BOARD OF DIRECTORS
ANNUAL ORGANIZATIONAL MEETING

12:00 to 2:00 p.m.
Friday, August 10, 2012
Palomar Health, 1st Floor Conf Room
456 E. Grand Avenue, Escondido, CA

Lunch provided for Board members & invited guests

* I. CALL TO ORDER

II. PUBLIC COMMENTS
5 minutes allowed per speaker, with a cumulative total of 15 minutes per group
For further details and policy see Request for Public Comments notices available in the meeting room

III. *MINUTES – Annual Organizational Meeting, January 13, 2012 (ADD A – Pp21-29)

IV. OLD BUSINESS
A. Prior Meeting Action Items

V. NEW BUSINESS
Written


* B. Resolution No. 08.10.12(05)-2 – Authorizing Acceptance of the Program Specific Independent Audit of the Annual Financial Report of Welcome Home Baby for Fiscal Year End 2011 (ADD C – Pp63-71) AKT

* C. Resolution No. 08.10.12(06)-3 – Establishing a Name Change for the Corporation

* D. Resolution No. 08.10.12(07)-4 - Authorizing Robert A. Hemker, Chief Financial Officer, to Execute Documents with the California Department of Transportation in Connection with an Application for Federal Funding Under FTA Section 5310 (49 U.S.C. Section 5310)

* E. Amendment to Financial & Accounting Services Agreement with Palomar Health (ADD D – Pp72-80)

* F. FY2013 Operating Budgets
   * I. Health Development
   * II. Research Institute

* G. YTD Financial Report (ADD E – Pp81-87)

VI. PRESENTATIONS
Written/Oral

A. Update on Grants and Contracts Inventory (ADD F – Pp88-97) Kristine Roberts/Aimee Jones

B. Grant Proposal Updates:
   I. Wound Care Center Grant Applications (ADD G – Pp98-111) Ann Moore
      i. Caltrans 5310
      ii. CMS Innovations
      iii. Caltrans 5317
   II. Center for Nursing Excellence Grant Applications Dr. Brenda Fischer
      i. Robert Wood Johnson Foundation Future of Nursing Grant (ADD H – Pp112-117)
      ii. CMS Graduate Nurse Education Demonstration

C. Program Activities Updates:
   Dr. Brenda Fischer
   I. Archstone Foundation – Palliative Care (ADD I – Pp118-127) Dr. Brenda Fischer
   II. Transitions Into Practice

VII. INFORMATION ITEMS

VIII. BOARD MEMBER COMMENTS/FUTURE AGENDA ITEMS

IX. FINAL ADJOURNMENT

Next Regular Quarterly Meeting: FRIDAY, OCTOBER 12, 2012

If you have a disability, please contact us 72 hours prior to scheduled meeting time by calling 760-740-6383 to arrange reasonable accommodations

*Asterisks indicate anticipated action; action is not limited to those designated items*
TO: Health Development Board

MEETING DATE: Friday, August 10, 2012

FROM: Tanya Howell, Corporate Secretary

Background: The minutes of the Annual Organizational Meeting held on Friday, January 13, 2012, are respectfully submitted for approval (Addendum A).

Budget Impact: N/A

STAFF RECOMMENDATION: Approval of the January 13, 2012, Annual Organizational Meeting minutes.

Motion: X

Individual Action:

Information:

Required Time:
Prior Meeting Action Items

TO: Health Development Board
MEETING DATE: Friday, April 10, 2012
FROM: Tanya Howell, Corporate Secretary

Background: The attached Prior Meeting Action Items listing has been implemented as a means of tracking topics that require follow-up at future meetings. Items color-coded green appear as informational/action items on the agenda for the current meeting.

Budget Impact: N/A

STAFF RECOMMENDATION:

Motion:
Individual Action:
Information: X
Required Time:
HEALTH DEVELOPMENT BOARD
PRIOR MEETING ACTION ITEMS
CALENDAR YEAR 2012
(To remain on listing until final)

1 4/8/11: Palliative Care – Dr. Brenda Fischer will be invited to the April 2012 meeting to provide an update on Palliative Care

2 Financial & Accounting Services Agreement between Palomar Health & HD:
   A 10/7/11: Director Krider requested that this item be revisited at the next meeting for discussion of an increase in the amount paid
   B 1/13/12: Tabled until April meeting as two members of Board were not at the meeting

3 1/13/12: Interlink Pathways – Need to have a dinner for principals and superintendents to discuss the program and determine how we can gain their support for it in their schools

Color Key: Due at specific future date; No date specified; Status update for this meeting
TO: HD Board of Directors

MEETING DATE: Friday, April 10, 2012

FROM: Robert A. Hemker, Chief Financial Officer

Background: Palomar Pomerado North County Health Development, Inc. (“Health Development”) in accordance with Article VII Section 7.09 of its Bylaws, is required to make available an Annual Report within 120 days after the close of the Corporation’s fiscal year. The Annual Report is to be accompanied by either the accountant’s certification if audited, or the certificate of an authorized officer of the Corporation if unaudited. The Annual Audited Financial Report for Fiscal Year End 2011 – which will serve as the Annual Report – has been delayed for good and purposeful reasons.

The Annual Financial Report for Fiscal Year End 2011 (Audited) was prepared by AKT, LLP, of Carlsbad, California, on March 7, 2012, and is hereby presented to the Board of Health Development for consideration and acceptance as the Annual Report (Addendum B).

Budget Impact: N/A

STAFF RECOMMENDATION: Staff recommends adoption of Resolution 08.10.12(04)-1 authorizing acceptance of the Independent Audit of Palomar Pomerado North County Health Development, Inc., as the Annual Report.

Motion:

Individual Action: X

Information:

Required Time:
TO: HD Board of Directors

MEETING DATE: Friday, August 10, 2012

FROM: Bob Hemker, Acting Executive Director

Background: Welcome Home Baby (WHB) is a newborn home visiting program for first-time parents. Currently in its seventh year of service, WHB works to ensure the health and well being of infants throughout San Diego County. As the contracted agency, Health Development is required to obtain an Independent Single Audit on the Welcome Home Baby Program, which is currently funded by the First 5 Commission of San Diego.

A copy of the audit, prepared by AKT, LLP, of Carlsbad, California, on March 7, 2012, (Addendum C) is attached for the Board’s consideration and approval.

Budget Impact: N/A

STAFF RECOMMENDATION: Staff recommends adoption of Resolution 08.10.12(05)-2 authorizing acceptance of the Independent Audit of the Welcome Home Baby Program for Fiscal Year 2010-2011.

Motion:

Individual Action: X

Information:

Required Time:
Resolution No. 08.10.12(06)-3
Establishing a Name Change for the Corporation

TO: Health Development Board

MEETING DATE: Friday, August 10, 2012

FROM: Robert A. Hemker, Chief Financial Officer

Background: In accordance with the change of the District from Palomar Pomerado Health to Palomar Health, it is recommended that the name of the Corporation be changed from Palomar Pomerado North County Health Development, Inc., to Palomar Health Development, Inc. This name has been researched by the Palomar Health legal department, who confirmed that it is an acceptable and available Fictitious Business Name for the Corporation.

Budget Impact: N/A

STAFF RECOMMENDATION: Staff recommends approval of Resolution No. 08.10.12(06)-3, Establishing a Name Change for the Corporation.

Motion: X

Individual Action:

Information:

Required Time:
RESOLUTION NO. 08.10.12(06)-3

RESOLUTION OF THE BOARD OF DIRECTORS OF
PALOMAR POMERADO NORTH COUNTY HEALTH DEVELOPMENT, INC.
ESTABLISHING A NAME CHANGE FOR THE CORPORATION

WHEREAS, Palomar Pomerado North County Health Development, Inc., ("Corporation") desires to pass a resolution adopting the change in the name of the District;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Corporation that the name of the Corporation is hereby changed from Palomar Pomerado North County Health Development, Inc., to Palomar Health Development, Inc. The change in the name of the Corporation shall be effective upon the filing of a verified copy of this resolution with the county clerk in the county in which the Corporation lies.

PASSED AND ADOPTED at the meeting of the Board of Directors of Palomar Pomerado North County Health Development, Inc., held on August 10, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

DATED: August 10, 2012

APPROVED: ATTESTED:

Linda C. Greer, RN, Chairperson
Marcelo Rivera, MD, Secretary
Board of Directors
Board of Directors
Palomar Pomerado North County
Palomar Pomerado North County
Health Development, Inc.
Health Development, Inc.
Resolution No. 08.10.12(07)-4
Authorizing Robert A. Hemker, Chief Financial Officer, to Execute Documents with the California Department of Transportation in Connection with an Application for Federal Funding Under FTA Section 5310 (49 U.S.C. § 5310)

TO: Health Development Board

MEETING DATE: Friday, August 10, 2012

FROM: Ann Z Moore, Director Wound Care and Diabetes

Background: The California Department of Transportation requires specific verbiage regarding the granting of signature authority for documents related to the application being submitted to the Federal Transit Authority for the Caltrans 5310 grant. The attached Resolution has been edited to reflect the signature authority currently held by Robert A. Hemker by virtue of his position as the Chief Financial Officer of Health Development.

Budget Impact: n/a

STAFF RECOMMENDATION: Staff recommends approval of Resolution No. 08.10.12(07)-4 Authorizing Robert A. Hemker, Chief Financial Officer, to Execute Documents with the California Department of Transportation in Connection with an Application for Federal Funding Under FTA Section 5310 (49 U.S.C. § 5310)

Motion:

Individual Action: X

Information:

Required Time:
RESOLUTION NO. 08.10.12(07)-4

RESOLUTION OF THE BOARD OF DIRECTORS OF
PALOMAR POMERADO NORTH COUNTY HEALTH DEVELOPMENT, INC.
AUTHORIZING ROBERT A. HEMKER, CHIEF FINANCIAL OFFICER, TO EXECUTE
DOCUMENTS WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION IN
CONNECTION WITH AN APPLICATION FOR FEDERAL FUNDING UNDER FTA SECTION 5310
(49 U.S.C. SECTION 5310)

WHEREAS, the U. S. Department of Transportation is authorized to make grants to States through the
Federal Transit Administration to support capital projects for non-urbanized public transportation systems under
Section 5310 of the Federal Transit Act (FTA C 9070.1F); and

WHEREAS, the California Department of Transportation (Department) has been designated by the
Governor of the State of California to administer Section 5310 grants for transportation projects for the elderly
and disabled; and

WHEREAS, Palomar Pomerado North County Health Development, Inc., desires to apply for said
financial assistance to permit operation of paratransit service in north San Diego County; and

WHEREAS, Palomar Pomerado North County Health Development, Inc., has, to the maximum extent
feasible, coordinated with other transportation providers and users in the region (including social service
agencies).

NOW, THEREFORE, BE IT RESOLVED AND ORDERED:

THAT Palomar Pomerado North County Health Development, Inc., does hereby authorize Robert A.
Hemker, Chief Financial Officer, to file and execute applications on behalf of Palomar Pomerado North County
Health Development, Inc., with the Department to aid in the financing of capital projects pursuant to Section 5310
of the Federal Transit Act (FTA C 9070.1F), as amended; and

THAT Robert A. Hemker, Chief Financial Officer, is authorized to execute and file all certification of
assurances, contracts or agreements or any other document required by the Department; and

THAT Robert A. Hemker, Chief Financial Officer, is authorized to provide additional information as the
Department may require in connection with the application for the Section 5310 projects; and

THAT Robert A. Hemker, Chief Financial Officer, is authorized to submit and approve requests for
reimbursement of funds from the Department for the Section 5310 projects.

PASSED AND ADOPTED at the meeting of the Board of Directors of Palomar Pomerado North County
Health Development, Inc., held on August 10, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

DATED: August 10, 2012

APPROVED: August 10, 2012

ATTESTED:

Linda C. Greer, RN, Chairperson
Board of Directors
Palomar Pomerado North County
Health Development, Inc.

Marcelo Rivera, MD, Secretary
Board of Directors
Palomar Pomerado North County
Health Development, Inc.
Administrative Oversight for Health Development

TO: Health Development Board
MEETING DATE: Friday, August 10, 2012
FROM: Robert A. Hemker, Chief Financial Officer

Background: At the Regular Quarterly Meeting in October, the Health Development Board approved the creation of a Financial & Accounting Services Agreement between Health Development and Palomar Health for reimbursement of the time spent by the Palomar Health Finance Department to provide administrative oversight for the studies being conducted through the Research Institute. The agreement was to be retroactive to July 1, 2011. Also at the October meeting, Director Krider requested that the topic be revisited at the January Board meeting to discuss a potential increase in the amount paid, to reflect actual costs incurred.

As the Palomar Health Finance Department staff also provides administrative oversight for the grants being managed through Health Development, it is requested that the actual costs incurred for those oversight activities be reviewed for possible inclusion in any amendment to the Financial & Accounting Services Agreement.

As there were two members of the Board unable to attend the January Board meeting, discussion of this request was tabled. The attached Financial & Accounting Services Agreement (Addendum D) was executed in July 2012 and reflects the actions of the Board at the October 2011 meeting.

Budget Impact: To be discussed at the meeting

STAFF RECOMMENDATION: Staff will make a recommendation at the meeting

Motion: X

Individual Action:

Information:

Required Time:
TO: HD Board of Directors

MEETING DATE: Friday, August 10, 2012

FROM: Robert A. Hemker, CFO

Background: The FY2013 Operating Budget for Health Development was approved as part of Palomar Health’s budgeting process. An overview of the Budget is included in the financial report, and the full Budget will be presented at the meeting for review and ratification by the Board.

Budget Impact: None.

Committee Questions:

Staff Recommendation: Staff recommends approval of the FY2013 Operating Budget.

Motion: X

Individual Action:

Information:

Required Time:
Research Institute
Operating Budget Review for Fiscal Year 2013

TO: HD Board of Directors

MEETING DATE: Friday, August 10, 2012

FROM: Robert A. Hemker, CFO

Background: The FY2013 Operating Budget for the Research Institute was approved as part of Palomar Health’s budgeting process. An overview of the Budget is included in the financial report, and the full Budget will be presented at the meeting for review and ratification by the Board.

Budget Impact: None.

Committee Questions:

STAFF RECOMMENDATION: Staff recommends approval of the FY2013 Operating Budget.

Motion: X

Individual Action:

Information:

Required Time:
TO: Health Development Board

MEETING DATE: Friday, August 10, 2012

FROM: Robert A. Hemker, Chief Financial Officer

Background: At each regularly scheduled meeting of the Board of Directors of Health Development, the staff members provide the most recent financial report. Kristine Roberts will review the Health Development/Research Institute Fiscal Year 2012 YTD Financial Reports (See Addendum E).

Budget Impact: None.

STAFF RECOMMENDATION: Approval.

Motion: X

Individual Action:

Information:

Required Time:
Update on Grants

TO: Health Development Board
MEETING DATE: Friday, August 10, 2012
FROM: Robert A. Hemker, Chief Financial Officer

Background: Kristine Roberts will update the Board on grants managed by Health Development (See Addendum F).

Budget Impact: None.

COMMITTEE RECOMMENDATION:
Motion:
Individual Action:
Information: X
Required Time:
TO: Health Development Board

MEETING DATE: Friday, August 10, 2012

FROM: Ann Z Moore, Director Wound Care and Diabetes  

Background: There are three grant applications pending approval that have been submitted to help the Wound Care Center provide additional or improved services within the District:

• Caltrans 5310 – Elderly & Disabled Specialized Transit Grant
• CMS Innovations Grant
• Caltrans 5317 – New Freedom Grant

The grant applications are outlined in the attached presentation (Addendum G) and will be discussed in more detail at the meeting.

Budget Impact: Positive.

STAFF RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:
Robert Wood Johnson Foundation Grant Application

TO: Health Development Board

MEETING DATE: Friday, August 10, 2012

FROM: Brenda Fischer, RN, PhD, MBA, CPHQ
       Director Center for Nursing Excellence

Background: As reported at the January meeting, a grant application brief (Addendum H) was submitted to the Robert Wood Johnson Foundation (RWJF), Institute of Medicine (IOM), The Future of Nursing, Campaign for Action, as a collaborative with California State University, San Marcos (CSUSM), Palomar College, MiraCosta College, and Palomar Health. The funders were to have a 30-day turnaround time to inform us whether we had been selected to submit a full grant proposal.

Budget Impact: Total Funding for the project requested $2.5 million

STAFF RECOMMENDATION:
Motion: 

Individual Action: 

Information: X

Required Time:
TO: Health Development Board

MEETING DATE: Friday, August 10, 2012

FROM: Brenda Fischer, PhD, RN, MBA, CPHQ

Background: The Graduate Nurse Education Demonstration is mandated under the Affordable Care Act and funded under the Center for Medicare and Medicaid Services. The primary purpose of the Demonstration is to increase the supply of Advanced Practice Registered Nurses in order to provide access to healthcare professional services for the increasing number of Medicare beneficiaries. An update on the status of that proposal will be presented at the meeting.

Budget Impact: $200 million for five hospital sites over 4 years

STAFF RECOMMENDATION: Information only

Motion:

Individual Action:

Information: X

Required Time:
TO: Health Development Board

MEETING DATE: Friday, August 10, 2012

FROM: Brenda Fischer, RN, PhD, MBA, CPHQ – Director Center for Nursing Excellence

Background: Health Development received funding from the Archstone Foundation for a 2-year grant to provide funding to assist in improving the quality of spiritual care provided by the transdisciplinary team to the critically ill patients in the Medical Surgical Intensive Care Units (MSICUs) at Palomar Medical Center (PMC). The attached article (Addendum I) provides an overview of the nine demonstration projects of which Health Development is one.

An update on the status of the program will be presented at the meeting.

Budget Impact: Total Funding for the 2 year project is $200,000

STAFF RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:
TO: Health Development Board

MEETING DATE: Friday, August 10, 2012

FROM: Brenda Fischer, RN, PhD, MBA, CPHQ – Director Center for Nursing Excellence

Background: Health Development was awarded a grant from San Diego Workforce Partnership to provide a transition from education to practice through a residency program for Bachelor of Science in Nursing (BSN) students in their last year prior to graduation. A verbal update will be provided on this program, a collaborative partnership between an educational institution, California State University, San Marcos (CSUSM) School of Nursing (SON) and Palomar Health.

Budget Impact: Total Funding for the project is $75,000

STAFF RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:
ADDENDUM A
## BOARD OF DIRECTORS
### ANNUAL ORGANIZATIONAL MEETING MINUTES

**Palomar Pomerado Health**  
Conference Room (1st Floor)  
456 E. Grand Avenue, Escondido, CA

**Friday, January 13, 2012**  
12:00 to 2:00 p.m.

### (I.A) AGENDA ITEM

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<th>CONCLUSIONS/ACTION</th>
<th>FOLLOW-UP/RESP. PARTY</th>
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#### I. CALL TO ORDER

- Director Covert stated that as Chairperson Linda Greer had notified him that she was unable to attend; and Vice-Chairperson Bruce Krider was going to be delayed in attending the meeting, he recommended that Secretary Marcelo Rivera assume the role of Acting Chair.
- Acting Chairperson Rivera called the meeting to order at 12:10 p.m.
- Quorum comprised of Directors Covert, Hemker, and Rivera; Directors Greer and Krider were absent for the entire meeting.
- Notice of Meeting and Full Agenda Packet were posted at PPH facilities and on the Health Development (HD) home page of the PPH web site on Friday, January 6, 2012, which is consistent with legal requirements. Notice of that posting was also made via email.

#### II. PUBLIC COMMENTS

- There were no public comments.

#### III. MINUTES* – Regular Quarterly Meeting, October 7, 2011

- No discussion.

#### MOTION: By Director Hemker, seconded by Director Covert and carried to approve the minutes of the Regular Quarterly Meeting of October 7, 2011. All in favor. None opposed. Directors Greer and Krider were absent.

#### IV. OLD BUSINESS

- Prior Meeting Action Items
  - MSA is on the agenda as an actionable item and will be discussed further at that time.

#### V. NEW BUSINESS*

**A. Resolution No. 01.13.12(01)-1 Acknowledging Appointment of the New Board and Confirming the Election of Officers for Calendar Year 2012**

- Director Hemker explained the impaneling of the HD Board.
  - The CEO and CFO of the District are standing members pursuant to the Bylaws of HD.
  - The Chairman of the District Board then appoints three members of the District Board to serve on the Board of the separate legal entity of HD.
  - The current officers are:

**MOTION: By Director Covert, seconded by Director Hemker and carried to nominate Linda C. Greer, RN, as Chairperson; Bruce G. Krider as Vice-Chairperson; Marcelo R. Rivera, MD, as Secretary, and Robert A. Hemker as Treasurer. All in favor. None opposed. Directors Greer and Krider were absent.**
HEALTH DEVELOPMENT BOARD OF DIRECTORS – MEETING MINUTES FRIDAY, JANUARY 13, 2012

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<td><strong>(I.A) DISCUSSION</strong></td>
<td>MOTION: By Director Hemker, seconded by Director Covert and carried to approve Resolution No. 01.13.12(01)-1, Acknowledging Appointment of the New Board and Confirming the Election of Officers for Calendar Year 2012. All in favor. None opposed. Directors Greer and Krider were absent.</td>
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<tr>
<td>Linda C. Greer, RN – Chairperson</td>
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<td>Bruce G. Krider – Vice-Chairperson</td>
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<td>Marcelo R. Rivera, MD – Secretary</td>
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<td>Robert A. Hemker - Treasurer</td>
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<td>Director Covert stated that he had discussed with Chairperson Greer, who had indicated a desire to have the same slate of officers as last year, barring a request from any to decline election</td>
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<td><strong>B. Resolution No. 01.13.12(02)-2 Establishing Regular Board Meetings for Calendar Year 2012</strong></td>
<td>MOTION: By Director Hemker, seconded by Director Covert and carried to schedule the meetings from Noon to 2:00 p.m. in the 1st Floor Conference Room at the PPH offices located at 456 E. Grand Avenue, Escondido, CA, on the following dates: Friday, January 13, 2012; Friday, April 13, 2012; Friday, July 13, 2012; and Friday, October 12, 2012; and to approve Resolution 01.13.12(02)-2 memorializing that action. All in favor. None opposed. Directors Greer and Krider were absent.</td>
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<td>Proposed dates based on Calendar Year 2011 schedule were presented</td>
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<td><strong>C. Resolution No. 01.13.12(03)-3 Confirming Appointment of the Officers of the Corporation for Calendar Year 2012</strong></td>
<td>MOTION: By Director Covert, seconded by Director Hemker and carried to approve Resolution No. 01.13.12(03)-3 appointing Michael H. Covert, FACHE, President of the Corporation; Robert A. Hemker Chief Financial Officer of the Corporation; and Tanya Howell Secretary of the Corporation. All in favor. None opposed. Directors Greer and Krider were absent.</td>
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<td>The Bylaws require annual appointment of corporate officers by the Board</td>
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<td>The following corporate officers were appointed by the Board at the April 2011 meeting</td>
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<td>o Michael Covert – President</td>
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<td>o Bob Hemker – Chief Financial Officer</td>
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<tr>
<td>o Tanya Howell – Secretary</td>
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<td><strong>D. Recommended Procedure for Board Approval of Physician Agreements</strong></td>
<td>MOTION: By Director Hemker, seconded by Director Covert and carried to adopt the new procedure as presented. All in favor. None opposed. Directors Greer and Krider were absent.</td>
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<td>Bob Hemker presented information on the procedures recently adopted by the PPH Board and recommended adoption of similar procedures by the Health Development Board</td>
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<tr>
<td>o The procedure as drafted is consistent with PPH’s approach</td>
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<td><strong>E. Amendment to Management Services Agreement with PPH</strong></td>
<td>Tabled until the April meeting due to the absence of Directors Greer and Krider</td>
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<tr>
<td>At the Regular Quarterly Meeting in October, the Health Development Board approved the creation of a Management Services Agreement between Health Development and PPH for reimbursement in the amount of $2000—retroactive to July 2011—for the time spent by the PPH Finance Department to provide administrative oversight for the studies being conducted through the Research Institute</td>
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**HEALTH DEVELOPMENT BOARD OF DIRECTORS – MEETING MINUTES FRIDAY, JANUARY 13, 2012**

(I.A) AGENDA ITEM

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<td>o Director Krider had requested that the agreement be revisited at this meeting to discuss actual costs incurred to ensure appropriate reimbursement was being provided</td>
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<tr>
<td>o Kristine Roberts distributed a proposal from the PPH Finance Department, proposing an increase to $3000 based on actual costs incurred</td>
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<tr>
<td>o As Director Rivera had not been present for the original discussion, he requested that the matter be tabled until it could be reviewed by all members of the Board</td>
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F. YTD Financial Report

| Revenues were just under $94K, a positive variance vs. budget of $20K | | |
| Revenues from MAA weren’t included in the budget; however, as the State has not yet gone to the perpetual time survey system, they are still allowing us to submit funding requests based on previous annual surveys | | |
| These revenues will no longer be available once the State formalizes the perpetual time survey requirement, in which the District will not participate due to the amount of work required of staff | | |
| Expenses were at $8K, a positive variance vs. budget of $5K | | |
| Anticipated expenses for a grant writer have not been incurred, as one anticipated grant RFP will not be issued and the other has not yet been released | | |
| Net Income had a positive variance vs. budget of $25K | | |

| Revenues were at $197K, a positive variance vs. budget of $188K | | |
| $32K was unanticipated protocol revenues, which can remain in Research Institute | | |
| Other revenue was from unanticipated clinical studies | | |
| Expenses had a negative variance of $151K vs. budget | | |
| $10K for PPH staffing of RI that was not budgeted | | |
| Remainder was revenue to reimburse the hospital for hospital services provided for unanticipated clinical studies | | |
| Net Income had a positive variance vs. budget of $37K | | |

| Director Hemker noted that when HD was restructured, the intent was to try to maintain budget neutrality, which has been achieved | | |
| Ms. Roberts displayed the Financial Trend chart (P33) as evidence of that achievement | | |
| Part of the extra income stays reserved in HD, part is used for debt reduction on the Line of Credit with PPH | | |

MOTION: By Director Hemker, seconded by Director Covert and carried to approve the YTD Financial Report for Health Development and the Research Institute as presented. All in favor. None opposed. Directors Greer and Krider were absent.
## VI. PRESENTATIONS

### A. Update on Current Grants and Contracts Inventory

- Ms. Roberts introduced Aimee Jones, PPH Accounting Associate, who has begun tracking the grants and contracts inventory and will be presenting this and future updates. Utilizing the presentation included in the agenda packet as Addendum C, Ms. Jones made the following comments in addition to the information in the presentation:

  - **BIOTERRORISM/EMERGENCY PREPAREDNESS**
    - Expecting a drop in funding next year due to an anticipated decrease in funding from the State.
    - Funding is based on the number of beds, so also anticipate an approximately 25% increase when the new hospital is open.

  - **GREEN OAKS RANCH**
    - Receive $167K/year, and current grant expires in June.
    - The County plans to extend based on the 6-month extension clause in the agreement, and an RFP is due in June.

  - **MAA**
    - Have no new information, but— as noted above— anticipate loss of these revenues once the State actually starts requiring the perpetual time survey.

  - **MARJORIE MOSCHER SCHMIDT FOUNDATION**
    - Were not anticipating more funds, but received an additional $5K in December.

  - **NATIONAL CHILDREN’S ALLIANCE (NCA)**
    - Supports the bilingual interviewer for the Child Abuse Program.

  - **VAUGHN PARKER FOUNDATION**
    - These funds will be more heavily relied upon this year because we did not get a Susan G. Komen grant this year.

  - **UNITED WAY**
    - Grant has been extended until the end of June to allow spend down of remaining funds.

  - **HEALTHY DEVELOPMENT SERVICES (HDS)**
    - Halfway through this year’s contract from the First 5 Commission.
    - Doing really well with budget and are on track to spend down all funds.

  - **PALLIATIVE/SPRITUAL CARE GRANT**
    - Received an additional $90K for year 2.
    - Dr. Brenda Fischer will be providing more information later in the meeting.
## I.A. AGENDA ITEM

### DISCUSSION

<table>
<thead>
<tr>
<th>o</th>
<th>IN-N-OUT</th>
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<tbody>
<tr>
<td></td>
<td>Were not anticipating more funds, but received an additional $6500 in December</td>
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<table>
<thead>
<tr>
<th>o</th>
<th>CLINICAL INVESTIGATOR RESEARCH GRANT PROGRAM</th>
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<tbody>
<tr>
<td></td>
<td>Research study is in process</td>
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<table>
<thead>
<tr>
<th>o</th>
<th>INTERLINK PATHWAYS (GO-MED)</th>
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<tbody>
<tr>
<td></td>
<td>We are 5 months into the program funding from the West Foundation</td>
</tr>
<tr>
<td></td>
<td>Leslie Solomon will be providing more information later in the meeting</td>
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<table>
<thead>
<tr>
<th>o</th>
<th>TRANSITIONS INTO PRACTICE 2</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Second phase of the $75K grant for a residency program for Bachelor of Science in Nursing (BSN) students in partnership with CSUSM</td>
</tr>
<tr>
<td></td>
<td>Dr. Brenda Fischer will be providing more information later in the meeting</td>
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<table>
<thead>
<tr>
<th>o</th>
<th>CALIFORNIA TRANSPORTATION COMMISSION</th>
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<tbody>
<tr>
<td></td>
<td>Should have been included under Pending Grants</td>
</tr>
<tr>
<td></td>
<td>Anticipate receiving $120K for two wheelchair accessible vans</td>
</tr>
</tbody>
</table>

### PENDING GRANTS

<table>
<thead>
<tr>
<th>o</th>
<th>FIRST 5</th>
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<tbody>
<tr>
<td></td>
<td>The County won a lawsuit against the State, and it is hoped that will allow funds to be released in the near future</td>
</tr>
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<table>
<thead>
<tr>
<th>o</th>
<th>HEALTHCARE INNOVATION CHALLENGE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ann Moore applied for this grant, requesting $20M over 3 years to provide better healthcare and better health for Medicare, Medicaid and CHIP enrollees</td>
</tr>
<tr>
<td></td>
<td>Award date is anticipated to be 3/30/12</td>
</tr>
</tbody>
</table>

Director Hemker asked why the Clinical Investigator grant was running through Health Development instead of the Research institute

Ms. Roberts answered that her recollection of that decision was due to the fact that there was no research protocol that had to be run through the IRC

### B. Grant Proposal Update

- Dr. Brenda Fischer, PhD, RN, MBA, CPHQ, Director Nursing Excellence provided an update

Robert Wood Johnson Foundation Future of Nursing Grant

- A grant application brief was submitted to the Robert Wood Johnson Foundation, the Institute of Medicine, The Future of Nursing, Campaign for Action, in collaboration with CSUSM, Palomar College and MiraCosta College requesting $2.5M in funding to smooth the transition from Associate Degree in Nursing (AND) to an accelerated Bachelor of Science in Nursing (BSN) program

Information Only
**HEALTH DEVELOPMENT BOARD OF DIRECTORS – MEETING MINUTES FRIDAY, JANUARY 13, 2012**

### (I.A) AGENDA ITEM

<table>
<thead>
<tr>
<th>DISCUSSION</th>
<th>CONCLUSIONS/ACTION</th>
<th>FOLLOW-UP/RESP. PARTY</th>
</tr>
</thead>
</table>
| o Funders have 30 days from submission to notify those selected to submit full grant proposals, so should hear by mid-February  
 o Owner will be the research foundation at CSUSM, and funds would be funneled through HD as the service setting  
 o Will try to determine if we can have PPH ADNs go through as well  
 o Dr. Fischer commended her colleagues at the schools for working over the holidays in order to get the brief submitted on time |  |  |

### C. Program Activities Updates

- Dr. Fischer provided updates on the following two programs

  - **ARCHSTONE FOUNDATION**
    - PPH is part of a 9-hospital demonstration project tasked with implementing a spiritual model of care  
      - PPH is ahead of all the other organizations in our implementation  
    - Can flag encounters in Clarity  
    - Opened a palliative care pod on Tower 7 and have now admitted patients  
    - Working with Dr. Robert Trifunovic on development of a business plan  
    - Working on ways to integrate the program with others  
    - Nurses and team had a vision for one of the floors at PMC-W
  
  - **TRANSITIONS INTO PRACTICE**
    - Second phase is moving along nicely and have selected 15 residents  
      - Of the 15 chosen, one was a Clinical Care Extender (CCE) and two were PPH employees  
    - Dual degree Bachelors in Nursing and Human Development  
    - Dr. Fischer read the application letter submitted by one of the applicants, which was very moving, noting that hearing the applicants express what the organization meant to them was uplifting

- **INTERLINK PATHWAYS**
  - Utilizing the matrix on Page 20 of the agenda packet, Leslie Solomon, Manager, Learning and Development, provided an update
    - Now funded by a grant from the Gary and Mary West Foundation  
    - Matrix is used for quarterly reporting, and the metrics show whether you are building capacity and if there are other opportunities  
      - Demonstrates how you are getting healthcare academy students ready and into the pipeline  
    - Working with Brad Krietzberg  
    - Created Patient Ambassadors and now have 5  
    - No have 39 placements from healthcare academy schools in internships

- **INTERLINK PATHWAYS:** Need to have a dinner for principals and superintendents to discuss the program and determine how we can gain their support for it in their schools
(I.A) **AGENDA ITEM**

- **DISCUSSION**

  o News is good for PPH, because we're growing capacity through PPH and capacity is going down in the community
  o The team makes educational presentations and provides internship readiness workshops
    - Have had one speaker's bureau to 28 students
    - Positive feedback (4-plus on a scale of 5)
    - Students stated they'd learned more about healthcare and presentation was instrumental in helping them determine if a healthcare career was the right path for them to take
  o Manuel Alvarez & Katy Alvarado will be starting a student mentoring program in the near future
  o Haven't finished any cycles
  o Submitted matrix to West, who stated we appeared to be on target, discussed how we were bringing students in and out of the program, and asked how they could help support us
  o Need to have more support from the schools, as the teachers are getting discouraged because of lack of funding, which makes the students lose interest
    - Can provide detailed follow up on what programs are more active
    - Want to continue this to keep it from losing focus/interest
    - Programs are only as effective as having the support of the principal and the counselors, and schools are experiencing such a re-entrenchment back to the basics, and just trying to get through their day that extra things are being omitted
    - Still have great support from Mission Hills, but that is where the program began

**CONCLUSIONS/ACTION**

**FOLLOW-UP/RESP. PARTY**

<table>
<thead>
<tr>
<th>VII. INFORMATION ITEMS</th>
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<tbody>
<tr>
<td>A. Medical Directorship for First 5 Health Development Services</td>
</tr>
</tbody>
</table>

- Director Hemker stated there was one physician agreement that was brought forth under the procedure reviewed and approved earlier in the meeting, and he invited Annamarie Martinez to provide background on the Medical Directorship
- Ms. Martinez stated that Healthy Development Services (HDS) provides a level of care to clients by licensed staff that requires a Medical Director to oversee those charts
  - When that need was identified, Byron Chow, MD, a pediatrician from Neighborhood Healthcare Clinic (NHC), agreed to take on the role
    - He meets with staff for 2 hours a month to do chart review and case management for the level 3 cases
    - Process works very well, as the population of patients is at NHC
  - The agreement represents a one-year extension to the budgeted routine agreement that expired December 31, 2011
- Ms. Martinez stated that she would also like to thank the Board for the opportunity of serving HDS over the last 10 years, notifying them that she will be leaving the grant directorship for HDS, as there was a need

- **Information only**
HEALTH DEVELOPMENT BOARD OF DIRECTORS – MEETING MINUTES FRIDAY, JANUARY 13, 2012

(I.A) AGENDA ITEM

<table>
<thead>
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<th>DISCUSSION</th>
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</tr>
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<tbody>
<tr>
<td>Identified in Perinatology Services and she will be moving to that department, looking at opportunities and other programs that can be brought to women’s services</td>
<td></td>
<td></td>
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<tr>
<td>Contact for HDS going forward will be Sheila Brown</td>
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VIII. BOARD MEMBER COMMENTS/FUTURE AGENDA ITEMS

- Director Hemker stated that the Board might have noticed the absence of a formal update on the Research Institute, noting that topic will now be reported on an annual rather than a quarterly basis

IX. FINAL ADJOURNMENT

The meeting was adjourned by Chairperson Greer at 12:55 p.m.

MOTION: By Director Covert, seconded by Director Hemker and carried to adjourn.

SIGNATURES:

<table>
<thead>
<tr>
<th>HD Board Secretary</th>
<th>Marcelo R. Rivera, M.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>HD Board Assistant</td>
<td>Tanya Howell</td>
</tr>
</tbody>
</table>

Next Meeting: Regular Quarterly Meeting – Friday, April 13, 2012 – 12:00-2:00 p.m. – Grand Conference Room
ADDENDUM B
RESOLUTION NO. 08.10.12(04)-1

RESOLUTION OF THE BOARD OF DIRECTORS OF
PALOMAR POMERADO NORTH COUNTY HEALTH DEVELOPMENT, INC.
AUTHORIZING ACCEPTANCE OF THE INDEPENDENT AUDIT OF THE
ANNUAL FINANCIAL REPORT OF PALOMAR POMERADO NORTH
COUNTY HEALTH DEVELOPMENT, INC., FOR FISCAL YEAR END 2011
AS THE ANNUAL REPORT
(in accordance with Article VII, Section 7.09 of the Bylaws of Palomar Pomerado North County Health Development, Inc.)

WHEREAS, Palomar Pomerado North County Health Development, Inc. [Health Development] is required, pursuant to Section 54954 of the California Government Code and Article VII, Section 7.09 of the Health Development Bylaws, to pass a resolution accepting the Annual Report; and,

WHEREAS, no later than one hundred twenty (120) days after the close of the Corporation’s fiscal year, the Corporation shall make available to each director an Annual Report in accordance with Section 6321 of the Law, which shall be accompanied by any report of independent accountants or, if there is no such accountant’s report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation; and,

WHEREAS, it is understood that the Fiscal Year End 2011 Audit was delayed for good and purposeful reasons and, therefore, not completed within 120 days;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of Health Development that the Annual Financial Report for Fiscal Year End 2011 (Audited) of Palomar Pomerado North County Health Development, Inc., a California Nonprofit Public Benefit Corporation, as augmented by the report of independent accountants of AKT, LLP, of Carlsbad, California, dated March 7, 2012, and adopted in the form attached hereto, is hereby accepted as the Annual Report of Health Development.

PASSED AND ADOPTED at the meeting of the Board of Directors of Health Development, held on August 10, 2012, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

DATED: August 10, 2012

APPROVED: ATTESTED:

Linda C. Greer, RN, Chairperson  Marcelo Rivera, MD, Secretary
Board of Directors  Board of Directors
Palomar Pomerado North County  Palomar Pomerado North County
Health Development, Inc.  Health Development, Inc.
PALOMAR POMERADO NORTH COUNTY HEALTH DEVELOPMENT, INC.

Report to the Board of Directors

Year Ended June 30, 2011
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Palomar Pomerado North County Health Development, Inc.:

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- Statement on Auditing Standards No. 114 Communication Letter 5
- Management Representation Letter 7

Healthy Development Services Program:

- Statement on Auditing Standards No. 115 Communication Letter 11
- Statement on Auditing Standards No. 114 Communication Letter 12
- Management Representation Letter 14

Journal Entries Report 18
EXECUTIVE SUMMARY

To assist you in your responsibilities as a member of the Board of Directors, this section summarizes the most significant conclusions reached and issues addressed during our audits of Palomar Pomerado North County Health Development, Inc. and the Healthy Development Services Program for the year ended June 30, 2011.

Palomar Pomerado North County Health Development, Inc.

- Our audit scope was in accordance with that communicated in our engagement letter dated September 1, 2011.
- We rendered an unqualified opinion on the June 30, 2011 financial statements.
- We identified no conditions which we consider to be material weaknesses in internal controls. However, we did identify a condition that we consider to be a significant deficiency.
- Audit areas designated as greater than normal risk have been addressed and resolved to our satisfaction, in the context of the overall fairness of the presentation of the financial statements.
- We received the full cooperation of management and staff throughout the audit and were kept informed as to developments and plans affecting our audit scope.

Healthy Development Services Program

- Our audit scope was in accordance with that communicated in our engagement letter dated September 6, 2011.
- We rendered an unqualified opinion on the statement of cash receipts and disbursements for the twelve months ended June 30, 2011.
- We identified no conditions which we consider to be material weaknesses in internal controls.
- We received the full cooperation of management and staff throughout the audit and were kept informed as to developments and plans affecting our audit scope.

The following report includes required communications and additional information for the benefit of the Board of Directors.
March 7, 2012

To the Board of Directors
Palomar Pomerado North County Health Development, Inc.
Escondido, California

In planning and performing our audit of the financial statements of Palomar Pomerado North County Health Development, Inc. (Organization) as of and for the year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the Organization’s internal control to be a significant deficiency:

Interest-free Note Payable
The Organization’s line of credit with Palomar Pomerado Health was restructured as an interest-free note payable. A contribution should be recorded when an organization receives a loan of cash that is interest-free or that has a below-market interest rate. If the loan is due in more than one year, the contribution should be measured at fair value, which is the difference between the fair value of the loan at the market interest rate and the fair value of the loan at its stated rate (or the face value of the loan for loans that are interest-free). At the end of each year, the appropriate portion of the discount would be recorded as interest expense.

The Organization did not record a contribution and a discount for the imputed interest, which resulted in audit adjusting journal entries #2 and #3. We recommend that when the Organization receives a non-interest bearing note, that the Organization records a contribution and discount for the free interest and amortize the discount over the life of the note.

Management response:
Management is in agreement with the proposed entry to record a contribution and discount for the free interest and amortize the discount over the life of the note.
In addition, during the course of our audit, we became aware of certain matters where there are opportunities for strengthening financial reporting areas. Our comments are as follows:

**Grant Revenue Recognition**
The revenue associated with two grants was being recognized as invoices for expense incurred were sent to granting agencies. Revenue for reimbursement basis grants should be recognized when the expenses are incurred rather than when the expenses are billed to the grantor. This method is consistent with generally accepted accounting principles in regards to matching related expenses and revenues in the same period. We recommend that the Organization recognize revenue on reimbursement grants when the expenses are incurred.

*Management response:*
*Management is in agreement with this statement regarding the two above grants. The expenses for these two grants are recorded on PPH’s books at the time they occurred; however, the amounts recorded in Health Development’s records is dependent on calculations. Therefore, Health Development is unable to record either the revenue or the associated expense until such time that the invoices are completed.*

**Contributions versus Exchange Transactions**
We identified that a grant received during the year was treated as an exchange transaction instead of a contribution. The following table contains a list of indicators that can be helpful in determining whether individual asset transfers are contributions, exchange transactions, or a combination of both.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Contribution</th>
<th>Exchange Transaction</th>
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<tbody>
<tr>
<td>Recipient not-for-profit organization's (NPO's) intent in soliciting the asset</td>
<td>Recipient NFP asserts that it is soliciting the asset as a contribution.</td>
<td>Recipient NFP asserts that it is seeking resources in exchange for specified benefits.</td>
</tr>
<tr>
<td>Resource provider's expressed intent about the purpose of the asset to be provided by recipient NFP</td>
<td>Resource provider asserts that it is making a donation to support the NFP's programs.</td>
<td>Resource provider asserts that it is transferring resources in exchange for specified benefits.</td>
</tr>
<tr>
<td>Method of delivery</td>
<td>The time or place of delivery of the asset to be provided by the recipient NFP to third-party recipients is at the discretion of the NPO.</td>
<td>The method of delivery of the asset to be provided by the recipient NFP to third-party recipients is specified by the resource provider.</td>
</tr>
<tr>
<td>Method of determining amount of payment</td>
<td>The resource provider determines the amount of the payment.</td>
<td>Payment by the resource provider equals the value of the assets to be provided by the recipient NFP, or the assets' cost plus markup; the total payment is based on the quantity of assets to be provided.</td>
</tr>
<tr>
<td>Penalties assessed if NFP fails to make timely delivery of assets</td>
<td>Penalties are limited to the delivery of assets already produced and the return of the unspent amount. (The NFP is not penalized for nonperformance.)</td>
<td>Provisions for economic penalties exist beyond the amount of payment. (The NFP is penalized for nonperformance.)</td>
</tr>
<tr>
<td>Delivery of assets to be provided by the recipient NFP</td>
<td>Assets are to be delivered to individuals or organizations other than the resource provider.</td>
<td>Assets are to be delivered to the resource provider or to individuals or organizations closely connected to the resource provider.</td>
</tr>
</tbody>
</table>

We recommend that the Organization review its grants for the characteristics listed above to determine whether the asset received should be treated as a contribution, exchange transaction, or a combination of both.
Management response:
Management agrees with this recommendation, and does have a system in place to review all new grants/contributions to determine the appropriate treatment of the transaction prior to booking the entry.

This communication is intended solely for the information and use of the Board of Directors and management of Palomar Pomerado North County Health Development, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

AKT LLP

AKT LLP
March 7, 2012

To the Board of Directors
Palomar Pomerado North County Health Development, Inc.
Escondido, California

We have audited the financial statements of Palomar Pomerado North County Health Development, Inc. (Organization) for the year ended June 30, 2011, and have issued our report thereon dated March 7, 2012.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards
As stated in our engagement letter dated September 1, 2011, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit
An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the Organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the Organization.

Significant Audit Findings

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2011. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements is:

Management’s estimate for the allowance for doubtful accounts. The estimate is based on historical collection rates and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.
The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are Note 3 and Note 6 to the financial statements.

**Difficulties Encountered in Performing the Audit**
We encountered no significant difficulties in dealing with management in performing and completing our audit.

**Corrected and Uncorrected Misstatements**
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached proposed journal entry summarizes the uncorrected misstatement of the financial statements. Management has determined that its effect is immaterial to the financial statements taken as a whole. The following material misstatements detected as a result of audit procedures were corrected by management: journal entry #2 and #3 to record the loan discount and imputed interest expense. The adjusting, reclassifying, and proposed journal entries are summarized in the attached journal entries report for your reference.

**Disagreements with Management**
For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

**Management Representations**
We have requested certain representations from management that are included in the management representation letter dated March 7, 2012. A copy of that letter is included in this report for your reference.

**Management Consultations with Other Independent Accountants**
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Organization’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**Other Audit Findings or Issues**
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Palomar Pomerado North County Health Development, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

AKT LLP
March 7, 2012

AKT LLP
5946 Priestly Drive, Suite 200
Carlsbad, CA 92008

We are providing this letter in connection with your audit of the statement of financial position of Palomar Pomerado North County Health Development, Inc. (Organization) as of June 30, 2011 and June 30, 2010, and the related statements of activities and cash flows for the years then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, changes in net assets, and cash flows of the Organization in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation in the financial statements of financial position, changes in net assets, and cash flows in conformity with generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 7, 2012, the following representations made to you during your audits:

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all assets and liabilities under the Organization’s control.

2. We have made available to you all:
   a. Financial records and related data and all audit or relevant monitoring reports, if any, received from funding sources.
   b. Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.

3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. We believe the effect of the uncorrected financial misstatement summarized in the attached schedule is immaterial to the financial statements taken as whole.

6. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.

7. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization involving:
   a. Management,
   b. Employees who have significant roles in internal control, or
   c. Others where the fraud could have a material effect on the financial statements.

8. The Organization has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net asset balances.

9. The following, if any, have been properly recorded or disclosed in the financial statements:
   a. Related party transactions, including revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
   b. Guarantees, whether written or oral, under which the Organization is contingently liable.
   c. Significant estimates and material concentrations known to management that are required to be disclosed in accordance with FASB Accounting Standards Codification 275, Risks and Uncertainties. Significant estimates are estimates at the statement of financial position date that could change materially within the next year. Concentrations refer to individual or group concentrations of contributors, grantors, clients, customers, suppliers, lenders, products, services, fund-raising events, sources of labor or materials, licenses or other rights, or operating areas or markets for which events could occur that would significantly disrupt normal finances within the next year.

10. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the Organization vulnerable to the risk of a near-term severe impact that have not been properly disclosed in the financial statements.
11. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

12. Palomar Pomerado North County Health Development, Inc., is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization’s tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up to date.

13. There are no:

   a. Violations or possible violations of laws and regulations and provisions of contracts and grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

   b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Accounting Standards Codification 450, Contingencies (formerly Statement of Financial Accounting Standards No. 5, Accounting for Contingencies).

   c. Designations of net assets disclosed to you that were not properly authorized and approved, or reclassifications of net assets that have not been properly reflected in the financial statements.

14. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with FASB Accounting Standards Codification 450, Contingencies, and we have not consulted a lawyer concerning litigation, claims, or assessments.

15. The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as made known to you and disclosed in the notes to the financial statements.

16. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.

17. In regard to the Federal and State informational returns preparation services performed by you, we have:

   a. Made all management decisions and performed all management functions.
b. Designated an individual with suitable skill, knowledge, or experience to oversee the services.

c. Evaluated the adequacy and results of the services performed.

d. Accepted responsibility for the results of the services.

18. No events have occurred subsequent to the statement of financial position date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.

Signed: ___________________________  Signed: ___________________________
Name: Robert A. Hemker               Name: Kristine Roberts
Title: Chief Financial Officer        Title: Financial Services Manager
March 7, 2012

To the Board of Directors
Palomar Pomerado North County Health Development, Inc.
Healthy Development Services Program
Escondido, California

In planning and performing our audit of the statement of cash receipts and disbursements for the Healthy Development Services Program (Program), administered by Palomar Pomerado North County Health Development, Inc. and funded by the First 5 Commission of San Diego, for the twelve months ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Program’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the statement of cash receipts and disbursements, but not for the purpose of expressing an opinion on the effectiveness of the Program’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Program’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

However, during the course of our audit, we became aware of a matter that is an opportunity for strengthening internal control. Our comment is as follows:

Eligibility Documentation
We noted an instance where the Consent for Services form in a child’s file was not signed by the child’s parent or guardian. We recommend that all forms be signed by the child’s parent or guardian upon the child’s initial acceptance into the Program.

Management response:
Process is in place to assure parent signature on all consent forms at the time services is initiated. If signature is incomplete, parent will be notified and signature will be obtained in person or by verbal consent if person is not available (witnessed by staff).

This information is intended solely for the information and use of the Board of Directors, management, and the First 5 Commission of San Diego and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

AKT LLP

AKT LLP

AKT LLP, CPAs and Business Consultants | CARLSBAD | 5946 Priestly Drive, Suite 200 Carlsbad, CA 92008
Phone: 760.431.8440 Fax: 760.431.9052
March 7, 2012

To the Board of Directors
Palomar Pomerado North County Health Development, Inc.
Healthy Development Services Program
Escondido, California

We have audited the statement of cash receipts and disbursements for the Healthy Development Services Program (Program), administered by Palomar Pomerado North County Health Development, Inc. and funded by the First 5 Commission of San Diego, for the twelve months ended June 30, 2011, and have issued our report thereon dated March 7, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards
As stated in our engagement letter dated September 6, 2011, our responsibility, as described by professional standards, is to express an opinion about whether the statement of cash receipts and disbursements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the statement of cash receipts and disbursements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit
An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of cash receipts and disbursements; therefore, our audit involved judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the Program and its environment, including internal control, sufficient to assess the risks of material misstatement of the statement of cash receipts and disbursements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the Program.

Significant Audit Findings

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Program are described in Note 1 to the statement of cash receipts and disbursements. No new accounting policies were adopted and the application of existing policies was not changed during the twelve months ended June 30, 2011. We noted no transactions entered into by the Program during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the statement of cash receipts and disbursements in the proper period.

The disclosures in the statement of cash receipts and disbursements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the statement of cash receipts and disbursements.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.
Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements.

Disagreements with Management
For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the statement of cash receipts and disbursements for the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated March 7, 2012. A copy of that letter is included in this report for your reference.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Program’s statement of cash receipts and disbursements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Program’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of the Healthy Development Services Program, administered by Palomar Pomerado North County Health Development, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

AKT LLP

AKT LLP
March 7, 2012

AKT LLP
5946 Priestly Drive, Suite 200
Carlsbad, CA 92008

We are providing this letter in connection with your audit of the statement of cash receipts and disbursements of the Healthy Development Services Program (Program), administered by Palomar Pomerado North County Health Development, Inc., and funded by the First 5 Commission of San Diego, for the twelve months ended June 30, 2011, for the purpose of expressing an opinion as to whether the statement presents fairly, in all material respects, the Program’s activities in conformity with the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the statement of cash receipts and disbursements in conformity with the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 7, 2012, the following representations made to you during your audit:

1. The statement referred to above is fairly presented in conformity with the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

2. We have made available to you all financial records and related data relative to the Program and all audit or relevant monitoring reports, if any, received from funding sources.

3. No minutes have been prepared for the Program.

4. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices relative to the Program.

5. There are no material transactions that have not been properly recorded in the accounting records underlying the statement of cash receipts and disbursements.
6. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.

7. We have no knowledge of any allegations of fraud or suspected fraud affecting the Program involving
   a. Management,
   b. Employees who have significant roles in internal control, or
   c. Others where the fraud could have a material effect on the statement of cash receipts and disbursements.

8. We have identified to you any financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

9. The following, if any, have been properly recorded or disclosed in the statement of cash receipts and disbursements:
   a. Related party transactions.
   b. Guarantees, whether written or oral, under which the Program is contingently liable.

10. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of the statement of cash receipts and disbursements amounts or other financial data significant to the audit objectives.

11. There are no
   a. Violations or possible violations of laws and regulations and provisions of contracts and grant agreements whose effects should be considered for disclosure in the statement of cash receipts and disbursements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
   b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Accounting Standards Codification 450, Contingencies (formerly Statement of Financial Accounting Standards No. 5, Accounting for Contingencies).

12. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the statement of cash receipts and disbursements in accordance with FASB
Accounting Standards Codification 450, Contingencies, and we have not consulted a lawyer concerning litigation, claims, or assessments.

13. The Program has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

14. We are responsible for understanding and complying with, and have complied with in all material respects, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to the Program and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on the Program.

15. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to the Program that provides reasonable assurance that we are managing the Program in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on the Program. We believe the internal control system is adequate and is functioning as intended. Also, no changes have been made in internal control over compliance or other factors to the date of this letter that might significantly affect internal control.

16. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with grant agencies relating to the Program.

17. We have disclosed any communications from grantors concerning possible noncompliance with the applicable compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors’ report.

18. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken up to the date of the auditors’ report.

19. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

20. We have made available to you all documentation related to the compliance requirements, including information related to the Program financial reports and claims for advances and reimbursements.

21. The Program financial reports and claims for advances and reimbursements are supported by the books.

22. We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations.
23. We have charged costs to the Program in accordance with applicable cost principles.

24. The copies of Program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective grant agency.

25. No events, including instances of noncompliance, have occurred subsequent to the date of the statement of cash receipts and disbursements and through the date of this letter that would require adjustment to or disclosure in the statement of cash receipts and disbursements.

Signed: [Signature]
Name: Robert A. Hemker
Title: Chief Financial Officer

Signed: [Signature]
Name: Kristine Roberts
Title: Financial Services Manager
## ADJUSTING JOURNAL ENTRIES

**AJE #1 - AKT ONLY** - To reverse Parker Foundation revenue recorded in 2011 since it was recognized in 2010 by prior year AJE #3.

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>4210</td>
<td>Revenue-Grants/Contracts</td>
<td>38,936.00</td>
<td></td>
</tr>
<tr>
<td>3010</td>
<td>Fund Balance</td>
<td>38,936.00</td>
<td>38,936.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>38,936.00</strong></td>
<td><strong>38,936.00</strong></td>
</tr>
</tbody>
</table>

**AJE #2** - To record discount on non-interest bearing note payable.

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>AKT-2050</td>
<td>Note Payable- Debt Discount</td>
<td>469,484.95</td>
<td>469,484.95</td>
</tr>
<tr>
<td>4260</td>
<td>Contribution Revenue</td>
<td>469,484.95</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>469,484.95</strong></td>
<td><strong>469,484.95</strong></td>
</tr>
</tbody>
</table>

**AJE #3** - To record current year imputed interest expense.

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>8280</td>
<td>Interest</td>
<td>39,921.46</td>
<td></td>
</tr>
<tr>
<td>AKT-2050</td>
<td>Note Payable- Debt Discount</td>
<td>39,921.46</td>
<td>39,921.46</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>39,921.46</strong></td>
<td><strong>39,921.46</strong></td>
</tr>
</tbody>
</table>

## RECLASSIFYING JOURNAL ENTRIES

**RJE #4** - To reclassify portion of note payable as short term.

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2030</td>
<td>Note Payable-PPH</td>
<td>120,000.00</td>
<td></td>
</tr>
<tr>
<td>AKT-2040</td>
<td>Note Payable-Current Portion</td>
<td></td>
<td>120,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>120,000.00</strong></td>
<td><strong>120,000.00</strong></td>
</tr>
</tbody>
</table>

## PROPOSED JOURNAL ENTRY

**PJE #6** - To adjust the Marjorie Mosher Schmidt Foundation gift received in FY11 from deferred revenue to temporarily restricted contribution revenue.

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2310</td>
<td>Deferred Revenue</td>
<td>5,000.00</td>
<td></td>
</tr>
<tr>
<td>4260</td>
<td>Contribution Revenue</td>
<td></td>
<td>5,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>5,000.00</strong></td>
<td><strong>5,000.00</strong></td>
</tr>
</tbody>
</table>
Palomar Pomerado North County Health Development, Inc.

Financial Statements

Years Ended June 30, 2011 and 2010
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<tr>
<td>Statements of Activities</td>
<td>3</td>
</tr>
<tr>
<td>Statements of Cash Flows</td>
<td>5</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>6</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS’ REPORT

To the Board of Directors
Palomar Pomerado North County Health Development, Inc.
Escondido, California

We have audited the accompanying statements of financial position of Palomar Pomerado North County Health Development, Inc. (a nonprofit organization) as of June 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Palomar Pomerado North County Health Development, Inc.’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Palomar Pomerado North County Health Development, Inc. as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

AKT LLP
Carlsbad, California
March 7, 2012
## PALOMAR POMERADO NORTH COUNTY HEALTH DEVELOPMENT, INC.
### Statements of Financial Position
#### June 30, 2011 and 2010

### ASSETS

<table>
<thead>
<tr>
<th>Component</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 721,481</td>
<td>$ 654,843</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>522,815</td>
<td>551,244</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>2,128</td>
<td>2,331</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>1,246,424</td>
<td>1,208,418</td>
</tr>
<tr>
<td>Property and Equipment, net of accumulated depreciation</td>
<td>804</td>
<td>2,274</td>
</tr>
<tr>
<td>Total Assets</td>
<td><strong>$ 1,247,228</strong></td>
<td><strong>$ 1,210,692</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES AND NET DEFICIT

<table>
<thead>
<tr>
<th>Component</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current portion of note payable - Palomar Pomerado Health</td>
<td>$ 120,000</td>
<td>$ -</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>433,522</td>
<td>519,602</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>15,500</td>
<td>21,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>95,720</td>
<td>128,007</td>
</tr>
<tr>
<td>Line of credit - Palomar Pomerado Health</td>
<td>-</td>
<td>3,415,110</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>664,742</td>
<td>4,083,719</td>
</tr>
<tr>
<td>Note Payable, net of current portion - Palomar Pomerado Health</td>
<td>2,796,107</td>
<td>-</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>3,460,849</td>
<td>4,083,719</td>
</tr>
<tr>
<td>Net Assets (Deficit):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(2,643,184)</td>
<td>(2,911,967)</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>429,563</td>
<td>38,940</td>
</tr>
<tr>
<td>Total Net Deficit</td>
<td>(2,213,621)</td>
<td>(2,873,027)</td>
</tr>
<tr>
<td>Total Liabilities and Net Deficit</td>
<td><strong>$ 1,247,228</strong></td>
<td><strong>$ 1,210,692</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
### PALOMAR POMERADO NORTH COUNTY HEALTH DEVELOPMENT, INC.

#### Statement of Activities

Year Ended June 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue and Support:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract revenue</td>
<td>$2,760,504</td>
<td>$-</td>
<td>$2,760,504</td>
</tr>
<tr>
<td>Contributions</td>
<td>-</td>
<td>469,485</td>
<td>469,485</td>
</tr>
<tr>
<td>Other income</td>
<td>295</td>
<td>-</td>
<td>295</td>
</tr>
<tr>
<td>Net assets released from restrictions, satisfaction of program restrictions</td>
<td>78,862</td>
<td>(78,862)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenue and Support</strong></td>
<td>2,839,661</td>
<td>390,623</td>
<td>3,230,284</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>2,242,294</td>
<td>-</td>
<td>2,242,294</td>
</tr>
<tr>
<td>General and administrative</td>
<td>328,584</td>
<td>-</td>
<td>328,584</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>2,570,878</td>
<td>-</td>
<td>2,570,878</td>
</tr>
<tr>
<td>Decrease in Net Deficit</td>
<td>268,783</td>
<td>390,623</td>
<td>659,406</td>
</tr>
<tr>
<td><strong>Net Assets (Deficit), beginning</strong></td>
<td>(2,911,967)</td>
<td>38,940</td>
<td>(2,873,027)</td>
</tr>
<tr>
<td><strong>Net Assets (Deficit), ending</strong></td>
<td>($2,643,184)</td>
<td>$429,563</td>
<td>($2,213,621)</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
### Statement of Activities
**Year Ended June 30, 2010**

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue and Support:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract revenue</td>
<td>$ 3,272,309</td>
<td>$</td>
<td>$ 3,272,309</td>
</tr>
<tr>
<td>Contributions</td>
<td>-</td>
<td>66,645</td>
<td>66,645</td>
</tr>
<tr>
<td>Other income</td>
<td>329</td>
<td>-</td>
<td>329</td>
</tr>
<tr>
<td>Net assets released from restrictions, satisfaction of program restrictions</td>
<td>27,705</td>
<td>(27,705)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenue and Support</strong></td>
<td>3,300,343</td>
<td>38,940</td>
<td>3,339,283</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>2,820,830</td>
<td>-</td>
<td>2,820,830</td>
</tr>
<tr>
<td>General and administrative</td>
<td>369,058</td>
<td>-</td>
<td>369,058</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>3,189,888</td>
<td>-</td>
<td>3,189,888</td>
</tr>
<tr>
<td><strong>Decrease in Net Deficit</strong></td>
<td>110,455</td>
<td>38,940</td>
<td>149,395</td>
</tr>
<tr>
<td><strong>Net Deficit, beginning</strong></td>
<td>(3,022,422)</td>
<td>-</td>
<td>(3,022,422)</td>
</tr>
<tr>
<td><strong>Net Assets (Deficit), ending</strong></td>
<td>$ (2,911,967)</td>
<td>$ 38,940</td>
<td>$ (2,873,027)</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
## PALOMAR POMERADO NORTH COUNTY HEALTH DEVELOPMENT, INC.

**Statements of Cash Flows**  
**Years Ended June 30, 2011 and 2010**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in net assets</td>
<td>$659,406</td>
<td>$149,395</td>
</tr>
<tr>
<td><strong>Adjustments to reconcile increase in net assets to net cash provided by operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,470</td>
<td>3,015</td>
</tr>
<tr>
<td>Note payable discount - Palomar Pomerado Health</td>
<td>(469,485)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Changes in operating assets and liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants receivable</td>
<td>28,429</td>
<td>273,190</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>203</td>
<td>1,695</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(86,080)</td>
<td>(230,334)</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>(5,500)</td>
<td>(15,346)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(32,287)</td>
<td>(172,684)</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Operating Activities</strong></td>
<td>96,156</td>
<td>8,931</td>
</tr>
</tbody>
</table>

| **Cash Flows from Financing Activities:**        |         |         |
| Increase in line of credit - Palomar Pomerado Health | 1,600   | 150,186 |
| Payments on line of credit - Palomar Pomerado Health | (12,122) | (135,050)|
| Increase in note payable - Palomar Pomerado Health | 1,082   | -      |
| Payments on note payable - Palomar Pomerado Health | (20,078)| -      |
| **Net Cash Provided (Used) by Financing Activities** | (29,518)| 15,136 |

| **Net Increase in Cash**                         | 66,638  | 24,067  |

| **Cash, beginning**                             | 654,843 | 630,776 |
| **Cash, ending**                                | $721,481| $654,843|

| **Supplemental Disclosure of Cash Flow Information:** |         |         |
| Line of credit converted to note payable         | $3,404,558| $-      |
Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Activities
Palomar Pomerado North County Health Development, Inc. (Organization) is a California charitable nonprofit public benefit corporation organized in January 2005 to support Palomar Pomerado Health (PPH), a California local health care district, by acquiring grant funding.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Statement Presentation
The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- Unrestricted net assets represent expendable funds available for operations, which are not otherwise limited by donor restrictions.

- Temporarily restricted net assets consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds.

- Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

The Organization had no permanently restricted net assets during the years ended June 30, 2011 and 2010.

Receivables
Grants receivable arise in the normal course of business. It is the policy of management to review the outstanding receivables at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. Management believes all receivables are fully collectible. Therefore, no allowance for doubtful accounts is considered necessary.

Property and Equipment
Property and equipment purchases greater than $1,000 are capitalized and recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the assets of three to five years. Equipment acquired using grant funds is considered to be owned by the Organization while used in the program for which it was purchased.

Revenue Recognition
Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Revenue from grants/contracts is recognized to the extent of eligible costs incurred up to an amount not to exceed the total grant/contract authorized. Deferred revenue results from grant awards received that are applicable to the subsequent period.
Contributed Materials and Services
Contributed materials are recorded at their fair market value where an objective basis is available to measure their value. Such items are capitalized or charged to operations as appropriate.

The Organization receives services donated by volunteers in carrying out its program services. No amounts have been recorded for those services, as they do not meet the requirements for recognition as contributions in the financial statements.

Fair Value Measurements
The Organization defines fair value as the exchange price that would be received for an asset or paid for a liability in the principal or most advantageous market. The Organization applies fair value measurements to assets and liabilities that are required to be recorded at fair value under generally accepted accounting principles. Fair value measurement techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The carrying value of cash, receivables, and payables approximate fair values as of June 30, 2011 and 2010, due to the relative short maturities of these instruments.

Income Taxes
The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. The Organization may be subject to tax on income which is not related to its exempt purpose. For the years ended June 30, 2011 and 2010, no such unrelated business income was reported and, therefore, no provision for income taxes has been made.

The Organization follows the provisions of uncertain tax positions as addressed in FASB Accounting Standards Codification 740-10-65-1.

The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision, when applicable. There are no amounts accrued in the financial statements related to uncertain tax positions for the years ended June 30, 2011 and 2010.

The Organization files informational and income tax returns in the United States and various state and local jurisdictions. The Organization's Federal income tax and informational returns for the years ended June 30, 2011 and 2010 are subject to examination by the Internal Revenue Service, generally for three years after the returns were filed. State and local jurisdictions have statutes of limitation that generally range from three to five years.

Subsequent Events
The Organization has evaluated subsequent events through March 7, 2012, which is the date the financial statements were available to be issued.

Note 2 - Functional Allocation of Expenses
The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefitted.
Note 3 - Concentrations of Credit Risk

Cash
The Organization maintains its cash in bank deposit accounts that are either insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000 per depositor or certain non-interest bearing accounts that are fully insured by the FDIC. At June 30, 2011, the Organization’s total uninsured cash balance was $55,885.

Contract Revenue
In May 2010, the Organization and the First 5 Commission of San Diego (Commission) entered into an agreement to provide health development services for children birth through five years of age. The initial agreement was for a one year term, from July 1, 2010 to June 30, 2011, with the option to extend in four increments of one year. The Healthy Development Services Program (Program), funded by the Commission, provided 64% of the Organization’s contract revenue for the year ended June 30, 2011 and 48% of the Organization’s grants receivable at June 30, 2011. The Program has been extended for the first incremental term beginning July 1, 2011 and ending June 30, 2012. The budget for this period will be approximately $1,700,000.

For the year ended June 30, 2010, the Welcome Home Baby Program, funded by the Commission, provided 75% of the Organization’s contract revenue and 54% of the Organization’s grants receivable at June 30, 2010. The Welcome Home Baby Program ended on June 30, 2010.

Economic Dependency
The Organization is economically dependent on PPH.

Note 4 - Property and Equipment
Property and equipment consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>$13,931</td>
<td>$13,931</td>
</tr>
<tr>
<td>Software</td>
<td>15,009</td>
<td>15,009</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>28,940</td>
<td>28,940</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(28,136)</td>
<td>(26,666)</td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td>$804</td>
<td>$2,274</td>
</tr>
</tbody>
</table>

Note 5 - Net Assets
At June 30, 2011, temporarily restricted net assets are available for interest on the note payable to PPH. At June 30, 2010, temporarily restricted net assets were available for the Student Health Career Navigator.

Net assets were released from donor restrictions by incurring expenditures satisfying the restrictions as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on note payable to Palomar Pomerado Health</td>
<td>$39,922</td>
<td>-</td>
</tr>
<tr>
<td>Student Health Career Navigator</td>
<td>38,940</td>
<td>27,705</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$78,862</td>
<td>$27,705</td>
</tr>
</tbody>
</table>


Note 6 - Related Party Transactions

Purchases
The Organization reimburses PPH for all payroll services provided as well as other expenses. At June 30, 2011 and 2010, the amount due to PPH included in accounts payable was $325,799 and $388,494, respectively.

Line of Credit and Note Payable
The Organization had a line of credit from PPH that expired on January 24, 2011. The line of credit incurred interest at 2.5% above the LIBOR (3.28% at January 24, 2011) and was adjusted quarterly. Interest expense for the line of credit was $67,878 and $127,384 for the years ended June 30, 2011 and 2010, respectively.

In February 2011, PPH’s Board of Directors approved a request from the Organization to restructure the line of credit as a note payable. Under the new terms, the note is interest-free, 60 payments of $10,000 are due monthly, and a balloon payment is due on January 24, 2016. The Organization recorded a contribution and a discount for the imputed interest using the rate of 3.28% (line of credit rate at expiration). Imputed interest expense of $39,922 is reported in the statement of activities for the year ended June 30, 2011.

The note payable is secured by substantially all the Organization’s assets.

Scheduled maturities of the note payable are as follows:

<table>
<thead>
<tr>
<th>Year ending June 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$120,000</td>
</tr>
<tr>
<td>2013</td>
<td>120,000</td>
</tr>
<tr>
<td>2014</td>
<td>120,000</td>
</tr>
<tr>
<td>2015</td>
<td>120,000</td>
</tr>
<tr>
<td>2016</td>
<td>2,865,670</td>
</tr>
<tr>
<td></td>
<td>3,345,670</td>
</tr>
</tbody>
</table>

Less unamortized discount

| (429,563) |

$2,916,107

Note 7 - Operating Leases

The Organization leases office space and clinical support services in Escondido for the Program. The initial lease term was from July 1, 2010 to January 31, 2011, and renews for three consecutive one year terms provided that the Organization does not terminate the agreement. Rent expense was $18,302 and $10,063 for the years ended June 30, 2011 and 2010, respectively.
ADDENDUM C
RESOLUTION NO. 08.10.12(05)-2

RESOLUTION OF THE BOARD OF DIRECTORS OF
PALOMAR POMERADO NORTH COUNTY HEALTH DEVELOPMENT, INC.
AUTHORIZING ACCEPTANCE OF THE PROGRAM SPECIFIC
INDEPENDENT AUDIT OF THE ANNUAL FINANCIAL REPORT
OF THE WELCOME HOME BABY PROGRAM
FOR FISCAL YEAR END 2011

WHEREAS, Palomar Pomerado North County Health Development, Inc. [Health Development] is the contracted agency for the First 5 Commission of San Diego Contract Number 511626 for the Welcome Home Baby Program, and is required by said contract in Article 13, Section 13.6 to conduct an annual audit of Health Development’s operations; and,

WHEREAS, a Program Specific Audit of the Annual Financial Report of the Welcome Home Baby Program for Fiscal Year End 2011 was conducted by AKT, LLP, of Carlsbad, California, and returned to Health Development on March 7, 2012;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of Health Development that the Program Specific Audit of the Annual Report of the Welcome Home Baby Program for Fiscal Year End 2011 be accepted in satisfaction of this requirement.

PASSED AND ADOPTED at the meeting of the Board of Directors of Health Development, held on August 10, 2012, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:
DATED: August 10, 2012

APPROVED: ATTESTED:

Linda C. Greer, RN, Chairperson
Marcelo Rivera, MD, Secretary
Board of Directors
Board of Directors
Palomar Pomerado North County
Palomar Pomerado North County
Health Development, Inc.
Health Development, Inc.
Palomar Pomerado North County Health Development, Inc. Healthy Development Services Program

Program Specific Audit Statement

Twelve Months Ended June 30, 2011
Table of Contents

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<th>Page</th>
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</thead>
<tbody>
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</tr>
<tr>
<td>Program Specific Audit Statement:</td>
<td></td>
</tr>
<tr>
<td>Statement of Cash Receipts and Disbursements</td>
<td>2</td>
</tr>
<tr>
<td>Notes to Financial Statement</td>
<td>3</td>
</tr>
<tr>
<td>Report on Internal Control over Financial Reporting and on Compliance</td>
<td></td>
</tr>
<tr>
<td>and Other Matters Based on an Audit of Financial Statements</td>
<td>4</td>
</tr>
<tr>
<td>Performed in Accordance with Government Auditing Standards</td>
<td></td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS’ REPORT

To the Board of Directors
Palomar Pomerado North County Health Development, Inc.
Healthy Development Services Program
Escondido, California

We have audited the accompanying statement of cash receipts and disbursements of the Healthy Development Services Program (Program), administered by Palomar Pomerado North County Health Development, Inc. (a nonprofit organization), funded by the First 5 Commission of San Diego, for the twelve months ended June 30, 2011. This statement is the responsibility of the Program’s management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of cash receipts and disbursements is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program’s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of cash receipts and disbursements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall presentation of the statement of cash receipts and disbursements. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, this financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the activities of the Healthy Development Services Program, administered by Palomar Pomerado North County Health Development, Inc., for the twelve months ended June 30, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated March 7, 2012, on our consideration of the Program’s internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

AKT LLP
Carlsbad, California
March 7, 2012
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Cash</td>
<td>$ -</td>
</tr>
<tr>
<td>Additions</td>
<td></td>
</tr>
<tr>
<td>Program payments</td>
<td>$1,499,291</td>
</tr>
<tr>
<td>Deductions</td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>$877,393</td>
</tr>
<tr>
<td>Services and Supplies</td>
<td></td>
</tr>
<tr>
<td>Purchased services</td>
<td>$444,611</td>
</tr>
<tr>
<td>Rent, building and utilities</td>
<td>$17,426</td>
</tr>
<tr>
<td>Supplies</td>
<td>$14,932</td>
</tr>
<tr>
<td>Mileage and travel</td>
<td>$6,346</td>
</tr>
<tr>
<td>Equipment rental and minor equipment</td>
<td>$5,024</td>
</tr>
<tr>
<td>Phone and answering service</td>
<td>$4,757</td>
</tr>
<tr>
<td>Outside training</td>
<td>$4,327</td>
</tr>
<tr>
<td>Volunteer incentives</td>
<td>$3,182</td>
</tr>
<tr>
<td>Service facilitation funds</td>
<td>$2,862</td>
</tr>
<tr>
<td>Provider engagement</td>
<td>$830</td>
</tr>
<tr>
<td>Administrative Overhead</td>
<td>$117,229</td>
</tr>
<tr>
<td>Total Deductions</td>
<td>$1,498,919</td>
</tr>
<tr>
<td>Excess of Additions over Deductions</td>
<td>$372</td>
</tr>
<tr>
<td>Ending Cash</td>
<td>$372</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statement.
Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Activities
The Healthy Development Services Program (Program), administered by Palomar Pomerado North County Health Development, Inc. (PPNCHD), is a North San Diego County project to promote and support an integrated network of services that address the health and development needs of children from birth through five years of age. The term of the Program is July 1, 2010 to June 30, 2011.

Funding of the Program comes from Proposition 10 revenues, which are managed by the First 5 Commission of San Diego (Commission).

The accompanying statement only represents information about receipts and disbursements involving PPNCHD’s contract with the Commission for the Program. This statement does not include any other information about PPNCHD, whose financial statements are audited and reported on separately.

Basis of Accounting
The accompanying statement of cash receipts and disbursements has been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under that basis, the only asset recognized is cash and no liabilities are recognized. All transactions relating to PPNCHD’s participation in the Program are recognized as either cash receipts or disbursements. Non-cash transactions are not recognized in this statement.

Subsequent Events
PPNCHD has evaluated subsequent events through March 7, 2012, which is the date the statement of cash receipts and disbursements was available to be issued.

Note 2 - Related Party
The Program reimburses Palomar Pomerado Health (PPH) for all payroll services provided as well as other miscellaneous expenses. PPNCHD’s board of directors is composed entirely of board members and management of PPH. Additionally, PPH’s board of directors selects all of PPNCHD’s board members.
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Palomar Pomerado North County Health Development, Inc.
Healthy Development Services Program
Escondido, California

We have audited the statement of cash receipts and disbursements of the Healthy Development Services Program (Program), administered by Palomar Pomerado North County Health Development, Inc. (a nonprofit organization), funded by the First 5 Commission of San Diego, for the twelve months ended June 30, 2011 and have issued our report thereon dated March 7, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Program’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the statement of cash receipts and disbursements, but not for the purpose of expressing an opinion on the effectiveness of the Program’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Program’s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Program’s statement of cash receipts and disbursements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Program’s statement of cash receipts and disbursements is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the statement of cash receipts and disbursements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain other matters that we reported to management of Palomar Pomerado North County Health Development, Inc. in a separate letter dated March 7, 2012.

This report is intended solely for the information and use of the Board of Directors, management, others within the Program, and the First 5 Commission of San Diego and is not intended to be and should not be used by anyone other than these specified parties.

AKT LLP

Carlsbad, California
March 7, 2012
ADDENDUM D
FINANCIAL & ACCOUNTING SERVICES AGREEMENT

This Financial and Accounting Services Agreement ("Agreement") is made effective as of last date signed below, by and between Palomar Pomerado North County Health Development, Inc., a 501(c)(3) nonprofit corporation, ("PPNCHD") and Palomar Health ("Contractor"), a local healthcare district organized under Division 23 of the California Health and Safety Code.

RECITALS

WHEREAS, PPNCHD desires to have Contractor perform services and Contractor desires to accept such engagement to perform such services as provided hereunder, subject to the terms and conditions contained herein. This Agreement supersedes any and all preceding agreements between the parties.

NOW, THEREFORE, for and in consideration of the mutual undertakings and conditions contained herein, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Engagement. PPNCHD hereby engages Contractor to perform the services described in this Agreement. Contractor hereby accepts such engagement, subject to the terms and conditions contained herein.

2. Term and Termination.

2.1 The term of this Agreement shall commence on July 1, 2011, and shall continue until June 30, 2013, unless earlier terminated in accordance with the terms of this agreement.

2.2 Both parties reserve the right to terminate this Agreement at any time and for any reason upon thirty (30) days written notice.

2.3 At the end of the Agreement, or sooner if requested by PPNCHD, Contractor shall return all property in its possession, including, but not limited to key card, pager, keys, badge, and cell phone.

3. Duties of Contractor.

3.1 Contractor shall be responsible for the duties described on Exhibit 1, which is attached hereto and incorporated by reference.

3.2 Contractor will adhere to any on-site schedule deemed suitable and appropriate by PPNCHD. Contractor further agrees that it will adhere to the standards and policies of PPNCHD.
4. **Compensation.** In consideration for the services rendered by Contractor hereunder, PPNCHD will pay Contractor $2,000.00 per month to perform the services described in Exhibit 1. Contractor must submit an invoice in order to be paid. Invoices are paid net 30 days.

5. **EEO Compliance.** PPNCHD is an equal employment opportunity employer and is in full compliance with any and all applicable anti-discrimination laws, rules, and regulations. Contractor agrees not to harass, discriminate against, or retaliate against any PPNCHD employee because of his or her race, national origin, age, sex, religion, disability, marital status, or other category protected by law. In the event of any complaint of unlawful discrimination, harassment, or retaliation against Contractor by any employee of PPNCHD, Contractor agrees to cooperate in the prompt investigation and resolution of such complaint.

6. **Confidentiality.** During the course of this Agreement, PPNCHD may communicate to Contractor certain information, or Contractor may come into contact with confidential or proprietary information of PPNCHD, its affiliates, members, subsidiaries, or of other Contractors performing other work for PPNCHD. This information shall include, but not be limited to, individually identifiable medical information. Contractor shall:

   6.1 treat all such information as proprietary and confidential whether or not identified as proprietary and confidential;

   6.2 not disclose any such information or make available any reports, recommendations and/or work product which Contractor produces for PPNCHD to any person, firm, or corporation, or use it in any manner whatsoever without the prior written consent of PPNCHD or unless such disclosure is required by law;

   6.3 indemnify and hold PPNCHD harmless against any claims arising out of the Contractor’s disclosure of proprietary and confidential information to an unauthorized third party; and

   6.4 promptly return any such information in its possession upon termination of this Agreement, or at PPNCHD request.

   6.5 The obligations set forth in this paragraph shall survive the termination of this Agreement.

7. **HIPAA and Privacy Law Compliance**

   7.1 PPNCHD is a Covered Entity that is a provider of health care, as defined under Section 1171 of HIPAA. PPNCHD may provide access to or disclose Protected Health Information to Contractor so that Contractor may fulfill his obligations under this Agreement. Such Protected Health Information will be provided solely for purposes set forth in this Agreement.

   7.2 Contractor will take all reasonable steps to handle and disclose Protected
Health Information provided to it by PPNCHD or created by Contractor for PPNCHD, directly or indirectly, in a manner such that the security and privacy of such information will be maintained and appropriate safeguards will be used to prevent use or disclosure of the information other than as described herein. Specifically, Contractor and its employees or agents shall:

7.2.1. Use and disclose Protected Health Information solely for the benefit of PPNCHD or for its own internal administration or management and shall not disclose any such information to third parties except as required by law or as explicitly authorized by PPNCHD or the patient to whom the Protected Health Information pertains.

7.2.2. Not participate in the unauthorized access or unlawful access, use, or disclosure of patient medical information. Unauthorized access includes inappropriate review or viewing of patient medical information without a direct need for diagnosis, treatment or other lawful use as permitted by California Confidentiality of Medical Information Act or by other statutes or regulations governing the lawful access, use, or disclosure of medical information. Contractor and its employees and agents understand that they can be held personally liable for violations of California privacy laws.

7.3. Contractor shall ensure that all agents, employees, or affiliates to whom Protected Health Information is provided shall agree to the same restrictions and conditions for use and disclosure of Protected Health Information that applies to Contractor.

8. **Compliance with Laws.** In the performance of the duties required under this Agreement, both parties shall comply with all applicable laws, ordinances, and codes of local, state and federal governments, including the Health Insurance Portability and Accountability Act (HIPAA), California Confidentiality of Medical Information Act (COMIA), California Information Practices Act (IPA), the changes to the California Health and Safety Code as a result of AB 211 and SB 541 regarding misuse of patient information, as well as the Joint Commission standards.

9. **Right to audit and confirm compliance.** Upon reasonable written notice to Contractor, PPNCHD may inspect relevant portions of Contractor’s records to verify Contractor’s compliance with this Agreement. Any failure by PPNCHD to inspect such records will not be construed as a waiver of any of PPNCHD’s rights and remedies set forth herein.

10. **Independent Contractor.** No relationship of employer and employee is created by this Agreement, it being understood that the Contractor and its employees and subcontractors will act hereunder as independent contractors, not being subject to the direction and control of PPNCHD in their day to day provision of contract services. Furthermore, the Contractor shall not have any claim under this Agreement or otherwise against PPNCHD for vacation pay, sick leave, retirement benefits, social security contribution, workers’ compensation, disability or unemployment insurance benefits, or any other benefit of any kind.

11. **Indemnification and Hold Harmless.**
11.1. Indemnity. To the fullest extent permitted by law, the parties agree to save, indemnify, defend, and hold harmless each other from any and all liability, claims, suits, actions, arbitration proceedings, administrative proceedings, and regulatory proceedings, losses, expenses, or any injury or damage of any kind whatsoever, whether actual, alleged or threatened, attorney fees, court costs, and any other costs of any nature without restriction incurred in relation to, as a consequence of, or arising out of, the performance of this Agreement, and attributable to the fault of the other. Following a determination of the percentage of fault and or liability by agreement between the Parties or a court of competent jurisdiction, the Party responsible for liability to the other will indemnify the other Party to this Agreement for the percentage of liability determined.

11.2. Nothing to the contrary withstanding, any limitation on liability and or remedies set forth herein does not apply in the event that the services performed under the Agreement result in injury or death to persons or damage to tangible property.

12. Insurance. Contractor shall carry the following minimum insurance coverage in a form reasonably acceptable to PPNCHD during the term of this Agreement:

12.1 Coverage. Contractor shall obtain and continuously maintain professional liability insurance coverage, issued by an insurance company licensed or otherwise qualified to issue professional liability insurance policies or coverage in the State of California, and acceptable to PPNCHD, in the amount of at least One Million Dollars ($1,000,000) per occurrence or claim and Three Million Dollars ($3,000,000) in the annual aggregate for the acts and omissions of Contractor. Such coverage shall provide for a date of placement preceding or coinciding with the Effective Date of this Agreement.

12.2 Certificate of Insurance. On or before the Effective Date, Contractor shall provide PPNCHD with an original certificate evidencing professional liability insurance coverage, and shall provide PPNCHD with proof of continued professional liability insurance coverage on an annual basis (or as periodically requested by PPNCHD). Contractor shall provide PPNCHD with no less than thirty (30) calendar days’ prior written notice of cancellation or any material change in such professional liability insurance coverage.

12.3 Tail Coverage. If Contractor’s professional liability insurance is provided on a claims-made basis, upon the expiration or termination of this Agreement for any reason, Contractor shall continuously maintain such insurance or purchase from an insurance company licensed or otherwise qualified to issue professional liability insurance policies or coverage in the State of California, and acceptable to PPNCHD, extended reporting period (i.e., “tail”) coverage for the longest extended reporting period then available to ensure that insurance coverage in the amount set forth in Section 12.1 of this Agreement is maintained for claims which arise from professional services provided by Contractor during the term of this Agreement. This Section shall survive the expiration or termination for any reason of this Agreement.

12.4 Worker’s compensation insurance issued as a California policy covering both the Contractor and the Contractor’s employees. Contractor’s employees who are injured or become ill on the job at a PPNCHD facility will be subject to Contractor’s Worker's Compensation Insurance procedures. Contractor may utilize PPNCHD Emergency Department, if necessary.
PPNCHD will bill either the applicable Worker's Compensation Insurance company, the Contractor or the Contractor’s injured/ill employee.

12.5 Comprehensive automobile liability insurance with bodily injury limits of $500,000/each accident and property damage with a limit of $500,000/each accident. Coverage shall be inclusive of “any” automobile.

13. **Notice.** All notices required to be given under this Agreement shall be given in writing and delivered personally or by registered or certified mail, return receipt requested, postage prepaid, and addressed as follows:

**If PPNCHD:**

Palomar Pomerado North County Health Development, Inc.  
456 E. Grand Avenue  
Escondido, CA  92025

**If to Contractor:**  
Palomar Health  
456 E. Grand Avenue  
Escondido, CA  92025

Notices shall be effective upon receipt if given by personal delivery or upon deposit in the United States mail.

14. **Entire Agreement Amendments.** This Agreement and any exhibits attached hereto are incorporated by reference into this Agreement and contain the entire understanding between the parties hereto. This Agreement supersedes all prior agreements and understandings between the parties relative to the subject matter. This Agreement may be amended from time to time if mutually entered into by the parties and reduced to writing.

15. **Ambiguities:** The rule of construction that ambiguities in an agreement are to be construed against the drafter shall not be invoked or applied in any dispute regarding the meaning or interpretation of any provision of this Agreement.

16. **Standard of Performance.** In performing its obligations under this Agreement, Contractor shall act in good faith and with reasonable diligence.

17. **Assignability.** This Agreement is for services to be rendered solely by Contractor and the rights and obligations hereunder shall not be assigned or delegated without the prior written consent of PPNCHD. PPNCHD may assign this Agreement without the prior written consent of Contractor.

18. **Governing Law.** This Agreement shall be performed, construed and interpreted in accordance with the laws of the state of California.
19. **Jurisdiction and Venue.** Contractor consents to personal jurisdiction and agrees that all judicial proceedings shall be brought in the Superior Court of the county where PPNCHD is located.

20. **Waiver:** The failure of a party to enforce the provisions of this Agreement shall not be construed as a waiver of any provision or the right of such party thereafter to enforce each and every provision of this Agreement.

21. **Severability.** If any provision of this Agreement is held to be invalid, illegal, unenforceable or otherwise inoperative, the remainder of this Agreement shall remain in full force and effect as if said provision were not included in this Agreement.

22. **Headings.** The headings used herein are for convenience only and are not to be construed in interpreting this Agreement.

23. **Non Exclusive Nature of Agreement:** It is understood that PPNCHD is not obligated to use Contractor exclusively for the services specified under this Agreement. PPNCHD reserves the right to determine, in its sole discretion, if any additional agencies shall be used to provide the type of services to be provided by Contractor under this Agreement.

24. **Travel:** Contractor agrees that travel, incidental and related expenses will not be reimbursable unless such expenses have been expressly agreed upon as payable by PPNCHD. Contractor further agrees travel, incidental and related expenses shall only be reimbursable if done so in compliance with PPNCHD's Business Travel Reimbursement procedure.

25. **Use of Outside Resources.** Pursuant to Title 22 of the Licensing and Certification of Health Facilities and Referral Agencies of the State of California in respect to Section 70713 Use of Outside Resources, the parties agree that PPNCHD retains professional and administrative responsibility for the services rendered and will comply with all other requirements of Section 70713.

26. **Fraud & Abuse & OIG Compliance with Medicare/Medicaid Exclusion Rules.** It is acknowledged that the PPNCHD Compliance Program applies to the services and obligations described herein. This program is intended to prevent compliance concerns such as fraud, abuse, false claims, excess private benefit and inappropriate referrals. This compliance program requires and it is hereby agreed that any regulatory compliance concerns shall be promptly reported either to an appropriate manager or through the hotline (800-850-2551). Contractor represents and warrants that it and its employees or agents are not and at no time have been debarred or excluded from participation in any federally funded health care program, including Medicare and/or Medicaid. Contractor hereby agrees to immediately notify PPNCHD of any threatened, proposed or actual exclusion of itself, an employee or agent from any federally funded health care program, including Medicare and/or Medicaid. Failure to abide by these compliance requirements shall immediately and automatically terminate this Agreement.

27. **Electronic and Facsimile Signatures.** Both parties expressly stipulate that, to the extent permitted by law, any documents contemplated pursuant to this Agreement may be
executed and become effective by affixing either an electronic or handwritten signature in the appropriate location and transmitting such document to the other party using traditional, electronic, or facsimile methods of transmission. Such electronic or facsimile transmitted signature shall be deemed and carry the legal significance of an original signature.

IN WITNESS WHEREOF the parties have signed this Agreement as of the day and year first above written.

PALOMAR POMERADO NORTH COUNTY HEALTH DEVELOPMENT, INC.

BY: ________________________________

Robert A. Hemker
Chief Financial Officer

DATE: 6/18/12

PALOMAR HEALTH

BY: ________________________________

Michael H. Covert, FACHE
President & CEO

DATE: 6/20/12
EXHIBIT 1

1. Contractor shall provide the following consultant services:

   Palomar Health (PH) will provide financial and accounting services to Palomar Pomerado North County Health Development, Inc. (PPNCHD). These services shall include the following:

   o Maintain all PPNCHD financial records
   o Prepare monthly financial statements
   o Reconcile and maintain PPNCHD banking records
   o Represent PPNCHD at Quarterly Board Meetings
   o Prepare Annual Budget and submit budget for PH approval
   o Work with grant recipients to provide oversight and compliance with grant requirements
   o Prepare all work papers for 990 tax-returns
   o Coordinate and assist grant agencies and PPNCHD independent auditors with audits
   o Produce 1099s
   o Coordinate administrative review of all clinical trials for operational readiness
   o Serve as contract owner for clinical trial contracts
   o Negotiate all clinical trial budgets
   o Represent PH on the Investigational Review Committee
   o Prepare monthly invoices for all IRC review activities
     o Prepare all patient care invoices for clinical trial activity performed at PH
     o Monitor all clinical trial patient accounts for appropriate billing and payment

   a. Contractor shall provide services in compliance with all applicable laws, regulations, and standards of care, as well as all PPNCHD policies, procedures, rules and regulations.
ADDENDUM E
Financial Review

AUGUST 10, 2012
FISCAL YEAR 2012
Income Statement Summary

<table>
<thead>
<tr>
<th></th>
<th>Health Development</th>
<th></th>
<th>Research Institute</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YTD Actual</td>
<td>YTD Budget</td>
<td>Budget Variance YTD</td>
<td>YTD Actual</td>
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<tr>
<td>Revenue</td>
<td>247,931</td>
<td>177,078</td>
<td>70,853</td>
<td>545,068</td>
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<tr>
<td>Expenses</td>
<td>135,146</td>
<td>32,880</td>
<td>(102,266)</td>
<td>514,584</td>
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<tr>
<td>Net Income/Loss</td>
<td>112,785</td>
<td>144,198</td>
<td>(31,413)</td>
<td>30,484</td>
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# Health Development
## FY13 Budget

<table>
<thead>
<tr>
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<th>Budget FY 2012</th>
<th>Actual FY2012</th>
<th>Budget FY 2013</th>
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<tbody>
<tr>
<td><strong>REVENUE</strong></td>
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<tr>
<td>Revenue</td>
<td>176,808</td>
<td>247,680</td>
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<td>Other Revenue</td>
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<td>250</td>
<td>125</td>
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<td><strong>TOTAL REVENUE</strong></td>
<td>177,078</td>
<td>247,931</td>
<td>176,678</td>
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<td><strong>EXPENSE</strong></td>
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<tr>
<td>Professional Fees</td>
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<tr>
<td>Professional Fees Accounting</td>
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<td>Total Professional Fees</td>
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<td>14,500</td>
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<tr>
<td>Supplies Hospitality</td>
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<td>Supplies Office/Administrative</td>
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<td>Supplies Forms</td>
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<tr>
<td>Supplies Other</td>
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<td>Total Supplies</td>
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<td>Purchased Services</td>
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<tr>
<td>Repair &amp; Maintenance</td>
<td>3,324</td>
<td>3,198</td>
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<tr>
<td>Purchased Services Other</td>
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<td>-</td>
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<td>Total Purchased Services</td>
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<td>3,198</td>
<td>3,210</td>
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<td>Depreciation &amp; Interest</td>
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<tr>
<td>Depreciation Equipment</td>
<td>230</td>
<td>230</td>
<td>172</td>
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<tr>
<td>Interest Expense</td>
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<td>103,166</td>
<td>95,243</td>
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<td>Total Depreciation &amp; Interest</td>
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<td>103,395</td>
<td>95,415</td>
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<td>Other Direct Expense</td>
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<td>Printing &amp; Copying</td>
<td>946</td>
<td>937</td>
<td>946</td>
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<tr>
<td>Mileage</td>
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<td>359</td>
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<td>Postage</td>
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<td>200</td>
<td>176</td>
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<tr>
<td>Insurance</td>
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<td>1,380</td>
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<td>License/Fees</td>
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<td>Other Direct Expense</td>
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<td>Total Other Direct Expense</td>
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<td>3,016</td>
<td>2,502</td>
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<td><strong>TOTAL EXPENSE</strong></td>
<td>32,880</td>
<td>135,146</td>
<td>116,127</td>
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<tr>
<td><strong>NET INCOME/LOSS</strong></td>
<td>144,198</td>
<td>112,785</td>
<td>60,551</td>
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## Research Institute
### FY13 Budget

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<th>Budget FY 2012</th>
<th>Actual FY2012</th>
<th>Budget FY 2013</th>
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<tbody>
<tr>
<td><strong>REVENUE</strong></td>
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<tr>
<td>Protocol Review Fees</td>
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<td>Research Fee</td>
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<td>50,950</td>
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<td><strong>TOTAL REVENUE</strong></td>
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<td>28,000</td>
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<td><strong>EXPENSE</strong></td>
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<tr>
<td>Professional Fees</td>
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<tr>
<td>Professional Fees Consulting</td>
<td>-</td>
<td>24,000</td>
<td>24,000</td>
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<tr>
<td><strong>Total Professional Fees</strong></td>
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<td>24,000</td>
<td>24,000</td>
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<td>Depreciation &amp; Interest</td>
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<td>Depreciation Equipment</td>
<td>230</td>
<td>230</td>
<td>172</td>
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<tr>
<td>Interest Expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Depreciation &amp; Interest</strong></td>
<td>230</td>
<td>230</td>
<td>172</td>
</tr>
<tr>
<td>Other Direct Expense</td>
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<tr>
<td>Other Direct Expense</td>
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<td>490,354</td>
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<td><strong>Total Other Direct Expense</strong></td>
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<tr>
<td><strong>TOTAL EXPENSE</strong></td>
<td>230</td>
<td>514,584</td>
<td>24,172</td>
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<tr>
<td><strong>NET GAIN/LOSS</strong></td>
<td>19,770</td>
<td>30,484</td>
<td>3,828</td>
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ADDENDUM F
# Health Development
## Current Grants

<table>
<thead>
<tr>
<th>TITLE</th>
<th>GRANTEE</th>
<th>Purpose</th>
<th>Awarded</th>
<th>Remaining Funds Receivable</th>
<th>Beg/End Date</th>
<th>Updates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bioterrorism/ Emergency Preparedness</td>
<td>County of San Diego, Health &amp; Human Agency</td>
<td>To enhance San Diego’s Emergency Preparedness by utilizing HPP funding to purchase priority equipment and supplies including evacuation equipment, interoperable communications equipment, and surge capacity for pandemic influenza and fatality mgmt.</td>
<td>$1,040,480 Total over 12 years.</td>
<td>$433,533</td>
<td>5/25/05-6/30/18</td>
<td>N/A</td>
</tr>
<tr>
<td>Green Oaks Ranch</td>
<td>Physical Health Services for CANN</td>
<td>Provides an intake center for assessment and placement of abused, neglected, and/or abandoned children taken into immediate protective custody by Law Enforcement Officers and/or Health &amp; Human Services Agency Social Workers.</td>
<td>$835,000 ($167,000 per year)</td>
<td>$83,500</td>
<td>7/12/07-12/31/12</td>
<td>Extended 6 months from 6/30/12 County has extended the current agreement using the 6 month extension language in our contract. A new RFP is expected to be released within the next month.</td>
</tr>
<tr>
<td>MAA (Medical Administrative Activities)</td>
<td>County of San Diego Health &amp; Human Services Agency</td>
<td>Medi-Cal Administrative Activities (MAA) is a government program available to PH to recover some of the administrative costs associated with providing Medi-Cal services.</td>
<td>Approx. $200,000 Annually</td>
<td>$0</td>
<td>N/A</td>
<td>All 4 quarters of FY11 have been submitted to the state. Next MAA Provider Meeting is scheduled for 9/15/12.</td>
</tr>
<tr>
<td>TITLE</td>
<td>GRANTEE</td>
<td>Purpose</td>
<td>Awarded</td>
<td>Remaining Funds Receivable</td>
<td>Beg/End Date</td>
<td>Updates</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>----------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>-----------</td>
<td>----------------------------</td>
<td>--------------</td>
<td>---------</td>
</tr>
<tr>
<td>Marjorie Mosher Schmidt Foundation - Child Abuse Program</td>
<td>Marjorie Mosher Schmidt Foundation</td>
<td>To provide funds for interior of SART/Child Abuse Program building to be painted and flooring.</td>
<td>$22,000</td>
<td>$0</td>
<td>12/14/09-n/a</td>
<td>N/A</td>
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<tr>
<td>National Children’s Alliance (NCA)</td>
<td>National Children’s Alliance (NCA)</td>
<td>Having met standards set for Child Advocacy Centers, PH is an accredited member of the NCA. As a member of the NCA, PH receives a grant of $10,000 annually to provide continued support for the cost of a bilingual interviewer in PH’s Child Abuse Program.</td>
<td>$10,000</td>
<td>$10,000</td>
<td>1/1/04-12/31/13</td>
<td>N/A</td>
</tr>
<tr>
<td>Parker - North County Project</td>
<td>Vaughn Parker Foundation</td>
<td>Donation through Foundation to provide additional funding for breast cancer diagnostic services to men and women 20-50 who fall between the gaps in the medical system, whether by income level, ethnicity, age, citizenship, or lack of insurance.</td>
<td>$50,902.60</td>
<td>$0</td>
<td>7/1/08-n/a</td>
<td>N/A</td>
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</table>
# Health Development
## Current Grants

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<thead>
<tr>
<th>TITLE</th>
<th>GRANTEE</th>
<th>Purpose</th>
<th>Awarded</th>
<th>Remaining Funds Receivable</th>
<th>Beg/End Date</th>
<th>Updates</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Way - Forensic Interviewing</td>
<td>United Way</td>
<td>To expand the availability of specialized child forensic interviews for children and youths who may be victims of child sexual abuse who would benefit from specialized child interview thus reducing the secondary trauma associated with multiple, duplicative interviews and increasing accuracy</td>
<td>$106,376</td>
<td>$0</td>
<td>12/1/08-6/30/12</td>
<td>$1,629.98 was remaining on 6/30/12. An extension will be requested to utilize remaining funds</td>
</tr>
<tr>
<td>Healthy Development Services (HDS)</td>
<td>First 5 Commission</td>
<td>To serve as lead agency for the North Inland Region to provide integrated care and treatment services that address the health, developmental and behavioral needs of children ages birth through 5 years</td>
<td>$8,760,000 ($1,752,000 annually)</td>
<td>$5,800,601</td>
<td>07/01/10-06/30/15</td>
<td>PPNCHD was awarded $2,057,251 for FY13.</td>
</tr>
<tr>
<td>Palliative/Spiritual Care Grant</td>
<td>Archstone Foundation</td>
<td>To improve the quality of spiritual care provided by the trans-disciplinary team to the critically ill patients in the medical-surgical intensive care units at Palomar Medical Center. The overall goal of the project is to put into practice the Inpatient Spiritual Care Implementation Model with an emphasis on identifying and treating spiritual distress the same as any other medical issue.</td>
<td>$200,000</td>
<td>$10,000</td>
<td>10/1/10-9/30/12</td>
<td>$112,972.00 spent through Jun 2012</td>
</tr>
<tr>
<td>TITLE</td>
<td>GRANTEE</td>
<td>Purpose</td>
<td>Awarded</td>
<td>Remaining Funds Receivable</td>
<td>Beg/End Date</td>
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</tr>
<tr>
<td>In-n-Out - Child Abuse Program</td>
<td>In-N-Out Child Abuse Foundation</td>
<td>To provide funding for SART/Child Abuse Program community education and bilingual interviewing at the center. Funds to be used to reimburse PH lab for the costs of some tests that sometimes need to be run on children that are not covered in the fee agreement with law enforcement.</td>
<td>$10,000</td>
<td>$0</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Clinical Investigator Research Grant Program</td>
<td>San Diego Chapter of the American Association of Critical Care Nurses (SDAACN)</td>
<td>To Create, Coordinate &amp; Conduct the research study &quot;Undiagnosed Prediabetes &amp; Diabetes in the ED - A Missed Opportunity for Early Referral and Treatment.&quot;</td>
<td>$2,500</td>
<td>$0</td>
<td>4/15/11-11/15/12</td>
<td>N/A</td>
</tr>
<tr>
<td>Interlink Pathways (GO-MED)</td>
<td>West Foundation</td>
<td>Staff funding for navigators positions</td>
<td>$260,000</td>
<td>$111,950</td>
<td>8/1/11-4/30/13</td>
<td>$110,783.01 spent through 6/2012.</td>
</tr>
<tr>
<td>TITLE</td>
<td>GRANTEE</td>
<td>Purpose</td>
<td>Awarded</td>
<td>Remaining Funds Receivable</td>
<td>Beg/End Date</td>
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<tr>
<td>Transitions into Practice 2</td>
<td>San Diego Workforce Partnership</td>
<td>To provide a transition from education to practice through a residency program for Bachelor of Science in Nursing (BSN) students in their last year prior to graduation. It will be a collaborative partnership between CSUSM and PH. The focus of the program is to provide a bridge to clinical practice and enhance employment opportunities for CSUSM BSN graduates.</td>
<td>$75,000</td>
<td>$0</td>
<td>1/1/12-10/31/12</td>
<td>Students completed program in May 2012.</td>
</tr>
<tr>
<td>TITLE</td>
<td>GRANTEE</td>
<td>Purpose</td>
<td>Awarded</td>
<td>Remaining Funds Receivable</td>
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<tr>
<td>California Transportation Commission</td>
<td>Caltrans / Regional Transportation Planning Agency (RTPA)</td>
<td>Purchase of two wheelchair accessible vans to improve senior and disabled patient access to medical care at both Palomar Pomerado Health Wound Care Centers (PHWCC).</td>
<td>$120,000</td>
<td>$120,000</td>
<td>TBD</td>
<td></td>
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<tr>
<td>TITLE</td>
<td>GRANTEE</td>
<td>Purpose</td>
<td>Awarded</td>
<td>Remaining Funds Receivable</td>
<td>Beg/End Date</td>
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</tr>
<tr>
<td>First 5 Targeted At Risk Home Visiting Program</td>
<td>First 5 Commission</td>
<td>Targeted At Risk Home Visiting Program</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
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</tr>
<tr>
<td>Strong Start For Mothers and Newborns</td>
<td>Centers for Medicare &amp; Medicaid Services (CMS)</td>
<td>To test new care and payment models that have the potential to improve perinatal outcomes for women enrolled in Medicaid and/or Children’s Health Insurance Program (CHIP) who are at high-risk for adverse pregnancy outcomes.</td>
<td>Up to $43.2 million will be awarded to providers, States, and managed care organizations</td>
<td>TBD</td>
<td>Letter of intent is due 8/8/12. Anticipated notice of award is 10/5/12. Period of performance is 4 years beginning on date of award.</td>
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# Health Development

## Non-Funded Grants

<table>
<thead>
<tr>
<th>TITLE</th>
<th>GRANTEE</th>
<th>Purpose</th>
<th>Awarded</th>
<th>Remaining Funds Receivable</th>
<th>Beg/End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare Innovation Challenge</td>
<td>Centers for Medicare &amp; Medicaid Services (CMS)</td>
<td>To fund applicants who propose compelling new models of service delivery/payment improvements that hold the promise of delivering the three-part aim of better health, better health care, and lower costs through improved quality for Medicare, Medicaid, and Children’s Health Insurance Program (CHIP) enrollees.</td>
<td>$0</td>
<td>$0</td>
<td>PPNCHD was notified in June 2012 that our project was not selected for funding.</td>
</tr>
<tr>
<td>Graduate Nurse Education Demonstration</td>
<td>Centers for Medicare &amp; Medicaid Services (CMS)</td>
<td>To increase the provision of qualified clinical training to Advanced Practice Registered Nurse (APRN) students. The clinical training included in this Demonstration will provide APRNs with the clinical skills necessary to provide primary care, preventive care, transitional care, chronic care management, and other services appropriate for Medicare beneficiaries.</td>
<td>$0</td>
<td>$0</td>
<td>PPNCHD was notified in July 2012 that our project was not selected for funding.</td>
</tr>
</tbody>
</table>
ADDENDUM G
Grant Summary

Ann Z Moore, RN, MSN, CWCN
Sheila Brown, MBA EMT Sponsor
• Project purpose:

  – Provide Capital grants for projects that need the transportation needs of elderly and disabled persons with disabilities where public mass transportation services are otherwise unavailable, insufficient or inappropriate.
CalTrans 5310
Elderly & Disabled Specialized Transit Grant

• Grant submission 3/4/2011

• Notice of Award 9/15/2011

• Funding – $120,000 for two ADA equipped vans
  • Contact maintained with Local CalTrans representative regarding funding status.
  • Funding meeting occurred May 30, 2012
CMS Innovations Grant

• CMS requirements of grant:

  – Address three part aim:
    • Better Care
    • Better Health
    • Lower Costs through improvement
CMS Innovations Grant

• Grant Design -

– Create a three component Chronic Disease Management Program within Palomar Health for Medicare eligible seniors
• Component One –
  – Create a collaborative Peripheral Arterial Disease Care Network.
  • Create collaboration of community MD’s and community providers to utilize a special non-invasive technology to identify individuals with peripheral vascular disease early to prevent future complications.
CMS Innovations Grant

• Component Two -
  – Create a readmission avoidance program (RAP) utilizing the transitional care model

• Includes Transition coaches to assist patients through/with the system as well as providing 30 day post discharge support telephonically.

• Will partner with private sector partner Healthways to facilitate implementation as they have the framework with support
CMS Innovations Grant

• Component Three –
  – Create a Center for Chronic Care

  • A centralized location for all patients with chronic illness to receive individualized education, training, resources skills and support for their chronic disease state.
CMS Innovations Grant

- Grant submitted – January 27, 2012
- Requested $13,000,000.00
- Grant Term – 3 years
- Award - pending
CalTrans 5317
New Freedom Grant

• Program Purpose:

  – The New Freedom formula grant program seeks to reduce barriers to transportation services and expand the transportation mobility options available to people with disabilities beyond the requirements of the Americans with Disabilities (ADA) of 1990.
CalTrans 5317
New Freedom Grant

• Our application aim – obtain funds to pay for the transportation vendor partner staff to operate and maintain the vans.

• Provide funding for Palomar Health Transport coordinator. Serve as a liaison with vendor partner and health system.
CalTrans 5317
New Freedom Grant

• Grant submission – March 23, 2012

• Funding requested - $550,000

• Grant term 3 years

• Award granted 1 year for $188,000
Grant Summary

Questions?
ADDENDUM H
The Future of Nursing: Campaign for Action
Research Proposal
Narrative Template

Identifying Information

Project Title: From Collaborative Track to Transition into Practice: A Partner Intervention Connecting Academics and Service
Proposal I.D.: 7914
Applicant Name: Denise M. Boren, PhD, RN
Legal Name of Applicant Organization: University Auxiliary and Research Services Corporation

Proposal Narrative Categories

Research Questions

Project aims: (1) Describe the retention rate, NCLEX pass rate, and student satisfaction with nursing courses and the collaborative track program; (2) Compare critical thinking, professionalism, clinical decision making and student satisfaction upon completion of ADN and BSN phases of the collaborative track; (3) Compare critical thinking, professionalism, clinical decision making, competency, NCLEX pass rates and student satisfaction between collaborative track, traditional and accelerated BSN students; (4) Describe satisfaction, performance, competency, experiences, and perceived strengths and limitations of the nurse residency program; (5) Compare satisfaction, experiences, and perceived strengths and limitations of the nurse residency program between collaborative track, traditional and accelerated BSN students; (6) Describe the retention rate, satisfaction with professional work environment, graduate nurse experience, and employer satisfaction at one year of employment; and (7) Compare the retention rate, work satisfaction, graduate nurse experience, and employer satisfaction at one year of employment between collaborative track, traditional and Accelerated BSN nurses completing the nurse residency program.

This project relates to two recommendations of the Institute of Medicine’s report on the Future of Nursing: increase the proportion of nurses with a baccalaureate degree to 80% by 2020 and implement nurse residency programs. The project aims describe the evaluation of the implementation of a collaborative track between two public community colleges and a public university, a nurse residency at a partner health care organization that is embedded in the
project and the graduates after one year in the work force. The project compares selected variables between student participants in the collaborative track with students in traditional and accelerated BSN programs. Selected variables and qualitative findings regarding the nurse residency program will be compared between students in the collaborative track, and those in the traditional and accelerated BSN who have completed the nurse residency program.

The project is innovative and significant as it promotes a partnership between the two public community colleges and a public university in North County San Diego, and the only “Magnet” recognized health care organization in this region. The collaborative track is a unique pathway for students in an associate nursing program to seamlessly transition into a baccalaureate program. The proposed collaborative track is three years in length. Students will begin their nursing education at the community college (2 year programs), attend the university to take prerequisite courses during the summers, and then seamlessly move into the bachelors program after completion of the ADN degree. The students will attend the university full-time to complete the BSN degree in one full year. Another unique component of this project is that the nurse residency will be embedded into the BSN curriculum for the collaborative track. In addition to the nursing courses, students will be in a nurse residency program for the full year they are completing the BSN degree. Because students will not take the NCLEX until they achieve their BSN, the nurse residency will ensure skills are kept current and knowledge is enhanced for the NCLEX, and placement into the workforce is seamless. Students will spend time in both the medical-surgical and specialty areas during the nurse residency. Simulation and standardized patients will be used throughout the program, both for experiential learning and for competency evaluation using scenarios and unfolding cases focusing on safe, quality care of patients (QSEN). Following graduation and passing NCLEX, students will be hired by the partner health care organization.

The proposed length of the project is 48 months. This includes the three years students are in a collaborative track and one year in the workforce.

The proposed budget is $2.5 million for four partnering organizations over four years and includes funding for student tuition costs and stipends for the Nurse Residency Program,
project coordination across the four sites, faculty, educator and preceptor compensation, simulation coordination, statistical assistance, administrative assistance, lab and simulation supplies, and research instrument costs.

**Proposed Methodology**

**Design:** The project will use a descriptive, comparative design using mixed methods.

**Theoretical/conceptual framework:** The conceptual framework used will be the Dreyfus Skills Acquisition Model as described by Benner (1984) in *From Novice to Expert*. In this study, the term “skills and skilled practices” integrates nursing interventions and clinical judgment or the “applied skill of nursing in actual clinical situations” (p.14). In addition, the curriculum will be designed based on recommendations in Benner’s (2010), *Educating Nurses: A Call for Radical Transformation*. This includes integrating unfolding cases, experiential learning and other opportunities for students to “make the connections between acquiring and using knowledge” (p.94).

**Sample:** The total sample of students is expected to be 283. Thirty students will be enrolled into the collaborative track each year. Of those students, 120 ADN’s in the collaborative track are expected to complete phase I (baseline) and phase 2, 90 of those students are expected to complete phase 3 data collection, 60 of those students are expected to complete phase 4 of data collection along with 60 traditional BSN students and 60 accelerated BSN students. In addition, 43 nurses who completed the residency program from traditional and accelerated BSN cohorts who graduated in 2011 will be included in the study. In phase 5 data collection, 30 collaborative track and 43 traditional and accelerated BSN graduates are expected to participate in the study.

**Settings:** The settings for the project includes three nursing schools, two located at public community colleges and one at a public university, and a “Magnet” recognized health care organization. The nursing schools and the health care organization are all located in North County San Diego.

**Data collection:** Data will be collected in five phases: prior to beginning the ADN program (phase 1), at completion of each year of the ADN portion of the collaborative track (phase 2 and
3), at completion of the BSN portion of the collaborative track and nurse residency program (phase 4), and following one year in the workforce (phase 5). Data that will be collected at phase 1 includes critical thinking, professionalism and clinical decision making. Phase 2 and 3 data includes retention, student satisfaction, critical thinking, professionalism, clinical decision making and competency. Data collection at phase 4 will include retention, NCLEX pass rates, student satisfaction, critical thinking, professionalism, and competency. In addition, students in the collaborative track will participate in a focus group to collect data on satisfaction, experiences, strengths and limitations of the nurse residency program. Data collected from focus groups of 43 traditional and accelerated BSN students will be used for comparison. During phase 5, data that will be collected includes retention, critical thinking, professionalism, competency, graduate nurse experience, and satisfaction with the professional work environment.

**Measurement:** Measurement will include tracking retention and NCLEX pass rates. Student satisfaction will be measured using the University School of Nursing tool and competency will be measured using QSEN competencies (KSA’s) for pre-licensure and for graduates. To measure critical thinking, Facione, Facione and Giancarlo's (2001, 2002) California Critical Thinking Disposition Inventory (CCTDI) and the California Critical thinking Skills Test (CCTST) will be used. Hall’s Professionalism Scale (1968; 1972) will be used to measure professionalism. The Clinical Decision Making in Nursing Scale (Jenson, 2001) will be used for measurement of clinical decision making. The Casey-Fink Graduate Nurse Experience Survey (2002) will be used to measure the new nurse experience with professional transition into the work force. The Revised Nursing Work Index (2000) will be used to measure satisfaction with the professional work environment. Tools are reliable and valid. In addition, qualitative data about student satisfaction, experiences and strengths and limitations of the residency program will be coded using Atlas TI and salient themes identified through qualitative analysis methods.

**Plan for statistical analysis:** Descriptive statistics will be used for analyzing Phase 1 data – Critical Thinking (CCTDI and CCTST), professionalism (Hall’s Professionalism Scale), and clinical decision making (Clinical Decision Making Scale). Phase 2 and 3 data will be analyzed
using descriptive statistics – retention, student satisfaction, competency, critical thinking, professionalism, and clinical decision making. Phase 4 data will be analyzed using descriptive statistics and inferential statistics (ANOVA) for evaluating differences between groups (retention and NCLEX pass rates, student satisfaction, competency, critical thinking, professionalism, and clinical decision making). Phase 5 will be analyzed using descriptive statistics – retention, competency, critical thinking, professionalism, clinical decision making, nurse experience (Casey-Fink Graduate Nurse Experience Survey), and satisfaction with the professional work environment (Revised Nursing Work Index).

Team
The team will include the following: (1) the directors of the three Schools of Nursing – one will serve as the Project Director/Principal Investigator and the two others will serve as co-investigators and coordinators for the collaborative track; (2) the Director for Nursing Excellence at the health care organization will serve as the co-Project Director and co-investigator, and coordinate the nurse residency program and the new graduates that are hired. A faculty member from the University School of Nursing will serve as the liaison/coordinator for the entire project. The Nursing Simulation Director from the University School of Nursing will lead the development of simulation or standardized patient scenarios and coordinate the competency evaluation.

Dissemination
The team will collaborate on dissemination methodology including publishing articles in refereed journals and presentations at national, regional and local conferences. Nursing organizations, health care agencies and nurses in education and practice will be interested in the findings of this study.

Risks and Challenges
The most challenging element of the study is communication among the key team members. Frequent meetings and a liaison will help mitigate this concern. The co-investigators will promote and expedite IRB review and approval.
ADDENDUM I
Integrating Spiritual Care within Palliative Care: An Overview of Nine Demonstration Projects

Shirley Otis-Green, M.S.W., LCSW, ACSW, OSW-C, Betty Ferrell, Ph.D., M.A., FAAN, FPCN, CHPN, Tami Borneman, R.N., M.S.N., C.N.S., FPCN, Christina Puchalski, M.D., M.S., FACP, Gwen Uman R.N., Ph.D., and Andrea Garcia, B.A.

Background

Spiritual care is an essential domain of quality palliative care as determined by the National Consensus Project for Quality Palliative Care (NCP, 2009) and the National Quality Forum (NQF). Studies have consistently indicated the desire of patients with serious illness and end-of-life concerns to have spirituality included in their care. While there is an emerging scholarly body of literature to support the inclusion of spiritual care as part of a biopsychosocial-spiritual approach to health care, palliative care programs lack empirical guidance needed to effectively integrate best spiritual care practices.

Palliative Care Guidelines and Preferred Practices

The first clinical practice guidelines for palliative care were released in 2004 by the NCP. The guidelines were revised and a second edition was published in 2009. These guidelines are applicable to specialist-level palliative care (as with palliative care teams) delivered in a wide range of treatment settings and by providers in primary treatment settings where palliative approaches are integrated into daily clinical practice (for example with, oncology, critical care, long-term care). The guidelines address eight domains of care: structure and processes; physical aspects; psychological and psychiatric aspects; social aspects; spiritual, religious, and existential aspects; cultural aspects; imminent death; and ethical and legal aspects. Using the eight NCP domains for its framework structure, the NQF identified 38 preferred practices to operationalize these guidelines and to set the foundation for future measurement of the outcomes of care. These practices are evidence-based or have been endorsed through expert opinion and solidify the importance of spirituality as an integral domain in palliative care.

Summary of 2009 Spirituality Consensus Conference

The NCP Guidelines and NQF Preferred Practices served as the foundation for the recommendations for a Consensus Conference funded by the Archstone Foundation. The goal of the 2009 Consensus Conference was to identify points of agreement about spirituality as it applies to health care and to make more clinically specific recommendations to advance the delivery of quality spiritual care in palliative care.

Seven evidence-based categories of spiritual care (spiritual assessment, spiritual care goals, models, treatment plans, interprofessional team training, quality improvement, and certification) were identified and provided the overall framework for the Consensus Conference. Forty national thought-leaders representing spiritual care and/or palliative care across a wide variety of disciplines and backgrounds participated in a facilitated two-day intensive meeting. The goal was to develop a series of clinically useful recommendations to provide palliative care that better integrates spiritual care into the delivery of whole-person clinical care. A key outcome of the Consensus Conference was the development of a definition of spirituality: 'Spirituality is the aspect of humanity that refers to the way individuals seek and express meaning and purpose and the way they experience their connectedness to the moment, to self, to others, to nature, and to the significant or sacred.'

Based on the position that palliative care encompasses all patients from the time of diagnosis forward, the principles in this Consensus Conference are applicable to all patients with a serious or life-threatening illness. The practical recommendations proposed from this Consensus Conference are designed for patients in palliative, hospice, hospital, long-term, and other clinical settings.

Utilizing the Consensus Conference recommendations, clinical sites are encouraged to integrate spiritual care models into their programs, develop interprofessional training programs, engage community clergy and spiritual leaders in the care of patients and families, promote professional development that incorporates a biopsychosocial-spiritual practice model, and develop accountability measures to ensure that spiritual care is fully integrated into the care of patients. An expanded description of the Consensus Conference recommendations is available in the book Making Health Care Whole: Integrating Spirituality into Patient Care.

1Division of Nursing Research, Department of Population Sciences, City of Hope National Medical Center, Duarte, California.
2George Washington Institute for Spirituality and Health, The George Washington University School of Medicine, Washington, DC.
3Vital Research, Los Angeles, California.

Accepted August 26, 2011.
Next Steps: Archstone Foundation Funded Nine Demonstration Projects to Integrate Spiritual Care into Palliative Care

The investigative team (the authors) realized the need to support demonstration projects that model the implementation of these recommendations for other programs to replicate. A request for proposals (RFP) was issued by the Archstone Foundation in early 2010, offering $200,000 in grant support (per site) for this two-year project. A multiprofessional scientific review committee was assembled with expertise in spirituality and palliative care. Each site’s proposal was evaluated based on its plans to develop a model of spiritual care that included the systematic screening and assessment of patients’ spiritual issues, the integration of patient spirituality into the treatment plan with appropriate follow-up, and a plan for ongoing quality improvement. Marketing of the RFP targeted Southern California hospitals with a palliative care program. Nineteen proposals were received and peer reviewed in the competitive application process with nine hospitals selected for funding. Key target areas were selected as priorities from the Consensus Conference’s recommendations as critical for the full integration of spiritual care into palliative care. Additionally, applicants were asked to address the implementation of these target areas through a commitment to interprofessional care (that includes board-certified chaplains on the care team), professional education and development of programs, and adoption of these recommendations into clinical site policies. In recognition that clinical staff may lack competencies as institutional change agents, this project identified several strategies to support the selected sites in their development of meaningful and sustainable culture change.

Selected sites, shown in Table 1, intentionally represent a broad range of palliative care programs (including two large public hospitals, an urban academic medical center, a comprehensive cancer center, a Veterans Administration hospital, and several community hospitals). These palliative care programs range from relatively new to well established and vary regarding the number of patients, services and resources available, as well as the structure and staffing of their palliative care programs. Sites were selected that had identified a strong commitment to create meaningful and sustainable improvements in their integration of spirituality into the delivery of palliative care. Sites articulated strategies to leverage these pilot improvements throughout their wider medical care systems.

Each site identified several key goals and objectives to be achieved with the resources from the grant. Several sites used grant resources to increase the number of staff devoted to the provision of spiritual care within their palliative care services. Other common goals included attention to staff education and training with programs developing curriculum and pathways for screening, history, and assessment. Adopting and implementing the use of established spirituality tools and models were also shared goals among the sites.

Documentation of spiritual care interventions varies greatly, with some programs having a standardized template for spiritual care screening in an electronic medical record, while other programs have a history of minimal documentation in handwritten progress notes indicating only that a spiritual care visit occurred. These variances provide a real-world reflection of the challenges inherent in standardizing best practices for the delivery of spiritual care.

Demonstration Project Structure and Roles

In 2010, a partnership was formed between the Archstone Foundation (as the funder), the City of Hope Medical Center located in Duarte, California (as the convening center), Vital Research (as the evaluation center), and the nine funded hospitals. The convening center coordinates the work of the demonstration sites and arranges monthly support phone calls with the sites, coordinates biannual in-person convening meetings, and provides additional expertise and mentorship support. A site mentor (a social worker with expertise in institutional change projects) visits each hospital program twice a year offering on-site consultation, education, and support. Mentoring site visits include grand rounds presentations, review of staff training plans, and consultation regarding implementation plans. Sites share concerns regarding sustainable change activities, addressing resistance, and effectively changing the culture of care within their institutions. These site visits assist the sites in demonstrating the effectiveness of their programs through quality improvement metrics that provide data in support of their sustainability plans.

Another critical role of the convening center is to act as a liaison among the sites and assist in identifying shared concerns and in sharing common tools, as shown in Table 2, for site-recommended resources to improve the delivery of spiritual care. Sites participate in monthly 90-minute phone calls that offer 45 minutes devoted to an educational topic determined by the sites (for example, a discussion regarding the selection of spiritual care screening tools, history and assessment tools, or interprofessional spirituality education for staff) and 45 minutes to operational issues, such as the evaluation process or institutional review board (IRB) issues. Sites voice appreciation for these opportunities to build community, as many palliative care chaplains work in relative isolation.

Christina Puchalski, MD of the George Washington Institute for Spirituality and Health (GWish), is the spiritual care consultant for the study, offering her experience and acting as a liaison to the GWish website (http://www.gwish.org/) which provides a wealth of spiritual care resources for the sites as they advance their programs. Additionally, the Spirituality and Health Online Education and Resource Center (SOERC) offers an online location for educational and clinical resources in the fields of spirituality, religion, and health. The SOERC site (http://www.gwumc.edu/gwish/soerce/) also provides a rich repository of spirituality materials developed by the demonstration programs.

Vital Research is the evaluation center of the program. Vital Research has a national reputation for quality evaluation research and provides the expertise and structure for the study metrics. In coordination with the program sites, Vital Research developed a series of tools to collect baseline and follow-up information from palliative care patients and staff regarding each program’s provision of spiritual care services.

Vital Research is also responsible for the multi-site evaluation research framework and conducts the formative evaluation, process measures, and outcome measures from each of the sites. There is an extensive evaluation component to this study, with data collected quarterly regarding the process and outcomes of the program’s efforts. Additionally, there is feedback collected following each monthly conference call and at the convening meetings. Representatives from Vital Research meet individually with each site to revise and clarify
<table>
<thead>
<tr>
<th>Site name</th>
<th>Site description</th>
<th>Project team</th>
<th>Site goals</th>
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<tbody>
<tr>
<td>Cedars-Sinai Medical Center</td>
<td>956-bed full-service urban academic medical center</td>
<td>Susan Stone, MD, MPH, Deane Wolcott, MD, Denise LaChance, MDiv, Christina Shu, MDiv</td>
<td>- Establish organized structure to systematically integrate spiritual care into palliative care</td>
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<td>- Pilot spiritual care educational and quality-improvement plan (using standardized screening and assessment tools and processes) on four nursing units</td>
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<td></td>
<td>- Enhance palliative care service and social workers’ capabilities to assess spiritual needs for patients and families</td>
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<td>- Collaborate with Vital Research in the evaluation process</td>
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<td>- Build a sustainable model that can be adapted for other units and settings</td>
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<td>City of Hope</td>
<td>212-bed urban specialty hospital and NCCN-designated comprehensive cancer center serving a diverse oncology population</td>
<td>Jay Thomas, MD, PhD, Cassie McCarty, MDiv, BCC, Terry Irish, DMin, BCC, Nellie Garcia, LCSW, MSG, Shannon R. Poppito, PhD</td>
<td>- Create systemwide and systematic integration of spiritual care for all patients</td>
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<td>- Inpatients: Psychosocial-spiritual assessment by social worker within 72 hours (chaplains and existential psychologist develop training curriculum to prepare social workers to accomplish this task)</td>
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<td>- Outpatients: Use of “SupportScreen” (touch-screen technology) to systematically assess spiritual suffering</td>
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<td>- Design a clinical trial to optimize the questions needed to assess spiritual suffering</td>
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<tr>
<td>Keck School of Medicine</td>
<td>600-bed safety net hospital serving primarily an under-resourced diverse population</td>
<td>Pamelyn Close, MD, MPH, Chris Ponnet, MT, MDiv, Rambhoru Dasi Brinkman, MDiv, MS, Sarah Nichols, MDiv, Donald Gabard, PhD</td>
<td>- Adapt and implement a new model (“Sacred Art of Living and Dying”) of spiritual assessment and care</td>
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<tr>
<td>University of Southern California - Los Angeles County</td>
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<td>- Expand Palliative Care chaplaincy participation (within and outside of team)</td>
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<td>- Institute consistent spiritual screening, assessment, and treatment planning for our patients</td>
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<td>- Seek environmental change with installation of the “Continuous Ambient Relaxation Environment” (C.A.R.E.) Channel programming in patient care areas throughout hospital</td>
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<td>- Develop and initiate “By Your Side: End-of-Life Vigil Companion Volunteers Program” for patients dying without adequate family support</td>
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<td>- Provide “whole patient” end-of-life education to medical teams (nurses, NPs, MDs, etc.) providing care for patients with long-term admissions throughout institution</td>
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<td>- Develop program to support medical residents in developing sustainable “self-care” plans</td>
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<td>- Evaluate the spiritual care experiences and outcomes of patients, families, and staff for the above initiatives</td>
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<td>- Financial sustainability for new services/components of care</td>
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<td>- Cultural Diversity/Linguistics: Include interpreter team members in education events</td>
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<thead>
<tr>
<th>Site name</th>
<th>Site description</th>
<th>Project team</th>
<th>Site goals</th>
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</thead>
</table>
| Palomar Pomerado North County Health Development, Escondido, CA, North San Diego County. | 319-bed public hospital. A member of the Palomar-Pomerado Health Care System covering 850-square-mile area. The hospital provides a full spectrum of health and trauma services for a diverse population | Catherine Konyyn, RN, MSN, CCRN, ANP- BC, CNS  
Donelle Daly, MSW, ACWS  
Thomas Webb, ThM, BCC  
Zennia Ceniza, RN, CCRN, MA, ACNP-BC  
Victor Kovner, MD  
Kathleen Stacy, PhD, RN, CNS  
Brenda Fischer, RN, PhD, MBA, CPHQ | • Implement a model of spiritual care in the medical-surgical intensive care units  
• Develop and implement a spiritual care screening tool and educate social workers to collect spiritual histories and create chaplaincy referral guidelines for patients requiring a full spiritual assessment  
• Develop spiritual treatment plans/algorithms  
• Integrate nurse practitioner, medical social worker, and board-certified chaplain into transdisciplinary rounds  
• Participate in community learning opportunities  
• Comply with reporting and evaluation responsibilities  |
| Saint John’s Regional Medical Center     | 2 campuses: 279 acute care community serving urban and rural population. For 60% of the population, English is not the first language. 129-bed facility; 30 are sub-acute beds servicing ventilator-dependent patients | Suzanne Krawczyk, RN, BSN, CHPN  
Cålin Tamiian, BCC  
Angie James, BSN, RN- BC, CHPN  
Rose Hernandez, LCSW, MSW  
Cathy Dorsey, MSW  
Sahin Yanik, MD  
Jascot Kaur, MD  
Christina Fernandez, JD, BCC  
Caroline Troupe, LCSW  
Eugene Fusse, LCSW  
George West, MA, JD, BCC | • Hire a bilingual, bicultural board-certified palliative care chaplain and integrate this role into patients’ care  
• Hire an administrative assistant to assist with grant goals  
• Educate staff regarding importance of addressing spirituality and life-meaning concerns of patients  
• Implement plan to have “Spiritual Care as the 6th Vital Sign” (with standardized screening, history, and assessment tools)  
• Reinstitute weekly palliative care team rounds that highlight spiritual care  
• Develop quality improvement metrics and a business plan to maintain sustainability of project  
• Develop relationships with local community resources to continue spiritual care plan upon discharge  |
| Saint Joseph Hospital of Orange          | 419-bed comprehensive nonprofit community hospital serving a diverse population    | Marie Polhamus, MPC, NACC  
Susan DeLongis, MPS, BCC  
Bijal Mistry, MSHSA  
Sharon Luker  
Brian Boyd, MD  
Melvin Sterling, MD  
Joseph Preston, MD  
Roger Chang, MD  
Rosemary Le, RN, MSN, NP-C  
Margaret Delmastro, RN, MSN, NC-C  
Beth Bull, RN, BSN  
Trish Cruz, RN, BSN, PHN  
Suzanne Englender, LCSW  
Larry Haltern  
Thomas Murphy, MBA | • Recruit and hire board-certified chaplain  
• Develop and implement a spiritual screening tool  
• Develop a standardized process for completing a spiritual history and assessment  
• Educate the palliative care team, other hospital staff, clinical pastoral education students, and community partners (develop curriculum for mandatory e-learning: spiritual component of palliative care)  
• Analyze data from patient, family, and staff surveys to determine best strategy to move program forward  
• Develop a business plan  
• Present plan to stakeholders  |
| Scripps Memorial Hospital Encinitas       | 148-bed nonprofit community-based acute care hospital. SMHE is one of five hospitals in the Scripps Health System | Denniel Witkowski, RN, BSN, MSN  
Jason Cook, MHA | • Develop a spiritual care model that includes processes, protocols, and documentation to support integration of spirituality into patient care and that adds a dedicated social worker to the palliative care service  |
<table>
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<th>Site name</th>
<th>Site description</th>
<th>Project team</th>
<th>Site goals</th>
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<tbody>
<tr>
<td>Santa Monica-University of California, Los Angeles. Medical Center &amp; Orthopedic Hospital</td>
<td>315-bed urban academic community hospital that serves the greater west side of Los Angeles with a 22-bed ICU and over 13,000 annual hospital discharges affiliated with the UCLA David Geffen School of Medicine</td>
<td>Bruce A. Ferrell, MD&lt;br&gt;Pamela Lazor, MDiv&lt;br&gt;Ruth Clayton, MDiv&lt;br&gt;David Wallenstein, MD&lt;br&gt;Jeannie Meyer, RN, MSN, CCRN, CCNS, PCCN, ACHPN&lt;br&gt;Diana Ramirez&lt;br&gt;Weijuan Han, MSPH</td>
<td>• Develop innovative spiritual screening, assessment, and history tool (V.O.I.C.E.) for use to develop a comprehensive spiritual treatment plan&lt;br&gt;• Increase board-certified chaplaincy hours and increase usage of local volunteer chaplaincy outreach network&lt;br&gt;• Develop a quality improvement plan to measure program impact&lt;br&gt;• Educate staff regarding importance of integrating spiritual care into patient care&lt;br&gt;• Establish standardized screening, history, and assessment and spiritual care medical record progress notes&lt;br&gt;• Establish a process for an interdisciplinary spiritual care plan&lt;br&gt;• Implement spiritual care discharge plans and community referrals&lt;br&gt;• Incorporate quality improvement plans for spiritual care in the palliative care program&lt;br&gt;• Enhance palliative care team members’ and trainees’ knowledge and skills in spiritual care&lt;br&gt;• Provide hospital-wide in-service education programs on spiritual care&lt;br&gt;• Develop a plan for sustainability of project post-grant&lt;br&gt;• Develop a conceptually-driven spiritual treatment model&lt;br&gt;• Develop electronic medical record-based documentation with incorporation of standardized tools for spiritual screening, assessment, and history-taking&lt;br&gt;• Dissemination of spiritual care model to national VA facilities across the VA system&lt;br&gt;• Develop, implement, and evaluate a spiritual self-care plan for all palliative care providers (with team activities such as retreats and monthly process groups)&lt;br&gt;• Implement a sustainability plan</td>
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<tr>
<td>Veteran’s Administration of Greater Los Angeles</td>
<td>Includes a 328-bed inpatient facility, 296-bed nursing home care unit, and an extensive system of outpatient clinics and in-home services that provide comprehensive care to over 80,000 veterans annually from a wide geographic area (up to 200 miles radius) around the system’s hub in West Los Angeles.</td>
<td>Kenneth Rosenfeld, MD&lt;br&gt;Geoffrey Tyrrell, DMin&lt;br&gt;M. Jillisa Steckart, MEd, PsyD&lt;br&gt;Sarabeth Winn, BSME, MPP</td>
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Table 2. Site-Recommended Resources To Improve Spiritual Care

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<th>Websites</th>
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<tr>
<td><strong><a href="http://www.gwish.org">http://www.gwish.org</a></strong></td>
</tr>
<tr>
<td>The George Washington Institute for Spirituality and Health (GWish) is a</td>
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<tr>
<td>leading resource for education and clinical issues related to spirituality and health.</td>
</tr>
<tr>
<td><strong><a href="http://www.gwumc.edu/gwish/soerce">http://www.gwumc.edu/gwish/soerce</a></strong></td>
</tr>
<tr>
<td>The Spirituality and Health Online Education and Resource Center (SOERCE)</td>
</tr>
<tr>
<td>is a resource for educational and clinical resources in the fields of spirituality, religion, and health.</td>
</tr>
<tr>
<td><strong><a href="http://prc.coh.org">http://prc.coh.org</a></strong></td>
</tr>
<tr>
<td>City of Hope Pain &amp; Palliative Care Resource Center (PRC) contains hundreds of resources on pain &amp; palliative care including a dedicated section on spirituality and health.</td>
</tr>
<tr>
<td><strong><a href="http://endlink.lurie.northwestern.edu">http://endlink.lurie.northwestern.edu</a></strong></td>
</tr>
<tr>
<td>EndLink: Resource for End of Life Care Education was developed as an educational resource for people involved in end-of-life care. The material presented on the site encompasses the complex, multidimensional considerations involved in caring for individuals at the end of life.</td>
</tr>
<tr>
<td><strong><a href="http://growthhouse.org">http://growthhouse.org</a></strong></td>
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<tr>
<td>Growth House, Inc. seeks to improve the quality of compassionate care for people who are dying through public education and global professional collaboration.</td>
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<tr>
<td><strong><a href="http://hospiscript.com">http://hospiscript.com</a></strong></td>
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<tr>
<td>HospiScript provides continuing educational resources to improve quality patient care.</td>
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<tr>
<td><strong><a href="http://journeyofhearts.org">http://journeyofhearts.org</a></strong></td>
</tr>
<tr>
<td>A Journey of Hearts seeks to be a healing place in cyberspace created by a physician who combines medicine, psychiatry, poetry, prose, and images to provide resources and support.</td>
</tr>
<tr>
<td><strong><a href="http://www.sacredartofliving.org">http://www.sacredartofliving.org</a></strong></td>
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<tr>
<td>The Sacred Art of Living and Dying (SALD) programs assist caregivers in reconnecting the “soul and role” of their professional and personal lives through an exploration into the nature of and interrelationships among all the dimensions of human health and suffering – physical, emotional, and psycho-spiritual.</td>
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<tr>
<td><strong><a href="http://nhpco.org/templates/1/homepage.cfm">http://nhpco.org/templates/1/homepage.cfm</a></strong></td>
</tr>
<tr>
<td>The National Hospice and Palliative Care Organization (NHPCO) is committed to improving end-of-life care and expanding access to hospice care with the goal of profoundly enhancing quality of life for people dying in America and their loved ones.</td>
</tr>
<tr>
<td><strong><a href="http://www.capc.org">http://www.capc.org</a></strong></td>
</tr>
<tr>
<td>The Center to Advance Palliative Care (CAPC) is a leading resource for palliative care program development and growth with access to essential palliative care tools, education, resources, and training for health care professionals.</td>
</tr>
<tr>
<td><strong><a href="http://www.csh.umn.edu">http://www.csh.umn.edu</a></strong></td>
</tr>
<tr>
<td>The University of Minnesota’s Center for Spirituality &amp; Healing seeks to enrich health and well-being by providing quality interdisciplinary education, conducting rigorous research, and delivering innovative programs that advance integrative health and healing.</td>
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<tr>
<td><strong><a href="http://www.acperesearch.net">http://www.acperesearch.net</a></strong></td>
</tr>
<tr>
<td>The Association for Clinical Pastoral Education (ACPE) Research Network seeks to foster connections among members interested in research and raise awareness about published research (e.g., in the health care literature and the education literature) related to spirituality, pastoral care, and clinical pastoral education (CPE).</td>
</tr>
<tr>
<td>The Multidisciplinary Training Program for Spiritual Care in Palliative Care is a web-based module developed by a team from the University of Queensland and presented in partnership with Palliative Care Australia.</td>
</tr>
<tr>
<td><strong><a href="http://www.spiritualityandhealth.ufl.edu">http://www.spiritualityandhealth.ufl.edu</a></strong></td>
</tr>
<tr>
<td>The mission of the Center for Spirituality and Health is to pursue research and provide curriculum at the interface of spirituality and the health sciences.</td>
</tr>
<tr>
<td><strong><a href="http://www.hopkinsmedicine.org/pastoralcare/institute_of_spirituality_and_medicine">http://www.hopkinsmedicine.org/pastoralcare/institute_of_spirituality_and_medicine</a></strong></td>
</tr>
<tr>
<td>Institute for Spirituality and Medicine at Johns Hopkins Medicine educates medical students, scientists, health care professionals, and the public. For nearly 60 years, Johns Hopkins Medicine has been hosting an annual conference on ministering to the physical and spiritual needs of patients.</td>
</tr>
<tr>
<td><strong><a href="http://www.hospicefoundation.org/2011program">http://www.hospicefoundation.org/2011program</a></strong></td>
</tr>
<tr>
<td>Hospice Foundation of America conducts programs of professional development, public education and information, research, publications, and health policy issues, many with a spirituality focus. The programs for health care professionals assist those who cope either personally or professionally with terminal illness, death, and the process of grief, and are offered on a national or regional basis.</td>
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## Table 2. (Continued)

### Websites (Continued)

**http://www.transculturalcare.net/Cultural_Competence_Model.htm**

Transcultural C.A.R.E. Associates is a private organization providing keynote presentations, workshops, seminars, consultations, and training focusing on clinical, administrative, research, and educational issues related to cultural competence, transcultural health care, & mental health.

**https://www.professionalchaplains.org**

The Association of Professional Chaplains Web is a multifaith nonprofit organization of chaplaincy care providers endorsed by faith groups to serve persons in need, respecting their individual cultures and beliefs, in diverse settings throughout the world.

**http://www.spiritualityandhealth.duke.edu**

The Duke Center for Spirituality, Theology and Health is focused on conducting research, training others to conduct research, and promoting scholarly field-building activities related to religion, spirituality, and health. The Center serves as a clearinghouse, and seeks to support and encourage dialogue between researchers, clinicians, theologians, clergy, and others interested in the intersection of spirituality and health.

### Recommended Resources


The Hastings Center: Can We Measure Good Chaplaincy? The Hastings Center Report, 2008; 38:6.


(continued)
study objectives and review the evaluation methodology and reporting processes. Vital Research is also responsible for the management of a customizable, collaborative web-based application (“Onehub”) that is used to share drafts of site-developed materials and related spirituality resources.

Each site sends program representatives to the biannual convening meetings that are held in a central location. These periodic meetings provide rich opportunities for networking and sharing of strategies to develop best practices in integrating spiritual care into palliative care. In the first convening meeting, held in November 2010, the sites each provided a brief overview of their palliative care program and their staffing concerns (many expanded the number of board-certified chaplains on their team), and shared an overview of their project goals. There was an educational session regarding the recommendations of the Spirituality Consensus Conference as well as information regarding evidence-based spirituality tools and resources.

The agenda for each conference call and in-person meeting is driven from feedback from the participants. The second convening meeting, held in May 2011, provided sites an opportunity to highlight the progress that they have made on their goals and strategize with other teams regarding additional areas in which they need assistance. The third meeting, held in December 2011, again provided networking and support with a focus on institutional change strategies. This meeting opened and closed with rituals led by spiritual care professionals from two different sites and included examples of patient narratives that emphasize key spiritual care concerns.

**Study Limitations**

An important limitation of this project is the relatively small number of hospitals being studied in one state. Although steps were taken by the investigators to ensure that a wide variety of hospitals were selected, and that each of these offers services to a diverse patient population, these particular hospital systems are not representative of all U.S. hospitals. Each site also varies in regard to the maturity and robustness of its palliative care programs. These differences limit the generalizations that can be made from the eventual findings.

**Implications for Practice**

This project identifies strategies for effecting institutional change and resources to assist in improving the delivery of spiritual care. The project seeks to establish the feasibility of integrating spirituality into palliative care and provides examples of diverse settings as models of how this might be achieved. The demonstration sites have realized the importance of identifying spirituality champions who are key stakeholders in influencing institutional change. Sites have identified the importance of educating a wide range of staff (including palliative care professionals, as well as board members, administrators, housekeeping staff, and parking attendants). Identifying the appropriate roles for each discipline remains site-specific at present, with a range of professionals assigned to the provision of spiritual care within each location. The sites have reviewed existing tools and often found the need to make adaptations to better fit their specific needs and to better address the concerns of their unique patient populations.

**Conclusions**

In only the first year of funding, the nine project demonstration sites have targeted a wide range of goals designed to better integrate spirituality into palliative care. Although full study findings are not yet available, we encourage other foundations, programs, and health systems to consider strategies to replicate this work and begin the implementation of the Spirituality Consensus Conference recommendations to improve the delivery of truly comprehensive, compassionate whole-person palliative care.

**Acknowledgments**

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**Author Disclosure Statement**

No competing financial interests exist.
INTEGRATING SPIRITUAL CARE WITHIN PALLIATIVE CARE

References


Address correspondence to:
Shurley Otis-Green, M.S.W., LCSW, ACSW, OSW-C
Division of Nursing Research and Education
Department of Population Sciences
City of Hope National Medical Center
1500 East Duarte Road
Duarte, CA 91010-3000

E-mail: sotis-green@coh.org