



Board of Directors

Meeting Agenda Packet

April 14, 2025



Board of Directors

*Jeffrey D. Griffith, EMT-P, Chair
Michael Pacheco, Vice Chair
Linda Greer, RN, Treasurer
Theresa Corrales, RN, Secretary
John Clark, Director
Laurie Edwards-Tate, MS, Director
Abbi Jahaaski, MSN, BSN, RN, Director*

Diane Hansen, President and CEO

*Regular meetings of the Board of Directors are held on the second Monday of each month at 6:30 p.m.,
unless indicated otherwise.*

*For an agenda, locations or further information please
visit our website at www.palomarhealth.org, or call (760) 740-6375*

Our Mission

*To heal, comfort, and promote health
in the communities we serve*

Our Vision

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

Our Values

*Compassion - Providing comfort and care
Integrity - Doing the right thing for the right reason
Teamwork - Working together toward shared goals*

*Excellence - Aspiring to be the best
Service - Serving others and our community
Trust - Delivering on promises*

Posted
Thursday,
April 10, 2025

BOARD OF DIRECTORS

Meeting Agenda

Monday, April 14, 2025
6:30 p.m.

Please see page 3 of agenda for meeting location

| | The Board may take action on any of the items listed below, including items specifically labeled "Informational Only" | Time | Form A Page | Target |
|----------------------|--------------------------------------------------------------------------------------------------------------------------|------|-------------------|--------|
| Call To Order | | | | 6:30 |
| 1. | Establishment of Quorum | 1 | | 6:31 |
| 2. | Opening Ceremony | 4 | | 6:35 |
| | a. Pledge of Allegiance to the Flag | | | |
| 3. | Public Comments¹ | 30 | | 7:05 |
| 4. | Presentations – Informational Only | 5 | | 7:10 |
| | a. Trauma Survivors Series – Episode 3 | | | |
| 5. | Approval of Minutes (ADD A) | 5 | | 7:15 |
| | a. Regular Session Board of Directors Meeting – Monday, March 10, 2025 (Pp 10-21) | | | |
| | b. Special Closed Session Board of Directors Meeting – Friday, March 7, 2025 (Pp 22-24) | | | |
| | c. Special Closed Session Board of Directors Meeting – Thursday, March 27, 2025 (Pp 25-26) | | | |
| 6. | Approval of Agenda to accept the Consent Items as listed (ADD B) | 5 | | 7:20 |
| | a. Palomar Medical Center Escondido Medical Staff Credentialing and Reappointments (Pp 28-30) | | 6 | |
| | b. Palomar Medical Center Poway Medical Staff Credentialing and Reappointments (Pp 31-34) | | 7 | |
| | c. YTD FY2025 and February 2025 Financials (Pp 35-63) | | | |
| 7. | Reports – Informational Only | | | |
| | a. Medical Staff | | | |
| | I. Chief of Staff, Palomar Medical Center Escondido – Kanchan Koirala, MD | 5 | | 7:25 |

| | | | | |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------|------|
| | II. Chief of Staff, Palomar Medical Center Poway – Mark Goldsworthy, MD | 5 | | 7:30 |
| | b. Administration | | | |
| | I. President and CEO – Diane Hansen | 5 | | 7:35 |
| | II. Chair of the Board – Jeff Griffith, E.M.T.-P. | 5 | | 7:40 |
| 8. | Approval of Bylaws, Charters, Resolutions and Other Actions (ADD C) | 5 | | 7:45 |
| | Agenda Item | Committee/ Department | Action | |
| | a. Resolution No. 04.14.25(01)-06 of the Board of Directors of Palomar Health to Appoint Infection Control Leadership for Palomar Health (Pp 65-66) | Regulatory Compliance | Review/ Approve | 8 |
| | b. Quality Review Committee Charter (Redline Pp 67-69, Clean Pp 70-72) | Quality Review | Review/ Approve | |
| 9. | Board Committees – Informational Only (ADD D) | 5 | | 7:50 |
| | a. Audit & Compliance Committee – Michael Pacheco, Committee Chair | | | |
| | b. Community Relations Committee – Terry Corrales, Committee Chair | | | |
| | c. Finance Committee – Linda Greer, Committee Chair (Pp 74) | | | |
| | d. Governance Committee – Jeff Griffith, Committee Chair | | | |
| | e. Human Resources Committee – Terry Corrales, Committee Chair | | | |
| | f. Quality Review Committee – Linda Greer, Committee Chair (Pp 75) | | | |
| | g. Strategic & Facilities Planning – Michael Pacheco, Committee Chair | | | |
| Final Adjournment | | | | 7:50 |

NOTE: If you need special assistance to participate in the meeting, please call 760.740.6375 with requests 72 hours prior to the event, so we may provide reasonable accommodations.

¹ 3 minutes allowed per speaker. For further details, see Request for Public Comment Process and Policy on page 4 of agenda.

Board of Directors Meeting Location Options

Palomar Medical Center Escondido
1st Floor Conference Room
2185 Citracado Parkway, Escondido, CA 92029

- Elected Board Members of the Palomar Health Board of Directors will attend at this location, unless otherwise noticed below
- Non-Board member attendees, and members of the public may also attend at this location

<https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting?rtc=1>

Meeting ID: 277 533 693 824

Passcode: TT2Yh7oC

or

Dial in using your phone at 929.352.2216; Access Code: 444 027 050#¹

- Non-Board member attendees, and members of the public may also attend the meeting virtually utilizing the above link

¹ New to Microsoft Teams? Get the app now and be ready when your first meeting starts: [Download Teams](#)

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.

(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

[https://www.lucidoc.com/cgi/doc-gw.pl?ref=pphealth:21790\\$9](https://www.lucidoc.com/cgi/doc-gw.pl?ref=pphealth:21790$9).

Palomar Health Board of Directors Meeting

Meeting will begin at 6:30 p.m.



Request for Public Comments

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

- In Person: Submit a Public Comment Form, or verbally submit a request, to the Board Clerk
- Virtual: Enter your name and “Public Comment” in the chat function

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.

Palomar Medical Center Escondido Medical Staff Credentialing Recommendations

TO: Board of Directors

MEETING DATE: April 14, 2025

FROM: Kanchan Koirala, M.D., Chief of Staff, Palomar Medical Center Escondido

Background: Credentialing Recommendations from the Medical Executive Committee of Palomar Medical Center Escondido.

Budget Impact: None

Staff Recommendation: Recommend Approval

Committee Questions:

COMMITTEE RECOMMENDATION: Approval

Motion: X

Individual Action:

Information:

Required Time:

Palomar Medical Center Poway Medical Staff Credentials Recommendations

TO: Board of Directors

MEETING DATE: Monday, April 14, 2025

FROM: Mark Goldsworthy, M.D., Chief of Staff, Palomar Medical Center Poway

Background: Monthly credentials recommendations from the Palomar Medical Center Poway Medical Executive Committee for approval by the Board of Directors.

Budget Impact: None

Staff Recommendation: Recommend Approval

Committee Questions:

COMMITTEE RECOMMENDATION: Approval

Motion: X

Individual Action:

Information:

Required Time:

**RECOMMEND AND APPOINT INFECTION CONTROL LEADERSHIP
FOR PALOMAR HEALTH**

To: Palomar Health Board of Directors

Meeting Date: Monday, April 14, 2025

From: Jami Pearson, Director Regulatory Compliance

Background: As of January 2025, there is a new Joint Commission standard; the Districts governing body, based on the recommendation of the Medical Staff and Chief Nurse Executive, appoints Infection Control Leadership to be responsible for the Infection Control Program for Palomar Health.

Budget Impact: N/A

Staff Recommendation: Approve and appoint recommended leadership to manage and implement the Infection Control Program for Palomar Health.

Committee Questions:

Recommendation:

Motion: X

Individual Action:

Information: Required

Time:

ADDENDUM A

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Board of Directors Meeting Minutes – Monday, March 10, 2025 | |
| Agenda Item | |
| <ul style="list-style-type: none"> Discussion | Conclusion/Action/Follow Up |
| Notice of Meeting | |
| Notice of Meeting was posted at the Palomar Health Administrative Office at 2125 Citracado Parkway, Suite 300, Escondido, CA 92029, as well as on the Palomar Health website, on Friday, March 7, 2025, which is consistent with legal requirements. | |
| Call To Order | |
| The meeting, which was held at the Palomar Medical Center Escondido, First Floor Conference Room at 2185 Citracado Parkway, Escondido, CA. 92029, and called to order at 6:30 p.m. by Board Chair Jeff Griffith. | |
| 1. Establishment of Quorum | |
| Quorum comprised of Directors Clark, Corrales, Edwards-Tate, Greer, Griffith, Jahaaski, Pacheco Absences: None | |
| 2. Opening Ceremony | |
| The Pledge of Allegiance was recited in unison led by Director Terry Corrales. | |

| | |
|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Board of Directors Meeting Minutes – Monday, March 10, 2025</i> | |
| <i>Agenda Item</i> | |
| <ul style="list-style-type: none"> <i>Discussion</i> | <i>Conclusion/Action/Follow Up</i> |
| 3. Public Comments | |
| <ul style="list-style-type: none"> No public comments | |
| 4. Presentations – Informational Only | |
| <ul style="list-style-type: none"> Trauma Survivors Series episode two was shared with the Board of Directors. | |
| 5. Approval of Minutes | |
| a. Regular Session Board of Directors Meeting - Monday, February 10, 2025 | <p>MOTION: By Director Edwards-Tate, 2nd by Director Corrales and carried to approve the Monday, February 10, 2025, Regular Session Board of Directors Meeting minutes as written.</p> <p>Roll call voting was utilized. Director Clark – aye Director Corrales – aye Director Edwards-Tate – aye Director Greer – aye Director Griffith – aye Director Jahaaski – aye Director Pacheco – aye Chair Griffith announced that seven board members were in favor. None opposed. No abstention. None absent. Motion approved.</p> |
| | |

Agenda Item

• Discussion

Conclusion/Action/Follow Up

6. Approval of Agenda to accept the Consent Items as listed

- a. Palomar Medical Center Escondido Medical Staff Credentialing and Reappointments
- b. Palomar Medical Center Poway Medical Staff Credentialing and Reappointments
- c. Nurse Practitioner Clinical Privileges – Psychiatry
- d. Psychologist Clinical Privileges
- e. Dentistry Clinical Privileges
- f. 2025 Employee Code of Conduct
- g. YTD FY2025 and January 2025 Financials

MOTION: By Director Edwards-Tate, 2nd by Director Corrales and carried to approve Consent Agenda items 6, a through f as presented.

Roll call voting was utilized.

Director Clark – aye

Director Corrales – aye

Director Edwards-Tate – aye

Director Greer – aye

Director Griffith – aye

Director Jahaaski – aye

Director Pacheco – aye

Chair Griffith announced that seven board members were in favor. None opposed. No abstention. None absent.

Motion approved.

MOTION: By Director Edwards-Tate, 2nd by Director Pacheco and carried to approve Consent Agenda items 6, g as presented.

Roll call voting was utilized.

Director Clark – aye

Director Corrales – aye

Director Edwards-Tate – aye

Director Greer – aye

Director Griffith – aye

Director Jahaaski – aye

Director Pacheco – aye

Chair Griffith announced that seven board members were in favor. None opposed. No abstention. None absent.

Motion approved.

Board of Directors Meeting Minutes – Monday, March 10, 2025

Agenda Item

- *Discussion*

Conclusion/Action/Follow Up

- Director John Clark requested item 6g be pulled for discussion. Director Clark asked clarifying questions, Chief Financial Officer, Andrew Tokar, answered.

7. Reports – Informational Only

a. Medical Staffs

I. Palomar Medical Center Escondido

Palomar Medical Center Escondido Chief of Staff, Dr. Kanchan Koirala, provided a verbal report.

II. Palomar Medical Center Poway

Palomar Medical Center Poway Chief of Staff, Dr. Mark Goldsworthy, provided a verbal report.

b. Administrative

I. President and CEO

Palomar Health President & CEO Diane Hansen provided a verbal report.

II. Chair of the Board

i. Code of Conduct

Palomar Health Chair of the Board Jeff Griffith provided a verbal report.

8. Approval of Bylaws, Charters, Resolutions and Other Actions

Agenda Item

| • Discussion | Conclusion/Action/Follow Up |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>a. Resolution No. 03.10.25(01)-05 of the Board of Directors to Elect and Appoint Leadership for a Unified Antibiotic Stewardship Program for Palomar Health</p> | <p>MOTION: By Director Jahaaski, 2nd by Director Corrales and carried to approve Resolution No. 03.10.25(01)-05 of the Board of Directors to Elect and Appoint Leadership for a Unified Antibiotic Stewardship Program for Palomar Health</p> <p>Roll call voting was utilized. Director Clark – aye Director Corrales – aye Director Edwards-Tate – aye Director Greer – aye Director Griffith – aye Director Jahaaski – aye Director Pacheco – aye Chair Griffith announced that seven board members were in favor. None opposed. No abstention. None absent. Motion approved.</p> |
| | |

Board of Directors Meeting Minutes – Monday, March 10, 2025

Agenda Item

| <i>• Discussion</i> | <i>Conclusion/Action/Follow Up</i> |
|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>b. Audit & Compliance Committee Charter</i> | <p>MOTION: By Director Edwards-Tate, 2nd by Director Pacheco and carried to approve Audit and Compliance Committee Charter as presented.</p> <p>Roll call voting was utilized. Director Clark – aye Director Corrales – aye Director Edwards-Tate – aye Director Greer – aye Director Griffith – aye Director Jahaaski – aye Director Pacheco – aye Chair Griffith announced that seven board members were in favor. None opposed. No abstention. None absent. Motion approved.</p> |
| | |

Board of Directors Meeting Minutes – Monday, March 10, 2025

Agenda Item

| <i>• Discussion</i> | <i>Conclusion/Action/Follow Up</i> |
|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>c. Recommendation of Qualified Audit Firm to Conduct Annual Audit for FY2025</i> | MOTION: By Director Clark, 2 nd by Director Greer and carried to approve recommendation of extending Moss Adams as the Audit Firm to Conduct the Annual Audit for FY2025 Roll call voting was utilized. Director Clark – aye Director Corrales – aye Director Edwards-Tate – aye Director Greer – aye Director Griffith – aye Director Jahaaski – aye Director Pacheco – aye Chair Griffith announced that seven board members were in favor. None opposed. No abstention. None absent. Motion approved. |
| <i>• Board discussion ensued.</i> | |

Board of Directors Meeting Minutes – Monday, March 10, 2025

Agenda Item

| <i>• Discussion</i> | <i>Conclusion/Action/Follow Up</i> |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>d. Finance Committee Charter</i> | <p>MOTION: By Director Edwards-Tate, 2nd by Director Corrales and carried to approve Finance Committee Charter as presented.</p> <p>Roll call voting was utilized. Director Clark – aye Director Corrales – aye Director Edwards-Tate – aye Director Greer – aye Director Griffith – aye Director Jahaaski – aye Director Pacheco – aye Chair Griffith announced that seven board members were in favor. None opposed. No abstention. None absent. Motion approved.</p> |
| | |

Agenda Item

| • Discussion | Conclusion/Action/Follow Up |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| e. Governance Committee Charter | <p>MOTION: By Director Pacheco, 2nd by Director Corrales and carried to approve Governance Committee Charter as presented.</p> <p>Roll call voting was utilized. Director Clark – aye Director Corrales – aye Director Edwards-Tate – aye Director Greer – aye Director Griffith – aye Director Jahaaski – aye Director Pacheco – aye Chair Griffith announced that seven board members were in favor. None opposed. No abstention. None absent. Motion approved.</p> |
| | |

Board of Directors Meeting Minutes – Monday, March 10, 2025

Agenda Item

| <i>• Discussion</i> | <i>Conclusion/Action/Follow Up</i> |
|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>f. Nursing and Patient Care Policy (11058)</i> | MOTION: By Director Corrales, 2 nd by Director Jahaaski and carried to approve Nursing and Patient Care Policy (11058) as presented Roll call voting was utilized. Director Clark – aye Director Corrales – aye Director Edwards-Tate – aye Director Greer – aye Director Griffith – aye Director Jahaaski – aye Director Pacheco – aye Chair Griffith announced that seven board members were in favor. None opposed. No abstention. None absent. Motion approved. |
| | |
| 9. Board Committees – Informational Only | |
| <i>a. Audit & Compliance Committee – Michael Pacheco, Committee Chair</i> | |
| <i>• Director Michael Pacheco provided a verbal update</i> | |
| <i>b. Community Relations Committee – Terry Corrales, Committee Chair</i> | |
| <i>• Director Terry Corrales provided a verbal update</i> | |
| <i>c. Finance Committee – Linda Greer, Committee Chair</i> | |
| <i>• Director Linda Greer provided a verbal update</i> | |

Board of Directors Meeting Minutes – Monday, March 10, 2025

Agenda Item

| Discussion | | Conclusion/Action/Follow Up |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------------------|
| <i>d. Governance Committee – Jeff Griffith, Committee Chair</i> | | |
| <ul style="list-style-type: none">Chair Jeff Griffith provided a verbal update | | |
| <i>e. Human Resources Committee – Terry Corrales, Committee Chair</i> | | |
| <ul style="list-style-type: none">Director Terry Corrales provided a verbal update | | |
| <i>f. Quality Review Committee – Linda Greer, Committee Chair</i> | | |
| <ul style="list-style-type: none">Director Linda Greer provided a verbal update | | |
| <i>g. Strategic & Facilities Planning – Michael Pacheco, Committee Chair</i> | | |
| <ul style="list-style-type: none">Director Michael Pacheco provided a verbal update | | |
| Final Adjournment | | |
| <ul style="list-style-type: none">There being no further business, Chair Jeff Griffith adjourned the meeting at 7:31 p.m. | | |
| Signatures: | Board Secretary | <hr/> Terry Corrales, R.N. |

Board of Directors Meeting Minutes – Monday, March 10, 2025

Agenda Item

- *Discussion*

Conclusion/Action/Follow Up

Board Clerk

Carla Albright

| <i>Special Closed Session Board of Directors Minutes – Friday, March 7, 2025</i> | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| <i>Agenda Item</i> | <i>Conclusion / Action</i> |
| <i>Discussion</i> | |
| Notice of Meeting | |
| Notice of Meeting was posted at the Palomar Health Administrative Office at 2125 Citracado Parkway, Suite 300, Escondido, CA 92029, as well as on the Palomar Health website, on Thursday, March 6, 2025, which is consistent with legal requirements. | |
| I. Call To Order | |
| The meeting, which was held in the Linda Greer Board Room, Suite 300, 2125 Citracado Parkway, Escondido, CA. 92029, and virtually, was called to order at 1:45 p.m. by Board Vice Chair Michael Pacheco, as Chair Jeff Griffith attended the meeting virtually. | |
| II. Establishment Of Quorum | |
| Quorum comprised of Directors Clark, Corrales, Greer, Griffith, Jahaaski, Pacheco Absences: Edwards-Tate | |
| III. Public Comments | |
| <ul style="list-style-type: none"> No public comments | |

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IV. Adjournment To Closed Session | |
| a. Pursuant to California Government Code § 54956.9(d)(2)—CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION—Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One (1) potential case | |
| V. Re-Adjournment To Open Session | |
| VI. Action Resulting From Closed Session – if any | |
| VII. Approval of Bylaws, Charters, Resolutions and Other Actions | |
| a. Approval of Loan Agreement with Regents of University of California | <p>MOTION: By Director Greer, 2nd by Director Clark and carried to approve the loan agreement with Regents of University of California.</p> <p>Roll call voting was utilized. Director Clark – aye Director Corrales – aye Director Edwards-Tate – absent Director Greer – aye Director Griffith – aye Director Jahaaski – aye Director Pacheco – aye Vice Chair Pacheco announced that six board members were in favor. None opposed. No abstention. One absent. Motion approved.</p> |
| <ul style="list-style-type: none"> No discussion | |
| VIII. Final Adjournment | |
| There being no further business, Vice Chair Michael Pacheco adjourned the meeting at 3:01 p.m. | |

| | | |
|--------------------|------------------------|---------------------------------|
| Signatures: | Board Secretary | <hr/> <i>Terry Corrales, RN</i> |
| | Board Assistant | <hr/> <i>Carla Albright</i> |

| <i>Special Closed Session Board of Directors Minutes – Thursday, March 27, 2025</i> | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| <i>Agenda Item</i> | <i>Conclusion / Action</i> |
| <i>Discussion</i> | |
| Notice of Meeting | |
| Notice of Meeting was posted at the Palomar Health Administrative Office at 2125 Citracado Parkway, Suite 300, Escondido, CA 92029, as well as on the Palomar Health website, on Wednesday, March 26, 2025, which is consistent with legal requirements. | |
| I. Call To Order | |
| The meeting, which was held in the Linda Greer Board Room, Suite 300, 2125 Citracado Parkway, Escondido, CA. 92029, and virtually, was called to order at 10:01 a.m. by Board Chair Jeff Griffith. | |
| II. Establishment Of Quorum | |
| Quorum was established via roll call comprising of Directors Clark, Corrales, Edwards-Tate, Greer, Griffith, Jahaaski, Pacheco | |
| Absences: | |
| Motion by Greer, second by Edwards-Tate to allow Director Terry Corrales to attend virtually based on emergency circumstances. Roll call vote utilized. Pacheco – aye, Edwards-Tate – aye, Clark – aye, Greer – aye, Jahaaski – aye, Griffith – aye. Motion approved. | |
| Chair Griffith noted Director Corrales was accepted to the meeting virtually. Meeting then proceeded. | |
| Director Corrales stated she needed to sign off and was excused from the meeting. | |
| III. Public Comments | |
| <ul style="list-style-type: none"> No public comments | |

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-----------------------------|
| IV. Adjournment To Closed Session | | |
| a. Pursuant to California Government Code § 54956.9(d)(2)—CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION—Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One (1) potential case | | |
| b. Pursuant to California Government Code § 54962 and California Health & Safety Code § 32106—REPORT INVOLVING TRADE SECRET—Discussion will concern: proposed new service or program. Estimated date of public disclosure: December 1, 2025 | | |
| V. Re-Adjournment To Open Session | | |
| VI. Action Resulting From Closed Session – if any | | |
| <ul style="list-style-type: none"> No action was taken in closed session. | | |
| VIII. Final Adjournment | | |
| There being no further business, Chair Jeff Griffith adjourned the meeting at 11:43 p.m. | | |
| Signatures: | Board Secretary | _____ Terry Corrales, RN |
| | Board Assistant | _____ Carla Albright |

ADDENDUM B

Palomar Medical Center Escondido
2185 Citracado Parkway
Escondido, CA 92029
(442) 281-1005 (760) 233-7810 fax
Medical Staff Services

April 8, 2025

To: Palomar Health Board of Directors

From: Kanchan Koirala, M.D., Chief of Staff
Palomar Medical Center Escondido Medical Executive Committee

Board Meeting Date: April 14, 2025

Subject: Palomar Medical Center Escondido Credentialing Recommendations

Provisional Appointment (04/14/2025 to 03/31/2027)

Bayati, Nasser, M.D. – Internal Medicine
Connolly, Michael J. M.D. - Teleradiology
Khan, Gulam Ashfaq-Husain, M.D. – Diagnostic Radiology
Kusnezov, Nicholas A., M.D. – Orthopaedic Surgery
Muriel Pastrana, Mariel M.D. – Internal Medicine
Nguyen, Minh Q., M.D. – Internal Medicine
Sirimalle, Srinivas, M.D. – Family Medicine
Snyders Jr., Glenn C., M.D. – Anesthesia
Su, Hsiu P., M.D. – Diagnostic Radiology
Tanita, Douglas G., M.D. – Obstetrics & Gynecology
Wong Miller, Celina B., M.D. – Emergency Medicine
Yamane, Maya L., M.D. – Ophthalmology, Pediatric

Advance from Provisional to Courtesy Category

Dashtaei, Ayda, D.O. – Surgery, General – Dept. of Surgery (05/01/2025 to 09/30/2025)

Advance from Provisional to Active Category

Allen, Thomas M., M.D. - Emergency Medicine (05/01/2025 to 03/31/2027)
Dunn, William M., M.D. – Diagnostic Radiology (05/01/2025 to 09/30/2025)
Leblang, Stephanie E., M.D. - Obstetrics and Gynecology (05/01/2025 to 08/31/2025)

Physician Voluntary Resignation

Abboud, Jean-Paul J., M.D. – Ophthalmology (eff. 03/18/2025)
 Al-Balas, Hassan A., M.D. – Diagnostic Radiology (eff. 03/20/2025)
 Drake Jr., Macarthur, M.D. – Diagnostic Radiology (eff. 03/19/2025)
 Frey Jr., Joseph H., M.D. – Diagnostic Radiology (eff. 03/19/2025)
 Garfinkle, Mark A., M.D. – Internal Medicine (eff. 04/30/2025)
 Ginn, Madison, D.O. – Emergency Medicine (eff. 03/25/2025)
 Gougov, Peter D., M.D. – Anesthesia (eff. 04/30/2025)
 Toensing, Christopher, M.D. – Diagnostic Radiology (eff. 03/17/2025)

Request for 2 Year Leave of Absence

Davis, Kimberly R., M.D. – Orthopaedic Surgery, 2 years (03/04/2025 – 03/03/2027)
 Hayyat, Umer, M.D. – Internal Medicine, 2 years (03/01/2025 – 02/28/2027)
 Mansour, David H., D.O. – Emergency Medicine, 2 years (03/07/2025 – 03/06/2027)
 Orr, Robert, M.D. – Cardiology, 2 years (03/07/2025 – 03/06/2027)
 Touma, Elie, D.P.M. – Podiatry, 2 years (03/24/2025 – 03/23/2027)
 Vu, Quin H., M.D. – Anesthesia, 2 years (04/30/2025 – 04/29/2027)

Allied Health Professional Resignation

Ford, Shawna N., CNM – Nurse Midwife (eff. 03/03/2025)
 Gao, Xiudan, RNFA – RN First Assist (eff. 05/01/2025)
 Maldonado, George S. NNP – Neonatal Nurse Practitioner (eff. 03/06/2025)

Allied Health Professional Leave of Absence

Bishop, Leslie A., NP – Acute Care Nurse Practitioner, 2 years (03/13/2025 to 03/12/2027)

PALOMAR MEDICAL CENTER ESCONDIDO RECOMMENDATIONS FOR REAPPOINTMENT

Reappointment effective 05/01/2025 to 11/30/2025

| | | | |
|------------------------|------------------------|------------------|----------|
| Onaitis, Mark W., M.D. | Cardiothoracic Surgery | Dept. of Surgery | Courtesy |
|------------------------|------------------------|------------------|----------|

Reappointments (effective 05/01/2025 to 04/30/2027)

| | | | |
|------------------------------|--------------------------|---------------------|------------|
| Aharonian, Artin, M.D. | Diagnostic Radiology | Dept. of Radiology | Active |
| Ayson, Nicole M., M.D. | Pediatrics/ Internal Med | Dept. of Pediatrics | Active |
| Chao, James J., M.D. | Plastic Surgery | Dept. of Surgery | Courtesy |
| Farnsworth, William B., M.D. | Neurology | Dept. of Medicine | Active |
| Gorwit, Jeffrey I., M.D. | Cardiovascular Disease | Dept. of Medicine | Active |
| Greenstein, Joshua K., M.D. | Nephrology | Dept. of Medicine | Active |
| Gualberto, Gary C., M.D. | Neurology | Dept. of Medicine | Courtesy |
| Kolins, Jerry, M.D. | Clinical Pathology | Dept. of Pathology | Active |
| Martin, Franklin M., M.D. | Surgery, General | Dept. of Surgery | Affiliate* |

*Category Change from Active- No Clinical Privs

| | | | |
|-----------------------------|-------------------------|---------------------------|-----------|
| Nalbandian, Allen B., M.D. | Diagnostic Radiology | Dept. of Radiology | Affiliate |
| O'Meara, Patrick M., M.D. | Orthopaedic Surgery | Dept. of Ortho Surg/Rehab | Active |
| Robinson, Harrison L., M.D. | Internal Medicine | Dept. of Medicine | Active |
| Shamani, Azam, M.D. | Family Practice | Dept. of Family Practice | Affiliate |
| Tarsa, Maryam, M.D. | Maternal-Fetal Medicine | Dept. of OB/GYN | Active |
| Wadhwa, Ashish K., M.D. | Otolaryngology | Dept. of Surgery | Courtesy |
| Zakko, Maram F., M.D. | Gastroenterology | Dept. of Medicine | Active |

Allied Health Professional Reappointment effective 05/01/2025 to 03/31/2027

| | | | |
|-------------------------------|-----|---------------------|---------------------|
| Morfin Valencia, Gustavo, NNP | NNP | Dept. of Pediatrics | (Sponsor: Dr. West) |
|-------------------------------|-----|---------------------|---------------------|

Allied Health Professional Reappointments effective 05/01/2025 to 04/30/2027

| | | | |
|---------------------------|---------------------------|-------------------------|--------------------------|
| Barmack, Kimberly M., FNP | Family Nurse Practitioner | Dept. of Med | (Sponsor: Dr. Bayat) |
| Kim, Unja, CNM | Nurse Midwife | Dept. of OB/GYN | (Sponsor: Dr. Duncan) |
| Lopez, Amy R., PA-C | Physician Assistant | Dept. of Emerg Medicine | (Sponsor: Dr. Friedberg) |

Certification by and Recommendation of Chief of Staff

As Chief of Staff of Palomar Medical Center Escondido, I certify that the procedures described in the Medical Staff Bylaws for appointment, reappointment or alteration of staff membership or the granting of privileges and that the policy of Palomar Health's Board of Directors regarding such practices have been properly followed. I recommend that the action requested in each case be taken by the Board of Directors.

Palomar Medical Center Poway
 Medical Staff Services
 15615 Pomerado Road
 Poway, CA 92064
 (858) 613-4538 (858) 613-4217 fax

Date: April 8, 2025
 To: Palomar Health Board of Directors – April 14, 2025 Meeting
 From: Mark Goldsworthy, M.D., Chief of Staff, PMC Poway Medical Staff
 Subject: Medical Staff Credentials Recommendations – March, 2025

Provisional Appointments: (04/14/2025 – 03/31/2027)

Michael Connolly, M.D., Teleradiology
 Gulam Ashfaz-Husain Khan, M.D., Teleradiology
 Nicholas Kusnezov, M.D., Orthopedic Surgery
 Srinivas Sirimalle, M.D., Family Medicine
 Glenn Snyders, M.D., Anesthesiology
 Hsiu Su, M.D., Teleradiology
 Celia Wong Miller, M.D., Emergency Medicine

Biennial Reappointments: (05/01/2025 - 04/30/2027)

Artin Aharonian, M.D. Teleradiology, Active
 Nicole Ayson, M.D., Internal Medicine (Forensic Health, SART Program Only), Active
 Maria Castillo, M.D., OB/GYN, Active
 James Chao, M.D., Plastic Surgery, Courtesy
 William Farnsworth, M.D., Neurology, Active
 Jeffrey Gorwit, M.D., Cardiology, Active
 Joshua Greenstein, M.D., Nephrology, Active (Includes The Villas at Poway)
 Gary Gualberto, M.D., Neurology, Courtesy
 Jerry Kolins, M.D., Pathology, Active
 Allen Nalbandian, M.D., Radiology, Affiliate
 Azam Shamani, M.D., Family Practice, Affiliate (Refer and Follow only)
 Ashish Wadhwa, M.D., Otolaryngology, Active
 Maram Zakko, M.D., Gastroenterology, Active

Advancements to Active Category:

Thomas Allen, M.D., Emergency Medicine, effective 05/01/2025 – 03/31/2027
 Ayda Dashtaei, D.O., General Surgery, effective 05/01/2025 – 09/30/2025
 William Dunn, M.D., Teleradiology, effective 05/01/2025 – 09/30/2025

Request for 2 Year Leave of Absence:

Davis Mansour, D.O., Internal Medicine, effective 03/10/2025 – 03/09/2027

Robert Orr, M.D., Cardiology, effective 03/07/2025 – 03/06/2027

Quin Vu, M.D., Anesthesiology, effective 05/01/2025 – 04/30/2027

Voluntary Resignations:

Jean-Paul Abboud, M.D., Ophthalmology, effective 03/18/2025

Hassan Al-Balas, M.D., Teleradiology, effective 03/20/2025

Mandy Anderson, M.D., OB/GYN, effective 03/31/2025

Macarthur Drake, M.D., Teleradiology, effective 03/19/2025

Joseph Frey, M.D., Teleradiology, effective 03/19/2025

Arun Gopal, M.D., Internal Medicine, effective 03/21/2025

Ramni Khattar, D.O., Pulmonology, effective 04/16/2025

Katherine Promer, M.D., Infectious Disease, effective 03/28/2025

Christopher Toensing, M.D., Teleradiology, effective 03/17/2025

Fang Wu, M.D., Internal Medicine, effective 03/23/2025

Allied Health Professional Biennial Reappointments: (05/01/2025 - 04/30/2027)

Kimberly Barmack, FNP, Sponsor Dr. Bayat

Amy Lopez, PA, Sponsor Dr. Friedberg (to be discussed in Executive Session)

Christie Remigio, FNP, Sponsor Dr. Teja Singh, The Villas at Poway Only

Allied Health Professional Reappointment Effective 05/01/2025 – 05/31/2025:

Robert Frost, PA, Sponsors Drs. B. Cohen, Brummel

Allied Health Professional Request for 2 Year Leave of Absence:

Leslie Bishop, NP, Neurology, effective 03/13/2025 – 03/12/2027

PALOMAR MEDICAL CENTER POWAY: Certification by and Recommendation of Chief of Staff:

As Chief of Staff of Palomar Medical Center Poway, I certify that the procedures described in the Medical Staff Bylaws for appointment, reappointment, or alternation of staff membership or the granting of privileges and the policy of the Palomar Health's Board of Directors regarding such practices have been properly followed. I recommend that the Board of Directors take the action requested in each case.

Provider Profiles



Bayati, Nasser, M.D.
PMC Escondido

Status: Applicant
Specialty: Internal Medicine
Department: Medicine



Connolly, Michael J., MD
PMC Escondido and Poway

Status: Applicant
Specialty: Diagnostic Radiology
Department: Radiology



Khan, Gulam Ashfaq-Husain, MD
PMC Escondido and Poway

Status: Applicant
Specialty: Diagnostic Radiology
Department: Radiology



Kusnezov, Nicholas A., MD
PMC Escondido and Poway

Status: Temporary Privileges
Specialty: Orthopaedic Surgery
Department: Orthopaedic
Surgery/Rehabilitation



Muriel Pastrana, Mariel, MD
PMC Escondido

Status: Applicant
Specialty: Internal Medicine
Department: Medicine



Nguyen, Minh Q., MD
PMC Escondido

Status: Temporary Privileges
Specialty: Internal Medicine
Department: Medicine



Sirimalle, Srinivas, MD
PMC Escondido and Poway

Status: Temporary Privileges
Specialty: Family Practice
Department: Family Practice

Provider Profiles



Snyders Jr., Glenn C., MD
PMC Escondido and Poway

Status: Applicant
Specialty: Anesthesiology
Department: Anesthesia



Su, Hsiu P., MD
PMC Escondido and Poway

Status: Applicant
Specialty: Diagnostic Radiology
Department: Radiology



Tanita, Douglas G., MD
PMC Escondido

Status: Applicant
Specialty: Obstetrics and
Gynecology
Department: OB/GYN



Wong Miller, Celina B., MD
PMC Escondido and Poway

Status: Applicant
Specialty: Emergency Medicine
Department: Emergency Medicine



Yamane, Maya L., MD
PMC Escondido

Status: Applicant
Specialty: Ophthalmology, Pediatric
Department: Surgery

Margin Improvement / Turnaround Project Financial Update

Reporting Month: Feb-25

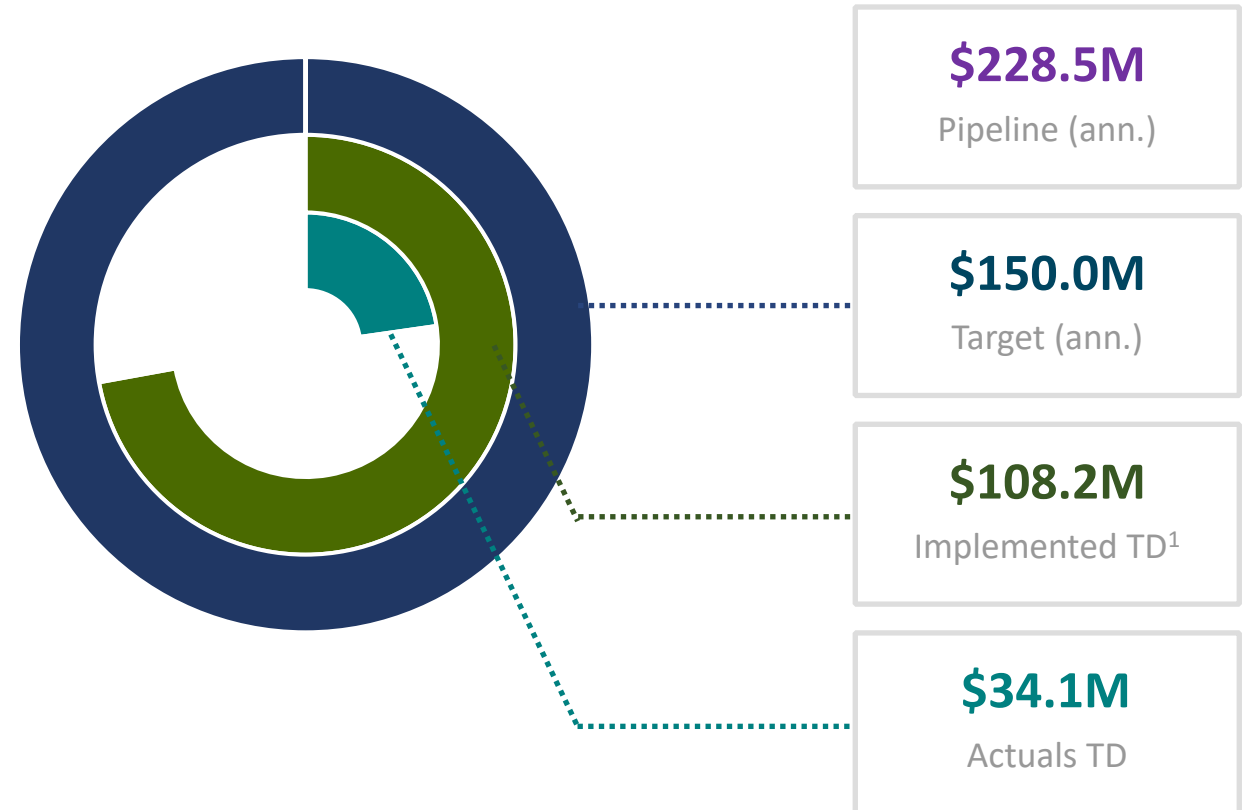
March 26, 2025

Palomar Health has implemented a projected \$108.2M of initiatives and realized \$34.1M in improvement through February

Key implemented initiatives include:

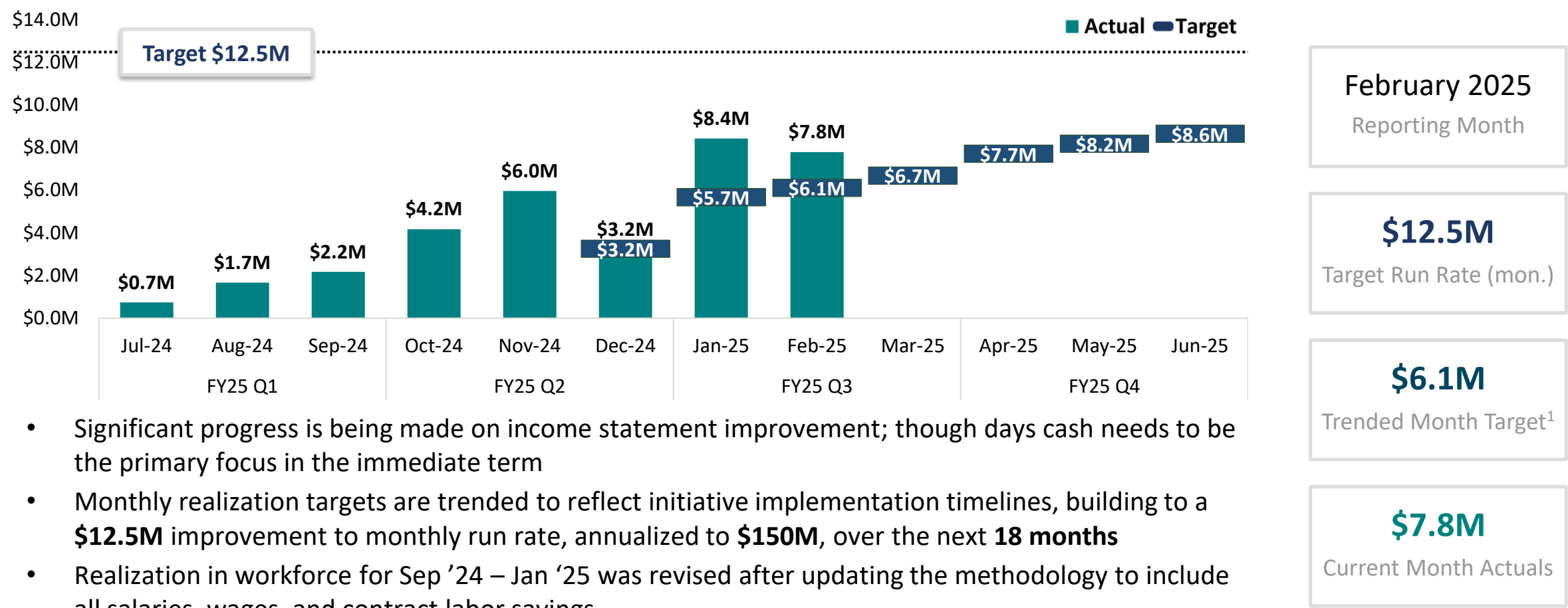
- ✓ **\$35.0M** DHDP Rate Improvement
- ✓ **\$20.0M** Managed Care Negotiations
- ✓ **\$2.1M** Reduction in Corporate Services and Purchased Services
- ✓ **\$1.5M** Workforce Productivity Departmental Improvements

¹Implemented to date value has increased **\$36.0M** from **\$72.2M** presented on 2/26/25



¹Implemented to date (TD) reflects pipeline initiatives actively implemented with and projected impact.

Initiative performance in February 2025 resulted in \$7.8M in realization, exceeding trending monthly target of \$6.1M



- Significant progress is being made on income statement improvement; though days cash needs to be the primary focus in the immediate term
- Monthly realization targets are trended to reflect initiative implementation timelines, building to a **\$12.5M** improvement to monthly run rate, annualized to **\$150M**, over the next **18 months**
- Realization in workforce for Sep '24 – Jan '25 was revised after updating the methodology to include all salaries, wages, and contract labor savings

¹Workstream targets were established and communicated to board 1/27/25; actuals will be tracked against month targets moving forward.

Significant progress is being made on improving the financial results, though liquidity needs to be improved in the near term

| Workstream | January | | February (Current Month) | | Mar. | Status |
|---------------------------------|---------------|---------------|-----------------------------|---------------|---------------|--------|
| | Target | Actual | Target | Actual | Target | |
| Supply Chain & PS | \$0.3M | \$0.3M | \$0.3M | \$0.3M | \$0.4M | |
| Care Transitions & PSA | \$1.0M | \$1.9M | \$1.0M | \$1.1M | \$1.0M | |
| PHMG | \$0.6M | \$0.6M | \$0.7M | \$0.4M | \$0.8M | |
| Workforce & Periop ¹ | \$0.6M | \$1.9M | \$0.7M | \$1.0M | \$0.8M | |
| Corporate Services | \$0.7M | (\$0.8M) | \$0.8M | (\$0.3M) | \$0.8M | |
| Growth Strategy | \$0.6M | \$0.3M | \$0.7M | \$1.0M | \$0.8M | |
| Facilities & Real Estate | - | - | - | - | - | |
| Revenue Cycle | \$1.9M | \$4.1M | \$1.9M | \$4.1M | \$2.1M | |
| Total: | \$5.7M | \$8.4M | \$6.1M | \$7.8M | \$6.7M | |

¹Realization in workforce for Sep '24 – Jan '25 was revised after updating the methodology to include all salaries, wages, and contract labor savings

Key Updates

- **\$1.0M** of Labor savings, driven by reductions in 2024, and continued departmental deep dives
- **\$682K** in Poway ED net revenue improvement through volume growth
- **\$200K** in IT and Rev Cycle contract terminations

High Priority Initiatives

- Short-term Liquidity Improvement
- Perioperative Services staffing & coverage models
- Purchased Services governance structure and additional contract savings
- Corporate department spend reductions and P-Card policy / governance
- PHMG: IKS Solution Implementation
- Real Estate MSA, strategic planning with Cushman & Wakefield

February 2025
Reporting Month

\$6.1M
Trended Month Target

\$7.8M
Current Month Actuals

| Status | | |
|----------|---------|---------|
| On Track | Caution | At Risk |

Fiscal Year 2025 Financial Performance

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

February 2025

| <u>Page</u> | <u>Report</u> |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| 3 | Executive Summary |
| 4-6 | Management Discussion and Analysis |
| 7 | Other Updates |
| 8-10 | Executive Dashboard |
| 11 | Income Statement for Fiscal Period, Excludes PHMG |
| 12 | Income Statement for Current Year, Excludes PHMG |
| 13 | Income Statement for the Current Year versus Prior Year, Excludes PHMG |
| 14 | Income Statement for the Current Fiscal Year Trend, Excludes PHMG |
| 15 | Statement of Net Position excluding G.O. Bonds, Excludes PHMG |
| 16 | Statement of Net Position including G.O. Bonds, Excludes PHMG |
| 17 | Statement of Cash Flows, Excludes PHMG |
| 19 | Condensed Combining Statement of Net Position for the Fiscal Year-to-Date Ending February 25, 2025 |
| 20 | Condensed Combining Statement of Revenue, Expenses, and Changes in Net Position for the Fiscal Year-to-Date Ending February 25, 2025 |
| 21 | Condensed Combining Statement of Net Position |
| 22 | Condensed Combining Statement of Revenue, Expenses, and Changes in Net Position |
| 23 | Condensed Combining Statement of Cash Flows |
| 24 | Bond Covenants |
| 25 | Interest Expense |

Highlights for February 2025Revenue

- Gross Revenue remained strong and beat budget by \$36.4M
- Net revenue continued a difficult recovery and was below budget by \$5.4M
- Net Capitation impact normalized as utilization came back to the per member utilization average, however we missed expectations by \$250K

Volumes

- Outpatient Emergency visits were 1.3% behind budget
- Both acute patient days and acute discharges are ahead of budget (23.9% and 19.4%, respectively) and prior year (5.0% and 9.1%, respectively.) We continue to be very busy.
- Oncology improved on the month and while still behind budget the miss (8.6%) continued to improve month-to-month
- Skilled Nursing Facility volumes to continue to lag budget by 22.3% on the month

Expenses

- Salaries are favorable to budget by 4.4%
- Benefits improved on the month by 12.1% as self-funded claims continue to decline
- We continue with high premium pay and are specifically working on improvement plans to address this
- While Medical Supplies decreased over the prior month, the number of days in the month played a part in that. On the measure, supplies continue to be lower than the fiscal year average

Other Highlights

- EBIDA for February was 12.0% versus a budget of 13.9%, and YTD has increased to 5.2%*
- Days Cash on Hand Consolidated for February was 15.4 Days and that is down from 20.1 Days from January
- Cash remains a focus for the team as we gear up for a number of outflows for IGT requests in March and debt service payments in April
- Debt Service Coverage improved month-over-month from (0.08) to (0.48), we corrected a calculation error in the current month

Net loss from operations for the month was \$1.8 million, unfavorable to budget by \$2.4 million. The year-to-date loss from operations was \$40.9 million with a \$36.7million unfavorable variance. Net loss for the month was \$4.3 million, unfavorable to budget by \$1.1 million. Net loss year-to-date was \$56.9 million and unfavorable variance of \$43.0 million.

EBIDA margin for the month of February was unfavorable to budget by 1.5% and year-to-date EBIDA margin was unfavorable to budget by 4.9%. Additional comments and further analyses are presented in the following sections.

Patient Utilization

Inpatient (IP) Services

For February YTD, Acute Discharges for the District were 11.4% favorable to budget, and increased 9.1% YOY. Acute Average Daily Census was 9.4% favorable to budget, and increased 5.4% YOY. Total Average Daily Census was 1.6% favorable to budget, and is impacted by Villas patient days (29.2%) unfavorable to budget. Acute Adjusted Discharges were 5.3% favorable to budget, and increased 3.5% YOY. Acute Adjusted Patient Days were 3.4% favorable to budget, and decreased (0.5%) YOY.

IP surgeries for PMC Escondido and PMC Poway were 4,083 cases (4.5% favorable to budget and 3.7% increase YOY). Emergent cases increased YOY due to a 18.0% increase to Inpatient ER Admits.

Deliveries for PMC Escondido were 2,349, which was (1.0%) unfavorable to budget and (5.7%) decrease YOY.

Trauma inpatient admissions were 1,294, which was 23.4% favorable to budget and 16.6% increase YOY.

Outpatient (OP) and Ancillary Services

OP surgeries for PMC Escondido and PMC Poway were 3,350 cases, which was (6.1%) unfavorable to budget and a (11.7%) decrease YOY. Outpatient ER visits were 68,322 (includes trauma), which was (5.1%) unfavorable to budget and a (0.9%) decrease YOY. OP registrations were (16.8%) unfavorable to budget and (17.3%) decrease YOY. ER inpatient admissions were 16.1% favorable to budget and increased 18.0% YOY.

Financial Performance**Operating Revenue**

Net Patient Revenue for the month was \$64.4 million, which was \$5.4 million (8.4%) unfavorable to budget.

Other Operating Revenue

Other Operating Revenue for the month was \$1 million, which was \$325 thousand (32.4%) unfavorable to budget.

Operating Expenses

Total Operating Expenses for the month were \$67.3 million, which was \$3.3 million (4.9%) favorable to budget.

Salaries, Wages & Contract Labor for the month were \$29.8 million, which was \$1.4 million (4.4%) favorable to budget.

Benefits for the month were \$6.4 million, which was \$889 thousand (12.1%) favorable to budget.

Supplies for the month were \$9.6 million, which was \$157 thousand (1.7%) unfavorable to budget.

Professional Fees and Purchased Services for the month were \$14.1 million, which was \$83 thousand (1.6%) unfavorable to budget.

Depreciation & Amortization for the month was \$5.1 million, which was \$130 thousand (2.6%) favorable to budget.

Other Direct Expenses for the month were \$3.9 million, which was \$1.2 million (50.6%) favorable to budget.

Net Non-Operating Income/Expense

Net Non-Operating Loss for the month was \$2.4 million, which was \$807 thousand unfavorable to budget due to year-end investments, county redevelopment distribution and lease agreements.

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

For the percentages of Gross Patient Service Revenue by payer financial class we have seen an increase in self-pay which is negatively impacting our net revenue. Cash postings were \$56.2 million. Days in Net A/R are 68.3, a decrease of 2.8 days from the prior month.

Revenue Cycle – Key Performance Indicators (KPIs)

| Key Performance Indicators (KPI) | July 2024 | August 2024 | September 2024 | October 2024 | November 2024 | December 2024 | January 2025 | February 2025 |
|-------------------------------------|----------------|----------------|----------------|----------------|---------------|---------------|--------------|---------------|
| Total Net A/R (\$) ¹ | \$ 147,921,747 | \$ 154,630,866 | \$ 155,574,643 | \$ 153,804,994 | 151,985,346 | 153,128,078 | 157,290,461 | 156,624,969 |
| Net Days in A/R (Days) ² | 81.2 | 79.3 | 71.9 | 70.3 | 70.1 | 68.9 | 71.1 | 68.3 |
| % AR > 90 Days | 41.8% | 38.5% | 41.4% | 44.3% | 46.5% | 40.4% | 40.2% | 37.9% |
| % of Avoidable Denial Write-Offs | 8.8% | 9.2% | 10.3% | 11.7% | 11.7% | 11.0% | 10.1% | 8.4% |
| Net Revenue Yield | 108.2% | 104.4% | 95.2% | 96.2% | 100.9% | 100.4% | 99.3% | 98.8% |

Balance Sheet

Cash, Cash Equivalents and Investments decreased in February by \$11.8 million primarily due to an effort to increase vendor payments.

The **Days Cash On Hand** ratio decreased by 5.2 days from the prior month to 16.0 days.

¹ Total Net A/R: This is the total amount of accounts receivable which management expects to collect from patients, insurance companies, Medicare, 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 debt and charity write-offs from gross accounts receivable.

² 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.

Follow-up from Previous Finance Committee

1. Pg. 4 Turnaround Plan (Guidehouse) – Add prior month and current month to show progress (Director Pacheco, completed)
2. Denials (Dr. Koirala); ED specific (Chair Greer) (April 2025 packet)
3. Length of Stay Deep Dive (Dr. Koirala, April 2025 packet)
4. Finance Deck Format Change (Andrew - ongoing)

| | Month | | | | | Year to Date | | | | |
|--------------------------------------------|------------------|------------------|--------------------|----------------------|------------------------|------------------|------------------|--------------------|----------------------|------------------------|
| | Actual Feb-25 | Budget Feb-25 | Budget Variance | Prior Year Feb-24 | Prior Year Variance | Actual Feb-25 | Budget Feb-25 | Budget Variance | Prior Year Feb-24 | Prior Year Variance |
| Key Volumes | | | | | | | | | | |
| Discharges - Total | 2,201 | 1,859 | 18.4% | 1,929 | 14.1% | 17,253 | 15,646 | 10.3% | 15,900 | 8.5% |
| Acute - General | 2,157 | 1,806 | 19.4% | 1,854 | 16.3% | 16,947 | 15,214 | 11.4% | 15,170 | 11.7% |
| Acute - Behavioral Health | - | - | 0.0% | 39 | (100.0%) | - | - | 0.0% | 360 | (100.0%) |
| Total Acute Discharges | 2,157 | 1,806 | 19.4% | 1,893 | 14.0% | 16,947 | 15,214 | 11.4% | 15,530 | 9.1% |
| The Villas at Poway | 44 | 53 | (17.0%) | 36 | 22.2% | 306 | 432 | (29.2%) | 370 | (17.3%) |
| Patient Days - Total | 12,562 | 11,347 | 10.7% | 11,630 | 8.0% | 96,067 | 94,523 | 1.6% | 95,544 | 0.6% |
| Acute - General | 10,073 | 8,128 | 23.9% | 8,437 | 19.4% | 74,491 | 68,087 | 9.4% | 68,273 | 9.1% |
| Acute - Behavioral Health | - | - | 0.0% | 331 | (100.0%) | - | - | 0.0% | 2,670 | (100.0%) |
| Total Acute Patient Days | 10,073 | 8,128 | 23.9% | 8,768 | 14.9% | 74,491 | 68,087 | 9.4% | 70,943 | 5.0% |
| The Villas at Poway | 2,489 | 3,219 | (22.7%) | 2,862 | (13.0%) | 21,576 | 26,436 | (18.4%) | 24,601 | (12.3%) |
| Acute Adjusted Discharges | 3,349 | 3,030 | 10.5% | 3,093 | 8.3% | 26,868 | 25,520 | 5.3% | 25,964 | 3.5% |
| Total Adjusted Discharges* | 3,403 | 3,083 | 10.4% | 3,126 | 8.9% | 27,226 | 25,952 | 4.9% | 26,347 | 3.3% |
| Acute Adjusted Patient Days | 15,637 | 13,622 | 14.8% | 14,328 | 9.1% | 118,002 | 114,113 | 3.4% | 118,533 | (0.5%) |
| Total Adjusted Patient Days* | 18,126 | 16,841 | 7.6% | 17,190 | 5.5% | 139,578 | 140,549 | (0.7%) | 143,134 | (2.5%) |
| Calendar Days | 28 | 28 | 0.0% | 29 | (3.5%) | 243 | 243 | 0.0% | 244 | (0.4%) |
| Acute Average Daily Census | 360 | 290 | 23.9% | 302 | 19.0% | 307 | 280 | 9.4% | 291 | 5.4% |
| Total Average Daily Census* | 449 | 405 | 10.7% | 401 | 11.9% | 395 | 389 | 1.6% | 392 | 1.0% |
| Surgeries - Total | 929 | 935 | (0.7%) | 921 | 0.9% | 7,433 | 7,474 | (0.6%) | 7,731 | (3.9%) |
| Inpatient | 523 | 485 | 7.9% | 478 | 9.4% | 4,083 | 3,906 | 4.5% | 3,938 | 3.7% |
| Outpatient | 406 | 450 | (9.8%) | 443 | (8.4%) | 3,350 | 3,568 | (6.1%) | 3,793 | (11.7%) |
| Deliveries | 277 | 255 | 8.6% | 287 | (3.5%) | 2,349 | 2,373 | (1.0%) | 2,491 | (5.7%) |
| ER Visits (Includes Trauma) - Total | | | | | | | | | | |
| Inpatient | 1,831 | 1,415 | 29.4% | 1,360 | 34.6% | 13,493 | 11,627 | 16.1% | 11,434 | 18.0% |
| Outpatient | 8,495 | 8,603 | (1.3%) | 7,713 | 10.1% | 69,322 | 73,061 | (5.1%) | 69,964 | (0.9%) |

| | Month | | | | | Year to Date | | | | |
|---------------------------------------|------------------|------------------|--------------------|----------------------|------------------------|------------------|------------------|--------------------|----------------------|------------------------|
| | Actual Feb-25 | Budget Feb-25 | Budget Variance | Prior Year Feb-24 | Prior Year Variance | Actual Feb-25 | Budget Feb-25 | Budget Variance | Prior Year Feb-24 | Prior Year Variance |
| Cardiac Cath RVUs | 972 | 1,351 | (28.1%) | 1,170 | (16.9%) | 8,299 | 10,262 | (19.1%) | 10,110 | (17.9%) |
| Escondido Interv. Radiology RVUs | 868 | 895 | (3.0%) | 927 | (6.4%) | 7,687 | 7,358 | 4.5% | 7,422 | 3.6% |
| Poway Interv. Radiology RVUs | 266 | 245 | 8.7% | 236 | 12.7% | 2,106 | 2,013 | 4.6% | 2,073 | 1.6% |
| Radiation Oncology RVUs | 2,994 | 3,274 | (8.6%) | 3,084 | (2.9%) | 24,556 | 34,247 | (28.3%) | 25,742 | (4.6%) |
| Infusion Therapy Hours | 992 | 798 | 24.3% | 856 | 15.9% | 7,466 | 6,924 | 7.8% | 5,908 | 26.4% |
| Imaging | | | | | | | | | | |
| Escondido CAT Procedures | 8,505 | 7,766 | 9.5% | 6,960 | 22.2% | 71,216 | 62,457 | 14.0% | 63,432 | 12.3% |
| Poway CAT Procedures | 2,545 | 2,340 | 8.8% | 2,227 | 14.3% | 20,850 | 19,824 | 5.2% | 18,295 | 14.0% |
| Escondido MRI Procedures | 461 | 380 | 21.3% | 363 | 27.0% | 3,644 | 3,007 | 21.2% | 2,990 | 21.9% |
| Poway MRI Procedures | 125 | 109 | 15.0% | 143 | (12.6%) | 1,058 | 979 | 8.1% | 1,099 | (3.7%) |
| Escondido Diagnositic Rad. Procedures | 6,836 | 6,728 | 1.6% | 6,383 | 7.1% | 56,199 | 55,553 | 1.2% | 55,627 | 1.0% |
| Poway Diagnositic Rad. Procedures | 2,124 | 2,209 | (3.9%) | 2,094 | 1.4% | 17,876 | 18,316 | (2.4%) | 17,252 | 3.6% |
| *Includes The Villas at Poway | | | | | | | | | | |

| | Month | | | | | Year to Date | | | | |
|--------------------------------------|------------------|------------------|--------------------|----------------------|------------------------|------------------|------------------|--------------------|----------------------|------------------------|
| | Actual Feb-25 | Budget Feb-25 | Budget Variance | Prior Year Feb-24 | Prior Year Variance | Actual Feb-25 | Budget Feb-25 | Budget Variance | Prior Year Feb-24 | Prior Year Variance |
| Key Statistics | | | | | | | | | | |
| Acute Average LOS - Days | 4.67 | 4.50 | (3.8%) | 4.63 | 0.8% | 4.40 | 4.48 | 1.8% | 4.57 | (3.8%) |
| Acute - General | 4.67 | 4.50 | (3.8%) | 4.55 | 2.6% | 4.40 | 4.48 | 1.8% | 4.50 | (2.3%) |
| Acute Behavioral Health | 0.00 | 0.00 | 0.0% | 8.49 | (100.0%) | 0.00 | 0.00 | 0.0% | 7.42 | (100.0%) |
| Average Observation Hours | 22 | 37 | 40.5% | 37 | (40.5%) | 27 | 37 | 27.0% | 37 | (27.0%) |
| Acute Case Mix - Excludes Deliveries | 1.68 | 1.86 | 9.7% | 1.86 | 9.7% | 1.71 | 1.77 | 3.4% | 1.77 | 3.4% |
| Acute Case Mix -Medicare Only | 1.61 | 1.91 | 15.7% | 1.91 | 15.7% | 1.68 | 1.77 | 5.1% | 1.77 | 5.1% |
| Labor Productivity by Hrs | | | | | | 98% | | | | |
| Days Cash on Hand | | | | | | 16 | | | | |
| Financial Performance | | | | | | | | | | |
| Operating Income | (1,840,463) | 562,245 | (2,402,708) | (6,471,684) | 4,068,976 | (40,885,770) | (4,229,491) | (36,656,279) | (30,641,922) | (10,243,848) |
| Net Income | (4,287,307) | (1,077,205) | (3,210,101) | (8,575,674) | 5,365,573 | (56,917,972) | (13,871,020) | (43,046,952) | (42,521,058) | (14,396,914) |
| Oper. Expenses/Adj. Patient Days | 3,711 | 3,881 | (4.4%) | 3,744 | (0.9%) | 3,949 | 3,931 | 0.5% | 3,687 | 7.1% |
| EBIDA Margin-Excludes PHMG | 6,650,749 | 8,984,336 | (2,333,587) | 1,532,664 | 5,118,085 | 31,810,849 | 65,908,758 | (34,097,909) | 36,067,903 | (70,165,812) |
| EBIDA-Excludes PHMG | 10.2% | 12.6% | (2.4%) | 2.4% | (4.8%) | 5.8% | 11.2% | (5.4%) | 6.8% | (1.0%) |

Note: Financial Performance excludes GO Bonds

| | <u>Actual</u> <u>Feb 25</u> | <u>Budget</u> <u>Feb 25</u> | <u>Variance</u> <u>Feb 25</u> | <u>Variance</u> | | <u>Dollars/Adjusted Patient Day</u> | | |
|-------------------------------------------|--------------------------------|--------------------------------|----------------------------------|-----------------|-----------------|-------------------------------------|---------------|-----------------|
| | | | | <u>Volume</u> | <u>Rate/Eff</u> | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> |
| Adjusted Patient Days | 18,126 | 16,841 | 1,285 | | | | | |
| Adjusted Discharges | 3,403 | 3,083 | 320 | | | | | |
| Operating Revenue | | | | | | | | |
| Gross revenue | 483,903,145 | 447,538,007 | 36,365,138 | 34,147,992 | 2,217,146 | 26,696.63 | 26,574.31 | 122.32 |
| Deductions from revenue | (419,483,462) | (377,737,070) | (41,746,392) | (28,822,049) | (12,924,343) | (23,142.64) | (22,429.61) | (713.03) |
| Net patient revenue | 64,419,683 | 69,800,937 | (5,381,254) | 5,325,943 | (10,707,197) | 3,553.99 | 4,144.70 | (590.71) |
| Other operating revenue | 1,003,357 | 1,328,165 | (324,808) | 101,341 | (426,149) | 55.35 | 78.86 | (23.51) |
| Total net revenue | 65,423,040 | 71,129,102 | (5,706,062) | 5,427,284 | (11,133,346) | 3,609.35 | 4,223.57 | (614.22) |
| Operating Expenses | | | | | | | | |
| Salaries, wages & contract labor | 29,764,112 | 31,130,926 | 1,366,814 | (2,375,348) | 3,742,162 | 1,642.07 | 1,848.52 | 206.45 |
| Benefits | 6,425,530 | 7,314,096 | 888,566 | (558,079) | 1,446,645 | 354.49 | 434.30 | 79.81 |
| Supplies | 9,574,746 | 9,417,243 | (157,503) | (718,553) | 561,050 | 528.23 | 559.19 | 30.95 |
| Prof fees & purch svcs | 14,131,948 | 14,048,839 | (83,109) | (1,071,953) | 988,844 | 779.65 | 834.20 | 54.55 |
| Depreciation & amortization | 5,078,764 | 5,208,488 | 129,724 | (397,417) | 527,141 | 280.19 | 309.27 | 29.08 |
| Other | 2,288,403 | 3,447,260 | 1,158,857 | (263,032) | 1,421,889 | 126.25 | 204.69 | 78.44 |
| Total expenses | 67,263,503 | 70,566,852 | 3,303,349 | (5,384,384) | 8,687,733 | 3,710.89 | 4,190.18 | 479.30 |
| Income from operations | (1,840,463) | 562,250 | (2,402,713) | 42,901 | (2,445,614) | (101.54) | 33.39 | (1,093.52) |
| Non-operating revenue (expense) | | | | | | | | |
| Property tax revenues ¹ | 1,739,604 | 2,125,000 | (385,396) | | | | | |
| Investment Income | 1,112,480 | 881,113 | 231,367 | | | | | |
| Interest Expense | (4,380,541) | (4,130,682) | (249,859) | | | | | |
| Non-operating depreciation & amortization | (1,478,750) | (722,370) | (756,380) | | | | | |
| Other non-operating revenue(expense) | 560,363 | 207,484 | 352,879 | | | | | |
| Net income(loss) ² | (4,287,307) | (1,077,205) | (3,210,102) | | | | | |

EBIDA Margin 10.2% 12.6% (2.5%)

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

2= Excludes G.O. Bonds income / expense

| | <u>Actual</u> <u>Feb 25</u> | <u>Budget</u> <u>Feb 25</u> | <u>Variance</u> <u>Feb 25</u> | <u>Variance</u> | | <u>Dollars/Adjusted Patient Day</u> | | |
|-------------------------------------------|--------------------------------|--------------------------------|----------------------------------|-----------------|-----------------|-------------------------------------|---------------|-----------------|
| | | | | <u>Volume</u> | <u>Rate/Eff</u> | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> |
| Adjusted Patient Days | 139,578 | 140,549 | (971) | | | | | |
| Adjusted Discharges | 27,226 | 25,952 | 1,274 | | | | | |
| Operating Revenue | | | | | | | | |
| Gross revenue | 3,845,893,185 | 3,723,698,828 | 122,194,357 | (25,725,630) | 147,919,987 | 27,553.72 | 26,493.95 | 1,059.77 |
| Deductions from revenue | (3,306,957,304) | (3,145,214,899) | (161,742,407) | 21,729,103 | (183,471,508) | (23,692.54) | (22,378.07) | (1,314.47) |
| Net patient revenue | 538,935,881 | 578,483,929 | (39,548,050) | (3,996,527) | (35,551,521) | 3,861.18 | 4,115.89 | (254.71) |
| Other operating revenue | 7,728,733 | 10,683,323 | (2,954,590) | (73,807) | (2,880,783) | 55.37 | 76.01 | (20.64) |
| Total net revenue | 546,664,614 | 589,167,252 | (42,502,640) | (4,070,334) | (38,432,304) | 3,916.55 | 4,191.90 | (275.35) |
| Operating Expenses | | | | | | | | |
| Salaries, wages & contract labor | 251,316,928 | 260,849,685 | 9,532,755 | 1,802,112 | 7,730,645 | 1,800.55 | 1,855.93 | 55.39 |
| Benefits | 66,070,848 | 70,055,104 | 3,984,256 | 483,984 | 3,500,272 | 473.36 | 498.44 | 25.08 |
| Supplies | 81,701,206 | 80,323,033 | (1,378,173) | 554,922 | (1,933,095) | 585.34 | 571.49 | (13.85) |
| Prof fees & purch svcs | 123,514,362 | 113,634,678 | (9,879,683) | 785,059 | (10,664,743) | 884.91 | 808.51 | (76.41) |
| Depreciation & amortization | 41,459,901 | 40,955,362 | (504,539) | 282,945 | (787,484) | 297.04 | 291.40 | (5.64) |
| Other | 23,487,135 | 27,578,830 | 4,091,695 | 190,532 | 3,901,163 | 168.27 | 196.22 | 27.95 |
| Total expenses | 587,550,380 | 593,396,692 | 5,846,311 | 4,099,554 | 1,746,758 | 4,209.48 | 4,221.99 | 12.51 |
| Income from operations | (40,885,766) | (4,229,440) | (36,656,326) | 29,220 | (36,685,546) | (292.92) | (30.09) | (287.86) |
| Non-operating revenue (expense) | | | | | | | | |
| Property tax revenues ¹ | 16,614,604 | 17,000,000 | (385,396) | | | | | |
| Investment Income | 9,977,764 | 8,825,901 | 1,151,863 | | | | | |
| Interest Expense | (35,440,541) | (33,045,455) | (2,395,086) | | | | | |
| Non-operating depreciation & amortization | (11,828,380) | (5,778,962) | (6,049,418) | | | | | |
| Other non-operating revenue(expense) | 4,644,348 | 3,356,936 | 1,287,412 | | | | | |
| Net income(loss) ² | (56,917,971) | (13,871,020) | (43,046,951) | | | | | |

EBIDA Margin 5.8% 11.2% (5.4%)

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

2= Excludes G.O. Bonds income / expense

| | <u>Actual</u> <u>Feb 25</u> | <u>Prior Year</u> <u>Feb 24</u> | <u>Variance</u> <u>Feb 25</u> | <u>Variance</u> | | <u>Dollars/Adjusted Patient Day</u> | | |
|-------------------------------------------|--------------------------------|------------------------------------|----------------------------------|-----------------|-----------------|-------------------------------------|---------------|-----------------|
| | | | | <u>Volume</u> | <u>Rate/Eff</u> | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> |
| Adjusted Patient Days | 139,578 | 143,134 | (3,556) | | | | | |
| Adjusted Discharges | 27,226 | 26,347 | 879 | | | | | |
| Operating Revenue | | | | | | | | |
| Gross revenue | 3,845,893,185 | 3,559,550,075 | 286,343,110 | (88,432,937) | 374,776,047 | 27,553.72 | 24,868.66 | 2,685.07 |
| Deductions from revenue | (3,306,957,304) | (3,035,185,266) | (271,772,040) | 75,405,695 | (347,177,733) | (23,692.54) | (21,205.20) | (2,487.34) |
| Net patient revenue | 538,935,881 | 524,364,809 | 14,571,070 | (13,027,242) | 27,598,314 | 3,861.18 | 3,663.45 | 197.73 |
| Other operating revenue | 7,728,733 | 9,313,902 | (1,585,169) | (231,393) | (1,353,776) | 55.37 | 65.07 | (9.70) |
| Total net revenue | 546,664,614 | 533,678,711 | 12,985,901 | (13,258,635) | 26,244,538 | 3,916.55 | 3,728.53 | 188.03 |
| Operating Expenses | | | | | | | | |
| Salaries, wages & contract labor | 251,316,928 | 260,193,358 | 8,876,428 | 6,464,205 | 2,412,225 | 1,800.55 | 1,817.83 | 17.28 |
| Benefits | 66,070,848 | 64,728,666 | (1,342,182) | 1,608,109 | (2,950,291) | 473.36 | 452.22 | (21.14) |
| Supplies | 81,701,206 | 78,656,346 | (3,044,860) | 1,954,127 | (4,998,987) | 585.34 | 549.53 | (35.82) |
| Prof fees & purch svcs | 123,514,362 | 99,281,380 | (24,232,981) | 2,466,532 | (26,699,514) | 884.91 | 693.63 | (191.29) |
| Depreciation & amortization | 41,459,901 | 36,595,377 | (4,864,524) | 909,170 | (5,773,694) | 297.04 | 255.67 | (41.37) |
| Other | 23,487,135 | 24,865,506 | 1,378,371 | 617,755 | 760,616 | 168.27 | 173.72 | 5.45 |
| Total expenses | 587,550,380 | 564,320,633 | (23,229,748) | 14,019,899 | (37,249,646) | 4,209.48 | 3,942.60 | (266.87) |
| Income from operations | (40,885,766) | (30,641,922) | (10,243,844) | 761,263 | (11,005,107) | (292.92) | (214.08) | 454.90 |
| Non-operating revenue (expense) | | | | | | | | |
| Property tax revenues ¹ | 16,614,604 | 15,472,614 | 1,141,990 | | | | | |
| Investment Income | 9,977,764 | 15,482,937 | (5,505,173) | | | | | |
| Interest Expense | (35,440,541) | (33,257,548) | (2,182,993) | | | | | |
| Non-operating depreciation & amortization | (11,828,380) | (8,736,036) | (3,092,344) | | | | | |
| Other non-operating revenue(expense) | 4,644,348 | (841,103) | 5,485,451 | | | | | |
| Net income(loss) ² | (56,917,971) | (42,521,058) | (14,396,913) | | | | | |

EBIDA Margin 5.8% 6.8% (0.9%)

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

2= Excludes G.O. Bonds income / expense

| | Jul 24 | Aug 24 | Sep 24 | Oct 24 | Nov 24 | Dec 24 | Jan 25 | Feb 25 | Fiscal Year 2025 |
|-------------------------------------------|-------------|--------------|--------------|-------------|--------------|-------------|-------------|-------------|---------------------|
| Adjusted Patient Days | 16,533 | 17,241 | 17,034 | 17,052 | 16,530 | 17,801 | 19,261 | 18,126 | 139,578 |
| Adjusted Discharges | 3,374 | 3,358 | 3,348 | 3,424 | 3,237 | 3,575 | 3,507 | 3,403 | 27,226 |
| Operating Revenue | | | | | | | | | |
| Gross revenue | 485,400,622 | 481,303,720 | 467,378,630 | 474,558,980 | 460,334,838 | 489,498,380 | 503,514,870 | 483,903,145 | 3,845,893,185 |
| Deductions from revenue | 415,757,901 | 415,886,085 | 403,359,082 | 402,798,738 | 398,689,551 | 418,393,206 | 432,589,279 | 419,483,462 | 3,306,957,304 |
| Net patient revenue | 69,642,721 | 65,417,635 | 64,019,548 | 71,760,242 | 61,645,287 | 71,105,174 | 70,925,591 | 64,419,683 | 538,935,881 |
| Other operating revenue | 920,937 | 782,991 | 1,167,339 | 1,079,195 | 1,127,177 | 717,219 | 930,518 | 1,003,357 | 7,728,733 |
| Total net revenue | 70,563,658 | 66,200,626 | 65,186,887 | 72,839,437 | 62,772,464 | 71,822,393 | 71,856,109 | 65,423,040 | 546,664,614 |
| Operating Expenses | | | | | | | | | |
| Salaries, wages & contract labor | 32,166,595 | 32,697,011 | 31,039,334 | 31,126,296 | 30,170,077 | 32,586,392 | 31,767,111 | 29,764,112 | 251,316,928 |
| Benefits | 7,845,288 | 9,667,894 | 8,249,929 | 7,595,482 | 7,835,218 | 9,168,549 | 9,282,958 | 6,425,530 | 66,070,848 |
| Supplies | 9,937,683 | 10,435,128 | 10,495,794 | 10,460,309 | 9,232,381 | 11,450,897 | 10,114,268 | 9,574,746 | 81,701,206 |
| Prof fees & purch svcs | 15,022,459 | 14,994,548 | 15,811,542 | 17,142,092 | 16,662,021 | 15,745,771 | 14,003,981 | 14,131,948 | 123,514,362 |
| Depreciation & amortization | 4,970,802 | 4,965,343 | 4,988,370 | 5,439,793 | 4,899,938 | 6,007,449 | 5,109,442 | 5,078,764 | 41,459,901 |
| Other | 2,622,147 | 2,630,102 | 2,712,652 | 4,403,218 | 2,425,595 | 2,503,764 | 3,901,254 | 2,288,403 | 23,487,135 |
| Total expenses | 72,564,974 | 75,390,026 | 73,297,621 | 76,167,190 | 71,225,230 | 77,462,822 | 74,179,014 | 67,263,503 | 587,550,380 |
| Income from operations | (2,001,316) | (9,189,400) | (8,110,734) | (3,327,753) | (8,452,766) | (5,640,429) | (2,322,905) | (1,840,463) | (40,885,766) |
| Non-operating revenue (expense) | | | | | | | | | |
| Property tax revenues ¹ | 2,125,000 | 2,125,000 | 2,125,000 | 2,125,000 | 2,125,000 | 2,125,000 | 2,125,000 | 1,739,604 | 16,614,604 |
| Investment Income | 1,264,998 | 1,347,561 | 1,207,216 | 1,237,202 | 990,738 | 1,332,954 | 1,484,615 | 1,112,480 | 9,977,764 |
| Interest Expense | (4,431,370) | (4,424,943) | (4,426,719) | (4,449,375) | (4,418,116) | (4,515,644) | (4,393,833) | (4,380,541) | (35,440,541) |
| Non-operating depreciation & amortization | (1,477,130) | (1,478,750) | (1,478,750) | (1,478,750) | (1,478,046) | (1,479,454) | (1,478,750) | (1,478,750) | (11,828,380) |
| Other non-operating revenue(expense) | 595,819 | 582,346 | 639,696 | (581,209) | 673,917 | (52,280) | 2,225,696 | 560,363 | 4,644,348 |
| Net income(loss) ² | (3,923,999) | (11,038,186) | (10,044,291) | (6,474,885) | (10,559,273) | (8,229,853) | (2,360,177) | (4,287,307) | (56,917,971) |
| EBIDA Margin | 9.9% | -0.3% | 1.3% | 6.7% | 0.4% | 5.3% | 12.0% | 10.2% | 5.8% |

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

2= Excludes G.O. Bonds income / expense

Statement of Net Position excluding G.O. Bonds
Excludes PHMG

| Assets | Current Fiscal Year | | | | Prior Fiscal Year |
|---------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Nov-24 | Dec-24 | Jan-25 | Feb-25 | Jun-24 |
| Current Assets | | | | | |
| Cash and cash equivalents | 13,000,438 | 26,360,524 | 15,642,922 | 3,778,125 | 17,359,239 |
| Investments | 19,605,493 | 34,765,900 | 32,039,319 | 32,106,194 | 54,298,096 |
| Board Designated | 7,082,739 | - | - | - | 7,082,739 |
| Total cash, cash equivalents & investments | 39,688,670 | 61,126,423 | 47,682,241 | 35,884,319 | 78,740,073 |
| Patient Accounts Receivable | 498,397,340 | 552,113,099 | 537,677,625 | 530,520,957 | 475,079,653 |
| Allowance on accounts | (346,411,994) | (398,985,021) | (380,387,164) | (373,895,989) | (327,700,367) |
| Net accounts receivable | 151,985,346 | 153,128,078 | 157,290,461 | 156,624,969 | 147,379,287 |
| Inventories | 12,910,271 | 12,883,827 | 12,948,641 | 12,909,464 | 12,512,288 |
| Prepaid expenses | 18,558,289 | 20,918,729 | 18,841,204 | 17,240,243 | 9,872,204 |
| Est. third party settlements | 102,440,341 | 100,436,170 | 91,525,345 | 97,335,093 | 87,806,947 |
| Other | 74,141,312 | 73,208,682 | 72,523,479 | 74,352,101 | 71,689,100 |
| Total current assets | 399,724,229 | 421,701,910 | 400,811,371 | 394,346,189 | 407,999,899 |
| Non-Current Assets | | | | | |
| Restricted assets | 91,977,105 | 92,322,093 | 92,626,084 | 92,929,848 | 106,528,977 |
| Restricted other | 357,163 | 357,237 | 357,317 | 357,317 | 356,833 |
| Total restricted assets | 92,334,269 | 92,679,330 | 92,983,401 | 93,287,165 | 106,885,809 |
| Property, plant & equipment | 1,555,210,075 | 1,555,311,137 | 1,555,380,266 | 1,555,435,345 | 1,556,364,751 |
| Accumulated depreciation | (662,194,516) | (665,750,415) | (669,270,190) | (672,797,656) | (644,358,038) |
| Construction in process | 67,488,625 | 67,460,106 | 68,788,117 | 69,395,353 | 57,513,297 |
| Net property, plant & equipment | 960,504,184 | 957,020,827 | 954,898,192 | 952,033,041 | 969,520,010 |
| Right of Use Assets | 324,583,606 | 328,260,640 | 325,346,653 | 322,316,604 | 334,609,278 |
| Investment related companies | 2,021,842 | 2,574,846 | 2,907,329 | 2,911,516 | 6,754,766 |
| Prepaid debt insurance costs | 7,168,113 | 7,142,139 | 7,116,165 | 7,090,192 | 7,298,149 |
| Other non-current assets | 69,627,915 | 68,744,996 | 68,238,376 | 67,980,619 | 78,831,767 |
| Total non-current assets | 1,456,239,930 | 1,456,422,778 | 1,451,490,117 | 1,445,619,136 | 1,503,899,779 |
| Total assets | 1,855,964,159 | 1,878,124,687 | 1,852,301,488 | 1,839,965,325 | 1,911,899,678 |
| Deferred outflow of resources-loss on refunding of debt | 43,428,144 | 43,210,229 | 42,992,314 | 42,774,400 | 44,517,717 |
| Total assets and deferred outflow of resources | 1,899,392,302 | 1,921,334,916 | 1,895,293,802 | 1,882,739,725 | 1,956,417,396 |

| Liabilities | Current Fiscal Year | | | | Prior Fiscal Year |
|-------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Nov-24 | Dec-24 | Jan-25 | Feb-25 | Jun-24 |
| Current Liabilities | | | | | |
| Accounts payable | 106,161,799 | 122,090,155 | 118,811,183 | 111,781,823 | 67,475,287 |
| Accrued payroll | 35,889,106 | 43,390,390 | 28,565,370 | 29,561,067 | 38,178,331 |
| Accrued PTO | 23,129,962 | 22,628,427 | 22,527,814 | 22,651,682 | 24,267,836 |
| Accrued interest payable | 6,003,674 | 8,973,015 | 11,890,135 | 14,680,683 | 8,905,068 |
| Current portion of bonds | 8,925,000 | 8,925,000 | 8,925,000 | 8,925,000 | 8,530,000 |
| Current portion of lease liab | 20,065,534 | 21,398,808 | 21,316,854 | 21,287,484 | 20,245,743 |
| Est. third party settlements | 7,256,147 | 17,512,022 | 16,998,461 | 16,238,521 | 16,933,480 |
| Other current liabilities | 131,779,295 | 126,663,460 | 123,495,406 | 122,100,347 | 128,832,172 |
| Total current liabilities | 339,210,517 | 371,581,276 | 352,530,224 | 347,226,607 | 313,367,918 |
| Long Term Liabilities | | | | | |
| Other LT liabilities | 27,597,980 | 27,576,075 | 27,554,170 | 27,532,265 | 27,708,572 |
| Bonds & contracts payable | 714,758,745 | 714,536,038 | 714,313,332 | 714,090,625 | 724,797,898 |
| Lease liabilities | 336,405,630 | 338,627,542 | 337,184,037 | 334,424,640 | 342,095,335 |
| Total long term liabilities | 1,078,762,355 | 1,080,739,655 | 1,079,051,539 | 1,076,047,531 | 1,094,601,805 |
| Total liabilities | 1,417,972,872 | 1,452,320,931 | 1,431,581,763 | 1,423,274,138 | 1,407,969,723 |
| Deferred inflow of resources- unearned revenue | 6,901,094 | 6,850,577 | 6,800,059 | 6,749,541 | 6,653,683 |
| Total liabilities and deferred inflow of resources | 1,424,873,966 | 1,459,171,508 | 1,438,381,822 | 1,430,023,680 | 1,414,623,405 |
| Net Position | | | | | |
| Unrestricted | 474,161,172 | 461,806,170 | 456,554,663 | 452,358,728 | 541,437,159 |
| Restricted for other purpose | 357,163 | 357,237 | 357,317 | 357,317 | 356,833 |
| Total net position | 474,518,335 | 462,163,407 | 456,911,980 | 452,716,045 | 541,793,991 |
| Total liabilities, deferred inflow of resources and net position | 1,899,392,301 | 1,921,334,915 | 1,895,293,802 | 1,882,739,725 | 1,956,417,396 |

Statement of Net Position including G.O. Bonds
Excludes PHMG

| Assets | Current Fiscal Year | | | | Prior Fiscal Year |
|---------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Nov-24 | Dec-24 | Jan-25 | Feb-25 | Jun-24 |
| Current Assets | | | | | |
| Cash and cash equivalents | 13,000,438 | 26,360,524 | 15,642,922 | 3,778,125 | 17,359,239 |
| Investments | 19,605,493 | 34,765,900 | 32,039,319 | 32,106,194 | 54,298,096 |
| Board Designated | 7,082,739 | - | - | - | 7,082,739 |
| Total cash, cash equivalents & investments | 39,688,670 | 61,126,423 | 47,682,241 | 35,884,319 | 78,740,073 |
| Patient Accounts Receivable | 498,397,340 | 552,113,099 | 537,677,625 | 530,520,957 | 475,079,653 |
| Allowance on accounts | (346,411,994) | (398,985,021) | (380,387,164) | (373,895,989) | (327,700,367) |
| Net accounts receivable | 151,985,346 | 153,128,078 | 157,290,461 | 156,624,969 | 147,379,287 |
| Inventories | 12,910,271 | 12,883,827 | 12,948,641 | 12,909,464 | 12,512,288 |
| Prepaid expenses | 18,558,289 | 20,918,729 | 18,841,204 | 17,240,243 | 9,872,204 |
| Est. third party settlements | 102,440,341 | 100,436,170 | 91,525,345 | 97,335,093 | 87,806,947 |
| Other | 92,287,451 | 83,621,439 | 78,595,640 | 82,132,530 | 71,978,298 |
| Total current assets | 417,870,368 | 432,114,666 | 406,883,532 | 402,126,618 | 408,289,097 |
| Non-Current Assets | | | | | |
| Restricted assets | 135,881,907 | 148,691,141 | 158,095,958 | 148,149,953 | 176,672,759 |
| Restricted other | 357,163 | 357,237 | 357,317 | 357,317 | 356,833 |
| Total restricted assets | 136,239,071 | 149,048,379 | 158,453,275 | 148,507,271 | 177,029,591 |
| Property, plant & equipment | 1,555,210,075 | 1,555,311,137 | 1,555,380,266 | 1,555,435,345 | 1,556,364,751 |
| Accumulated depreciation | (662,194,516) | (665,750,415) | (669,270,190) | (672,797,656) | (644,358,038) |
| Construction in process | 67,488,625 | 67,460,106 | 68,788,117 | 69,395,353 | 57,513,297 |
| Net property, plant & equipment | 960,504,184 | 957,020,827 | 954,898,192 | 952,033,041 | 969,520,010 |
| Right of Use Assets | 324,583,606 | 328,260,640 | 325,346,653 | 322,316,604 | 334,609,278 |
| Investment related companies | 2,021,842 | 2,574,846 | 2,907,329 | 2,911,516 | 6,754,766 |
| Prepaid debt insurance and other costs | 8,408,574 | 8,369,688 | 8,330,802 | 8,291,916 | 8,603,170 |
| Other non-current assets | 69,627,915 | 68,744,996 | 68,238,376 | 67,980,619 | 78,831,767 |
| Total non-current assets | 1,501,385,193 | 1,514,019,375 | 1,518,174,627 | 1,502,040,967 | 1,575,348,583 |
| Total assets | 1,919,255,561 | 1,946,134,041 | 1,925,058,159 | 1,904,167,584 | 1,983,637,680 |
| Deferred outflow of resources-loss on refunding of debt | 45,928,607 | 45,692,832 | 45,457,056 | 45,221,281 | 47,107,482 |
| Total assets and deferred outflow of resources | 1,965,184,169 | 1,991,826,873 | 1,970,515,216 | 1,949,388,867 | 2,030,745,163 |

| Liabilities | Current Fiscal Year | | | | Prior Fiscal Year |
|-------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Nov-24 | Dec-24 | Jan-25 | Feb-25 | Jun-24 |
| Current Liabilities | | | | | |
| Accounts payable | 106,162,324 | 122,090,655 | 118,811,183 | 111,781,823 | 67,477,787 |
| Accrued payroll | 35,889,106 | 43,390,390 | 28,565,370 | 29,561,067 | 38,178,331 |
| Accrued PTO | 23,129,962 | 22,628,427 | 22,527,814 | 22,651,682 | 24,267,836 |
| Accrued interest payable | 17,535,410 | 23,387,685 | 29,187,740 | 23,182,940 | 28,882,187 |
| Current portion of bonds | 19,081,756 | 19,081,756 | 19,081,756 | 19,081,756 | 18,010,103 |
| Current portion of lease liab | 20,065,534 | 21,398,808 | 21,316,854 | 21,287,484 | 20,245,743 |
| Est. third party settlements | 7,256,147 | 17,512,022 | 16,998,461 | 16,238,521 | 16,933,480 |
| Other current liabilities | 61,449,548 | 57,265,171 | 54,696,680 | 53,603,989 | 55,689,956 |
| Total current liabilities | 290,569,787 | 326,754,915 | 311,185,859 | 297,389,263 | 269,685,423 |
| Long Term Liabilities | | | | | |
| Other LT liabilities | 27,597,980 | 27,576,075 | 27,554,170 | 27,532,265 | 27,708,572 |
| Bonds & contracts payable | 1,343,194,301 | 1,343,058,285 | 1,342,922,270 | 1,342,786,254 | 1,362,956,758 |
| Lease liabilities | 336,405,630 | 338,627,542 | 337,184,037 | 334,424,640 | 342,095,335 |
| Total long term liabilities | 1,707,197,911 | 1,709,261,902 | 1,707,660,477 | 1,704,743,159 | 1,732,760,665 |
| Total liabilities | 1,997,767,698 | 2,036,016,817 | 2,018,846,336 | 2,002,132,422 | 2,002,446,088 |
| Deferred inflow of resources- unearned revenue | 77,230,844 | 76,248,867 | 75,598,786 | 75,245,901 | 79,795,899 |
| Total liabilities and deferred inflow of resources | 2,074,998,542 | 2,112,265,684 | 2,094,445,122 | 2,077,378,324 | 2,082,241,987 |
| Net Position | | | | | |
| Unrestricted | (110,171,537) | (120,796,048) | (124,287,223) | (128,346,774) | (51,853,656) |
| Restricted for other purpose | 357,163 | 357,237 | 357,317 | 357,317 | 356,833 |
| Total net position | (109,814,373) | (120,438,811) | (123,929,906) | (127,989,457) | (51,496,824) |
| Total liabilities, deferred inflow of resources and net position | 1,965,184,169 | 1,991,826,873 | 1,970,515,216 | 1,949,388,867 | 2,030,745,163 |

| | Feb-25 | YTD |
|------------------------------------------------------------------------------------------------------|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Income (Loss) from operations | (1,840,463) | (31,081,969) |
| Adjustments to reconcile change in net assets to net cash provided from operating activities: | | |
| Depreciation Expense | 5,078,764 | 25,264,246 |
| Provision for bad debts | 1,222,863 | 48,370,127 |
| Changes in operating assets and liabilities: | | |
| Patient accounts receivable | (557,370) | (52,976,187) |
| Property Tax and other receivables | 1,135,462 | 4,860,969 |
| Inventories | 39,177 | (397,983) |
| Prepaid expenses and other current assets | 1,882,498 | (449,278) |
| Accounts payable | (7,029,360) | 44,706,367 |
| Accrued compensation | 1,119,564 | (3,427,099) |
| Estimated settlement amounts due third-party payors | (6,569,688) | (24,310,727) |
| Other liabilities | (932,184) | 7,057,449 |
| Net cash provided from (used by) operating activities | (6,450,737) | 17,615,915 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Net (purchases) sales of investments | 9,879,130 | 75,483,125 |
| Income (Loss) on investments | 1,320,202 | 7,089,171 |
| Investment in affiliates | (155,411) | (19,846,328) |
| Net cash provided from (used by) investing activities | 11,043,921 | 62,725,968 |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | |
| Receipt of G.O. Bond Taxes | 1,220,793 | 5,059,724 |
| Receipt of District Taxes | 815,188 | 3,311,819 |
| Net cash provided from non-capital financing activities | 2,035,981 | 8,371,543 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Acquisition of property plant and equipment | (662,315) | (17,346,423) |
| G.O. Bond Interest paid | (11,678,281) | (22,860,054) |
| ROU Interest paid | (1,324,928) | (7,151,625) |
| Proceeds (Payments) of Long Term Debt | 0 | (18,011,171) |
| Payments of Long Term Lease Liabilities | (4,828,438) | (9,908,117) |
| Net cash provided from (used by) capital and related financing activities | (18,493,962) | (75,277,391) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (11,864,797) | (4,358,800) |
| CASH AND CASH EQUIVALENTS - Beginning of period | 15,642,922 | 17,359,239 |
| CASH AND CASH EQUIVALENTS - End of period | 3,778,125 | 13,000,439 |

Supplemental Information

**Financial performance includes Palomar Health Medical Group (PHMG) and Consolidating Schedules*

| | Palomar Health | PHMG | PAC | Eliminations | Total |
|--------------------------------------------------------------------------|----------------------|--------------------|------------------|---------------------|----------------------|
| ASSETS | | | | | |
| Current assets | 446,774,185 | 63,387,066 | 4,385,046 | (55,397,903) | 459,148,394 |
| Capital assets - net | 952,033,041 | 6,660,835 | - | - | 958,693,876 |
| Right of use assets - net | 322,316,604 | 30,508,964 | | (20,638,069) | 332,187,499 |
| Non-current assets | 183,043,756 | 2,421,973 | - | - | 185,465,728 |
| Total assets | 1,904,167,586 | 102,978,838 | 4,385,046 | (76,035,972) | 1,935,495,497 |
| Deferred outflow of resources | 45,221,281 | - | - | - | 45,221,281 |
| TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES | 1,949,388,867 | 102,978,838 | 4,385,046 | (76,035,972) | 1,980,716,778 |
| LIABILITIES AND NET POSITION | | | | | |
| Current liabilities | 267,963,301 | 101,159,837 | 176,925 | (59,580,672.89) | 309,719,391 |
| Long-term liabilities | 1,377,683,489 | (18,443) | - | - | 1,377,665,046 |
| Right of use lease liabilities | 334,424,640 | 24,282,696 | - | (17,477,268) | 341,230,068 |
| Total liabilities | 1,980,071,430 | 125,424,091 | 176,925 | (77,057,941) | 2,028,614,505 |
| Deferred inflow of resources - deferred revenue | 97,306,892 | - | - | - | 97,306,892 |
| Total liabilities and deferred inflow of resources | 2,077,378,322 | 125,424,091 | 176,925 | (77,057,941) | 2,125,921,397 |
| Invested in capital assets - net of related debt | (311,681,804) | 5,720,356 | - | 1,021,969 | (304,939,479) |
| Restricted | 40,351,592 | - | - | - | 40,351,592 |
| Unrestricted | 143,340,757 | (28,165,609) | 4,208,121 | - | 119,383,268 |
| Total net position | (127,989,455) | (22,445,253) | 4,208,121 | 1,021,969 | (145,204,618) |
| TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION | 1,949,388,867 | 102,978,837 | 4,385,046 | (76,035,972) | 1,980,716,778 |

Note: Financial Performance includes GO Bonds
Financial Performance excludes PHMG

| | Palomar Health | PHMG | PAC | Elimination | YTD Consolidated |
|---------------------------------------|----------------------|---------------------|------------------|------------------|----------------------|
| OPERATING REVENUE: | | | | | |
| Net patient service revenue | 483,669,439 | 52,920,135 | - | - | 536,589,574 |
| Shared risk revenue | 55,266,442 | 23,860,189 | - | (1,531,133) | 77,595,498 |
| Other revenue | 7,728,733 | 5,957,667 | 223,089 | (336,142) | 13,573,347 |
| PH Program revenue | - | 20,978,158 | - | (20,978,158) | - |
| Total operating revenue | 546,664,614 | 103,716,149 | 223,089 | (22,845,434) | 627,758,419 |
| OPERATING EXPENSES | 546,090,479 | 140,396,397 | 701,562 | (27,435,128) | 659,753,310 |
| DEPRECIATION AND AMORTIZATION | 41,459,901 | 3,280,525 | - | - | 44,740,426 |
| Total operating expenses | 587,550,380 | 143,676,922 | 701,562 | (27,435,128) | 704,493,737 |
| INCOME (LOSS) FROM OPERATIONS | (40,885,766) | (39,960,773) | (478,473) | 4,589,694 | (76,735,318) |
| NON-OPERATING INCOME (EXPENSE): | | | | | |
| Investment income | 11,551,363 | (765) | - | - | 11,550,598 |
| Unrealized loss on interest rate swap | - | - | - | - | - |
| Interest expense | (59,443,717) | (162,731) | - | 141,357 | (59,465,092) |
| Property tax revenue | 51,626,996 | - | - | - | 51,626,996 |
| Other - net | (6,528,034) | (2,017,129) | - | (3,407,552) | (11,952,715) |
| Total non-operating expense - net | (2,793,392) | (2,180,625) | - | (3,266,196) | (8,240,212) |
| CHANGE IN NET POSITION | (43,679,158) | (42,141,398) | (478,473) | 1,323,498 | (84,975,530) |
| Interfund - PHMG | (32,813,472) | 28,795,852 | - | - | (4,017,620) |
| NET POSITION - Beginning of year | (51,496,823) | (9,099,710) | 4,686,594 | (301,529) | (56,211,468) |
| NET POSITION - Year to date | (127,989,453) | (22,445,256) | 4,208,121 | 1,021,969 | (145,204,618) |

February 28, 2025

February 28, 2025

| Assets | | Liabilities | |
|-----------------------------------------------------------------------------------------|------------------|--------------------------------------------------------------------|------------------|
| Current Assets | | Current Liabilities | |
| Cash and cash equivalents | \$ 9,789,439 | Accounts payable | 111,605,870 |
| Investments | 32,106,194 | Accrued compensation and related liabilities | 46,916,665 |
| Patient accounts receivable - net of allowances for uncollectible accounts of \$108,963 | 197,050,337 | Current portion of general obligation bonds | 10,156,756 |
| Other receivables | 45,202,945 | Current portion of long-term debt | 9,266,276 |
| Supplies and inventories | 13,585,670 | Current portion of lease liabilities | 24,271,461 |
| Prepaid expenses and other | 19,431,152 | Other accrued liabilities | 68,073,008 |
| Estimated third-party payor settlements receivable | 84,835,093 | Accrued interest payable | 21,411,632 |
| | | Accrued interest payable-ROU's | 1,779,201 |
| Total current assets | 459,148,394 | Total current liabilities | 309,719,390 |
| Restricted Noncurrent Cash and Investments | | Long-term debt - general obligation bonds - net of current portion | |
| Held by trustee under indenture agreements | 90,645,806 | | 628,695,629 |
| Held by trustee under general obligation bonds indenture | 55,220,106 | Long-term debt - net of current portion | |
| Held in escrow for street improvements | 2,284,041 | | 748,969,417 |
| Restricted by donor and other | 357,317 | Long-term debt - Lease liability - net of current portion | |
| Total restricted noncurrent cash and investments | 91,359,706 | | 341,230,068 |
| Capital Assets - net | 958,693,876 | Total liabilities | 2,028,614,504 |
| Right of Use Assets - Net | 332,187,499 | Deferred inflow of resources - unearned revenue | |
| Other Assets | | | 97,306,892 |
| Prepaid debt insurance costs | 8,291,916 | Net Position | |
| Investment in and amounts due from affiliated entities | 3,857,255 | Net investment in capital assets | (304,939,479) |
| Other | 69,456,851 | Restricted, expendable for: | |
| Total other assets | 81,606,022 | Repayment of debt | 37,710,234 |
| Total assets | 1,935,495,497 | Capital acquisitions | 2,284,041 |
| | | Other purposes | 357,318 |
| | | Unrestricted | 119,383,268 |
| Deferred outflow of resources - loss on refunding of debt | 45,221,281 | Total net position | (145,204,618) |
| Total Assets and Deferred Outflow of Resources | \$ 1,980,716,778 | Total Liabilities, Deferred Inflow of Resources, and Net Position | \$ 1,980,716,778 |

February 28, 2025

| | |
|-------------------------------------------------------------------------------------|------------------|
| Operating Revenue | |
| Patient service revenue, net of provision for uncollectible accounts of \$72,546 | \$ 536,589,574 |
| Premium revenue | 77,595,498 |
| Shared risk revenue | 13,573,347 |
| Other revenue | |
| | <hr/> |
| Total operating revenue | 627,758,419 |
| | <hr/> |
| Operating Expenses | |
| Salaries, wages, and benefits | 429,452,234 |
| Professional fees | 33,774,476 |
| Supplies | 85,698,984 |
| Purchased services | 77,027,397 |
| Depreciation and amortization | 44,740,426 |
| Rent expense | 13,438,706 |
| Utilities | 3,574,406 |
| Other | 16,787,109 |
| | <hr/> |
| Total operating expenses | 704,493,737 |
| | <hr/> |
| Income (Loss) From Operations | (76,735,318) |
| | <hr/> |
| Non-Operating Income (Expenses) | |
| Investment income | 11,550,598 |
| Interest expense | (59,465,090) |
| Property tax revenue - unrestricted | 16,614,604 |
| Property tax revenue - restricted | 35,012,392 |
| Amortization expense | (11,390,114) |
| Other - net | (4,580,223) |
| | <hr/> |
| Total non-operating expenses - net | (12,257,833) |
| | <hr/> |
| Change in net position | (88,993,151) |
| | <hr/> |
| Net Position - Beginning of year | (56,211,468) |
| | <hr/> |
| Net Position - February 28, 2025 | \$ (145,204,618) |
| | <hr/> |

February 28, 2025

| | |
|-----------------------------------------------------------------------------------|---------------------|
| CASH FROM OPERATING ACTIVITIES | |
| Receipts from: | |
| Patients, insurers, and other third-party payers | 605,202,793 |
| Other sources | (821,575) |
| Payments to: | |
| Employees | (442,016,102) |
| Suppliers | (176,931,003) |
| | <hr/> |
| Net cash provided by operating activities | (14,565,887) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Receipt of district taxes | 16,614,604 |
| | <hr/> |
| Net cash provided by noncapital financing activities | 16,614,604 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Acquisition and construction of capital assets | (11,984,964) |
| Interest payments on long-term debt | (52,495,901) |
| Interest payments on lease liabilities | (11,701,087) |
| Principal repayment on long-term debt | (18,094,865) |
| Principal repayment on lease obligations | (15,669,537) |
| Proceeds on sale of capital assets | (47,766) |
| Receipt of property taxes restricted for debt service on general obligation bonds | 35,012,392 |
| Other | (11,276,364) |
| | <hr/> |
| Net cash used in capital and related financing activities | (86,258,092) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Purchases of investments | (73,555,375) |
| Proceeds from sale of investments | 137,425,945 |
| Interest received on investments and notes receivable | 6,262,912 |
| Net cash provided by (used in) investing activities | 70,133,482 |
| | <hr/> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (14,075,894) |
| CASH AND CASH EQUIVALENTS - beginning of year | 23,865,333 |
| | <hr/> |
| CASH AND CASH EQUIVALENTS - end of year | <u>\$ 9,789,439</u> |

| Days Cash on Hand Ratio Covenant | February 28, 2025 Consolidated |
|---------------------------------------------------|-----------------------------------|
| Cash and Cash Equivalents | 41,895,633 |
| Divide Total by Average Adjusted Expenses per Day | |
| Total Expenses | 704,493,739 |
| Less: Depreciation | 44,740,428 |
| Adjusted Expenses | 659,753,311 |
| Number of days in period | 243 |
| Average Adjusted Expenses per Day | 2,715,034 |
| Days Cash on Hand | 15.4 |
| REQUIREMENT | 65 |
| | NOT ACHIEVED |

| Debt Service Coverage Ratio Covenant | Consolidated |
|-------------------------------------------------|---------------|
| Excess of revenues over expenses | (98,214,339) |
| REVERSE: | |
| Depreciation and Amortization | 44,740,428 |
| Depreciation and Amortization-NonOp | - |
| Interest Expense | 35,461,912 |
| Income Available for Debt Service | (18,011,999) |
| Divided by: | |
| Maximum Annual Debt Service (excludes GO Bonds) | 37,526,906 |
| Debt Service Coverage Ratio | (0.48) |

NOTE: Pre-audit results shown

| | <u>Feb-25</u> |
|-----------------------------------------------------------------|-----------------------------|
| <i>Certificates of Participation & Revenue Bonds</i> | \$ 23,788,824 |
| <i>General Obligation Bonds</i> | 24,003,178 |
| <i>Interest on ROUs</i> | 10,818,381 |
| <i>Interest Other</i> | 833,333 |
| <i>PHMG</i> | 21,373 |
| <i>Total</i> | <u>\$ 59,465,090</u> |

ADDENDUM C

RESOLUTION NO. 04.14.25(01)-06

**RESOLUTION OF THE BOARD OF DIRECTORS OF PALOMAR HEALTH TO APPOINT
INFECTION CONTROL LEADERSHIP FOR PALOMAR HEALTH**

WHEREAS, the Board of Directors of Palomar Health desires to appoint Infection Control Leadership for Palomar Health.

WHEREAS, it is the responsibility of the Board of Directors of Palomar Health to appoint Infection Control leadership pursuant to the Joint Commission, to manage and implement the Infection Control Program for Palomar Health.

WHEREAS, based on the recommendation of the Chief Nurse Executive and Medical Staff, the Board of Directors of Palomar Health hereby approves the recommendation and appoints:

- Sandeep Soni, M.D., CIC, Medical Director of Infectious Diseases, Medical Director of Infection Control and Antibiotic Stewardship, Medical Director of Home Infusion Program, Chief of Pharmacy and Therapeutics, and,
- Valarie Martinez, RN, BSN, MHA, CIC, CPPS, CPHQ, Senior Director of Quality/Patient Safety and Infection Control

to be responsible for the management and implementation of the Infection Control Program.

PASSED AND ADOPTED by the Board of Directors of Palomar Health held on April 14, 2025, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

DATED: April 14, 2025

| | |
|--------------------------------------------------------------|-----------------------------------------------------------------------|
| APPROVED: | ATTESTED: |
| <hr/> | <hr/> |
| Jeff Griffith, Chair Board of Directors Palomar Health | Terry Corrales, RN, Secretary Board of Directors Palomar Health |

CHARTER
of the
QUALITY REVIEW COMMITTEE
of the
PALOMAR HEALTH BOARD OF DIRECTORS

I. Purpose. The Quality Review Committee (“Committee”) of the Palomar Health Board of Directors (“Board”) aims to oversee performance improvement and patient safety of the Palomar Health Local Healthcare District (“District”).

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:

- President and CEO of Palomar Health
- ~~Chief Operations Officer of Palomar Health~~
- Chief Financial Officer of Palomar Health
- Chief Legal Officer of Palomar Health
- Chief Medical Officer of Palomar Health
- Chief Nurse Executive/~~Chief Operating Officer~~ of Palomar Health
- Senior Director, Quality and Patient Safety of Palomar Health
- ~~Medical Quality Officer~~

- 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. Annual review of credentialing and privileging process of the medical staff.
 - B. Periodic review of caregiver performance using objective data to recognize success and identify opportunities for improvement.
- 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 Medical Officer may serve as the Palomar Health Administration's liaison ("Administrative Liaison") to the Committee.
 - C. The Executive Assistant to the ~~Senior Director, Quality and Patient Safety, Infection Prevention~~ Chief Medical Officer may serve 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 of specific items 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 team to achieve

resolution. If the Board Chair feels the issue cannot be satisfactorily resolved, the Board Chair will take the issue to the full Board.

- B. Individual Committee Members may request to place items on a Committee Meeting Agenda. Board Members who are not Committee Members may request to have items placed on a Committee Meeting Agenda at regular meetings of the Full Board either through the Board Chair or the Committee Chairperson. 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 if specific items 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 team to achieve resolution. If the Board Chair feels determines the issue cannot be satisfactorily resolved, the Board Chair will take the issue to the full 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.

CHARTER
of the
QUALITY REVIEW COMMITTEE
of the
PALOMAR HEALTH BOARD OF DIRECTORS

I. Purpose. The Quality Review Committee (“Committee”) of the Palomar Health Board of Directors (“Board”) aims to oversee performance improvement and patient safety of the Palomar Health Local Healthcare District (“District”).

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:

- President and CEO of Palomar Health
- Chief Financial Officer of Palomar Health
- Chief Legal Officer of Palomar Health
- Chief Medical Officer of Palomar Health
- Chief Nurse Executive/Chief Operating Officer of Palomar Health
- Senior Director, Quality and Patient Safety 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. Annual review of credentialing and privileging process of the medical staff.
 - B. Periodic review of caregiver performance using objective data to recognize success and identify opportunities for improvement.
- 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 Medical Officer may serve as the Palomar Health Administration’s liaison (“Administrative Liaison”) to the Committee.
 - C. The Executive Assistant to the Chief Medical Officer may serve 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 the appropriateness of specific items 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 team to achieve

resolution. If the Board Chair feels the issue cannot be satisfactorily resolved, the Board Chair will take the issue to the full Board.

- B. Individual Committee Members may request to place items on a Committee Meeting Agenda. Board Members who are not Committee Members may request to have items placed on a Committee Meeting Agenda at regular meetings of the Full Board either through the Board Chair or the Committee Chairperson. 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 the appropriateness of specific items 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 team to achieve resolution. If the Board Chair feels the issue cannot be satisfactorily resolved, the Board Chair will take the issue to the full 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 D

To: Board of Directors
From: Linda Greer, RN - Chair, Board Finance Committee
Date: Monday, April 14, 2025
Re: Finance Committee Meeting, March 26, 2025

Board Member Attendance: Directors Linda Greer, Michael Pacheco and Jeff Griffith

Action Items:

- **Finance Committee Minutes, February 26, 2025:** The voting members reviewed and approved Finance Committee minutes from February 26, 2025
- **Guidehouse Turnaround Project Update:** A presentation was reviewed by the voting members
- **YTD FY2025 and February 2025 Financials:** The voting members reviewed and approved YTD FY2025 and February 2025 Financials and moved item to full Board for ratification

To: Board of Directors
From: Linda Greer, RN - Chair, Board Quality Review Committee
Date: Monday, April 14, 2025
Re: Quality Review Committee Meeting, March 26, 2025

Board Member Attendance: Director Linda Greer

Agenda Items:

- **Quality Review Committee Minutes, November 27, 2024:** The voting members reviewed and approved Finance Committee minutes from November 27, 2024
- **2025 Quality Review Committee Meeting Calendar:** The voting members reviewed and approved 2025 meeting calendar
- **Quality Review Committee Charter:** The voting members reviewed and approved the updated charter, moved to Board of Directors for ratification
- **2025 Quality Review Committee Reporting Calendar:** The voting members reviewed and approved 2025 reporting calendar
- **Approval of Contracted Services**
 - Contracted service evaluation(s) were approved.
 - ARUP Reference Laboratory
 - Agiliti
 - San Diego Blood Bank
 - San Diego Urology Mobile Services
- **Annual Reports – Informational Only**
 - Annual reports were approved.
 - Emergency Medicine
 - Trauma Program
 - Rehabilitation and Wound Care Services