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**West Contra Costa Healthcare District  
Doctors Medical Center  
Board of Directors**

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**Tuesday November 12<sup>th</sup> , 2013**

**6:15 PM**

**Doctors Medical Center  
Auditorium**

**2000 Vale Road**

**San Pablo, CA**



**WEST CONTRA COSTA HEALTHCARE DISTRICT  
DOCTORS MEDICAL CENTER**

**BOARD OF DIRECTORS**

**WCCHD DOCTORS MEDICAL CENTER  
BOARD OF DIRECTORS  
November 12, 2013 – 6:15 P.M.  
Doctors Medical Center - Auditorium  
2000 Vale Road  
San Pablo, CA 94806**

**Board Members**  
*Eric Zell, Chair  
Irma Anderson  
Deborah Campbell  
Nancy Casazza  
Beverly Wallace*

**AGENDA**

- |   |           |
|---|-----------|
| <b>1. CALL TO ORDER</b>   | E. Zell   |
| <b>2. ROLL CALL</b>   |           |
| <b>3. APPROVAL OF MINUTES OF NOVEMBER 4, 2013</b>   | E. Zell   |
| <b>4. PUBLIC COMMENTS</b><br><i>[At this time persons in the audience may speak on any items not on the agenda<br/>and any other matter within the jurisdiction of the of the Governing Body]</i> | E. Zell   |
| <b>5. DECLARATION OF FISCAL EMERGENCY</b>   | D. Gideon |
| a. Discussion   |           |
| b. Presentation   |           |
| c. Public Comment   |           |
| d. <i>ACTION: Approval of Resolution #2013-10</i>   |           |

**ADJOURN TO CLOSED SESSION**

- A. Reports of Medical Staff Audit and Quality Assurance Matters Pursuant to Health and Safety Code Section 32155.
- B. Conference with Labor Negotiators (pursuant to Government Code Section 554957.6) Agency negotiators: Bob Redlo, VP of Patient Relations, Labor Relations & Workforce Development, John Hardy, Vice President of Human Resources: California Nurses Association, NUHW, PEU Local One and Local 39.
- C. Discussion involving Trade Secrets Pursuant to Health and Safety Code Section 32106. Discussion will concern new programs, services, facilities.

**ANNOUNCEMENT OF REPORTABLE ACTION(S) TAKEN IN CLOSED SESSION, IF ANY.**

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**MINUTES**  
**NOVEMBER 4, 2013**

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**TAB 3**



**WCCHD DOCTORS MEDICAL CENTER  
BOARD OF DIRECTORS**

**November 4<sup>th</sup>, 2013, 4:30 P.M.  
Doctors Medical Center - Auditorium  
2000 Vale Road  
San Pablo, CA 94806**

**MINUTES**

**1. CALL TO ORDER**

The meeting was called to order at 4:34 P.M.

**2. ROLL CALL**

Quorum was established and roll was called:

Present:           *Eric Zell, Director*  
                          *Deborah Campbell, Director*  
                          *Beverly Wallace, Director*

Excused:           *Irma Anderson, Director*  
                          *Nancy Casazza, Director*

**3. APPROVAL OF MARCH 27, 2013 MINUTES**

*The motion made by Director Wallace and seconded by Director Campbell to approve the March 27, 2013 minutes passed unanimously.*

**4. PUBLIC COMMENTS**

There Were No Public Comments At The Time.

**5. APPROVAL OF THE LONG RANGE PROPERTY MANAGEMENT  
PLAN PROPOSAL RESOLUTION #2013-08**

Ms. Dawn Gideon, Interim President and Chief Executive Officer, presented the Long Range Property Management Plan Proposal Resolution #2013-08 to the WCCHD DMC Board of Directors. In doing so, she read the resolution that was included in the Board of Directors material, and highlighted that this resolution is intended to keep open the

option of DMC constructing a new hospital on the Circle S site on San Pablo Avenue. It in no way obligates that District to acquire the property, or to build a new hospital.

Mr. Eric Zell pointed out that this resolution allows us to be part of the negotiation and determination to what happens to the land.

Ms. Deborah Campbell wanted to make sure that the Board of Directors would be present when and if the negotiations are going to happen with the city of San Pablo.

***The motion made by Director Wallace and seconded by Director Zell to approve the Long Range Property Management Plan Proposal Resolution #2013-08 passed unanimously.***

**THE MEETING ADJOURNED TO CLOSED SESSION AT 4:45 PM**

**DECLARATION OF FISCAL  
EMERGENCY  
RESOLUTION # 2013-10**

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**TAB 5**

## **RESOLUTION NO. 2013-10**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WEST CONTRA COSTA HEALTHCARE DISTRICT DECLARING A FISCAL EMERGENCY**

#### **THE BOARD OF DIRECTORS OF WEST CONTRA COSTA HEALTHCARE DISTRICT RESOLVE AS FOLLOWS:**

##### **A. Recitals**

- (i) The West Contra Costa Healthcare District has responsibly and proactively managed its limited finances in order to operate Doctors Medical Center (DMC) despite a sustained reduction in patient volume, declining Medicare reimbursement revenue, and substantial loss of supplemental support from the State of California and local providers.
- (ii) Because of the high numbers of MediCal, Medicare and uninsured patients that DMC serves, its average reimbursement per patient per day is nearly 57 percent lower than the average for hospitals operating in the East Bay.
- (iii) DMC expects further declines in revenue in an amount to exceed 3.4 million dollars due to the budget sequestration and the impact of changes caused by the implementation of the Affordable Care Act.
- (iv) Over the past three years, DMC has experienced a 14 percent decline in operating revenue and a 22 percent decline in inpatient volume through the loss of commercially insured patients to privately owned area medical centers and other competing entities.
- (v) Since 2010, DMC has lost \$17 million in supplemental support from the State of California and area providers.
- (vi) DMC's employment related costs represent 83 percent of total hospital operating revenue compared to an average of 60 percent at other district hospitals in the Bay Area.
- (vii) Since 2010, DMC has taken significant steps to reduce its expenses. Operating expenses have been reduced by 6 percent and managerial staffing has been reduced by 19 percent while the costs of drugs and medical supplies has increased 5 to 8 percent and the total revenue, including patient care revenue and tax receipts, has declined by 16 percent.
- (viii) In 2011 the District obtained support from the community through a new parcel tax to partially replace lost funds and, in addition, borrowed \$40 million

to be used to cover operational deficits. However those funds have since been depleted.

- (ix) The District retained the Camden Group as an outside consultant to assist in finding a strategic partner with whom the hospital could either merge or affiliate in an effort to gain economies of scale and to develop a sustainable business model. Supplementing these efforts, the Governing Body and management have similarly pursued other area providers to seek a partner. However, as a result of these actions, only one potentially viable candidate has agreed to discussions, the University of California San Francisco, and any merger or affiliation would take at least a year to negotiate and implement.
- (x) The District has now determined that at the current rate of monthly operating losses, DMC will completely exhaust its existing funds by May 2014 and will be unable to keep the hospital or its emergency room open for the period long enough to finalize an agreement with a healthcare partner.
- (xi) The fiscal emergency is so severe that, if not relieved, DMC will be forced to cease operating the hospital and its emergency room.
- (xii) An independent study has concluded that the closure of the DMC emergency room would be catastrophic to the West Contra Costa County community that it serves and would result in overcrowding at other area hospitals, increased emergency room wait times, a shortage of emergency treatment facilities and intensive care units, the elimination of critical infrastructure to provide support in case of a disaster, increased costs to maintain EMS services, and the loss of the region's only accredited stroke program and program to treat severe heart attack patients.

## **B. Resolution**

**NOW, THEREFORE**, be it known that the Board of Directors of the West Contra Costa Healthcare District resolves as follows:

**Section 1.** Closure of Doctors Medical Center and its emergency room will create a substantial threat to the health, safety and welfare of the community it serves, the community of San Pablo and surrounding communities, and will cause serious harm to that community since Doctors Medical Center is its principal provider of emergency, acute care and other essential healthcare services.

**Section 2.** The Board of Directors finds and declares the existence of a fiscal emergency of grave character and serious moment relating to the continued operation of Doctors Medical Center and delivery of its essential healthcare services.

**Section 3.** The Board of Directors directs District management to investigate and recommend further actions necessary to mitigate the impacts of the fiscal emergency.

PASSED AND ADOPTED this \_\_\_\_\_, by the following votes:

**AYES:**  
**NOES:**  
**ABSENT:**  
**ABSTAIN:**