	-	-	9,420	8,352
<b>POM</b>	2,211	2,059	-	-	-	-	-	-	-	-	-	-	4,270	4,028
<b>CON</b>	6,999	6,691	-	-	-	-	-	-	-	-	-	-	13,690	12,380
<b>CON/DAY</b>	226	216	-	-	-	-	-	-	-	-	-	-	221	200

Statistical Indicators

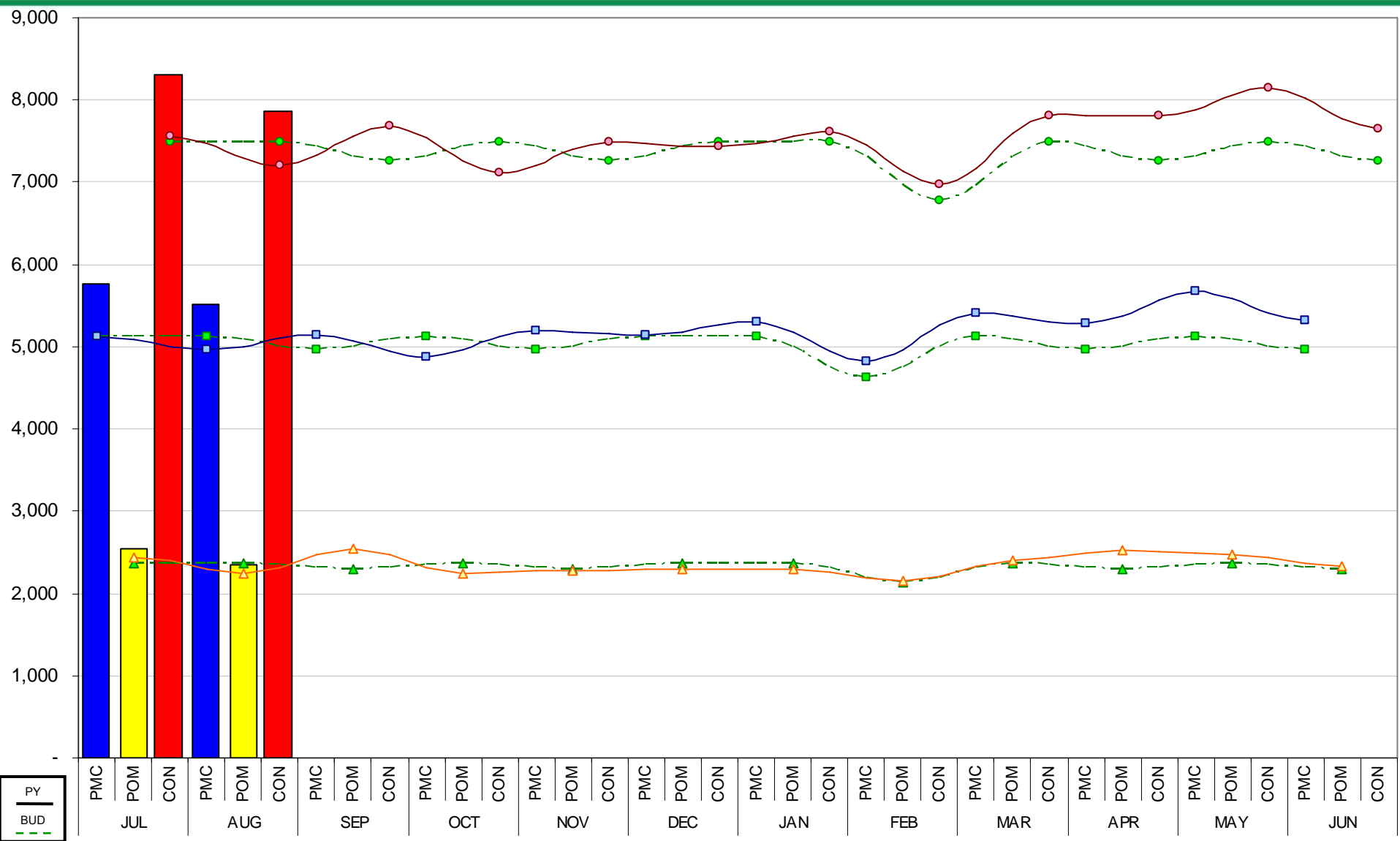
ER Admissions (includes Trauma, Inpatient only)



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
<b>PMC</b>	973	889	-	-	-	-	-	-	-	-	-	-	1,862	1,902
<b>POM</b>	330	284	-	-	-	-	-	-	-	-	-	-	614	708
<b>CON</b>	1,303	1,173	-	-	-	-	-	-	-	-	-	-	2,476	2,610

Statistical Indicators

Total ER Visits (includes Trauma & Admissions)

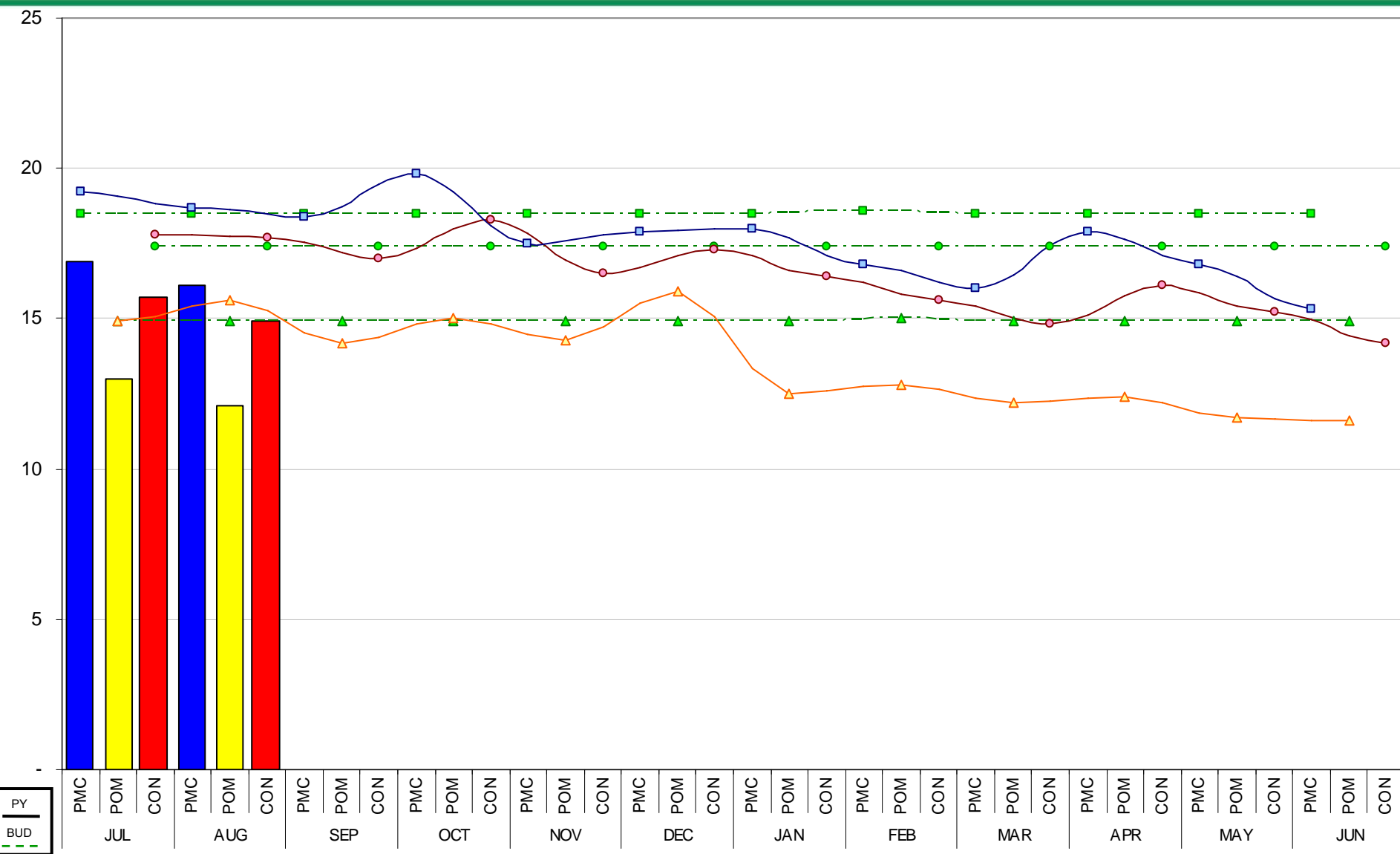


	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
<b>PMC</b>	5,761	5,521	-	-	-	-	-	-	-	-	-	-	11,282	10,254
<b>POM</b>	2,541	2,343	-	-	-	-	-	-	-	-	-	-	4,884	4,736
<b>CON</b>	8,302	7,864	-	-	-	-	-	-	-	-	-	-	16,166	14,990



Statistical Indicators

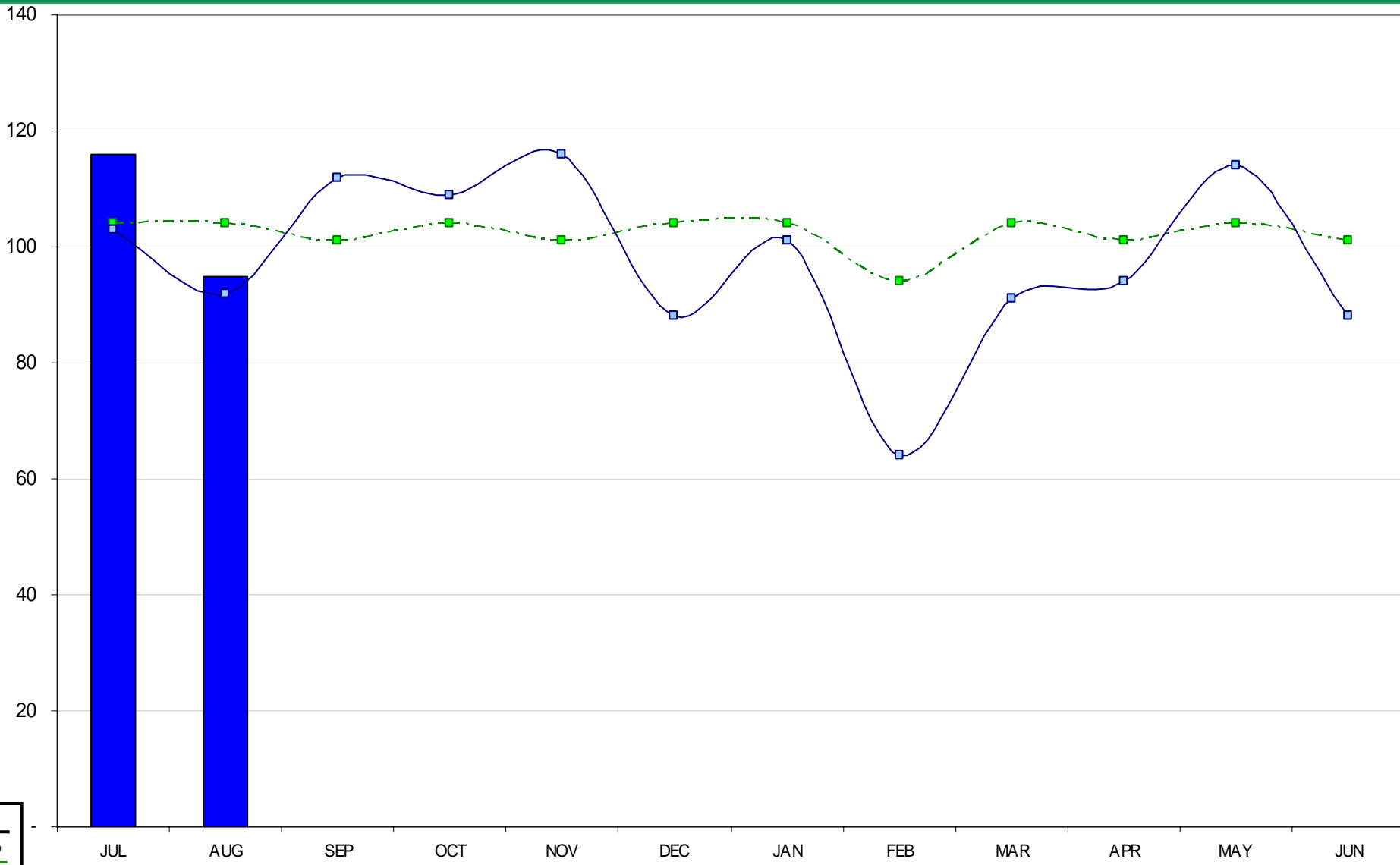
ER Conversion (ER Admits as % of ER Visits)



PY  
BUD

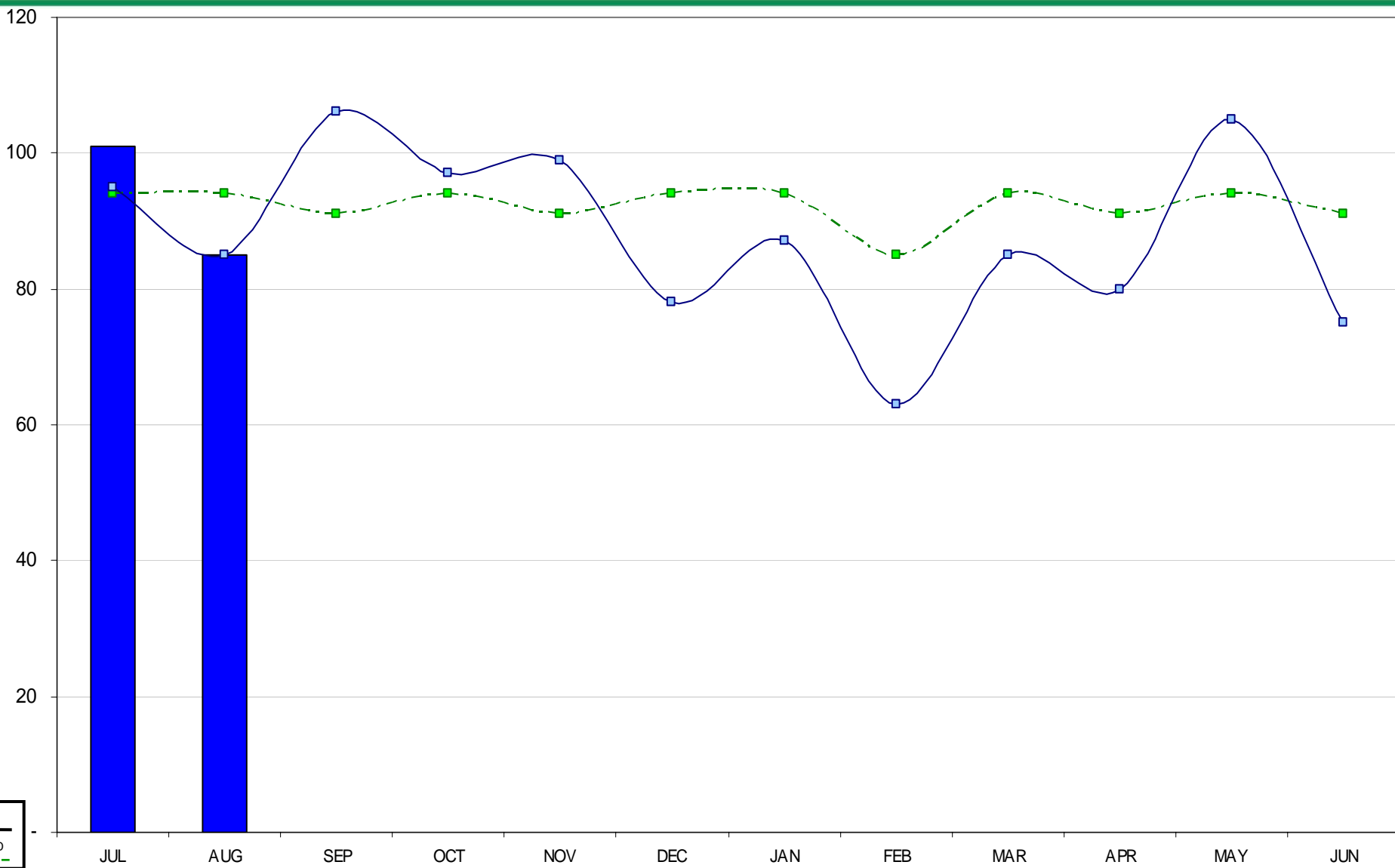
	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
<b>PMC</b>	16.9	16.1	-	-	-	-	-	-	-	-	-	-	16.5	18.5
<b>POM</b>	13.0	12.1	-	-	-	-	-	-	-	-	-	-	12.6	14.9
<b>CON</b>	15.7	14.9	-	-	-	-	-	-	-	-	-	-	15.3	17.4

Statistical Indicators  
Trauma Cases (PMC only)



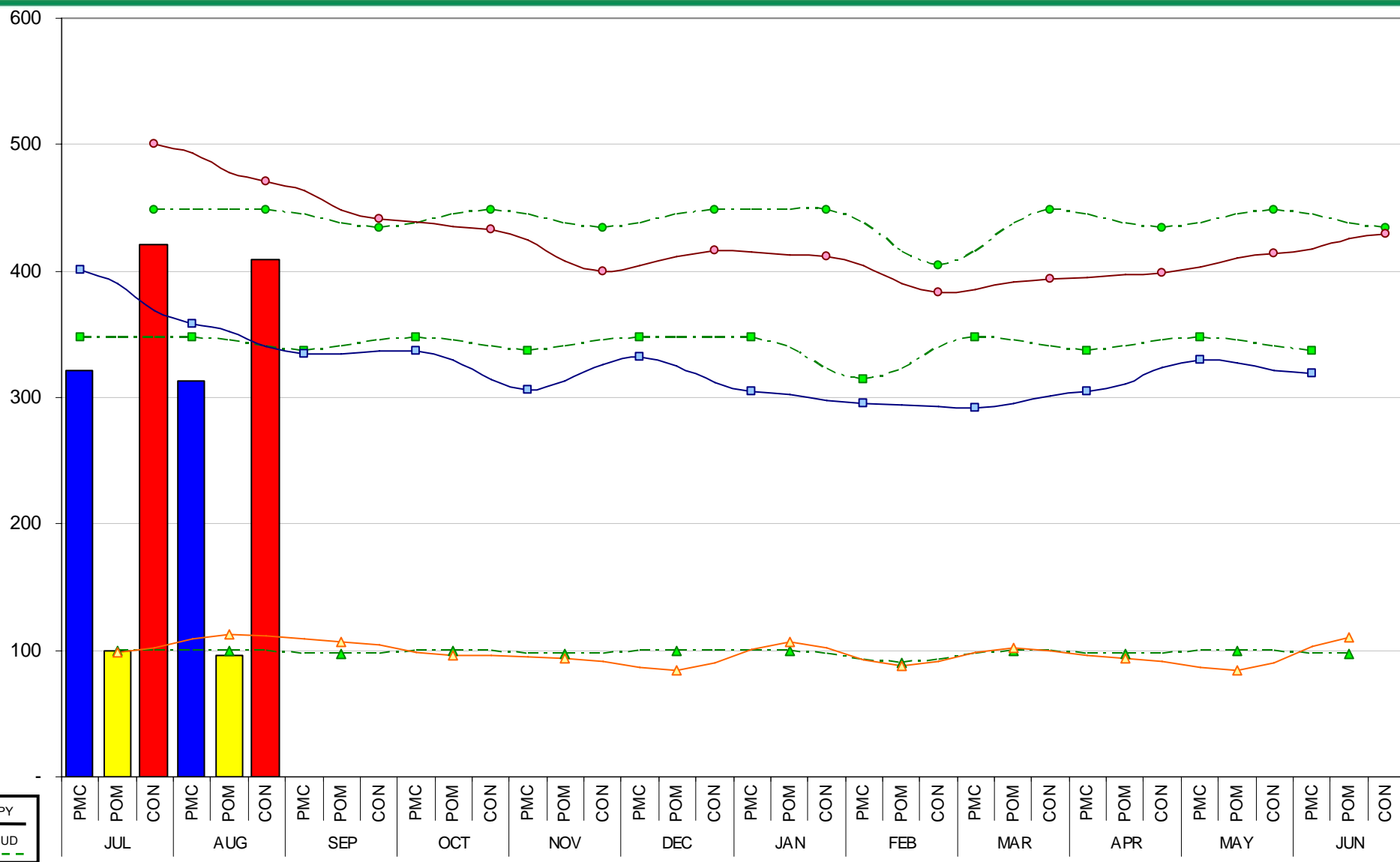
PY  
BUD

	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
<b>PMC</b>	116	95	-	-	-	-	-	-	-	-	-	-	211	208
<b>POM</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>CON</b>	116	95	-	-	-	-	-	-	-	-	-	-	211	208



PY  
BUD

	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
<b>PMC</b>	101	85	-	-	-	-	-	-	-	-	-	-	186	188
<b>POM</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>CON</b>	101	85	-	-	-	-	-	-	-	-	-	-	186	188



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
<b>PMC</b>	321	313	-	-	-	-	-	-	-	-	-	-	634	696
<b>POM</b>	100	96	-	-	-	-	-	-	-	-	-	-	196	200
<b>CON</b>	421	409	-	-	-	-	-	-	-	-	-	-	830	896







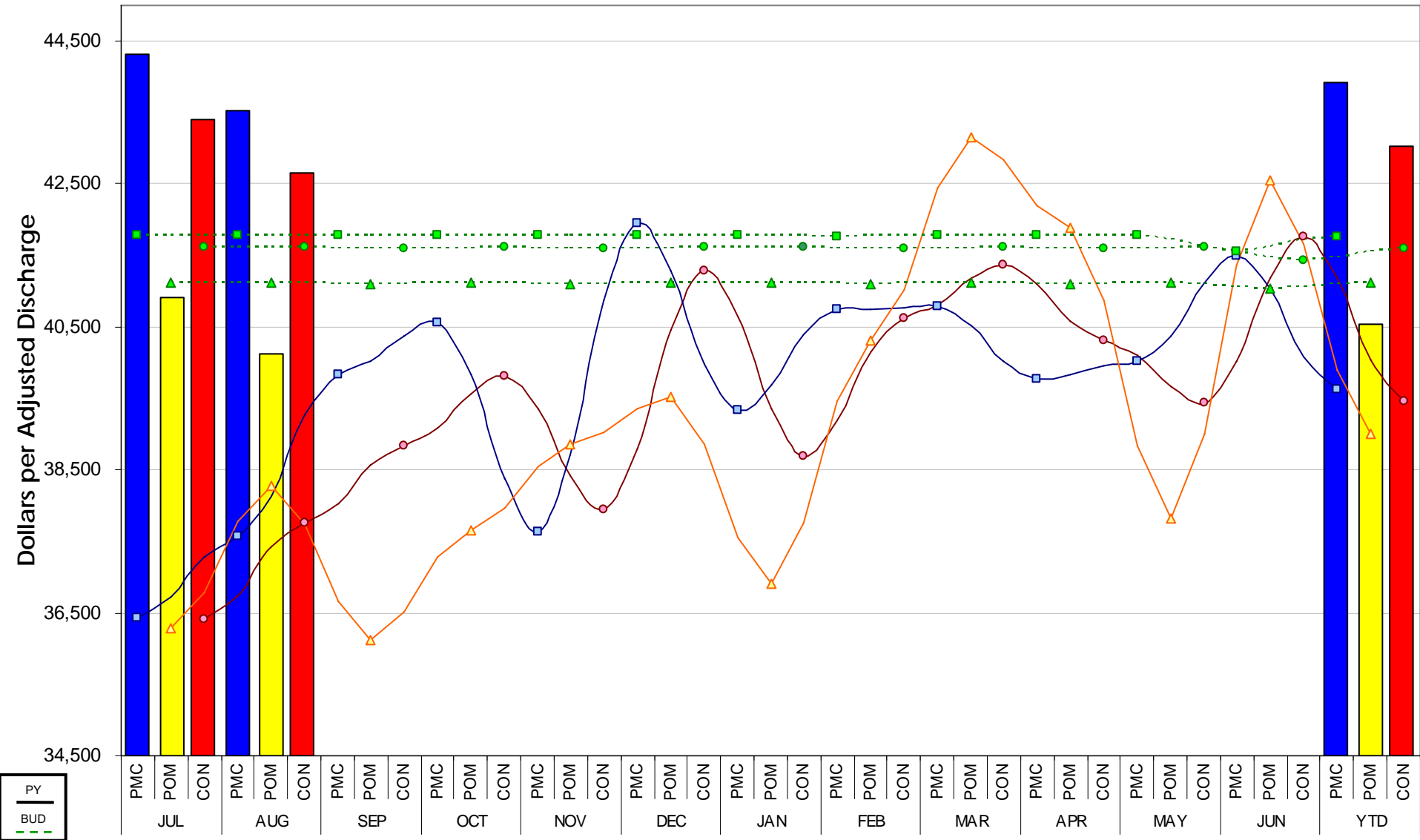




# FISCAL YEAR 2010

## Adjusted Discharges

### Gross Patient Revenue per Adjusted Discharges

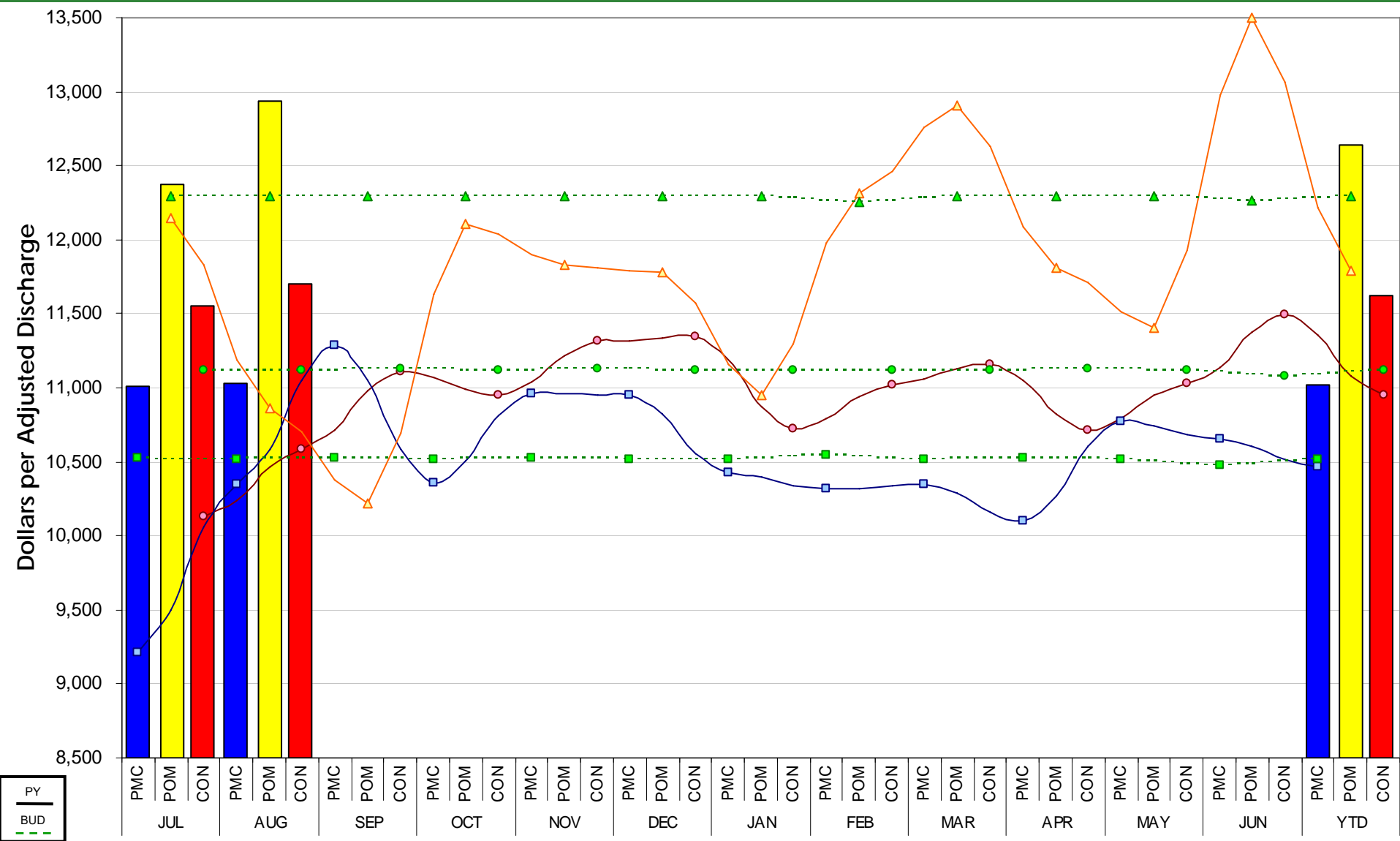


	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
<b>PMC</b>	44,320	43,521	-	-	-	-	-	-	-	-	-	-	43,923	41,779
<b>POM</b>	40,910	40,127	-	-	-	-	-	-	-	-	-	-	40,537	41,148
<b>CON</b>	43,405	42,655	-	-	-	-	-	-	-	-	-	-	43,037	41,614

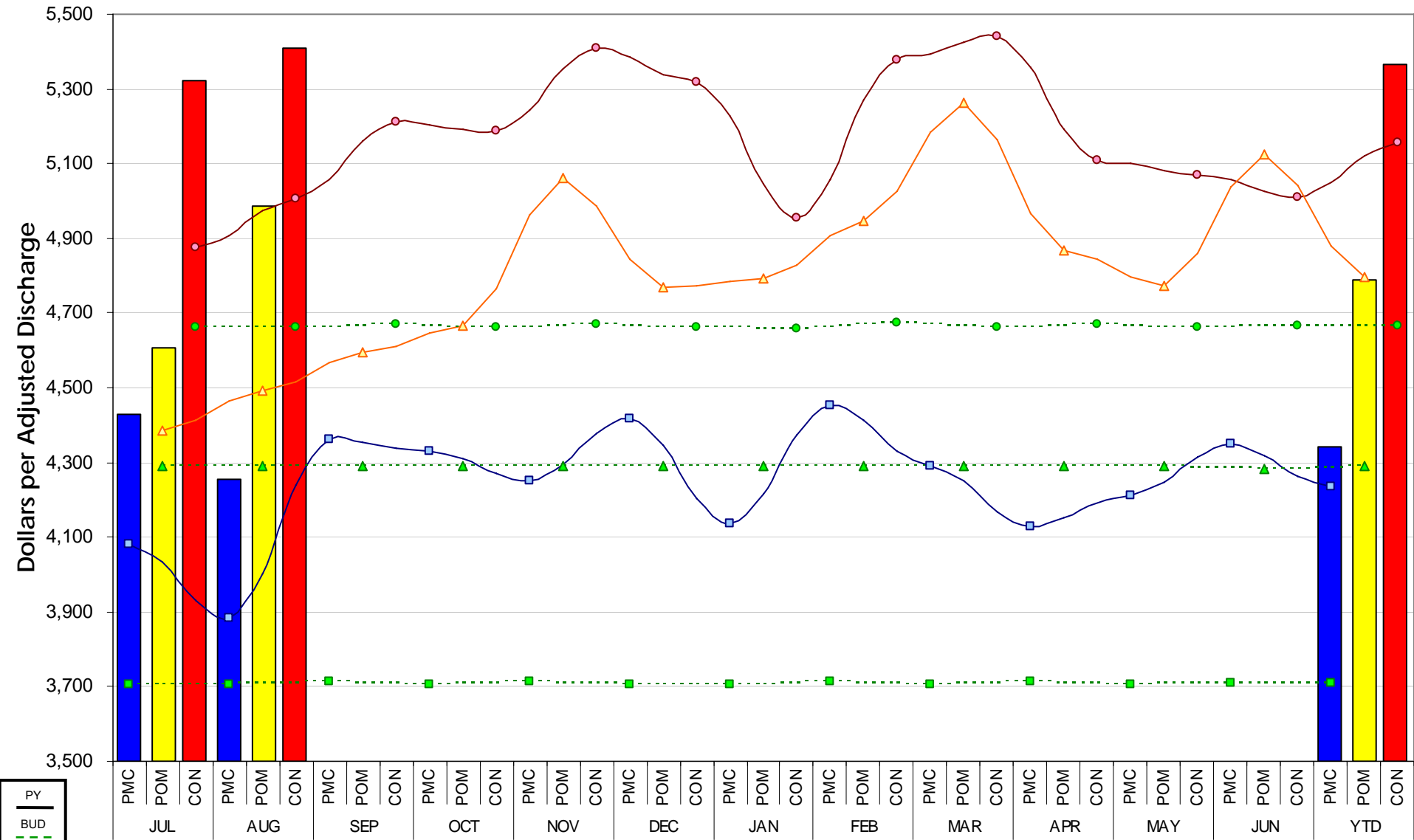
# FISCAL YEAR 2010

## Adjusted Discharges

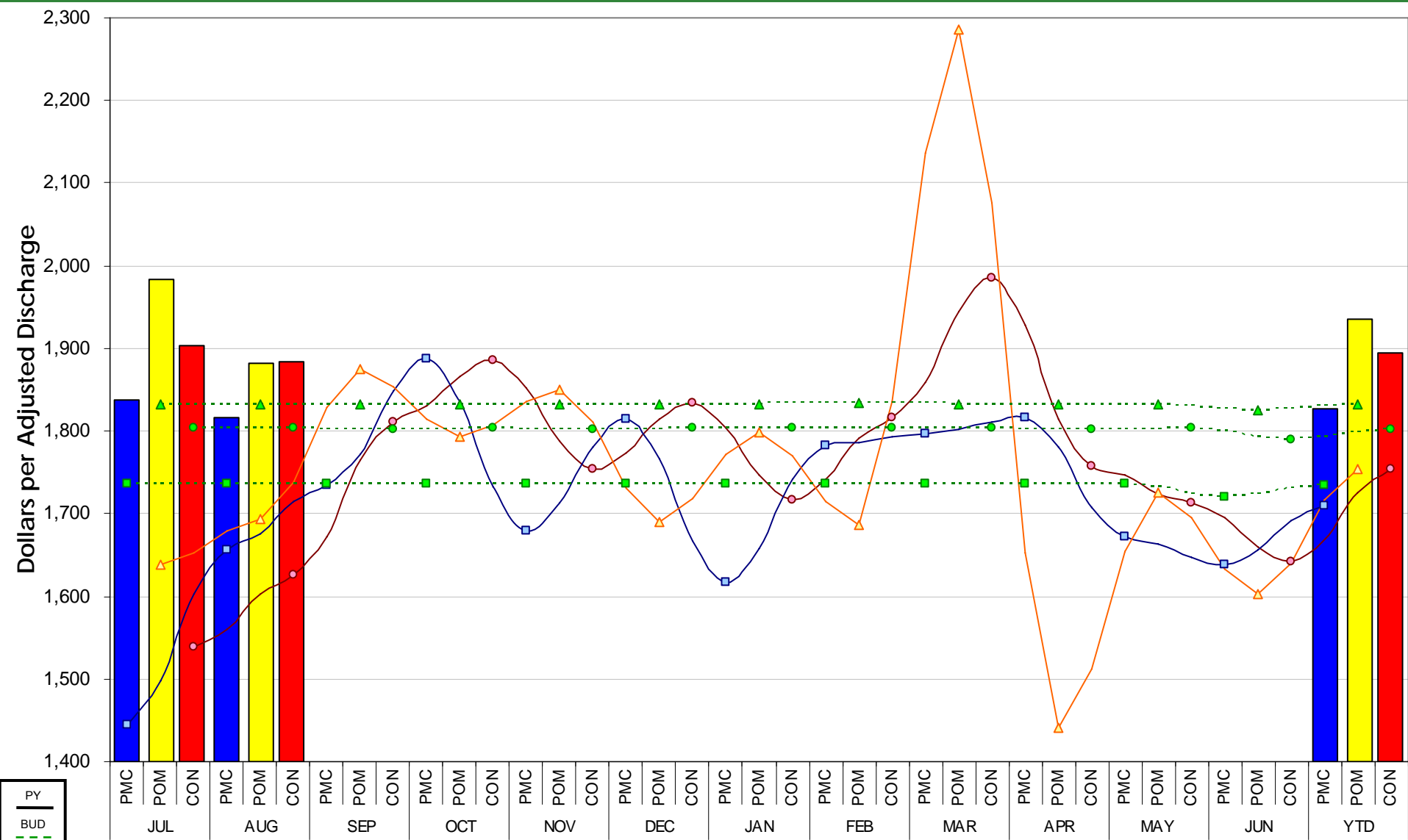
### Net Patient Revenue per Adjusted Discharges



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
<b>PMC</b>	11,005	11,032	-	-	-	-	-	-	-	-	-	-	11,019	10,519
<b>POM</b>	12,371	12,936	-	-	-	-	-	-	-	-	-	-	12,640	12,305
<b>CON</b>	11,549	11,702	-	-	-	-	-	-	-	-	-	-	11,624	11,122

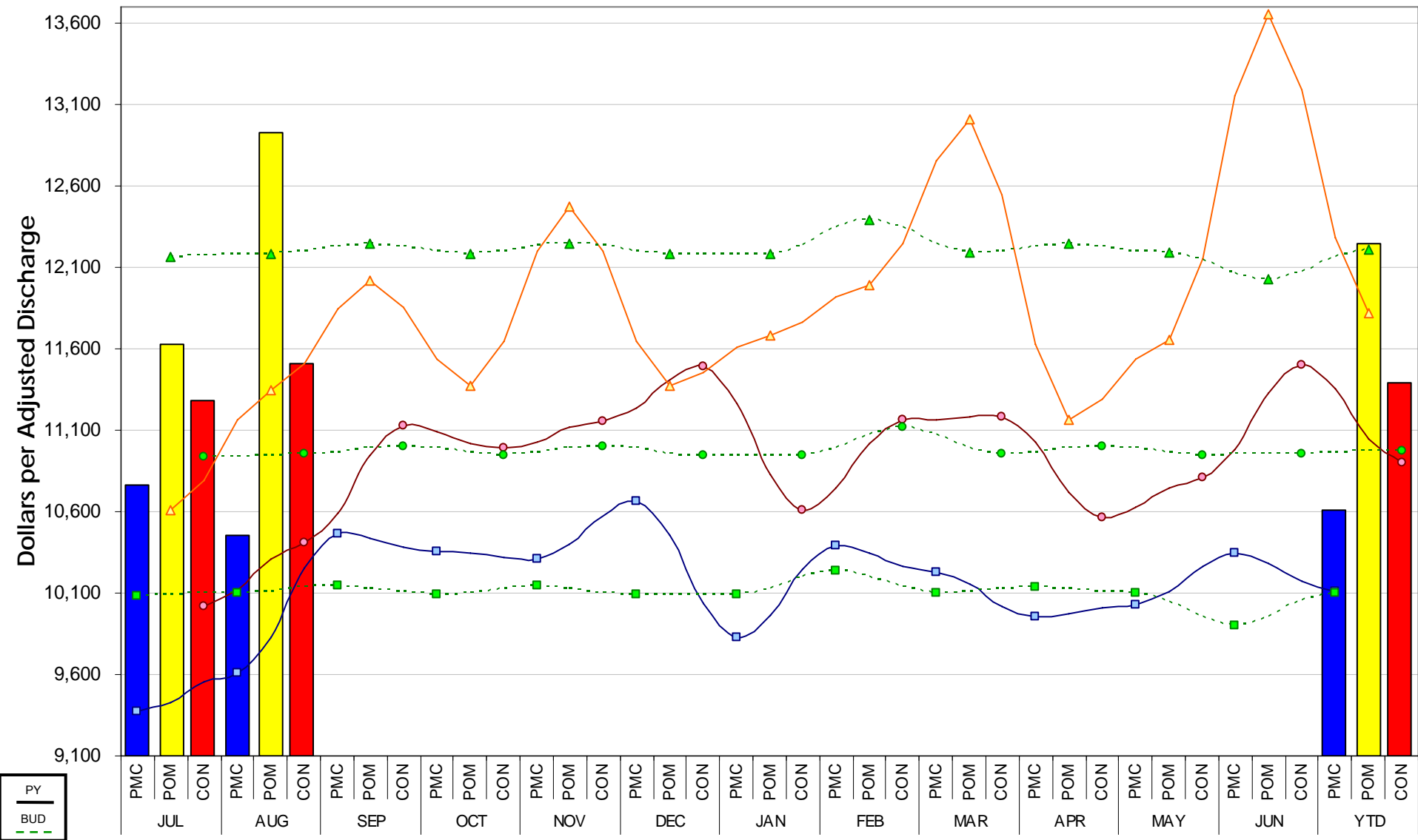


	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
<b>PMC</b>	4,429	4,253	-	-	-	-	-	-	-	-	-	-	4,342	4,270
<b>POM</b>	4,608	4,987	-	-	-	-	-	-	-	-	-	-	4,789	4,970
<b>CON</b>	5,321	5,409	-	-	-	-	-	-	-	-	-	-	5,364	5,215

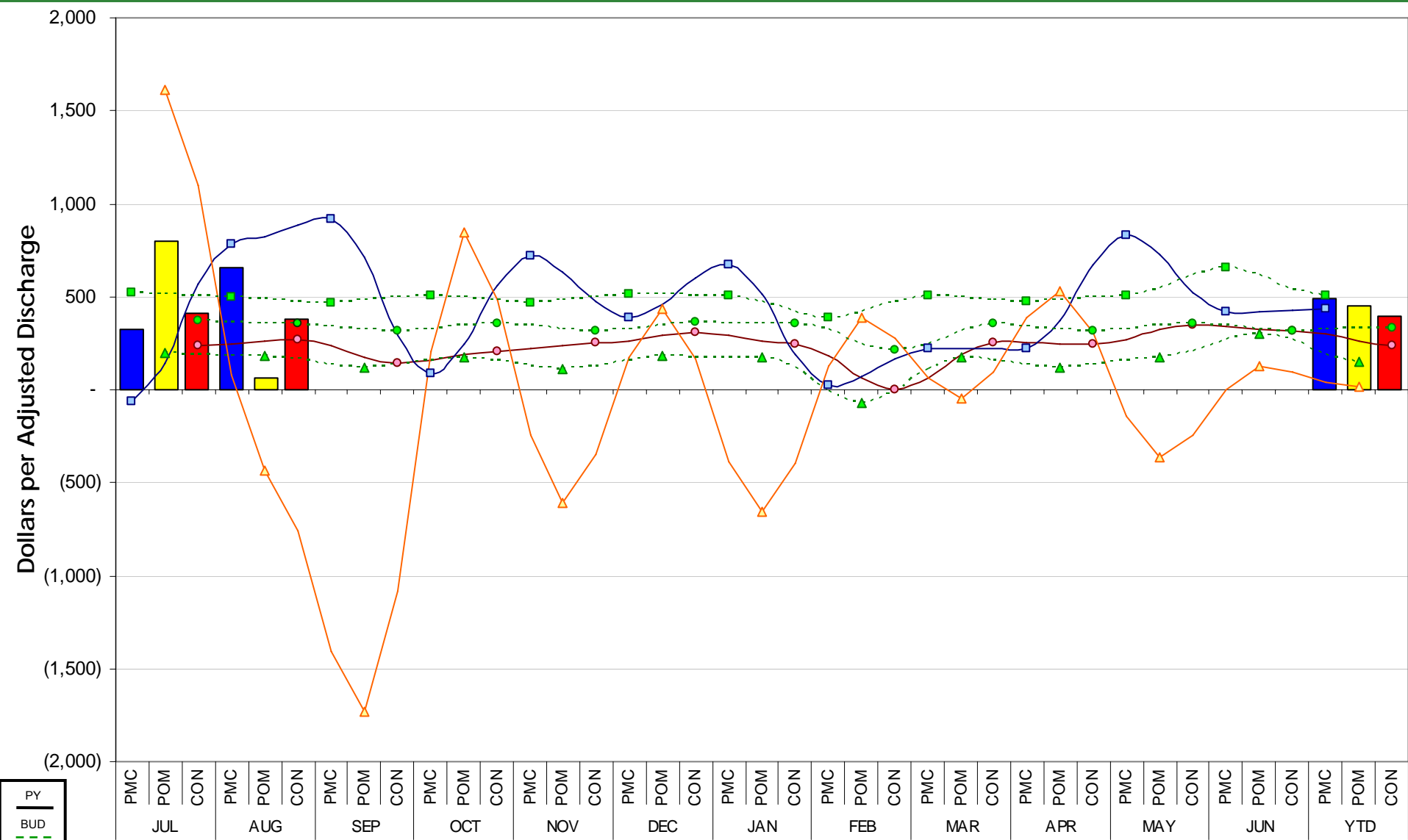


	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
<b>PMC</b>	1,837	1,816	-	-	-	-	-	-	-	-	-	-	1,826	1,736
<b>POM</b>	1,984	1,882	-	-	-	-	-	-	-	-	-	-	1,935	1,834
<b>CON</b>	1,904	1,884	-	-	-	-	-	-	-	-	-	-	1,894	1,803

FISCAL YEAR 2010  
 Adjusted Discharges  
 Total Expenses per Adjusted Discharges



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
<b>PMC</b>	10,765	10,458	-	-	-	-	-	-	-	-	-	-	10,613	10,090
<b>POM</b>	11,623	12,925	-	-	-	-	-	-	-	-	-	-	12,244	12,180
<b>CON</b>	11,285	11,507	-	-	-	-	-	-	-	-	-	-	11,394	10,944



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
<b>PMC</b>	326	654	-	-	-	-	-	-	-	-	-	-	489	510
<b>POM</b>	795	67	-	-	-	-	-	-	-	-	-	-	448	189
<b>CON</b>	410	380	-	-	-	-	-	-	-	-	-	-	395	363

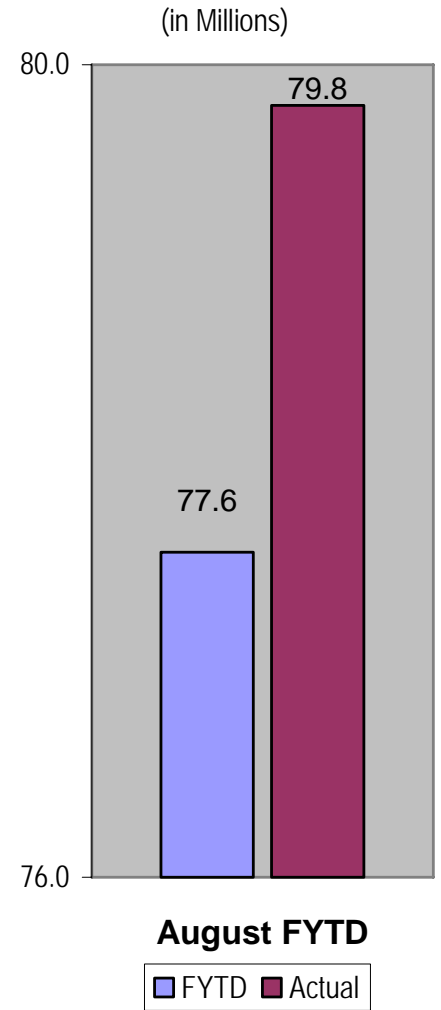


# HealthWorRx Dashboard

## Revenue Cycle Key Indicators

### Revenue Optimization Pillar Team - Key Performance Indicator as of August 31, 2009

	Current	Goal	Trend		FY10 Cash Goal
<b>Charge Services</b>					
			MTD	YTD	
CDM Build/Rebuild Clean Claim	47%	70%			
<b>Case Management</b>					
CDI	\$ 393 K	\$250 K			
<b>Patient Access</b>					
Co-Pay Collections	\$407 K	\$741 K			
<b>Coding</b>					
DNFB	0.2 days	0.5 Days			
<b>Patient Financial Services</b>					
Billing Edits	\$ 8 M	< \$ 6 M			
<b>RAC</b>					
Case Mgmt Review Medicare 1 Day Stays	94%	100%			





# SUPPLEMENTAL INFORMATION

## Week Ending

		9/10/2009	9/17/2009	9/24/2009	10/1/2009	MTD Total	MTD Budget	% Variance	
<b>Volume</b>	<b>Palomar Medical Center</b>								
	Average daily census	217	226	-	-	221	230	(3.82)	
	Acute Patient Days	1,517	1,581			3,098	3,221	(3.82)	
	PCCC Days	623	629			1,252	1,253	(0.08)	
	Acute Discharges	409	412			821	832	(1.32)	
	Births	78	86			164	157	4.46	
	OP Visits w/o Lab	541	708			1,249	1,458	(14.33)	
	Lab Registrations	454	475			929	1,392	(33.26)	
	ED Visits	1,355	1,277			2,632	2,315	13.69	
	Trauma Admits	22	17			39	42	(7.14)	
	Trauma Outpatient	3	2			5	5	-	
	Inpatient surgeries	126	122			248	228	8.77	
	Outpatient surgeries	97	138			235	245	(4.08)	
	<b>Pomerado Hospital</b>								
	Average daily census	62	69	-	-	65	79	(17.11)	
	Acute Patient Days	433	483			916	1,105	(17.11)	
	VP Days	838	850			1,688	1,722	(1.97)	
	Acute Discharges	115	121			236	277	(14.80)	
	Births	26	29			55	45	22.22	
	OP Visits w/o Lab	377	332			709	434	63.36	
	Lab Registrations	235	269			504	812	(37.93)	
	ED visits	563	577			1,140	1,069	6.64	
	Inpatient surgeries	44	30			74	71	4.23	
	Outpatient surgeries	40	53			93	85	9.41	

## Week Ending

		9/10/2009	9/17/2009	9/24/2009	10/1/2009	MTD Total	MTD Budget	% Variance
<b>Financial and Acuity</b>	<b>Palomar Medical Center</b>							
	Gross Inpatient Charges	\$ 16,333,168	\$ 18,264,715			\$ 34,597,883	\$ 35,405,132	(2.28)
	Gross Outpatient Charges	\$ 5,827,284	\$ 6,647,979			\$ 12,475,263	\$ 11,745,543	6.21
	Net Revenue per Adj. Patient Day (est.)	\$ 2,174	\$ 2,338			\$ 2,265	\$ 2,237	1.25
	Total Expense per Adj. Patient Day (est.)	\$ 2,082	\$ 2,082			\$ 2,082	\$ 2,105	1.09
	Supply Expense per Adj. Patient Day (est.)	\$ 343	\$ 343			\$ 343	\$ 336	(2.08)
	Acute Case Mix Index	1.32	1.30					
	<b>Pomerado Hospital</b>							
	Gross Inpatient Charges	\$ 5,470,835	\$ 6,036,266			\$ 11,507,101	\$ 12,395,764	(7.17)
	Gross Outpatient Charges	\$ 3,044,676	\$ 2,620,491			\$ 5,665,167	\$ 4,788,272	18.31
	Net Revenue per Adj. Patient Day (est.)	\$ 1,695	\$ 1,687			\$ 1,692	\$ 1,590	6.42
	Total Expense per Adj. Patient Day (est.)	\$ 1,536	\$ 1,536			\$ 1,536	\$ 1,472	(4.35)
Supply Expense per Adj. Patient Day (est.)	\$ 253	\$ 253			\$ 253	\$ 235	(7.66)	
Acute Case Mix Index	1.25	1.31						
<b>Productivity and Cash</b>	Cash Collection	9,933,610	8,046,561			17,980,171	23,256,613	(22.69)
	Days Cash on Hand	118	118			118	80	
	Productivity Hrs (PP 6)		210,116			210,116	208,024	(1.01)
	PMC		127,198			127,198	124,786	(1.93)
	POM		54,321			54,321	54,450	0.24
	Others	-	28,597	-		28,597	28,788	0.66
	Productivity \$\$\$ (PP 6)		7,184,625			7,184,625	7,054,041	(1.85)
	PMC		4,406,546			4,406,546	4,255,073	(3.56)
	POM		1,780,897			1,780,897	1,778,035	(0.16)
Others	-	997,182	-		997,182	1,020,933	2.33	