

PALOMAR  
POMERADO  
HEALTH  
SPECIALIZING IN YOU

**BOARD OF DIRECTORS  
AGENDA PACKET**

December 14, 2009

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

*A California Health Care District (Public Entity)*

**PALOMAR POMERADO HEALTH  
BOARD OF DIRECTORS**

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

**Michael H. Covert, FACHE, President and CEO**

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

**MISSION STATEMENT**

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

**VISION STATEMENT**

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

**CORE VALUES**

***Integrity***

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

***Innovation and Creativity***

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

***Teamwork***

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

***Excellence***

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

***Compassion***

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

***Stewardship***

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

***Affiliated Entities***

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

**PALOMAR POMERADO HEALTH  
BOARD OF DIRECTORS  
REGULAR MEETING AGENDA**

**Monday, December 14, 2009**

**Commences 6:30 p.m.**

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

**Mission and Vision**

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

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

	<u>Time</u>	<u>Page</u>
<b>I. CALL TO ORDER</b>		
<b>II. OPENING CEREMONY</b>	2	
A. Pledge of Allegiance		
<b>III. PUBLIC COMMENTS</b>	5	
<i>(5 mins allowed per speaker with cumulative total of 15 min per group – for further details &amp; policy see Request for Public Comment notices available in meeting room).</i>		
<b>IV. * MINUTES</b>	5	6-42
Regular Board Meeting – November 09, 2009		
Closed Board Meeting – November 09, 2009		
Closed Board Meeting – November 16, 2009		
Closed Board Meeting – November 23, 2009		
Special Board Meeting – October 27, 2009		
<b>V. * APPROVAL OF AGENDA to accept the Consent Items as listed</b>	5	43 - 87
A. October 2009 & YTD FY2009 Financial Report ( <i>Addendum A</i> )		
B. Revolving Fund Transfers/Disbursements – October, 2009		
1. Accounts Payable Invoices	\$38,812,582.00	
2. Net Payroll	<u>\$16,278,762.00</u>	
Total	<u>\$55,091,344.00</u>	
C. Ratification of Paid Bills		
D. ICOC Draft Annual Report ( <i>Addendum B</i> )		
E. ICOC Membership Update		
F. ICOC Minutes		

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

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

- G. Perinatology Services Professional and Medical Agreement
- H. Sub Acute Expansion Review

**VI. PRESENTATIONS -**

- A. **“Hear for the Holidays”** Program : Announcement and Presentation 15 *Verbal Report*  
to Winner for 2009 by David Illich, AuD., FAAA, Chief Audiologist  
for PPH (*coordinated by Andy Hoang*)
- B. **Gifts to PPH Employees** – Janine Sarti and Marty Knutson 15 88 - 117
- C. **PPH Awards** 10 *Verbal Report*
  - Opal Reinbold, Chief Quality Officer – West Coast Region Awards
  - Award Trophy: for Revenue Cycle Management
  - Certificates of Recognition:
    - Nurse Champion (Michelle Gunnett, BSN, CEN)
    - Physician Champion (Bing Pao, MD)
    - Clinical Performance Excellence (Heart Failure)

**VII. REPORTS** 15 118 - 148

- A. **Medical Staffs**
  - \* 1. Palomar Medical Center – *John Lilley, M.D.*
    - a. Credentialing/Reappointments
  - \* 2. Pomerado Hospital – *Frank Martin, M.D.*
    - a. Credentialing/Reappointments
- B. **Administrative**
  - 1. Chairman of Palomar Pomerado Health Foundation – *Bill Chaffin* 5 *Verbal Report*
    - a. Update on PPHF Activities
  - 2. Chairman of the Board – *Bruce Krider* 10 149
    - a. \* Resolution No. 12.14.09 (01) – 08 Establishing Board Meetings for Calendar Year 2010
    - b. \* Election of Officers 2010
  - 3. President and CEO – *Michael H. Covert, FACHE* 10 *Verbal Report*

**VIII. COMMITTEE REPORTS** 150 - 161

- A. **Internal Audit and Compliance Committee** – *Did not meet in November*
- B. **Governance Committee** - *Did not meet in November*
- C. **Human Resources Committee** – *2009 Accomplishments*
- D. **Community Relations**
- E. **Facilities and Grounds**
- F. **Board Quality Review Committee**
- \* G. **Finance Committee** - *Identification of PPN Board members from the community*
- H. **Strategic Planning Committee**

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

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

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

**X. ADJOURNMENT**

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

**Palomar Pomerado Health  
BOARD OF DIRECTORS  
REGULAR BOARD MEETING  
Pomerado Hospital / Meeting Room E  
Monday, November 09, 2009**

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<b>CALL TO ORDER</b>	6:30 pm Quorum comprised Directors Bassett, Greer, Kaufman, Kleiter, Krider, Larson and Rivera.		
<b>OPENING CEREMONY</b>	The Pledge of Allegiance was recited in unison.		
<b>MISSION AND VISION STATEMENTS</b>	<p>The PPH mission and vision statements are as follows:</p> <p><i>The mission of Palomar Pomerado Health is to heal, comfort and promote health in the communities we serve.</i></p> <p><i>The vision of PPH is to be the health system of choice for patients, physicians and employees, recognized nationally for the highest quality of clinical care and access to comprehensive services.</i></p>		
<b>NOTICE OF MEETING</b>	Notice of Meeting was mailed consistent with legal requirements		
<b>PUBLIC COMMENTS</b>	<p>Darlene Roy from CNA spoke about the co-pays for inpatient visits under the new Cigna health insurance.</p> <p>John Stead - Mendez from CNA spoke about the health insurance negotiations, co-pays, and fees.</p> <p>Maria Perez a CHEU member spoke about the Cigna health insurance co-pays and asked for a reduction in co-pays.</p>		
<b>APPROVAL OF MINUTES</b> <ul style="list-style-type: none"> <li>• Regular Board Meeting October 12, 2009</li> </ul>		<b>MOTION:</b> by Kaufman, 2nd by Greer and carried to approve the Regular Board Meeting Minutes	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<ul style="list-style-type: none"> <li>• Closed Board Meeting October 7, 2009</li> <li>• Closed Board Meeting October 12, 2009</li> <li>• Closed Board Meeting October 12, 2009</li> </ul>		<p>October 12, 2009, Closed Board Meeting Minutes October 7, 2009, Closed Board Meeting Minutes October 12, 2009 and Closed Board Meeting Minutes October 12, 2009 as submitted.</p> <p>All in favor. None opposed. Director Rivera abstained from approving the Closed Board Meeting Minutes from October 7, 2009.</p>	
<p><b>APPROVAL OF AGENDA to accept the Consent Items as listed</b></p> <p><b>A.</b> September 2009 &amp; YTD FY2010 Financial Report</p> <p><b>B.</b> Approval of Revolving, Patient Refund and Payroll Fund Disbursements–June, 2009 Accounts Payable Invoices \$39,687,419.00 Net Payroll \$11,088,927.00 Total \$50,776,346.00</p> <p><b>C.</b> Ratification of Paid Bills</p> <p><b>D.</b> Amended Physician Recruitment Agreement – Brian A. Link, MD and Thomas A. Jones, MD</p> <p><b>E.</b> Extensions to Emergency On-Call Agreements</p> <p><b>F.</b> Pomerado Emergency On-Call Agreements</p> <p><b>G.</b> PPH Physician Independent Contractor Agreements Electronic Healthcare Records Projects Information Systems Services</p>		<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Greer and carried to approve the Consent Items A – G as submitted.</p> <p>All in favor. None opposed.</p>	
<b>PRESENTATIONS</b>			
	<p><i>Jeff Clingan, Joyce Agorilla and Steve Kuriyama, MD</i></p>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<b>H1N1 Update</b>	<p>Dr. Kuriyama spoke about the H1N1 virus and its genome. Dr. Kuriyama highlighted the CDC report which showed the virus increasing and the California figures were presented. The hospital care plan was presented. Vaccination planning and the coordination of the vaccination plan were outlined. The three forms of the vaccine were explained. The individuals included in priority one for the influenza vaccine were listed. Reasons for not receiving the vaccine were reviewed and people who should not receive the vaccine were identified.</p> <p>Jeff Clingan and Joyce Agorilla spoke about what is being done organizationally at PPH facilities and day to day equipment needed. The national shortage of equipment was discussed and the efforts of the PPH supply chain to handle the shortages were presented. The patient surge planning was outlined and collaborations with community partners were identified.</p>		
<b>REPORTS</b>			
<b>Medical Staff</b>			
<b>Palomar Medical Center</b>			
<ul style="list-style-type: none"> <li>▪ <b>Credentialing</b></li> </ul>	<p>John J. Lilley, MD., Chief of PMC Medical Staff, presented PMC's requests for approval of Credentialing Recommendations.</p>	<p><b>MOTION:</b> by Rivera, 2<sup>nd</sup> by Greer and carried to table the motion to approve the PMC Core Privileging change to Family Medicine as presented until after the joint conference committee.</p> <p>All in favor. None opposed.</p>	
<b>Pomerado Hospital</b>			
<ul style="list-style-type: none"> <li>▪ <b>Credentialing</b></li> </ul>	<p>Frank Martin, MD., Chief of Pomerado Medical Staff, presented Pomerado Hospital's requests for approval of Credentialing Recommendations.</p>	<p><b>MOTION:</b> by Bassett, 2<sup>nd</sup> by Kleiter and carried to approve the Pomerado Hospital Medical Staff Executive Committee credentialing recommendations for the Pomerado Medical Staff, as presented.</p>	



AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
		All in favor. None opposed. Director Larson abstained.	
<b>Administrative</b>			
<b>Chairman - Palomar Pomerado Health Foundation</b>	<i>Bill Chaffin</i>		
<b>Palomar Pomerado Health Foundation Gift Opportunities</b>	<p>Bill Chaffin stated that the third annual Night of Nights Gala will be held Saturday, May 15<sup>th</sup>, 2010 and will be hosted once again by Dan Fouts.</p> <p>The Physician's Awards were held on October 17<sup>th</sup> and Dr. Moyer was named the physician philanthropist of the year.</p> <p>Mr. Chaffin stated that the direct mail solicitation will begin next week and that Terry Green is in the process of closing a donation between \$2 - \$4 million dollars.</p> <p>Mr. Chaffin announced that the Foundation is looking to expand its Board and asked that if the PPH Board had any suitable nominees to submit them to the Foundation.</p>		
<b>Chairman of the Board - Palomar Pomerado Health</b>	<i>Chairman Bruce Krider</i>		
	Chairman Krider stated that there will be an annual Board self evaluation meeting held on Thursday, November 12 <sup>th</sup> , 2009 at the Rancho Bernardo Inn.		
<b>President and CEO</b>	<i>Michael Covert, President and CEO</i>		
	Michael Covert distributed a brochure outlining the strategic initiatives to the Board and EMT members. Additional copies are available as needed. The brochure recognized Dr. Tam and Mr. Bracht for their efforts in putting together the process of tracking progress on goals. Gustavo Friederichsen was recognized for his efforts in putting the brochure together.		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	<p>Mr. Covert thanked Maria Sudak for sitting in for Lorie Shoemaker while Ms. Shoemaker defended her PhD thesis.</p> <p>Janine Sarti was officially recognized for being honored as one of San Diego Journal's legal counsels of the year.</p> <p>Mr. Covert announced that Steve Gold had been named to the CHA advisory commission on patient safety.</p> <p>The San Diego North Economic Development Council is recognizing PPH this year due to the efforts of Sheila Brown, who has served as the Chair of the San Marcos Chamber of Commerce, and her team.</p> <p>Dr. Rivera was acknowledged for his accomplishment of receiving the 2009 CNA Trustee of the Year award.</p> <p>Mr. Covert thanked Brenda Turner and her team for all of their work on the health care insurance negotiations.</p> <p>Mr. Covert spoke about health care bill AB222.</p>		
<b>INFORMATION ITEMS</b>	<i>Discussion by exception only</i>		
<ul style="list-style-type: none"> <li>▪ <b>Human Resources</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Human Resources – FY10 Workforce Initiatives</li> <li>▪ Human Resources – Health Insurance</li> </ul>		
<b>COMMITTEE CHAIR COMMENTS</b>			
<ul style="list-style-type: none"> <li>• <b>Internal Audit</b></li> </ul>		<p><b>MOTION:</b> by Kaufman, 2<sup>nd</sup> by Bassett and carried to approve the Deloitte and Touche audit as submitted.</p> <p>All in favor. None opposed.</p>	
<ul style="list-style-type: none"> <li>• <b>Governance</b></li> </ul>	Director Kaufman stated that there are only		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
	two existing committee charters and that the Governance Committee will be developing charters for each committee and presenting them back to the full Board. Director Kaufman stated that the Board handbook will be updated annually and an ad hoc committee has been formed.		
<ul style="list-style-type: none"> <li>• <b>Human Resources</b></li> </ul>	Director Bassett spoke about the routine agenda items that follow the strategic initiatives and stated that the Human Resources committee also wanted to include agenda items important to HR in 2010. The HR Committee will plan a calendar of agenda items and present it to the full Board in December or January. There will also be an Education Session to present the HR accomplishments of 2009.		
<ul style="list-style-type: none"> <li>• <b>Community Relations</b></li> </ul>	Did not meet in October.		
<ul style="list-style-type: none"> <li>• <b>Board Facilities and Grounds</b></li> </ul>	Director Rivera discussed the handouts regarding the key accomplishments and risks facing Palomar West. There was a visioning session with the interior design architects on Saturday, November 7 <sup>th</sup> .		
<ul style="list-style-type: none"> <li>• <b>Board Quality Review</b></li> </ul>	Director Rivera referred to the H1N1 presentation and stated that the PPH staff is continuing to do an excellent job. The documentation project is an ongoing project and the money spent on it is being put to good use.		
<ul style="list-style-type: none"> <li>• <b>Finance</b></li> </ul>	Director Kleiter briefly discussed the work around creation of the physician organization model.	<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Bassett and carried to approve the creation and funding of the Foundation as submitted with Michael Covert, CEO and Bob Hemker, CFO as Board members.</p> <p>All in favor. None opposed. Director River abstained.</p>	
<ul style="list-style-type: none"> <li>• <b>Strategic Planning</b></li> </ul>	The Strategic Planning Committee did not meet in October but met in November to review the status of the Strategic Initiatives.		

<b>AGENDA ITEM</b>	<b>DISCUSSION</b>	<b>CONCLUSIONS/ACTION</b>	<b>FOLLOW-UP/RESPONSIBLE PARTY</b>
<b>BOARD MEMBER COMMENTS and AGENDA ITEMS FOR NEXT MONTH</b>	<p>Director Kleiter commented on the San Marcos Chamber of Commerce mixer that was sponsored by PPH and Stone Brewery. There was a large turn out and the mixer attendees toured the PPH West site.</p> <p>Director Greer attended a two day Finance seminar and stated that PPH appeared to be ahead of the game in the issues that were discussed.</p> <p>Director Larson thanked the leadership team for their efforts and congratulated all of them on their awards.</p> <p>Director Rivera stated that he had visited Rush Medical Center in Chicago which is also going through a Hospital of the Future project. Rush Medical Center's project is similar to PMC West but Rush will not be finished until 2014.</p>		
<b>ADJOURNMENT</b>	<b>8:07 p.m.</b>		
<b>SIGNATURES</b> <ul style="list-style-type: none"> <li>▪ <b>Board Secretary</b></li>   <li>▪ <b>Board Assistant</b></li> </ul>	<hr/> <b>Nancy Bassett, RN, MBA</b>  <hr/> <b>Nicole Adelberg</b>		

**Palomar Pomerado Health**  
**BOARD OF DIRECTORS**  
**Closed Session**  
 Pomerado Hospital / Meeting Room E  
 Monday, November 09, 2009

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<b>CALL TO ORDER</b>	5:40 p.m. Quorum comprised Directors Bassett, Greer, Kaufman, Kleiter, Krider and Larson  Excused: Director Rivera		
<b>NOTICE OF MEETING</b>	Notice of Meeting was mailed consistent with legal requirements. Pursuant to Government Code 54954.5(h) – Report involving Trade Secret.		
<b>PUBLIC COMMENTS</b>	None.		
<b>ADJOURNMENT TO CLOSED SESSION</b>		<b>MOTION:</b> by Dir Krider to adjourn to closed session.  All in favor. None opposed.	
<b>CLOSED SESSION</b>	Pursuant to Government Code 54954.5(h) – Report involving Trade Secret.		
<b>OPEN SESSION RESUMES</b>		<b>MOTION:</b> by Dir Krider to resume open session	
<b>FINAL ADJOURNMENT</b>		<b>MOTION:</b> by Dir Krider for final adjournment at 6:30 p.m.	
<b>SIGNATURES</b>  <ul style="list-style-type: none"> <li>▪ <b>Board Secretary</b></li> <li>▪ <b>Board Assistant</b></li> </ul>	<hr style="width: 200px; margin-left: 0;"/> Nancy Bassett, R.N., M.B.A.  <hr style="width: 200px; margin-left: 0;"/> Nicole Adelberg		

**Palomar Pomerado Health**  
**BOARD OF DIRECTORS**  
**Closed Session**  
 456 Grand Avenue, Escondido CA  
 1st Floor Conference Room  
 Monday, November 16, 2009

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<b>CALL TO ORDER</b>	6:00 p.m. Quorum comprised Directors Bassett, Greer, Kaufman, Kleiter, Krider, Larson and Rivera		
<b>NOTICE OF MEETING</b>	Notice of Meeting was mailed consistent with legal requirements. Pursuant to Government Code Section 54957: Public Employee Performance Evaluation: Chief Executive Officer.		
<b>PUBLIC COMMENTS</b>	None.		
<b>ADJOURNMENT TO CLOSED SESSION</b>		<b>MOTION:</b> by Dir Krider to adjourn to closed session.  All in favor. None opposed.	
<b>CLOSED SESSION</b>	Pursuant to Government Code Section 54957: Public Employee Performance Evaluation: Chief Executive Officer.		
<b>OPEN SESSION RESUMES</b>		<b>MOTION:</b> by Dir Krider to resume open session	
		<b>MOTION:</b> By Kleiter, 2 <sup>nd</sup> by Kaufman and carried to approve the PMC Core Privileging changes to the Family Medicine Rules and Regulations.  All in favor. None opposed.	
		<b>MOTION:</b> by Rivera, 2 <sup>nd</sup> by Krider and carried to resend the previous motion for the CEO contract as submitted.  All in favor. None opposed.	
		<b>MOTION:</b> by Kaufman, 2 <sup>nd</sup> by Greer and carried to approve the motion of the CEO contract base salary at \$732,439.25 which is the	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
		<p>50th percentile as determined through a study of comparable hospital systems by revenue.</p> <p>All in favor. None opposed.</p>	
<b>FINAL ADJOURNMENT</b>		<b>MOTION:</b> by Dir Krider for final adjournment at 7:45 p.m.	
<b>SIGNATURES</b> <ul style="list-style-type: none"> <li>▪ <b>Board Secretary</b></li> <li>▪ <b>Board Assistant</b></li> </ul>	<p>_____</p> <p>Nancy Bassett, R.N., M.B.A.</p> <p>_____</p> <p>Nicole Adelberg</p>		

**Palomar Pomerado Health**  
**BOARD OF DIRECTORS**  
**Closed Session**  
 456 Grand Avenue, Escondido CA  
 1st Floor Conference Room  
 Monday, November 23, 2009

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<b>CALL TO ORDER</b>	6:00 p.m. Quorum comprised Directors Bassett, Greer, Kaufman, Krider, Larson and Rivera  Excused: Director Kleiter		
<b>NOTICE OF MEETING</b>	Notice of Meeting was mailed consistent with legal requirements. Pursuant to Government Code Section 54957: Public Employee Performance Evaluation: Chief Executive Officer.		
<b>PUBLIC COMMENTS</b>	None.		
<b>ADJOURNMENT TO CLOSED SESSION</b>		<b>MOTION:</b> by Dir Krider to adjourn to closed session.  All in favor. None opposed.	
<b>CLOSED SESSION</b>	Pursuant to Government Code Section 54957: Public Employee Performance Evaluation: Chief Executive Officer.		
<b>OPEN SESSION RESUMES</b>		<b>MOTION:</b> by Dir Krider to resume open session	
<b>FINAL ADJOURNMENT</b>		<b>MOTION:</b> by Dir Krider for final adjournment at 7:45 p.m.	
<b>SIGNATURES</b>  <ul style="list-style-type: none"> <li>▪ <b>Board Secretary</b></li> <li>▪ <b>Board Assistant</b></li> </ul>	<hr style="width: 200px; margin-left: 0;"/> <b>Nancy Bassett, R.N., M.B.A.</b>  <hr style="width: 200px; margin-left: 0;"/> <b>Nicole Adelberg</b>		



SPECIAL BOARD MEETING MINUTES – TUESDAY, OCTOBER 27, 2009

1. AGENDA ITEM			
DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
<b>CALL TO ORDER</b>			
<ul style="list-style-type: none"> <li>The meeting – held in Graybill Auditorium at Palomar Medical Center, 555 E. Valley Parkway, Escondido, CA – was called to order at 6:02 p.m. by Director Linda Greer, RN, Acting Chair</li> </ul>			
<b>ESTABLISHMENT OF QUORUM</b>			
<ul style="list-style-type: none"> <li>By Roll Call                             <ul style="list-style-type: none"> <li><b>Present:</b> Directors Nancy Bassett, RN, MBA; Linda Greer, RN; Ted Kleiter; Alan Larson, MD</li> <li><b>Excused:</b> Directors Bruce Krider and Marcelo Rivera, MD; Jerry Kaufman, MAPT</li> </ul> </li> </ul>			
<b>OPENING CEREMONY</b>			
<ul style="list-style-type: none"> <li>The Pledge of Allegiance was recited in unison</li> </ul>			
<b>PUBLIC COMMENTS</b>			
<ul style="list-style-type: none"> <li>There were no public comments</li> <li>Director Greer turned the meeting over to Director Ted Kleiter, Chair of the Board Finance Committee</li> </ul>			
<b>INFORMATION ITEM(S)</b>			
<ul style="list-style-type: none"> <li>There were no information items</li> </ul>			
<b>1. TEFRA HEARING</b>			
<ul style="list-style-type: none"> <li>Director Kleiter read the TEFRA Hearing Script (<i>Attachment 1</i>)</li> <li>No comments were received, either oral or written</li> </ul>			Y
<b>2. ISSUANCE OF REVENUE BONDS</b>			
<ul style="list-style-type: none"> <li>All bond proceeds will be in support of FMP                             <ul style="list-style-type: none"> <li>Read-aheads were sent out in terms of where the documents stood at that time                                     <ul style="list-style-type: none"> <li>Minor edits will continue to closing</li> <li>If anything substantive changes, topic will be brought back before the Board</li> </ul> </li> <li>Utilizing the attached presentation (<i>Attachment 2</i>) Bob Hemker led a discussion regarding the Series 2009 bond issuance</li> <li>Key participants on the Financing Team are listed on Slide 3</li> </ul> </li> </ul>		<p><b>MOTION:</b> By Director Kleiter, seconded by Director Bassett and carried to approve the updated Financial and Capital Plan as of October 2009 as presented. All in favor, none opposed.</p> <p><b>MOTION:</b> By Director Kleiter seconded by Director Bassett and carried to approve the attached documents/resolutions and to delegate to management the authority to take the appropriate action necessary to complete the documents and matters necessary to issue the Certificates of Participation on or about November 19, 2009. All in favor, none opposed</p>	

**SPECIAL BOARD MEETING MINUTES – TUESDAY, OCTOBER 27, 2009**

**1. AGENDA ITEM**

• DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
<ul style="list-style-type: none"> <li>– The team has been in place for several years now, with only a few changes                             <ul style="list-style-type: none"> <li>1) District Counsel is now In-House Counsel Janine Sarti</li> <li>2) Chad Kenan is now running the Revenue Bond side of Citi</li> <li>3) The North San Diego County Facilities Financing Authority is the Joint Powers Authority (JPA) – member districts are Grossmont, Tri-City and PPH</li> </ul> </li> <li>o Slide 4 provides a recap of the Plan of Finance (PoF) and the bond issues attached thereto                             <ul style="list-style-type: none"> <li>– The Series 2009 Bonds will be issued as Certificates of Participation (COPs)                                     <ul style="list-style-type: none"> <li>1) Approximately \$232M will be issued, with anticipated project proceeds of \$175M</li> </ul> </li> <li>– One remaining tranche of General Obligation (GO) Bonds can be issued                                     <ul style="list-style-type: none"> <li>1) Targeted issue date is 2014 in the amount of \$65M</li> <li>2) May use Bond Anticipation Notes (BANs) prior to that time</li> </ul> </li> <li>– We continue to target the tax amount of \$17.75 per \$100K of assessed value                                     <ul style="list-style-type: none"> <li>1) As previously discussed, we see softening of markets, and this property tax cycle is a little softer than in the past, so we may have to bridge the difference, estimated at about \$500K</li> </ul> </li> </ul> </li> <li>o Slide 5 – Board-Approved PoF                             <ul style="list-style-type: none"> <li>– Revenue Bonds – costs of issuance are paid out of bond proceeds</li> <li>– This issue will provide about \$175M in new project monies</li> <li>– The \$55M philanthropic campaign nets about \$45M</li> </ul> </li> <li>o Slide 6 – Updated Strategic and Capital Plan                             <ul style="list-style-type: none"> <li>– Based on known issues and current assumptions for inflation</li> <li>– Incorporated the P&amp;L side of model-handling of the outsourcing of the central plant</li> <li>– Incorporated transformation costs, which will be significant in 2011 and 2012                                     <ul style="list-style-type: none"> <li>1) \$12M embedded for those costs</li> <li>2) 2012 will be a challenging year for P/L and days cash on hand reserve</li> <li>3) Also incorporated FTE costs associated with the transformation and ongoing resource usage due to having a larger campus to maintain (i.e., EVS, etc.)</li> </ul> </li> <li>– Incorporates the IT plan</li> <li>– Recognize in this model what has been approved strategically, the business environment, where we ended FY09, and where we are with FY10, as well as new and one-time costs</li> <li>– Best metric for us continues to be EBIDA margin                                     <ul style="list-style-type: none"> <li>1) Depreciation will be significant once online</li> <li>2) Will also have significant interest expense</li> <li>3) Even with pressures, EBIDA margin stabilizes</li> </ul> </li> </ul> </li> </ul>			

**SPECIAL BOARD MEETING MINUTES – TUESDAY, OCTOBER 27, 2009**

**1. AGENDA ITEM**

• DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
<ul style="list-style-type: none"> <li>- Strategic Initiatives related to FY10 and the service lines; the IT list; and the central plant approved at the Board level are all included</li> <li>- Favorable time to enter the market with a Revenue Bond issue               <ul style="list-style-type: none"> <li>1) Not driven as much by the assessment on the GOs as reviewing what the right instrument for us is now</li> <li>2) Need to set course for performance and manage the risk of the project, issuing GOs when market conditions might be more favorable</li> <li>3) Demonstrated in FY09 and first quarter of FY10 that our improved performance postures us better in the Revenue Bond market</li> </ul> </li> <li>- Days cash on hand were at 113 at the end of September               <ul style="list-style-type: none"> <li>1) 80 days is the standard covenant</li> </ul> </li> <li>- The documents reflect all the “what ifs” of monitoring the market and our situation               <ul style="list-style-type: none"> <li>1) Determined that this was an appropriate time to go to market</li> </ul> </li> <li>o Slide 7 – Market Conditions               <ul style="list-style-type: none"> <li>- MMD is the benchmark for the basis of bond pricing                   <ul style="list-style-type: none"> <li>1) MMD plus a spread provides an indicator of what the true cost is going to be</li> <li>2) Has rarely been lower over the last 10 years</li> </ul> </li> <li>- Municipal Bond Flows are positive indicating that the market is again more favorable</li> <li>- Credit spreads are starting to improve                   <ul style="list-style-type: none"> <li>1) Should catch a good portion of the downward trend on the spread</li> <li>2) Delaying the issue for a few months would not be enough to realize a downward benefit</li> </ul> </li> <li>- The preparation and diligence for this issue has been accelerated to try to catch the lowest points, which – while up since October – are still significantly lower than the highs (i.e., August)</li> <li>- We are staying in front of the project’s cash flow at a safe margin</li> </ul> </li> <li>o Slide 9               <ul style="list-style-type: none"> <li>- Recaps the debt service on the Revenue Bonds – existing and new issue</li> <li>- 1999s reaching maturity could potentially afford additional capacity in 2014</li> </ul> </li> <li>o Slide 10 – Exploring refunding               <ul style="list-style-type: none"> <li>- Determined there was no significant value to refunding the 1999s, which mature in 2014</li> <li>- Also didn’t entertain changing the 2006s to a fixed rate instrument                   <ul style="list-style-type: none"> <li>1) Value was not favorable to us due to the rate spread and the impact of a negative swap position</li> <li>2) ARS resets are doing extremely well</li> </ul> </li> </ul> </li> </ul>			

**SPECIAL BOARD MEETING MINUTES – TUESDAY, OCTOBER 27, 2009**

**1. AGENDA ITEM**

• DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
<ul style="list-style-type: none"> <li>a) Effective cost of capital is in our best interests to hold the ARS</li> <li>3) Bond insurer still has favorable rating</li> <li>4) Board Resolution will actually cover the new money issue, refunding of the 1999s, and dealing with the 2006s should a drastic market change occur and we elect to refund the 1999s and/or 2006s               <ul style="list-style-type: none"> <li>a) Resolution has option to issue approximately \$500M                   <ul style="list-style-type: none"> <li>(i) Really plan to issue only \$232M</li> <li>(ii) Board is being requested to provide the flexibility just in case</li> </ul> </li> </ul> </li> <li>o Slide 11 – Build America Bonds (BABs)               <ul style="list-style-type: none"> <li>– Instrument would allow use of taxable interest rates to be garnered by purchaser, but we get benefit of access to that market with tax-exempt instruments                   <ul style="list-style-type: none"> <li>1) Federal government would pay the taxable vs. tax-exempt spread (i.e., marginal tax rate)</li> <li>2) Might provide access to a market segment to which you wouldn't otherwise have access</li> </ul> </li> <li>– Reviewed option to ensure we reviewed all vehicles by which to enter market but decided it was not a good option due to                   <ul style="list-style-type: none"> <li>1) The uncertainty of the stimulus program                       <ul style="list-style-type: none"> <li>a) Would the “rebate” still be assured over 30 years?</li> <li>b) The debt service calculations for MADS require use of taxable interest rates, not the “net” tax-exempt rate paid                           <ul style="list-style-type: none"> <li>(i) This was untenable to the coverage calculation and, therefore, rendered use of the instrument moot</li> </ul> </li> </ul> </li> <li>– Decision was to let the 1999s run their course to 2014, issue new money Revenue Bonds under a normal fixed rate as 30-year instruments</li> </ul> </li> <li>o Slide 13               <ul style="list-style-type: none"> <li>– \$224M was the Preliminary Official Statement (POS) working number, with \$232M as the new number based on working sources and uses, for a net of \$175M in proceeds for the project fund                   <ul style="list-style-type: none"> <li>1) The numbers will continue to change as we go to market and likely will be issued at a discount</li> </ul> </li> </ul> </li> <li>o Slide 14 – Timeline               <ul style="list-style-type: none"> <li>– November 2<sup>nd</sup>-4<sup>th</sup> – Investor Roadshow                   <ul style="list-style-type: none"> <li>1) Meeting with potential investors and sharing with them in more detail the documents that have gone out related to the credit (i.e., “Why should you buy our bonds?”)</li> <li>2) Key institutional investors will attend</li> <li>3) Webinar taping will also be done to provide more knowledge for those unable to</li> </ul> </li> </ul> </li> </ul> </li></ul>			

**SPECIAL BOARD MEETING MINUTES – TUESDAY, OCTOBER 27, 2009**

**1. AGENDA ITEM**

• DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
<ul style="list-style-type: none"> <li>participate in the live roadshow</li> <li>– November 10<sup>th</sup> – Negotiated sale pricing                             <ul style="list-style-type: none"> <li>1) Will enter into a Bond Purchase Agreement with Citi at that time</li> <li>2) Use of the JPA allows us to do that                                     <ul style="list-style-type: none"> <li>a) JPA approved the transaction at its meeting on October 23, 2009</li> </ul> </li> </ul> </li> <li>– November 19<sup>th</sup> – Closing</li> <li>o Bond Counsel Kathleen Leak stated that the documents listed on Slide 15 were being presented for Board approval                             <ul style="list-style-type: none"> <li>– Offering Statement is the most important as it provides financial and operating data regarding PPH to potential investors</li> <li>– Certificate Purchase Agreement – certificates are sold to Citi, then Citi offers them to the public</li> <li>– Purchase Agreement and Installment Sale Agreement provides Certificates of Participation (CoP) financing                                     <ul style="list-style-type: none"> <li>1) They are based upon the District’s ability to buy and sell property</li> <li>2) Sold to the JPA, then immediately sold back, with no passing of title</li> </ul> </li> <li>– Trust Agreement provides particular terms of the CoPs</li> <li>– Supplemental MTI for Master Indenture Obligations 6 – promises made to the people who will be buying our debt</li> <li>– Continuing Disclosure Undertaking – self-explanatory</li> <li>– Escrow Agreement – authorized only in the event the defeasance of the 1999s moves forward</li> </ul> </li> </ul>			

**3. PROPOSITION 1A SECURITIZATION PROGRAM**

<ul style="list-style-type: none"> <li>• When Proposition 1A (Prop 1A) was passed, a provision was that the State could borrow property tax funds from counties, cities and special districts                             <ul style="list-style-type: none"> <li>o Provided authorization to borrow 8% of property tax revenues, and would repay that at a period of time in the future at a stipulated interest rate                                     <ul style="list-style-type: none"> <li>– Legislation only allows the State to take that action twice, and they must pay off the first round of borrowing before borrowing for a second time</li> </ul> </li> <li>o The State has announced it will be taking the full 8%, to be repaid in 2013 at 2% interest                                     <ul style="list-style-type: none"> <li>– The borrowed amount from PPH would be about \$1M for 2010, resulting in a cash flow deficit</li> <li>– Estimated revenues re-shifting across the State are about \$1.5B</li> </ul> </li> <li>o When the State previously did the same thing with vehicle taxes, a Joint Powers Authority Board was created                                     <ul style="list-style-type: none"> <li>– Instead of the agencies/districts bearing the burden of the shortage, the JPA issued</li> </ul> </li> </ul> </li> </ul>	<p><b>MOTION:</b> By Director Kleiter seconded by Director Bassett and carried to approve participation in the Securitization Program, approval of the requisite Sale Resolution and Purchase and Sale Agreement, and delegated authority to the CEO, CFO and General Counsel to sign the required documents. All in favor, none opposed.</p>	<p align="center"><b>Y</b></p>
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**SPECIAL BOARD MEETING MINUTES – TUESDAY, OCTOBER 27, 2009**

**1. AGENDA ITEM**

• DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
<p>bonds to pay back the revenues in accordance with the timing of when those entities would normally have received their property tax funds</p> <ul style="list-style-type: none"> <li>1) The State is issuing the debt but not technically putting it on their debt capacity – State’s full faith and credit backing</li> <li>2) The State is obligated to repay in 2013, plus interest expense, and costs of issuance</li> </ul> <ul style="list-style-type: none"> <li>– Opting in to the JPA preserves cash flow</li> <li>– If we don’t opt in, the funds would be booked as a receivable, so the transaction would be neutral to P&amp;L</li> <li>– The JPA will go to market with the bonds and will put the funds in trust, releasing them in January 2010</li> </ul> <ul style="list-style-type: none"> <li>o Management is recommending that PPH opt in to the JPA                             <ul style="list-style-type: none"> <li>– Decision has to be made and the paperwork has to be completed and in to Orrick as bond counsel for the JPA by November 6, 2009</li> <li>– Only risk was the signing of a cleanup bill by the Governor                                     <ul style="list-style-type: none"> <li>1) Bond issue would not have been achievable if not signed</li> <li>2) Bill has been signed</li> </ul> </li> </ul> </li> <li>o Approximately 1400 agencies have opted in</li> </ul>			

**ADJOURNMENT**

- There being no further business, the meeting was adjourned at 7:15 p.m.

**SIGNATURES:**

• **ACTING BOARD CHAIR**

\_\_\_\_\_  
Linda C. Greer, RN

• **BOARD SECRETARY**

\_\_\_\_\_  
Nancy L. Bassett, RN, MBA

# ATTACHMENT 1

## **TEFRA HEARING SCRIPT**

Ladies and Gentlemen:

Pursuant to Section 147(f) of the Internal Revenue Code, Palomar Pomerado Health caused a notice of public hearing to be published in The San Diego Union Tribune on October 13, 2009 with respect to the proposed issuance of obligations, including certificates of participation and revenue bonds, for the benefit of Palomar Pomerado Health. Proceeds of the obligations will be applied to finance, refinance, or reimburse Palomar Pomerado Health for its prior payment of the costs of the acquisition, construction, expansion, improvement, renovation, and equipping of its health care and related facilities.

As announced in the notice, we now offer this opportunity for interested individuals to express their views concerning the proposed issuance for the purposes described in the notice of public hearing.

**[Oral Comments to be Heard; Written Comments to be Received]**

Thank you.

**This public hearing is now closed.**



# ATTACHMENT 2

PALOMAR  
POMERADO  
HEALTH

SPECIALIZING IN YOU

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## Series 2009 Revenue Bonds Update

October 27, 2009

# AGENDA

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- Overview of Plan of Finance
- Updated Financial and Capital Plan
- Review of Market Conditions
- Review of Debt Service
- Opportunity Review – 1999 Bonds Refunding
- Opportunity Review – Build America Bonds (BABs)
- Recap of 2009 Revenue Bonds (CoPs) – Sources and Uses
- Status and Calendar for Issuance
- Review of 2009 Financing Documents
- Board Approvals
  - Updated Financial and Capital Plan
  - Resolution Authorizing Issuance

# Key Participants to 2009 Financing

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## **BORROWER**

### **Palomar Pomerado Health**

Michael Covert  
*Chief Executive Officer*

Bob Hemker  
*Chief Financial Officer*

## **DISTRICT COUNSEL**

### **In-House**

Janine Sarti  
*General Counsel*

## **BOND COUNSEL**

### **Orrick Herrington & Sutcliffe, LLP**

Kathleen A. Leak  
*Partner*

John R. Myers  
*Partner*

## **UNDERWRITER**

### **Citigroup Corporate and Investment Banking**

Andrew Pines  
*Managing Director*

Chad Kenan  
*Vice President*

Victor M. Andrade, Jr.  
*Vice President*

## **FINANCIAL ADVISOR**

### **Kaufman, Hall & Associates, Inc.**

Ellen G. Riley  
*Senior Vice President*

Carlos Bohorquez  
*Vice President*

## **AUDITOR**

### **Deloitte & Touche, LLP**

Mark Kawauchi  
*Director*

Shibani Dogra  
*Senior Manager*

Lisa Biggs  
*Senior Manager*

## **UNDERWRITER'S**

### **COUNSEL**

### **Squire, Sanders & Dempsey, L.L.P.**

Robert H. Olson  
*Partner*

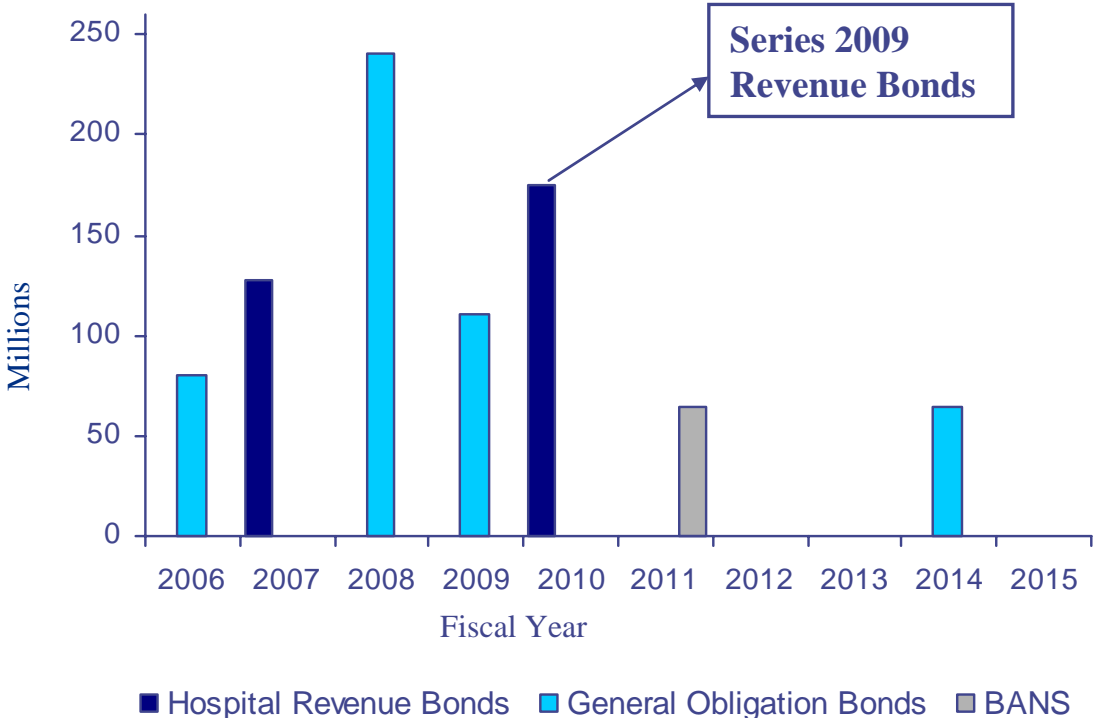
Stephanie Shepherd  
*Senior Associate*

## **OTHERS**

North San Diego County  
Health Facilities Financing  
Authority  
*Joint Powers Authority*

# Series 2009 Phased, Integrated Plan of Finance

- Issue Revenue Bonds in conjunction with GO Bonds
  - Meet projected construction draw schedule without undue delay
  - Maintain \$17.75 per \$100,000 tax promised to voters
- BANs can be used to access capital prior to GO issuance



# Board Approval of Integrated Plan of Finance

- \$982 million updated Master Facilities Plan and Plan of Finance was approved by the Board in August 2008

## Integrated Plan of Finance

	Issued to Date	2009 Issuance	Future Issuance	Total
<b>Revenue Bonds<sup>1</sup></b>	\$127,000,000	\$175,000,000	N/A	\$302,000,000
<b>G.O. Bonds<sup>2</sup></b>	\$431,000,000		\$65,000,000	\$496,000,000
<b>Cash / Working Capital</b>	N/A	N/A	N/A	\$139,600,000
<b>Philanthropy</b>	N/A	N/A	N/A	\$45,000,000
<b>Total</b>	\$558,000,000	\$175,000,000	\$65,000,000	\$982,600,000

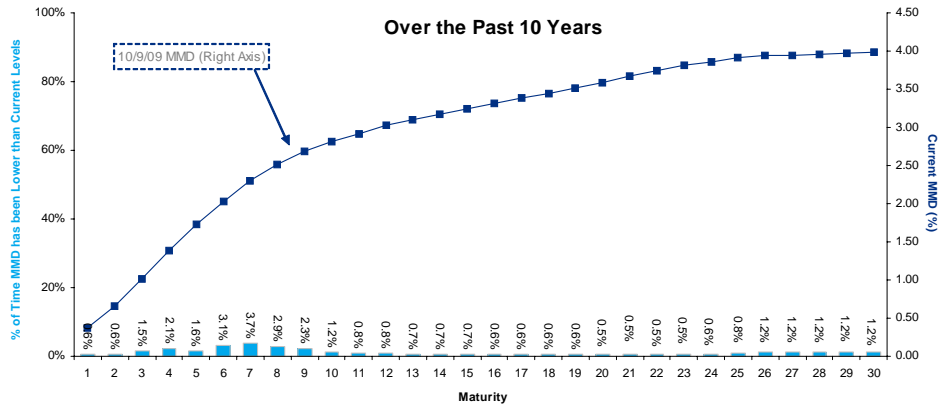
- Note that the cash/working capital required can be reduced through:
  - Value Engineering
  - Central Plant Outsourcing
  - Pomerado Tower Deferral
  - Escalation and Contingency

# Summary - Updated Financial and Capital Plan – 10/09

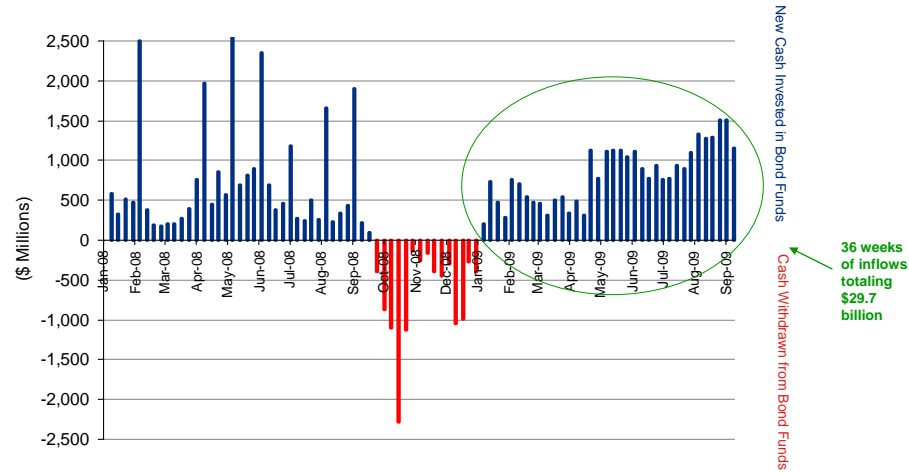
Ratio/Statistic	Budget	Projected									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Operating Revenue	\$513,016	\$565,724	\$623,155	\$696,901	\$747,139	\$796,018	\$848,372	\$903,733	\$947,902	\$994,131	\$1,045,280
Operating Income	\$7,381	\$7,105	\$3,184	(\$1,907)	\$2,027	\$4,069	\$5,914	\$8,875	\$9,469	\$9,271	\$11,401
Net Income	\$25,507	\$26,902	\$22,897	\$18,370	\$23,031	\$26,260	\$30,644	\$36,813	\$42,534	\$44,735	\$48,318
Cash Flow (Net Inc + Depr)	\$47,926	\$50,881	\$61,592	\$72,207	\$79,532	\$86,553	\$94,582	\$101,902	\$108,241	\$109,469	\$111,867
Unrestricted Cash	\$123,379	\$138,188	\$143,968	\$201,591	\$266,778	\$337,060	\$412,954	\$495,988	\$585,766	\$675,280	\$764,956
EBIDA	\$53,700	\$56,545	\$66,850	\$97,560	\$104,448	\$111,075	\$118,661	\$125,572	\$131,427	\$132,138	\$133,944
Long-Term Debt	\$885,917	\$879,202	\$872,122	\$864,667	\$856,812	\$848,262	\$839,252	\$829,837	\$819,917	\$809,447	\$797,354
<b>Profitability</b>											
Operating Margin	1.4%	1.3%	0.5%	(0.3%)	0.3%	0.5%	0.7%	1.0%	1.0%	0.9%	1.1%
Operating Margin (Inc. Property Tax)	4.2%	3.8%	2.8%	1.8%	2.3%	2.5%	2.6%	2.9%	2.9%	2.8%	2.9%
Excess Margin	4.8%	4.6%	3.6%	2.6%	3.0%	3.2%	3.5%	4.0%	4.3%	4.3%	4.5%
EBIDA Margin	10.5%	10.0%	10.7%	14.0%	14.0%	14.0%	14.0%	13.9%	13.9%	13.3%	12.8%
<b>Debt Position</b>											
Debt Service Coverage (x)	4.4	4.6	5.4	3.0	3.2	3.4	3.6	3.8	4.0	4.0	3.9
Long-Term Debt to Cap	71.2%	65.8%	63.7%	62.3%	60.9%	59.4%	57.7%	55.9%	53.9%	51.9%	50.0%
Cushion Ratio (x)	7.9	11.5	12.0	6.2	8.2	10.4	12.7	15.2	18.0	20.7	23.5
Debt to Cash Flow (x)	18.5	17.3	14.2	12.0	10.8	9.8	8.9	8.1	7.6	7.4	7.1
<b>Liquidity</b>											
Cash to Debt	13.9%	15.7%	16.5%	23.3%	31.1%	39.7%	49.2%	59.8%	71.4%	83.4%	95.9%
Days Cash On Hand (days)	93	94	90	114	141	168	194	218	245	268	288
Days Cash On Hand (days) w/o Bad Debt	105	106	102	129	160	191	221	250	282	310	335
Days in A/R, net	50.6	54.0	54.0	53.0	52.0	52.1	52.0	52.0	52.0	52.0	52.0

# Current Market Conditions Have Improved

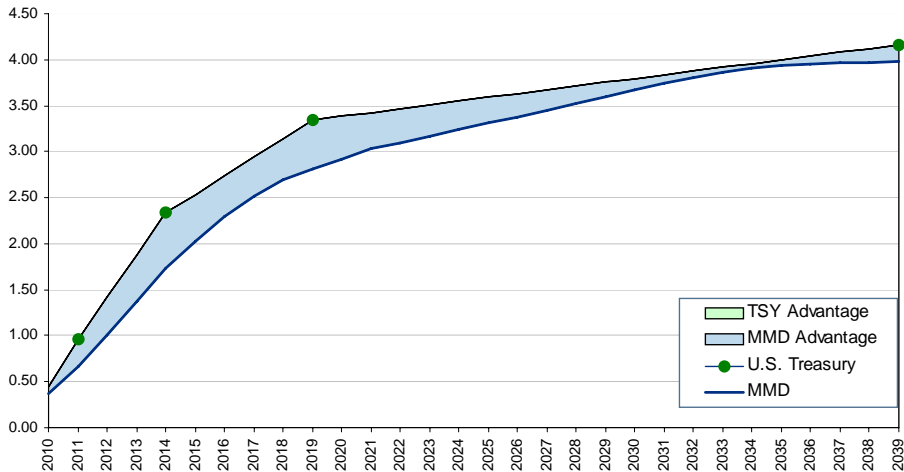
## MMD Has Rarely Been Lower



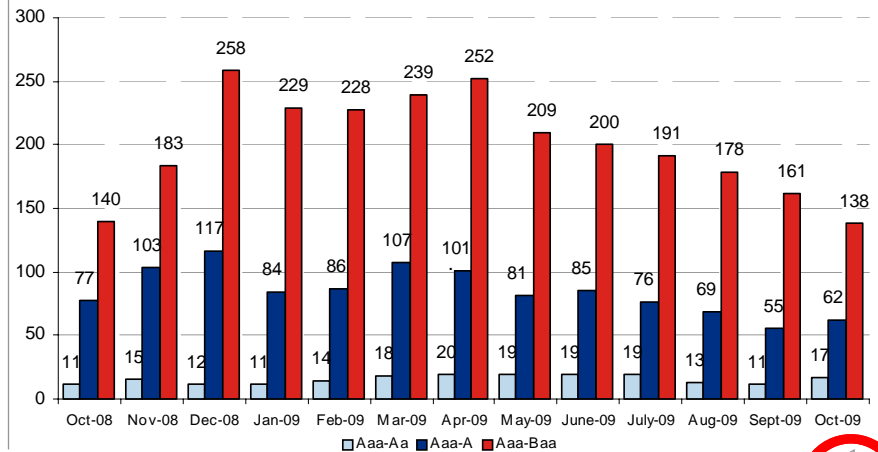
## Municipal Bond Flows Remain Positive



## MMD is Trending Towards More Traditional Ratios



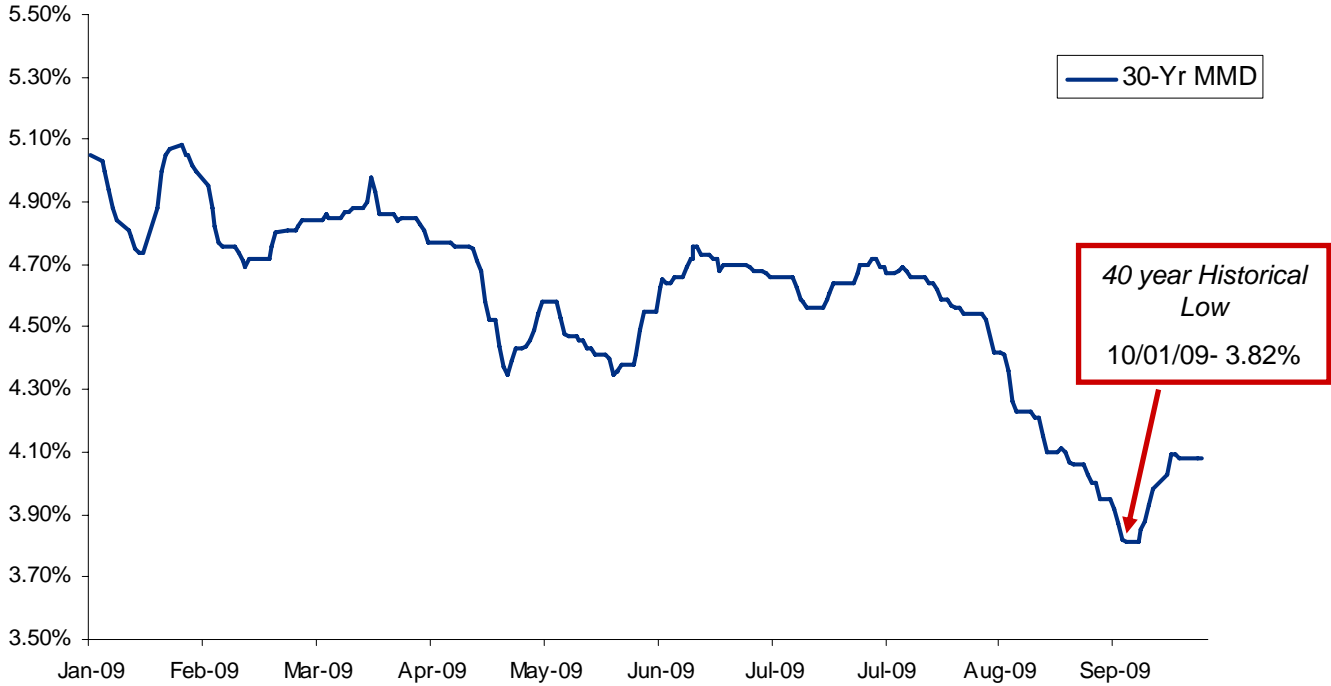
## Credit Spreads Are Wide, But Starting to Improve





# Low cost opportunity with the recent significant drop in MMD

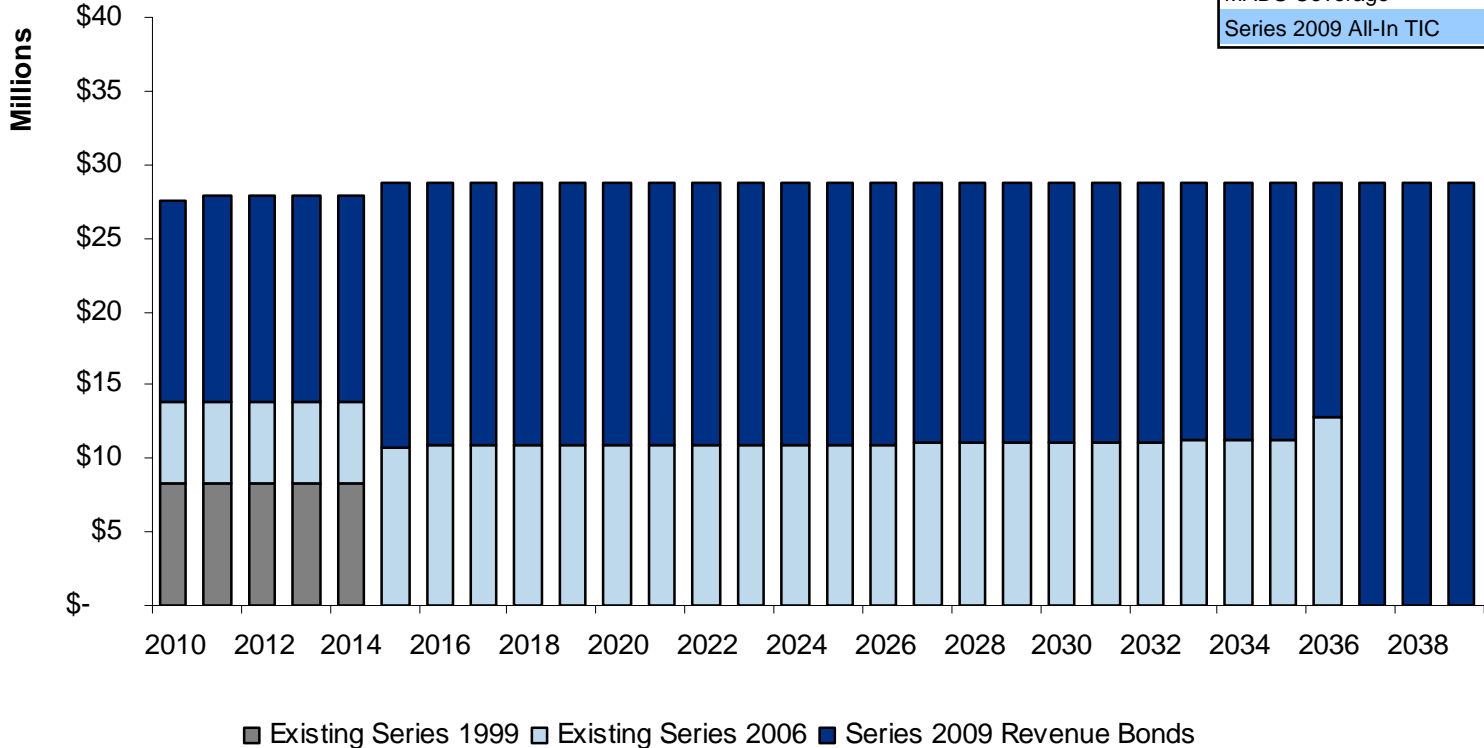
30 Yr MMD Comparison - Jan 1, 2009 to Present



Note: Rates as of 10/22/09

# Building upon the Existing Foundation

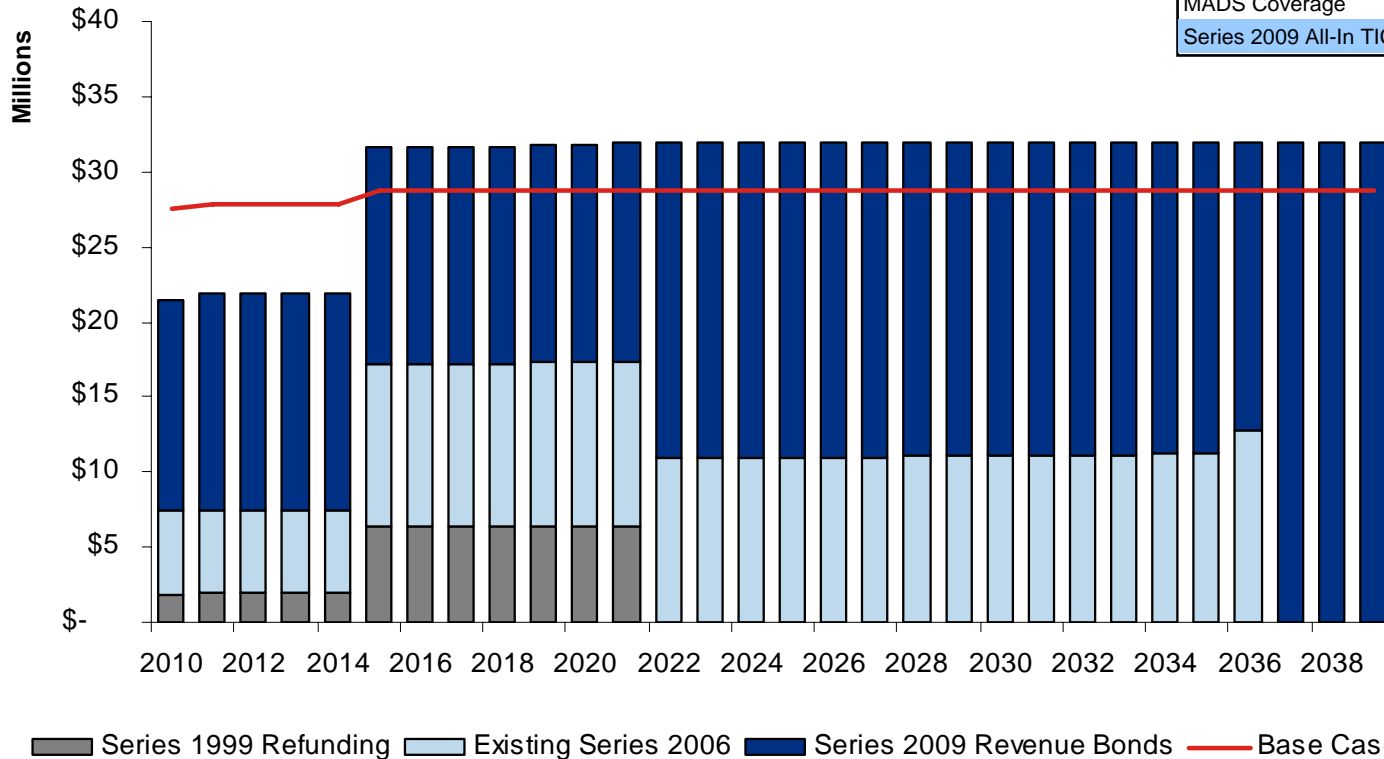
Total Par	439,005
Series 2009 Par	231,530
Total Interest	418,890
Interest Expense 2010-2014	103,330
Total Debt Service 2010-2014	138,805
Total Debt Service	857,895
MADS	28,564
MADS Coverage	1.71x
Series 2009 All-In TIC	6.41%



Note: Rates as of 10/22/09, preliminary and subject to change

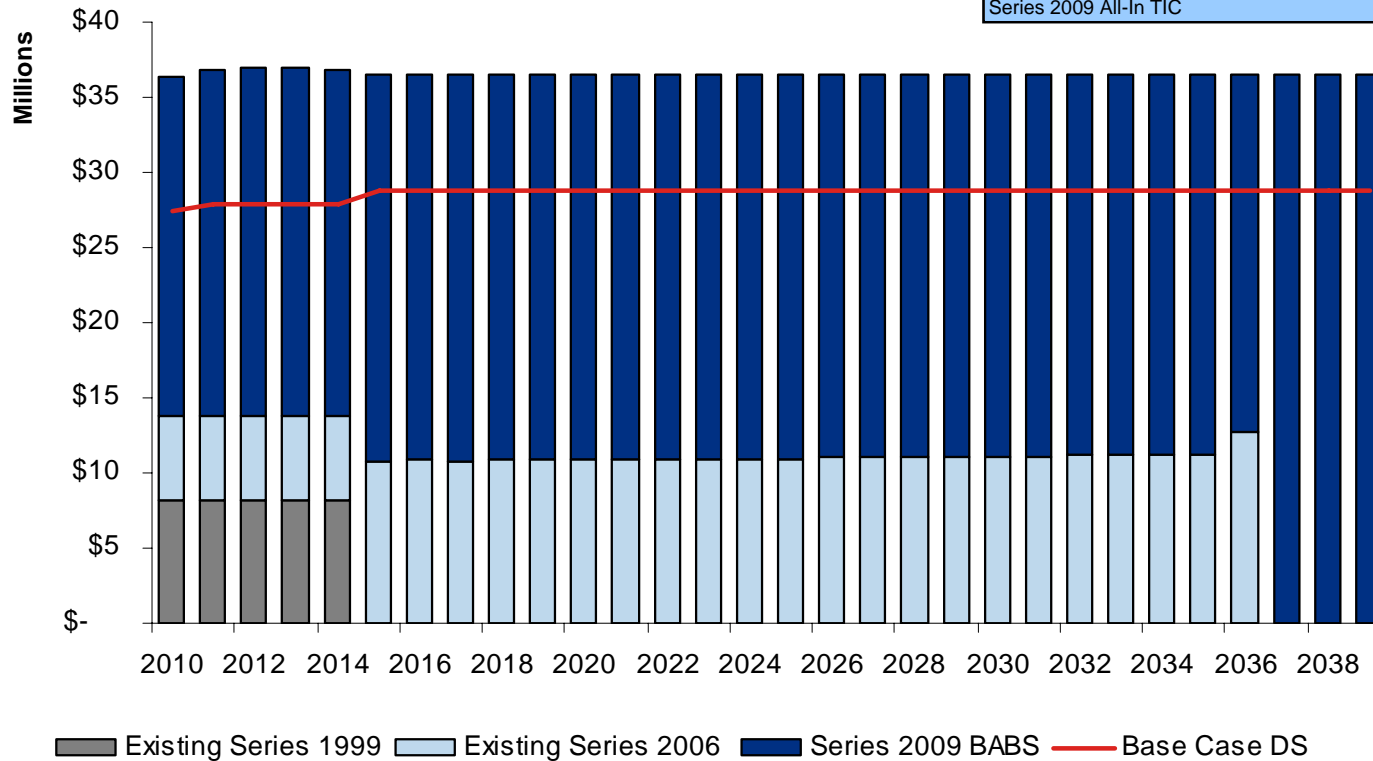
# Exploring Refunding Opportunity in New Rate Environment

Total Par	441,915
Series 2009 Par	269,915
Total Interest	463,238
Interest Expense 2010-2014	109,135
Total Debt Service 2010-2014	109,135
Total Debt Service	905,153
MADS	31,564
MADS Coverage	1.54x
Series 2009 All-In TIC	6.41%



# Entering the Taxable Market with BABs

	BABs Gross Yield	BABs Net Yield
Total Par	457,570	435,975
Series 2009 Par	250,095	228,500
Total Interest	639,070	407,506
Interest Expense 2010-2014	148,429	101,784
Total Debt Service 2010-2014	183,904	137,259
Total Debt Service	1,096,640	843,481
MADS	36,222	36,222
MADS Coverage	1.35x	1.35x
Series 2009 All-In TIC	9.46%	6.18%



# Summary Comparison of all Scenarios

	Existing DS	Base Case	NM + 1999 Ref	BABs Gross Yield	BABs Net Yield
Total Par	207,475	439,005	441,915	457,570	435,975
Series 2009 Par		231,530	269,915	250,095	228,500
Total Interest	105,111	418,890	463,238	639,070	407,506
Interest Expense 2010-2014	33,463	103,330	109,135	148,429	101,784
Total Debt Service 2010-2014	68,938	138,805	109,135	183,904	137,259
Total Debt Service	312,586	857,895	905,153	1,096,640	843,481
MADS	13,645	28,564	31,564	36,222	36,222
MADS Coverage	3.57x	1.71x	1.54x	1.35x	1.35x
Series 2009 All-In TIC		6.41%	6.41%	9.46%	6.18%

# Series 2009 Revenue Bonds Update

- PPH is currently targeting an issuance of revenue bonds to generate \$175 million in proceeds for the construction project consistent with the Master Facility Plan
  - Bonds will be sold at either a premium or a discount
  - A Debt Service Reserve Fund will need to be funded
  - Cost of Issuance expenses will be incurred
  - Interest will be capitalized for 3 years
  - Bonds will be sold based on the rating of PPH

Sources	
Par Amount	231,530
Net Original Issue Discount	(2,868)
	<b>\$ 228,662</b>

Uses	
Project Fund	175,000
Capitalized Interest Fund	26,288
Debt Service Reserve Fund	22,740
Cost of Issuance	4,634
	<b>\$ 228,662</b>

# Timeline for The Execution of Series 2009 Bonds

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- October 27<sup>th</sup> – PPH Board Meeting - approval
- October 27<sup>th</sup> – Print Preliminary Official Statement
- November 2<sup>nd</sup>-4<sup>th</sup> – Investor Roadshow
- November 5<sup>th</sup> – Internet Investor Roadshow
- November 9<sup>th</sup> – Retail order period
- November 10<sup>th</sup> – Price Series 2009 Revenue Bonds
- November 19<sup>th</sup> – Close Series 2009 Revenue Bonds

# Review of Financing Bond Documents

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Document	Role in Transaction
Official Statement (and Appendix A)	Disclosure document describing PPH and the Certificates
Certificate Purchase Agreement	Citigroup agrees to purchase the Certificates
Purchase Agreement	JPA agrees to purchase property from PPH
Installment Sale Agreement	PPH agrees to repurchase property from the JPA
Trust Agreement	Terms for the Series 2009 certificates
Supplemental MTI for Master Indenture Obligations 6	Issues Obligations securing payment of certificates
Continuing Disclosure Undertaking	PPH agrees to report information and significant events to the certificate holders on a regular basis
Escrow Agreement	Outlines terms for the defeasance escrow of the 1999 Bonds – Only if Refunded

In addition to the above, PPH Board will authorize the transaction via a Board Resolution



# Review of Financing Bond Documents

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Document	Parties
Official Statement (and Appendix A)	PPH
Certificate Purchase Agreement	Citigroup, PPH, and JPA
Purchase Agreement	PPH and JPA
Installment Sale Agreement	PPH and JPA
Trust Agreement	JPA and U.S. Bank (Trustee)
Supplemental MTI for Master Indenture Obligations 6	PPH and U.S. Bank (Master Trustee)
Continuing Disclosure	PPH
Escrow Agreement	PPH and U.S. Bank (Master Trustee) – Only if 1999 Bonds refunded

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Citi works with its clients in greenhouse gas intensive industries to evaluate emerging risks from climate change and, where appropriate, to mitigate those risks.

## October 2009 & YTD FY2010 Financial Report

**TO:** Board of Directors  
**MEETING DATE:** Monday, December 14, 2009  
**FROM:** Robert Hemker, CFO  
**BY:** Board Finance Committee  
Tuesday, December 8, 2009

**Background:** The Board Financial Reports (unaudited) for October 2009 and YTD FY2010 are submitted for the Board's approval.

**Budget Impact:** N/A

**Staff Recommendation:** Staff recommended approval.

**Committee Questions:**

**COMMITTEE RECOMMENDATION:** The Board Finance Committee recommends approval of the Board Financial Reports (unaudited) for October 2009 and YTD FY2010.

**Motion:** X

**Individual Action:**

**Information:**

**Required Time:**

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

10/01/09	TO	10/31/09	ACCOUNTS PAYABLE INVOICES	\$	38,812,582
10/02/09	TO	10/30/09	NET PAYROLL	\$	<u>16,278,762</u>
				\$	<b>55,091,344</b>

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



\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

*APPROVAL OF REVOLVING, PATIENT REFUND AND PAYROLL FUND DISBURSEMENTS:*

Treasurer, Board of Directors PPH \_\_\_\_\_

Secretary, Board of Directors PPH \_\_\_\_\_

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

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

**Independent Citizens' Oversight Committee**  
**Review of Annual Report for District Fiscal Year 2008-2009**

**TO:** Board of Directors

**MEETING DATE:** Monday, December 14, 2009

**FROM:** Independent Citizens' Oversight Committee  
Bob Hemker, CFO

**BY:** Board Finance Committee  
Tuesday, December 8, 2009

**Background:** On Thursday, November 12, 2009, the Palomar Pomerado Health Hospital, Emergency Care, Trauma Center Improvement and Repair Measure Bonds Independent Citizens' Oversight Committee (ICOC) held their annual meeting.

At that meeting, the ICOC reviewed the District Expenditure Report, which details the reconciliation of funds expended from the proceeds of the General Obligation Bonds issued pursuant to Measure BB. Following that review, the ICOC concluded that PPH is in compliance with the requirements of Measure BB. Pursuant to §3.2 of the ICOC Procedures, Policies & Guidelines (PP&G), the Annual Report of the ICOC for District Fiscal Year 2008-2009 is herewith submitted to the District Board for consideration and response.

If approved, the report will be considered final and will be posted on the ICOC page of the District Board's public web site [www.pph.org/default.aspx?nd=2144](http://www.pph.org/default.aspx?nd=2144). If the response is other than approval, the ICOC will review the District Board's response at their next regularly scheduled meeting, will make correction, amendment and approval, and will then submit the final report for inclusion in the District Board's public records on the ICOC page of the PPH web site.

The ICOC has chosen to meet on a bi-annual basis, with their Semi-Annual meeting scheduled for Wednesday, April 28, 2010.

**Budget Impact:** N/A

**Staff Recommendation:** Staff recommended approval of the Annual Report of the ICOC for District Fiscal Year 2008-2009.

**Committee Questions:**

**COMMITTEE RECOMMENDATION:** The Board Finance Committee recommends approval of the Annual Report of the ICOC for District Fiscal Year 2008-2009

**Motion:** X

**Individual Action:**

**Information:**

**Required Time:**

**PPH Independent Citizens' Oversight Committee  
Resignation of Barry I. Newman**

**TO:** Board of Directors

**MEETING DATE:** Monday, December 14, 2009

**FROM:** Bob Hemker, CFO

**BY:** Board Finance Committee  
Tuesday, December 8, 2009

**Background:** On Thursday, November 12, 2009, the Palomar Pomerado Health Hospital, Emergency Care, Trauma Center Improvement and Repair Measure Bonds Independent Citizens' Oversight Committee (ICOC) held their annual meeting.

At that meeting, the ICOC was notified that the daughter of member Barry I. Newman had notified District Administrators that Mr. Newman had suffered a stroke, the severity of which would likely necessitate resignation from his duties on the ICOC. Ms. Newman has since submitted a formal notice of resignation on her father's behalf.

The Policies, Procedures & Guidelines (PP&G) of the ICOC require that there shall be not less than nine (9) members. There are ten (10) members remaining on the ICOC. Mr. Newman was a member "At Large" and did not occupy one of the four (4) "Required Member" seats.

**Budget Impact:** N/A

**Staff Recommendation:** Staff recommended that the Board take no action at this time regarding the seat vacated by Mr. Newman's resignation.

**Committee Questions:**

**COMMITTEE RECOMMENDATION:** The Board Finance Committee reached a consensus that no action is required regarding the seat vacated by Mr. Newman's resignation.

**Motion:**

**Individual Action:**

**Information:** X

**Required Time:**

**Independent Citizens' Oversight Committee**  
**Approval of Minutes from Annual Meeting, November 12, 2009**

**TO:** Board of Directors

**MEETING DATE:** Monday, December 14, 2009

**FROM:** Independent Citizens' Oversight Committee  
Bob Hemker, CFO

**BY:** Board Finance Committee  
Tuesday, January 22, 2008

**Background:** On Tuesday, November 12, 2009, the Palomar Pomerado Health Hospital, Emergency Care, Trauma Center Improvement and Repair Measure Bonds Independent Citizens' Oversight Committee (ICOC) held their annual meeting.

Pursuant to §6.4 of the ICOC's Procedures, Policies & Guidelines (PP&G), a draft report of all ICOC meetings is to be submitted to the District Board for inclusion in the Board's public records. The draft minutes from the Annual Meeting of November 12, 2009, were under review by the members of the ICOC and were presented in draft form to the Board Finance Committee for review and comment. The members have completed their review, and a final ICOC-approved version is attached for the District Board's review and approval.

**Budget Impact:** N/A

**Staff Recommendation:** Approval of the minutes from the ICOC Annual Meeting held on November 12, 2009.

**Committee Questions:**

**COMMITTEE RECOMMENDATION:** The Board Finance Committee recommends approval of the minutes from the ICOC Annual Meeting held on November 12, 2009, for inclusion in the Board's public records pursuant to §6.4 of the ICOC's PP&G.

**Motion:** X

**Individual Action:**

**Information:**

**Required Time:**

**PARTICIPANT ROSTER**  
**PALOMAR POMERADO HEALTH**  
**HOSPITAL, EMERGENCY CARE, TRAUMA CENTER IMPROVEMENT AND REPAIR MEASURE BONDS**  
**INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE**

*1<sup>st</sup> Floor Conference Room, PPH Offices, 456 E. Grand Avenue, Escondido, CA*  
*Thursday, November 12, 2009*

PARTICIPANTS	MEETING DATES							
	7/12/05	10/5/05	3/28/06	12/19/06	12/18/07	9/23/08	4/21/09	11/12/09
<b>MEMBERS</b>								
JOHN A. AMODEO (AT LARGE)								P
WILLIAM C. BONNER (SENIOR CITIZENS' ORG)						P	P	P
WILLIAM L. CORWIN (AT LARGE)	P	P	P	P	P	P	P	P
MARGUERITE JACKSON DILL, PHD, RN, FAAN (NURSE)				P	P	P	P	P
ALEX A. GALENES (AT LARGE)								P
WILLIAM HOFFMAN – VICE CHAIR							P	P
RONALD D. KLINGENSMITH (TAXPAYERS' ORG)								P
JOHN MCIVER (BUSINESS ORG) – SECRETARY	P	P	P	P	P	P	P	E
MARGARET MOIR (AT LARGE) – CHAIR	P	P	P	P	P	P	P	P
BARRY I. NEWMAN (AT LARGE)								E
H. SCOTT PECK (AT LARGE)						P	P	E
<b>DISTRICT SUPPORT STAFF</b>								
BOB HEMKER, CFO	P	P	P	P	P	P	P	P
TANYA HOWELL, EXECUTIVE ASST – SCRIBE LORRAINE GILBERT, EXECUTIVE ASST – SCRIBE	P	P	P	P	P	P	P	E P
JANINE SARTI, GENERAL COUNSEL						P	E	E
KATHLEEN LEAK, BOND COUNSEL - ORRICK, HERRINGTON & SUTCLIFFE			P	P	P	E	E	P by phone
<b>SEE TEXT OF MINUTES FOR NAMES OF GUEST PRESENTERS</b>								

[P = Present    E = Excused    A = Absent]



**Independent Citizens' Oversight Committee – Meeting Minutes – November 12, 2009**

(I.A.) AGENDA ITEM/PURPOSE	
• DISCUSSION/RECOMMENDATION	ACTION/COMMENTS
<b>I. CALL TO ORDER &amp; ROLL CALL</b>	
<ul style="list-style-type: none"> <li>• The meeting was called to order at 3:00 p.m. by Chair Margaret Moir, followed by roll call. <i>See roster for attendance</i></li> <li>• Mrs. Moir noted the need for committee members to be diligent with their oversight responsibilities</li> <li>• Bob Hemker stated that General Counsel to the ICOC/PPH Bond Counsel Kathleen Leak was available by phone if any portion of the meeting required assistance from her.</li> </ul>	
<b>II. PUBLIC COMMENTS</b>	
<p>Robroy Fawcett</p> <ul style="list-style-type: none"> <li>• Subject: "GO Bond tax levy shortfall and simplifying project finances reports for public understanding" <ul style="list-style-type: none"> <li>o Handout provided to Committee members (<i>Attachment 1</i>)</li> </ul> </li> <li>• Mrs. Moir thanked Mr. Fawcett for his comments</li> </ul>	None
<b>III. INFORMATION ITEM(S)</b>	
<ul style="list-style-type: none"> <li>• Potential resignation of Committee Member Barry Newman <ul style="list-style-type: none"> <li>o Bob Hemker reported that Mr. Newman has some health issues that may preclude him from completing his term. Currently the number of committee members exceeds the required number. Mr. Hemker recommended that should that seat be vacated that the vacancy not be posted at this time. Upcoming vacancies due to term limits will be posted in April</li> </ul> </li> <li>• PPH Audited Financials for FY2009 <ul style="list-style-type: none"> <li>o Mr. Hemker distributed copies of PPH's audited financial statements for FY2009. The internal controls have been duly audited by the independent audit firm and meet the established GASB and FASB requirements <ul style="list-style-type: none"> <li>■ The independent audit firm has concurred with the internal controls and financial statements <ul style="list-style-type: none"> <li>▲ Unqualified opinion</li> <li>▲ No Management comments</li> </ul> </li> <li>■ Mr. Hemker provided an overview of the financial report provided by the independent audit firm that included: <ul style="list-style-type: none"> <li>▲ Management's Discussion and Analysis</li> <li>▲ Independent Auditors' Report</li> <li>▲ PPH Consolidated Financial Statements, including detailed notes relating to the financial statements</li> </ul> </li> <li>■ Clarification on any items may be made via Mr. Hemker's office</li> </ul> </li> <li>o Under Measure BB, the associated tax levy is levied on an annual basis <ul style="list-style-type: none"> <li>■ PPH was very conservative with their assessed values with their initial data</li> <li>■ The PPH Board has been apprised of the possibility of a shortfall in this year's tax levy and would advance fund the shortfall if needed <ul style="list-style-type: none"> <li>▲ Would be applied to the levy in FY2010/2011</li> </ul> </li> </ul> </li> </ul> </li> </ul>	Copies of audited financial statements were provided to members

**Independent Citizens' Oversight Committee – Meeting Minutes – November 12, 2009**

<b>(I.A.) AGENDA ITEM/PURPOSE</b>		
<b>• DISCUSSION/RECOMMENDATION</b>		<b>ACTION/COMMENTS</b>
<ul style="list-style-type: none"> <li>■ Mrs. Moir asked if there was a maximum tax levy                             <ul style="list-style-type: none"> <li>▲ There are no restrictions</li> <li>▲ All bond issue levies are updated on an annual basis</li> </ul> </li> </ul>		
<b>IV. OATH OF OFFICE</b>		
<ul style="list-style-type: none"> <li>• New members John Amodeo, Alex A. Galenes and Ronald D. Klingensmith were requested to silently read the oath                             <ul style="list-style-type: none"> <li>○ They were then requested to state that they had read, understood and agreed to its terms and conditions</li> <li>○ Copies for their own files and for the record were then signed and distributed.</li> </ul> </li> </ul>		All new members read, duly executed and agreed to the Oath of Office
<b>V. MINUTES – ICOC MEETING – APRIL 21, 2009</b>		
<ul style="list-style-type: none"> <li>• The minutes from the April 21, 2009, meeting were distributed on May 7, 2009, via email                             <ul style="list-style-type: none"> <li>○ Mr. Hemker reminded the members that the minutes had been vetted via email vote                                     <ul style="list-style-type: none"> <li>■ After ICOC review, comment and correction as necessary, an original was signed by Chair Bob Wells and Secretary John Mclver and forwarded to the District Board's Finance Committee</li> <li>■ The District Board's Finance Committee then forwarded the minutes for inclusion in the District Board's permanent records</li> </ul> </li> <li>○ The formal vote at this meeting is merely to commemorate actions previously taken via email vote</li> </ul> </li> </ul>		<b>MOTION:</b> By Bill Bonner seconded by Bill Corwin and carried to formally vet the email approval of the Minutes of the April 21, 2009, ICOC Meeting. John Amodeo abstained.
<b>VI. DISCUSSION AGENDA</b>		
<b>REPORTS</b>		
<b>A. SUGGESTED DATES FOR MEETINGS IN CALENDAR YEAR 2010</b>		
<ul style="list-style-type: none"> <li>• Mr. Hemker drew the Committee's attention to pages Ag4-6, containing dates on which District staff are available to facilitate meetings of the ICOC in April 2010 (for the Bi-Annual Meeting) and in late October or early November 2010 for the Annual Meeting                             <ul style="list-style-type: none"> <li>○ Mrs. Moir noted that she feels someone should remain on the ICOC for the duration of the committee to provide continuity                                     <ul style="list-style-type: none"> <li>■ Mr. Hemker will review the Policies, Procedures &amp; Guidelines (PP&amp;G) of the ICOC to determine if a provision can be made</li> <li>■ Bill Hoffman suggested continuity could be established via inclusion of an advisory position(s)</li> </ul> </li> </ul> </li> </ul>		<b>Per Discussion and General Consensus:</b> <ul style="list-style-type: none"> <li>• Bi-Annual Meeting                             <ul style="list-style-type: none"> <li>○ April 28, 2010 – 3:00-5:00 p.m. – at the PMC– West site and to include a tour of the new facility</li> </ul> </li> <li>• Annual Meeting                             <ul style="list-style-type: none"> <li>○ October 28, 2010 – 3:00-5:00 p.m. – 456 E. Grand Avenue in the 1<sup>st</sup> Floor Conference Room</li> </ul> </li> </ul>

**Independent Citizens' Oversight Committee – Meeting Minutes – November 12, 2009**

<b>(I.A.) AGENDA ITEM/PURPOSE</b>		
• <b>DISCUSSION/RECOMMENDATION</b>		<b>ACTION/COMMENTS</b>
<b>PRESENTATIONS</b>		
<b>A. FACILITY MASTER PLAN (FMP) – STATUS REPORT</b>		
<ul style="list-style-type: none"> <li>• Mike Shanahan, Director of Facilities Planning &amp; Development for PPH, was unable to attend today's meeting. Mr. Hemker presented the information in the attached presentation (<i>Attachment 2</i>) on his behalf.               <ul style="list-style-type: none"> <li>o Slides were shown of the FMP for PMC–West, indicating some of the regulatory changes                   <ul style="list-style-type: none"> <li>■ Quick facts included an overview of the size of the project, what has been completed to date, and the number of job positions created over the life of the project (including the prevailing wage)</li> <li>■ Project Status for PMC–West – September 2009 and October 2009, including Key Accomplishments, were reviewed</li> <li>■ Pomerado Hospital Expansion progress to date, projects currently underway, central plant status and future projects were discussed including                       <ul style="list-style-type: none"> <li>▲ Project status of potential impacts with regard to SSC certifications and OSHPD approval delays</li> <li>▲ Current projects expected to be completed by December 2009</li> <li>▲ A projected date for working on the Pomerado tower has not been addressed at this point in time</li> </ul> </li> </ul> </li> <li>o Allocation of dollars budget approved, cost estimates and available funds were addressed</li> <li>o The potential for outsourcing the PMC–West Central Plant is a strong consideration</li> <li>o The Philanthropic (Foundation) campaign is moving out of the internal campaign and entering the community campaign</li> </ul> </li> </ul>	<p><b>Information only</b></p>	
<b>B. CONSTRUCTION AUDITOR'S REPORT – STATUS REPORT</b>		
<ul style="list-style-type: none"> <li>• Jeff Miller, Outsource Construction Auditor, discussed the information provided in Addendum B of the agenda packet               <ul style="list-style-type: none"> <li>o Rudolph &amp; Sletton's potential oversight role fee discrepancies have gone to mediation                   <ul style="list-style-type: none"> <li>■ It is anticipated that issues will be resolved outside of court and not be material</li> <li>■ Brought to the Committee to illustrate the detailed level of auditing review</li> </ul> </li> <li>o Mrs. Moir asked about use of union or non-union laborers                   <ul style="list-style-type: none"> <li>■ PPH is held to the prevailing wage and new hires must meet PPH standards and requirements</li> </ul> </li> <li>o Alex Galenes noted that it is the responsibility of this committee to ensure that bond proceeds are expended only for purposes permitted by Measure BB                   <ul style="list-style-type: none"> <li>■ Mr. Hemker stated that information brought to this meeting addresses the behind-the-scenes work being done to audit the funds spent, with the assistance of the PPH Compliance Officer, PPH Legal and the PPH Audit process</li> </ul> </li> <li>o Examples of scheduled audit projects and tasks were also addressed</li> </ul> </li> </ul>	<p><b>Information only</b></p>	

**Independent Citizens' Oversight Committee – Meeting Minutes – November 12, 2009**

<b>(I.A.) AGENDA ITEM/PURPOSE</b>	
• <b>DISCUSSION/RECOMMENDATION</b>	<b>ACTION/COMMENTS</b>
<b>C. REPORT ON THE RFP PROCESS FOR CONSTRUCTION CONTRACTS AT PPH</b>	
<ul style="list-style-type: none"> <li>• Utilizing the attached presentation (<i>Attachment 3</i>) Marty Knutson, Corporate Compliance Officer at PPH, presented information on the Request for Proposal (RFP) contracting process               <ul style="list-style-type: none"> <li>o Copies of the presentation were distributed</li> <li>o Ms. Knutson explained her background and her position within the organization                   <ul style="list-style-type: none"> <li>■ She is outside the normal reporting structure—as are In-House Legal Council and the Internal Auditor—reporting directly to CEO Michael Covert and the PPH Board of Directors</li> </ul> </li> <li>o PPH is the owner of all the contracts, ensuring open bidding for all parts of the project</li> <li>o Ms. Knutson outlined the different steps for the public bidding process, noting that the entire process is governed by the California Contracting Code                   <ul style="list-style-type: none"> <li>■ Prequalification</li> <li>■ Formal bid</li> <li>■ Award of the contract</li> </ul> </li> <li>o Mr. Hemker noted that the contracting process ensures that many sets of eyes review the contracts from many perspectives before the final signatures are in place                   <ul style="list-style-type: none"> <li>■ He also noted that PPH has initiated an online contract management system to keep track of the contracts entered into by PPH</li> </ul> </li> </ul> </li> </ul>	<b>Information only</b>
<b>D. DISTRICT EXPENDITURE REPORT FOR FISCAL YEAR 2009</b>	
<ul style="list-style-type: none"> <li>• Utilizing Addenda C-E of the agenda packet, the annual expenditures were reviewed for appropriateness and consistency with Measure BB authorization               <ul style="list-style-type: none"> <li>o Bank statements were tied to the bond issuances and draw schedules</li> <li>o Documents for “Request for Draws” were reviewed including: draw, contractor, and expenditure</li> <li>o A summary of expansion expenditures was also provided by vendor, and GO draw by vendor</li> <li>o When Mr. Hemker is to be away from the district for extended periods of time, he formally grants authority to sign documents on his behalf to Tim Nguyen, Corporate Controller                   <ul style="list-style-type: none"> <li>■ Those memoranda are included with bond draws for which Mr. Nguyen signs, but were inadvertently omitted from the report for the periods of May 4-6, 2009, and June 10-19, 2009</li> <li>■ Copies of the memoranda granting that authority for those dates were distributed (<i>Attachment 4</i>)                       <ul style="list-style-type: none"> <li>▲ Finance staff will be requested to append the memoranda to their records</li> </ul> </li> </ul> </li> <li>o Mrs. Moir encouraged committee members to peruse the folders available relating to how monies have been spent</li> </ul> </li> </ul>	<b>Information Only</b>  The Committee commented to the thoroughness of the report and the supporting documentation

**Independent Citizens' Oversight Committee – Meeting Minutes – November 12, 2009**

<b>(I.A.) AGENDA ITEM/PURPOSE</b>		<b>ACTION/COMMENTS</b>
<b>• DISCUSSION/RECOMMENDATION</b>		
<b>E. ANNUAL REPORT OF THE COMMITTEE TO THE PPH BOARD</b>		
<ul style="list-style-type: none"> <li>• Utilizing the same format as in prior years, a draft Annual Report of the Committee to the PPH Board was compiled for review and approval (<i>Addendum F of the agenda packet</i>)                             <ul style="list-style-type: none"> <li>o ADD F-4 provides an area for entry of any issues of concern discovered by the Committee                                     <ul style="list-style-type: none"> <li>■ The Committee raised no issues or concern</li> </ul> </li> </ul> </li> </ul>		<b>MOTION:</b> By Margaret Moir, seconded by Ron Klingensmith and carried to approve the Annual Report of the Committee to the PPH Board, with no issues or concerns noted
<b>VII. BOARD MEMBER COMMENTS/AGENDA ITEMS FOR NEXT MEETING</b>		
<ul style="list-style-type: none"> <li>• A request was made for a construction timeline for PMC–West</li> </ul>		<b>Mr. Hemker will address the request and provide information as appropriate</b>
<b>VIII. ADJOURNMENT</b>		
<ul style="list-style-type: none"> <li>• Meeting officially adjourned at 5:00 p.m.</li> </ul>		
<b>DRAFT REVIEWED AND APPROVED FOR SUBMISSION TO DISTRICT BOARD</b>	<b>CHAIR</b>	_____ Margaret Moir
	<b>SECRETARY</b>	_____ John McIver
<b>APPROVED BY DISTRICT BOARD</b>	<b>CHAIR</b>	_____ Bruce G. Krider, MA
	<b>SECRETARY</b>	_____ Nancy L. Bassett, RN, MBA

# ATTACHMENT 1

INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE

REQUEST FOR PUBLIC COMMENT

MEETING DATE: 11-12-2009  
NAME: Robroy R. Fawcett  
ADDRESS: 1576 Katella Way  
Escondido, CA 92027  
PHONE NO: 760 432-9709  
REPRESENTING: Self.  
SUBJECT: GO Bond Tax Levy shortfall &  
simplifying project finances reports  
for public understanding  
DESIRED ACTION: ICOC review of updated tax levy  
projections over the life of the Prop BBGO  
bonds; request from PPH cost to complete  
and source of funds for completion of PMC West.

Notice

One "Request for Public Comment" to be completed by each individual speaker, irrespective of a group, and submitted to the Committee Assistant prior to the meeting. A complete statement of presentation should also be attached to this form and submitted to the Committee Assistant prior to the meeting.

Presentations are limited by time and confined to the subject requested.

Five minutes is allowed per speaker, with a cumulative total of fifteen minutes per group.

The time and date of presentation are at the discretion of the Committee Chair. Questions or comments will be entertained either during the "Public Comments" section on the agenda or at the time the subject is discussed.

Members of the public are asked to be seated in the area designated for the public.

General Obligation Bonds – Tax Levy 2009-2010

TO: Board of Directors  
DATE: Monday, August 10, 2009  
FROM: Bob Hemker, CFO  
BY: Board Finance Committee  
Tuesday, July 28, 2009

**Background:** In July 2005, the first tranche of General Obligation ("GO") Bonds was issued. The Series was priced in a negotiated sale on June 22, 2005, for \$80 million PAR in Bonds. The Bond transaction closed on July 7, 2005.

In December 2007, the second tranche of GO Bonds was issued. The Series was priced in a negotiated sale on December 4, 2007, for \$241.08 million PAR in Bonds. The Bond transaction closed on December 20, 2007.

In March 2009, the third tranche of GO Bonds was issued. The Series was priced in a negotiated sale on March 11, 2009, for \$110 million PAR in Bonds. The Bond transaction closed on March 18, 2009.

On an annual basis, PPH has requested that the County of San Diego levy and collect the taxes necessary to pay the debt service on the GO Bonds. PPH calculates the tax amount to levy based upon the debt service amortization and the assessed value of the District. The assessed value is provided by the County. The County then puts the required tax onto the tax roll, collects the taxes, and remits the collected amounts to the Paying Agent, Wells Fargo, on a monthly basis. The Paying Agent makes the required principal and interest payments on a semi-annual basis.

At the Board Finance Committee meeting, Bob Hemker discussed the potential effects of the current state of the economy on tax collections in the County. There are potential exposure risks due to higher default rates and an increasing number of requests to the County for reassessments on properties. The possible implications to local property tax allocations due to the State's budget shortfall were also discussed. Based on current information, if the County is requested to levy and collect taxes in the amount of \$17.75/\$100,000 of assessed value, the economic downside risk to the District would be in the range of \$500,000 for FY2010. Should this occur, the District would be required to advance the shortfall in FY2011, along with any other economic shortfall for that year. This would require a tax levy well in excess of \$17.75/\$100,000 of assessed value.

\* **Budget Impact:** N/A

**Staff Recommendation:** Management recommended that the Finance Committee recommend approval of the Resolution authorizing the County of San Diego to levy and collect the required *ad valorem* taxes for the 2009-2010 tax roll in the amount of \$17.75/\$100,000 of assessed value.

**Committee Questions:**

**COMMITTEE RECOMMENDATION:** The Board Finance Committee recommends approval of the Resolution authorizing the County of San Diego to levy and collect the required *ad valorem* taxes for the 2009-2010 tax roll in the amount of \$17.75/\$100,000 of assessed value, with the knowledge that this action might cause an approximate economic risk of \$500,000, which would require the District to advance those funds and recover them in the FY2011 taxes through a higher levy.

**Motion:**

**Individual Action:** X

**Information:**

**Required Time:**



inside is facing competition on its own turf from several health care entities. North County Times file photo

**“They’re \$200 million to \$300 million short. I don’t think (PPH) can find the money (to finish its new hospital).”**

**LARRY ANDERSON**  
Tri-City president and CEO

allows Kaiser to use beds in its new hospital, bolstering its income and saving Kaiser the cost of building a North County medical center.

Closer to home, it has forged an agreement with an Escondido-based community clinic in which doctors paid by the clinic provide on-call serv-

**“(Anderson is) obviously not familiar with the specifics of our project and our finances.”**

**MICHAEL H. COVERT**  
PPH president and CEO

struggling to shore up the hospital’s finances.

As a first step, he’s attempting to refinance bonds that are costing the hospital as much as \$500,000 in unanticipated interest charges each month.

At the same time, he is challenging Palomar and Scripps with promises of new satellite clinics, same buildings

that PPH has a good relationship with Scripps.

Although Anderson tried to team up with PPH in the Scripps suit, he has rebuffed other opportunities to form partnerships with the rival district.

In the end, the most far-reaching question is whether public hospital districts crafted in the 1950s primarily to serve rural areas have a future in urbanizing areas such as North County.

While private hospitals did not seek rural patients here a half-century ago, the now largely middle-class and affluent, insured population is highly attractive to Scripps and Sharp.

Nathan Kaufman, a national health care consultant based in San Diego who says he has worked with most hospitals in the county, said that he believes PPH may have

Tri-City’s best option, he said, would be to merge with Scripps.

UC Santa Barbara professor H.E. Frech III, who teaches health economics, cautioned that hospital mergers can lead to consumers paying more.

“A common argument made by health care economists,” Frech said, “is that when hospitals that are close geographically merge, that they gain market power and they end up charging more.”

The prospect of a shuttered or diminished Tri-City, one of North County’s largest employers, stokes worry among local health, business and political leaders.

**System in balance**

“All the hospitals say that if we lose anyone in the system, it’s going to upset the whole balance of care in the county,” said Kristen Garrett, executive director of Community Health Improvement Partners, a collaboration of San Diego County hospitals, doctors, clinics and county government.

Anderson insists that Tri-City will indeed be operating 10 years from now.

He said he doubts whether PPH or Scripps Encinitas will have the money to finish their new campuses.

The new Palomar hospital, he added, is not likely to be finished.

“They’re \$200 million to \$300 million short,” Anderson said. “I don’t think they can find the money.”

Told of Anderson’s comments, Covert said his district does have the capital to finish the new building.

“He’s obviously not familiar with the specifics of our project and our finances,” he said.

PPH is fast emerging as the dominant health care provider in a region stretching from San Marcos north to Fallbrook, which has a small public hospital district, south to Poway and east to Ramona and the Pauma Valley.

Its new campus, the largest hospital project under construction in the state, will stand prominently at the busy intersection of the Interstate 15 and Highway 78 freeways.

The new hospital’s design was a citation in a national



# ATTACHMENT 2

**Facility Master Plan  
Status Report to  
Independent Citizens'  
Oversight Committee**



November 12, 2009

PALOMAR  
POMERADO  
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**PMC West Budget Status**

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HEALTH  
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## Quick Facts

### PMC - WEST

- 12,000 Tons of Steel-900 Trucks
- Exterior Glazing System Bid Package Podium Complete 5-29-09 17.3 M
- 780,000 Square Feet Project
- 65,000 Square Feet is Central Plant – Data Center
- Hospital Site Area is 12 Acres – Total Campus is 37 Acres
- Bed Complement 288 Beds at open, 360 Phase I, 600 Phase Ultimate
  
- Completed to date:
  - Excavation – Foundation – 4000 CY Concrete 1 Million Pounds of Re-Bar
  - Underground Utilities and Utility Corridor From CP to Hospital
  - Super Structure-Steel Installation to July 10th, 2009
  - Steel Fire Proofing – October of 2009
  - Exterior Curtain Wall – December 2009 to November 2010
  
- Construction Jobs created over 700 positions over the life of the project with a prevailing wage rate ranging from \$37 to \$55 an hour

## **Project Status – September 2009 Key Accomplishments**

---

- Continuation of fireproofing at Tower East and Tower West
- Continuation of concrete slab-on-metal-deck pours at the Tower
- Continuation of concrete wall pours at the Central Plant
- Began slab on grade concrete at the Central Plant
- Completed drilled piers at SDG&E yard at the Central Plant
- Began interior metal stud priority wall framing at Tower East Lower Level
- Installed temporary utilities for the Trailer Town relocation
- 5 • Performed soil amending and placing operation at the site

## **Project Status – October 2009 Key Activities**

---

- Buyout of Tower Exterior Cladding System (ECS) installation
- Continue concrete wall pours at Central Plant
- Begin forming for 2<sup>nd</sup> floor slab at Central Plant
- Continue paving at parking lot where relocated trailers will be placed
- Receive second group of office trailers at new Trailer Town location
- Continue installation of site utilities (fire water and gas lines)
- ECS Performance Mock Up (PMU-2) testing
- Continue ECS install at Tower East Levels 1 & 2
- Continue Duct and hydronic pipe riser installation at Tower
- Mechanical, Electrical, Drywall, and Exterior Framing GMP negotiations to be completed by middle of October

6

## Project Status – Month End September 2009

---

### Potential impacts on scheduling:

- **Special Seismic Certification (SSC)**
  - Unable to anchor or terminate equipment until SSC is achieved
- **OSHPD Furloughs**
  - Potential OSHPD approval delays due to OSHPD mandated furloughs caused by California budget constraints

7

## Pomerado Hospital Status

---

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HEALTH  
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# Pomerado Hospital Expansion

Construction Activities Site Map  
(Week Starting: September 28, 2009)



## Pomerado Hospital

### Progress to date

- Completed Off Site Improvements
- Completed Heli-Pad
- Completed Wound Care Build Out and Relocation

### Projects Underway

- Pharmacy-Security - Complete
- Underground Utilities

### POM Central Plant

- OSHPD Challenges over seismic bracing
- Delay occurred over approval process – documentation – state work furlough
- Numerous unforeseen conditions have contributed to an extended schedule and costs
- New Projected Completion Date w/o resolution December 2009

### Future.

- Ancillary and Bridge to POP Start Date TBD
- Future Tower-Deferred
- 2<sup>nd</sup> Floor ICU Options

## Pomerado Hospital

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### Current Progress

- Phased Completion of the Central Plant  
December of 2009
- Site Improvements  
December of 2009
- HeliStop  
Completed
- All Offsite improvements - Completed
- Phased Improvement of POP Bridge & Hospital Connection Next Phase

11

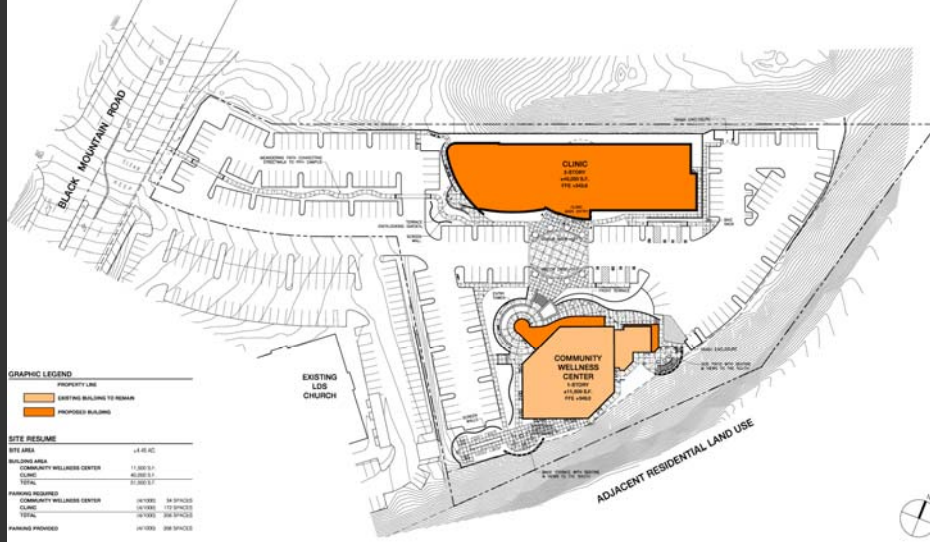
## PPH Satellites

---

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HEALTH  
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# Proposed Site Plan

TED WILLIAMS PARKWAY (STATE ROUTE 56)



13



14



## Facilities Master Plan (FMP) (\$M)

With and Without Outsourcing of PMC-W Central Plant

	WITH Outsourcing of PMC-W Central Plant			WITHOUT Outsourcing of PMC-W Central Plant		
	Budget Approved by PPH Board May 2007	Cost Estimates at 9/2/09	Available / (Shortfall)	Budget Approved by PPH Board May 2007	Cost Estimates at 9/2/09	Available / (Shortfall)
PMC-West	773.7	848.2	(74.5)	773.7	925.6	(151.9)
Pomerado with deferral of Tower	176.0	70.1	105.9	176.0	70.1	105.9
PMC-East	20.8	22.1	(1.2)	20.8	22.1	(1.2)
Satellites	12.5	11.3	1.2	12.5	11.3	1.2
Total	983.0	951.7	31.4	983.0	1,029.1	(46.0)

# ATTACHMENT 3

# PMC West Trade Contracting Process

Presented to the Independent Citizens'  
Oversight Committee

November 12, 2009

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Prequalification  
Formal Bid  
Award and contracting

*per California Public Contracting Code*

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## Prequalification

- Advertisement (x 2)
- Pre-qual application(s)
  - License
  - Prior experience with projects of similar size and complexity
  - Lean, LEED, etc.
- Review / communication with trade contractors

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## Bid process

- Advertisements (trade and local)
- Issue bid package (instructions and specifications) to prequalified, interested bidders; Q&As with all bidders.
- Open all timely bids at public meeting on advertised date
- Review and notify bidders (all)
- Protest period (3 days)

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## Contracting

- Trade contract negotiated with lowest bidder
- Used various types (GMP, lump sum, etc.)
- Recommended to PPH Board for approval

## Special handling

- Self performed work
- FOIA requests
- PPH online contract management system

# ATTACHMENT 4

# MEMORANDUM

To: Tim Nguyen, Corporate Controller  
FROM: Bob Hemker, CFO  
DATE: April 28, 2009  
RE: Signature Authority

---

In my absence from May 4 to May 6, 2009, you are hereby granted the authority to sign and execute all legal documents, correspondence and agreements on my behalf by direction.



---

Robert A. Hemker, CFO

cc: PPH Board of Directors  
PPH Executive Management Team  
Health Development Board of Directors

**Confidential Notice** The information contained in this facsimile message may be privileged and confidential and is only for the use of the individual or entity named on this cover sheet. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, the reader is hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. *If this communication has been received in error, the reader shall notify the sender immediately by telephone and shall return it to Palomar Pomerado Health at the address indicated on the cover sheet.* Additional Note: Confidentiality is protected by state and federal laws. These laws prohibit you from making any further disclosure without the specific written consent of the person to whom information pertains or as otherwise permitted by regulation.

456 E. Grand Avenue, Escondido, CA 92025; Tel. 760.740.6385; Web [www.pph.org](http://www.pph.org)

.....

# MEMORANDUM

**To:** Tim Nguyen, Corporate Controller  
**FROM:** Bob Hemker, CFO  
**DATE:** June 4, 2009  
**RE:** Signature Authority

---

In my absence from June 10 through June 19, 2009, you are hereby granted the authority to sign and execute all legal documents, correspondence and agreements on my behalf by direction.



---

Robert A. Hemker, CFO

**Cc:** PPH Board of Directors  
PPH Executive Management Team  
Health Development Board of Directors

**Confidential Notice** The information contained in this facsimile message may be privileged and confidential and is only for the use of the individual or entity named on this cover sheet. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, the reader is hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. *If this communication has been received in error, the reader shall notify the sender immediately by telephone and shall return it to Palomar Pomerado Health at the address indicated on the cover sheet.* Additional Note: Confidentiality is protected by state and federal laws. These laws prohibit you from making any further disclosure without the specific written consent of the person to whom information pertains or as otherwise permitted by regulation.



**PALOMAR POMERADO HEALTH**  
**Perinatology Services Professional and Medical Director Agreement**

**TO:** Board of Directors

**MEETING DATE:** Monday, December 14, 2009

**FROM:** Gerald Bracht, Chief Administrative Officer, Palomar Medical Center

**BY:** Board Finance Committee  
Tuesday, December 8, 2009

**BACKGROUND:** Renewal of existing agreement with the Regents of the University of California, San Diego School of Reproductive Medicine to provide on-call coverage, inpatient consultation, diagnostic and therapeutic perinatal services and administrative oversight for the perinatal program. The agreement calls for professional Perinatology medical services by The University of California, San Diego School of Medicine, Department of Reproductive to be billed and collected by The University of California, San Diego School of Medicine, Department of Reproductive, as compensation for professional services. PPH will provide compensation for medical director services and on-call department coverage. PPH shall be responsible for the billing and collections of the technical component of the perinatal services program.

This agreement differs from that presented to the Board Finance Committee, as UCSD requested that the entire agreement be rewritten instead of being handled as an extension of the previous agreement. The agreement utilizes the District’s Board-approved template, with two exceptions (*highlighted and attached hereto*): 1) The term is for three (3) years; and, 2) The addition of §23 allowing the document to be signed in counterpart.

**BUDGET IMPACT:** Budgeted

**STAFF RECOMMENDATION:** Approval

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:** The Board Finance Committee recommends approval of the three-year [September 1, 2009 to August 31, 2012] Agreement with the Regents of the UCSD School of Reproductive Medicine for the provision of Perinatology Professional and Medical Director Services.

**Motion:** X

**Individual Action:**

**Information:**

**Required Time:**

## PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	<b>TITLE</b>	Perinatology Services Professional and Medical Director Agreement
Preamble	<b>AGREEMENT DATE</b>	August 1, 2009
Preamble	<b>PARTIES</b>	University of California ,San Diego School of Medicine, Department of Reproductive and Palomar Pomerado Health
Recital	<b>PURPOSE</b>	Administrative services and professional medical services for the perinatology services program
Exhibit A	<b>SCOPE OF SERVICES</b>	Provision of administrative and professional medical services for the perinatology services program
	<b>PROCUREMENT METHOD</b>	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
10.1	<b>TERM</b>	Three years
10.1	<b>RENEWAL</b>	Upon mutual written agreement.
10.2	<b>TERMINATION</b>	Without cause, for any reason upon 30 days' prior written notice, for cause as defined in the agreement
4.1, 4.2, 4.4	<b>COMPENSATION METHODOLOGY</b>	Compensation for administrative services. Professional medical services billing and collection responsibility of University of California ,San Diego School of Medicine, Department of Reproductive
4.4	<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: Administration recommends single provider group for scope of services to assure consistent administrative oversight and quality patient care services
	<b>JUSTIFICATION</b>	Required for consistent administrative oversight and professional medical services. To provide perinatology services including on-call coverage and inpatient consultation. To provide diagnostic and therapeutic perinatal services on a inpatient and outpatient basis.
	<b>POSITION POSTED</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> No <b>Not applicable</b>
	<b>ALTERNATIVES/IMPACT</b>	Perinatal diagnostic and therapeutic services would not be available to PPH patients and physicians resulting in referrals or transfers out of the PPH system.
Exhibit A	<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 Quality Improvement
	<b>COMMENTS</b>	
	<b>APPROVALS REQUIRED</b>	<input type="checkbox"/> CAO <input type="checkbox"/> CFO <input type="checkbox"/> CEO <input type="checkbox"/> BOD Committee _____ <input type="checkbox"/> BOD

AGREEMENT BETWEEN  
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA  
AND  
PALOMAR POMERADO HEALTH  
CONCERNING PHYSICIAN SERVICES  
(Perinatology Services)

THIS AGREEMENT is made and entered into this first day of September 2009, by and between The Regents of the University of California on behalf of the University of California, San Diego School of Medicine, Department of Reproductive Medicine ("UNIVERSITY") and Palomar Pomerado Health, a local healthcare district organized pursuant to Division 23 of the California Health and Safety Code ("PPH"). This Agreement shall apply to PPH's Palomar Medical Center and Pomerado Hospital ("HOSPITALS").

RECITALS

WHEREAS, PPH operates two (2) general acute care hospitals which include Obstetrics Departments and provide care for patients requiring perinatology services, and has the need for physicians to provide medical services in the area of perinatal medical services on behalf of HOSPITALS;

WHEREAS, UNIVERSITY employs physicians with specialized training in Perinatal Medicine and desires to make such faculty physicians and physicians participating in graduate medical education programs available to provide perinatology services ("SERVICES") to HOSPITALS under the terms of this Agreement;

WHEREAS, HOSPITALS and UNIVERSITY believe that entering into this Agreement will provide high quality education, training, clinical programs and increased community service; and

WHEREAS, HOSPITALS desire to secure, and UNIVERSITY desires to provide, the non-exclusive services of its PHYSICIANS;

NOW, THEREFORE, for good and valuable consideration, the parties agree as follows:

1. RESPONSIBILITIES OF UNIVERSITY

1.1 UNIVERSITY shall appoint PHYSICIANS to provide professional services in Perinatal Medicine ("SERVICES") at HOSPITALS' premises located at 555 E. Valley Parkway, Escondido, CA 92025 and 15615 Pomerado Road, Poway, CA 92064. Such SERVICES shall be provided by physicians who shall maintain faculty appointments at UNIVERSITY, or physicians who participate in an approved program of graduate medical education operated by UNIVERSITY and who are covered by UNIVERSITY'S professional liability self-insurance Program (collectively referred to as "PHYSICIANS").

the extent of the negligent acts or omissions of UNIVERSITY, its officers, employees, and agents. UNIVERSITY, upon request, shall furnish PPH with certificates of insurance evidencing compliance with all requirements.

8. INDEMNIFICATION

8.1 PPH's Indemnification. PPH shall defend, indemnify and hold UNIVERSITY, its officers, employees, and agents harmless from and against any and all liability, loss, expense (including reasonable attorneys' fees), or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of PPH, its officers, employees, or agents.

8.2 UNIVERSITY'S Indemnification. UNIVERSITY shall defend, indemnify and hold PPH, its officers, employees and agents harmless from and against any and all liability, loss, expense (including reasonable attorneys' fees), or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of UNIVERSITY, its officers, employees, or agents.

9. COOPERATION IN DISPOSITION OF CLAIMS

PPH and UNIVERSITY agree to cooperate with each other in the investigation and disposition of third-party liability claims arising out of any services provided under this Agreement. It is the intention of the parties to fully cooperate in the disposition of all such claims. Such cooperation may include joint investigation, defense and disposition of claims of third parties arising from services performed under this Agreement. PPH and UNIVERSITY agree to promptly inform one another whenever an incident report, claim or complaint is filed or when an investigation is initiated concerning any professional service performed under this Agreement. To the extent allowed by law, PPH and UNIVERSITY shall have reasonable access to the medical records and charts of the other relating to any such claim or investigation; provided, however, that nothing in this section shall require either PPH or UNIVERSITY to disclose any peer review documents, incident reports, records or communications which are privileged under Section 1157 of the California Evidence Code, under the Attorney-Client Privilege or under the Attorney Work-Product Privilege.

10. TERM AND TERMINATION

10.1 Term of Agreement. The term of this Agreement shall be for a three (3) year period from September 1, 2009 through August 31, 2012. This Agreement may only be renewed upon the mutual written agreement of both parties.

10.2 Termination Without Cause. Notwithstanding any other provision to the contrary,

deposited in the United States mail, postage prepaid, certified mail, return receipt requested, and addressed as follows:

TO UNIVERSITY: Thomas McAfee, M.D.  
Dean of Clinical Affairs  
UCSD Health Sciences  
University of California, San Diego  
School of Medicine  
9500 Gilman Drive, #0602  
La Jolla, CA 92093-0602  
Facsimile number: 858.534.6573

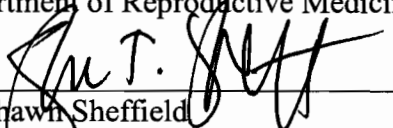
TO PPH: Gerald Bracht  
Chief Administrative Officer  
Palomar Medical Center  
555 East Valley Parkway  
Escondido, CA 92025  
Facsimile number: 760.598.1196

**23. COUNTERPARTS**

This Agreement may be executed in one or more counterparts, none of which need contain the signatures of all parties and all of which taken together constitute one and the same document. This Agreement may be executed by facsimile or scanned transmission. The parties agree that facsimile or scanned copies of signatures have the same effect as original signatures.

The parties have executed this Agreement as set forth below.

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA,  
on behalf of the University of California San Diego, School of Medicine,  
Department of Reproductive Medicine

By:  \_\_\_\_\_ Date 12/4/09  
Shawn Sheffield  
Assistant Vice Chancellor Resource Strategy & Planning UCSD Health Sciences

PALOMAR POMERADO HEALTH

By: \_\_\_\_\_ Date \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## Sub-Acute Expansion Review

**TO:** Board of Directors

**MEETING DATE:** Monday, December 14, 2009

**FROM:** Steve Gold, District Administrator, SNF Services

**BY:** Board Finance Committee  
Tuesday, December 8, 2009

**Background:** The Sub-Acute Unit at Villa Pomerado was approved for a 12-bed expansion in June 2008. The unit opened on October 1, 2008. The attached presentation represents a one-year review of operations in comparison to those approved in 2008.

**Budget Impact:** Actual net operating income exceeds projections for all three scenarios (conservative, moderate and aggressive) originally presented to the Board.

**Staff Recommendation:** Accept as presented. Additional Sub-Acute expansion to be evaluated.

**Committee Questions:**

**COMMITTEE RECOMMENDATION:** Forwarded to the Board of Directors by the Board Finance Committee as information.

**Motion:**

**Individual Action:**

**Information:** X

**Required Time:**



VITALCARE  
A M E R I C A

*A RehabCare Company*

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POMERADO  
H E A L T H  
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# **Villa Pomerado Subacute Post Bed Expansion Review**

***December 8, 2009***

# Villa Pomerado Subacute Program



- 20-Bed Subacute Unit
  - Opened August 30, 2004
  - Specializing in post acute care for residents requiring complex medical technology and support to sustain life
  - Successful in reducing acute LOS for Palomar and Pomerado Hospitals
  - Patients remain in PPH Post Acute Continuum
- Expanded to 32-Bed Unit
  - June 2008, PPH Board Approved Plans to Expand
  - September 2008, construction completed with OSPHD approval
  - October 1, 2008, Medi-Cal Subacute Bed Increase approved
  - March 2009, census running at 97% Occupancy within 6 months



# Post Subacute Expansion Review

Projected	Results	Variance
<ul style="list-style-type: none"> <li>Expand Subacute Beds from 20 to 32 by Q3 of 2008</li> </ul>	<ul style="list-style-type: none"> <li>Medi-Cal Subacute Bed Increase Contract approved October 1, 2008</li> </ul>	<ul style="list-style-type: none"> <li>On Target</li> </ul>
<ul style="list-style-type: none"> <li>Projected Construction Costs \$426k</li> </ul>	<ul style="list-style-type: none"> <li>Actual Construction Costs \$245k</li> </ul>	<ul style="list-style-type: none"> <li>Savings of \$181k</li> </ul>
<ul style="list-style-type: none"> <li>First Year Projected Additional Revenue \$2.1mil</li> </ul>	<ul style="list-style-type: none"> <li>First Year Actual Additional Revenue \$2.7mil</li> </ul>	<ul style="list-style-type: none"> <li>Exceeded by \$600k</li> </ul>
<ul style="list-style-type: none"> <li>First Year Projected Additional NOI \$642k (Moderate)</li> </ul>	<ul style="list-style-type: none"> <li>First Year Actual Additional NOI \$770k</li> </ul>	<ul style="list-style-type: none"> <li>Exceeded by \$128k</li> </ul>
<ul style="list-style-type: none"> <li>Assuming a discount rate of 5.0% and total capital costs of \$375; a positive IRR of 64% with a payback in 0.6 years</li> </ul>	<ul style="list-style-type: none"> <li>Assuming a discount rate of 5.0% and total capital costs of \$245; a positive IRR of 68% with a payback in 0.3 years</li> </ul>	<ul style="list-style-type: none"> <li>Exceeded IRR by 4% and payback by 0.3 years</li> </ul>
<ul style="list-style-type: none"> <li>First Year Projected ADC 28.67</li> <li>Total Patient Days 10463</li> <li>Occupancy Rate 89.6%</li> </ul>	<ul style="list-style-type: none"> <li>First Year Actual ADC 29.01</li> <li>Total Patient Days 10548</li> <li>Occupancy Rate 90.3%</li> </ul>	<ul style="list-style-type: none"> <li>Exceeded ADC by .34</li> <li>Exceeded Days by 85</li> <li>Exceeded Rate by .7%</li> </ul>

# Subacute Financial Results



Fiscal Year	Net Op Revenue	Average PPD	Net Op Income*
2005	\$3.55 mil	\$556.03	
2006	\$4.11 mil	\$583.03	
2007	\$4.46 mil	\$631.84	\$ 1 mil - 22.8%
2008	\$4.56 mil	\$638.95	\$ 1.2 mil - 26.6%
***Pre Exp 2009	\$1.22 mil	\$676.58	\$ 325k - 26.6%
Post Exp 2009	\$5.50 mil	\$716.30	\$ 1.5 mil - 27.5%
FYTD 2010	\$2.03 mil	\$704.22**	\$ 558k - 27.5%

\* Margin includes Zone allocations; prior to PPH overhead allocations

\*\* Expanded number Tricare and Aetna Sr admissions @ Medicare RUG rate; diluting Medi-Cal rates

\*\*\* Program expanded from 20 to 32 Beds effective 10/01/09 - 2009 Combined Margin \$1.8 mil - 26.79%

- **Adult Subacute Market Analysis**
  - **Continues to support an ADC of 83**
    - Currently 8 Adult programs in San Diego County running close to occupancy; limited ability to admit
    - Receiving unsolicited weekly calls from outside facilities seeking placement
    - Residents are being displaced outside the community
    - Potential for expansion – market analysis indicates continued bed need

# Subacute Market Analysis

<b>Analysis of San Diego &amp; Imperial Counties, CA for PPH</b>					
<b>2008 California Hospital Discharge Data</b>					
<b>CA Subacute Unit DRG Analysis</b>					
DIAGNOSIS	TOTAL CASES	% REQ. SUBACUTE	SUBACUTE PTS.	ALOS	SUBACUTE PT DAYS
Gen. Med. / Endocrine Nervous System	1,897	0.5%	9.5	150	1,423
Gen. Surg. /Trauma	4,446	0.5%	22.2	150	3,335
Cardiac/ Circulatory	788	0.5%	3.9	150	591
Respiratory System	8,618	0.5%	43.1	150	6,464
Ortho	5,923	2.0%	118.5	150	17,769
<b>Total</b>	<b>22,777</b>	<b>0.9%</b>	<b>202.7</b>	<b>150</b>	<b>30,410</b>
<b>Generated Subacute ADC</b>	<b>83.31</b>				

# Villa Pomerado – 40 Mile Market Map



VITALCARE  
A M E R I C A

A RehabCare Company

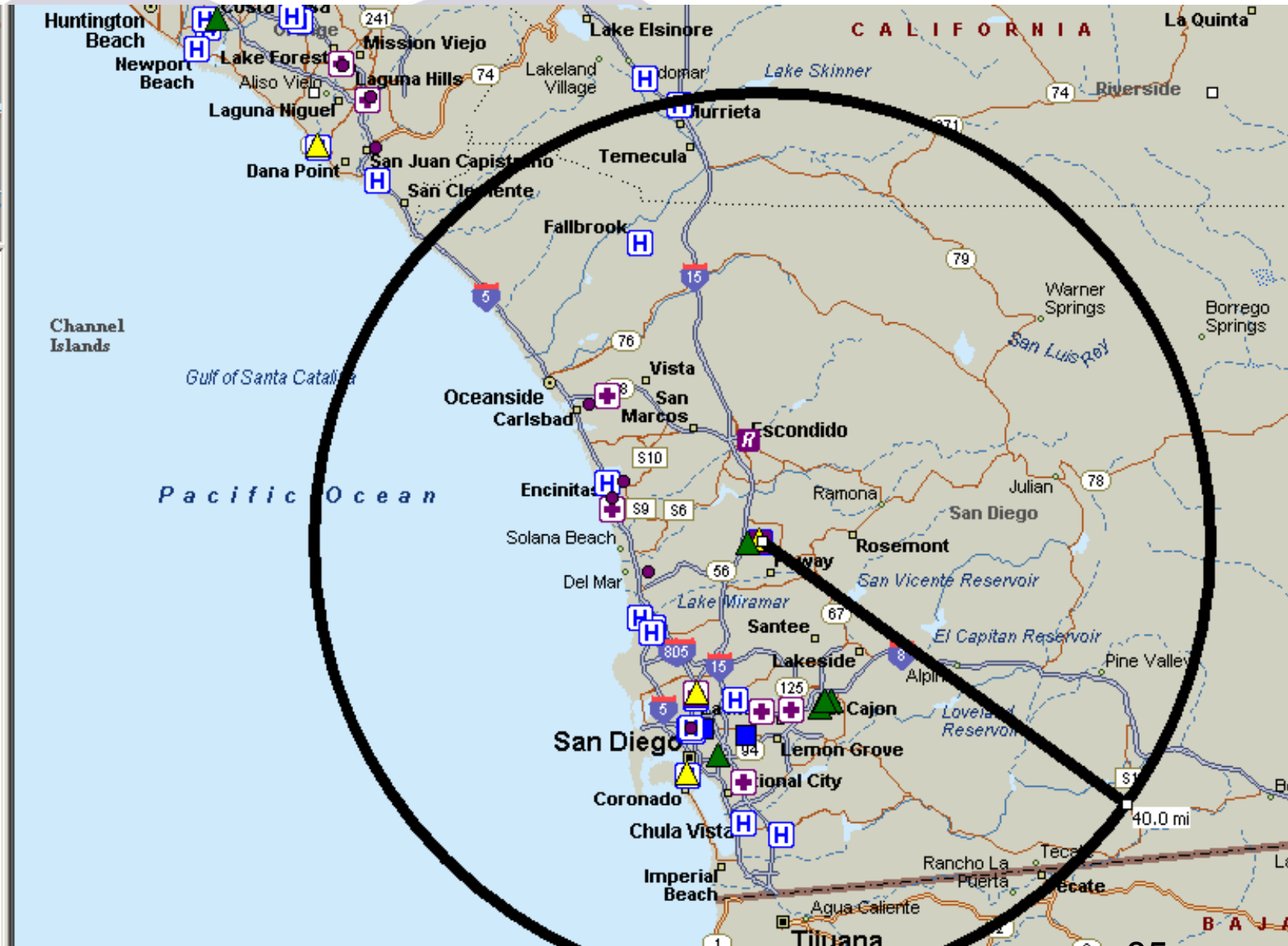


DP and FP Type

- DP
- FS

Pushpins

- RHB HD
- RHB HD IRF
- HRS IRF
- HRS VCA
- HRS SNU & TCU
- HRS Outpatient
- SRS Skilled 0909
- Hospital w/o IRF
- Hospital w/ IRF
- Freestanding IRFs
- LTACHS



PALOMAR  
POMERADO  
HEALTH  
SPECIALIZING IN YOU

**PALOMAR POMERADO HEALTH**  
**INCOME STATEMENTS - Zone 34 Sub Acute**  
**Oct 07 - Sep 09**

	ACTUAL		Projected 2010	Projected 2011	Projected 2012	Projected 2013
	12 Months Ended Baseline 2008	September 2009				
<b>PATIENT DAYS:</b>	7,164	10,548	10,993	10,993	10,993	10,993
<b>GROSS OPERATING REVENUES:</b>	10,187,746	16,298,017	16,985,908	16,985,908	17,325,626	17,672,139
<b>TOTAL CONTRACTUALS</b>	(5,697,780)	(9,123,845)	(9,508,935)	(9,508,935)	(9,699,114)	(9,893,096)
<b>NET PATIENT SERVICE REVENUE</b>	4,489,966	7,174,172	7,476,973	7,476,973	7,626,512	7,779,042
Other Operating Revenue	125,093	86,982	86,982	86,982	86,982	86,982
<b>TOTAL OPERATING REVENUE:</b>	4,615,059	7,261,154	7,563,954	7,563,954	7,713,494	7,866,024
<b>OPERATING EXPENSES:</b>						
Salaries & Wages	(1,541,538)	(2,356,071)	(2,529,179)	(2,605,055)	(2,683,206)	(2,763,702)
Registry Expenses	(3,534)	0	0	0	0	0
Subtotal Labor Expenses	(1,545,073)	(2,356,071)	(2,529,179)	(2,605,055)	(2,683,206)	(2,763,702)
Employee Benefits	(258,585)	(300,198)	(322,254)	(331,922)	(341,879)	(352,136)
Professional Fees	0	(2,036)	(2,185)	(2,251)	(2,318)	(2,388)
Supplies	(274,158)	(544,575)	(584,586)	(602,124)	(620,188)	(638,793)
Purchased Services	(750,565)	(1,048,033)	(1,125,036)	(1,158,787)	(1,193,550)	(1,229,357)
Depreciation & Amortization	(3,583)	(13,124)	(14,088)	(14,511)	(14,946)	(15,394)
Other Direct Expense	(139,176)	(249,752)	(268,103)	(276,146)	(284,430)	(292,963)
PPH Expense Allocation	(589,604)	(850,333)	(912,810)	(940,194)	(968,400)	(997,452)
Zone Expense Allocation	(263,455)	(515,596)	(553,479)	(570,083)	(587,186)	(604,801)
<b>TOTAL OPERATING EXPENSE</b>	<b>(3,824,199)</b>	<b>(5,879,718)</b>	<b>(6,311,720)</b>	<b>(6,501,072)</b>	<b>(6,696,104)</b>	<b>(6,896,987)</b>
<b>NET INCOME FROM OPERATIONS:</b>	790,860	1,381,435	1,252,234	1,062,882	1,017,390	969,037

**Adjust Expenses to Vital Care Pro Forma:**

Add: Indirect Benefits	(154,154)	(235,607)	(252,918)	(260,505)	(268,321)	(276,370)
Less: PPH Expense Allocation	589,604	850,333	912,810	940,194	968,400	997,452
<b>Total Adjusted Expense</b>	<b>(3,388,749)</b>	<b>(5,264,992)</b>	<b>(5,651,828)</b>	<b>(5,821,383)</b>	<b>(5,996,024)</b>	<b>(6,175,905)</b>
<b>Adjusted NOI</b>	<b>1,226,310</b>	<b>1,996,162</b>	<b>1,912,126</b>	<b>1,742,571</b>	<b>1,717,469</b>	<b>1,690,119</b>

**ROI Analysis (with 2 year MediCal rate freeze)**

	Year 0	Actual Year 1	Projected Year 2	Projected Year 3	Projected Year 4	Projected Year 5
Incremental NOI (over Baseline)		769,852	685,816	516,261	491,159	463,809
Capital Expenditure	(245,350)					
Net Cash Flow	(245,350)	769,852	685,816	516,261	491,159	463,809
<b>NPV \$</b>	<b>2,212,712</b>		<b>IRR</b>	<b>67.95%</b>		
<b>Discount Rate</b>	<b>5.00%</b>		<b>Payback in Years</b>	<b>0.3</b>		

**ROI Analysis (if 2% rate increases had continued as planned)**

	Year 0	Actual Year 1	Projected Year 2	Projected Year 3	Projected Year 4	Projected Year 5
Incremental NOI (over Baseline)		769,852	835,356	818,331	799,270	778,082
Capital Expenditure	(245,350)					
Net Cash Flow	(245,350)	769,852	835,356	818,331	799,270	778,082
<b>NPV \$</b>	<b>3,066,332</b>		<b>IRR</b>	<b>78.31%</b>		
<b>Discount Rate</b>	<b>5.00%</b>		<b>Payback in Years</b>	<b>0.3</b>		

**Previous ROI Analysis (Moderate View)**

**NOTE: Previous Analysis did not Assume MediCal Rate Freeze**

	Year 0	Actual Year 1	Projected Year 2	Projected Year 3	Projected Year 4	Projected Year 5
Incremental NOI (over Baseline)		642,359	863,441	864,383	864,853	864,828
Capital Expenditure	(374,674)					
Net Cash Flow	(374,674)	642,359	863,441	864,383	864,853	864,828
<b>NPV \$</b>	<b>3,005,792</b>		<b>IRR</b>	<b>64.45%</b>		
<b>Discount Rate</b>	<b>5.00%</b>		<b>Payback in Years</b>	<b>0.6</b>		

**PALOMAR POMERADO HEALTH**  
**INCOME STATEMENTS - Zone 34 Sub Acute**  
**Oct 07 - Sep 09**

	12 Months Ended September				Per Patient Day 12 Months Ended September			
	<u>2008</u>	<u>2009</u>	<u>Better / (Worse) than 2008</u>	<u>%</u>	<u>2008</u>	<u>2009</u>	<u>Better / (Worse) than 2008</u>	<u>%</u>
<b>PATIENT DAYS:</b>	7,164	10,548	3,384	47%	7,164	10,548	3,384	47%
<b>GROSS OPERATING REVENUES:</b>	10,187,746	16,298,017	6,110,271	60%	1,422	1,545	123	9%
<b>TOTAL CONTRACTUALS</b>	(5,697,780)	(9,123,845)	(3,426,065)	-60%	(795)	(865)	(70)	-9%
<b>NET PATIENT SERVICE REVENUE</b>	4,489,966	7,174,172	2,684,206	60%	627	680	53	9%
Other Operating Revenue	125,093	86,982	(38,111)	-30%	17	8	(9)	-53%
<b>TOTAL OPERATING REVENUE:</b>	4,615,059	7,261,154	2,646,095	57%	644	688	44	7%
<b>OPERATING EXPENSES:</b>								
Salaries & Wages	(1,541,538)	(2,356,071)	(814,533)	-53%	(215)	(223)	(8)	-4%
Registry Expenses	(3,534)	0	3,534	0%	(0)	0	0	0%
Subtotal Labor Expenses	(1,545,073)	(2,356,071)	(810,998)	-52%	(216)	(223)	(8)	-4%
Employee Benefits	(258,585)	(300,198)	(41,613)	-16%	(36)	(28)	8	21%
Professional Fees	0	(2,036)	(2,036)	-100%	0	(0)	(0)	-100%
Supplies	(274,158)	(544,575)	(270,417)	-99%	(38)	(52)	(13)	-35%
Purchased Services	(750,565)	(1,048,033)	(297,468)	-40%	(105)	(99)	5	5%
Depreciation & Amortization	(3,583)	(13,124)	(9,541)	-266%	(1)	(1)	(1)	-149%
Other Direct Expense	(139,176)	(249,752)	(110,576)	-79%	(19)	(24)	(4)	-22%
PPH Expense Allocation	(589,604)	(850,333)	(260,729)	-44%	(82)	(81)	2	2%
Zone Expense Allocation	(263,455)	(515,596)	(252,141)	-96%	(37)	(49)	(12)	-33%
<b>TOTAL OPERATING EXPENSE</b>	(3,824,199)	(5,879,718)	(2,055,519)	-54%	(534)	(557)	(24)	-4%
<b>NET INCOME FROM OPERATIONS:</b>	790,860	1,381,435	590,575	75%	110	131	21	19%
<b>Adjust Expenses to Vital Care Pro Forma:</b>								
Add: Indirect Benefits	(154,154)	(235,607)	(81,453)	-53%	(22)	(22)	(1)	-4%
Less: PPH Expense Allocation	589,604	850,333	260,729	-44%	82	81	(2)	2%
Total Adjusted Expense	(3,388,749)	(5,264,992)	(1,876,243)	-55%	(473)	(499)	(26)	-6%
<b>Adjusted NOI</b>	1,226,310	1,996,162	769,852	63%	171	189	18	11%

Vital Care Pro Forma Scenario	Vital Care Proj Increase in NOI from 12 Sub Acute Beds	Actual Increase in Year 1 NOI	Var	% Var
Conservative	449,338	769,852	320,514	71%
Moderate	642,349	769,852	127,503	20%
Aggressive	731,358	769,852	38,494	5%



# Think twice before you eat the Donut

Presented to the Leaders of Palomar  
Pomerado Health  
December 10, 2009





# Today's Goals

- Discuss the “basics” regarding gifts
- We will cover:
  - Why we are talking about this
  - The gift dynamic
  - Current PPH policy and procedures
  - California law about gifts to public employees
- We will discuss:
  - Three common gift situations



# Gifts – the social dynamic

# What's available

- \$\$\$\$\$
- \$\$\$ equivalents (gift certificate, stock, lottery ticket)
- Hospitality – meals, trips, flowers
- Tickets, travel discounts
- Work life tools – PDA, cell phone, calendar
- Samples

- \$\$ for activities – lunches, dinners, speakers
- Training
- Consulting
- Research sponsorships
- Speaker's bureau positions
- Intangibles – preferential treatment / access, personal services

# Why do people accept this stuff?

- “I can’t be influenced”
- “I learn a lot from industry representatives”
- “I’m saving my company money – it won’t have to pay for ...”
- “I won’t be the only one making the decision”
- “I haven’t seen any rule against it ...”

- “Everybody does it”
- “I deserve it. I work hard, put in a lot of extra effort around here.”
- “It’s only fair, X got ....”
- “Well, just this once ...”

# So why does it matter?

- Puts personal interest or benefit ahead of duties to the organization / patient.
- Sends a message to the giver that it is not necessary to compete on price, quality or service
- May appear to others in the organization that the gift was a factor in the final decision



# If it happens often enough

- May become publicly known
- May erode public confidence in the organization, those running it
- Would you donate to a place you thought made decisions on the basis of gifts?
- Would you want your family cared for there?

# “I’ll give it to charity / my staff / the Foundation”

- Still sends message to giver
- May still be seen / misinterpreted by others
- Giver doesn’t get charitable reward (or probably want it)
- Still creates sense of obligation

# Other strategies

- Refuse to accept it
- Return it and say “thanks, but I don’t accept gifts from vendors”.
- Keep it and don’t mention to anyone at work that you have it.

# Policy approaches

- \$\$ value limits
- Special rules for those in particular positions (purchasing, P&T Committee, IRB, Compliance)
- Reporting
  - Offers / Only what's accepted
- Get permission
- No gifts

# “Nominal”

- A. Less than \$5
- B. Less than \$50
- C. Less than \$300

# California Statutes – Restriction on Accepting Gifts

Employees are prohibited from:

- Accepting gifts totaling \$420 in a calendar year from a single source
- Accepting honorarium for speeches

# Board Policy Regarding PPH Compliance Program (Gov-29)

## Questionable Gifts or Favors

- Accepting or receiving gifts that would induce referrals or induce a purchase by PPH
- Exceptions: vendor promotional items of nominal value

# Compliance Program Policy (cont.)

## Gifts, Gratuities and Kickbacks

- PPH employees are prohibited from accepting gifts beyond common business courtesies of nominal value
- PPH employees may never accept or borrow money from patients or patients' families



# PPH Gifts and Donations Policy (Gov-34)

- PPH Foundation is the recipient for all PPH gifts and donations

# PPH Conflict of Interest Code (Gov-03)

- No Employee shall accept gifts with a total value greater than \$390 in a calendar year from a single source

# PPH Conflict of Interest Procedure (CE.008)

## Conflict of Interest

- Anything that appears to influence or impair objective decisions when performing a job for PPH

# Questionable Gifts or Favors

- Giving or receiving anything of value that induces a referral or purchase
- Exceptions: Vendor promotional items of nominal value
- PPH discourages gifts from competitors, vendors or physicians
- Employees (or their families) may NOT accept gifts if it appears to influence business judgment in a manner adverse to PPH, PPH patients, or inconsistent with PPH business ethics
- Any gift worth more than “nominal value” (\$50 per gift, or \$300 in the total for the year) must be approved by the Compliance Officer

# Entertainment (CE.006)

## Accepting or Extending Business Entertainment

- If cost is greater than \$100 per person, a report must be filed with the Compliance Officer
- Not required to file the report prior to the event
- If approval requested in advance, must get approval from supervisor and Compliance Officer

# Code of Conduct/Business Courtesies

Employees MAY Accept Invitations for Social Events if:

- Cost per person does NOT exceed \$100
- Events are infrequent
- Gifts of \$50 each or \$300 from a single source are okay
  - Consumable gifts to a department do not count towards the limit
  - May accept gift certificates, but not cash or checks
  - May NOT solicit gifts

# Compliance Ethics and Compliance Officer (CE.025)

## Questionable Gifts

- Giving or receiving anything of value to induce a patient referral or purchase

## Conflict of Interest

- Anything that appears to impair an employee's ability to be objective when performing the job

# Vendor Donation or Gift Contribution Guidelines (8844)

- Supply Chain Department does NOT accept any gifts associated with awarding contracts



# Gift Giving in Clinical Resource Management (34652)

## Gift

- Anything having monetary value
- Employers must be beyond reproach in dealings with vendors
- Employees are not to accept gifts. Gifts will be returned, thrown out, or given to charity

# Scenario # 1

- You are reviewing various options to replace a particular type of equipment currently in use at PPH. All of the involved potential suppliers know about this review. One day a PDA “smartphone” arrives at your office with a note that says “Hope this makes your busy life easier. Would love a chance to work with you.”
- Is this acceptable?

## Scenario # 2

- The annual “Week” celebrating the activities of those in your department is coming up. A vendor that currently does business with PPH offers to take everyone in your department out for bowling and pizza.
- Is this acceptable?

## Scenario # 3

- You are asked to participate as a speaker at a conference sponsored, in part, by a company that currently does business with PPH. The week after it is over a bottle of wine, value approximately \$20, arrives at your office with a note from the conference organizers indicating that it is a token of thanks for your participation.
- Is this acceptable?

# The final word ....

Dr. William Hall, Past President of the American College of Physicians, speaking of anything beyond a pen or a mug ...

"Whether we like it or not, it can cloud our clinical judgment," he said. "Unequivocally, I would say that."

# MEDICAL STAFF SERVICES

November 24, 2009

TO: Board of Directors

BOARD MEETING DATE: December 14, 2009

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

SUBJECT: Palomar Medical Center Medical Staff Credentialing Recommendations

- I. Provisional Appointment (12/14/2009 – 11/30/2011)  
Munish K. Batra, M.D., Plastic Surgery  
Jesse C. Botker, M.D., Orthopaedic Surgery  
James J. Chao, M.D., Plastic Surgery (Includes PCCC)  
Abhay Gupta, M.D., Plastic Surgery  
Matthew M. Lux, M.D., Urology  
Harrison L. Robinson, M.D., Internal Medicine (Includes PCCC)  
Sandeep A. Soni, M.D., Internal Medicine (Includes PCCC)
- II. Advance from Provisional to Active Category  
Nasser Bayati, M.D., Internal Medicine (12/14/2009 – 02/28/2011)  
Hulya Kararli, M.D., Anesthesiology (12/14/2009 – 07/31/2011)
- III. Advance from Provisional to Associate Category  
Chunjai P. Clarkson, M.D., OB/GYN (12/14/2009 – 07/31/2011)
- IV. Additional Privileges  
John C. Gregorius, M.D., Diagnostic Radiology
  - Spine Interventional Radiology Bundle to include Percutaneous Vertebroplasty; Placement of Spinal Cord Stimulators; Balloon Assisted Vertebroplasty (Kyphoplasty)Catherine G. Pattengill, M.D., OB/GYN
  - Mechanical Morcellation with Laparoscopy
- V. Resignations  
Patrick S. Giesemann, M.D., Geriatric Medicine (Effective 11/11/2009) (Includes PCCC)  
Gizatchew Ketsela, M.D., Internal Medicine (Effective 12/31/2009) (Includes PCCC)  
Michael A. LaRocque, M.D., Urology (Effective 12/31/2009)

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

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

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

VI. Reappointments Effective 01/01/2010 – 12/31/2011

Philip C. Bosch, M.D.	Urology	Dept of Surgery	Active
Donald B. Fuller, M.D.	Radiation Oncology	Dept of Radiology	Consulting
Robert C. Hajosy, M.D.	OB/GYN	Dept of OB/GYN	Active
Bill C. Joswig, M.D.	Cardiology	Dept of Medicine	Courtesy
David M. Kaiden, M.D.	Family Practice	Dept of Family Practice	Active
Gina J. Mansy, M.D.	Radiology	Dept of Radiology	Consulting
Monique C. McCormick, M.D.	Anesthesiology	Dept of Anesthesia	Active
William D. McKown, M.D.	Pediatrics	Dept of Pediatrics	Courtesy
Arvin L. Mirow, M.D.	Psychiatry	Dept of Medicine	Associate
(Includes PCCC)			
Kenneth H. Morris, M.D.	Pediatrics	Dept of Pediatrics	Active
Joseph B. Motamed, M.D.	OB/GYN	Dept of OB/GYN	Associate
Edward C. Reno, M.D.	Pediatrics	Dept of Pediatrics	Active
Andrew C. Schiffman, M.D.	Psychiatry	Dept of Medicine	Active
Jeffrey S. Schiffman, M.D.	Orthopaedic Surgery	Dept of Ortho/Rehab	Active
(Includes PCCC)			
Michael J. Shack, M.D.	Neurology	Dept of Medicine	Active
Dylan L. Steer, M.D.	Nephrology	Dept of Medicine	Associate
(Includes PCCC)			
Rong Zou, M.D.	Internal Medicine	Dept of Medicine	Active

VII. Allied Health Reappointments Effective 01/01/2010 – 12/31/2011

Kelly A. Engstrom, CNM, Certified Nurse Midwife; Sponsors: Dr. Cerrone and North County Women's Specialists

Certification by and Recommendation of Chief of Staff:

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

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

**PERSONAL INFORMATION**

<b>Provider Name &amp; Title</b>	Munish K. Batra, M.D.
<b>PPHS Facilities</b>	Palomar Medical Center

**SPECIALTIES/BOARD CERTIFICATION**

<b>Specialties</b>	Plastic Surgery – Certified 2000; Recertification Effective 2010
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**ORGANIZATIONAL NAME**

<b>Name</b>	Munish Batra, M.D.
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**EDUCATION/AFFILIATION INFORMATION**

<b>Medical Education Information</b>	Case Western Reserve University, Cleveland, OH From: 09/01/1987 To: 05/27/1991 Doctor of Medicine Degree
<b>Internship Information</b>	N/A
<b>Residency Information</b>	Saint Luke's Medical Center, Cleveland, OH General Surgery From: 07/01/1991 To: 06/30/1996  University of California, San Diego Plastic Surgery From: 07/01/1996 To: 06/30/1998
<b>Fellowship Information</b>	Primary Children's Medical Center, Salt Lake City, UT Craniofacial and Pediatric Plastic & Reconstructive Surgery From: 07/01/1998 To: 06/30/1999
<b>Current Affiliation Information</b>	Inland Valley Regional Medical Center, Wildomar, CA Rancho Springs Medical Center, Murrieta, CA Rancho Bernardo Surgery Center, San Diego, CA Temecula Valley Day Surgery Center, Murrieta, CA Pomerado Hospital, Poway, CA Sharp Coronado Hospital, Coronado, CA Outpatient Surgery of Del Mar, San Diego, CA Sharp Mary Birch Hospital, San Diego, CA HealthSouth, Center for Surgery of Encinitas, CA Scripps Memorial Hospital, La Jolla, CA Scripps Memorial Hospital, Encinitas, CA Sharp Memorial Hospital, San Diego, CA Tri-City Medical Center, Oceanside, CA



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

**PERSONAL INFORMATION**

<b>Provider Name &amp; Title</b>	Jesse C. Botker, M.D.
<b>PPHS Facilities</b>	Pomerado Hospital Palomar Medical Center

**SPECIALTIES/BOARD CERTIFICATION**

<b>Specialties</b>	Orthopaedic Surgery – Not Certified
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**ORGANIZATIONAL NAME**

<b>Name</b>	San Diego Arthroscopy & Sports Medicine
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**EDUCATION/AFFILIATION INFORMATION**

<b>Medical Education Information</b>	University of Minnesota, Duluth, MN From: 09/05/2000 To: 05/03/2002  University of Minnesota, Minneapolis, MN From: 05/21/2002 To: 05/08/2004 Doctor of Medicine Degree
<b>Internship Information</b>	University of Minnesota, Minneapolis, MN General Surgery From: 06/21/2004 To: 06/20/2005
<b>Residency Information</b>	University of Minnesota, Minneapolis, MN Orthopaedic Surgery From: 06/21/2005 To: 06/22/2009
<b>Fellowship Information</b>	San Diego Arthroscopy & Sports Medicine, San Diego, CA Sports Medicine From: 08/01/2009 To: 07/31/2010
<b>Current Affiliation Information</b>	None

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

**PERSONAL INFORMATION**

<b>Provider Name &amp; Title</b>	James J. Chao, M.D.
<b>PPHS Facilities</b>	Pomerado Hospital (Villa Pomerado) Palomar Medical Center (Palomar Continuing Care Center)

**SPECIALTIES/BOARD CERTIFICATION**

<b>Specialties</b>	Plastic Surgery – Certified 2001
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**ORGANIZATIONAL NAME**

<b>Name</b>	UCSD Medical Center
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**EDUCATION/AFFILIATION INFORMATION**

<b>Medical Education Information</b>	New York University School of Medicine, New York, NY From: 07/01/1989 To: 05/31/1993 Doctor of Medicine Degree
<b>Internship Information</b>	N/A
<b>Residency Information</b>	New York University Medical Center, New York, NY General Surgery From: 07/01/1993 To: 06/30/1996  New York University Medical Center/Bellevue Hospital Center, New York, NY Plastic Surgery From: 07/01/1996 To: 06/30/1998
<b>Fellowship Information</b>	New York University Medical Center, New York, NY Plastic Surgery-Hand Surgery From: 07/01/1998 To: 06/30/1999
<b>Current Affiliation Information</b>	Outpatient Surgery of Del Mar, San Diego, CA Clinique Rejuvenation, San Diego, CA Scripps Memorial Hospital, Encinitas, CA SCA University Ambulatory Surgery Center, San Diego, CA Valley Presbyterian Hospital, Van Nuys, CA Sharp Memorial Hospital, Chula Vista, CA Rady Children's Hospital, San Diego, CA Sharp Memorial Hospital, San Diego, CA Sharp Mary Birch Hospital, San Diego, CA Coast Center for Orthopedic Arthroscopic Surgery, San Diego, CA La Jolla Orthopaedic Surgery Center, La Jolla, CA Oasis SCA Surgery Center, San Diego, CA University of California, San Diego

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

**PERSONAL INFORMATION**

<b>Provider Name &amp; Title</b>	Jessica A. Derec, M.D.
<b>PPHS Facilities</b>	Pomerado Hospital

**SPECIALTIES/BOARD CERTIFICATION**

<b>Specialties</b>	Surgery, General – Not Certified
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**ORGANIZATIONAL NAME**

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

<b>Medical Education Information</b>	University of Miami, FL From: 09/01/1998 To: 05/10/2002 Doctor of Medicine Degree
<b>Internship Information</b>	University of California, San Diego General Surgery From: 06/24/2002 To: 06/27/2003
<b>Residency Information</b>	University of California, San Diego General Surgery From: 07/01/2003 To: 06/30/2009 Chief Resident: 07/1/08-6/30/09
<b>Fellowship Information</b>	University of California, San Diego Surgery Research Fellowship From: 07/01/2005 To: 06/30/2007
<b>Current Affiliation Information</b>	Kaiser Permanente, San Diego

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

**PERSONAL INFORMATION**

<b>Provider Name &amp; Title</b>	Abhay Gupta, M.D.
<b>PPHS Facilities</b>	Palomar Medical Center

**SPECIALTIES/BOARD CERTIFICATION**

<b>Specialties</b>	Plastic Surgery – Certified 1999
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**ORGANIZATIONAL NAME**

<b>Name</b>	Coastal Plastic Surgeons
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**EDUCATION/AFFILIATION INFORMATION**

<b>Medical Education Information</b>	University of Western Ontario School of Medicine, London, Ontario, Canada From: 09/01/1990 To: 06/03/1994 Doctor of Medicine Degree
<b>Internship Information</b>	N/A
<b>Residency Information</b>	University of Western Ontario, London, Ontario, Canada Plastic Surgery From: 07/01/1994 To: 06/30/1999
<b>Fellowship Information</b>	University of Texas M.D. Anderson Cancer Center, Houston, TX Reconstructive Microsurgery From: 10/08/1999 To: 06/30/2000  Cleveland Clinic, Fort Lauderdale, FL Aesthetic Surgery From: 08/14/2000 To: 07/31/2001
<b>Current Affiliation Information</b>	Inland Valley Regional Medical Center, Wildomar, CA Rancho Springs Medical Center, Murrieta, CA Sharp Memorial Hospital, San Diego, CA Sharp Mary Birch Hospital, San Diego, CA Pomerado Hospital, Poway, CA Scripps Memorial Hospital, La Jolla, CA Scripps Memorial Hospital, Encinitas, CA Tri-City Medical Center, Oceanside, CA

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

**PERSONAL INFORMATION**

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

**SPECIALTIES/BOARD CERTIFICATION**

<b><i>Specialties</i></b>	Surgery, Urology – Not Certified
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**ORGANIZATIONAL NAME**

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

<b><i>Medical Education Information</i></b>	University of Iowa College of Medicine, Iowa City, IA From: 08/01/1999 To: 05/16/2003 Doctor of Medicine Degree
<b><i>Internship Information</i></b>	Rush University Medical Center, Chicago, IL General Surgery From: 07/01/2003 To: 06/30/2004
<b><i>Residency Information</i></b>	Rush University Medical Center, Chicago, IL Urology From: 07/01/2004 To: 06/30/2008
<b><i>Fellowship Information</i></b>	University of Rochester, NY Endourology/Robotics From: 07/01/2008 To: 06/30/2009
<b><i>Current Affiliation Information</i></b>	Kaiser Permanente, San Diego

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

**PERSONAL INFORMATION**

<b><i>Provider Name &amp; Title</i></b>	Harrison L. Robinson, M.D.
<b><i>PPHS Facilities</i></b>	Palomar Medical Center (Palomar Continuing Care Center)

**SPECIALTIES/BOARD CERTIFICATION**

<b><i>Specialties</i></b>	Internal Medicine – Certified 1994; Re-Certified 2004
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**ORGANIZATIONAL NAME**

<b><i>Name</i></b>	Escondido Internal Medicine
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**EDUCATION/AFFILIATION INFORMATION**

<b><i>Medical Education Information</i></b>	University of Iowa College of Medicine, Iowa City, IA From: 09/01/1986      To: 05/04/1990 Doctor of Medicine Degree
<b><i>Internship Information</i></b>	N/A
<b><i>Residency Information</i></b>	University of Wisconsin-Madison, WI Medicine From: 06/24/1990      To: 06/30/1993
<b><i>Fellowship Information</i></b>	N/A
<b><i>Current Affiliation Information</i></b>	Stoughton Hospital Association, Stoughton, WI

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

**PERSONAL INFORMATION**

<b><i>Provider Name &amp; Title</i></b>	Sandeep A. Soni, M.D.
<b><i>PPHS Facilities</i></b>	Pomerado Hospital (Villa Pomerado) Palomar Medical Center (Palomar Continuing Care Center)

**SPECIALTIES/BOARD CERTIFICATION**

<b><i>Specialties</i></b>	Internal Medicine – Certified 2005 (PMC) Infectious Disease – Certified 2008 (POM)
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**ORGANIZATIONAL NAME**

<b><i>Name</i></b>	Senior Medical Associates
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**EDUCATION/AFFILIATION INFORMATION**

<b><i>Medical Education Information</i></b>	Manipal College of Medical Sciences/Kathmandu University, Pokhara, Nepal From: 12/01/1994 To: 09/17/2000 Doctor of Medicine Degree
<b><i>Internship Information</i></b>	N/A
<b><i>Residency Information</i></b>	Trinitas Hospital/ Seton Hall University, Elizabeth, NJ Internal Medicine From: 07/01/2002 To: 06/30/2005
<b><i>Fellowship Information</i></b>	Maine Medical Center, Portland, ME Infectious Diseases From: 07/01/2005 To: 06/30/2007
<b><i>Current Affiliation Information</i></b>	Maine General Medical Center, Augusta, ME

**PALOMAR POMERADO HEALTH  
ALLIED HEALTH PROFESSIONAL  
APPOINTMENT  
DECEMBER, 2009**

<b>NAME:</b>	<b>Candra Carr, P.A.-C</b>	
<b>SPECIALTY:</b>	Physician Assistant	
<b>SERVICES:</b>	Emergency Room Physician Assistant for California Emergency Physicians at Palomar Pomerado Health	
<b>TRAINING:</b>	LeMoyne College, Syracuse, NY	
<b>PRACTICE:</b>	Master of Science – Physician Assistant studies	08/23/05-08/31/07
	Physician Assistant, California Emergency Physicians Palomar Medical Center, Escondido, CA	10/01/09-Present
	Physician Assistant, San Joaquin Cardiology Group, Stockton, CA	07/01/08-Present
	Physician Assistant, TeamHealth at Lodi Memorial Hospital ER Dept, Lodi, CA	08/01/08-Present
	Physician Assistant, EmCare at Lodi Memorial Hospital ER Dept, Lodi, CA	11/13/07-07/31/08
	Physician Assistant, Sutter West Urgent Care, Davis, CA	11/01/07-01/05/08
	Physician Assistant, Channel Medical Center, Stockton, CA	11/01/07-12/18/07
<b>SPONSORS:</b>	Jaime Rivas, M.D. & California Emergency Physicians at Palomar Medical Center and Pomerado Hospital	
<b>CERTIFICATION:</b>	National Commission on Certification of Physician Assistants	2007
<b>FACILITIES:</b>	Pomerado Hospital	



## MEDICAL STAFF SERVICES

November 23, 2009

Memo To: PPH Board of Directors

From: John J. Lilley, M.D., Chief of Staff, Palomar Medical Center  
Franklin M. Martin, M.D., Chief of Staff, Pomerado Hospital

Re: Administrative Transfer to Core Privileging Forms

New Core Privilege checklists have been completed by the following Medical Staff and Allied Health Professional Staff in the specialties of: Emergency Medicine, Pathology, Emergency Medicine Nurse Practitioner and Emergency Medicine Physician Assistant.

As previously approved by the Executive Committees and the Board of Directors, the change from the current privileges to the new core privilege forms is an administrative transfer of information and not a new request for privileges. Privileges not currently held by a practitioner may not be requested at this time. Each completed checklist has been reviewed by the applicable Subsection Representative/Division Director/Department Chair, to ensure that the request is comparable with the currently held privileges.

This report is being submitted to the Board of Directors for information. No action is required.

### Emergency Medicine

John S. Anshus, M.D. (PMC/POM)  
Peter M. Berkman, M.D. (PMC/POM)  
Kevin P. Daly, M.D. (PMC/POM)  
Charles Deng, M.D. (PMC/POM)  
Stephen A. Dunphy, M.D. (PMC/POM)  
Russell W. Engevik, M.D. (PMC/POM)  
James D. Foster, M.D. (PMC/POM)  
John C. Fredericks, M.D. (PMC/POM)  
John C. Gill, M.D. (PMC/POM)  
Michele A. Grad, M.D. (PMC/POM)  
Kevin C. Hutton, M.D. (PMC)  
David M. Lee, M.D. (PMC/POM)  
Mary E. Johnson, M.D. (PMC/POM)  
John P. Liboon, M.D. (PMC/POM)  
Damon N. London, M.D. (PMC/POM)  
Keri L. London, M.D. (PMC/POM)  
Steven H. Mannis, M.D. (PMC/POM)  
Philip C. Mathis, M.D. (PMC)  
Thomas R. Moats, M.D. (PMC/POM)

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

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

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

Emergency Medicine....Continued

Ryan L. Nelkin, M.D. (PMC/POM)  
Bing S. Pao, M.D., (PMC/POM)  
Raj J. Patel, M.D. (PMC)  
Mario R. Quintero, M.D. (PMC/POM)  
Jaime B. Rivas, M.D. (PMC/POM)  
Roger B. Schechter, M.D. (PMC/POM)  
Ghazala Q. Sharieff, M.D. (PMC)  
Mark J. Spiro, M.D. (PMC/POM)  
Christopher T. Wiesner, M.D. (PMC/POM)  
Jack M. Wilson, M.D. (PMC/POM)  
Elizabeth A. Wulfert, M.D. (PMC/POM)

Pathology

Pamela O. Danque, M.D. (PMC/POM)  
Jerry Kolins, M.D. (PMC/POM)  
Blesilda Mario-Singh, M.D. (PMC/POM)  
Lachlan Macleay, Jr., M.D. (PMC/POM)  
Linda Petroff, M.D. (PMC/POM)  
William D. Tench, M.D. (PMC/POM)  
Ann M. Tipps, M.D. (PMC)

Emergency Medicine Nurse Practitioner

Charles Medina, N.P. (PMC/POM)

Emergency Medicine Physician Assistant

Patrick Buan, P.A.-C. (PMC/POM)  
Marie Egge, P.A.-C. (PMC/POM)  
John Frisbie, P.A.-C. (PMC/POM)  
Heidi Gauthreaux, P.A.-C. (PMC/POM)  
Kevin Larkin, P.A.-C. (PMC/POM)  
Jane Morse, P.A.-C. (PMC/POM)  
Marsha Mueller, P.A.-C. (PMC/POM)  
Shelly Peppe-Nani, P.A.-C. (PMC/POM)

# MEDICAL STAFF SERVICES

November 25, 2009

TO: Palomar Pomerado Health Board of Directors

MEETING DATE: December 14, 2009

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

SUBJECT: Core Privileging

- I. At the Executive Committee meetings held November 23, 2009 at Palomar Medical Center and November 24, 2009 at Pomerado Hospital, newly created privilege checklists were approved for the following specialties as part of the Core Privileging Project:
- Family Medicine
  - Infectious Disease

The above noted items are now submitted to the Board of Directors for approval.

## Attachments

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

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

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

**FAMILY MEDICINE CLINICAL PRIVILEGES**

Name: \_\_\_\_\_

Effective From \_\_\_\_/\_\_\_\_/\_\_\_\_ To \_\_\_\_/\_\_\_\_/\_\_\_\_

- Palomar Medical Center
- Pomerado Hospital

- Initial Appointment
- Reappointment

**Applicant:** Check off the "Requested" box for each privilege requested. Applicants have the burden of producing information deemed adequate by the Hospital for a proper evaluation of current competence, current clinical activity, and other qualifications and for resolving any doubts related to qualifications for requested privileges.

**Department Chair/Clinical Service Division Director:** Check the appropriate box for recommendation on the last page of this form. If recommended with conditions or not recommended, provide condition or explanation on the last page of this form.

**Other Requirements**

- Note that privileges granted may only be exercised at the site(s) and/or setting(s) that have the appropriate equipment, license, beds, staff and other support required to provide the services defined in this document. Site-specific services may be defined in hospital and/or department policy.
- This document is focused on defining qualifications related to competency to exercise clinical privileges. The applicant must also adhere to any additional organizational, regulatory, or accreditation requirements that the organization is obligated to meet.

**QUALIFICATIONS FOR FAMILY MEDICINE**

**To be eligible to apply for core privileges in family medicine, the initial applicant must meet the following criteria:**

Successful completion of an Accreditation Council for Graduate Medical Education (ACGME) or American Osteopathic Association (AOA) accredited residency in family medicine.

AND

Current certification or active participation in the examination process, with achievement of certification within 3 years of appointment<sup>1</sup> in family medicine by the American Board of Family Medicine or the American Osteopathic Board of Family Physicians, or another board with equivalent requirements.

**Required Previous Experience:** Applicants for initial appointment must be able to demonstrate provision of care, reflective of the scope of privileges requested, for at least 24 inpatients as the attending physician during the past 12 months or demonstrate successful completion of an ACGME or AOA accredited residency, clinical fellowship, or research in a clinical setting within the past 12 months.

<sup>1</sup> Palomar - allowance of up to 48 months in Medical Staff Bylaws

**FAMILY MEDICINE CLINICAL PRIVILEGES**

Name: \_\_\_\_\_

Effective From \_\_\_/\_\_\_/\_\_\_ To \_\_\_/\_\_\_/\_\_\_

**Focused Professional Practice Evaluation (FPPE) Monitoring guidelines:** Monitoring (retrospective or concurrent) is to include all phases of a patient's hospitalization (admission, management, discharge, etc.) for six inpatient admissions. For initial applicants with obstetrical privileges, five deliveries will be concurrently monitored.

**Reappointment Requirements:** To be eligible to renew core privileges in family medicine, the applicant must meet the following maintenance of privilege criteria:

Current demonstrated competence and an adequate volume of experience (48 inpatients) with acceptable results, reflective of the scope of privileges requested, for the past 24 months based on results of ongoing professional practice evaluation and outcomes. Evidence of current ability to perform privileges requested is required of all applicants for renewal of privileges.

**CORE PRIVILEGES (CHECK EITHER FAMILY MEDICINE CORE PRIVILEGES OR REFER AND FOLLOW PRIVILEGES)**

**FAMILY MEDICINE CORE PRIVILEGES**

- Requested** Admit, evaluate, diagnose, treat and provide consultation to adolescent and adult patients, with common and complex illnesses, diseases, and functional disorders of the circulatory, respiratory, endocrine, metabolic, musculoskeletal, hematopoietic, gastroenteric, and genitourinary systems. May provide care to patients in the intensive care setting as well as other hospital settings in conformance with unit policies. Assess, stabilize, and determine disposition of patients with emergent conditions consistent with medical staff policy regarding emergency and consultative call services. The core privileges in this specialty include the procedures on the attached procedure list and such other procedures that are extensions of the same techniques and skills.

**REFER AND FOLLOW PRIVILEGES**

**Criteria:** Education and training as for family medicine core privileges. **Required previous experience:** Applicants for initial appointment must be able to demonstrate provision of care, reflective of the scope of privileges requested, for at least 24 patients during the past 12 months or demonstrate successful completion of an ACGME or AOA accredited residency, clinical fellowship, or research in a clinical setting within the past 12 months.

- Requested** Perform outpatient pre-admission, history and physical, order non-invasive outpatient diagnostic tests and services; visit patient in hospital, review medical records, consult with attending physician; and observe diagnostic or surgical procedures with the approval of the attending physician or surgeon.

**CHECK HERE TO REQUEST SKILLED NURSING FACILITY FORM.**

- Requested Villa Pomerado**
- Requested Palomar Continuing Care Center**

**FAMILY MEDICINE CLINICAL PRIVILEGES**

Name: \_\_\_\_\_

Effective From \_\_\_\_/\_\_\_\_/\_\_\_\_ To \_\_\_\_/\_\_\_\_/\_\_\_\_

**PEDIATRIC CORE PRIVILEGES**

**Criteria:** As for family medicine core plus: **Required previous experience:** Demonstrated current competence and evidence of the provision of care, reflective of the scope of privileges requested, to at least 10 pediatric inpatients in the past 12 months. **Maintenance of privilege:** Demonstrated current competence and evidence of the provision of care to at least 10 pediatric inpatients in the past 24 months based on results of ongoing professional practice evaluation and outcomes.

- Requested** Admit, evaluate, diagnose and treat pediatric patients up to the age of 18, with common illnesses, injuries or disorders. This includes the care of the normal newborn as well as the uncomplicated premature infant equal to or greater than 36 weeks gestation. Assess, stabilize, and determine disposition of patients with emergent conditions consistent with medical staff policy regarding emergency and consultative call services. The core privileges in this specialty include the procedures on the attached procedure list and such other procedures that are extensions of the same techniques and skills.

**NEWBORN CORE PRIVILEGES (THESE PRIVILEGES ARE ALSO INCLUDED IN PEDIATRIC CORE. THIS CORE WOULD BE FOR THOSE FAMILY MEDICINE PHYSICIANS WANTING CARE OF NEWBORNS ONLY)**

**Criteria:** As for family medicine core plus: **Required previous experience:** Demonstrated current competence and evidence of the provision of care, reflective of the scope of privileges requested, to at least 10 newborns in the past 12 months. **Maintenance of privilege:** Demonstrated current competence and evidence of the provision of care to at least 10 newborns in the past 24 months based on results of ongoing professional practice evaluation and outcomes.

- Requested** Admit, evaluate, diagnose and treat and care of the normal newborn as well as the uncomplicated premature infant equal to or greater than 36 weeks gestation. Assess, stabilize, and determine disposition of patients with emergent conditions consistent with medical staff policy regarding emergency and consultative call services.

**OBSTETRICAL CORE PRIVILEGES (NOT OFFERED AT POMERADO HOSPITAL)**

**Criteria:** Must qualify for and be granted core privileges in family medicine. Plus, applicant must provide documentation of 3-4 months obstetrical rotation during family medicine residency with 10 patients delivered. Current Neonatal Resuscitation Provider (NRP) certification required. **Required Previous Experience:** Demonstrated current competence and evidence of the performance of at least 10 deliveries in the past 12 months. **Maintenance of Privilege:** Demonstrated current competence and evidence of the performance of at least 10 deliveries in the past 24 months based on ongoing professional practice evaluation and outcomes.

- Requested** Admit, evaluate and manage female patients with normal term pregnancy, with an expectation of non-complicated vaginal delivery, management of labor and delivery, and procedures related to normal delivery including medical diseases that are complicating factors in pregnancy (with consultation). May provide care to patients in the intensive care setting as well as other hospital settings in conformance with unit policies. Assess, stabilize, and determine disposition of patients with emergent conditions consistent with medical staff policy regarding emergency and consultative call services. The core privileges in this specialty include the procedures on the attached procedure list and such other procedures that are extensions of the same techniques and skills.

**FAMILY MEDICINE CLINICAL PRIVILEGES**

Name: \_\_\_\_\_

Effective From \_\_\_\_/\_\_\_\_/\_\_\_\_ To \_\_\_\_/\_\_\_\_/\_\_\_\_

**OBSTETRICAL CORE PRIVILEGES (NOT OFFERED AT POMERADO HOSPITAL) (CONTINUED)**

**NOTE:** The following conditions must be evaluated by and transferred to the direct care of an OB/GYN with whom a previous, documented arrangement has been made. This will require that the Family Practitioner have an arrangement with an Obstetrician with full OB privileges at PMC to be available to assume care of the patient\*:

- Any situation requiring operative delivery
- Cardiac disease
- Fetal demise <20 weeks
- Gestation under 35 weeks
- History renal disease
- Insulin dependent diabetic
- Major obstetrical lacerations
- Multiple gestations
- Multiple medical problems
- Non reactive NST
- Persistent drug use
- Persistent late decelerations
- Placenta previa
- Severe asthma
- Severe pregnancy induced hypertension (PIH) and/or patients requiring magnesium sulfate(MGS04)
- Suspected uterine rupture

\*Reference should be made to the following documents from the American College of Obstetrics and Gynecology:  
 1) ACOG Statement of Policy AAFP – ACOG Joint Statement on Cooperative Practice and Hospital Privileges. (March, 1998)  
 2) Quality Improvement in Women's Health Care  
 3) Ethics in Obstetrics and Gynecology

- Recommend all requested privileges.
- Recommend privileges with the following conditions/modifications:
- Do not recommend the following requested privileges:

<b>Privilege</b>	<b>Condition/Modification/Explanation</b>
1. _____	_____
2. _____	_____

Chair, Department of OB/GYN

**FAMILY MEDICINE CLINICAL PRIVILEGES**

Name: \_\_\_\_\_

Effective From \_\_\_\_/\_\_\_\_/\_\_\_\_ To \_\_\_\_/\_\_\_\_/\_\_\_\_

**SPECIAL NON-CORE PRIVILEGES (SEE SPECIFIC CRITERIA)**

If desired, Non-Core Privileges are requested individually in addition to requesting the core. Each individual requesting Non-Core Privileges must meet the specific threshold criteria governing the exercise of the privilege requested including training, required previous experience, and for maintenance of clinical competence.

**EXERCISE TESTING - TREADMILL**

**Criteria:** Successful completion of an ACGME or AOA accredited residency in family medicine that included a minimum of 4 weeks or the equivalent of training in the supervision and interpretation of exercise testing and evidence that the training included participation in at least 50 exercise procedures.

**Required Previous Experience:** Demonstrated current competence and evidence of the performance of at least 5 exercise tests in the past 12 months. **Maintenance of Privilege:** Demonstrated current competence and evidence of the performance of at least 10 exercise tests in the past 24 months based on results of ongoing professional practice evaluation and outcomes.

Requested

**CIRCUMCISION – NEWBORNS (< 30 DAYS)**

**Criteria:** Successful completion of formal training in this procedure or the applicant must have completed hands-on training in this procedure under the supervision of a qualified physician preceptor. Evidence of having performed 5 proctored procedures during training. Practitioner agrees to limit practice to only the specific techniques for which they have provided documentation of training and experience utilizing equipment available at PPH. **Required Previous Experience:** Demonstrated current competence and evidence of the performance of at least 5 procedures in the past 12 months. **FPPE:** No less than 3 procedures will be concurrently monitored. **Maintenance of Privilege:** Demonstrated current competence and evidence of the performance of at least 10 procedures in the past 24 months based on results of quality assessment/improvement activities and outcomes.

Requested

**LUMBAR PUNCTURE**

**Criteria:** Successful completion of an ACGME or AOA accredited residency in family medicine which included training in lumbar puncture, or evidence of active clinical practice in the procedure. **Required Previous Experience:** Demonstrated current competence and evidence of the performance of at least 3 lumbar punctures in the past 12 months. **Maintenance of Privilege:** Demonstrated current competence and evidence of the performance of at least 6 lumbar punctures in the past 24 months based on results of ongoing professional practice evaluation and outcomes.

Requested



**FAMILY MEDICINE CLINICAL PRIVILEGES**

Name: \_\_\_\_\_

Effective From \_\_\_\_/\_\_\_\_/\_\_\_\_ To \_\_\_\_/\_\_\_\_/\_\_\_\_

**FLEXIBLE NASAL PHARYNGOSCOPY**

**Criteria:** Successful completion of an ACGME or AOA accredited residency in family medicine which included training in flexible nasal pharyngoscopy, OR completion of a hands on CME OR documentation of a successful preceptorship by a physician with privileges in flexible nasal pharyngoscopy. **Required**

**Previous Experience:** Demonstrated current competence and evidence of the performance of at least 5 procedures in the past 12 months. **Maintenance of Privilege:** Demonstrated current competence and evidence of the performance of at least 5 procedures in the past 24 months based on results of ongoing professional practice evaluation and outcomes.

Requested

**INSERTION AND MANAGEMENT OF CENTRAL VENOUS CATHETERS AND ARTERIAL LINES**

**Criteria:** Successful completion of an ACGME or AOA accredited residency in family medicine which included training in insertion and management of central venous catheters and arterial lines OR completion of a hands on CME. **Required Previous Experience:** Demonstrated current competence and evidence of the insertion and management of at least 5 central venous catheters or arterial lines in the past 12 months. **FPPE:** No less than 3 procedures will be concurrently monitored. **Maintenance of Privilege:** Demonstrated current competence and evidence of the insertion and management of at least 10 central venous catheters or arterial lines in the past 24 months based on results of ongoing professional practice evaluation and outcomes.

Requested

**FAMILY MEDICINE CLINICAL PRIVILEGES**

Name: \_\_\_\_\_

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Effective From \_\_\_/\_\_\_/\_\_\_ To \_\_\_/\_\_\_/\_\_\_

**INSERTION AND MANAGEMENT OF PULMONARY ARTERY CATHETERS**

**Criteria:** Successful completion of an ACGME or AOA accredited post graduate training program; and performance of at least 50 PACs during this formal training, as the primary operator; or successful completion of an accredited residency in another field; participation in a significant Category 1 accredited continuing medical education training program in pulmonary artery catheter insertion and management.

**Required Previous Experience:** Demonstrated current competence and evidence of the performance (as primary operator) or at least 3 PACs during the past 12 months. **FPPE:** No less than 3 procedures will be concurrently monitored. **Maintenance of Privilege:** Demonstrated current competence and evidence of the performance of at least 6 PACs in the past 24 months based on results of ongoing professional practice evaluation and outcomes, as the primary operator.

Requested

**THORACENTESIS**

**Criteria:** Successful completion of an ACGME or AOA accredited residency in family medicine which included training in thoracentesis OR completion of a hands on CME. **Required Previous Experience:** Demonstrated current competence and evidence of the performance of at least 3 thoracentesis in the past 12 months. **FPPE:** No less than 3 procedures will be concurrently monitored. **Maintenance of Privilege:** Demonstrated current competence and evidence of the insertion and management of at least 6 thoracentesis in the past 24 months based on results of ongoing professional practice evaluation and outcomes.

Requested

**SURGICAL ASSIST**

**Criteria:** Successful completion of an ACGME or AOA accredited residency in family medicine which included training as a surgical assist. **Required Previous Experience:** Demonstrated current competence and evidence of assisting for at least five (5) surgical procedures in the past 12 months. **Maintenance of Privilege:** Demonstrated current competence and evidence of assisting for at least 10 surgical procedures in the past 24 months based on results of ongoing professional practice evaluation and outcomes.

Requested

**ENDOTRACHEAL INTUBATION**

**Criteria:** Demonstrated current competence. In addition applicants at the time of initial and renewal of privileges must meet one of the following criteria: 1) Evidence of at least five (5) intubations per year, 2) current ACLS certification, or 3) attendance at an approved Airway Management Class within the past two (2) years.

Requested

**VENTILATOR MANAGEMENT**

**Criteria:** For ventilator cases not categorized as complex (up to 36 hours), successful completion of an ACGME or AOA accredited post graduate training program that provided the necessary cognitive and technical skills for ventilator management not categorized as complex.

**FAMILY MEDICINE CLINICAL PRIVILEGES**

Name: \_\_\_\_\_

Page 8

Effective From \_\_\_/\_\_\_/\_\_\_ To \_\_\_/\_\_\_/\_\_\_

**VENTILATOR MANAGEMENT (CONTINUED):**

For complex ventilation cases, the applicant must demonstrate successful completion of an accredited fellowship that provided the necessary cognitive and technical skills for complex ventilator management. **Required Previous Experience:** Demonstrated current competence and evidence of the management of at least 12 mechanical ventilator cases in the past 12 months. **Maintenance of Privilege:** Demonstrated current competence and evidence of the management of at least 24 mechanical ventilator cases in the past 24 months based on results of ongoing professional practice evaluation and outcomes.

- Requested** Ventilator Management (not complex including CPAP – up to 36 hours)
- Requested** Complex including BiPAP \*More than 36-48 hours, or for patients defined as those having any of the following ongoing characteristics or any other of a like or similar complexity: PEEP requirement  $\geq$  10 cm of water;  $FIO_2$  requirement  $\geq$  0.6; static plateau pressure  $\geq$  30 cm of water; presence of significant pre-existing pulmonary disease; multi-system organ failure; chronic ventilator dependence; patient not meeting previous criteria, but clinical condition deteriorating.

**ADMINISTRATION OF SEDATION AND ANALGESIA**

- Requested** See Hospital Policy for Sedation and Analgesia by Non-Anesthesiologists

**USE OF FLUOROSCOPY**

- Requested** Requires maintenance of a valid x-ray supervisor and operator's permit for fluoroscopy

**FAMILY MEDICINE CLINICAL PRIVILEGES**

Name: \_\_\_\_\_

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Effective From \_\_\_/\_\_\_/\_\_\_ To \_\_\_/\_\_\_/\_\_\_

**CORE PROCEDURE LIST**

*This list is a sampling of procedures included in the core. This is not intended to be an all-encompassing list but rather reflective of the categories/types of procedures included in the core.*

**To the applicant:** If you wish to exclude any procedures, please strike through those procedures which you do not wish to request, initial, and date.

**General**

- Arterial blood gases
- Arthrocentesis and joint injection
- Breast cyst aspiration
- Burns, superficial and partial thickness
- Digital nerve blocks
- Incision and drainage of abscess
- Incision and drainage of Bartholin Duct cyst or marsupialization
- Insertion of NG tube
- Insertion of urinary catheter
- Interpretation of EKG (own patients)
- Local anesthetic techniques
- Manage uncomplicated minor closed fractures and uncomplicated dislocations
- Paracentesis
- Perform history and physical exam
- Perform simple skin biopsy or excision
- Placement of anterior nasal hemostatic packing
- Punch shave and excisional skin biopsy
- Removal of ingrown toenail – partial/complete
- Remove non-penetrating foreign body from the eye, nose, or ear
- Suture uncomplicated lacerations

**Pediatrics**

- Incision and drainage abscess
- Manage uncomplicated minor closed fractures and uncomplicated dislocations
- Perform history and physical exam
- Perform simple skin biopsy or excision
- Punch shave and excisional skin biopsy
- Remove non-penetrating corneal foreign body
- Suture uncomplicated lacerations

**FAMILY MEDICINE CLINICAL PRIVILEGES**

Name: \_\_\_\_\_

Page 10

Effective From \_\_\_\_/\_\_\_\_/\_\_\_\_ To \_\_\_\_/\_\_\_\_/\_\_\_\_

**CORE PROCEDURE LIST (CONTINUED)**

*This list is a sampling of procedures included in the core. This is not intended to be an all-encompassing list but rather reflective of the categories/types of procedures included in the core.*

**To the applicant:** If you wish to exclude any procedures, please strike through those procedures which you do not wish to request, initial, and date.

**Obstetrics**

- Admit and discharge patients from hospital
- Apply internal and external fetal and pressure monitors
- Assess, document and manage outpatients with obstetrical related conditions
- Assess, document and manage patients in uncomplicated labor.
- Do discharge teaching and exams, write discharge orders
- Document all exams and delivery notes
- Document and evaluate the status of membranes.
- Initiate non-stress tests and interpret fetal monitoring strips
- Manage single spontaneous vertex vaginal deliveries
- Manage third stage of labor (not including manual extraction)
- Perform amniotomy
- Perform and repair episiotomies
- Perform cervical and vaginal inspection
- Perform local anesthesia infiltration
- Provide pain management
- Repair first, second, and third degree obstetrical lacerations
- Sign birth certificate
- Stabilize and initiate fetal or maternal resuscitation and call for back up and resuscitation team as needed
- Write postpartum orders

**FAMILY MEDICINE CLINICAL PRIVILEGES**

Name: \_\_\_\_\_

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Effective From \_\_\_/\_\_\_/\_\_\_ To \_\_\_/\_\_\_/\_\_\_

**ACKNOWLEDGEMENT OF PRACTITIONER**

I have requested only those privileges for which by education, training, current experience, and demonstrated performance I am qualified to perform and for which I wish to exercise at Palomar Pomerado Health, and I understand that:

- a. In exercising any clinical privileges granted, I am constrained by Hospital and Medical Staff policies and rules applicable generally and any applicable to the particular situation.
- b. Any restriction on the clinical privileges granted to me is waived in an emergency situation and in such situation my actions are governed by the applicable section of the Medical Staff Bylaws or related documents.

**Signed** \_\_\_\_\_

**Date** \_\_\_\_\_

**INFECTIOUS DISEASE CLINICAL PRIVILEGES**

Name: \_\_\_\_\_

Effective From \_\_\_\_/\_\_\_\_/\_\_\_\_ To \_\_\_\_/\_\_\_\_/\_\_\_\_

- Palomar Medical Center
- Pomerado Hospital
  
- Initial Appointment
- Reappointment

**Applicant:** Check off the "Requested" box for each privilege requested. Applicants have the burden of producing information deemed adequate by the Hospital for a proper evaluation of current competence, current clinical activity, and other qualifications and for resolving any doubts related to qualifications for requested privileges.

**Department Chair/Clinical Service Division Director:** Check the appropriate box for recommendation on the last page of this form. If recommended with conditions or not recommended, provide condition or explanation on the last page of this form.

**Other Requirements**

- Note that privileges granted may only be exercised at the site(s) and/or setting(s) that have the appropriate equipment, license, beds, staff and other support required to provide the services defined in this document. Site-specific services may be defined in hospital and/or department policy.
- This document is focused on defining qualifications related to competency to exercise clinical privileges. The applicant must also adhere to any additional organizational, regulatory, or accreditation requirements that the organization is obligated to meet.

**QUALIFICATIONS FOR INFECTIOUS DISEASE**

***To be eligible to apply for core privileges in infectious disease, the initial applicant must meet the following criteria:***

Successful completion of an Accreditation Council for Graduate Medical Education (ACGME) or American Osteopathic Association (AOA) fellowship in infectious disease.

AND

Current subspecialty certification or active participation in the examination process, with achievement of certification within 3 years of appointment<sup>1</sup> leading to subspecialty certification in infectious disease by the American Board of Internal Medicine or the American Osteopathic Board of Internal Medicine, or another board with equivalent requirements.

**Required Previous Experience:** Applicants for initial appointment must be able to demonstrate provision of inpatient or consultative services, reflective of the scope of privileges requested, for at least 24 patients during the past 12 months or demonstrate successful completion of an ACGME or AOA accredited residency, clinical fellowship, or research in a clinical setting within the past 12 months.

<sup>1</sup> Palomar - allowance of up to 48 months in Medical Staff Bylaws

**INFECTIOUS DISEASE CLINICAL PRIVILEGES**

Name: \_\_\_\_\_

Effective From \_\_\_\_/\_\_\_\_/\_\_\_\_ To \_\_\_\_/\_\_\_\_/\_\_\_\_

**Focused Professional Practice Evaluation (FPPE)/Monitoring guidelines:** Monitoring includes all phases of a patient's hospitalization (admission, management, discharge, etc.) as applicable. At least six (6) inpatient admissions or consults performed in hospital or post discharge will be reviewed retrospectively.

**Reappointment Requirements:** To be eligible to renew core privileges in infectious disease, the applicant must meet the following maintenance of privilege criteria:

Current demonstrated competence and an adequate volume of experience (48 inpatients or consultative services) with acceptable results, reflective of the scope of privileges requested, for the past 24 months based on results of ongoing professional practice evaluation and outcomes. Evidence of current ability to perform privileges requested is required of all applicants for renewal of privileges.

**INFECTIOUS DISEASE CONSULTATIVE PRIVILEGES (NOT APPLICABLE IF REQUESTING INFECTIOUS DISEASE CORE PRIVILEGES)**

- Requested** Provide consultation to patients with infections or suspected infections or immunologic diseases, underlying diseases that predispose to unusual severe infections, unclear diagnoses, uncommon diseases and complex or investigational treatments. The consulting role shall be purely to evaluate and make recommendations for therapy and precludes any procedural privileges or admission of patients.

**INFECTIOUS DISEASE CORE PRIVILEGES**

- Requested** Admit, evaluate, diagnose, consult and provide care to patients with infections or suspected infections or immunologic diseases, underlying diseases that predispose to unusual severe infections, unclear diagnoses, uncommon diseases and complex or investigational treatments. May provide care to patients in the intensive care setting as well as other hospital settings in conformance with unit policies. Assess, stabilize, and determine disposition of patients with emergent conditions consistent with medical staff policy regarding emergency and consultative call services. The core privileges in this specialty include the procedures on the attached procedure list and such other procedures that are extensions of the same techniques and skills.

**CHECK HERE TO REQUEST INTERNAL MEDICINE PRIVILEGES FORM.**

- Requested**

**CHECK HERE TO REQUEST SKILLED NURSING FACILITY FORM.**

- Requested Villa Pomerado**
- Requested Palomar Continuing Care Center**



**INFECTIOUS DISEASE CLINICAL PRIVILEGES**

Name: \_\_\_\_\_

Page 3

Effective From \_\_\_/\_\_\_/\_\_\_ To \_\_\_/\_\_\_/\_\_\_

**CORE PROCEDURE LIST**

*This list is a sampling of procedures included in the core. This is not intended to be an all-encompassing list but rather reflective of the categories/types of procedures included in the core.*

**To the applicant:** If you wish to exclude any procedures, please strike through those procedures which you do not wish to request, initial, and date.

**Infectious Disease**

- Administration of antimicrobial and biological products via all routes
- Application and interpretation of diagnostic tests
- Aspiration of superficial abscess
- Debridement of minor wounds
- Interpretation of Gram's stain, blood smears, pathologic samples
- Management, maintenance, and removal of indwelling venous access catheters
- Perform history and physical exam

**INFECTIOUS DISEASE CLINICAL PRIVILEGES**

Name: \_\_\_\_\_

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Effective From \_\_\_/\_\_\_/\_\_\_ To \_\_\_/\_\_\_/\_\_\_

**ACKNOWLEDGEMENT OF PRACTITIONER**

I have requested only those privileges for which by education, training, current experience, and demonstrated performance I am qualified to perform and for which I wish to exercise at Palomar Pomerado Health, and I understand that:

- a. In exercising any clinical privileges granted, I am constrained by Hospital and Medical Staff policies and rules applicable generally and any applicable to the particular situation.
- b. Any restriction on the clinical privileges granted to me is waived in an emergency situation and in such situation my actions are governed by the applicable section of the Medical Staff Bylaws or related documents.

**Signed** \_\_\_\_\_

**Date** \_\_\_\_\_



**Pomerado Hospital Medical Staff Services**

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

DATE: November 25, 2009  
TO: Board of Directors - December 14, 2009  
FROM: Franklin M. Martin, M.D., Chief of Staff, Pomerado Hospital Medical Staff  
SUBJECT: Medical Staff Credentials Recommendations – November 2009

Provisional Appointments: (12/14/2009 – 11/30/2011)

Jesse C. Botker, M.D. – Orthopedic Surgery (Assisting only)  
James J. Chao, M.D. – Plastic Surgery (includes Villa)  
Jessica A. Deree, M.D. – General Surgery  
Sandeep A. Soni, M.D. – Internal Medicine/Infectious Disease (includes Villa)

Biennial Reappointments: (01/01/2010 – 12/31/2011)

Philip C. Bosch, M.D. – Urology - Courtesy  
Donald B. Fuller, M.D. – Radiology - Consulting  
Abhay Gupta, M.D. – Plastic Surgery – Active (includes Villa)  
Lynn B. Herring, M.D. – Pediatrics - Active  
Bill C. Joswig, M.D. – Cardiology – Active (includes Villa)  
Marina Katz, M.D. – Psychiatry - Active  
Ruth A. Larson, M.D. – Dermatology - Affiliate  
Gina J. Mansy, M.D. – Radiology – Consulting  
Monique C. McCormick, M.D.- Anesthesia - Active  
Arvin L. Mirow, M.D. – Psychiatry – Courtesy (includes Villa)  
Jeffrey S. Schiffman, M.D. – Orthopedic Surgery – Active (includes Villa)  
Stephen W. Shewmake, M.D. – Dermatology - Affiliate  
Dylan L. Steer, M.D. – Nephrology – Consulting (includes Villa)  
Rong Zou, M.D. – Internal Medicine - Active

Additional Privileges:

John C. Gregorius, M.D. - Spine Interventional Radiology Bundle: Percutaneous Vertebroplasty; Placement of Spinal Cord Stimulators; Balloon assisted Vertebroplasty (Kyphoplasty).  
Ramin Sorkhi, M.D. – Bariatric Surgery Privileges

Advancements:

Christopher Chisholm, M.D. – Anesthesia \_ Active (12/14/2009- 11/30/2011)  
Hulya Kararli, M.D. – Anesthesia - Active (12/14/2009 – 07/31/2011)  
Dmitri V. Segal, D.O. – Radiology – Affiliate 12/14/2009 – 07/31/2011)

Reinstatement and Advancement:

Louis Maletz, M.D. – Family Practice – Active (12/14/2009 – 10/31/2010) (includes Villa)

Reinstatement:

Steven Plaxe, M.D. – Consulting - OB/GYN/Oncology (12/14/2009 – 09/30/2010)

Resignations:

Patrick Gieseemann, M.D.

Louis Maletz, M.D. (effective 11/11/2009))

Susan Krizek, M.D.

Michael LaRocque, M.D.

Allied Health Appointment: 12/14/2009- 11/30/2011

Candra Carr, P.A.-C – Emergency Medicine

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

RESOLUTION NO. 12.14.09 (01) - 08

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
PALOMAR POMERADO HEALTH  
ESTABLISHING REGULAR BOARD MEETINGS  
FOR CALENDAR YEAR 2010**

*WHEREAS*, Palomar Pomerado Health is required, pursuant to Section 54954 of the California Government Code and Section 5.2.2 of the PPH Bylaws, to pass a resolution adopting the time, place and location of the regular board meetings;

*NOW, THEREFORE, BE IT RESOLVED* by the Board of Directors of Palomar Pomerado Health that the following schedule of regular meetings will apply for calendar year 2010:

**2010 BOARD MEETING SCHEDULE**

<b>January 11</b>	Pomerado	<b>July 12</b>	Pomerado
<b>February 8</b>	PMC	<b>August 9</b>	PMC
<b>March 8</b>	Pomerado	<b>September 13</b>	Pomerado
<b>April 12</b>	PMC	<b>October 11</b>	PMC
<b>May 10</b>	Pomerado	<b>November 8</b>	Pomerado
<b>June 14</b>	PMC	<b>December 13</b>	PMC

Each meeting will begin at **6:30 p.m.** Those meetings held at Palomar will be in Graybill Auditorium; those at Pomerado will be in the Third floor meeting room.

*PASSED AND ADOPTED* at a regular meeting of the Board of Directors of Palomar Pomerado Health, held on December 14, 2009, by the following vote:

AYES: Bassett, Greer, Kaufman, Kleiter, Krider, Larson, Rivera

NOES: None

ABSENT: None

ABSTAINING: None

DATED: December 14, 2009

***APPROVED:***

***ATTESTED:***

\_\_\_\_\_  
Bruce Krider, Chairman  
Board of Directors

\_\_\_\_\_  
Nancy Bassett, RN, MBA, Secretary  
Board of Directors

# PPH Board Subcommittee Activity Summary

October 20, 2009

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## Internal Audit Committee

### ACTION ITEMS:

- **The Legal-Compliance-Internal Audit Triad Presentation** — The Committee Board members request that this presentation be shared with the Full Board. **Presentation forwarded to Secretary to the Board. Action Completed.**
- **Agenda Item for Finance Committee for the Board** — “How are physician contracts validated?” The following aspects for this item to include:
  - ✓ Performance Review Report
  - ✓ Process for Addressing the Lack of Compliance From Physicians
  - ✓ Validation Process of Verification**This item has been shared with the Secretary to the Board. Action Completed.**
- **Report on how many physicians accept CMS and MediCal patients and validation that this is being fulfilled** — Mr. Hemker will follow up with appropriate personnel to acquire relevant information to report back to the Committee.
- **Committee Work-Plan** — The Committee Board members request that the calendar of tasks be shared with the Full Board as a possible self-assessment tool. **Information forwarded to Secretary to the Board. Action Completed.**
- **Update on pain-pump implantable** — Mr. Boyle will follow up with acquiring information on pain-pump implantable to report back to the Committee.
- **Hotline Publicity Efforts** — The Committee Board members request that this information be shared with the Full Board. **This information has been shared with the Secretary to the Board. Action Completed.**

### INFORMATION ITEMS:

- **FY 2009 Audit Report** was given with request for a motion to approve.
- **The Legal-Compliance-Internal Audit Triad Presentation** was given.
- **Suggested Committee Work-Plan** was given.
- **Internal Audit Update** was given.
- **Report on Hotline Publicity Efforts** was given.

### MOTIONED ITEMS:

- **Approval of FY 2009 Audit Report** was approved.

## **PPH Board Subcommittee Activity Summary**

**November, 2009**

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**Internal Audit Committee** – Did not meet in November

**ACTION ITEMS:**

- None

**INFORMATION ITEMS:**

- None

## **PPH Board Subcommittee Activity Summary**

**November, 2009**

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**Governance Committee** – Did not meet in November

### **ACTION ITEMS:**

- None

### **INFORMATION ITEMS:**

- None



## 2009 HR Accomplishments

### January:

1. Committee discussed changes to the job descriptions for the Director Corporate Compliance and Integrity and the Director Audit Services as requested by the Board. The preferred educational requirement was changed to Masters.
2. Quarterly HR Report provided the committee with up to date PPH employee data focusing on four key employee-related functions: get them, keep them, grow them, support them. Metrics for each area were presented:
  - a. Get them: the number of applications continues to rise. The number of RN new hires rose over previous years while the overall number of hires decreased slightly. At 45 days, PPH continues to have a lower days-to-fill metric over the industry standard.
  - b. Keep them: turnover at PPH was at 12.9% compared to the industry standard of 13.9%. The RN turnover at 12.3% was consistent with the industry standard. Retention rates are starting to increase following implementation of pre-hire screening tools.
  - c. Grow them: the number of promotions and transfers increased. In addition, there was a significant increase in paid education hours.
  - d. Support them: the employee engagement scores were flat.
3. Rewards and Recognition programs were reviewed including: Cause for Applause, Caring Hands, Leader in Action, Healthcare Week and Nursing Week celebrations, Service Awards, Holiday Meals, Attendance Lottery, Key Ideas, Thank You cards, Birthday Celebrations and a variety of discounts and programs available to PPH employees.

### February:

1. Presentation on the CONSOVA dependent audit, working in conjunction with the VHA.
2. Nancy requested information be disseminated to staff when a PPH employees passes away. This will be done through Breaking News.

### March:

No meeting

### April:

No meeting

### May:

1. Quarterly HR Report provided the committee with up to date PPH employee data focusing on four key employee-related functions: get them, keep them, grow them, support them. Metrics for each area were presented:
  - a. Get them: the metrics in this area are updated annually so there was no change.
  - b. Keep them: total PPH turnover for the quarter was 12.8% compared to the industry standard of 12.9%. However, nursing turnover at PPH was higher at

12.3% compared to the benchmark of 11.4%. Retention rates continue to rise. This quarter upcoming benefits were introduced including home insurance, auto insurance, and pet insurance which may be done via payroll deduction. Rideshare information became available on-line and transportation to and from the Sprinter were arranged. Additional automation for on-line benefit enrollment was implemented for new hires and employees changing status.

- c. Grow them: the metrics in this area are updated annually so no changes were noted. In this area education was provided to all system educators providing standardization of processes and resources. The medical library had new computers added for physician use in accessing medical information.
  - d. Support them: the employee engagement survey results dipped to 3.89 (down from 3.96). PPH now offers an in-house employee engagement survey and will be standardizing survey times.
2. PPH has a tuition reimbursement program providing \$1,500 in exchange for year commitment to work for PPH. Anyone can apply.
  3. The recruitment area presented the new “Journey” campaign. This campaign will incorporate an integrated media approach. A direct mail and specialty website approach have helped fill our open specialty positions/hard to recruit positions. Two San Diego radio stations and one in Temecula/Murrieta are airing new radio spots. A video was shown on the national Nurse TV show showcasing PPH nurses. This national 30 second spot will also be playing in three area movie theaters. Johnson and Johnson sponsored a Nurse Week video crew to come to PPH and video the story of 5 PPH journey stories. The video was shown on Nurse.com and KTLA.

June:

1. James O’Malley presented information relating to the revised Leadership Development program.

July:

No meeting

August:

No meeting

September:

1. Stonish Pierce provided an overview of the Retail Space Survey results that showed interest in: DVD rentals, coffee vendor, concierge services, postal services, gift cards, vitamins and smoothies. Employees requested evening and weekend hours.
4. Quarterly HR Report provided the committee with up to date PPH employee data focusing on four key employee-related functions: get them, keep them, grow them, support them. Metrics for each area were presented:
  - a. Get them: the metrics in this area are updated annually. No new updates.
  - b. Keep them: the PPH total turnover was 12.7% compared to a benchmark of 10.4%. The nursing turnover was 10.4% compared to the benchmark at

10.8%. The increase in turnover is related to staff reductions in July. The retention rate continued to increase.

- c. Grow them: the metrics in this area are updated annually. However, work on the initiatives included successors for top management being identified, and management 101 being redesigned into Management Boot Camp. Boot Camp will focus on three areas: knowledge intelligence, emotional intelligence, and political intelligence.
  - d. Support them: the metrics in these areas are not updated in this quarter. However, ideas and information shared at the 90-day luncheons indicate that support goals are being achieved
2. Committee discussed benefits coverage by PPH for past Board members who served at least three terms. Governance Committee is reviewing the Health Care Plan Policy and will forward the revised document to HR Committee for review.

October:

1. FY '10 Workforce Initiatives were reviewed
  - a. 4.1(a) Implement a comprehensive leadership development program including: Leadership Orientation, Challenge 1 and Boot Camp
  - b. 4.1 (b) Improve employee engagement scores through utilization and completion of effective impact plans
2. Leadership orientation has been initiated and is a full day program, four days each month. Each day is focused on the management accountabilities around each balanced scorecard domain (financial strength, quality, customer service and workforce/workplace). New managers must attend; program is open as a refresher course to existing managers.
3. Exemplary Leadership I course has been designed and implemented on a quarterly basis. This is a prerequisite for additional leadership classes.
4. Leadership Boot Camp has been developed and the first of three classes in this series have been held.
5. N. Bassett requested a Board education meeting with the balanced scorecard briefing book as a topic.
6. Information was shared relative to the change of health insurance from Health Net to Cigna. Also noted:
  - a. Unions prefer the Cigna plan that most closely matches the current Health Net benefits because it carries a lower co-pay. PPH conceded to this request.
  - b. PPH will cover the co-pay for employees using PPH services for hospitalizations, outpatient surgery, and rehab services.
  - c. Urgent Care and Express Care co-pay will be decreased from \$35 to \$25. However, PPH will cover the co-pay when utilizing Express Care.
  - d. Pharmacy co-pays are the same (\$10 for generic and \$20 for brand names)
  - e. B. Turner conceded to a \$150 co-pay per admission rather than \$250. If a PPH facility is used the co-pay will be covered.
  - f. The physician network has a 97% match between HealthNet and Cigna.
  - g. Because this is a new insurance carrier, all employees must re-enroll or have no health insurance coverage in the new year.

November:

1. Committee discussed the revised policy addressing Board Benefits.
2. The results of the dependent audit were shared. The audit is expected to save PPH \$575,000 annually.
3. Janet Wortman presented a PowerPoint presentation outlining PPH Recruitment Strategy.

December:

No meeting

**PPH Board Recommendation for PPN Board Community Seats  
December 14<sup>th</sup>, 2009**

**TO:** Palomar Pomerado Board of Directors

**MEETING DATE:** December 14, 2009

**FROM:** Palomar Physician Network (Physician Foundation)

**BACKGROUND:** To further develop the Board of Directors of the Palomar Physician Network, the approved Bylaws of the corporation stipulate that PPH recommend two community seats to the PPN board.

**BUDGET IMPACT:** None

**STAFF RECOMMENDATION:** The PPN Board suggests the recommendations of Steve Yerxa and Robert Trifunovic, MD as the PPN community members

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:**

**Motion:** X

**Individual Action:**

**Information:**

**Required Time:**

Palomar Pomerado Board of Directors  
Meeting: December 14 2009

Summary Biographies for review and recommendation for the Community Member Positions  
with the subsidiary corporation  
Palomar Physician Network, Inc.

1. Stephen P. Yerxa:
  - a. Mr. Yerxa is an Escondido resident with a long-standing history of experience in both the health care and business fields. He currently is CEO of a consulting firm that has coordinated the term and sale of a large managed care company in Texas.
  - b. In the past, he has been President/CEO of a subsidiary of New York Life Insurance Company in Dallas / Fort Worth where he grew HMO membership by over 80%. Total membership was 370,000 lives.
  - c. He earlier was also the President/CEO of a 2 hospital system in Anaheim, CA with a total of 325 beds.
  - d. He holds a Masters of Hospital Administration and most recently (2005-2008) been associated with the PPH system as a community member of the PPH Independent Citizen's Oversight Committee in conjunction with the construction of PMC West.
  - e. He has been on numerous Boards and Councils in the Health Care Industry.
2. Robert D. Trifunovic, MD FACOG
  - a. Dr. Trifunovic is a local retired OB/GYN physician who has been on the PMC/Pomerado medical staffs since 1989. He is currently employed by PPH as the Medical Staff Development Officer for the last 2 years.
  - b. Over the last 20 years, Dr Trifunovic has started 4 different companies and was the managing director of his OB/GYN medical group. He is also on the Board of the Redwood Health Services insurance company in Northern California.
  - c. He is current with his state license and his OB/GYN board certification. Also, he will complete his MBA degree in June of 2010 through USC – Marshall School of Business.

MEMORANDUM

**To:** Nicole Dennis, Executive Assistant to the Board  
**FROM:** Tanya Howell, Assistant to the Board Finance Committee  
**DATE:** December 10, 2009  
**RE:** Board Finance Committee – DECEMBER 8, 2009, MEETING SUMMARY

**INFORMATION ITEMS:**

- **2009 Revenue Bond Closing:** Bob Hemker reported that the 2009 Revenue Bond issue had closed on November 19, 2009. The final Certificates of Participation issued at a par of \$233 million, which will provide a net of \$175M in bond proceeds for the project fund. The last tranche of General Obligation Bonds – scheduled to be issued in 2014 – will be the final debt issue in the Board-approved Plan of Finance.
- **Program Review Schedule:** The schedule listing the months in which program review updates are scheduled to be provided at Board Finance Committee meetings (as included in the agenda packet) was discussed. The members of the Board not on that Committee have also been provided with a copy of the schedule and invited to attend as guests at any of those reviews. The schedule is subject to revision based on changing circumstances; any updates will be provided to Finance Committee and other Board members simultaneously; and the attached copy has already been updated at the request of Management to remove the program “Women’s Services at the POP Building” from the listing.
- **Joint Finance/Quality Review Committee Meeting:** The January 2010 Board Finance Committee meeting is currently scheduled to be held jointly with the Board Quality Review Committee as a Special Board meeting for a six-month follow-up review on Quality of Care and Healthcare Financing. Bob Hemker requested a deferral as there is nothing strategic to report, and Management is awaiting additional information related to healthcare reform. An update would be anticipated for review during the “Presentations” section at either the regularly scheduled Board meeting in February or March 2010.
- **Program Review – Sub-Acute Expansion:** Steve Gold, District Administrator for SNF Services, presented a one-year review of operations following approval in 2008 of the expansion of the Sub-Acute Unit at Villa Pomerado. All projections have exceeded expectations, including additional revenues of \$2.7 million—\$600 thousand higher than projected, and market analyses show that there is further potential for future expansion.
- **Strategic Capital Prioritization Matrix:** At the request of the Board during Strategic Planning workshops, Management has collaborated on a tool for use in prioritizing the strategic projects on which to allocate capital. The tool as presented contained two options ranging from 3 to 6 separate criteria. The Finance Committee reached a consensus that the criteria and weights recommended would be a useful tool, and expressed a preference for the use of Option 1, with its complement of 6 criteria. Management will take one last review and refine the tool; will bring it back to the Finance Committee for review and approval; and

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will then forward it to the Board Strategic Planning Committee for adoption.

**ACTION ITEMS:**

**Independent Citizens' Oversight Committee (ICOC):**

- **Approval of Minutes from the Annual Meeting of Thursday, November 12, 2009:** Recommended approval of the minutes from the Annual Meeting of the ICOC, held on Thursday, November 12, 2009, for inclusion in the public records of the PPH Board as required by the Procedures, Policies & Guidelines of the ICOC.
- **Annual Report of the Committee to the Board:** Recommended approval of the ICOC Annual Report for District Fiscal Year 2008-2009 in which the Committee made a finding of no exceptions with regard to reimbursed expenditures paid from General Obligation Bonds.
- **Membership Update:** Reviewed information regarding the resignation of At Large Member Barry I. Newman and reached consensus that no action was required regarding the seat vacated by his resignation. *(Information only)*
- **Regents of the UCSD School of Reproductive Medicine – Perinatology Professional Services and Medical Director Agreement:** Recommended approval of the three-year [September 1, 2009 to August 31, 2012] Agreement.
- **October 2009 and YTD FY2010 Financial Report:** Utilizing the standard Financial Reporting Packet, reviewed and recommended approval of the October 2009 and YTD FY2010 financial performance, which reflected a \$9.39 million bottom line net income YTD, which is \$2.05 million greater than last year.



# FY2010/2011 Program Review Schedule

DATE DUE		PROGRAM FOLLOW-UP AT BOARD FINANCE	SPONSOR(S)
1	December 2009	SNF Beds to Sub-Acute	Steve Gold
2	January 2010	Perinatology Program	Sheila Brown
3	January 2010	Physician Recruitment	Gerald Bracht & Lisa Hudson
4	February 2010	San Diego Radiosurgery LLC & Stereotactic Radiosurgery (SRS)	Gerald Bracht & Bob Hemker
5	February 2010	VHA Purchasing Coalition	David Tam & Steve Ellis
6	April 2010	Da Vinci	Gerald Bracht & Bruce Grendell
7	June 2010	Pomerado Imaging, LLC	Gerald Bracht, Sheila Brown & Bob Hemker
8	August 2010	Wound Care	Sheila Brown
9	TBD	NICU Expansion	Gerald Bracht
10	TBD	PPH Retail Group, LLC	Sheila Brown
11	TBD	Residency Programs (e.g., Family Practice, ED, etc.)	Gerald Bracht & David Tam