DOCTORS
MEDICAL CENTER

Joint Meeting of the West Contra Costa Healthcare District Board and Doctors Medical Center Management Authority, JPA Board

Wednesday, December 1, 2010
4:30 PM - Auditorium
Doctors Medical Center
2000 Vale Road
San Pablo, CA

JOINT MEETING OF THE WEST CONTRA COSTA HEALTHCARE DISTRICT BOARD AND DOCTORS MEDICAL CENTER MANAGEMENT AUTHORITY, JPA BOARD

WEST CONTRA COSTA HEALTHCARE DISTRICT
BOARD RETREAT
December 1, 2010, 4:30 P.M.
Doctors Medical Center - Auditorium
2000 Vale Road
San Pablo, CA 94806

Teleconference Site:
Director Irma Anderson
101 Hollingsworth Road
Milton, MA 92186
Call in number: 800-511-1465

BOARD OF DIRECTORS
Nancy Casazza, Chair
Irma Anderson, Vice Chair
Eric Zell, Treasurer
Beverly Wallace, Secretary
Deborah Campbell

DOCTORS MEDICAL CENTER MANAGEMENT AUTHORITY, JPA BOARD

GOVERNING BOARD
Supervisor John Gioia, Chair
Eric Zell, Vice Chair
Stephen Arnold, M.D.
Pat Godley
Supervisor Federal Glover
Bill Walker, M.D.
Beverly Wallace

AGENDA

1. Call to Order and Roll Call

2. Approve Minutes of Joint Board Meeting of October 27, 2010.

3. Public Comment
   [At this time persons in the audience may speak on any items not on the Agenda which are within the jurisdiction of the WCCHD and Doctors Medical Center Management Authority, JPA Board]

4. Presentation of Seismic Alternatives – *Informational Only*

5. Presentation and Acceptance of the October 2010 Financial Statements

6. Presentation and Approval of the Budget Financials for 2011

7. Adjournment

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Minutes – Joint Board Mtg.
October 27, 2010

TAB 2

JOINT MEETING
WEST CONTRA COSTA HEALTHCARE DISTRICT BOARD AND
DOCTORS MEDICAL CENTER MANAGEMENT AUTHORITY, JPA BOARD

MEETING MINUTES

Board Meeting of the Board of Directors of the WEST CONTRA COSTA HEALTHCARE DISTRICT
Wednesday, October 27, 2010 at Doctors Medical Center Auditorium, 2000 Vale Road, San Pablo, CA

Members Present:
Director Nancy Casazza, Chair
Director Irma Anderson, Vice-Chair
Director Beverley Wallace, Secretary
Director Eric Zell, Treasurer
Director Deborah Campbell, Board Member
Supervisor John Goiai, JPA Chair
Stephen Arnold, M.D.
Bill Walker, M.D.

DMC Staff Present:
Joseph A. Stewart, President/CEO
Richard Reid, CFO
MaryJo Sullivan, VP Nursing
Teri Grassau, Interim VP Quality
John Hardy, VP Human Resources
Amelia Daly, Recorder

Excused Absence:
Pat Godley
Supervisor Federal Glover

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1. **Call to Order**

The meeting was called to order at 4:00 p.m. and roll was called

2. **Public Comment**

There were no public comments.

3. **Presentation of the Seismic Report/Update:**

William Appling, Director of Engineering Services, introduced Ralph Lotito of BFHL and Ron Migliori of Buehler & Buehler Structural Engineers who gave an updated DMC Seismic Report and two possible alternative solutions that were available to Doctors Medical Center:

- Option 1 – Selective Demolition. Remove floors 4, 5, 6, 7 & penthouse. Cost - +/- $16,000,000
- Option 2 – Shear Walls. Eight new concrete shear walls. Cost - +/-$20,000,000

After much discussion, a motion was made to the District Board by Director Zell and seconded by Director Anderson to direct Administration to come up with additional seismic options/scenarios and bring to a study session before the end of year 2010. The motion passed unanimously.

The motion to the JPA was made by Supervisor Gioia and seconded by Ms. Wallace to direct Administration to come up with additional seismic options/scenarios and bring to a study session before the end of year 2010 passed unanimously.

4. **Presentation and Acceptance of the September 2010 Financial Statements**

Rick Reid, Chief Financial Officer, reported September 2010 net income loss of $4,466,000 on a budget of $461,000; case mix adjusted average length of stay decreased to 3.56 days and the average daily census was 87.2. The net loss was the result of the removal of the $4 million CMAC receivable and not recording current month's CMAC accrual of $1 million. He reported that the total cash balance is $8.4 million and there are 21 days of cash on hand.

Mr. Reid informed the board that DMC has officially applied for the CMAC funding for the year 2010-2011. Mr. Reid will continuously apprise the board of the progress on reclaiming previous year's CMAC funding. It was also reported that DMC is $3 million away to a breakeven 2011 budget.

The motion made by Director Zell and seconded by Director Anderson to approve the September 2010 financials passed unanimously.

5. **Study Session of 2011 Budget Financials**

Joseph Stewart, President/CEO, gave a presentation on the effects that the New Health Care Reform will have on the delivery of health care services. He indicated that DMC has to have a strategic plan that will meet the challenges of the future, i.e.

- Uncertain economic outlook for hospitals which will be impacted by political forces and the general economy, and
- Rising costs of health care delivery due to increasing labor costs, new technology and expensive drugs.

The implications for hospital leaders are:

- Clinical Integration
- Commitment to Cost Reduction
- Political Advocacy

He recommended the following strategic moves:

- A governance structure that is positioned to re-imagine health care for our district and have the required competencies to lead us there.
- A de-structuring of the hospital's organizational silos that allow a much more interdisciplinary group of caregivers to plan a way to help people maintain health across a wide variety of health barriers.
- A re-envisioning of where we can take care of people throughout the West Contra Costa County Healthcare District, e.g., our new San Pablo Outpatient Center.
- Serious and successful partnering with physicians who see a common vision of, and a dedication to integration of care.
- Examination of who else we might partner with and how.

- An obsession for finding the right people and setting clear accountability for all those working to achieve our common goals.
- Re-inventing "Information Technology" from machine-focus to knowledge focus and to a huge user friendliness.
- Connecting with all our staff to engage their passion and ideas for Amazing Care, and finally
- Re-empowering the patient and their family as core and empowered users of our help to assist them reach the best level of health available to them.

Mr. Stewart concluded by challenging DMC to "Exploit the New Realities" that will take Doctors Medical Center "Beyond Reform to Become Specialized, Integrated and Connected."

Rick Reid, Chief Financial Officer, informed the Board that the final 2011 Budget will be presented at the November 22nd Board meeting. Mr. Reid presented what has been done thus far:

- Year-End Projections
- Improve Cash: Steps Taken to Date
- 2011 Budget Challenges
- 2011 Budget Objectives

6. **Adjournment**

There being no further business, the joint meeting adjourned at 6:00 p.m.

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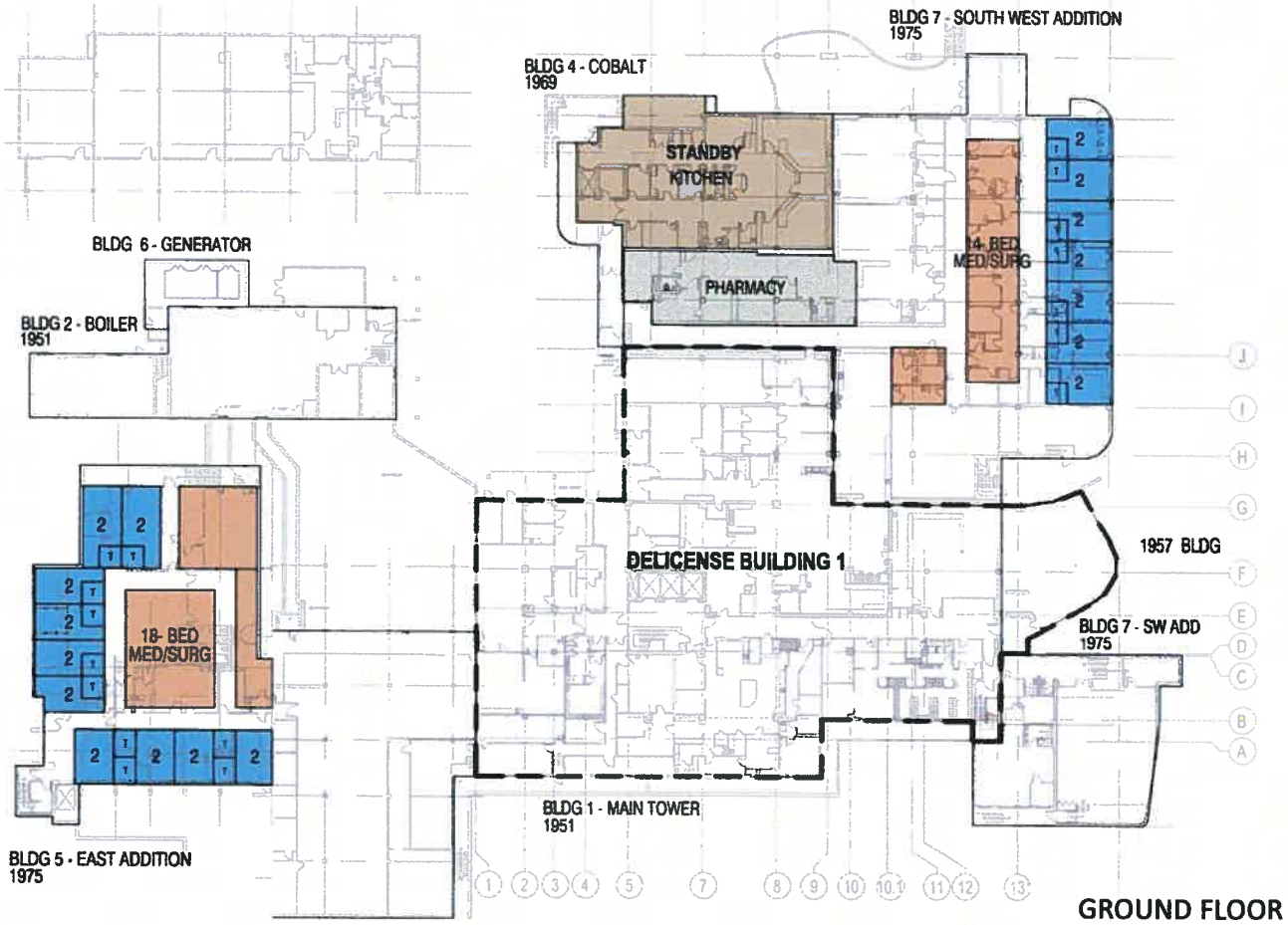
Structural Seismic Report

TAB 4

INTRODUCTION

- Identification & analysis of seismic deficiencies for SPC-1 classified buildings (Bldgs 1, 3 & 7).
- Buildings 3 & 7 now reclassified as SPC-2.
- Identification of alternate solutions to the seismic deficiencies only for Building 1 to assist planning for short term mitigation. (Programmatic /Master Planning yet to be determined.)
- Deadline for SPC-1 Building mitigation - Jan 1, 2013
- Options:
  - **Option 1 - Selective Demolition** *(presented at Board meeting 10/27/10).*
  - **Option 2 - (N) Concrete Shear Walls** *(presented at Board meeting 10/27/10).*
  - **Option 3 – Delicensing of Building 1.**
  - **Option 4 – Delicensing of Buildings 1, 4 & 7.**
  - **Option 5 – New Essential Services Wing.**

OPTION 3 – DELICENSE BUILDING 1



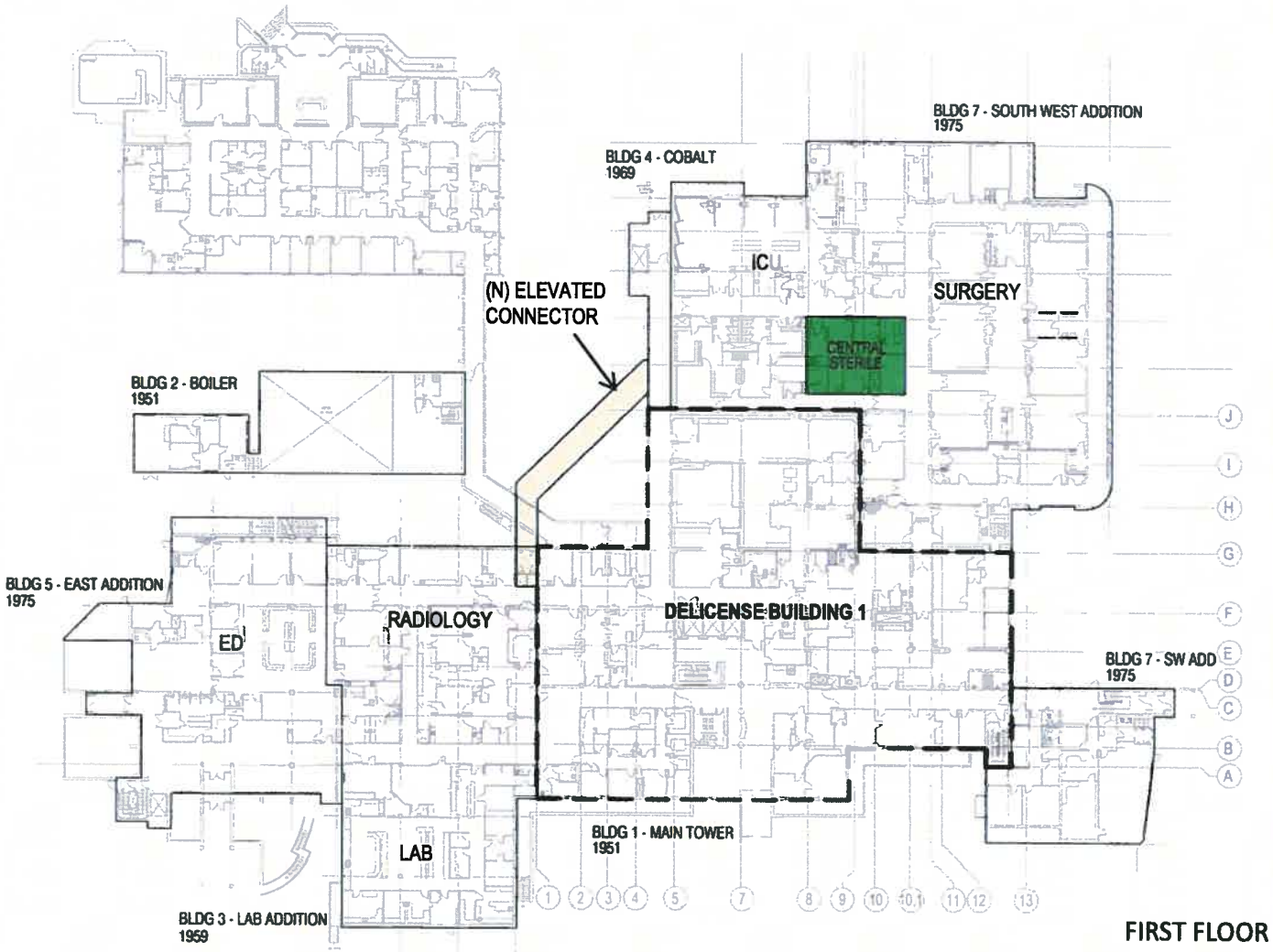
Option 3 Summary

- Retains maximum existing.
- Retains (E) construction:
  - ICU
  - Surgery
  - Radiology
  - Lab
  - ED
- Makes future construction difficult to phase.
- +/- 54 beds
- +/- $12 – 13.5M Project Costs
- +/- 3-3.5 years until completion

Scope for Gd Flr:

- Remodel for (N):
  - Beds
  - Standby Kitchen
  - Pharmacy

OPTION 3 – DELICENSE BUILDING 1

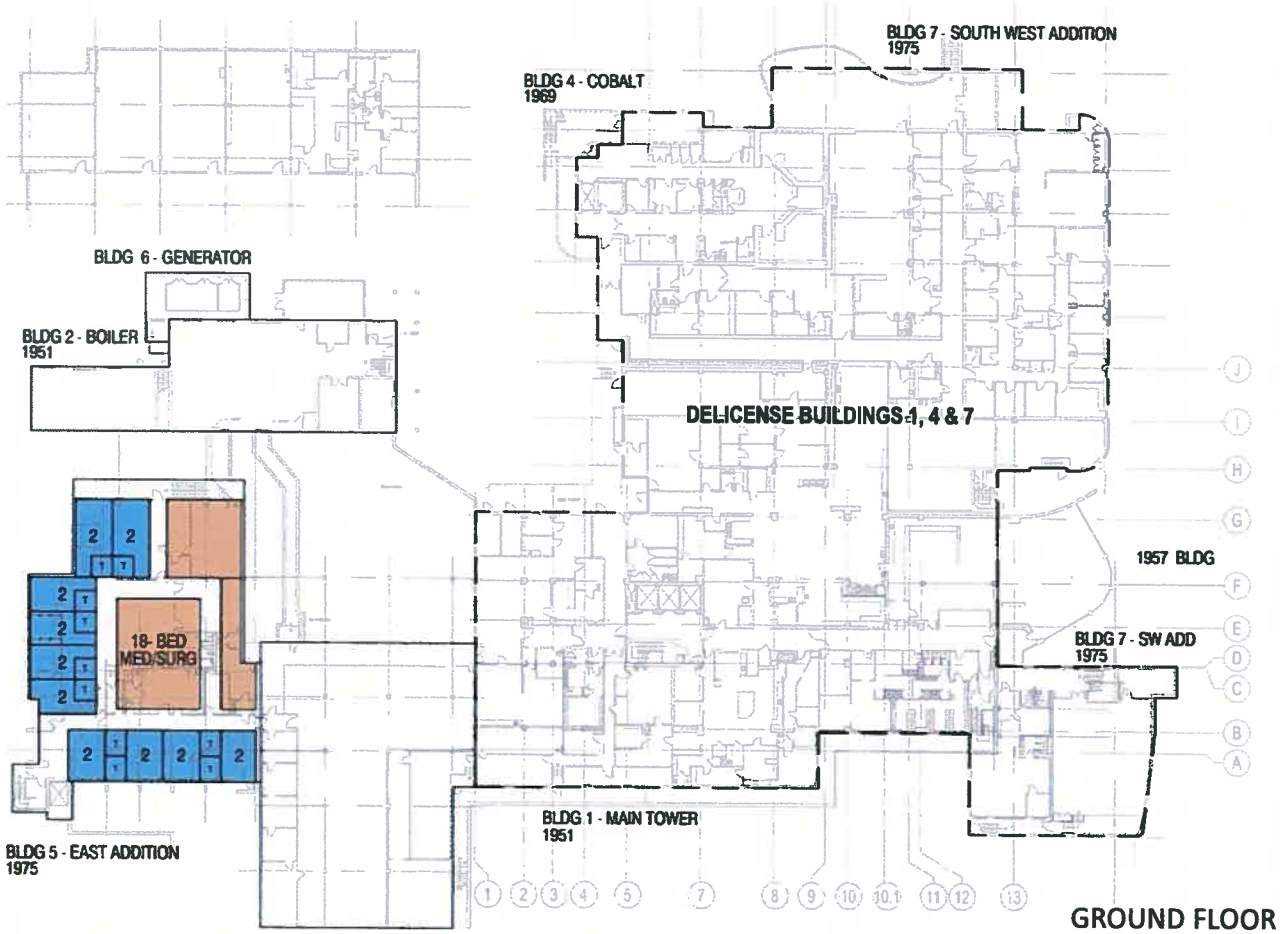


FIRST FLOOR

Scope for 1st Flr:

- Remodel for (N) CS

OPTION 4 – DELICENSE BUILDINGS 1,4,7



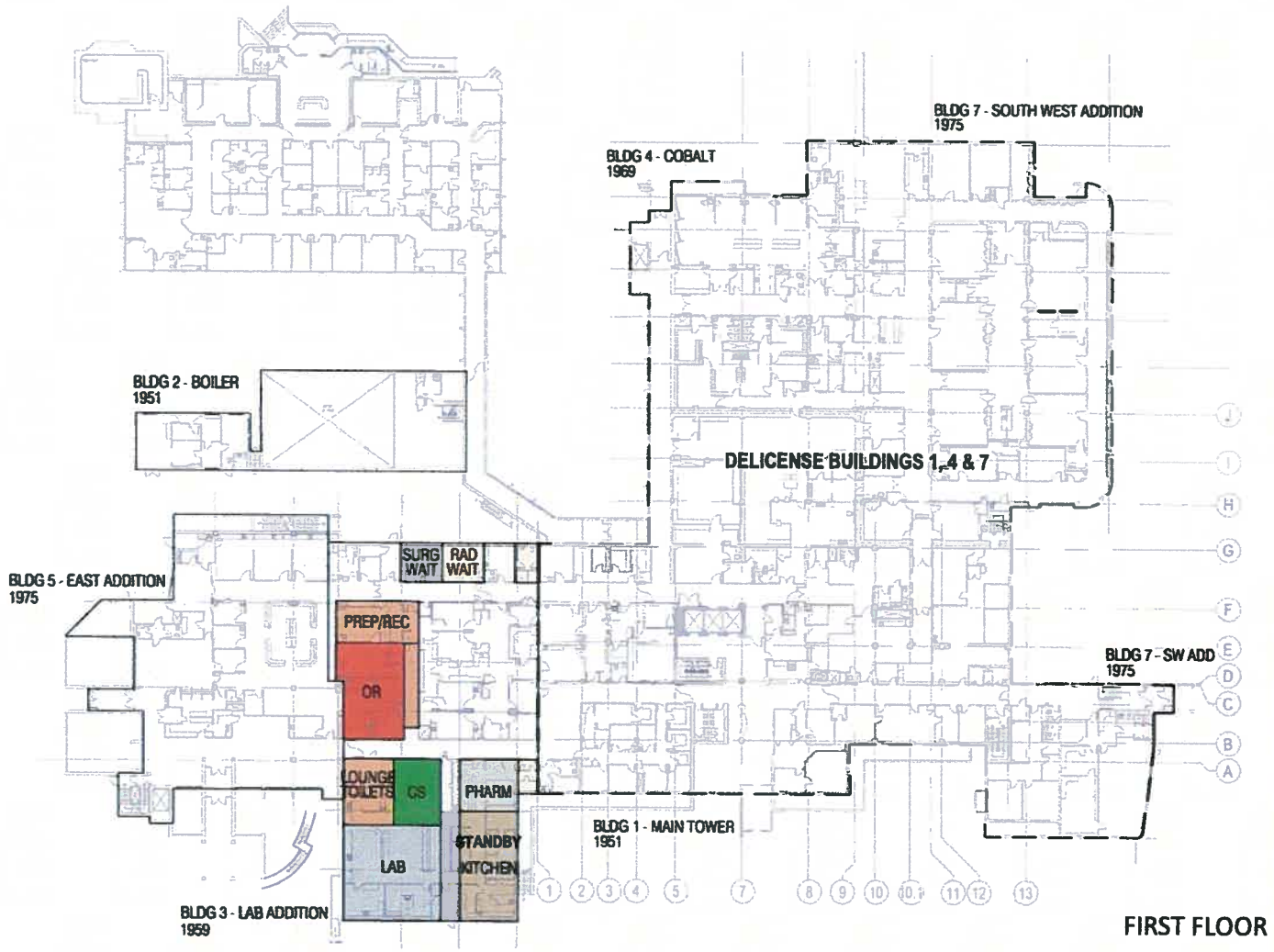
Option 4 Summary

- Create minimal essential services building & clear max. area for future construction.
- Retains minimum existing.
- Clears area for future construction
- +/- 34 beds
- +/- $6.5 – 7.5M Project Costs
- +/- 3-3.5 years until completion

Scope for Gd Flr:

- Remodel for (N) beds.

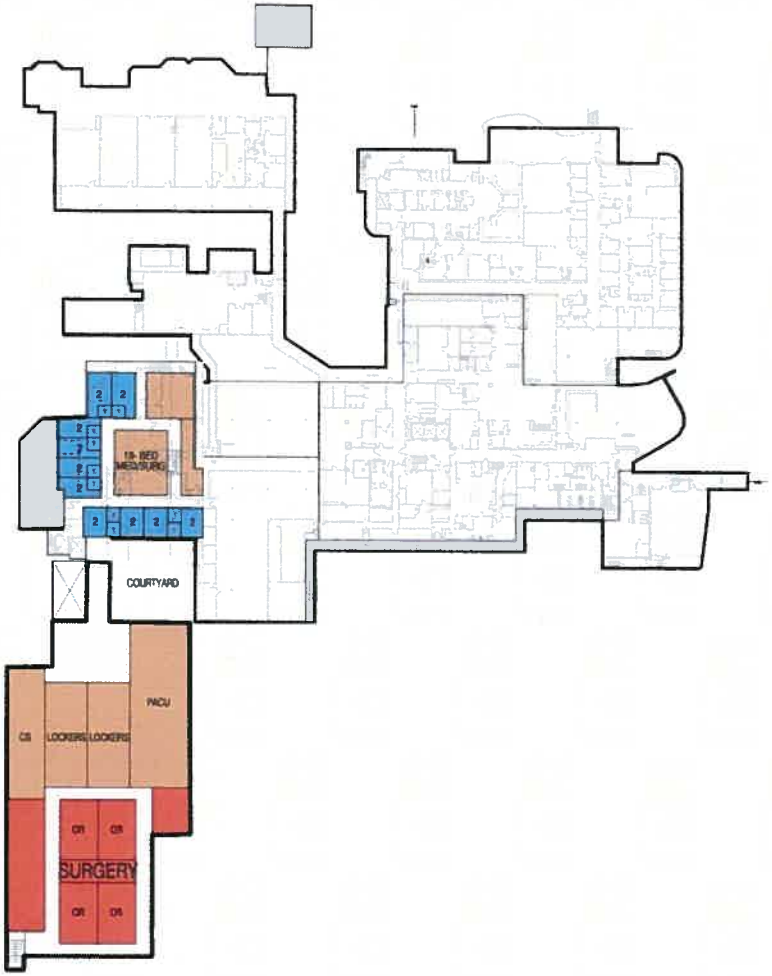
OPTION 4 – DELICENSE BUILDINGS 1,4,7



Scope for 1st Flr:

- Remodel for (N):
  - ORs
  - Lab
  - Standby Kitchen
  - Pharmacy

OPTION 5 – NEW ESSENTIAL SERVICES WING



GROUND FLOOR

Option 5 Summary

- Provides ability to create hospital on campus.
- Creates greatest potential for future expansion for DMC at San Pablo Campus.

Without Optional 3rd Floor:

- +/- 64 beds
- +/- $50 – 55M Project Costs
- +/- 3-3.5 years until completion

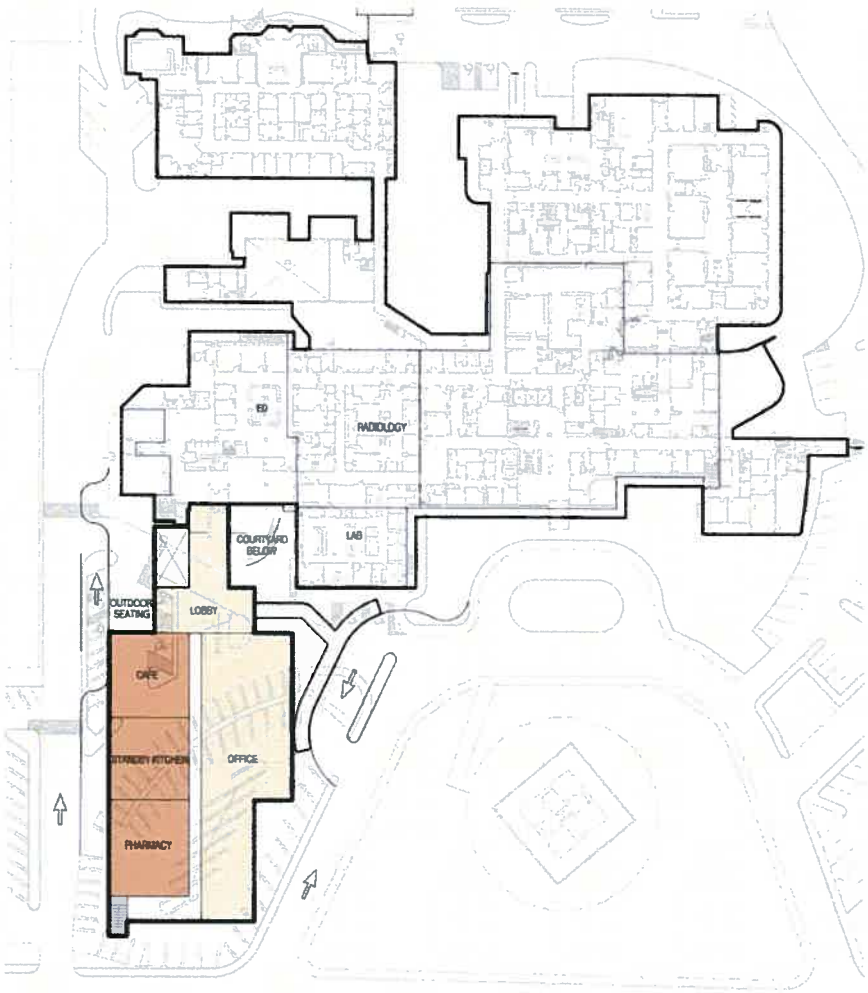
With Optional 3rd Floor:

- +/- 89 beds
- +/- $61 – 65M Project Costs
- +/- 3-3.5 years until completion

Scope for Gd Flr:

- (N) wing:
  - Surgery, CS, Support
  - Vertical circulation
  - Connection to (e) building
  - Remodel (E) bldg for (N) beds
  - (Option for additional 3rd floor)

OPTION 5 – NEW ESSENTIAL SERVICES WING

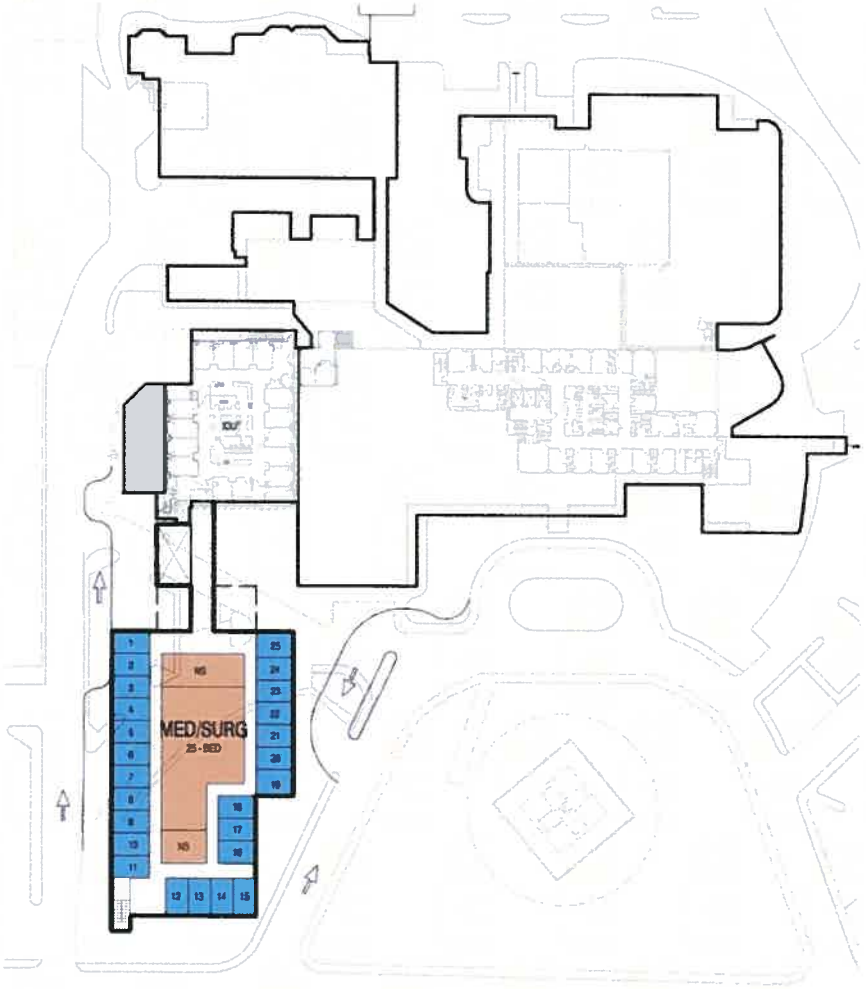


FIRST FLOOR

Scope for 1st Flr:

- (N) wing:
  - Drop-off/Lobby
  - Café
  - Pharmacy
  - Standby Kitchen
  - Administration
  - Connection to (E) ED.
  - Vertical circulation

OPTION 5 – NEW ESSENTIAL SERVICES WING

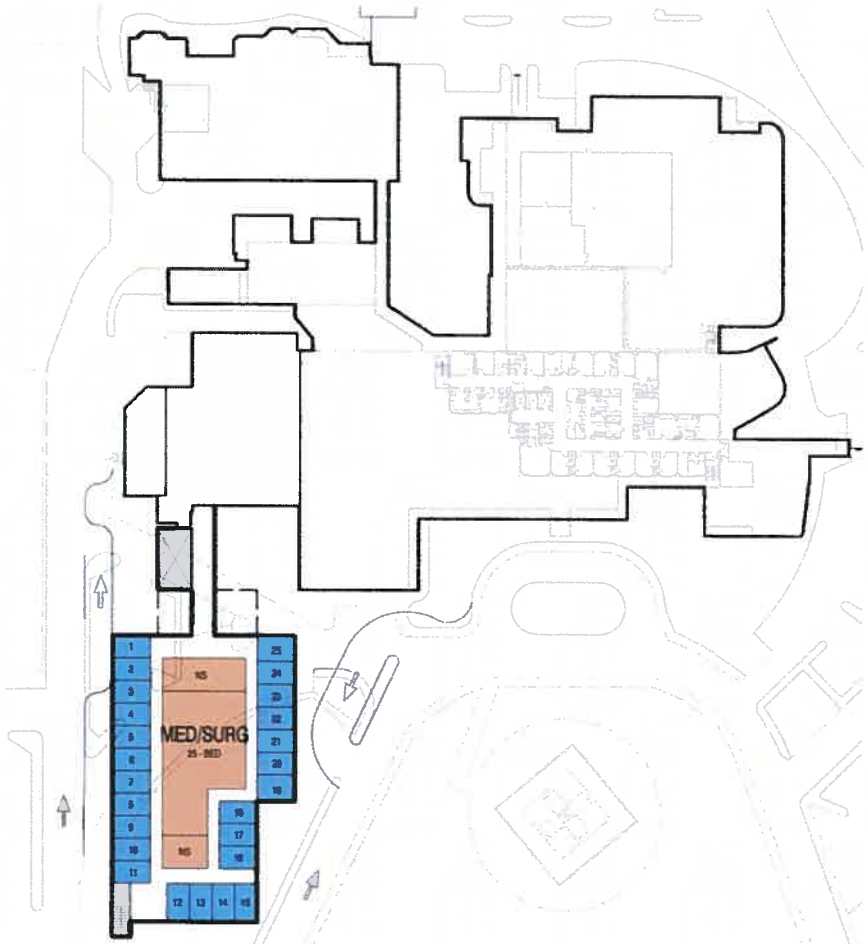


SECOND FLOOR

Scope for 2nd Flr:

- (N) wing:
  - Bed Floor
  - Connection to (E) ICU.
  - Vertical circulation

OPTION 5 – NEW ESSENTIAL SERVICES WING



OPTIONAL THIRD FLOOR

Scope for Optional 3rd Flr:

(N) wing:
- Bed Floor
- Vertical circulation

CONCLUSION

Structural Mitigation of Building 1 (Options 1 & 2)

- $16 - $20 million in projects costs
- 2 ½ - 3 years to completion
- Difficult to meet OSHPD required schedule criteria

Delicensing of Building 1 (Option 3)

- $12 - $13.5 million in projects costs
- 3 - 3½ years to completion
- Difficult to meet OSHPD required schedule criteria

Delicensing of Building 1, 4, 7 (Option 4)

- $6.5 - $7.5 million in projects costs
- 3 - 3½ years to completion
- Difficult to meet OSHPD required schedule criteria

New Essential Services Wing (Option 5)

- $50 - $65 million in projects costs (dependant upon preferred option)
- 3 - 3½ years to completion
- Difficult to meet OSHPD required schedule criteria

DOCTORS
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October Financials

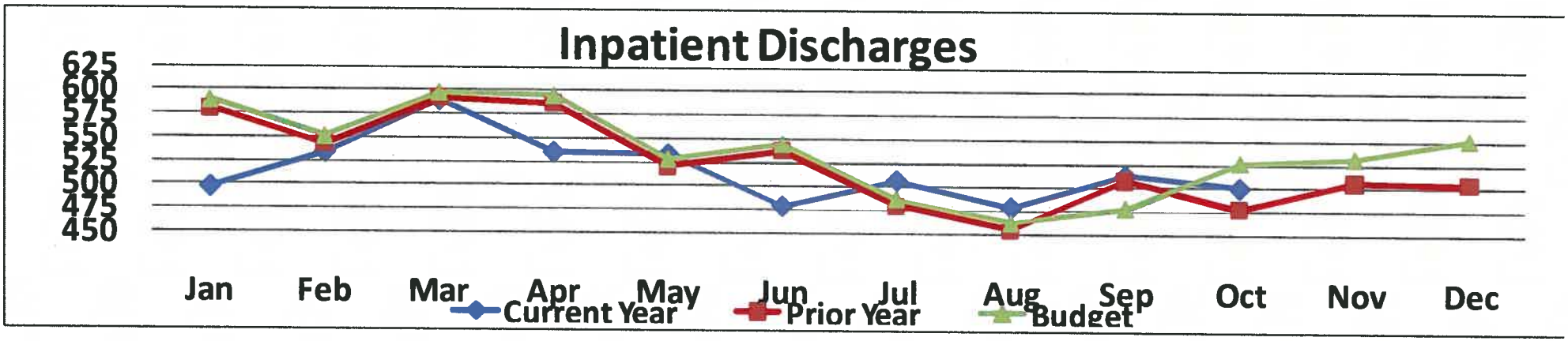
TAB 5

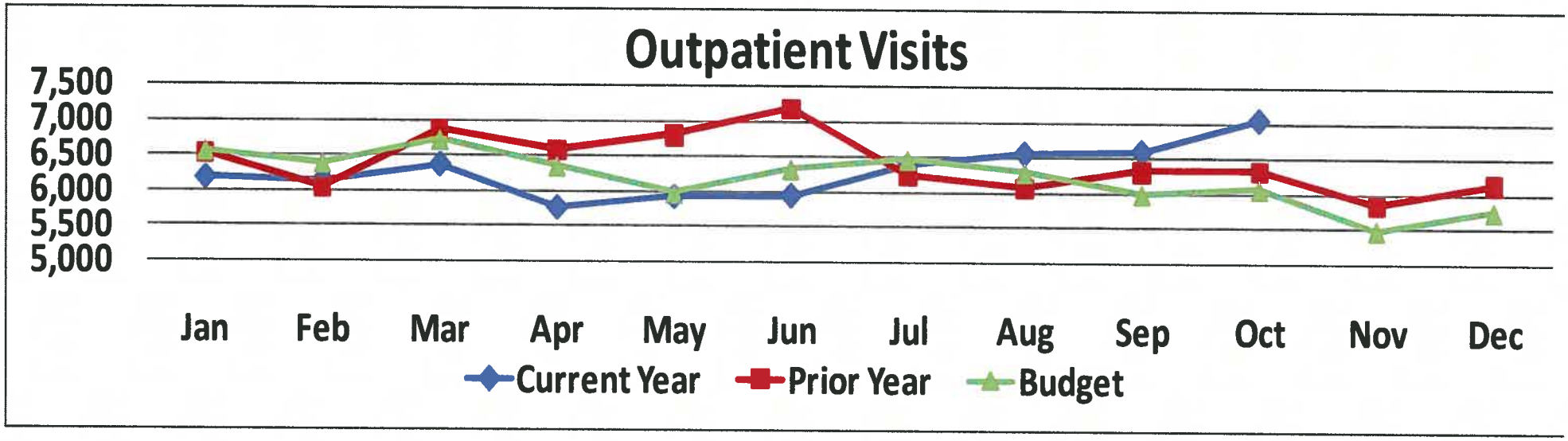
Board Presentation

October 2010 Financial Report

Patient Activity
For the Period Ending
October 31, 2010

Actual M.T.D.	Budget M.T.D.	Variance		Actual Y.T.D.	Budget Y.T.D.	Variance
500	527	(27)	Inpatient Discharges	5,167	5,360	(193)
7,041	6,057	984	Outpatient Visits	62,838	63,054	(216)


Inpatient Discharges
625
600
575
550
525
500
475
450
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Current Year
Prior Year
Budget


Outpatient Visits
7,500
7,000
6,500
6,000
5,500
5,000
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Current Year
Prior Year
Budget

Statement of Activity – Summary
For the Period Ending
October 31, 2010
(Thousands)

Actual M.T.D.	Budget M.T.D.	Variance		Actual Y.T.D.	Budget Y.T.D.	Variance
$13,073	$10,158	$2,915	Net Operating Revenues	$62,838	$63,054	($216)
$12,534	$11,365	($1,169)	Total Operating Expenses	$120,338	$116,400	($3938)
$539	($1,207)	$1,746	Income/(Loss) From Operations	($11,776)	($11,107)	($669)
$1,060	$2,072	($1,012)	Income from Other Sources	$16,683	$20,717	($4,034)
$1,599	$865	$734	Net Income/(Loss)	$4,907	$9,610	($4,703)
12.2%	8.5%	3.7%	Net Income Percentage	4.5%	9.1%	(4.6%)
9.0%	(5.4%)	14.4%	NI % without Funding	(4.7%)	(4.3%)	(0.4%)
			California Benchmark Average	2.1%		
			Top 25%	7.1%		
			Top 10%	11.5%		

Budget Variances – Net Revenue

- Total Net Patient Service Revenue $2,909,000
- Recording of Medi-Cal Hospital Tax of $2,467,270.
- Higher Medi-Cal volume $335,000
- Higher HMO volume $395,000
- Lower prison volume, ($260,000)
- Lower Medicare volume ($138,000)

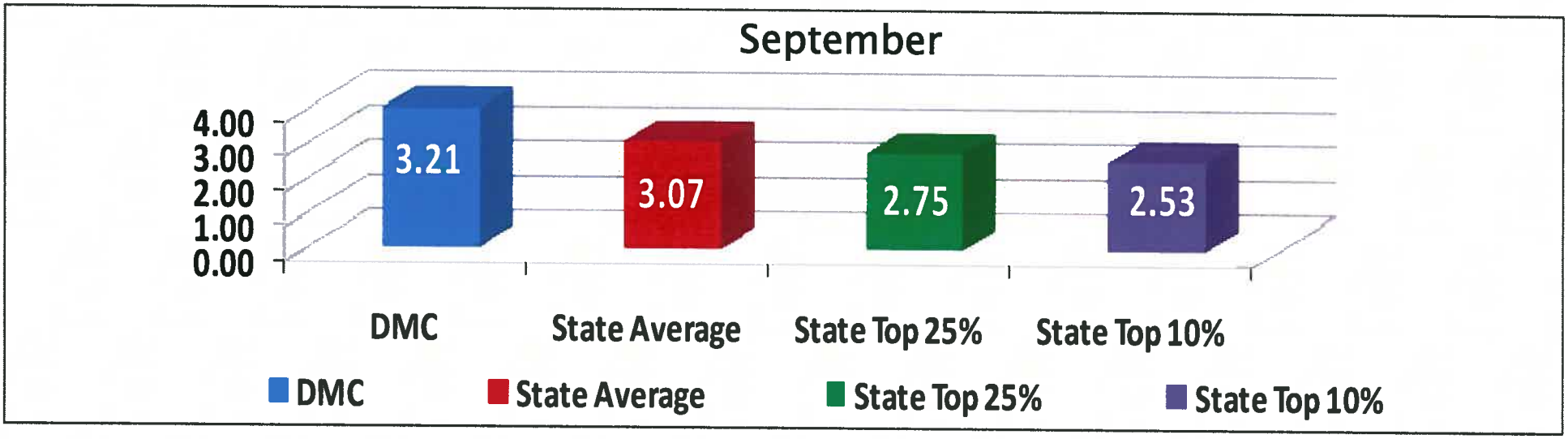
Budget Variances – Expenses

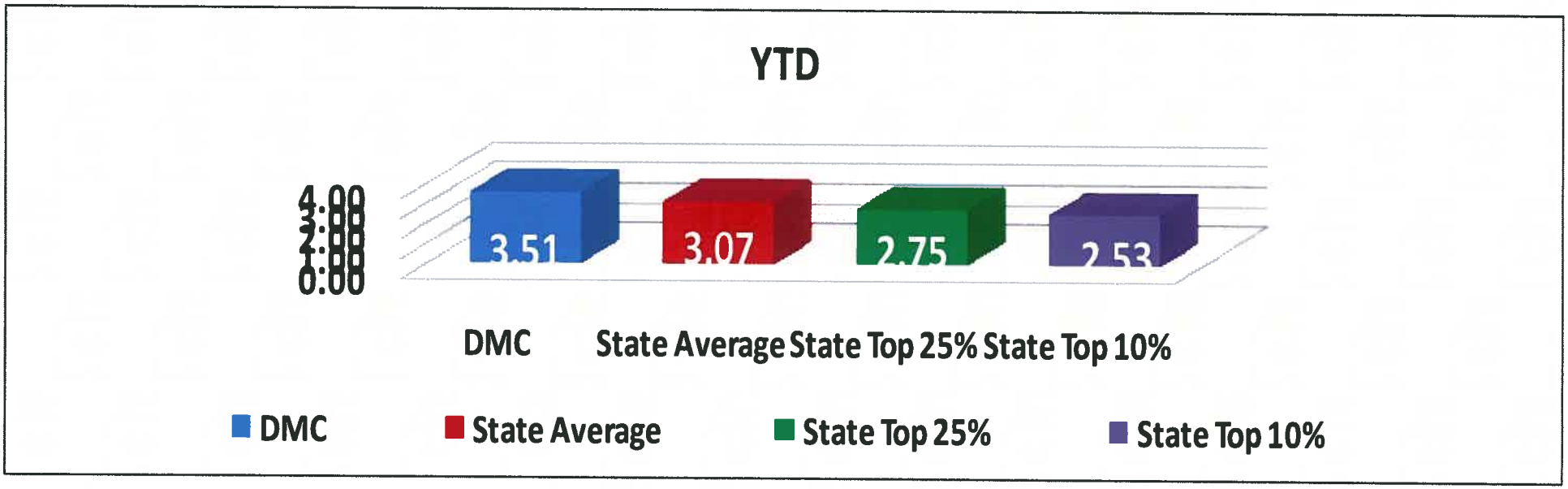
- Salaries – ($682,000) or (13.9%)
  - Cost of new cna contract $295,000 plus higher nursing aides than budgeted and volume increases.
- Professional fees ($117,000) or (15.0%)
  - 5 interim management positions $70,000
  - Higher ED volume resulting in higher physician payments of $28,000 and $20,000 in radiology fees
- Purchases Services – ($123,000) or (17.6%)
  - Repairs and maintenance over by $45,000
  - Security over budget by $31,000
  - Collection agency fees over budget by $15,000
- Rentals ($227,000)
  - Credit adjustment from September of $54,000
  - The balance relates to equipment that was to be purchased but had to be leased due to the loss of CMAC funding.

Outpatient Center Statement of Activity
For the Period Ending
October 31, 2010
(Thousands)

Actual M.T.D.	Budget M.T.D.	Variance		Actual Y.T.D.	Budget Y.T.D.	Variance
$163,416	$82, 921	$80,495	**Net Operating Revenues**	$524,003	$353,298	$170,705
$161,443	$139,234	($22,209)	**Total Operating Expenses**	$665,434	$582,616	($82,818)
$1,973	($56,313)	$58,286	**Income/(Loss) From Operations**	($141,431)	($229,318)	$87,887
($7,500)	($7,500)	$0	**Income from Other Sources**	($30,000)	($30,000)	$0
($5,527)	($63,813)	$58,286	**Net Income/(Loss)**	($171,431)	($259,318)	$87,887
(3.4%)	(77.0%)	73.6%	**Net Income Percentage**	(32.7%)	(73.4%)	40.7%

Length of Stay Comparison Adjusted For Case Mix Index





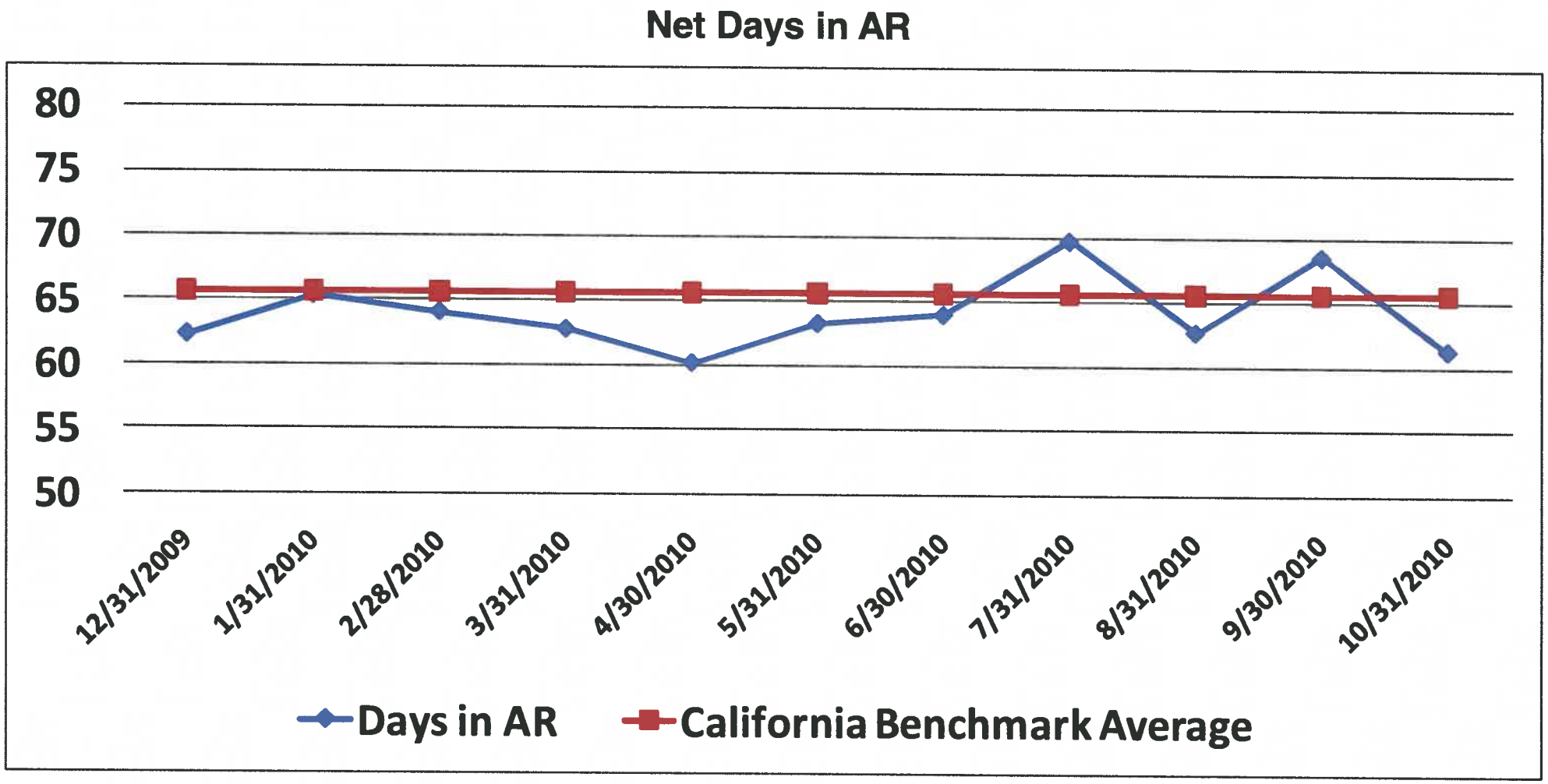
Cash Position
October 31, 2010
(Amounts in Thousands)

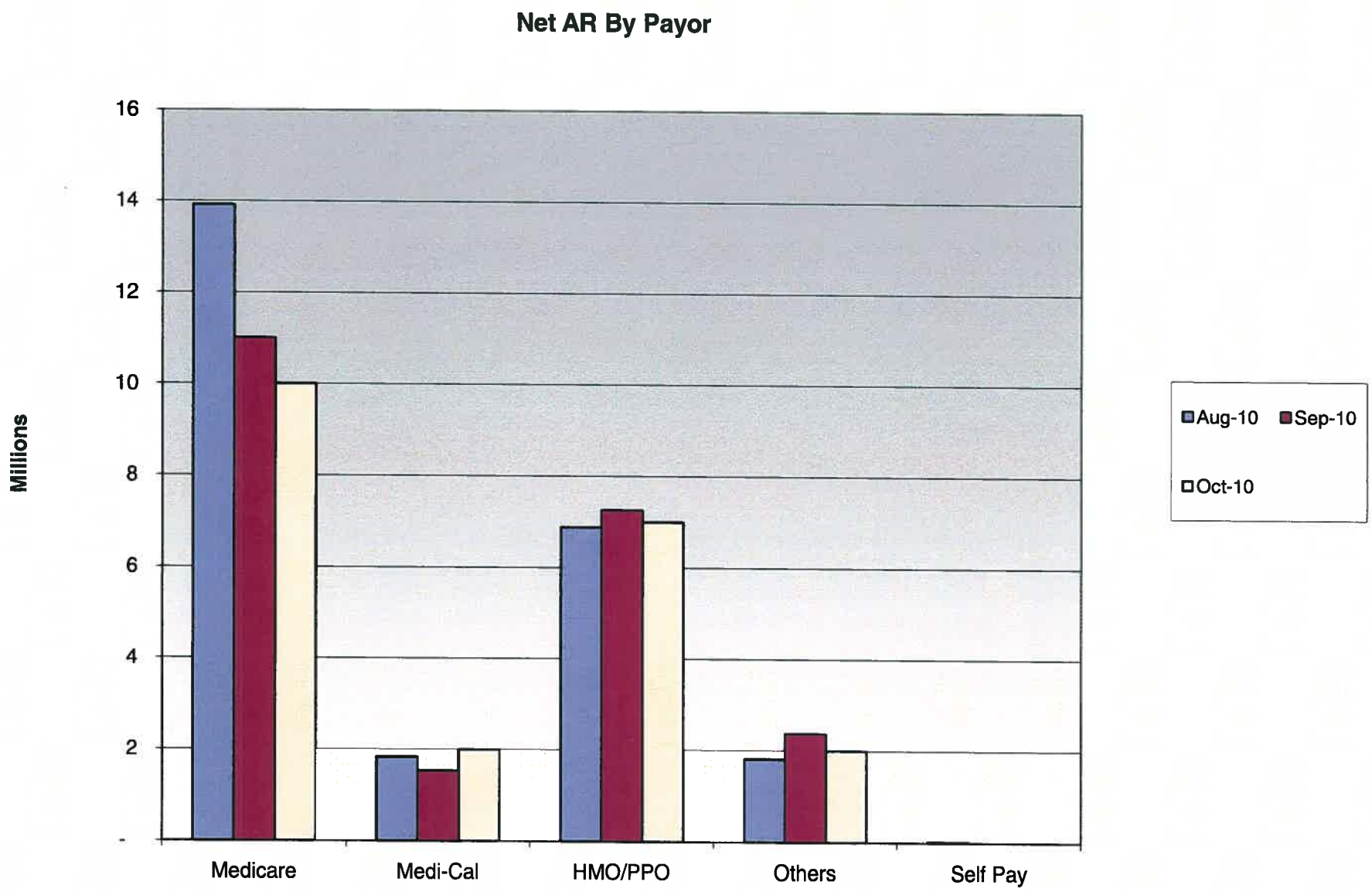
	October 31, 2010	December 31, 2009
Unrestricted Cash	$3,413	$7,666
Restricted Cash	$4,516	$5,363
Total Cash	$7,929	$13,029
Days Unrestricted Cash	8	21
Days Restricted	11	14
Total Days of Cash	19	35
California Benchmark Average	34	
Top 25%	82	
Top 10%	183	

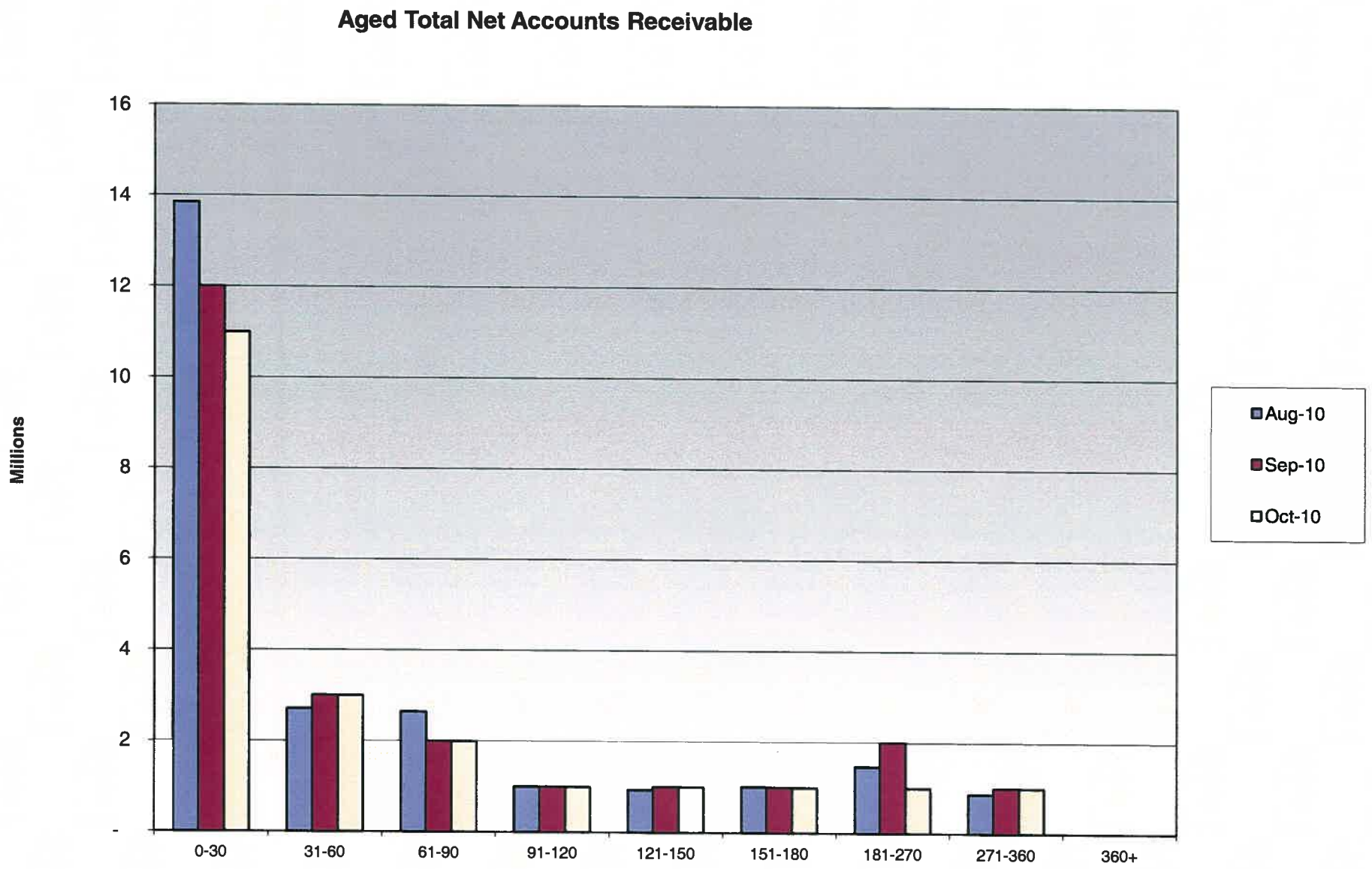
Accounts Receivable
October 31, 2010
(Amounts in Thousands)

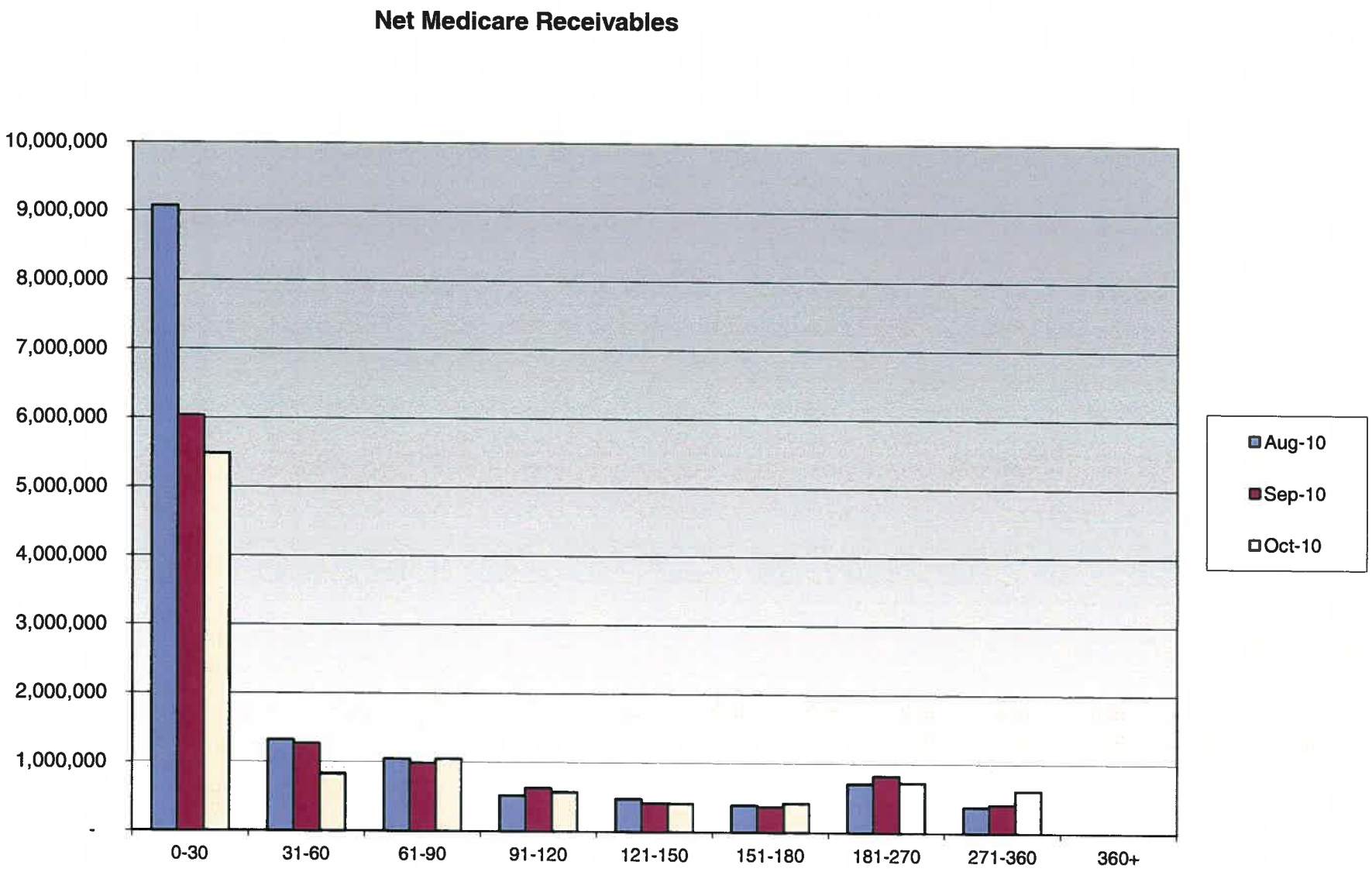
	October 31, 2010	December 31, 2009
Net Patient Accounts Receivable	$22,367	$19,157
Net Days in Accounts Receivable	61.3	62.3
California Benchmark Average	65.7 days	
Top 25%	45.2 days	
Top 10%	35.5 days	

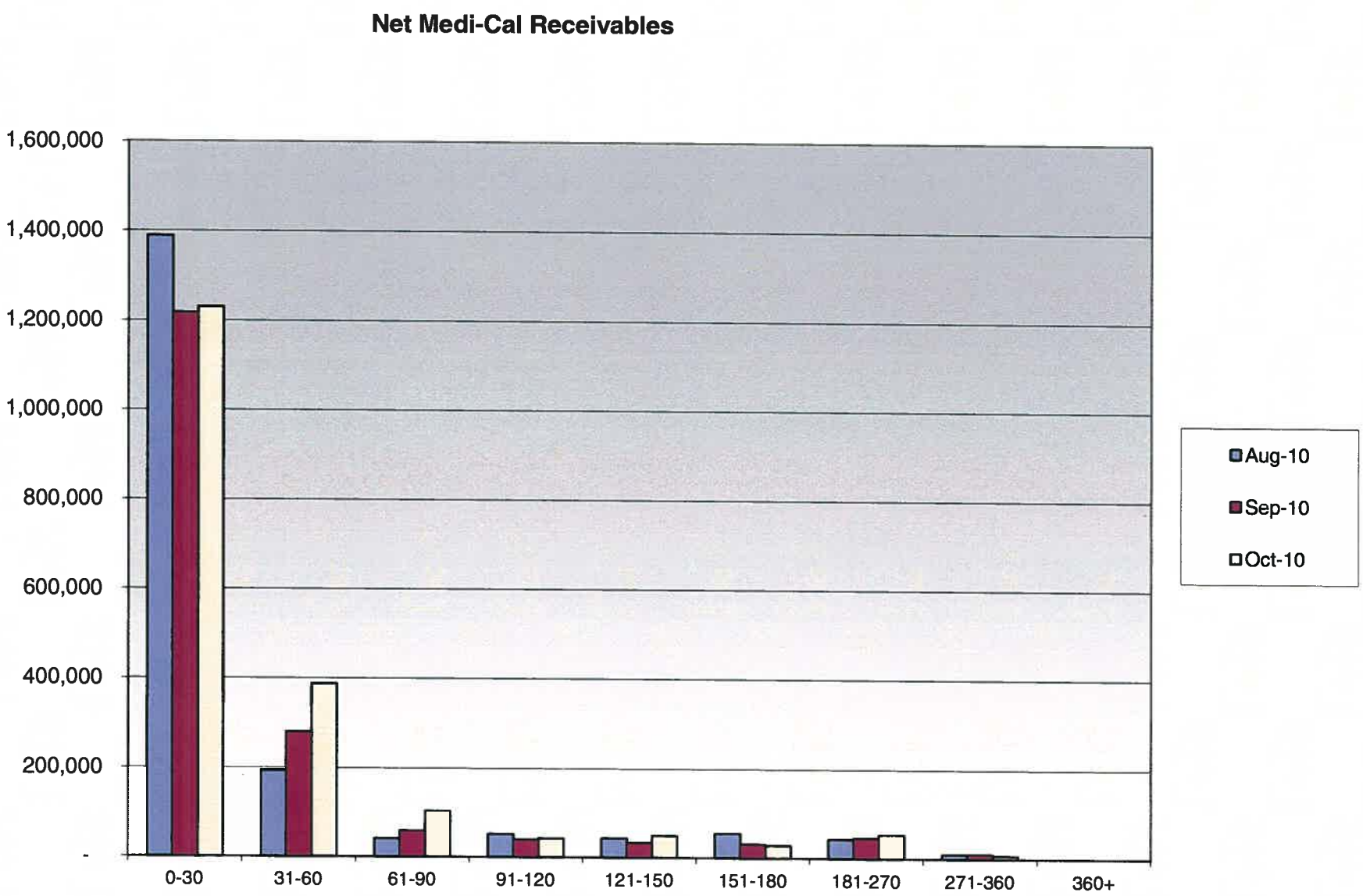
Accounts Receivable

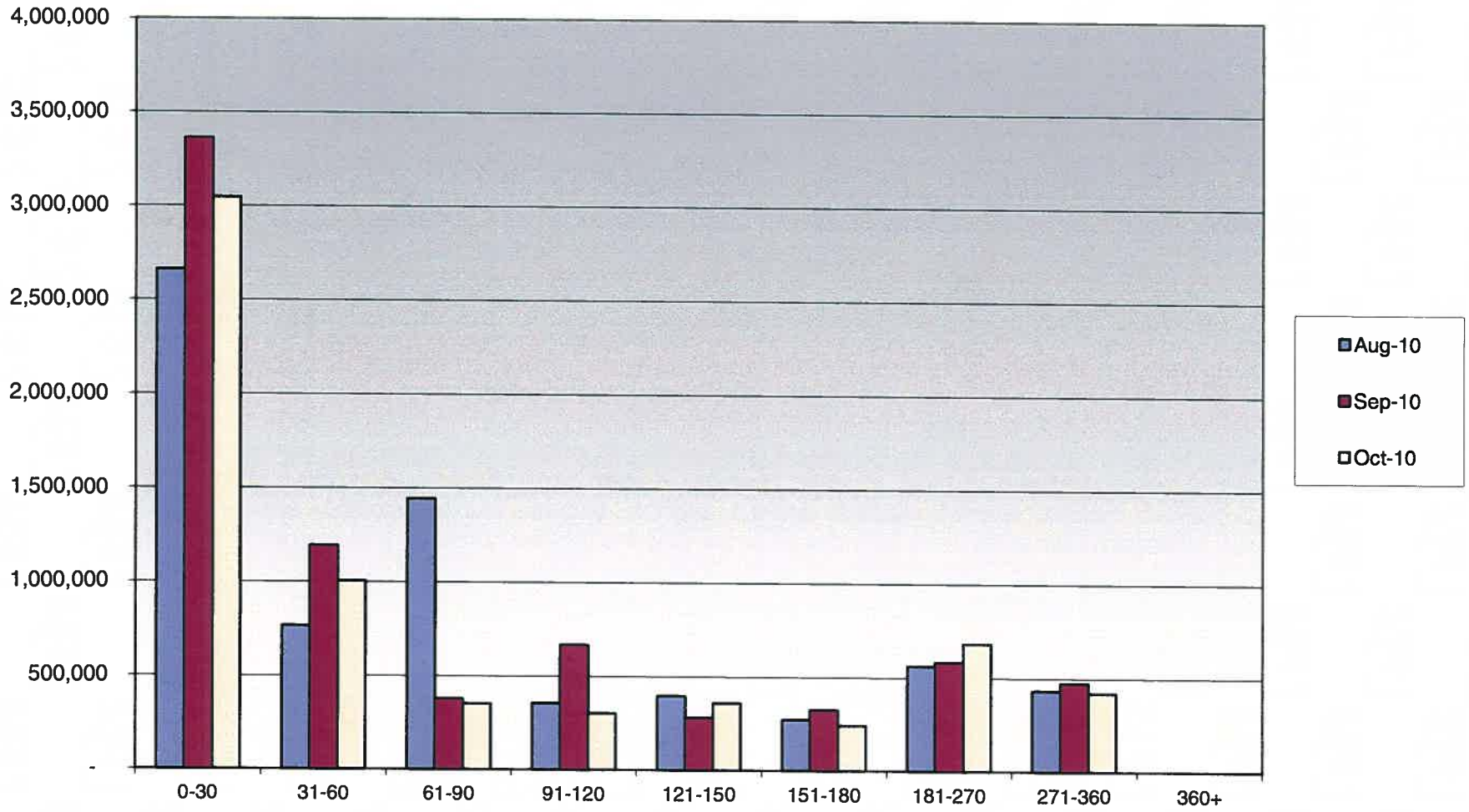


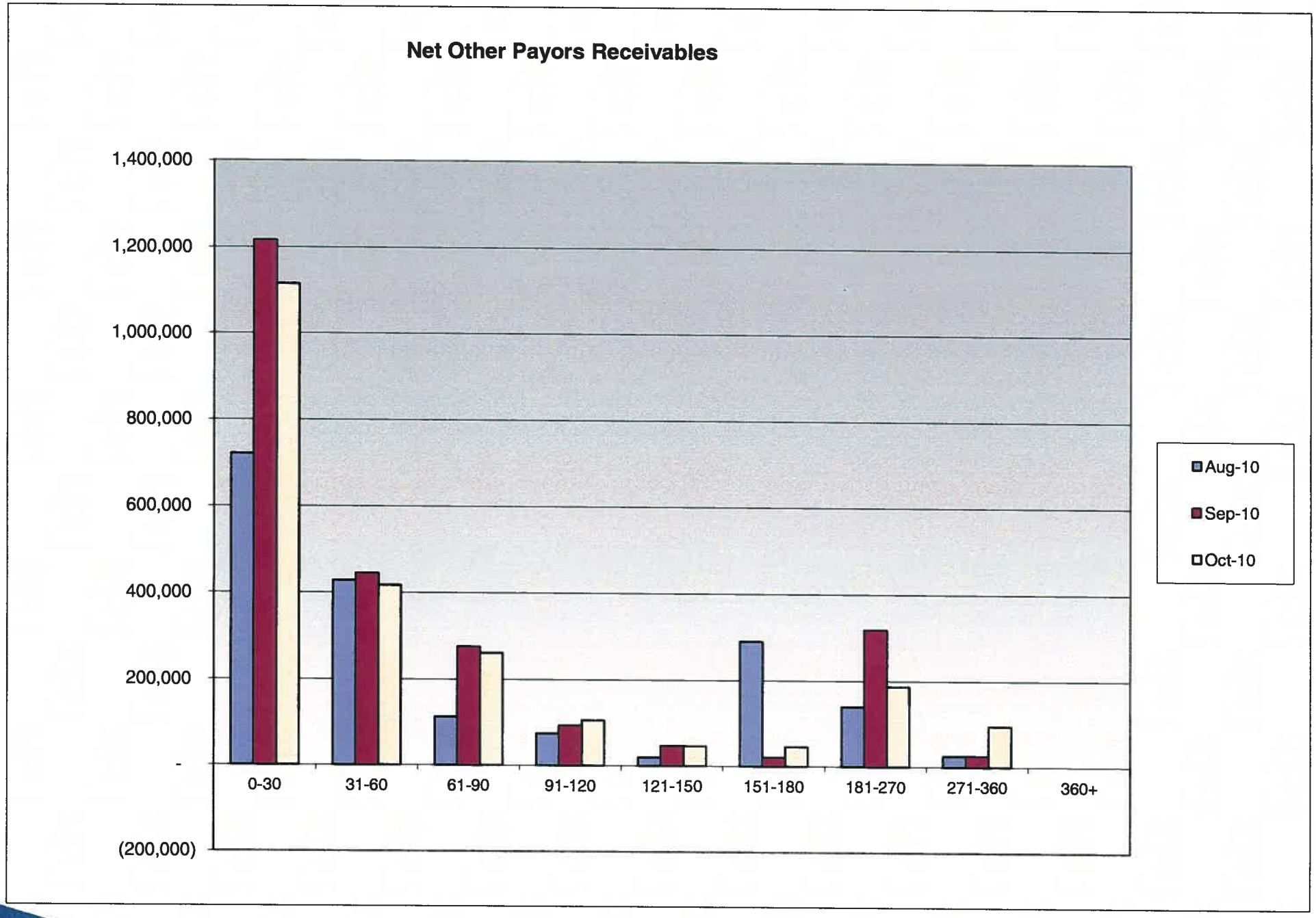

Net AR By Payor
Millions
16
14
12
10
8
6
4
2
-
Medicare
Medi-Cal
HMO/PPO
Others
Self Pay
Aug-10
Sep-10
Oct-10

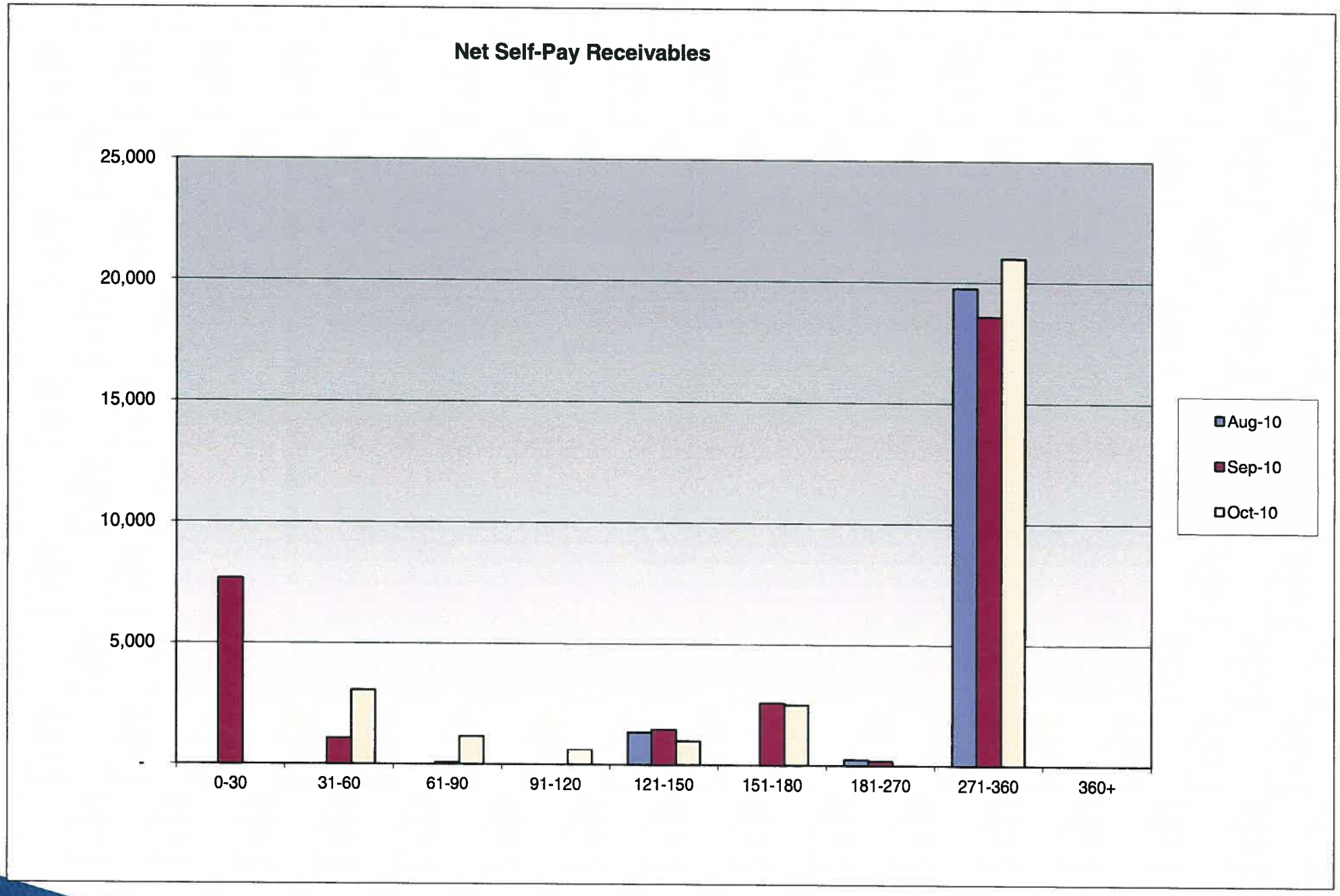

Aged Total Net Accounts Receivable
Millions
16
14
12
10
8
6
4
2
-
0-30
31-60
61-90
91-120
121-150
151-180
181-270
271-360
360+
Aug-10
Sep-10
Oct-10


Net Medicare Receivables
10,000,000
9,000,000
8,000,000
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
-
0-30
31-60
61-90
91-120
121-150
151-180
181-270
271-360
360+
Aug-10
Sep-10
Oct-10


Net Medi-Cal Receivables
1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
-
0-30
31-60
61-90
91-120
121-150
151-180
181-270
271-360
360+
Aug-10
Sep-10
Oct-10


Net HMO/PPO Receivables
4,000,000
3,500,000
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
-
0-30
31-60
61-90
91-120
121-150
151-180
181-270
271-360
360+
Aug-10
Sep-10
Oct-10


Net Other Payors Receivables
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
-
(200,000)
0-30
31-60
61-90
91-120
121-150
151-180
181-270
271-360
360+
Aug-10
Sep-10
Oct-10


Net Self-Pay Receivables
25,000
20,000
15,000
10,000
5,000
-
0-30
31-60
61-90
91-120
121-150
151-180
181-270
271-360
360+
Aug-10
Sep-10
Oct-10

Questions

DOCTORS
MEDICAL CENTER

October 2010 Executive Report

Doctors Medical Center had a Net Income of $1,599,000 in the month of October. As a result, net income was over budget by $734, 000. The following are the other factors leading to the Net Income variance:

Net Patient Revenue Factors	**Over / (Under)**
Medi-Cal Hospital Tax	$2,467,270
Medi-Cal Volume	$335,000
HMO/PPO/ Commercial Volume	$395,000
Prison Inpatient Volume	($260,000)
Medicare	($138,000)
Expenses	
Salaries	($682,000)
Professional Fees	($117,000)
Purchased Services	($123,000)
Rentals & Leases	($227,000)
Other Revenue	
CMAC Funding	($1,000,000)

Net patient revenue was over budget by $2,909,000. Gross charges were over budget in October 8.1%. Patient days were 2.5% over budget and discharges were 5.1% under budget. Based upon accounting guidance from the California Hospital Association, the full impact of the Medi-Cal Hospital Tax of $2,467,270 was recorded into income. Both Medi-Cal and Medi-Cal Managed Care had volume increases over the budget resulting in a positive impact of $335,000. The volume from the prison system is below budget accounting for a negative $260,000 variance from budget. Self pay volume continues to over budget. There is no net revenue recorded for this volume. Medicare business was below budget resulting in net revenue being $138,000 under plan.

Salaries were over budget by $682,000. Salary expense in October included the payment of the 1% ratification payment plus the 1% salary increase per the new CNA agreement. The retro cost for the nursing contract was $295,000 in October. The variance also includes increase in certified nursing aides that was not included in the budget. These were increases in the patient floor staffing in order to improve care. The balance of the variance would be accounted for in the inpatient and outpatient volume increases.

Professional fees were over budget $117,000 in October. There are five consultants filling clinical management roles at the cost of $70,000. Three of the consultants are in nursing services, one in Radiology and one in Quality Assurance. Fees for the emergency services were $28,000 over budget due to self pay volume increases with the balance of $20,000 of the overage in Radiology services

Purchased Services were over budget $123,000. We were over budget $45,000 in Engineering and Bio Med for repairs and maintenance for the hospital. The security was over budget by $31,000 due to increased coverage. Collection agency costs were $15,000 over budget and ambulance services were over budget by $15,000.

Rentals were over budget by $227,000. This is the result of a correction of a credit from September of $46,000. The balance of the overage is related to additional leases for equipment purchases that were going to be purchased prior to the loss of the CMAC funding.

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
INCOME STATEMENT
October 31, 2010
(Amounts in Thousands)

	CURRENT PERIOD				PRIOR YEAR		CURRENT YTD				PRIOR YEAR
	ACTUAL	BUDGET	VAR	VAR %	ACTUAL		ACTUAL	BUDGET	VAR	VAR %	ACTUAL
						OPERATING REVENUE					
1	12,975	10,066	2,909	28.9%	9,444	Net Patient Service Revenue	107,605	104,370	3,235	3.1%	101,229
2	98	92	6	6.5%	99	Other Revenue	957	923	34	3.7%	886
3	13,073	10,158	2,915	28.7%	9,543	**Total Operating Revenue**	108,562	105,293	3,269	3.1%	102,115
						OPERATING EXPENSES					
4	5,581	4,899	(682)	-13.9%	5,093	Salaries & Wages	53,079	51,065	(2,014)	-3.9%	54,535
5	2,503	2,443	(60)	-2.5%	2,153	Employee Benefits	25,409	25,954	545	2.1%	22,353
6	899	782	(117)	-15.0%	911	Professional Fees	8,451	7,814	(637)	-8.2%	8,253
7	1,710	1,676	(34)	-2.0%	1,496	Supplies	17,540	16,406	(1,134)	-6.9%	16,182
8	821	698	(123)	-17.6%	686	Purchased Services	7,788	7,010	(778)	-11.1%	5,949
9	378	151	(227)	-150.3%	122	Rentals & Leases	1,742	1,342	(400)	-29.8%	981
10	316	335	19	5.7%	289	Depreciation & Amortization	2,975	3,057	82	2.7%	2,885
11	326	381	55	14.4%	365	Other Operating Expenses	3,354	3,752	398	10.6%	3,535
12	12,534	11,365	(1,169)	-10.3%	11,115	**Total Operating Expenses**	120,338	116,400	(3,938)	-3.4%	114,673
13	539	(1,207)	1,746	-144.7%	(1,572)	**Operating Profit / Loss**	(11,776)	(11,107)	(669)	6.0%	(12,558)
						NON-OPERATING REVENUES (EXPENSES)					
14	417	1,417	(1,000)	70.6%	1,000	Other Non-Operating Revenue	10,051	14,166	(4,115)	29.0%	14,500
15	755	771	(16)	2.1%	753	District Tax Revenue	7,713	7,710	3	0.0%	7,676
16	6	9	(3)	-33.3%	4	Investment Income	83	87	(4)	-4.6%	104
17	(118)	(125)	7	0.0%	(115)	Less: Interest Expense	(1,164)	(1,246)	82	-6.6%	(1,266)
18	1,060	2,072	(1,012)	-48.8%	1,642	**Total Net Non-Operating**	16,683	20,717	(4,034)	-19.5%	21,014
19	1,599	865	734	84.9%	70	**Income Profit (Loss)**	4,907	9,610	(4,703)	-48.9%	8,456
						Profitability Ratios:					
20	4.1%	-11.9%			-16.5%	Operating Margin %	-10.8%	-10.5%			-12.3%
21	12.2%	8.5%	3.7%		0.7%	Profit Margin %	4.5%	9.1%	-4.6%		8.3%

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
INCOME STATEMENT
October 31, 2010
(Amounts in Thousands)

22	2,183	2,014	(169)	-8.4%	2,032	SWB / APD	1,971	1,985	15	0.7%	2,040
23	64.5%	64.6%			65.2%	SWB / Total Operating Expenses	65.2%	66.2%			67.0%
24	3,384	3,118	(267)	-8.6%	3,117	Total Operating Expenses / APD	3,022	3,000	(21)	-0.7%	3,042
25	39,124	35,865	3,259	9.1%	33,132	I/P Gross Charges	394,899	392,205	2,694	0.7%	375,835
26	21,324	20,030	1,294	6.5%	20,112	O/P Gross Charges	191,485	201,020	(9,535)	-4.7%	194,980
27	**60,448**	**55,895**	**4,553**	**8.1%**	**53,244**	**Total Gross Charges**	**586,384**	**593,225**	**(6,841)**	**-1.2%**	**570,815**
						Payor Mix (IP and OP)					
28	39%	39%	0%		38%	Medicare %	38%	39%	-1%		38%
29	14%	17%	-3%		17%	Medi-Cal %	17%	17%	0%		16%
30	14%	15%	-1%		16%	Managed Care HMO / PPO %	14%	15%	-1%		16%
31	11%	11%	0%		10%	Medicare HMO %	10%	11%	-1%		11%
32	8%	6%	2%		7%	Medi-Cal HMO %	7%	6%	1%		6%
33	0%	0%	0%		0%	Commercial %	0%	0%	0%		0%
34	1%	1%	0%		1%	Worker's Comp %	2%	1%	1%		1%
35	3%	4%	-1%		3%	Other Govemment %	3%	4%	-1%		4%
36	11%	7%	4%		9%	Self Pay /Charity %	10%	7%	3%		8%
						STATISTICS					
37	488	517	(29)	-5.6%	493	Admissions	5,162	5,324	(162)	-3.0%	5,270
38	500	527	(27)	-5.1%	478	Discharges	5,167	5,360	(193)	-3.6%	5,282
39	2,397	2,339	58	2.5%	2,219	Patient Days	26,820	25,648	1,172	4.6%	24,821
40	77.3	75.5	1.9	2.5%	71.6	Average Daily Census (ADC)	88.2	84.4	3.9	4.6%	81.6
41	4.79	4.44	(0.36)	-8.0%	4.64	Average Length of Stay (LOS)	5.19	4.79	(0.41)	-8.5%	4.70
42	31	31			31	Days in Month	304	304			304
43	773	821	(49)	-5.9%	768	Adjusted Discharges (AD)	7,672	8,107	(435)	-5.4%	8,022
44	3,703	3,645	58	1.6%	3,566	Adjusted Patient Days (APD)	39,825	38,794	1,031	2.7%	37,698
45	119	118	2	1.6%	115	Adjusted ADC (AADC)	131	128	3	2.7%	124
46	89	84	5	6.0%	93	Inpatient Surgeries	873	939	(66)	-7.0%	936
47	115	96	19	19.8%	101	Outpatient Surgeries	964	1,065	(101)	-9.5%	1,057
48	**204**	**180**	24	13.3%	**194**	**Total Surgeries**	**1,837**	**2,004**	(167)	-8.3%	**1,993**

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
INCOME STATEMENT
October 31, 2010
(Amounts in Thousands)

49	3,253	2,749	504	18.3%	2,963	ED Outpatient Visits	29,158	30,665	(1,507)	-4.9%	29,579
50	3,673	3,212	461	14.4%	3,284	Ancillary Outpatient Visits	32,716	31,324	1,392	4.4%	31,507
51	115	96	19	19.8%	101	Outpatient Surgeries	964	1,065	(101)	-9.5%	1,057
52	**7,041**	**6,057**	984	16.2%	**6,348**	**Total Outpatient Visits**	**62,838**	**63,054**	(216)	-0.3%	**62,143**
53	416	418	(2)	-0.5%	401	Emergency Room Admits	4,417	4,616	(199)	-4.3%	4,402
54	12.8%	15.2%			13.5%	% of Total E/R Visits	15.1%	15.1%			14.9%
55	85.2%	80.9%			81.3%	% of Acute Admissions	85.6%	86.7%			83.5%
56	657	571	(86)	-15.1%	599	Worked FTE	626	603	(23)	-3.9%	608
57	743	653	(90)	-13.8%	666	Paid FTE	724	693	(31)	-4.5%	690
58	5.50	4.86	(0.64)	-13.3%	5.21	Worked FTE / AADC	4.78	4.72	(0.06)	-1.2%	4.90
59	6.22	5.55	(0.67)	-12.0%	5.79	Paid FTE / AADC	5.53	5.44	(0.09)	-1.6%	5.57
60	3,503	2,761	742	26.9%	2,648	Net Patient Revenue / APD	2,702	2,690	12	0.4%	2,685
61	16,322	15,333	989	6.4%	14,931	I/P Charges / Patient Days	14,724	15,292	(568)	-3.7%	15,142
62	3,029	3,307	(278)	-8.4%	3,168	O/P Charges / Visit	3,047	3,188	(141)	-4.4%	3,138
63	1,507	1,344	(163)	-12.1%	1,428	Salary Expense / APD	1,333	1,316	(16)	-1.3%	1,447
64	4.9	4.6	(0.27)	-5.8%	4.6	Medicare LOS	5.3	4.8	(0.48)	-10.1%	4.8
65	1.50	1.55	0.05	3.2%	1.55	Medicare CMI	1.55	1.57	0.01	0.9%	1.57
66	3.27	2.99	(0.28)	-9.3%	2.99	Medicare CMI Adjusted LOS	3.39	3.05	(0.34)	-11.1%	3.05
67	4.8	4.4	(0.34)	-7.7%	4.6	Total LOS	5.2	4.8	(0.42)	-8.8%	4.72
68	1.490	1.520	0.03	2.0%	1.461	Total CMI	1.490	1.517	0.03	1.8%	1.504
69	3.21	2.92	(0.29)	-9.9%	3.18	Total CMI Adjusted LOS	3.51	3.16	(0.34)	-10.8%	3.14

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
OUTPATIENT CENTER INCOME STATEMENT
October 31, 2010
(Amounts in Thousands)

	CURRENT PERIOD					CURRENT YTD			
	ACTUAL	BUDGET	VAR	VAR %		ACTUAL	BUDGET	VAR	VAR %
					OPERATING REVENUE				
70	155,441	78,832	76,609	97.2%	Net Patient Service Revenue	486,786	336,942	149,844	44.5%
71	7,975	4,089	3,886	95.0%	Other Revenue	37,217	16,356	20,861	127.5%
72	163,416	82,921	80,495	97.1%	**Total Operating Revenue**	524,003	353,298	170,705	48.3%
					OPERATING EXPENSES				
73	83,145	62,580	(20,565)	-32.9%	Salaries & Wages	306,126	252,205	(53,921)	-21.4%
74	7,771	13,938	6,167	44.2%	Employee Benefits	31,768	52,137	20,369	39.1%
75	11,787	6,443	(5,344)	-82.9%	Supplies	39,451	25,767	(13,684)	-53.1%
76	3,238	85	(3,153)	-3709.4%	Purchased Services	51,442	27,755	(23,687)	-85.3%
77	26,084	28,040	1,956	7.0%	Rentals & Leases	104,450	112,160	7,710	6.9%
78	23,700	18,750	(4,950)	-26.4%	Depreciation & Amortization	94,800	75,000	(19,800)	-26.4%
79	1,718	9,398	7,680	81.7%	Other Operating Expenses	33,397	37,592	4,195	11.2%
80	161,443	139,234	(22,209)	-16.0%	**Total Operating Expenses**	665,434	582,616	(82,818)	-14.2%
81	1,973	(56,313)	58,286	-103.5%	**Operating Profit / Loss**	(141,431)	(229,318)	87,887	-38.3%
					NON-OPERATING REVENUES (EXPENSES)				
82	(7,500)	(7,500)	-	0.0%	Less: Interest Expense	(30,000)	(30,000)	-	0.0%
83	(7,500)	(7,500)	-	0.0%	**Total Net Non-Operating**	(30,000)	(30,000)	-	0.0%
84	(5,527)	(83,813)	58,286	-91.3%	**Income Profit (Loss)**	(171,431)	(259,318)	87,887	-33.9%
					Profitability Ratios:				
85	1.2%	-67.9%			Operating Margin %	-27.0%	-64.9%		
86	-3.4%	-77.0%	73.6%		Profit Margin %	-32.7%	-73.4%	40.7%	

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
BALANCE SHEET
October 31, 2010
(Amounts in $1,000)

		Current Month	Dec. 31, 2009
	ASSETS		
87	Cash	3,413	7,666
88	Net Patient Accounts Receivable	22,367	19,157
89	Other Receivables	5,580	5,367
90	Inventory	2,221	2,056
90	Current Assets With Limited Use	3,874	4,721
91	Prepaid Expenses and Deposits	3,055	610
92	**TOTAL CURRENT ASSETS**	**40,510**	**39,577**
93	**Assets With Limited Use**	**642**	**642**
	Property Plant & Equipment		
94	Land	12,090	12,090
95	Bldg/Leasehold Improvements	33,427	34,390
96	Capital Leases	10,926	10,926
97	Equipment	30,705	32,889
98	CIP	2,186	1,281
99	Total Property, Plant & Equipment	89,334	91,576
100	Accumulated Depreciation	-45,408	-47,543
101	**Net Property, Plant & Equipment**	**43,926**	**44,033**
102	**Intangible Assets**	**551**	**586**
103	**Total Assets**	**85,629**	**84,838**
104	Current Ratio (CA/CL)	***1.27***	***1.24***
105	Net Working Capital (CA-CL)	***8,714***	***7,672***
106	Long Term Debt Ratio (LTD/TA)	***0.27***	***0.30***
107	Long Term Debt to Capital (LTD/(LTD+TE)	***0.43***	***0.49***
108	Financial Leverage (TA/TE)	***2.8***	***3.3***
109	Quick Ratio	**0.81**	**0.84**
110	Unrestricted Cash Days	**8**	**21**
111	Restricted Cash Days	**11**	**14**
112	Net A/R Days	**61.3**	**62.3**

		Current Month	Dec. 31, 2009
	LIABILITIES		
113	Current Maturities of Debt Borrowings	3,936	3,634
114	Accounts Payable and Accrued Expenses	13,491	11,827
115	Accrued Payroll and Related Liabilities	11,613	9,403
116	Deferred District Tax Revenue	568	3,570
117	Estimated Third Party Payor Settlements	2,188	3,471
118	**Total Current Liabilities**	**31,796**	**31,905**
	Other Liabilities		
119	Other Deferred Liabilities	0	0
120	Chapter 9 Bankruptcy	0	1,771
	Long Term Debt		
121	Notes Payable - Secured	24,051	25,966
122	Capital Leases	2,954	2,973
123	Less Current Portion LTD	-3,936	-3,633
124	**Total Long Term Debt**	**23,069**	**25,306**
125	**Total Liabilities**	**54,865**	**58,982**
	EQUITY		
126	Retained Earnings	25,855	14,807
127	Year to Date Profit / (Loss)	4,909	11,049
128	**Total Equity**	**30,764**	**25,856**
129	**Total Liabilities & Equity**	**85,629**	**84,838**