



MEDICAL GROUP

Exceptional doctors. Individual care.

Letter from The Chairman



Dear Fellow Physicians,

As the politicians attempt to navigate the treacherous water-ways of public opinion, the health care debate once again takes center stage. Every one seems to have their own plan, but there are always more questions than answers. Yet for all the rhetoric, very little is mentioned about the survival of the individual physician. I am reminded of the reality that the average inflation adjusted compensation for physicians has declined on a yearly basis. We seem to be in the unenviable position of having to negotiate our reimbursement contracts with limited options if we do not agree. Unless something is done, I fear that the private practice of medicine is in danger of becoming an endangered enterprise.

At XiMED, we have chosen to deal with this issue by focusing on providing quality evidence based care with predictability of cost and measurement of outcome. We feel this will enhance the care of our patients and keep us at the forefront of an ever changing marketplace. To that end, the XiMED IPA has officially been launched and we are in the process of negotiating our first contract. Our track record with the XiMED Hospitalists program has demonstrated our ability to improve the efficiency of our hospital care and we are confident that the same results will be evident on a larger scale in the outpatient environment. In addition, the XiMED Foundation has been formed and is awaiting the final approval from the IRS regarding its non-profit status.

All in all, the XiMED plate is very full ensuring the success of the private practice model. The Board of Directors is grateful for the support of physicians who have joined us in this effort.

Robert P. Brouillard

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New XiMED Logo

You may have noticed a change in our company logo. Indeed, we are proud to unveil the new XiMED logo. As the organization moves forward with innovative new companies and quality driven ideals, it is important that our logo showcases our principles and beliefs. XiMED continues to stand for "Excellence in Medicine". But what really sets us apart is the belief that the doctor-patient relationship is at the core of quality healthcare. Quality care can only come when it is personalized and focused on the individual – Exceptional doctors...Individual care.

The new logo has been designed to showcase these concepts. Our focus on the individual is highlighted by a focus on the letter "i" in XiMED. The "i" represents not only a focus on the individual and independent physicians, but if you look closely, you will see the number one, representing our belief that we are the number one physician group in San Diego.

You will see the new logo prominently displayed on all of the XiMED entities, materials and marketing brochures that we are currently producing. In fact, it was recently used in San Diego Magazine's "Top Doctors" issue. We think the new logo is a better way to demonstrate what truly sets XiMED apart. We hope you think so too.

CEO Perspective

Much has been said about how difficult it is to change. In fact, change happens all the time, even if we sit still and do nothing. What is more difficult is to make good change happen. The type of change that persists and endures. At XiMED, our focus has been on good change.

Last year we started a new hospitalists company that has produced superb results, changed fiscal years for all companies, negotiated increased PPO contract rates, marketed in national magazines, involved in the demolition & construction of a parking structure and Medical Office building (XiMED II), and produced record revenues in both the Medical Group and Limited Partnership. It is safe to say that this year the pace of change is increasing. These are just some of the initiatives that we are focusing on today:

- Implement a new clinically based IPA
- Create a direct electronic connection with Scripps Hospital
- Grow and expand the Hospitalists' operations at La Jolla Memorial Hospital
- Develop a Non Profit Charitable Foundation
- Reduce medical malpractice premiums by instituting a physician captive model
- Increase large scale marketing of the XiMED brand
- Ensure construction of XiMED II parking structure and Medical Office building

All of these initiatives are supportive of the strategic mission of XiMED; specifically to ensure the independent physician practice continues as a viable business model. To that end, XiMED will continue to implement those measures aimed at bolstering the practice of independent physicians. While change happens all the time, at XiMED the focus is on change that endures.

Tom Sounhein

XiMED at a Glance

Charitable Foundation

We are busy at work putting the finishing touches on a Non Profit Charitable Foundation here at XiMED. The Foundation will use charitable donations to improve the health education and welfare of the patients we serve through integrated clinical practice, education, research and technology. The Foundation Board will consist of physicians and lay professionals who will make the funding decision to ensure that every patient receives the best care.

Electronic Connections

A direct electronic link to the hospital will soon be available for all occupants of the XiMED building. A fiber optic connection has been established between Scripps Memorial Hospital and the XiMED building which will allow access to the Scripps systems through a XiMED network server. Once this has been established, the next step will be to connect all XiMED physicians, (regardless of location) to the network server thereby allowing the same electronic access. This access will be critical for the eventual use of the Electronic Medical Record (EMR) systems that XiMED is evaluating.

XiMED Dividend

For the first time in its over 30 year history the XiMED Board of Directors has declared a dividend payment to be made to all shareholders of record as of December 31, 2007. The payment, which will occur in January of 2008, will go to all members who are in good standing. To be in good standing, all membership dues must be paid and any outstanding issues must be favorably resolved.

Independent Physicians Association

It is with great pleasure that we formally announce the creation of XiMED Physicians IPA. The IPA, which will operate in tandem with, but independently from, XiMED Medical Group, has fulfilled all of the legal requirements, including the creation of a Board of Directors and election of Officers. Dr. Mark Sherman has been elected the Chairman of the Board.

The IPA will function as a clinically integrated model of care. In essence, clinical integration involves providers working together in an interdependent fashion so that they can pool infrastructure and resources, and develop, implement and monitor protocols. The IPA will be guided by an evidence-based approach to medicine with member physicians implementing clinically based guidelines focusing on quality outcomes. The IPA will develop practice standards and protocols to govern treatment and utilization of services. With the increasing government emphasis on measuring quality, it is critical to the success of any physician organization to demonstrate quantifiable outcomes.

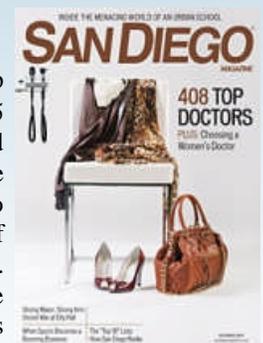
Information systems necessary to gather aggregate and individual data on the nature of the services provided will be implemented. IT systems will provide the opportunity for IPA physicians to not only work together by using electronic medical records (EMR), but provide an unprecedented opportunity for independent physicians to work together to improve the quality of care.

The time is ripe for physicians to create a new clinical model that is focused on alignment and commitment to care that is safe, timely, effective, efficient, equitable, and patient centered. If you are interested in seeking more information about the IPA, please contact the XiMED management offices or Dr. Mark Sherman.

San Diego Magazine's 2007 Top Doctors

XiMED Medical Group is proud to have had 55 of our physicians listed as "Top Doctors" in the annual San Diego Magazine's survey of top doctors for 2007. The selections are made by practicing physicians in the San Diego area

when asked the question "If a family member was sick, who would you send them to?" We congratulate them one and all!



Physician Spotlight

Mark J. Sherman, M.D.



For the past 14 years, I've had the tremendous good fortune to be affiliated with Scripps Memorial Hospital and an active member of XiMED. I consider myself blessed to be associated with a group of physicians who place a premium on quality patient care and represent the very best our profession has to offer. Now, I am excited to play a critical role in the creation of a new organization under the XiMED umbrella – XiMED Physicians IPA.

Everyone speaks of delivering quality care, yet few offer demonstrable results. The aim of our IPA will be different. Our patients deserve to know in real, quantifiable terms that the care they receive by a XiMED physician is the best care possible. By embracing measurable quality standards, we can achieve something truly special. XiMED IPA will be able to capture the data and, in turn, demonstrate "to the outside world" that our care is second to none. XiMED's ability to document the level of quality care that is delivered will allow us to achieve remarkable new relationships with outside groups, including insurance organizations.

As Chairman of the Board of XiMED Physicians IPA, my drive to accomplish this is backed by my dedication to you, my colleagues, to our hospital and, perhaps more than anything else, to our patients. I hope to harness the experience from my years in practice here with my knowledge gained as Chief of Surgery and service on the medical staff combined with insights gained serving on the Scripps Health Board of Trustees. With this, we will create an IPA that will demand much of its members, and in so doing, become the standard by which others are measured. This is indeed an exciting time!

2007 Annual Flu Vaccine Clinic

It's time for the annual Flu Vaccine Clinic. Once again, the clinic will be administered by Scripps Health nurses in the lobby of the Scripps/XiMED Medical Center. For more information, please call Kim Roberts at 858-626-7024.

Flu Shots Provided:

XiMED Medical Center Lobby
Mondays & Wednesdays
Oct. 22 – Nov. 14, 2007
8:00 am – 12:00 noon
Ages 8 and over
Cost is \$20



New Physicians

Please welcome all of the new physicians below who have joined XiMED Medical Group as of May 2007.

Name	Specialty	Phone
Erik Austin, M.D.	Dermatology	858-622-1960
Sunil Bhojru, M.D.	Bariatrics/Surgery	858-457-4115
William Bigham, M.D.	Ophthalmology	858-457-3010
Brian Carlos, M.D.	Cardiology	760-944-7300
Sandeep Chaudhary, M.D.	Endocrinology	858-646-0400
Paul Chen, M.D.	Ophthalmology	760-930-9696
Andrew Dennish, M.D.	Cardiology	858-457-1234
Matthew Kirk, M.D.	Ophthalmology	858-457-3050
Steven Lindheim, M.D.	Infertility	858-505-5500
Roger Murken, M.D.	Orthopaedics	858-535-1075
Khang (Karl) Nguyen, M.D.	Plastic Surgery	858-450-1555

XiMED Hospitalists

Since August 1, 2006, XiMED Hospitalists have been providing internal medicine coverage to unassigned patients needing hospital admission at Scripps Memorial Hospital La Jolla. The program has enjoyed success in recruiting outstanding internal medicine specialists.



The Hospitalists have produced dramatic reductions in the average length of stay of patients (ALOS). The program has managed to reduce ALOS from 6.1 to 4.6 days, in year over year comparisons. We continue to receive positive feedback on all the Hospitalists and their services. There are eleven full time and three part time Board Certified Internists working at Scripps La Jolla. For more information, including biographies and photos of our doctors, please visit the XiMED Hospitalists website at www.ximedhospitalists.com

Here are your full-time XiMED Hospitalists:

Pushpendu Banerjee, M.D., M.S.P.H.

Vice President of Medical Operations
Maulana Aza Medicine College, 1992

Mark Adrian, M.D., Medical Director
University of Medicine & Dentistry, New Jersey, 1992

Adil Abbasi, M.D.-DOW Medical College, 1981

Surya Chetlapalli, M.D.-Andhra Medical College, 1998

Bruce I. Covner, M.D.*-Northwestern University Medical School, 1980

Mihae G. Joo, M.D.-Loma Linda School of Medicine, 2000

Charles Martineau, M.D.-Ross University School of Medicine, 1996

Preeti Mehta, M.D.-Mahatma Gandhi Missions Medical College, 1999

Maria Ramirez, M.D.-Boston University School of Medicine, 1994

Anne Stewart, M.D.*-Michigan State University, 1993

Dalia Strausser, M.D.-UNAM, 1984

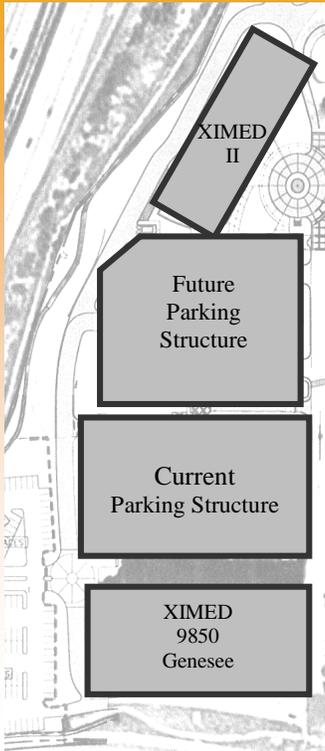
* Starts November 2007

XiMED
MEDICAL GROUP
 Exceptional doctors. Individual care.

9850 GENESEE AVENUE, Suite 900
 LA JOLLA, CA 92037
 Phone: 858-452-1279
 Fax: 858-587-1642
 VISIT OUR WEBSITE AT:
www.ximeddoctors.com

*Exceptional Doctors...
 Individual Care*

XiMED II - New parking structure and Office Building



The construction of the new parking structure is proceeding according to schedule with an expected completion date of May 2008. The new eight story building will be connected to the existing parking structure on the 1st and 5th floors. With the completion of the new structure, parking capacity will increase to over 2700 cars.

XiMED II continues to move through the process known as “City Planning”. Proposals from a variety of architects will be reviewed and a selection made by November 2007.

The new Medical Office building (MOB) will provide 85,000 sq feet of new physician offices. It is expected to be completed in the summer of 2010.

If you are interested in new office space, please make sure that a letter of interest is on file in the XiMED office. If you have any other questions, please call 858- 452-1279.

