

Palomar Pomerado Health
BOARD OF DIRECTORS
REGULAR BOARD MEETING
Palomar Medical Center/Graybill Auditorium
Monday, October 20, 2008

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
CALL TO ORDER	6:30 pm Quorum comprised Directors Bailey, Bassett, Greer, Kleiter, Krider, Larson and Rivera.		
OPENING CEREMONY	The Pledge of Allegiance was recited in unison.		
MISSION AND VISION STATEMENTS	<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>		
NOTICE OF MEETING	Notice of Meeting was mailed consistent with legal requirements		
PUBLIC COMMENTS	<p>Rob Roy Fawcett, a member of the Escondido community, discussed his concerns regarding the transparency of the board. He received via email, the agenda for the meeting but not the entire packet including addendums. Mr. Fawcett wanted to see documentation regarding the bonds being addressed in tonight's meeting. Mr. Fawcett also discussed his concerns for the McLeod tower and it's reclassification in order to operate after 2013. Mr. Fawcett also discussed the Kaiser agreement from 2007 in which PMC agreed to provide in patient/ out patient hospital services for a fee and that after the opening of</p>		

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	<p>the new Palomar West hospital, a number of beds would be guaranteed to Kaiser. Mr. Fawcett stated his concern that a Union Tribune article quoted a PPH official denying that such a guarantee exists. He requested an answer as to whether or not there would indeed be a guarantee of beds and if there was not that PPH documents be revised to show such changes. Fixed rate interest rates were also addressed. Mr. Fawcett wanted confirmation that the certificate of participation bonds would indeed be at a fixed interest rate. Lastly, Mr. Fawcett provided a handout regarding bed count. PPH documents stated that there are 288 beds while Mr. Fawcett had a slide from the Citizen's Oversight Committee that counted 268. He suggested that the documents be revised so that they would be consistent.</p>		
<p>APPROVAL OF MINUTES</p> <ul style="list-style-type: none"> • Regular Board Meeting September 8, 2008 • Special Board Meeting –August 12, 2008 		<p>MOTION: by Bailey, 2nd by Ted Kleiter and carried to approve the September 8 and August 14 minutes as submitted. All in favor. None opposed.</p>	
<p>APPROVAL OF AGENDA to accept the Consent Items as listed</p> <ul style="list-style-type: none"> A. Consolidated Financial Statements B. Revolving Fund Transfers/Disbursements – August, 2008 <ul style="list-style-type: none"> 1. Accounts Payable Invoices \$30,823,944.00 2. Net Payroll \$10,084,288.00 TOTAL \$40,908,232.00 C. Ratification of Paid Bills D. August 2008 & YTD FY2009 Financial Report (Addendum A) E. Capitation for Plan Years 2009 & 2010 	<p>Chairman Krider stated that Director Greer had asked that item J be pulled from the consent items for further discussion.</p> <p>Director Kleiter requested that Section Nine, Item B. the Facilities and Grounds Committee's proposal for delegation of signature authority be pulled from the agenda and sent back to committee.</p>	<p>MOTION: by Bailey, 2nd by Kleiter and carried to approve the Consent Items A. – I. as submitted. All in favor. None opposed.</p> <p>MOTION: by Bailey, 2nd by Kleiter and carried to approve sending the Facilities and Grounds Committee's proposal for delegation of signature authority back to committee. All in favor. None opposed.</p>	



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<p>F. PPH Independent Citizens' Oversight Committee Resignation of Edward R. Lehman – Next Steps Required of the Board</p> <p>G. Independent Citizens' Oversight Committee – Review of Annual Report for District Fiscal Year 2007-2008 (Addendum B)</p> <p>H. Medical Director Agreement – Diabetes Health Services - A. Conrad, M.D.</p> <p>I. Outpatient Behavioral Health – Clinical Director Agreement Amendment – M. Katz, M.D.</p> <p>J. Palomar Pomerado North County Health Development – Increase in Line of Credit</p>			
PRESENTATIONS			
<ul style="list-style-type: none"> ▪ None 			
REPORTS			
Medical Staff			
Palomar Medical Center – John J. Lilley, M.D.			
<ul style="list-style-type: none"> ▪ Credentialing/Reappointments 	<p>John J. Lilley, M.D., presented Palomar Medical Center's request for approval of Credentialing Recommendations.</p>	<p>MOTION: by Bassett, 2nd by Bailey and carried to approve the PMC Medical Staff Executive Committee credentialing recommendations for the PMC Medical Staff, as presented. All in favor. None opposed.</p> <p>Directors Greer and Larson abstained to avoid potential conflict of interest.</p>	
Pomerado Hospital – Benjamin Kanter, M.D.			
<ul style="list-style-type: none"> ▪ Credentialing/Reappointments 	<p>Benjamin Kanter, MD., Chief of Pomerado Medical Staff, presented Pomerado Hospital's</p>	<p>MOTION: by Bassett, 2nd by Bailey and carried to approve the</p>	

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	requests for approval of Credentialing Recommendations.	Pomerado Hospital Medical Staff Executive Committee credentialing recommendations for the Pomerado Medical Staff, as presented. All in favor. None opposed. Directors Greer and Larson abstained to avoid potential conflict of interest.	
<ul style="list-style-type: none"> ▪ Amendments to Bylaws/Rules and Regulations 	Chairman Krider addressed the amendments to the bylaws and regulations in section 3.2.4 regarding clinical privileges for Palomar Medical Staff members.	MOTION: by Bassett, 2 nd by Kleiter and carried to approve the amendments to the bylaws/regulations as presented. All in favor. None opposed.	
Administrative			
Chairman - Palomar Pomerado Health Foundation	<i>Al Stehly, Chairman, PPHF</i>		
<ul style="list-style-type: none"> ▪ Updates on PPHF Activities 	William Chaffin sat in for Al Stehly who was unable to attend the meeting.		
<ul style="list-style-type: none"> ▪ Jean McLaughlin Women's Center Education Classroom ▪ *Action: Request to name in honor of Kymberli Parker. 	The Palomar Pomerado Health Foundation Board of Directors recommended that the PPH District Board of Directors name the Education classroom at the Jean McLaughlin Women's Center in honor of Kymberli Parker. Ms. Parker met all of the requirements outlined in the Foundation's naming policy which was approved by the Board of Directors in fiscal year 2008. It was stated that Ms. Parker's ongoing gifts for unfunded mammograms and her support of the Community Outreach Women's Education van warranted a naming opportunity at the Jean McLaughlin's Women's Center. It was stated that this would also be in recognition of her passion for educating women about mammograms and providing the service to women without adequate resources.	MOTION: by Bailey, 2 nd by Kleiter and carried to approve the naming of the Jean McLaughlin Women's Center Education Classroom in honor of Kymberli Parker as presented. All in favor. None opposed.	
Chairman of the Board - Palomar	<i>Bruce G. Krider, MA</i>		

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Pomerado Health			
<ul style="list-style-type: none"> • Joint Conference Committee 	<p>Chairman Krider noted that Dr. Lilley was working on the Joint Conference Committee and reiterated the need for improved communications between medical staff, Board and administration. Chairman Krider inquired as to whether a date had been set for the Joint Conference Committee; however no date had yet been set.</p> <p>Chairman Krider stated that the October, 28th Finance meeting would be a full board meeting.</p>		
President and CEO	<i>Michael H. Covert, President and CEO</i>		
	<p>Mr. Covert thanked the Foundation and employee campaign committee for facilitating the concrete pour event at Palomar West. Though the event was planned as a thank you, within the first hour another \$10,000 was raised.</p> <p>Mr. Covert noted that the Strategic Planning Committee meeting on Tuesday, October 21 would be a full board meeting and would focus on rehabilitation, behavioral health and long term care. A strategic planning retreat will be planned after the first of the year to discuss continuing care and the future of such care programs as part of PPH's larger strategic plan. November's strategic planning meeting will focus on out patient programs, women's activities and women's services. December's strategic planning meeting will focus on providing updates for the newly initiated or dropped programs that the Board of Director's asked be reviewed.</p> <p>The Building and Grounds Committee will have a special session in December to give an update on the financial status and how it relates to the issues discussed in tonight's meeting.</p> <p>Opal Reinbold announced some of the awards recently received by PPH including 2008 Top 100 Places to Work in Healthcare, Modern</p>		

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	Healthcare 2008 Premier Award for Quality and the current magnet process.		
INFORMATION ITEMS	<i>Discussion by exception only</i>		
<ul style="list-style-type: none"> • Strategic Planning Committee Synopsis - Strategic Planning 			
<ul style="list-style-type: none"> ▪ Legal Department Strategic Plan – Finance (Addendum C) 			
COMMITTEE REPORTS			
Finance	<i>Ted Kleiter, Chair</i>		
<ul style="list-style-type: none"> • PPH Independent Citizens' Oversight Committee – Appointment of Officers 	<p>Pursuant to the policy, procedures and guidelines (PP&G) of the Palomar Pomerado Health Hospital, Emergency Care, Trauma Center Improvement and Repair Measure Bonds ICOC, the PPH Board of Directors was asked to appoint officers of the ICOC. At the July 2005 meeting, the PPH board delegated responsibility for those appointments to the Board Chair and the Board Finance Committee Chair. The PP&G also specified a term limit for the chair of three consecutive terms. The FY2008 officers were Steve Yerxa, Chair; Bob Wells, Vice Chair; and John McIver, Secretary. Although their terms expired on June 30, 2008, the incumbents have continued in their duties pending nominations and appointments of officers by the Board Chair and Finance Committee Chair. At the annual ICOC meeting in Sept 2008, the incumbents were nominated by the committee for reappointment. Steve Yerxa was unable to accept as it would have been his fourth term. PPH staff recommended that the nominees for officers as submitted by the ICOC be appointed for FY2009.</p>	<p>MOTION: by Bailey, 2nd by Kleiter and carried to approve the ICOC appointment of officers as presented. All in favor. None opposed.</p>	
<ul style="list-style-type: none"> • Issuance of GO Bonds, Election of 2004, Series 2008A, and Conversion of Certificates of Participation – ARS 2006 (Addendums D, E and F) 	<p>Bob Hemker presented information regarding the issuance of GO Bonds, the state of the market and the ability to place paper in the market. Mr. Hemker stated that volatility in the market fuels concerns. Credit and funding</p>	<p>MOTION: by Bailey, 2nd by Kleiter and carried to approve the resolutions 10.20.08 (01) – 09 and 10.20.08 (02) – 10 as presented. All in favor. None opposed.</p>	

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(Resolution numbers 10.20.08 (01) – 09 and 10.20.08 (02) – 10)	markets were discussed and it was noted that market uncertainties had undermined confidence. The tax-exempt money market was shown to still be in the process of recovery and that dislocated markets had limited sales of new long term issues. There is Federal support of universal banks however and that is ensuring solvency and liquidity. Mr. Hemker noted that the Muni market started to open as of October 6 th . The week of October 13 th confirmed that there is money available in the market. The market has yet to return for any long term fixed rate healthcare deals. Pending prevailing market conditions PPH may delay the execution of plan of finance.		
COMMITTEE CHAIR COMMENTS			
• Community Relations	No Meeting in September		
• Facilities and Grounds	No Meeting in September		
• Governance	No Meeting in September		
• Human Resources	No Meeting in September		
• Audit	No Meeting in September		
• Quality	No Meeting in September		
• Strategic Planning	September 9 th , 2008 Items discussed included long term care plans, PPH needs assessments, HCAC name change, NICHE presentation, and the Foundation model/ECG update		
• Finance	September 30 th , 2008 Action items discussed included Capitation for Calendar Plan Years 2009 & 2010, Physician agreements, August 2008 and YTD FY2009 Financial Report, Line of Credit (LoC) with Palomar Pomerado North County Health Development, Annual Report of the ICOC for District Fiscal Year 2007-2008, Vacancy on the ICOC, and Appointment of Officers of the ICOC. Information items discussed included the legal department's strategic plan.		

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BOARD MEMBER COMMENTS and AGENDA ITEMS FOR NEXT MONTH			
ADJOURNMENT	7:05 p.m.		
SIGNATURES <ul style="list-style-type: none"> ▪ Board Secretary ▪ Board Assistant 	 <hr/> Linda Bailey  <hr/> Nicole Dennis		