

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

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

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

**1. AGENDA ITEM**

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

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

**ESTABLISHMENT OF QUORUM**

- See roster

**PUBLIC COMMENTS**

- There were no public comments

**INFORMATION ITEM(S)**

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

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

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

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

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

**1. AGENDA ITEM**

• <b>DISCUSSION</b>	<b>CONCLUSION/ACTION</b>	<b>FOLLOW UP/RESPONSIBLE PARTY</b>	<b>FINAL?</b>
<ul style="list-style-type: none"> <li>o Average outside counsel fees for a year were significantly higher than in-source solution                             <ul style="list-style-type: none"> <li>– PPH's fees for FY2009 were \$217K                                     <ol style="list-style-type: none"> <li>1) Those are total paid fees, not including costs of in-house attorneys</li> </ol> </li> </ul> </li> <li>o Fulbright &amp; Jaworski is the main firm utilized as outside counsel                             <ul style="list-style-type: none"> <li>– Open phone arrangement with them                                     <ol style="list-style-type: none"> <li>1) They charge PPH \$2K/month for phone contact with counsel</li> <li>2) For discussions lasting less 1hour, there is no extra charge</li> </ol> </li> </ul> </li> <li>o Also use one other outside firm for labor law</li> <li>o Compliance/Audit/Legal                             <ul style="list-style-type: none"> <li>– Three legs of the internal regulatory stool                                     <ol style="list-style-type: none"> <li>1) If there are issues, Marty, Tom and Janine work collaboratively to investigate, then report on findings</li> </ol> </li> <li>– Marty also has a legal background                                     <ol style="list-style-type: none"> <li>1) Unless the issue under investigation concerns the Legal Department, Marty will utilize Janine for legal counsel</li> </ol> </li> <li>– Otherwise, Janine is the avenue of control over when outside counsel can be utilized                                     <ol style="list-style-type: none"> <li>1) If there is a difference of opinion, there is opportunity to go to the Board Chair for authorization to go to outside counsel</li> </ol> </li> </ul> </li> </ul>			

**4. JUNE 2009 AND YTD FY2009 PRE-AUDIT CLOSE**

<ul style="list-style-type: none"> <li>• Utilizing the attached presentation (<i>Attachment 2</i>), Bob Hemker presented the pre-audit close financial statements for June 2009 and YTD FY2009                             <ul style="list-style-type: none"> <li>o These are the financials as handed over to Deloitte &amp; Touche for audit</li> <li>o Audited financials will go into the Offering Statement for the bond issue</li> <li>o Kept the books open as long as we could to review any atypical items                                     <ul style="list-style-type: none"> <li>– Also reviewed any comments from last year's audit</li> <li>– Were not sent out ahead of time as finalized at 11<sup>th</sup> hour</li> </ul> </li> <li>o Only certain pages will be highlighted, and follow-up questions may be addressed to Bob</li> <li>o Balanced Scorecard (BSC)                                     <ul style="list-style-type: none"> <li>– OEBITDA ended at 9.9% against a budget of 10.4%</li> <li>– Consolidated Salaries and Wages were yellow   <ol style="list-style-type: none"> <li>1) South Salaries and Wages &amp; productive FTEs are both green</li> <li>2) North productive FTEs were blue   <ol style="list-style-type: none"> <li>a) Much more improved performance</li> </ol> </li> </ol> </li> </ul> </li> <li>o Key Variance Explanations (<i>Slides 13-15</i>)                                     <ul style="list-style-type: none"> <li>– Net income from operations ended the year \$500K above budget at \$9.4M</li> <li>– Total net revenues were up \$7.8M above budget</li> <li>– Salaries and Wages showed a positive variance of \$2.8M</li> </ul> </li> </ul> </li> </ul>	<p><b>MOTION:</b> By Dr. Lilley seconded by Dr. Martin and carried to recommend approval of the June 2009 and YTD FY2009 Pre-Audit Close Financial Statements as presented. All in favor. None opposed.</p>	<p>Forwarded to the September 14, 2009, Board of Directors meeting with a recommendation for approval.</p>	<p align="center"><b>N</b></p>
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**1. AGENDA ITEM**

• DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
<ul style="list-style-type: none"> <li>1) Offset by a negative variance in contract labor of \$3.2M</li> <li>2) Total negative variance of just under \$400K, attributable to severance costs</li> <li>– Negative variance of \$2.9M in Group Health Insurance               <ul style="list-style-type: none"> <li>1) Settlement cost at the end of a 2-year program                   <ul style="list-style-type: none"> <li>a) Discounted rate for utilization was offset by higher utilizers out of network activity</li> </ul> </li> </ul> </li> <li>– Negative variance of \$219K in Professional Fees               <ul style="list-style-type: none"> <li>1) ER physician call coverage fee changes</li> </ul> </li> <li>– Negative variance of \$3.7M in Supplies               <ul style="list-style-type: none"> <li>1) Due in large part to Prosthesis</li> <li>2) Non-pharmaceuticals were \$1.1M below budget</li> <li>3) Blood bank shows a positive variance to budget of about \$400K</li> </ul> </li> <li>– Negative variance in Medi-Cal eligibility consulting services of \$589K is contra to the additional revenue derived from Medi-Cal</li> <li>– Negative variance of \$758K in Utilities               <ul style="list-style-type: none"> <li>1) Portion of increase due to having more properties come online during the fiscal year</li> </ul> </li> <li>– Negative variance of \$500K in property tax               <ul style="list-style-type: none"> <li>1) Due to delinquencies in the fourth quarter and lower assessed value growth than expected</li> </ul> </li> <li>– Investment income showed an overall 4.2% return               <ul style="list-style-type: none"> <li>1) Still bore a negative variance of \$2.4M</li> </ul> </li> <li>– Interest Rate Swap on Auction Rate Securities               <ul style="list-style-type: none"> <li>1) Non-cash transaction – book entry only</li> <li>2) No collateral posted on them; swaps are generally neutralized by rating agencies in their review</li> <li>3) \$10.7M was recorded as a non-operating expense to adjust to the negative \$16.7M fair value of the swap at 6/30/09</li> </ul> </li> <li>– Negative variance of \$1M on the PDP Investment related to the Pomerado Outpatient Pavilion (POP)               <ul style="list-style-type: none"> <li>1) Based on the interim loan structure</li> <li>2) LLC is looking for permanent financing and/or monetization of the asset solution</li> </ul> </li> <li>o Balance Sheet (<i>Slide 16</i>)               <ul style="list-style-type: none"> <li>– Cash and equivalents is up \$31M year on year                   <ul style="list-style-type: none"> <li>1) Net cash and Board-designated funds is a \$19M improvement year on year</li> </ul> </li> <li>– Days cash on hand is up to 103 days                   <ul style="list-style-type: none"> <li>1) Up about 14.7 days year on year</li> </ul> </li> <li>– Accumulated depreciation is \$4M lower year on year</li> <li>– There is \$182M more in CIP Accounts than prior year</li> </ul> </li> </ul>			

1. AGENDA ITEM

• DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
<ul style="list-style-type: none"> <li>- Total Fund Balance moved up \$23M against prior year</li> <li>- Cash Collections of \$426.8M were \$5M short of budget                             <ul style="list-style-type: none"> <li>1) Had an \$8M stretch goal in the budget amount, so exceeded what we expected</li> <li>2) \$23M more collected year on year</li> </ul> </li> <li>- Improved liquidity and net fund balance side</li> <li>o Monthly Trend Income Statement (<i>Slide 17</i>)                             <ul style="list-style-type: none"> <li>- Consistency throughout the year in OEBITDA                                     <ul style="list-style-type: none"> <li>1) 4<sup>th</sup> quarter showed upward movement toward where it needs to be in FY10</li> </ul> </li> </ul> </li> <li>o YTD Income Statement (<i>Slide 18</i>)                             <ul style="list-style-type: none"> <li>- Total Net Revenue had a positive variance of 1.5%</li> <li>- Admissions had a negative variance of 5.8%</li> <li>- Acute Patient Days had a negative variance of 3%</li> <li>- SNF Patient Days had a positive variance of .5%</li> <li>- Adjusted Discharges had a positive variance of .25%</li> <li>- Broke through \$1.5B on gross revenue from billed charges</li> <li>- Overall Salaries and Wages showed a negative variance to budget of just under \$400K</li> <li>- Supplies had a negative variance of 5%</li> <li>- Operating income had a positive variance of 5% to budget</li> </ul> </li> <li>o Year on Year Income Statement (<i>Slide 20</i>)                             <ul style="list-style-type: none"> <li>- Acute Admissions were down about 4%</li> <li>- Acute Patient Days were down about 3%</li> <li>- Adjusted Discharges were down .6%</li> <li>- ALOS Acute was flat-line</li> <li>- ALOS SNF was up .8%                                     <ul style="list-style-type: none"> <li>1) Overall case mix for this year was 1.27 compared to 1.21 in FY08</li> <li>2) Medicare was up to 1.48 from 1.4</li> <li>3) Overall case mix w/out births was up to 1.46 from 1.4</li> <li>4) Although volume units are down, intensity is getting higher</li> </ul> </li> <li>- Overall Net Revenue was up 6.3%                                     <ul style="list-style-type: none"> <li>1) On a per unit measure up almost 7%   <ul style="list-style-type: none"> <li>a) Driven by rate improvements, contract improvements, etc.</li> </ul> </li> </ul> </li> <li>- Salaries and Wages were up \$2.7M raw dollars</li> <li>- Supplies were up 6.3% up</li> <li>- Total expenses were up 1.75%</li> <li>- Operating Income showed almost a \$19M improvement                                     <ul style="list-style-type: none"> <li>1) Talked about our recovery plan last year when issuing bonds</li> </ul> </li> </ul> </li> </ul>			

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

**1. AGENDA ITEM**

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

**5. JULY 2009 AND YTD FY2010 FINANCIAL REPORT**

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

• DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
<ul style="list-style-type: none"> <li>- Net income margin was slightly positive to budget at 6.1%</li> <li>- Cash on hand continues to grow, with a positive variance of 24.2</li> <li>o Income Statement – Month to Date (ADD C-11)                             <ul style="list-style-type: none"> <li>- Adjusted Discharges had a negative variance of 1%</li> <li>- Gross Revenue had a \$4.8M positive variance                                     <ul style="list-style-type: none"> <li>1) \$/Adjusted Discharge were \$43,404 against a budget of \$41,608</li> <li>2) When you take case mix into account – should have been approximately \$46K</li> </ul> </li> <li>- Total Net Revenue \$/Adjusted Discharge was \$11,694                                     <ul style="list-style-type: none"> <li>1) Positive variance of 3.4%</li> </ul> </li> <li>- SWB had a negative variance of \$195K                                     <ul style="list-style-type: none"> <li>1) Included the Fourth of July holiday</li> <li>2) Also made an accrual based on where we thought the union contracts would settle   <ul style="list-style-type: none"> <li>a) Will take a couple of months to true up after adjustments are reconciled</li> </ul> </li> </ul> </li> <li>- Supplies had a negative variance of \$288K                                     <ul style="list-style-type: none"> <li>1) Detailed breakdown is on ADD C-17</li> </ul> </li> <li>- OEBITDA margin percentage is right at budget – 10.9% vs. 11%</li> <li>- Despite volume uncertainties, we are managing to budget</li> </ul> </li> <li>o Income Statement Vs. Prior YTD (ADD C-12)                             <ul style="list-style-type: none"> <li>- Continue to see strength</li> <li>- Operating income is \$1,399,193                                     <ul style="list-style-type: none"> <li>1) Positive variance of \$533K compared to prior year</li> </ul> </li> <li>- Adjusted Discharges had a negative variance of 5%</li> <li>- Bottom bottom line of \$2.4M                                     <ul style="list-style-type: none"> <li>1) Positive variance to last year of \$339K</li> </ul> </li> <li>- Total Expense \$/Adjusted Discharge had a negative variance of \$1266 – up 12.6% over prior year</li> </ul> </li> <li>o Supplies variance (ADD C-17)                             <ul style="list-style-type: none"> <li>- Implants had the largest negative variance at \$361K                                     <ul style="list-style-type: none"> <li>1) Implant revenue is now carved out into its own revenue capture area, and there was a positive variance of \$1M more on the revenue side   <ul style="list-style-type: none"> <li>a) Year on year there were 8 more implantable device cases</li> </ul> </li> </ul> </li> <li>- Haven't seen elective surgeries going up as it did last year when the economy started downturn                                     <ul style="list-style-type: none"> <li>1) Will watch for the same thing near calendar year end</li> </ul> </li> </ul> </li> <li>o ALOS (ADD C-21)                             <ul style="list-style-type: none"> <li>- <i>New slide added to the presentation</i> <ul style="list-style-type: none"> <li>1) Dashed lines indicate budget numbers</li> </ul> </li> </ul> </li> </ul>			

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

**1. AGENDA ITEM**

• DISCUSSION	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
<ul style="list-style-type: none"> <li>- Value of slide is the variation shown by prior year trend lines</li> <li>o Monthly Collections (ADD C-46)                             <ul style="list-style-type: none"> <li>- Strong cash collections last year</li> <li>- Month of July is at \$39.2M                                     <ol style="list-style-type: none"> <li>1) Positive variance to budget of \$400K</li> <li>2) \$6.4M ahead of prior year</li> </ol> </li> <li>- Cash collections goal was increased this year (from \$2M last year to \$9M this year) for registration deposits (deductibles and co-pays)                                     <ol style="list-style-type: none"> <li>1) Based on new opportunities in the revenue budget, as well as improved processes</li> </ol> </li> </ul> </li> <li>o HealthWoRx Dashboard (ADD C-47)                             <ul style="list-style-type: none"> <li>- <i>Another new slide that reflects the various pillars of the Revenue Optimization Committee (ROC)</i> <ol style="list-style-type: none"> <li>1) One indicator for each pillar that can test whether that pillar is doing things right</li> <li>2) Quick snapshot in one place</li> </ol> </li> </ul> </li> <li>o The flash report for August MTD was distributed (Attachment 3)                             <ol style="list-style-type: none"> <li>1) New format for this year</li> <li>2) Now broken down between the two acute-care campuses</li> <li>3) Also added a few more volume indicators</li> <li>4) August translating into what would be expected from a slow summer month</li> </ol> </li> <li>• Patient inquiry of board regarding a potential additional discount                             <ul style="list-style-type: none"> <li>o Bob thanked the Board for their support of Administration with regard to the matter</li> <li>o The patient has now paid the account in full</li> </ul> </li> </ul>			
<b>ADJOURNMENT</b>	<b>The meeting was adjourned at 7:57 p.m.</b>		
<b>SIGNATURES:</b>			
• COMMITTEE CHAIR	 _____ T. E. Kleiter		
• COMMITTEE SECRETARY	 _____ Tanya Howell		

# ATTACHMENT 1

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## **Legal Services Update**

Janine Sarti, Esq.  
General Counsel  
August 25, 2009

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

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

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## Revenues per Company Size\*

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

\*Serengeti Law 2008 Benchmarking report

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

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

\*Serengeti Law 2008 Benchmarking report

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## OUTSIDE LEGAL COUNSEL FEES\*

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

\*Serengeti Law 2008 Benchmarking report

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## OUTSIDE LEGAL COUNSEL FEES

- Large Companies: \$4,817,105

PPH FY '09  
LEGAL FEES

**\$216,928**

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

- Large Companies: .13%

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

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

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

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

\*Serengeti Law 2008 Benchmarking report

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

- Large Companies: .23%

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

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

\*Serengeti Law 2008 Benchmarking report

**Number of Law Firms Used\***

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

\*Serengeti Law 2008 Benchmarking report



## Number of Law Firms Used by PPH

Benchmark for Large Companies: 20

FY '07

12

FY '08

7

FY '09

2

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## Legal Fees Cost Breakdown

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

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## SIGNIFICANT ACCOMPLISHMENTS PROJECTS COMPLETED – FY '09

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

Total Hours: approximately 3275

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

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

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

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## Fulbright Open-Phone Arrangement Matters Discussed

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

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## Legal Services Department Team

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

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## Legal Services Department

- QUESTIONS?

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Legal Services Department

•THANK YOU!

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# ATTACHMENT 2

# Financial Statements

## June 2009

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FISCAL YEAR 2009		2	PALOMAR POMERADO HEALTH SPECIALIZING IN YOU
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FISCAL YEAR 2009							3 PALOMAR POMERADO HEALTH SPECIALIZING IN YOU				
Balanced Scorecard Financial Indicators											
March	April	May	June		% Actual to Budget		YTD 2009				
Actual	Actual	Actual	Actual	Budget	Variance	% Actual to Budget	Actual	Budget	Variance	% Actual to Budget	
<b>PPH Indicators:</b>											
9.4%	9.4%	9.8%	10.2%	11.2%	(1.0%)	81.1%	OEBITDA Margin w/Prop Tax	9.9%	10.4%	(0.5%)	85.2%
\$ 11,183.33	\$ 10,574.82	\$ 10,808.65	\$ 11,479.70	\$ 10,712.51	\$(767.19)	107.2%	Expenses/Adj Discharge	\$ 10,898.41	\$ 10,742.22	\$ (157.19)	101.5%
\$ 6,846.74	\$ 6,363.56	\$ 6,719.57	\$ 6,382.32	\$ 6,390.64	\$ 8.32	98.9%	SWB/Adj Discharge	\$ 6,485.01	\$ 6,417.33	\$ (67.68)	101.1%
6.37	6.35	6.38	6.18	6.56	0.38	94.2%	Prod FTE's/Adj Occupied Bed	6.34	6.60	0.26	96.1%
3,315	3,341	3,445	3,245	3,276	(31)	98.1%	Adjusted Discharges	40,052	39,951	101	100.3%
<b>PPH North Indicators:</b>											
7.9%	7.6%	12.6%	9.8%	12.4%	(2.6%)	79.0%	OEBITDA Margin w/Prop Tax	10.1%	11.3%	(1.2%)	89.4%
\$ 10,226.35	\$ 9,952.15	\$ 10,025.50	\$ 10,349.46	\$ 9,927.70	\$(421.76)	104.2%	Expenses/Adj Discharge	\$ 10,113.21	\$ 9,970.13	\$ (143.08)	101.4%
\$ 5,390.53	\$ 5,118.57	\$ 5,280.77	\$ 5,272.96	\$ 5,185.60	\$(87.36)	101.7%	SWB/Adj Discharge	\$ 5,253.72	\$ 5,234.05	\$ (19.67)	100.4%
5.19	5.21	5.26	5.02	5.30	0.28	94.7%	Prod FTE's/Adj Occupied Bed	5.23	5.37	0.14	97.4%
2,434	2,421	2,497	2,397	2,365	32	101.4%	Adjusted Discharges	29,031	28,856	175	100.6%
<b>PPH South Indicators:</b>											
6.3%	11.1%	3.2%	8.5%	6.8%	1.7%	125.0%	OEBITDA Margin w/Prop Tax	7.2%	6.6%	0.6%	109.1%
\$ 13,006.85	\$ 11,165.51	\$ 11,658.41	\$ 13,680.37	\$ 11,663.20	\$(2,017.17)	117.3%	Expenses/Adj Discharge	\$ 11,824.48	\$ 11,665.74	\$ (158.74)	101.4%
\$ 6,568.34	\$ 5,980.18	\$ 5,957.20	\$ 6,189.57	\$ 6,003.99	\$(185.58)	103.1%	SWB/Adj Discharge	\$ 5,915.09	\$ 6,002.40	\$ (87.31)	98.59%
6.67	6.57	6.34	6.56	6.45	(0.11)	101.7%	Prod FTE's/Adj Occupied Bed	6.35	6.42	0.07	98.9%
845	882	928	827	891	(64)	92.6%	Adjusted Discharges	10,718	10,851	(133)	99.8%

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

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

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



Income Statement

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

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

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

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

Income Statement (cont'd)

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

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

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

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

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

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

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

Ratios & Margins

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

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

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

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

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

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

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

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

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



FISCAL YEAR 2009				19 PALOMAR POMERADO HEALTH SPECIALIZING IN YOU				
Income Statement: Month-to-Date Consolidated - Adjusted Discharges								
Statistics:	Actual			Variance		\$/Adjusted Discharges		
	Actual	Budget	Variance	Volume	Rate/Eff	Actual	Budget	Variance
Admissions - Acute	2,222	2,417	(195)					
Admissions - SNF	100	85	15					
Patient Days - Acute	9,057	9,337	(280)					
Patient Days - SNF	6,339	6,242	97					
ALOS - Acute	4.08	3.86	0.22					
ALOS - SNF	69.66	74.31	(4.65)					
Adjusted Discharges	3,245	3,276	(31)					
<b>Revenue:</b>								
Gross Revenue	\$ 135,504,164	\$ 123,165,753	\$ 12,338,411 F	\$ (1,165,488)	\$ 13,503,899	\$ 41,757.83	\$ 37,596.38	\$ 4,161.45
Deductions from Rev	(98,203,242)	(87,697,929)	(10,505,313) F	829,864	(11,335,177)	(30,262.94)	(26,769.82)	(3,493.12)
Net Patient Revenue	37,300,922	35,467,824	1,833,098 F	(335,623)	2,168,721	11,494.89	10,826.56	668.33
Other Oper Revenue	1,066,866	621,845	445,021 F	(5,894)	450,905	328.77	189.82	138.95
<b>Total Net Revenue</b>	<b>38,367,788</b>	<b>36,089,669</b>	<b>2,278,119 F</b>	<b>(341,508)</b>	<b>2,619,627</b>	<b>11,823.66</b>	<b>11,016.38</b>	<b>807.28</b>
<b>Expenses:</b>								
Salaries, Wages & Contr Labor	16,262,866	16,818,196	555,330 F	159,147	396,183	5,011.67	5,133.76	122.09
Benefits	4,447,754	4,117,533	(330,221) U	38,963	(369,184)	1,370.65	1,256.88	(113.77)
Supplies	5,326,012	5,465,977	139,965 F	51,723	88,242	1,641.30	1,668.49	27.19
Prof Fees & Purch Svc	5,622,209	4,642,612	(979,597) U	43,932	(1,023,529)	1,732.58	1,417.16	(315.42)
Depreciation	1,839,114	1,873,148	34,034 F	17,725	16,309	566.75	571.78	5.03
Other	3,874,469	2,176,726	(1,697,743) U	20,598	(1,718,341)	1,193.98	664.45	(529.53)
<b>Total Expenses</b>	<b>37,372,424</b>	<b>35,094,195</b>	<b>(2,278,229) U</b>	<b>332,088</b>	<b>(2,610,317)</b>	<b>11,516.93</b>	<b>10,712.51</b>	<b>(804.41)</b>
<b>Net Inc Before Non-Oper Income</b>	<b>995,364</b>	<b>995,474</b>	<b>(110) U</b>	<b>(9,420)</b>	<b>9,310</b>	<b>306.74</b>	<b>303.87</b>	<b>2.87</b>
Property Tax Revenue	1,072,045	1,166,674	(94,629) U	(11,040)	(83,589)	330.37	356.13	(25.76)
Non-Operating Income	(10,745,280)	175,284	(10,920,564) U	(1,659)	(10,918,905)	(3,311.33)	53.51	(3,364.84)
<b>Net Income (Loss)</b>	<b>\$ (8,677,871)</b>	<b>\$ 2,337,432</b>	<b>\$ (11,015,303) U</b>	<b>\$ (22,119)</b>	<b>\$ (10,993,184)</b>	<b>\$ (2,674.23)</b>	<b>\$ 713.50</b>	<b>\$ (3,387.73)</b>
Net Income Margin	(22.6%)	6.5%	(29.1%)					
OEBITDA Margin w/o Prop Tax	7.4%	7.9%	(0.5%)					
OEBITDA Margin with Prop Tax	10.2%	11.2%	(1.0%)					

F= Favorable variance  
U= Unfavorable variance

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

F= Favorable variance  
U= Unfavorable variance

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

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



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

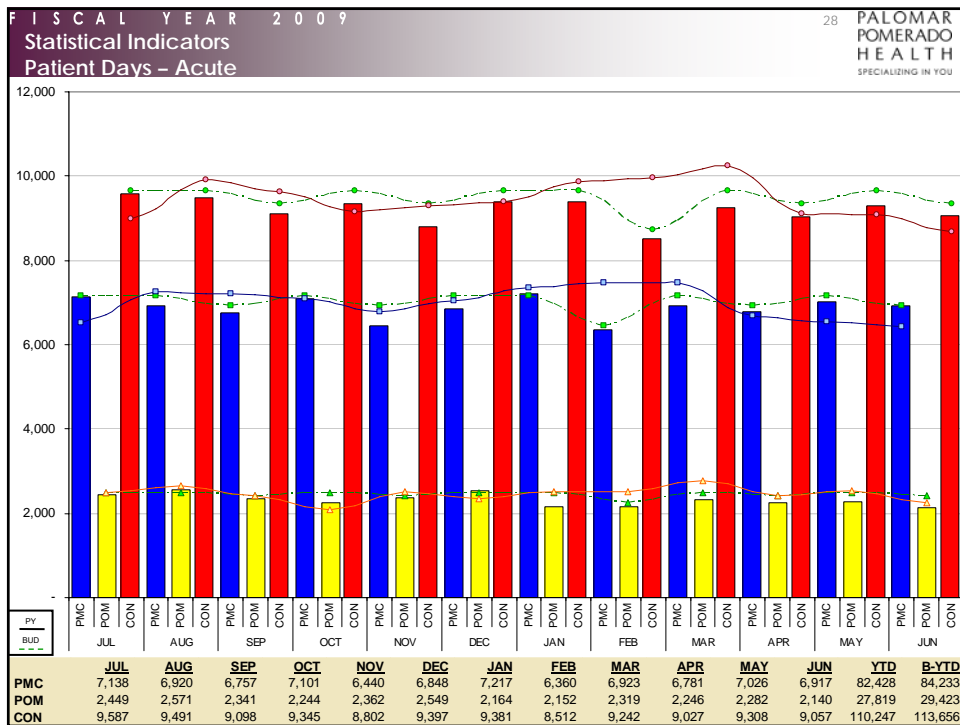
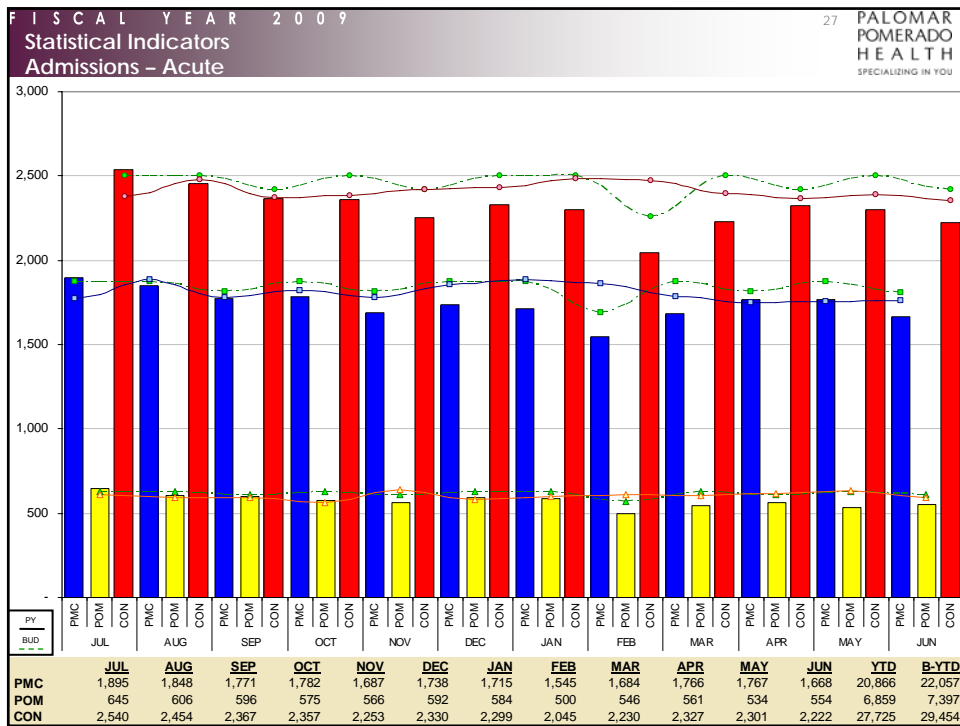
FISCAL YEAR 2009		PALOMAR POMERADO HEALTH		
Summary of Key Indicators & Results		SPECIALIZING IN YOU		
Fiscal Year-to-Date				
	ACTUAL	BUDGET	VARIANCE	FY 2008
<b>ADJUSTED DISCHARGES</b>				
Palomar Medical Center	29,031	28,856	175	28,779
Pomerado Hospital	10,718	10,851	(133)	10,761
Other Activities	303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

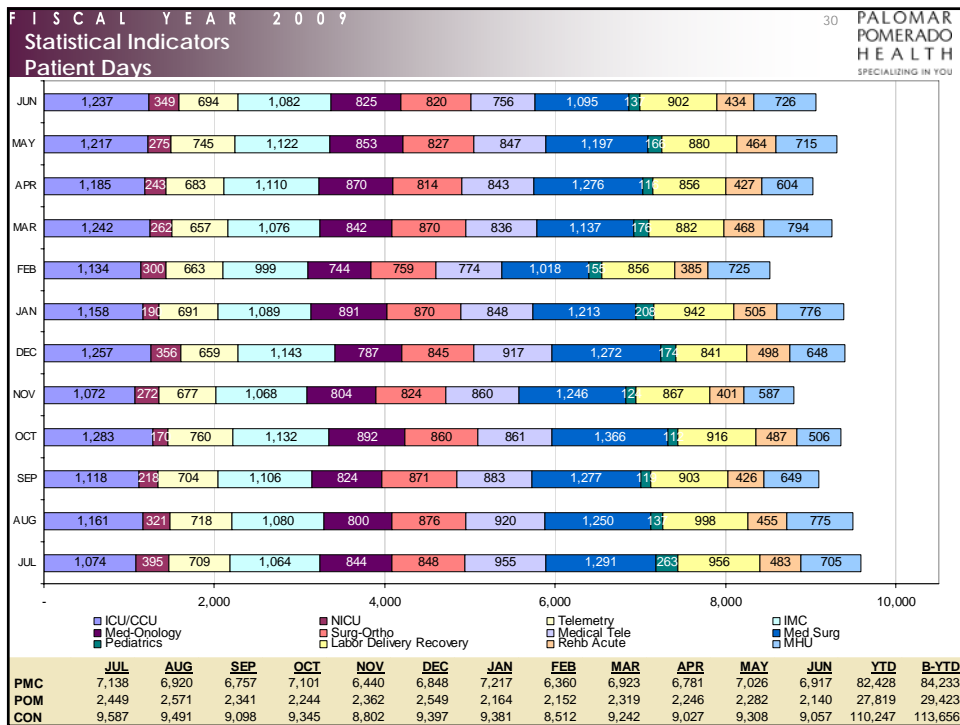
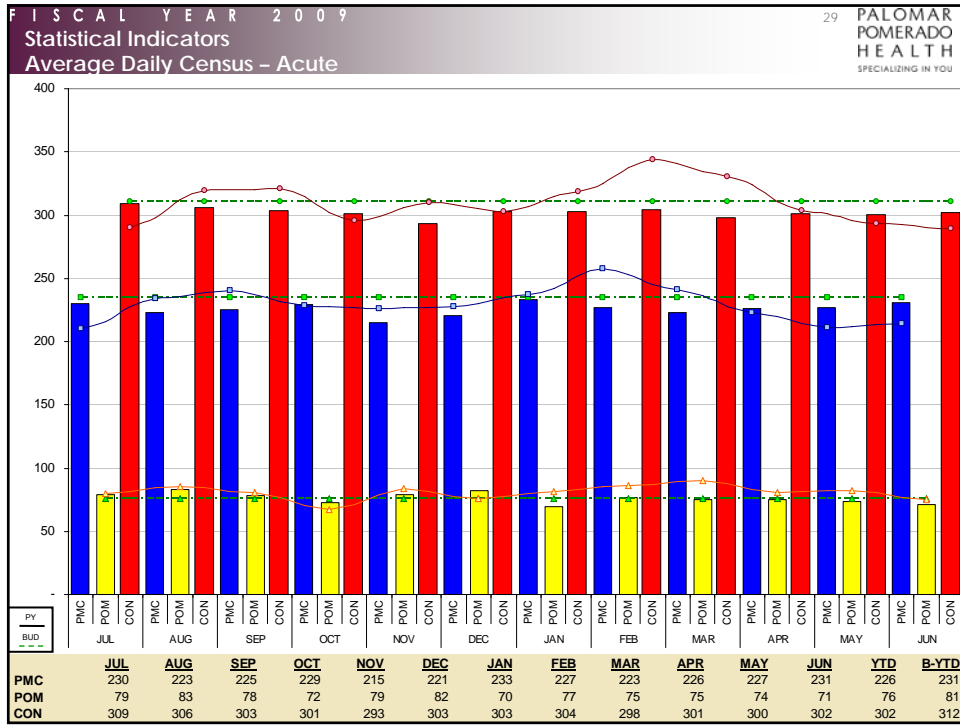
Supplies Expense  
Year-to-Date

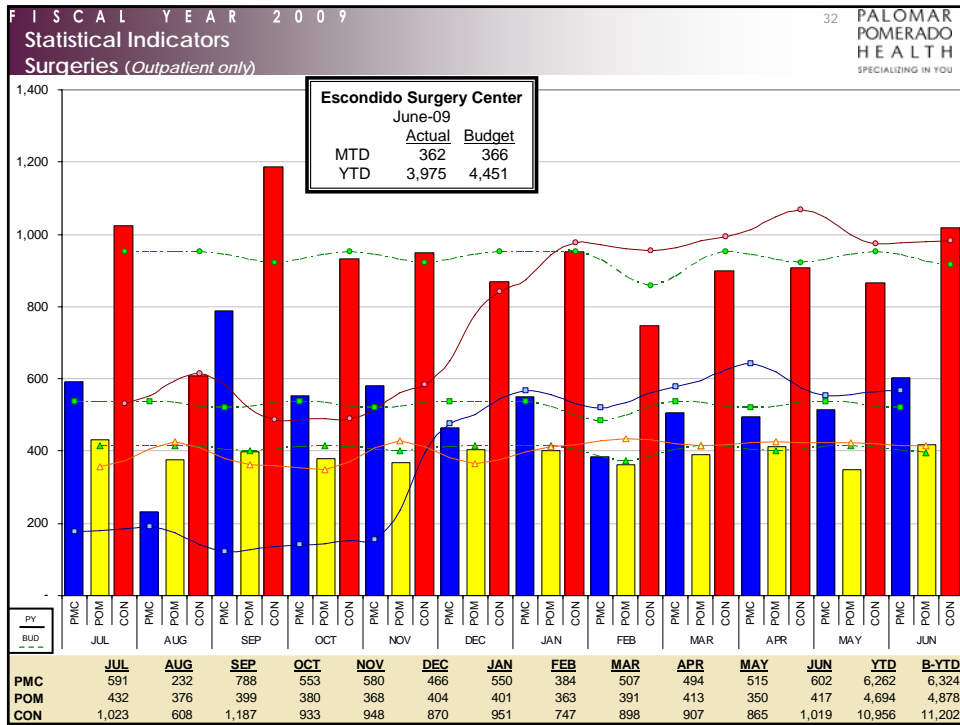
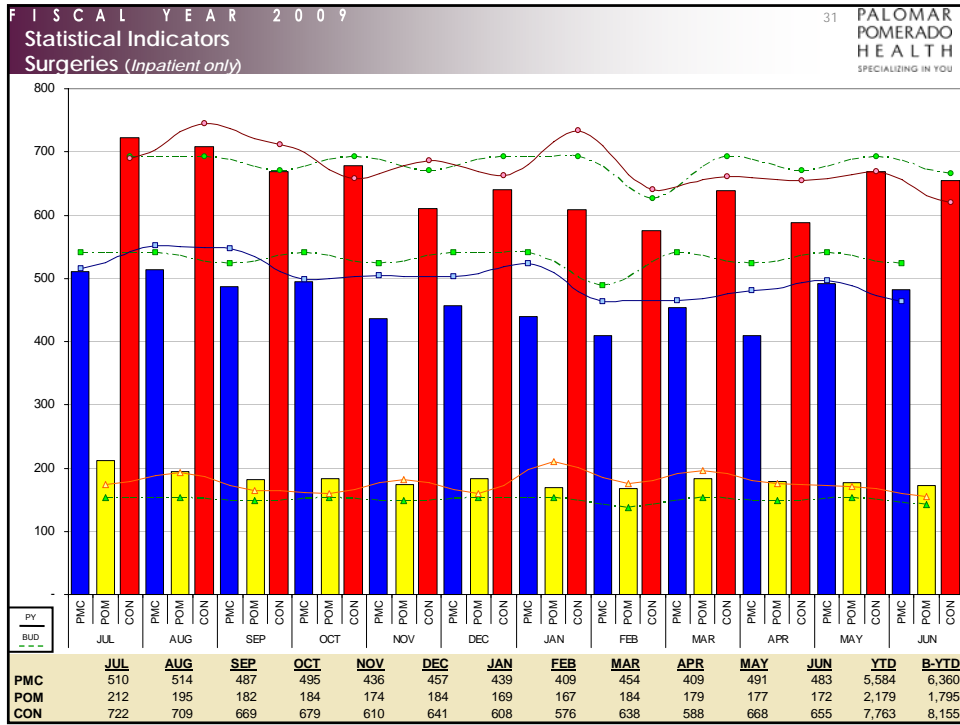
Account	Description	Actual	Budget	Variance
631000	Prosthesis	18,615,140	14,457,524	(4,157,616)
641000	Supplies Other Medical	15,492,785	14,534,752	(958,033)
632000	Sutures/Surgical Needles	1,822,280	1,543,862	(278,418)
634000	Supplies Surgery General	5,140,509	4,876,093	(264,416)
633000	Supplies Surgical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

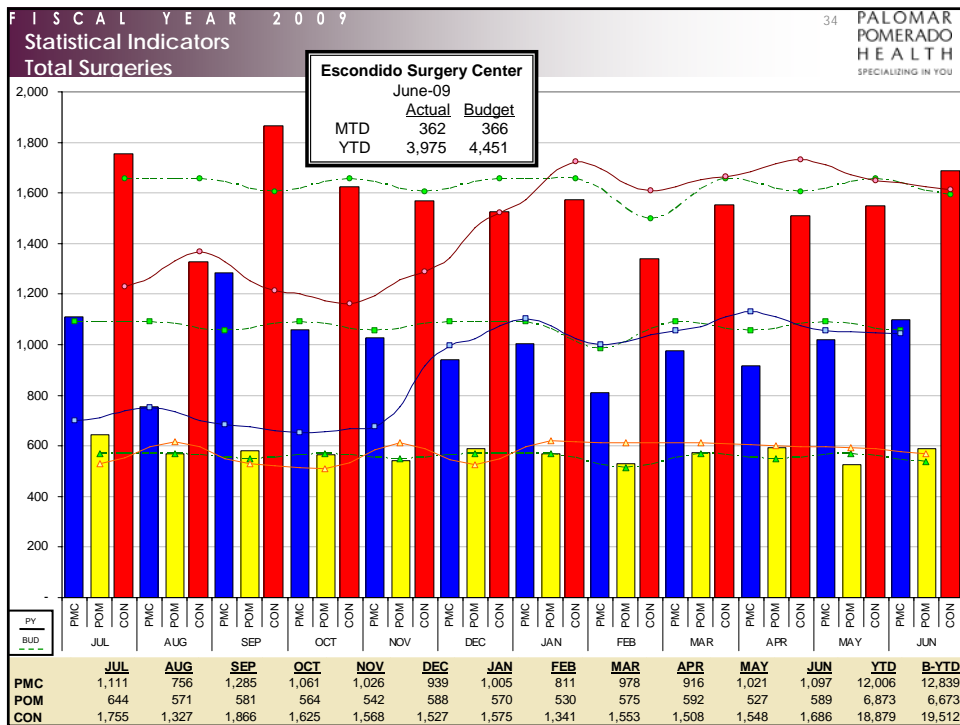
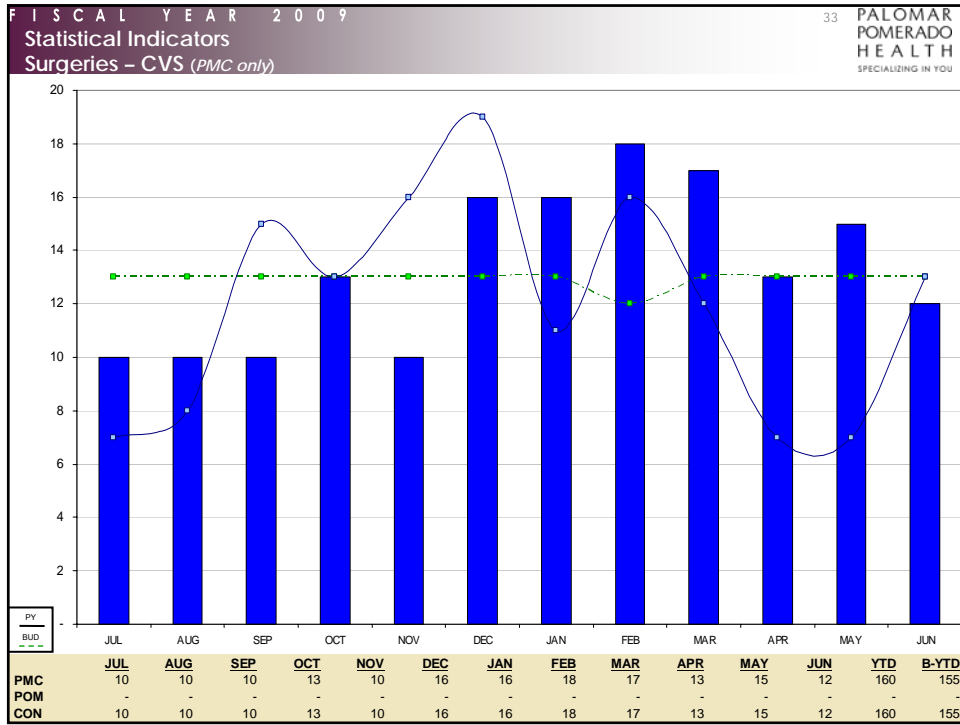
Bond Covenant Ratios

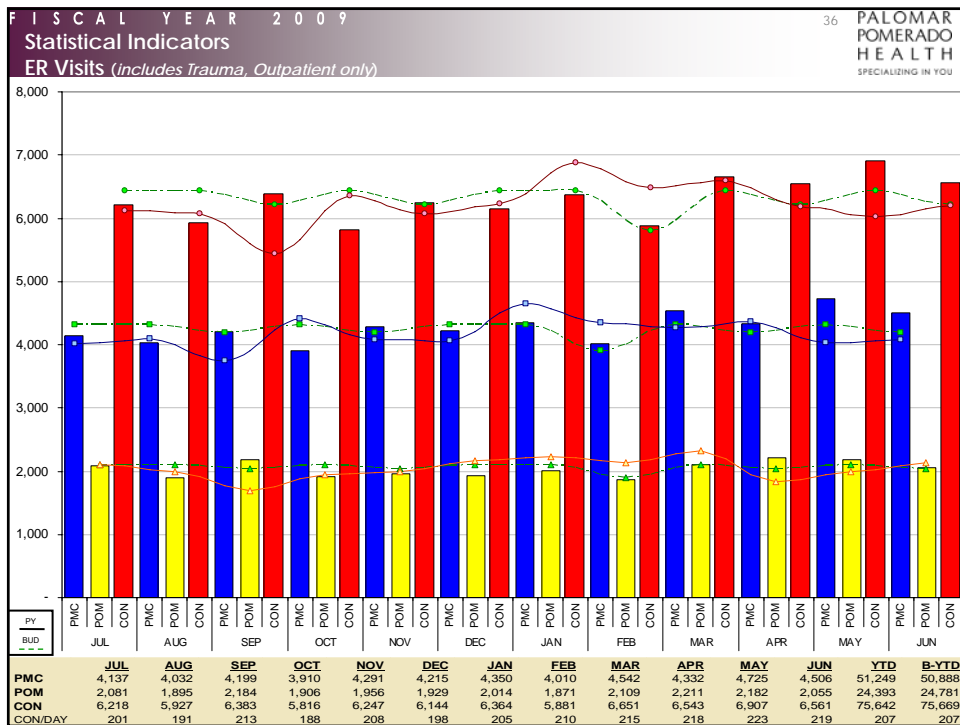
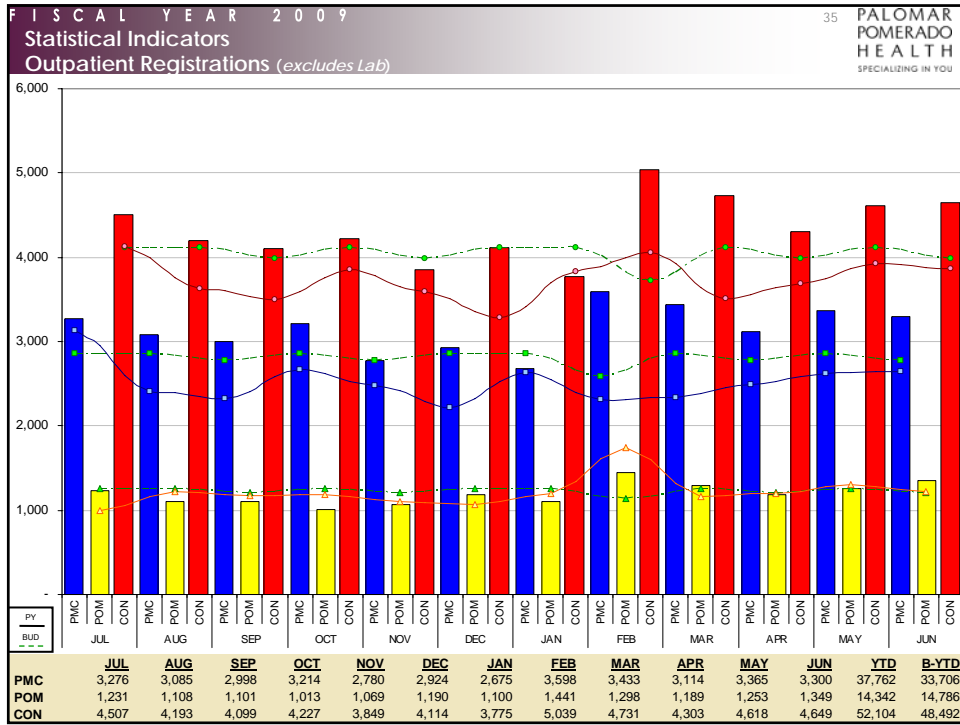
	Jun-07	Jun-08	Jun-09
<b>Cushion Ratio</b>			
Cash and Cash Equivalents	109,213,349	86,122,696	117,489,914
Board Designated Reserves	-	12,117,325	-
Trustee-held Funds (Revenue Fund only)	249,531	185,981	34,351
<b>Total</b>	<b>109,462,880</b>	<b>98,426,002</b>	<b>117,524,265</b>
Divided by:			
Annual Debt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

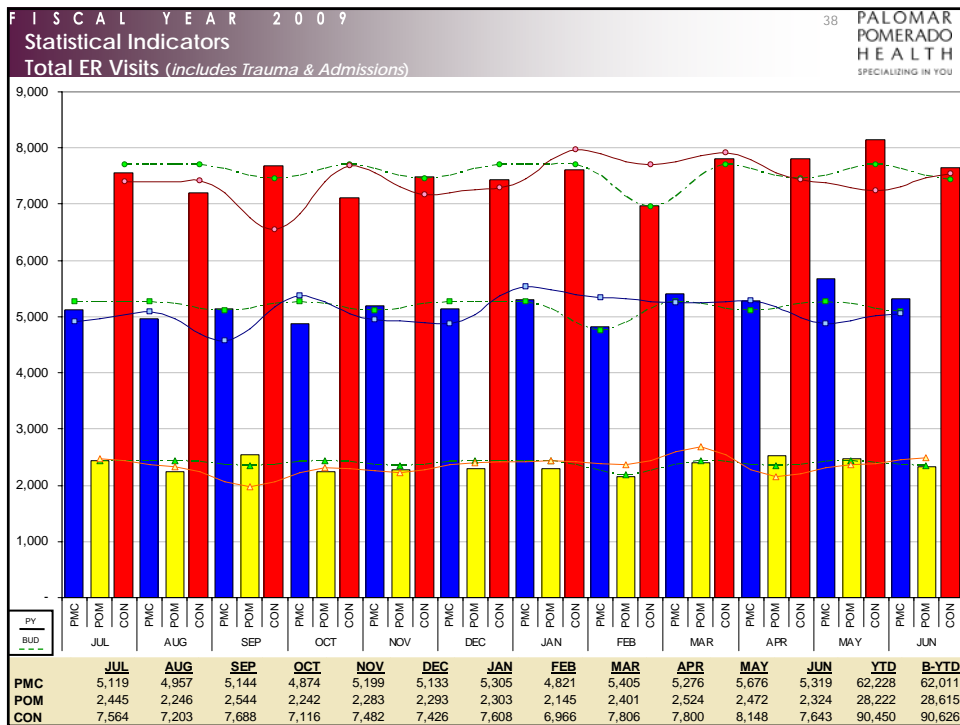
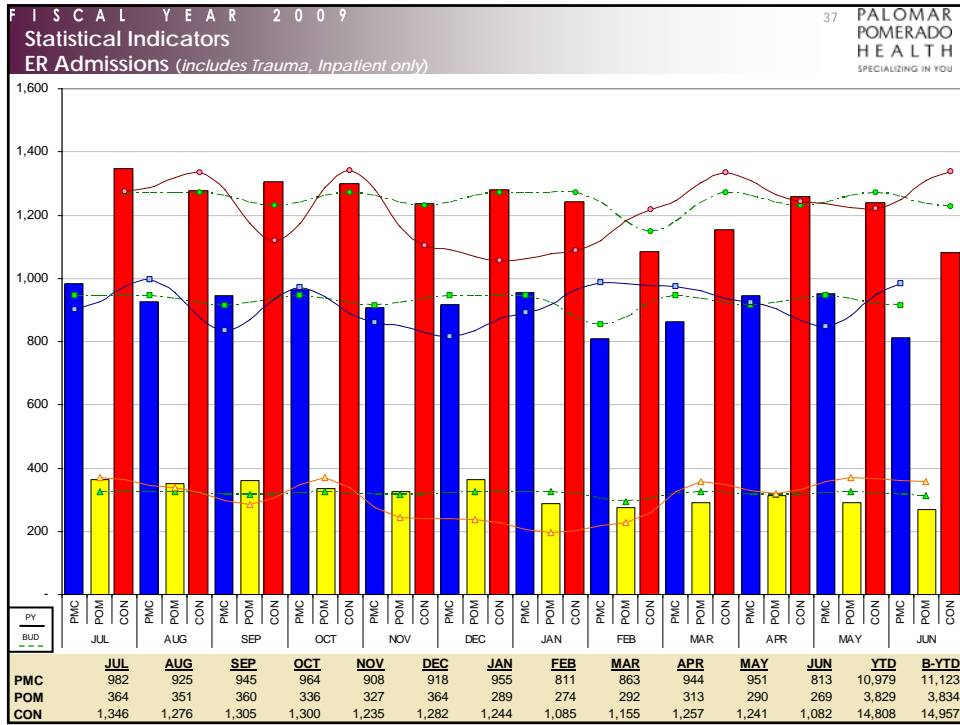




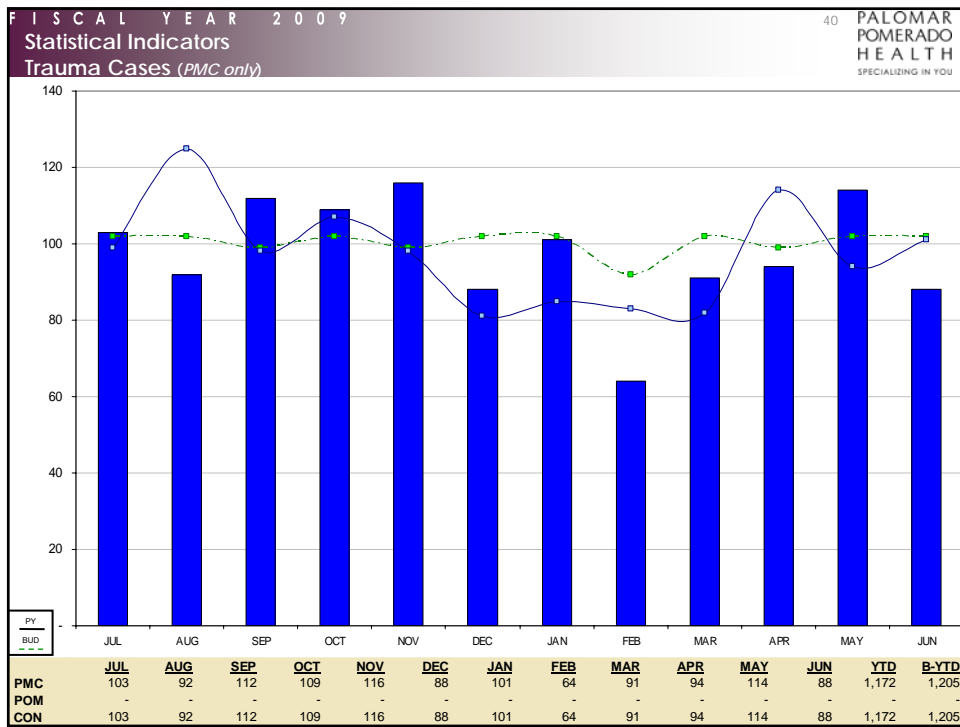
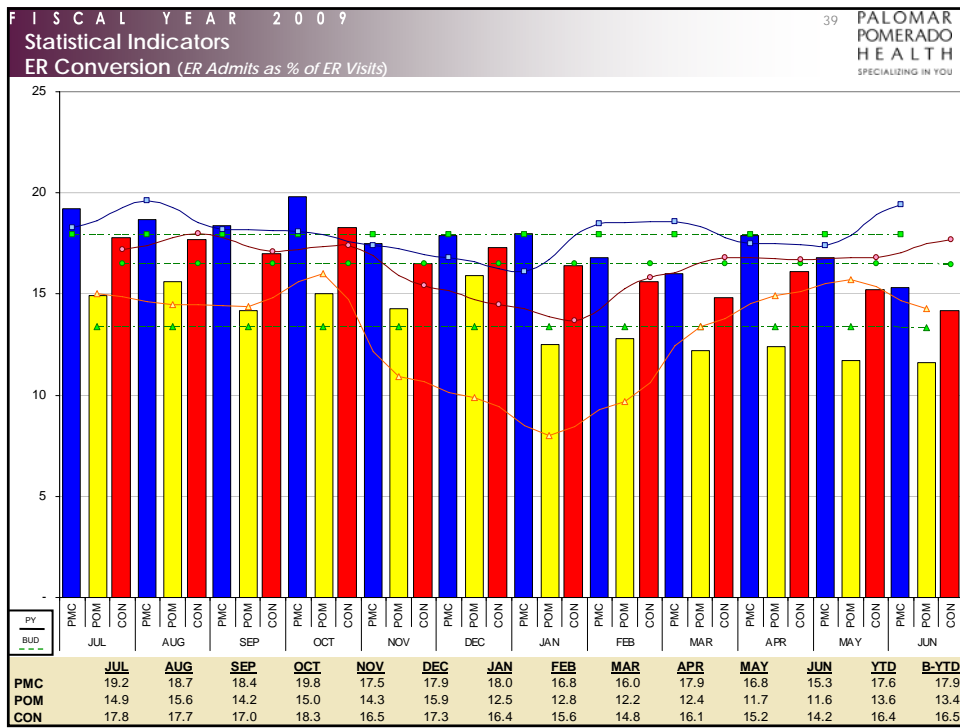


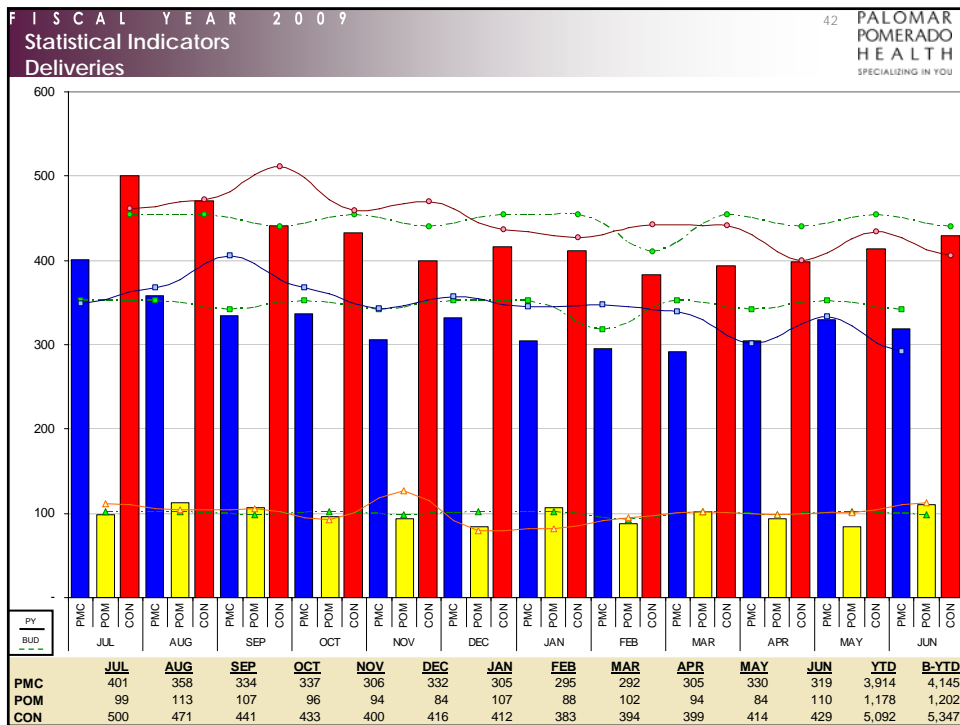
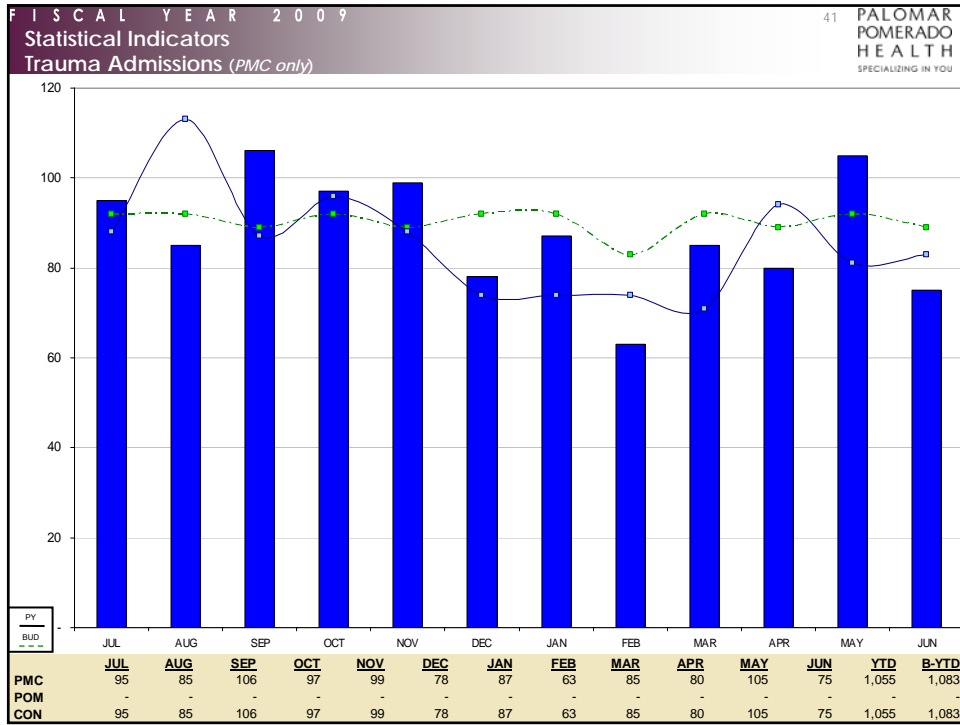


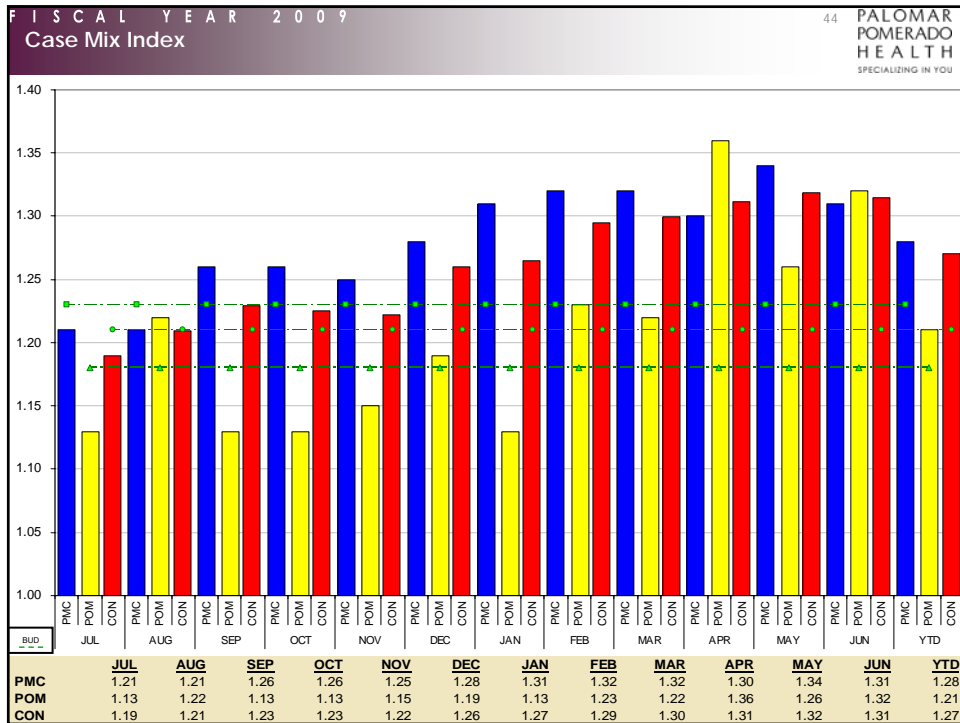
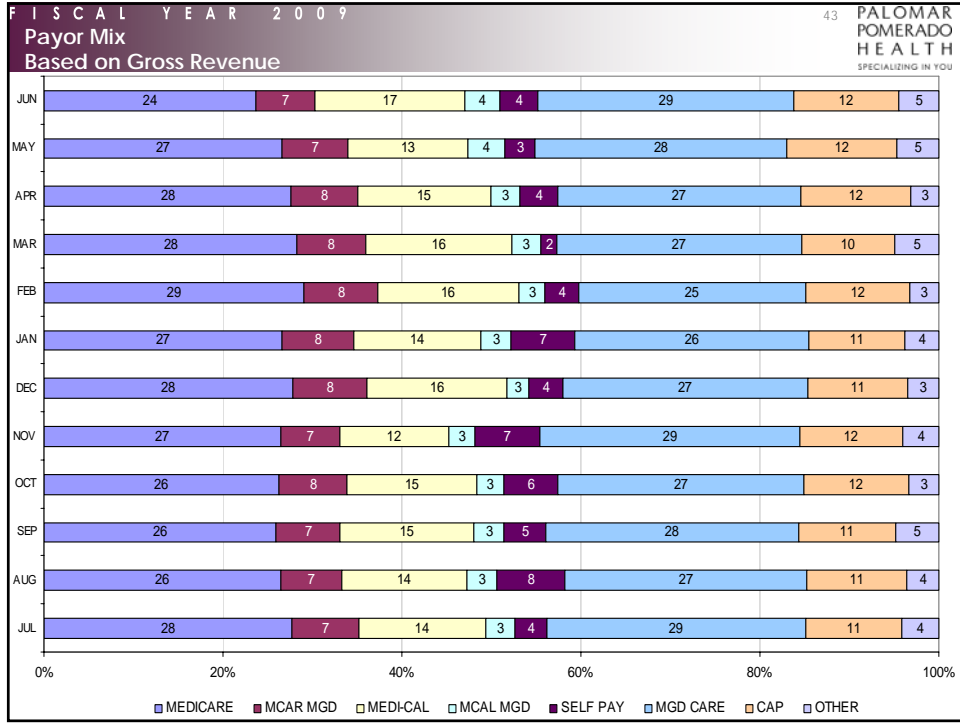


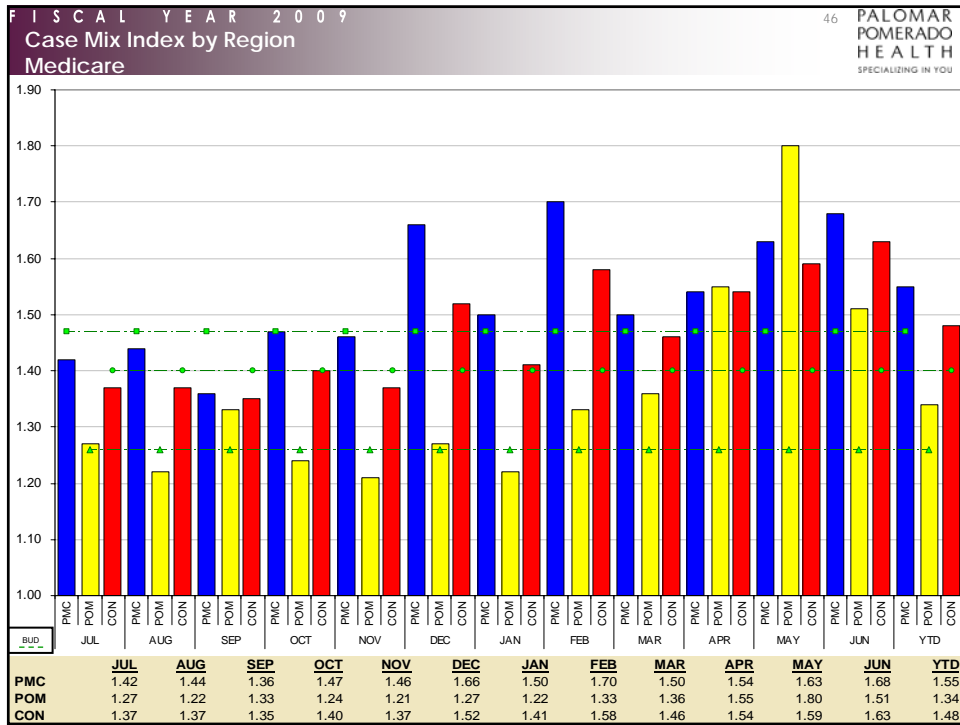
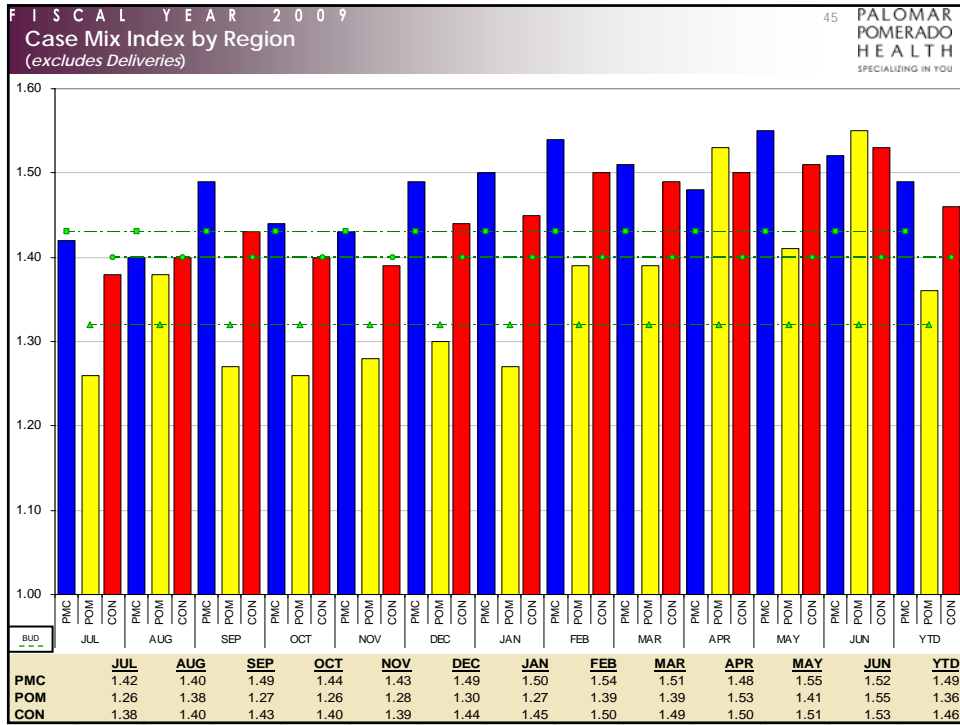


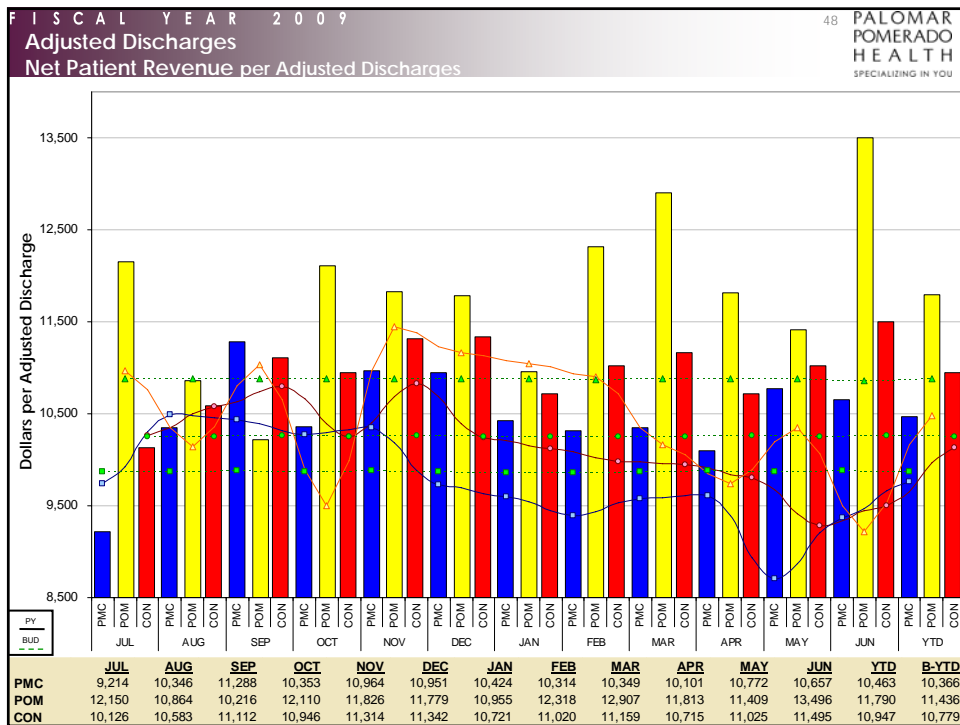
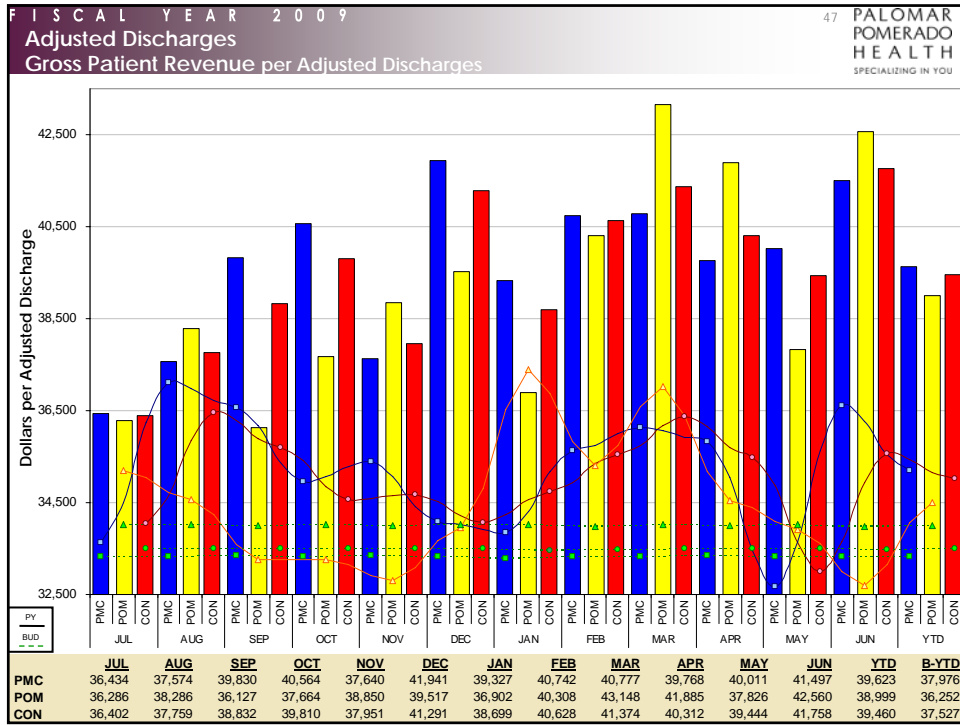


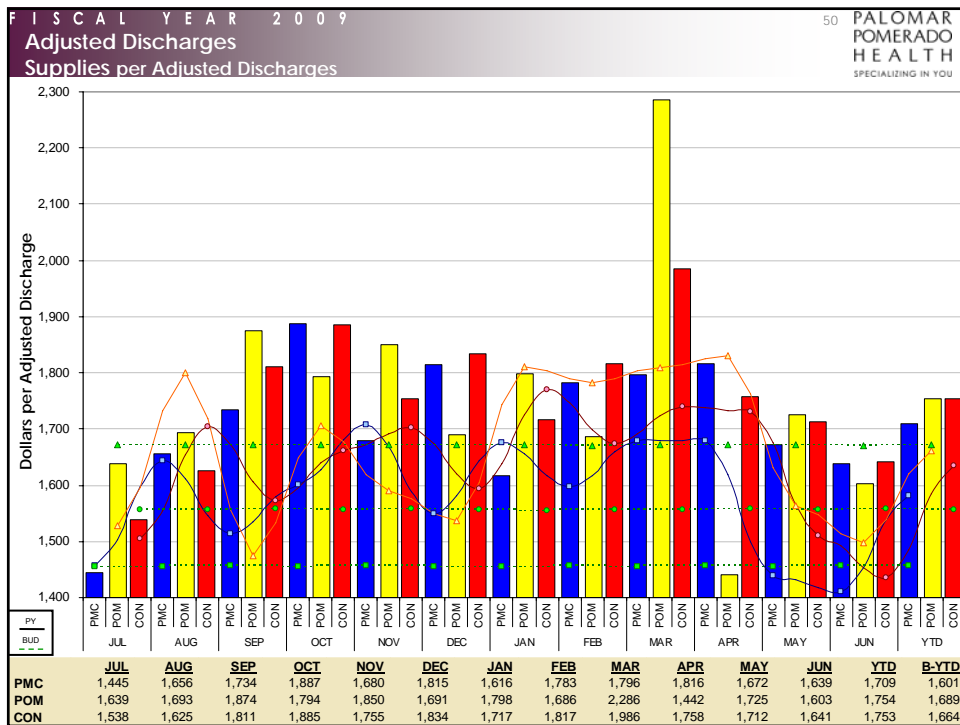
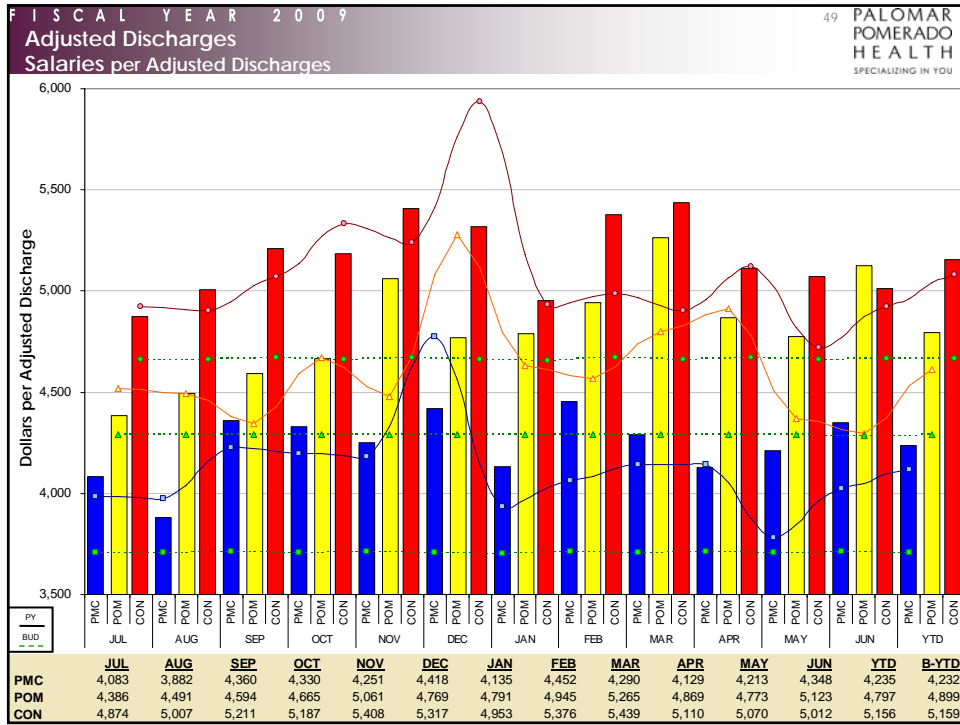


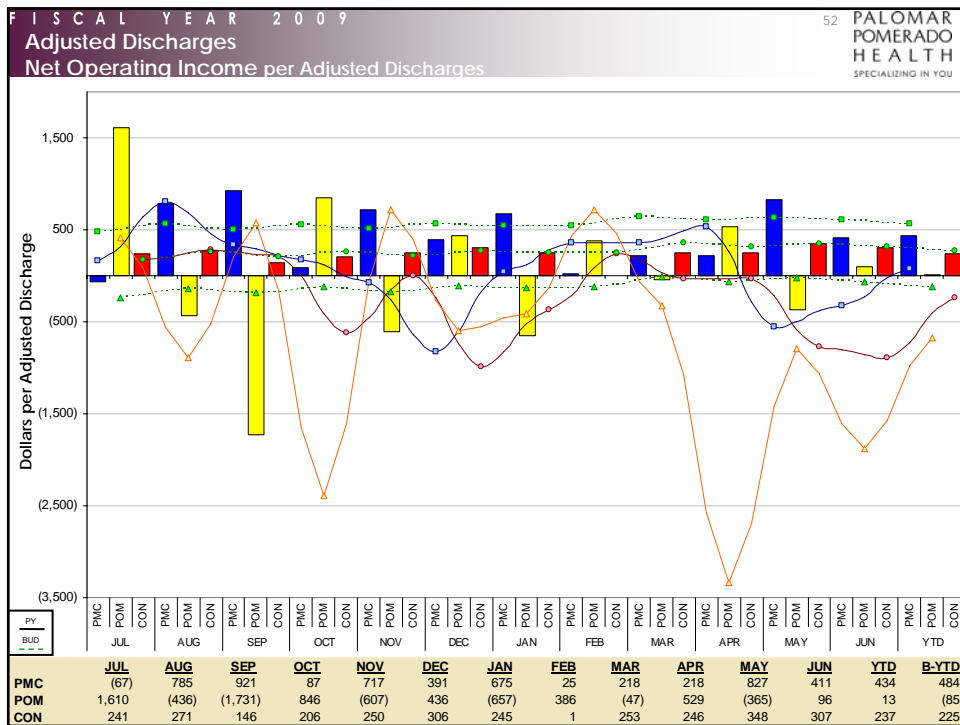
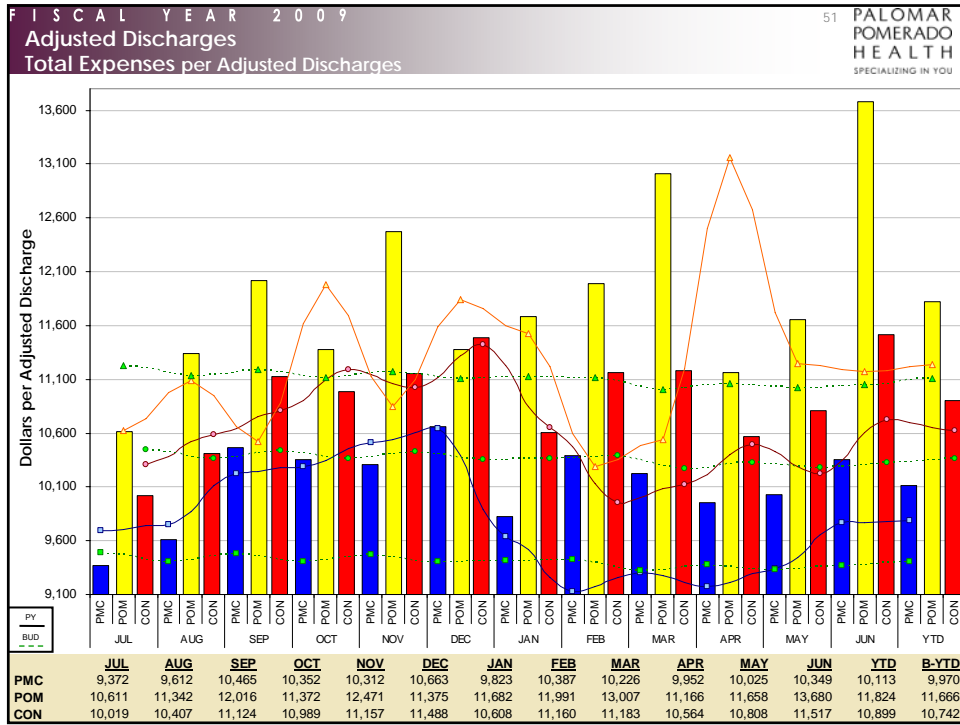




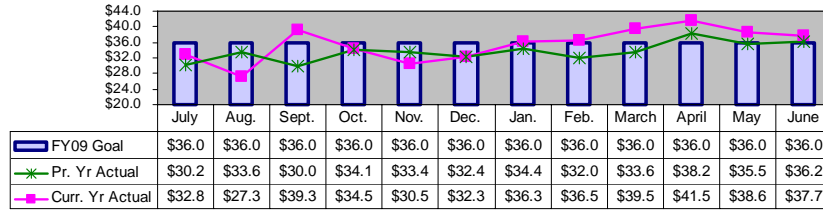








PPH Monthly Collections  
in Millions



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



FISCAL YEAR 2009  
Revenue Cycle Key Indicators  
Trend Report



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

FISCAL YEAR 2009  
Revenue Cycle Key Indicators  
Trend Report



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

# SUPPLEMENTAL INFORMATION

Weekly Flash Report

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

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

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

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

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

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

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

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

# ATTACHMENT 3

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

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