

Posted
Wednesday
November 23, 2022

SPECIAL FINANCE COMMITTEE MEETING

Agenda

WEDNESDAY, NOVEMBER 30, 2022
3:30 p.m.



PLEASE NOTE:

**Participation will be virtual pursuant to
Board Resolution No. 01.10.22(03)-03**

Please join the meeting from your computer, tablet or smartphone:

<https://meet.goto.com/730477221>

OR Dial in using your phone: 866.899.4679; Access Code: 730477221#¹

	<u>Time</u>	<u>Form A</u>	<u>Target</u>
		<u>Page</u>	
CALL TO ORDER	3:30
❖ Public Comments ²	30	4:00
1. Board Finance Committee Follow-ups.....	1	2	4:01
2. * Approval: Charter of the Finance Committee of the Palomar Health Board of Directors (<i>ADD A – Pp8-11</i>)	2	3	4:03
3. * Approval: Debt Policy – Lucidoc #58892 (<i>ADD B – Pp12-18</i>)	2	4	4:05
4. * Approval: Annual Adoption of Statement Investment – Lucidoc #27092 (<i>ADD C – Pp19-22</i>).....	2	5	4:07
5. * Approval: Executed Budgeted Routine Physician Agreements (<i>ADD D – Pp23-45</i>).....	3	6	4:10
6. * Approval: October 2022 & YTD FY2023 Financial Report (<i>ADD E – Pp46-66</i>).....	10	7	4:20
ADJOURNMENT	4:20

NOTE: The meeting—without public comments—is scheduled to last 20 minutes, starting at 3:30 p.m., with adjournment at 3:50 p.m.

Board Finance Committee – Voting Members		
Laura Barry – Chair	Mike Pacheco – Director	Jeff Griffith, EMT-P – Director
Diane Hansen, President & CEO	Sabiha Pasha, MD, CoS Palomar Medical Center Escondido	Edward Gurrola, MD, CoS Palomar Medical Center Poway
Board Finance Committee – Alternate Voting Members		
Laurie Edwards-Tate, MS Board Alternate	Kanchan Koirala, MD – CoS-Elect CoS Alternate – Palomar Medical Center Escondido	Sam Filiciotto, MD – CoS-Elect CoS Alternate – Palomar Medical Center Poway
Board Finance Committee – Non-Voting Members		
Hugh King, CFO	Sheila Brown, RN, COO	Omar Khawaja, MD, CMO
Mel Russell, RN, CNE		Amanda Pape, VP Finance

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

1 New to GoToMeeting? Get the app now and be ready when your first meeting starts: <https://global.gotomeeting.com/install/728792797>

2 See page 1a

Board Finance Committee Meeting

Meeting will begin at 3:30 p.m.



Request for Public Comments

If you would like to make a public comment, please submit a request by doing the following:

- **Enter your name and “Public Comment” in the chat function once the meeting opens**

Those who submit a request will be called on during the Public Comments section and given 3 minutes to speak.

Public Comments Process

Pursuant to the Brown Act, the Board of Directors can only take action on items listed on the posted agenda. To ensure comments from the public can be made, there is a 30-minute public comments period at the beginning of the meeting. Each speaker who has requested to make a comment is granted three (3) minutes to speak. The public comment period is an opportunity to address the Board of Directors on agenda items or items of general interest within the subject matter jurisdiction of Palomar Health.

Board Finance Committee Follow-Ups

TO: Board Finance Committee

MEETING DATE: Wednesday, November 30, 2022

FROM: Hubert U. King, Chief Financial Officer

Background: At the Board's request, the Committee Assistant maintains a list of those items on which follow-up information has been requested. Items will remain on the list until each matter has been finalized (*see below*):

Wednesday, April 27, 2022

- Mr. King will present proposals for revamping the packet at a future meeting
- Mrs. Howell will begin emailing the entire packet to everyone on the Committee, as well as posting it online

Budget Impact: N/A

Staff Recommendation: *Information Only*

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

Charter of the Finance Committee of the Palomar Health Board of Directors

TO: Board Finance Committee

MEETING DATE: Wednesday, November 30, 2022

FROM: Hubert U. King, Chief Financial Officer

Background: The Palomar Health Board of Directors has directed all Board Committees to create Charters that define the purpose, authority, responsibility and limitations of the Committee and its membership.

The draft Charter of the Finance Committee is being presented for review (*Addendum A*).

Budget Impact: N/A

Staff Recommendation: Adoption of the proposed Charter of the Finance Committee with a recommendation to the Board of Directors for formal ratification.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

**Review of the District's Debt Policy
Lucidoc #58892**

TO: Board Finance Committee

MEETING DATE: Wednesday, November 30, 2022

FROM: Hubert U. King, Chief Financial Officer

Background: Board Policy #58892 – Debt Policy has been reviewed and found to be applicable as written (*Addendum B*).

Budget Impact: N/A

Staff Recommendation: Staff recommends re-adoption of the policy as written, with a recommendation for approval by the Governance Committee of the Board.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

**Annual Adoption of Statement of Investment
Lucidoc #27092**

TO: Board Finance Committee

MEETING DATE: Wednesday, November 30, 2022

FROM: Hubert U. King, Chief Financial Officer

Background: Board Policy #27092 – Annual Adoption of Statement of Investment has been reviewed and found to be applicable as written (*Addendum C*).

Budget Impact: N/A

Staff Recommendation: Staff recommends re-adoption of the policy as written, with a recommendation for approval by the Governance Committee of the Board.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

EXECUTED, BUDGETED, ROUTINE PHYSICIAN AGREEMENTS

TO: Board Finance Committee

MEETING DATE: Wednesday, November 30, 2022

FROM: Hubert U. King, Chief Financial Officer

Background: The following Executed, Budgeted, Routine Physician Agreement became effective as noted below:

PHYSICIAN/GROUP	TYPE OF AGREEMENT
June 2022	
<ul style="list-style-type: none"> • OB Hospitalist Group aka OBHG California, PC 	<ul style="list-style-type: none"> • First Quality Metric Addendum to Professional Services Agreement – OB/GYN Physician Coverage
<ul style="list-style-type: none"> • Bret Ginther, MD 	<ul style="list-style-type: none"> • Amendment 3 to Medical Director Agreement – Medical Informatics
July 2022	
<ul style="list-style-type: none"> • Angel Chang, MD, Inc. 	<ul style="list-style-type: none"> • Professional Services Agreement – Psychiatry Services – Trauma Recovery Program
August 2022	
<ul style="list-style-type: none"> • Michael Noud, MD 	<ul style="list-style-type: none"> • Medical Director Agreement – Interventional Radiology – PMC Poway
<ul style="list-style-type: none"> • Ariel Palanca, MD 	<ul style="list-style-type: none"> • Department of Surgery Chair Agreement – PMC Poway
<ul style="list-style-type: none"> • University of California San Diego Health (UCSDH) 	<ul style="list-style-type: none"> • Amendment 2 to Neurosurgery Call Coverage Services Agreement
<ul style="list-style-type: none"> • Palomar Hospital Partners, Inc., aka Emergent Medical Associates (EMA) 	<ul style="list-style-type: none"> • Amendment 1 to Emergency Department & Urgent Care Services Agreement
<ul style="list-style-type: none"> • Palomar Hospital Partners, Inc., aka Emergent Medical Associates (EMA) 	<ul style="list-style-type: none"> • Amendment 1 to Hospitalist & Medical Director Services Agreement
<ul style="list-style-type: none"> • Palomar Hospital Partners, Inc., aka Emergent Medical Associates (EMA) 	<ul style="list-style-type: none"> • Amendment 1 to Intensivist & Medical Director Services Agreement
September 2022	
<ul style="list-style-type: none"> • Palomar Health Medical Group (PHMG) aka Arch Health Partners, Inc. 	<ul style="list-style-type: none"> • Amendment 1 to Emergency Psychiatric Services Agreement
<ul style="list-style-type: none"> • San Diego Digestive Diseases Consultants, Inc. 	<ul style="list-style-type: none"> • Amendment 1 to Emergency On-Call Services Agreement – Gastroenterology ERCP

The standard Form A and Abstract Table are included as Addendum D.

Staff Recommendation: Approval

<p>COMMITTEE RECOMMENDATION:</p> <p>Motion:</p> <p>Individual Action:</p> <p>Information:</p> <p>Required Time:</p>
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October 2022 and YTD FY2023 Financial Report

TO: Board Finance Committee

MEETING DATE: Wednesday, November 30, 2022

FROM: Hugh King, Chief Financial Officer

Background: The Board Financial Report (unaudited) for October 2022 and YTD FY2023 is submitted for the Finance Committee's approval (*Addendum E*).

Budget Impact: N/A

Staff Recommendation: Approval

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

ADDENDUM A

CHARTER
of the
FINANCE COMMITTEE
of the
PALOMAR HEALTH BOARD OF DIRECTORS

- I. **Purpose.** The Finance Committee (“Committee”) of the Palomar Health Board of Directors (“Board”) aims to provide oversight to determine and facilitate the financial viability of the organization through the effective establishment of sound policies and development of a system of controls to safeguard the preservation and use of assets and resources.
- II. **Membership.**
- A. Voting Membership. The voting members (“Voting Members”) of the Committee may consist of those individuals appointed as Voting Members of the Committee by the Chair of the Board (“Board Chair”) in accordance with the Bylaws of Palomar Health (“Bylaws”) and other applicable policies of the Board.
- B. Alternate(s). Any alternate voting members (“Alternates”) of the Committee may consist of those individuals appointed as Alternates of the Committee by the Board Chair in accordance with the Bylaws and other applicable policies of the Board. Alternates enjoy voting rights only in the absence of a Voting Member. Unless Alternates enjoy voting rights, they may attend the meetings of the Committee only as an observer.
- C. Non-Voting Membership. The non-voting members (“Non-Voting Members”) may consist of the following individuals:
- Chief Financial Officer of Palomar Health
 - Chief Operations Officer of Palomar Health
 - Chief Medical Officer of Palomar Health
 - Chief Nurse Executive of Palomar Health
 - Vice President of Finance of Palomar Health
- III. **Authority.** The Committee has no expressed or implied power or authority except to make recommendations to the Board related to the Committee’s purpose and duties as described in this Charter.
- IV. **Duties.** The duties of the Committee may include:

- A. Review and approve annual and long-range operating cash, operational and capital budgets for Palomar Health and its system affiliates.
 - B. Develop and maintain sound understanding of the services of Palomar Health’s revenues and expenses and its economic environment.
 - C. Approve methods of financing major capital asset renovations, replacements and additions.
 - D. Review financial reports and operating statistics on a regular basis to provide organizational oversight regarding the appropriateness of actions in response to operating trends in achievement of financial goals.
 - E. Evaluate and approve financial plans for new business ventures, programs, and services and establish criteria to measure their ongoing viability.
 - F. Develop communications in order to enhance the understanding of other members in regard to financial matters of the system.
 - G. Review the preliminary, annual operating budgets for Palomar Health and its system affiliates.
 - H. Review and recommend to the Board the final, annual, operating budgets.
 - I. Review annually those policies and procedures within its purview and report the results of such review to the Board. Such reports shall include recommendations regarding the modification of existing or creation of new policies and procedures.
 - J. Perform such other duties as may be assigned by the Board.
- V. **Committee Chairperson, Liaison, and Assistant.**
- A. The Chairperson of the Committee (“Committee Chairperson”) may be the individual appointed as Committee Chairperson by the Board Chair in accordance with the Bylaws and other applicable policies of the Board.
 - B. The Chief Financial Officer may serve as the Palomar Health Administration’s liaison (“Administrative Liaison”) to the Committee.
 - C. The Executive Assistant to the Chief Financial Officer may serve as the assistant to the Committee (“Committee Assistant”).
- VI. **Meetings.** The Committee will meet at least quarterly and more often as needed. A majority of the Voting Members will constitute a quorum. The Committee Assistant will record the meeting minutes and forward a copy to the Board Secretary upon

approval of the meeting minutes by the Committee. The Committee Chairperson may coordinate with the Administrative Liaison to invite any officer, staff member, expert or other advisor who is not a member of the Committee to attend a meeting of the Committee to discuss topics germane to the purpose and duties of the Committee.

VII. Committee Agendas.

A. The Committee Chairperson holds the primary responsibility for creating Committee Meeting Agendas. The Committee Chairperson will routinely work with the Administrative Liaison and the Committee Assistant in creating agendas. The Committee Chairperson will carefully consider all input regarding Agenda items from the Administrative Liaison. The authority for approval of final agendas for Committee Meetings will reside with the Committee Chairperson. Any disagreement, dispute, or confusion over specific agenda items and/or their appropriateness on the agenda between the Committee Chairperson and the Administrative Liaison that cannot be resolved will be referred to the Board Chair for resolution. The Board Chair, if indicated, may consult with Board or Corporate Counsel, the CEO, and/or other members of the Administration to achieve resolution. If the Board Chair feels the issue cannot be satisfactorily resolved, the Board Chair will take the issue to the Board.

B. Members may request to place items on a Committee Meeting Agenda. The Committee Chairperson will consider each item so requested and determine whether or not it is an appropriate Committee Agenda item. The Committee Chairperson will make every effort to accommodate all reasonable individual Member requests including refining the requested agenda item as indicated. The Committee Chairperson may decline to put the item on a Committee Agenda based upon his or her judgment. Any disagreement, dispute or confusion over specific agenda items and/or their appropriateness on the agenda between the Committee Chairperson and Member that cannot be resolved will be referred to the Board Chair for resolution. The Board Chair may consult with the Board or Corporate Counsel, the CEO and/or other members of the Administration to achieve resolution. If the Board Chair determines the issue cannot be satisfactorily resolved, the Board Chair will take the issue to the Board.

VIII. Review and Revision. The Committee may review this Charter annually. Any revisions proposed by the Committee to this Charter must be approved by the Board in accordance with the Bylaws.



ADDENDUM B

Debt Policy

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Revision Insight

Document ID:	58892
Revision Number:	0
Owner:	Michael Bogert, History Load
Revision Official Date:	3/28/2018

Revision Note:

Debt Policy in connection with the bond financing - Resolution No. 12.11.17(14)-03 was adopted at the BOD meeting held on 12/11/2017[Owner changed from Bohorquez, Carlos to Bogert, Michael by Hernandez, Lisa on 14-DEC-2020]

Source:
Administrative
Board of Directors**Applies to Facilities:**
Business Offices**Applies to Departments:**
Board of Directors

Policy : Debt Policy

I. Purpose

The purpose of this Debt Policy (the "Debt Policy") is to establish comprehensive guidelines for the issuance and management of debt issuances (herein referred as "Debt") by Palomar Health (the "District"). This Debt Policy is intended to help ensure that: (i) the District, the Board of Directors of the District (the "Board of Directors" or the "Board"), and District management and staff adhere to sound debt issuance and management practices; (ii) the District achieves the most advantageous cost of borrowing commensurate with prudent levels of risk; and (iii) the District preserves and enhances the credit ratings assigned to its debt.

II. Scope of Debt Policy

This Debt Policy shall provide guidance for the issuance and management of debt issuances of the District, together with credit, liquidity and other ancillary instruments and agreements secured or executed in connection with such transactions. While adherence to this Debt Policy is recommended in applicable circumstances, the District recognizes that changes in the capital markets, District programs and other unforeseen circumstances may produce situations that are not covered by the Debt Policy or require modifications or exceptions to achieve Debt Policy goals. In these cases, management flexibility is appropriate, provided specific authorization from the Board of Directors is obtained. The District may approve Debt and other related agreements the terms or provisions of which deviate from this Debt Policy, upon the recommendation and approval of the Chief Financial Officer of the District (the "Chief Financial Officer") as circumstances warrant. The failure by the District to comply with any provision of this Debt Policy shall not affect the validity of any Debt that is otherwise duly authorized and executed.

The Chief Financial Officer is the designated administrator of the Debt Policy. The Chief Financial Officer shall have the day-to-day responsibility and authority for structuring, implementing and managing the District's debt and financing program. The Debt Policy requires that each debt issuance be specifically authorized by the Board of Directors.

III. Legal Authority; Compliance with Laws, Resolutions, Debt Documents and Contracts**A. Legal Authority**

The District has exclusive authority to plan and issue Debt for District related purposes, subject to approval by the Board of Directors.

B. Compliance with Law

All Debt of the District shall be issued in accordance with applicable Federal and State laws, rules and regulations, including without limitation the Internal Revenue Code of 1986 (the "Code") with respect to the issuance of tax-exempt Debt, the Securities Act of 1934 and the Securities Exchange Act of 1933, in each case as supplemented and amended, and regulations promulgated pursuant to such laws.

C. Compliance with District Resolutions and Debt Documents

Debt of the District shall be issued in accordance with applicable resolutions and debt documents of the District, in each case as supplemented and amended.

D. Compliance with Other Agreements

Debt of the District shall be issued in compliance with any other agreements of the District with credit or liquidity providers, bond insurers or other third parties.

E. Compliance with SB 1029

This Debt Policy complies with California Senate Bill 1029 (2016). The following paragraph cross references the debt policy requirements of SB 1029 with the relevant sections of this policy.

1. Cal. Gov. Code Section 8855(i)(1)(A): The purposes for which the debt may be used. See Section V: [Purposes for Debt](#).
2. Cal. Gov. Code Section 8855(i)(1)(B): The types of debt that may be issued. See Section VI: [Types of and Limitations on Debt](#).
3. Cal. Gov. Code Section 8855(i)(1)(C): The relationship of the debt to, and integration with, the issuer's capital improvement program or budget. See Section XV: [Budgeting and Capital Planning](#).
4. Cal. Gov. Code Section 8855(i)(1)(D): Policy goals related to the issuer's planning goals and objectives. See Section I: [Purpose](#).
5. Cal. Gov. Code Section 8855(i)(1)(E): The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use. See Section IV: [Administration of Debt Policy](#).

IV. Administration of Debt Policy**A. District**

The District shall be responsible for:

1. Approval of the issuance of all Debt and the terms and provisions thereof;
2. Appointment of financial advisors, bond counsel, disclosure counsel, District consultants, underwriters, feasibility consultants, trustee and other professionals retained in connection with the issuance of Debt;
3. Approval of this Debt Policy and any supplements or amendments;
4. Periodic approval of the District's capital improvement plans; and
5. Periodic approval of proposed District annual and supplemental budgets for submission to the Board of Directors, including without limitation provisions for the timely payment of principal of and interest on all Debt.
6. Maintaining internal control procedures with respect to Debt proceeds.

B. Chief Financial Officer

The Chief Financial Officer shall have responsibility and authority for structuring, issuing and managing the District's Debt and financing programs. This shall include, but not be limited to, the following:

1. Determining the appropriate structure and terms for all proposed debt transactions;
2. Undertaking to issue Debt at the most advantageous interest and other costs consistent with prudent levels of risk;
3. Insuring compliance of any proposed Debt with any applicable additional debt limitations under State law, or the District's Debt Policy, resolutions and debt documents;
4. Seeking approval from the Board of Directors for the issuance of Debt or other debt obligations;
5. Recommending to the Board of Directors the manner of sale of any Debt or other debt transactions;
6. Monitoring opportunities to refund outstanding Debt to achieve debt service savings, and recommending such refunding to the Board, as appropriate;
7. Providing for and participating in the preparation and review of all legal and disclosure documents in connection with the issuance of any Debt by the District;

8. Recommending the appointment of financial advisors, bond counsel, disclosure counsel, District consultants, underwriters, feasibility consultants and other professionals retained in connection with the District's debt issuance as necessary or appropriate;
 9. Distributing information regarding the business operations and financial condition of the District to appropriate bodies on a timely basis in compliance with any applicable continuing disclosure requirements;
 10. Communicating regularly with the rating agencies, bond insurers, investment providers, institutional investors and other market participants related to the District's Debt; and
 11. Maintaining a database with summary information regarding all of the District's outstanding Debt and other debt obligations.
- C. Procedures for Approval of Debt
The proposed issuance of Debt by the District shall be submitted to and subject to approval by the District Board of Directors for authorization and approval.
- D. Considerations in Approving Issuance of Debt
The District may take into consideration any or all of the following factors, as appropriate, prior to approving the proposed issuance of Debt:
1. Whether the proposed issuance complies with this Debt Policy;
 2. Source(s) of payment and security for the Debt;
 3. Projected revenues and other benefits from the projects proposed to be funded;
 4. Projecting operating, other costs and potential revenues with respect to the proposed projects;
 5. Impacts, if any, on tax rates, debt service coverage and funds required for operations;
 6. Impacts, if any, on District credit ratings;
 7. Period, if any, over which interest on the Debt should be capitalized;
 8. Extent to which debt service on the Debt should be level or structured;
 9. Appropriate lien priority of the Debt;
 10. Adequacy of the proposed disclosure document.
- V. Purposes for Debt
- A. Permissible Purposes
The District may issue Debt for the purposes of financing and refinancing the costs of capital projects undertaken by the District. The District may also issue Debt to pay extraordinary unfunded costs, including, but not limited to, termination or other similar payments due in connection with interest rate swaps and investment agreements entered into in connection with Debt.
- B. Prohibited Purposes
The District shall not issue Debt for the purpose of funding operating costs except under extraordinary circumstances or at minimal cost for cash flow management purposes where statutorily permitted.
- VI. Types of and Limitations on Debt
- A. General Obligation Debt
General Obligation Debt represent general obligations of the District and will be payable solely from a levy of ad valorem taxes without limitation as to rate or amount upon all property subject to taxation within the District (except certain property which is taxable at limited rates) for the payment of principal of and interest on the Debt.
- B. Installment Payment Obligations
The District may issue installment payment certificates of participation or Debt payable in whole or in part from underlying installment payment revenues.
- C. New Money Debt
New money issues are those financings that generate additional funding to be available for expenditure on capital projects. These funds will be used for acquisition, construction and major rehabilitation of capital assets. New money proceeds may not be used to fund operational activities.
- D. Refunding Debt
The District may issue Debt to refund the principal of and interest on outstanding Debt of the District in order to (i) achieve debt service savings; (ii) restructure scheduled debt service; (iii) convert from or to a variable or fixed interest rate structure; (iv) change or modify the source or sources of payment and security for the refunded Debt; or (v) modify covenants otherwise binding upon the District. Refunding Debt may be issued either on a current or advance basis, as permitted by applicable Federal tax laws. The District may also utilize a tender offer process to refund Debt that are not otherwise subject to optional call by the District.
Refunding Debt should be issued to achieve debt service savings in most cases. Refundings which do not produce savings are permitted if justified based on the need for legal restructuring to correct major discrepancies or deficiencies in supporting debt documents that would benefit the current, short-term, or long term capital cost of the District.
- E. Long-Term Debt
The District may issue Debt with longer-term maturities to amortize District capital or other costs over a period commensurate with the expected life, use or benefit provided by the project, program or facilities financed from such Debt. Long-term Debt shall consist of Debt of an issue with a final maturity of five (5) years or more.
- F. Short-Term Debt
The District may issue Debt with shorter-term maturities to provide interim financing for capital projects in anticipation of the issuance of longer-term Debt and/or for cash flow management. Short-term Debt shall consist of Debt of an issue with a final maturity of less than five (5) years.
- G. Fixed-Rate Debt
Fixed-rate Debt, on either an actual basis or a synthetic basis using interest rate swaps, may be issued by the District.
- H. Variable Rate Debt
Variable rate Debt may also be issued by the District.
- VII. Terms and Provisions of Debt
- A. Debt Service Structure
The District shall design the financing schedule and repayment of debt so as to take best advantage of market conditions, provide flexibility and, as practical, to recapture or maximize its debt capacity for future use. Annual debt service payments will generally be structured on a level basis per component financed; however, principal amortization may occur more quickly or slowly where permissible, to meet debt repayment, tax rate and flexibility goals.
- B. Amortization of Principal
Long-term Debt of the District shall be issued with maturities that amortize the principal of such Debt over a period commensurate with the expected life, use or benefit (measured in years) provided by the projects, programs and/or facilities financed from the proceeds of such Debt. The weighted average maturity of such Debt should not exceed one hundred and twenty percent (120%) of the reasonably estimated weighted average life, use or benefit (measured in years) of the projects, programs and/or facilities financed from the proceeds of such Debt.
Amortization of principal may be achieved either through serial maturities or through term Debt subject to prior mandatory sinking fund payments and/or redemptions.
- C. Capitalization of Interest
The District may pay or reimburse interest on Debt from proceeds of Debt for legal, budgeting or structuring purposes.

- D. Call Provisions for Debt
1. Optional Call Provisions. The District shall seek to include the shortest practicable optional call rights, with and/or without a call premium, on Debt with a final maturity of more than ten (10) years, consistent with optimal pricing of such Debt. Call premiums, if any, should not be in excess of then prevailing market standards and to the extent consistent with the most advantageous borrowing cost for the District. Non-callable maturities may be considered and used to accommodate market requirements or other advantageous benefits to the District. Capital appreciation Debt and taxable Debt are examples of potential non-callable candidates.
 2. Extraordinary Call Provisions. The District, at its option, may include extraordinary call provisions, including for example with respect to unspent proceeds, damage to or destruction of the project or facilities financed, credit-related events of the District or the user of the project or facilities financed, or other matters, as the District may determine is necessary or desirable.
- E. Payment of Interest
1. Current Interest Debt may be issued.
 2. Deferred Interest Debt. Debt of the District may be issued with the payment of actual or effective interest deferred in whole or in part to the maturity or redemption date of each debt instrument, or the conversion of such debt instrument to a current interest-paying debt instrument (known, respectively, as capital appreciation bonds, zero coupon bonds and convertible capital appreciation bonds). This may be done to achieve optimal sizing, debt service structuring, pricing or other purposes.
- F. Determination of Variable Interest Rates on Debt
- The interest rate from time to time on Debt the interest of which is not fixed to maturity may be determined in such manner that the District determines, including without limitation on a daily, weekly, monthly or other periodic basis, by reference to an index, prevailing market rates or other measures, and by or through an auction or other method.
- G. Tender Options on Debt
- The District may issue Debt subject to the right or obligation of the holder to tender the Debt back to the District for purchase, including, for example, to enable the holder to liquidate their position, or upon the occurrence of specified credit events, interest rate mode changes or other circumstances. The obligation of the District to make payments to the holder upon any such tender may be secured by (i) a credit or liquidity facility from a financial institution in an amount at least equal to the principal amount of the Debt subject to tender, (ii) a liquidity or similar account into which the District shall deposit and maintain an amount at least equal to the principal amount of the Debt subject to tender, or (iii) other means of self-liquidity that the District deems prudent.
- H. Multi-Modal Debt
- The District may issue Debt that may be converted between two or more interest rate modes without the necessity of a refunding. Such interest rate modes may include, without limitation: daily interest rates, weekly interest rates, other periodically variable interest rates, commercial paper rates, auction rates, fixed rates for a term and fixed rates to maturity (in each case with or without tender options).
- I. Debt Service Reserve Funds
- The District may issue Debt that is secured by amounts on deposit in or credited to a debt service reserve fund or account in order to minimize the net cost of borrowing and/or to provide additional reserves for debt service or other purposes. Debt service reserve funds may secure one or more issues of Debt, and may be funded by proceeds of Debt, other available moneys of the District, and/or by surety policies, letters or lines of credit or other similar instruments. Surety policies, letters or lines of credit or other similar instruments may be substituted for amounts on deposit in a debt service reserve fund if such amounts are needed for capital projects or other purposes.
- Amounts in the debt service reserve funds shall be invested in accordance with the requirements of the applicable Debt documents in order to (i) maximize the rate of return on such amounts; (ii) minimize the risk of loss; (iii) minimize volatility in the value of such investments; and (iv) maximize liquidity so that such amounts will be available if it is necessary to draw upon them.
- VIII. Maintenance of Liquidity; Reserves
- The District shall maintain unencumbered reserve amounts sufficient in the determination of the District to cover unexpected revenue losses, operating and maintenance costs, extraordinary payments and other contingencies, and to provide liquidity in connection with the District's outstanding Debt.
- IX. Investment of Debt Proceeds and Related Moneys
- Proceeds of Debt and amounts in the District's debt service, project fund and debt service reserve funds with respect to outstanding Debt shall be invested in accordance with the terms of the applicable Debt documents and other applicable agreements of the District.
- X. Third Party Credit Enhancement
- The District may secure credit enhancement for its Debt from third-party credit providers to the extent such credit enhancement is available upon reasonable, competitive and cost-effective terms. Such credit enhancement may include municipal bond insurance ("Bond Insurance"), letters of credit and lines of credit (collectively and individually, "Credit Facilities"), as well as other similar instruments.
- A. Bond Insurance
- All or any portion of an issue of Debt may be secured by Bond Insurance provided by municipal bond insurers ("Bond Insurers") if it is economically advantageous to do so, or if it is otherwise deemed necessary or desirable in connection with a particular issue of Debt. The relative cost or benefit of Bond Insurance may be determined by comparing the amount of the Bond Insurance premium to the present value of the estimated interest savings to be derived as a result of the insurance.
- B. Credit Facilities
- The issuance of certain types of Debt requires a letter of credit or line of credit (a "Credit Facility") from a commercial bank or other qualified financial institution to provide liquidity and/or credit support. The types of Debt where a Credit Facility may be necessary include commercial paper, variable rate Debt with a tender option and Debt that could not receive an investment grade credit rating in the absence of such a facility.
- The criteria for selection of a Credit Facility provider shall include the following:
1. Long-term ratings from at least two nationally recognized credit rating agencies ("Rating Agencies") preferably to be equal to or better than those of the District;
 2. Short-term ratings from at least two Rating Agencies of at least P-/A-1+ or equivalent;
 3. Experience providing such facilities to state and local government issuers;
 4. Fees, including without limitation initial and ongoing costs of the Credit Facility; draw, transfer and related fees; counsel fees; termination fees and any trading differential; and
 5. Willingness to agree to the terms and conditions proposed or required by the District.
- XI. Use of Derivatives
- Derivative products will be considered where appropriate in the issuance or management of debt only in instances where it has been demonstrated that the derivative product will either provide a hedge that reduces risk of fluctuations in expense or revenue, or alternatively, where it will reduce total project cost. An analysis of early termination costs and other conditional terms will also be performed given certain financing and marketing assumptions. Such analysis will document the risks and benefits associated with the use of the particular derivative product. Derivative products will only be utilized with prior Board approval.
- XII. Methods of Sale and Pricing of Debt
- There are three principal methods for the initial sale of Debt: (i) competitive; (ii) negotiated and (iii) private placement. The District shall utilize that method of sale that (a) is reasonably expected to produce the most advantageous interest cost with respect to the Debt and (b) provides the District with the flexibility necessary or desirable in connection with the structuring, timing or terms of such Debt. The District shall utilize such method that is likely to provide the most advantageous borrowing costs and execution on behalf of the District.

Debt may be sold at such prices, including at par, a premium or a discount, as the District may determine is likely to produce the most advantageous interest cost under then prevailing market conditions, subject to compliance with applicable State law.

XIII. Debt Redemption Programs

The District may establish from time-to-time a plan or program for the payment and/or redemption of outstanding Debt and/or interest thereon from revenues and/or other available funds pursuant to a recommendation from the Chief Financial Officer. Such plan or program may be for the purposes of reducing outstanding Debt, managing the amount of debt service payable in any year, or other suitable purposes, as determined by the District.

XIV. Professional Services

The District may retain professional services providers as necessary or desirable in connection with (i) the structuring, issuance and sale of its Debt; (ii) monitoring of and advice regarding its outstanding Debt; and (iii) the negotiation, execution and monitoring of related agreements, including without limitation Bond Insurance, Credit Facilities, Derivatives and investment agreements; and (iv) other similar or related matters. Professional service providers may include financial advisors, bond counsel, disclosure counsel, District consultants, bond trustees and Federal arbitrage rebate services providers, and may include, as appropriate, underwriters, feasibility consultants, remarketing agents, auction agents, broker-dealers, escrow agents, verification agents and other similar parties.

The District shall require that its Financial Advisors, bond and disclosure counsel and other District consultants be free of any conflicts of interest, or that any necessary or appropriate waivers or consents are obtained.

A. Financial Advisors

The District may utilize one or more Financial Advisors to provide ongoing advisory services with respect to the District's outstanding and proposed Debt and related agreements, including without limitation Credit Facilities, Derivatives, investment agreements and other similar matters.

B. Bond Counsel, Disclosure Counsel and Other Legal Counsel

1. Bond Counsel. The District may utilize one or more bond counsel firms to provide ongoing legal advisory services with respect to the District's outstanding and proposed Debt and related agreements, including without limitation Credit Facilities, Derivatives, investment agreements and other similar matters. All Debt issued by the District shall require a written opinion from the District's bond counsel, as appropriate, regarding (i) the validity and binding effect of the Debt, and (ii) the exemption of interest from Federal and State income taxes.
2. Disclosure Counsel. The District may utilize a disclosure counsel firm to provide ongoing legal advisory services with respect to initial and continuing disclosure in connection with the District's outstanding and proposed Debt. Such firm may be one of the District's bond counsel firms. The issuance of Debt by the District shall require a written opinion from the District's disclosure counsel, as appropriate, regarding (i) the exemption of the Debt from registration requirements under Federal securities laws, and (ii) their absence of knowledge, after due review, regarding any material misstatement in or omission from the official statement or other public offering document with respect to the Debt.
3. Other Legal Counsel. The District may encourage or require, as appropriate, the retention and use of legal counsel by other parties involved in the issuance of Debt and the execution of related agreements who are approved by the District.

C. District Consultant

The District may utilize one or more outside District consultants to provide ongoing advisory services with respect to the District's outstanding and proposed Debt, District tax rates, fares, strategic business and financial decisions and such other matters as the District requires.

D. Trustees and Fiscal Agents

The District may engage bond trustees and/or fiscal agents, paying agents and tender agents, as necessary or appropriate, in connection with the issuance of its Debt.

E. Underwriters

The District may engage a team of underwriters, including a senior managing underwriter, in connection with the negotiated sale of its Debt. The District also may engage one or more underwriters, as necessary or appropriate, to serve as remarketing agents, broker-dealers or in other similar capacities with respect to variable rate, auction, tender option, commercial paper and other similar types of Debt issued by the District.

F. Feasibility Consultants

The District may retain feasibility consultants in connection with proposed project, programs, facilities or activities to be financed in whole or in part from proceeds of Debt. The criteria for the selection of such feasibility consultants, in addition to those set forth above, shall include their expertise and experience with projects, programs, facilities or activities similar to those proposed to be undertaken by the District.

G. Arbitrage Rebate Services Providers

Because of the complexity of the Federal arbitrage rebate statutes and regulations, and the severity of potential penalties for non-compliance, the District may retain an arbitrage rebate services provider in connection with its outstanding and proposed Debt, and may also solicit related legal and tax advice from its bond counsel or separate tax counsel. The responsibilities of the arbitrage rebate services provider shall include: (i) the periodic calculation of any accrued arbitrage rebate liability and of any rebate payments due under and in accordance with the Code and the related rebate regulations; (ii) advice regarding strategies for minimizing arbitrage rebate liability; (iii) the preparation and filing of periodic forms and information required to be submitted to the Internal Revenue Service; (iv) the preparation and filing of requests for reimbursement of any prior overpayments; and (v) other related matters as requested by the District.

The District shall maintain necessary and appropriate records regarding (i) the expenditure of proceeds of Debt, including the individual projects and facilities financed and the amounts expended thereon, and (ii) investment earnings on such Debt proceeds. The District shall maintain such records for such period of time as shall be required by the Code.

H. Other Professional Services

The District may retain such other professional services providers, including without limitation verification agents, escrow agents, auction agents, as may be necessary or appropriate in connection with its Debt.

XV. Budgeting and Capital Planning

The District's budgeting process, including its budgeting process for capital expenditures, shall provide a framework for evaluating proposed debt issuances.

XVI. Credit Rating Objectives

The District shall seek to preserve and enhance the credit ratings with respect to its outstanding Debt to the extent consistent, with the District's current and anticipated business operations and financial condition, strategic plans and goals and other objectives, and in accordance with any developed credit strategies.

XVII. Debt Affordability

Consistent with its credit rating objectives, the District shall periodically review its debt affordability levels and capacity for the undertaking of new financing obligations to fund its capital improvement plans. Debt affordability measures shall be based upon the credit objectives of the District, criteria identified by rating agencies for high-grade credits, comparison of industry peers and other internal factors of the District.

XVIII. Relationships with Market Participants

The District shall seek to preserve and enhance its relationships with the various participants in the municipal bond market, including without limitation, the Rating Agencies, Bond Insurers, credit/liquidity providers and current and prospective investors, including through periodic communication with such participants.

The District shall prepare or cause to be prepared appropriate disclosures as required by Securities and Exchange Commission Rule 15c2-12, the federal government, the State of California, rating agencies and other persons or entities entitled to disclosure to ensure compliance with applicable laws and regulations and agreements to provide ongoing disclosure.

XIX. Periodic Review

The Chief Financial Officer shall review this Debt Policy on a periodic basis, and recommend any changes to the Board for consideration. This Debt Policy, including any proposed changes or additions hereto, shall be presented to the Board at least once every three (3) years for re-approval.

Source Administrator Hernandez, Lisa
Document Owner Bogert, Michael
Collaborators: Dara Czerwonka, Elvira Simmons, Jerry Kaufman, Deborah Hollick, Joy Gorzeman, Mark Neu, Julie Avila
Reviewers
Approvals
- Committees:
Original Effective Date 03/28/2018
Revised [03/28/2018 Rev. 0]
Reviewed
Next Review Date 03/27/2021

Attachments:
(REFERENCED BY THIS DOCUMENT)
Other Documents:
(WHICH REFERENCE THIS DOCUMENT)

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ADDENDUM C

Annual Adoption of Statement of Investment

Disclaimer

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Approvals

- Signature: Kevin DeBruin, Chief Legal Officer signed on 11/18/2021, 7:04:37 AM
 - Signature: Michael Bogert, Chief Financial Officer signed on 11/5/2021, 9:33:59 AM
-

Revision Insight

Document ID:	27092
Revision Number:	13
Owner:	Michael Bogert, History Load
Revision Official Date:	11/17/2021

Revision Note:
Recommendation that no changes be made approved by the Board at the 10/11/2021 meeting.

Source:
Administrative
Board of Directors

Applies to Facilities:
All Palomar Health Facilities

Applies to Departments:
Financial Services
Financial Planning

Policy : Annual Adoption of Statement of Investment

I. PURPOSE:

- A. This Statement of Investment Policy sets forth the investment guidelines for all of Palomar Health's ("the District's") investments purchased after March 1, 1996. The purpose of this policy is to ensure that the District's funds are prudently invested according to the Board of Director's objectives to preserve capital, provide necessary liquidity and to achieve a market-average rate of return through economic cycles.
- B. The District may invest any portion of its Investable Funds, subject to the requirements of the California Government Code and this policy. If the provisions of the Government Code are or become more restrictive than those contained herein, such provisions shall govern, and are deemed incorporated into this policy upon taking effect.
- C. Government Code Section 53600 et seq., authorizes local agencies to make investments in specified vehicles with money in a sinking fund of, or surplus money in, its treasury not required for the immediate needs of the agency.
- D. The District is a "local agency" subject to the provision of Government Code Section 53600 et seq., which recommends that the District's Board of Directors annually adopt a statement of its investment policy, and to consider any delegation of authority to make investments on its behalf by the Chief Financial Officer.
- E. The Board of Directors of the District now desires to formally adopt this statement of investment policy, and to re-delegate to the Chief Financial Officer responsibility for all decisions regarding the sale or purchase of individual investments on behalf of the District.

II. DEFINITIONS:

- A. **Safety of Principal.** Safety of principal is the foremost objective of the District. The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. Each investment transaction shall seek to ensure that capital losses are avoided, whether from institutional default, broker-dealer default, or erosion of market value of securities. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- B. **Liquidity.** Liquidity is the second most important objective of the District. Liquidity refers to the ability to "cash in" at any moment in time with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality especially when the need for unexpected funds occasionally occurs. The investment portfolio shall remain sufficiently liquid to enable the District to meet all operating requirements that might be reasonably anticipated.
- C. **Yield.** Yield is the potential dollar earnings an investment can provide, and it is sometimes described as the rate of return. Within the limits of safety and liquidity, the District shall strive toward portfolio growth that exceeds the rate of inflation in order to preserve capital.
- D. **Investable Funds.** Moneys in a sinking fund or moneys in its treasury not required for the immediate needs of the District.

III. TEXT / STANDARDS OF PRACTICE:

- A. Delegation of Authority to Chief Financial Officer; Procedures to Implement Investment Policy
 - 1. Delegation of authority to Chief Financial Officer: The District's Chief Financial Officer is delegated responsibility for all decisions regarding the sale or purchase of individual investments on behalf of the District. This delegation shall be reviewed annually by the Board through the Finance Committee. Any re-delegation shall be recorded in the minutes of those meetings. No person may engage in an investment transaction except as provided under the terms of this policy and any other procedures established by the Chief Financial Officer. The Chief Financial Officer shall be responsible for all actions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.
- B. This policy will be reviewed and updated as required or at least every year.
- C. Document History:
 - 1. Original Document Date: 7/14/95; Revision Number: 1 Dated: 6/06
 - 2. Prior to 2006, this Policy was Board Policy 10-513

Source Administrator Hernandez, Lisa
Document Owner Bogert, Michael
Collaborators: Carla Albright, Deborah Hollick, Douglas Moir, Gregory King, Jami Pearson, Jeffrey Griffith, Julie H Avila, Laurie Edwards-Tate, Lisa Hernandez, Nancy Calabria, Nanette Irwin, Richard Engel, Tanya L Howell, Thea McKenzie, Thomas Kumura
Reviewers
Approvals
- Committees:
- Signers: Michael Bogert Kevin DeBruin
Michael Bogert, Chief Financial Officer (11/05/2021 09:33AM PST) Kevin DeBruin, Chief Legal Officer (11/18/2021 08:04AM PST)
Original Effective Date 11/14/2007
Revised [11/14/2007 Rev. 0], [02/11/2008 Rev. 1], [07/13/2011 Rev. 2], [09/12/2011 Rev. 3], [09/10/2012 Rev. 4], [05/07/2014 Rev. 5], [09/18/2014 Rev. 6], [06/11/2016 Rev. 7], [08/12/2016 Rev. 8], [09/01/2017 Rev. 9], [09/25/2018 Rev. 10], [04/23/2020 Rev. 11], [08/19/2020 Rev. 12], [11/18/2021 Rev. 13]
Reviewed [09/01/2009 Rev. 1], [05/24/2013 Rev. 4]
Next Review Date 11/18/2022
Attachments:
(REFERENCED BY THIS DOCUMENT)
Other Documents:
(WHICH REFERENCE THIS DOCUMENT)

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[https://www.lucidoc.com/cgi/doc-gw.pl?ref=pphealth:27092\\$13](https://www.lucidoc.com/cgi/doc-gw.pl?ref=pphealth:27092$13).

ADDENDUM D

OBHG California, PC
First Quality Metric Addendum to Professional Services Agreement
Obstetrics and Gynecologic Physician Coverage

TO: Board Finance Committee

MEETING DATE: Wednesday, November 30, 2022

FROM: Sheila Brown, RN, MBA, FACHE, Former Chief Operations Officer

Background: Palomar Medical Center Escondido provides services for women in the North County, including OB/GYN. These women's health programs require an Obstetrician and Gynecologist to be in-house on a 24-hour, 7 days per week, basis. OBHG will additionally assist with the development of an obstetrics emergency department at the Hospital's facility.

This Addendum adds a Bonus Metric related to quarterly multidisciplinary formal education and weekly informal staff education.

Budget Impact: Budgeted

Staff Recommendation: Approval

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR HEALTH – AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	First Quality Metric Addendum to Professional Services Agreement
	AGREEMENT DATE	<u>Original</u> : April 30, 2021 <u>1st Quality Metric Amendment</u> : June 1, 2022
	PARTIES	Palomar Health and OBHG California
	PURPOSE	<u>Original</u> : To provide in-house obstetrical and gynecological coverage on a 24-hour, 7 days per week basis, as well as development of an obstetrics emergency department with 2 OB/GYNs and 1 CNM in-house 24/7 <u>1st Quality Metric Amendment</u> : Addition of a Bonus Metric related to quarterly multidisciplinary formal education and weekly informal staff education
	SCOPE OF SERVICES	Provide in-house physician coverage for unassigned or emergent obstetric patients, provide consultative services and possible surgical services for unassigned emergent gynecologic patients; respond to all unassigned walk-in obstetrical and gynecologic calls/consults in ED or elsewhere in hospital; assist with discharge planning, including assistance with arranging for follow-up consultation
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
	TERM	April 30, 2021 – May 1, 2024
	RENEWAL	None
§§Sections 3.4, 3.5, 3.6	TERMINATION	30 days if breached; termination upon bankruptcy; termination due to violation of patient health, safety.
	FAIR MARKET VALUATION	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – DATE COMPLETED: 4/28/21
	COMPENSATION METHODOLOGY	Monthly
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	EXCLUSIVITY	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	
	AGREEMENT NOTICED	<input type="checkbox"/> YES <input type="checkbox"/> NO Methodology & Response:
	ALTERNATIVES/IMPACT	
	Duties	<input checked="" type="checkbox"/> Provision for Staff Education <input checked="" type="checkbox"/> Provision for Medical Staff Education <input checked="" type="checkbox"/> Provision for participation in Quality Improvement <input type="checkbox"/> Provision for participation in budget process development
	COMMENTS	
	APPROVALS REQUIRED	<input type="checkbox"/> VP <input type="checkbox"/> CFO <input type="checkbox"/> CEO <input type="checkbox"/> BOD Committee _____ <input type="checkbox"/> BOD

**Palomar Health
Director, Medical Informatics
Bret Ginther, M.D.**

TO: Board Finance Committee

MEETING DATE: Wednesday, November 30, 2022

FROM: Brian Cohen, Sr. Director District Service Lines

Background: The Medical Director of Informatics is a vital role in support of the effective selection, implementation, use, and benefits realization of clinical information systems. The Medical Director of Informatics operates at a critical nexus, bridging the gap between practicing clinicians and the IT departments. Dr. Ginther has served in this capacity since 2015.

Budget Impact: Budgeted

Staff Recommendation: Approval

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR HEALTH – AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	<u>Original</u> : Medical Director Agreement <u>Current</u> : Third Amendment to Medical Director Agreement
	AGREEMENT DATE	<u>Original</u> : May 18, 2017 <u>Current</u> : June 15, 2022
	PARTIES	Palomar Health and Bret Ginther, M.D.
	PURPOSE	<u>Original</u> : Physician leadership and support of the Medical Informatics Program. <u>Current</u> : Reinstate and amend term and compensation
	SCOPE OF SERVICES	Physician will manage, generally supervise, and direct the Medical Informatics Program.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
	TERM	<u>Original</u> : May 18, 2017 – May 17, 2018 <u>First Amendment</u> : May 18, 2018 – May 17, 2019 <u>Second Amendment</u> : May 18, 2019 – May 17, 2020 <u>Third Amendment</u> : June 15, 2022 – June 30, 2023
	RENEWAL	None.
	TERMINATION	Either party may terminate this Agreement without cause upon thirty (30) days' prior written notice.
	FAIR MARKET VALUATION	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – DATE COMPLETED: 8/13/2021
	COMPENSATION METHODOLOGY	The Parties hereby acknowledge and agree that the compensation hereunder is the product of bona fide arms-length negotiations and represents a commercially reasonable and fair market value payment for the Services to be furnished hereunder without regard to the volume or value of federal health care program or any other business generated by and among the Parties.
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	EXCLUSIVITY	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	Hospital owns and operates several acute hospitals and other facilities which require physician leadership and support of the Medical Informatics Program.
	AGREEMENT NOTICED	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO Methodology & Response:
	ALTERNATIVES/IMPACT	N/A
	Duties	<input type="checkbox"/> Provision for Staff Education <input type="checkbox"/> Provision for Medical Staff Education <input type="checkbox"/> Provision for participation in Quality Improvement <input type="checkbox"/> Provision for participation in budget process development
	COMMENTS	None.
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> VP X-CFO <input type="checkbox"/> CEO X-BOD-Committee – Finance; <input checked="" type="checkbox"/> X-BOD

Palomar Health Trauma Recovery Center Psychiatrist Agreement

TO: Board Finance Committee

MEETING DATE: Wednesday, November 30, 2022

FROM: Virginia A. Barragan, FACHE, PT, MOMT, DPT Vice President Continuum Care
Michelle Shores, RN, MSN, MBA-HC, CEN, Director Forensic Health Services
and Trauma Recovery Services

Background: Palomar Health operates the grant-funded Trauma Recovery Center. The new department is funded by California Victims of Crime Board (CalVCB) and provides no cost mental health services for victims of crime. The services will include a Traumatic and Anoxic Brain Injury Clinic for those that have suffered an assault or a qualifying event. This agreement will allow Palomar Health Trauma Recovery Center to contract with Angel Chang, MD., (“Physician” Group) for a Psychiatrist. Dual board-certified brain injury and physical medicine & rehabilitation physician (psychiatrist) with extensive experience with the post-acute population at the Palomar Health TRC. Working in partnership with TRC Manager and clinical director and Director of Trauma Recovery Services the incumbent will provide consultation and direct assessment and brief treatment to TRC clients suspected of anoxic and traumatic brain injury from acute and chronic qualifying trauma, medical illnesses and complex psychiatric and psychosocial problems at the TRC and participate weekly in TRC treatment planning meetings.

Budget Impact: Budgeted

Staff Recommendation: Approval

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR HEALTH – AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Professional Services for Psychiatrist for the Trauma Recovery Center
	AGREEMENT DATE	Effective date is July 1, 2022
	PARTIES	Angel Chang, MD., (“Physician” Group) and Palomar Health (“Hospital”)
	PURPOSE	Palomar Health desires to retain Physician Group to Provide board certified psychiatrist at the Palomar Health TRC..
	SCOPE OF SERVICES	Professional Services: This position is for a board certified psychiatrist at the Palomar Health TRC. Working in partnership with TRC Manager and clinical director and Director of Trauma Recovery Services the incumbent will provide consultation and direct assessment and brief treatment to TRC clients suspected of having anoxic and traumatic brain injury from acute and chronic trauma, medical illnesses and complex psychiatric and psychosocial problems at the TRC and participate weekly in TRC treatment planning meetings. Psychiatrist will develop and participate with client treatment plan and submit referrals for qualifying TRC clients.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
	TERM	Effective July 1, 2022, expires June 30, 2023.
	RENEWAL	None
	TERMINATION	This Agreement shall terminate on June 30, 2023 unless earlier terminated in accordance with the terms of this Agreement.
	FAIR MARKET VALUATION	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – DATE COMPLETED: 09/13/2021
	COMPENSATION METHODOLOGY	Professional will be paid by hospital on a monthly basis
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT: \$125 an hour for a max \$51,000
	EXCLUSIVITY	<input type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	Required position for grant compliance and penal code compliance.
	AGREEMENT NOTICED	<input type="checkbox"/> YES <input type="checkbox"/> NO Methodology & Response:
	ALTERNATIVES/IMPACT	Will not be in compliance for funding without this position. Needs to be contracted by July 2022 for grant compliance. Risk of losing funding for service in upcoming grant application.
	Duties	X Provision for Staff Education X Provision for Medical Staff Education X Provision for participation in Quality Improvement X Provision for participation in budget process development
	COMMENTS	
	APPROVALS REQUIRED	<input type="checkbox"/> VP <input type="checkbox"/> CFO <input type="checkbox"/> CEO <input type="checkbox"/> BOD Committee _____ <input type="checkbox"/> BOD

**MEDICAL DIRECTOR AGREEMENT
INTERVENTIONAL RADIOLOGY DEPARTMENT
MICHAEL NOUD, MD**

TO: Board Finance Committee

MEETING DATE: Wednesday, November 30, 2022

FROM: Omar Khawaja, MD, MBA, Chief Medical Officer

Background: This contract represents the Medical Director Agreement for the Interventional Radiology Department at Palomar Medical Center Escondido in accordance with the Medical Staff by-laws, rules and regulations, policies, and procedures of Palomar Health. The Medical Director will manage, generally supervise, and direct the medical administrative operations of the Program.

Budget Impact: Budgeted

Staff Recommendation:

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR HEALTH – AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Medical Director Agreement
	AGREEMENT DATE	July 15, 2022
	PARTIES	Palomar Health, a California healthcare district, and Michael Noud, M.D.
Recitals A	PURPOSE	Hospital owns and operates several acute hospitals and other facilities which require physician leadership and support of the Interventional Radiology unit/department at Palomar Medical Center Escondido.
Recital C	SCOPE OF SERVICES	Hospital and physician have agreed that Physician will manage, generally supervise, and direct the medical administrative operations of the Interventional Radiology unit/department in accordance with this Agreement.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
	TERM	July 15, 2022 – July 14, 2024
	RENEWAL	None.
13.a) – c)	TERMINATION	Either party may terminate this Agreement without cause upon sixty (60) days' prior written notice.
	FAIR MARKET VALUATION	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – DATE COMPLETED: 09/23/2020
2.2	COMPENSATION METHODOLOGY	Fair Market Value. The Parties hereby acknowledge and agree that the compensation hereunder is the product of bona fide arms-length negotiations and represents a commercially reasonable and fair market value payment for the Services to be furnished hereunder without regard to the volume or value of a federal health care program or any other business generated by and among the Parties.
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	EXCLUSIVITY	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	Need for medical directorship of the Interventional Radiology department at Palomar Medical Center Escondido.
	AGREEMENT NOTICED	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO Methodology & Response:
	ALTERNATIVES/IMPACT	N/A
	Duties	<input checked="" type="checkbox"/> Provision for Staff Education <input checked="" type="checkbox"/> Provision for Medical Staff Education <input checked="" type="checkbox"/> Provision for participation in Quality Improvement <input checked="" type="checkbox"/> Provision for participation in budget process development
	COMMENTS	None.
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> VP <input checked="" type="checkbox"/> CFO <input type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD-Committee – Finance; <input checked="" type="checkbox"/> BOD

**Palomar Medical Center Poway
Administrative Services Agreement
Medical Staff Department Chair**

TO: Board Finance Committee

MEETING DATE: Wednesday, November 30, 2022

FROM: Omar Khawaja, MD, Chief Medical Officer

Background: Palomar Medical Center Poway Medical Staff Department Chairs are provided a stipend for services performed as required by the Medical Staff Bylaws. This agreement serves to document the relationship of the Medical Staff Department Chairs to Palomar Medical Center Poway and the duties to be performed as consideration for the stipend to assure compliance with federal regulations.

Presented is the Contract for the following Department Chair:

Chair, Department of Surgery – Ariel Palanca, M.D.

Budget Impact: None.

Staff Recommendation: Approval

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion: X

Individual Action:

Information:

Required Time:

PALOMAR HEALTH – AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Department Chair Agreement
	AGREEMENT DATE	08/01/2022
	PARTIES	Ariel Palanca, M.D. and Palomar Medical Center Poway
	PURPOSE	To provide administrative services on behalf of the Palomar Medical Center Poway Medical Staff in accordance with the Medical Staff Bylaws, Plans, and Policies.
	SCOPE OF SERVICES	As per duties defined in the Palomar Medical Center Poway Medical Staff Bylaws and Policies.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
	TERM	08/01/2022-12/31/2024
	RENEWAL	None
	TERMINATION	As described under Section 5 of the contract.
	FAIR MARKET VALUATION	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – DATE COMPLETED: 8/9/2022
	COMPENSATION METHODOLOGY	Monthly
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	EXCLUSIVITY	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	Department Chair position elected by the Medical Staff in accordance with the Medical Staff Bylaws.
	AGREEMENT NOTICED	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO Methodology & Response: Elected by the Palomar Medical Center Poway Medical Staff.
	ALTERNATIVES/IMPACT	n/a
	Duties	<input type="checkbox"/> Provision for Staff Education <input type="checkbox"/> Provision for Medical Staff Education <input type="checkbox"/> Provision for participation in Quality Improvement <input type="checkbox"/> Provision for participation in budget process development <input checked="" type="checkbox"/> Defined in the Palomar Medical Center Poway Medical Staff Bylaws
	COMMENTS	
	APPROVALS REQUIRED	<input type="checkbox"/> VP <input type="checkbox"/> CFO <input type="checkbox"/> CEO <input type="checkbox"/> BOD Committee _____ <input type="checkbox"/> BOD

**University of California San Diego Health (UCSDH)
Neurosurgery Call Coverage Services Agreement – Amend 2**

TO: Board Finance Committee

MEETING DATE: Wednesday, November 30, 2022

FROM: Omar Khawaja, MD, MBA, Chief Medical Officer

Background: Palomar Health and the University of California San Diego Health (UCSDH) have entered into a Neurosurgery Inpatient and Consultative Services Agreement, whereby UCSDH would provide continuous and uninterrupted Trauma, ED, and Inpatient Consultative Panel Coverage and Professional Services for Neurosurgery Call Coverage.

In the 2nd amendment, the parties agree to extend the term of the agreement, increase the available coverage provided by Advanced Practice Providers, and document other operational specification agreed upon by the Parties.

Budget Impact: Budgeted

Staff Recommendation:

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR HEALTH – AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	1. The Regents of the University of California on behalf of University of CA San Diego Health (UCSDH) - Neurosurgery - Call Coverage Services Agreement - 8.1.2019 2. The Regents of the University of California on behalf of University of CA San Diego Health (UCSDH) - Neurosurgery - Amendment 1 to Call Coverage Services Agreement 8.1.2019 - 12.29.2020 3. University of California San Diego Health (UCSDH) - Amendment 2 to Neurosurgery Call Coverage Svcs Agmnt - 8.1.2019 - 8.1.2022
	AGREEMENT DATE	1. August 1, 2019 – July 31, 2022 2. April 1, 2020 – July 31, 2022 3. August 1, 2022 – August 1, 2027
	PARTIES	Palomar Health and The Regents of the University of California on behalf of the University of California San Diego Health
	PURPOSE	To extend term, increase available coverage by Advanced Practice Providers, and document other operational specification agreed upon.
	SCOPE OF SERVICES	Neurosurgery Inpatient and Consultative Services Agreement, whereby UCSDH would provide continuous and uninterrupted Trauma, ED, and Inpatient Consultative Panel Coverage and Professional Services for Neurosurgery Call Coverage.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="checked" type="checkbox"/> Discretionary
	TERM	1. August 1, 2019 – July 31, 2022 2. April 1, 2020 – July 31, 2022 3. August 1, 2022 – August 1, 2027
	RENEWAL	This agreement may be renewed upon the mutual written agreement of both parties.
	TERMINATION	This agreement may be terminated without cause, for any reason, at any time, by Hospital or UCSDH upon 120 days’ prior written notice to the other party.
	FAIR MARKET VALUATION	<input checked="checked" type="checkbox"/> YES <input type="checkbox"/> NO – DATE COMPLETED: AUGUST 4, 2022
	COMPENSATION METHODOLOGY	Fair Market Value. The parties agree that the terms and provisions of the Agreement are commercially reasonable, and to the best of the Parties’ knowledge, the compensation is consistent with fair market value.
	BUDGETED	<input checked="checked" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	EXCLUSIVITY	<input checked="checked" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	Hospital owns and operates several acute care facilities in the northern San Diego community, including Palomar Medical Center Escondido and has the need for physicians to provide on-site and on-call medical services in the specialty of neurosurgery in order better to serve its geographic service area.
	AGREEMENT NOTICED	<input type="checkbox"/> YES <input checked="checked" type="checkbox"/> NO Methodology & Response:
	ALTERNATIVES/IMPACT	N/A
	Duties	<input checked="checked" type="checkbox"/> Provision for Staff Education <input checked="checked" type="checkbox"/> Provision for Medical Staff Education <input checked="checked" type="checkbox"/> Provision for participation in Quality Improvement <input checked="checked" type="checkbox"/> Provision for participation in budget process development
	COMMENTS	None.
	APPROVALS REQUIRED	<input checked="checked" type="checkbox"/> VP <input checked="checked" type="checkbox"/> CFO <input type="checkbox"/> CEO <input checked="checked" type="checkbox"/> BOD-Committee – Finance; <input checked="checked" type="checkbox"/> BOD

**PALOMAR HOSPITAL PARTNERS, INC.
EMERGENCY DEPARTMENT AND URGENT CARE SERVICES
AGREEMENT (Amend 1)**

TO: Board Finance Committee

MEETING DATE: Wednesday, November 30, 2022

FROM: Omar Khawaja, MD, CMO

Background: Palomar Hospital Partners, Inc., shall supply Providers to provide all emergency services at Hospital to include responding to requests for emergency consultation with inpatients for emergency airway, intubation, vascular emergencies and codes, and to supervise the operation of the Department in accordance with Group's obligations.

Budget Impact: Budgeted

Staff Recommendation:

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR HEALTH – AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	1. Palomar Hospital Partners, Inc. aka EMA - Emergency Department & Urgent Care Services Agreement - 8.10.2021 2. Palomar Hospital Partners, Inc. aka Emergent Medical Associates (EMA) - Amendment 1 to Emergency Department & Urgent Care Services Agreement 8.10.2021 - 8.2.2022
	AGREEMENT DATE	1. June 24, 2021 2. August 2, 2022
	PARTIES	Palomar Health and Palomar Hospital Partners, Inc. aka Emergent Medical Associates (EMA)
	PURPOSE	To provide quality patient care in a cost-effective and efficient manner and for Hospital to contract with Group to be the exclusive provider of physician coverage for full-time emergency and urgent care services in the Department.
	SCOPE OF SERVICES	Full-time emergency services physician coverage for urgent care services and for the Emergency Department. Palomar Hospital Partners, Inc., shall supply Providers to provide all emergency services at Hospital, including responding to requests for emergency consultation with inpatients for emergency airway, intubation, vascular emergencies and codes, and to supervise the operation of the Department in accordance with Group's obligations.
	PROCUREMENT METHOD	X Request For Proposal Discretionary
	TERM	1. August 10, 2021 – August 9, 2024 2. August 2, 2022 – August 9, 2026
	RENEWAL	Yes
	TERMINATION	Either party may, in its sole discretion, upon the completion of the Initial Term only, terminate this Agreement without cause by giving the other party at least 180 days' prior written notice.
	FAIR MARKET VALUATION	X YES <input type="checkbox"/> NO – DATE COMPLETED: JULY 26, 2021
	COMPENSATION METHODOLOGY	Hospital shall establish a schedule of technical charges for the use of all services, items and personnel provided to patients in the Department. Group shall establish a schedule of fees for all professional medical services rendered by Group and Physicians in the Department, which fees shall at all times be comparable to the fees customarily charged in the marketplace for comparable services.
	BUDGETED	X YES <input type="checkbox"/> NO – IMPACT:
	EXCLUSIVITY	NO X YES – EXPLAIN: Hospital agrees that throughout the term hereof all Services rendered, the Hospital shall be provided only Group and ED Group. All references to Group herein shall include ED Group as applicable.
	JUSTIFICATION	Hospital owns and operates 2 acute care hospitals which each maintain an emergency department on the hospital's premises which provide emergency services, and Hospital desires to assure physician coverage for the Department.
	AGREEMENT NOTICED	<input type="checkbox"/> YES X NO Methodology & Response:
	ALTERNATIVES/IMPACT	N/A
	Duties	X Provision for Staff Education X Provision for Medical Staff Education X Provision for participation in Quality Improvement X Provision for participation in budget process development
	COMMENTS	None.
	APPROVALS REQUIRED	X-VP X-CFO <input type="checkbox"/> CEO X-BOD-Committee – Finance; X-BOD

**PALOMAR HOSPITAL PARTNERS, INC.
HOSPITALIST SERVICES AGREEMENT (Amend 1)**

TO: Board Finance Committee

MEETING DATE: Wednesday, November 30, 2022

FROM: Omar Khawaja, MD, CMO

Background: Palomar Hospital Partners, Inc., has developed and is making comprehensive hospitalist services available as an aid and assistance to medical centers and to communities specializing in care and treatment of patients admitted to hospitals and medical centers.

Palomar Hospital Partners will assure Hospital the necessary teamwork to provide Hospitalist Services, maintenance of quality physician skills in inpatient care and treatment, development of clinical protocols, supervision and consultations for improved care and treatment in various Hospital departments, and the attainment of specific goals.

Budget Impact: Budgeted

Staff Recommendation:

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR HEALTH – AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	1. Palomar Hospital Partners, Inc. aka EMA - Hospitalist & Medical Director Services Agreement - 8.8.2021 2. Palomar Hospital Partners, Inc. aka Emergent Medical Associates (EMA) - Amendment 1 to Hospitalist & Medical Director Services Agreement 8.8.2021 - 8.2.2022
	AGREEMENT DATE	1. July 1, 2021 2. August 2, 2022
	PARTIES	Palomar Health and Palomar Hospital Partners, Inc. aka Emergent Medical Associates (EMA)
	PURPOSE	Hospital desires to make available to its inpatients complete and integrated Hospitalist services provided by a cohesive group of physicians and professionals who strive for excellence in the provision of quality inpatient services.
	SCOPE OF SERVICES	To provide continuous 24-hour inpatient services to the members of the community who require medical and hospital service through the Hospital's medical staff including internal medicine and family medicine departments.
	PROCUREMENT METHOD	X Request For Proposal Discretionary
	TERM	1. August 8, 2021 – August 7, 2024 2. August 2, 2022 – August 9, 2026
	RENEWAL	Yes
	TERMINATION	Either party may, in its sole discretion, upon the completion of the Initial Term only, terminate this Agreement without cause by giving the other party at least 180 days' prior written notice.
	FAIR MARKET VALUATION	X YES NO – DATE COMPLETED: JULY 1, 2021
	COMPENSATION METHODOLOGY	Upon expiration of the initial 12 months and every twelve month period thereafter, the Parties may negotiate in good faith the fees, incentives, or stipends, a formula as necessary to maintain compensation under this Agreement at fair market value.
	BUDGETED	X YES <input type="checkbox"/> NO – IMPACT:
	EXCLUSIVITY	NO X YES – EXPLAIN: Group has developed and is making comprehensive hospitalist services available as an aid and assistance to medical centers and to communities specializing in care and treatment of patients admitted to hospitals and medical centers.
	JUSTIFICATION	Entering into an agreement with Group will assure Hospital the necessary teamwork to provide Hospitalist Services, maintenance of quality physician skills in inpatient care and treatment, development of clinical protocols, supervision and consultations for improved care and treatment in various Hospital departments, and the attainment of the specific goals.
	AGREEMENT NOTICED	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO Methodology & Response:
	ALTERNATIVES/IMPACT	N/A
	Duties	X Provision for Staff Education X Provision for Medical Staff Education X Provision for participation in Quality Improvement X Provision for participation in budget process development
	COMMENTS	None.
	APPROVALS REQUIRED	X -VP X -CFO <input type="checkbox"/> CEO X -BOD-Committee – Finance; X -BOD

**PALOMAR HOSPITAL PARTNERS, INC.
INTENSIVIST SERVICES AGREEMENT (Amend 1)**

TO: Board Finance Committee

MEETING DATE: November 30, 2022

FROM: Omar Khawaja, MD, CMO

Background: Palomar Hospital Partners, Inc., has developed and is making comprehensive intensivist services available as an aid and assistance to medical centers and to communities specializing in care and treatment of patients admitted to hospitals and medical centers.

Entering into an exclusive agreement with Palomar Hospital Partners, Inc., will assure Hospital the necessary teamwork to provide intensivist services, maintenance of quality physician skills in inpatient care and treatment, development of clinical protocols, supervision and consultations for improved care and treatment in various Hospital Departments, and the attainment of specific goals.

Budget Impact: Budgeted

Staff Recommendation:

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR HEALTH – AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	1. Palomar Hospital Partners, Inc. aka EMA- Intensivist & Medical Director Services Agreement - 8.8.2021 2. Palomar Hospital Partners, Inc. aka Emergent Medical Associates (EMA) - Amendment 1 to Intensivist & Medical Director Services Agreement 8.8.2021 - 8.2.2022
	AGREEMENT DATE	1. July 1, 2021 2. August 2, 2022
	PARTIES	Palomar Health and Palomar Hospital Partners, Inc. aka Emergent Medical Associates (EMA)
	PURPOSE	Hospital has determined that a community need exists for intensivist and related services for patients requiring ICU admission to the Hospital but whose primary care physician is a community outpatient physician who does not have admission privileges at the Hospital or is a member of the medical staff but has opted to refer their inpatients to inpatient specialist.
	SCOPE OF SERVICES	To subcontract with Palomar Intensivist Medical Group, Inc., to assist Palomar Hospital Partners, Inc., and Hospital to contract with Providers specializing in intensivist care to furnish Intensivist Services at Hospital.
	PROCUREMENT METHOD	<input checked="" type="checkbox"/> Request For Proposal <input type="checkbox"/> Discretionary
	TERM	1. July 1, 2021 – June 30, 2025 2. August 2, 2022 – August 9, 2026
	RENEWAL	Yes
	TERMINATION	After the initial term of this Agreement only, either party may terminate this Agreement by providing no less than 180 days' written notice of termination to the other Party.
	FAIR MARKET VALUATION	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – DATE COMPLETED: JULY 1, 2021
	COMPENSATION METHODOLOGY	The Parties shall meet and confer regarding a fee or incentive associated with Group's efforts related to the transition, including a third-party fair market valuation assessment.
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	EXCLUSIVITY	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES – EXPLAIN: Entering into an exclusive agreement with Group will assure Hospital the necessary teamwork to provide Intensivist Services, maintenance of quality physician skills in inpatient care and treatment, development of clinical protocols, supervision and consultations for improved care and treatment in various Hospital departments, and the attainment of the specific goals.
	JUSTIFICATION	Hospital owns and operates 2 acute care hospitals which each provide 24-hour inpatient services to the members of the community who require medical and hospital service through the Hospital's medical staff, including an intensivist program and related services.
	AGREEMENT NOTICED	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO Methodology & Response:
	ALTERNATIVES/IMPACT	N/A
	Duties	<input checked="" type="checkbox"/> Provision for Staff Education <input checked="" type="checkbox"/> Provision for Medical Staff Education <input checked="" type="checkbox"/> Provision for participation in Quality Improvement <input checked="" type="checkbox"/> Provision for participation in budget process development
	COMMENTS	None.
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> VP <input checked="" type="checkbox"/> CFO <input type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD-Committee – Finance; <input checked="" type="checkbox"/> BOD

Amendment 1 - Emergency Department Psychiatric Services Agreement

TO: Board Finance Committee

MEETING DATE: Wednesday, November 30, 2022

FROM: Don Myers, District Director, Center for Behavioral Health

Background: Tri-City's 2018 suspension of behavioral health services significantly increased the behavioral health volume and impact in our Emergency Departments. This impact negatively impacted the Emergency Department throughput. Palomar Health partnered with San Diego County Behavioral Health to develop an Emergency Department Psychiatric service to address that impact and contracted with Arch Health Partners, Inc., dba PHMG, for the services of the following physicians: Adedeji Adebayo, MD, and Ravindra Chand, MD, to provide these services. In September 2022, Palomar Health contracted with Arch Health Partners, Inc., dba PHMG, for the services of the following physician: H. Scott Kane, MD, to provide Medical Director services to all Psychiatric Service lines as well as provide clinical hours to those service lines.

Budget Impact: Negligible- Contracted Medical Director and clinical hours with SMA were decreased to absorb the cost of amended Palomar Health Medical Group contract for Emergency Psychiatric Services.

Staff Recommendation: Recommend Approval

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR HEALTH – AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Amendment 1 – Emergency Psychiatric Services
	AGREEMENT DATE	9/1/2022
	PARTIES	Arch Health Partners, Inc., dba PHMG, for the services of the following physicians: 1) Adedeji Adebayo, MD 2) Ravindra Chand, MD 3) H. Scott Kane, MD
	PURPOSE	Provide day on-site psychiatric services for 24 hours a week and overnight on-site psychiatric services at PMCE from 5pm-7am daily; Amendment to add Dr. Kane as one of the providers
	SCOPE OF SERVICES	Provide psychiatric evaluations, care and management of; consultation, admission of behavioral health patients presenting to the PMCE Emergency Department
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
	TERM	Master Agreement – 3-year Amendment – 15 months
	RENEWAL	No
	TERMINATION	Master Agreement – 12/14/2023 Amendment – 12/14/2023
	FAIR MARKET VALUATION	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – DATE COMPLETED: 10/31/2019
	COMPENSATION METHODOLOGY	Hourly Rate
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT: N/A
	EXCLUSIVITY	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	To improve quality of behavioral health patient care in PMCE Emergency Department and throughput of behavioral health patients in the PMCE ED
	AGREEMENT NOTICED	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO Methodology & Response:
	ALTERNATIVES/IMPACT	None
	Duties	<input type="checkbox"/> Provision for Staff Education <input type="checkbox"/> Provision for Medical Staff Education <input type="checkbox"/> Provision for participation in Quality Improvement <input type="checkbox"/> Provision for participation in budget process development
	COMMENTS	
	APPROVALS REQUIRED	<input type="checkbox"/> VP <input type="checkbox"/> CFO <input type="checkbox"/> CEO <input type="checkbox"/> BOD Committee _____ <input type="checkbox"/> BOD

**CALL COVERAGE AGREEMENT
GASTROENTEROLOGY
SAN DIEGO DIGESTIVE DISEASES CONSULTANTS (Amend 1)**

TO: Board Finance Committee

MEETING DATE: Wednesday, November 30, 2022

FROM: Omar Khawaja, MD, MBA, Chief Medical Officer

Background: This amended contract represents the Call Coverage Agreement with San Diego Digestive Diseases Consultants which shall serve as a member of the On-Call Panel at Palomar Medical Center Escondido and Palomar Medical Center Poway on a rotating basis and provide On-Call Coverage for the specialty of Gastroenterology in accordance with the Medical Staff by-laws, rules and regulations, policies and procedures of Palomar Health.

Gastroenterologists on the on-call panel will provide on-call coverage 24 hours per day, 7 days a week to Palomar Health patients, regardless of payer class, to patients not currently assigned to a particular physician, patients who present to the ED, and to hospital patients, including inpatients who may be assigned to a particular physician but who require consultation or other physician services from an on-call panel physician gastroenterology specialist.

Budget Impact: Budgeted

Staff Recommendation:

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

PALOMAR HEALTH – AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	<ol style="list-style-type: none"> San Diego Digestive Diseases Consultants - Gastroenterology (GI) ERCP Emergency On Call Services Agreement - 9.1.2020 San Diego Digestive Diseases Consultants, Inc. - Amend 1 to Gastroenterology (GI) ERCP Emergency On Call Services Agreement 9.1.2020 - 9.1.2022
	AGREEMENT DATE	<ol style="list-style-type: none"> September 1, 2020 September 1, 2022
	PARTIES	Palomar Health, a California healthcare district ("PH"), and San Diego Digestive Diseases Consultants ("Physician Group").
	PURPOSE	PH desires to ensure that physicians practicing in the specialty of gastroenterology are available and on call to provide needed medical services at the Emergency Department of Palomar Medical Center Escondido and Palomar Medical Center Poway by contracting with Physician Group to provide such services per the terms of this Agreement.
	SCOPE OF SERVICES	Participate in PH's on-call program and render on-call gastroenterology services to PH's patients. Unless otherwise agreed in advance by PH, Group shall provide on-call coverage 24 hours per day, 7 days a week to PH patients, regardless of payer class, to patients not currently assigned to a particular physician, patients who present to the ED, and to hospital patients, including inpatients who may be assigned to a particular physician but who require consultation or other physician services from an on-call panel physician gastroenterology specialist.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
	TERM	<ol style="list-style-type: none"> September 1, 2020 – August 31, 2022 September 1, 2022 – August 31, 2027
	RENEWAL	None.
	TERMINATION	Termination without Cause: Either party may terminate this agreement without cause upon ninety (90) days' prior written notice to the other party.
	FAIR MARKET VALUATION	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – DATE COMPLETED: 05/31/2022
	COMPENSATION METHODOLOGY	Fair Market Value. The parties hereby acknowledge and agree that the compensation hereunder is the product of bona fide arms-length negotiations and represents a commercially reasonable and fair market value payment for the services to be furnished hereunder without regard to the volume or value of federal health care program or any other business generated by and among the parties.
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	EXCLUSIVITY	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	Need for continued Gastroenterology consultation call coverage for the Emergency Department at PMC Escondido and Poway.
	AGREEMENT NOTICED	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO Methodology & Response:
	ALTERNATIVES/IMPACT	N/A
	Duties	<input type="checkbox"/> Provision for Staff Education <input type="checkbox"/> Provision for Medical Staff Education <input type="checkbox"/> Provision for participation in Quality Improvement <input type="checkbox"/> Provision for participation in budget process development
	COMMENTS	None.
	APPROVALS REQUIRED	X-VP X-CFO <input type="checkbox"/> CEO X-BOD-Committee – Finance; X-BOD

Fiscal Year 2023 Financial Performance

*Supplemental Section includes Palomar Health Medical Group (PHMG) and Consolidating Schedules

October 2022

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Income from operations for the month was \$1.0 million, unfavorable to budget by \$3.5 million. The year-to-date income from operations was \$4.5 million and has a \$15.3 million unfavorable variance. Net income for the month was \$20 thousand, unfavorable to budget by \$4.0 million. Net income year-to-date was \$1.1 million and unfavorable variance of \$18.9 million.

EBIDA margin for the month of October was unfavorable to budget by 4.3% and year-to-date EBIDA margin was unfavorable to budget by 3.9%. Additional comments and further analyses are presented in the following sections.

Patient Utilization

Inpatient (IP) Services

For the month of October, Acute Discharges for the District were (13.2%) unfavorable to budget. Average Daily Census was (18.2%) unfavorable to budget. Adjusted Discharges were 3,664, which was 188 (4.9%) unfavorable to budget. Adjusted Patient Days were 17,622, which was 2,824 (13.8%) unfavorable to budget. Case Mix Index for both campuses, excluding deliveries, was 1.58, which was (1.7%) unfavorable to budget.

IP surgeries for PMC Escondido and PMC Poway for the month were 533 cases (includes CVS), which were 13 cases (2.6%) favorable to budget.

Deliveries for PMC Escondido and PMC Poway for the month were 416, which were 17 deliveries (3.9%) unfavorable to budget. For the month, Trauma admissions were 87, which was 24.4% unfavorable to budget.

Outpatient (OP) and Ancillary Services

OP surgeries for PMC Escondido and PMC Poway for the month were 540 cases, which were 90 cases (19.9%) favorable to budget. Outpatient ER visits for the month were 9,837 visits (includes trauma), which were 1,259 visits (14.7%) favorable to budget. OP registrations for the month were 10,316, which were (3.7%) favorable to budget. ER admissions for the month were 1,353, which were (12.3%) unfavorable to budget.

Financial Performance

Operating Revenue

Net Patient Revenue for the month was \$73.4 million, which was \$319 thousand (0.4%) unfavorable to budget.

Other Operating Revenue

Other Operating Revenue for the month was \$725 thousand, which was \$58 thousand (7.5%) unfavorable to budget.

Operating Expenses

Total Operating Expenses for the month were \$73.1 million, which was \$3.1 million (4.4%) unfavorable to budget.

Salaries, Wages & Contract Labor for the month were \$33.8 million, which was \$2.0 million (6.3%) unfavorable to budget.

Benefits for the month were \$7.7 million, which was \$1.3 million (14.3%) favorable to budget.

Supplies for the month were \$10.9 million, which was \$1.0 million (10.3%) unfavorable to budget.

Professional Fees and Purchased Services for the month were \$12.7 million, which was \$385 thousand (3.1%) unfavorable to budget.

Depreciation & Amortization for the month was \$3.9 million, which was \$40 thousand (1.1%) unfavorable to budget.

Other Direct Expenses for the month were \$4.2 million, which was \$918 thousand (27.7%) unfavorable to budget.

Monthly Management Discussion and Analysis

Summary Results of Operations for the Period Ended October 31, 2022

Net Non-Operating Income/Expense

Net Non-Operating Income for the month was \$1.0 million, which was \$518 thousand unfavorable to budget due to interest expense related to leases as part of the adoption of GASB 87.

Payor Mix, Net Days in Accounts Receivable (A/R) and Cash Collections

The percentages of Gross Patient Service Revenue from the Medicare, Managed Care Medicare, Managed Care, Medi-Cal and Managed Care Medi-Cal financial classes for the month were consistent with budget. Cash postings were \$62.6 million. Days in Net A/R are 74.7, a decrease of 0.4 days from September.

Key Performance Indicators (KPI)	January 2021	Aug	Sep	Oct	Target
Total Net A/R (\$) ¹	\$137,851,805	\$162,665,219	\$162,216,411	\$161,047,265	
Net Days in A/R (Days) (3-months)	64.6	76.2	74.3	74.7	61.0-63.0
DNFB (Days)	2.0	3.4	1.4	0.8	3.0
Urgent Insurance Verification (DDC) (%)	98.9%	98.4%	86.6%	88.2%	98.0%
Elective IP Insurance Verification (Average Secure) (%)	93.8%	90.9%	87.3%	89.6%	98.0%
Elective OP Insurance Verification (Average Secure) (%)	97.9%	98.4%	98.6%	97.6%	98.0%
True Cash Denial (%)	5.2%	5.8%	5.7%	4.7%	6.0%

¹ Total Net A/R (\$) does not have a FY2022 Target as \$ is dependent on Gross Revenue

Please see Appendix A, which contains a glossary of the Key Performance Indicators presented above.

Balance Sheet

Cash, Cash Equivalents and Investments decreased in October by \$18.6 million from the previous month due to continued recoupment of the Medicare Accelerated Advance and delays in funding of Medi-Cal Supplemental programs.

The Days Cash On Hand ratio, which includes Medicare Advance Payments, decreased by 13.7 days from the prior month to 63.8 days. When the Medicare Advance Payments are excluded, Days Cash on Hand is 62.6 days.

Total Net A/R: This is the total amount of accounts receivable which management expects to collect from patients, insurance companies, Medicare and Medi-Cal, in future months, for services to patients through the end of the current accounting period. This number is computed by subtracting estimated contractual adjustments, bad debts and charity write-offs from gross accounts receivable.

Net Days in A/R (Days): The full name for this performance indicator is “Net Days of Revenue in Net Accounts Receivable.” This statistic is a measure of the effectiveness of the organization’s collections of revenue. For example, if the organization has average daily net revenues of \$2 million and \$140 million in Net A/R, then the organization has 70 days of net revenue/potential cash (\$140M divided by \$2M) tied up in its Accounts Receivable.

DNFB (Days): The full name for this performance indicator is **D**ischarged **N**ot **F**inal **B**illed Revenue. Before a hospital bill can be completed and sent to an insurance company, patient, Medicare or Medi-Cal certain information must be completed and entered in the system and submitted as components of the bill. This information includes specific codes for the services performed using the **C**urrent **P**rocedural **T**erminology codes (CPT-4) as defined by the American Medical Association or the **H**ealthcare **C**ommon **P**rocedure **C**oding **S**ystem (HCPCS) as defined by the Medicare Program. Additionally, the **I**nternational **C**lassification of **D**isease codes (ICD-10) which define a patient’s various illnesses must be included in the billing information. This information is inserted in the patient billing information by employees certified in these coding methodologies based on information in the patient’s medical record. Certified coding specialists rely heavily on clinical information supplied by the patient and physicians including History and Physical Reports, Operative Reports and Discharge Summaries. This performance indicator measures the effectiveness of the billing process. Bills cannot be collected if they are not submitted and this indicator shows the average time required between the time a patient is discharged and the time the bill is submitted. The lower the number the better the performance. A number below 3.0 is considered best practice.

Urgent Insurance Verification (DDC) (%): In order to ensure the organization is properly paid for its services it needs to confirm the patient is insured and whether the patient’s insurance covers the services to be rendered. Additionally, some insurers and HMOs require a pre-authorization or pre-certification before they will authorize payment for the services. This verification must be performed very quickly for certain patients. Failure to verify insurance and obtain pre-authorizations, if necessary, significantly reduces the probability of collecting for the services rendered. This performance metric measures the percentage of time insurance verification is obtained for urgent cases prior to the service being rendered. A higher percentage is better. A percentage in excess of 98% is considered best practice.

Elective IP Insurance Verification (Average Secure) (%): In order to ensure the organization is properly paid for its services it needs to confirm the patient is insured and whether the patient's insurance covers the services to be rendered. Additionally, some insurers and HMOs require a pre-authorization or pre-certification before they will authorize payment for services. For inpatient elective procedures/cases, this verification process is critical for payment. Failure to verify insurance and obtain pre-authorizations, if necessary, significantly reduces the probability of collecting for the services rendered. This performance metric measures the percentage of time insurance verification is obtained for elective inpatient cases prior the service billing rendered. A higher percentage is better. A percentage of 95% is considered best practice.

Elective OP Insurance Verification (Average Secure) (%): In order to ensure the organization is properly paid for its services it needs to confirm the patient is insured and whether the patient's insurance covers the services to be rendered. Additionally, some insurers and HMOs require a pre-authorization or pre-certification before they will authorize payment for services. For outpatient elective procedures/cases, this verification process is critical for payment. Failure to verify insurance and obtain pre-authorizations, if necessary, significantly reduces the probability of collecting for the services rendered. This performance metric measures the percentage of time insurance verification is obtained for elective outpatient cases prior the service billing rendered. A higher percentage is better. A percentage of 95% is considered best practice.

True Cash Denial Rate (%): Once claims (bills) are submitted, insurance companies, Medicare and Medi-Cal may deny those claims. Denials may occur for several reasons including:

- Insurance was not valid for the name patient
- The procedure performed was not covered by the patient's insurance
- The provider did not obtain pre-authorization to perform the procedure
- The procedure was not medically necessary
- The bill was received outside the contractually agreed upon timetable

This performance indicator measures whether the organization's processes for insurance verification, obtaining pre-authorization, medical necessity verification and timely billing are working effectively. The measurement is computed by dividing the dollar value of the denials for a twelve-month period by the total annual billings for that same period. A lower percentage indicates better performance with a percentage below 10% is considered best practice.

Prior to Fiscal Year 2021, gross charges were reflected instead of the true cash/AR balance at risk.

Executive Dashboard

	Month to Date				Year to Date			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
	Oct-22	Oct-22		Oct-21	Oct-22	Oct-22		Oct-21
Key Volumes								
Discharges - Total	2,103	2,434	(13.6%)	2,053	8,284	9,679	(14.4%)	8,218
Acute - General	1,999	2,292	(12.8%)	1,923	7,867	9,119	(13.7%)	7,699
Acute Behavioral Health	52	72	(27.8%)	71	218	285	(23.5%)	278
Total Acute Discharges	2,051	2,364	(13.2%)	1,994	8,085	9,404	(14.0%)	7,977
The Villas at Poway	52	70	(25.7%)	59	199	275	(27.6%)	241
Patient Days - Total	11,386	13,912	(18.2%)	12,102	46,789	55,856	(16.2%)	50,018
Acute - General	7,912	9,489	(16.6%)	8,268	32,719	38,452	(14.9%)	34,186
Acute Behavioral Health	347	827	(58.0%)	803	1,897	3,320	(42.9%)	3,225
Total Acute Patient Days	8,259	10,316	(19.9%)	9,071	34,616	41,772	(17.1%)	37,411
The Villas at Poway	3,127	3,596	(13.0%)	3,031	12,173	14,084	(13.6%)	12,607
Acute Adjusted Discharges	3,600	3,783	(4.8%)	3,172	13,907	15,133	(8.1%)	12,827
Total Adjusted Discharges*	3,664	3,852	(4.9%)	3,248	14,154	15,408	(8.1%)	13,140
Acute Adjusted Patient Days	14,495	16,850	(14.0%)	14,432	59,505	67,214	(11.5%)	60,153
Total Adjusted Patient Days*	17,622	20,446	(13.8%)	17,463	71,678	81,298	(11.8%)	72,760
Acute Average Daily Census	266	333	(19.9%)	293	281	340	(17.1%)	304
Total Average Daily Census*	367	449	(18.2%)	390	380	454	(16.2%)	407
Surgeries - Total	1,073	970	10.6%	928	4,043	3,966	1.9%	3,797
Inpatient	533	520	2.6%	445	1,973	2,153	(8.4%)	1,850
Outpatient	540	450	19.9%	483	2,070	1,813	14.2%	1,947
Deliveries	416	433	(3.9%)	385	1,603	1,706	(6.0%)	1,285
ER Visits (Includes Trauma) - Total	11,190	10,120	10.6%	8,892	45,169	45,581	(0.9%)	40,143
Inpatient	1,353	1,542	(12.3%)	1,301	5,548	6,830	(18.8%)	5,810
Outpatient	9,837	8,578	14.7%	7,591	39,621	38,751	2.3%	34,333

* Includes The Villas at Poway

	Month to Date				Year to Date			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
	Oct-22	Oct-22		Oct-21	Oct-22	Oct-22		Oct-21
Key Statistics								
Acute Average LOS - Days	4.03	4.35	7.4%	4.55	4.28	4.43	3.3%	4.69
Acute - General	3.96	4.14	4.4%	4.30	4.16	4.22	1.4%	4.44
Acute Behavioral Health	6.67	11.49	41.9%	11.31	8.70	11.65	25.3%	11.60
Average Observation Hours	32	27	(18.5%)	27	32	26	(23.1%)	26
Acute Case Mix-Excludes Deliveries	1.58	1.61	(1.7%)	1.61	1.61	1.61	0.0%	1.61
Acute Case Mix-Medicare Only	1.86	1.82	2.4%	1.82	1.82	1.82	(0.2%)	1.82
Labor Productivity by Hrs					100.9%	100.0%	0.9%	106.3%
Days Cash on Hand					63.8			110.5
Financial Performance								
Operating Income	1,026,620	4,493,344	(3,466,724)	3,285,888	4,490,807	19,827,483	(15,336,676)	15,542,034
Net Income	20,484	4,005,012	(3,984,528)	2,864,365	(1,055,946)	17,867,155	(18,923,101)	14,260,953
Oper. Expenses/Adj. Patient Days	3,930	3,238	(21.4%)	3,489	3,578	3,304	(8.3%)	3,307
EBIDA Margin-Excludes PHMG	9.4%	13.7%	(4.3%)	13.2%	10.1%	14.0%	(3.9%)	14.1%
EBIDA-Excludes PHMG	6,968,855	10,219,704	(3,250,849)	9,005,530	28,050,903	42,548,391	(14,497,488)	38,035,773

Note: Financial Performance excludes GO Bonds

Income Statement: Current Month

Excludes PHMG

	Actual	Budget	Variance	Variance		Dollars/Adjusted Patient Day		
	Oct-22	Oct-22	Oct-22	Volume	Rate/Eff	Actual	Budget	Variance
Adjusted Patient Days	17,622	20,196	(2,574)					
Adjusted Discharges	3,664	3,874	(210)					
Operating Revenue								
Gross revenue	398,360,269	428,634,133	(30,273,864)	(54,629,840)	24,355,976.17	22,605.85	21,223.71	1,382
Deductions from revenue	(324,930,833)	(354,885,827)	29,954,994	45,230,547	(15,275,552)	(18,438.93)	(17,572.08)	(867)
Net patient revenue	73,429,436	73,748,306	(318,870)	(9,399,294)	9,080,424	4,167	3,652	515
Property Tax Revenue	-	-	-	-	-	-	-	-
Other operating revenue	724,955	783,734	(58,779)	(99,887.67)	41,108.84	41.14	38.81	2
Total net revenue	74,154,391	74,532,040	(377,649)	(9,499,182)	9,121,533	4,208	3,690	518
Operating Expenses								
Salaries, wages & contract labor	33,775,848	31,767,501	(2,008,347)	4,048,799	(6,057,146)	1,917	1,573	(344)
Benefits	7,659,670	8,936,498	1,276,828	1,138,965	137,863	435	442	8
Supplies	10,911,278	9,896,261	(1,015,017)	1,261,288	(2,276,305)	619	490	(129)
Prof fees & purch svcs	12,681,563	12,297,010	(384,553)	1,567,266	(1,951,819)	720	609	(111)
Depreciation	3,872,660	3,832,389	(40,271)	488,442	(528,713)	220	190	(30)
Other	4,226,752	3,309,037	(917,715)	421,740	(1,339,455)	240	164	(76)
Total expenses	73,127,771	70,038,696	(3,089,075)	8,926,500	(12,015,575)	4,150	3,468	(682)
Income from operations	1,026,621	4,493,344	(3,466,723)	(572,681)	(2,894,042)	58	222	(164)
Non-operating revenue(expense)								
Property tax revenues ¹	1,583,333	1,675,000	(91,667)					
Investment income	292,790	83,372	209,418					
Revenue bond interest expense	(3,075,712)	(2,382,303)	(693,409)					
Other non-operating revenue(expense)	193,452	135,599	57,853					
Net Income²	20,484	4,005,012	(3,984,528)					
EBIDA Margin	9.4%	13.7%	(4.3%)					

1= Property Tax Revenue excludes G.O. Bonds Levy

2= Excludes G.O. Bonds income / expense

Income Statement: Year-to-Date

Excludes PHMG

	Actual	Budget	Variance	Variance		Dollars/Adjusted Patient Day		
	Oct-22	Oct-22	Oct-22	Volume	Rate/Eff	Actual	Budget	Variance
Adjusted Patient Days	71,678	81,299	(9,621)					
Adjusted Discharges	14,154	15,408	(1,254)					
Operating Revenue								
Gross revenue	1,599,860,688	1,760,624,789	(160,764,101)	(208,353,991)	47,589,890	22,320	21,656	664
Deductions from revenue	(1,325,550,995)	(1,460,198,267)	134,647,272	172,801,234	(38,153,962)	(18,493)	(17,961)	(532)
Net patient revenue	274,309,693	300,426,522	(26,116,829)	(35,552,757)	9,435,928	3,827	3,695	132
Other operating revenue	3,016,234	3,164,937	(148,703)	(374,542)	225,839	42	39	3
Total net revenue	277,325,927	303,591,459	(26,265,532)	(35,927,298)	9,661,766	3,869	3,734	135
Operating Expenses								
Salaries, wages & contract labor	131,978,620	128,839,358	(3,139,262)	15,246,971	(18,386,232)	1,841	1,585	(257)
Benefits	29,080,044	36,001,384	6,921,340	4,260,438	2,660,902	406	443	37
Supplies	38,411,141	40,151,994	1,740,853	4,751,625	(3,010,772)	536	494	(42)
Prof fees & purch svcs	44,134,916	50,380,999	6,246,083	5,962,135	283,948	616	620	4
Depreciation	16,339,784	15,152,024	(1,187,760)	1,793,105	(2,980,865)	228	186	(42)
Other	12,890,614	13,238,217	347,603	1,566,623	(1,219,020)	180	163	(17)
Total expenses	272,835,120	283,763,976	10,928,856	33,580,895	(22,652,040)	3,806	3,490	(316)
Income from operations	4,490,807	19,827,483	(15,336,676)	(2,346,403)	(12,990,273)	63	244	(181)
Non-operating revenue(expense)								
Property tax revenues ¹	6,333,333	6,700,000	(366,667)					
Interest Rate Swap	-	-	-					
Investment income	(323,983)	333,486	(657,469)					
Revenue bond interest expense	(12,767,065)	(9,529,212)	(3,237,853)					
Other non-operating revenue(expense)	1,210,962	535,398	675,564					
Net Income ²	(1,055,946)	17,867,155	(18,923,102)					
EBIDA Margin	10.1%	14.0%	(3.9%)					

1= Property Tax Revenue excludes G.O. Bonds Levy

2= Excludes G.O. Bonds income / expense

Income Statement: Current vs. Prior Year-to-Date

Excludes PHMG

	Current Year			Prior Year		Variance		Dollars/Adjusted Patient Day		
	Oct-22	Oct-21	Change	Volume	Rate/Eff	Actual	Budget	Variance		
Adjusted Patient Days	71,678	72,760	(1,082)							
Adjusted Discharges	14,154	13,140	1,014							
Operating Revenue										
Gross revenue	1,599,860,688	1,508,453,405	91,407,283	(22,431,921)	113,839,204	22,320	20,732	1,588		
Deductions from revenue	(1,325,550,995)	(1,240,643,850)	(84,907,145)	18,449,377	(103,356,521)	(18,493)	(17,051)	(1,442)		
Net patient revenue	274,309,693	267,809,555	6,500,138	(3,982,545)	10,482,683	3,827	3,681	146		
Other operating revenue	3,016,234	2,768,898	247,336	(41,176)	288,512	42	38	4		
Total net revenue	277,325,927	270,578,453	6,747,474	(4,023,720)	10,771,194	3,869	3,719	150		
Operating Expenses										
Salaries, wages & contract labor	131,978,620	112,233,345	(19,745,275)	1,669,001	(21,414,275)	1,841	1,543	(299)		
Benefits	29,080,044	31,058,770	1,978,726	461,869	1,516,857	406	427	21		
Supplies	38,411,141	37,786,169	(624,972)	561,911	(1,186,883)	536	519	(17)		
Prof fees & purch svcs	44,134,916	42,176,418	(1,958,498)	627,197	(2,585,696)	616	580	(36)		
Depreciation	16,339,784	14,426,606	(1,913,178)	214,535	(2,127,714)	228	198	(30)		
Other	12,890,614	17,355,111	4,464,497	258,085	4,206,412	180	239	59		
Total expenses	272,835,120	255,036,419	(17,798,701)	3,792,598	(21,591,299)	3,806	3,505	(301)		
Income from operations	4,490,807	15,542,034	(11,051,227)	(231,123)	(10,820,105)	63	214	(151)		
Non-operating revenue(expense)										
Property tax revenues ¹	6,333,333	6,333,333	0							
Interest Rate Swap	-	-	-							
Investment income	(323,983)	(696,828)	372,845							
Revenue bond interest expense	(12,767,065)	(9,348,214)	(3,418,851)							
Other non-operating revenue(expense)	1,210,962	2,430,628	(1,219,666)							
Net Income ²	(1,055,946)	14,260,953	(15,316,900)							
EBIDA Margin	10.1%	14.1%	(4.0%)							

1= Property Tax Revenue excludes G.O. Bonds Levy

2= Excludes G.O. Bonds income / expense

Income Statement: Current Fiscal Year Monthly Trend

Excludes PHMG

	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Fiscal Year 2023
Adjusted Discharges	3,428	3,548	3,514	3,664	-	-	-	-	-	-	-	-	14,154
Operating Revenue													
Gross revenue	386,861,833	414,593,123	400,045,463	398,360,269	-	-	-	-	-	-	-	-	1,599,860,688
Deductions from revenue	(319,503,944)	(347,149,344)	(333,966,875)	(324,930,831)	-	-	-	-	-	-	-	-	(1,325,550,995)
Net patient revenue	67,357,889	67,443,779	66,078,588	73,429,438	-	-	-	-	-	-	-	-	274,309,693
Other operating revenue	652,405	777,663	861,211	724,955	-	-	-	-	-	-	-	-	3,016,234
Total net revenue	68,010,294	68,221,442	66,939,799	74,154,393	-	-	-	-	-	-	-	-	277,325,927
Operating Expenses													
Salaries, wages & contract labor	32,764,595	32,513,284	32,924,893	33,775,849	-	-	-	-	-	-	-	-	131,978,620
Benefits	8,157,659	5,548,530	7,714,185	7,659,670	-	-	-	-	-	-	-	-	29,080,044
Supplies	8,187,227	9,771,666	9,540,971	10,911,278	-	-	-	-	-	-	-	-	38,411,141
Prof fees & purch svcs	10,021,634	11,295,327	10,136,394	12,681,563	-	-	-	-	-	-	-	-	44,134,916
Depreciation	3,466,586	4,918,874	4,081,665	3,872,660	-	-	-	-	-	-	-	-	16,339,785
Other	3,618,338	3,442,044	1,603,481	4,226,752	-	-	-	-	-	-	-	-	12,890,615
Total expenses	66,216,039	67,489,725	66,001,589	73,127,772	-	-	-	-	-	-	-	-	272,835,121
Income from operations	1,794,255	731,717	938,210	1,026,620	-	-	-	-	-	-	-	-	4,490,806
Non-operating revenue (expense)													
Property tax revenues ¹	1,583,333	1,583,333	1,583,333	1,583,333	-	-	-	-	-	-	-	-	6,333,333
Investment Income	1,022,171	(732,362)	(906,583)	292,790	-	-	-	-	-	-	-	-	(323,984)
Interest Expense	1,914,301	4,562,164	3,214,888	3,075,712	-	-	-	-	-	-	-	-	12,767,065
Interest Rate Swap	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	108,213	346,688	562,613	193,452	-	-	-	-	-	-	-	-	1,210,962
Net income ²	2,593,671	(2,632,788)	(1,037,315)	20,484	-	-	-	-	-	-	-	-	(1,055,946)
EBIDA Margin	11.7%	10.0%	9.4%	9.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.1%

1= Property Tax Revenue excludes G.O. Bonds Levy

2= Excludes G.O. Bonds income / expense

Income Statement: 13 Month Trend

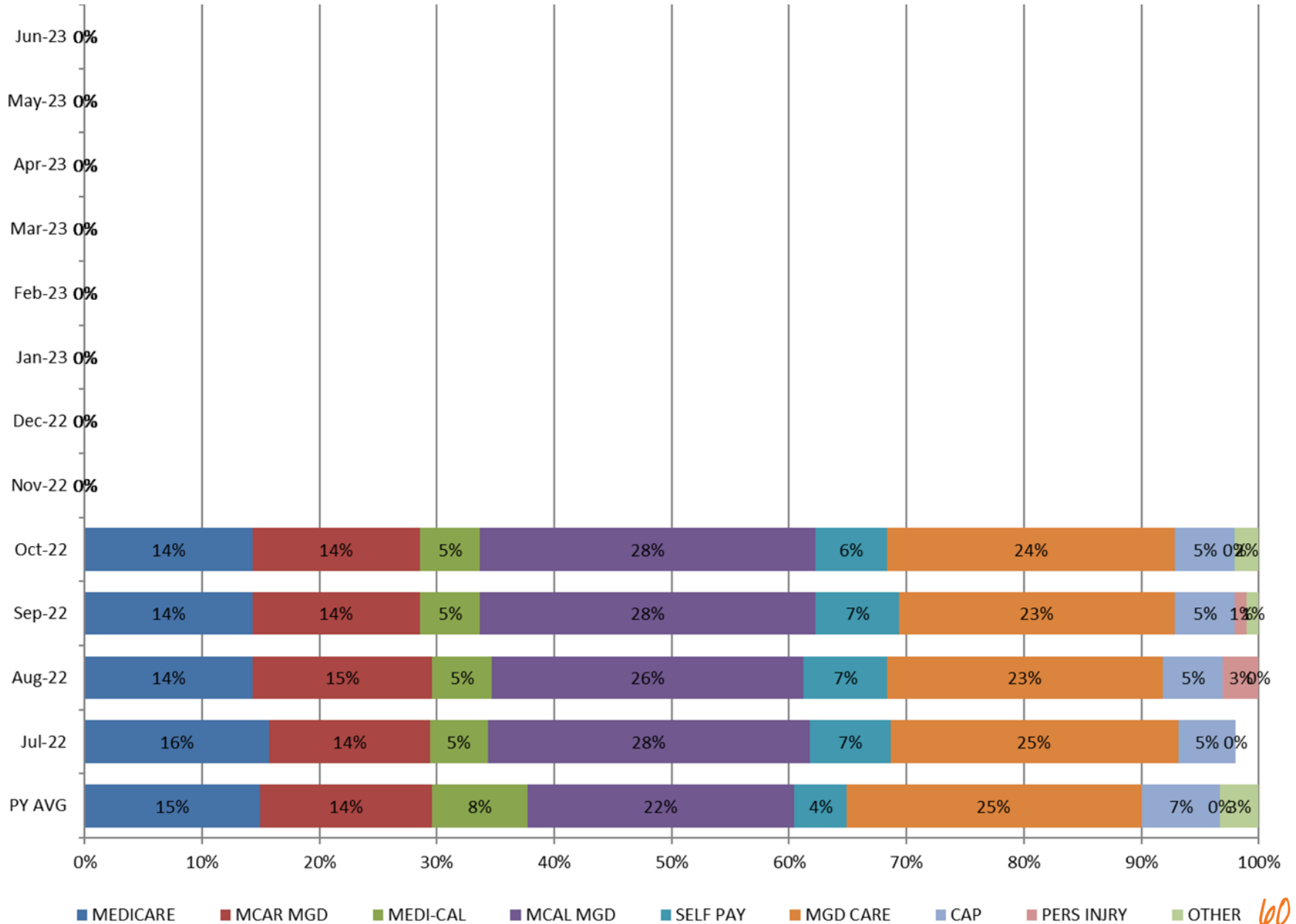
Excludes PHMG

	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22
Adjusted Discharges	3,248	3,257	3,287	3,176	2,856	3,380	3,349	3,251	3,900	3,428	3,548	3,514	3,664
Operating Revenue													
Gross revenue	365,320,647	375,301,374	389,769,097	390,661,499	376,438,022	409,850,606	367,578,896	361,928,194	375,821,247	386,861,833	414,593,123	400,045,463	398,360,269
Deductions from revenue	(298,115,608)	(309,766,640)	(321,767,753)	(323,720,363)	(312,843,977)	(342,686,440)	(301,312,242)	(297,940,380)	(314,241,456)	(319,503,944)	(347,149,344)	(333,966,875)	(324,930,833)
Net patient revenue	67,205,039	65,534,734	68,001,344	66,941,136	63,594,045	67,164,166	66,266,654	63,987,814	61,579,791	67,357,889	67,443,779	66,078,588	73,429,436
Other operating revenue	799,323	577,425	906,377	623,210	767,618	784,547	852,459	641,173	1,310,521	652,405	777,663	861,211	724,955
Total net revenue	68,004,362	66,112,159	68,907,721	67,564,346	64,361,663	67,948,713	67,119,113	64,628,987	62,890,312	68,010,294	68,221,442	66,939,799	74,154,391
Operating Expenses													
Salaries, wages & contract labor	28,243,127	28,279,904	31,492,542	28,467,482	27,893,018	33,220,635	29,807,910	28,995,864	24,928,515	32,764,595	32,513,284	32,924,892	33,775,848
Benefits	7,955,702	7,825,197	8,894,153	8,652,948	9,556,671	5,430,822	6,823,078	7,373,649	8,232,869	8,157,659	5,548,530	7,714,185	7,659,670
Supplies	9,513,065	8,400,213	9,151,664	9,339,040	8,429,693	9,585,924	8,834,196	8,775,759	9,987,179	8,187,227	9,771,666	9,540,971	10,911,278
Prof fees & purch svcs	10,836,813	10,800,478	11,026,686	11,193,006	10,118,330	11,861,620	10,756,291	9,994,501	12,623,669	10,021,634	11,295,327	10,136,393	12,681,563
Depreciation	3,784,359	3,997,622	3,990,611	3,490,754	3,486,250	3,701,760	3,767,782	3,766,102	9,639,591	3,466,586	4,918,874	4,081,665	3,872,660
Other	4,385,408	3,389,195	(571,743)	1,605,162	1,483,063	3,899,706	3,601,095	3,627,356	(6,623,350)	3,618,338	3,442,044	1,603,481	4,226,752
Total expenses	64,718,474	62,692,609	63,983,913	62,748,392	60,967,025	67,700,467	63,590,352	62,533,231	58,788,473	66,216,039	67,489,725	66,001,587	73,127,771
Income from operations	3,285,888	3,419,550	4,923,808	4,815,954	3,394,638	248,246	3,528,761	2,095,756	4,101,839	1,794,255	731,717	938,212	1,026,620
Non-operating revenue (expense)													
Property tax revenues ¹	1,583,333	1,583,333	1,583,333	1,583,333	1,583,333	1,583,333	1,583,333	1,583,333	2,767,623	1,583,333	1,583,333	1,583,333	1,583,333
Investment Income	(702,331)	(56,188)	(237,337)	(1,292,932)	(683,825)	(2,146,500)	(1,089,763)	868,329	(173,507)	1,022,171	(732,362)	(906,583)	292,790
Interest Expense	(2,356,806)	(2,255,950)	(2,279,111)	(2,289,448)	(2,242,609)	(2,328,900)	(2,269,055)	(2,299,876)	(13,300,418)	(1,914,301)	(4,562,164)	(3,214,888)	(3,075,712)
Interest Rate Swap	-	-	-	-	-	-	-	-	13,152,115	-	-	-	-
Other	1,054,281	4,200,772	(705,521)	(850,110)	219,288	(580,961)	797,213	1,131,532	4,864,522	108,213	346,688	562,609	193,452
Net income ²	2,864,365	6,891,517	3,285,172	1,966,797	2,270,825	(3,224,782)	2,550,489	3,379,074	11,412,174	2,593,671	(2,632,788)	(1,037,317)	20,484
EBIDA Margin	13.2%	19.9%	13.9%	11.5%	12.4%	4.1%	12.8%	14.6%	33.7%	11.7%	10.0%	9.4%	9.4%

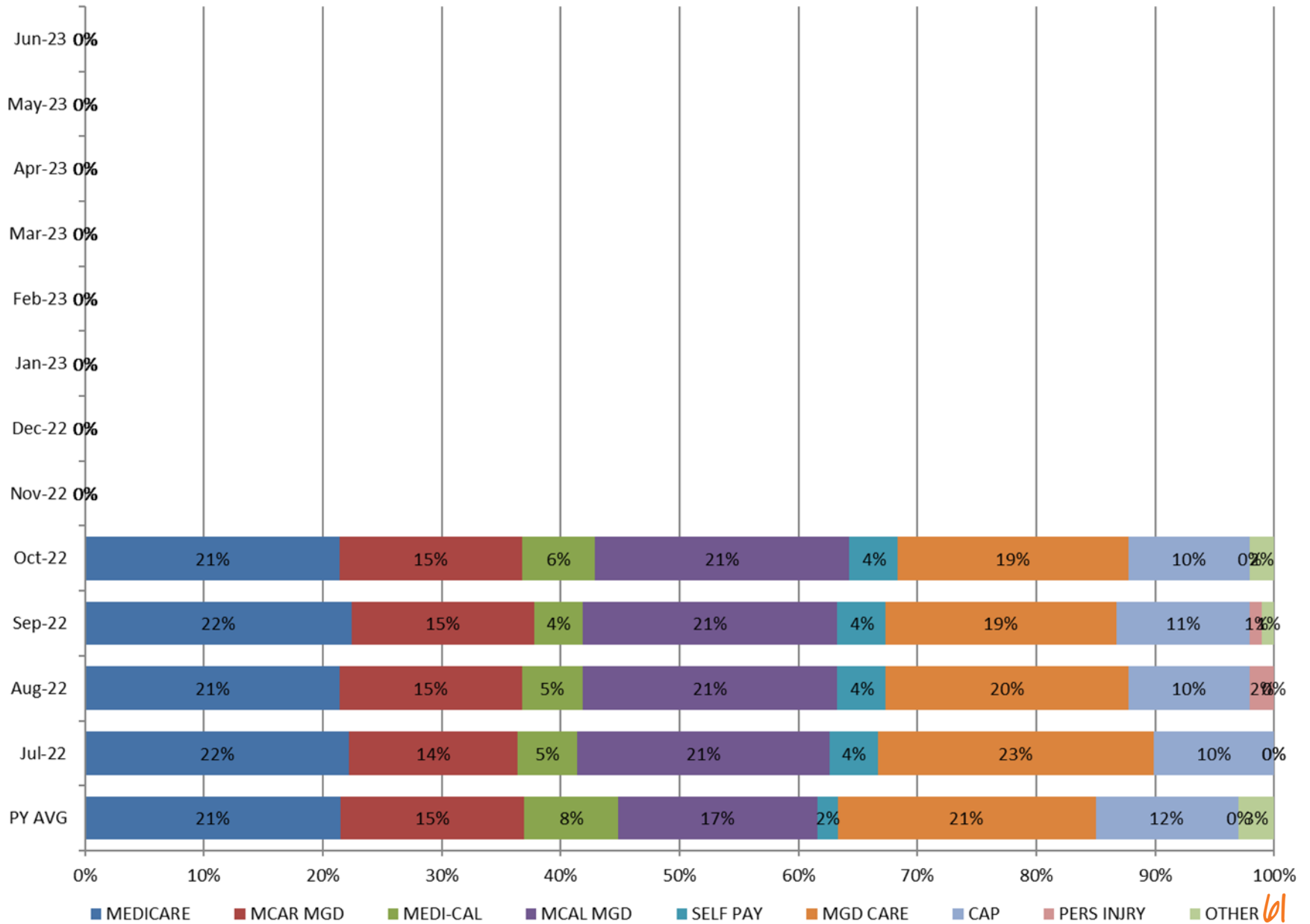
1= Property Tax Revenue excludes G.O. Bonds Levy

2= Excludes G.O. Bonds income / expense

Payor Mix: Emergency Department



Payor Mix: Gross Revenue



Statement of Net Position: Excludes G.O. Bonds

Excludes PHMG

**PALOMAR
HEALTH**

Assets	Oct-22	Sep-22	Jun-22	Liabilities	Oct-22	Sep-22	Jun-22
Current Assets				Current Liabilities			
Cash and cash equivalents	21,770,099	31,526,792	30,997,521	Accounts payable	65,855,110	49,410,391	67,371,368
Investments	108,875,189	117,713,583	186,291,158	Accrued payroll	29,887,628	26,237,485	30,182,511
Board Designated	2,418,064	8,433,345	21,107,606	Accrued PTO	24,609,790	24,433,989	24,932,792
Total cash, cash equivalents & investments	133,063,352	157,673,719	238,396,286	Accrued interest payable	12,023,186	10,365,257	5,057,411
Patient Accounts Receivable	430,416,274	431,048,884	400,381,312	Current portion of bonds	14,425,000	14,425,000	14,425,000
Allowance on accounts	(269,369,009)	(268,832,473)	(251,383,493)	Current portion of lease liab	6,308,546	6,294,208	5,744,577
Net accounts receivable	161,047,265	162,216,411	148,997,820	Est. third party settlements	9,759,316	15,310,437	27,984,699
Inventories	12,350,223	12,397,068	12,480,465	Other current liabilities	62,950,015	63,328,588	61,780,722
Prepaid expenses	15,533,229	15,219,771	8,682,562	Total current liabilities	225,818,590	209,805,356	237,479,080
Est. third party settlements	81,907,535	72,737,285	58,713,877	Long Term Liabilities			
Other	45,257,498	41,627,574	37,918,474	Other LT liabilities	653,322	699,890	1,302,956
Total current assets	449,159,102	461,871,828	505,189,483	Bonds & contracts payable	625,098,886	625,335,817	626,046,242
Non-Current Assets				Lease liabilities	245,187,574	245,692,027	247,242,225
Restricted assets	79,448,785	53,900,738	58,256,063	Total long term liabilities	870,939,781	871,727,734	874,591,423
Restricted other	14,031,581	14,031,491	14,031,154	Total liabilities	1,096,758,371	1,081,533,090	1,112,070,502
Total restricted assets	93,480,367	67,932,230	72,287,217	Deferred inflow of resources- unearned revenue	7,029,780	7,038,631	6,877,684
Property, plant & equipment	1,511,864,933	1,510,693,499	1,511,183,821	Total liabilities and deferred inflow of resources	1,103,788,151	1,088,571,721	1,118,948,186
Accumulated depreciation	(614,796,040)	(611,470,452)	(601,520,327)	Net Position			
Construction in process	89,675,521	86,009,071	64,486,109	Unrestricted	743,294,937	746,618,542	757,295,485
Net property, plant & equipment	986,744,415	985,232,118	974,149,602	Restricted for other purpose	14,031,581	14,031,491	14,031,154
Right of Use Assets	234,419,179	235,548,357	238,533,505	Total net position	757,326,518	760,650,033	771,326,639
Investment related companies	6,017,232	6,862,229	6,903,551	Total liabilities, deferred inflow of resources and net position	1,861,114,669	1,849,221,754	1,890,274,825
Prepaid debt insurance costs	5,723,359	5,759,695	5,868,703				
Other non-current assets	38,639,986	38,871,741	39,561,628				
Total non-current assets	1,365,024,538	1,340,206,370	1,337,304,205				
Total assets	1,814,183,640	1,802,078,198	1,842,493,688				
Deferred outflow of resources-loss on refunding of debt	46,931,029	47,143,556	47,781,137				
Total assets and deferred outflow of resources	1,861,114,669	1,849,221,754	1,890,274,825				

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Statement of Net Position: Includes G.O. Bonds

Excludes PHMG

Assets	Oct-22	Sep-22	Jun-22
Current Assets			
Cash and cash equivalents	21,770,099	31,526,792	30,997,521
Investments	108,875,189	117,713,583	186,291,158
Board Designated	2,418,064	8,433,345	21,107,606
Total cash,cash equivalents & investments	133,063,352	157,673,719	238,396,286
Patient Accounts Receivable	430,416,274	431,048,884	400,381,312
Allowance on accounts	(269,369,009)	(268,832,473)	(251,383,493)
Net accounts receivable	161,047,265	162,216,411	148,997,820
Inventories	12,350,223	12,397,068	12,480,465
Prepaid expenses	15,533,229	15,219,771	8,682,562
Est. third party settlements	81,907,535	72,737,285	58,713,877
Other	56,081,507	50,261,555	38,118,475
Total current assets	459,983,111	470,505,810	505,389,483
Non-Current Assets			
Restricted assets	106,426,786	79,888,792	110,141,999
Restricted other	14,031,581	14,031,491	14,031,154
Total restricted assets	120,458,368	93,920,283	124,173,153
Property, plant & equipment	1,511,864,933	1,510,693,499	1,511,183,821
Accumulated depreciation	(614,796,040)	(611,470,452)	(601,520,327)
Construction in process	89,675,521	86,009,071	64,486,109
Net property, plant & equipment	986,744,415	985,232,118	974,149,602
Right of Use Assets	234,419,179	235,548,357	238,533,505
Investment related companies	6,017,232	6,862,229	6,903,551
Prepaid debt insurance and other costs	7,291,644	7,341,450	7,491,373
Other non-current assets	38,639,988	38,871,743	39,561,628
Total non-current assets	1,393,570,826	1,367,776,181	1,390,812,812
Total assets	1,853,553,937	1,838,281,990	1,896,202,295
Deferred outflow of resources-loss on refunding of debt	49,878,003	50,108,391	50,799,553
Total assets and deferred outflow of resources	1,903,431,940	1,888,390,381	1,947,001,848

Liabilities	Oct-22	Sep-22	Jun-22
Current Liabilities			
Accounts payable	65,856,110	49,410,391	67,374,118
Accrued payroll	29,887,628	26,237,485	30,182,511
Accrued PTO	24,609,790	24,433,989	24,932,792
Accrued interest payable	20,178,993	15,805,011	21,425,246
Current portion of bonds	23,218,916	23,218,916	22,485,800
Current portion of lease liab	6,308,546	6,294,208	5,744,577
Est. third party settlements	9,759,316	15,310,437	27,984,699
Other current liabilities	27,085,308	27,155,055	24,680,710
Total current liabilities	206,904,606	187,865,492	224,810,452
Long Term Liabilities			
Other LT liabilities	653,322	699,890	1,302,956
Bonds & contracts payable	1,269,238,723	1,269,209,380	1,277,787,416
Lease liabilities	245,187,574	245,692,027	247,242,225
Total long term liabilities	1,515,079,618	1,515,601,297	1,526,332,597
Total liabilities	1,721,984,224	1,703,466,789	1,751,143,049
Deferred inflow of resources- unearned revenue	42,894,488	43,212,165	43,977,697
Total liabilities and deferred inflow of resources	1,764,878,712	1,746,678,954	1,795,120,746
Net Position			
Unrestricted	124,521,647	127,679,935	137,849,948
Restricted for other purpose	14,031,581	14,031,491	14,031,154
Total net position	138,553,228	141,711,427	151,881,102
Total liabilities, deferred inflow of resources and net position	1,903,431,940	1,888,390,381	1,947,001,848

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Cash Flow Statement

Excludes PHMG

	<u>Oct-22</u>	<u>YTD</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income (Loss) from operations	1,026,620	4,490,807
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation Expense	4,454,766	17,503,995
Provision for bad debts	7,188,015	19,850,254
Changes in operating assets and liabilities:		
Patient accounts receivable	(6,018,869)	(31,899,703)
Property Tax and other receivables	(2,419,295)	(1,944,052)
Inventories	46,845	130,242
Prepaid expenses and other current assets	976,515	(4,221,917)
Accounts payable	16,445,719	(1,518,008)
Accrued compensation	3,825,944	(617,886)
Estimated settlement amounts due third-party payors	(14,721,371)	(41,419,041)
Other liabilities	<u>40,866</u>	<u>2,689,966</u>
Net cash provided from (used by) operating activities	10,845,755	(36,955,342)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net (purchases) sales of investments	(11,684,409)	99,820,297
Income (Loss) on investments	335,264	(165,130)
Investment in affiliates	<u>(3,222,855)</u>	<u>(12,115,149)</u>
Net cash provided from (used by) investing activities	(14,572,000)	87,540,018
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Receipt of District Taxes	<u>372,703</u>	<u>938,359</u>
Net cash provided from non-capital financing activities	1,320,176	2,864,351
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds on asset sale	0	37,391
Acquisition of property plant and equipment	(5,268,422)	(28,547,515)
Redevelopment Trust Fund Distributions	0	200,000
G.O. Bond Interest paid	0	(15,585,307)
Revenue Bond Interest paid	(1,557,424)	(3,883,560)
ROU Interest paid		(1,063,270)
Payments of Long Term Debt	<u>(524,778)</u>	<u>(13,834,188)</u>
Net cash used in capital and related financing activities	(7,350,624)	(62,676,449)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,756,693)	(9,227,422)
CASH AND CASH EQUIVALENTS - Beginning of period	<u>31,526,792</u>	<u>30,997,521</u>
CASH AND CASH EQUIVALENTS - End of period	<u>21,770,099</u>	<u>21,770,099</u>

**CONDENSED COMBINING STATEMENT OF NET POSITION
OCTOBER 31, 2022**

	PH	PHMG	PAM	PAM-SD	PAC	Eliminations	Total
ASSETS							
Current assets	519,678,834	38,115,410	393,897	1,894,849	3,340,335	(28,566,174)	534,857,150
Capital assets - net	986,744,415	5,153,330	-	-	-	-	991,897,745
Right of use assets - net	234,419,179	21,357,584	-	-	-	(14,477,717)	241,299,046
Non-current assets	112,711,503	6,917,965	-	-	-	(11,786,949)	107,842,519
Total assets	1,853,553,931	71,544,289	393,897	1,894,849	3,340,335	(54,830,840)	1,875,896,460
Deferred outflow of resources	49,878,003	-	-	-	-	-	49,878,003
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	1,903,431,934	71,544,289	393,897	1,894,849	3,340,335	(54,830,840)	1,925,774,463
LIABILITIES AND NET POSITION							
Current liabilities	203,604,660	51,757,306	2,307,848	-	2,149,584	(35,239,968)	224,579,429
Long-term liabilities	1,273,379,490	3,569,014	-	-	-	(3,500,000)	1,273,448,504
Right of use lease liabilities	245,187,574	15,781,571	-	-	-	(12,254,287)	248,714,858
Total liabilities	1,722,171,724	71,107,891	2,307,848	-	2,149,584	(50,994,255)	1,746,742,791
Deferred inflow of resources - deferred revenue	42,706,988	-	-	-	-	-	42,706,988
Total liabilities and deferred inflow of resources	1,764,878,712	71,107,891	2,307,848	-	2,149,584	(50,994,255)	1,789,449,779
Invested in capital assets - net of related debt	(212,591,363)	4,220,151	-	-	-	-	(208,371,212)
Restricted	53,910,549	-	-	-	-	-	53,910,549
Unrestricted	297,234,036	(3,783,753)	(1,913,951)	1,894,849	1,190,751	(3,836,585)	290,785,348
Total net position	138,553,222	436,398	(1,913,951)	1,894,849	1,190,751	(3,836,585)	136,324,685
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	1,903,431,934	71,544,289	393,897	1,894,849	3,340,335	(54,830,840)	1,925,774,464

Note: Financial Performance includes GO Bonds

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**CONDENSED COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2022**

	PH	PHMG	PAM	PAM-SD	PAC	Elimination	YTD Consolidated
OPERATING REVENUE:							
Net patient service revenue	254,626,396	25,469,503	-	-	-	-	280,095,899
Shared risk revenue	19,683,297	14,279,898	-	-	-	(1,552,610)	32,410,585
Other revenue	3,016,234	3,529,554	-	-	937,640	(126,533)	7,356,895
PH Program revenue	-	3,865,837	-	-	-	(3,865,837)	-
Total operating revenue	<u>277,325,927</u>	<u>47,144,792</u>	<u>-</u>	<u>-</u>	<u>937,640</u>	<u>(5,544,980)</u>	<u>319,863,379</u>
OPERATING EXPENSES	256,495,336	58,923,858	(228,390)	(3,491)	446,660	(6,814,407)	308,819,566
DEPRECIATION AND AMORTIZATION	16,339,784	1,035,576	-	-	-	-	17,375,360
Total operating expenses	<u>272,835,120</u>	<u>59,959,435</u>	<u>(228,390)</u>	<u>(3,491)</u>	<u>446,660</u>	<u>(6,814,407)</u>	<u>326,194,926</u>
INCOME (LOSS) FROM OPERATIONS	4,490,807	(12,814,643)	228,390	3,491	490,980	1,269,427	(6,331,548)
NON-OPERATING INCOME (EXPENSE):							
Investment income	(165,129)	12	-	-	-	-	(165,117)
Unrealized loss on interest rate swap	-	-	-	-	-	-	-
Interest expense	(24,805,424)	(52,734)	-	-	-	1,281,969	(23,576,190)
Property tax revenue	18,883,333	-	-	-	-	-	18,883,333
Other - net	1,305,329	1,028,948	4,835	(3,491)	-	(1,281,969)	1,053,653
Total non-operating expense - net	<u>(4,781,891)</u>	<u>976,226</u>	<u>4,835</u>	<u>(3,491)</u>	<u>-</u>	<u>-</u>	<u>(3,804,321)</u>
Net income (loss) before capital contrib	(291,084)	(11,838,416)	233,225	-	490,980	-	(11,405,295)
CAPITAL CONTRIBUTIONS							-
CHANGE IN NET POSITION	(291,084)	(11,838,416)	233,225	-	490,980	-	(11,405,295)
Interfund Operating Support - PHMG	(13,036,796)	11,704,610	-	-	-	-	(1,332,186)
Interfund Support - Graybill	-	-	-	-	-	-	-
Interfund - PHMG	(13,036,796)	11,704,610	-	-	-	-	(1,332,186)
NET POSITION - Beginning of year	<u>151,881,102</u>	<u>570,204</u>	<u>(2,147,176)</u>	<u>1,894,849</u>	<u>699,771</u>	<u>(3,836,584)</u>	<u>149,062,166</u>
NET POSITION - Year to date	138,553,222	436,398	(1,913,951)	1,894,849	1,190,751	(3,836,584)	136,324,685

EBIDA
EBIDA Margin

29,546,255
9.2%

Note: Financial Performance includes GO Bonds