

BOARD GOVERNANCE COMMITTEE

Meeting Agenda
Monday, June 1, 2026
12:00 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				12:00
I.	Establishment of Quorum	1		12:01
II.	Public Comments¹	30		12:31
III.	Action Item(s) (ADD A)	59		1:00
	A. <i>Approval: Governance Committee Meeting Minutes, Monday, April 20, 2026 (Pp 6-9)</i>			
	B. <i>Board of Directors Per Diem and Reimbursement Policy (Pp 10-11)</i>			
	C. <i>Review: Resolution of the Board of Palomar Health Finding the Need for up to Six Compensable Meetings Per Month for the Effective Operation of the District (Pp 12-14)</i>			
	D. <i>Approval: 27092 Annual Adoption of Statement of Investment (Pp 15)</i>			
	E. <i>Approval: 21800 Conflict of Interest Code (Pp 16-18)</i>			
IV.	Standing Item(s) (ADD B)			
	A. Retirement of Policies			
	B. Legislative Update: ACHD Advocate - Informational Only (Pp 20-24)	5		1:20
	C. Lucidoc Board Policy Listing – Informational Only (Pp 25)	5		1:25
Final Adjournment				1:30

Board Governance Committee Members

Voting Members	Non-Voting Members
Jeff Griffith, EMT-P, Chair	Diane Hansen, President & CEO
Terry Corrales, RN	Kevin DeBruin, Chief Legal Officer
Michael Pacheco	Kristin Gaspar, Vice President, External Affairs & Strategic Initiatives
	Bret Ginther, MD, Chief Information Officer
Alternate Voting Member	Omar Khawaja, MD, Chief Medical Officer
Abbi Jahaaski, MSN, BSN, RN – 1 st Board Alternate	Russ Riehl, Chief Administrative Officer
	Mel Russell, Chief Nurse Executive/Chief Operating Officer
	Andrew Tokar, Chief Financial Officer
	Committee Assistant
	Janet Kren, Committee Assistant

Note: If you need special assistance to participate in the meeting, please call 760.740.6375, 72 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 Governance Committee Meeting Location Options

Linda Greer Conference Room

2125 Citracado Parkway, Suite 300, Escondido, CA 92029

- Elected Members of the Palomar Health Board of Directors will attend at this location, unless otherwise noticed below
- Other 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: 223 586 360 330 86

Passcode: kd9ae2CB

or

Dial in using your phone at 929.352.2216; Access Code: 285 237 470#¹

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

Source:

Applies to Facilities:
All Palomar Health Facilities**Applies to Departments:**
Board of Directors

Policy : Public Comments and Attendance at Public Board Meetings

I. SUMMARY/INTENT:

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. POLICY: COMPLIANCE - KEY ELEMENTS:

- 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 Governance Committee Meeting

Meeting will begin at 12:00 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

<i>Board Governance Committee Minutes – Monday, April 20, 2026</i>		
<i>Agenda Item</i>	<i>Conclusion/Action</i>	<i>Final?</i>
<i>Discussion</i>		
NOTICE OF MEETING		
<p>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, April 16, 2026, which is consistent with legal requirements.</p>		
CALL TO ORDER		
<p>The meeting, which was held in the Palomar Health Administrative Office at 2125 Citracado Parkway, Suite 300, Escondido, CA 92029, and virtually, was called to order at 12:01 p.m. by Committee Chair Jeff Griffith.</p>		
I. ESTABLISHMENT OF QUORUM		
<ul style="list-style-type: none"> Quorum comprised of: Directors Jeff Griffith, Terry Corrales, and Michael Pacheco 		
II. PUBLIC COMMENTS		
<ul style="list-style-type: none"> No public comments 		

III. ACTION ITEMS

A. *Approval:* Board Governance Committee Meeting Minutes, Monday, March 23, 2026

MOTION by Director Corrales, 2nd by Director Pacheco to approve the March 23, 2026 Board Governance Committee Minutes as presented.

Roll call voting utilized.

Director Corrales -
Director Griffith –
Director Pacheco –

Three in favor. None opposed. None absent. No abstention(s)

Motion approved

- No Discussion

B. 58873: Extraordinary Event Policy

MOTION by Director Pacheco, 2nd by Director Corrales to accept and recommend the Extraordinary Event Policy for full Board of Directors approval with no changes.

Roll call voting utilized.

Director Corrales -
Director Griffith –
Director Pacheco –

Three in favor. None opposed. None absent. No abstention(s)

Motion approved

- Agenda item B and C were adjusted per Committee Chair, Director Griffith.
- Discussed 2.a. and other changes that may need to take place in the future.

C. Per Diem and Reimbursement Policy	No Action	
Discussion: <ul style="list-style-type: none"> Discussed items to be developed into a draft policy for the Board Governance Committee to review at the next committee meeting. 		
IV. Standing Items		
A. Retirement of Policies		
Discussion: <ul style="list-style-type: none"> No policies to be retired at this time. 		
B. Legislative Update: April 2026 ACHD Advocate – <i>Informational Only</i>	No Action	
Discussion: <ul style="list-style-type: none"> Verbal report was provided. 		
C. Lucidoc List of Board Policies – <i>Informational Only</i>	No action	
FINAL ADJOURNMENT		
Meeting adjourned by Board Committee Chair Jeff Griffith at 1:00 p.m.		

Signatures:

Committee Chair

Jeff Griffith

Committee Assistant

Janet Kren

DRAFT

Source:
Board of
Directors

Applies to Facilities:
All Palomar Health
Facilities

Applies to
Departments:
Board of Directors

Policy: Compensation and Reimbursement

I. PURPOSE:

This policy provides criteria, in accordance with applicable law, related to compensation for meeting attendance and reimbursement of actual necessary traveling and incidental expenses incurred in the performance of official business of Palomar Health (the “District”) for members of the Palomar Health Board of Directors.

II. DEFINITIONS:

A.

III. TEXT / STANDARDS OF PRACTICE:

In accordance with California Health and Safety Code Section 32103 and other applicable law, members of the Palomar Health Board of Directors may receive compensation for attendance at the following:

- Regular Board meetings;
- Special Board meetings;
- Standing and Ad Hoc Committee meetings (NOTE: Members attending Committee meetings who are not appointed members of the Committee must notify the Board Assistant);
- Meetings for the purpose of preparing or reviewing an agenda for a Regular Board meeting, a Special Board Meeting, or a Standing or Ad Hoc Committee meeting;
- Meetings when attending as a representative of the District as authorized by the Chairperson of the Palomar Health Board of Directors, including events sponsored by other local, county or state government agencies at which members of the Palomar Health Board of Directors are expected and/or invited to represent the District and meetings and/or events of agencies of which the District is a member or subscribing participant and where the District is expected and/or invited to be represented (Example: Association of California Healthcare Districts);
- Trainings/educational activities which are required by law of members of a board of directors of a local agency in compliance with state mandated ethics training (California Government Code Section 53232.1) and harassment training (California Government Code Section 53237.1);
- Trainings for Brown Act, legislative updates and webinars that constitute the performance of official duties;
- Occasions that constitute the performance of official duties, such as special events sponsored by the District and/or activities promotional of special events of the District (Examples: information booths, parades, distribution of information and/or materials for events);
- Reviews, inspections or trainings at the request of District staff related to grant programs of which the District is an applicant or recipient.

Members of the Palomar Health Board of Directors may **not** receive compensation for attendance at the following:

- Informal meetings with other Board members or with District staff, the Chief Legal Officer or legal counsel to the District, regardless of the topic(s) addressed;

- Meetings of a political nature, whether partisan or non-partisan, regardless of the topic(s) addressed;
- Meetings for which payment of a stipend or honorarium is provided by the host organization;
- Meetings of other public bodies, unless invited as a participant by the host body or sent as a delegate or representative by the Palomar Health Board of Directors;
- Meetings of organizations in which a member of the Palomar Health Board of Directors holds an individual membership or the primary purpose of which is to receive continuing professional educational credits;
- Charity fund raising events other than those sponsored by the District or the Palomar Health Foundation.

In accordance with California Health and Safety Code Section 32103, California Government Code Section 53232 *et seq.*, and other applicable law, members of the Palomar Health Board of Directors shall be allowed his or her actual necessary traveling and incidental expenses incurred in the performance of official business of the District [as approved by the Chairperson of the Palomar Health Board of Directors].

This policy will be reviewed and updated as required or at least every three years.

IV. ADDENDUM:

Original Document Date: _____

Reviewed: _____

Revision Number: 1 Dated: _____

DRAFT

RESOLUTION NO. 04.08.24(02)-07

**ORDINANCE OF THE BOARD OF DIRECTORS OF PALOMAR HEALTH
PROVIDING FOR A FIVE PERCENT INCREASE IN BOARD MEMBER
COMPENSATION FOR ATTENDANCE AT BOARD MEETINGS**

WHEREAS, Palomar Health is a special district duly organized and existing under and pursuant to California Health and Safety Code (“Health & Safety Code”) Section 32000 *et seq.*; and

WHEREAS, Health & Safety Code section 32103 provides that Board of Directors (the “Board”) shall serve without compensation, except that the Board may adopt a resolution authorizing the payment of \$100 as compensation per meeting to each Director for attendance at up to 6 Board meetings per calendar month; and

WHEREAS, in 2018, the California Legislature passed Assembly Bill No. 2329 (Obernolte) (“AB 2329”), which amended section 32103 of the Health & Safety Code; and

WHEREAS, commencing January 1, 2019, if the Board compensates its Directors for more than 5 meetings in a calendar month, section 32103 of the Health & Safety Code, as amended by AB 2329, requires the Board to adopt an annual written policy describing, based on a finding supported by substantial evidence, why more than 5 meetings per month are necessary for the effective operation of the District; and

WHEREAS, section 32103 of the Health & Safety Code, as amended by AB 2329, provides that the Board may, by ordinance adopted pursuant to California Water Code (“Water Code”) Section 20200 *et seq.*, increase the amount of compensation received by Directors for attendance at Board meetings; and

WHEREAS, Water Code section 20202 provides that an increase in compensation may not exceed an amount equal to 5% for each calendar year following the operative date of the last adjustment; and

WHEREAS, the Board increased the amount of compensation received by 5% per meeting for the 2023 calendar year, from \$100 to \$105, pursuant to Resolution No. 05.08.23(02)-07 and in accordance with the sections of the Health & Safety Code, Water Code, and Government Code referenced herein; and

WHEREAS, the Board desires to establish the amount of compensation by way of this Ordinance in accordance with the provisions of the Water Code; and

WHEREAS, the Board has determined that an increase of 5% in the amount of compensation received for each attendance at a Board meeting is appropriate; and

WHEREAS, Water Code section 20203 requires that an ordinance increasing compensation must be considered after a public hearing and a notice of said hearing must be published in a newspaper of general circulation pursuant to California Government Code (“Government Code”) section 6066; and

WHEREAS, in accordance with section 20203 of the Water Code and section 6066 of the Government Code, the Board held a public hearing regarding this Ordinance on April 8, 2024, at 6:30 p.m., at the 1st Floor Conference Center, PMC Escondido, 2185 Citracado Parkway, Escondido, CA. 92029, and a notice of said hearing was duly published in the San Diego Union-Tribune, a newspaper of general circulation; and

NOW THEREFORE, BE IT ORDAINED by the Board of Directors (“Board”) of the Palomar Healthcare District (“District”) as follows:

Section 1. The amount of compensation to be received by the Board for each day’s attendance at meetings of the Board shall be increased by 5% from \$105 to \$110.25 per day.

Section 2. No Director shall receive the compensation set forth in Section 1 of this Ordinance for more than 6 meetings in any calendar month.

Section 3. The Board reserves the right, pursuant to and in accordance with Health & Safety Code section 32103, to increase the number of compensable meetings from 5 to 6 in any calendar month.

Section 4. Pursuant to Water Code section 20204, this Ordinance shall become effective 60 days from the date of its adoption.

Section 5. Voters of the District have the right, pursuant to Water Code Section 20204, to petition for referendum on this Ordinance. Any such petition must be presented to the Board prior to the effective date of the Ordinance pursuant to Section 20205 of the Water Code.

Section 6. Upon its effective date, this Ordinance supersedes and repeals the provisions of any prior ordinances, resolutions, motions and other actions of the Board to the extent such other provisions are inconsistent with the provisions of this Ordinance.

Section 7. If any subdivision, sentence, clause, or phrase of this Ordinance is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforcement of the remaining portions of this Ordinance. It is the District’s express intent that each remaining portion would have been adopted irrespective of the fact that one or more subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid or unenforceable.

* * * * *

APPROVED AND ADOPTED by the Board of Directors of Palomar Health on this 8th day of April, 2024, by the following vote:

AYES: *Barry, Corrales, Edwards-Tate, Griffith*

NOES: *Edwards-Tate*

ABSTAIN: *None*

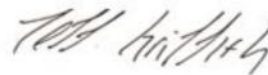
ABSENT: *Clark, Greer*

ATTEST:



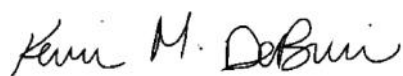
****Secretary, Board of Directors****

APPROVED:



****President, Board of Directors****

APPROVED AS TO FORM:



****General Counsel****

Source:
Board of Directors

Applies to Facilities:
All Palomar Health Facilities

Applies to Departments:
Financial Services
Financial Planning

Policy : Annual Adoption of Statement of Investment

I. SUMMARY/INTENT:

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

II. DEFINITIONS:

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

III. POLICY: COMPLIANCE - KEY ELEMENTS

1. Delegation of Authority to Chief Financial Officer; Procedures to Implement Investment Policy
 - A. Delegation of authority to Chief Financial Officer: The District's Chief Financial Officer is delegated responsibility for all decisions regarding the sale or purchase of individual investments on behalf of the District. This delegation shall be reviewed annually by the Board of Directors. The delegations shall be recorded in the meetings of the full Board. No person may engage in an investment transaction except as provided under the terms of this policy and any other procedures established by the Chief Financial Officer. The Chief Financial Officer shall be responsible for all actions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.
2. This policy will be reviewed and updated as required or at least every year.

Source:
Board of Directors

Applies to Facilities:
All Palomar Health Facilities

Applies to Departments:
All Departments

Policy : Conflict of Interest Code

AMENDED AND RESTATED CONFLICT OF INTEREST CODE OF PALOMAR HEALTH

I. SUMMARY:

The Political Reform Act (California Government Code, Sections 81000 et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. Pursuant to the Political Reform Act of 1974 (California Government Code, Sections 81000 et seq.) and regulations of the Fair Political Practices Commission (California Code of Regulations, Title 2, Sections 18100, et seq.). Palomar Health hereby adopts the following Conflict of Interest Code.

II. DEFINITIONS:

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission, and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

III. POLICY:

A. Standards of Practice

1. **INCORPORATION OF FPPC REGULATION §18730:**

The Political Reform Act, requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, California Code of Regulations, Title 2, Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of California Code of Regulations, Title 2, Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix, designating positions and establishing disclosure categories, shall constitute the Conflict of Interest Code of Palomar Health.

2. **STATEMENTS OF ECONOMIC INTERESTS: PLACE OF FILING:**

Individuals in designated positions shall file their statements of economic interests (Form 700) with the Palomar Health Chief Executive Officer or designee. The Palomar Health Chief Executive Officer or designee shall make and retain a copy and forward the original to the San Diego County Board of Supervisors. The Palomar Health Chief Executive Officer or designee will make the statements available for public inspection and reproduction. (California Government Code, Section 81008).

IV. APPENDIX:

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Palomar Health Officials who manage public investments, as defined by California Code of Regulations, Title 2, section 18701, subdivision (b), are not subject to Palomar Health's Conflict of Interest Code, but are subject to the disclosure requirements of the Act. (Gov. Code § 87200 et seq.) These positions are listed here for informational purposes only, and are required to file a statement of economic interest.

It has been determined that the positions listed below are officials who manage public investments [1]:

- Members of the Board of Directors
- Chief Executive Officer
- Chief Financial Officer

DESIGNATED EMPLOYEE POSITIONS [2]

The persons holding positions listed below are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

Designated Employee Position Title	Assigned Disclosure Category
Chief Legal Officer	All
Chief Medical Officer	5
Chief Operations Officer	All
Chief Human Resources Officer	1, 5, 6, 7
Chief Financial Officer	All
Chief Nurse Executive	5, 6
Chief Information Officer	1, 5, 7

DISCLOSURE CATEGORIES

The disclosure categories set forth below specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned. It has been determined that the economic interests set forth in a designated employee's disclosure categories are the kinds economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

Category 1.

All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments that are located in, do business in or own real property within the jurisdiction of Palomar Health.

Category 2.

All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of Palomar Health.

Category 3.

All investments and business positions in, and sources of income from, business entities that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of Palomar Health.

Category 4.

All investments and business positions in, and sources of income from, business entities that are banking, savings and loan, or other financial institutions.

Category 5.

All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery, vehicles or equipment of a type purchased or leased by Palomar Health.

Category 6.

All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery, vehicles or equipment of a type purchased or leased by the Designated Employee's Department.

Category 7.

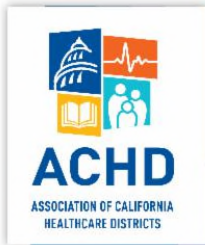
All financial interests in investment advisors and managers; financial services providers, actuaries, and those providing fiduciary services (including recordkeeping) to retirement plans.

[1] Individuals holding one of the above-listed positions may contact the FPPC for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The FPPC makes the final determination whether a position is covered by Government Code section 87200.

[2] Consultants shall be included in the list of Designated Employees and shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation: The Chairperson of the Board will determine and communicate with the Board in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that

are limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Chairperson's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. Nothing herein excuses any such consultant from any other provision of this Conflict of interest Code.

ADDENDUM B



ACHD

T H E A D V O C A T E

[CURIOUS ABOUT ACHD MEMBER BENEFITS?](#)

[ACCESS ACHD'S WEBINARS ON DEMAND](#)

WHAT'S NEW IN MAY

CEO MESSAGE

Earlier today, Governor Newsom presented the [California State Budget May Revision](#). The “May Revise” is an update to the original state budget presented by the Governor in January. Thanks to tax revenue that came in above original projections, the state budget situation is better than originally anticipated in January. The Governor delivered a balanced budget plan that addresses not only the budget this year but balances the next fiscal year budget as well. While the budget makes significant investments in education, the May Revise also includes \$300 million to assist lower-income families who lost Affordable Care Act subsidies earlier this year with the passage of H.R. 1. A summary of the Governor’s May Revision can be found [here](#).

On the legislative front, ACHD’s sponsored bill, [AB 2311 \(Schiavo\): Physician Employment](#) which would allow all district hospitals to directly employ physicians made it out of the Assembly Appropriations Committee. The bill will now move to the Assembly Floor. See [Sarah Bridge's](#) update below for additional details.

In addition, as ACHD reported earlier this week, the legislature took early action and sent the Governor [AB 108 \(Budget Act of 2025\)](#), which creates the **Distressed Hospital Small Grant Program**. This new \$25 million program will provide cashflow grants to eligible not-for-profit and public hospitals experiencing immediate and extreme financial distress, with the goal of helping hospitals maintain operations and avoid closure. The application window is short given the need to quickly disburse the grant funding by June 30, as required by the legislation. Additional details and the application can be found [here](#).

The ACHD event calendar has been full this year, with educational webinar offerings every month. On May 27, join [Huron's Nicole Bengtson, Managing Director](#), for an insightful discussion on the critical challenges impacting healthcare organizations today, including

caring for an aging population, meeting rising consumer expectations, and realizing a return on AI investments. ACHD webinars are free for members, so be sure to register. Can't make it? All ACHD webinars are available [on demand](#) at your convenience on ACHD's website.

In closing, plans for [ACHD's 74th Annual Meeting](#) are in full swing. Our goal is to launch registration in early June, and we hope to see you in **Monterey, October 7-9**. Until then, please reach out to our [team](#) if we can be of assistance — we are here to help!

With gratitude,

Cathy Martin
Chief Executive Officer



LEGISLATIVE UPDATE

This week marks two significant milestones in the state legislative process. Today, May 14, 2026, both the Senate and Assembly Appropriations committees dispensed with the suspense file. At the same time, the Governor held his press conference upon the release of the May Revision—the revised budget based on tax receipts and ongoing discussions and reactions from the legislature. **One important note on one of ACHD's sponsored bills:** [AB 1811\(Rogers\)](#) is currently on the Assembly Floor consent calendar and expected to pass to the Senate sometime next week.



Senate & Assembly Appropriations Results

[AB 2311 \(Schiavo\): Physician Employment](#)-SPONSOR

ACHD's sponsored bill to allow all district hospitals to directly employ physicians made it out of the Assembly Appropriations Committee on an A-roll call, meaning it received no no-votes. The bill will now move to the Assembly Floor where it will be amended to address some of the ongoing concerns of the California Medical Association (CMA).

[AB 2027 \(Ward\) Worker data: artificial intelligence](#)-OPPOSE

AB 2027 which would have had the practical effect of banning the use of AI for any function, was held by the Assembly Appropriations Committee and will not be moving forward.

[AB 1923 \(Soria\) Distressed Hospital Loan](#)-SUPPORT

AB 1923 which makes changes to the existing Distressed Hospital Loan Program and adds additional funding to the program made it out of Assembly Appropriations Committee with an amendment to make its enactment contingent upon appropriation of the funding.

[SB 947 \(McNerney\): Employment: Automated Decision Systems](#)-OPPOSE

The reboot of last year's SB 7 did clear the Senate Appropriations Committee suspense file. It passed out with a 5-2 vote with amendments to narrow scope and modify the enforcement language. ACHD met with the California Labor Federation yesterday to review these amendments and looks forward to continuing negotiations once these amendments are officially in-print.

A complete list of official results for the Senate can be found [here](#), and a complete list for the Assembly, [here](#).

Governor's May Revision

Governor Newsom's much anticipated May Revision was released today. The Governor, himself, presented the May Revision, in a press conference and presentation available to stream [here](#). Budget summary and budget details can be found [here](#). Below is a high-level summary of the budget and key takeaways. As details continue to be released and reviewed ACHD will provide ongoing updates and analysis.

The revised budget benefits from a significant revenue upgrade with more than \$16.5 billion than projected in January. This surplus is driven largely by a 2025 spike in capital gains tax receipts. Despite the improved revenue picture, the May Revision continues to incorporate spending reforms and new revenues to reduce projected structural deficits in future years.

Total General Fund spending in 2026-27 is estimated at \$246.6 billion in General Fund with a total balanced budget of \$349.9 billion, about \$1.8 billion lower than the January Governor's Budget projection. The May Revision maintains combined reserves of approximately \$29.9 billion across the Budget Stabilization Account (Rainy Day Fund), the Special Fund for Economic Uncertainties, and the Public School System Stabilization Account.

Health & Human Services

The Health and Human Services (HHS) section carries the most significant implications for county health departments. The May Revision includes \$334.2 billion (\$90.4 billion General Fund) for HHS programs in 2026-27. Key areas of interest include:

Medi-Cal

Medi-Cal remains California's largest health care program, projected to cover approximately 13.9 million Californians in 2026-27, more than one-third of the state's population. The May Revision projects Medi-Cal General Fund expenditures of \$44.9 billion in 2026-27, a

decrease of \$3.7 billion compared to revised 2025-26 expenditures. This decrease reflects program savings from budget solutions, lower managed care costs associated with declining caseload, and revised timing assumptions for the Hospital Quality Assurance Fee. Key Medi-Cal developments include:

- **Managed Care Organization (MCO) Tax Renewal:** The existing MCO Tax expires December 31, 2026. The May Revision proposes a renewed tax effective January 1, 2027, generating an estimated \$575 million in 2026-27, growing to \$2.3 billion annually in 2027-28 and 2028-29. These revenues will support the Medi-Cal program and maintain targeted rate increases for primary, maternal, and non-specialty mental health care.
- **Medi-Cal Asset Test Limits:** As a budget solution, the May Revision re-imposes asset test limits for Medi-Cal eligibility, generating \$278.3 million in savings in 2026-27 and growing to \$495.6 million by 2029-30.
- **Federal Policy Impacts (H.R. 1 of 2025):** The May Revision reflects approximately \$1.5 billion in additional General Fund costs in 2026-27 resulting from the federal legislation enacted last summer. This includes new work and community engagement requirements for the ACA adult expansion population (effective January 1, 2027), reduced federal matching funds for emergency services for certain immigrant populations, and changes to immigrant eligibility effective July 1, 2027.
- **Immigrant Populations:** Adults with unsatisfactory immigration status will transition to the fee-for-service delivery system effective January 1, 2027. Beginning July 1, 2027, individuals impacted by new federal eligibility restrictions will move to restricted-scope Medi-Cal coverage. Monthly premiums for this population aged 19-59 are proposed to increase to \$50 beginning 2027-28. Note the Governor's presentation highlights attempt to bring the premiums to \$20 for this population.

Hospitals in Immediate Financial Distress

The May Revision allows for an augmentation of up to \$50 million General Fund in 2026-27 for the Department of Health Care Access and Information to provide short-term support for hospitals in immediate and significant financial distress. ACHD is currently reviewing budget details to determine if this funding is in addition the \$25 million that was provided last week in AB 108.

Behavioral Health

The May Revision continues to utilize the Behavioral Health Services Fund (BHSF) in lieu of General Fund dollars, generating \$211.9 million in General Fund offsets in 2026-27, growing to \$226.4 million by 2029-30. Behavioral health care supports are also embedded within community school investments (see TK-12 Education below), including implementation of the Children and Youth Behavioral Health Initiative Fee Schedule.

Other items of Note

Impact Fees

The Governor's proposal includes eliminating impact fees for affordable housing projects. Notably the proposal impacts only cities and counties but preserves impact fees for schools, utilities and/or special districts.

ACHD will continue to review the details of the budget, legislative negotiations, and trailer bills as they are released. ACHD's press release on the budget can be found [here](#).

AB 108: Distressed Hospital Grant

Last week, the Legislature and Administration took immediate and early action to address imminent financial distress needs for California hospitals through [AB 108](#). The California Department of Health Care Access and Information (HCAI) has announced a new Distressed Hospital Small Grant Program authorized through AB 108 (Budget Act of 2025).

This new \$25 million program will provide cashflow grants to eligible not-for-profit and public hospitals experiencing immediate and extreme financial distress, with the goal of helping hospitals maintain operations and avoid closure. Please note that the application window is short due to the legislative requirement to disburse funding by June 30, 2026.

Eligibility includes hospitals with less than 10 days cash on hand and a payer mix composed of more than 50% government payors and uninsured patients and the application **deadline is Monday, May 18, 2026, at 5:00 PM**. Questions may be directed to: dhsqp@hcai.ca.gov.



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LUCIDOC BOARD POLICY LISTING

Review Date: June 1, 2026

ID	Title	Type	Source	Owner	Next Review Date	Status
TBD	Board Per Diem and Compensation	Policy	BOD	DeBruin, Kevin	In Process	
27932	Naming Policy	Policy	BOD	DeBruin, Kevin	In Process	Official
59212	Bylaws of Palomar Health	Bylaws	BOD	DeBruin, Kevin	In Process	Official
51952	CEO Evaluation and Compensation*	Policy	BOD	DeBruin, Kevin	2/27/2025	Official
21809	Annual Budget Approval	Policy	BOD	Tokar, Andrew	8/17/2025	Official
44692	Physician Owned Medical Device (POD) Company Arrangements	Policy	BOD	DeBruin, Kevin	8/17/2025	Official
71572	Charter of the Human Resources Committee of the Palomar Health Board of Directors	Bylaws	BOD	DeBruin, Kevin	5/1/2026	Official
58912	Outsourced Labor Policy	Procedure	BOD	Hansen, Diane	5/1/2026	Official
21780	Succession Policy	Policy	BOD	DeBruin, Kevin	5/1/2026	Official
27092	Annual Adoption of Statement of Investment	Policy	BOD	DeBruin, Kevin	9/11/2026	Official
72752	Charter of the Community Relations Committee	Bylaws	BOD	DeBruin, Kevin	9/27/2026	Official
21800	Conflict of Interest Code	Policy	BOD	DeBruin, Kevin	11/12/2026	Official
72513	Charter of the Quality Review Committee	Bylaws	BOD	DeBruin, Kevin	4/10/2027	Official
71613	Charter of the Strategic and Facilities Planning Committee of the Palomar Health Board of Directors	Bylaws	BOD	DeBruin, Kevin	4/10/2027	Official
58892	Debt Policy	Policy	BOD	Tokar, Andrew	8/7/2027	Official
21776	Gifts and Donations	Policy	BOD	DeBruin, Kevin	11/12/2027	Official
21798	Oath of Office	Policy	BOD	DeBruin, Kevin	11/12/2027	Official
21825	Provider Recruitment	Policy	BOD	DeBruin, Kevin	11/12/2027	Official
63352	Board Committee Agenda Creation	Policy	BOD	DeBruin, Kevin	2/14/2028	Official
11058	Nursing and Patient Care	Policy	BOD	DeBruin, Kevin	4/8/2028	Official
71612	Charter of the Finance Committee of the Palomar Health Board of Directors	Bylaws	BOD	DeBruin, Kevin	4/29/2028	Official
68552	Board of Directors Code of Conduct	Policy	BOD	DeBruin, Kevin	6/15/2028	Official
72512	Charter of the Audit and Compliance Committee	Bylaws	BOD	DeBruin, Kevin	9/10/2028	Official
71332	Charter of the Governance Committee of the Palomar Health Board of Directors	Bylaws	BOD	DeBruin, Kevin	9/10/2028	Official
70012	Board Dispute Resolution Policy	Policy	BOD	DeBruin, Kevin	4/7/2029	Official
21783	Political Activities on Palomar Health Property	Policy	BOD	DeBruin, Kevin	4/7/2029	Official
62012	Public Comment Form	Form	BOD	DeBruin, Kevin	4/7/2029	Official
21790	Public Comments and Attendance at Public Board Meetings	Policy	BOD	DeBruin, Kevin	4/7/2029	Official
21794	Revision of Policies	Policy	BOD	DeBruin, Kevin	4/16/2029	Official
78652	Disruption of Telephonic or Internet Service	Policy	BOD	DeBruin, Kevin	4/16/2029	Official
78732	Palomar UCSD Health Board Appointee Policy	Policy	BOD	DeBruin, Kevin	5/11/2029	Official
58873	Extraordinary Event Management	Policy	BOD	DeBruin, Kevin	5/xx/2029	5/11/2026 Board Approved

**Ad Hoc Committee*