

FINANCE COMMITTEE

Meeting Agenda

Wednesday, October 29, 2025

1:30 p.m.

Please see page 2 for meeting location options

	<i>The Board may take action on any of the items listed below, including items specifically labeled "Informational Only"</i>	Time	Form A Page	Target
Call To Order				
I.	Establishment of Quorum	1		1:30
II.	Public Comments¹	30		2:00
III.	Action Item(s) <i>(ADD A)</i>			
	a. Finance Committee Minutes, October 3, 2025 <i>(Pp 6-8)</i>	5		2:05
	b. September Guidehouse Update – <i>Informational Only (Pp 9-12)</i>	15		2:20
	c. YTD FY2026 and September 2025 Financials	25		2:45
Final Adjournment				

Board Finance Committee Members

Voting Members	Non-Voting Members
Linda Greer, RN, Chair	Andrew Tokar, Chief Financial Officer
Michael Pacheco, Director	Omar Khawaja, MD, Chief Medical Officer
Jeff Griffith, EMT-P, Director	Mel Russell, RN, Chief Nurse Executive/Chief Operating Officer
Diane Hansen, President & CEO	Melissa Wallace, Vice President, Finance
Kanchan Koirala, MD, Chief of Staff Palomar Medical Center Escondido	
Mark Goldsworthy, MD, Chief of Staff Palomar Medical Center Poway	
Alternate Voting Members	
Laurie Edwards-Tate, MS – 1 st Board Alternate	
Andrew Nguyen, MD, Chief of Staff-Elect, Escondido	
Paul Ritchie, MD, Chief of Staff-Elect, Poway	

Note: If you need special assistance to participate in the meeting,
please call 760.740.6375, 48 hours prior to the meeting so that we may provide reasonable accommodations.

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

Board Finance Committee

Meeting Location Options

Linda Greer Board Room
2125 Citracado Parkway, Suite 300, 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: 236 691 524 70

Pass Code: nK2qk2GB

or

Dial in using your phone at 929.352.2216; Access Code: 558 603 055#¹

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

- 2198 Palomar Airport Road, Carlsbad, CA. 92008

- An elected member of the Board of Directors will be attending the meeting virtually from these locations

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

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.

Board Finance Committee Meeting

Meeting will begin at 1:30 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.

ADDENDUM A

Board Finance Committee Meeting Minutes – Friday, October 3, 2025

Agenda Item

Conclusion/Action

Discussion

Notice Of Meeting

Notice of Meeting was posted at the Palomar Health Administrative Office at 2125 Citracado Parkway, Escondido, CA. 92029; also posted with agenda packet on the Palomar Health website on September 30, 2025. An amended agenda packet was posted on the Palomar Health website on Thursday, October 2, 2025.

Call To Order

The meeting, which was held in the Linda Greer Board Room at 2125 Citracado Parkway, Suite 300, Escondido, CA. 92029, and virtually, was called to order at 10:32 a.m. by Chair Linda Greer.

I. Establishment of Quorum

- Quorum determined by roll call vote comprised of: Director Linda Greer, Director Michael Pacheco, Diane Hansen, Mark Goldsworthy, MD (virtual), and Andrew Nguyen, MD (virtual)
- Excused Absences: Director Jeff Griffith

II. Public Comments

- No public comments

III. <i>Action Items</i>	
a. Finance Committee Minutes, September 5, 2025	MOTION by Hansen, 2nd by Pacheco to approve the Finance Committee Minutes from September 5, 2025, as written. Roll call voting was utilized. Director Greer - aye Director Griffith – absent Director Pacheco – aye Hansen – aye Goldsworthy, MD – aye Nguyen, MD - aye Five in favor. None opposed. One absent. None abstained. Motion approved.
Discussion: No discussion	
b. August Guidehouse Update	NO MOTION, INFORMATIONAL ONLY
Discussion: Jared Dougherty, Guidehouse, shared a presentation with the committee. Jared Dougherty noted the presentation is an updated version as an error was found in the posted presentation. The updated presentation will be attached to the October 3, 2025, approved minutes when posted.	

c. YTD FY2026 and August 2025 Financials	MOTION by Pacheco, 2nd by Hansen to approve YTD FY2026 and August 2025 Financials and move to the Board of Directors for ratification. Roll call voting was utilized. Director Greer - aye Director Griffith – absent Director Pacheco – aye Hansen – aye Goldsworthy, MD – aye Nguyen, MD - aye Five in favor. None opposed. One absent. None abstained. Motion approved.
Discussion: Andrew Tokar, Chief Financial Officer, presented the YTD FY2026 and August 2025 Financials to the Committee. Committee discussion ensued.	
Final Adjournment	
Meeting adjourned by Chair Greer at 11:14 a.m.	
Signatures: Committee Chair _____ Linda Greer, RN	
Committee Assistant _____ Carla Albright	

Margin Improvement / Turnaround Project Financial Update

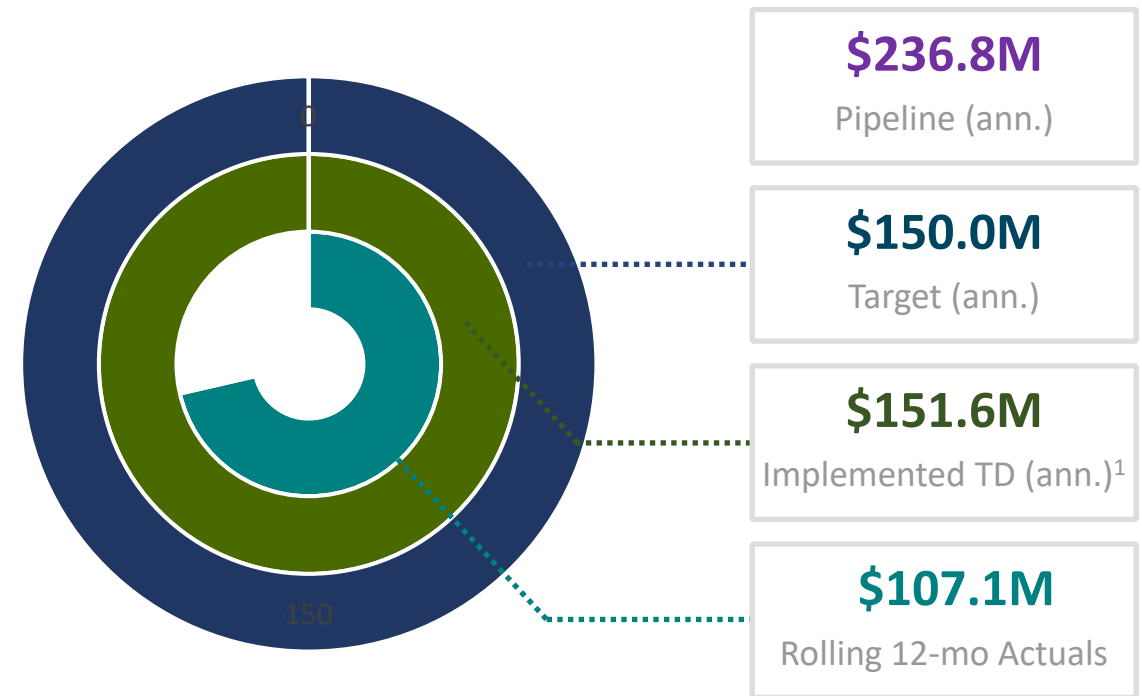
Reporting Month: Sep-25

October 29, 2025

Palomar Health has implemented \$151.6M of initiatives, achieving annual improvement target; \$107.1M realized over past 12 months

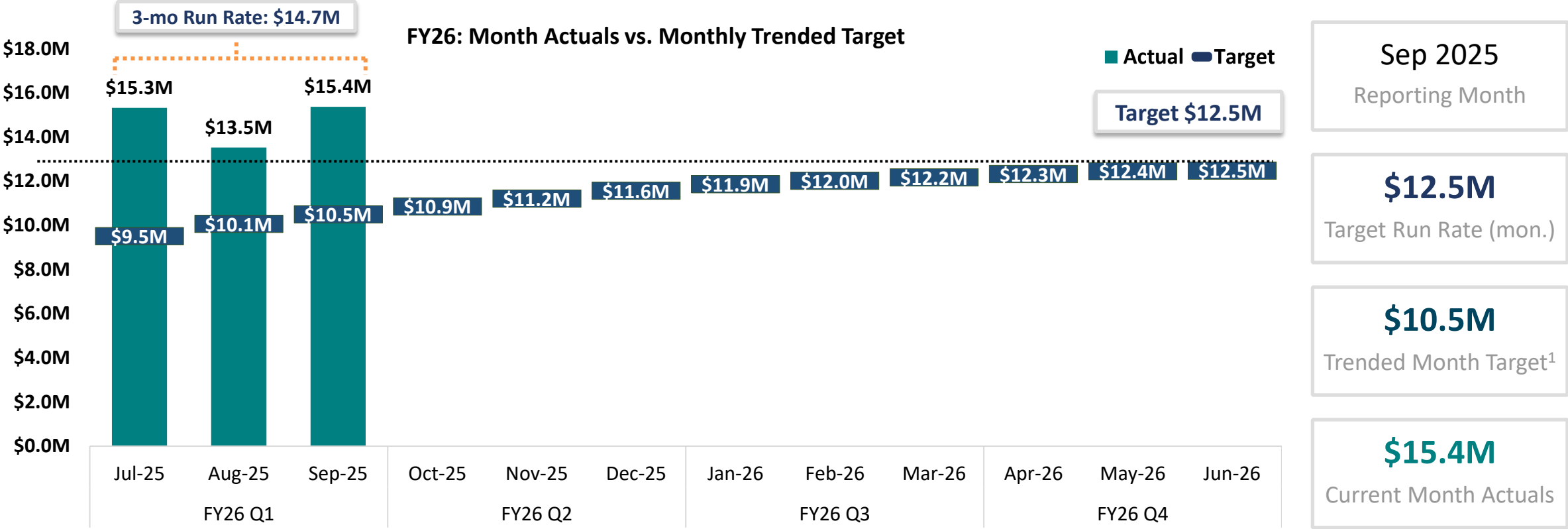
Key upcoming high value initiatives include:

- ❑ **\$17.0M** **Denials Reduction** | Initial and fatal denials reduction, supported by UM improvement
- ❑ **\$4.5M** **PHMG** | Increased PB and HB revenue through improved patient access & capacity management; PCP playbook being developed
- ❑ **\$4.3M** **Premium Pay & Bonus Programs** | Implementing strategies to reduce agency and premium pay; review of bonus, recruitment and incentive programs to align with best practices
- ❑ **\$5.2M** **Care Transitions** | Reinvigorate efforts to hardwire processes, improve throughput and optimize post-acute care (SNF) integration / strategy
- ❑ **\$2.0M** **OR Capacity** | Optimize perioperative scheduling and DOS workflows to minimize cancellations and maximize operating room capacity



Pipeline value has decreased **\$0.5K** from **\$237.3M** reported at 10/3 Finance Committee; decrease driven by refreshed topography opportunity using current enrolled patients. Implemented value has remained the same as previously reported.

Initiative performance in September 2025 resulted in \$15.4M in realization, exceeding monthly target of \$10.5M



The first quarter run rate exceeded the monthly goal of \$12.5M, achieving \$14.7M. September results were particularly strong, surpassing both the forecast of \$10.5M and the target run rate. This performance reflects sustained improvements in revenue cycle management, disciplined control of labor costs, and continued progress in reducing inpatient length of stay. September’s results also benefited from the absence of non-recurring corporate expenses that impacted August.

¹Workstream targets were established and communicated to board 1/27/25; actuals will be tracked against month targets moving forward. Monthly realization targets are trended to reflect initiative implementation timelines, building to a \$12.5M improvement to monthly run rate, annualized to \$150M

Hardwired expense management, improved revenue growth, and acceleration of new initiatives have helped sustain improvements

Workstream	Aug		Sep (Current Month)		Oct	Status
	Target	Actual	Target	Actual	Target	
Revenue Cycle	\$3.0M	\$7.6M	\$3.1M	\$7.6M	\$3.1M	
PHMG	\$1.3M	\$0.2M	\$1.4M	\$0.4M	\$1.4M	
Workforce & Periop	\$1.5M	\$3.2M	\$1.6M	\$3.1M	\$1.7M	
Corporate Services	\$1.2M	(\$0.9M)	\$1.3M	\$0.0M	\$1.4M	
Hospital Strategy	\$1.2M	\$0.3M	\$1.3M	\$0.9M	\$1.3M	
Care Transitions & PSA	\$1.0M	\$2.3M	\$1.0M	\$2.6M	\$1.0M	
Supply Chain & PS	\$0.7M	\$0.8M	\$0.8M	\$0.8M	\$0.8M	
Facilities & Real Estate	\$0.1M	\$0.0M	\$0.2M	\$0.0M	\$0.2M	
Total:	\$10.1M	\$13.5M	\$10.5M	\$15.4M	\$10.9M	

Key Updates

- **Revenue Cycle:** Avoidable write-offs as a % of NPR have stayed below 3% for four months; HB cash collections hit record levels; implementing UM KPI dashboard to reduce denials
- **PHMG:** Advancing targeted productivity strategies to improve cost efficiency; developing PCP playbook and leveraging KPI dashboards (PCP, Specialty)
- **Workforce:** Maintaining strong labor productivity management; pursuing strategies to reduce agency and premium pay along with other expenses
- **Corporate Services:** Non-recurring expenses driving HR and Legal spend; overall corporate expense expected to decline in coming months (Mar/Apr 2026)
- **Hospital Strategy:** Anticipating Rad Onc growth below projections but HDR implementation expected to boost volumes; Cath Lab growth continues to trail budget expectations
- **Care Transitions & PSA:** LOS improving versus baseline; however, opportunities remain to accelerate discharge times to earlier, reduce backlog, and refine post-acute strategy
- **Facilities & Real Estate:** Fielding inquiries into posted properties; sublease agreements underway

Sep 2025

Reporting Month

\$10.5M

Trended Month Target

\$15.4M

Current Month Actuals

Status

On Track Caution At Risk