

**Palomar Pomerado Health**  
**BOARD OF DIRECTORS**  
**REGULAR BOARD MEETING**  
Palomar Medical Center/Graybill Auditorium  
Monday, February 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>	Rob Roy stated his perceptions of the construction timeline schedule.		
<b>APPROVAL OF MINUTES</b> <ul style="list-style-type: none"> <li>• Regular Board Meeting January 12, 2009</li> <li>• Special Board Meeting January 08, 2009</li> </ul>		<b>MOTION:</b> by Bassett, 2 <sup>nd</sup> by Greer and carried to approve the January 12, 2009 and January 08, 2009 minutes as submitted.  All in favor. None opposed.	
<b>APPROVAL OF AGENDA to accept the Consent Items as listed</b> <ul style="list-style-type: none"> <li>A. December 2008 &amp; YTD FY2009 Financial Report</li> <li>B. Approval of Revolving, Patient Refund and Payroll Fund</li> </ul>		<b>MOTION:</b> by Greer, 2 <sup>nd</sup> by Bassett and carried to approve the Consent Items A – L as submitted.  All in favor. None opposed.	

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<p>Disbursements– December, 2008</p> <p>Accounts Payable Invoices \$45,172,399.00</p> <p>Net Payroll \$10,752,277.00</p> <p>Total \$55,924,677.00</p> <p>C. Ratification of Paid Bills</p> <p>D. Audit and Compliance Committee Charter</p> <p>E. Annual Review of Board Finance Committee Bylaws</p> <p>F. Designation of Subordinate Officers of the District</p> <p>G. Draft ICOC Meeting Minutes</p> <p>H. Physician Independent Contract Agreement</p> <p>I. PMC Admin Services Agreements Med Staff Dept Chair, QMC Chair</p> <p>J. POM Admin Services Agreements Med Staff Officers</p> <p>K. VHA/Novation Southern CA Purchasing Coalition</p> <p>L. Minutes from January Community Relations Meeting</p>			
<b>PRESENTATIONS</b>			
<b>Trauma</b>	<p>Kim Colonnelli, Debra Byrnes and Dr. Steele presented a resolution for official support of trauma from the Board for the American College of Surgeons survey occurring in May.</p>	<p><b>MOTION:</b> by Greer, 2<sup>nd</sup> by Bassett and carried to approved the resolution for support of the trauma program from the Board such that the American College of Surgeons would note the active commitment of PPH to IT.</p> <p>All in favor. None opposed.</p>	
<b>Legal Department Strategic Plan</b>	<p>Janine Sarti provided a PowerPoint presentation on the Legal Department's Strategic Plan. The vision and mission statements were introduced and the highlights</p>		

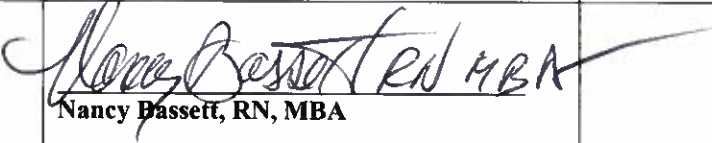

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	<p>of having a trusted advisor were outlined. The legal services goals were presented along with their day-to-day responsibilities. The presentation concluded with a comparison of in house legal versus outside counsel expenses.</p> <p>The Board discussed the presentation at this point.</p>		
<b>Form 700</b>	<p>Janine Sarti provided a PowerPoint presentation outlining the legal requirements regarding gifts to public officials.</p> <p>The Form 700 was reviewed along with how and when it is to be filed.</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 Kleiter, 2<sup>nd</sup> by Rivera 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 Bassett and Larson abstained to avoid potential conflict of interest.</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 Kleiter, 2<sup>nd</sup> by Krider and carried to approve the Pomerado Hospital Medical Staff Executive Committee credentialing recommendations for the Pomerado Medical Staff, as presented. All in favor. None opposed.</p> <p>Directors Bassett and Larson abstained to avoid potential conflict of interest.</p>	
<b>Administrative</b>			

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<b>Chairman - Palomar Pomerado Health Foundation</b>	<i>Al Stehly</i>		
<b>Foundation Updates</b>	<p>Mr. Stehly reminded the Board that the Gala was going to be held on June 13<sup>th</sup> and currently has over \$100k in sponsors.</p> <p>There is still a need auction items.</p> <p>The MC for this year's Gala will be Dan Fouts.</p>		
<b>Naming Opportunity at Jean McLaughlin's Women's Center</b>	<p>Marsha Bryan presented an opportunity to name the healing gardens at the Jean McLaughlin's Women's Center in honor of Vaughdean Forbes for her contributions to Palomar Pomerado Health.</p>	<p><b>MOTION:</b> by Bassett, 2<sup>nd</sup> by Kleiter and carried to approve the naming of the healing gardens at the Jean McLaughlin's Women's Center in honor of Vaughdean Forbes as presented.</p> <p>All in favor. None opposed.</p>	
<b>Chairman of the Board - Palomar Pomerado Health</b>	<i>Bruce G. Krider, MA</i>		
	<p>Mr. Krider reminded the Board that the Board Self-Evaluation Session would be held on Wednesday, February 11th. The Board Education Session would be held on Monday, February 23<sup>rd</sup> and the annual CEO Evaluation was in the process of being scheduled.</p>		
<b>President and CEO</b>	<i>Michael Covert, President and CEO</i>		
	<p>Mr. Covert and members of the administration team have begun meeting with the medical staff in group sessions regarding creating a primary care foundation model. The next meeting will be held later this month.</p> <p>Tuesday, February 10<sup>th</sup> begins the budgeting meetings.</p> <p>Friday, April 3<sup>rd</sup> is the Annual Leadership Banquet. Formal invitations will be going out at the end of the month.</p> <p>Mr. Covert gave a brief summary of the congressional stimulus bill that should be finalized this week. There is approximately \$90 million going to Medicaid but the dollars</p>		

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	<p>are not to be used for provider payments directly. The dollars are for maintenance and eligibility for people to participate. The House portion of the bill provides matching for newly unemployed individuals. The Senate portion of the bill does not have matching. Monies for EMR's will have to come as part of a universal health care bill unless clarified differently in the final package. In his estimation, if such funds did become available, it would come in 2011 or 2012.</p> <p>Hospitals will not be able to use patient info for fundraising.</p> <p>Some incentives have been instituted for banks to purchase tax exempt bonds.</p> <p>Cobra may be expanded but it will not be known for another couple of weeks as to the percentage covered for newly unemployed .</p> <p><i>David Tam, MD</i></p>		
<p><b>Special Board Facilities and Grounds Meeting Summary</b></p>	<p>A Special Board Meeting was held today as part of the Facilities and Grounds Committee meeting. An update was given on Palomar West. The construction update showed steel being erected on the 5th and 6th floors; weather permitting. Since the last update on January 8<sup>th</sup> many value engineering items have been reviewed and been agreed upon in order to increase savings.</p> <p>Periodic updates will be presented on the value engineering items to see if savings were realized.</p> <p><i>Sheila Brown, FACHE</i></p>		
<p><b>Pulmonary Rehab</b></p>	<p>Sheila Brown spoke to the Board about the reinstatement of parts of the pulmonary rehab program.</p> <p>At the December Strategic Planning meeting it was stated that there had been a loss on the Pulmonary Rehab program. CMS will begin new reimbursements for the Pulmonary Rehab Program in 2010 but the amount is still unknown.</p>		

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	<p>The fifteen Phase Three patients in the maintenance program who have been able to continue wrote letters of thanks.</p> <p>Several options have been discussed and it was decided to re-evaluate in March 2009. On February 4<sup>th</sup> the Foundation contacted Pulmonary Rehab with a potential donor who is also currently a patient. The potential donor is requesting a proposal to analyze the costs of holding the program at PMC. A five year loss of \$860,000 was projected.</p> <p>Sheila Brown will give an updated report again in March.</p>		
<b>INFORMATION ITEMS</b>	<i>Discussion by exception only</i>		
<ul style="list-style-type: none"> <li>▪ <b>Internal Audit and Compliance</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Audit and Compliance – Report on Ad Hoc Compliance Committee</li> <li>▪ Audit and Compliance – Status of Director of Corporate Compliance Department Search</li> <li>▪ Audit and Compliance –Status of Compliance Department Hotline</li> <li>▪ Audit and Compliance – Next meeting of Audit and Compliance time and date</li> <li>▪ Audit and Compliance – Re-draft of Committee Charter</li> <li>▪ Audit and Compliance – Update on Internal Audit Services Activities</li> <li>▪ Audit and Compliance – Update on 3M Auditing Expert Coding Program</li> </ul>		
<ul style="list-style-type: none"> <li>▪ <b>Governance</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Governance – Board Policies Availability on Lucidoc</li> <li>▪ Governance – District Structure Outline added to Board Portal</li> <li>▪ Governance – Board Policy Review Schedule</li> </ul>		
<ul style="list-style-type: none"> <li>▪ <b>Human Resources</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Human Resources - Annual Review of PPH Bylaws Relating to HR Committee</li> <li>▪ Human Resources - 2009 HR Committee Dates/Times</li> </ul>	Item N was pulled for discussion.	

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	<ul style="list-style-type: none"> <li>▪ Human Resources – Dependent Audit</li> <li>▪ Human Resources – Job Descriptions</li> <li>▪ Human Resources – Position Reorganization</li> <li>▪ Human Resources – Quarterly HR Report</li> <li>▪ Human Resources – Rewards and Recognition Program</li> </ul>		
<ul style="list-style-type: none"> <li>▪ <b>Finance</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Finance - Finance Committee Meeting Schedule 2009</li> </ul>		
<ul style="list-style-type: none"> <li>▪ <b>Community Relations</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Community Relations – Marketing HealthSource Campus</li> <li>▪ Community Relations – CRM Update</li> <li>▪ Community Relations – Web Strategy</li> <li>▪ Community Relations – Branding Update</li> <li>▪ Community Relations – Research Update</li> <li>▪ Community Relations – HealthSource Update</li> <li>▪ Community Relations – Community Action Councils</li> <li>▪ Community Relations – Media Update</li> </ul>		
<p><b>COMMITTEE CHAIR COMMENTS</b></p>			
<ul style="list-style-type: none"> <li>• <b>Internal Audit</b></li> </ul>	<p>The organizational level of the Compliance Officer was discussed. The severance pay was changed during January’s Board meeting.</p> <p>The Board discussed how changing the title of the Compliance Officer from Director to Vice President would affect those currently at the Vice President level. It was stated by Director Greer that the Vice President level for a Compliance Officer was now common in most other organizations.</p> <p>The Board held discussion at this point.</p>	<p><b>MOTION:</b> by Greer, 2<sup>nd</sup> by Bassett to approve the title of the Compliance Officer being changed from Director to Vice President.</p> <p>Five in favor. Directors Rivera and Kleiter opposed.</p> <p>Motion Approved.</p>	
<ul style="list-style-type: none"> <li>• <b>Governance</b></li> </ul>	<p>As this was Director Kaufman’s first meeting it was informational only.</p>		

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<ul style="list-style-type: none"> <li>• <b>Human Resources</b></li> </ul>	<p>The celebration lunch for 5/10/15 year employees is being held Tuesday, February 10<sup>th</sup> at 11:00am at the Escondido Center for the Arts.</p>		
<ul style="list-style-type: none"> <li>• <b>Strategic Planning</b></li> </ul>	<p>Strategic Planning did not meet in January. The next meeting is February 24<sup>th</sup> and is a full Board meeting.</p>		
<ul style="list-style-type: none"> <li>• <b>Community Relations</b></li> </ul>	<p>The committee is in the process of evaluating the LT contract.</p>		
<ul style="list-style-type: none"> <li>• <b>Board Facilities and Grounds</b></li> </ul>	<p>The Board has been invited to tour and speak with Sharp Hospital regarding the necessary processes involved in moving campuses.</p>		
<ul style="list-style-type: none"> <li>• <b>Board Quality Review</b></li> </ul>	<p>BQRC did not meet this month but had a joint meeting with Finance.</p>		
<ul style="list-style-type: none"> <li>• <b>Finance</b></li> </ul>	<p>Director Kleiter spoke about the BETA strategic plan for the future of BETA and HealthPro. HealthPro is an insurance company formed by BETA to protect physicians. HealthPro is now looking at how to reach other physician groups and targeting smaller physician groups. BETA is single largest insurer of hospitals in CA.</p>		
<p><b>BOARD MEMBER COMMENTS and AGENDA ITEMS FOR NEXT MONTH</b></p>	<p>Director Larson congratulated the Board for being six months into the year and being on budget. Director Larson also expressed his concerns about for the healthcare climate and would like the organization to remain proactive in holding down expenses.</p>		
<p><b>ADJOURNMENT</b></p>	<p><b>8:00 p.m.</b></p>		
<p><b>SIGNATURES</b></p> <ul style="list-style-type: none"> <li>▪ <b>Board Secretary</b></li> <li>▪ <b>Board Assistant</b></li> </ul>	<p>  Nancy Bassett, RN, MBA</p> <p>  Nicole Dennis</p>		