**BOARD GOVERNANCE COMMITTEE**

**MEETING AGENDA**

Thursday, June 2, 2022

12:00 p.m.

Meeting participation to be Virtual pursuant to Board Resolution No. 01.10.22(03)-03

Please see meeting log-in information below

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### PLEASE MUTE YOUR MICROPHONE UPON ENTERING THE VIRTUAL MEETING ROOM AND WHEN NOT SPEAKING

<table>
<thead>
<tr>
<th>CALL TO ORDER</th>
<th>Time</th>
<th>Form</th>
<th>Page</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Establishment of Quorum</td>
<td>1</td>
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<tr>
<td>II. Public Comments³</td>
<td>30</td>
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<tr>
<td>III. Follow-up Items: None</td>
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<tr>
<td>IV. Action Item(s)</td>
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<tr>
<td>1. *Minutes; Board Governance Committee Meeting – Thursday, April 7, 2022 (ADD A - Pp 14-19)</td>
<td>5</td>
<td>1</td>
<td>12:36</td>
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</tr>
<tr>
<td>3. *Policy Review-Retire (Subsumed into Bylaws): Compensation of Board Members #21805 (ADD C - Pp 22-23)</td>
<td>5</td>
<td>3</td>
<td>12:46</td>
<td></td>
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<tr>
<td>5. *Policy Review-Retire (Recommended for review and retirement by outside counsel): Leadership and Management #26975 (ADD E - Pp 26-28)</td>
<td>5</td>
<td>5</td>
<td>12:56</td>
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<tr>
<td>11. Policy: Board of Directors Code of Conduct #68552 (for reference) (ADD K - Pp 79-91)</td>
<td>0</td>
<td>11</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

V. Standing Item(s)

1. Legislative Update, May 20, 2022 (ADD L - Pp 92-101) | 5 | 12 | 1:21 |

VI. Roundtable | 5 | | 1:31 |

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**FINAL ADJOURNMENT**

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**Board Governance Committee Members**

<table>
<thead>
<tr>
<th>VOTING MEMBERS</th>
<th>NON-VOTING MEMBERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jeff Griffith, EMT-P, Chair</td>
<td>Diane Hansen, President &amp; CEO</td>
</tr>
<tr>
<td>Terry Corrales, RN</td>
<td>Kevin DeBruin, Chief Legal Officer</td>
</tr>
<tr>
<td>Laura Barry</td>
<td>Sheila Brown, Chief Operations Officer</td>
</tr>
</tbody>
</table>

**ALTERNATE VOTING MEMBERS**

| Michael Pacheco – 1st Board Alternate | Hugh King, Chief Financial Officer |
| Nanette Irwin, Committee Secretary |

³ Asterisks indicate anticipated action. Action is not limited to those designated items.

² 3 minutes allowed per speaker with a cumulative total of 9 minutes per group. For further details & policy, see Request for Public Comment notices available at Public Comments and Attendance at Public Board Meetings.

Please join the meeting from your computer, tablet, or smartphone: [https://global.gotomeeting.com/join/517951597](https://global.gotomeeting.com/join/517951597)

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Access Code: 517-951-597

New to GoToMeeting? Get the app now and be ready when your first meeting starts: [https://global.gotomeeting.com/install/517951597](https://global.gotomeeting.com/install/517951597)
TO: Board Governance Committee

MEETING DATE: Thursday, June 2, 2022

FROM: Nanette Irwin – Committee Secretary

Background: The minutes of the Board Governance Committee meeting held on Thursday, April 7, 2022 is respectfully submitted for review/approval.

Budget Impact: N/A

Staff Recommendation: Review/Approve

Committee Questions: N/A

COMMITTEE RECOMMENDATION:

Motion: X

Individual Action:

Information:

Required Time:
Board Governance Committee
Policy: Annual Financial Audit #21808

TO: Board Governance Committee
MEETING DATE: Thursday, June 2, 2022
FROM: Nanette Irwin – Committee Secretary

Background: The Annual Financial Audit policy #21808 is respectfully presented to the Board Governance Committee for review and retirement. The policy was subsumed into the Bylaws of Palomar Health.

Budget Impact: N/A
Staff Recommendation: Review/Retirement
Committee Questions: N/A

COMMITTEE RECOMMENDATION:

Motion: X
Individual Action:
Information:
Required Time:
TO: Board Governance Committee

MEETING DATE: Thursday, June 2, 2022

FROM: Nanette Irwin – Committee Secretary

Background: The Compensation of Board Members policy #21805 is respectfully presented to the Board Governance Committee for review and retirement. The policy was subsumed into the Bylaws of Palomar Health.

Budget Impact: N/A

Staff Recommendation: Review/Retirement

Committee Questions: N/A

COMMITTEE RECOMMENDATION:

Motion: X

Individual Action:

Information:

Required Time:
TO: Board Governance Committee

MEETING DATE: Thursday, June 2, 2022

FROM: Nanette Irwin – Committee Secretary

Background: The Establishing Regular Board Meeting Dates policy #21793 is respectfully presented to the Board Governance Committee for review and retirement. The policy was subsumed into the Bylaws of Palomar Health.

Budget Impact: N/A

Staff Recommendation: Review/Retirement

Committee Questions: N/A

COMMITTEE RECOMMENDATION:

Motion: X

Individual Action:

Information:

Required Time:
TO: Board Governance Committee

MEETING DATE: Thursday, June 2, 2022

FROM: Nanette Irwin – Committee Secretary

Background: The Leadership and Management policy #26975 is respectfully presented to the Board Governance Committee for review and retirement. Policy was recommended for review and retirement by outside counsel.

Budget Impact: N/A

Staff Recommendation: Review/Retirement

Committee Questions: N/A

COMMITTEE RECOMMENDATION:

Motion: X

Individual Action:

Information:

Required Time:
TO: Board Governance Committee

MEETING DATE: Thursday, June 2, 2022

FROM: Nanette Irwin – Committee Secretary

Background: The Opening Ceremony for Board Meetings policy #21784 is respectfully presented to the Board Governance Committee for review and retirement. Policy was subsumed into the Bylaws of Palomar Health.

Budget Impact: N/A

Staff Recommendation: Review/Retirement

Committee Questions: N/A

COMMITTEE RECOMMENDATION:

Motion: X

Individual Action:

Information:

Required Time:
TO: Board Governance Committee

MEETING DATE: Thursday, June 2, 2022

FROM: Nanette Irwin – Committee Secretary

Background: The Revision of Policies #21794 is respectfully presented to the Board Governance Committee for review and retirement.

Budget Impact: N/A

Staff Recommendation: Review/Retirement

Committee Questions: N/A

COMMITTEE RECOMMENDATION:

Motion: X

Individual Action:

Information:

Required Time:
TO: Board Governance Committee

MEETING DATE: Thursday, June 2, 2022

FROM: Nanette Irwin – Committee Secretary

Background: The Policies, Guidelines, & Procedures Review & Approval policy #26974 is respectfully presented to the Board Governance Committee for review and retirement.

Budget Impact: N/A

Staff Recommendation: Review/Retirement

Committee Questions: N/A

COMMITTEE RECOMMENDATION:

Motion: X

Individual Action:

Information:

Required Time:
TO: Board Governance Committee  
MEETING DATE: Thursday, June 2, 2022  
FROM: Nanette Irwin – Committee Secretary

Background: The Tahoe Forest Hospital District Summary is respectfully presented to the Board Governance Committee for review as background information to support the potential new policy: Conflict Resolution Between Board Members.

Budget Impact: N/A  
Staff Recommendation: Informational  
Committee Questions: N/A

COMMITTEE RECOMMENDATION: 

Motion:  
Individual Action:  
Information: X  
Required Time:  

TO: Board Governance Committee

MEETING DATE: Thursday, June 2, 2022

FROM: Nanette Irwin – Committee Secretary

Background: The Bylaws of Palomar Health policy is respectfully presented to the Board Governance Committee for reference.

Budget Impact: N/A

Staff Recommendation: Reference

Committee Questions: N/A

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:
TO: Board Governance Committee

MEETING DATE: Thursday, June 2, 2022

FROM: Nanette Irwin – Committee Secretary

Background: The Board of Directors Code of Conduct policy is respectfully presented to the Board Governance Committee for reference.

Budget Impact: N/A

Staff Recommendation: Reference

Committee Questions: N/A

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:
TO: Board Governance Committee

MEETING DATE: Thursday, June 2, 2022

FROM: Nanette Irwin – Committee Secretary

Background: The Legislative Update dated May 20, 2022 is respectfully presented to the Board Governance Committee for reference.

Budget Impact: N/A

Staff Recommendation: Reference

Committee Questions: N/A

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:
TO: Board Governance Committee

MEETING DATE: Thursday, June 2, 2022

FROM: Nanette Irwin – Committee Secretary

Background: The Lucidoc Board Policy Listing dated May 25, 2022 is respectfully presented to the Board Governance Committee for reference.

Budget Impact: N/A

Staff Recommendation: Reference

Committee Questions: N/A

COMMITTEE RECOMMENDATION:

Motion: 

Individual Action:

Information: X

Required Time:
ADDENDUM A
### Board Governance Committee Meeting Minutes – Thursday, April 7, 2022

<table>
<thead>
<tr>
<th>AGENDA ITEM</th>
<th>CONCLUSION/ACTION</th>
<th>FOLLOW UP/RESPONSIBLE PARTY</th>
<th>Final?</th>
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</table>

#### DISCUSSION

**NOTICE OF MEETING**

Notice of upcoming meeting was posted Friday, April 1, 2022. Full agenda packet was posted on the Palomar Health website on Friday, April 1, 2022.

**CALL TO ORDER**

The meeting was held virtually via GoToMeeting pursuant to Board Resolution No. 01.10.22(03)-03 and called to order at 12:00 p.m. by Committee Chair Jeff Griffith.

**ESTABLISHMENT OF QUORUM**

- Quorum comprised of: Chair, Jeff Griffith, Director Laura Barry, and Director Terry Corrales
- Excused Absences: None

**PUBLIC COMMENTS**

- Michael Pacheco commented that he did not want to hold up District business so he will agree with the general consensus regarding the Role of Alternate(s) language in the Bylaws of Palomar Health policy.

**FOLLOW UP ITEMS**

- None

**ACTION ITEMS**

1. **Minutes: Board Governance Committee Meeting – Thursday, February 3, 2022**

   The committee reviewed the Thursday, February 3, 2022 Board Governance Committee Meeting minutes and approved as written.  

   **MOTION** by Director Barry, 2nd by Director Corrales to approve the February 3, 2022 meeting minutes as written. Roll call voting was utilized.  

<table>
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<tr>
<th>Final?</th>
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<tr>
<td>Y</td>
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<tr>
<td>Motion</td>
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**DISCUSSION:** The committee discussed the continuance of the Legislative Updates, its inclusion in the Summary to the Board of Directors, and Hurst Brooks Espinoza as the writers of the Legislative Update. Director Griffith stated that Hurst Brooks Espinoza is a lobbying group for healthcare districts in California, and if the Board/Committee has a district level issue the committee can communicate with them for assistance.

**2. Board Policy; Gifts and Donations #21776 – Retire and transfer to the Palomar Health Foundation**

| Discussion | Mr. Kevin DeBruin, Esq. stated that a legal purpose was not apparent for the policy and recommended the policy be retired and forwarded to the Palomar Health Foundation. Mr. DeBruin, Esq. also stated that there is another policy that contains the terms of disposition of surplus property and how the District could donate, sell, or give to another organization, person, or entity. This other policy is required under the California Health and Safety Code to comply with statutes. Director Griffith stated that the Palomar Health Foundation has the knowledge to understand these types of issues. The committee agreed to retire the policy and transfer it to the Palomar Health Foundation. | |

**3. Board Policy; Create a “Conflict Resolution between Board Members” policy discussion**

| Motion | By Director Corrales, 2nd by Director Barry to research and develop a policy to be brought back to the Board Governance Committee for further discussion. Roll call voting was utilized: Director Barry - Aye Director Corrales - Aye Director Griffith - Aye All in favor. None opposed. | Mr. DeBruin, Esq. and Mr. David Holtzman, Esq. to research and develop a new Conflict Resolution between Board Members policy for review by the Board Governance Committee. | N |

**DISCUSSION:** Director Griffith stated that creating a new policy for conflict resolution between Board Members is timely due to communication difficulties recently experienced between Board Members. Director Griffith requested assistance on developing the policy from Mr. DeBruin, Esq. Mr. DeBruin, Esq. suggested that legal council research existing public and private Boards, draft the policy, then consult with Mr. Holtzman, Esq. on best practices. Director Corrales requested clarification that there is no current language in the Code of Conduct or other policies that covers these issues. Mr. DeBruin, Esq. stated that none of the Board of Directors’ policies, including the Code of Conduct, has language that discusses conflicts between Board Members. Director Corrales asked how conflict would be determined. Mr. DeBruin, Esq. suggested that conflict determination could be assigned to the Committee Chair. Procedures could be developed to determine if a conflict exists, Members could be required to participate in resolutions,
and if either party refused mediation, then the Board of Directors or Board Governance Committee might chose to sanction or use disciplinary action. Mr. DeBruin, Esq. reiterated that research is required to develop a solid policy. Mr. Holtzman, Esq. agreed and stated that reviewing other healthcare districts would be invaluable in the policy’s development. Director Corrales agreed that a policy that thoroughly defines the process is necessary. Director Griffith suggested starting research with the Association of California Healthcare Districts (ACHD), followed by reviewing Tri-City’s policies, and then other local district policies. Mr. DeBruin, Esq. agreed to draft a policy for review at the next Board Governance Committee meeting.

4. Board Policy: Succession Policy #21780

<table>
<thead>
<tr>
<th>MOTION</th>
<th>by Director Barry, 2nd by Director Corrales to update the Succession policy and forward it to the Board of Directors for review and approval. Roll call voting was utilized: Director Corrales - Aye Director Barry - Aye Director Griffith - Aye</th>
<th>Committee Secretary to ensure updates are in Lucidoc and forward to the Board of Directors for review and approval.</th>
<th>N</th>
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**Discussion:** Mr. Geoffrey Washburn, Chief Human Resources Officer, stated that he and his team updated the Succession Policy, that most changes were logistic, listed positions were updated and condensed, no content had been changed, and the Board’s responsibility content remains. Director Griffith mentioned that the history was not provided in this document and Mr. DeBruin, Esq. will investigate. Director Corrales requested clarification on § III.A.6 which states, “…External audiences to be notified…Kaiser Permanente…” Ms. Diane Hansen, President and CEO, stated that because of strong ties with Kaiser Permanente, Kaiser is included in the external audiences to be notified of Palomar Health’s plan of action regarding CEO incapacitation. Mr. DeBruin, Esq. suggested there may be a contractual obligation to inform Kaiser Permanente as well.

5. Board Policy: Bylaws of Palomar Health #59212

<table>
<thead>
<tr>
<th>MOTION</th>
<th>by Director Barry, 2nd by Director Corrales to have the Legal Department make the minor changes and forward the Bylaws of Palomar Health policy to the Board of Directors. Roll call voting was utilized: Director Corrales - Aye Director Barry - Aye Director Griffith - Aye</th>
<th>Mr. DeBruin, Esq. and Mr. Holtzman, Esq. to update the Bylaws of Palomar Health policy and forward to the Board of Directors for review and approval.</th>
<th>N</th>
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**Discussion:** Mr. DeBruin, Esq. stated that Mr. Holtzman, Esq. had worked on the Bylaws of Palomar Health policy and that Director Pacheco and Mr. Holtzman, Esq. had been communicating about the Role of Alternates language. Mr. DeBruin, Esq. informed the committee that he had sent the most updated policy to all committee members including Director Pacheco. Mr. Holtzman, Esq. stated that the only changes since March 18, 2022 had been to the Role of Alternates language when committee alternates do not enjoy voting rights. The Brown Act states that when a committee alternate does not have voting rights, they must attend the meeting only as an observer. Director Griffith asked for clarification as to if the language was “may attend” for a committee alternate. Mr. Holtzman, Esq. clarified that the policy currently states “will attend” and mentioned that Palomar Health is not legally required to have alternates, but it is an important concept for a number of reasons including: 1) it is beneficial to have a committee alternate so an informed member is ready to attend meetings. If there were no alternates, then the Chair must quickly find a member to attend when a regular member cannot, 2) it reduces the burden on
members because if there were no alternates, then each committee member would need to be up to date on the work of all committees, not just their assigned committees. If the goal is to reduce confusion, Mr. Holtzman, Esq. strongly advised that alternates be included. The committee agreed to keep the alternate roles.

Director Barry suggested that the language be changed to “may attend board meetings” instead of “will attend”. When an alternate attends a meeting as a private citizen they may be doing so to educate themselves which is highly appreciated. Mr. DeBruin, Esq. clarified that alternates are only required to attend if one of the committee members does not attend. He also suggested alternates should attend all meetings so they are informed on the issues, and that Mr. Holtzman, Esq. draft the language to clarify that alternates may attend meetings only as observers. The committee agreed to have the changes made and then forward the revised Bylaws of Palomar Health to the Board of Directors.

Director Corrales requested clarification on three items in the Bylaws of Palomar Health.
1. § IV.H.2 Board Member Remuneration. Mr. Holtzman, Esq. clarified that the language is stated in this way so the committee complies with statutes. Ms. Hansen, President and CEO, clarified that this section is designed to ensure review of all investment funds for Palomar Health’s employees on a quarterly basis, to ensure that Palomar Health is in alignment with the industry, and that Palomar Health’s brokers are performing in the best interest for Palomar Health’s employees.
2. § IV.L. Resignation or Removal. Mr. Holtzman, Esq. clarified that this section was written to define the process of Board Members missing consecutive meetings.
3. § IV.O. Health and Welfare Benefits. Mr. DeBruin, Esq. clarified that this section was designed to allow Palomar Health to provide Health and Welfare benefits to former Board Members and is part of government code section 53200. Palomar Health had to dial back benefits a couple years ago because benefits that were being given were more than the law allowed. Then, those benefits were removed to the extent they could be removed for future Board Members. Today Palomar Health offers as much as it can to current Board Members on a self-pay basis.

*INFORMATIONAL ITEMS*

1. Standing Items

<table>
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<tr>
<th>no.</th>
<th>Item</th>
<th>Reference Date</th>
<th>Information Only</th>
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<tbody>
<tr>
<td>1</td>
<td>The Hurst, Brooks, Espinosa Legislative update, dated March 25, 2022</td>
<td>March 25, 2022</td>
<td>Y</td>
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<tr>
<td>2</td>
<td>The Lucidoc List of Board Policies dated March 31, 2022</td>
<td>March 31, 2022</td>
<td>Y</td>
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</table>

2. RoundTable/Comments

<table>
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<th>no.</th>
<th>Item</th>
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<tr>
<td>1</td>
<td>None</td>
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</table>

FINAL ADJOURNMENT

Meeting adjourned by Director Griffith at 1:04 PM.

SIGNATURES:

<table>
<thead>
<tr>
<th>ACTING COMMITTEE CHAIR</th>
<th>Jeff Griffith, EMT-P</th>
</tr>
</thead>
</table>
COMMITTEE SECRETARY

Nanette Irwin, BSIT
ADDENDUM B
Policy : Annual Financial Audit

I. PURPOSE:

A. To establish policy, as a part of the Board's fiduciary obligation as expressed in the Local Health Care Law and the Board Bylaws, an independent, financial audit shall be conducted on an annual basis by a qualified auditing firm.

II. DEFINITIONS:

III. STANDARDS OF PRACTICE:

A. The Audit and Compliance Committee shall recommend a qualified firm to conduct an independent, financial audit annually.

B. This policy will be reviewed and updated as required or at least every three years.

IV. STEPS OF PROCEDURE:

A. The Committee shall review the audit process, all audit reports and make appropriate recommendations to the Board as outlined in the Palomar Health By-laws.

Document Owner: DeBruin, Kevin

Approvals

- Committees: 

Revision Date: [01/03/2020 Rev. 7]

Attachments: (REFERENCED BY THIS DOCUMENT)

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 https://www.lucidoc.com/cgi/doc-gw.pl?ref=pphealth:21808.
ADDENDUM C
Policy: Compensation of Board Members

I. PURPOSE:
Define those meetings for which a board member may receive compensation for attending.

II. DEFINITIONS:
None

III. TEXT / STANDARDS OF PRACTICE:

A. The board authorizes payments to a board member of $100.00 per meeting, not to exceed six (6) meetings per month, should the Board determine, based on findings supported by substantial evidence, that more than 5 meetings per calendar month are necessary for the effective operation of the district. The District authorizes annual payment increases of 5% pursuant to Assembly Bill 2329, effective 1-1-19. The following is a list of those meetings that constitute the performance of official duties for which a member may receive payment:

1. Board meetings, whether regular, special, or emergency.
2. Educational sessions sponsored by Palomar Health.
3. Board Committee meetings, including meetings of ad-hoc committees.
4. Other meetings associated with the performance of official board duties. The meetings authorized and approved for compensation are:
   a. Palomar Health Pension Committee
   b. Palomar Health Foundation Board Meeting
   c. North County Health Development Board Meeting
   d. Meetings by the Chair of the Board or a Committee with District employees in preparation for Board or Committee meetings.
   e. Other specific meetings as requested by the Palomar Health board.

IV. DOCUMENT / PUBLICATION HISTORY:

A. Prior to Lucidoc, this document was known as Board Policy 10-505:
   1. Original Document Date: 02/1994
   2. Reviewed:
      a. 04/1995
      b. 01/1999
      c. 06/2005 (owner: Michael Covert)
ADDENDUM D
I. PURPOSE:

A. To provide guidelines to clarify and standardize the process to determine the time, place and location of the regular meetings for a period of twelve months.

B. This will be established on an annual basis in accordance with applicable legal requirements and Palomar Health bylaws.

II. DEFINITIONS:

III. TEXT / STANDARDS OF PRACTICE:

A. Board of Directors Meetings. The regular meetings of the Board of Directors are established by resolution each December. Prior to the meeting, an ongoing Board Calendar is to be distributed to the Board for review and input. The calendar shall contain all events of significance that are known at that time as well as proposed dates of Board meetings. Subsequently, a resolution will be prepared based on input received and will be presented for approval in December.

B. Standing Committees. All meetings of standing committees do fall under the Brown Act as well and are subject to the same notice requirements.

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

IV. ADDENDUM:

V. DOCUMENT / PUBLICATION HISTORY:

Original Document Date: 4/95
Reviewed: 2/99; 4/97; 9/05
Revision Number: 1 Dated: 1/20/05
Document Owner: Michael Covert
Authorized Promulgating Officers: Ted Kleiter, Chairman

VI. CROSS REFERENCE DOCUMENTS:

Prior to 2005, this policy was Board Policy 10-113

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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 https://www.lucidoc.com/cgi/doc-gw.pl?ref=pphealth:21793.
ADDENDUM E
Policy: Leadership and Management

I. PURPOSE:

To provide directions from the Board of Directors to the Leadership of Palomar Health (PH) relative to leadership and management of the organization.

II. DEFINITIONS:

None

III. TEXT / STANDARDS OF PRACTICE:

A. The Board of Directors of Palomar Health empowers the Chief Executive Officer to be responsible for the management of PH facilities in compliance with applicable laws and regulations. This includes responsibility for:

1. Ensuring the goals of PH are achieved, specifically the delivery of high quality patient care.
2. Establishing effective operations.
3. Establishing information and support systems.
4. Recruiting and maintaining staff.
5. Conserving physical and financial assets.
6. Establishing appropriate PH procedures in accordance with Board policies.

B. Leaders within the organization will:

1. Plan and design services: Provide a collaborative process to develop a mission that is reflected in long range, strategic, and operational plans; service design; resource allocation, and organization procedures. Assess needs of patients and other users of the PH services in this planning process.
2. Direct Services: Provide organization, direction and staffing for patient care and support services according to the scope of services offered.
3. Integrate and coordinate services: Communicate objectives and coordinate efforts to integrate patient care and support services throughout the PH facilities including providing for clear lines of responsibility and accountability within departments and between departments and administration.
4. Improve performance:
   a. Establish expectations, plans, prioritizes and manages the performance improvement processes within a culture of continuously improving performance and shared governance.
   b. Ensure implementation of processes to measure, assess and improve the performance of the hospital's governance, management, clinical and support processes.
5. Develop the organization and its employees:
   a. Encourage staff participation.
   b. Develop leaders at all levels to fulfill PH's mission, and values.
   c. Provide a mechanism to help teach and coach staff at all levels.
6. Report to the Board of Directors regarding:
   a. Recommendations from planning, regulatory and inspecting agencies and the subsequent plans.
   b. Short and long term plans.
   c. Operational Updates.
   d. Program efficiency and effectiveness.
   e. Financial status and performance.
   f. Operational and capital budget recommendations.
   g. Performance Improvement.
   h. Staff Competence.
7. This policy will be reviewed and updated as required or at least every three years.
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 https://www.lucidoc.com/cgi/doc-gw.pl?ref=pphealth:26975.
ADDENDUM F
Policy : Opening Ceremony for Board Meetings

I. PURPOSE:

To promote an atmosphere of patriotism, civility and solemnity at public Board meetings, the meetings *may* be opened with the Pledge of Allegiance and an inspirational/motivational recitation.

II. DEFINITIONS:

N/A

III. TEXT / STANDARDS OF PRACTICE:

A. The Palomar Health Directors *may allow* public board meetings to be opened with the Pledge of Allegiance to the Flag and an invocation, based on the nature of the meeting.

B. The purpose, as stated above, will be secular in nature with no promotion of religion.

C. The Pledge of Allegiance and the recitation are to precede the Regular Board Meeting agenda items. The title on the appropriate section of the agenda is to read "Pledge of Allegiance to the Flag" and "Recitation".

   1. The Chairman of the Board, or other Board member as designated by the Chair, will lead the Pledge of Allegiance.

   2. Recitations of an inspirational/motivational nature, that neither promote nor discourage religion, nor one religion over another, *may be allowed*.
ADDENDUM G
I. PURPOSE:
To ensure that current practice is consistent with written policies, and in recognition of the standards of The Joint Commission, timely and appropriate review of all Palomar Health ("PH") policies shall be accomplished regularly, systematically and in accordance with the following guidelines.

II. DEFINITIONS:
A. "Policy" means a Board-approved document that provides broad strategic direction, delegates authority, fulfills a non-delegable duty of the Board or sets out rules for the organization's operations.
B. "Procedure" means a document describing a practice and/or steps for performing and agreed cause of action.

III. TEXT / STANDARDS OF PRACTICE:
A. Governing Board
1. Each Board committee shall review, create, and submit for Board approval the applicable policies.
2. A packet will be provided to the Assistant to the Board for Governance Committee review. This packet will include:
   a. A written summary of all changes;
   b. Copy of the old policy;
   c. Copy showing redline changes;
   d. Copy of new policy in Lucidoc format.
3. To assure that policies are kept current, the Executive Liaison shall, on a monthly basis, peruse all Board committee minutes, extracting information as appropriate either to formulate policy statements that may be directed by the committee or to provide the information to the appropriate personnel for completion of the policy statement. The completed policy statement is to be submitted to the full Board for approval and appropriately posted and communicated following approval.

B. Central Office, Hospitals, Related Entities, Volunteer Organizations
1. The policies of PH shall be reviewed, evaluated and revised as necessary at least once in a three-year period beginning with the effective date of this policy and at least once in each subsequent three-year period. Evidence of that review is to be made a permanent part of the policy.
2. In the interim, any policy requiring changes warranting a course of action, changes in the law, state of the art, current knowledge or technology or other factors, may be approved by the PH compliance officer on an interim basis after providing a redline copy of the revised policy reflecting those proposed interim changes and any related procedure linked to the policy to each member of the Governance Committee with an explanation as to why an interim change was required. The policy with the interim changes will be approved at the next scheduled meeting of the Full Board.
3. For purposes of this policy, PH shall include the central office, hospitals, skilled nursing facilities, medical staffs and all related legal entities.
4. The Board Governance Committee will receive an ongoing brief report from PH Compliance Officer confirming compliance with this Policy.
5. This policy will be reviewed and updated as required or at least every three years.

IV. DOCUMENT / PUBLICATION HISTORY:
Original Document Date: 1/93
Reviewed: 3/95; 1/99; 7/06; 3/07
Revision Number: 1 Dated: 1/20/05
Document Owner: Michael Covert
Authorized Promulgating Officers: Marcelo R. Rivera, Chairman
Prior to 2005, this policy was Board Policy 10-207

<table>
<thead>
<tr>
<th>Document Owner:</th>
<th>DeBruin, Kevin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approvals</td>
<td></td>
</tr>
<tr>
<td>- Committees:</td>
<td></td>
</tr>
<tr>
<td>Revision Date:</td>
<td>[06/27/2018 Rev. 9]</td>
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<td>Attachments:</td>
<td>(REFERENCED BY THIS DOCUMENT)</td>
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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 https://www.lucidoc.com/cgi/doc-gw.pl?ref=pphealth:21794.
ADDENDUM H
Policy : Policies, Guidelines, and Procedures Review and Approval

I. PURPOSE:

A. To codify the process for the approval, review, or revision of organization policies.
B. Scope and Applicability: This is an organization-wide policy. It applies to all settings and services.

II. DEFINITIONS:

A. Policy: a required official course of action by the organization.
B. Guideline: a recommended course of action by the organization.
C. Scope of Service: includes inpatient and outpatient diagnosis and treatment as well as home health services. All departments collaborate to provide the best care possible for patients, to improve outcomes, and achieve the mission, vision and goals. Each individual area of the hospital will have a defined scope of service which includes the types and ages of patients served, the hours of operation, staffing, the types of services provided, and the goals or plans to improve quality of service.
D. Procedure: a sequence of steps or instructions taken to accomplish or implement a policy or guideline.

III. TEXT / STANDARDS OF PRACTICE:

A. Responsibility:
   1. The Board of Directors is responsible for ensuring that the organization develops and periodically reviews policies necessary for the safe and effective provision of care, treatment, and service.
   2. By approval of this policy, the Board of Directors – except where reserved – officially delegates its responsibility as follows:
      1. The Chief Executive Officer is delegated the responsibility to approve/revise all non-governance organizational policies, procedures, and guidelines.
      2. The Medical Executive Committee is delegated responsibility to approve/revise medical staff related policies, procedures, and guidelines.
      3. The CNOs are delegated the responsibility to approve/revise nursing and or patient care specific policies, procedures, guidelines, scopes of services and standardized procedures.
      4. Vice Presidents and Directors are delegated the responsibility to approve/revise unit specific policies, guidelines, and procedures, within their respective departments and services. This delegation includes but is not limited to Pharmacy, Dietary, Utilization, and other clinical departments
      5. As required, those policies that require Board of Director approval will be sent to the Board as part of the agenda to receive final approval from the Board.
   B. Approval / Revision Criteria:
      1. Policies, guidelines, scope of service, or procedures shall be approved / revised to ensure that they:
         1. Are consistent with the Mission and Values of Palomar Health.
         2. Meet applicable law, regulation, and related accreditation standards
         3. Are consistent with prevailing standards of care
         4. Are consistent with evidence-based practice
   C. Frequency of Review:
      1. Unless otherwise noted, policies, guidelines, scope of service, and procedures must be reviewed – and if necessary revised – at least once every three years or more frequently if required to meet regulatory requirements or any changes in current clinical practice.
   D. Board of Directors Oversight:
      1. In order to assure that the Board of Directors has appropriately delegated its responsibility, it shall receive on at least an annual basis a list of all policies have been approved and/or revised along with an attestation that said approval/revision was in accordance with the criteria established in this policy.
2. The Board of Directors reserves the right to further review, approve or revise any policies developed by the organization or the medical staff.

3. The Board of Directors shall have electronic access to the latest policies, guidelines, scoped of services and procedures currently in place.

E. References:
   1. CFR 482.12 - CMS Condition of Participation: Governing Body
   2. Joint Commission LD.04.01.07 - The hospital has policies and procedures that guide and support patient care, treatment, and services.

F. All Palomar Health Policies promulgated prior to the effective date of this Policy are hereby ratified to the extent they are not inconsistent with this Policy or each other and notwithstanding the manner in which they were promulgated.

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

---

**Document Owner:** DeBruin, Kevin

**Approvals**
- **Committees:**
- **Signers:** Hala Helm

**Original Effective Date:** 11/14/2007

**Revision Date:** [01/13/2020 Rev. 6]

**Attachments:** (REFERENCED BY THIS DOCUMENT)

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ADDENDUM I
SUMMARY RESULTS

Tahoe Forest Hospital District
2014 Governance Self-Assessment
In November-December 2014 the Tahoe Forest Hospital District Board of Directors assessed the board’s overall leadership performance. The board also identified issues and priorities for the future.

Board members assessed the board’s overall performance in ten leadership areas, including:
- Mission, values and vision;
- Strategic direction;
- Leadership structure and processes;
- Quality and patient safety;
- Community relationships;
- Relationship with the CEO;
- Relationships with the medical staff;
- Financial leadership;
- Community health; and
- Organizational ethics.

Board members rated 167 total criteria in these ten areas.

How the Self-Assessment Was Conducted

The governance self-assessment was conducted using an online survey. All five Tahoe Forest Hospital District board members completed the self-assessment.

Respondents rated a variety of statements in the ten areas above, using a scale ranging from “Level 5 (Strongly Agree)” to “Level 1 (Completely Disagree).” “Not Sure” and “Not Applicable” choices were also available for each statement.

Mean scores for each statement were calculated using a five point scale (Level 5 - Level 1). No points were assigned to “Not Sure” and “Not Applicable” ratings.

Finally, board members provided insights about their priorities for the board in the next year; defined the board’s strengths and weaknesses; identified key issues that should occupy the board’s time and attention in the next year; provided insights about the most significant trends the board must be able to understand and deal with in the next year; and identified critical factors that must be addressed for the organization to successfully achieve its goals.

Rating Methodology

The following rating scale was used to evaluate overall board performance:
- **Level 5**: I strongly agree with this statement. We always practice this as a part of our governance. Our performance in this area is outstanding.
- **Level 4**: I generally agree with this statement. We usually practice this as a part of our governance, but not always. We perform well in this area.
- **Level 3**: I somewhat agree with this statement. We often practice this in our governance, but we are not consistent. We perform fairly well in this area.
- **Level 2**: I somewhat disagree with this statement. We inconsistently practice this as a part of our governance. We do not perform well in this area.
- **Level 1**: I disagree with this statement. We never practice this as a part of our governance. We perform very poorly in this area.
- **N/S**: Not sure. I do not have enough information to make a determination about our performance in this area.
- **N/A**: Not applicable.

Reviewing This Report

Board member ratings of board self-assessment criteria are depicted throughout this report in graphs.

The criteria in each graph are displayed in order from highest to lowest mean score. The mean score for each individual rating criterion appears to the right of the graph.

To facilitate the identification of areas that may require governance and/or management attention, each graph includes the number of Level 5 - Level 1 responses to each statement in the color-coded bars. Responses are grouped and color coded, with “Level 5” appearing in dark green, “Level 4” in light green, “Level 3” in yellow, “Level 2” in orange, and “Level 1” in red. “Not Sure” responses appear in gray, and “Not Applicable” responses appear in white.

Longer lists of criteria have been separated into higher and lower rated sections for ease of display and analysis.

Board member responses to all open-ended questions appear throughout the report, where applicable, and on pages 28-29.
Mission, Values and Vision

(sorted by highest to lowest mean score)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our organization has a clear, focused and relevant written vision</td>
<td>4.40</td>
</tr>
<tr>
<td>Our organization has a clear, focused and relevant written mission</td>
<td>3.80</td>
</tr>
<tr>
<td>Our organization has a clear, focused and relevant written values</td>
<td>3.75</td>
</tr>
<tr>
<td>The mission, values and vision drive organizational strategies, objectives and action plans</td>
<td>3.60</td>
</tr>
<tr>
<td>Board members fulfill their leadership role by ensuring achievement of the mission, values and vision</td>
<td>3.20</td>
</tr>
<tr>
<td>The board tests all policy and strategy decisions by asking how/if they will strengthen our ability to achieve the mission and vision</td>
<td>3.20</td>
</tr>
<tr>
<td>The board uses the mission, values and vision when making policy and strategic decisions in the best long-term interests of the organization and the community we serve</td>
<td>3.20</td>
</tr>
<tr>
<td>The board regularly reviews the status of strategies and objectives to ensure fit with the mission and vision</td>
<td>3.00</td>
</tr>
<tr>
<td>The mission, values and vision drive decision making at all board meetings</td>
<td>3.00</td>
</tr>
</tbody>
</table>

Suggestions for Governance Improvement

Board members provided the following suggestions for governance improvement in this section:

- The board needs to update the mission and vision.
- The organization has a clear mission and vision. Its values have been tested this past year by a board who seems to want to question and negate a decade of success and achievement. The board needs to reaffirm its commitment to the mission, vision and values or adopt a new set they can embrace.
- Actively consider our Mission, Values and Vision when reviewing strategic plans for TFHD.
- Revise the Mission Statement.
### Strategic Direction

#### The Strategic Planning Process
*(sorted by highest to lowest mean score)*

<table>
<thead>
<tr>
<th>Statement</th>
<th>Level 5</th>
<th>Level 4</th>
<th>Level 3</th>
<th>Level 2</th>
<th>Level 1</th>
<th>N/S</th>
<th>N/A</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>The board is well-familiar with the planning data and assumptions that form the foundation for the strategic plan</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.80</td>
</tr>
<tr>
<td>Our organization has a flexible, responsive strategic planning process</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.60</td>
</tr>
<tr>
<td>Board members understand strategic issues the organization is facing, and the factors most critical to organizational success and performance</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.60</td>
</tr>
<tr>
<td>Our organization’s strategic objectives are clearly communicated to the board, employees and other stakeholder individuals and organizations</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.60</td>
</tr>
<tr>
<td>Strategic information provided to the board enables a clear understanding of issues and challenges, and facilitates decision making</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.40</td>
</tr>
<tr>
<td>The board’s collective understanding of the evolving political/economic environment (local, regional and national) ensures effective strategic decision making</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.20</td>
</tr>
<tr>
<td>The board responds to new challenges with knowledge-based ideas and directions</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.80</td>
</tr>
<tr>
<td>The board focuses the majority of its time on strategic thinking and strategic leadership rather than strategic plans</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.20</td>
</tr>
</tbody>
</table>

#### Community and Stakeholder Perspectives
*(sorted by highest to lowest mean score)*

<table>
<thead>
<tr>
<th>Statement</th>
<th>Level 5</th>
<th>Level 4</th>
<th>Level 3</th>
<th>Level 2</th>
<th>Level 1</th>
<th>N/S</th>
<th>N/A</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board members understand critical community health needs and challenges</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.75</td>
</tr>
<tr>
<td>Governance decisions are principally based on meeting community needs</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.25</td>
</tr>
<tr>
<td>The board ensures that stakeholders’ and constituents’ needs, interests and viewpoints are assessed in developing goals and strategies</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.20</td>
</tr>
</tbody>
</table>
SUMMARY RESULTS
2014 Tahoe Forest Hospital District Governance Self-Assessment

Suggestions for Governance Improvement

Board members provided the following suggestions for governance improvement in this section:

- Improve how we communicate with and receive input from the community.

- There has been a tremendous amount of progress in adopting strategic alignment with the physicians, the board and the rest of the organization. This past year has been challenging insofar as the media has attempted to create a wedge between the community and the health system over issues that may be beyond the ability of the health system to be able to control (pricing).

- The board needs to develop “key performance indicators” that define success. Something that we have not been able to get support on from our CEO! We need more focus on Strategic Issues and less on housekeeping and compliance. (Compliance is important but let staff do the leg work.)
### Leadership Structure and Processes

#### Board Roles and Responsibilities

*Sorted by highest to lowest mean score*

<table>
<thead>
<tr>
<th>Statement</th>
<th>Level 5</th>
<th>Level 4</th>
<th>Level 3</th>
<th>Level 2</th>
<th>Level 1</th>
<th>N/S</th>
<th>N/A</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors’ and officers liability insurance provides the protection needed to reassure board members that a &quot;safe&quot; governance environment exists</td>
<td>2</td>
<td></td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.40</td>
</tr>
<tr>
<td>The board’s roles and responsibilities are clearly defined in a written document</td>
<td>1</td>
<td></td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.20</td>
</tr>
<tr>
<td>Decision protocols and procedures have been established</td>
<td>1</td>
<td></td>
<td>3</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>3.25</td>
</tr>
<tr>
<td>New board members go through an orientation process</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td>3.00</td>
</tr>
<tr>
<td>The board’s role and responsibilities are consistently adhered to</td>
<td>1</td>
<td></td>
<td>3</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td>3.00</td>
</tr>
<tr>
<td>Board members consistently follow our decision protocols and procedures</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>3.00</td>
</tr>
</tbody>
</table>

#### Board Structure and Composition

*Sorted by highest to lowest mean score*

<table>
<thead>
<tr>
<th>Statement</th>
<th>Level 5</th>
<th>Level 4</th>
<th>Level 3</th>
<th>Level 2</th>
<th>Level 1</th>
<th>N/S</th>
<th>N/A</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>The board fosters leaders who understand how to encourage innovation and welcome organizational change</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.50</td>
</tr>
<tr>
<td>The board encourages critical dialogue among its members</td>
<td>1</td>
<td></td>
<td>3</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td>3.00</td>
</tr>
</tbody>
</table>
### Board Member Performance
*(sorted by highest to lowest mean score)*

<table>
<thead>
<tr>
<th>Statement</th>
<th>Level 5</th>
<th>Level 4</th>
<th>Level 3</th>
<th>Level 2</th>
<th>Level 1</th>
<th>N/S</th>
<th>N/A</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>The board has a process for improving individual board member effectiveness when non-performance becomes a governance issue</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1.75</td>
</tr>
<tr>
<td>The board has a process for removing a board member from the board for non-performance</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.67</td>
</tr>
<tr>
<td>The board has a process for determining when a board member is not performing to the board's standards or requirements</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.50</td>
</tr>
</tbody>
</table>

### Strategic Focus
*(sorted by highest to lowest mean score)*

<table>
<thead>
<tr>
<th>Statement</th>
<th>Level 5</th>
<th>Level 4</th>
<th>Level 3</th>
<th>Level 2</th>
<th>Level 1</th>
<th>N/S</th>
<th>N/A</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>The board adheres to its policy-making function, and does not engage in operational thinking or decision making</td>
<td>1</td>
<td>3</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>3.00</td>
</tr>
<tr>
<td>The board engages in productive policy-making and strategic discussion</td>
<td></td>
<td>4</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td>2.80</td>
</tr>
<tr>
<td>The board resolves problems effectively, even when the solutions are uncomfortable to implement</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>2.60</td>
</tr>
<tr>
<td>At least 75 percent of the board's meeting time is spent focusing on strategic issues</td>
<td>1</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.20</td>
</tr>
</tbody>
</table>
## SUMMARY RESULTS

### 2014 Tahoe Forest Hospital District Governance Self-Assessment

### Board Meetings

(sorted by highest to lowest mean score)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean Score</th>
<th>Level 5</th>
<th>Level 4</th>
<th>Level 3</th>
<th>Level 2</th>
<th>Level 1</th>
<th>N/S</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board meeting attendance meets our organization's need for broad-based and inclusive dialogue, and consensus-based decision making</td>
<td>4.00</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The frequency of our board meetings ensures timely decisions</td>
<td>4.00</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board meetings comply with the Ralph M. Brown Act</td>
<td>4.00</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The board saves critical time for important discussions by utilizing a consent agenda covering the routine actions that require approval</td>
<td>3.60</td>
<td>3</td>
<td></td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meeting agendas provide adequate time to discuss and act on significant strategic issues</td>
<td>3.20</td>
<td>1</td>
<td></td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agendas reflect our strategic issues and priorities, and focus on specific outcomes the board wants to achieve at the meeting</td>
<td>3.00</td>
<td></td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board members' time is respected and used efficiently, and board member involvement and participation are enhanced as a result</td>
<td>2.40</td>
<td>3</td>
<td></td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The board chair keeps a tight rein on digressions, members' side discussions, and issues that have already been addressed</td>
<td>2.00</td>
<td>2</td>
<td></td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The board chair is well-skilled in the dynamics of effective meeting management and leadership, and keeps meetings well-organized and tightly constructed</td>
<td>1.80</td>
<td>1</td>
<td></td>
<td>2</td>
<td></td>
<td>2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Level 5  | Level 4  | Level 3  | Level 2  | Level 1  | N/S  | N/A
### Board Member Knowledge
*(sorted by highest to lowest mean score)*

<table>
<thead>
<tr>
<th>Statement</th>
<th>Level 5</th>
<th>Level 4</th>
<th>Level 3</th>
<th>Level 2</th>
<th>Level 1</th>
<th>N/S</th>
<th>N/A</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>A regular environmental assessment is conducted, ensuring board understanding of the changes taking place in the health care environment, and their implications on the organization, its physicians, and local health care consumers</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.50</td>
</tr>
<tr>
<td>Board members have a clear and comprehensive understanding of the changing health care environment (local, regional and national) and its effects on the organization</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.20</td>
</tr>
<tr>
<td>A continual flow of new information and assumptions are presented at board meetings, and board members use the information to modify strategic direction as necessary</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.00</td>
</tr>
<tr>
<td>Each board member is provided with the background information and intelligence resources required for active participation in board dialogue</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>2.80</td>
</tr>
<tr>
<td>Board members receive well thought-out strategic options and alternatives from management prior to defining a strategic course of action</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>2.40</td>
</tr>
</tbody>
</table>

### Governance Development
*(sorted by highest to lowest mean score)*

<table>
<thead>
<tr>
<th>Statement</th>
<th>Level 5</th>
<th>Level 4</th>
<th>Level 3</th>
<th>Level 2</th>
<th>Level 1</th>
<th>N/S</th>
<th>N/A</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>The board develops and implements an annual governance improvement plan</td>
<td>2</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.40</td>
</tr>
<tr>
<td>A governance development process is in place that identifies governance issues, determines educational needs, and manages the governance self-assessment process</td>
<td>2</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.40</td>
</tr>
<tr>
<td>Board orientation and education broadens board members’ perspectives about the challenges our organization will face in the future</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.80</td>
</tr>
<tr>
<td>The board has an education development plan that assures board member understanding of issues essential to effective governance, including education at every board meeting, and annually at the board retreat</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.60</td>
</tr>
</tbody>
</table>
### SUMMARY RESULTS

**2014 Tahoe Forest Hospital District Governance Self-Assessment**

**Meeting Materials**
*Sorted by highest to lowest mean score*

- **Our meeting materials promote meaningful dialogue and critical decision-making**
  - Mean Score: 2.80
- **The information the board receives is relevant, timely, understandable and actionable, and facilitates board decision making**
  - Mean Score: 2.60
- **Board members receive agendas and meeting materials at least one week in advance of board, committee and task force meetings**
  - Mean Score: 2.00

**Board Relationships and Communication: Higher-Rated**
*Sorted by highest to lowest mean score*

- **The board has conflict of interest policy**
  - Mean Score: 4.40
- **Board members annually declare conflicts that may inhibit their ability to provide unbiased, independent thinking and decision-making**
  - Mean Score: 4.20
- **The board has a conflict resolution process**
  - Mean Score: 3.75
- **Every board member has a voice in our governance decisions**
  - Mean Score: 3.60
- **The board takes time to discuss difficult issues**
  - Mean Score: 3.60
- **Opportunities for individual participation strengthen decision-making, enrich discussion, build understanding and prepare individual board members for future leadership challenges**
  - Mean Score: 3.40
- **Board members are open about their thoughts and feelings**
  - Mean Score: 3.40
Suggestions for Governance Improvement

Board members provided the following suggestions for governance improvement in this section:

- Interpersonal conflicts are distracting the board and impeding effective governance. Work is needed on development of code of conduct, gaining agreement to comply with it, and policy/procedure for addressing noncompliance.

- Board governance has broken down this year. Extreme conflict has developed between an element of the board and management. The newly elected board should schedule an off-site workshop as soon as possible to determine how they can effectively work together to build consensus on issues in the future.

- The board is poorly informed on most issues on the agenda for discussion and action -- following years of asking, it’s time for a new CEO!
# Quality and Patient Safety

## Defining and Understanding Quality and Patient Safety Issues: Higher-Rated
*(Sorted by highest to lowest mean score)*

<table>
<thead>
<tr>
<th>Description</th>
<th>Mean Score</th>
<th>Level 5</th>
<th>Level 4</th>
<th>Level 3</th>
<th>Level 2</th>
<th>Level 1</th>
<th>N/S</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>The board has discussed and adheres to Joint Commission</td>
<td>5.00</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>leadership-related accreditation standards</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The board supports investment in organizational improvements that will</td>
<td>4.80</td>
<td>4</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>improve safety</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality improvement is a core organizational strategy</td>
<td>4.80</td>
<td>4</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The board has approved a Patients’ Bill of Rights</td>
<td>4.80</td>
<td>4</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The board-approved plan ensures compliance with applicable state, federal</td>
<td>4.75</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and local regulatory and statutory requirements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organization has a board-approved, organization-wide plan with</td>
<td>4.75</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>objectives for improving patient safety and reducing medical errors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organization has a board approved definition of quality</td>
<td>4.75</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Our organization has a board-approved, organization-wide plan with objectives for improving patient safety and reducing medical errors.
Defining and Understanding Quality and Patient Safety Issues: Lower-Rated
(sorted by highest to lowest mean score)

<table>
<thead>
<tr>
<th>Description</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our organization achieves the Joint Commission's national patient safety goals</td>
<td>4.67</td>
</tr>
<tr>
<td>The board, leadership team and medical staff meet the Joint Commission's quality standards</td>
<td>4.67</td>
</tr>
<tr>
<td>The board has a policy to ensure that ethnic and/or racial diversity is not a barrier to access to care</td>
<td>4.60</td>
</tr>
<tr>
<td>Our organization has a board approved definition of patient safety</td>
<td>4.25</td>
</tr>
<tr>
<td>The board's definition of quality encompasses community health, wellness and prevention</td>
<td>4.00</td>
</tr>
<tr>
<td>Our organization has approved quality measures for patient services provided through contractual arrangements by other organizations on the organization’s behalf</td>
<td>3.75</td>
</tr>
</tbody>
</table>
SUMMARY RESULTS
2014 Tahoe Forest Hospital District Governance Self-Assessment

Monitoring Quality and Patient Safety
(sorted by highest to lowest mean score)

1. The board approves the written performance improvement or quality assessment plan
2. Our organization has a quality improvement process for identifying and reporting adverse events impacting patients, and ensures actions to prevent recurrence
3. The board consistently evaluates performance against targets to ensure achievement of the board's quality and patient safety improvement plan
4. The board has established clearly-defined and measurable quality improvement targets
5. The board effectively carries out its responsibility for ensuring high quality, safe patient care
6. Our organization has a quality improvement process that continuously defines, measures and improves quality at all levels, including clinical, service and organizational development
7. The board monitors compliance with applicable state, federal and local regulatory and statutory requirements
8. The board uses the results of patient perception studies to ensure improvement in the patient experience
9. The CEO's performance objectives are based on measurable and achievable quality goals
10. Quality and patient safety performance and issues are reviewed at every board meeting

Mean Score

- Level 5
- Level 4
- Level 3
- Level 2
- Level 1
- N/S
- N/A
Summary Results

2014 Tahoe Forest Hospital District Governance Self-Assessment

Ensuring a Workforce that Provides High Quality and Safe Care

(sorted by highest to lowest mean score)

- The board ensures that appropriate resources are in place to assure a competent, high-quality patient care workforce.
- The board’s process of approving appointments and reappointments to the medical staff meets its quality and legal responsibilities.

<table>
<thead>
<tr>
<th>Mean Score</th>
<th>Level 5</th>
<th>Level 4</th>
<th>Level 3</th>
<th>Level 2</th>
<th>Level 1</th>
<th>N/S</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.80</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Suggestions for Governance Improvement

Board members provided the following suggestions for governance improvement in this section:

- The board can improve its involvement in identifying and monitoring quality measures in separate business units - all facets of the health care system.
- Vast improvement in quality outcomes over the past decade. Great results from HFAP survey conducted last spring confirms this.
## Community Relationships

### Ensuring Public Trust and Confidence

*(sorted by highest to lowest mean score)*

<table>
<thead>
<tr>
<th>Description</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>The board's actions contribute to building and sustaining a positive image for the organization</td>
<td>3.00</td>
</tr>
<tr>
<td>Our organization has a plan for board member advocacy that advances the organization's image, reputation and market position</td>
<td>2.75</td>
</tr>
<tr>
<td>Our organization regularly measures the public's perceptions of its programs and services, community contribution, perceived trust, economic impact and overall value as a community health asset</td>
<td>2.60</td>
</tr>
</tbody>
</table>

### Ensuring Community Communication and Feedback

*(sorted by highest to lowest mean score)*

<table>
<thead>
<tr>
<th>Description</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>The board works with others in the community to develop collaborative partnerships in building a healthier community</td>
<td>3.60</td>
</tr>
<tr>
<td>Our legislators understand our mission/role</td>
<td>3.33</td>
</tr>
<tr>
<td>The board's role in local, regional and state political advocacy advances the organization's standing with political leaders</td>
<td>3.33</td>
</tr>
<tr>
<td>The board has established a process for eliciting community input and viewpoints about future service needs and opportunities</td>
<td>3.20</td>
</tr>
<tr>
<td>The board utilizes board members as community &quot;ambassadors&quot; to communicate with stakeholders on important health care issues</td>
<td>3.00</td>
</tr>
<tr>
<td>The board ensures that the organization's plans and priorities are well-communicated to our community stakeholders</td>
<td>3.00</td>
</tr>
</tbody>
</table>
Suggestions for Governance Improvement

Board members provided the following suggestions for governance improvement in this section:

- The board has to engage more actively with our community to listen to issues, address concerns, and communicate strategy, contributions, and value.

- Need to do a better job of communication. Need to reach out to community for their input. Adopt social media as well as conventional ways to do this.

- Pointed community surveys that ask residents what they like and what they don't like about TFHD, including what services they would like to have better access to. Let them talk!
## Relationship with the CEO

### Board and CEO Roles

*(sorted by highest to lowest mean score)*

<table>
<thead>
<tr>
<th>Description</th>
<th>Mean Score</th>
<th>Level 5</th>
<th>Level 4</th>
<th>Level 3</th>
<th>Level 2</th>
<th>Level 1</th>
<th>N/S</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board members adhere to the governing board's policy-making role and do not interfere in the CEO's operations management role</td>
<td>3.80</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The board and CEO have clearly defined roles</td>
<td>3.60</td>
<td>3</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The board's strategic/policy responsibilities vs. the CEO's operational responsibilities are followed</td>
<td>3.40</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The board and CEO have clear, mutually agreed-upon expectations of one another</td>
<td>3.40</td>
<td>2</td>
<td></td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Communication, Support and Shared Goals

*(sorted by highest to lowest mean score)*

<table>
<thead>
<tr>
<th>Description</th>
<th>Mean Score</th>
<th>Level 5</th>
<th>Level 4</th>
<th>Level 3</th>
<th>Level 2</th>
<th>Level 1</th>
<th>N/S</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>The board consistently supports the CEO in the pursuit and implementation of board-approved objectives</td>
<td>3.60</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The board always hears from the CEO in advance of a difficult or potentially problematic organizational issue</td>
<td>3.40</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual trust and respect exists between board members and the CEO</td>
<td>3.00</td>
<td>2</td>
<td>1</td>
<td></td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The board and CEO work together with a sense of purpose</td>
<td>3.00</td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The board uses executive sessions to promote open communication between the board and CEO</td>
<td>2.80</td>
<td>1</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The chairman-CEO relationship sets a positive, constructive framework for the overall board-CEO relationship</td>
<td>1.60</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Suggestions for Governance Improvement

Board members provided the following suggestions for governance improvement in this section:

- The conflict between the Chair and the CEO has undermined the efficacy of the board. The board can improve its leadership by keeping a forward facing focus on the strategic goals of the organization.
- Extreme breakdown between the board chair and CEO. Need to rebuild a level of trust between board and CEO.
- We need a CEO more focused on day-to-day operations (along with some strategic thinking). The CEO does not know how to use the board’s Policy Making authority - several times this year stating "well, if the board had set a policy on..." issues we were not informed about.
Relationships with the Medical Staff

Physician Involvement in Decision Making
(sorted by highest to lowest mean score)

- Members of the medical staff offer advice and counsel on strategic issues: Mean Score 4.80
- The board ensures physician participation in the development of our organization's mission, values and vision: Mean Score 4.80

Shared Understanding
(sorted by highest to lowest mean score)

- Board members understand the board's role with respect to the medical staff credentialing and quality of care process: Mean Score 4.40
- Board members understand the roles and responsibilities of the medical executive committee: Mean Score 4.25
- The board and medical staff develop and share common goals: Mean Score 4.00
- The board ensures that the interests of the physician community are addressed as the organization strives to fulfill its mission: Mean Score 3.75
Suggestions for Governance Improvement

Board members provided the following suggestions for governance improvement in this section:

- The board can improve its direct communication with physicians and implement a process to assess physician attitudes and needs proactively.
- Relationships between the medical community, the board and the administration are generally good and have improved over the years.
- We ask physicians about CEO performance. We do not "assess physician attitudes and needs" and in today's world, we may have to start doing this.
## Financial Leadership

### The Fiduciary Responsibility
*(sorted by highest to lowest mean score)*

<table>
<thead>
<tr>
<th>Statement</th>
<th>Level 5</th>
<th>Level 4</th>
<th>Level 3</th>
<th>Level 2</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>The board directs the conduct of an annual audit, and thoroughly discusses all recommendations from the independent auditor’s report and management letter</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>4.80</td>
</tr>
<tr>
<td>Regular financial reports made to the board are understandable and meaningful</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>4.80</td>
</tr>
<tr>
<td>The board measures operational performance against the plans</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>4.80</td>
</tr>
<tr>
<td>Board members are comfortable asking questions about financial issues during board meetings</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>4.60</td>
</tr>
<tr>
<td>The board ensures that adequate capital is available for our organization’s growth</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>4.60</td>
</tr>
<tr>
<td>The board successfully carries out its fiduciary responsibility for the oversight of financial resources</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>4.60</td>
</tr>
<tr>
<td>The board annually adopts a long-term capital expenditure budget, with expenditures prioritized based on greatest value</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>4.40</td>
</tr>
<tr>
<td>The board uses the annual budget process to define the most effective allocation of our organization’s limited resources</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>4.40</td>
</tr>
<tr>
<td>The board leads the development of long-range and short-range financial planning</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>3.80</td>
</tr>
</tbody>
</table>

*Mean Score: 4.80 4.80 4.80 4.60 4.60 4.60 4.60 4.40 4.40 3.80*
Monitorng Progress

(sorted by highest to lowest mean score)

The board identifies and approves targets for important measures of financial and operational performance needed by the board to monitor organizational performance and make timely, informed decisions

Performance targets are discussed at least quarterly

Financial reports are presented in a format that is easy to understand, highlights major trends and stimulates creative discussion that enables timely and effective decision making

The board uses financial performance reports to modify assumptions and shift resources, as necessary

Suggestions for Governance Improvement

Board members provided the following suggestions for governance improvement in this section:

- The board can improve its leadership by increased monitoring of financial performance in subsidiary entities, such as the Surgery Center and MSC.

- Excellent financial leadership from administration over the years. Healthy balance sheet and income statements as well. Very well-positioned for the upcoming challenges of health care reform.

- We still do not get regular reports on the strategic goals and financial value of the Foundation. There are fundraising opportunities here that are not being addressed per the strategic discussion of a few years back.
### Community Health

#### Development and Support of Community Health Initiatives
*(sorted by highest to lowest mean score)*

<table>
<thead>
<tr>
<th>Description</th>
<th>Level 5</th>
<th>Level 4</th>
<th>Level 3</th>
<th>Level 2</th>
<th>Level 1</th>
<th>N/S</th>
<th>N/A</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our organization promotes and supports specific initiatives whose sole purpose is improving community health, regardless of financial gain</td>
<td>4</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.60</td>
</tr>
<tr>
<td>The board understands the strategic importance of initiatives designed to improve the health of the community</td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.20</td>
</tr>
<tr>
<td>There is a board-wide understanding of and commitment to building a healthier community</td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.20</td>
</tr>
<tr>
<td>Our organization has defined what constitutes our &quot;community&quot;</td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.00</td>
</tr>
<tr>
<td>The board has a clear and consensus-driven understanding of the most important community health needs and issues</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.80</td>
</tr>
<tr>
<td>Our organization conducts an annual or semi-annual community needs assessment that defines and measures improvement in the community’s health</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.60</td>
</tr>
<tr>
<td>CEO performance objectives include a focus on improving community health</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.25</td>
</tr>
<tr>
<td>Our organization jointly advocates with other community organizations for legislation, regulation and other actions to address community health and socioeconomic issues</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td>2</td>
<td></td>
<td></td>
<td>2.67</td>
</tr>
</tbody>
</table>
SUMMARY RESULTS
2014 Tahoe Forest Hospital District Governance Self-Assessment

Community Involvement and Communication
(sorted by highest to lowest mean score)

Our organization establishes community partnerships to leverage services and resources to maximize community benefit and carry out our community health improvement agenda

Our organization uses feedback from the community to enhance responsiveness to its community health improvement opportunities

Our organization, in conjunction with its community partners, regularly assesses the value and impact of our joint community health improvement efforts using specific measures of health status, health outcomes and services provided

Our organization and its community partners disseminate the results of their shared improvement efforts to our state and federal legislators, community and interested stakeholders

Our organization has a process to secure and evaluate community feedback on the value of our programs and services

Suggestions for Governance Improvement
Board members provided the following suggestions for governance improvement in this section:

- The Community Health Improvement Plan should have measurable goals for improving health, but we should also consider a way to evaluate community feedback on the value of programs and services.

- Just completed a tri-annual community health needs assessment. Need to find creative ways to communicate its results and to engage the community in evaluating the progress of the initiatives it identifies. Again, new communication tools are in order to engage the community in dialogue.
### Organizational Ethics

#### Ensuring Development and Implementation of Organizational Ethics

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>The board ensures compliance with applicable state, federal and local regulatory and statutory requirements</td>
<td>4.20</td>
</tr>
<tr>
<td>The board has adopted a statement of values and ethical principles for the organization</td>
<td>4.20</td>
</tr>
<tr>
<td>The board's workforce development policy ensures that compliance with our ethical values and principles is a component of employee evaluations</td>
<td>3.33</td>
</tr>
<tr>
<td>The board has adopted a statement of values and ethical principles for the board members</td>
<td>3.20</td>
</tr>
<tr>
<td>The board ensures that procedures and training are in place to ensure that our values and principles are consistently applied to governance decision making processes</td>
<td>2.80</td>
</tr>
</tbody>
</table>

#### Awareness of Ethical Issues

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>The board ensures a process to allow patients to confidentially bring concerns about ethical issues to the attention of management</td>
<td>4.50</td>
</tr>
<tr>
<td>The board ensures a process to allow physicians to confidentially bring concerns about ethical issues to the attention of management</td>
<td>4.25</td>
</tr>
<tr>
<td>The board ensures a process to allow employees to confidentially bring concerns about ethical issues to the attention of management</td>
<td>4.25</td>
</tr>
<tr>
<td>The board ensures that information on our ethical principles and values are provided to patients and their families</td>
<td>4.00</td>
</tr>
<tr>
<td>The board ensures that information on our ethical principles and values are provided to all individuals who are employed by, volunteer with, or are formally affiliated with our organization</td>
<td>3.67</td>
</tr>
</tbody>
</table>
Suggestions for Governance Improvement

Board members provided the following suggestions for governance improvement in this section:

- The board can review organizational values and ethics and adopt a statement for board members as part of a code of conduct. The board should receive education on how the ethical principles and values are provided to patients, families, employees and volunteers.
- Need to reevaluate the ethical behavior and responsibility of board members.
Issues and Priorities

Highest Priority for the Board in the Next Year

Question: What is your single highest priority for the board in the next year?

- Listening to the community, addressing their concerns, regaining trust and improving the perceived value of Tahoe Forest Health System.
- Provide a better method for two-way communication with the community.
- Need for board and management to identify how they are going to build consensus and trust to manage the health system in the future.
- Improving the board's performance/procedure/process on the management of strategic issues and demanding that the CEO and staff provide the board with relevant and meaningful information to support a comprehensive discussion and best outcome on strategic topics.
- Honesty and transparency.

Most Significant Strengths

Question: What are the board's most significant strengths?

- Dedicated board members who put in a lot of time to educate themselves, review materials, and work for the good of the district and the health of the community.
- Commitment to providing the highest quality of service to our community.
- Financial strength of the organization. Great progress in quality, patient satisfaction and relationships with physicians over the past few years are apparent.
- Financial health and high quality health care services.

Most Significant Weaknesses

Question: What are the board's most significant weaknesses?

- A board chair who has created conflict with the CEO, key staff, and other board members. Isolation from other local community agency boards as well as other district hospital boards - lack of education/models/visibility/lost opportunities for joint ventures.
- Weakness in the ability to check and balance management and leadership.
- Our team focus and spirit have lapsed. We need to return to discussions on strategic issues; improving the health of our communities; and preparing for health care reform and the new tomorrow.
- Lack of cohesion.
- Failure to minimize lengthy reports in an effort to spend more time on strategic issues.
SUMMARY RESULTS
2014 Tahoe Forest Hospital District Governance Self-Assessment

Key Issues for Board Focus in the Next Year

*Question: What key issues should occupy the board’s time and attention in the next year?*

- Developing the Community Health Improvement Plan based on results of the health care needs assessment and working with community partner organizations. CEO contract and/or succession.
- Building public trust.
- Reestablish trust in the community.
- Select the most qualified CEO for the future.
- Building trust, respect and consensus among the board members in order to do their job effectively during the coming year(s).

Significant Trends the Board Must Understand and Deal with in the Next Year

*Question: What do you see as the most significant trends that the board must be able to understand and deal with in the next year?*

- Implementation of the ACA will bring about changes that must be dealt with in a timely and effective manner.
- Health care reform and how it will impact the hospital in the future.
- Declining reimbursements and a need for some good, old fashioned leadership with a focus on day-to-day operations.
- Increasing need to manage chronic disease and improve access to primary care. Decreasing percentage of commercial insurance.
- Compliance.

Critical Factors to Address to Successfully Achieve Goals

*Question: What factors are most critical to be addressed if the hospital is to successfully achieve its goals?*

- Becoming a leaner financial organization while continuing to provide the high quality service that our patients have come to expect. How to find the right price point to meet the community’s demands while recognizing that we have a long tenured workforce that has higher compensation and benefits levels. Finding the right mix of services for this community - its residents and visitors.
- Leadership succession, ACA implementation, and restoration of public trust.
- Continue to nurture the relationships and build trust between the board, management, employees and physicians to navigate the changes in health care delivery in the coming years.
Bylaws: Bylaws of Palomar Health

Purpose: To establish such rules and procedures not inconsistent with applicable governing laws and regulations, that in the opinion of the Board of Directors are appropriate to provide for the exercise of its authority, duties, and responsibilities to the institution, for the protection of assets, and the quality of services the District provides to its patients and constituents.

I. Article I: Definitions

A. “Board” means the Board of Directors of the District.
B. "Board Member” means Member.
D. "District" means Palomar Health.
E. "Facility" or "Facilities" means a Hospital or the Hospitals, Home Health, Skilled Nursing Facilities, or any other health care facility or facilities operated by the District.
F. "Foundation" means the Palomar Health Foundation.
G. "Hospital(s)" means Palomar Medical Center Escondido, 2185 Citracado Parkway, Escondido, California, and Palomar Medical Center Poway, 15615 Pomerado Road, Poway, California.
H. "Medical Staff(s)" or "Staff(s)" means the organized medical staff of Palomar Medical Centers Escondido and Poway and/or the organized medical staff of other District facilities, as indicated.
I. "Member" means each individual Director of the Board.
J. "Practitioner" includes, but is not limited to a physician (i.e., M.D. or D.O.), dentist (D.D.S. or D.M.D.), Advanced Practice Provider (N.P. or P.A.), psychologist, or podiatrist (D.P.M.), who is duly licensed in the State of California to practice within the scope of said license.

II. Article II: Organization, Powers, and Purposes

A. Organization. The District is a political subdivision of the State of California organized under the Division 23 of the Health and Safety Code ("Local Health Care District Law").
B. Purposes and Powers. The District is organized for the purposes described in the Local Health Care District Law and has and may exercise such powers in furtherance of its purposes as are now or may hereafter be set forth in the Local Health Care District Law and any other applicable statutes, rules, or regulations of the State of California or the United States, as applicable.
C. Bylaws, Policies, and Procedures. The Board has the power to adopt, amend, and promulgate District Bylaws, policies and procedures as appropriate.
D. Dissolution. Any proposal to dissolve the District is subject to confirmation by the voters of the District in accordance with Government Code section 56650 et seq.

III. Article III: Offices

A. Principal Office. The principal office of the District is currently located at 2125 Citracado Parkway, Suite 300, Escondido, CA 92029.
B. Other Offices. Branch or subordinate offices may be established at any time by the Board at any place or places within the boundaries of the District.

IV. Article IV: Board

A. Board General Powers. The Board is the governing body of the District. All District powers shall be exercised by or under the direction of the Board. The Board is authorized to make appropriate delegations of its powers and authority to officers and employees. It is the responsibility of the Board, functioning collectively, to govern the institution. To that end the Board will oversee the development of policies, processes, and procedures that enable the District to fulfill its mission and vision in an effective and ethical manner.

1. Each individual Member is accountable to the Board and to the institution and acts only as a part of the Board. Each individual Member works within the structure of the Board towards the establishment and
oversight of the implementation of policies and monitoring of the District's performance with respect to strategic direction, financial stewardship, quality outcomes, and leadership of the District.

2. Members of the Board of Directors will exercise authority with respect to the District and its affairs only when acting as part of the Board of Directors and only during Board of Directors meetings or meetings of authorized committees of the Board of Directors ("Board Committee(s)"). An exception is the Chair of the Board of Directors who will collaborate and meet with the District's Chief Executive Officer ("CEO") regularly and as needed regarding issues regarding the Business of the District, including but not limited to, future Board meetings and their agendas. Members of the Board of Directors are not authorized to independently exercise management authority with respect to the District or its affairs except as expressly delegated by the Board.

B. Board Specific Responsibilities:
1. Regularly review and where appropriate, update the mission and vision statements that guide the District and its system affiliates ("system"), and enable it to meet the needs of its citizens in accordance with its Charter.
2. Direct and oversee the establishment of advisory Board Committees, whether standing or special ("ad-hoc").
3. Direct the Medical Staff(s) in conjunction with any administrative leadership:
   a. to independently and regularly report to the Board regarding the quality and safety of clinical care provided with the District's facilities and programs;
   b. to establish policies and processes that provide for and facilitate the Board's ability to oversee the delivery of safe and effective care in the District's facilities and programs; and
   c. to establish and implement policies and processes that enable the Board to oversee and review the competency of medical staff.
4. Regularly review and, where appropriate, update all financial policies, plans, and programs for the District and enhance the preservation of the District's assets and resources on behalf of the District. This includes, but is not limited to, undertaking, approving, and publishing an annual audit, engaging the services of a qualified accountant of accepted reputation to conduct the audit and to prepare a report, which must be made available online.
5. Regularly review and where appropriate, update a comprehensive strategic plan, consistent with the District's mission and vision that aligns with the District's financial, human resources, facilities, technology, and quality plans.
6. Advocate on behalf of the District's policies, programs, and plans within the community served and with other constituent groups.
7. Recruit, employ, and evaluate the performance of the CEO in accordance with goals and objectives established for the CEO by the Board, with both short and long term considerations.
8. Establish and implement ethical policies that minimize conflicts of interest and ensure compliance with governmental, regulatory, and other agency standards, laws, and principles relative to excellent stewardship of the District.
9. Periodically evaluate the Board's performance to continually enhance the effective stewardship of the District.
10. Perform other duties as may be assigned or directed by the Board.

C. Board Duties. Members of the Board of Directors have duties as provided by applicable law, any Board-approved policy of the District, and the Palomar Board of Directors Code of Conduct ("Code of Conduct").

D. Board Number and Qualification.
1. The Board will consist of seven (7) members who are elected or appointed in accordance with the Local Health Care District Law of the State of California, and other applicable law, each of whom must be a registered voter residing within the District.
2. The Member of the Board of Directors elected to represent a District zone must be a resident of the zone from which he or she is elected for thirty (30) days preceding the date of the election and must be a registered voter in that zone. Termination of residency in a zone by a member of the Board of Directors will create an immediate vacancy for that zone unless a substitute residence within the zone is established within thirty (30) days after the termination of residency.

E. Conflicts of Interests. The Board will endeavor to eliminate from its decision-making processes financial or other interests possessed by its members that conflict with the District's interests. Members shall, to the best of their ability, adhere to the provisions of the Code of Conduct, any and all laws and regulations relating to conflicts of interests, including but not limited to the Government Code and Health and Safety Code.

F. Election and Term of Office. Members are elected by zones within the District pursuant to maps as time to time passed by resolution. At the November 2020 General Election, three members of the Palomar Health District Board of Directors will be elected on a by-zone basis from the three even numbered, single-member zones (specifically, Zones 2, 4, and 6, as such zones may be amended), and every four years thereafter. At the General Election in November 2022, four members of the Palomar Health Board of Directors will be elected from the four odd-numbered, single-member zones (specifically, Zones 1, 3, 5, and 7, as such zones may be amended), and
Meetings by the Chair of the Board or a Committee with District employees in preparation for Board

Members must complete all applicable training mandated by Federal, State, and local law.

Consistent with California law, the District will not penalize an individual who fails to take the oath for bona fide, legally cognizable reasons. The absence of the oath of a Member does not undermine the acts of the Board as a whole. Actions of a Board taken with an unsworn Member are valid if the vote is such as would be valid in the absence of the unsworn Member, and in any event may be validated by adoption of a resolution which ratifies the past act of the Board.

Board Member Remuneration.

1. Each Member of the Board shall be allowed his or her actual necessary traveling and incidental expenses incurred in the performance of official business of the District as approved by the Board. The determination of whether a Member’s activities on any specific day are compensable must be made in a manner consistent with Article 2.3 (commencing with section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the California Government Code. Reimbursement for these expenses is subject to section 53232.2 and 53232.3 of the California Government Code.

2. Members will receive per diem remuneration of $100.00 per meeting, not to exceed five (5) meetings per month, unless the Board determines, based on findings supported by substantial evidence as adopted in a written policy updated at least annually, that more than five (5) meetings per calendar month—but no more than six (6)—is necessary for the effective operation of the District. See Health & Safety Code section 32103. The following is a list of those meetings that constitute the performance of official duties for which a Member may receive payment:
   a. Board meetings, whether regular, special, or emergency;
   b. Education sessions sponsored by the District;
   c. Board Committee meetings, including meetings of ad-hoc Committees;
   d. Palomar Health Pension Committee;
   e. Palomar Health Foundation Board Meeting;
   f. North County Health Development Board Meeting;
   g. Meetings by the Chair of the Board or a Committee with District employees in preparation for Board or Committee meetings; and
   h. Such other meetings as the Board of Directors may determine.

3. Members must participate in required ethics training prescribed by Government Code section 53232 et seq., as well as mandatory Sexual Harassment Prevention and Civility training, to be eligible for per diem remuneration.

Orientation and Training. An orientation consisting of materials and programs will be provided to each newly seated Board Member which familiarizes them with his or her duties and responsibilities, including but not necessarily limited to, good governance practices, mandatory Sexual Harassment Prevention and Civility training, the Brown Act, Ethics training (AB 1234 training), and the Code of Conduct.

1. Members must complete all applicable training mandated by Federal, State, and local law.

2. Members are expected to participate in the entire Board orientation process and additional ongoing training. Members who do not fulfill this participation expectation are subject to the provisions of the Code of Conduct and may be subject to sanctions in accordance with such policy.

Self-Evaluation of Board. The Board must evaluate its performance and the performance of its officers on an annual or other periodic basis.

1. This self-evaluation must be conducted in accordance with the Code of Conduct.

2. Members must participate in the Board assessment or self-assessment process. Members who fail to do so are subject to provisions of the Code of Conduct and may be subject to sanctions in accordance with such policy.

Vacancies. Vacancies on the Board must be filled in accordance with the applicable provisions of the Government Code and Health & Safety Code.

Resignation or Removal. Any Board member may resign effective upon giving written notice to the Chair or the Secretary of the Board, unless the notice specifies a later time for the effectiveness of such resignation. Pursuant to California Health and Safety Code section 32100.2, the term of any member of the Board expires if the member is absent from three consecutive regular Board meetings or from three of any five consecutive regular meetings of the Board and if the Board by resolution declares that a vacancy exists on the Board. All or any of the
Members of the Board may be recalled at any time by the voters following the recall procedure set forth in Division 16 of the Election Code.

M. Liability Insurance. The District must procure and maintain appropriate policies of insurance (which may include self-insurance) to the extent permitted or required by law.

N. Indemnification of Directors and Officers. The District may indemnify Members of the Board and officers to the full extent permitted and as required by law and as authorized by the Board against all claims, liabilities, and expenses incurred as a result of an action by the Board, except in the instance of willful misconduct in performance of duties.

O. Health and Welfare Benefits. The Board may provide health and welfare benefits, pursuant to Government Code section 53200 et seq., for the benefit of its elected and former members and their dependents, or permit its elected and former members and their dependents to participate in District programs for such benefits, in accordance with all applicable laws and regulations and current District policy.

V. Article V: Board Officers

A. Chair. The Board must elect one of its members as Chair at an organizational regular meeting. In the event of a vacancy in the office of Chair, the Board may elect a new Chair. The Chair will be the principal officer of the Board and will preside at all meetings of the Board. The Chair must appoint all Board committee members and committee Chairs, and must perform all duties incident to the office and such other duties as may be prescribed by the Board from time to time, to include:

1. Presiding over all meetings of the Board; this includes, but is not limited to, setting the content of the Board agenda, working with the Secretary, as well as Board or Corporate Counsel, as appropriate, to effectuate any notices as required by law;
2. Recognizing members entitled to the floor;
3. Stating and putting to vote all questions which are regularly moved, or necessarily arise in the course of the proceedings, and to announce the result of the vote;
4. Protecting the Board from annoyance from irrelevant or improper motions through appropriate rules of order;
5. Assisting in the expediting of business in all ways compatible with the rights of the collective Board and its individual members, and deciding all questions of order;
6. Informing the Board, when necessary, or when referred to for the purpose, on a point of order or practice pertinent to pending business;
7. Authenticating all the acts, orders, and proceedings of the Board, and declaring its will;
8. Coordinating with the District’s CEO and administrative management for the implementation of Board direction and policies;
9. Designating and directing members of the Board to undertake special responsibilities and to report to the Chair on those activities as directed;
10. Appointing members of standing or ad-hoc committees with formal notification to the Board in a timely fashion and no later than the next meeting of the Board;
11. Representing the Board at official functions when necessary;
12. Serving as spokesperson for the Board regarding Board actions;
13. Providing regular updates to the Board regarding major activities within the District, using administrative support and in conjunction with the CEO, as appropriate; and
14. Implementing processes designed to facilitate the collective awareness of the Board regarding major activities within the District so that all individual board members are provided the opportunity to be equally informed.

B. Vice Chair. The Board must elect one of its members as Vice Chair at an organizational meeting. In the absence of the Chair, the Vice Chair must perform the duties of the Chair.

C. Secretary. The Board must elect one of its members Secretary at an organizational meeting. The Secretary must provide for review and approval of minutes of all open meetings of the Board. The Secretary must give or cause to be given appropriate notices in accordance with these Bylaws or as required by law and acts as custodian of District records and reports and of the District’s seal.

D. Treasurer. The Board must elect one of its members Treasurer at an organizational meeting. The Treasurer will oversee the safekeeping and disbursal of the funds in the treasury of the District.

E. Tenure. Each Board officer described above may serve a one-year term, commencing on the first day of January after the organizational meeting at which he or she is elected to the position. Each officer holds office until the end of the one-year term, or until a successor is elected, unless he or she sooner resigns or is removed from office.

F. Removal. A Board officer described above may be removed from office by the affirmative vote of four members of the Board not counting the affected Board member. In addition, an officer described above will automatically be removed from office when his or her successor is elected and is sworn in as a Board member.

VI. Article VI: President and CEO, Inferior Officers.
A. President and CEO. The Board must select and employ a President and CEO who will report to the Board. The President and CEO must have sufficient education, training, and experience to fulfill his or her responsibilities, which include, but are not limited to, overseeing and managing the day to day operations of the District, the District facilities, and implementing the strategic mission and vision of the District as directed by the Board. The Board is responsible for developing, maintaining, and periodically updating a detailed job description for the President and CEO, which job description must set forth the specific duties and requirements of the position in compliance with Title 22 of the California Code of Regulation section 70701(a)(G)(2). All other District employees report directly to the CEO or his/her subordinates with the exception of the Compliance Officer who may report independently and directly to the Board at their discretion or at the request of the Board Chair.

B. Subordinate Officers. The President and CEO may select and employ such other officers as the District may, in the CEO's discretion, require, each of whom shall hold office for such period, have such authority, and perform such duties as the President and CEO may determine, in consultation with the Board.

C. Evaluation of CEO. Members may participate in evaluation of the CEO performed by the Board on at least an annual basis, as determined by the Board. This evaluation will be performed in accordance with the Board CEO Evaluation and Compensation Policy.

VII. Article VII: Board Meetings

A. Board Meeting. A meeting of the Board is any congregation of a majority of the members of the Board at the same time and place to hear, discuss, or deliberate upon any item that is within the subject matter jurisdiction of the Board. A meeting is also the use of direct or indirect communications, personal intermediaries, or technological devices employed by a majority of the Members of the Board to develop a collective concurrence as to action to be made. Notwithstanding, a majority (four or more members) of the Board may communicate directly or through technological devices solely for the purpose of calling a special meeting, but not to discuss the substance of any such special meeting. If such a meeting is properly called for by a majority of the Board, the Board Chair, in conjunction with administrative support must facilitate the process of scheduling and properly noticing the special meeting in a timely manner without undue delay and in such a way so as to allow for the attendance of as many Members as is practically possible.

B. Open to The Public. Meetings of the Board are open to the public, except as otherwise provided in applicable laws or regulations, including but not limited to the Brown Act and the Local Health Care District Law.

1. Members of the public must be afforded an opportunity to provide input to District processes and Board meetings to the extent permitted under applicable laws, including but not limited to the Brown Act and the Local Health Care District Law, as well as any applicable District policies.

2. In conformity with applicable law, the District does not require public comments to be submitted in advance of the meeting and provides an opportunity for the public to address the Board for a set, timed, public comment period, and will not close public comment until the assigned comment period has elapsed. Notwithstanding the foregoing, in the event that the time allotted to public comment has not elapsed, but there are no other registered public comments, the Board may proceed to other business, provided that the registration period for public comment remains open for the fully allotted time. Should a person register a comment after the Board has proceeded to other business but before the expiration of the time for public comment, the Board must immediately permit the public comment, only after which it may continue the business to which it proceeded. A registered comment received after the fully allotted time for public comment has elapsed is untimely, and may be submitted at the next scheduled session at the election of the person submitting the registration for public comment, such election to be noted in the submitted registration for public comment.

C. Opening Ceremony for Board Meetings. To promote an atmosphere of patriotism, civility, and solemnity at public Board meetings, the meetings may be opened with the Pledge of Allegiance and/or an invocation, based on the nature of the meeting. The purpose of any invocation will be secular in nature. The Pledge of Allegiance and any recitation are to precede Board meeting agenda action items. The title on the appropriate section of the agenda is to read "Pledge of Allegiance to the Flag" and, if applicable. "Recitation." The Chair of the Board or other Board member as designated by the Chair will lead the Pledge of Allegiance.

D. Quorum. A majority of the voting members of the Board constitutes a quorum for the transaction of business at any Board meeting except as otherwise required by law.

E. Manner of Acting. The act of a majority of the members of the Board present at a meeting at which a quorum is present is the act of the Board. No act taken at a meeting at which less than a quorum was present is valid. The Board may follow Robert’s Rules of Order as guidance when taking action and obtaining information. Notwithstanding Robert’s Rules of Order, the Board may take action on an item of new business provided the Board complies with all applicable law, including but not limited to the Brown Act.

F. Disrupted Meetings. In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible, and order cannot be restored by the removal of individuals who were willfully interrupting the meeting, the Board Chair may order the meeting room closed and continue in closed session for the remainder of the session, or until the Board Chair determines, in their reasonable discretion, that the session may return to open without disruption. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those
participating in the disturbance, must be allowed to attend any session held pursuant to this section. The Board Chair may establish a procedure for readmitting an individual or individuals not responsible for willfully disrupting the orderly conduct of the meeting.

G. Medical Staff Representation. With the exception of closed sessions at which such representation is not requested by the Board, the Medical Staff of each Facility has the right of representation at all meetings of the Board, by and through the Chief of Staff, or designee, of each Medical Staff, who has the right of attendance, the right to participate in Board discussions and deliberations, but who does not have the right to vote.

H. Regular Meetings.

1. The Board must hold an annual organizational meeting on or around December, during which the Board must elect its officers for the next calendar year. One member must be elected as Chair, one as Vice Chair, one as Secretary, and one as Treasurer.

2. At the annual organizational meeting, the Board must pass a resolution stating the dates, times, and places of the Board’s regular monthly meetings for the following calendar year. The Board may later change the date, time, or location of a meeting upon resolution made at a regular Board meeting. Prior to the annual organizational meeting, a Board Calendar must be distributed to the Board for review and input. The Calendar must contain all events of significance that are known at that time, such significance to be determined by the Board, as well as proposed dates of Board meetings. Subsequently, a resolution will be prepared based on input received and will be presented for approval in December of each calendar year.

3. Notice, including the meeting’s agenda, must be provided in accordance with Government Code section 54954.2(a)(1) at least 72 hours prior to the beginning of regular meetings.

4. The 72-hour requirement can be waived, and items can be added to regular meetings if any of the following criteria are met:
   a. During the meeting, a majority of the Board determines that there is an emergency as defined by Government Code section 54956.5 which would give rise to the ability to call an emergency meeting as described below; or
   b. If at least two thirds of the Board members are present, and by a vote of at least two thirds of those Board members present, the Board determines there is a need to take immediate action, and the need for action came to the attention of the District after the agenda was posted.
   c. If less than two thirds of the Board members are present, and by a unanimous vote of those Board members present, the Board determines there is a need to take immediate action, and the need for action came to the attention of the District after the agenda was posted.
   d. The item was posted for a prior meeting occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken, as allowed by Government Code section 54954.2.

I. Special Meetings. A special meeting may be called at any time by the Chair, or by a majority of Board members, by delivering at least 24 hours’ written notice as required by Government Code section 54956. Written notice may be dispensed with as to any Board member who at or prior to the time the meeting convenes, files with the Secretary a written waiver of notice. Such written notice may also be dispensed with as to any Member who is actually present at the meeting at the time it convenes.

J. Emergency Meetings.

1. In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, such as a work stoppage, crippling activity, or another activity that severely impairs public health, safety, or both, as determined by a majority of the Board members, the Board may hold an emergency meeting without complying with either or both the 24-hour notice or posting requirements, provided it complies with the requirements defined in Government Code section 54956.5.

2. The minutes of an emergency meeting, a list of persons who the Chair, or his or her designee notified or attempted to notify, a copy of the roll call vote, and any actions taken at the meeting must be publicly posted for a minimum of ten days as soon possible after the meeting.

VIII. Article VIII: Board Committees

A. Appointment. Standing committees are established by the Board and must be advisory in nature unless otherwise specifically authorized to act by the Board. Members of all committees, whether standing or special (ad-hoc), will be appointed by the Chair of the Board.

1. A standing committee of the Board is any commission, committee, board, or other body, whether permanent or temporary, which is created by formal action of the Board and has continuing subject matter jurisdiction and/or a meeting schedule fixed by charter, ordinance, resolution, or formal action of the Board. Actions of committees must be advisory in nature with recommendations being made to the Board.

2. Special or ad-hoc committees are appointed by the Chair of the Board and may exist for a single, limited purpose with no continuing subject matter or jurisdiction. Special or advisory committees must be advisory in nature and may make recommendations to the Board. The committee disbands immediately upon conclusion of the purpose for which it was appointed.
3. All meetings of standing committees are subject to the Brown Act, as applicable, including but not limited to all applicable notice requirements.

B. Standing Committees. There will be the following standing committees of the Board: Finance; Governance; Audit and Compliance; Human Resources; Strategic and Facilities; Community Relations; and Quality Review. All recommendations must be ratified by the Board prior to any action taken.

1. Finance Committee.
   a. Chair. The Board Treasurer may serve as the Chair of the Board Finance Committee.
   b. Voting Membership. The Finance Committee will consist of six voting members: three members of the Board, the President and Chief Executive Officer, and the Chief of Staff from each hospital. There will be three alternate Committee members.
   c. Role of Alternate(s).
      i. One alternate will be a member of the Board, also appointed by the Chair of the Board who must attend Committee meetings when serving as an alternate for an absent voting Board Committee member; however, if the Board Member first alternate is also not available, another Board Member may attend as a voting member with Board Chair approval. An alternate enjoys voting rights only in the absence of a voting Board Committee member. Unless a Board member alternate enjoys voting rights, they may attend the meeting only as an observer.
      ii. The second and third alternate Committee members will be the Chiefs of Staff Elect from each hospital, who will attend Committee meetings and enjoy voting rights on the Committee only when serving as an alternate for their respective Chief of Staff.
   d. Non-Voting Membership. The Chief Financial Officer, the Chief Operations Officer, the Chief Medical Officer, the Vice President of Finance, and the Chief Nurse Executive are non-voting members.
   e. Duties. Provide oversight to determine and facilitate 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. The specific duties of the Committee will be established by separate Committee Charter, as recommended by the Committee from time to time and as approved by the Board.

2. Audit and Compliance Committee.
   a. Voting Membership. Membership may consist of no more than three Members of the Board and one alternate.
   b. Role of Alternate(s). One alternate will be a member of the Board, also appointed by the Chair of the Board, who must attend Committee meetings when serving as an alternate for an absent voting Board Committee member; however, if the Board Member first alternate is also not available, another Board Member may attend as a voting member with Board Chair approval. An alternate enjoys voting rights only in the absence of a voting Board Committee member. Unless a Board member alternate enjoys voting rights, they may attend the meeting only as an observer.
   c. Non-Voting Membership. The President and Chief Executive Officer, the Chief Legal Officer, the Compliance Manager, and a physician appointee are non-voting members. Any District executive, representative, or director will attend as an invited guest.
   d. Duties. Determine and establish that appropriate review mechanisms and management of the District's assets and resources are in place and that the organization complies with all applicable state and federal regulations relative to the audit and financial stewardship of the District. The specific duties of the Committee will be established by separate Committee Charter, as recommended by the Committee from time to time and as approved by the Board.

3. Governance Committee.
   a. Voting Membership. Membership may consist of no more than three members of the Board and one alternate.
   b. Role of Alternate(s). One alternate will be a member of the Board, also appointed by the Chair of the Board, who must attend Committee meetings when serving as an alternate for an absent voting Board Committee member; however, if the Board Member first alternate is also not available, another Board Member may attend as a voting member with Board Chair approval. An alternate enjoys voting rights only in the absence of a voting Board Committee member. Unless a Board member alternate enjoys voting rights, they may attend the meeting only as an observer.
   c. Non-Voting Membership. The President and Chief Executive Officer, the Chief Legal Officer, the Chief Financial Officer, the Chief Operations Officer, the Chief Medical Officer, and the Director of Clinical Operations Improvement are non-voting members.
   d. Duties. Oversee, establish, and monitor the effective and efficient management of the governmental processes of the Board. The specific duties of the Committee will be established by separate Committee Charter, as recommended by the Committee from time to time and as approved by the Board.

4. Human Resources Committee.
a. Voting Membership. Membership may consist of no more than three members of the Board and one alternate.
b. Role of Alternate(s). One alternate will be a member of the Board, also appointed by the Chair of the Board, who must attend Committee meetings when serving as an alternate for an absent voting Board Committee member; however, if the Board Member first alternate is also not available, another Board Member may attend as a voting member with Board Chair approval. An alternate enjoys voting rights only in the absence of a voting Board Committee member. Unless a Board member alternate enjoys voting rights, they may attend the meeting only as an observer.
c. Non-Voting Membership. The President and Chief Executive Officer, the Chief Human Resources Officer, the Chief Nurse Executive, Vice President Continuum Care, and Vice President Perioperative Services are non-voting members.
d. Duties. Help develop a workforce environment that effectively translates the District's mission and vision into reality on a daily basis. The specific duties of the Committee will be established by separate Committee Charter, as recommended by the Committee from time to time and as approved by the Board.

5. Strategic and Facilities Planning Committee.

a. Voting Membership. The Committee will consist of six voting members: Three Members of the Board, the President and Chief Executive Officer, and the Chief of Staff from each hospital.
b. Role of Alternate(s). There will be three alternate Committee members:
   i. One alternate will be a member of the Board, also appointed by the Chair of the Board, who must attend Committee meetings when serving as an alternate for an absent voting Board Committee member; however, if the Board Member first alternate is also not available, another Board Member may attend as a voting member with Board Chair approval. An alternate enjoys voting rights only in the absence of a voting Board Committee member. Unless a Board member alternate enjoys voting rights, they may attend the meeting only as an observer.
   ii. The second and third alternate Committee Members will be the Chiefs of Staff elected from each hospital, who will attend Committee meetings and enjoy voting rights on the Committee only when serving as an alternate for their respective Chief of Staff.
c. Non-Voting Membership. The Chief Financial Officer, the Chief Operations Officer, the Chief Medical Officer, the Chief Nurse Executive, the Chief Administrative Officer, the Chief Legal Officer, the Chief Human Resources Officer, the Vice President Philanthropy, the Senior Director of Managed Care and Business Development, and a board member of the Palomar Health Foundation, recommended by the Foundation and approved by the Committee Chair are non-voting members. As needed, other appropriate relevant staff in facilities, planning, and compliance may be requested to attend to facilitate the work of the Committee.
d. Duties. The duties of the Committee include but are not limited to:
   i. Regarding the Strategic Function: Review, assess, and establish 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.
   ii. Regarding the Facilities Function: Provide oversight for the development, expansion, modernization, and replacement of the District's facilities and grounds to promote the physical life of the assets belonging to the District, and to ensure the safety and well-being of those working in and being served in the facilities and on the grounds.
   iii. The specific duties of the Committee will be established by separate Committee Charter, as recommended by the Committee from time to time and as approved by the Board.

6. Quality Review Committee.

a. Voting Membership. The Committee will consist of five voting members, including three Members of the Board, the Chairs of Medical Staff Quality Management Committees of Palomar Medical Center Escondido and Palomar Medical Center Poway, and one alternate.
b. Non-Voting Membership. The President and Chief Executive Officer, the Chief Operations Officer, the Chief Financial Officer, the Chief Legal Officer, the Chief Medical Officer, the Chief Nurse Executive, the Medical Quality Officer, and the Vice President of Quality and Patient Safety are non-voting members.
c. Role of Alternate(s). One alternate will be a member of the Board, also appointed by the Chair of the Board, who must attend Committee meetings when serving as an alternate for an absent voting Board Committee member; however, if the Board Member first alternate is also not available, another Board Member may attend as a voting member with Board Chair approval. An alternate enjoys voting rights only in the absence of a voting Board Committee member. Unless a Board member alternate enjoys voting rights, they may attend the meeting only as an observer.
d. Duties. The duties of the Committee include but are not limited to oversight of performance improvement and patient safety. The specific duties of the Committee will be established by separate
IX. Article IX: Medical Staffs

A. Organization.

1. There will be separate Medical Staff organizations for both Palomar Medical Center Escondido and for Palomar Medical Center Poway with appropriate officers and bylaws. The Medical Staff of each Hospital is self-governing with respect to the professional work performed in that Hospital. Membership in the respective Medical Staff organization is a prerequisite to the exercise of clinical privileges in each Hospital, except as otherwise specifically provided in each Hospital’s Medical Staff bylaws.

2. District Facilities other than the Hospitals may also have professional personnel organized as a medical or professional staff, when deemed appropriate by the Board pursuant to applicable law and The Joint Commission and/or other appropriate accreditation standards. The Board will establish the rules and regulations applicable to any such staff and may delegate such responsibilities, and perform such functions, as may be required by applicable law and The Joint Commission and/or other appropriate accreditation standards. To the extent provided by such rules, regulations, laws, and standards, the medical or professional staffs of such Facilities must perform those functions specified in these Bylaws.

B. Medical Staff Bylaws. Each Medical Staff organization must propose and adopt by vote bylaws, rules, and regulations for its internal governance which are subject to, and effective upon, Board approval, which may not be unreasonably withheld. The bylaws, rules, and regulations will be periodically reviewed for consistency with Hospital policy and applicable legal and other requirements. The bylaws must create an effective administrative unit to discharge the functions and responsibilities assigned to the Medical Staffs by the Board. The bylaws, rules, and regulations must state the purpose, functions, and organization of the Medical Staffs and must set forth special committees, as recommended by the Committee from time to time and as approved by the Board.

7. Community Relations Committee.

a. Voting Membership. The Committee will consist of five voting members, including three members of the Board and one alternate.

b. Role of Alternate(s). One alternate will be a member of the Board, also appointed by the Chair of the Board, who must attend Committee meetings when serving as an alternate for an absent voting Board Committee member; however, if the Board Member first alternate is also not available, another Board Member may attend as a voting member with Board Chair approval. An alternate enjoys voting rights only in the absence of a voting Board Committee member. Unless a Board member alternate enjoys voting rights, they may attend the meeting only as an observer.

c. Non-Voting Membership. The Chief Operations Officer, the Vice President of Continuum Care, the Foundation Philanthropy Officer, a Marketing Representative, an RN representative, and a representative of the Patient Experience Focus Group are non-voting members.

d. Duties. Develop 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. The specific duties of the Committee will be established by separate Committee Charter, as recommended by the Committee from time to time and as approved by the Board.

C. Special Committees. Special or ad-hoc committees may be appointed by the Chair who will then notify the Board for special tasks as circumstances warrant. Upon completion of the task for which appointed, such special committee is immediately discharged. All recommendations must be ratified by the Board prior to any action taken.

D. Advisors. A committee Chair may invite individuals with expertise in a pertinent area to voluntarily work with and assist the committee. Such advisors may not vote or be counted in determining the existence of a quorum and may be excluded from any committee session at the discretion of the committee Chair.

E. Meetings and Notice. Meetings of a committee may be called by the Chair of the Board, the Chair of the committee, or a majority of the committee’s voting members. The Chair of the committee is responsible for contacting alternate committee members in the event their participation is needed for any given committee meeting. All committee meetings will follow proper notice procedures as provided in applicable law, including but not limited to the Brown Act.

F. Quorum. A majority of the voting members of a committee constitutes a quorum for the transaction of business at any meeting of such committee.

G. Manner of Acting. The act of a majority of the members of a committee present at a meeting at which a quorum is present is the act of the committee so meeting, such actions limited to the making of recommendations to the Board. Each committee must keep minutes of its proceedings and must report to the Board. No act taken at a meeting at which less than a quorum was present is valid.

H. Tenure. Each member of a committee described above serves a one-year term, commencing on the first day of January after the annual organizational meeting at which he or she is elected or appointed. Each committee member holds office until a successor is elected, unless he or she sooner resigns or is removed from office by the Board.

IX. Article IX: Medical Staffs

A. Organization.

1. There will be separate Medical Staff organizations for both Palomar Medical Center Escondido and for Palomar Medical Center Poway with appropriate officers and bylaws. The Medical Staff of each Hospital is self-governing with respect to the professional work performed in that Hospital. Membership in the respective Medical Staff organization is a prerequisite to the exercise of clinical privileges in each Hospital, except as otherwise specifically provided in each Hospital’s Medical Staff bylaws.

2. District Facilities other than the Hospitals may also have professional personnel organized as a medical or professional staff, when deemed appropriate by the Board pursuant to applicable law and The Joint Commission and/or other appropriate accreditation standards. The Board will establish the rules and regulations applicable to any such staff and may delegate such responsibilities, and perform such functions, as may be required by applicable law and The Joint Commission and/or other appropriate accreditation standards. To the extent provided by such rules, regulations, laws, and standards, the medical or professional staffs of such Facilities must perform those functions specified in these Bylaws.

B. Medical Staff Bylaws. Each Medical Staff organization must propose and adopt by vote bylaws, rules, and regulations for its internal governance which are subject to, and effective upon, Board approval, which may not be unreasonably withheld. The bylaws, rules, and regulations will be periodically reviewed for consistency with Hospital policy and applicable legal and other requirements. The bylaws must create an effective administrative unit to discharge the functions and responsibilities assigned to the Medical Staffs by the Board. The bylaws, rules, and regulations must state the purpose, functions, and organization of the Medical Staffs and must set forth special committees, as recommended by the Committee from time to time and as approved by the Board.
the policies by which the Medical Staffs exercise and account for their delegated authority and responsibilities. The bylaws, rules, and regulations must also establish mechanisms for the selection by the Medical Staff of its officers, departmental chairs, and committees.

C. Medical Staff Membership and Clinical Privileges.

1. Membership on the Medical Staffs is restricted to Practitioners who are competent in their respective fields, worthy in character and in professional ethics, and who are currently licensed by the State of California. The bylaws of the Medical Staffs may provide for additional qualifications for membership and privileges, as appropriate.

2. While retaining its ultimate authority to independently investigate and/or evaluate Medical Staff matters, the Board hereby recognizes the duty and responsibility of the Medical Staffs to carry out Medical Staff activities, including the investigation and evaluation of all matters relating to Medical Staff membership, clinical privileges, and corrective action. The Medical Staffs must forward to the Board specific written recommendations, with appropriate supporting documentation that will allow the Board to take informed action, related to at least the following:
   a. Medical Staff structure and organization;
   b. The process used to review credentials and to delineate individual clinical privileges;
   c. Appointing and reappointing Medical Staff members, and restricting, reducing, suspending, terminating, and revoking Medical Staff membership;
   d. Granting, modifying, restricting, reducing, suspending, terminating, and revoking clinical privileges;
   e. Matters relating to professional competency;
   f. The process by which Medical Staff membership may be terminated; and
   g. The process for fair hearing procedures.

3. Final action on all matters relating to Medical Staff membership, clinical privileges, and corrective action will be taken by the Board after considering the Medical Staff recommendations. The Board may use the advice of the Medical Staff in granting and defining the scope of clinical privileges to individuals, commensurate with their qualifications, experience, and present capabilities. If the Board does not concur with the Medical Staff recommendation relative to Medical Staff appointment, reappointment, or termination of appointment, and granting or curtailment of clinical privileges, there will be a review of the recommendation by a conference of two Board members and two members of the relevant Medical Staff, before the Board renders a final decision.

4. No applicant may be denied Medical Staff membership and/or clinical privileges on the basis of sex, race, creed, color, or national origin, or on the basis of any other criterion lacking professional justification or not in accordance with all applicable laws. The Hospitals may not discriminate with respect to employment, staff privileges, or the provision of professional services against a licensed clinical psychologist within the scope of his or her licensure, or against a physician, dentist, or podiatrist on the basis of whether the physician or podiatrist holds an M.D., D.O., D.D.S., D.M.D., or D.P.M. degree. Wherever staffing requirements for a service mandate that the physician responsible for the service be certified or eligible for certification by an appropriate American medical board, such position may be filled by an osteopathic physician who is certified or eligible for certification by the equivalent appropriate American Osteopathic Board.

D. Performance Improvement.

1. The Medical Staffs must meet at regular intervals to review and analyze their clinical experience, and to assess, preserve, and improve the overall quality and efficiency of patient care in the Hospitals and other District Facilities, as applicable. The medical records of patients will be the basis for such review and analysis. The Medical Staffs will identify and implement an appropriate response to findings. The Board may further require mechanisms to assure that patients with the same health problems are receiving a consistent level of care. Such performance improvement activities must be regularly reported to the Board.

2. The Medical Staffs must provide recommendations to the Board as necessary regarding the organization of the Medical Staffs' performance improvement activities as well as the processes designed for conducting, evaluating, and revising such activities. The Board must take appropriate action based on such recommendations.

3. The Board hereby recognizes the duty and responsibility of the Medical Staffs to carry out these performance improvement activities. The Board, through the President and CEO, will provide whatever administrative assistance is reasonably necessary to support and facilitate such performance improvement activities.

E. Medical Records. A complete and accurate medical record will be prepared and maintained for each patient.

F. Terms and Conditions. The terms and conditions of Medical Staff membership, and of the exercise of clinical privileges, will be as specified in the Hospitals' Medical Staff bylaws.

G. Procedure. The procedure to be followed by the Medical Staff and the Board in acting on matters of membership status, clinical privileges, and corrective action, must be specified in the applicable Medical Staff bylaws.

H. Appellate Review. Any adverse action taken by the Board with respect to a Practitioner's Staff status or clinical privileges, is, except under circumstances for which specific provision is made in the Medical Staff bylaws,
subject to the practitioner’s right to appellate review in accordance with procedures set forth in the bylaws of the Medical Staffs.

X. Article X: Claims and Judicial Remedies
   A. Claims. The District is subject to Division 3.6 of Title 1 of the California Government Code, pertaining to claims against public entities. The CEO, or his or her designee, is authorized to perform those functions of the Board specified in Part 3 of that Division, including the allowance, compromise, or settlement of any claims where the amount to be paid from the District’s treasury does not exceed $50,000.

XI. Article XI: Amendment
   A. These Bylaws may be amended or repealed by vote of at least four members of the Board at any Board meeting. Such amendments or repeal shall be effective immediately, except as otherwise indicated by the Board.
ADDENDUM K
Policy : Board of Directors Code of Conduct

I. SUMMARY/INTENT

Preamble: Purpose of this Code

Palomar Health (“the District” or “Palomar Health”) enjoys a community and state-wide reputation for integrity, honesty, and good faith in all dealings. Maintaining Palomar Health’s reputation depends on maintaining the highest standards of conduct in all business endeavors. Palomar Health’s Board of Directors (collectively, the “Board” and individually, a “Board Member”) has a responsibility to lead by example, and act with truth, sincerity, and fairness in all decisions. This Code of Conduct (“Code”) is intended to focus the Board and each Board Member on areas of ethical risk, to provide guidance to help Board Members recognize and deal with ethical issues, to provide mechanisms to report unethical conduct, and to foster a culture of honesty and accountability.

Each Board Member must comply with the letter and spirit of this Code. A fundamental aspect of strong elected leadership is a commitment to the highest ethical standards of conduct by Board Members. In recognition of this principle, the Board has adopted this Code. Every Board Member is expected to maintain and foster these standards and has an obligation to promptly disclose to the Chair of the Board and to Palomar Health General Counsel (hereafter “General Counsel”) any action which is believed to be inconsistent with them. No code can anticipate every situation that may arise. Board Members are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Board Chair and General Counsel. To the extent this Code references statutes, regulations, case law, or policies subject to revision, amendment, or repeal by the relevant governing body or legal authority, this Code hereby incorporates such changes by reference herein.

II. DEFINITIONS

A. None Listed

III. BOARD MEMBER FIDUCIARY DUTIES

A. Due Care.

1. Board Members must perform their duties as members of the Board and committees in good faith, with sound business judgment and with the care, including reasonable inquiry, of an ordinarily prudent person. The Board and its committees take action as a body and Board Members’ duties are exercised as a part of those bodies. The District’s interests are served by full and open participation by all Board Members in meetings. Directors must conduct themselves professionally, with the highest standards of candor, good faith, and fair dealing in relation to the District and all its constituents. Directors may not knowingly disseminate false or misleading information, and must act promptly to correct erroneous communications for which they are responsible. Below is a list of non-exclusive examples of what the Duty of Care requires of a Board Member.

   a. Perform his or her duties in good faith, in what the Board Member believes is in the best interests of the District, and with the care expected of a prudent person engaged in similar activities:

   b. Attend and participate regularly at Board and committee meetings, conference calls, workshops, retreats, and training sessions;

   c. Comply with all applicable laws, regulations, and policies;

   d. Review and, if necessary, ask reasonable questions about important matters requiring Board action;

   e. Timely read all material distributed to the Board;

   f. Keep informed of work delegated to committees and serve usefully when assigned to committees;

   g. Question information provided to the Board where the validity of the information is subject to doubt;

   h. Participate in Board and committee discussions and contribute usefully to the analysis of proposals which come before the Board or committees;

   i. Respect the boundaries between the Board’s role in policy development and oversight and the management or executive team’s role in the implementation of Board policy; and

   j. Act in good faith in making decisions guided by honest and fair business judgment.
B. **Loyalty.**

1. Board Members must be loyal and act at all times in the best interests of the District and its constituents. Their loyalty must be to the District and all its constituents, not just to one group of constituents. Board Members must also put the District and its constituents’ good before his or her own personal interest. Once the Board has acted, a Board Member may seek change through Board action, but may not undermine public or District constituent confidence in the Board or the District. Below is a list of non-exclusive examples of what the Duty of Loyalty requires of a Board Member:
   a. Never use his or her position on the Board or a committee to make a personal profit;
   b. Disclose personal interest before Board or committee action on transactions involving real or apparent conflicts of interest or personal advantage in the transaction;
   c. Abstain from voting on actions where the Board Member has a conflict of interest (as outlined and defined below);
   d. See that conflicting interests are recognized and treated objectively;
   e. Be concerned that all constituents of the District are dealt with fairly;
   f. Protect the confidentiality of information received; and
   g. Do not use information gained while serving on the Board to personal advantage.

IV. CONFLICTS OF INTEREST ¹

A. Board Members must avoid any conflicts of interest with the District. A conflict exists when a Board Member’s personal, business, or other direct or indirect interests or relationships interfere in any way with the interests of the District. Even if an actual conflict may not exist, the appearance of a conflict (“apparent conflict”) is just as objectionable and should be dealt with as a conflict in most circumstances.

B. Business dealings that present actual or apparent conflicts between the interests of the District and those of a Board Member must be avoided and disclosed. Such conflicts may arise because of employment or business activities of a Director, Spouse, or Dependent Child (defined below). Directors must also avoid conflicts while serving on committees and either disclose such conflict and avoid participating in decisions which may involve a conflict of interest or the appearance of a conflict, or resign from the committee.

C. Disclosure of an actual or apparent conflict of interest should be promptly provided, so that appropriate action can be taken, including recusal from deliberations, voting, and chairing of applicable portions of Board or Committee meetings when necessary. In addition, Directors should promptly disclose before accepting appointments to the board of directors or the advisory board of any public or privately-held company, so that such appointments may be considered in accordance with the requirements of this Code.

D. While a Board Member must comply with his or her duty to disclose actual or apparent conflicts, where confusion or dispute exists as to the existence of a conflict or the requirements of this Code, General Counsel must so advise the Board. The Board must thereafter take action on General Counsel’s advice, including but not limited to instituting a formal vote to exclude a Director who, in General Counsel’s opinion, possesses an actual or apparent conflict upon which the Board must or will take action.

1. **Incorporation of Political Reform Act and Fair Political Practices Commission Regulations.**
   a. This Code hereby adopts by reference the California Political Reform Act of 1974 (hereafter “PRA”) (California Government Code, Sections 81000 et seq.), which requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The definitions contained in the PRA are incorporated by reference into this Code. In the case of inconsistency with this Code and the PRA, the provisions of the PRA govern.
   b. This Code hereby adopts by reference the regulations of the Fair Political Practices Commission (hereafter “FPPC”) (California Code of Regulations, Title 2, Division 6, Sections 18100, et seq.). The definitions contained in the FPPC are incorporated by reference into this Code. In the case of inconsistency with this Code and the FPPC, the provisions of the FPPC govern. The FPPC has adopted a regulation, California Code of Regulations, Title 2, Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference in an agency’s code. After public notice and hearing, the standard code may be amended by the FPPC to conform to amendments in the PRA. Therefore, the terms of California Code of Regulations, Title 2, Section 18730 and any amendments to it duly adopted by the FPPC are likewise hereby incorporated by reference.

2. **Board Members with Positional Conflicts Adverse to the District.**
   a. A Board Member who directly participates in a personal capacity, or as an agent for entity, in anticipated or existing litigation adverse to Palomar Health must disclose his or her positional conflict prior to any Board consideration of anticipated or existing litigation in closed session. See California Government Code, Section 54954.5.
   b. Thereafter, the Board may, by simple majority vote, vote to exclude the Board Member from Board consideration of the anticipated or existing litigation in closed session. See California Code of Regulations, Title 2, Section 18707(c) (“Nothing in the provisions of this regulation is intended to cause an agency or public official to make any disclosure that would reveal the confidences of a closed session or any other
privileged information as contemplated by law including, but not limited to, the recognized privileges found [the FPPC] or elsewhere in applicable federal or state law).

3. Statement of Economic Interest and Place of Filing. Board Members are officials who manage public investments and are required to file a Statement of Economic Interest ("SEI"). See California Government Code, Section 87200 et seq.; California Code of Regulations, Title 2, Section 18701, subdivision (b). Board Members must file their SEI (Form 700) with the Palomar Health Chief Executive Officer or designee. The Palomar Health Chief Executive Officer or designee must make and retain a copy and forward the original to the San Diego County Board of Supervisors. The Palomar Health Chief Executive Officer or designee will make the Board Member SEIs available for public inspection and reproduction in accordance with California Government Code, Section 81008.

4. Disclosure Categories of Reportable Economic Interests.
   a. The PRA requires Board Members to file a SEI upon assumption of office, annually thereafter, and upon leaving office. California Government Code, Sections 87200-87210. The disclosure encompasses those reportable investments, business positions held, real property interests, income and its sources that might cause a financial conflict of interest to arise in the performance of the Board Member’s duties for Palomar Health including, but not limited to, the following:
      i. Each investment in a business entity with a fair market value equal to or exceeding $2,000 or more;
      ii. Each interest in real property located within the local agency jurisdiction with a fair market value equal to or exceeding $2,000 or more (note: interest in real property does not include the filer’s residence);
      iii. Each source of gross income of $500 or more (including loans) that is located in or doing business in the jurisdiction of the city; and
      iv. Any source of a gift or gifts aggregating $50 or more, whether or not the source is located in or does business in the jurisdiction.
   b. When disclosure of an interest is required, the Board Member has a duty to disclose the interest whether or not there is a pending or likely governmental decision involving the disclosed interest.
   c. The disclosure categories set forth below specify which kinds of economic interests are reportable. Each Board Member must disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned. It has been determined that the economic interests set forth in a Board Members disclosure categories are the kinds of economic interests that he or she foreseeably can affect materially through the conduct of his or her office.
      i. Category 1.
         I. All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments that are located in, do business in or own real property within the jurisdiction of Palomar Health.
      ii. Category 2.
         I. All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of Palomar Health.
      iii. Category 3.
         I. All investments and business positions in, and sources of income from, business entities that are engaged in land development, construction, or the acquisition or sale of real property within the jurisdiction of Palomar Health.
         I. All investments and business positions in, and sources of income from, business entities that are banking, savings and loan, or other financial institutions.
      v. Category 5.
         I. All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery, vehicles, or equipment of a type purchased or leased by Palomar Health.
         I. All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery, vehicles, or equipment of a type purchased or leased by the Designated Employee’s Department.
      vii. Category 7.
         I. All financial interests in investment advisors and managers; financial services providers, actuaries, and those providing fiduciary services (including recordkeeping) to retirement plans.

E. Procedure Regarding Disclosure and Voting on Actual or Apparent Conflict Following SEI Filing.
   1. California Government Code, Section 87105 requires all public officials who manage public investments, such as Board Members of Palomar Health (see below) to publicly identify and announce the financial interest that gives rise to the conflict of interest or potential conflict of interest prior to the consideration of the matter. California
Financial interests of a Board Member’s spouse and dependent children are attributed to the Board Member. For

2. If the Board’s decision is to be made during an open session of a public meeting, the public identification must be
made orally and be made part of the official public record. The Board Member must recuse himself or herself and
leave the room after the identification is made. The Board Member may not be counted towards achieving a
quorum while the item is discussed.

3. If a Board decision is made during a closed session, the Board Member conflict identification may be made orally
during the open session before the body goes into closed session and must be limited to a declaration that his or
her recusal is because of a conflict of interest under California Government Code, Section 87100. That
declaration must be made part of the official record.

4. The Board Member may not be present when the decision is considered in closed session or knowingly obtain or
review a recording or any other non-public information regarding the governmental decision. California Code of
Regulations, Title 2, Section 18707(a)(2).

F. Board Members with Business Interests.
1. Any business entity in which the Board Member has a direct or indirect investment worth $2,000 or more is
considered a financial interest if the business entity, or its parent or subsidiary, has an interest in real property in
the jurisdiction, or does business or expects to do business, or has done business in the jurisdiction during the
two years prior to the Board’s action. California Government Code, Sections 87103(a), 82030(a) (imposing 2-year
restriction); 82005 (definition of “business entity”); 82034 (definition of “investment”); and 82035 (defining
“jurisdiction”). An indirect investment includes “any investment or interest owned by the spouse or dependent
child of a public servant, by an agent on behalf of a public servant, or by a business entity or trust in which the
public servant, the public servant’s agents, spouse, and dependent children own directly, indirectly, or beneficially
a ten percent interest or greater.” California Government Code, Section 87103. See also, Metropolitan Water Dist.
v Fair Political Practices Comm’n, 73 Cal.App.3d 650 (1977); Commission on Cal. State Gov’t Org. & Econ. v Fair
entity that is a parent or subsidiary, or is otherwise related to a business entity in which the official has an
investment, is also included as an economic interest. California Government Code, Section 82034.

G. Board Member Spouses and Dependent Children.
1. Financial interests of a Board Member’s spouse and dependent children are attributed to the Board Member. For
example, direct or indirect investments or interests in business entities worth $2,000 or more constitute economic
interests. California Government Code, Sections 87103(a), 87103(b). Indirect investments or interests include
those owned by the Board Member’s spouse and dependent children. California Government Code, Section
87103. A Board Member also has an economic interest in the Board Member’s personal finances and those of
the Board Member’s “immediate family.” California Code of Regulations, Title 2, Section 18700.1. The term
“immediate family” means spouses and dependent children. California Government Code, Section 82029. For
definition of “dependent children,” see California Code of Regulations, Title 2, Section 18229.1. The term
“spouse” includes “registered domestic partners” recognized by state law. California Code of Regulations, title 2,
section 18229.

H. Board Members and Nonprofit Entities.
1. Financial interests in nonprofits are not exempt from the PRA or the FCCP. See, e.g., California Code of
Regulations, Title 2, Section 18700.1. Because Board Members are often active within the communities they
serve, it is not uncommon for them to serve local charitable organizations in various capacities, either as an
officer or member of the board of directors or as an employee. Such service, if it is for compensation however,
can affect the Board Member’s ability to participate in Palomar Health’s decision making.

a. A Board Member has a conflicting financial interest if it is reasonably foreseeable that a Board decision will
have a material financial effect on a specified interest in any relevant business entity wherein the Board
Member is an officer, member of the board of directors, or employee. See California Government Code,
Section 87103. This is the case where the business entity is a source of income to the Board Member
because he or she has received $500 or more from the business entity in the previous twelve months.
California Code of Regulations, Title 2, Section 18700.1(a)(2). Those specified interests include service as a
director, officer, partner, trustee, employee, or any position of management in any “business entity,” including

b. While a nonprofit is not a “business entity” as defined in California Government Code Section 82005, which
is limited to entities operated for profit, if the Board Member receives payments from the nonprofit, such as a
salary, stipend or meeting fees, the nonprofit would be a source of income to the Board Member, provided
he or she received more than $500 in the previous twelve months. California Government Code, Section
87103. If a Board Member is compensated by a nonprofit, a Palomar Health decision will have a reasonably
foreseeable financial effect on the Board Member’s financial interest in the nonprofit if:

i. The decision may result in an increase or decrease of the organization’s annual gross receipts, or the
value of the organization’s assets or liabilities, in an amount equal to or more than:

   I. $1,000,000; or
II. Five percent of the organization’s annual gross receipts and the increase or decrease is equal to or greater than $10,000.

ii. The decision may cause the organization to incur or avoid additional expenses or to reduce or eliminate expenses in an amount equal to or more than:
   I. $250,000; or
   II. One percent of the organization’s annual gross receipts and the change in expenses is equal to or greater than $2,500.

iii. California Code of Regulations, Title 2, Section 18702.3(a)(3). See California Code of Regulations, Title 2, Section 18702.2 for the relevant materiality standard for a financial interest in real property. For additional questions regarding Board Member activities and nonprofits, please consult General Counsel.

I. No Hiring or Employment within Twelve Months of Board Service.

1. Palomar Health will not hire or employ a former Board Member for a period of one year after their term of service as a Board Member has ended. This is to ensure compliance with PRA section 87406.3, which prohibits a local elected official, for a period of one year after leaving that office or employment, to act as agent or attorney for, or otherwise represent, for compensation, any other person, by making any formal or informal appearance before, or by making any oral or written communication to, that local government agency (in this case, Palomar Health), or any committee, subcommittee, or present member of that local government agency, or any officer or employee of the local government agency, if the appearance or communication is made for the purpose of influencing administrative or legislative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property. For the avoidance of doubt, this provision is likewise applicable to an individual who is, at the time of the appearance or communication, an independent contractor of a local government agency or a public agency and is appearing or communicating on behalf of that agency.

2. “Administrative action” means the proposal, drafting, development, consideration, amendment, enactment, or defeat by any local government agency of any matter, including any rule, regulation, or other action in any regulatory proceeding, whether quasi-legislative or quasi-judicial. Administrative action does not include any action that is solely ministerial.

3. “Legislative action” means the drafting, introduction, modification, enactment, defeat, approval, or veto of any ordinance, amendment, resolution, report, nomination, or other matter by the legislative body of a local government agency or by any committee or subcommittee thereof, or by a member or employee of the legislative body of the local government agency acting in his or her official capacity.

4. For further guidance, please refer to a California Code of Regulations, Title 2, Section 18746.2; California Code of Regulations, Title 2, Section 18746.3.

J. No Influence on Prospective Employment.

1. Board Members will comply with the ban on influencing prospective employment, which prohibits any public official from making, participating in making, or influencing a governmental decision that directly relates to a prospective employer while negotiating or after reaching an employment arrangement.

2. For further guidance, please refer to California Government Code, Section 87407; California Code of Regulations, Title 2, Section 18747.

V. ROLES AND RESPONSIBILITIES OF INDIVIDUAL BOARD MEMBERS

A. Authority of Board Members.

1. Board Members have authority on behalf of the District only when acting as a body in regular or special meetings of the Board. An individual Board Member has no authority to bind the District or the Board by his or her statements or actions except when such statements or actions are authorized by the Board. An individual Board Member acting without authority creates potential personal liability exposure for his or her actions.

B. Board Member Responsibilities.

1. Serving as District Board Member involves a commitment and legal obligations. To meet that commitment and those obligations, Board Members are expected to:
   a. Monitor the adherence to the District’s mission, policies, and all applicable laws;
   b. Attend and actively participate in all Board meetings, and to notify the Chair of anticipated absences;
   c. Review minutes and results of meetings;
   d. Do his or her homework to be prepared to participate fully in Board and committee meetings;
   e. Act only with the full Board, not individually, unless authorized to do so by the full Board;
   f. Speak for the full Board only when the full Board authorizes his or her doing so;
   g. Exhibit high ethical standards and integrity in all Board actions;
   h. Be an enthusiastic advocate for the District;
   i. Take responsibility and accountability for the District and all decisions made by the Board;
   j. Be respectful of the time and responsibilities of the staff; and
k. Demonstrate willingness to work as a team with other Board Members and the management and executive team.

C. Board Member Orientation. 4

1. The management or executive team, acting through the administrative staff of the District will formulate and provide an orientation program for all newly elected or appointed members of the Board. Such program may include, but not be limited to, the following components:

a. Administration of the oath of office;

b. Provision of the Bylaws and all other relevant policies of the District;

c. Obtaining of signatures of the Annual Board Member Acknowledgment of this Code of Conduct, as described herein;

d. Provision of copies of Board and Committee meeting minutes for the previous three-month period;

e. Provision of any Board of Directors Handbook;

f. Organization of structured orientation meeting relative to roles, relationships and responsibilities of governance;

g. Organization of individual meetings with the CEO, any other officers, and staff, as requested by the newly elected or appointed Board Member;

h. Facilitation of tours of District facilities, as requested by the newly elected or appointed Board Member;

i. Procurement of subscriptions to publications that may be of interest and value;

j. Provision of information relative to District, third-party, or outside programs on hospital governance, when available; and

k. Facilitation of sexual harassment and ethics training as required by law. See Government Code sections 12950.1, and 53232 et seq.

D. Board Member Use of District Electronic Resources. 5

1. Board Members have access to District electronic resources and information, including but not limited to hardware, software, cloud-based computing platforms, and the like. Board Member access to District electronic resources and information is granted to each Board Member by the District as a privilege, not a right, to be used solely by a Board Member in the course and scope of his or her duties as a member of the Board.

a. Board Members may not use or employ personal, electronic storage (hardware, software, or cloud-based), or personal email accounts, or any other personal electronic profile or platform which employs a unique login credential unassociated with the District, to conduct District business, or otherwise in the course and scope of a Board Member's duties as a member of the Board.

b. Board Members understand that a combination of his or her user unique I.D. and password (hereafter "login credentials") to access any District platform is confidential. Each Board Member understands and acknowledges that he or she may not grant to any other individual or group use or access to District electronic resources and information. In the event a Board Member believes his or her login credentials have been compromised, he or she will take all necessary steps to remedy the situation, including but not limited to immediately notifying the appropriate District administrative personnel, and working with such personnel as necessary, to rectify the breach.

E. Board Member Receipt of Confidential Information. 6

1. Confidential information is non-public data that must not be disclosed due to its sensitive nature. A Board Member may access or be provided access to confidential information in the course and scope of his or her duties as a member of the Board, and must take all reasonable and appropriate steps to safeguard such information. Board Members agree to maintain the confidentiality of all discussions, deliberations, records and information related to such activities, and will not voluntarily disclose any such information to anyone except to persons authorized to receive the information in the conduct or peer review affairs or business of the District, or as otherwise required by law.

a. Confidential Information Learned in Closed Session

i. All information learned in closed session constitutes confidential information unless such information may be obtained from a public source, whose public nature is not due to improper disclosure. A Board Member receives and has access to confidential information during closed session meetings of the Board. A Board Member may not disclose confidential information acquired during or in preparation for such closed session conducted pursuant to the Brown Act, see California Government Code, Section 54950 et seq., to a person not entitled to receive it, unless (i) the Board, acting in an official capacity, expressly authorized the disclosure of that confidential information; or (ii) the Board Member is making confidential inquiry or complaint to a district attorney or grand jury concerning a perceived violation of law. Board Members agree and acknowledge that improperly disclosing confidential information acquired during closed session is a violation of law. See California Government Code, Section 54963.

b. Patient Information

i. Board Members may have access to private and confidential information about patients who have been, are, or will be, patients of the District. Board Members agree to treat such information as
confidential and agree not disclose it to any other party, except as necessary in the course and scope of his or her duties as a member of the Board and consistent with all applicable law.

i. Board Members agree that they must implement, maintain and use appropriate administrative, technical and physical safeguards, in compliance with the Federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and any other applicable federal or state law, regulation, or policy, to prevent use or disclosure of patient Protected Health Information ("PHI") and Electronic Protected Health Information ("EPHI"), other than as required by law.

c. Quality Management

i. A Board Member’s status as Board Member does not entitle that Board Member to access private and confidential information about patients who have been, are, or will be, patients of the District, whether that information is kept and maintained manually or electronically. In the course and scope of a Board Member’s duties as a member of the Board, a Board Member may be provided with, or made aware of, confidential information derived from patient information, including but not limited to PHI or EPHI, in preparation for or in closed session, or for any other specific confidential purpose, on matters related to quality management or quality assurance, or existing litigation matters involving the District. Board Members agree to maintain the confidentiality of all discussions, deliberations, records and information related to these activities, and will not voluntarily disclose any such information to anyone except to persons authorized to receive the information in the conduct or peer review affairs or business of the District, or as otherwise required by law.

d. Employee, Consultant, and Medical Staff Information

i. Board Members may have access to private and confidential information concerning employees, consultants, or medical staff of the District. Board Members agree to treat such information as confidential and agree not disclose it to any other party, except as necessary for the performance of a Board Member in the course and scope of his or her duties as a member of the Board, or as otherwise required by law.

e. Consequence of Violations

i. Board Members understand and acknowledge that the District may subject a Board Member in violation of this section to disciplinary action as provided in this policy, any other applicable policy of the District, or as otherwise provided by law, including but not limited to injunctive relief to prevent the disclosure of confidential information, and referral to the grand jury.

F. Board Member Request for Information.\textsuperscript{7}

1. Board Member request for information may be subject to Government Code section 54953.5(b) (“Any inspection of an audio or video recording shall be provided without charge on equipment made available by the local agency,”); see also 64 Cal. Op. Att’y Gen. 317 (1981), Palomar must only maintain video or audio recordings of open and public meetings made “by or at the direction of the [Board],” for 30 days. See id.

a. All Board Member requests for information originating from any standing or ad-hoc Board Committee (hereafter “Board Committee”) will be solely communicated by individual Board Committee Members to the Committee Chair and copied to the Board Chair (for informational purposes). Individual Board Committee Members will not directly request information from the management or the executive team, acting through the administrative staff of the District, nor from any District employee or consultant. The Committee Chair will determine if the information request is properly relevant to the function of the Committee and, if so, obtain the information from the management or the executive team, acting through the administrative staff of the District, to be presented to the Board Committee at the soonest available opportunity. If the Committee Chair determines that the information request is not relevant to the business of the Committee, the Committee Chair will place the information request on the agenda of an upcoming Committee Meeting on a list of information requests not accommodated and such list will formally appear in Committee Meeting Minutes.

b. All requests for information at the level of Board activities, including requests for information denied at the Board Committee level, may be communicated by individual Board Members to the Board Chair. Individual Board Members will not directly request information from the management or the executive team, acting through the administrative staff of the District, nor from any District employee or consultant. The Board Chair will determine if the information request is properly relevant to the function of the Board and, if so, obtain the information from the management or the executive team, acting through the administrative staff of the District, to be presented to the Board at the soonest available opportunity. If the Board Chair determines that the information request is not relevant to the business of the Board, the Board Chair will place the information request on the agenda as a potential action item of an upcoming Board Meeting on a list of information requests not accommodated and such list will formally appear in Board Meeting Minutes. If requested by any Board Member, the Board may determine by majority vote whether or not the Board wishes the management or the executive team, acting through the administrative staff of the District, to furnish the information requested. If the Board votes in favor of any information request, the Board Chair will obtain the information from the management or the executive team, acting through the administrative staff of the District, on behalf of the Board acting with the authority of the Board. The information will be presented to the Board at the soonest available opportunity.
c. The management or the executive team, acting through the administrative staff of the District, will provide all information to the Board that is properly requested consistent with this policy by the Chair of the Board on behalf of the Board when acting as directed by the Board with the exception of requests that violate any applicable law.

d. This section is not intended to preclude a Board Member from filing a properly noticed and served California Public Records Act (hereafter, “CPRA”) Request. However, Board Member requests for records may be subject to the limits of Government Code section 6254 (CPRA, Exemptions), as applicable.

e. No Board Member may use any District record in violation of Government Code Section 1098.

f. Board Members understand and acknowledge that the District may subject a Board Member in violation of this section to disciplinary action as provided in this policy, any other applicable policy of the District, or as otherwise provided by law, including but not limited to injunctive relief to prevent the disclosure of any District record, and referral to the grand jury.

G. Board Member Management of Constituent Public Concerns. 8

1. When a Board Member is contacted by a constituent or member of the public who has a non-employee/non-staff concern or complaint about the District or persons within the District, the Board member will follow the following procedures:

   a. Remember that individual Board Members have no power or authority to speak or act for the full Board;
   b. Remember that Board Members may not address employee or staff complaints or grievances, which will be addressed in accordance with Palomar Health employee policies. Refer all employees and staff to personnel grievance policies and procedures;
   c. Remember that Board Members may not address complaints or grievances concerning employees or staff. Refer all complainants to Palomar Health complaint process and appropriate forms;
   d. To the extent the complaint is related to a Board Member, listen to the person's concern and refer the complainant to General Counsel or the Chair;
   e. Express a desire to reach a satisfactory solution;
   f. Assure the person that the General Counsel or the Chair will be informed of the concern and will provide resolution as needed; and
   g. Ask the General Counsel or the Chair to report back to you about the progress or resolution of the concern, if desired.

H. Board Member Media Relations. 9

1. The Board wishes to ensure that accurate, complete, and consistent information is provided to the constituents of the District via the news media in a responsive manner that is compliant with state and federal laws, and safeguards patient privacy. For purposes of this policy, “media” or “news media” includes but is not limited to reporters or journalists, as well as social, print, radio, and other audio or web-based media platforms and their hosts. As a public entity, Palomar has an obligation, as well as a desire, to communicate with the public it serves.

   a. Board Members are encouraged to contact the District Marketing Department or specifically designated District media representative before speaking or otherwise publishing to the media on matters of District business. This assists the Marketing Department or specifically designated District media representative to coordinate messaging, ascertain the nature of the media query (if any) and what prompted it, determine the most recent and relevant information to disseminate, and select among possible responses and spokespersons, whether District representatives or Board Members. A District Marketing Department or specifically designated media relationship representative will be available at all times to assist in this process; should a Board Member experience difficulty reaching either, the Board Member should raise the concern with the Chair and/or General Counsel.

   b. Board Members must be mindful of all applicable state and federal laws concerning the release of patient information.

      i. Personal Points of View

      I. When speaking about the District or about Board action, Board Members should be careful to define when or what portion of their remarks represent personal opinion and when or what of their remarks represent official Board position. For purposes of this policy, “official Board position” means factually recounting an official action taken by the Board at a special or regular Board meeting. Board Members must be aware that they are always perceived and recognized as Board members, even when they designate comments as personal. As such, Board Members must be mindful of their fiduciary duties of care and loyalty, and the consequences of a violation of either or both, in the context of any discussion with the media.

      II. All Board Members have the right to express their personal points of view regarding matters of general public concern. However, personal points of view may conflict with an official Board position. Therefore, Board Members who write letters to the editor may not use official District stationary or letterhead, nor may a Board Member sign a letter or an email to the media employing or displaying his or her Board Member title, role, or indicating or communicating the fact of his or her Board Membership as indicative or illustrative of his or her position without
explicitly stating that the views set forth in the letter do not represent official Board position, but are the Board Member's personal opinions, speaking in a personal capacity.

III. A similar disclaimer must be given if a Board Member addresses a public meeting, participates in a radio talk show, or is interviewed for radio or television or any similar social media platform, unless the Board Member is working with the District Marketing Department or specifically designated District media representative on a specific item of messaging, or communicating an official Board position in a factual manner.

c. Media Requests for Records

i. Media requests for records will be handled in accordance with this policy, to the extent it is consistent with the California Public Records Act ("CPRA"), the California Constitution, and all other applicable state and federal laws. See, e.g., California Government Code, Section 6250 et seq., and Article I, Section 3(b) of the California Constitution. The records produced in response to media requests must be readily available for Board Member viewing upon request.

d. Privileged and Private Information

i. The vast majority of the records and affairs of District are public information which citizens, including the media, have the right to know. All public information should be provided to the press upon request without unnecessary delay.

ii. Some matters, however, like ongoing investigations, information regarding litigation or the threat of litigation, personnel issues, real estate transactions, medical and mental health matters, private data regarding citizens, documents in draft form, to name a few, are governed by privileges and laws intended to advance important public policy goals.

iii. When a media request for an interview or for records appears to involve a subject matter that may be privileged or private, the Board Member must consult with General Counsel. The General Counsel will review the request without delay and promptly provide counsel to the Board Member.

I. District Representation in Membership Organizations.

1. In the interest of fiscal accountability, organizations in which the District participates as a dues paying member, including trade associations, Governance 100, Volunteer Trustees, Adapt, etc. (hereafter "Membership Organizations"), will be periodically evaluated for compatibility with the District's mission as well as community and economic benefit. For those Membership Organizations who request representation from the Board on their governing body or other position, the Board must follow the following guidelines for the selection of a nominee.

   a. All Membership Organizations will be periodically reviewed to ensure that:

      i. Their mission is compatible with the mission of the District;

      ii. The value to the District or community is commensurate with the dues or other expense; and

      iii. Progress reports are provided on a regular basis by the District representative or Membership Organization.

   b. Should a Membership Organization request representation from the Board on its governing body or other position, the following guidelines will apply:

      i. Representatives are to be selected by a majority of the Board or, for brief, special assignments, by appointment of the Chair of the Board, who will notify the full Board;

      ii. Assignments of representatives are to be made in a fair and equitable manner; and

      iii. To ensure sufficient rotation, assignments will reviewed on a regular basis.

   c. Should the Membership Organization solicit input from the Board on legislation, such input will reflect the views of the majority of the Board, voting at an open session of a properly noticed meeting.

      i. Copies of all letters to provided to government representatives or concerning legislation must be provided to the Board.

      ii. The District will not take positions on individual candidates.

   d. District representatives selected in accordance with these guidelines in governing or other positions of influence within Membership Organizations will at all times act for the benefit of the District, not for any personal benefit.

   e. Expenses associated with participation in Membership Organizations by a District representative selected in accordance with these guidelines will be at the cost of the Membership Organization and not the District.

   f. To obtain the most value from the participation in Membership Organizations, all District representatives attending meetings of such organizations are to report to the full Board, verbally or in writing, about their participation at the meetings. In the event multiple District representatives attend, a single report will be adequate.

J. Board Self-Evaluation.

1. Performance accountability for the Board can only be maintained at a high level through regular self-evaluation of the Board’s work. Therefore, the Board will annually or on a periodic basis conduct a written self-evaluation of the Board’s performance for the past year set period of time as established by the Board, on a Board approved evaluation form. The evaluation will include, but not be limited to, determinations of the degree to which:
a. The Board has supported the Palomar Health vision and guiding principles;
b. The Board has complied with Palomar Health Bylaws;
c. The Board has set clear goals and expectations arising from realistic strategic planning;
d. The Board attends to policy-related decisions which effectively guide operational activities of staff;
e. The Board receives regular reports on finance/budget, and business performance of business lines;
f. The Board meetings facilitate focus and progress on important business matters;
g. The Board regularly monitors and evaluates progress toward strategic business goals and product/program performance;
h. The Board regularly evaluates and assists in the development of an effective management or executive team;
i. The Board has approved comprehensive personnel policies which have been reviewed by a qualified professional; and
j. The work of the Board has aided in:
   i. A strategic management process;
   ii. Fiscal responsibility;
   iii. Appropriate investment in employees and stakeholders; and
   iv. Enhanced, positive relationships with Palomar Health stakeholders.

VI. ENFORCEMENT OF BOARD ETHICS AND POLICIES

A. To protect the public interest, protect the District, protect the Board, and protect the rights of individual Board Members, the Board must address individual Board Member actions that constitute misconduct or malfeasance in office, violation of the law or public policy, violation of Board policy, or action harmful to the best interests of the District. This policy is intended to be consistent with, but not limited to, the provisions of California Government Code, Section 3060.

1. Formal Procedures Regarding Board Member Misconduct.
   a. Any Board Member may present a complaint in writing to the Chair and General Counsel for consideration concerning a fellow Board Member (hereafter “Subject Director”). If the complaint concerns the Chair, the complaint must be sent directly to the General Counsel and the General Counsel must take all actions below that are specifically designated for the Chair. The complaint must be specific in nature, associated with written materials if they are available and applicable, and directly relevant to the general issue of misconduct in office or violation of the law or policy as articulated above.
   b. The Chair must provide a copy of the written complaint to the Subject Director with notification that the Subject Director will have ten (10) days to respond in writing to the complaint. Following the expiration of the ten (10) day notice period, the Chair must cause the written complaint along with the Subject Director’s response, if any, to be distributed to each member of the Board, including the Subject Director, with a formal copy to Palomar Health’s General Counsel.
   c. At the next regular meeting of the Board (or at a special meeting of the Board called for this specific purpose), the Board must review the complaint and the Subject Director’s response, if any. After providing the Subject Director with an opportunity to add anything to the Subject Director’s written response and to answer any questions from Board members, the Board must excuse the Subject Director and make a determination whether investigation of the complaint and response is warranted or whether the Board has enough information to act upon the written complaint and response. If the Board determines that additional information is needed, the Board may conduct or direct such investigation as, in consultation with General Counsel, it determines to be warranted or, at the discretion of the Board, the Board, by the affirmative vote of a simple majority of four (4) Board Members, appoints among themselves a committee to conduct an investigation into the matter and report to the Board the committee’s findings and recommendations. General Counsel must advise and assist the Board and, if appointed, such committee in conducting the investigation.
   d. The Subject Director must cooperate in all Board-sanctioned investigations, proceedings, and resulting requirements. The Subject Director must preserve and not destroy or discard any information or documents relevant to the subject matter of the investigation. The Subject Director must make reasonable efforts to resolve any issues as to confidentiality. Failure to cooperate in any investigation or proceeding is itself violation of this policy and an abdication of the Subject Director’s duty of care and loyalty to the District.

2. Resolution of Complaints to Board.
   a. Following the completion of any investigation, the Board (or the committee, if one was appointed) must prepare a draft written report containing the investigation findings and a preliminary determination of the merits of the complaint. The draft report will be distributed to the full Board, including the Subject Director. The Subject Director must have an opportunity to review the draft report and have ten (10) business days following receipt of the draft report to review the report and respond to the Board in writing either accepting
or rejecting the findings and preliminary determination of the merits. Failure to provide a timely response constitutes acceptance of the report and any proposed actions.

b. As soon as practicable after the tenth (10th) day following distribution of the draft report, the full Board must meet to review the report and determine appropriate actions, including sanctions, if any. The Board may take into consideration the Subject Director’s response prior to adopting a final report and determining the appropriate resolution of the complaint.

c. There is no appeal of the final written report and resolution of the complaint as determined by the Board.

d. A Board Member who files a complaint alleging violations that are determined by the Board to be frivolous in nature is subject to disciplinary action, up to and including sanctions as provided in this Code.

e. A complainant and Subject Director is entitled to a full and complete copy of the Board’s final written report, including findings of fact and recommendation for sanctions, if any.

f. The failure or refusal of the Subject Director to accept delivery of a complaint or other documents relating to a complaint or investigation by the Board will not prevent the Board from taking any action against the Subject Director.


a. The Board may vote to enact sanctions against the Subject Director by the affirmative vote of a simple majority; where a full Board of seven (7) is seated, a simple majority is four (4) Board Members. A Board Member whose actions demonstrate misconduct or malfeasance in office, a violation of the law or public policy, a violation of Board policy, or an action harmful to the best interests of the District is subject to any or all of the following sanctions as determined by the Board of Directors, to the extent permitted by law or the Bylaws of Palomar Health:

   i. Public censure and disclosure of the violation and sanctions;
   ii. Cessation of eligibility to receive (i) meeting fees, (ii) District health and welfare benefits, and/or (iii) travel and incidental expenses reimbursement, as contemplated in the Bylaws of Palomar Health;
   iii. Removal of the Board member from any or all committee officer positions, committee memberships, or any current or future meeting where (i) the conduct of the Director or (ii) any other recusal action is discussed;
   iv. Formal request by the Board that the Subject Director resign as a Board member;
   v. Commencement of a lawsuit against the Subject Director for injunctive relief or for damages caused by breach of any applicable Palomar Health policies (for the avoidance of doubt, the Board has the discretion to compel the Subject Director to take part in confidential arbitration); and
   vi. Pursuit by the Board of the removal of the Subject Director.

b. The Board will establish the appropriate sanctions and duration of such sanction in relation to each violation. The Board may implement any sanction listed above, or others considered appropriate, without regard to whether lesser sanctions have been imposed or considered. The following factors may be considered by the Board in determining the appropriate sanction(s) (this list is not to be considered exclusive or exhaustive):

   i. The seriousness of the violation and the expected resulting harm to the reputation or finances of the District;
   ii. The likelihood of repetition;
   iii. Prior violations by the Subject Director;
   iv. Whether the Subject Director or his/her relatives personally profited from the violation;
   v. The Subject Director’s willingness to disclose the conduct; and
   vi. The Subject Director’s efforts to mitigate any harm caused by such violation.

4. Annual Board Member Acknowledgment.

a. General Counsel or the Chair will cause each Board member to undertake an annual acknowledgment of his or her understanding of the requirements of and compliance with this Code of Conduct at an open session of a duly called regular or special Board meeting.

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1 This Code supersedes and replaces the prior Palomar Health Conflict of Interest Code, No. 21800, but only as it pertains to Board Members.

2 “Litigation adverse to Palomar Health” occurs where a Board Member, acting in his or her personal capacity or as entity agent, finds him/herself/the entity party to a proceeding commenced in formal arbitration, by official agency action, or in a state or federal court, or where such a proceeding is threatened with a reasonable likelihood of proceeding, with Palomar Health’s interests directly adverse to that Board Member.
3 Board Members may contact the FPPC for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly or for any other reason. The FPPC makes the final determination whether a position is subject to California Government Code, Section 87200.

4 Section 3.3 of this Code supersedes and replaces the prior Palomar Health Governing Body Orientation policy, No. 21797.

5 Section 3.4 of this Code is in addition to, and must be interpreted consistent with, Palomar Health Email Access and Appropriate Use policy, No. 20310.

6 Section 3.5 of this Code supersedes and replaces the prior Palomar Health Confidentiality Statement, No. 21799.

7 Section 3.6 of this Code supersedes and replaces the prior Palomar Health Information Request by Board Members policy, No. 63356.

8 Section 3.7 of this Code supersedes and replaces the prior Palomar Health Correspondence To or From Board Members policy, No. 21796.

9 Section 3.8 of this Code supersedes and replaces the prior Palomar Health Media Relations policy, No. 21789, but only as it pertains to Board Members. Section 3.8 of this Code likewise supersedes and replaces the prior Palomar Health Correspondence To or From Board Members policy, No. 21796.

10 For purposes of this policy, a “specifically designated District media representative” will be an employee or contractor of the District retained for a specific media purpose; the identity and responsibilities of the representative will be communicated to Board Members in a timely manner by the Board Chair or General Counsel.

11 Section 3.9 of this Code supersedes and replaces the prior Palomar Health Membership Organizations and Board Representations policy, No. 21795.

12 This foregoing supersedes and replaces the prior Palomar Health Board Member Misconduct and Sanctions policy, No. 63355.
Fiscal Committees Announce Suspense File Decisions; Houses Hold Only Floor Sessions Next Week

Yesterday, the Senate and Assembly Appropriations Committees held contemporaneous suspense file hearings to determine which bills with fiscal impacts would live to see another day. Typically, this all-important, vote-only hearing features an efficient (if frequently frustrating, particularly if the disposition of a bill doesn’t go your way) recitation of the outcome on hundreds of measures. As a reminder, the suspense file hearing features no presentation by authors, no testimony or public input, and no description of the rationale behind the decisions. Instead, the committee chair reads through bill numbers and announces one of two potential fates for each measure: (1) passed either as is or with amendments to reduce cost implications or (2) held in committee, meaning the bill will not move forward to the floor for further consideration (i.e., dead). Yesterday’s events were somewhat complicated by a power outage in downtown Sacramento that affected the Capitol, but the houses managed to pull off one of the most important hearings of the year despite the logistical challenges. (It’s always something!)

Below, we offer a non-exhaustive list of outcomes on bills of interest. Should you wish to check the status of any measure not mentioned below that was taken up yesterday, each fiscal committee has posted unofficial results (Assembly | Senate). This whole process will take place again in August when the Appropriations Committees will take up “second house” bills (i.e., bills that have made it from the Assembly to the Senate and vice versa). Finally, we will be keeping an eye out in the days ahead for amendments on bills that were modified.

Worth Noting: CARE Court Bill Moves to Next Step in Legislative Process

As we note in our report-out on Suspense File outcomes, SB 1338 (Umberg and Eggman) – the vehicle to implement the Governor’s CARE Court proposal – moved out of the Senate Appropriations Committee suspense file yesterday. The committee announced that the bill will be amended, but modifications are not in print at the time of this writing.

As we understand it, the amendments will not address resources, fiscal protections, sanctions, or phased-in implementation. It is expected that amendments to SB 1338 in print later today will be followed by at least one if not two additional rounds of substantive changes.

SB 1338 will be heard on the Senate Floor next week, so the county strategy in the immediate term is to ensure that key members of the Senate understand the two most consequential points of concern:

− Ongoing, sufficient resources must be provided to ensure the success of CARE Court for those who could benefit from the new model;
− One of the best ways to achieve success is through a thoughtful, transparent phase-in whereby counties learn from and refine the model based on implementation experiences of an initial round of volunteer implementers.

We will continue to keep you apprised on developments. An Assembly advocacy strategy is in development, as the bill is expected to move to the next house in short order.
coming out of the suspense file; those amendments could appear in print as early as tomorrow but also could trail into next week. Recall, of course, that the houses cannot take floor action on a bill until amendments have been made publicly available (AKA “in print”) for 72 hours. Next week, the Legislature will hold only floor sessions (i.e., no policy or fiscal committees), as next Friday, May 27 is the last day to pass bills introduced in 2022 out of the house of origin.

Passed (As is or with amendments; now moves on to a floor vote)

- **AB 1663** (Mailenschein) – Would revise various procedures in the probate conservatorship process and require the Judicial Council of California to establish a conservatorship diversion program and a statewide supported decision-making program to seek less restrictive alternatives for individuals in conservatorship.
- **AB 1737** (Holden) – Would establish regulation of children’s camps, primarily by local health departments. The measure was amended coming out of Appropriations Committee to remove required inspections, among other things.
- **AB 1778** (C. Garcia) – Would prohibit the Department of Transportation from using state resources on any project, or from permitting any project, that does not meet certain criteria on the California Healthy Places Index.
- **AB 1900** (Arambula) – Would increase the income level for maintenance per month to be equal to the income limit for Medi-Cal without a share of cost for individuals who are 65 years of age or older or are disabled, generally totaling 138% of the federal poverty level.
- **AB 1947** (Ting) – Would require every local and state law enforcement agency to adopt a hate crimes policy with specific parameters and require the Commission on Peace Officers Standards and Training to develop a model hate crimes policy; amendments will offer local law enforcement agencies additional time to comply.
- **AB 1972** (Ward) – Would increase grand juror pay from $15 per day to eight hours times the prevailing wage for each day worked; proposed amendments will instead set compensation at 70% of median county daily income.
- **AB 1995** (Arambula) – Would eliminate Medi-Cal premiums and subscriber contributions for certain pregnant and post-partum women, children under the age of two, and employed persons with disabilities based on income and other criteria.
- **AB 2023** (Bennett) – Would require a county sheriff’s department to give a person incarcerated in, or recently released from, a county jail access to up to three free telephone calls to plan for a safe and successful release; would also require the sheriff to make the county jail’s release standards, processes and schedules available to an incarcerated person following the determination to release that person.
- **AB 2080** (Wood) – Would implement the Health Care Consolidation and Contracting Fairness Act of 2022; amendments will increase the transaction threshold, among other provisions to narrow the scope of the bill.
- **AB 2186** (Grayson) – Would establish the Housing Cost Reduction Incentive Program to reimburse cities and counties for up to 50% of the development impact fees they reduce or defer for affordable housing developments.
- **AB 2237** (Friedman) – Would require alignment between regional transportation planning, regional transportation funding and the state’s climate goals.
- **AB 2259** (Berman) – Would require the State Department of Social Services, in collaboration with the State Department of Health Care Services (DHCS), to establish a grant program to fund the development and implementation of evidence-based models and promising practices to serve foster youth with substance use disorders who are residing in family-based settings.
- **AB 2294** (Jones-Sawyer) – Would renew local authority to create a diversion or deferred entry of judgment program for persons who commit repeat theft offenses, and direct funding to courts or
probation departments to create demonstration projects to reduce the recidivism of high-risk misdemeanor probationers, if an appropriation for this purpose is contained in the state budget.

- **AB 2306 (Cooley)** – Would create Specialized Foster Homes for Transition Aged Youth, expand the Foster Family Home and Small Family Insurance Fund (Insurance Fund) to include short-term residential therapeutic programs (STRTPs), and expand eligibility for the Independent Living Program (ILP).

- **AB 2331 (Calderon)** – Would create the Bridge to Recovery for Adult Day Services: COVID-19 Mitigation and Resilience Grant Program to Combat Senior Isolation to improve the health, safety, and well-being of vulnerable at-risk seniors through safe access to vital services in adult day health care and adult day program settings.

- **AB 2357 (Ting)** – Would make changes to provisions of the Surplus Lands Act regarding public noticing and penalties, and would require the Department of Housing and Community Development (HCD) to post on its website a list of all entities, including housing sponsors, that have notified HCD of their interest in acquiring surplus land for affordable housing.

- **AB 2402 (B. Rubio)** – Would implement continuous Medi-Cal eligibility for children ages 0-5.

- **AB 2419 (Bryan)** – Would require a state agency administering federal funds under the federal Infrastructure Investment and Jobs Act to allocate a minimum of 40% of those funds to projects that provide a direct benefit to disadvantaged communities and an additional 10% to projects that provide direct benefits to low-income households.

- **AB 2421 (B. Rubio)** – Would enhance local prosecutors’ ability to civilly enforce restrictions against unlawful diversions of water and water pollution stemming from unlicensed cannabis growing operations.

- **AB 2438 (Friedman)** – Would require state and local transportation funding to align with state climate plans and greenhouse gas emissions reduction standards.

- **AB 2547 (Nazarian)** – Would require the California Department of Aging to create the Housing Stabilization to Prevent and End Homelessness Among Older Adults and People with Disabilities Program.

- **AB 2579 (Bennett)** – Would, to the extent funding is provided, require a county placing agency to implement model practices for intensive family finding for foster children.

- **AB 2630 (O’Donnell)** – Would require a city or county that has used a state funding source to address homelessness to provide a public report on its internet website on the use of those funds.

- **AB 2677 (Gabriel)** – Would have modernized the Information Practices Act of 1977 and applied the entirety of its provisions to local agencies; amendments will remove local agencies from the bill and incorporate intent language regarding privacy.

- **AB 2680 (Arambula)** – Would create the Community Health Navigator Program to make direct grants to qualified community-based organizations to conduct targeted outreach, enrollment, retention, and access activities for Medi-Cal-eligible individuals and families.

- **AB 2697 (Aguiar-Curry)** – Would require the department to implement a community health workers and promotores benefit under the Medi-Cal program.

- **AB 2724 (Arambula)** – Would implement the single Medi-Cal contract with Kaiser Permanente.

- **AB 2748 (Holden)** – Would make comprehensive changes to existing state law enacted by the Digital Infrastructure and Video Competition Act of 2006 (DIVCA), including establishing the policy of the state that subscribers and potential subscribers of a state video franchise holder should benefit from equal access to service within the service area, and authorizing the California Public Utilities Commission to exercise all authority, jurisdiction, and powers.

- **SB 872 (Dodd)** – Would authorize a county or a city and county to operate a licensed mobile unit to provide prescription medication within its jurisdiction to specified individuals, including homeless individuals.
- **SB 897** (Wieckowski) – Would make numerous changes to the laws governing accessory dwelling units and junior accessory dwelling units and would also require the Department of Housing and Community Development to establish and administer a grant program, upon appropriation of funds by the Legislature, to fund the construction and maintenance of ADUs and JADUs.

- **SB 929** (Eggman) – Would require DHCS to collect and publish data relating to, among other things, the number of persons detained for 72-hour evaluation and treatment, clinical outcomes for individuals placed in each type of hold, services provided in each category, waiting periods, and needs for treatment beds, as specified.

- **SB 931** (Leyva) – Would require the Public Employment Relations Board (PERB) to impose civil penalties on public sector employers if it finds they deterred or discouraged workers from exercising collective bargaining rights and would require public sector employers to pay the union’s attorney’s fees and costs if the union prevails in a legal action to enforce those rights.

- **SB 932** (Portantino) – Would require cities and counties, upon the next substantive revision of the general plan’s circulation element on or after June 30, 2024, to develop and implement bicycle plans, pedestrian plans, and traffic calming plans for any urbanized areas and Would also create a cause of action, from January 1, 2024 until January 1, 2028, against a city or county that fails to implement those plans for certain persons injured in a collision with a motor vehicle in high injury areas in 10 counties.

- **SB 964** (Wiener) – Would make a number of changes to existing law to expand the behavioral health workforce.

- **SB 966** (Limón) – Would make changes related to a federally qualified health center (FQHC) and rural health clinic’s (RHC) use of an associate clinical social worker or associate marriage and family therapist during a visit, as defined.

- **SB 970** (Eggman) – Would require the California Health and Human Services Agency, by July 1, 2025, to establish the California MHSA Outcomes and Accountability Review.

- **SB 1014** (Hertzberg) – Would require DHCS to authorize a new supplemental payment program for FQHCs to be named the Enhanced Clinically Integrated Program.

- **SB 1044** (Durazo) – Would prohibit an employer from taking or threatening any adverse action against any employee for refusing to report to, or leaving, a workplace because the employee feels unsafe due to a state of emergency or an emergency condition and would permit employees to access their mobile device or other communications device to use in emergencies to assess the situation, seek assistance or communicate with a person to verify their safety.

- **SB 1065** (Eggman) – Would establish the California Abandoned and Derelict Commercial Vessel Program to identify, prioritize, and fund, as specified, the removal of abandoned and derelict commercial vessels from waterways.

- **SB 1090** (Hurtado) – Would expand the definition of “current or former foster child or youth” in the Family Urgent Response System to include children or youth who are subject to a petition declaring them a dependent child of the juvenile court, under a voluntary program of supervision or voluntary placement agreement, and who have exited foster care for any reason.

- **SB 1121** (Gonzalez) – Would require the California Transportation Commission to prepare a needs assessment of the costs to operate, maintain, and provide for the future growth of the state and local transportation system for the next 10 years.

- **SB 1131** (Newman) – Would, among other things, establish an address confidentiality program for election workers, prohibit the names of precinct board members from being listed when posting election information, and require county elections officials to make certain information appearing on the affidavit of registration confidential upon request of an election worker.

- **SB 1143** (Roth) – Would require the California Health Facilities Financing Authority (CHFFA) to develop, and make available by January 1, 2024, an application for local governments to qualify
for zero-interest loans for the purpose of building or renovating acute care psychiatric hospitals or psychiatric units in general acute care hospitals.

- **SB 1154 (Eggman)** – Would require the state to develop a real-time, internet based database to collect, aggregate, and display information about beds in inpatient psychiatric facilities, crisis stabilization units, residential community mental health facilities, and licensed residential alcoholism or drug abuse recovery or treatment facilities in order to facilitate the identification and designation of facilities for the temporary treatment of individuals in mental health or substance use disorder crisis.

- **SB 1178 (Bradford)** – Would eliminate the sunset date associated with the authority under Proposition 47 (2014) that permits eligible individuals to petition the court for associated record changes to reflect a reduction of a prior felony conviction to a misdemeanor.

- **SB 1180 (Pan)** – Would extend the operation of the Medi-Cal time and distance standards to January 1, 2026 and would require the department to seek input from stakeholders, as specified, prior to January 1, 2025, to determine what changes are needed to these provisions.

- **SB 1215 (Newman)** – Would enact the Responsible Battery Recycling Act of 2022, which would require producers of covered batteries and covered battery-embedded products to establish a stewardship program for the collection and recycling of covered products.

- **SB 1217 (Allen)** – Would establish the State-Regional Collaborative for Climate, Equity, and Resilience to provide guidance to the California Air Resources Board for approving new guidelines for preparing a Sustainable Communities Strategy.

- **SB 1238 (Eggman)** – Would require DHCS, commencing January 1, 2024, and at least every 5 years thereafter, to conduct a review of, and produce a report regarding, the current and projected behavioral health care infrastructure and service needs in each region of the state.

- **SB 1338 (Umberg and Eggman)** – Would create the Community Assistance, Recovery, and Empowerment (CARE) Court Program with amendments that are not yet in print.

- **SB 1340 (Hertzberg)** – Would make changes to the new construction exclusion for reassessment for active solar energy systems.

- **SB 1342 (Bates)** – Would authorize an area agency on aging or a county, or both, to establish an aging multidisciplinary personnel team, and to allow provider agencies and members of the team to share confidential information.

- **SB 1410 (Caballero)** – Would require the Office of Planning and Research to establish a grant program for local jurisdictions to implement guidelines related to the criteria and alternative metrics used for analyzing transportation impacts as well as require OPR to conduct and submit a study on those guidelines to the Legislature.

- **SB 1427 (Ochoa Bogh)** – Would establish two new grant programs administered by the Board of State and Community Corrections: the Homeless and Mental Health Court Grant Program and the Transitioning Home Grant Program.

- **SB 1449 (Caballero)** – Would establish a grant program to assist in funding annexation of unincorporated areas.

**Held in Committee (Dead)**

- **AB 1698 (Maienschein)** – Would have, until January 1, 2026, created a new crime of package theft, as defined.

- **AB 1945 (Aguilar-Curry)** – Would have, upon appropriation by the Legislature, established the Affordable Disaster Housing Revolving Development and Acquisition Program to expedite relief funding for the development or preservation of affordable housing in the state’s declared disaster areas that have experienced damage or loss of homes that were occupied by lower-income households.
▪ **AB 2120 (Ward)** – Would have applied California’s historic formula from the former federal Highway Bridge Replacement and Rehabilitation Program to the distribution of new bridge formula funding from the Infrastructure Investment and Jobs Act, allocating 55% to local projects.

▪ **AB 2211 (Ting)** – Would have extended the Shelter Crisis Act to every city and county with an unsheltered homeless population greater than the national average and expanded the definition of homeless shelter to include low-barrier private shelters.

▪ **AB 2262 (Calderon)** – Would have required the California Department of Social Services to establish an alternative annual reassessment process for a recipient of the In-Home Supportive Services (IHSS) program who meets specific criteria.

▪ **AB 2378 (Irwin)** – Would have allowed a tax credit under the Personal Income Tax Law and Corporation Tax Law for a qualified taxpayer that employs an employee with a disability.

▪ **AB 2381 (Daly)** – Would have allowed an individual who faces threats of violence because of their work, employment, or volunteer service to participate in the Secretary of State’s Safe at Home address confidentiality program.

▪ **AB 2538 (R. Rivas)** – Would have required the Office of Emergency Services (OES) to ensure the California State Warning Center integrate, upon the next update to OES’s emergency plan, a plan to provide targeted alerts for public health dangers, including smoke from wildfires.

▪ **AB 2755 (Muratsuchi)** – Would have required a city, county or city, and county to post a hyperlink on its internet website to each of the United States Department of Housing and Urban Development’s Annual Homelessness Assessment Reports.

▪ **AB 2818 (Waldron)** – Would have created one-year and five-year plans to expand the substance use disorder treatment workforce in California to aid in the treatment of alcohol and drug abuse.

▪ **SB 1298 (Ochoa Bogh)** – Would have continuously appropriated $1 billion annually for the Department of Health Care Services for purposes to implement the existing Behavioral Health Continuum Infrastructure Program.

▪ **SB 1353 (Wilk)** – Would have required cities and counties to provide specified homelessness information to the California Interagency Council on Homelessness Council.

**Kaiser Single Medi-Cal Contract Update**

The Department of Health Care Services released updated trailer bill language this week to implement the single Medi-Cal contract for Kaiser this week. As previously outlined, the language includes the following changes:

▪ Clarify that former foster youth are included in the enrollment provisions related to foster youth.

▪ Add that default enrollment is part of the growth in Medi-Cal enrollment.

▪ Specify that Kaiser cannot deny or disenroll any individual that meets the specified enrollment or default criteria.

▪ Specify that Kaiser is subject to all the same standards and requirements, except those related to beneficiary enrollment, as required for other Medi-Cal managed care plans, including the requirements pursuant to CalAIM.

▪ Require that DHCS and Kaiser enter into a Memorandum of Understanding (MOU) describing the requirements that are different than those imposed on other Medi-Cal managed care plans. The MOU shall include, but not be limited to, the commitment of Kaiser to increase its enrollment of new Medi-Cal members over the course of the contract term and requirements related to Kaiser’s collaboration with safety net providers, including Federally Qualified Health Centers.

▪ Require that DHCS post this MOU and publish a report describing the implementation of the requirements imposed by the MOU.

▪ Provide that Kaiser shall implement the California Children Services Whole Child Model in counties where the Whole Child Model currently exists.
- Ensure Kaiser maintain Knox-Keene licensure from the DMHC.

In related news, the Department of Managed Health Care (DMHC) announced this week that it is conducting a “non-routine” audit of Kaiser’s mental health services based on complaints from members and providers about the health system’s behavioral health operations.

DMHC’s help center saw a 20 percent increase in behavioral health complaints received for Kaiser in 2021 as compared to 2020. DMHC launches non-routine surveys when it has “good cause to believe a health plan or plans have or are violating the law,” according to DMHC officials. Only four such investigations were conducted from 2019 to 2021.

DMHC will examine Kaiser’s external and internal provider network as well as such issues as whether patients received timely access to care, the processes for making initial and follow-up appointments, record documentation and the monitoring of urgent appointments.

**Public Health Emergency Unwinding**

On May 17, 2022, the Department of Health Care Services (DHCS) released the Medi-Cal COVID-19 Public Health Emergency (PHE) Operational Unwinding Plan. The two primary purposes of this document are to: 1) describe DHCS’ approach to unwinding or making permanent temporarily flexibilities implemented across the Medi-Cal program during the PHE; and 2) describe DHCS’ approach to resuming normal Medi-Cal eligibility operations following the end of the PHE.

The PHE is currently set to expire on July 15, 2022, and the U.S. Department of Health and Human Services (HHS) has committed to providing at least a 60-day notice prior to the official end date. As HHS has not yet provided such notice, DHCS expects the PHE to be extended for at least one additional period.

The 44-page DHCS Unwinding Plan walks through many of the PHE flexibilities – which ones will remain and which will end. The document makes clear that the Administration will be continuing many of the telehealth flexibilities provided for during the PHE and points to the budget proposal released earlier this year.

**Strategic Growth Council Announces Regional Climate Collaboratives (RCC) NOFA**

The California Strategic Growth Council (SGC) released the Notice of Funding Availability (NOFA) for Round 1 of the Regional Climate Collaboratives Program (RCC). This new capacity-building grant program funds community-rooted and cross-sectoral partners to develop the processes, plans, and projects that will drive and sustain climate action in their communities. In this first round, SGC has $8.35 million available for grant awards, and applicants have flexibility in requesting their funding amount within the range of $500,000-$1750,000.

The RCC Program has a two-phase application process.

- **Pre-Proposal Phase**: First, applicants will submit a pre-proposal that describes their initial idea for their project. The pre-proposals are not required, but they are strongly encouraged. The goal of the Pre-Proposal Phase is to help Applicants, technical assistance providers, and SGC assess whether Applicants are on track to submit a complete, competitive application that meets all threshold requirements and to identify sections of the application that will need increased support. Pre-proposals are due Friday, July 15, 2022.
**Full Application Phase:** Following the pre-proposals, applicants will complete a full application. Applicants must submit application materials to SGC via a file-sharing platform on Friday, October 7, 2022. Full application materials, including application instructions and templates for the work plan and budget, will be posted on or before the Pre-Proposal submission deadline on July 15.

All applicants who submit a pre-proposal will be eligible to receive no-cost technical assistance (TA), provided by a team of SGC-funded third-party TA providers. TA providers will be available to respond to questions and provide light support to applicants on an as-needed basis during the Pre-Proposal phase. After Pre-Proposals are submitted and reviewed, SGC staff will assign applicants to a TA provider to work with them on integrating feedback and developing a full RCC application.

For more information, visit the RCC website [here](#).

**Data Exchange Advisory Group Releases Data Sharing Agreement**

The Data Exchange Framework Stakeholder Advisory Group of the California Health and Human Services Agency met this week to discuss a draft Data Sharing Agreement (DSA) and Policy and Procedures ([agenda](#) and [presentation](#)). Drafts of the DSA and Policy and Procedures are now available on the CalHHS DxF website. Additionally, public comments will be received through Wednesday, June 1, 2022.

After fairly technical walkthroughs of drafts of the DSA and Policy and Procedures, members of the advisory committee spoke to concerns and/or the need for clarity. Some of those comments included:

- Relative to process and timing, when the DSA is published in July, is that the “final” version that must be executed by January 2023?
- What will be the process for developing the second round of Policy and Procedures?
- There is concern that California’s data exchange framework will conflict with federal data exchange policies applicable to the same entities.
- Given the potential overlap, conflict, or coordination with the Trusted Exchange Framework and Common Agreement (TEFCA), should TEFCA be made mandatory in California?
- Some of the language is too vague and must be clearer to drive consistent compliance ("reasonable efforts and accommodations" as an example).
- It would be helpful for the state to provide additional guidance around allowable statewide data sharing.

Through further conversation, it was clear that the July 1 DSA is the version expected to be implemented in January 2023 and there will be an attempt to develop further Policies and Procedures through a similar process to this advisory workgroup, but those details are still being discussed. Additionally, it was suggested that members think about all areas where the Policies and Procedures may be inconsistent with TEFCA and look for solutions.

One of the last discussion items was a walkthrough of the May Revision budget and impacts on the Data Exchange Framework. Of particular interest, the May Revision includes a $50 million grant program to provide technical assistance to small or under-resourced providers and a $200 million practice transformation grant program for small physician practices to upgrade their clinical infrastructure.
The Center for Data Insights and Innovation will begin developing the required infrastructure to support and oversee compliance on July 1st and continue to work with stakeholders in the summer and fall around the formation of a policy board, which is planned to be established in January 2023 with the Governor’s Budget.

Please feel free to contact any one of us at Hurst Brooks Espinosa with questions …

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