

Posted
Friday,
January 24, 2025



SPECIAL SESSION BOARD OF DIRECTORS

Meeting Agenda

Monday, January 27, 2025
9:00 a.m.

Please see page 2 for meeting location options

	Time	Target
Call To Order		9:00
I. Establishment of Quorum	1	9:01
II. Public Comments¹	30	9:31
III. Approval of Bylaws, Charters, Resolutions and Other Actions (ADD A)	20	9:51
a. Resolution No. 01.27.25(01)-01 of the Board of Directors of Palomar Health Providing for the Temporary Stay and Abeyance of the Management Services Agreement with Mesa Rock (Pp 6-8)		
IV. Final Adjournment		9:51

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 3 of agenda.

Special Session Board of Directors Meeting Location Options

Linda Greer Conference 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: 242 451 889 754

Passcode: Za2Wk9HR

or

Dial in using your phone at 929.352.2216; Access Code: 131 160 337#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).

Special Session Board of Directors Meeting

Meeting will begin at 9:00 a.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

RESOLUTION NO. 01.27.25(01)-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF PALOMAR HEALTH
PROVIDING FOR THE TEMPORARY STAY AND ABEYANCE OF THE
MANAGEMENT SERVICES AGREEMENT WITH MESA ROCK**

WHEREAS, on February 29, 2024, the Palomar Health Board of Directors approved a Management Services Agreement (“MSA”) between Mesa Rock Healthcare Management, a non-profit, and Palomar Health (“Palomar Health” or “District”). Palomar Health entered into the MSA, because like so many public hospitals across the country, it faced significant economic pressures. Palomar Health approved the MSA in part due to its experience with potential partners voicing concerns that doing so would subject them to the politics of an ever-changing Board, and the disadvantages that come with having to conduct all hospital business in noticed, open public meetings, and with all business records subject to public records act requests (including by competitors or possible litigants);

WHEREAS, Mesa Rock incorporated to conduct business for the benefit of Palomar Health, including by entering into new joint affiliation and investment relationships with, among others, regional health systems, with the ultimate goal of strengthening and stabilizing the finances of Palomar Health, expanding its capabilities and services, and ensuring that Palomar Health remained a public and independent provider open to all;

WHEREAS, the MSA provided that Mesa Rock would retain Palomar Health’s existing executive team, ensuring continuity of leadership. Mesa Rock would then manage the day-to-day operations of the District, with Palomar Health’s elected Board retaining oversight responsibility. Under the MSA, there was to be no impact on employees, staff, nurses, or physicians. All medical decisions, practices, policies, credentialing, etc., remained firmly and squarely within the respective control of the medical staff and the publicly-elected Board of Palomar Health. The MSA required all funds derived from Palomar Health to further a valid public purposes as if undertaken directly by Palomar Health. No assets of Palomar Health were ever transferred to Mesa Rock;

WHEREAS, despite various statements and speculations by former Board members, political figures, and members of the community, the MSA did not actually entail any transfer of resources to Mesa Rock or loss of control by the Palomar Health Board;

WHEREAS, Mesa Rock’s objective has always been to assist Palomar Health in the following areas:

- Drive primary medical care growth and integration;
- Expand medical and surgical oncology care;
- Bring top-quality pediatric care to North San Diego County;
- Stabilize relationships with hospital-based physician groups;
- Expand access to laboratory medicine; and
- Improve Palomar Health’s ability to negotiate rates with health plans.

WHEREAS, notwithstanding the above, events have transpired since the parties’ execution of the MSA, such events not within the control of either Mesa Rock or Palomar Health, which affect the performance anticipated by the MSA, including:

- Opportunities for Palomar Health to enter into provider affiliations directly (*i.e.*, not through an intermediary);
- Declines in Palomar Health’s financial performance caused by broad market trends that disproportionately impact safety-net hospitals like those of Palomar Health; and
- Palomar Health’s entering into a forbearance agreement and 2-year financial turnaround plan with Assured Guaranty

WHEREAS, in light of the foregoing events, Mesa Rock has not taken any of the 1% revenue from Palomar Health it was entitled to under the MSA;

WHEREAS, in light of the foregoing events, Mesa Rock has not assumed any operations or managerial functions of Palomar Health;

WHEREAS in light of the foregoing events, no employees or executives of Palomar Health have transitioned to Mesa Rock;

WHEREAS notwithstanding the foregoing, Mesa Rock provided consulting services free of charge to Palomar since the execution of the MSA, and it will continue to be available as an option if the Palomar Health Board or Executive Team seek advice or wish to reinvigorate or restart the MSA prior to the period of abeyance described below;

WHEREAS, the above listed events militate towards staying performance of the MSA for a period of twelve (12) months, or until such other time as Palomar Health and Mesa Rock may mutually agree;

NOW THEREFORE, the Board of Directors of Palomar Health resolves as follows:

1. Mesa Rock and Palomar Health agree to stay and put into abeyance all performance under the MSA for a period of twelve (12) months, or until such other sooner time as the Board of Directors of Palomar Health and Mesa Rock may otherwise agree; and
2. During this 12-month abeyance, Mesa Rock will remain viable and legally compliant in the event the Board of Directors of Palomar Health and Mesa Rock agree to restart the MSA earlier than the contemplated date.

3. If any subdivision, sentence, clause, or phrase of this resolution 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 resolution. 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 27th day of January, 2025, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

Secretary, Board of Directors

Chair, Board of Directors

APPROVED AS TO FORM:

Chief Legal Officer