



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

Wednesday, May 07, 2014

5:00 PM

**Doctors Medical Center
Auditorium**

2000 Vale Road

San Pablo, CA



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

**GOVERNING BODY
BOARD OF DIRECTORS**

**WCCHD DOCTORS MEDICAL CENTER
GOVERNING BODY BOARD OF DIRECTORS
MAY 07, 2014 – 5:00 P.M.
Doctors Medical Center - Auditorium
2000 Vale Road
San Pablo, CA 94806**

**1128 Spring Street,
Elizabeth, NJ 07207
1-800-511-1465
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Governing Body Members

*Eric Zell, Chair
Supervisor John Gioia, Vice Chair
Irma Anderson
Wendel Brunner, M.D.
Deborah Campbell
Nancy Casazza
Sharon Drager, M.D.
Pat Godley
Richard Stern, M.D.
William Walker, M.D.
Beverly Wallace*

AGENDA

- | | |
|---|---------|
| 1. CALL TO ORDER | E. Zell |
| 2. ROLL CALL | |
| 3. APPROVAL OF MINUTES OF MARCH 26, 2014 | 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 of the Governing Body]

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.

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



MINUTES

TAB 3



**WCCHD DOCTORS MEDICAL CENTER
GOVERNING BODY BOARD OF DIRECTORS**

**March 26, 2014
Doctors Medical Center - Auditorium
2000 Vale Road
San Pablo, CA 94806**

MINUTES

1. CALL TO ORDER

The meeting was called to order at 4:40 P.M.

2. ROLL CALL

Quorum was established and roll was called: 4:41 PM

Present: Eric Zell, Chair
Supervisor John Gioia, Vice Chair
Deborah Campbell
Irma Anderson
Sharon Drager, M.D.
Nancy Casazza
Richard Stern, M.D.
Beverly Wallace
William Walker, M.D

Excused: Pat Godley
Wendell Brunner, M.D.

3. APPROVAL OF MARCH 26 , 2014 MINUTES

The motion made by Director Beverly Wallace and seconded by Supervisor John Gioia to approve the March 26, 2014 minutes passed unanimously.

4. PUBLIC COMMENTS

Adrian Reid, R.N. expressed concern regarding her benefits coverage and potential changes to employee co-pay amounts.

Dianne Barnes, Pharmacist alerted the Governing Body that NUHW is planning an informational picket for the week of April 2nd unless the hospital will come to agreement on the new union contracts.

C- Young Choo, R.N., ICU expressed her frustrations with the ongoing union contract negotiations.

Sibyl Neal Anderson, R.N. reported that this is the third time for a parcel tax to save this hospital and she would like to see some community accountability from the board members.

5. **QUALITY MANAGEMENT REPORT**

Ms. Rebecca Nissila, Director of Quality Management and Medical Staff, presented the Quality Report, and started by providing Core Measures. All measures are 100% compliant except the Statin prescribed at discharge, which was at 92.3%. The action plan for improvement to this measure includes education for the physicians to be provided by the quality department. All other measure were reported at 100% compliance.

Ms. Nissila discussed the opportunities for improvement in giving antibiotics within one hour of surgery start time and discontinued within 24 hours of surgery end time. The corrective action process will be to review the surgical antibiotics process with directors, unit supervisors, pharmacy, clinical IT and quality departments.

A motion made by Sharon Drager, M.D. and seconded by Richard Stern, M.D. to approve the March 2014 Quality Management Report passed unanimously.

6. **PATIENT SATISFACTION PRESENTATION & RESOLUTION: EMPLOYEE RECOGNITION**

Mr. Bob Redlo, VP Patient Relations, Labor Relation and Workforce Development, presented Brian Lawson with the Employee Recognition for the 4th quarter. In doing so, he read the resolution that was included in the Governing Body materials:

WHEREAS Brian Lawson has demonstrated commitment to the mission, vision and values of Doctors Medical Center and has been recognized for outstanding service and dedication by patients, employees and physicians;

WHEREAS Brian has voluntarily co-lead the annual Relay for Life and participated in the Komen Walk on behalf of Doctors Medical Center;

WHEREAS, Brian became a Board Certified Specialist in Oncology Nutrition (CSO) to serve as Doctors Medical Centers' in-house expert for nutrition of cancer patients;

WHEREAS, Brian Lawson has contributed to the learning and growth of his department through leadership and exemplification of professional service behaviors and has continued to support Doctors Medical Center throughout both good times and challenges;

NOW, THEREFORE, BE IT RESOLVED that the West Contra Costa Healthcare District Board of Directors Governing Body recognizes and thanks Brian Lawson for his dedication to the community, this hospital and the many patients we serve.

PASSED AND ADOPTED by the Governing Body Board of Directors of the West Contra Costa Healthcare District on this 26th day of March, 2014, by the following vote:

A motion was made by Director Irma Anderson and seconded by Director Deborah Campbell to adopt Employee Recognition Resolution No. 2014-4 passed unanimously.

7. FINANCIALS- FEBRUARY 2014

Mr. James Boatman, CFO, presented and sought acceptance of the February 2014 Financials. Doctors Medical Center had a net loss of \$2,757,000 for the month of February, which was \$975,000 worse than budget. The following are the factors leading to the net income variance for the month;

Net patient revenue was under budget by \$1,543,000. Inpatient and outpatient volumes combined missed targets by 7%. Patient days and discharges were under budget by 4.2% and 15.4% respectively. Outpatient surgery volumes were under budget by 30%.

In February, regular Medicare and Medicare HMO combined was \$693,000 under budget. Regular Medicare patient days were 10% lower than budget and the outpatient reimbursement rate was 32% lower than expected resulting in a \$723,000 shortfall in regular Medicare

Mr. Boatman reported salaries and benefits combined were under budget by \$294,000 due primarily to continued staff flexing particularly in nursing in response to reduced inpatient and outpatient volume. Professional Fees and Supplies were \$137,000 and \$268,000 under budget, respectively, also as a result of reduced patient volume. Outpatient Surgeries missed the target by 30% while inpatient surgeries were under by 15%. Purchased services exceeded budget by \$138,000 primarily due to additional bad debt collection costs which was offset by increased cash collections on claims greater than 150 days old.

A motion made by Director Beverly Wallace and seconded by Sharon Drager, M.D. to accept the February 2014 Financial report passed unanimously

8. BUDGET PRESENTATION

Mr. James Boatman presented and sought acceptance of the second quarter 2014 Budget. The goals of the 2014 budget are to improve current operational performance, reflect rapidly changing healthcare events and prepare DMC for future changes to our patient delivery system. Due to the extreme fiscal crisis that the hospital currently faces, we are only seeking acceptance of a budget for the second quarter of the year. He reviewed the 2nd quarter budget as presented in the materials, reflecting a loss of \$9.394 million, and provided an overview of the primary drivers of the changes in both revenue and expense.

A motion was made by Supervisor John Gioia and seconded by Director Irma Anderson to approval of the Second Quarter 2014 budget report as submitted passed unanimously.

9. CONTINGENCY CLOSURE PLAN/ FISCAL CRISIS

Ms. Dawn Gideon, Interim President and CEO reported on the ongoing financial crisis and potential closure the year. For DMC to remain open through 2014, several things need to happen: First, we need to ensure that we have enough liquidity to support operations until May and the parcel tax vote. The management team is very tightly managing expenses and also seeking sources of outside support.

Second, the parcel tax needs to be approved by 2/3 vote in order to pass.

Third, if and when the parcel tax be approved, the first payment will not occur until December. Therefore we will need further operating support to get us to December and the first tax installment, and that cash amount is estimated at \$14 million. Measure C will provide \$20 million dollars a year, and approximately 60% of the payment would come in December with balance in March of each year. The payment on the parking easement in June must be approved through the San Pablo zoning review first, once the lease payment comes in that cash would cover part of the \$14 million operating gap until December. Additional support will be needed. As we work to achieve each of these goals, we also need to prepare in the event of failure.

Ms. Gideon provided an overview for approximate dates for the closure planning; the Board of Directors will need to hold a meeting and vote for closure shortly after May 6. An official closure notification will be sent to all employees, physicians and other stakeholders. The last day for outpatient services and for elective admissions would be in mid-July, the closure of the emergency department shortly thereafter, and the closure of the entire hospital by the end of July. The management team has put together a draft closure plan; we address issues regarding patient communication, patient redistribution, human resources, regulatory, physical plant and other issues that need to be addressed in the event of closure.

Ms. Gideon noted that she and Dr. Walker coordinated a meeting for April 14th to meet with the leadership of East Bay hospitals, EMS, Hospital Council and LifeLong.

Director Deborah Campbell asked if we have asked other districts hospitals for funding support. Ms. Gideon and Colin Coffey reported that other Healthcare Districts are not in a position, either financially or legally, to provide us with funding.

Dr. Sharon Drager urged collaboration and a unified voice in support of keeping this hospital open. Should DMC close, this community will lose not only the hospital, but many of the physicians as well.

Supervisor John Gioia stated that having this hospital is an insurance policy for the community, and the struggles that DMC faces is also the clear example of the problems faced by many hospitals across the county. We also need to understand that it's not just about getting close to our financial gap, it needs to be closed all the way in order for us to find any partner in the near future.

Dr. Walker wanted to point out that if the parcel tax doesn't pass and the hospital closes it will be a public health emergency for this community. Unfortunately it will cost people their lives and jobs.

Chair Eric Zell reported that the Governing Body, management, medical staff and employees have done everything humanly possible to keep this hospital open and wants the information that Dawn has provided today to be available for the public as well so that everyone is aware of the financial situation DMC is in and that the hospital will close if the parcel tax doesn't pass. It was this community that opened this hospital and it will take the community to keep it open.

A motion made by Supervisor John Gioia and seconded by Director Nancy Casazza to approve the Contingency Closure Plan in the Event of Failure of Parcel Tax Measure passed with one abstention.

10. CEO REPORT

Ms. Gideon referred to her report of the review of contingency closure plan and fiscal crisis of DMC.

11. MEDICAL EXECUTIVE REPORT

Dr. Richard Stern presented and sought approval of the Medical Executive Committee and Credentials Committee report of the Medical Staff. Dr Stern asked for the approval of the new Honorarium Policy for the medical education committee.

A motion made by William Walker, M.D. and seconded by Sharon Drager, M.D. to approve the MEC report and 2014 Credentials Committee report, as submitted passed unanimously.

THE MEETING ADJOURNED AT 6:15 PM