

**Posted**  
**Wednesday**  
**January 17, 2024**

**FINANCE COMMITTEE MEETING**

**Agenda**



**WEDNESDAY, JANUARY 24, 2024**  
**1:30 P.M.**

**PLEASE SEE PAGE 2 FOR MEETING LOCATION**

*PLEASE TURN OFF CELL PHONES OR SET THEM TO SILENT MODE  
UPON ENTERING THE MEETING ROOM*

	<u>Time</u>	<u>Form A</u> <u>Page</u>	<u>Target</u>
<b>CALL TO ORDER</b> .....			<b>1:30</b>
❖ Public Comments <sup>1</sup> .....	30		2:00
❖ Information Item(s) – <b>NONE</b> .....			2:00
1. Board Finance Committee Follow-ups.....	3	4	2:03
2. Approval: Minutes – Finance Committee – Wednesday, October 25, 2023 ( <i>ADD A – Pp10-16</i> ).....	2	5	2:05
3. Approval: Executed Budgeted Routine Physician Agreements ( <i>ADD B – Pp17-31</i> ).....	5	6	2:10
4. Approval: Establishment of the Date, Time and Location for the Regular Meetings of the Board Finance Committee for Calendar Year 2024 and January 2025 .....	10	7	2:20
5. Approval: Charter of the Finance Committee of the Palomar Health Board of Directors ( <i>ADD C – Pp32-35</i> )... ..	10	8	2:30
6. Approval: December 2023 & YTD FY2024 Financial Report ( <i>To be distributed under separate cover</i> ).....	15	9	2:45
<b>ADJOURNMENT</b> .....			<b>2:45</b>

**NOTE: The meeting—without public comments—is scheduled to last 45 minutes, starting at 1:30 PM, with adjournment at 2:15 PM**

<b>Board Finance Committee – Voting Members</b>		
<b>Laura Barry – Chair</b>	<b>Mike Pacheco – Director</b>	<b>Jeff Griffith, EMT-P – Director</b>
<b>Diane Hansen, President &amp; CEO</b>	<b>Kanchan Koirala, MD, CoS Palomar Medical Center Escondido</b>	<b>Sam Filiciotto, MD, CoS Palomar Medical Center Poway</b>
<b>Board Finance Committee – Alternate Voting Members</b>		
<b>Laurie Edwards-Tate, MS Board Alternate</b>	<b>Andrew Nguyen, MD – CoS-Elect CoS Alternate – Palomar Medical Center Escondido</b>	<b>Mark Goldsworthy, MD – CoS-Elect CoS Alternate – Palomar Medical Center Poway</b>
<b>Board Finance Committee – Non-Voting Members</b>		
<b>Melissa Wallace, Interim CFO</b>	<b>Ryan Olsen, COO</b>	<b>Omar Khawaja, MD, CMO</b>
<b>Mel Russell, RN, CNE</b>		<b>Vacant – Vice President of Finance</b>

**NOTE: If you have a disability, please notify us 72 hours prior to the event so that we may provide reasonable accommodations**

<sup>1</sup> See page 3

## Board Finance Committee Location Options

- **The Linda Greer Conference Room, 2125 Citracado Parkway, Suite 300, Escondido, CA 92029**
  - Committee members who are elected members of the Board of Directors will attend at this location, unless otherwise noticed below
  - Elected members of the Board of Directors who are not members of the Committee and wish only to observe, non-Board member attendees, and members of the public may also attend at this location
- **Join on your computer, mobile app or room device: [Click here to join the meeting](#) | Meeting ID: 277 279 620 268 Passcode: 5F4gxN | OR**
- **Dial in using your phone (*audio only*): 929.352.2216 | Phone Conference ID: 509704437#**
  - Elected members of the Board of Directors who are not members of the Committee and wish only to observe, non-Board member attendees, and members of the public may attend the meeting virtually utilizing one of the above options

DocID: 21790  
 Revision: 9  
 Status: Official

**Source:**  
 Administrative  
 Board of Directors

**Applies to Facilities:**  
 All Palomar Health Facilities

**Applies to Departments:**  
 Board of Directors

## Policy: Public Comments and Attendance at Public Board Meetings

### **I. PURPOSE:**

A. It is the intention of the Palomar Health Board of Directors to hear public comment about any topic that is under its jurisdiction. This policy is intended to provide guidelines in the interest of conducting orderly, open public meetings while ensuring that the public is afforded ample opportunity to attend and to address the board at any meetings of the whole board or board committees.

### **II. DEFINITIONS:**

A. None defined.

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

- A. There will be one-time period allotted for public comment at the start of the public meeting. Should the chair determine that further public comment is required during a public meeting, the chair can call for such additional public comment immediately prior to the adjournment of the public meeting. Members of the public who wish to address the Board are asked to complete a [Request for Public Comment form](#) and submit to the Board Assistant prior to or during the meeting. The information requested shall be limited to name, address, phone number and subject, however, the requesting public member shall submit the requested information voluntarily. It will not be a condition of speaking.
- B. Should Board action be requested, it is encouraged that the public requestor include the request on the *Request for Public Comment* as well. Any member of the public who is speaking is encouraged to submit written copies of the presentation. C. The subject matter of any speaker must be germane to Palomar Health's jurisdiction.
- D. Based solely on the number of speaking requests, the Board will set the time allowed for each speaker prior to the public sections of the meeting, but usually will not exceed 3 minutes per speaker, with a cumulative total of thirty minutes.
- E. Questions or comments will be entertained during the "Public Comments" section on the agenda. All public comments will be limited to the designated times, including at all board meetings, committee meetings and board workshops.
- F. All voting and non-voting members of a Board committee will be seated at the table. Name placards will be created as placeholders for those seats for Board members, committee members, staff, and scribes. Any other attendees, staff or public, are welcome to sit at seats that do not have name placards, as well as on any other chairs in the room. For Palomar Health Board meetings, members of the public will sit in a seating area designated for the public.
- G. In the event of a disturbance that is sufficient to impede the proceedings, all persons may be excluded with the exception of newspaper personnel who were not involved in the disturbance in question.
- H. The public shall be afforded those rights listed below (Government Code Section 54953 and 54954).
  - 1. To receive appropriate notice of meetings;
  - 2. To attend with no pre-conditions to attendance;
  - 3. To testify within reasonable limits prior to ordering consideration of the subject in question;
  - 4. To know the result of any ballots cast;
  - 5. To broadcast or record proceedings (conditional on lack of disruption to meeting);
  - 6. To review recordings of meetings within thirty days of recording; minutes to be Board approved before release;
  - 7. To publicly criticize Palomar Health or the Board; and
  - 8. To review without delay agendas of all public meetings and any other writings distributed at the meeting. I. This policy will be reviewed and updated as required or at least every three years.

### **IV. ADDENDUM:**

Original Document Date: 2/94  
 Reviewed: 8/95; 1/99; 9/05  
 Revision Number: 1 Dated: 9/20/05

**Source Administrator** Hernandez, Lisa

**Document Owner** DeBruin, Kevin

**Collaborators:** Carla Albright, Deanna Peterson, Deborah Hollick, Douglas Moir, Jami Piearson, Jeffrey Griffith, Julie H Avila, Kelly Wells, Laurie Edwards-Tate, Megan Strole, Nancy Calabria, Nanette Irwin, Richard Engel, Sally Valle, Tanya L Howell, Thomas Kumura

**Reviewers**

**Approvals**

**- Committees:** ( 10/12/2022 ) Policies & Procedures

**- Signers:** Kevin DeBruin

**Original Effective Date** Kevin DeBruin, Chief Legal Officer ( 10/25/2022 09:21AM PST )

**Revised Reviewed** [09/20/2005 Rev. 1], [03/13/2009 Rev. 2], [04/14/2012 Rev. 3], [05/01/2014 Rev. 4], [02/03/2017 Rev. 5], [04/22/2019 Rev. 6], [07/10/2019 Rev. 7], [12/02/2021 Rev. 8], [10/25/2022 Rev. 9]

**Next Review Date** 10/24/2025

**Attachments:**

**(REFERENCED BY** [Public Comment Form](#)

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

## Board Finance Committee Follow-Ups

**TO:** Board Finance Committee

**MEETING DATE:** Wednesday, January 24, 2024

**FROM:** Melissa E. Wallace, Interim 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, July 26, 2023

- Following a discussion about Case Mix Index (CMI) at other hospitals in comparison to PMCE and PMCP
  - Mr. King indicated that he would have the Finance team review CMI for similar hospitals to see if there was a means of incorporating that information into future financial presentations
    - **At the October 23<sup>rd</sup> meeting, Mr. King reported that the team was still researching for an appropriately comparable hospital**
  - Dr. Khawaja was going to discuss options for CMI comparisons with Dr. Jalil

**Budget Impact:** N/A

**Staff Recommendation:** *Information Only*

**Committee Questions:**

### COMMITTEE RECOMMENDATION:

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

**Minutes  
Board Finance Committee  
Wednesday, October 25, 2023**

**TO:** Board Finance Committee

**MEETING DATE:** Wednesday, January 24, 2024

**FROM:** Tanya Howell, Assistant

**BY:** Melissa E. Wallace, Interim Chief Financial Officer

**Background:** The minutes of the Board Finance Committee meeting held on Wednesday, October 25, 2023, are attached as Addendum A.

**Budget Impact:** N/A

**Staff Recommendation:** Approval

**Committee Questions:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

## EXECUTED, BUDGETED, ROUTINE PHYSICIAN AGREEMENTS

**TO:** Board Finance Committee

**MEETING DATE:** Wednesday, January 24, 2024

**FROM:** Melissa E. Wallace, Interim Chief Financial Officer

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

PHYSICIAN/GROUP	TYPE OF AGREEMENT
<b>January 2022</b>	
<ul style="list-style-type: none"> <li>• Rady Children’s Hospital San Diego dba Rady Children’s Specialists of San Diego</li> </ul>	<ul style="list-style-type: none"> <li>• Professional Services Agreement – Neonatal Coverage &amp; Neonatal Medical Director Services – NICU – PMC Escondido</li> </ul>
<b>December 2022 &amp; November 2023</b>	
<ul style="list-style-type: none"> <li>• Jean-Paul Abboud, MD</li> </ul>	<ul style="list-style-type: none"> <li>• Ophthalmology Call Coverage Agreement</li> <li>• Timely Remuneration Addendum</li> </ul>
<b>May 2023</b>	
<ul style="list-style-type: none"> <li>• Gregory Scott Campbell, MD, APC</li> </ul>	<ul style="list-style-type: none"> <li>• Medical Director Agreement – Surgical Acute Care &amp; Progressive Care Units – PMC Escondido</li> </ul>
<b>September 2023</b>	
<ul style="list-style-type: none"> <li>• Matthew Schultzel, DO</li> </ul>	<ul style="list-style-type: none"> <li>• Professional Services Agreement – General Surgery Call Coverage</li> </ul>
<b>October 2023</b>	
<ul style="list-style-type: none"> <li>• Senior Medical Associates, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• Amendment 3 to Crisis Stabilization Unit &amp; Medical Director Services Agreement</li> </ul>
<ul style="list-style-type: none"> <li>• Senior Medical Associates</li> </ul>	<ul style="list-style-type: none"> <li>• Amendment 1 to Psychiatric &amp; Medical Director Services Agreement – PMC Escondido &amp; PMC Poway</li> </ul>
<b>November 2023</b>	
<ul style="list-style-type: none"> <li>• North County Neurology Associates dba The Neurology Center of Southern California</li> </ul>	<ul style="list-style-type: none"> <li>• Emergency and Stroke Call Coverage Agreement</li> </ul>

The standard Form A’s and Abstract Tables for each are included as Addendum B.

**Staff Recommendation:** Approval

<p><b>COMMITTEE RECOMMENDATION:</b></p> <p><b>Motion:</b></p> <p><b>Individual Action:</b></p> <p><b>Information:</b></p> <p><b>Required Time:</b></p>
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**Board Finance Committee Meeting Schedule  
Calendar Year 2024 and January 2025**

**TO:** Board Finance Committee  
**MEETING DATE:** Wednesday, January 24, 2024  
**FROM:** Tanya Howell, Assistant  
**BY:** Melissa E. Wallace, Interim Chief Financial Officer

**Background:** Based on key financial dates regarding the monthly closing of financial results, as well as the calendars of the Board members on the Committee, Board Finance Committee meetings for the 2023 calendar year were held at **1:30 p.m.**, with the meeting rotation as noted below:

- The meetings were held **on the fourth Wednesday of each month that followed the end of a quarter**, which coincided with the review of quarterly financials as required by bond covenants
- There were also meetings scheduled in the following months for the reasons stated below:
  - **In the month of May** for a review of information related to the upcoming year’s budget
  - **In the month of August** for presentation of the Pre-Audit June 2023 & FYE2023 Financial Report

It is recommended that this schedule be replicated for the remainder of the 2024 calendar year.

It is further recommended that meetings be held in the Linda Greer Conference Room at Palomar Health’s Administrative Offices, located at 2125 Citracado Parkway, Suite 300, Escondido, CA. Members of the Committee who are elected members of the Board of Directors shall attend at that location; with a virtual option to be provided for non-Board member attendees and members of the public. Members of the public may attend either in person or virtually.

As a procedural matter, the first meeting of the following calendar year has historically been held following the same schedule as the prior calendar year. Therefore, it is further recommended that the first meeting in calendar year 2025 be formally scheduled for **Wednesday, January 22, 2025, at 1:30 p.m.**

Please see below for the dates on which the meetings would be held:

**2024 & JANUARY 2025 BOARD FINANCE COMMITTEE MEETING SCHEDULE**

<b>Wednesday</b>	<b>Wednesday</b>	<b>Wednesday</b>	<b>Wednesday</b>	<b>Wednesday</b>	<b>Wednesday</b>
<b>April 24, 2024</b>	<b>May 22, 2024</b>	<b>July 24, 2024</b>	<b>August 28, 2024</b>	<b>October 23, 2024</b>	<b>January 22, 2025</b>

**Budget Impact:** N/A

**Staff Recommendation:** Meeting schedule as per discussion at meeting and resulting Board Finance Committee approval.

**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, January 24, 2024

**FROM:** Melissa E. Wallace, Interim Chief Financial Officer

**Background:** The Palomar Health Board of Directors approved the Charter for the Finance Committee on December 12, 2022. No changes are being recommended at this time (*Addendum C*).

**Budget Impact:** N/A

**Staff Recommendation:** Adoption of the 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:**



## December 2023 and YTD FY2024 Financial Report

**TO:** Board Finance Committee

**MEETING DATE:** Wednesday, January 24, 2024

**FROM:** Melissa E. Wallace, Interim Chief Financial Officer

**Background:** The Board Financial Report (unaudited) for December 2023 and YTD FY2024 was still in process at the time the packet was distributed and will be submitted under separate cover as "Supplemental Information".

**Budget Impact:** N/A

**Staff Recommendation:** Recommendation will be made at the meeting.

**Committee Questions:**

### COMMITTEE RECOMMENDATION:

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

# ADDENDUM A

# Meeting Minutes

## BOARD FINANCE COMMITTEE CALENDAR YEAR 2023



[P = Present    V = Virtual    E = Excused    A = Absent    G = Guest]

ATTENDANCE ROSTER						
MEMBERS	MEETING DATES:					
	1/25/23	5/4/23	5/31/23	7/26/23	8/23/23	10/25/23
DIRECTOR LAURA BARRY – CHAIR	P	P	P	P	P	P
DIRECTOR JEFF GRIFFITH, EMT-P	E	V	P	P	E	E
DIRECTOR MIKE PACHECO	P	V/P	V	P	P	P
DIANE HANSEN, PRESIDENT & CEO	V	V	P	E	E	P
KANCHAN KOIRALA, MD, CoS PMC ESCONDIDO	P	E	V	V	V	P
SAM FILICIOTTO, MD , CoS, PMC POWAY	P	E	P	V	V	P
<i>DIRECTOR LAURIE EDWARDS-TATE, MS – ALTERNATE</i>	V/G		V/G	V/G		V/G
<i>DIRECTOR JOHN CLARK</i>	G	V/G				
<i>ANDREW NGUYEN – ALTERNATE CoS PMC ESCONDIDO</i>		V				
<i>MARK GOLDSWORTHY, MD – ALTERNATE CoS PMC POWAY</i>						
<b>STAFF ATTENDEES</b>						
HUGH KING, CHIEF FINANCIAL OFFICER	P	V	P	P	P	P
OMAR KHAWAJA, MD, CHIEF MEDICAL OFFICER	P	P	P	V	P	P
RYAN OLSEN, CHIEF OPERATIONS OFFICER	V	E	P	E	P	P
MEL RUSSELL, RN, CHIEF NURSE EXECUTIVE	V		V	E	V	V
MELISSA WALLACE, VP OF FINANCE				P	P	V
TANYA HOWELL – COMMITTEE ASSISTANT	P	P		P	P	P
AMANDA PAPE, VP OF FINANCE	P	V	V			
<b>INVITED GUESTS</b>	<b>SEE TEXT OF MINUTES FOR NAMES OF INVITED GUESTS</b>					



BOARD FINANCE COMMITTEE – MEETING MINUTES – WEDNESDAY, OCTOBER 25, 2023			
AGENDA ITEM	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL ?
DISCUSSION			
<b>NOTICE OF MEETING</b>			
<ul style="list-style-type: none"> <li>The agenda (as Notice of Meeting) was posted on Thursday, October 19, 2023, at Palomar Health’s Administrative Offices, which is consistent with legal requirements</li> <li>The full agenda packet was also posted on the Palomar Health website; and notice of that posting was made via email to the Board and staff</li> </ul>			
<b>CALL TO ORDER</b>			
<ul style="list-style-type: none"> <li>The meeting – held in the Linda Greer Conference Room, 2125 Citracado Parkway, Suite 300, Escondido, CA, and virtually – was called to order at 1:35 p.m. by Chair Laura Barry</li> </ul>			
<b>ESTABLISHMENT OF QUORUM</b>			
<ul style="list-style-type: none"> <li>Quorum was established – see roster for details</li> </ul>			
<b>PUBLIC COMMENTS</b>			
<ul style="list-style-type: none"> <li>None filed</li> </ul>			
<b>1. BOARD FINANCE COMMITTEE FOLLOW-UPS</b>			
<ul style="list-style-type: none"> <li>Case Mix Index Comparisons <ul style="list-style-type: none"> <li>Hugh King, CFO, stated that the team was still researching to find an appropriately comparable hospital, and Chair Barry noted that she would be interested to hear the outcome</li> </ul> </li> </ul>			
<b>2. MINUTES –FINANCE COMMITTEE – WEDNESDAY, MAY 31, 2023</b>	<b>MOTION:</b> By Ms. Hansen, seconded by Dr. Koirala, and carried to approve the Minutes from the Finance Committee meeting held on Wednesday, May 31, 2023, as presented.  Vote taken by Roll Call: Chair Barry – aye; Director Pacheco – aye; Dr. Filiciotto –aye; Dr. Koirala – aye; Ms. Hansen – aye; Absent: Director Griffith	Forwarded to the November 13, 2023, Board of Directors meeting as information	Y
<ul style="list-style-type: none"> <li>No discussion</li> </ul>			
<b>3. MINUTES –FINANCE COMMITTEE – WEDNESDAY, JULY 26, 2023</b>	<b>MOTION:</b> By Director Pacheco, seconded by Ms. Hansen, and carried to approve the Minutes from the Finance Committee meeting held on Wednesday, July 26, 2023, as presented  Vote taken by Roll Call: Chair Barry – aye; Director Pacheco – aye; Dr. Filiciotto –aye; Dr. Koirala – aye; Ms. Hansen – aye; Absent: Director Griffith	Forwarded to the November 13, 2023, Board of Directors meeting as information	Y
<ul style="list-style-type: none"> <li>No discussion</li> </ul>			

BOARD FINANCE COMMITTEE – MEETING MINUTES – WEDNESDAY, OCTOBER 25, 2023			
AGENDA ITEM	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL ?
DISCUSSION			
4. MINUTES –FINANCE COMMITTEE – WEDNESDAY, AUGUST 23, 2023	<p><b>MOTION:</b> By Dr. Filiciotto, seconded by Dr. Koirala, and carried to approve the Minutes from the Finance Committee meeting held on Wednesday, August 23, 2023, as presented</p> <p>Vote taken by Roll Call:            Chair Barry – aye; Director Pacheco – aye; Dr. Filiciotto –aye; Dr. Koirala – aye; Ms. Hansen – aye; Absent: Director Griffith</p>	Forwarded to the November 13, 2023, Board of Directors meeting as information	Y
No discussion			
5. EXECUTED, BUDGETED, ROUTINE PHYSICIAN AGREEMENTS	<p><b>MOTION:</b> By Director Pacheco, seconded by Dr. Koirala, and carried to recommend approval of the Executed, Budgeted, Routine Physician Agreements</p> <p>Vote taken by Roll Call:            Chair Barry – aye; Director Pacheco – aye; Dr. Filiciotto –aye; Dr. Koirala – aye; Ms. Hansen – aye; Absent: Director Griffith</p>	Forwarded to the November 13, 2023, Board of Directors meeting with a recommendation for approval	Y
In response to an inquiry by Dr. Filiciotto regarding whether the group “Retina Results Medical Corporation” for Ophthalmology Call Coverage was an agreement with Dr. Shah, Dr. Omar Khawaja, CMO, confirmed that it was			
6. SEPTEMBER 2023 & YTD FY2024 FINANCIAL STATEMENTS	<p><b>MOTION:</b> By Director Pacheco, seconded by Ms. Hansen, and carried to recommend approval of the June 2023 &amp; YTD FY2023 Pre-Audit Financial Statements</p> <p>Vote taken by Roll Call:            Chair Barry – aye; Director Pacheco – aye; Dr. Filiciotto –aye; Dr. Koirala – aye; Ms. Hansen – aye; Absent: Director Griffith</p>	Forwarded to the November 13, 2023, Board of Directors meeting with a recommendation for approval	N
<ul style="list-style-type: none"> <li>• Mr. King apologized to the Committee for the late distribution of the financials [<i>distributed as supplemental information on the 20<sup>th</sup></i>], noting that the team had seen some unusual events, and wanted to ensure that there were accurate numbers for review</li> <li>• EXECUTIVE DASHBOARD (PAGE 8)               <ul style="list-style-type: none"> <li>○ Acute General Discharges were below budget by 5.6% and were down 4.1% from prior year                   <ul style="list-style-type: none"> <li>– He commented that everyone had anticipated a decline with the opening of the Kaiser hospital; however, Kaiser would have normally presented a larger portion of volume than 4.1% or even 5.6%, which he found interesting</li> </ul> </li> </ul> </li> <li>• INCOME STATEMENT: CURRENT YEAR VS. PRIOR YEAR (PAGE 11)               <ul style="list-style-type: none"> <li>○ Kaiser had been running full bore last year, with Adjusted Patient Days just over 54K; and this year they were at 53,616, less than a 1% variance</li> <li>○ Adjusted Discharges had a 4% variance, so the inpatient volumes were not as affected by Kaiser alone as might have originally been anticipated, but they were still affected</li> </ul> </li> </ul>			

BOARD FINANCE COMMITTEE – MEETING MINUTES – WEDNESDAY, OCTOBER 25, 2023

• AGENDA ITEM	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL ?
• DISCUSSION			
<ul style="list-style-type: none"> <li>• EXECUTIVE DASHBOARD (PAGE 8)                             <ul style="list-style-type: none"> <li>○ Inpatient Surgeries were over budget by 3.3%, but Outpatient Surgeries were down compared to budget by almost 49%</li> <li>○ ER visits were down compared to budget by 23% for patients that were admitted, and they were down 37% for outpatients that visited the ER and were discharged from there</li> </ul> </li> <li>• INCOME STATEMENT: QUARTER ENDED SEPTEMBER 30, 2023 (PAGE 10)                             <ul style="list-style-type: none"> <li>○ Gross Revenues for the first quarter vs. budget were down by almost \$42M                                     <ul style="list-style-type: none"> <li>– Reviewed at a detailed level – which was not in this packet – Inpatient Revenues were about \$5.4M below budget</li> <li>– SNF Revenues were favorable to budget by \$4.5M</li> <li>– The single biggest variance was in outpatient volumes, which were down about \$18M vs. budget</li> <li>– There had been a backfill strategy related to Kaiser that was largely driven by outpatient services, particularly Oncology and Cardiology, as well as a large family practice group who had indicated an eagerness to join PHMG and bring their admissions to Palomar</li> </ul> </li> <li>○ Total Net Revenue had been budgeted at \$221M, but the actual was only \$197.8M, roughly \$23.3M below budget, which was concerning, given that a lot seemed to be driven by outpatient statistics                                     <ul style="list-style-type: none"> <li>– As Dr. Khawaja and COO Ryan Olsen had been actively involved in putting together a plan to grow outpatient business and recruit additional physicians, Mr. King asked if Dr. Khawaja could comment on what he had been seeing in the marketplace that might explain the differences between anticipated and actual revenues   <ul style="list-style-type: none"> <li>▪ Dr. Khawaja stated that Palomar Health having been in the news due to some financial issues had concerned some of the physician partners, including several with whom negotiations for partnerships had been underway, and most of those services were outpatient related   <ul style="list-style-type: none"> <li>♦ He didn't believe that any of the negotiations had died, they had just been put on hold until the stability of the district had been proven, and he felt that it might just take a while for things to settle out</li> </ul> </li> </ul> </li> <li>– Mr. King added that in a comparison to prior year, Net Revenues were only down 5.3%</li> </ul> </li> <li>○ Mr. King then stated that there was some good information related to Expenses, noting that for the June financial statements, Contract Labor was under \$9M                                     <ul style="list-style-type: none"> <li>– For the first three months, it had averaged less than \$3M of contract labor per month, and it was continuing to go down, having been \$2.1M in the month of August alone, compared to \$6M three months ago</li> <li>– There had also been a cost associated with the bonus payments to the nurses of about \$5M in the first quarter, but it had definitely had a significant impact on contract labor, with a comparison of \$18M for the last quarter of last year vs. under \$9M in the first quarter of this year</li> </ul> </li> <li>○ Purchased Services were up about \$5.5M over budget, due in large part to physician recruitment and the patchwork of radiologists that had to be established to ensure there was radiologist coverage for reading X-rays in the ED</li> <li>○ Total Expenses were over budget by about \$1.5M, largely driven by the professional fees and purchased services costs that had been \$600K higher than budgeted                                     <ul style="list-style-type: none"> <li>– Depreciation had a higher-than-budgeted cost of \$900K, in large part due to the new accounting rules and how they had to be applied; however, that was offset by about \$1.3M in other expenses which – in the old days – would have been in rent</li> </ul> </li> </ul> </li> </ul>			

BOARD FINANCE COMMITTEE – MEETING MINUTES – WEDNESDAY, OCTOBER 25, 2023

• AGENDA ITEM	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL ?
• DISCUSSION			
<ul style="list-style-type: none"> <li>– Benefits were favorable to budget by \$1.3M</li> <li>– Contract Labor was over budget, but to a lesser degree than it had been in prior year</li> <li>○ Income from Operations had been budgeted at \$12.9M, but the actual was a loss of \$11.9M</li> <li>○ Net Income for the first quarter had been a loss of \$17.2M               <ul style="list-style-type: none"> <li>– Not where it had been expected to be, but the team had done a lot of validating, and Mr. King was comfortable that the numbers were accurate</li> </ul> </li> <li>• Diane Hansen, CEO, stated that Management had been reviewing some cost-saving initiatives, and the full plan would be presented later in a closed session</li> <li>• In summary, Mr. King stated that the IGT payments had once again been pushed out another quarter, instead of getting the money in this quarter as expected, and that had impacted cash               <ul style="list-style-type: none"> <li>○ A little over \$4M in IGT had been received today, but it had been expected during the last quarter, not in October; and more funds were expected to be received between now and the end of the calendar year</li> <li>○ In response to an inquiry from Dr. Filiciotto, Mr. King explained that Intergovernmental Transfer (IGT) funds were supplemental payments from the State of California and the Federal Government, based generally on the volume of Medi-Cal patients, but with some also related to quality incentive and other programs established by the State, where every hospital and every group of hospitals would get certain defined dollars                   <ul style="list-style-type: none"> <li>– In other states, the plan would be for Medi-Cal/Medicaid disproportionate share payments—the nomenclature in California was just IGT</li> </ul> </li> <li>○ Last year, Palomar Health received a little over \$60M, and because of some new programs that had been implemented, the anticipated amount for this year was about \$70M, divided into two payments</li> <li>○ In response to an inquiry by Director Pacheco about the expectations regarding the payments continuing to be late, Mr. King indicated that he anticipated that they were probably actually going to start getting slower, not better; however, the District was currently very dependent on having the payments be processed on a more timely basis                   <ul style="list-style-type: none"> <li>– Ms. Hansen added that part of the challenge was that the money had to be sent to the State in order to get the money back, even though the returned funds were approximately 1.5 to 2 times what had been sent out</li> <li>– Mr. King elaborated that the funds were put into a trust account by the State, then there was a convoluted process through the managed care plans before the Federal Government returned the funds                       <ul style="list-style-type: none"> <li>▪ The whole amount was eventually returned, so if \$10M was sent to the State, then \$10M plus whatever the Federal match was would be returned, less a 10% fee to the State</li> </ul> </li> </ul> </li> </ul> </li> <li>• In response to an inquiry by Dr. Filiciotto about locating the DCOH in the packet, Ms. Hansen referred him to the Executive Dashboard (page 9), noting that the number was 54.5</li> <li>• When Director Pacheco asked to be reminded what the cash covenant was, Mr. King pointed out that it was no longer a bond covenant related to the bondholders and the trust indenture, rather it was a covenant related to the bond insurance, and the covenant was 60 DCOH at June 30<sup>th</sup> <ul style="list-style-type: none"> <li>○ He added that the expectation was that—just like last year—the cash would be built up between now and the end of the year, adding that all governmental hospitals in the State of California had the same issue, and all the payors knew it</li> <li>○ He also noted that there were two DCOH calculations, one for the hospital and one for the medical group, and the consolidated number would typically bring the net DCOH down</li> </ul> </li> </ul>			





# ADDENDUM B

**RADY CHILDREN’S HOSPITAL SAN DIEGO DBA  
RADY CHILDREN’S SPECIALISTS OF SAN DIEGO  
PROFESSIONAL SERVICES AGREEMENT**

**TO:** Board Finance Committee

**MEETING DATE:** Wednesday, January 24, 2024

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

**Background:** This contract represents Palomar’s desire to engage the non-exclusive services of RCSSD physicians to render neonatal coverage and neonatal medical director services to the Neonatal Intensive Care Unit.

**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
	<b>TITLE</b>	Professional Services Agreement
	<b>AGREEMENT DATE</b>	September 23, 2022
	<b>EFFECTIVE DATE</b>	January 3, 2023
	<b>PARTIES</b>	Rady Children’s Hospital San Diego dba Rady Children’s Specialists of San Diego and Palomar Health
	<b>PURPOSE</b>	Provision of non-exclusive services of the RCCSD physicians to render neonatal coverage and neonatal medical director services to Palomar
	<b>SCOPE OF SERVICES</b>	RCCSD engages and provides the professional services of certain qualified physicians who are licensed to practice medicine in CA and are qualified to render services in the specialty fields of neonatology, and are willing and able to provide the services.
	<b>PROCUREMENT METHOD</b>	<input type="checkbox"/> <b>Request For Proposal</b> <input checked="" type="checkbox"/> <b>Discretionary</b>
	<b>TERM</b>	Initial term of agreement commences on the date the Escondido NICU receives licensure from CDPH and shall continue for a one (1) year period, unless sooner terminated in accordance with Section IX.
	<b>RENEWAL</b>	No
	<b>TERMINATION</b>	With/Without Cause – Either party may terminate this Agreement in the event of a material breach or default by the other party of any duty, obligation, or covenant contained in the agreement, if such material breach or default is not cured within fourteen (14) days after the provision of written notice of such a breach or default the non-breaching Party.
	<b>FAIR MARKET VALUATION</b>	<input type="checkbox"/> <b>YES</b> <input checked="" type="checkbox"/> <b>NO</b> Compensation is in the amount of the variance (if any) for the actual costs associated with the physician coverage, less the amount collected by RCCSD for the provision of the professional services. The medical director rate is commensurate with similar specialties
	<b>COMPENSATION METHODOLOGY</b>	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.
	<b>BUDGETED</b>	<input checked="" type="checkbox"/> <b>YES</b> <input type="checkbox"/> <b>NO – IMPACT:</b>
	<b>EXCLUSIVITY</b>	<input checked="" type="checkbox"/> <b>NO</b> <input type="checkbox"/> <b>YES – EXPLAIN:</b>
	<b>JUSTIFICATION</b>	Increase in NICU bed capacity
	<b>AGREEMENT NOTICED</b>	<input type="checkbox"/> <b>YES</b> <input type="checkbox"/> <b>NO</b> <b>Methodology &amp; Response:</b>
	<b>ALTERNATIVES/IMPACT</b>	
	<b>Duties</b>	<input type="checkbox"/> <b>Provision for Staff Education</b> <input type="checkbox"/> <b>Provision for Medical Staff Education</b> <input type="checkbox"/> <b>Provision for participation in Quality Improvement</b> <input type="checkbox"/> <b>Provision for participation in budget process development</b>
	<b>COMMENTS</b>	
	<b>APPROVALS REQUIRED</b>	<input type="checkbox"/> VP <input type="checkbox"/> CFO <input type="checkbox"/> CEO <input type="checkbox"/> BOD Committee <input type="checkbox"/> BOD

**OPHTHALMOLOGY CALL AGREEMENT  
W/TIMELY REMUNERATION ADDENDUM  
JEAN-PAUL ABBOUD, M.D.**

**TO:** Board Finance Committee

**MEETING DATE:** Wednesday, January 24, 2024

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

**Background:** This contract represents the Call Agreement with Jean-Paul Abboud, M.D. Physician 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 Call Coverage for the specialty of Ophthalmology in accordance with the Medical Staff by-laws, rules and regulations, policies and procedures of Palomar Health.

Call coverage services to Palomar Health’s patients will be according to a reasonable call schedule developed by the parties, regardless of payor class, to patients not currently assigned to a particular physician, patients who present to the emergency department, 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 ophthalmology specialist per the terms of this Agreement.

Although the effective date of the agreement was December 1, 2022, to comply with applicable federal regulations, it was agreed through a Timely Remuneration addendum that Dr. Abboud would only be eligible for remuneration for services rendered under the agreement that had been performed within ninety (90) days of the date of final signature of the agreement, which was November 21, 2023.

**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	<b>TITLE</b>	1) Ophthalmology Call Coverage Agreement 2) Timely Remuneration Addendum
1 <sup>st</sup> Paragraph	<b>AGREEMENT DATE</b>	1) December 1, 2022 2) November 21, 2023
1 <sup>st</sup> Paragraph	<b>PARTIES</b>	Palomar Health, a California healthcare district ("PH"), and Jean-Paul Abboud, M.D. ("Physician").
Recitals B	<b>PURPOSE</b>	PH desires to ensure that physicians practicing in the specialty of ophthalmology 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 to provide such services per the terms of this Agreement.
1.1	<b>SCOPE OF SERVICES</b>	To provide medical services in the specialty of ophthalmology at Hospital when called by rendering services to PH's patients according to a reasonable call schedule developed by the parties, regardless of payor class, to patients not currently assigned to a particular physician, patients who present to the emergency department, 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 ophthalmology specialist per the terms of this Agreement and to otherwise provide the services required by this Agreement.
	<b>PROCUREMENT METHOD</b>	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
	<b>TERM</b>	1) December 1, 2022 – November 30, 2024 2) November 21, 2023 – November 30, 2024
	<b>RENEWAL</b>	None.
7.2	<b>TERMINATION</b>	Either party may terminate this agreement without cause upon ninety (90) days' prior written notice.
2.2	<b>FAIR MARKET VALUATION</b>	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – DATE COMPLETED: 5/31/2022
2.2	<b>COMPENSATION METHODOLOGY</b>	Fair Market Value. The parties understand and agree that the payments made per this Agreement represent fair market value for legitimate and needed services actually provided without regard to volume or value of referrals or other business generated between the Parties.
	<b>BUDGETED</b>	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	<b>EXCLUSIVITY</b>	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
Recitals A & B	<b>JUSTIFICATION</b>	Need for continued Ophthalmology consultation call coverage for the Emergency Departments at PMC Escondido and PMC Poway.
	<b>AGREEMENT NOTICED</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <b>Methodology &amp; Response:</b>
	<b>ALTERNATIVES/IMPACT</b>	N/A
	<b>Duties</b>	<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
	<b>COMMENTS</b>	None.
	<b>APPROVALS REQUIRED</b>	<input type="checkbox"/> VP <input checked="" type="checkbox"/> CFO <input type="checkbox"/> CEO <input checked="" type="checkbox"/> BOD-Committee – <input checked="" type="checkbox"/> Finance; <input checked="" type="checkbox"/> BOD

**MEDICAL DIRECTOR AGREEMENT  
SURGICAL ACUTE CARE AND PROGRESSIVE CARE UNITS  
Gregory Scott Campbell MD APC**

**TO:** Board Finance Committee

**MEETING DATE:** Wednesday, January 24, 2024

**FROM:** Omar Khawaja, M.D., CMO

**Background:** This contract represents the duties of the Medical Director in support of the Surgical Acute Care and Progressive Care Units at Palomar Medical Center Escondido. Medical Director shall be responsible for the performance of the units along with other medical administrative services as outlined to the reasonable satisfaction of the Hospital.

**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
	<b>TITLE</b>	Gregory Scott Campbell MD APC - Medical Director Agreement - 5.20.2023
	<b>AGREEMENT DATE</b>	May 20, 2023
	<b>PARTIES</b>	Palomar Health, a California healthcare district, and Gregory Scott Campbell MD APC.
	<b>PURPOSE</b>	To serve as Medical Director of the Surgical Acute Care and Progressive Care Units.
	<b>SCOPE OF SERVICES</b>	Physician shall serve as Medical Director of the Surgical Acute Care Unit and Progressive Care Unit and shall be responsible for the medical direction and other medical administrative services set forth in the Agreement. Physician's duties as Medical Director include the duties listed in Exhibit A. Physician shall abide by all policies and procedures of the Medical Staff.
	<b>PROCUREMENT METHOD</b>	<input type="checkbox"/> <b>Request For Proposal</b> <input checked="" type="checkbox"/> <b>Discretionary</b>
	<b>TERM</b>	May 20, 2023 – May 19, 2026
	<b>RENEWAL</b>	None.
	<b>TERMINATION</b>	Either party may terminate this Agreement without cause upon thirty (30) days' written notice.
	<b>FAIR MARKET VALUATION</b>	<input checked="" type="checkbox"/> <b>YES</b> <input type="checkbox"/> <b>NO</b> – <b>DATE COMPLETED: 7/9/2021</b>
	<b>COMPENSATION METHODOLOGY</b>	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.
	<b>BUDGETED</b>	<input checked="" type="checkbox"/> <b>YES</b> <input type="checkbox"/> <b>NO</b> – <b>IMPACT:</b>
	<b>EXCLUSIVITY</b>	<input checked="" type="checkbox"/> <b>NO</b> <input type="checkbox"/> <b>YES</b> – <b>EXPLAIN:</b>
	<b>JUSTIFICATION</b>	Need for medical directorship of the Surgical Acute Care & Progressive Care program (PMCE).
	<b>AGREEMENT NOTICED</b>	<input type="checkbox"/> <b>YES</b> <input checked="" type="checkbox"/> <b>NO</b> <b>Methodology &amp; Response:</b>
	<b>ALTERNATIVES/IMPACT</b>	Medical oversight for Surgical Acute Care and Progressive Care Units.
	<b>Duties</b>	<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
	<b>COMMENTS</b>	None.
	<b>APPROVALS REQUIRED</b>	<input checked="" type="checkbox"/> <b>VP X-CFO</b> <input type="checkbox"/> <b>CEO X-BOD-Committee – Finance;</b> <input checked="" type="checkbox"/> <b>X-BOD</b>

**EMERGENCY ON-CALL AGREEMENT  
GENERAL SURGERY  
Matthew Schultzel D.O.**

**TO:** Board Finance Committee

**MEETING DATE:** Wednesday, January 24, 2024

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

**Background:** This contract represents the On-Call Agreement with Matthew Schultzel D.O. Physician shall serve as a member of the On-Call Panel at Palomar Medical Center Poway on a rotating basis and provide On-Call Coverage for the specialty of General Surgery in accordance with the Medical Staff by-laws, rules and regulations, policies and procedures of Palomar Health.

**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
	<b>TITLE</b>	Matthew Schultzel D.O. - General Surgery Call
	<b>AGREEMENT DATE</b>	September 1, 2023
	<b>PARTIES</b>	Palomar Health, a California healthcare district ("PH"), and Matthew Schultzel D.O. ("Physician").
	<b>PURPOSE</b>	Palomar Health desires to ensure that physicians practicing in the specialty of general surgery are available and on call to provide needed medical services at Palomar Medical Center Poway by contracting with Physician to provide such services per the terms of Agreement.
	<b>SCOPE OF SERVICES</b>	Physician is a member of the medical staff of Palomar Medical Center Poway and is duly qualified by licensure, education, and training to practice in the specialty of general surgery and provide medical services at Hospital when called per the terms of this Agreement and to otherwise provide the services required by this Agreement.
	<b>PROCUREMENT METHOD</b>	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
	<b>TERM</b>	September 1, 2023 – September 30, 2024
	<b>RENEWAL</b>	None.
	<b>TERMINATION</b>	Either party may terminate this Agreement without cause upon thirty (30) days' prior written notice.
	<b>FAIR MARKET VALUATION</b>	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – DATE COMPLETED: 10/31/2022
	<b>COMPENSATION METHODOLOGY</b>	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.
	<b>BUDGETED</b>	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	<b>EXCLUSIVITY</b>	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	<b>JUSTIFICATION</b>	Hospital owns and operates several care facilities including Palomar Medical Center Poway and has the need for physicians to provide on-site and on-call medical services in the specialty of general surgery in order to better serve its geographic service area.
	<b>AGREEMENT NOTICED</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO    Methodology & Response:
	<b>ALTERNATIVES/IMPACT</b>	N/A
	<b>Duties</b>	<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
	<b>COMMENTS</b>	None.
	<b>APPROVALS REQUIRED</b>	<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 3 to Crisis Stabilization Unit &  
Medical Director Services Agreement  
Senior Medical Associates, Inc.**

**TO:** Board Finance Committee

**DATE:** Wednesday, January 24, 2024

**FROM:** Don Myers, Director Behavioral Health

**Background:** Senior Medical Associates, Inc., provides psychiatric and Medical Director services for the Palomar Health Crisis Stabilization Unit. This agreement is the third amendment to the original contract.

**Budget Impact:** Budgeted

**Staff Recommendation:** Secure the services of Senior Medical Associates, Inc., to continue to provide psychiatric and Medical Director services for Palomar Health Crisis Stabilization Unit

**Committee Questions:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

## PALOMAR HEALTH – AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	<b>TITLE</b>	1) Crisis Stabilization Unit (CSU) Services & Medical Director Services Agreement 2) Amendment 1 to CSU Agreement 3) Amendment 2 to CSU Agreement 4) Amendment 3 to CSU Agreement
	<b>AGREEMENT DATE</b>	1) 11/1/2019 2) 11/1/2020 3) 11/1/2021 4) 11/01/2023
	<b>PARTIES</b>	Senior Medical Associates, Inc. (SMA) and Palomar Health
	<b>PURPOSE</b>	Psychiatric and Medical Director Services for CSU
	<b>SCOPE OF SERVICES</b>	Per contract terms
	<b>PROCUREMENT METHOD</b>	<input type="checkbox"/> Request For Proposal                      x <input checked="" type="checkbox"/> Discretionary
	<b>TERM</b>	1) November 1, 2019 – November 1, 2020 2) November 1, 2019 – November 1, 2021 3) November 1, 2019 – November 1, 2022 4) November 1, 2023 – June 30, 2025
	<b>RENEWAL</b>	Yes
	<b>TERMINATION</b>	Either party may terminate the Agreement without cause, with termination to be effective ninety (90) calendar days following such notice
	<b>FAIR MARKET VALUATION</b>	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – DATE COMPLETED: 10/12/2023
	<b>COMPENSATION METHODOLOGY</b>	Contractor to submit monthly invoice with supporting documents per description of services provided as defined in agreement
	<b>BUDGETED</b>	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	<b>EXCLUSIVITY</b>	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	<b>JUSTIFICATION</b>	Psych and MD services needed
	<b>AGREEMENT NOTICED</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO   Methodology & Response:
	<b>ALTERNATIVES/IMPACT</b>	
	<b>Duties</b>	<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
	<b>COMMENTS</b>	
	<b>APPROVALS REQUIRED</b>	<input type="checkbox"/> VP <input type="checkbox"/> CFO <input type="checkbox"/> CEO <input type="checkbox"/> BOD Committee _____ <input type="checkbox"/> BOD

**Amendment 1 to Psychiatric Services &  
Medical Director Services Agreement  
Senior Medical Associates, Inc.**

**TO:** Board Finance Committee

**DATE:** Wednesday, January 24, 2024

**FROM:** Don Myers, Director Behavioral Health

**Background:** Senior Medical Associates, Inc., provides psychiatric and Medical Director services for Palomar Health hospitals. This agreement is the 1<sup>st</sup> amendment to the original agreement.

**Budget Impact:** Budgeted

**Staff Recommendation:** Secure the services of Senior Medical Associates, Inc., to continue to provide psychiatric and Medical Director services for Palomar Health hospitals.

**Committee Questions:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

## PALOMAR HEALTH – AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	<b>TITLE</b>	1) Psychiatric Services & Medical Director Services Agreement 2) Amend 1 - Psychiatric Services & Medical Director Services Agreement
	<b>AGREEMENT DATE</b>	1) November 1, 2022 2) October 30, 2023
	<b>PARTIES</b>	Senior Medical Associates, Inc. and Palomar Health
	<b>PURPOSE</b>	Psychiatric Services and Medical Director Services for Hospital
	<b>SCOPE OF SERVICES</b>	Per contract terms
	<b>PROCUREMENT METHOD</b>	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
	<b>TERM</b>	1) November 1, 2022 – October 31, 2023 2) October 30, 2023 – February 29, 2024
	<b>RENEWAL</b>	Yes
	<b>TERMINATION</b>	Either party may terminate the Agreement without cause, with termination to be effective ninety (90) calendar days following such notice
/	<b>FAIR MARKET VALUATION</b>	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – DATE COMPLETED: <b>10/19/2023</b>
	<b>COMPENSATION METHODOLOGY</b>	Contractor to submit monthly invoice with supporting documents per description of services provided as defined in agreement
	<b>BUDGETED</b>	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	<b>EXCLUSIVITY</b>	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	<b>JUSTIFICATION</b>	Psych and MD services needed
	<b>AGREEMENT NOTICED</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <b>Methodology &amp; Response:</b>
	<b>ALTERNATIVES/IMPACT</b>	
	<b>Duties</b>	<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
	<b>COMMENTS</b>	
	<b>APPROVALS REQUIRED</b>	<input type="checkbox"/> VP <input type="checkbox"/> CFO <input type="checkbox"/> CEO <input type="checkbox"/> BOD Committee _____ <input type="checkbox"/> BOD

**Emergency and Stroke on Call Agreement  
North County Neurology Associates dba The Neurology Center of  
Southern California**

**TO:** Board Finance Committee

**MEETING DATE:** Wednesday, January 24, 2024

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

**Background:** Palomar Medical Center Escondido and Palomar Medical Center Poway have been designated as a Primary Stroke Centers by San Diego County. Pursuant to State and Federal law the hospitals have established specialty physician on-call panels in order to assure the availability of adequate physician coverage for emergency department patients. This new agreement will provide for Emergency and Stroke on-call coverage for unassigned inpatients requiring specialty consultations and stroke care. This coverage will be provided by the North County Neurology Associates dba The Neurology Center of Southern California.

**Budget Impact:** Budgeted

**Staff Recommendation:** Recommend approval.

**Committee Questions/Suggestions/Requests:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

## PALOMAR HEALTH - AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	<b>TITLE</b>	North County Neurology Associates dba The Neurology Center of Southern California – Emergency and Stroke Call Coverage Agreement - 11.1.2023
	<b>AGREEMENT DATE</b>	November 1, 2023
	<b>PARTIES</b>	Palomar Health, a California healthcare district, and North County Neurology Associates dba The Neurology Center of Southern California
	<b>PURPOSE</b>	PH desires to ensure that physicians practicing in the specialty of neurology are available and on call to provide needed medical services at the emergency departments of both hospitals by contracting with the Group to provide such services per the terms of the agreement.
	<b>SCOPE OF SERVICES</b>	Group shall identify and provide qualified Physicians to participate in PH's on-call program and render on-call neurology services to PH's patients according to a reasonable call schedule developed by the parties, and to otherwise provide the services required by the agreement.
	<b>PROCUREMENT METHOD</b>	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
	<b>TERM</b>	November 1, 2023 - October 31, 2026
	<b>RENEWAL</b>	None
	<b>TERMINATION</b>	7.2 Termination for cause With Notice. Either party may terminate this Agreement upon thirty (30) days prior written notice due to the other party's breach of a material term of this Agreement
	<b>FAIR MARKET VALUATION</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Date Completed: 11-12-2022
	<b>COMPENSATION METHODOLOGY</b>	Daily per diem based on Fair Market Value and Commercial Reasonableness.
	<b>BUDGETED</b>	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	<b>EXCLUSIVITY</b>	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	<b>JUSTIFICATION</b>	Palomar Health has established specialty physician on-call panels in order to assure the availability of adequate physician coverage for emergency department patients.
	<b>AGREEMENT NOTICED</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <b>Methodology &amp; Response:</b>
	<b>ALTERNATIVES/IMPACT</b>	None
	<b>Duties</b>	<input type="checkbox"/> Provision for Staff Education – NA <input type="checkbox"/> Provision for Medical Staff Education - NA <input type="checkbox"/> Provision for participation in Quality Improvement - NA <input type="checkbox"/> Provision for participation in budget process development - NA
	<b>COMMENTS</b>	This contract covers Palomar Medical Center Escondido and Palomar Medical Center Poway.
	<b>APPROVALS REQUIRED</b>	<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

# ADDENDUM C



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.