DOCTORS
MEDICAL CENTER

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

Wednesday, April 24th, 2013
4:30 PM
Doctors Medical Center Auditorium
2000 Vale Road
San Pablo, CA

DOCTORS
MEDICAL CENTER

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER

GOVERNING BODY
BOARD OF DIRECTORS

WCCHD DOCTORS MEDICAL CENTER
GOVERNING BODY BOARD OF DIRECTORS
APRIL 24TH, 2013 – 4:30 P.M.
Doctors Medical Center - Auditorium
2000 Vale Road
San Pablo, CA 94806

AGENDA

1. **CALL TO ORDER** — E. Zell

2. **ROLL CALL**

3. **APPROVAL OF MINUTES OF MARCH 27, 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 Governing Body]

5. **RESOLUTION: EMPLOYEE RECOGNITION** — D. Gideon
   a. Discussion
   b. Presentation
   c. Public Comment
   d. *ACTION: Adoption of Resolution No. 2013-06*

6. **FINANCIALS – MARCH 2013** J. Boatman
   a. Presentation
   b. Discussion
   c. Public Comment
   d. *ACTION: Acceptance of the March 2013 Financials*

7. **FISCAL YEAR 2012 AUDIT** J. Boatman
   a. Presentation J. Tucker, TCA Partner
   b. Discussion
   c. Public Comment
   d. *ACTION: Acceptance of the Fiscal Year 2012 Audit*

8. **QUALITY MANAGEMENT REPORT** B. Ellerston
   a. Presentation
   b. Discussion
   c. Public Comment
   d. *ACTION: Acceptance of the March 2013 Quality Management Report*

9. **CEO REPORT** D. Gideon
   a. Presentation
   b. Discussion
   c. Public Comment
   d. *ACTION: For Information Only*

10. **MEDICAL EXECUTIVE REPORT** L. Hodgson, M.D.
   a. Presentation
   b. Discussion
   c. Public Comment
   d. *ACTION: For Information Only*

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.

DOCTORS
MEDICAL CENTER

MINUTES
March 27, 2013

TAB 3

DOCTORS
MEDICAL CENTER

WCCHD DOCTORS MEDICAL CENTER
GOVERNING BODY BOARD OF DIRECTORS

March 27, 2013, 5:00 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 5:05 P.M.

2. ROLL CALL

Quorum was established and roll was called: 5:00 PM

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

3. APPROVAL OF FEBRUARY 27, 2013 MINUTES

The motion made by Supervisor Gioia and seconded by Sharon Drager, M.D. to approve the February 27, 2013 minutes passed unanimously.

4. **PUBLIC COMMENTS**

Ms. Sandra Falk, a retired employee and Local One leader addressed the Governing Body and thanked them for their ongoing work on behalf of Doctors Medical Center. She also introduced Scott Brown as the new representative for the Local One union for the District.

Mr. Scott Brown thanked the Governing Body for the opportunity to address them, and stated that he is very proud to represent the members of this hospital especially during the hard financial times. Local One is as dedicated to the mission of this hospital but also to the community around DMC.

Ms. Sharon Sanders informed the Governing Body that she has been harassed by the management of the hospital and asked that they intervene on her behalf to stop the harassment.

5. **FINANCIALS –FEBRUARY 2013**.

Mr. James Boatman, CFO, presented and sought acceptance of the February 2013 Financials. Doctors Medical Center had a Net Loss of $1,132,000 for the month of February. As a result, net income was under budget by $527,000.

Mr. Boatman reported that net patient revenue was under budget by $301,000. Overall, inpatient gross charges were over budget by 5.3% while patient days were 4.5% under budget with discharges on target. Total outpatient volume was 3.7% under budget but ED and surgeries volumes were favorable by 0.9% and 6.4% respectively.

Mr. Boatman pointed out that the managed care, commercial and PPO outpatient rate mix ended the month negative compared to the rate mix budgeted in February which combined for a revenue shortfall of $293,000. He also reported that supplies were over budget by $207,000 due to higher utilization of pacemakers and implants related to surgical volume. Purchased Services were over budget by $89,000 with the increased volume in the areas of dialysis, MRI and P.E.T. Other Operating Expenses were $43,000 under budget in February with savings in the areas of travel and outside training.

Mr. Boatman pointed out that the Accounts Receivable project had key metric improvement, a $5.6 million reduction in the Follow-up WIP since the project started. Also a $5.9 million reduction in the Billing WIP and an improvement from 59% to 86% of Quality improvement from standard. The Productivity improvement changed from 687 account touches per week to 1,206.

A motion was made by Supervisor Gioia and seconded by Director Campbell to accept the February 2013 Financial report passed unanimously.

6. **QUALITY MANAGEMENT REPORT-FEBRUARY 2013**

Ms. Bobbie Ellerston, Chief Nursing Officer presented and sought acceptance of the February 2013 Quality Management Report. There were 2,288 total risk events, 1,073 of these were medication events and no trends identified except a positive trend in overrides. Other highlights of her report included:

- Restraint use: For the reporting period of June 2012 through January 2013, reporting on indicators for patients placed in restraints have a 94% compliance rate for patients placed in restraints for behavioral health reasons, and a 83% compliance rate for those placed in restraints for medical reasons.
- STEMI: In the 4th quarter of 2012, 11 patients arrived by EMS with mean door to balloon time of 55.38 minutes, the national and state-wide goal is 90 minutes or less. We also had no STEMI related mortality in the 4th quarter.
- Hyperbaric Oxygen Program: The HBO had a total of 480 treatments on 23 patients in the 4th quarter of 2012. Complications included four patients with minor claustrophobia, two with major claustrophobia, and one minor barotraumas. The outcomes include 8 improving, 14 healed and 1 complete.

Ms. Ellerston updated everyone that Information Systems had the IT Disaster Recovery plan reviewed and updated and will continue every 6 month or when significant technology updates is required. The Joint Commission corrections have been maid; Outpatient areas are using the Paragon Medication Reconciliation Fall Risk assessment developed in Paragon. The pain assessment policy has been revised. The "Informed Consent" process has been revised to ensure that patients unable to provide their consent at time of admission are provided that opportunity at the earliest possible time during their admission.

A motion was made by Supervisor Gioia and second by Director Campbell to approve the February 2013 Quality Management Report passed unanimously.

7. REVIEW OF WCCHD SUCCESSOR RETIREMENT PLAN

Mr. James Boatman presented a review of WCCHD "Successor Retirement" plan. This report addressed actuarial valuation of the West Contra Costa Healthcare District Successor Retirement Plan for purposes of GASB Statements 25 and 27. This is the retirement plan that was frozen on or about 1997. There were no questions from the Governing Body or the public, and the information was presented for information purposes only.

8. CEO REPORT

Ms. Dawn Gideon, Interim president and Chief Executive Officer reported that we continue to implement expense reductions as discussed at the prior meeting, and will present the most current budget report on the next Governing Body Board meeting

Ms. Gideon would also announced that at the next meeting of the Governing Body, we will recognize employees that have dedicated themselves to DMC for over 40 years. We would like to recognize and introduce the employees to the board members at the next meeting on Wednesday, April 24th 2013. The reception will be held at 3:45PM. We will have the employee's managers present and acknowledge their years of services to the board members.

9. 403 (b) PENSION PLAN FREEZE, CREATION OF 401 (a) PLAN

Mr. Jim Boatman reported that at one time DMC had an Internal Revenue Service "dual status" as both a 501(c)3 corporation, and as a public entity. The 501(c)3 designation allowed us to offer to our employees a 403(b) pension option – only corporations with this non-profit

designation can provide 403(b) plan options. In 2011 DMC received a notice that the IRS was revoking our 501(c)3 status, making participation in a 403(b) plan prohibited. While we have been working since that time to reinstate the dual designation, it does not appear that the IRS will be acting on our request in a timely fashion, and it is not their current policy to provide for such dual-designation. Organizations are either not-for-profit organization or they are public entities, but not both. Therefore the hospital's pension plan counsel has advised that we should freeze the 403(b) plan and replace it with our existing 457 plan and a new 401(a) plan. Mr. Boatman explained how the new plan will work, and that Lincoln Financial will be in the DMC cafeteria daily for the next month in order to help guide employees through the changes.

Mr. Zell and Ms. Gideon both pointed out that this action is necessary to be in compliance with IRS regulation, and to preserve the tax-exempt nature of the employee's and the hospital's contributions to the plan. In response to a question from Dr. Drager, Mr. Boatman reported that the hospital contribution to the retirement program will not change in amount, but in the future will go to the new 401(a) plan rather than into the existing plan.

The motion was made by Director Wallace and seconded by Director Campbell to adopt Resolution NO. 2013-04 passed unanimously.

10. RESOLUTION: NATIONAL DOCTORS DAY

Ms. Dawn Gideon reported that March 30 is National Doctors Day, and in recognition of this event, she proposed a resolution for the Governing Body's consideration. She reported that there are more than 200 dedicated physicians practicing at Doctors Medical Center, providing essential and often life saving care to the more than 250,000 residents of West Contra Costa Healthcare District. DMC's medical staff members not only provide care to patients, but also participate in and support community activities throughout the District. She further announced that DMC will have an official Doctors recognition day on March 25th, 2013 with a lunch buffet in the Medical Staff lounge. The Governing Body thanked the medical staff for their tireless dedication to the patient of the District.

The motion was made by Director Wallace and seconded by Director Campbell to adopt Resolution NO. 2013-05 passed unanimously.

11. MEDICAL EXECUTIVE REPORT

Dr. Laurel Hodgson presented the Medical Executive Committee report and highlighted the new Post Operative Joint Care protocol, the Food/Drug Interaction protocol, the revised Electrolyte Replacement Order Set and the Vasoactive Infusion Medication protocol. Her report was for information purposes only as there were no items requiring Governing Body action.

THE MEETING ADJOURNED TO CLOSED SESSION AT 6:15 PM

DOCTORS
MEDICAL CENTER

Resolution No. 2013-06
Employee Recognition

TAB 5

WEST CONTRA COSTA HEALTHCARE DISTRICT

RESOLUTION NO. 2013-06

RESOLUTION EMPLOYEE RECOGNITION

WHEREAS 26 staff members at Doctors Medical Center have been employed with the hospital for at least 40 years;

WHEREAS these faithful employees have dedicated their careers to Doctors Medical Center, our patients, and the surrounding community;

WHEREAS, these employees have helped ensure medical services are available locally when residents of this community need care most of all;

WHEREAS these individuals work throughout the hospital, in services that include direct patient care, accounting, medical records, and the pharmacy, all to provide a seamless experience for our patients and their loved ones;

WHEREAS, throughout both good times and challenges, these employees have continued to support Doctors Medical Center;

WHEREAS the tenure and commitment of these individuals are an important reason why Doctors Medical Center is a true "community hospital;"

NOW, THEREFORE, BE IT RESOLVED that the West Contra Costa Healthcare District Board of Directors Governing Body recognizes and thanks these employees for their long-time 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 24th day of April, 2013, by the following vote:

AYES:

NO:

ABSTAIN:

_____

Eric Zell, Chair of Board of Directors

_____

Nancy Casazza, Secretary of Board of Directors

DOCTORS
MEDICAL CENTER

FINANCIALS
March 2013

TAB 6

Board Presentation

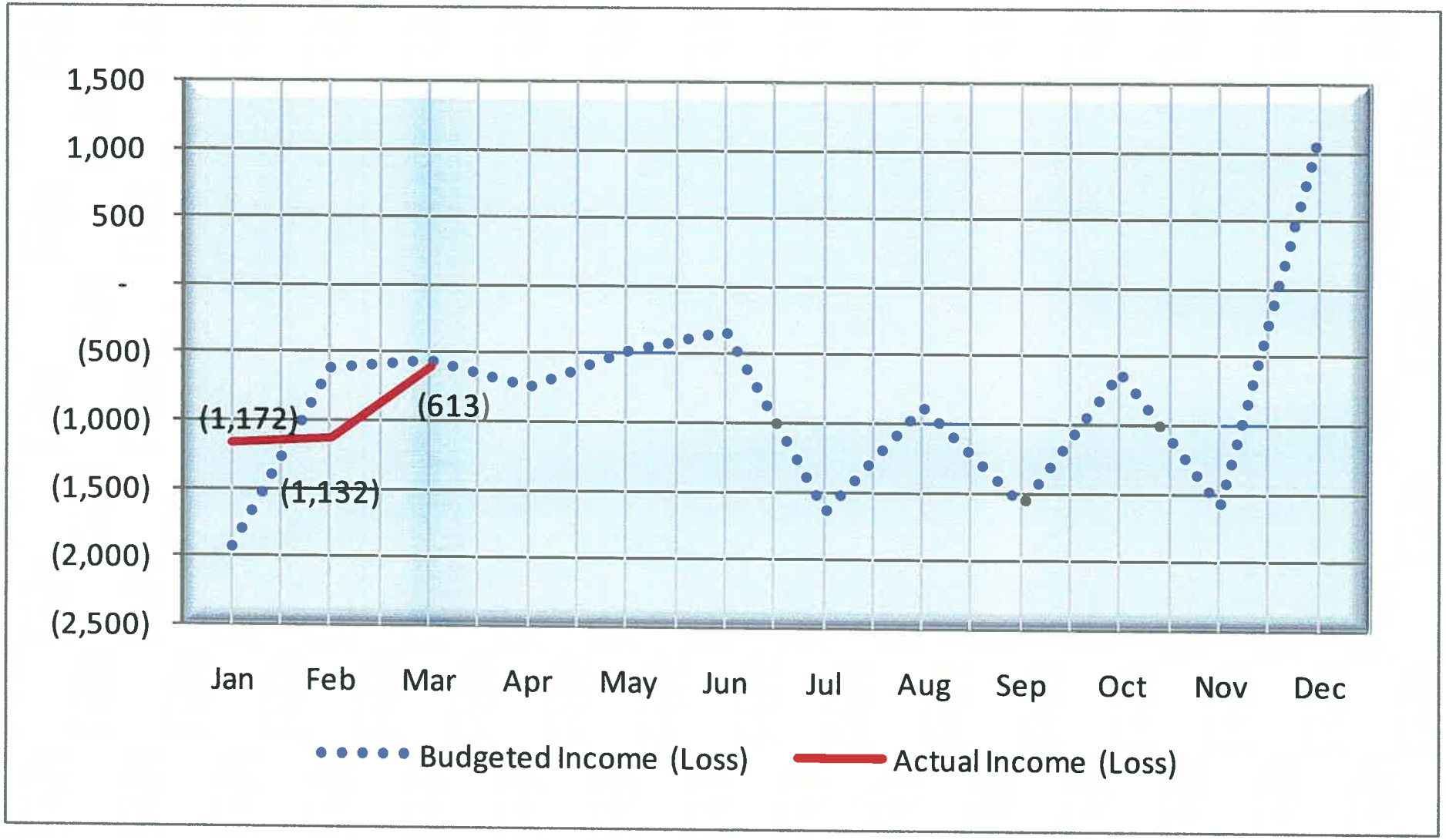
March 2013

Financial Report

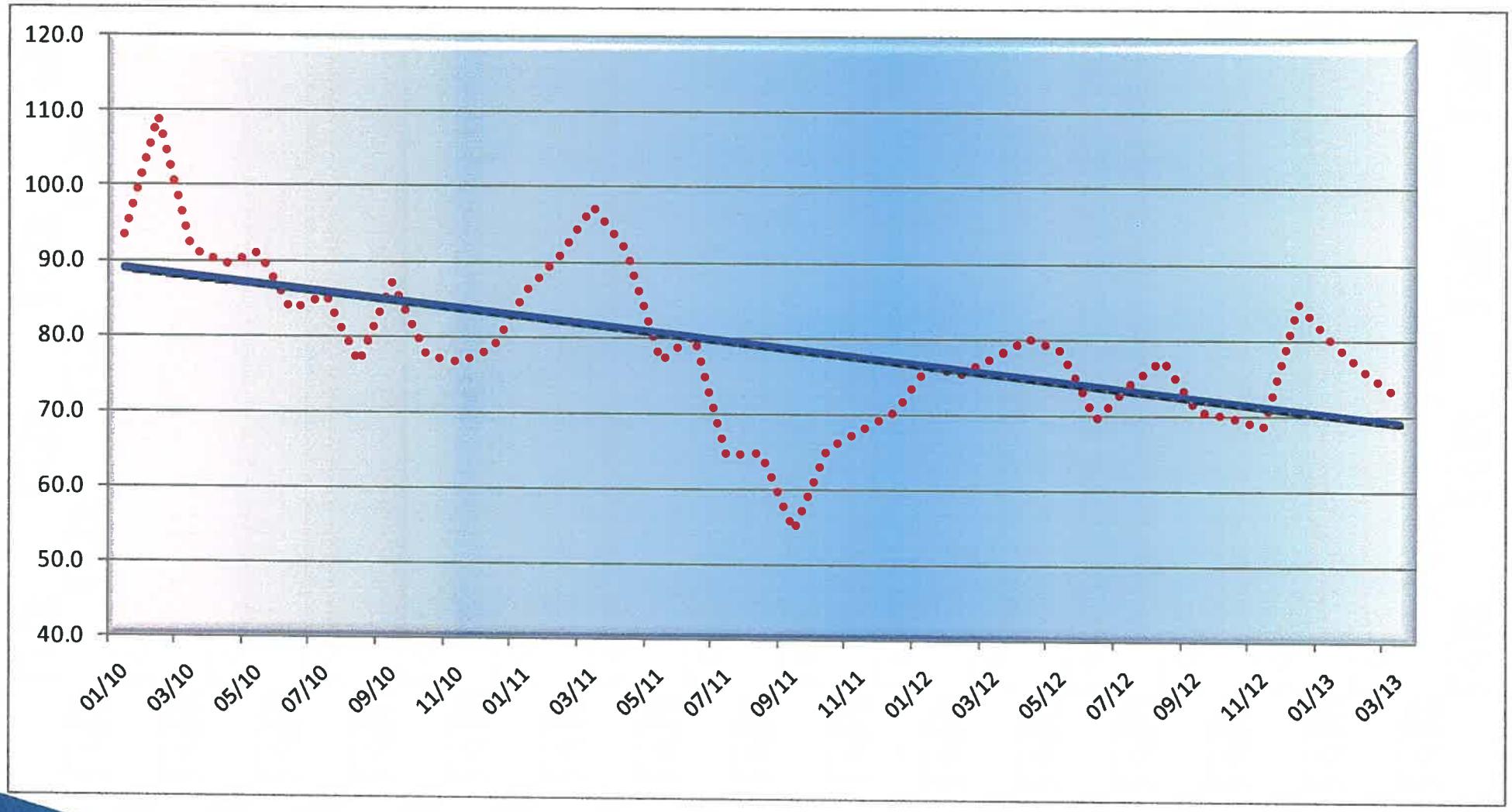
Financial Report Key Points

- Net loss was $613K in March, over budget by $47K.
- Net patient revenue was $1.3M under budget.
- Operating expenses were $1.2M under budget.

Year-to-Date Income



Average Daily Census
01/10 thru 03/13



Statement of Activity - Summary

For the Period Ending

March 31, 2013

(Thousands)

Month to Date				Year to Date		
Actual	Budget	Var		Actual	Budget	Var
9,818	11,103	(1,285)	**Net Operating Revenues $**	31,054	31,880	(826)
11,176	12,409	1,233	**Total Operating Expenses $**	36,233	37,199	966
(1,358)	(1,306)	(52)	**Income/(Loss) from Operations $**	(5,179)	(5,319)	140
745	741	4	**Income from Other Sources $**	2,262	2,223	39
(613)	(566)	(47)	**Net Income / (Loss) $**	(2,917)	(3,096)	179

2,243	2,407	(164)	**Patient Days**	6,839	7,006	(167)
491	541	(50)	**Discharges**	1,523	1,494	29
6,219	6,274	(55)	**Outpatient Visits**	18,857	19,189	(332)
598	663	65	**Worked FTE's**	608	634	26
1.70	1.55	0.14	**Medicare CMI**	1.60	1.55	0.05

Budget Variances – Net Revenue

- Commercial / PPO /HMO – ($1,160K)
- Medi-Cal / Medi-Cal HMO – ($ 327K)
- Medicare / Medicare HMO – $ 168K

Budget Variances – Expenses

- **Salaries & Benefits** $1.2M – Effective flexing primarily in nursing staff and higher medical benefits costs offset by health insurance stop loss payment.
- **Professional Fees** ($42K) – Unbudgeted temporary surgical management staffing.
- **Supplies** $90K – Lower utilization of pacemakers.
- **Purchased Services** ($142K) – Unbudgeted cost savings project and research costs.

Cash Position

March 31, 2013

(Thousands)

	March 31, 2013	December 31, 2012
Unrestricted Cash	$3,283	$5,059
Restricted Cash	$10,441	$11,612
Total Cash	$13,724	$16,671
Days Unrestricted Cash	9	11
Days Restricted	31	27
Total Days of Cash	40	39

California Benchmark Average	34
Top 25%	82
Top 10%	183

Accounts Receivable

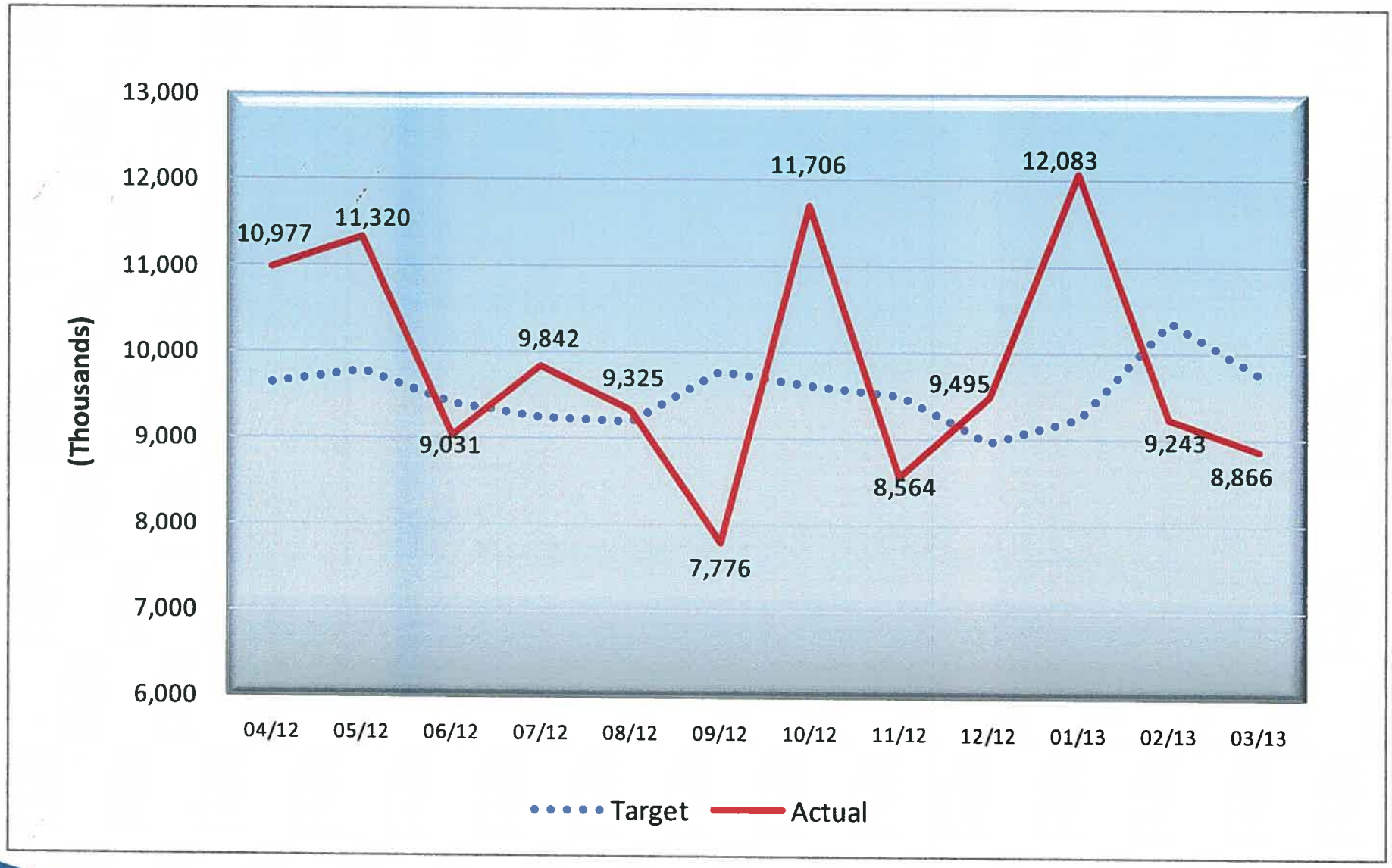
March 31, 2013

(Thousands)

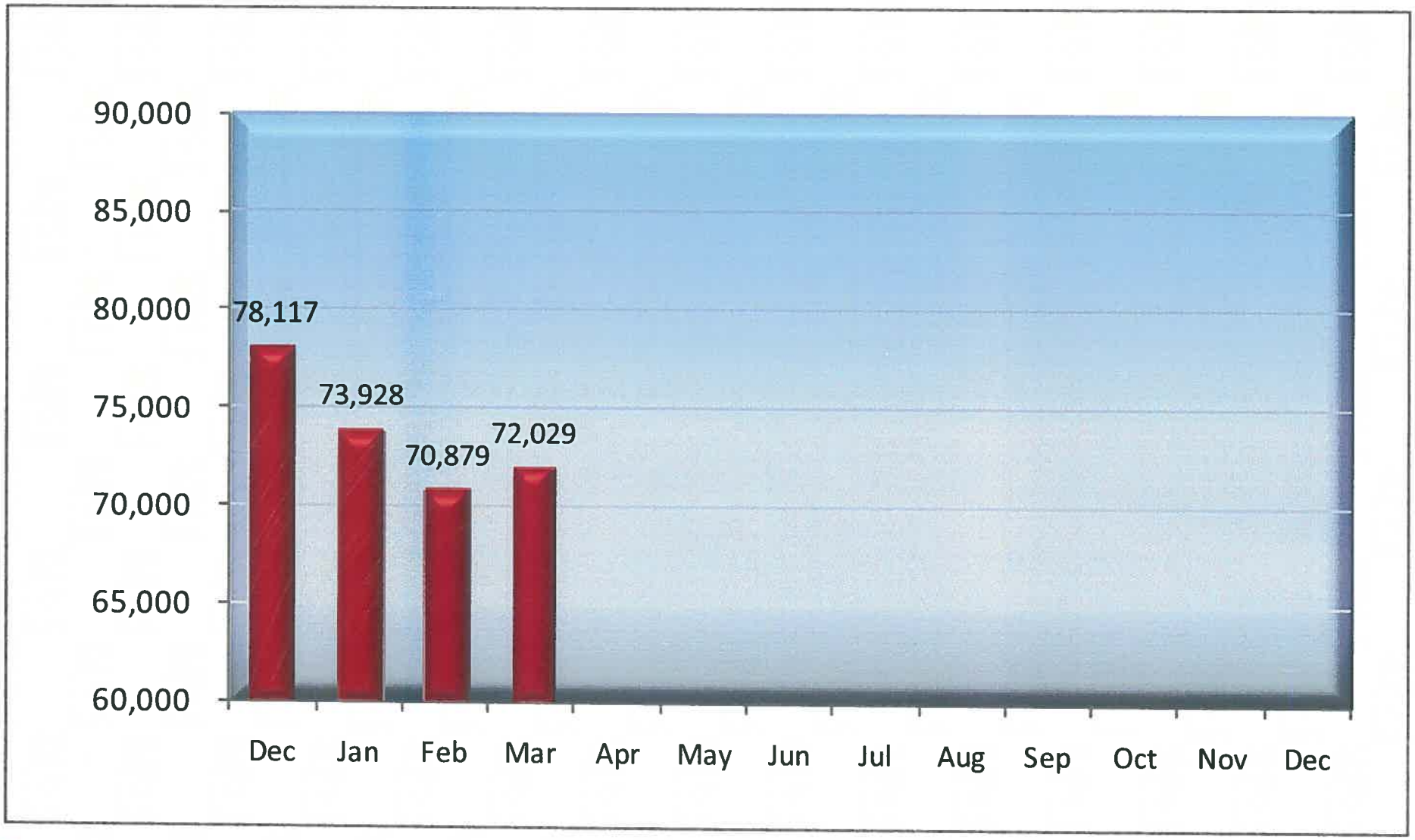
	March 31, 2013	December 31, 2012
Net Patient Accounts Receivable	$28,825	$31,007
Net Days in Accounts Receivable	90.9	92.6

California Benchmark Average	65.7 days
Top 25%	45.2 days
Top 10%	35.5 days

Cash Collections



Accounts Receivable

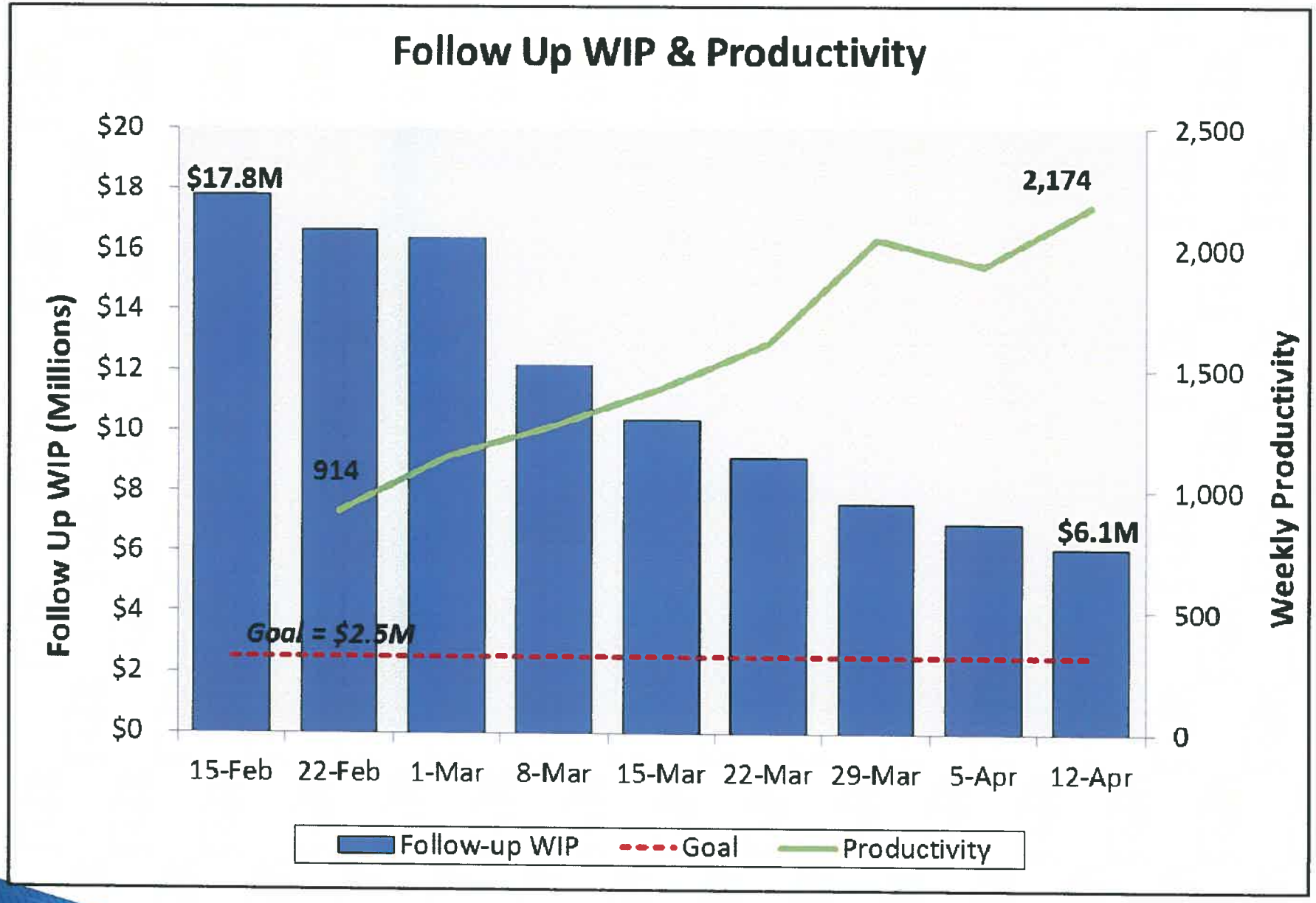


Project Status – Tool Implementations

- Previously Completed
  - Follow-up Management (STAT): 2/13
  - PFS Billing WIP Management (QUIC): 2/20
  - Verification/Authorization Management (ONTRAC): 3/6
- Additional Implementations
  - Transaction Code (Write-offs, Cash) Reporting: 3/6
  - Coding – Initial Coding and Billhold Management (QUIC): 3/21
  - Denials Reporting: 3/27
    - Addition of Manual Denials Posting: 4/15
  - Case Management Appeals and Billhold Management (QUIC): 4/3

Project Successes

- A/R Management/Reduction (Project Period)
  - Reduction in Billing WIP from $12.5M to $5.7M (54%)
  - Reduction in Follow-up WIP from $17.8M to $6.1M (65%)
- Staff Performance Improvement
  - Increase in Productivity from 914 to 2174 (137%)
  - "Wow, what an improvement! Great usability and feels like a cleansing process!" - DMC Staff Member


Follow Up WIP & Productivity
Follow Up WIP (Millions)
Weekly Productivity
$20
$18
$16
$14
$12
$10
$8
$6
$4
$2
$0
2,500
2,000
1,500
1,000
500
0
$17.8M
914
2,174
$6.1M
Goal = $2.5M
15-Feb
22-Feb
1-Mar
8-Mar
15-Mar
22-Mar
29-Mar
5-Apr
12-Apr
Follow-up WIP
Goal
Productivity

Remaining Key Initiatives

- Complete ramp-up of quality and productivity expectations management with staff
- Continue efforts to reduce Billing and Follow-up WIP
- Review low dollar A/R solution
- Continue transition to DMC leadership (system management, reporting usage)
- Ongoing review of existing processes and A/R for additional cash-driving opportunities

Year-to-Date	Percent	# Of Accts	Gross Charges
Approved	20.60%	166	$13,380,180
Cancelled	62.30%	501	$31,093,715
Active	17.00%	137	$8,869,227

DHR Success Rate

84.70%

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
INCOME STATEMENT
March 31, 2013
(Amounts in Thousands)

CURRENT PERIOD				PRIOR YEAR		CURRENT YTD				PRIOR YEAR
ACTUAL	BUDGET	VAR	VAR %	ACTUAL		ACTUAL	BUDGET	VAR	VAR %	ACTUAL
					OPERATING REVENUE					
9,725	10,973	(1,248)	-11.4%	10,667	Net Patient Service Revenue	30,777	31,491	(714)	-2.3%	29,433
93	130	(37)	-28.4%	1,132	Other Revenue	277	389	(112)	-28.9%	1,276
9,818	11,103	(1,285)	-11.6%	11,799	**Total Operating Revenue**	31,054	31,880	(826)	-2.6%	30,709
					OPERATING EXPENSES					
4,899	5,381	482	9.0%	5,404	Salaries & Wages	14,953	15,634	681	4.4%	15,669
1,871	2,598	727	28.0%	2,835	Employee Benefits	7,880	8,423	543	6.4%	8,158
1,065	1,023	(42)	-4.1%	1,012	Professional Fees	3,120	3,028	(92)	-3.0%	2,729
1,321	1,411	90	6.4%	1,535	Supplies	4,214	4,095	(119)	-2.9%	4,359
984	890	(94)	-10.6%	570	Purchased Services	2,918	2,699	(219)	-8.1%	2,202
274	281	7	2.5%	200	Rentals & Leases	884	893	9	1.0%	706
413	448	35	7.8%	420	Depreciation & Amortization	1,245	1,299	54	4.1%	1,154
349	377	28	7.5%	305	Other Operating Expenses	1,019	1,129	110	9.7%	899
11,176	12,409	1,233	9.9%	12,281	**Total Operating Expenses**	36,233	37,199	966	2.6%	35,876
(1,358)	(1,306)	(52)	3.9%	(482)	**Operating Profit / Loss**	(5,179)	(5,319)	140	-2.6%	(5,167)
					NON-OPERATING REVENUES (EXPENSES)					
-	-	-	0.0%	-	Other Non-Operating Revenue	-	-	-	0.0%	-
1,123	1,136	(13)	1.1%	708	District Tax Revenue	3,369	3,408	(39)	1.1%	2,124
10	2	8	370.8%	3	Investment Income	79	8	71	849.7%	8
(388)	(397)	9	0.0%	(166)	Less: Interest Expense	(1,186)	(1,193)	7	-0.6%	(518)
745	741	4	0.6%	545	**Total Net Non-Operating**	2,262	2,223	39	1.7%	1,614
(613)	(566)	(47)	8.4%	63	**Income Profit (Loss)**	(2,917)	(3,096)	179	-6%	(3,553)
					Profitability Ratios:					
-13.8%	-11.8%	4.0%		-4.1%	Operating Margin %	-16.7%	-16.7%	-17.0%		-16.8%
-6.2%	-5.1%	-1.1%		0.5%	Profit Margin %	-9.4%	-9.7%	0.3%		-11.6%

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
INCOME STATEMENT
March 31, 2013
(Amounts in Thousands)

CURRENT PERIOD				PRIOR YEAR		CURRENT YTD				PRIOR YEAR
ACTUAL	BUDGET	VAR	VAR %	ACTUAL		ACTUAL	BUDGET	VAR	VAR %	ACTUAL
1,942	2,148	206	9.6%	2,201	SWB / APD	2,193	2,174	(19)	-0.9%	2,197
60.6%	64.3%	98.0%		67.1%	SWB / Total Operating Expenses	63.0%	64.7%			66.4%
3,205	3,340	135	4.0%	3,281	Total Operating Expenses / APD	3,479	3,361	(118)	-3.5%	3,308
35,751	39,593	(3,842)	-9.7%	35,320	I/P Gross Charges	111,342	111,358	(16)	0.0%	104,704
19,826	21,519	(1,693)	-7.9%	19,513	O/P Gross Charges	58,202	64,547	(6,345)	-9.8%	58,404
55,577	**61,112**	**(5,535)**	**-9.1%**	**54,833**	**Total Gross Charges**	**169,544**	**175,905**	**(6,361)**	**-3.6%**	**163,108**
					Payor Mix (IP and OP)					
44%	41%	3%		42%	Medicare %	45%	41%	4%		42%
3%	5%	-2%		4%	Medi-Cal %	3%	5%	-2%		4%
0%	13%	-13%		14%	Managed Care HMO / PPO %	12%	13%	-1%		14%
12%	11%	1%		12%	Medicare HMO %	11%	11%	1%		12%
15%	17%	-2%		15%	Medi-Cal HMO %	16%	17%	0%		15%
0%	0%	0%		0%	Commercial %	0%	0%	0%		0%
1%	1%	0%		1%	Worker's Comp %	1%	1%	0%		1%
2%	3%	-1%		3%	Other Government %	2%	3%	-1%		3%
11%	10%	1%		9%	Self Pay /Charity %	10%	10%	0%		9%
					STATISTICS					
512	535	(23)	-4.3%	535	Admissions	1,546	1,495	51	3.4%	1,494
491	541	(50)	-9.2%	545	Discharges	1,523	1,494	29	1.9%	1,501
2,243	2,407	(164)	-6.8%	2411	Patient Days	6,839	7,006	(167)	-2.4%	6,962
72.4	77.6	(5.3)	-6.8%	77.8	Average Daily Census (ADC)	76.0	77.8	(1.9)	-2.4%	76.5
4.57	4.45	(0.12)	-2.7%	4.42	Average Length of Stay (LOS)- Accrual Based	4.49	4.69	0.20	4.2%	4.64
31	31			31	Days in Month	90	90			91
763	835	(72)	-8.6%	846	Adjusted Discharges (AD)	2,319	2,360	(41)	-1.7%	2,338
3,487	3,715	(228)	-6.1%	3,743	Adjusted Patient Days (APD)	10,414	11,067	(653)	-5.9%	10,845
112	120	(7)	-6.1%	121	Adjusted ADC (AADC)	116	123	(7)	-5.9%	119
76	98	(22)	-22.4%	66	Inpatient Surgeries	221	250	(29)	-11.6%	208
91	120	(29)	-24.2%	92	Outpatient Surgeries	247	282	(35)	-12.4%	292
167	**218**	(51)	-23.4%	**158**	**Total Surgeries**	**468**	**532**	(64)	-12.0%	**500**

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
INCOME STATEMENT
March 31, 2013
(Amounts in Thousands)

CURRENT PERIOD				PRIOR YEAR		CURRENT YTD				PRIOR YEAR
ACTUAL	BUDGET	VAR	VAR %	ACTUAL		ACTUAL	BUDGET	VAR	VAR %	ACTUAL
3,250	2,815	435	15.5%	3131	ED Outpatient Visits	9,961	9,005	956	10.6%	9,152
2,878	3,339	(461)	-13.8%	3196	Ancillary Outpatient Visits	8,649	9,902	(1,253)	-12.7%	10,004
91	120	(29)	-24.2%	92	Outpatient Surgeries	247	282	(35)	-12.4%	292
6,219	**6,274**	(55)	-0.9%	**6,419**	**Total Outpatient Visits**	**18,857**	**19,189**	(332)	-1.7%	**19,448**
462	479	(17)	-3.5%	487	Emergency Room Admits	1,453	1,338	115	8.6%	1,369
14.2%	17.0%			15.6%	% of Total E/R Visits	14.6%	14.9%			15.0%
90.2%	89.5%			91.0%	% of Acute Admissions	94.0%	89.5%			91.6%
598	663	65	9.8%	617	Worked FTE	608	634	26	4.1%	625
709	777	68	8.8%	718	Paid FTE	716	742	25	3.4%	731
5.31	5.53	0.22	3.9%	5.11	Worked FTE / AADC	5.25	5.15	(0.10)	-1.9%	5.24
6.30	6.49	0.18	2.8%	5.94	Paid FTE / AADC	6.19	6.03	(0.16)	-2.7%	6.13
2,789	2,954	(164)	-5.6%	2,850	Net Patient Revenue / APD	2,955	2,845	110	3.9%	2,714
15,939	16,449	(510)	-3.1%	14,650	I/P Charges / Patient Days	16,280	15,895	386	2.4%	15,039
3,188	3,430	(242)	-7.1%	3,040	O/P Charges / Visit	3,086	3,364	(277)	-8.2%	3,003
1,405	1,448	43	3.0%	1,444	Salary Expense / APD	1,436	1,413	(23)	-1.6%	1,445
4.77	4.75	(0.03)	-0.6%	4.60	Medicare LOS - Discharged Based	4.78	5.28	0.50	9.5%	4.62
1.70	1.55	0.14	9.3%	1.38	Medicare CMI	1.60	1.55	0.05	3.2%	1.50
2.82	3.06	(0.24)	-8.0%	3.33	Medicare CMI Adjusted LOS	2.99	3.41	(0.42)	-12.3%	3.07
4.57	4.45	(0.12)	-2.7%	4.46	Total LOS - Discharged Based	4.50	4.70	0.20	4.2%	4.64
1.60	1.38	0.22	15.6%	1.38	Total CMI	1.55	1.45	0.10	6.7%	1.45
2.86	3.22	(0.36)	-11.2%	3.23	Total CMI Adjusted LOS	2.91	3.24	(0.33)	-10.2%	3.20

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
BALANCE SHEET
March 31, 2013
(Amounts in Thousands)

	Current Month	Dec. 31, 2012
ASSETS		
Cash	3,283	5,059
Net Patient Accounts Receivable	28,825	31,007
Other Receivables	3,203	464
Inventory	1,719	1,731
Current Assets With Limited Use	10,441	11,612
Prepaid Expenses and Deposits	1,535	1,621
TOTAL CURRENT ASSETS	**49,006**	**51,494**
Assets With Limited Use	**642**	**642**
Property Plant & Equipment		
Land	12,120	12,120
Bldg/Leasehold Improvements	29,433	29,432
Capital Leases	10,926	10,926
Equipment	44,406	43,579
CIP	114	860
Total Property, Plant & Equipment	96,999	96,917
Accumulated Depreciation	-55,118	-53,887
Net Property, Plant & Equipment	**41,881**	**43,030**
Intangible Assets	**1,439**	**1,454**
Total Assets	**92,968**	**96,620**

		Current Month	Dec. 31, 2012
	LIABILITIES		
96	Current Maturities of Debt Borrowings	1,489	1,613
97	Accounts Payable and Accrued Expenses	18,891	16,509
98	Accrued Payroll and Related Liabilities	16,843	17,512
99	Deferred District Tax Revenue	3,091	3,091
100	Estimated Third Party Payor Settlements	362	1,868
101	**Total Current Liabilities**	**40,676**	**40,593**
	Other Liabilities		
102	Other Deferred Liabilities	2,084	2,804
103	Chapter 9 Bankruptcy	0	0
	Long Term Debt		
104	Notes Payable - Secured	61,236	61,242
105	Capital Leases	1,432	1,647
106	Less Current Portion LTD	-1,490	-1,613
107	**Total Long Term Debt**	**61,178**	**61,276**
108	**Total Liabilities**	**103,938**	**104,673**
	EQUITY		
109	Retained Earnings	-8,053	9,667
110	Year to Date Profit / (Loss)	-2,917	-17,720
111	**Total Equity**	**-10,970**	**-8,053**
112	**Total Liabilities & Equity**	**92,968**	**96,620**

Current Ratio (CA/CL)	*1.20*	*1.27*
Net Working Capital (CA-CL)	*8,330*	*10,901*
Long Term Debt Ratio (LTD/TA)	*0.66*	*0.63*
Long Term Debt to Capital (LTD/(LTD+TE)	*1.22*	*1.15*
Financial Leverage (TA/TE)	*-8.5*	*-12.0*
Quick Ratio	**0.79**	**0.89**
Unrestricted Cash Days	**9**	**11**
Restricted Cash Days	**31**	**27**
Net A/R Days	**90.9**	**92.6**

DOCTORS
MEDICAL CENTER

March 2013 Executive Report

Doctors Medical Center had a Net Loss of $613,000 for the month of March. As a result, net income was worse than budget by $47,000. The following are the factors leading to the Net Income variance:

Net Patient Revenue Factors	**Positive / (Negative)**
Managed Care, Commercial, PPO	($1,160,000)
Medi-Cal / Medi-Cal HMO	($327,000)
Medicare / Medicare HMO	$168,000

Expenses	
Salaries & Benefits	$1,209,000
Professional Fees	($42,000)
Supplies	$90,000
Purchased Services	($94,000)

Net patient revenue was under budget by $1,248,000 for March. Inpatient gross charges were under budget by 9.7% with patient days and discharges at 6.8% and 9.2% under budget respectively. Total outpatient volume was 0.9% under budget with the emergency department beating expectations by 15.5% while both surgeries and ancillary volumes were under budget by 24.2% and 18.8% respectively.

The majority of the net patient revenue shortfall was in Managed Care with inpatient volume at 35% under budget and outpatient revenue at 52% under budget. This negative variance was partially offset by a $275,000 favorable variance in PPO revenue for a combined net revenue shortfall of $1,160,000 for the month of March.

Both regular Medical and managed Medical were 24% under budget combined for a negative variance of $327,000. Regular Medicare discharges were under budget by 10% while managed Medicare patient days were 22% over budget resulting in a combined favorable variance of $168,000.

Salaries and Benefits combined were under budget by $1,200,000. Salaries were under budget by $482,000 mainly due to effective flexing in nursing, clerical and environmental departments. A health insurance stop loss reimbursement of $1,400,000 offset higher medical benefits costs this month resulting in a $727,000 favorable variance in benefit costs for the month.

Professional fees were over budget by $42,000 in March due to unbudgeted temporary management staffing in surgery.

Supplies were under budget by $90,000 due to lower utilization of pacemakers.

Purchased Services were over budget by $94,000 this month due to unbudgeted cost savings project and research costs related to parcel tax survey.

DOCTORS
MEDICAL CENTER

FISCAL YEAR 2012 AUDIT

TAB 7

Audited Financial Statements

West Contra Costa Healthcare District

December 31, 2012

West Contra Costa Healthcare District

Audited Financial Statements

December 31, 2012

TCA Partners, LLP

Certified Public Accountants

1111 East Herndon, Suite 211, Fresno, California 93720
Voice: (559) 431-7708 Fax:(559) 431-7685

Report of Independent Auditors

The Board of Directors
West Contra Costa Healthcare District
San Pablo, California

Report on the Financial Statements

We have audited the accompanying balance sheets of West Contra Costa Healthcare District (the District) as of December 31, 2012 and 2011, which comprise the balance sheets as of December 31, 2012 and 2011 and the related statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of West Contra Costa Healthcare District at December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The accompanying financial statements have been prepared assuming the Medical Center will continue as a going concern. As discussed in Note 11 to the financial statements, the Medical Center has incurred recurring losses from operations and has a net deficit of ($8,048,000) at December 31, 2012. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding these matters are also described in Management's Discussion and Analysis. These financial statements do not include any adjustments that might result from outcome of this uncertainty.

TCA Partners, LLP

March 18, 2013

West Contra Costa Healthcare District

Management Discussion and Analysis

December 31, 2012

Our discussion and analysis of West Contra Costa County Healthcare District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal years ended December 31, 2012, 2011, and 2010. Please read it in conjunction with the District's financial statements, which begin on page 8.

Financial Highlights

- The District's net assets decreased in 2012 from 2011 by $17.7 million (183.3%) after a decrease in 2011 from 2010 of $18.7 million (65.9%) and an increase of $2.5 million (9.8%) in 2010 from 2009.
- The District reported an operating loss of $25.0 million in 2012 after operating losses in 2011 of $31.1 million and $15.5 million in 2010.
- The District's net non-operating revenues were $7.2 million in 2012 as compared to $12.4 million in 2011 and $18.0 million in 2008.

Using This Annual Report

The District's financial statements consist of three statements – a balance sheet; a statement of revenues, expenses, and changes in net assets; and a statement of cash flow. These financial statements and related notes provide information about the activities of the District, including resources held by the District but restricted for specific purposes by contributors, grantors, or enabling legislation.

The Balance Sheet and Statement of Revenues, Expenses, and Changes in Net Assets

Our analysis of the District's finances begins on page 4. One of the most important questions asked about the finances is, "Is the District as a whole better or worse off as a result of the year's activities?" The balance sheet and the statement of revenues, expenses, and changes in net assets report information about the District's resources and its activities in a way that helps answer this question. These statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. You can think of the District's net assets – the difference between assets and liabilities – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's patient base and measures of the quality of service it provides to the community, as well as local economic factors to assess the overall health of the District. Overall, the District is worse off at December 31, 2012 than it was December 31, 2011.

The Statement of Cash Flows

The final required statement is the statement of cash flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. It provides answers to such questions as "Where did cash come from?" "What was cash used for?" and "What was the change in cash balance during the reporting period?"

West Contra Costa Healthcare District

Management Discussion and Analysis

December 31, 2012

The District's Net Assets

The District's net assets are the difference between its assets and liabilities reported in the balance sheets on page 8. The net assets decreased in 2012 by $17.7 million over 2011 after a decrease in 2011 by $18.7 million over 2010 and an increase in 2010 by $2.5 million over 2009.

Table 1: Assets, Liabilities, and Net Assets

	2012	2011	2010
Assets			
Current assets	$ 51,494,000	$ 67,264,000	$ 37,105,000
Capital assets, net	43,030,000	44,782,000	45,407,000
Other noncurrent assets	1,940,000	1,992,000	1,186,000
Total assets	$ 96,464,000	$ 114,038,000	$ 83,698,000
Liabilities			
Current liabilities	40,593,000	35,514,000	32,316,000
Other	63,919,000	68,852,000	22,982,000
Total liabilities	104,512,000	104,366,000	55,298,000
Net assets (deficit)			
Invested in capital assets, net of related debt	20,914,000	21,312,000	21,890,000
Unrestricted	(28,962,000)	(11,640,000)	6,510,000
Total net assets (deficit)	(8,048,000)	9,672,000	28,400,000
Total net assets and liabilities	$ 96,464,000	$ 114,038,000	$ 83,698,000

Total operating revenue increased in 2012 from 2011 by $7.8 million (5.5%), while operating expenses increased by $1.6 million (1.1%). The increase in revenue is primarily due to the August 5th Chevron fire. The District experienced a three week spike in emergency room visits due to the fire. The net revenue result of this event was a one-time revenue increase for $4.8 million to the district for caring for the victims of the fire. Other operating revenue for the district was the first installment for implementing an electronic medical record (EHR) system. The District received $2.4 million as incentive payments in 2012 for this project.

Operating expenses increased in 2012 by 1.6 million or (1.1%). The largest increase in expenses was $2.4 million in salaries and wages. Most of the Districts employees and medical staff needed to be trained on the new system at a major cost to the district.

The District was able to pass a parcel tax initiative and bond indenture in 2011. Both these changes had an effect on our non-operating revenue. The bond indenture had a full year effect in 2012 of $3.1 million but the parcel tax initiative produced only a half year effect at $3.1 million. We had no contributions to the hospital in 2012 which reduced our non-operating income by $3.8 million.

West Contra Costa Healthcare District

Management Discussion and Analysis

December 31, 2012

The District continues to make changes to operations. In 2012 management was able to cut the operating losses by $6.2 million but fell short of our goals for the year. In October of 2012 management again looked at cost cutting measures to reduce the deficit. The changes made will produce an annualized reduction in the operating losses by another $12 million. Staff reductions produced a decrease of 22.0 FTE's. The changes included new revenue programs as well as reductions in supply and purchased service costs. The parcel tax initiative will have a full effect in 2013 and reduce the deficit another $2.0 million. The majority of the changes put into place will only have a nine month effect in 2013 so we will still face a deficit in 2013. There are other ideas and processes in place that could effectively reduce the losses to zero but as of the publication of this report they are not completed.

In 2012 the District used $18.2 million of the 2011 Bond proceeds to continue operations. The software conversion discussed previously also had an effect on the accounts receivable. The accounts receivable balances increased $19.1 million with $4.8 million of it due to the Chevron refinery fire in August.

Net patient service revenue increased in 2011 from 2010 by $13.8 million (-10.6%), while operating expenses increased by $2.0 million (1.3%). The significant change in the financial position of the District was an increase in operating cash due to the issuance of a $40 million COP bond in December 2011 and a $10 million borrowing from Contra Costa County. Both the borrowings had the impact of increasing cash and increasing long term debt. The district was a also able to lower the other long term debt by making scheduled payments on the bond certificates of participation and pay off the original Contra Coats county tax advance. During 2011, the District was advanced $17.3 million on the revolving line of credit, backed by accounts receivables of which $13.0 million was paid back by the end of the year. This loan was necessary as a cash bridge prior to the borrowing of the $40 million Bond.

In 2011, the District also paid down its long term debt by $5.6 million, including a final $1.8 million payment on the District's bankruptcy debt. The balance of the long term debt payments were to Contra Costa County and for the District's bonds. The estimates from third party settlements decreased in 2011. This was the result of a component of the Medicare payment calculation being updated. This caused management to revise Medicare cost report estimates back to 2007 cost reports. This was reflected in the 2011 balances only.

The primary reasons for the increase in operating income in 2012 from 2011 are:

- Decrease in outside donations as discussed above.
- One time event increasing emergency room revenue.
- Increase in funds for meaningful use of an EHR system and the associated costs of implementation.
- New parcel tax revenue.
- Increase in interest expense due to 2011 Bond indenture.
- Decrease in managed care revenue due to a payer mix shift from managed care payer to Medi-Cal and self pay.
- Increase in benefit costs in employee medical insurance plan,

The primary reasons for the decrease in operating income from 2010 to 2011 are:

- Decrease in CMAC funding.
- Decrease in length of stay for payers that reimburse based on days in the hospital.
- Decrease in managed care revenue due to a payer mix shift from managed care payer to Medi-Cal and self pay.
- Increase in benefit costs in employee medical insurance plan.

Table 2: Operating Results and Changes in Net Assets

	2012	2011	2010
Operating revenues			
Net patient service revenue	$ 120,159,000	$ 116,419,000	$ 130,185,000
Other operating revenue	5,374,000	1,166,000	1,130,000
Total operating revenues	125,533,000	117,585,000	131,315,000
Operating expenses			
Salaries and benefits	64,058,000	96,749,000	95,529,000
Supplies	34,280,000	18,777,000	20,928,000
Depreciation and amortization	4,892,000	4,165,000	3,593,000
Other operating expenses	47,265,000	29,056,000	26,721,000
Total operating expenses	150,495,000	148,747,000	146,771,000
Operating loss	(24,962,000)	(31,162,000)	(15,456,000)
Nonoperating revenues (expenses):			
District tax revenue	11,608,000	8,498,000	8,492,000
Investment income	77,000	46,000	92,000
Noncapital grants and contributions /other	186,000	5,443,000	10,813,000
Interest expense	(4,629,000)	(1,553,000)	(1,396,000)
Total net nonoperating revenues	7,242,000	12,434,000	18,001,000
Excess of expenses over revenues	$ (17,720,000)	$ (18,728,000)	$ 2,545,000
Net assets at beginning of the year	$ 9,672,000	$ 28,400,000	$ 25,855,000
Increase (decrease) in net assets	(17,720,000)	(18,728,000)	2,545,000
Net assets (deficit) at the end of the year	$ (8,048,000)	$ 9,672,000	$ 28,400,000

The District sometimes provides care for patients who have little or no health insurance or other means of repayment. This service to the community is consistent with the goals established for the District when it was founded. Because there is no expectation of repayment, charity care is not reported as patient service revenues of the District. The cost of providing care to the uninsured patients was approximately $7.0 million in 2012 and $6.9 million in 2011.

Non-operating Revenues and Expenses

Non-operating revenues consist primarily of property taxes levied by the District, noncapital grants and contributions, interest revenue, and investment earnings. The change in non-operating revenues was discussed above.

The District's Cash Flows

Changes in the District's cash flows are consistent with changes in operating losses and non-operating revenues and expenses, discussed earlier.

Capital Assets

At the end of 2012, the District had $43.0 million invested in capital assets, net of accumulated depreciation, as detailed in note 8 to the financial statements. In 2012, the District purchased new equipment costing $3.1 million.

At the end of 2011, the District had $44.8 million invested in capital assets, net of accumulated depreciation, as detailed in note 8 to the financial statements. In 2011, the District purchased new equipment costing $3.9 million.

At the end of 2010, the District had $45.4 million invested in capital assets, net of accumulated depreciation, as detailed in note 8 to the financial statements. In 2010, the District purchased new equipment costing $4.9 million.

Contacting the District's Financial Management

This financial report is designed to provide our patients, suppliers, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Chief Financial Officer's office at Doctors Medical Center, 2000 Vale Road, San Pablo, CA 94806.

West Contra Costa Healthcare District

Balance Sheets

	December 31 2012	December 31 2011
Assets:		
Current assets:		
Cash and cash equivalents	$ 5,071,000	$ 13,972,000
Patient accounts receivable, net	31,007,000	19,177,000
Other receivables	464,000	1,160,000
Assets limited as to use	11,600,000	29,847,000
Supplies	1,730,000	2,109,000
Prepaid expenses	1,622,000	999,000
Total current assets	51,494,000	67,264,000
Assets limited as to use, net of current portion	642,000	642,000
Capital assets, net	43,030,000	44,782,000
Other assets	1,298,000	1,350,000
Total assets	$ 96,464,000	$ 114,038,000
Liabilities and net assets:		
Current liabilities:		
Current maturities of debt borrowings	$ 6,140,000	$ 4,979,000
Accounts payable and accrued expenses	11,982,000	12,675,000
Accrued payroll and related liabilities	17,512,000	13,640,000
Other current liabilities	3,091,000	2,880,000
Estimated third-party payors settlements	1,868,000	1,340,000
Total current liabilities	40,593,000	35,514,000
Debt borrowings, net of current maturities	61,115,000	62,747,000
Other long-term liabilities	2,804,000	6,105,000
Total liabilities	104,512,000	104,366,000
Net assets:		
Invested in capital assets, net of related debt	20,914,000	21,312,000
Unrestricted	(28,962,000)	(11,640,000)
Total net assets (deficit)	(8,048,000)	9,672,000
Total liabilities and net assets	$ 96,464,000	$ 114,038,000

West Contra Costa Healthcare District

Statements of Revenue, Expense, and Change in Net Assets

	Year ended December 31, 2012	Year ended December 31, 2011
Operating revenues:		
Net patient service revenue	$ 120,159,000	$ 116,419,000
Other operating revenue	5,374,000	2,510,000
Total operating revenue	125,533,000	118,929,000
Operating expenses:		
Salaries and wages	64,058,000	61,659,000
Employee benefits	34,280,000	35,090,000
Supplies	17,459,000	18,777,000
Professional fees	11,813,000	10,907,000
Purchased services	11,090,000	11,193,000
Other operating expenses	3,845,000	3,845,000
Depreciation and amortization	4,892,000	4,165,000
Rents and leases	3,058,000	3,111,000
Total operating expenses	150,495,000	148,747,000
Operating loss	(24,962,000)	(31,162,000)
Non-operating revenues (expenses)		
District tax revenue	11,608,000	8,498,000
Investment income	77,000	46,000
Noncapital grants and contributions	-	4,099,433
Interest expense	(4,629,000)	(1,553,000)
Other non-operating revenues, net	186,000	-
Total non-operating revenues	7,242,000	11,090,433
Excess of expenses over revenues	(17,720,000)	(18,728,000)
Net assets at beginning of the year	9,672,000	28,400,000
Net assets at end of the year	$ (8,048,000)	$ 9,672,000

West Contra Costa Healthcare District

Statements of Cash Flows

	Year ended December 31, 2012	Year ended December 31, 2011
Cash flows from operating activities:		
Cash received from patients and third-parties for patients	$ 108,864,000	$ 116,023,000
Cash received from operations, other than patient services	5,962,000	4,057,000
Cash payments to suppliers and contractors	(48,100,000)	(48,243,000)
Cash payments to employees and benefits programs	(94,466,000)	(94,465,000)
Net cash used in operating activities	(27,740,000)	(22,628,000)
Cash flows from noncapital financing activities:		
Noncapital grants and contributions	186,000	5,443,000
Proceeds from county loan	-	10,000,000
Payments on county loan	(3,091,000)	(801,000)
Proceeds from debt borrowings	-	39,833,000
Principal payments on debt borrowings	(824,000)	(799,000)
Interest payments on debt borrowings	(3,856,000)	(1,327,000)
Proceeds from line of credit, net	1,182,000	3,346,000
Cash paid for debt issuance costs	-	(840,000)
Parcel tax revenues levied for debt service	8,516,000	5,618,000
Ad valorem tax revenues to support operations	3,091,000	1,865,000
Net cash provided by noncapital financing activities	$ 5,204,000	$ 62,338,000
Cash flows from capital and related financing activities:		
Purchases of capital assets	(3,085,000)	(1,875,000)
Proceeds from sale of capital assets	-	20,000
Principal payments on debt borrowings	(834,000)	(3,091,000)
Interest payments on debt borrowings	(772,000)	(226,000)
Net cash used in capital and related financing activities	(4,691,000)	(5,172,000)

See accompanying notes to the financial statements

West Contra Costa Healthcare District

Statements of Cash Flows (continued)

	Year ended December 31, 2012	Year ended December 31, 2011
Cash flows from investing activities:		
Net change in assets whose use is limited	18,249,000	(25,841,000)
Interest and dividends received from investments	77,000	46,000
Net cash provided by (used in) investing activities	18,326,000	(25,795,000)
Net increase (decrease) in cash and cash equivalents	(8,901,000)	8,743,000
Cash and cash equivalents, beginning of year	13,972,000	5,229,000
Cash and cash equivalents, end of year	$ 5,071,000	$ 13,972,000
Reconciliation of operating loss to net cash provided by operating activities:		
Loss from operations	$ (24,962,000)	$ (31,162,000)
Adjustments to reconcile loss from operations to net cash provided by operating activities:		
Depreciation and amortization	4,892,000	4,165,000
Gain on disposal of capital assets	-	(4,000)
Provision for bad debts	-	60,603,000
Changes in operating assets and liabilities:		
Accounts receivable	(11,830,000)	(59,838,000)
Supplies	379,000	143,000
Other accounts receivable	696,000	2,895,000
Prepaid expenses	(623,000)	622,000
Accounts payable	(693,000)	(1,175,000)
Accrued payroll	3,873,000	2,284,000
Due to third-party payors	528,000	(1,161,000)
Net cash used in operating activities	$ (27,740,000)	$ (22,628,000)
Non cash disclosures		
Purchase of capital assets with capital lease	$ -	$ 1,809,000
Non cash proceeds from sale of capital assets	$ -	$ 162,000
Non cash payments on county loan	$ 1,188,000	$ 1,015,000

See accompanying notes to the financial statements

NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES

Reporting Entity- West Contra Costa Healthcare District (the "District") is a public agency organized under Local Hospital District Law as set forth in the Health and Safety Code of the State of California. The District is a political subdivision of the State of California and is not subject to federal or state income taxes. The District was formed in 1948 for the purpose of building and operating a hospital to benefit the residents of West Contra Costa County. The District is governed by a Board of Directors elected from within the Healthcare District to specified terms of office. The District operates a full-service acute care facility and provides services to both inpatients and outpatients. The District provides health care services primarily to individuals who reside in the local geographic area.

WCCHD Financing Corporation II - The Corporation is a nonprofit public benefit corporation to provide financial assistance to the District by financing, refinancing, acquiring, constructing, improving, leasing and selling buildings, building improvements, equipment, and any other real or personal property (collectively, the "Facilities"), for the use, benefit and enjoyment of the public served by the District and any other purpose incidental thereto.

Basis of preparation - The District is a governmental health care provider and, accordingly, follows governmental accounting standards. The accrual basis of accounting is used in accordance with provisions for proprietary fund types.

Pursuant to Governmental Accounting Standards Board ("GASB") Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, the District's proprietary fund accounting and financial reporting practices are based on all applicable GASB pronouncements as well as codified pronouncements issued on or before November 30, 1989.

The District applies the provisions of GASB 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (Statement 34), as amended by GASB 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, and Statement 38, *Certain Financial Statement Note Disclosures*. Statement 34 established financial reporting standards for all state and local governments and related entities. Statement 34 primarily relates to presentation and disclosure requirements. The impact of this change was related to the format of the financial statements; the inclusion of management's discussion and analysis; and the preparation of the statement of cash flows on the direct method.

Use of estimates - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents - The District considers cash and cash equivalents to include certain investments in highly liquid debt instruments, when present, with an original maturity of three months or less or subject to withdrawal upon request.

Patient accounts receivable - Patient accounts receivable consist of amounts reimbursable by various governmental agencies and insurance companies through the assignment process and private patients. The District manages its receivables by regularly reviewing the accounts, inquiring with respective payors as to collectability and providing for allowances on their accounting records for estimates, contractual adjustments, and uncollectible accounts. Significant concentrations of patient accounts receivable are discussed further in the footnotes.

Investments in marketable securities - Investments in marketable securities consist primarily of short-term, interest-bearing certificates of deposit, money market funds, and mutual funds and include assets held by trustees under indenture agreements and designated assets set aside by the Board of Directors for future funding of certain District obligations.

Supplies - Supply Inventories are stated at cost, which is determined using the first-in, first-out method.

Capital assets - Capital assets consist of property and equipment and are reported on the basis of cost, or in the case of donated items, on the basis of fair market value at the date of donation. Capital purchases over $5,000 are capitalized. Routine maintenance and repairs are charged to expense as incurred. Expenditures which increase values, change capacities, or extend useful lives are capitalized. Depreciation of property and equipment and amortization of property under capital leases are computed by the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the assets, which range from 10 to 30 years for buildings and 3 to 10 years for equipment. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the related assets. The District periodically reviews its capital assets for value impairment. As of December 31, 2012 and 2011, the District has determined that no capital assets are impaired.

Other assets - Other assets include debt issuance costs and an investment in a limited liability company. Debt issuance costs incurred in connection with the issuance of tax-exempt bonds have been deferred and are being amortized over the term of the bonds using a straight-line method. The investment represents an operating agreement between the District and other area hospitals for network solutions.

Costs of borrowing - Except for capital assets acquired through gifts, contributions, or capital grants, interest cost on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. None of the District's interest cost was capitalized for the years ended December 31, 2012 and 2011.

Compensated absences – District employees earn vacation benefits at varying rates depending on years of service. Employees also earn sick leave benefits based on varying rates depending on years of service. Both benefits can accumulate up to specified maximum levels. Employees are not paid for accumulated sick leave benefits if they leave either upon termination or before retirement. However, accumulated vacation benefits are paid to an employee upon either termination or retirement. Accrued vacation and sick leave liabilities as of December 31, 2012 and 2011 are $3,419,000 and $3,266,000 respectively.

Risk management - The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and medical malpractice. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Risk retention plans - The District maintains professional liability insurance on a claims-made basis, with liability limits of $10,000,000 per claim, and which is subject to a $25,000 deductible. Additionally, the District is self-insured for workers' compensation claims, with a self-insured retention of $350,000 per occurrence, and has excess insurance coverage for the portion of each occurrence in excess of $350,000. In the case of employee health coverage, the District is self-insured for those claims. Management estimates of uninsured losses for professional liability, workers' compensation and employee health coverage have been accrued as liabilities in the accompanying financial statements.

Net assets - Net assets of the District are classified in three components:

- Net assets invested in capital assets, net of related debt consist of capital assets net of accumulated depreciation and reduced by any outstanding borrowings used to finance the purchase or construction of those assets.

- Restricted expendable net assets are noncapital net assets that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the District, including amounts deposited with trustees as required by revenue bond indentures, discussed in Note 3.

- Unrestricted net assets are remaining net assets that do not meet the definition of invested in capital assets net of related debt or restricted expendable net assets.

Net patient service revenue - Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered, and adjusted in future periods as final settlements are determined.

Charity care - The District accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of the District. Essentially, these policies define charity services as those services for which no payment is anticipated. Because the District does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Uncollectible accounts - The District provides care to patients without requiring collateral or other security. Patient charges not covered by a third-party payor are billed directly to the patient if it is determined that the patient has the ability to pay. A provision for uncollectible accounts is recognized based on management's estimate of amounts that ultimately may be uncollectible.

Grants and contributions - From time to time, the District receives grants from various governmental agencies and private organizations. The District also receives contributions from related foundation and auxiliary organizations, as well as from individuals and other private organizations. Revenues from grants and contributions are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either operating purposes or capital acquisitions. These amounts, when recognized upon meeting all requirements, are reported as components of the statements of revenues, expenses and changes in net assets.

Operating revenues and expenses - The District's statement of revenues, expense and changes in net assets distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, which is the District's principal activity. Operating expenses are all expenses incurred to provide health care services, other than financing costs. Non-operating revenues and expenses are those transactions not considered directly linked to providing health care services.

Income taxes - The District operates under the purview of the Internal Revenue Code, Section 115, and corresponding California Revenue and Taxation Code provisions. As such, it is not subject to state or federal taxes on income.

Property taxes - The authority received approximately 8.6% in 2012 and 6.5% in 2011 of its financial support from property taxes. Property taxes are levied by the County on the District's behalf on January 1st and are intended to finance the District's activities of the same calendar year. Amounts levied are based on assessed property values as of the preceding July 1. Property taxes are considered delinquent on the day following each payment due date. Property taxes are recorded as non-operating revenue by the District when they are earned.

Reclassifications - Certain amounts in the 2011 financial statements have been reclassified to conform to the 2012 presentation.

New accounting pronouncements -The Governmental Accounting Standards Board ("GASE") issued GASE Statement No. 61, The Financial Reporting Entity: Omnibus (November 2010). GASE 61 clarifies certain aspects of GASE 14, The Financial Reporting Entity, which establishes the criteria governing which of a governmental entity's related parties should be formally incorporated into its financial statements. The adoption of GASE 61 is effective for the District beginning January 1, 2013. The adoption of GASE 61 is not expected to have a material impact on the District's financial statements.

NOTE 2 - CASH AND CASH EQUIVALENTS & ASSETS LIMITED AS TO USE

As of December 31, 2012 and 2011, the District had deposits invested in various financial institutions in the form of cash and cash equivalents including amounts classified as assets limited as to use amounting to $17,316,000 and $44,461,000, respectively. These funds were held in deposits, which are collateralized in accordance with the California Government Code ("CGC"), except for $250,000 per account that is federally insured.

Under the provisions of the CGC, California banks and savings and loan associations are required to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutes to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits. The pledged securities are held by the pledging financial institution's trust department in the name of the District.

The composition of assets limited as to use at December 31, 2012 and 2011, is set forth in the following table. Investments are stated at fair value.

	2012	2011
Board designated		
Cash deposits	$ 642,000	$ 642,000
Certificates of deposit	352,000	352,000
Total board designated	994,000	994,000
Held by trustee		
Money market	11,248,000	29,495,000
Total	$ 12,242,000	$ 30,489,000

Interest and dividend income for investments and gains from assets limited as to use is $77,000, and $46,000 for the years ended December 31, 2012 and 2011, respectively.

NOTE 3 - NET PATIENT SERVICE REVENUE AND REIMBURSEMENT PROGRAMS

The District renders services to patients under contractual arrangements with the Medicare and Medi-Cal programs, health maintenance organizations ("HMOs") and preferred provider organizations ("PPOs"). Patient service revenues from Medicare approximate 54% and 50% of the District's gross patient service revenues, whereas patient service revenues from Medi-Cal approximate 20% and 23% of the District's gross patient service revenues for the years ended December 31, 2012 and 2011, respectively.

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, fee schedules, prepaid payments per member, and per diem payments or a combination of these methods. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated settlements under reimbursement agreements with third-party payors.

Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system based on clinical, diagnostic, and other factors. Inpatient non-acute services related to Medicare beneficiaries are paid based on a cost-reimbursement methodology through March 31, 2004. Inpatient non-acute services subsequent to April 1, 2004, are paid at prospectively determined rates per discharge. Payments for outpatient services are based on a stipulated amount per diagnosis. The District is reimbursed for cost reimbursable items at a tentative rate, with final settlements determined after submission of annual cost reports by the District and audits thereof by the Medicare fiscal intermediary. The District's cost reports have been audited by the Medicare fiscal intermediary through 2008.

Medicare accounts for approximately 53% and 50% of net patient service revenues whereas Medi-Cal accounts for approximately 20% and 15% of net patient service revenue for the years ended December 31, 2012 and 2011, respectively. Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change in the near term.

In November 2009, the California Hospital Fee Program (the "Program") was signed into California state law and became effective for 2010 after approval from the Centers for Medicare and Medicaid Services ("CMS"). The Program is funded by a quality assurance fee (the "Fee") paid by participating hospitals and by matching federal funds. Hospitals receive supplemental payments from either the California Department of Health Care Services ("DHCS"), managed care plans or a combination of both. The District recognized total supplemental payments of $1,837,000 in 2012 and $1,608,000 in 2011 from Medi-Cal as a part of the Program and has recorded this as a part of net patient service revenue in the statement of revenues, expenses, and changes in net assets.

NOTE 4 - CONCENTRATION OF CREDIT RISK

The District grants credit without collateral to its patients and third-party payors. Patient accounts receivable from government agencies represent the only concentrated group of credit risk for the District and management does not believe that there are any credit risks associated with these governmental agencies. Contracted and other patient accounts receivable consist of various payors including individuals involved in diverse activities, subject to differing economic conditions and do not represent any concentrated credit risks to the District. The District's policy is to maintain a 100% reserve for all private pay patient accounts receivables outstanding aged over 240 days. Concentration of patient accounts receivable at December 31, 2012 and 2011, were as follows:

	2012	2011
Medicare	31%	44%
Other 3rd Party Payors	41%	46%
Medi-Cal	28%	10%
	100%	100%

NOTE 5 – OTHER RECEIVABLES

Other receivables as of December 31, 2012 and 2011 were comprised of the following:

	2012	2011
Advances to physicians, notes and related receivables	$ 183,000	$ 632,000
Deposits	193,000	252,000
Refunds and rebates receivable	88,000	137,000
Third-party settlement receivable	-	139,000
Total other receivables	$ 464,000	$ 1,160,000

Advances to physicians are comprised of physician income guarantees and/or business loans to those physicians requiring assistance to begin a local practice. The District has entered into agreements with certain physicians whereby the District guarantees their income for a specified period of time. These agreements are structured so that if a physician maintains a practice in the area for a specified period of time, the income guarantee advances are forgiven.

NOTE 6 - CAPITAL ASSETS

	12/31/2011	Additions	Retirements & Adjustments	12/31/2012
Capital assets not being depreciated				
Land and land improvements	$ 12,120,000	$ -	$ -	$ 12,120,000
Construction-in-progress	4,645,000	3,078,000	(3,418,000)	4,305,000
	16,765,000	3,078,000	(3,418,000)	16,425,000
Capital assets being depreciated				
Buildings and improvements	16,858,000		-	16,858,000
Equipment	30,989,000		3,232,000	34,221,000
	47,847,000	-	3,232,000	51,079,000
Totals at historical cost	64,612,000	3,078,000	(186,000)	67,504,000
Less accumulated depreciation	(19,830,000)	(4,787,000)	143,000	(24,474,000)
Total capital assets, net	$ 44,782,000	$ (1,709,000)	$ (43,000)	$ 43,030,000

Capital assets as of December 31, 2011, were comprised of the following:

	12/31/2010	Additions	Retirements & Adjustments	12/31/2011
Capital assets not being depreciated				
Land and land improvements	$ 12,120,000	$ -	$ -	$ 12,120,000
Construction-in-progress	960,000	3,931,000	(246,000)	4,645,000
	13,080,000	3,931,000	(246,000)	16,765,000
Capital assets being depreciated				
Buildings and improvements	16,955,000		(97,000)	16,858,000
Equipment	31,988,000		(999,000)	30,989,000
	48,943,000	-	(1,096,000)	47,847,000
Totals at historical cost	62,023,000	3,931,000	(1,342,000)	64,612,000
Less accumulated depreciation	(16,616,000)	(4,132,000)	918,000	(19,830,000)
Total capital assets, net	$ 45,407,000	$ (201,000)	$ (424,000)	$ 44,782,000

Future construction commitments of approximately $32,000 and $2,099,000 exist for the upgrade of the Paragon system and installation of medical equipment at December 31, 2012 and 2011.

NOTE 7 - DEBT BORROWINGS

A schedule of changes in the District's debt borrowings for the year ended December 31, 2012, is as follows:

	12/31/2011	Additions	Reductions	12/31/2012
Notes payable				
American Savings	$ 26,000	$ -	$ (6,000)	$ 20,000
City of San Pablo	867,000	-	(510,000)	357,000
Bonds payable				
Certificates of Participation - Series 2004	22,066,000	-	(824,000)	21,242,000
Certificates of Participation - Series 2011	39,833,000	5,000	-	39,838,000
Revenue bonds				
Capital leases- equipment	1,588,000	-	(320,000)	1,268,000
	$ 64,380,000	$ 5,000	$ (1,660,000)	$ 62,725,000

A schedule of changes in the District's debt borrowings, for the year ended December 31, 2011, is as follows:

	12/31/2010	Additions	Reductions	12/31/2011
Notes payable				
American Savings	$ 31,000	$ -	$ (5,000)	$ 26,000
City of San Pablo	1,346,000	-	(479,000)	867,000
Bonds payable				
Certificates of Participation - Series 2004	22,865,000	-	(799,000)	22,066,000
Certificates of Participation - Series 2011	-	39,833,000	-	39,833,000
Revenue bonds	1,181,000	-	(1,181,000)	-
Capital leases- equipment	1,205,000	1,809,000	(1,426,000)	1,588,000
	$ 26,628,000	$41,642,000	$ (3,890,000)	$ 64,380,000

NOTE 7 - DEBT BORROWINGS (continued)

The terms and due dates of the District's debt borrowings, including capital lease obligations, at December 31, 2012, are as follows:

- American Savings notes payable dated September 1986, interest at 9.5%, maturing November 2015, principal payable in annual amounts ranging from $5,000 in 2013 to $7,000 in 2015, secured by property.

- City of San Pablo notes payable dated August 2010, interest at 6.0%, maturing July 2013, principal payable is $357,000 in 2013, unsecured.

- Series 2004 Certificates of Participation dated July 2004, plus unamortized bond premium of $398,000, principal payable in annual installments ranging from $830,000 in 2013 to $1,795,000 in 2029, interest at stated coupon rates ranging from 2.0% to 5.5%, payable annually and collateralized by a pledge of the District's parcel tax revenues. Management believes the District is in compliance with the financial covenants and financial reporting requirements as specified in the Indenture Trust Agreement.

- Series 2011 Certificates of Participation dated December 2011, plus unamortized bond discount of $167,000, principal payable in annual installments ranging from $70,000 in 2013 to $4,100,000 in 2042, interest ranging from 3% to 6.25%, payable semi annually and collateralized by a pledge of the District's parcel tax revenues. Management believes the District is in compliance with the financial covenants and financial reporting requirements as specified in the Indenture Trust Agreement.

- Equipment purchased under capital leases dated March 2011, maturing at March 2016, with interest at 9.45%.

The District executed a credit agreement with Gemino Healthcare Finance, LLC dated November 2011, for a maximum amount of $8,000,000 million, expiring November 3, 2014. The agreement is defined as a revolving credit agreement that is collateralized by the District's accounts receivable collections. During 2012, net borrowings were $1,182,000 for an ending outstanding balance of $4,528,000 on this revolving credit agreement. The line of credit bears interest on the outstanding principal amount at a rate per annum equal to the LIBOR rate plus 4.95%.

NOTE 7 - DEBT BORROWINGS (continued)

Aggregate principal maturities on debt borrowings, based on scheduled maturities are as follows:

Year Ending December 31:	Debt Borrowings		Capital Lease Obligations	
	Principal	Interest	Principal	Interest
2013	$ 5,433,000	$ 4,429,000	$ 713,000	$ 115,000
2014	935,000	4,396,000	385,000	71,000
2015	1,075,000	3,543,000	430,000	33,000
2016	1,005,000	3,348,000	119,000	2,000
2017	1,045,000	3,310,000	-	-
Thereafter	56,115,000	14,714,000	-	-
	$ 65,608,000	$ 33,740,000	$ 1,647,000	$ 221,000

NOTE 8 - OTHER LONG TERM LIABILITIES

The District entered into an agreement with the County of Contra Costa (the "County") in April 2011, receiving a cash advance of $10 million. The County Auditor shall allocate and transfer to the County pursuant to this agreement the entirety of the general ad valorem property tax revenues that otherwise would be collected and allocated to the District commencing July 1, 2011 and continuing from year to year thereafter until a total up to $11.5 million of transfers are made. The current and long term outstanding advance balance is included in other liabilities in the balance sheet.

NOTE 9 - RETIREMENT PLANS

The District offers two defined contribution savings plans intended to qualify under section 457(b) of the Internal Revenue Code ("IRC"). The plans are destined to provide participants with a means to defer a portion of their compensation for retirement and to provide benefits in the event of death, disability, or financial hardship. The plans cover both former and current employees of the District who meet certain eligibility requirements. The District is the administrator of the plans and has delegated certain responsibilities for the operation and administration of the plans to outside third-party trustees. Under the plans employer contributions are discretionary. The District has not contributed to the plans since 2007.

NOTE 9 - RETIREMENT PLANS (continued)

The District also offers two Employer Contributory Tax Deferred Annuity Plans intended to qualify under section 403(b) of the IRC. The plans are designed to provide participants with a means to defer a portion of their compensation for retirement and to provide benefits in the event of death, disability, or financial hardship. The plan covers employees of the District, who meet certain eligibility requirements. Under the plan, the District may make matching contributions up to 5.0% of the participant's annual compensation to the plan. The District contributed $4,487,000 and $4,276,000 to the plans in 2012 and 2011, respectively.

The District also provides a non-contributory single employer defined benefit pension plan. The plan covers all eligible employees of the previous Brookside Hospital. Brookside Hospital was the previous name of Doctors Medical Center prior to the Tenet purchase. The plan provides retirement and death benefits to plan members and beneficiaries based on each employee's years of service and annual compensation. No new employees have been enrolled in the plan since 1996. There are 14 current District employees participating in the plan.

Annual pension cost and net pension obligation - The plan's annual pension cost and net pension obligation for the current and prior year were as follows:

	2012	2011
Annual required contribution	$ 524,000	$ 431,000
Interest on net pension obligation	61,000	61,000
Adjustment to annual required contribution	(101,000)	(86,000)
Annual pension cost	484,000	406,000
Net increase in pension obligation	484,000	406,000
Net pension obligation (prepaid pension asset), beginning of year	1,171,000	764,000
Net increase in pension obligation	484,000	407,000
Actuarial loss	-	-
Net pension obligation, end of year	$ 1,655,000	$ 1,171,000

NOTE 9 - RETIREMENT PLANS (continued)

The annual required contribution for the current year was determined as part of the January 1, 2012 and January 1, 2011, actuarial valuations using the entry age actuarial cost method. The actuarial assumptions include (a) 7.5% in 2012 and 2011, of investment rate of return (net of administrative expenses) and (b) post-retirement benefit increases of 2.0% per year. Both assumptions included an inflation component of 2.0%. The actuarial value of assets for both valuations was determined using market value adjusted to recognize market value gains and losses over five years. The unfunded actuarial accrued liability is amortized using the level dollar method on a closed basis. The remaining equivalent single amortization period at December 31, 2012, was 15 years.

The following table summarizes the net pension obligation ("NPO") for the District's pension plan:

Fiscal Year Ending December 31	Beginning of Year NPO (a)	Annual Pension Cost (b)	Actual Contribution c	Increase (Decrease) in NPO (b-c)	NPO (Prepaid Cost) ((a)+(b-c)
2010	$ 331,000	$ 433,000	$ -	$ 433,000	$ 764,000
2011	$ 764,000	$ 407,000	$ -	$ 407,000	$ 1,171,000
2012	$ 1,171,000	$ 484,000	$ -	$ 484,000	$ 1,655,000

Funding policy - The District is required to contribute the actuarially determined amounts necessary to fund the benefits for its participants. Active plan participants are not required to contribute. The actuarial methods and assumptions used are those adopted by the District.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Litigation - The District may from time-to-time be involved in litigation and regulatory investigations, which arise in the normal course of doing business. After consultation with legal counsel, management estimates that matters existing as of December 31, 2012, will be resolved without material adverse effect on the District's future financial position, results from operations or cash flows.

NOTE 10 - COMMITMENTS AND CONTINGENCIES (continued)

Lease commitments - The District is obligated for land and office rentals under the terms of various non-cancelable operating lease agreements. These expire in various years through 2016. The District also entered into various non-cancelable operating sublease agreements for office space. These expire in various years through 2016. Following is a schedule by year of future minimum lease payments and future minimum rental revenues under operating leases as of December 31, 2012:

	Operating lease commitments	Lease income	Net Lease expense
2013	$ 3,956,000	$ 598,000	$ 3,358,000
2014	1,941,000	614,000	1,327,000
2015	1,161,000	631,000	530,000
2016	1,161,000	647,000	514,000
2017	-	665,000	(665,000)
	$ 8,219,000	$ 3,155,000	$ 5,064,000

Total rental expense in 2012 and 2011 for all operating leases was approximately $3,058,000 and $3,995,000, respectively. Total rental income in 2012 and 2011 for all operating subleases was approximately $544,000 and $588,000, respectively.

Regulatory environment - The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medi-Cal fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. The District is subject to routine surveys and reviews by federal, state and local regulatory authorities. The District has also received inquiries from health care regulatory authorities regarding its compliance with laws and regulations. Although the District management is not aware of any violations of laws and regulations, it has received corrective action requests as a result of completed and ongoing surveys from applicable regulatory authorities. Management continually works in a timely manner to implement operational changes and procedures to address all corrective action requests from regulatory authorities. Breaches of these laws and regulations and non-compliance with survey corrective action requests could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

NOTE 11 - GOING CONCERN UNCERTAINTY

The accompanying financial statements have been prepared assuming the District will continue as a going concern, which contemplates realization of assets and satisfaction of liabilities in the normal course of business. The Hospital has experienced recurring cash shortages and has a net deficit of $(8,048,000). These matters raise substantial doubt about the District's ability to continue as a going concern. The December 31, 2012 financial statements do not include any adjustments that might result from the outcome of this uncertainty.

DOCTORS
MEDICAL CENTER

QUALITY REPORT

TAB 8

Quality Management Report

April 2013

Core Measures – 4th Qtr 2012

- AMI & Pneumonia are at green in all areas
- CHF has shown improvement in discharge instructions
- SCIP needs improvement in 2 indicators, and have made changes in post op orders
- Stroke needs improvement for VTE Prophylaxis. Implemented measures for the weekends

Procedural Sedation – 1st Qtr 2013

- Revised Policy to reflect new standards
- Developed competency for all nurses that are affected
- Developed audit tool to report quarterly
- Have met 100% with one exception, when a patient was unable to follow directions

Ca. Transplant Donor Network
4th Qtr 2012

- Overall referral rate at 100%
- 6 Tissue donors and 0 organ donors
- In-service to ICU staff in March

Environment of Care – 2012

- 99% – 100% in all areas with the exception in Clinical Non-Life Support PM which is at 88%
- Reason was target dates too close or before the actual due date.
- Have actions that have improved compliance

Imaging Services – 4th Qtr 2012

- Monitoring wait times to be less than 15 minutes
- Met with an average of 9.2
- Will be reviewing to implement new indicators.

Sleep Center – 4th Qtr 2012

- Measuring Patient Satisfaction – Would you recommend the sleep center to others?
- Doing well in this area
- Recommendation to add additional indicators

DOCTORS MEDICAL CENTER

Quality/Patient Safety Metrics

Acute Myocardial Infarction (AMI)

	1Q 2012	2Q 2012	3Q 2012	4Q 2012	Goal
Medication: Aspirin at arrival (AMI1)	93.0%	100.0%	100.0%	100.0%	90-100%
Aspirin at discharge (AMI2)	97.4%	100.0%	100.0%	100.0%	90-100%
ACEI/ARB for LVSD[1] (AMI3)	(7/8) 87.5%	100.0%	100.0%	100.0%	90-100%
Beta blocker at discharge (AMI5)	100.0%	93.5%	96.8%	100.0%	90-100%
Fibrinolysis Tx within 30 min of arrival (AMI7a)	n/a	n/a	100.0%	n/a	90-100%
Percutaneous Cardiac Intervention (PCI) w/in 90 min of arrival (AMI8a)	100.0%	(6/7) 85.7%	(6/7) 85.7%	100.0%	90-100%
Statin Prescribed at Discharge (AMI10)	94.6%	97.5%	97.0%	100.0%	90-100%

COMMENTS:

•Currently, all elements are 100% for 4Q 2012

•Composite Score or Appropriate Care Measure (ACM) for Q12012 is 83% (157/190), Q22011 is 82% (181/222), Q32011 is 75% (155/207) . ACM score for 4th quarter (Oct & Nov) 2012 is 80% (102/127). Expectations from the Joint Commission starting in Q12012 is that a facility will maintain an ACM of at least 85%

•Results are reviewed at STEMI Committee meeting

ACTION PLAN:

>Ongoing daily report sent to Nursing leadership. Meets twice a month for Core Measure Quality Improvement.

>Meaningful Use Specialist RN has ongoing review of Medication Reconciliation and Core Measures

>eQRR entered for Discharge instructions and medications

DOCTORS MEDICAL CENTER

Quality/Patient Safety Metrics

Pneumonia (PN)

	1Q 2012	2Q 2012	3Q 2012	4Q 2012	Goal
Blood Culture within 24 hrs of arrival-ICU (PN3a)	100.0%	100.0%	(8/9) 88.9%	93.3%	90%-100%
Blood Culture in ED prior to initial Antibiotic (PN3b)	100.0%	100.0%	100.0%	97.8%	90%-100%
Antibiotic selection for ICU/non-ICU patients (PN6)	100.0%	100.0%	100.0%	96.4%	90%-100%
Antiobiotic selection for ICU patients (PN6a)	100.0%	100.0%	100.0%	100.0%	90%-100%
Antibiotic selection for Non-ICU patients (PN6b)	100.0%	94.4%	100.0%	95.2%	90%-100%

COMMENTS:

•Data reviewed with Nursing Leadership with an action plan identified.

•Managers/Directors followed up with individual staff to set up expectations.

•Antibiotic MONOtherapy for patients admitted to the ICU is a fallout. The recommended PNA antibiotic selection is listed on the back of the core measure alert form.

•Currently, ALL PNA elements are in the green (above 90%).

ACTION PLAN:

>Daily report sent to Nursing leadership. Meets twice a month for Core Measure Quality Improvement.

>Meaningful Use Specialist RN has ongoing review of Medication Reconciliation and Core Measures

DOCTORS MEDICAL CENTER

Quality/Patient Safety Metrics

Congestive Heart Failure (CHF)

	1Q 2012	2Q 2012	3Q 2012	4Q 2012	Goal
All Discharge Instructions (HF1)	(42/60) 70%	(43/76) 56.6%	(34/62) 54.8%	(49/76) 64.5%	90%-100%
Activity instructions at discharge (HF1a)	93.3%	90.8%	96.8%	97.4%	90%-100%
Diet instructions at discharge (HF1b)	91.7%	92.1%	96.8%	97.4%	90%-100%
Follow-up instructions at discharge (HF1c)	95.0%	**(64/76) 84.2%**	96.8%	97.4%	90%-100%
Medications instructions at discharge (HF1d)	**(50/60) 83.3%**	**(67/76) 88.2%**	93.5%	97.4%	90%-100%
Symptons worsening instructions at discharge (HF1e)	98.3%	90.8%	98.4%	**(68/76) 89.5%**	90%-100%
Weight monitoring instructions at discharge (HF1f)	95.0%	(54/76) 71.1%	(37/62) 59.7%	(50/76) 65.8%	90%-100%
Evaluation of Left Ventricular Systolic (LVS) Function (HF2)	98.6%	98.9%	98.6%	97.8%	90%-100%
ACEI or ARB for LVSD[1] (HF3)	**(15/18) 83.3%**	**(32/37) 86.5%**	(19/25) 76%	97.6%	90%-100%

COMMENTS:

•Ongoing monthly meeting with physician leadership to discuss identified issues for CHF

•Quality meets with Hospitalist group & Physician Leadership to review Core Measure fallouts and identify actions to be taken to improve numbers.

•Core Measure Review Nurse met with individuals involved (RNs, MDs) during rounds and discussed core measure topics where DMC could improve on, such as discharge instructions.

•Transition to electronic documentation (Paragon) has caused an increase in fallouts, specifically on DC instructions: a signed copy is not in the final medical chart, wt monitoring not included, ff-up instructions not specific (AS FOLLOWS) and Med Instructions are not accurate due to inconsistencies in addressing these DC meds.

ACTION PLAN:

>Charge Nurses are working with primary nurses to complete Core Measures in Paragon. This is done on a daily basis instead of waiting until the day of discharge to complete the Discharge Insturctions.

>Task Force was created for the front-line nursing staff regarding issues encountered (i.e., how we can improve at the bedside, etc.)

>eQRR entered for Discharge instructions and medications

DOCTORS MEDICAL CENTER

Quality/Patient Safety Metrics

Surgical Care Improvement Project (SCIP)

	1Q 2012	2Q 2012	3Q 2012	4Q 2012	Goal
Antibiotics within 1 hour (SCIP INF 1a)	92.0%	93.5%	92.9%	95.5%	90%-100%
Antibiotics Selection (SCIP INF 2a)	100.0%	100.0%	96.4%	90.9%	90%-100%
Antibiotics discontinued within 24 hours (SCIP INF 3a)	100.0%	(26/30) 86.7%	92.9%	90.9%	90%-100%
Hair Removal (SCIP INF 6)	100.0%	100.0%	100.0%	100.0%	90%-100%
Urinary Catheter Removed Post-Op Day 1 & Day 2 (SCIP INF 9)	92.9%	94.3%	(31/43) 72.1%	(34/38) 89.5%	90%-100%
Periop Temp Mgt (SCIP INF 10)	100.0%	100.0%	100.0%	100.0%	90%-100%
Beta Blocker perioperative (SCIP CARD 2)	100.0%	(11/13) 84.6%	100.0%	100.0%	90%-100%
VTE Prophylaxis Ordered (SCIP VTE 1)	100.0%	94.7%	98.0%	91.1%	90%-100%
VTE Prophylaxis Timely (SCIP VTE 2)	96.9%	92.1%	(44/49) 89.8%	(39/45) 86.6%	90%-100%

ACTION PLAN:

- All surgical patients orders now have an automatic stop order for antibiotics unless orders are not on CPOE. Working with OR and Pharmacy.
- Urinary Catheter Removal: challenges related to documentation. Units are using the Infection Control Sticker.
- Concurrent Review Nurse is reviewing for these and reminding staff to remove foley on Day 1 if possible.

Appropriate VTE prophylaxis should be received within 24 hours prior to surgery to 24 hours after surgery. Receiving the prophylaxis outside this window without any documented reason will be an OFI. This remains a challenge even though met goal.

- PACU post Op Order Set is being reviewed and waiting for approval. No pts will be allowed to leave PACU without completion/addressing the order set.
- Continuing RN and MD education regarding appropriate BB administration is ongoing.
- Daily report sent to Nursing leadership. Meets twice a month for Core Measure Quality Improvement.
- OFIs are discussed with MD involved and if possible, addendi are created to correct documentation in the medical record.
- eQRR created for OFI and referred for peer review.

DOCTORS MEDICAL CENTER

Quality/Patient Safety Metrics

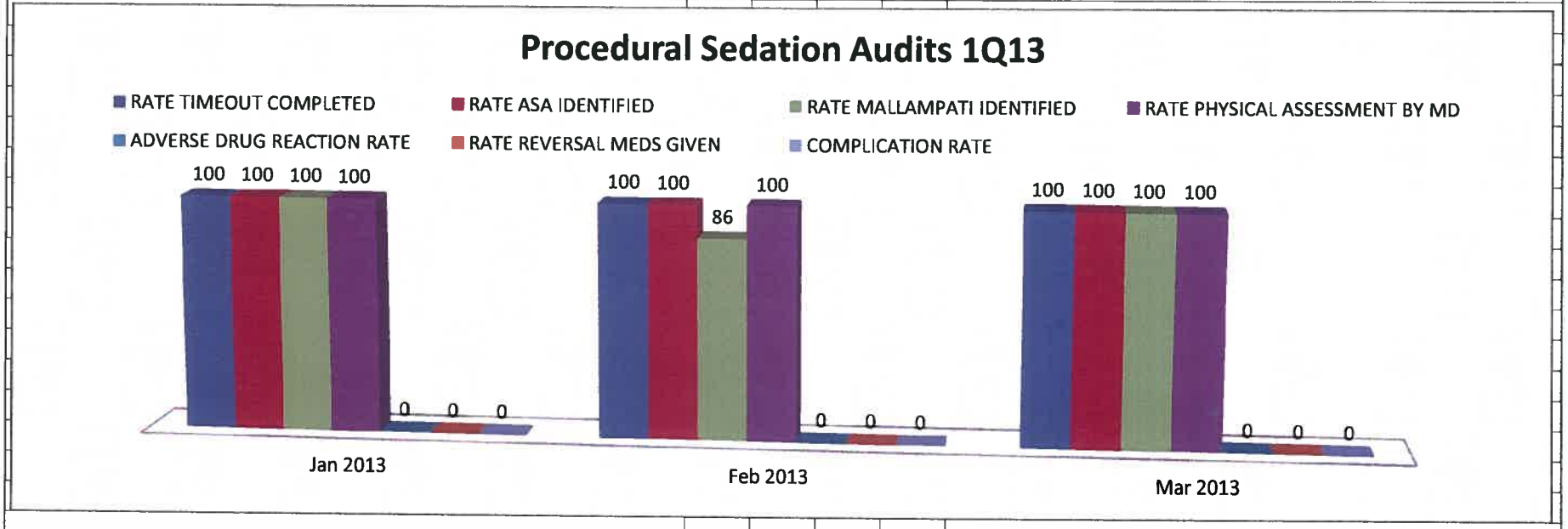
STROKE (STK)

	1Q 2012	2Q 2012	3Q 2012	4Q 2012	Goal
VTE Prophylaxis (STK-1)	(37/42) 88.1%	94.3%	91.2%	(22/25) 88%	90%-100%
VTE Prophylaxis - ISCHEMIC (STK-1a)	(34/39) 81.2%	93.8%	90.9%	(21/24) 87.5%	90%-100%
VTE Prophylaxis - HEMORRHAGIC (STK-1b)	100.0%	100.0%	100.0%	100.0%	90%-100%
DC on Antithrombotic Tx (STK-2)	100.0%	100.0%	100.0%	100.0%	90%-100%
Anticoag Tx for AF/Flutter (STK-3)	100.0%	100.0%	100.0%	100.0%	90%-100%
Thrombolytic Tx (STK-4)	100.0%	(5/7) 71.4%	100.0%	100.0%	90%-100%
Antithrombotic Tx HD2 (STK-5)	100.0%	100.0%	96.7%	95.0%	90%-100%
DC on STATINS (STK-6)	(24/27) 88.9%	95.5%	95.5%	94.1%	90%-100%
Stroke Education (STK-8)	(22/27) 81.5%	100.0%	(12/15) 80%	92.9%	90%-100%
Stroke Education ISCHEMIC (STK-8a)	(20/25) 80%	100.0%	(11/14) 78.6%	92.9%	90%-100%
Stroke Education HEMORRHAGIC (STK-8b)	100.0%	100.0%	100.0%	n/a	90%-100%
Assessed for Rehab (STK-10)	95.1%	100.0%	93.5%	100.0%	90%-100%
Assessed for Rehab ISCHEMIC (STK-10a)	94.7%	100.0%	93.3%	100.0%	90%-100%
Assessed for Rehab HEMORRHAGIC (STK-10b)	100.0%	100.0%	100.0%	100.0%	90%-100%

COMMENTS:

Action Plan:
Stroke education dropped in the 3rd quarter due to documentation changed to the Paragon system. Since volumes are low, the Stroke Coordinator is following up with each nurse and patient to ensure that the patient did receive appropriate education. The Stroke Coordinator is meeting with Nurse Managers when a trend is identified to work with that nurse. The nursing education coordinator has added increased information about documentation of patient education. The Medical Director continues to meet with individual physicians to discuss VTE Prophylaxis fallouts. All Stroke data is reviewed monthly at the Stroke Committee.

Profile: Procedural Sedations Audits					
Facility: All Facilities					
Indicator	Jan 2013	Feb 2013	Mar 2013	Total	COMMENTS:
RATE TIMEOUT COMPLETED	100	100	100	100	
Timeout Not Completed OFI	0	0	0	0	
RATE ASA IDENTIFIED	100	100	100	100	
ASA Not Identified OFI	0	0	0	0	
RATE MALLAMPATI IDENTIFIED	100	86	100	92	
Mallampati Not Identified OFI	0	1	0	1	Pt unable to follow directions in order to evaluate
RATE PHYSICAL ASSESSMENT BY MD	100	100	100	100	
MD Physical Assessment Not Performed b4 Sedation Start OFI	0	0	0	0	
ADVERSE DRUG REACTION RATE	0	0	0	0	
Adverse Drug Reaction OFI	0	0	0	0	
RATE REVERSAL MEDS GIVEN	0	0	0	0	
Reversal Meds Given OFI	0	0	0	0	
COMPLICATION RATE	0	0	0	0	
Complications OFI	0	0	0	0	
TOTAL PROCEDURAL SEDATION AUDITS	2	7	4	13	



California Transplant Donor Network

CONTACT
Kari Cluff
Donation Services Liaison
Cell: 510-301-8866
FAX: 510-251-7018
kcluff@ctdn.org
http://www.ctdn.org

Hospital Combined Donation & Referral Scorecard

Doctors Medical Center San Pablo Q4 2012

YTD Donation/Referral Counts	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
All Deaths	40	18	33	28	21	18	20	37	27	28	24	31	325
Eligible Deaths	0	0	0	0	0	0	0	0	0	0	0	0	0
Hospital Referrals	40	18	33	28	21	18	20	37	27	28	24	31	325
Missed Referrals	0	0	0	0	0	0	0	0	0	0	0	0	0
Organ/Tissue Referrals	1	0	0	0	0	0	2	0	0	0	0	2	5
Potential Referrals	0	0	0	0	0	0	0	1	0	0	0	0	1
Timely Organ Referrals	0	0	0	0	0	0	1	0	0	0	0	1	2
Organ Donors	0	0	0	0	0	0	0	0	0	0	0	0	0
Eligible Donors	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Eligible Donors	0	0	0	0	0	0	0	0	0	0	0	0	0
Organs Transplanted	0	0	0	0	0	0	0	0	0	0	0	0	0
Tissue Donors	3	0	1	1	0	2	1	2	0	2	2	2	16

YTD Donation/Referral Rates	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Adjusted Conversion Rate	-	-	-	-	-	-	-	-	-	-	-	-	NaN
Potential Conversion Rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Overall Referral Rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Timely Organ Referral Rate	0%	-	-	-	-	-	50%	-	-	-	-	50%	40%
Organ Donor FPA Rate	-	-	-	-	-	-	-	-	-	-	-	-	NaN
OTPD	-	-	-	-	-	-	-	-	-	-	-	-	0.00
Death to Tissue Donor Rate	7.5%	0.0%	3.0%	3.6%	0.0%	11.1%	5.0%	5.4%	0.0%	7.1%	8.3%	6.5%	4.9%
Tissue Donor FPA Rate	0%	-	0%	0%	-	0%	0%	0%	-	0%	0%	0%	0%
CTOD Timeliness Rate	74%	61%	73%	75%	50%	89%	69%	73%	70%	79%	67%	86%	73%

See Definitions and Disclosure Notice on Pages 10-12

Organ Donor Recovery Details: Q4 2012 (Doctors Medical Center San Pablo)

Detail Data for Report Period Only (Q4 2012)

Organ ID	Recovery Date	Age / Gender/ Ethnicity	Heart	Lungs	Liver	Kidneys	Pancreas	SmB	Total Rec'd	Referral #
No Organ Donors										
		Total Organs Recovered							**0**	**Total Organ Donors: 0**

Doctors Medical Center
San Pablo

Environment of Care - Indicators of Performance - Utility Systems 2012

Data Source-CMMS System	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			YTD
Indicator - 1 PM Compliance	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Average**
Utility-Fire Safety PM Compliance	100%	96%	97%	100%	100%	100%	100%	100%	100%	97%	100%	100%	99%
Numerator (Number Completed)	27	22	33	30	11	17	24	19	23	37	13	23	23.25
Denominator (Number Generated)	27	23	34	30	11	17	24	19	23	38	13	23	23.50
Threshold 100%													

Results Summary: Oct 2012-The work order shown as incomplete was a Bio Med work order # 25856 that was loaded in the wrong category.

Action Steps:
March 2012-The preventive maintenance category report will be generated the 3rd Monday of each month to insure that the work orders are completed and closed during the correct period. This change is effective April 1st, 2012. **Oct. 2012**- The Bio Med work order was put in the proper category resulting in 100% compliance for Utility-Fire Safety.

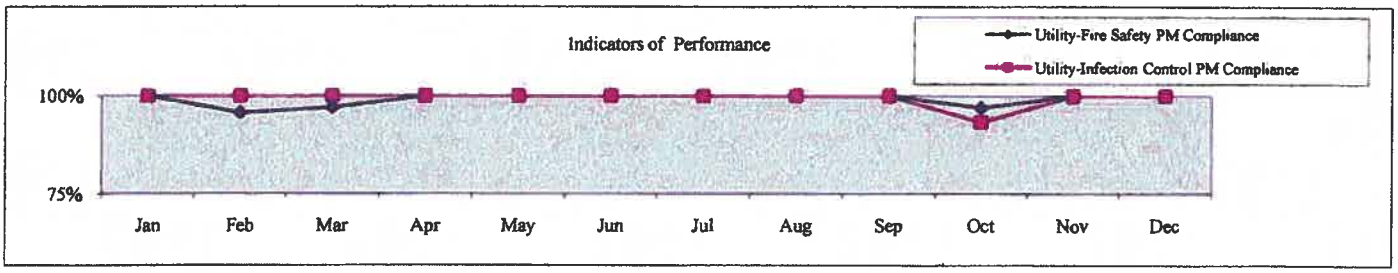
Person responsible for each indicator: Chief Engineer

Data Source-CMMS System	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			YTD
Indicator - 2	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Average**
Utility-Infection Control PM Compliance	100%	100%	100%	100%	100%	100%	100%	100%	100%	93%	100%	100%	99%
Numerator (Number Completed)	6	26	6	3	0	8	9	14	3	14	13	13	9.6
Denominator (Number Generated)	6	26	6	3	0	8	9	14	3	15	13	13	9.7
Threshold 100%													

Results Summary: The work order shown as incomplete was a Bio Med work order # 25826 that was loaded in the wrong category.

Action Steps:Oct. 2012- The Bio Med work order was put in the proper category resulting in 100% compliance for Utility-Infection Control Oct. 2012.

Person responsible for each indicator: Chief Engineer



Doctors Medical Center
San Pablo

Environment of Care - Indicators of Performance - Utility Systems 2012

Data Source-CMMS System	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			YTD
Indicator - 1 PM Compliance	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Average**
Utility-Critical PM Compliance	100%	88%	98%	100%	100%	100%	100%	100%	100%	100%	100%	100%	99%
Numerator (Number Completed)	96	102	58	62	27	67	67	139	75	81	97	111	81.83
Denominator (Number Generated)	96	116	59	62	27	67	67	139	75	81	97	111	83.08
Threshold 100%													

Results Summary:
February 2012-The variances related to the completion rates for the Utility-Critical element was caused by the technician not closing the work request prior to the last day of the month. The work was done on time and not closed in the work order system.

Action Steps:
February 2012-The preventive maintenance category report will be generated the 3rd Monday of each month to insure that the work orders are completed and closed during the correct period. This change is effective March 1st, 2012.

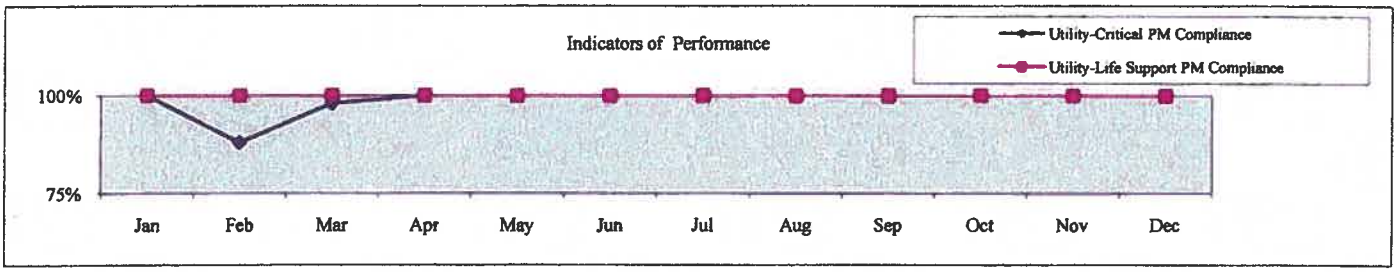
Person responsible for each indicator: Ken Rowe, Chief Engineer

Data Source-CMMS System	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			YTD
Indicator - 2	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Average**
Utility-Life Support PM Compliance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Numerator (Number Completed)	2	2	14	10	8	12	8	1	3	5	6	5	6.3
Denominator (Number Generated)	2	2	14	10	8	12	8	1	3	5	6	5	6.3
Threshold 100%													

Results Summary:

Action Steps: To continue compliance at a 100% rate.

Person responsible for each indicator: Ken Rowe, Chief Engineer



Doctors Medical Center
San Pablo, CA

Environment of Care - Indicators of Performance - Medical Equipment 2012

Data CMMS System	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			YTD
Indicator - 1 PM Compliance	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Average**
Clinical-Life Support PM Compliance	75%	100%	100%	100%	100%	100%	88%	100%	100%	100%	100%	100%	97%
Numerator (Number Completed)	9	12	11	8	1	13	7	10	11	3	2	1	7.33
Denominator (Number Generated))	12	12	11	8	1	13	8	10	11	3	2	1	7.67
Threshold 100%													

Results Summary:
January 2012- 75% result was due to improper closing of work orders.

Action Steps:
January 2012- An in-service on the proper use of the work order system.

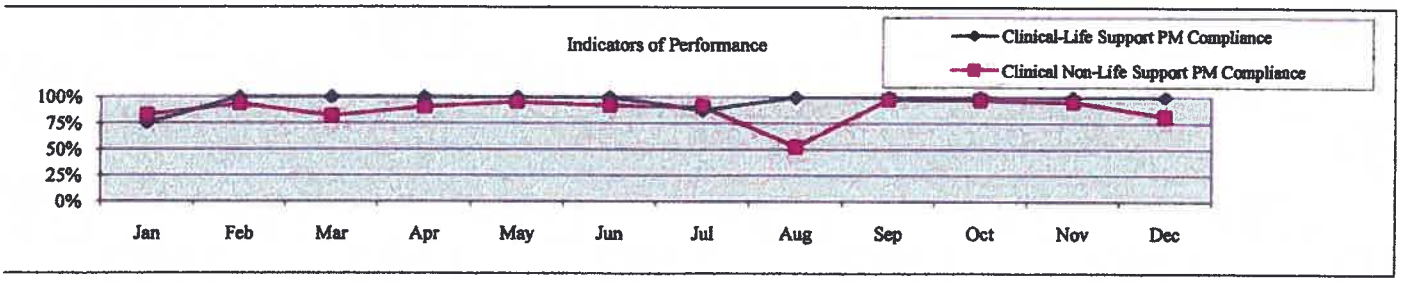
Person responsible for each indicator: Clinical Engineering Department

Data Source-CMMS System	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			YTD
Indicator - 2 PM Compliance	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Average**
Clinical Non-Life Support PM Compliance	83%	94%	82%	91%	96%	92%	91%	53%	98%	98%	96%	82%	88%
Numerator (Number Completed)	58	58	73	146	22	102	102	135	102	122	247	54	101.8
Denominator (Number Generated)	70	62	89	161	23	111	112	257	104	125	258	66	119.8
Threshold 90%													

Results Summary:
January 2012- 83% PM completion rate the result of target dates too close or before the actual due date.
March 2012-82% PM completion rate the result of target dates too close or before the actual due date
August 2012 - 53% PM completeion rate is the result of Humidfiers for the Ventillators taken out of service, which automatically generated follow-up work orders. Those follow-up work orders are included in September (2012) work order count. **December 2012-**82% PM completion rate is the result of not recieiving service reports from the vendors.

Action Steps:
January 2012- Check all target dates for each piece of equipment to insure they are correct.
March 2012- Check all target dates for each piece of equipment to insure they are correct. **December 2012-** Request copy of service report prior to the vendor departing the hospital.

Person responsible for each indicator: Clinical Engineering Department



PERFORMANCE IMPROVEMENT COMMITTEE (HPIC) REPORTING FORM

IMAGING SERVICES

Report is for 4RD QUARTER 2012

SITUATION (Reason indicator was selected & What the indicator is):

THIS INDICATOR WAS CHOSEN TO MONITOR WAIT TIMES OF OUR OP IMAGING PATIENTS. THE STANDARD: PATIENTS WILL NOT WAIT MORE THAN 15 MINUTES BEFORE BEING SEEN BY OUR TECHNOLIGSTS, AND THEIR EXAM STARTED.

BACKGROUND (Information about the indicator & past data)

AVERAGE WAIT TIMES BY MONTH:

JAN. 2013	AUG. 2012	SEPT. 2012	OCT. 2012	NOV. 2012	DEC. 2012
7.4MIN	8.5 MIN.	8.3 MIN.	9.8 MIN	10.0 MIN.	7.8MIN

ACTION TAKEN & RESULTS:

RECOMMENDATIONS/FOLLOWUP:

Submitted by:_WILEY WATTERLOND BSRT **Date:_02/01/2013**

HOSPITAL PERFORMANCE IMPROVEMENT COMMITTEE (HPIC) REPORTING FORM

Sleep Disorders Center
4th Quarter 2012

SITUATION (Reason indicator was selected & what the indicator is):
Clinical indicator-QA Patient Satisfaction Response *Information pulled from monthly Sleep Center Patient Satisfaction survey using the indicator below:

Clinical Indicators were chosen to provide quality patient care for the services rendered as an Accredited "Attended Sleep Testing Facility". *Indicators pertain to the general operations, efficiency and administration issues. In addition to internal review, specific indicators are monitored month by month. The indicators under monthly or quarterly review will be carried across the year.*
 # 1.
*Indicator: Patient Response-**Would you recommend the sleep center to others?***
Focus: Return Percentage
Threshold: 10 %
Data Source: Patient Satisfaction Questionnaires

BACKGROUND (Information about the indicator & past data)
Past data is consistent with current date.

4TH Quarter October, November, December 2012

Would you recommend the sleep center to others?

	Yes	No	Unsure	Reponses
October	25	0		25
[redacted]	29	0		29
December	12	1		13

	Yes	No	Unsure	Responses
January 2013	22			22
[redacted]	19			19

ACTION TAKEN & RESULTS: None

RECOMMENDATIONS/FOLLOW-UP:
No additional action required at this time.

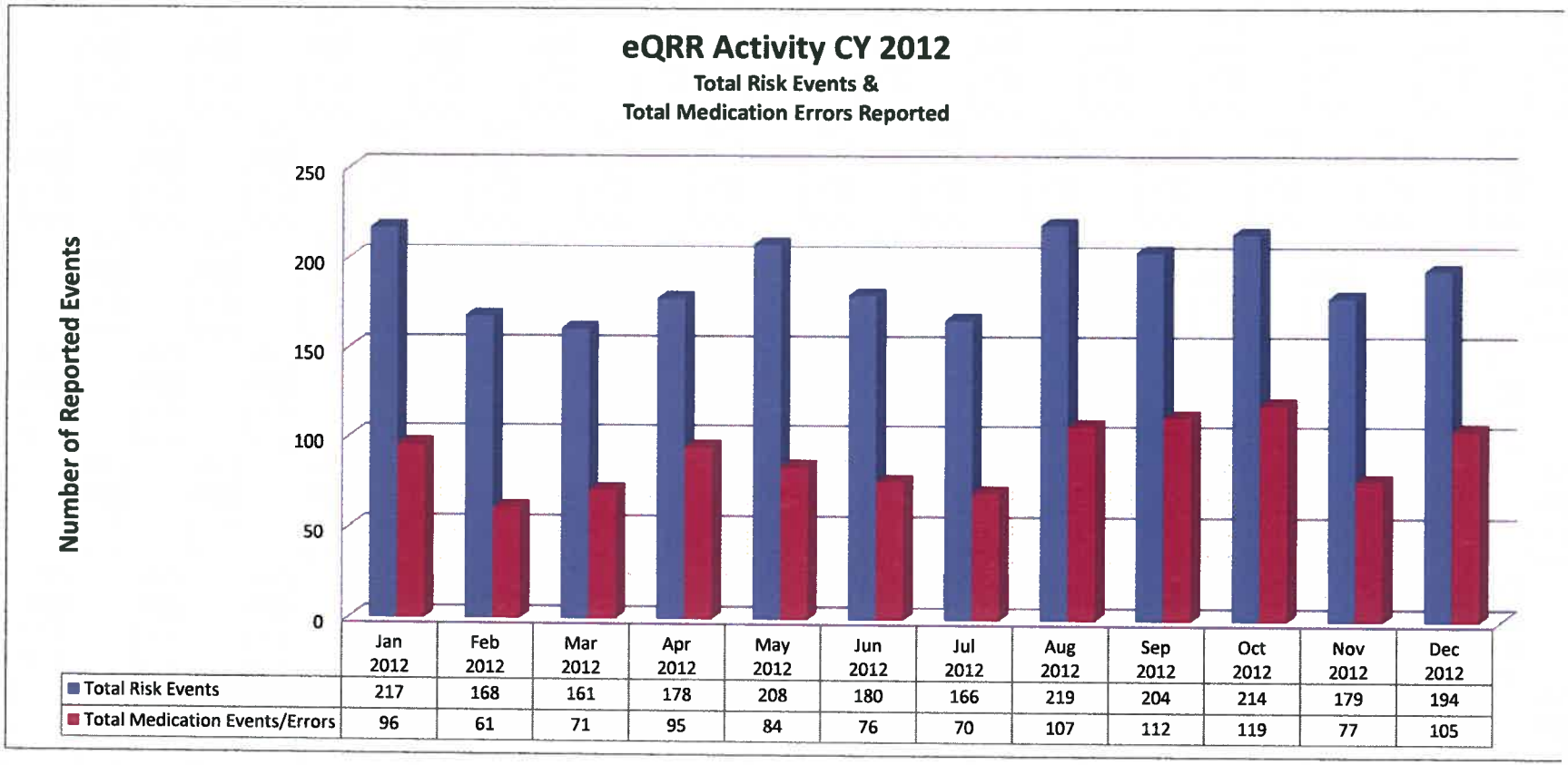
Sleep Disorders Center submitted by Wiley Watterlond **Date: 11/14/12**

DOCTORS MEDICAL CENTER

Quality/Patient Safety Metrics

e-QRR Activity CY 2012

Indicator	Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	Total
Total Risk Events	217	168	161	178	208	180	166	219	204	214	179	194	2288
Total Medication Events/Errors	96	61	71	95	84	76	70	107	112	119	77	105	1073



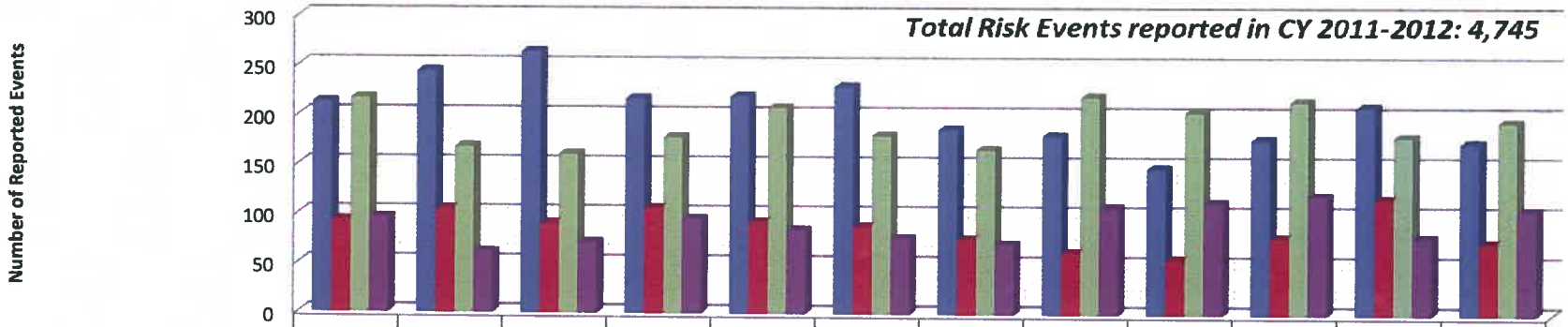
DOCTORS MEDICAL CENTER

Quality/Patient Safety Metrics

Indicator	*Jan*	*Feb*	*Mar*	*Apr*	*May*	*Jun*	*Jul*	*Aug*	*Sep*	*Oct*	*Nov*	*Dec*
Total Risk Events 2011	213	244	264	217	219	229	186	180	147	176	209	173
Total Medication Errors 2011	93	104	90	106	92	88	75	62	55	77	116	72
Total Risk Events 2012	217	168	161	178	208	180	166	219	204	214	179	194
Total Medication Errors 2012	96	61	71	95	84	76	70	107	112	119	77	105

2011-2012 Total eQRR and Total Med Errors

Total Risk Events &
Total Medication Errors Reported



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DOCTORS
MEDICAL CENTER

MEDICAL EXECUTIVE REPORT

TAB 10

Medical Staff Update
April 19, 2013

Medical Staff Bylaws Review & Revision – The medical staff bylaws underwent review and extensive revision by the medical staff attorney, as a result of last The Joint Commission survey. Those revisions are currently under review by the Bylaws Committee via the leadership of Dr. Morrissey.

Privilege Delineation Update – The Joint Commission requires that privileges be "objective, evidence based." The Medical Staff leadership requested that current privilege forms be reviewed and revised to better reflect services performed at DMC, as well as to identify specific eligibility requirements that should be met prior to initial appointment, as well as criteria which must be met in order to maintain privileges. The Interim Director has been diligently working with members of the Department of Medicine and updating/revision

Privilege Form Distribution – Privilege forms that were previously distributed to specific areas of the hospital and maintained in manuals are now available and accessible on-line. This was done to allow accurate and more timely access by departments such as admitting, scheduling, OR, ER, etc.

Ethics Committee – The Ethics Committee is meeting to review, update and revise the Ethics Policy & Procedure. Research is currently underway related to legal aspects and processes for managing patients in the "end of life" stages.

Reappointment Date Alteration – Currently reappointment dates end on staggered days throughout every month. This can cause confusion and could lead to reappointments expiring prior to approval by the Governing Board. This can happen due to miscalculating the processing of reappointments through meetings or can also be caused when meetings such as MEC and/or Governing Board are moved. In order to avoid such mishaps, reappointments are being recalculated to end on the last day of a given month. This will have little impact on practitioners and their reappointment cycle.

MSO Director– The search continues to fill the position of MSO Director. The job description has been updated and revised.

FPPE/OPPE – The Medical Staff Office Interim Director and the Quality Department are working collaboratively to develop a process to retrieve and collect relevant OPPE quality data that will be used at reappointment. FPPE data collection is still under review.