The mission of Palomar Pomerado Health is to heal, comfort and promote health in the communities we serve.
PALOMAR POMERADO HEALTH
BOARD OF DIRECTORS

T.E. Kleiter, Chairman
Nancy L. Bassett, RN, MBA, Vice Chairman
Jerry Kaufman PTMA, Secretary
Linda C. Greer, RN, Treasurer
Bruce Krider, MA
Marcelo Rivera, MD
Stephen P. Yerxa

Michael H. Covert, FACHE, President and CEO

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

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

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

CORE VALUES
Patient’s Well-Being
We passionately give and support heartfelt care that encourages patient comfort and safety

Professionalism
Each of us takes pride in teamwork, self-discipline, our skills and trustworthiness

Highest Quality
We are each accountable for providing the safest, most effective and innovative care

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

II. OPENING CEREMONY

A. Pledge of Allegiance

III. PUBLIC COMMENTS

(5mins allowed per speaker with cumulative total of 15mins per group - for further details and policy see Request for Public Comment notices available in meeting room.)

IV. MINUTES *

A. Regular Board Meeting - June 13, 2011
B. Closed Session Board Meeting - June 13, 2011
C. Board Budget Workshop Meeting - June 6, 2011

V. APPROVAL OF AGENDA to accept the Consent Items as listed *

B. Approval of Revolving, Patient Refund & Payroll Fund Disbursements– May 2011
   1. Accounts Payable Invoices $46,480,443.00
   2. Net Payroll $11,900,659.00
      Total $58,381,102.00
C. Ratification of Paid Bills
D. Palomar Pomerado Corporate Health – San Marcos Physician (Clinic Care)
   Professional Services Agreement
E. Board Position Descriptions
F. Board Audit and Compliance Committee Charter
G. Diversity Commitment Statement
H. Medical Screening Policy
I. Non-Physician Medical Screening Exam for OB Patients Policy
J. Reporting EMTALA Violations Policy
K. Transfer Policy

VI. REPORTS

A. **Medical Staffs**
   *1. Palomar Medical Center - John Lilley, M.D.
      A. Credentialing and Reappointments
      B. Acupuncture Clinical Privileges Checklist
      C. Podiatry and Radiation Oncology New Core Privileges Checklist
      D. Physician Performance Management Policy
   *2. Pomerado Hospital - Roger Acheatel, M.D.
      A. Credentialing and Reappointments

   **In observance of the ADA (Americans with Disabilities Act), please notify us at 760-675-5106, 48 hours prior to the meeting so that we may provide reasonable accommodations**
1 Chairman of the Palomar Pomerado Health Foundation - John Forst 5 Verbal Report
A. Update on PPHF Activities

2 Chairman of the Board - Ted Kleiter 10 Verbal Report

3 President and CEO - Michael Covert, FACHE 10 Verbal Report

VII. COMMITTEE REPORTS 40 94-99
A. Audit and Compliance Committee - Did not meet in June
B. Governance Committee
C. Human Resources Committee
D. Community Relations Committee
E. Facilities and Grounds Committee
F. Quality Review Committee
G. Strategic Planning Committee
H. Finance Committee
1 Arch Health Partners Request for Additional Capital Contribution to
Aquire Orthopedic Surgery Associates of North County, Inc.
I. Other Committee Chair Comments on Committee Highlights

VIII. BOARD MEMBER COMMENTS/AGENDA ITEMS FOR NEXT MONTH 10

IX. ADJOURNMENT

"In observance of the ADA (Americans with Disabilities Act), please notify us at 352-675-5106,
48 hours prior to the meeting so that we may provide reasonable accommodations"

Asterisks indicate anticipated action; Action is not limited to those designated items."
<table>
<thead>
<tr>
<th>AGENDA ITEM</th>
<th>DISCUSSION</th>
<th>CONCLUSIONS/ACTION</th>
<th>FOLLOW-UP RESPONSIBLE PARTY</th>
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</thead>
<tbody>
<tr>
<td>CALL TO ORDER</td>
<td>6:30P.M. Quorum comprised Directors Bassett, Greer, Kaufman, Kleiter, Krider, Rivera and Yerxa</td>
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<td>OPENING CEREMONY</td>
<td>The Pledge of Allegiance was recited in unison.</td>
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<tr>
<td>MISSION AND VISION STATEMENTS</td>
<td>The PPH mission and vision statements are as follows:</td>
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<td></td>
<td><em>The mission of Palomar Pomerado Health is to heal, comfort and promote health in the communities we serve.</em></td>
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<td></td>
<td><em>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.</em></td>
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<td>NOTICE OF MEETING</td>
<td>Notice of Meeting was mailed consistent with legal requirements</td>
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<tr>
<td>PUBLIC COMMENTS</td>
<td>None.</td>
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<tr>
<td>APPROVAL OF MINUTES</td>
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<td>• Regular Board Meeting May 09, 2011</td>
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<td>• Closed Board Meeting May 09, 2011</td>
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<td>APPROVAL OF AGENDA</td>
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<td>(to accept the Consent Items as listed)</td>
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<td>A. April 2011 &amp; YTD FY2011 Financial Report</td>
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<td>B. Approval of Revolving, Patient</td>
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<td>MOVION: by Kaufman, 2nd by Krider and carried to approve the regular Board meeting minutes of May 09, 2011 and the closed Board meeting minutes of May 09, 2011 as submitted.</td>
<td>All in favor. None opposed.</td>
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<td>MOVION: by Kaufman, 2nd by Krider and carried to approve the Consent Items A – E, as submitted.</td>
<td>Director Bassett abstained.</td>
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<tr>
<td>AGENDA ITEM</td>
<td>DISCUSSION</td>
<td>CONCLUSIONS/ACTION</td>
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<td>Refund and Payroll Fund Disbursements—April 2011</td>
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<td>All in favor. None opposed.</td>
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<tr>
<td>Accounts Payable Invoices</td>
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<td>$46,144,920.00</td>
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<td>Net Payroll</td>
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<td>$17,715,512.00</td>
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<td>Total</td>
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<td>$63,860,432.00</td>
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<tr>
<td>C. Ratification of Paid Bills</td>
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<td>D. Physician Independent Contractor Agreement – Information Systems Services</td>
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<tr>
<td>E. Trauma, Emergency Department and Inpatient Consultative Services Agreement</td>
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</table>

**REPORTS**

**Medical Staff**

**Palomar Medical Center**

- **Credentialing**
  
  John J. Lilley, M.D., Chief of PMC Downtown Medical Staff, presented PMC’s requests for approval of Credentialing Recommendations.

  **MOTION:** by Krider, 2nd by Bassett and carried to approve the Palomar Medical Center Medical Staff Executive Committee credentialing recommendations for the Palomar Medical Staff, as presented.

  All in favor. None opposed.

  **MOTION:** by Krider, 2nd by Bassett and carried to approve the Palomar and Pomerado Medical Staff Bylaws, as presented.

  All in favor. None opposed.

**Pomerado Hospital**

- **Credentialing**
  
  Rodger Acheatel, M.D., Chief of Pomerado Medical Staff, presented Pomerado Hospital’s requests for approval of Credentialing Recommendations.

  **MOTION:** by Bassett, 2nd by Kaufman and carried to approve the Pomerado Hospital Medical Staff Executive Committee credentialing recommendations for the Pomerado Medical Staff, as presented.
<table>
<thead>
<tr>
<th>AGENDA ITEM</th>
<th>DISCUSSION</th>
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<tbody>
<tr>
<td>Administrative</td>
<td>All in favor. None opposed.</td>
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<td>Chairman - Palomar Pomerado Health Foundation</td>
<td>Terry Green(standing in for John Forst)</td>
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<td>Mr. Green thanked the Board members for serving as greeters at the Night of Night’s Gala. Mr. Green stated that there were 660 attendees at the Gala this year. The Foundation is totaling the gifts received from the Gala and will have the final total by the end of week. This year, 35% of tables were purchased by individuals, which was an increase from 10% last year. Mr. Green stated that there will be a Gala debriefing this Wednesday for comments and recommendations.</td>
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<td>The Foundation has added two new members to its Board, Harvey Hershkowitz and Fred Nasseri.</td>
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<td>Chairman Kleiter thanked Mr. Green and the Foundation for an outstanding Gala.</td>
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<td>President and CEO</td>
<td>Michael Covert, President and CEO</td>
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<td>Mr. Covert stated that at the annual ACHD meeting, Chairman Kleiter was recognized as the 2011 Trustee of the Year and that PPH received an award for Innovative Healthcare District.</td>
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<td>Opal Reinbold and Donita Phillips stated that Pomerado Hospital received the Health Grades award for first tier BETA criteria for maternal child health and that Palomar Medical Center won the Maternity Care Excellence Award 2010/2011. Ms. Phillips recognized Nancy Rico, Ann Rocha, Melinda Ruiz, and Joan Burritt for their efforts.</td>
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<td>Mr. Covert thanked the Board and staff for their efforts during the recent VHA tour of PMC West. Mr. Covert stated that this is the first time VHA has had an off site visit for their national meeting.</td>
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<td>AGENDA ITEM</td>
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<td>Mr. Covert presented Nancy Wood with a pin recognizing her 35 years of service at PPH.</td>
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<td>Mr. Covert stated that the search for a new Director of Compliance has started. Mr. Covert thanked Ms. Sarti for taking a leadership role in the interim. Mr. Covert thanked Mr. Hemker and Mr. Boyle for assisting Ms. Sarti.</td>
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<td>Ms. Turner spoke about the employee engagement survey that was conducted at the end of May. Ms. Turner stated that the initiative came in at 4.07 which is above the target of 4.06. The next survey in will be released in August or September and will be the first Press Ganey employee engagement survey.</td>
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<td>Mr. Covert stated that the Clarity implementation process was underway. Paul Peabody, Prudence Henderson, Brenda Fischer and Ben Kanter, M.D. thanked the physicians, nurses and staff for their efforts during the continued implementation process. Mr. Peabody stated that the Clarity implementation had gone very well and will continue to be fine tuned over the next few months. Mr. Peabody stated that Clarity is not the end but rather the beginning of the EMR process.</td>
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<td>Ms. Fischer stated that the nurses are using the system as designed. Ms. Fisher thanked the physicians, nurses and staff for their support and patience.</td>
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<td>Ms. Henderson stated that 1500 service tickets have been logged and over 1300 of them have been closed.</td>
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<td>Dr. Kanter thanked Lisa Slabaugh for her coordination efforts. Dr. Kanter thanked Pat Dillon for getting the equipment up and running despite the challenges presented by putting the new technology into the old infrastructure.</td>
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<td>AGENDA ITEM</td>
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<td>Mr. Covert asked what some of the biggest challenges have been for the physicians. Dr. Engel stated that applying the new technology to the existing infrastructure created issues for remote access. Mr. Peabody stated that remote access is a priority. Dr. Acheatel stated that he has had a positive experience with Clarity and has enjoyed the process of learning something new. Dr. Acheatel requested that the trainers stay longer if it is possible. Dr. Lilley stated that he has seen increased collaboration between nurses and physicians. Dr. Rivera stated that while the system works, the discharge planning needs improvement. Dr. Rivera stated that there needs to be a system for leaving a discharge plan for the next physician. Dr. Rivera stated that the medical reconciliation needs to be further reviewed. Dr. Kanter thanked the Pharmacy department for their support during the implementation process. Lorie Shoemaker stated that she has seen collaboration between the nursing staff and physicians. Ms. Shoemaker stated that this is a great opportunity for them to come together in the care of a patient. Ms. Shoemaker stated that it was helpful that Clarity went to the medical staff committees prior to implementation. Sheila Brown thanked the culture champions for their active rounding. Mr. Covert stated that the staff’s use of Clarity will have a greater impact on the organization and in the care of patients over the next ten years than the new building. Mr. Covert congratulated all of the staff for their hard work and dedication.</td>
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<td>AGENDA ITEM</td>
<td>DISCUSSION</td>
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<td><strong>Audit and Compliance</strong></td>
<td>Director Bassett stated that the Board Audit and Compliance committee meeting summary was included in the packet for review.</td>
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<td><strong>Governance</strong></td>
<td>The Board Governance committee did not meet in May.</td>
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<td>The next meeting will be held at 8:00A.M. on Tuesday, June 21 in the Grand Ave. conference room.</td>
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<td><strong>Human Resources</strong></td>
<td>The Board Human Resources committee did not meet in May.</td>
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<td>The next meeting will be held at 5:30P.M. on Wednesday, June 15 in the Grand Ave. conference room.</td>
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<td><strong>Community Relations</strong></td>
<td>The Board Community Relations committee met on June 8.</td>
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<td><strong>Board Facilities and Grounds</strong></td>
<td>Director Rivera stated that the Facilities and Grounds committee met earlier today and a report is included in packet.</td>
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<td>Director Rivera stated that construction of PMC West continues with no major setbacks. Approval for OSHPOD testing has been received and the landscaping contract is out for bid. The development of the rehab/acute long term hospital is ongoing. Director Rivera stated that parking is an ongoing challenge. The project remains on time and on target.</td>
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<td>Director Rivera stated an alternative plan for the Ramona clinic that focuses around Arch Health partners has been developed. The Emergency Room will be separated from other areas. Director Rivera stated that the plan is ready to present to the City for approval. The project expects to break ground in April or May of 2012.</td>
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<td>Director Rivera stated that the Foundation is working on sponsorship for the Ramona site.</td>
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<td><strong>Board Quality Review</strong></td>
<td>The Board Quality Review committee will be meeting tomorrow evening.</td>
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<td>AGENDA ITEM</td>
<td>DISCUSSION</td>
<td>CONCLUSIONS/ACTION</td>
<td>FOLLOW-UP RESPONSIBLE PARTY</td>
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<tr>
<td>• Finance</td>
<td>Director Greer stated that the Board Finance committee summary is included in the packet for review.</td>
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<td>• Strategic Planning</td>
<td>Chairman Kleiter stated that the Board Strategic Planning committee did not meet in May. In lieu of a committee meeting, the Board held an education session regarding ACOs. The Board Strategic Planning committee meeting will meet on Wednesday, June 22 at 6:00P.M. in meeting room B/C at Innovation.</td>
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<td>BOARD COMMENTS</td>
<td>Director Greer stated that she used the robotic surgery program and recommends it. Director Rivera stated that going through a stressful situation such as the Clarity implementation brings people closer together. Director Rivera stated that the organization may want to consider a Clarity party. Director Rivera asked that the Board Community Relations committee share the PMC West Grand Opening plan with the Board Facilities and Grounds committee.</td>
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<td>ADJOURNMENT</td>
<td>7:32P.M.</td>
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<td>SIGNATURES</td>
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<tr>
<td>• Board Secretary</td>
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<td>Jerry Kaufman, P.T.M.A.</td>
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<td>• Board Assistant</td>
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<td></td>
<td>Nicole Adelberg</td>
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</table>
**AGENDA ITEM** | **DISCUSSION** | **CONCLUSIONS/ACTION** | **FOLLOW-UP/RESPONSIBLE PARTY**
--- | --- | --- | ---
CALL TO ORDER | 5:30P.M. Quorum comprised Directors Bassett, Greer, Kaufman, Kleiter, Krider, Rivera and Yerxa |  |  |
NOTICE OF MEETING | Notice of Meeting was mailed consistent with legal requirements. Pursuant to California Government Code §54954.5(h) Report Involving Trade Secret Estimated date of public disclosure: June 2011 |  |  |
PUBLIC COMMENTS | None. | MOTION: by Director Kleiter to adjourn to closed session. All in favor. None opposed. |  |
ADJOURNMENT TO CLOSED SESSION | Pursuant to Government Code §54954.5(h): Report Involving Trade Secret. | MOTION: by Director Kleiter to resume open session |  |
OPEN SESSION RESUMES |  | MOTION: by Rivera, 2nd by Bassett and carried to approve the contract with Bellin for the phase I development as described in the presentation by PPH administration in closed session. All in favor. None opposed. |  |
FINAL ADJOURNMENT |  | MOTION: by Director Kleiter for final adjournment at 6:16P.M. |  |
SIGNATURES |  |  |  |
- Board Secretary |  |  |  |
  Jerry Kaufman, P.T.M.A. |  |  |  |
- Board Assistant |  |  |  |
  Nicole Adelberg |  |  |  |
Minutes
Board Budget Workshop – Monday, June 6, 2011

TO: Board of Directors

MEETING DATE: Monday, July 11, 2011

FROM: Tanya Howell, Recording Secretary

BY: Bob Hemker, CFO

Background: The minutes from the Board Budget Workshop held on Monday, June 6, 2011, are respectfully submitted for approval.

Budget Impact: N/A

Staff Recommendation: Staff recommends approval of the minutes from the Board Budget Workshop held on Monday, June 6, 2011.

Committee Questions:

<table>
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<tr>
<th>COMMITTEE RECOMMENDATION:</th>
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<tbody>
<tr>
<td>Motion: X</td>
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<tr>
<td>Individual Action:</td>
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<td>Information:</td>
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<td>Required Time:</td>
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</table>
**Call To Order**

- The meeting – held in Graybill Auditorium at Palomar Medical Center, 555 E. Valley Parkway, Escondido, CA – was called to order at 5:06 p.m. by Director Ted Kleiter, Chair

**Establishment Of Quorum**

- **Present:** Directors Nancy Bassett, RN, MBA; Linda Greer, RN; Jerry Kaufman, PT MA; Ted Kleiter; Bruce Krider; Marcelo Rivera, MD; and Steve Yerxa

**Opening Ceremony**

- The Pledge of Allegiance was recited in unison

**Public Comments**

- There were no public comments

- Chairman Kleiter turned the meeting over to Linda Greer, Chair of the Board Finance Committee, who then gave Bob Hemker, CFO, the floor

**Information Item(s)**

- Mr. Hemker acknowledged Terry Green, Chief Development Officer of the Foundation and congratulated him on a successful 2011 Gala

- Mr. Hemker congratulated Chairman Kleiter, who was recently named ACHD Trustee of the Year

- Mr. Hemker also provided a brief update on the status of discussions with CSUSM regarding the property on Craven Road
  - After a full review of each entity’s position on the matter, CSUSM has decided to withdraw from further negotiations
  - They do still hold leases on the property, which come due this year
    - Mr. Hemker will keep the Finance Committee apprised on the status of those negotiations

- Clarity Go-Live is tomorrow morning at 4:00 a.m.
  - Chairman Kleiter attended this morning’s kick-off meeting at Black Mountain, with over 300 champions, coaches and leaders
    - He stated that everyone is excited and looking forward to the system

  Director Bassett stated that she visited two floors at PMC today and everything appeared calm, with no one seeming to be concerned about the change

**1. Fiscal Year 2012 Operating Budget & Capital Budget**

- Mr. Hemker provided background on this year’s budgeting process and stated that it was a privilege to be the spokesperson for Management’s presentation
  - Non-traditional year for the District as we are starting the crossover to PMC-West
  - Transformation reality is that—in a perfect world—you wouldn’t pick the beginning of a fiscal year to make the transition

<table>
<thead>
<tr>
<th>Motion: By Director Greer seconded by Director Bassett and carried to approve the FY2012 Operating Budget of a $28M total excess revenue over expense (“net income”) as presented. All in favor, none opposed.</th>
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<tr>
<td>Mr. Hemker will obtain information on the transformation costs for this year, as well as for 3-year cycle and report back to the</td>
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</table>
## 1. Agenda Item

### Discussion

- Transition will be crossing over into FY2013, so there are significant expenses with no revenue offset for this year
  - Management is also dealing with what is capitalizable vs. one-time operational expenses
  - Mr. Hemker also acknowledged LeAnne Cooney, Director of Financial Planning and Decision Support, and Genie Tarky, Financial Analyst II, who head up the Financial Planning team, stating that he enjoys their expertise and masterful job of keeping the EMT on track and on target during the budget process
  - Mr. Hemker also thanked the Board members for the opportunity to meet one-on-one to do in-depth reviews prior to this evening’s workshop, noting that this evening’s information would be at the presentation level
  - If the Board is comfortable following the presentation, Mr. Hemker stated that he would ask for 3 motions
  - Approval of: 1) The FY2012 Operating Budget; 2) The FY2012 Capital Budget; and, 3) A Chargemaster rate increase
- Utilizing the attached presentation *(Attachment 1)*, Mr. Hemker presented highlights of the budget, identifying themes and issues that arose during the budgeting process and reviews

### Slide 2 – Budget Drivers

- A lot of the cost structure from transformation went into this budget, with some items having been pulled from the FY2013 budget and added to the FY2012
  - Budget does meet the expectations of the 10-year financial and capital plan—which was most recently approved by the Board last November in relation to the issuance of the most recent GO and Rvenue Bonds—when factoring in timing differences for transformation costs
- Comprehensive network strategies have also been embedded with consideration to ACOs, bundled payments and healthcare reform
- IT infrastructure costs are very prevalent throughout this budget
  - IT expenditures are on the rise throughout the industry
  - There are numerous resources allocated to IT
  - A milestone in less than 12 hours is the go-live at 4:00 a.m. tomorrow of Clarity, positioning PPH for Meaningful Use readiness
- Patient safety culture is continuing through the organization
  - Was shown through the successful action of surveys from the Joint Commission, CMS validation, etc.
- The redesign of key processes and how we do business at all campuses will also have an impact on the budget

### Slides 3 & 4 – Operating Budget

- There is nominal growth projected in the budget
  - .3% of the improvement in volume throughout the budget is the result of Leap Year

### Conclusion/Action

| Motion: By Director Greer, seconded by Director Kleiter and carried to approve the FY2012 Capital Budget of $15M, with $2M for Routine Equipment; $1M in the Facilities Renovation Pool; $5M for the IT Strategy; $5M in reserve for the Facility Master Plan; and $2M in reserve to fund future initiatives and strategies. All in favor, none opposed. |
| Follow Up/ Responsible Party: Board through the Finance Committee |
| Final?: |
## 1. Agenda Item

- **Discussion**
  - Adjusted discharges are projected to be up 1.1%
  - Patient days are anticipated to be up 1%

  **Slide 5 – Financial Class**
  - No major changes in payor mix
    - Will change in FY2013 as we onboard new business relationships at the new campus, which will cause an increase in managed care, but FY2012 is expected to be constant
    - Enjoying a fairly rich and solid payor mix, with government payors—Medicare, Medi-Cal (including managed care contracts) representing about 55% of revenue
    - Continue to obtain decent rates

  **Slide 6 – Key Revenue Assumptions**
  - Targeting a blended 8% increase in Chargemaster for both the inpatient and outpatient books of business
    - April YTD had a 7.93% aggregated year-on-year increase over last year
    - Target achieving a total 8% increase, but review at the line item level instead of doing a blanket adjustment in order to stay abreast of competitive influences
  - Will continue in capitation, although we do revisit in each cycling of the contracts, which are on a calendar-year basis
    - About halfway through the 2011 contract year with the three medical groups (Arch, Graybill and SCMG)
    - Will look at those and maintain risk relationships as appropriate
  - Bad Debt has been brought down a full percentage point in the past few years
    - Careful to review all cases for compliance with charity rules
      1) If cases don’t meet the criteria, the account is put into bad debt
    - Section 1011 monies are available for undocumented care, but it doesn’t provide a lot of funding
      1) In the past 5 years (since 2006/2007), write-offs for uncompensated care have gone up about 50%

  **Slide 7 – Key Inflationary Assumptions**
  - Current supply costs are running close to budget, so this budget is pulling inflation out almost completely; effectively, only 3 discreet categories were inflation adjusted
    - Will be using buying power relationships to manage supplies
    - Food costs are anticipated to go up because of the loss of crops from natural disasters

  **Slide 8 – Key Expense Assumptions**
  - Reduction in Registry specifically notes how far we have come
1. **AGENDA ITEM**

- **DISCUSSION**

  - Every dollar we can reduce in registry provides the ability to manage our labor dollar more effectively, which includes on-boarding of new graduates, an area targeted successfully in previous years
  - We spent $11M in FY2008, and a nominal 4% inflator would suggest that we would spend $13M in this budget; however, the budget for the Registry is just under $3M, so we have effectively pulled $10M out of the Registry spend in the past 4 years

- **Slide 9 – Productive FTEs**
  - 1.58% increase in FTEs
  - Have finally normalized out of the changes in the Pediatric and NICU volumes under the Rady affiliation
  - This will be the cost year for transformation as staff are trained and PMC-West is made ready
    - In April/May/June, some of the costs will be eligible for capitalization criteria; however, training is an operational cost

- **Slide 10 – Salaries & Wages**
  - Labor costs are budgeted at $237.3M
    - Addition of costs of 5.65%
    - Reflects increases for labor contract and merit adjustments and other labor management charges
    - The budget includes an approximate 40-FTE reduction in workforce

- **Slide 11 – Benefits**
  - Budget was begun using December YTD numbers, annualized
    - Numbers were re-annualized based on February YTD
  - Health benefit costs run on a calendar-year basis
  - Expect to annualize higher than what we see – closer to $29M – would change increase to more like 10% – working on strategies for that area to manage the inflationary impacts of health benefit costs
  - Other Benefits includes short-term and long-term disability

- **Slide 12 – Supplies**
  - Projected $1.1M growth in dollars, with Minor Equipment representing almost $800K
  - Depreciation now has a $5,000 threshold for capitalizable assets, up from the previous $2,500
    - Anything under $5,000 will now be a minor equipment supply expense instead of capital
  - Food will inflate as a percentage, dollars are lower through menu management efforts

- **Slide 13 – Professional Fees**
### SPECIAL BOARD BUDGET WORKSHOP – MEETING MINUTES – MONDAY, JUNE 6, 2011

#### 1. AGENDA ITEM

<table>
<thead>
<tr>
<th>DISCUSSION</th>
<th>CONCLUSION/ACTION</th>
<th>FOLLOW UP/RESPONSIBLE PARTY</th>
<th>FINAL?</th>
</tr>
</thead>
<tbody>
<tr>
<td>o Trauma/ED Call coverage is currently being negotiated, with the contract amount to be at or about the budgeted amount</td>
<td></td>
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<tr>
<td>o Other Physician Fees includes $2.2M in recruitment income guarantees</td>
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<tr>
<td>o $4.6M in Consulting Fees includes IT consulting costs of $2M</td>
<td></td>
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<tr>
<td><strong>Slide 14 – Purchased Services</strong></td>
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<tr>
<td>o Total increase of 15.7%</td>
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<tr>
<td>– IT is the significant increase ($5.76M)</td>
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<tr>
<td>– Medical purchases includes stereotactic, dialysis and wound care</td>
<td></td>
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<tr>
<td>– Other Maintenance includes: Biomed, Plant Operations, Pharmacy and Surgery</td>
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<tr>
<td>1) Plant operations presents an ongoing challenge to determine how to maintain PMC-Downtown as a viable asset, balancing what we can afford to spend while the plant continues to age</td>
<td></td>
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<tr>
<td>– Other Purchased Services includes the Vital Care sub-acute management services and Aramark food and EVS services</td>
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<tr>
<td><strong>Slide 15 – Other Direct Expense</strong></td>
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<tr>
<td>o IT – $1.6M fees are for software licensing agreements</td>
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<tr>
<td>o Other includes miscellaneous equipment, beds and building rentals</td>
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<tr>
<td>o Not anticipating that utilities will go up very much</td>
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<tr>
<td>– $3.4M is related to electricity, with gas, water and trash at $500K each</td>
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<tr>
<td>o Other Direct expenses include dues, subscriptions, relationships with organizations and recruiting costs</td>
<td></td>
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<td></td>
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<tr>
<td>– Addition of new workforce will potentially affect budgeted recruitment costs</td>
<td></td>
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<tr>
<td><strong>Slide 16 – Depreciation Expense</strong></td>
<td></td>
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<tr>
<td>o Costs are up almost $2.5M</td>
<td></td>
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<tr>
<td>o The central plant at POM is now a functional asset and is being depreciated</td>
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<tr>
<td>o There are also IT assets coming into use that are on the depreciation rolls</td>
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<tr>
<td>o This is one we expected and planned for, but still has a negative impact on net income but not on OEBITDA</td>
<td></td>
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<tr>
<td><strong>Slide 17 - Initiatives</strong></td>
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<tr>
<td>o Can’t afford to have a disconnect from the Initiatives as many have lead time (e.g., the first year is the cost year, with future-year benefits)</td>
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<tr>
<td>– If we can identify realistic opportunities or benefits, we match it up with the current budget year</td>
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<tr>
<td>o Anticipating continued growth and volume for services lines, many of which do have a cost structure, and the most notable of which is Transformation Readiness, at $3.5M</td>
<td></td>
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<tr>
<td>o Also reflects the State side of Meaningful Use payments of approximately $1.8M</td>
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</tbody>
</table>
### Agenda Item

<table>
<thead>
<tr>
<th>Slide 18 – Operating Budget Recap</th>
</tr>
</thead>
<tbody>
<tr>
<td>$520M in Total Operating Revenue, an increase of 7.24% over FY2011</td>
</tr>
<tr>
<td>Total Expenses are budgeted to be up about 7%</td>
</tr>
<tr>
<td>Operating Income is budgeted at $16.37M, or 3.1% of total operating revenue</td>
</tr>
<tr>
<td>Non-Operating Income, including Investment Income, Interest Expense and Property Tax Revenues, is an additional $11.63M</td>
</tr>
<tr>
<td>Property Tax Revenues are budgeted at $13M</td>
</tr>
<tr>
<td>Unrestricted Property Tax Revenue is 2.42% of operating and non-operating revenues</td>
</tr>
<tr>
<td>Does not include GO Bonds as the GO tax levy is a separate levy so it does not get included in the operating budget</td>
</tr>
<tr>
<td>Total Proposed Operating Net Income is $28M</td>
</tr>
<tr>
<td>Supplies show a year-on-year $1M increase</td>
</tr>
<tr>
<td>Depreciation is up $2.5M</td>
</tr>
<tr>
<td>Net margin is holding at 5.4%</td>
</tr>
<tr>
<td>OEBITDA Including Property Tax is holding at 10.2%</td>
</tr>
<tr>
<td>Much of the transformation costs included in the FY2012 budget were in the 10-year plan for FY2013, so we are actually a little ahead of the plan</td>
</tr>
<tr>
<td>Michael Covert commented on the budget, noting that the last quarter of next year will be an interesting time, and management is anticipating many changes in terms of census during the April/May/June timeframe, so that will have to be watched carefully</td>
</tr>
<tr>
<td>We will also be spending money as we get people ready to move to the new facility and get ready to add depreciation and other costs, so will need to watch cash flow, which will be significant</td>
</tr>
<tr>
<td>The issues of reorganization and staffing to hold our own to compensate on the other side were reviewed, with the reality being that we will see other needs as both campuses develop and the realization that there are positions that were not planned for</td>
</tr>
<tr>
<td>Feels good about where this budget sits today, which will become even more important over this next year</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Slide 19 – Operating Budget Margins</th>
</tr>
</thead>
<tbody>
<tr>
<td>The projected margins are on target with the 10-year plan and what we need to achieve</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Slide 20 – Operating Budget Recap</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-year trend line shows a steady course</td>
</tr>
<tr>
<td>We continue to use a 10-year plan in management, and by refreshing that plan every time we have gone to the market with bonds, we have been able to keep it refined instead of static</td>
</tr>
</tbody>
</table>
## 1. Agenda Item

- **Discussion**
  - **Slide 21 – Capital Budget Recap**
    - Total proposed capital budget of $15M
    - $8M in Allocated Capital
      - $2M in the Equipment Pool
      - $1M in the Facilities Renovation Pool
    1) With the advent of the Capital Planning Committee, the under/over $100K buckets have been consolidated into one comprehensive prioritized list
    - $5M for the IT Pool has already been approved in the multi-year IT plan
    - Capital reserve for the FMP is proposed at $5M
    - Capital reserve for strategic awareness/initiatives is proposed at $2M
  - **Slide 22 – 3-year Capital Budget Summary**
    - We will begin having the ability to start refreshing capital spend utilizing the $5M FMP allocation, raising the capital plan to $15M starting in FY2013
    - Mr. Hemker stated that this information concluded his formal presentation
    - Chairman Kleiter recognized the executives for their commitment and efforts, stating that he was pleased with the budget and the presentation

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### Adjournment

- There being no further business, the meeting was adjourned at 6:20 p.m.

### Signatures:

- **Board Chair**
  - Ted Kleiter

- **Board Secretary**
  - Jerry Kaufman, PT MA
ATTACHMENT 1
Drivers of the Budget Process

- Strategic Goals & Annual Objectives
- Financial Performance-Operational Profitability and Liquidity
- 10 Year Financial and Capital Plan
- Growth Opportunities
- Revenue Management
- Resource Management & Controls
| FY 2012 Operating Budget Recap  
| (In thousands) |
|-----------------|-----------------|-----------------|
| **INPATIENT**   | PMC Change      | POM Change      | Consolidated Change |
| Discharges      |                |                |                  |
| Acute           | 206 1.0%       | 138 2.0%       | 344 1.3%         |
| SNF             | 0 .0%          | (17) (2.7%)    | (17) (1.5%)      |
| Patient Days    |                |                |                  |
| Acute           | 797 1.0%       | 531 2.0%       | 1,328 1.3%       |
| SNF             | 83 .3%         | 120 .3%        | 203 .3%          |
| Avg Length Of Stay |            |                |                  |
| Acute           | 0.00 .0%       | 0.00 .0%       | 0.00 .0%         |
| SNF             | 0.17 .3%       | 2.06 2.9%      | 1.21 1.8%        |
| Births          | 11 .3%         | 3 .3%          | 14 .3%           |
| Inpatient Surgeries | 16 .3%    | 7 .4%          | 23 .3%           |

Change = FY11 Dec YTD annualized vs FY12 Budget

| FY 2012 Operating Budget Recap  
| (In thousands) |
|-----------------|-----------------|-----------------|
| **OUTPATIENT**  | PMC Change      | POM Change      | Consolidated Change |
| ER Visits       | 2,175 3.2%      | 962 3.2%        | 3,137 3.2%         |
| O/P Registrations | 827 1.3%     | 803 1.6%        | 1,630 1.5%         |
| O/P Surgeries   | (201) (3.8%)   | 105 2.4%        | (96) (1.0%)        |
| Home Health Visits | 1,254 3.2%  | 0 0.0%          | 1,254 3.2%         |

Change = FY11 Dec YTD annualized vs FY12 Budget
**Gross Revenue by Financial Class**

- CMS: 2.9%
- Work Comp: 1.0%
- Self-Pay: 2.7%
- Medicare: 27.0%
- Mgd Care Cap: 2.5%
- Medi-Cal: 13.7%
- Sr HMO: 7.7%
- Sr Cap: 7.6%
- Ins: 2.7%
- Mgd Care: 29.7%

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**Key Revenue Assumptions/Considerations**

- **Rates**
  - Inpatient and Outpatient – 8% Increase
  - Contracts / 3rd Party Reimbursement
  - At Risk Capitation Contracting with Three Medical Groups
  - Bad Debt/Uncompensated Care – 4.29%
    - Historical FY11 – 4.27%
    - Historical FY10 – 4.85%
Key Inflationary Assumptions/Considerations

<table>
<thead>
<tr>
<th>Supplies:</th>
<th>FY 11 Budget</th>
<th>FY 12 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceuticals</td>
<td>2.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Prosthesis (Non-tech Price Changes)</td>
<td>2.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Surgical Instruments</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Surgical Supplies</td>
<td>0.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Other Medical</td>
<td>1.0%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Food Other</td>
<td>2.0%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Minor Equipment/Instruments</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Key Expense Assumptions/Considerations

- **Labor**
  - Reinvestment in Our Employees
    - Salary Increases / Adjustments Totaling: $7,966,976
  - Reduction in Registry Premium Pay, Net Benefit: $31,000
  - FTEs
    - Productive FTEs adjusted for Productivity Stds, Operating Efficiencies and Initiatives 2,746 FTE’s
  - Adherence to Productivity Labor Standards
  - Adherence to Nurse Staffing Ratios
Recap of Productive FTE's by Service Type

<table>
<thead>
<tr>
<th>Service Type</th>
<th>PPH North</th>
<th>PPH South</th>
<th>PPH Central</th>
<th>PPH Outreach</th>
<th>PPH Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Productive FTE's by Service Type:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daily Hospital Services (Nursing Units)</td>
<td>503.16</td>
<td>320.61</td>
<td>-</td>
<td>-</td>
<td>903.77</td>
</tr>
<tr>
<td>Ancillary Services</td>
<td>573.85</td>
<td>240.87</td>
<td>-</td>
<td>83.98</td>
<td>896.70</td>
</tr>
<tr>
<td>General / Support Services</td>
<td>265.65</td>
<td>115.59</td>
<td>111.01</td>
<td>0.68</td>
<td>492.93</td>
</tr>
<tr>
<td>Administrative Services</td>
<td>111.96</td>
<td>34.75</td>
<td>146.68</td>
<td>-</td>
<td>293.39</td>
</tr>
<tr>
<td>Fiscal Services</td>
<td>45.11</td>
<td>28.15</td>
<td>83.61</td>
<td>-</td>
<td>156.87</td>
</tr>
<tr>
<td>FY 2011 Budgeted Productive FTE's</td>
<td>1,579.73</td>
<td>739.97</td>
<td>341.30</td>
<td>84.66</td>
<td>2,745.66</td>
</tr>
<tr>
<td>Estimated Productive FTE's FY 2011</td>
<td>1,573.97</td>
<td>726.66</td>
<td>314.41</td>
<td>87.96</td>
<td>2,703.00</td>
</tr>
<tr>
<td>(Increase) / Decrease FY11 To FY12</td>
<td>(5.76)</td>
<td>(13.31)</td>
<td>(26.89)</td>
<td>3.30</td>
<td>(42.66)</td>
</tr>
<tr>
<td>% (Increase) / Decrease FY11 To FY12</td>
<td>(1.58%)</td>
<td></td>
<td></td>
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<tr>
<td>(Increases) / Decreases in FTE's Due to:</td>
<td></td>
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</tr>
<tr>
<td>Volume Changes including Pediatrics / NICU</td>
<td>(10.96)</td>
<td>(17.52)</td>
<td>(0.23)</td>
<td>0.74</td>
<td>(27.97)</td>
</tr>
<tr>
<td>Increases Due to Transformation</td>
<td>(29.13)</td>
<td>0.00</td>
<td>(11.57)</td>
<td>0.00</td>
<td>(40.70)</td>
</tr>
<tr>
<td>Reorganization Reductions</td>
<td>22.10</td>
<td>9.55</td>
<td>7.15</td>
<td>1.00</td>
<td>39.80</td>
</tr>
<tr>
<td>Other Changes in Labor Standards</td>
<td>12.23</td>
<td>(5.34)</td>
<td>(22.24)</td>
<td>1.56</td>
<td>(13.79)</td>
</tr>
<tr>
<td>(Increase) / Decrease FY11 To FY12</td>
<td>(5.76)</td>
<td>(13.31)</td>
<td>(26.89)</td>
<td>3.30</td>
<td>(42.66)</td>
</tr>
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Recap of Salaries and Wages

<table>
<thead>
<tr>
<th>PPH Consolidated</th>
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<tbody>
<tr>
<td>FY 2012 Uninflated Base Salary Expense</td>
</tr>
<tr>
<td>FY 2012 Registry Expense</td>
</tr>
<tr>
<td>Increase due to:</td>
</tr>
<tr>
<td>Labor Contracts and Merit Adjustments</td>
</tr>
<tr>
<td>Volume, New Positions, Labor Std Adjustments and Reorganization Reductions</td>
</tr>
<tr>
<td>Total Salary and Registry Expense FY 2012</td>
</tr>
<tr>
<td>Estimated Salary and Registry Expense FY 2011</td>
</tr>
<tr>
<td>(Increase) / Decrease FY11 To FY12</td>
</tr>
<tr>
<td>% (Increase) / Decrease FY11 To FY12</td>
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</tbody>
</table>
### Recap of Benefits

<table>
<thead>
<tr>
<th></th>
<th>FY11 Annualized</th>
<th>FY12 Projected</th>
<th>% (Increase) / Decrease FY11 To FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Health Insurance</td>
<td>27,656,949</td>
<td>31,822,453</td>
<td>(15.1%)</td>
</tr>
<tr>
<td>FICA</td>
<td>15,509,019</td>
<td>16,325,589</td>
<td>(5.3%)</td>
</tr>
<tr>
<td>Pension</td>
<td>12,994,221</td>
<td>13,216,328</td>
<td>(1.7%)</td>
</tr>
<tr>
<td>Work Comp</td>
<td>3,199,509</td>
<td>2,694,444</td>
<td>15.8%</td>
</tr>
<tr>
<td>Group Life Insurance</td>
<td>221,949</td>
<td>286,028</td>
<td>(28.9%)</td>
</tr>
<tr>
<td>SUI/FUI</td>
<td>878,557</td>
<td>879,603</td>
<td>(0.1%)</td>
</tr>
<tr>
<td>Other Benefits</td>
<td>1,451,331</td>
<td>1,333,386</td>
<td>8.1%</td>
</tr>
<tr>
<td><strong>Total Benefit Expense</strong></td>
<td><strong>61,911,535</strong></td>
<td><strong>66,557,831</strong></td>
<td><strong>(7.5%)</strong></td>
</tr>
</tbody>
</table>

**(Increase) / Decrease FY11 To FY12 $ (4,646,296)**

### Recap of Supplies

<table>
<thead>
<tr>
<th></th>
<th>FY11 Annualized</th>
<th>FY12 Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implants / Prosthesis</td>
<td>17,721,568</td>
<td>17,814,679</td>
</tr>
<tr>
<td>Surgical Supplies</td>
<td>10,813,213</td>
<td>10,758,393</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>12,504,345</td>
<td>12,357,313</td>
</tr>
<tr>
<td>Other Medical Supplies</td>
<td>15,031,859</td>
<td>15,131,605</td>
</tr>
<tr>
<td>Food</td>
<td>3,179,296</td>
<td>3,102,537</td>
</tr>
<tr>
<td>Office Supplies and Forms</td>
<td>1,428,955</td>
<td>1,560,561</td>
</tr>
<tr>
<td>Minor Equipment</td>
<td>2,037,602</td>
<td>2,821,516</td>
</tr>
<tr>
<td>Other Non-Medical Supplies</td>
<td>9,021,448</td>
<td>9,326,353</td>
</tr>
<tr>
<td><strong>Total Supply Expense</strong></td>
<td><strong>71,738,286</strong></td>
<td><strong>72,872,956</strong></td>
</tr>
</tbody>
</table>

**(Increase) / Decrease FY11 To FY12 $ (1,134,670)**

% (Increase) / Decrease FY11 To FY12 **(1.58%)**
## Recap of Professional Fees

<table>
<thead>
<tr>
<th></th>
<th>FY11 Annualized</th>
<th>FY12 Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Physician Fees</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ED Call / Trauma / Hospitalists / OB, OB Anesthesia, Perinatology</td>
<td>14,428,447</td>
<td>16,064,105</td>
</tr>
<tr>
<td>Other Physician Fees</td>
<td>3,277,300</td>
<td>4,051,206</td>
</tr>
<tr>
<td><strong>Total Physician Fees</strong></td>
<td>17,705,747</td>
<td>20,115,311</td>
</tr>
<tr>
<td>Consulting Fees</td>
<td>4,594,751</td>
<td>4,627,783</td>
</tr>
<tr>
<td>Legal Fees</td>
<td>539,928</td>
<td>539,000</td>
</tr>
<tr>
<td>Audit Fees</td>
<td>368,900</td>
<td>367,270</td>
</tr>
<tr>
<td>Other Professional Fees</td>
<td>2,607,069</td>
<td>2,475,633</td>
</tr>
<tr>
<td><strong>Total Professional Fees</strong></td>
<td>25,816,395</td>
<td>28,124,997</td>
</tr>
</tbody>
</table>

(Decrease) FY11 To FY12 (2,308,602)$

% (Decrease) FY11 To FY12 (8.94%)

## Recap of Purchased Services

<table>
<thead>
<tr>
<th></th>
<th>FY11 Annualized</th>
<th>FY12 Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medical Purchased Services</strong></td>
<td>4,455,240</td>
<td>4,243,867</td>
</tr>
<tr>
<td><strong>Maintenance and Repair</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information Systems - Hardware/Software Maintenance Fees</td>
<td>6,912,499</td>
<td>12,678,365</td>
</tr>
<tr>
<td>Other Maintenance and Repair</td>
<td>9,129,252</td>
<td>10,207,436</td>
</tr>
<tr>
<td><strong>Total Maintenance and Repair</strong></td>
<td>16,041,751</td>
<td>22,885,801</td>
</tr>
<tr>
<td>Linen Services</td>
<td>2,592,089</td>
<td>1,856,516</td>
</tr>
<tr>
<td>Management Services</td>
<td>2,375,879</td>
<td>2,364,262</td>
</tr>
<tr>
<td>Other Purchased Services</td>
<td>12,941,003</td>
<td>13,084,111</td>
</tr>
<tr>
<td><strong>Total Purchased Services</strong></td>
<td>38,405,962</td>
<td>44,434,557</td>
</tr>
</tbody>
</table>

(Decrease) FY11 To FY12 (6,028,595)$

% (Decrease) FY11 To FY12 (15.70%)
## Recap of Other Direct Expense

<table>
<thead>
<tr>
<th></th>
<th>FY11 Annualized</th>
<th>FY12 Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and Equipment Rental:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Information Technology</td>
<td>763,964</td>
<td>1,604,783</td>
</tr>
<tr>
<td>- Other</td>
<td>7,630,185</td>
<td>8,377,697</td>
</tr>
<tr>
<td>Total Building and Equipment Rental</td>
<td>8,394,149</td>
<td>9,982,480</td>
</tr>
<tr>
<td>Total Utility Expense</td>
<td>4,795,409</td>
<td>4,973,751</td>
</tr>
<tr>
<td>Professional Liability / Insurance Expense</td>
<td>5,053,935</td>
<td>5,364,286</td>
</tr>
<tr>
<td>Telephone / Communications Expense</td>
<td>902,405</td>
<td>1,234,785</td>
</tr>
<tr>
<td>Outside Training/Tuition Reimbursement</td>
<td>721,050</td>
<td>797,627</td>
</tr>
<tr>
<td>Advertising and Marketing</td>
<td>1,976,439</td>
<td>2,205,993</td>
</tr>
<tr>
<td>Other Direct Expense</td>
<td>5,783,260</td>
<td>6,790,577</td>
</tr>
<tr>
<td><strong>Total Other Direct Expense</strong></td>
<td><strong>27,626,647</strong></td>
<td><strong>31,349,499</strong></td>
</tr>
</tbody>
</table>

(Increase) / Decrease FY11 To FY12: $ (3,722,852), 13.48%
Initiatives and Budget Impact

<table>
<thead>
<tr>
<th>FY '12 Initiative</th>
<th>Description</th>
<th>Budgeted Income Benefit</th>
<th>Budgeted Additional Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1(a)</td>
<td>Grow volume in agreed upon service lines</td>
<td>2,850,110</td>
<td></td>
</tr>
<tr>
<td>1.1(b)</td>
<td>Grow net Primary Care base</td>
<td>-</td>
<td>585,000</td>
</tr>
<tr>
<td>1.2(a)</td>
<td>Achieve maximum value based purchasing reimbursement from CMS Core Measures</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1.2(b)</td>
<td>Implement an infrastructure to support an Accountable Care Organization</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1.3(a)</td>
<td>Realize year 4 Capital Campaign</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.1(a)</td>
<td>Continue handwring adaptive design methodologies in PPH culture</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.1(b)</td>
<td>Integrate, coordinate and redesign key processes</td>
<td>-</td>
<td>113,100</td>
</tr>
<tr>
<td>2.1(c)</td>
<td>Seek out innovations to support redesign of key processes</td>
<td>-</td>
<td>250,000</td>
</tr>
<tr>
<td>2.1(d)</td>
<td>Implement meaningful use criteria for the electronic health record</td>
<td>1,829,000</td>
<td>223,000</td>
</tr>
<tr>
<td>2.2(a)</td>
<td>Increase patient loyalty</td>
<td>-</td>
<td>194,063</td>
</tr>
<tr>
<td>2.2(b)</td>
<td>Continue to enhance the culture of patient safety through integration with all key PPH initiatives and by using National Best Practices</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.2(c)</td>
<td>Create a culture of high employee engagement</td>
<td>-</td>
<td>80,000</td>
</tr>
<tr>
<td>2.2(d)</td>
<td>Create a culture of high physician engagement</td>
<td>-</td>
<td>30,000</td>
</tr>
<tr>
<td>2.3(a)</td>
<td>Realize transition and move plan for PMC West</td>
<td>-</td>
<td>3,475,952</td>
</tr>
<tr>
<td>2.3(b)</td>
<td>Create a destination campus at PMC Downtown</td>
<td>-</td>
<td>146,849</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td></td>
<td>$ 4,679,110</td>
<td>$ 5,097,824</td>
</tr>
</tbody>
</table>

FY 2012 Operating Budget Recap (In thousands)

<table>
<thead>
<tr>
<th></th>
<th>Results FY10</th>
<th>Forecast FY11</th>
<th>Projected FY12</th>
<th>% Change FY11 to FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Revenue</td>
<td>1,689,112</td>
<td>1,819,183</td>
<td>1,944,109</td>
<td>6.87%</td>
</tr>
<tr>
<td>Net Revenue</td>
<td>460,561</td>
<td>476,525</td>
<td>510,253</td>
<td>7.08%</td>
</tr>
<tr>
<td>Other Operating Revenue</td>
<td>7,822</td>
<td>9,168</td>
<td>10,585</td>
<td>15.46%</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>468,383</td>
<td>485,693</td>
<td>520,838</td>
<td>7.24%</td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries, Wages, Registry, Benefits</td>
<td>269,745</td>
<td>286,508</td>
<td>303,837</td>
<td>-6.05%</td>
</tr>
<tr>
<td>Supplies</td>
<td>71,124</td>
<td>71,738</td>
<td>72,873</td>
<td>-1.58%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>21,359</td>
<td>21,382</td>
<td>23,849</td>
<td>-15.54%</td>
</tr>
<tr>
<td>Other</td>
<td>89,120</td>
<td>91,850</td>
<td>103,908</td>
<td>-13.13%</td>
</tr>
<tr>
<td>Total Operating Expense</td>
<td>451,348</td>
<td>471,478</td>
<td>504,467</td>
<td>-7.05%</td>
</tr>
</tbody>
</table>

|                      |              |               |                |                       |
| Operating Income     | 17,035       | 14,215        | 16,371         | 15.17%                |
| Non-Operating Income | 6,725        | 4,391         | 3,050          | -30.54%               |
| Property Tax Revenue | 12,926       | 13,318        | 13,000         | -2.39%                |
| Income (Loss)        | 24,488       | 27,120        | 28,000         | 3.24%                 |

|                      |              |               |                |                       |
| Net Margin %         | 5.2%         | 5.6%          | 5.4%           |                       |
| OEBITDA Margin (Excl Property Tax Rev) | 8.2%        | 7.3%          | 7.3%           |                       |
| OEBITDA Margin (Incl Property Tax Rev) | 11.0%       | 10.1%         | 10.2%          |                       |
| Total Uncompensated Care | $ 82,012    | $ 77,613      | $ 83,426       |                       |
| Total Uncompensated Care as % of Gross | 4.85%        | 4.27%         | 4.29%          |                       |
## FY 2012 Operating Budget Recap

<table>
<thead>
<tr>
<th></th>
<th>Results FY10</th>
<th>Forecast FY11</th>
<th>Projected FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Margin %</td>
<td>5.2%</td>
<td>5.6%</td>
<td>5.4%</td>
</tr>
<tr>
<td>OEBITDA Margin (Excl Property Tax Rev)</td>
<td>8.2%</td>
<td>7.3%</td>
<td>7.7%</td>
</tr>
<tr>
<td>OEBITDA Margin (Incl Property Tax Rev)</td>
<td>11.0%</td>
<td>10.1%</td>
<td>10.2%</td>
</tr>
</tbody>
</table>

## FY 2012 Operating Budget Recap (In thousands)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: Depreciation Expense</td>
<td>19,453</td>
<td>21,391</td>
<td>21,215</td>
<td>21,359</td>
<td>21,382</td>
<td>23,849</td>
</tr>
<tr>
<td>OEBITDA</td>
<td>20,093</td>
<td>11,954</td>
<td>30,692</td>
<td>38,395</td>
<td>35,598</td>
<td>40,220</td>
</tr>
<tr>
<td>OEBITDA Margin (Excl Property Tax Rev)</td>
<td>5.2%</td>
<td>2.8%</td>
<td>6.9%</td>
<td>8.2%</td>
<td>7.3%</td>
<td>7.7%</td>
</tr>
<tr>
<td>OEBITDA Margin (Incl Property Tax Rev)</td>
<td>8.5%</td>
<td>6.0%</td>
<td>9.9%</td>
<td>11.0%</td>
<td>10.1%</td>
<td>10.2%</td>
</tr>
<tr>
<td>Total Uncompensated Care</td>
<td>64,438</td>
<td>63,999</td>
<td>74,557</td>
<td>82,012</td>
<td>77,613</td>
<td>83,426</td>
</tr>
<tr>
<td>Total Uncompensated Care as % of Gross</td>
<td>5.20%</td>
<td>4.53%</td>
<td>4.72%</td>
<td>4.85%</td>
<td>4.27%</td>
<td>4.29%</td>
</tr>
</tbody>
</table>
Capital Budget Recap

**Category:**
- Equipment Pool $2.0 million
- Facilities Renovation Pool $1.0 million
- Information Technology Pool $5.0 million

**FY 2012 Allocated Capital Budget** $8.0 million

- Capital Reserve - FMP $5.0 million
- Capital Reserve - Other $2.0 million

**Total FY 2012 Capital Budget** $15.0 million

Three Year Capital Budget Summary

*(in Millions)*

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>$2.0</td>
<td>$7.0</td>
<td>$7.0</td>
<td>$16.0</td>
</tr>
<tr>
<td>Facilities</td>
<td>1.0</td>
<td>3.0</td>
<td>3.0</td>
<td>7.0</td>
</tr>
<tr>
<td>Info Tech</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>15.0</td>
</tr>
<tr>
<td>PPH Consolidated Requests</td>
<td>$8.0</td>
<td>$15.0</td>
<td>$15.0</td>
<td>$38.0</td>
</tr>
</tbody>
</table>

TO: Board of Directors
MEETING DATE: Monday, July 11, 2011
FROM: Robert Hemker, CFO
BY: Board Finance Committee
   Monday, June 27, 2011

Background: The Board Financial Reports (unaudited) for May 2011 and
YTD FY2011 are submitted for the Board's approval

Budget Impact: N/A

Staff Recommendation: Approval

Committee Questions:

COMMITTEE RECOMMENDATION: The Board Finance Committee
recommends approval of the Board Financial Reports (unaudited) for May 2011
and YTD FY2011.

Motion: X

Individual Action:

Information:

Required Time:
PALOMAR POMERADO HEALTH
CONSOLIDATED DISBURSEMENTS
FOR THE MONTH OF
MAY 2011

<table>
<thead>
<tr>
<th>Date 1</th>
<th>Date 2</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>05/01/11</td>
<td>05/31/11</td>
<td>Accounts Payable Invoices</td>
<td>$ 46,480,443</td>
</tr>
<tr>
<td>05/13/11</td>
<td>05/27/11</td>
<td>Net Payroll</td>
<td>$ 11,900,659</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$ 58,381,102</td>
</tr>
</tbody>
</table>

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

__________________________
CHIEF FINANCIAL OFFICER

APPROVAL OF REVOLVING, PATIENT REFUND AND PAYROLL FUND DISBURSEMENTS:

Treasurer, Board of Directors PPH

Secretary, Board of Directors PPH

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

cc: M. Covort, G. Bracht, R. Hemker, D. Tam
TO: Board of Directors

MEETING DATE: Monday, July 11, 2011

FROM: Sheila Brown, Chief Officer Clinical Outreach Services
Russell Riehl, Director Corporate Health Services

BY: Board Finance Committee
Monday, June 27, 2011

BACKGROUND: Corporate Health’s continued expansion into San Marcos requires more consistent physician coverage in order to meet client expectations and acuity level of patient care. This request is for the addition of a part-time physician (specifically at our San Marcos clinic). The coverage for 4 days (32 hours) per week would replace services currently being provided by a Nurse Practitioner.

BUDGET IMPACT: Budgeted impact for FY2012 is an incremental increase from current NP salary and benefits being used to cover clinic hours.

STAFF RECOMMENDATION: Approve as requested

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION: The Board Finance Committee recommends approval of the one-year [9/1/11 to 8/31/12] Physician Professional Services Agreement for Employee and Corporate Health Services with Wendell H. Perry, DO.

Motion: X

Individual Action:

Information:

Required Time:
**PALOMAR POMERADO HEALTH - AGREEMENT ABSTRACT**

<table>
<thead>
<tr>
<th>Section Reference</th>
<th>Term/Condition</th>
<th>Term/Condition Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TITLE</strong></td>
<td>Physician Professional Services Agreement Employee &amp; Corporate Health Services</td>
<td></td>
</tr>
<tr>
<td><strong>AGREEMENT DATE</strong></td>
<td>9/1/2011</td>
<td></td>
</tr>
<tr>
<td><strong>PARTIES</strong></td>
<td>Palomar Pomerado Health &amp; Wendell H. Perry, DO</td>
<td></td>
</tr>
<tr>
<td><strong>PURPOSE</strong></td>
<td>Provision of Professional Services Agreement</td>
<td></td>
</tr>
<tr>
<td><strong>SCOPE OF SERVICES</strong></td>
<td>To provide medical care through our San Marcos Employee/Corporate Health clinic for internal and external patients under our Occupational Medicine Program.</td>
<td></td>
</tr>
<tr>
<td><strong>PROCUREMENT METHOD</strong></td>
<td>☐ Request For Proposal  ☑ Discretionary</td>
<td></td>
</tr>
<tr>
<td><strong>TERM</strong></td>
<td>One (1) year (9/1/2011 – 8/31/2012)</td>
<td></td>
</tr>
<tr>
<td><strong>RENEWAL</strong></td>
<td>Auto renewal of 1 year after initial term</td>
<td></td>
</tr>
<tr>
<td><strong>TERMINATION</strong></td>
<td>May terminate without cause by either party with written notice of 90 days.</td>
<td></td>
</tr>
<tr>
<td><strong>COMPENSATION METHODOLOGY</strong></td>
<td>Hourly</td>
<td></td>
</tr>
<tr>
<td><strong>BUDGETED</strong></td>
<td>☑ YES  ☐ NO – IMPACT: Incremental increase, offset by replacing clinical hours currently being worked by a PT Nurse Practitioner. The current salary and benefits expenses will be replaced by a Pro Fee contract with Dr. Perry.</td>
<td></td>
</tr>
<tr>
<td><strong>EXCLUSIVITY</strong></td>
<td>☑ NO  ☐ YES – EXPLAIN:</td>
<td></td>
</tr>
<tr>
<td><strong>JUSTIFICATION</strong></td>
<td>Provision of services to provide Occupational Medicine professional services at Palomar Pomerado Health.</td>
<td></td>
</tr>
<tr>
<td><strong>AGREEMENT NOTICED</strong></td>
<td>☐ YES  ☐ No Methodology &amp; Response:</td>
<td></td>
</tr>
<tr>
<td><strong>ALTERNATIVES/IMPACT</strong></td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td><strong>DUTIES</strong></td>
<td>☑ Provision for Medical care in our outpatient Occupational Medicine clinics</td>
<td></td>
</tr>
<tr>
<td><strong>COMMENTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>APPROVALS REQUIRED</strong></td>
<td>☑ VP  ☑ CFO  ☑ CEO  ☑ BOD Committee Finance  ☑ BOD</td>
<td></td>
</tr>
</tbody>
</table>
PALOMAR POMERADO HEALTH BOARD
AUDIT AND COMPLIANCE COMMITTEE

Board Member Position Description

Function:

It is the responsibility of the Board Member to insure that appropriate review mechanisms and management of the District’s assets and resources are in place, that the organization complies with all applicable local, state and federal regulations, and to oversee the audit and financial stewardship of Palomar Pomerado Health.

Responsibilities:

1. Approve the annual program and scope of all audits to be performed by the District Audit Officer.
2. Routinely review the system of internal controls for the organization and its subsidiaries.
3. Recommend a qualified audit firm to complete independent financial audits of the system and review reports, management letters and recommendations from the firm to assure compliance with recognized audit principles and standards throughout PPH.
4. Participate in special investigations for the Board as may be assigned.
5. Regularly review reports from the District Audit Officer and the CEO and where appropriate make recommendations on system controls and improvements that could insures effective stewardship of the organization.
6. Keep up with trends in the field of health care audit and compliance to help educate other Board members on the latest trends in the industry.
7. Ensure the effectiveness of PPH Compliance efforts.
8. Complete other duties as may be assigned by the Chairman.

Requirements:

1. Interest and willingness to commit the time and energy necessary to meet committee responsibilities and meeting requirements.
2. Knowledge of health care finance audit processes and compliance is helpful.
3. Compliance with other Board position description requirements.
Function:

It is the responsibility of the Board Member to review and approve plans and programs that help to communicate the District’s mission and vision to various constituents and related groups and to educate the public on Healthcare and wellness issues facing the citizens of the District.

Responsibilities:

1. Review and make recommendations to the Board on Community Relations and outreach policies and procedures including marketing, community education and wellness activities in accordance with the System's mission and vision.
2. Support the efforts of the Systems Healthcare and other Advisory Councils and Advocacy Groups in the promotion of the District's communication efforts.
3. Provide advice and council to the organization in the development and maintenance of a governmental liaison program and ensure local, State and National governmental leaders understand the Healthcare challenges and issues faced by the District; and support the organization in achievement of its mission.
4. Review and develop educational programs and endeavors to help the Board understand Healthcare issues facing the District and communicate/advocate on behalf of the System.
5. Complete other duties as assigned by the Chairman.

Requirements:

1. Interest and willingness to commit the time and energy necessary to meet committee responsibilities and meeting requirements.
2. Interest and willingness to advocate on behalf of the Board.
3. Knowledge of marketing, research and communications techniques used in promotion of organization and a willingness to expand ones knowledge in this arena.
4. Compliance with other Board member position description requirements.
PALOMAR POMERADO HEALTH BOARD
FACILITIES AND GROUNDS COMMITTEE

Board Member Position Description

Function:

It is the responsibility of the Board Member to provide oversight for the development, expansion, modernization and replacement of the Health System facilities and grounds in order to promote the physical life of the assets belonging to the District; and to insure the safety and well being of those working in and being served in the facilities and on the grounds.

Responsibilities:

1. To insure that a long-term facility plan is developed and updated regularly.
2. To provide oversight regarding the maintenance of facilities and grounds and implementation of improvement projects.
3. To insure that the District is in compliance with governmental agency and accreditation requirements with respect to earthquake and disaster preparedness, fire and safety codes, environmental standards and physical security needs, etc.
4. Provide guidance in the selection of architects, and general construction vendors.
5. To advise the Finance Committee with respect to the need of adequate projects funding.
6. Complete other duties as may be assigned by the Chair of the Committee.

Requirements:

1. Interest and willingness to commit the time and energy to provide input to the committee membership.
2. A background in design, construction and financing of construction projects and/or facilities management preferred.
3. A willingness to update one’s knowledge in this arena on a regular basis.
4. Compliance with other Board member position description requirements.
Function:

It is the responsibility of the Board Member to monitor and ensure the financial viability of the organization through the effective establishment of sound policies and development of a system of controls to safeguard the preservation and use of assets and resources.

Responsibilities:

1. Review and approve annual and long range operating cash, operational and Capital Budgets for the System.
2. Develop and maintain sound understanding of the services of the District's revenues and expenses and its economic environment.
3. Approve methods of financing major capital asset renovations, replacements and additions.
4. Review financial reports and operating statistics on a regular basis to ensure that the organization takes appropriate action in response to operating trends in achievement of financial goals.
5. Evaluate and approve financial plans for new business ventures, programs, and services and establish criteria to measure their ongoing viability.
6. Promote programs and communications in order to enhance the understanding of other members in regard to financial matters of the system.
7. Performs other duties as may be assigned by the committee chair/treasurer of the Board.

Requirements:

1. Interest and willingness to commit the time and energy to completion of Finance Committee responsibilities and meeting requirements.
2. A knowledge of basic Healthcare finance issues and economics and a willingness to expand ones knowledge in the areas of financial management, productivity, revenue and cash management, alternative delivery systems and prepared health plans, governmental payor systems, etc.
3. An understanding of the Internal audit function.
4. An interest in the recommendation of information technology and systems that support the use of such.
5. Commitment to comply with the other requirements of Board members as outlined in the member’s position description.
Function:

It is the responsibility of the Board member to help insure the effective and efficient management of the governmental processes of the Board.

Responsibilities:

1. Complete an annual review of the Board's by-laws and policies and make recommendations for changes that enhance the functioning of the District Board.
2. Provide guidance to the CEO in the development of education and orientation programs that enhance member understanding of Board stewardships, health care, issues and management of the system.
3. Assist in development and completion of an annual Board self-assessment and make recommendations to enhance governance of the organization by its members.
4. Review and make recommendations to the Board on pending or existing state and federal legislation that could affect the direction of the District and Board member responsibilities.
5. Annually review the boundaries of the District to insure compliance with its charter in the completion of health care stewardship responsibilities.
6. Complete other duties as may be assigned by the Chairman.

Requirements:

1. Interest and willingness to commit the time and energy necessary to meet committee responsibilities in meeting requirements.
2. Have an interest in issues of governance and good stewardship.
3. Strong communication and negotiation skills preferred.
4. Compliance with other Board position description requirements.
Function:

It is the responsibility of the Board member to help develop a workforce environment that effectively translates the District's mission and vision into reality on a daily basis.

Responsibilities:

1. Review and assess regular reports from administration on the education and development of staff, turnover, completion of performance appraisals, staffing plans, etc. to identify trends and needs and to ensure that governmental agency requirements are met.
2. Review, understand and recommend Human Resource policies and compensation programs in order to provide an excellent work environment and stewardship of the workforce.
3. Monitor labor relations program as established by the District and review/recommend changes (in conjunction with the District's Labor Attorney and Administration) to the Board.
4. Keep abreast of changes in Healthcare workforce issues and develop educational programs and communications for the Board to keep them up-to-date on challenges faced by the District.
5. Review and make recommendations to the Board regarding executive salary and incentive compensation programs.
6. Perform such other duties as may be assigned by the Chair of the Committee.

Requirements:

1. Interest and willingness to commit the time and energy necessary to meet committee responsibilities in meeting requirements.
2. Knowledge of compensation and benefit programs, labor relations, education and development of staff, labor workforce complexities and issues is helpful.
3. A willingness to advocate on behalf of staff and organization needs with external groups.
4. Compliance with other Board position description requirements.
PALOMAR POMERADO HEALTH BOARD
QUALITY REVIEW COMMITTEE

Board Member Position Description

Function:

It is the responsibility of the Board Member to assure the quality of care rendered in the District's facilities is at the highest possible level when compared to National, State and local standards and that actions are taken on behalf of the Board to ensure the safety and well being of the citizens served.

Responsibilities:

1. Regularly review and approve the systems annual and long term quality assurance plans to ensure the identification, assessment and resolution of patient care issues.
2. Ensure that the system is meeting regulatory and governmental requirements and standards pertaining to the delivery of quality medical clinical care in all of its facilities and programs.
3. Monitor institutional liability/risk experience and ensure that proper systems are put into place to reduce exposure to loss.
4. Ensure that credentials of Medical and Allied Health staff are reviewed and privileges granted and renewed on the basis of demonstrated professional competence and adherence to the bylaws and code of conduct set forth by the Medical Executive Committee of the Healthcare practitioners involved.
5. Provide oversight to the development and management of educational endeavors to improve staff performance and skills in the completion of their clinical care responsibilities.
6. Regularly review and assess Quality care reports, statistics and programs from Medical Staff and System departments to identify trends or clinical care issues and to recommend stewardship action.
7. Perform other duties as may be assigned by the Committee Chair.

Requirements:

1. Interest and willingness to commit the time and energy necessary to meet committee responsibilities in meeting requirements.
2. Background and familiarity with aspects of clinical care issues and willingness to expand knowledge in this arena.
3. An appreciation for risk management and the relationship of medical care, clinical competence and financial/legal issues resulting from potential adverse events.
4. Compliance with other Board position description requirements.
Function:

It is the responsibility of the Board Member to ensure that the mission and vision of the Board are implemented in an effective and meaningful manner through the establishment and implementation of plans and programs that enhance the well being of the citizens of the District.

Responsibilities:

1. To review and make recommendations to the Board regarding the District's short and long range plans and strategic collaborative relationships.
2. Review and approve physician development plans and oversee the implementation of physician recruitment and retention programs on an annual basis.
3. Monitor completion of annual goals in order to ensure their effective completion on behalf of the system.
4. Recommend educational programs and enhance Board members understanding of trends in the local, State and National health care arena and issues affecting the system.
5. Review the development of new programs and system initiatives to ensure their direction is in accordance with the mission and vision of the organization and support the strategic plans of the District.
6. Perform other duties as may be assigned by the Committee Chair.

Requirements:

1. Interest and willingness to commit the time and energy necessary to meet committee responsibilities in meeting requirements.
2. A general knowledge of Healthcare issues and trends affecting Healthcare organizations and medical staffs; a willingness to actively expand ones knowledge in this arena.
3. Compliance with other Board position description requirements.
I. Purpose

The Audit and Compliance Committee ("Committee") will assist the Board in the following items.

Provide oversight for:

- The integrity of PPH's financial statements.
- PPH's compliance with legal and regulatory requirements.
- The selection, performance, qualifications and independence of external auditors.
- The performance of PPH's internal audit and compliance functions.

The Committee will strive to improve and promote PPH's internal audit and compliance policies. The Committee will foster open communication among external and internal auditors, compliance, finance, senior Administration, and the Board. The Committee may obtain assistance from outside accounting, legal, or other consultants to resolve issues the Committee believes necessary to protect the organization. The Corporate Compliance Officer may also access outside legal counsel for certain sensitive compliance issues, with prior approval of the General Counsel or the Board Chair. It is expected these situations will occur in limited circumstances. PPH will provide funds to pay for the consultants.

The Committee Chair shall regularly report to, and review with the Board, any issues that arise with respect to the quality, operations, and integrity of PPH's internal audit and compliance functions.

II. Committee Membership

A. Composition

The Committee shall be composed of three Board members. The Board Chairman will appoint Committee members and the Chair of the Committee. The District Audit Officer, Corporate Compliance Officer, General Counsel, Chief Executive Officer and a representative from each medical staff will be committee members without vote.

Each member shall be knowledgeable in healthcare regulations or must become knowledgeable within a reasonable period of time after appointment to the Committee. Members are not required to be engaged in the compliance profession and, consequently, some members may not have expertise in regulatory matters; however, the Corporate Compliance Officer will provide ongoing training to establish the required level of expertise.

B. Frequency of Meetings

The Committee will meet at least once during each fiscal quarter, or more frequently as circumstances dictate and as necessary to fulfill its responsibilities. At the conclusion of each Committee meeting, the General Counsel, the District Audit Officer, and the Corporate Compliance Officer may each meet individually with the Committee, without Administration present, to discuss any issues or concerns. The Committee will also meet annually with the District Audit Officer, the Corporate Compliance
Officer, external auditors, and Administration to discuss the annual Audit and Compliance Plans, and audited financial statements.

III. Duties and Responsibilities

The Committee shall have the following responsibilities:

1. Maintain meeting minutes.

2. Annually review its charter and any Committee policies and recommend any changes to the Board or Governance Committee.

3. Meet regularly with the Board which may include closed sessions.

4. Review and discuss with Administration and the District Audit Officer PPH's annual financial statements, all internal quality control reports and any relevant reports provided by external auditors.

5. Recommend appointment of the external auditors, and forward to the full Board for approval. Oversee the work performed by the Internal Audit and Compliance departments for the purpose of preparing or issuing an audit or compliance report. Approve the overall audit scope and ensure audits are conducted in an efficient and cost-effective manner. Oversee the resolution of any issues between Administration and the District Audit Officer, the Corporate Compliance Officer and General Counsel.

6. At least annually, obtain and review a report by the external auditors. The report shall include:
   - the external auditors' internal quality control procedures;
   - material issues arising out of the audit firm’s most recent internal quality-control review, peer review, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more external audits carried out by the firm, and any steps taken to deal with any such issues.

7. Receive periodic reports on the audit plan and the compliance plan’s current policies and procedures, any changes to the compliance plan, the reasons behind the changes, and make recommendations to the Board.

8. Review and pre-approve both audit and non-audit services to be provided by the external auditors in accordance with the pre-approval policies and procedures. For services not requiring pre-approval under such policies and procedures, Administration shall inform the Committee of the nature of the project and the related fees with respect to such services provided by the external auditors.

9. Review the integrity of PPH’s financial reporting processes and the internal control structure.

10. Review with Administration and external auditors, major issues regarding accounting principles and financial statement presentations, including any significant changes in PPH's selection or
application of accounting principles, major issues as to the adequacy of PPH's internal controls and any special audit steps adopted in light of material control deficiencies.

11. Review analyses prepared by Administration and external auditors, describing significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.

12. Review with Administration the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of PPH.

13. Review with Administration and the Corporate Compliance Officer, General Counsel and the District Audit Officer any correspondence from or with regulatory agencies, any employee complaints or any published reports that raise material issues regarding PPH's financial statements, financial reporting process, internal audit controls, accounting policies, or compliance with laws, rules, or regulations.

14. Establish procedures for the receipt, retention, tracking, and treatment of complaints received by PPH regarding regulatory, accounting, internal accounting controls or auditing matters. The Committee shall also establish procedures for the confidential and anonymous submission by employees regarding questionable matters.

15. Consider the rotation of the lead audit partner and reviewing partner for PPH's independent audit firm every five (5) years.

16. Commission periodic audits, as the Committee deems necessary, to monitor the implementation and integrity of the compliance plan.

17. Perform an annual self-assessment regarding the Committee's purpose, duties and responsibilities outlined herein.

18. Direct special investigations for the Board.

19. Keep current on changes in the laws and regulations affecting the Committee.

20. Perform any other activities consistent with this Charter, PPH's Bylaws and governing law, to fulfill its responsibilities and duties.

21. The District Audit Officer will make quarterly reports to the Committee regarding the percent of implemented audit recommendations, areas where the audit functions can reduce costs, avoid risks, and enhance revenue.

22. Periodically review PPH’s ethics and compliance training program to determine the scope and effectiveness of the program and assess the return on its investment.

23. Periodically review the compliance plan’s procedures for the receipt, retention, and treatment of complaints to ensure the procedures require actions that are responsive, corrective, and confidential.
24. Periodically review, along with the Corporate Compliance Officer, or seek credible reports on specific risk exposures, the steps taken to monitor and mitigate exposure, and the compliance plan’s ability to identify such exposures.

25. Periodically review, or seek credible reports on, the effectiveness of PPH’s Compliance Plan and how Administration measures the plan’s effectiveness.

26. Review, in conjunction with the District Audit Officer and Corporate Compliance Officer, any known significant disputes between Administration and PPH’s internal or external auditors concerning matters of regulatory and corporate compliance, as well as Administration’s responses to those disputes.

27. Monitor any audits or examinations by governmental or other regulatory agencies as applicable.

28. Perform any other actions consistent with this Charter, Bylaws, or as the Board deems necessary.

29. The following are the responsibility of the Board Members of the Committee

   Review the appointment, proposed termination, and replacement of the General Counsel, the Corporate Compliance Officer, and the District Audit Officer. Meet periodically with the Corporate Compliance Officer, District Audit Officer and General Counsel to discuss responsibilities of PPH's internal audit and compliance functions and any issues the Corporate Compliance Officer, General Counsel and the District Audit Officer believe warrant Committee attention.

   Discuss with the Corporate Compliance Officer, General Counsel and the District Audit Officer any significant material reports to Administration prepared by the Corporate Compliance Officer, General Counsel and the District Audit Officer and any responses from Administration.

   The performance appraisals for those positions will be prepared by the CEO and provided to the Board Members of the Committee for discussion and input. The CEO and the Committee Chair will meet to discuss the performance appraisals. The Board Members of the Committee will receive a copy of the employee’s written response to the performance appraisal. The Board Members of the Committee will also receive a copy of any other documentation regarding the employee’s performance. The employee has the right at any time to access the Board Members of the Committee or the full Board pertaining to issues. At no time will any retribution or retaliation be tolerated against the employee for challenging an employment action or reporting an issue to the Board.

IV. Outsourcing of Certain Investigations

The Committee may utilize an independent investigator to review certain situations which may impair the objectivity of audit or compliance staff. This outsourcing will occur after the General Counsel consults with the Committee and Board, and the Board directs the General Counsel to hire an outside investigator. The following are examples of situations where the investigation may be outsourced. These situations are examples only and are not meant to limit the circumstances where an independent investigator may be used.

- Irregularities in travel and entertainment expenses incurred by Board and senior leadership. On an annual basis, the Internal Audit Officer will meet with the Audit and Compliance
Committee, and certify to the Committee that all travel expenses of the Board, CEO, and the Executive Management Team were appropriate.

- Allegations against senior leadership, including, but not limited to, inappropriate conduct, fraud, sexual harassment, and misappropriation of funds.

- Independent review of key decisions where PPH does not have sufficient staff to conduct the review, or where there may be a conflict of interest with current staff.

- Audit of governance activities/processes.

V. Scope of Authority

The Board delegates to the Committee its power and authority to perform the duties and responsibilities under this Charter. The Committee may carry out any other responsibilities and duties delegated to it by the Board. In accordance with the OIG, the responsibility of this committee is to exercise reasonable oversight.

Management of PPH’s audit and Compliance Plan will be under the direction of the CEO. Administration is responsible for the preparation, presentation and integrity of PPH's financial statements as well as PPH's financial reporting process, accounting policies and procedures, internal accounting controls and disclosure controls and procedures.

The independent auditor is responsible for conducting an annual audit of PPH's financial statements, and expressing an opinion as to the conformity of such annual financial statements with generally accepted accounting principles.

The Corporate Compliance Officer is responsible for conducting an annual evaluation of PPH's Compliance Plan, and expressing an opinion as to the conformity of the plan with regulatory requirements.

It is not the responsibility of the Committee to plan or conduct audits or to determine that PPH's audit program, compliance plan, financial statements and disclosures are complete and accurate and in accordance with generally accepted guidelines, applicable laws, rules and regulations. Each member of the Committee shall be entitled to rely on the integrity of those persons within PPH and of the professionals and experts from which the Committee receives information and, absent actual knowledge to the contrary, the accuracy of the financial and other information provided to the Committee by such persons, professionals or experts.

VI. Reporting Relationships

The General Counsel, the District Audit Officer, and the Corporate Compliance Officer shall have dual reporting relationships to both the CEO and the Board.
TO: PPH Board Committee

MEETING DATE: June 15, 2011

FROM: Steve Yerxa, Board HR Committee Chair

BACKGROUND: PPH has a Diversity Committee charged with increasing the understanding and appreciation for diversity in the workforce. The Diversity Committee has been working on a new diversity commitment statement that reflects this goal. For a diversity program to be successful, it must become part of the culture of the organization instead of a stand-alone program. The new diversity statement integrates the mission of PPH, the Code of Conduct, and the culture goals into one document while also emphasizing the value placed on the uniqueness of every individual. The diversity commitment statement has been presented to the Board HR Committee and was approved.

BUDGET IMPACT: Not Applicable

HR COMMITTEE RECOMMENDATION: Full Board approval of the New Diversity Commitment Statement

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:
DIVERSITY COMMITMENT STATEMENT
for PALOMAR POMERADO HEALTH

Palomar Pomerado Health’s compassionate staff honors diversity by making each patient’s need a priority.

We are committed to the highest quality of care, safety and customer satisfaction in the diverse communities we serve. We passionately give and support heartfelt care while striving to be the health system of choice for our patients, physicians, employees and volunteers.

We value and respect the variety of backgrounds, perspectives, and experience of our workforce and support their ongoing education and development.

We recognize and appreciate the uniqueness of every individual. We demonstrate this by being sensitive to unique needs created by cultural diversity, spiritual preference, age, gender and disability.
For Approval: EMTALA Policies

TO: PPH Board of Directors
MEETING DATE: Monday, July 11, 2011
FROM: Board Governance Committee
BACKGROUND: The Board Governance Committee reviewed and approved the following EMTALA policies at their June committee meeting.
1. Medical Screening Policy
2. Non-Physician Medical Screening Exam for OB Patients
3. Reporting EMTALA Violations
4. Transfer Policy
BUDGET IMPACT: NA
STAFF RECOMMENDATION: Approval

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:
Motion: X
Individual Action:
Information:
Required Time:
I. PURPOSE:

A. To ensure that individuals who present to PPH seeking or needing examination or treatment for a medical condition receive an appropriate Medical Screening Examination as required by the Emergency Medical Treatment and Active Labor Act ("EMTALA"), 42 U.S.C., Section 1395 and all Federal and State regulations and interpretive guidelines promulgated hereunder.

B. It is the policy of PPH that all persons who seek emergency services shall receive a medical screening examination by a qualified medical person within the capabilities of the Emergency Department, and the ancillary services routinely available to the Emergency Department, in order to determine if the individual has an Emergency Medical Condition.

C. If it is determined that the individual has an Emergency Medical Condition, it is the policy of PPH to provide the individual with such further medical examination and treatment as required to stabilize the medical condition, within the capability of the facility or to arrange for transfer of the individual to another medical facility in accordance with the procedures set forth below (The facility shall not delay the provision of a medical screening examination, further medical examination or treatment, or appropriate transfer in order to inquire about the individual's method of payment or insurance status).

D. Patients shall not be denied evaluation, screening, treatment, or stabilization on the basis of means or ability to pay, race, creed, color, national origin, age, sex, or actual or perceived disability. Patients shall not be denied evaluation, screening, testing, treatment or stabilization on the basis of their presenting complaint, condition or lack of physician on the medical staff of this hospital.

E. This policy is not intended to apply to persons who present for scheduled non-emergency treatment, except to the extent that they seek or require medical treatment upon arrival.

II. DEFINITIONS:

A. Emergency Medical Condition Means:
   1. A medical condition manifesting itself by acute symptoms of sufficient severity such that the absence of prompt and appropriate medical attention could result in:
      a. Placing the health or safety of the patient or an unborn child in serious jeopardy;
      b. Serious impairment to bodily functions; or
      c. Serious dysfunction of any bodily organ or part.
   2. The following conditions are declared to be emergency conditions by statute and regulation:
      a. Pregnancy with contractions present when: there is inadequate time to effect a safe transfer to another hospital before delivery; or the transfer may pose a threat to the health or safety of the woman or her unborn child.
      b. Acute pain rising to the level of the general definition of emergency medical condition;
      c. Psychiatric disturbances; and
      d. Symptoms of substance abuse, including alcohol.

B. Legally Responsible Person Means:
   1. A parent or guardian of a minor;
   2. An Attorney-in-Fact appointed by the patient pursuant to an advance directive when the individual lacks decisional-making capacity;
   3. A conservator with medical decision-making authority for an incompetent adult;
   5. If none of the foregoing are available, the individual’s closest available family member or, under appropriate circumstances as determined by PPH, a close friend will be consulted.

C. Qualified Medical Person Means The Following:
1. A physician.
2. In the case of obstetrical screening examinations, non-physicians as set forth in the PPH policy,
Non-Physician Medical Screening Examinations - Obstetrical.

D. **Hospital Property** Means:
   1. The entire main campus of both Palomar Medical Center and Pomerado Hospital, including the
      parking lot, sidewalk, driveway, and departments of the hospital including any building owned by
      the hospital, that are located within 250 yards of the main buildings.

E. **Medical Screening Examination** Means:
   1. The process required to reach, with reasonable clinical confidence, the point at which it can be
      determined whether or not an emergency medical condition exists or a woman is in labor.
   2. Such screening must be done within the facilities capabilities and available personnel, including
      on-call physicians
   3. The medical screening examination is an ongoing process and the medical records must reflect
      continued monitoring based on the patient's needs and continue until the patient is either
      stabilized or appropriately transferred.

F. **Physician Certification** Means:
   1. A written certification by the treating physician ordering the transfer and prior to the patient's
      transfer, that based on the information available at the time of transfer, the medical benefits
      reasonably expected from the provision of appropriate medical treatment at another facility
      outweigh the increase risks to the individual or, in the case of a woman in labor, to the woman or
      the unborn child, from effecting the transfer.
   2. The certification must include a summary of the risks and benefits upon which the certification is
      based and the reasons for the transfer.

G. **Stabilized Or To Stabilize** Means:
   1. With respect to an Emergency Medical Condition:
      a. That no material deterioration of the condition is likely, within reasonable medical probability,
         to result from or occur during the transfer of the individual from the facility; or
      b. To provide such medical treatment of the condition as is necessary to assure, within
         reasonable medical probability, that no material deterioration of the condition is likely to result
         from or occur during the transfer of the individual from the facility; or
   2. With respect to a pregnant woman who is having contractions and who cannot be safely
      transferred, it means that the woman has delivered the child and the placenta.

H. **Stable for Transfer** Means:
   1. The individual has an emergency medical condition that is not resolved, however the treating
      physician has determined within reasonable clinical confidence that the individual is expected to
      leave the hospital and be received at the second facility with no material deterioration in his/her
      medical condition; and
   2. the treating physician reasonably believes the receiving facility has the capability to manage the
      individual's medical condition and any reasonable foreseeable complication of that condition.
   3. In the case of an individual with psychiatric condition(s), the individual is considered to be stable
      for transfer when he/she is protected and prevented from injuring himself/herself or others.

I. **Stable for Discharge** Means:
   1. When, with reasonable clinical confidence, it is determined that the individual has reached the
      point where his/her continued care, including diagnostic work-up and/or treatment could
      reasonably be performed as an outpatient or later as an inpatient, provided the individual is given
      a plan for appropriate follow-up care with the discharge instructions.
   2. In the case of an individual with psychiatric condition(s), the individual is considered to be stable
      for discharge when he/she is no longer considered to be a threat to himself/herself or others.

J. **Transfer** Means:
   The movement (including the discharge) of an individual outside the facility at the direction of any
   person employed by (or affiliated or associated, directly or indirectly, with) the facility, but does not
   include such a movement of an individual who either:
   1. Has been declared dead
   2. Leaves the facility against medical advice or without being seen.

K. **Triage** Means:
1. A sorting process to determine the order in which individuals will be provided a medical screening examination by a physician or qualified medical person. Triage is not the equivalent of a medical screening examination and does not determine the presence or absence of an emergency medical condition.

L. **Within the Capability of the Emergency Department or of the Hospital** Means:

Those capabilities which the facility is required to have as a condition of its Emergency Department license, including on-call physicians and specialists and ancillary services routinely available to the Emergency Department.

III. **TEXT / STANDARDS OF PRACTICE:**

A. **Medical Screening Examination:**

1. Will be completed on all persons presenting at the Emergency Department or any other part of the hospital requesting emergency treatment or examination. In the case of obstetrics patients who are 20 or more weeks in estimated gestation, medical screening shall be conducted in the Obstetric Department pursuant to the policy on Medical Screening of Obstetric Patients.

2. A screening examination shall also be conducted when someone other than the patient makes the request on behalf of the individual, even if the person requesting the examination is not the individual's Legally Responsible Person.

3. Within the capability of the Emergency Department, the screening examination shall determine whether or not an Emergency Medical Condition exists.

4. Initial triage of all presenting patients in the Emergency Department will be completed by a Registered Nurse assigned to the Emergency Department. Where indicated, the Emergency Physician may provide screening examination without prior triage, and in lieu thereof.

5. No patient presenting shall be denied triage or medical screening examination by any employee or medical staff member of this hospital. Patients shall not be discouraged from utilization of emergency medical services due to means or ability or method of payment, including insurance company, HMO, PPO, Medicare, Medi-Cal, or self-pay status.

6. All patients will be afforded a medical screening examination based upon their priority as determined by a Registered Nurse or priority determination by a physician.

7. A minor child can request an examination or treatment for an emergency medical condition. PPH will conduct the examination if requested by an individual or on the individual's behalf to determine if an emergency medical condition exists. PPH personnel will not delay the medical screening exam by waiting for parental consent. If it is determined that no emergency medical condition is present, Staff may wait for parental consent before proceeding with further examination and treatment.

8. If, after an initial screening examination, a physician determines that the individual requires the services of an on-call physician, the physician shall contact the on-call physician. The on-call physician shall not refuse to respond to a call on the basis of the individual's race, ethnicity, religion, national origin, citizenship, age, sex, pre-existing medical condition, physical or mental handicap, insurance status, economic status, or ability to pay for medical services, except to the extent that a circumstance such as age, sex, pre-existing medical condition or physical or mental handicap is medically significant to the provision of appropriate medical care to the individual.

9. At the conclusion of the medical screening examination, necessary stabilizing treatment and where required by third-party payers, the physician, nurse or clerk may contact the third-party payer for payment authorization. Payment authorization is to be understood not to equate with TREATMENT AUTHORIZATION, and the physician shall exercise his or her independent medical judgment to provide all necessary care regardless of payment authorization denial.

10. Ambiguity as to the existence of an Emergency Medical Condition shall be resolved by the physician in favor of the existence of an Emergency Medical Condition and the patient shall be treated accordingly.

11. PPH does not have an obligation to conduct a Medical Screening Examination for the following:

   a. Hospital inpatient, including inpatients who are "boarded" in the dedicated emergency department waiting for an available bed.

   b. Individual registers as an outpatient of PPH and he/she presents on PPH property but not to the dedicated emergency department if he/she has begun to receive a scheduled course of outpatient care.
c. Non-dedicated emergency department facilities on hospital property such as: physician's office, skilled nursing facilities, home health agency, and other entities that participate separately under Medicare and other non-medical facilities on campus.

12. An EMTALA obligation is triggered if a patient presents at any location on hospital property requesting examination or treatment for an emergency medical condition, or if a prudent layperson observer would believe that the individual would believe that the individual is suffering from an emergency medical condition.
   a. A security officer will respond immediately to any notification of such an occurrence. He/she will notify the emergency department and if staff safety is not in jeopardy and leaving the ED would not constitute patient abandonment of existing patients in the department, Emergency Department personnel may respond as well.
   b. Disposition of the patient will be made in consultation with an Emergency Physician who will make a decision regarding transport of the patient to the ED for the medical screening examination and to provide stabilizing treatment. Appropriate transport options should be considered including but not limited to calling 911 for assistance.

B. Individuals who do not have an Emergency Medical Condition:
   1. When the individual is determined as a result of a medical screening examination not to have Emergency Medical Condition the individual may be transferred to another health care facility (if in need of further care) or discharged (if not in need of further care).
   2. The transfer or discharge of an individual who does not have an Emergency Medical Condition shall be in accordance with PPH' transfer and discharge policy and procedures for non-emergency patients.
   3. A Transfer Summary shall be filled out if the individual is transferred to another facility.

C. Individuals who have an Emergency Medical Condition:
   1. When it is determined that the individual has an Emergency Medical Condition, the facility shall:
      a. Within the capability of the staff and facilities available at the facility, stabilize the individual
      b. Provide, if applicable, for the appropriate transfer of the individual to another medical facility in accordance with these procedures.
   2. Stabilizing treatment shall be provided without first questioning the individual or any other person about ability to pay. Promptly after the services are rendered, the individual or Legally Responsible Person shall be required to sign an agreement to pay for the services provided or otherwise supply insurance or credit information.
   3. If an individual has an Emergency Medical Condition which has not been stabilized, the individual may be transferred only if the transfer is carried out in accordance with the procedures set forth in the PPH policy entitled: Transfer Policy.

D. Individuals who have an Emergency Medical Condition but Refuse to Consent to Treatment or to Transfer:
   1. The facility may discharge or transfer an individual with an Emergency Medical Condition before the Emergency Medical Condition is stabilized only if the individual or Legally Responsible Person has signed a request for transfer or the physician has signed a certification as set forth in the PPH policy entitled: Transfer Policy, or:
      a. If the individual refuses examination or treatment:
         i. The facility may transfer or discharge an individual with an Emergency Medical Condition if the facility offers medical examination and treatment and informs the individual or Legally Responsible Person of the risks and benefits to the examination and treatment, but the individual or Legally Responsible Person refuses to consent to the examination and treatment. In that event, the facility shall take all reasonable steps to have the individual or Legally Responsible Person sign a form documenting the refusal to permit medical examination and treatment for Emergency Medical Condition.
         ii. In addition, the medical record shall contain a description of the examination, treatment, or both if applicable, that was refused by or on behalf of the individual. The facility shall attempt to transfer the individual in accordance with the procedures set forth in the PPH policy entitled: Transfer Policy. If the requirements for such a transfer cannot be satisfied, the individual may be discharged.
      b. If the individual refuses transfer:
         i. The facility shall inform the individual or Legally Responsible Person of the risks and benefits to the individual of the proposed transfer. If the individual or Legally
Responsible Person refuses the transfer, the facility shall utilize its resources to provide reasonable medical treatment and attempt to stabilize the patient. The facility shall take all reasonable steps to have the individual or Legally Responsible Person sign a form documenting the refusal of transfer to another medical facility.

ii. In addition, the medical record shall contain a description of the proposed transfer that was refused by or on behalf of the individual.

c. If the individual refuses examination or treatment AND transfer:

1. The facility shall inform the individual or Legally Responsible Person of the risks and benefits to the individual of the examination and treatment and/or proposed transfer. If the individual or Legally Responsible Person refuses examination, treatment and transfer, the facility shall discharge the individual.

2. The facility shall take all reasonable steps to have the individual or Legally Responsible Person sign a form documenting the refusal to permit medical examination and treatment for Emergency Medical Condition AND the refusal to permit the proposed transfer. In addition, the medical record shall contain a description of the examination, treatment transfer, or both if applicable, that was refused by or on behalf of the individual.

2. PPH Administration and Risk Management and, if appropriate, PPH legal council shall be advised immediately when an individual who has an Emergency Medical Condition refuses to consent to further examination and treatment or to an appropriate transfer.

E. Record-Keeping PPH hospitals, whether transferring or receiving patients, must maintain the following:

1. Medical and other records related to individuals transferred to or from the facility for a period of five (5) years from the date of transfer;

2. A list of physicians who are on call for duty after the initial examination to provide treatment necessary to stabilize an individual with an Emergency Medical Condition; and

3. A central log on each individual who comes to the Emergency Department seeking assistance and whether he or she refused treatment, was refused treatment, or whether he or she was transferred, admitted and treated, stabilized and transferred or discharged.

F. Posting of Signs:

1. PPH hospitals shall post conspicuously, signs stating whether or not the hospital participates in the Medi-Cal program.

2. PPH hospitals shall post conspicuously, in the Emergency Department, and other places where emergency patients may present, signs specifying rights of individuals under law with respect to examination and treatment for Emergency Medical Conditions and of women who are pregnant and are having contractions.

G. This policy will be reviewed and updated as required or at least every two years.

IV. ADDENDUM:

V. DOCUMENT / PUBLICATION HISTORY: (template)

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<td>Kim Colonnelli, RN, MA, Chief Nursing Officer - Pomerado Hospital</td>
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<td>03/07/2005</td>
<td>Kim Colonnelli, RN, MA, Chief Nursing Officer - Pomerado Hospital</td>
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I. **PURPOSE:**

A. To describe the mechanisms for non-physician medical screening examinations in order to ensure PPH compliance with EMTALA regulations.

B. The Medical Screening must be performed by:

Physicians, midwives and obstetrical RN's, as defined per PPH job descriptions. These professionals will function within the scope of their license and certification with approval by the Board. Non-physician qualified personnel will perform the Medical Screening utilizing protocols approved by the Medical Staff. Formal designation for approval for all non-medical screeners is contained in their personal records along with evidence of specific EMTALA training appropriate to their role including on going documentation of competencies specified qualifications and quality review. Non-physicians medical screeners will be screened under the auspice of specific protocol which will clearly define when the patient is beyond the non-physicians capabilities and when the medical personnel must complete the Medical Examine. Medical Personnel will be readily available to promptly respond to provide medical screening exam upon request. This Policy is to be used in conjunction with the following EMTALA Policies: Medical Screening Policy and Transfer Policy.

II. **DEFINITIONS:**

A. Emergency Medical Condition means:

1. A medical condition manifesting itself by acute symptoms or sufficient severity such that the absence of prompt and appropriate medical attention could result in:
   a. Placing the health or safety of the patient or unborn child in jeopardy;

2. The following conditions are declared to be emergency conditions by statute and regulation:
   a. Pregnancy with contractions present when: there is inadequate time to effect a safe transfer to another hospital before delivery; or the transfer may pose a threat to the health or safety of the woman or her unborn child.

B. Medical Screening Examination means:

1. A medical screening examination is an assessment of the patient consisting of specific elements, parameters, and time-frame performed by the physician or the designated screening professional (CNM/Obstetrical RN) on patients who present to the Labor and Delivery Unit with complaints of active labor/contractions.

C. Designated Non-medical Screening Professional means:

1. A designated screening professional, i.e., a non-physician, is authorized to provide a medical screening on the basis of meeting the qualifications established by this policy/procedure and approved by the Medical Staff and the Board of Directors. A certified nurse midwife or labor-qualified RN with demonstrated competency is designated screening professionals.

III. **TEXT / STANDARDS OF PRACTICE:**

Patients who present to the hospital in a condition of pregnancy may be seen in the Birth Center for evaluation and screening consistent with the existing policies of PPH.

A. All pregnant women presenting to the Birth Center for care will receive a medical screening examination and assessment of active labor when requested without discrimination and regardless of their ability to pay.

B. The physician or designated non-medical screening professional shall be responsible for the initial evaluation of the patient. Following examination and assessment, the Obstetrical RN/Certified Nurse Midwife (CNM) will apprise the physician of the findings. Based on that evaluation a determination will
be made on whether the patient shall be seen by the physician or, consistent with the provision of this policy and procedure, treatment and discharge with follow up instructions will be provided by the designated screening non-medical professional.

C. A physician must be notified immediately for:
   1. Vaginal bleeding of any amount
   2. Tachysystole as defined per AWHONN
   3. Abnormal fetal heart tracing as per AWHONN
   4. Premature gestation with ruptured membranes
   5. Any condition that is not describe specifically by medical screen protocol, physician will be notified immediately

Qualifications:

A. A medical screening exam may be performed by an Obstetrical RN or CNM who meets the following qualifications:
   1. Successful completion of hospital & Birth Center orientation.
   2. Successfully completed the annual competency validation.
   4. Obstetrical RN experience in care of the active laboring patient have minimum 2 years of experience. If less than 2 years experience as a L&D RN, nurses must ask for assistance from the L&D RN with more than 2 years experience.

B. Evaluation of the Medical Screening Nurse:
   1. Initial Evaluation: Competency demonstrated during orientation to the Labor and Delivery Unit, as well as documented fetal monitoring interpretation as per AWHONN and on-going evaluation through annual competencies

Patient Evaluation:

Patients will be evaluated upon arrival to the Birth Center to obtain information necessary to classify the patient's needs according to the following criteria:

A. The designated physician and/or non-medical screening professional will initiate the medical screening examination as soon as possible after the patient's arrival to the unit. The exam shall include but not be limited to the following:
   1. Chief complaint.
   2. Physical, medical and psychosocial history
   3. Review of the pre-natal record when available
   4. Fetal heart rate assessment
   5. Vital signs, including pain assessment
   6. Vaginal exam, if not contraindicated.

B. Ongoing assessments and documentation will continue until disposition of the patient has been decided by the physician.

C. At any time the designated non-medical screening professional deems a physician examination to be necessary, the physician is required to complete the medical screen.

Resolution:

On completion of the medical screening examination by the non-medical screening professional, the patient's physician/on-call obstetrician will be informed of the medical screening exam finding(s):

A. For all non-obstetrical condition see Medical Screening Policy (Emergency Department).

B. Admission, discharge or transfer orders shall be obtained from the physician.
   1. Any patient discharged will be given written discharge instructions. A copy of the patient discharge instructions will be placed in the patient's record. All fetal monitoring tracings must be
reviewed and co-signed by a second labor RN when a physician has not reviewed the fetal
monitor tracing prior to discharge.

2. If the patient is to be transferred to another facility follow the instructions in Transfer Policy
document.

C. Pertinent nursing observations and nursing care provided will be documented on the Outpatient
Assessment Record.

D. Discharge vitals and adequate discharge summary are required to support a discharge. No patient will
be discharged without addressing all complaints and abnormal findings.

IV. ADDENDUM:

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| (this version) 5 | 07/09/2010           | Kelly Green                   | Added signatures as needed for multiple departments.
|                 |                      |                               | Define the terms within the EMTALA procedure as it relates to active labor in OB.
|                 |                      |                               | Link the procedure that apply in ED and OB specific to EMTALA. |
| (Changes) 4     | 01/08/2009           | Kelly Green                   | adding experience required for medical screening for RNs. |
| (Changes) 3     | 02/08/2007           | Theresa M Scherl, Birth Center Nurse Manager | wording of procedure changed to reflect practice re: discharge instruction sheet. Update signature list [Reviewed on 9/21/2007 by Theresa Scherl: Extended review to 9/20/2010] |
| (Changes) 2     | 01/13/2004           | Theresa M Scherl, Birth Center Nurse Manager | this document has been revised and was approved by IDP at PMC in 12/2004 and by IDP at POM on 2/16/2005. |
| (Changes) 1     | 12/17/2001           | Jane Frincke                  | The previous revision date is: 05/19/1998. |

Authorized Promulgating Officers: ( 05/11/2010 ) Sherry Graham
 ( 05/11/2010 ) Kim Colonnelli, RN, MA, Chief Nursing Officer - Pomerado Hospital
 ( 05/13/2010 ) Sharon Andrews, RN, Chief Nursing Officer - Palomar Medical Center
 ( 05/19/2010 ) Lorie Shoemaker, Chief Nurse Executive
 ( 06/17/2010 ) Joanne Barnett
 ( 07/09/2010 ) Catherine Prante

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I. PURPOSE:
To describe the process for reporting patient transfers to or from PPH that violate EMTALA regulations.

II. DEFINITIONS:

III. TEXT / STANDARDS OF PRACTICE:
It is the policy of PPH to comply with state and federal law mandating the reporting of suspected violations of patient screening, treatment and transfer requirements.

A. Violations on the Part of a PPH Facility:
1. The facility’s obligations regarding the individual transfer laws are set forth in policies and procedures regarding transfers and medical screening examinations.
2. Any member of the nursing staff, administrative staff, or medical staff of PPH who has any reason to suspect a violation of these policies shall immediately report such violation to the Corporate Compliance Officer.

B. Violations on the Part of Another Facility:
1. A violation in this context means that a hospital has denied care, limited care, discharged the patient, or transferred the patient to a PPH facility under the following conditions:
   a. The patient arrives at a PPH facility.
   b. The patient has an Emergency Medical Condition as defined by the law.
   c. The patient presented at Another Hospital prior to the PPH facility; and
   d. One or more of the following Appears to be True:
      i. The patient was refused examination at the prior hospital.
      ii. The patient was refused treatment at the prior hospital.
      iii. The patient was discharged in unstable condition without the patient's consent, or there was a certification by a physician that the risks of transfer to the PPH facility were outweighed by the benefits of transfer.
      iv. The patient was transferred to a PPH facility without prior acceptance.
      v. The patient's condition was misrepresented to a PPH facility to obtain acceptance for transfer.
      vi. The patient was transferred by private vehicle or with inadequate personnel and equipment to safeguard the patient, provided the patient did not refuse ambulance transfer after receiving an explanation of the risks of private transfer.
      vii. The patient was transferred without medical records accompanying the patient, unless the patient's medical condition was such that it would have been unreasonable to delay the transfer to obtain the records.
      viii. The patient was transferred as a result of a failure or refusal of an on-call specialist to attend the patient.
2. Any member of the nursing staff, administrative staff, or medical staff of PPH who has reason to suspect a violation on the part of another facility will report it to the PPH Corporate Compliance Officer as soon as possible but at least prior to the completion of the shift upon which the patient was received by PPH.
3. The Corporate Compliance Officer will review the report and obtain such factual information as is reasonably necessary to evaluate the incident and prepare a report and recommendation to the Administrator of the facility that received the patient.
4. The Administrator will report each incident where it appears that a violation may have occurred to
the State Department of Public Health.

5. The Corporate Compliance Officer will maintain a file of all EMTALA-related incidents and all
notifications for a minimum of five years from the date of incident.

C. This policy will be reviewed and updated as required or at least every two years.

IV. ADDENDUM:

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<td>01/07/2011</td>
<td>Kim Colonnelli, RN, MA, Chief Nursing Officer - Pomerado Hospital</td>
<td>Minor language changes, add Marty Knutson as collaborator and BOD review. Review by JRivas MD 6/4/10</td>
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<td>03/07/2005</td>
<td>Kim Colonnelli, RN, MA, Chief Nursing Officer - Pomerado Hospital</td>
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Authorized Promulgating Officers: (12/19/2010) Lorie Shoemaker, Chief Nurse Executive (01/07/2011) Bruce G Krider, Board Chairman, PPH Board

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https://www.lucidoc.com/cgi/doc-gw.pl?ref=pphealth:11425
I. PURPOSE:

To describe the PPH process for complying with EMTALA restrictions relating to intra-hospital transfers of patients.

I. DEFINITIONS:

A. Emergency Medical Condition means:
   1. A medical condition manifesting itself by acute symptoms or sufficient severity such that the absence of prompt and appropriate medical attention could result in one of the following:
      a. Placing the health or safety of the patient or unborn child in jeopardy.
      b. Serious impairment to bodily functions.
      c. Serious dysfunction of any bodily organ or part.
   2. The following conditions are defined to be emergency conditions by statute and regulation:
      a. Pregnancy with contractions present when: there is inadequate time to effect a safe transfer to another hospital before delivery; or the transfer may pose a threat to the health or safety of the woman or her unborn child.
      b. Acute pain.
      c. Psychiatric disturbances.
      d. Symptoms of substance abuse, including alcohol.

B. Labor means the process of childbirth beginning with the latent or early phase of labor and continuing through the delivery of the placenta. A woman is in true labor unless a physician or qualified medical person certifies that she is not.

C. Legally Responsible Person means one of the following:
   1. A parent or guardian of a minor.
   2. An Attorney-in-Fact appointed by the patient pursuant to a valid Durable Power of Attorney for Health Care when the individual lacks decision-making capacity.
   3. A conservator with medical decision-making authority for an incompetent adult.
   5. If none of the foregoing are available, the individual’s closest available family member or, under appropriate circumstances as determined by PPH, a close friend.

D. Stabilized or to Stabilize means:
   1. With respect to an Emergency Medical Condition:
      a. That no material deterioration of the condition is likely, within reasonable medical probability, to result from or occur during the transfer of an individual from the facility; or
      b. To provide such medical treatment of the condition as is necessary to assure, within reasonable medical probability that no material deterioration of the condition is likely to result from or occur during the transfer of the individual from the facility; or
   2. With respect to a pregnant woman who is having contractions and who cannot be safely transferred, that the woman has delivered the child and the placenta.

E. Transfer means: The movement of an individual outside the facility at the direction of any person employed by, contracted with of credentialed by directly or indirectly, with) the PPH, but does not include such a movement of an individual who either:
   1. Has been declared dead
   2. Leaves the facility without permission.

F. Capacity means the ability of the hospital to accommodate the individual requesting examination or...
treatment of a transfer patients. Capacity encompasses such things as the number and availability of qualified staff, beds and equipment, and the hospital's past practices of accommodating additional patients in excess of its occupancy limits.

II. TEXT / STANDARDS OF PRACTICE:

Upon the requests of a referring hospital within the United States, and when a PPH facility has the capabilities and capacity to treat a patient with an Emergency Medical Condition, it is the policy of PPH to accept patients for transfer from a referring hospital within the boundaries of the United States. Such acceptance will be without regard to the race, creed, color, national origin, sex, sexual preference, economic status, source of payment for care or condition of disability of the patient unless such disability is a decisive medical factor in the ability of these facilities to care for the patient.

A. Transfer of Patient with Emergency Medical Condition:
   a. If a patient has an Emergency Medical Condition that has not been stabilized, the patient may be transferred only if both of the following conditions are met:
      1. The patient or the patient's Legally Responsible Person acting on the patient's behalf is first fully informed of the risks of the transfer and possible benefits of the transfer, the alternatives (if any) to the transfer and of the facility's obligations to provide either further examination and treatment sufficient to stabilize the individual's emergency medical condition, or an appropriate transfer. Then the transfer may occur if the individual or Legally Responsible Person:
         a. Makes a requests to transfer to another medical facility and completes the certification "Patient with Emergency Medical Condition" on the Transfer Summary Form; AND
      2. The attending physician who has personally examined the patient certifies that, based upon the information available at the time, the medical benefits reasonably expected from the provision of emergency medical treatment at another facility outweigh the increased risks to the individual's medical condition involved in transferring the patient. The patient must be hemodynamically stable and have a secure airway prior to such a transfer.
   b. The physician will speak with the receiving hospital physician to assure acceptance of the patient by the receiving facility. A representative of the receiving facility must confirm that:
      a. The receiving facility has available space and qualified personnel to treat the individual; and:
      b. The receiving facility has agreed to accept transfer of the individual and to provide appropriate medical treatment.
   c. The physician shall ensure that a completed Transfer Summary, signed by the physician, accompanies the individual. If another physician has assumed significant responsibility for the care of the individual, that physician shall also sign the Transfer Summary.
   d. The transfer shall be affected through qualified personnel and transportation equipment, as determined by the physician, including the use of necessary and medically appropriate life support measures during the transfer.
   e. The facility shall attempt to obtain the consent of the individual or, where applicable, the individual's Legally Responsible Person, both orally and in writing, to the proposed transfer, explaining the reasons thereof. An acknowledgment of such consent shall be obtained by asking the individual or the Legally Responsible Person to sign the certification Patient with Emergency Medical Condition on the Transfer Summary Form. If an individual's physical or mental condition is such that it is not possible to obtain the consent of the individual, and the individual is unaccompanied, the facility shall make a reasonable effort to locate a Legally Responsible Person in order to obtain the consent of the person of the intended transfer.
   f. Copies of all of the patient's medical records and appropriate diagnostic test results that are reasonably available shall be transferred with the patient. If an on-call physician has refused or failed to appear within a reasonable time after being requested to provide necessary stabilizing treatment, PPH shall provide the name and address of that physician to the receiving facility.
   g. Transfers for patients with Emergency Medical Conditions may be declined for only the following reasons:
      a. Lack of available capacity to accept and appropriately care for the patient.
b. The patient is not in need of the specialty care availability at a PPH facility.

h. In the event of the arrival of a transfer patient without advance acceptance by a PPH facility, the emergency physician duty or OB personnel shall perform medical screening exam and provide emergency medical services as if the patient were not a transfer patient and complete the necessary documentation and care. A report shall be made consistent with the PPH policy on reporting EMTALA violations.

i. This policy will be reviewed and updated as required or at least every two years.

B. Transfer of Patient Without Emergency Medical Condition:

a. The physician, together with any consulting specialty physician, must determine that the patient does not suffer from an emergency medical condition and that the patient is stabilized.

b. The patient (or other patient representative) will be notified of the proposed transfer. The patient/representative will be asked to sign the "Release of Patient Requesting Transfer" form.

c. The patient retains the right to refuse necessary stabilizing treatment and further exam as well as to refuse a transfer to another facility. If the patient refuses, the PPH will inform the patient of the risks and benefits of the transfer and request the patient sign the "Informed Consent to Refuse Treatment" form.

d. The physician will speak with the receiving hospital physician to assure acceptance of the patient by the receiving facility. PPH staff or the transferring physician will also make arrangements with an authorized employee of the accepting hospital that the patient meets the hospital's criteria, and that the hospital has the personnel and equipment necessary to treat the patient.

e. Copies of the pertinent medical records and appropriate diagnostic test results, which are reasonably available, shall be transferred with the patient. The records transferred shall include the Transfer Summary Form, signed by the physician.

C. Inter-Facility Transfers:

1. For patients transferred to another PPH facility, the "Inter-Facility Transfer Form" will be completed and sent with the patient upon transfer, along with copies of the patient's record.

a. Staff will notify Patient and Family Services as necessary.

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Jane Frincke: Extended review to 03/02/2007

**Authorized Promulgating Officers:** (12/19/2010) Lorie Shoemaker, Chief Nurse Executive
(01/07/2011) Bruce G Krider, Board Chairman, PPH Board

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<td>Patient Rights and Organization Ethics</td>
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<td>JCAHO CAMH Standard</td>
<td>Emergency Medicine Treatment Active Labor Act</td>
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</tbody>
</table>

*Paper copies of this document may not be current and should not be relied on for official purposes. The current version is in Lucidoc at.*

June 28, 2011

TO: Board of Directors

BOARD MEETING DATE: July 11, 2011

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

SUBJECT: Palomar Medical Center Medical Staff Credentialing Recommendations

I. **Provisional Appointment (07/11/2011 – 06/30/2013)**
   Weijen W. Chang, M.D., Pediatrics
   Beau V. Duwe, M.D., Pulmonary Disease/Critical Care
   Amanda L. Johnson, M.D., Orthopaedic Surgery (Effective 08/01/2011)
   Shawn M. McHugh, D.O., Internal Medicine
   Arturo M. Tolentino, M.D., Internal Medicine
   Herbert J. Yue, M.D., Pulmonary Disease

II. **Advance from Provisional to Active Category**

III. **Advance from Provisional to Courtesy Category**
    Jaime Chen, M.D., Gastroenterology (07/11/2011 – 02/28/2013)

IV. **Advance from Provisional to Associate Category**

V. **Change from Active to Retired Category**
   Douglas C. Dechairo, M.D., Pediatrics (Effective 06/30/2011)

VI. **Additional Privileges**
    Robert M. Stein, M.D., Cardiology
    - Moderate Sedation
    - Deep Sedation/Analgesia
    Janos Taller, M.D., General Surgery
    - DaVinci Surgical System
    Hai T. Tran, D.P.M., Podiatry
    - Use of Fluoroscopy

VII. **Leave of Absence**
    Arman Faravande, M.D., Internal Medicine (07/01/2011 – 06/30/2013) (Includes PCCC)

VIII. **Resignations**
     David D. Dowling, Jr., M.D., Maternal-Fetal Medicine (Effective 06/13/2011)
     Stephen S. Kaminski, M.D., Surgery, Critical Care (Effective 07/31/2011)
     Shahram Khorsheid, M.D., Family Practice (Effective 07/11/2011)
     John Murphy, M.D., Orthopaedic Surgery (Effective 07/11/2011)
     Soheil Niku, M.D., Diagnostic Radiology (Effective 07/31/2011)
     Udo Wahn, M.D., Obstetrics & Gynecology (Effective 07/11/2011)
     Phil E. Yphantides, M.D., Family Practice (Effective 06/13/2011)
IX. Allied Health Professional Appointments (07/11/2011 – 06/30/2013)
Angela R. Parys, N.P., Nurse Practitioner; Sponsor: Dr. Herip
Heather A. Pregerson, P.A.-C., Physician Assistant; Sponsors: Dr. Ponec for North County Radiology

X. Reappointment through 03/31/2013
Correction of reappointment date for David Plouer, M.D. — through 03/31/2013.

Reappointment Effective 08/01/2011 – 11/10/2012
Brian B. Le, M.D. Ophthalmology Dept of Surgery Active

Reappointments Effective 08/01/2011 – 07/31/2013
Roger J. Acheatel, M.D. Cardiology Dept of Medicine Active
Merle A. Albin, M.D. Internal Medicine Dept of Medicine Active
Aria Anvar, M.D. Family Practice Dept of Family Medicine Active
(Includes PCCC)
Delois J. Bean, M.D. Orthopaedic Surgery Dept of Ortho/Rehab Courtesy
(Changed from Active to Courtesy)
Tyley L. Crawford, M.D. Diagnostic Radiology Dept of Radiology Active
Elaine H. Davidson, M.D. Family Practice Dept of Family Medicine Associate
(No Clinical Privileges)
Kekoa C. Ede, M.D. Psychiatry Dept of Medicine Associate
(Includes PCCC)
Steven G. Eisenberg, D.O. Hematology/Oncology Dept of Medicine Active
Ronald E. Feldman, M.D. Gastroenterology Dept of Medicine Active
Bruce T. Hutchinson, D.P.M. Podiatry Dept of Ortho/Rehab Associate
(Includes PCCC)
Hulya Kararli, M.D. Anesthesiology Dept of Anesthesia Active
Howard I. Krausz, M.D. Ophthalmology Dept of Surgery Active
(Includes PCCC)
Mahesh G. Kumar, M.D. Internal Medicine Dept of Medicine Active
Richard e. Mallo, M.D. Internal Medicine Dept of Medicine Active
(Includes PCCC)
Gregory K. Nicpon, M.D. Diagnostic Radiology Dept of Radiology Active
Michael Nussbaum, M.D. Anesthesiology Dept of Anesthesia Active
Atalanta C. Oito, D.O. Anesthesiology Dept of Anesthesia Courtesy
(Changed from Active to Courtesy)
Colin A. Scher, M.D. Pediatric Ophthalmology Dept of Surgery Consulting
Dmitri V. Segal, D.O. Diagnostic Radiology Dept of Radiology Associate
(No Clinical Privileges)
Rahwan G. Soltero, M.D. Plastic Surgery Dept of Surgery Active
Erik S. Stark, M.D. Orthopaedic Surgery Dept of Ortho/Rehab Associate
John T. Steele, M.D. Critical Care Surgery Dept of Surgery Active
(Includes PCCC)
Manuel Tanguma, III, M.D. Family Practice Dept of Family Medicine Active
(Includes PCCC)
Travis C. Westermeyer, D.P.M. Podiatry Dept of Ortho/Rehab Active
David B. Winn, M.D. Internal Medicine Dept of Medicine Active

XI. Allied Health Professional Reappointments Effective 08/01/2011 – 07/31/2013
Heidi A. Gauthreaux, P.A.-C. Physician Assistant Dept of Emergency Med AHP
(Sponsors: Dr. Rivas for California Emergency Physicians)

Certification by and Recommendation of Chief of Staff:
As Chief of Staff of Palomar Medical Center, I certify that the procedures described in the Medical Staff Bylaws for appointment, reappointment or alteration of staff membership or the granting of privileges and that the policy of the Palomar Pomerado Health System's Board of Directors regarding such practices have been properly followed. I recommend that the action requested in each case be taken by the Board of Directors.
# PALOMAR POMERADO HEALTH SYSTEM
## PROVISIONAL APPOINTMENT
### July, 2011

## PERSONAL INFORMATION

<table>
<thead>
<tr>
<th>Provider Name &amp; Title</th>
<th>Weijen W. Chang, M.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPHS Facilities</td>
<td>Palomar Medical Center</td>
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## SPECIALTIES/BOARD CERTIFICATION

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<th>Specialties</th>
</tr>
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<tbody>
<tr>
<td>Pediatrics – Certified 1998; Re-Certified 2006</td>
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<tr>
<td>Internal Medicine – Certified 1999; Re-Certified 2010</td>
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## ORGANIZATIONAL NAME

| Name                         | Children's Specialists of San Diego        |

## EDUCATION/AFFILIATION INFORMATION

<table>
<thead>
<tr>
<th>Medical Education Information</th>
<th>New York Medical College, Valhalla, NY</th>
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<tbody>
<tr>
<td>From: 08/01/1990</td>
<td>To: 05/24/1994</td>
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| Internship Information        | N/A                                       |

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<tr>
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<tr>
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| Fellowship Information        | N/A                                       |

<table>
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<th>Current Affiliation Information</th>
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**PALOMAR POMERADO HEALTH SYSTEM**
**PROVISIONAL APPOINTMENT**
**July, 2011**

**PERSONAL INFORMATION**

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<thead>
<tr>
<th>Provider Name &amp; Title</th>
<th>Beau V. Duwe, M.D.</th>
</tr>
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<tbody>
<tr>
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**SPECIALTIES/BOARD CERTIFICATION**

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**ORGANIZATIONAL NAME**

<table>
<thead>
<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Kaiser Permanente</td>
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</table>

**EDUCATION/AFFILIATION INFORMATION**

| Medical Education Information | University of Pennsylvania School of Medicine, Philadelphia, PA  
From: 08/01/1999 To: 05/19/2003  
Doctor of Medicine Degree |
|-----------------------------|---------------------------------|
| Internship Information      | University of Pennsylvania, Philadelphia, PA  
Internal Medicine  
From: 06/20/2003 To: 06/20/2004 |
| Residency Information       | University of Pennsylvania, Philadelphia, PA  
Internal Medicine  
From: 06/21/2004 To: 06/22/2006 |
| Fellowship Information      | University of California, San Diego, Medical Center, San Diego  
Pulmonary/Critical Care  
From: 07/01/2007 To: 06/30/2010 |
| Current Affiliation Information | Kaiser Permanente, San Diego |
## PERSONAL INFORMATION

<table>
<thead>
<tr>
<th>Provider Name &amp; Title</th>
<th>Amanda L. Johnson, M.D.</th>
</tr>
</thead>
<tbody>
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<td>PPHS Facilities</td>
<td>Palomar Medical Center</td>
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## SPECIALTIES/BOARD CERTIFICATION

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## ORGANIZATIONAL NAME

<table>
<thead>
<tr>
<th>Name</th>
<th>Orthopaedic Trauma &amp; Fracture Specialist</th>
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## EDUCATION/AFFILIATION INFORMATION

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<tr>
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<td>09/01/2002</td>
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<tr>
<td>To</td>
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<tr>
<td></td>
<td>Doctor of Medicine Degree</td>
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</table>

| Internship Information        | University of California, Los Angeles, David Geffen School of Medicine, Los Angeles General Surgery |
| From                          | 07/01/2006                                               |
| To                            | 06/23/2007                                               |

| Residency Information         | The Milton S. Hershey Medical Center, Hershey, PA Orthopaedic Surgery |
| From                          | 07/01/2007                                               |
| To                            | 06/30/2011                                               |
| Chief Resident                | 07/01/2010-06/30/2011                                     |

| Fellowship Information        | Jeffrey M. Smith, M.D./Orthopaedic Trauma & Fracture Specialists, San Diego Orthopaedic Trauma |
| From                          | 08/01/2011                                               |
| To                            | 07/31/2012                                               |
| Expected Completion Date      | 07/31/2012                                               |

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### PERSONAL INFORMATION

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<th>Provider Name &amp; Title</th>
<th>Shawn M. McHugh, D.O.</th>
</tr>
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<td>Palomar Medical Center</td>
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</table>

### SPECIALTIES/BOARD CERTIFICATION

| Specialties                  | Internal Medicine – Certified 2010 |

### ORGANIZATIONAL NAME

| Name                        | Kaiser Permanente |

### EDUCATION/AFFILIATION INFORMATION

| Medical Education Information                     | Arizona College of Osteopathic Medicine, Glendale, AZ  
| From: 08/01/1998 | To: 05/26/2002 |
| Internship Information                               | Doctor of Osteopathy Degree |
| Internship Information                               | Naval Medical Center, San Diego  
| General Surgery                                      | From: 07/01/2002 | To: 06/30/2003 |
| Residency Information                                | Arrowhead Regional Medical Center, Colton, CA  
| Internal Medicine                                     | From: 07/01/2007 | To: 04/30/2010 |
| Fellowship Information                               | N/A |
| Current Affiliation Information                      | Kaiser Permanente, San Diego  
|                                                        | Kaiser Foundation Hospital, Fontana |
# Personal Information

<table>
<thead>
<tr>
<th>Provider Name &amp; Title</th>
<th>Arturo M. Tolentino, M.D.</th>
</tr>
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<td><strong>PPHS Facilities</strong></td>
<td>Palomar Medical Center</td>
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<tr>
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<td>Pomerado Hospital</td>
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# Specialties/Board Certification

| Specialties               | Internal Medicine – 2009 |

# Organizational Name

| Name                      | Neighborhood Healthcare |

# Education/Affiliation Information

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| Internship Information       | N/A                                        |

| Residency Information       | Maricopa Medical Center, Phoenix, AZ       |
|                            | Internal Medicine                           |
|                            | From: 06/20/2005 To: 07/16/2008             |

| Fellowship Information      | N/A                                        |

| Current Affiliation Information | St. Bernardine Medical Center, San Bernardino |
# Palomar Pomerado Health System Provisional Appointment

## July, 2011

### Personal Information

<table>
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<tr>
<th>Provider Name &amp; Title</th>
<th>Herbert J. Yue, M.D.</th>
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<td>Pulmonary/Critical Care</td>
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<td>From: 07/01/2006 To: 06/30/2009</td>
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<td>Stanford Sleep Medicine Center, Redwood City, CA</td>
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<tbody>
<tr>
<td>Kaiser Permanente, San Diego</td>
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</table>
## NAME: Angela R. Parys, N.P.

**SPECIALTY:** Adult Nurse Practitioner  
**SERVICES:** Nurse Practitioner for Corporate Health, Palomar Pomerado Health  
**TRAINING:**  
- San Diego State University, San Diego, CA  
  Bachelor of Science Degree in Nursing  
  01/01/90-05/28/93  
- San Diego State University, San Diego, CA  
  Master of Science Degree in Nursing/Nurse Practitioner  
  08/01/96-05/21/03  
**PRACTICE:**  
- Registered Nurse/Nurse Practitioner, Corporate Health, Palomar Pomerado Health  
  04/18/11-Present  
- Registered Nurse/Clinical Nurse Specialist/Nurse Practitioner  
  United States Navy, San Diego, Camp Pendleton, Okinawa  
  05/01/94-12/31/10  
**SPONSORS:** Donald Herip, M.D. for Corporate Health, Palomar Pomerado Health  
**CERTIFICATION:**  
- American Nurses Credentialing Center  
  Certified Emergency Nurse Board  
- 2005; 2010  
**FACILITIES:**  
- Palomar Medical Center  
- Pomerado Hospital

## NAME: Heather A. Pregerson, P.A.-C.

**SPECIALTY:** Physician Assistant  
**SERVICES:** Physician assistant services for North County Radiology  
**TRAINING:**  
- University of Southern California, Los Angeles  
  Physician Assistant  
  08/01/98-08/08/00  
**PRACTICE:**  
- Physician Assistant, Interventional Radiology, North County Radiology  
  Oceanside, CA  
  04/01/11-Present  
- Physician Assistant, Asthma, Allergy, Internal Medicine, Warren Pleskow, M.D., Encinitas, CA  
  11/01/10-Present  
- Physician Assistant, Outpatient Internal Medicine, Joshua Trabulus, M.D., Beverly Hills, CA  
  04/01/02-03/31/05  
- Physician Assistant, Family Medicine, Sunset Family Medical Clinic, Los Angeles, CA  
  11/01/00-01/31/02  
**SPONSORS:** Donald Ponec for North County Radiology  
**CERTIFICATION:** National Commission on Certification of Physician Assistants  
- 2000  
**FACILITIES:**  
- Palomar Medical Center  
- Pomerado Hospital
June 29, 2011

TO: Palomar Pomerado Health Board of Directors

MEETING DATE: July 11, 2011

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

SUBJECT: Core Privileging

I. At the Executive Committee meetings held June 27, 2011 at Palomar Medical Center and June 28, 2011 at Pomerado Hospital, a newly created privilege checklist was approved for Acupuncture Clinical Privileges as part of the Core Privileging Project.

The Acupuncture Clinical Privilege checklist is now submitted to the Board of Directors for approval.

Attachment
ACUPUNCTURE CLINICAL PRIVILEGES

Name: ____________________________

Effective From ___/____/_____, To ___/____/_____

☐ Palomar Medical Center
☐ Pomerado Hospital

☐ Initial Appointment
☐ Reappointment

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

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

Other Requirements

• Note that privileges granted may only be exercised at the site(s) and/or setting(s) that have the appropriate equipment, license, beds, staff and other support required to provide the services defined in this document. Site-specific services may be defined in hospital and/or department policy.

• This document is focused on defining qualifications related to competency to exercise clinical privileges. The applicant must also adhere to any additional organizational, regulatory, or accreditation requirements that the organization is obligated to meet.

QUALIFICATIONS FOR ACUPUNCTURE

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

Membership in the American Academy of Medical Acupuncture, and

The successful completion of graduate training in Medical Acupuncture at an American Academy of Medical Acupuncture (AAMA) certified program that consists of a minimum of 200 hours of didactic and practical coursework.

Required Previous Experience: Applicants for initial appointment must be able to demonstrate at least 5 acupuncture cases in the past 12 months.

Focused Professional Practice Evaluation (FPPE) / Monitoring guidelines: No less than five (5) acupuncture cases of varying complexity that are representative of the scope of practice will be reviewed retrospectively.

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

Current demonstrated competence and an adequate volume of experience (10 cases) with acceptable results, reflective of the scope of privileges requested, for the past 24 months based on results of ongoing professional practice evaluation and outcomes. Evidence of current ability to perform privileges requested is required of all applicants for renewal of privileges.
ACUPUNCTURE CLINICAL PRIVILEGES

Name: ________________________________

Effective From ___/___/____ To ___/___/____

CORE PRIVILEGES

ACUPUNCTURE CORE PRIVILEGES

☐ Requested

Evaluate, diagnose, treat and provide consultation to patients for the provision of acupuncture. The core privileges in this specialty include the procedures on the attached procedure list and such other procedures that are extensions of the same techniques and skills. Scope of practice suggested but not limited to:

- Palliation of cancer symptoms
- Pain syndromes: musculoskeletal, migraine, abdomino-pelvic pain, rheumatoid arthritis, non-healing ulcers, post-operative pain
- Hyperemesis gravidarum
- Peripheral neuropathy
- Infertility/menopausal symptoms
- Addiction
- Hospice related pain and anxiety
- Medical conditions such as but not limited to: asthma, hypertension, liver congestion

CORE PROCEDURE LIST

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

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

- Body acupuncture
- Ear acupuncture
- Hand acupuncture
- Scalp acupuncture
- Moxibustion
- Electrical Stimulation of needles
ACUPUNCTURE CLINICAL PRIVILEGES

Name: ________________________________

Effective From ___/___/____ To ___/___/____

ACKNOWLEDGEMENT OF PRACTITIONER

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

a. In exercising any clinical privileges granted, I am constrained by Hospital and Medical Staff policies and rules applicable generally and any applicable to the particular situation.

b. Any restriction on the clinical privileges granted to me is waived in an emergency situation and in such situation my actions are governed by the applicable section of the Medical Staff Bylaws or related documents.

Signed ________________________________  Date __________
June 29, 2011

Memo To: PPH Board of Directors

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

Re: Administrative Transfer to Core Privileging Forms

New Core Privilege checklists have been completed by the following Medical Staff in the specialties of Podiatry and Radiation Oncology.

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

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

Podiatry
Alex H. Kim, D.P.M. (PMC)
Philip E. Larkins, D.P.M. (PMC/PCCC)
Robert G. Lawson, D.P.M. (PMC/PCCC/POM/VILLA POM)
Michael D. Lemm, D.P.M. (PMC)
Joan M. Meyer, D.P.M. (PMC)
Maurice J. Papier, II, D.P.M. (POM)
Hai T. Tran, D.P.M. (PMC/PCCC)
Robert J. Vallone, D.P.M. (POM/VILLA POM)
Philip Wrotslavsky, D.P.M. (POM/VILLA POM)

Radiation Oncology
Lori A. Coleman, M.D. (PMC)
Ronald T. Davis, M.D. (PMC/POM)
Kelly D. Dewitt, M.D. (PMC)
Donald B. Fuller, M.D. (PMC/POM)
Huan B. Giap, M.D., Ph.D. (PMC/POM)
Tahir Ijaz, M.D. (PMC/POM)
Eva K. Lean, M.D. (PMC)
Patrick W. Linson, M.D. (PMC)
Gina J. Mansy, M.D. (PMC/POM)
Mary A. Rose, M.D. (PMC)
Radiation Oncology... Continued
Sara G. Rosenthal, M.D. (POM)
Parag R. Sanghvi, M.D. (PMC/POM)
Kenneth T. Shimizu, M.D. (PMC)
Reza Shirazi, M.D. (PMC/POM)
Damon E. Smith, M.D. (PMC/POM)
Yonina Tova, M.D. (PMC/POM)
Barry M. Uhl, M.D. (PMC)
P. Brian Volpp, M.D. (PMC)
Geoffrey D. Weinstein, M.D. (PMC)
Phillip G. Zentner, M.D. (PMC)
June 20, 2011

TO: Palomar Pomerado Health Board of Directors

MEETING DATE: July 11, 2011

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

SUBJECT: Physician Performance Management Policy

At the Executive Committee meetings held March 29, 2011 at Pomerado Hospital and May 23, 2011 at Palomar Medical Center, the attached Physician Performance Management Policy was approved. The Policy was developed by the Medical Staffs in order to have a coherent mechanism and explanation for how management of physician performance shall be conducted.

Previously there have been a variety of confusing policies. The committee that crafted this policy did so in order to have one overriding policy to deal with these issues. The Physician Performance Management Policy replaces the current Disruptive Conduct Policy.

Attachment
PALOMAR POMERADO HEALTH
MEDICAL STAFF PHYSICIAN PERFORMANCE MANAGEMENT POLICY

Objective
The objective of this policy is to facilitate optimum patient care by promoting a safe, cooperative, professional healthcare environment and high levels of performance of all physicians granted privileges.

Policy
The medical staff is accountable to the board of trustees for effectively overseeing and managing the performance of all individuals granted privileges. The approach utilized by the medical staff of Palomar Pomerado Health facilities in fulfilling this responsibility is summarized in the graphic entitled the Pyramid Approach to Physician Performance (© The Greeley Company) that is included as Attachment A to this policy. Consistent with this approach, it is the policy of the medical staff that all individuals granted privileges are held accountable to comply with the current performance expectations that are memorialized in the medical staff approved Expectations of Physicians Granted Privileges at Palomar Pomerado Health which is included as Attachment B to this policy.

Definitions
Corrective Action: The temporary or permanent restriction or revocation of medical staff privileges and/or membership (Note: Steps utilized to achieve physician compliance with approved performance expectations, such as a written or verbal reprimand, mandatory meeting(s) with medical staff or hospital leaders, focused professional practice evaluation, required additional training or supervision, monitoring above and beyond that required of other members of the medical staff, and reappointment for a period of less than two years, are part of the process of managing performance and may fall within the definition of corrective action for the purposes of this policy.)

Expectations of Physicians Granted Privileges at Palomar Pomerado Health: A written document approved by the medical executive committee that summarizes in a condensed manner expectations of performance for each of the general competencies

Medical Staff Peer Review Committee: The medical staff committee(s) with primary responsibility for oversight and management of the physician performance measurement and feedback activities of the medical staff Note: Typically the medical staff peer review committee is responsible for measurement and feedback activities. The department chair, chief of staff and medical executive committee are responsible for managing physician performance, which encompasses the activities that are the focus of this policy as corrective action as defined below.

Peer Review: The medical staff’s processes for measuring and managing physician performance for all the general competencies utilizing multiple sources of data (Note: Peer review is not limited to the evaluation of individual cases but includes all information gathered in the process of measuring the performance of physicians granted privileges)

Peer Review File: The confidential record through which the hospitals of PPH maintain documentation of the measurement and management of performance of individuals granted privileges that is carried out through the medical staff peer review process
PALOMAR POMERADO HEALTH
MEDICAL STAFF PHYSICIAN PERFORMANCE MANAGEMENT POLICY

Procedure
Consistent with the Pyramid Approach to Physician Performance, this policy will be implemented in a manner that carries out the following activities:

- Set, communicate, and achieve "buy in" to clear expectations of performance, including wide dissemination of this policy;
- Measure performance of individuals compared to these expectations;
- Provide constructive timely and periodic feedback of performance to individuals;
- Manage poor performance when patterns of non-compliance with the approved expectations persist in an effort to improve performance;
- Take corrective action to terminate or limit a provider’s medical staff membership or privileges either permanently or for a defined period of time when a persistent problem cannot otherwise be resolved in a timely and supportive manner or following a single egregious incident that places patient care or the organization at significant risk.

When, through the medical staff peer review processes, it is identified that a physician’s performance is persistently non-compliant with the approved expectations despite the physician receiving feedback concerning this non-compliance, the activities described below will be carried out by leaders of the medical staff. The initial steps in this process may be the responsibility of the department chair or the Chief of Staff and the Executive Committee. If further escalating steps are required as described below, these will be carried out by the department chair, the chief of staff, and/or their designee on behalf of, and with the support of and in consultation with, the medical executive committee. The chief of staff or their designee will utilize such other resources as needed to achieve physician compliance with the expectations.

Documentation:
Because documentation of each of the activities described below is important, as it is ordinarily not one intervention alone that leads to improved performance, the medical staff leader(s) conducting each of these activities shall document all meetings with the physician regarding professional performance in writing. This will be done, at a minimum, through a follow-up letter to the physician. The letter will document the content of the discussion and any specific actions the physician has agreed or been required to perform. The letter should include all of the following:

- A factual and objective description of the performance concern and the data supporting this concern
- The consequences, if any, of the performance concern as it relates to patient care or hospital operations
- A record of any action taken to remedy the situation, including the date, time, place, action, and name(s) of those intervening and follow up action steps agreed to by the individual involved and the individual(s) performing the intervention
- One or more positive consequences for successfully meeting the terms of any agreement between the physician and medical staff leadership and one or more negative consequences for failing to meet the agreed upon terms
PALOMAR POMERADO HEALTH
MEDICAL STAFF PHYSICIAN PERFORMANCE MANAGEMENT POLICY

- An expectation with regard to time frames for meeting the expectations and an objective measure that will confirm that those expectations are being met
- A signature of both the medical staff leader and the physician in question to confirm agreement with and understanding of the terms of the agreement

This letter will become part of the physician’s confidential peer review file. The involved physician may submit a written rebuttal to the finding that they are not meeting the performance expectations or statement of their case. They may explain why the performance expectations are not appropriate. The rebuttal will become a permanent part of the peer review file, but does not override or invalidate the finding of non-compliance or the requirement for their compliance with medical staff approved performance expectations.

Steps in the Process of Managing Physician Performance That Persistently Does Not Meet Performance Expectations:
The process of managing a physician’s performance which, either through a trend in peer review data or a single significant or egregious event, is found not to be consistent with the approved Expectations of Physicians Granted Privileges at Palomar Medical Center and Pomerado Hospital shall include the following steps as needed:

1. An initial collegial discussion with the physician will be held informing them that based upon peer review data their performance does not meet the approved Expectations of Physicians Granted Privileges at Palomar Pomerado Health. This discussion will include efforts to clarify the degree to which the physician’s performance differs from that of their peers and/or established benchmarks, based on validated data. This will also include any reasonable actions needed to further validate and clarify the data. Determination of what constitutes reasonable actions and adequately validated and clarified data shall be made in the sole discretion of the medical staff peer review committee or the designee(s). The tone of this meeting is to be helpful, with a focus on identifying causes of the variation of the physician’s performance from expectations that is reflected in the peer review data. The causes may include the physician’s practice patterns, system issues, or both. If this meeting concludes with the physician agreeing to improve their performance to comply with the performance expectations, then moving directly to the action plan described in paragraph 2 below is appropriate.

2. If, after the above described actions to validate and clarify the data, it is confirmed that the physician’s performance does not meet the expectations of performance, a second discussion will be held to develop an action plan to bring their performance into compliance with the performance expectations. This plan will include agreement regarding how future compliance with the expectations will be measured and the results fed back to the physician. The action plan will be presented to the department chair, and the Chief of Staff and Medical Executive Committee.

3. If failure to meet the performance expectations persists, it is the responsibility of the medical staff leadership, including but not limited to the department chair, chief of staff, and the medical executive committee, to ensure that said failure stops. To do so, the department chair, chief of staff, and/or their designee(s) will hold a series of meetings with the non-compliant individual until the physician’s performance comes into compliance with the expectations. The consequences of persistent failure to meet the
expectations will progressively increase in severity with each meeting until the physician's performance comes into compliance with the expectations. These consequences may include, but are not limited to, any of the following:

- Focused and intensified measurement of the physician’s performance during a defined follow up period
- Periodic meetings with a designated medical staff leader to monitor compliance with the expectations
- Requirement for additional education or training
- A signed agreement memorializing the physician’s commitment to specific action steps
- A mandatory action plan with timeframes and specified positive and negative consequences
- A meeting with the medical executive committee
- Reappointment for a period of less than two years
- Summary or precautionary suspension of privileges.

4. If, in spite of these interventions, the physician’s performance persists in not meeting the previously agreed upon performance expectations in a manner that places patient care or the institution at risk, the chief of staff and the board chair or designee shall meet with and advise the physician that failure to meet the performance expectations is intolerable and must stop. The individuals carrying out this intervention will inform the individual that failure to meet the performance expectations within a specified time period shall result in either loss of the specific privileges relevant to the identified performance concerns or revocation of medical staff membership and privileges, with the choice between these two options being based upon the nature of the physician’s non-compliance with the performance expectations. This meeting is not a discussion, but rather constitutes the physician’s final warning. The physician will also receive a follow-up letter that reiterates the final warning.

5. If, after this final meeting, the physician’s performance persists in failing to meet the performance expectations within the specified time period, the individual’s medical staff membership and/or privileges shall be summarily suspended consistent with the summary suspension terms of the medical staff bylaws and policies and procedures. The medical executive committee and board will then take action to revoke the individual’s membership and/or privileges or such other actions as deemed necessary to bring the physician’s performance into compliance with the performance expectations and to protect patient care and the hospital’s liability and reputation.

6. If at any point in this process the physician’s performance improves so that further peer review data no longer demonstrates a pattern of persistent non-compliance with the performance expectations for an adequate period of time, the physician will be so informed. Their performance will then be monitored in a manner consistent with the medical staff peer review process as it is applied to physicians who have not
demonstrated problematic performance. If the problematic performance recurs, any of the above steps may be utilized as needed to achieve physician compliance with the performance expectations.

7. If at any point in this process the physician’s performance is determined to place patient care or the institution’s liability or reputation at significant risk, a final warning, summary suspension, or precautionary suspension will be implemented at that time consistent with the medical staff bylaws.
The Pyramid Approach to physician Performance
How to Achieve Great physician Performance

- Appoint excellent physicians
- Set, communicate, and achieve buy in to expectations
- Measure performance against expectations
- Provide periodic feedback
- Manage poor performance
- Take corrective action

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Attachment B

Expectations of Physicians Granted Privileges at Palomar Pomerado Health
This document describes the expectations that physicians have of each other as members of our medical staff based on the Accreditation Council for Graduate Education (ACGME)/Joint Commission physician General Competencies framework. The expectations described below reflect current medical staff bylaws, policies and procedures and organizational policies. This document is designed to bring together the most important issues found in those documents and key concepts reflecting our medical staff’s culture and vision.

Medical staff leaders will work to improve individual and aggregate medical staff performance through providing appropriate measurement of these expectations that provides positive and constructive feedback so each physician has the opportunity to grow and develop in his or her capabilities to provide outstanding patient care and valuable contributions to our hospital.

Patient Care: Practitioners are expected to provide patient care that is compassionate, appropriate, and effective for the promotion of health, prevention of illness, treatment of disease and at the end of life as evidenced by the following:

1. Provide effective patient care that consistently meets or exceeds medical staff standards of care as defined by comparative outcome data, medical literature and results of peer review activities.
2. Plan and provide appropriate patient management based on patient information, patient preferences, current indications, available scientific evidence and sound clinical judgment.
3. Assure that each patient is evaluated by a physician as defined in the bylaws, rules and regulations and document findings in the medical record at that time.
4. Demonstrate caring and respectful behaviors when interacting with patients and their families.
5. Provide for patient comfort by managing acute and chronic pain according to medically appropriate standards.
6. Counsel and educate patients and their families.
7. Cooperate with hospital efforts to implement methods to systematically enhance disease prevention.
8. If applicable, supervise residents, students and allied health professionals to assure patients receive the highest quality of care.

Medical Knowledge: Practitioners are expected to demonstrate knowledge of established and evolving biomedical, clinical and social sciences, and the application of their knowledge to patient care and the education of others as evidenced by the following:

1. Use evidence-based guidelines when available, as recommended by the appropriate specialty, in selecting the most effective and appropriate approaches to diagnosis and treatment.
2. Maintain ongoing medical education as appropriate for each specialty.
3. Demonstrate appropriate technical skills and medical knowledge using medical simulation technology where appropriate.

Practice Based Learning and Improvement: Practitioners are expected to be able to use scientific evidence and methods to investigate, evaluate, and improve patient care as evidenced by the following:

1. Regularly review your individual and specialty data for all general competencies and use the data for self improvement of patient care.

2. Respond in the spirit of continuous improvement when contacted regarding concerns about patient care.

3. Use hospital information technology to manage information and access on-line patient medical information.

4. Facilitate the learning of students, trainees and other health care professionals

Interpersonal and Communication Skills: Practitioners are expected to demonstrate interpersonal and communication skills that enable them to establish and maintain professional relationships with patients, families, and other members of health care teams as evidenced by the following:

1. Communicate effectively with physicians, other caregivers, patients and families to ensure accurate transfer of information through appropriate oral and written methods according to hospital policies.

2. Request inpatient consultations by providing adequate communication with the consultant including a clear reason for consultation and direct physician-to-physician contact for urgent or emergent requests.

3. Maintain medical records consistent with the medical staff bylaws, rules, regulations and policies.

4. Work effectively with others as a member or leader of a health care team or other professional group

5. Maintain patient satisfaction with physician care.

Professionalism: Practitioners are expected to demonstrate behaviors that reflect a commitment to continuous professional development, ethical practice, an understanding and sensitivity to diversity, and a responsible attitude toward their patients, their profession, and society as evidenced by the following:

1. Act in a professional, respectful manner at all times and adhere to the Medical Staff Code of Conduct.

2. Respond promptly to requests for patient care needs.

3. Address disagreements in a constructive, respectful manner away from patients or non-involved caregivers.

4. Participate in emergency call as defined in the bylaws, rules and regulations
5. Follow ethical principles pertaining to provision or withholding of clinical care, confidentiality of patient information, informed consent, and discussion of unanticipated adverse outcomes.

6. Utilize sensitivity and responsiveness to culture, age, gender, and disabilities for patients and staff.

7. Make positive contributions to the medical staff by participating actively in medical staff functions, serving when requested and by responding in a timely manner when input is requested.

Systems Based Practice: Practitioners are expected to demonstrate both an understanding of the contexts and systems in which health care is provided, and the ability to apply this knowledge to improve and optimize healthcare as evidenced by the following:

1. Comply with hospital efforts and policies to maintain a patient safety culture, reduce medical errors, meet national patient safety goals and improve quality.

2. Follow nationally recognized recommendations regarding infection control procedures and precautions when participating in patient care.

3. Ensure timely and continuous care of patients by clear identification of covering physicians and by availability through appropriate and timely electronic communication systems.

4. Provide quality patient care that is cost effective by cooperating with efforts to appropriately manage the use of valuable patient care resources.

5. Cooperate with guidelines for appropriate hospital admission, level of care transfer, and timely discharge to outpatient management when medically appropriate.

6. Advocate for quality patient care and assist patients in dealing with system complexities.
DATE: June 29, 2011  
TO: Board of Directors - July 11, 2011  
FROM: Roger J. Acheatel, M.D., Chief of Staff, Pomerado Hospital Medical Staff  
SUBJECT: Medical Staff Credentials Recommendations – June 2011

Provisional Appointments: (07/11/2011 – 06/30/2013)  
Arturo M. Tolentino, M.D. – Internal Medicine

Biennial Reappointments: (08/01/2011 – 07/31/2013)  
Roger J. Acheatel, M.D. – Active – Cardiology  
Aria Anvar, M.D. – Active – Family Practice (includes Villa)  
Tyler Crawford, M.D. – Radiology - Active  
Steven G. Eisenberg, D.O. – Active – Hematology/Oncology  
Hulya Kararli, M.D. – Active – Anesthesia  
Howard Krausz, M.D. – Courtesy - Ophthalmology  
Gregory Nicpon, M.D. – Active - Radiology  
Michael Nussbaum, M.D. – Active - Anesthesia  
Colin Scher, M.D. – Consulting – Pediatric Ophthalmology  
Dmitri V. Segal, M.D. – Affiliate - Radiology  
John T. Steele, M.D. – Courtesy - Surgery  
Zehui Tan, M.D. – Affiliate – Internal Medicine

Voluntary Resignations:  
Ronald T. Davis, M.D.  
Michael J. Halls, M.D.  
Aruna Varma, M.D.  
Jose G. Veliz, M.D.

Advancements:  

Leave of Absence: (07/01/2011 – 06/30/2013)  
Arman Faravardeh, M.D.

Allied Health Appointment: (07/11/2011 – 06/30/2013)  
Angela R. Parys, N.P. – Sponsor – Donald Herip, M.D.  
Heather Pregerson, P.A.-C – Sponsor – Donald Ponec, M.D.

Allied Health Professional Reappointment: (08/01/2011 – 07/31/2013)  
Heidi A. Gauthreaux, P.A.-C – Emergency Medicine – Sponsors Dr. Rivas and CEP Physicians

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

June 21, 2011

Board Governance Committee

ACTION ITEMS:

- **Board Position Descriptions:** The committee reviewed and approved the Board position descriptions. The Board position descriptions will be on the July Board meeting consent agenda.

- **EMTALA Policies:** The committee reviewed and approved the four EMTALA Policies. Non Physician Medical Screening Exam for OB Patients, Medical Screening Policy, Reporting EMTALA Violations and Transfer Policy.

- **Board Audit and Compliance Charter:** The committee reviewed and approved the Board Audit and Compliance Charter. The charter will be on the July Board meeting consent agenda.

INFORMATION ITEMS:

- **Medical Staff Bylaws:** were reviewed. John Lilley, M.D. will be asked to present an update on the Emergency Department Consultation at the August 16, 2011 Board Governance committee meeting.

- **Board Self Evaluation:** was deferred until the July 18th meeting.

- **Succession Policy – GOV30:** was sent back for further revisions. The policy will be brought back to the July 18th meeting.
Synopsis of HR Committee Meeting June 15, 2011

Informational: California Endowment Grant
Larry Ward, Director of CLAS

Larry Ward gave an overview of the final report done by Harder and Company. They are third party evaluators of the Interlink Pathways $284,000 California Endowment Grant. The California Endowment Grant has been completed and the accomplishments and challenges of the last three years grant activities were shared. He also did a brief overview of Interlink Pathways future objectives.

*The PowerPoint presentation is available in the Board HR folder on the Leadership Drive.*

Informational: Culture Transformation
James O’Malley, Learning and Development Officer

James O’Malley gave an update of the culture transformation plan. We are currently, mostly, in Phase II and the focus is on supporting the employee through the change.

Topics covered included:
1. Culture Champions
2. Customer Data
3. Employee Engagement
4. Patient Satisfaction Data
5. Education
6. Key Successes
7. Accountability

*The PowerPoint presentation is available in the Board HR folder on the Leadership Drive*

Action Item: Diversity Statement
Brenda Turner, Chief Human Resources Officer

Brenda Turner shared the new Diversity Commitment Statement. It is now an integrated statement that connects the dots between the PPH Mission statement, Code of Conduct, and cultural change statement.

Brenda Turner requested approval to start advertising as our new Diversity Statement. Linda Greer motioned to approve taking the new Diversity Statement public. Nancy Bassett seconded and motion passed.

It will be forwarded to the PPH board for consent.

*The Diversity Statement is available in the Board HR folder on the Leadership Drive*

Informational: Incentive Plan
Brenda Turner, Chief Human Resources Officer

The FY 2012 Incentive Plan for Directors and above was covered. The overall design of the plan has not changed from the prior year but there have been some modifications.

1. There are fewer strategic initiatives (12 vs. 15)
   a. This change will result in an overall decrease of incentive potential from 16.5% to 15%
2. There will no longer be a payout at the threshold level of performance but at the target level.

*The FY 11 and FY12 incentive plan models are available in the Board HR folder on the Leadership Drive*
ACTION ITEMS:

INFORMATION ITEMS:

• **Regulatory Update:** Debbie Barnes is working on the Plan of Action to be submitted to the Joint Commission.

• **Patient Safety Update:** Dr. Kolins presented preliminary results of the Patient Safety Culture Survey. Approximately 1200 staff including housekeeping, security, nurses and physicians took the survey. We have improved our score from 2010 for Management Support for Patient Safety from 43% to 71% and Supervisor/Manager actions to promote Patient Safety from 44% to 73.2%.

• **FY11 Initiatives:** The following 2011 Initiatives were reviewed for progress and ready for the Strategic Planning Committee.
  o 1.1(d) Publicly Reported Data
  o 2.1(b) Enhance the Patient Safety Culture
  o 2.1(d) Adaptive Design
  o 3.2(c) Physician On-Boarding and Mentorship

• **Environment of Care Annual Report:** Dan Farrow presented the 2010 Annual Report on Environment of Care and reviewed the 2011 goals.

• **Service Excellence:** Tina Pope presented the 3rd Quarter Press Ganey results. Through the month of June non-clinical staff are rounding on every unit once a day and getting the opportunity to talk with most of our patients.

  Jill Biggane presented on ARU Discharge Follow-up Best Practice. Press Ganey scores improved by clinical staff following up with patient 24-48 hours of discharge from 84.3 to 93.4 and rank increased from 17% to 99% across the country among rehabilitation units.

  Susan Linback presented on the new patient centric white boards being used in all patient rooms where patients can view. This allows for better communication with patient, staff and family members.

• **Outreach Performance Update:**
  o Elissa Hamilton provide an update on Home Health and reviewed the Home Health Specific Activities, Division Specific PI Activities and Systemwide Activities.
Board Strategic Planning Committee

ACTION ITEMS:

- None

INFORMATION ITEMS:

- **FY2011 3rd Quarter Initiative Review:** The Executive Management Team presented the 3rd quarter standings of their FY2011 initiatives.

- **Integrative Medicine:** Sheila Brown and Alan Larson, M.D. provided a presentation on Integrative Medicine.

- **Palliative Care:** Pernell Jones provided a presentation on Palliative Care.
MEMORANDUM

To: Nicole Adelberg, Executive Assistant to the Board
From: Tanya Howell, Assistant to the Board Finance Committee
Date: June 29, 2011
Re: Board Finance Committee – June 27, 2011, Meeting Summary

INFORMATION ITEMS:

- **Outcome of the NCEMA Agreement:** Bob Hemker, CFO, updated the Committee on the final phase of negotiations for the new Trauma and ED Call agreements with NCEMA and Arch Health Partners, scheduled to take effect July 1, 2011.

- **Program Review:**
  - **Comprehensive Stroke Program:** Paul Patchen, Director of Interventional Services, discussed the results of the added service line of Neuro Interventional services (approved by the Board in June 2010) and Management’s continuing efforts with regard to growth strategies for these services, as activity to date has been minimal.

ACTION ITEMS:

- **Physician Professional Services Agreement – Employee and Corporate Health:** Recommended approval of the agreement with the following physician:
  - Wendell H. Perry, DO

- **Arch Health Partners’ (AHP) Request for Additional Capital Contribution to Acquire Orthopedic Surgery Associates of North County, Inc. (OSANC):** Reviewed and recommended approval for the following three actions with regard to AHP’s acquisition of OSANC and the manner in which the transaction should be handled:
  - An equity transfer of $605 thousand to facilitate the hard asset acquisition of the OSANC practice, including MRI and PT, inclusive of infrastructure hard assets (e.g., IT, etc.) needed by AHP.
  - A $600 thousand increase to the AHP Line of Credit (LoC), bringing the total Line of Credit to approximately $4.1 million.
  - Approval for the reassignment of approximately $745 thousand of previous draws on the LoC, to be reclassified as an equity transfer in accordance with the treatment of past acquisitions related to asset purchases by AHP.

- **May 2011 and YTD FY2011 Financials:** Utilizing the standard Financial Reporting Packet, reviewed and recommended approval of the May 2011 and YTD FY2011 financial performance, which reflected a $25.0 million bottom line net income YTD, which is approximately $689 thousand greater than budget.
Arch Health Partners
Request for Additional Capital Contribution to Acquire
Orthopedic Surgery Associates of North County, Inc.

TO: Board of Directors

MEETING DATE: Monday, July 11, 2011

FROM: Vicky Lister, FACHE, Executive Director, Arch Health Partners

BY: Board Finance Committee
    Monday, June 27, 2011

Background: Arch Health Partners has been negotiating with Orthopedic Surgery Associates of North County, Inc. (OSANC), owned by Drs. Bried, Cohen and Owsley, in an effort to expand its orthopedic scope and to support the strategic initiatives of PPH to develop an Orthopedic Center of Excellence.

Budget Impact: The acquisition of OSANC requires an additional capital contribution from PPH in the amount of $605,000 for the purchase of the fixed assets and the addition of IT hardware and software; as well as $1,341,859, which represents 6 months of working capital. The working capital infusion is necessary in order to cover lag in collections associated with the time required by Medicare and the health plans to change the tax identification number for billing purposes.

Staff Recommendation: The request from the AHP Board of Directors to the PPH Finance Committee is for an additional capital contribution of $1,946,859.

PPH Management recommended approval as noted below in the Finance Committee’s Recommendation.

Committee Questions:

COMMITTEE RECOMMENDATION: The Board Finance Committee recommends approval for the following three actions with regard to AHP’s acquisition of OSANC and the manner in which the transaction should be handled:

1) An equity transfer of $605 thousand to facilitate the hard asset acquisition of the OSANC practice, including MRI and PT, inclusive of infrastructure hard assets (e.g., IT, etc.) needed by AHP
2) A $600 thousand increase to the AHP Line of Credit (LoC), bringing the total Line of Credit to approximately $4.1 million
3) Approval for the reassignment of approximately $745 thousand of previous draws on the LoC, to be reclassified as an equity transfer in accordance with the treatment of past acquisitions related to asset purchases by AHP

Motion X

Individual Action:

Information:

Required Time: 20 minutes