



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

Wednesday, December 18 2013

4:30 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
December 18, 2013 – 4:30 P.M.
Doctors Medical Center - Auditorium
2000 Vale Road
San Pablo, CA 94806**

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

AGENDA

1. **CALL TO ORDER** E. Zell
2. **ROLL CALL**
3. **APPROVAL OF MINUTES OF NOVEMBER 12, 2013** E. Zell
4. **PUBLIC COMMENTS** E. Zell
*[At this time persons in the audience may speak on any items not on the agenda
and any other matter within the jurisdiction of the Board of Directors]*
5. **APPOINTMENT OF PARCEL TAX OVERSIGHT COMMITTEE** E. Zell
 - a. Presentation
 - b. Discussion
 - c. Public Comment
 - d. *ACTION: Approval of Membership for Parcel Tax Oversight Committee*
6. **ELECTION OF OFFICERS** C. Coffey
 - a. Presentation
 - b. Discussion
 - c. Public Comment
 - d. *ACTION: Election of Officers to for the 2014 Term*

ADJOURNMENT

MINUTES
NOVEMBER 12, 2013

TAB 3



**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**

MINUTES

1. CALL TO ORDER

The meeting was called to order at 6:15 P.M.

2. ROLL CALL

Quorum was established and roll was called: 6:20 PM

Present: Eric Zell, Chair
Beverly Wallace
Irma Anderson
Nancy Casazza

Excused: Deborah Campbell

3. APPROVAL OF NOVEMBER 4, 2013 MINUTES

The motion made by Director Irma Anderson and seconded by Director Beverly Wallace to approve the November 4, 2013 minutes passed unanimously.

4. PUBLIC COMMENTS

No Public Comments

5. DECLARATION OF FISCAL EMERGENCY RESOLUTION # 2013-10

Ms. Dawn Gideon, Interim President and Chief Executive Officer, presented WCCHD DMC Board of Directors with the Declaration of Fiscal Emergency Resolution #2013-10:

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.

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.

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.

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.

Since 2010, DMC has lost \$17 million in supplemental support from the State of California and area providers.

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.

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.

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.

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.

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.

The fiscal emergency is so severe that, if not relieved, DMC will be forced to cease operating the hospital and its emergency room.

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.

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.

A motion made by Director Beverly Wallace and seconded by Director Irma Anderson to adopt Declaration of Fiscal Emergency Resolution #2013-10.

THE MEETING ADJOURNED TO CLOSED SESSION AT 6:35 PM

**APPOINTMENT OF
PARCEL TAX OVERSIGHT
COMMITTEE**

TAB 5

West Contra Costa Healthcare District Parcel Tax Citizens' Oversight Committee Charter

Background

Government Code §50075 declares the intent of the California Legislature to provide all districts with the authority to impose special taxes pursuant to Article XIII A of the California Constitution. Measures D and J were approved by more than two-thirds of the District's electorate and impose special taxes on all taxable parcels within the District. The measures provide that the West Contra Costs Healthcare District Board of Directors appoint a Citizens' Oversight Committee (the "Committee") to review and report on the expenditure of tax revenues.

Purpose

The purpose of the Committee is to ensure that proceeds of Measure D and Measure J are expended only for the purpose described in the measures: to ensure continued local access to emergency room care, acute hospital care, and other medical services for residents of the District and visitors to the area. The Committee shall monitor expenditures to ensure that funds are only used for capital improvements, debt repayment, and to defray operating expenses.

Duties

1. Review copies of the annual performance and financial audits performed in accordance with state law.
2. Inspect District facilities to ensure that tax revenues are being spent in accordance with state law.
3. Review any efforts by the District to maximize bond revenues by implementing cost-saving measures.
4. Prepare an annual written report to the West Contra Costa Healthcare District.

Committee Operations

The Committee shall be appointed by the West Contra Costa Healthcare District Board of Directors. The Committee shall determine its meeting schedules according to the flow of information to evaluate. Community decisions will be made by the majority vote of the members present. Fifty percent (50%) of the appointed Committee members will constitute a quorum for conducting a meeting. The Committee shall consist of up to seven (7) members. Each member will serve for a term of three (3) years without compensation, and for no more than six (6) consecutive years. Agendas and minutes of Committee meeting will be made available on the West Contra Costa Healthcare District Website.

SLATE OF CANDIDATES FOR PARCEL TAX OVERSIGHT COMMITTEE

Mr. Jeff Rubin, Pinole

William Van Dyk, DMD, San Pablo

Vern Whitmore, Richmond

Karen Pfeifer, El Cerrito