



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

**Wednesday, April 25, 2012
4:30 PM
Doctors Medical Center - Auditorium
2000 Vale Road
San Pablo, CA**



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

**GOVERNING BODY
BOARD OF DIRECTORS**

**WCCHD DOCTORS MEDICAL CENTER
GOVERNING BODY BOARD OF DIRECTORS
APRIL 25, 2012 - 4:30 P.M.
Doctors Medical Center - Auditorium
2000 Vale Road
San Pablo, CA 94806**

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

AGENDA

1. **CALL TO ORDER** E. Zell
2. **ROLL CALL**
3. **APPROVAL OF MARCH 28, 2012 MINUTES** E. Zell
4. **PUBLIC COMMENTS** E. Zell
[At this time persons in the audience may speak on any items not on the agenda and any other matter within the jurisdiction of the of the Governing Body]
5. **MEDICAL EXECUTIVE REPORT** L. Hodgson, M.D.
 - a. Presentation
 - b. Discussion
 - c. Public Comment
 - d. **ACTION:**
 - i. *Acceptance of Medical Staff Report*
 - ii. *Approval of Appointments, Reappointments and Changes of Staff Status and Procedures*
 - iii. *Approval of the Revised Policies: IV Care and Maintenance Policy*

6. **QUALITY REPORT** K. Taylor
- a. Presentation
 - b. Discussion
 - c. Public Comment
 - d. *ACTION: 1. Acceptance of the Strategy for On-Going Quality and Safety Flowchart*
2. Approval of the EOC Committee Performance Report
7. **FINANCIALS – MARCH 2012** J. Boatman
- a. Presentation
 - b. Discussion
 - c. Public Comment
 - d. *ACTION: Acceptance of the March 2012 Financials*
8. **GOVERNING BODY OVERSIGHT SCHEDULE:
CONTRACTS, FILINGS, PLANS, FINANCIALS/BUDGETS,
OTHER ITEMS** J. Boatman/
E. Zell
- a. Presentation
 - b. Discussion
 - c. Public Comment
 - d. *ACTION: Approval of the Governing Body Oversight Schedule*
9. **CAPITAL EQUIPMENT:** Jim Boatman/
W. Watterlond
- **PARAGON SYSTEM**
 - **CONTRAST MEDIA INJECTOR**
 - a. Presentation
 - b. Discussion
 - c. Public Comment
 - d. *ACTION: 1. Approval of additional investment in Paragon, (originally approved in 2010).*
2. Approval of the Purchase of Replacement Contrast Media Injector for C.T. Department/Scanner.
10. **GOVERNING BODY BYLAWS** C. Coffey
- a. Presentation
 - b. Discussion
 - c. Public Comment
 - d. *ACTION: Approval of Revisions to the Governing Body Bylaws related to Standing and Ad Hoc Committees*

ADJOURN TO CLOSED SESSION

- A. Reports of Medical Staff Audit and Quality Assurance Pursuant to Health and Safety Code Sec. 32155.
- B. Conference with Labor Negotiators (pursuant to Government Code Section 554957.6)
Agency negotiators: John Hardy, Vice President of Human Resources: California Nurse Association, NUHW, Local 1.
- C. Conference with Legal Counsel: Pending Litigation pursuant to Government Code Section 54956.9(a): Pitchford vs. DMC & West Contra Costa Healthcare District Case# 10-000360, Cabugos vs. DMC & West Contra Costa Healthcare District Case # 11-01197, Goundar vs. DMC & West Contra Costa Healthcare District Case# 11-02685, Warfield vs. DMC & West Contra Costa Healthcare District Case# 11-000509
- D. Quality Assurance Matters (pursuant to Health & Safety Code Section 32155)

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

MINUTES
MARCH 28, 2012

TAB 3



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

MARCH 28, 2012 - 4:30 P.M.

DMC - Auditorium

2000 Vale Road

San Pablo, CA 94806

MINUTES

1. CALL TO ORDER

The meeting was called to order at 4:35 P.M.

2. ROLL CALL

Quorum was established and roll was called:

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

Excused: *Wendell Brunner, M.D.*

3. APPROVAL OF FEBRUARY 22, 2012 MINUTES

The motion made by Dr. Sharon Drager and seconded by Supervisor John Gioia to approve the February 22, 2012 minutes passed unanimously.

4. PUBLIC COMMENTS

There were no public comments.

5. MEDICAL EXECUTIVE REPORT

Dr. Laurel Hodgson sought approval for the February Credentials Report and for the following revised policies:

1. Disclosure and Resolution Policy: to include definitions and to detail the process for any disclosed relevant financial relationships
2. Honorarium and Reimbursement: to include definitions adding a faculty confirmation letter regarding payments, and deleting honorarium to medical staff.

The motion made by Director Irma Anderson and Seconded by Director Beverly Wallace to approve the February Credentials Report passed unanimously.

The motion made by Dr. William Walker and seconded by Dr. Sharon Drager to approve the Disclosure and Resolution Policy and the Honorarium and Reimbursement Policy passed unanimously.

6. MOSS ADAMS: FINAL DRAFT AUDIT FOR FISCAL 2011

Mr. James Boatman, CFO introduced Ms. Joelle Pulver and Mr. Chris Pritchard, representatives of Moss Adams who presented and sought approval of WCCHD final draft audit to cover financial statements for 2011. The auditor stated that this year's audit come with an unqualified opinion which is an indication of the ability to continue operations for the foreseeable future.

Moss Adams only recommendation made is to have a process and policy formally set up where sequenced receipts have to be mandatorily printed and provided to the patients upon payment. Mr. Boatman stated the implementation of this process change is underway.

The motion made by Director Beverly Wallace and Seconded by Director Deborah Campbell to approve the final draft audit for fiscal 2011 passed unanimously.

7. QUALITY REPORT

Ms. Karen Taylor, Director of Quality and Risk Management provided information on the Annual Quality & Risk Report:

- EQRR Activity: CY 2011 – the total risk events reported was 2,457, which is similar to 2010 results in volume and type. One area of concern includes medication errors. Pharmacy & Nursing Leaders are reviewing processes to decrease overall medication errors as a part of the Medication Error Reduction Plan (MERP).
- Total Patient Falls in 2011:
 - Inpatient and Outpatient total falls: 149
 - Total patient falls with injury: 2 (Occurred January – March)

- Patient Safety – Pressure Ulcers:
 - 0 Hospital Acquired Pressure Ulcer events(Stage III, IV, & Unstageable)
 - 157 patient skin/wound integrity events
- 2011 Patient Satisfaction (HCAHPS): Mean score and Top Box rate is at 75%

Conclusions: DMC is at the California benchmark of 0.169 for the first quarter of 2011 for patient falls. DMC is better than benchmark for the last 3 quarters of 2011 for patient falls with injury.

Director Deborah Campbell stated in terms of Patient Falls, Medication Errors, and Risk Surveys; Charge Nurses, Nursing Supervisors and Directors should become more proactive in patient safety and conduct hourly rounding, sitting with patients at bedside to improve patient satisfaction.

Dr. Richard Stern recommended follow-up phone calls for patients and rounding by nursing leaders for improving patient satisfaction.

Discussions ensued.

Survey update:

- DMC has completed all requirements for lab certification for The Joint Commission. The plan was accepted and the lab is now fully accredited.
- We continue to collect and report “Measures of Success Data” for our stroke certification survey that is due June 8, 2012.
- No CDPH patient complaint surveys were initiated between September 21 and December 31, 2011. The recent surveys have been older complaints with issues that have since been resolved.

Public comments: Joni McCoy, Certified Therapist stated that the problem with our complaints and surveys is we don’t have a stable workforce. She stated that “too many registry nurses are not committed to the community and to the hospital”. The nurses need a reason to stay and continue to work at DMC.

8. FINANCIALS – FEBRUARY 2012

Mr. James Boatman, CFO, presented and sought approval of the February 2012 Financials. He reported net operating revenues were more than \$1M short of the budget goal for the month of February. Patient Days were more than 11% under budget and discharges were under budget of 13%. Outpatient visits were slightly up, but did not compensate for the reduction of patient days.

Mr. Boatman reported a net loss was \$1.7M in February. Expenses were generally under budget for the month. The accounts receivable outstanding balance increased due to the

Paragon project which decreased the cash available. Mr. Boatman also reported we transferred \$5 million from our reserve cash to our operating bank accounts.

The motion made by Supervisor John Gioia and seconded by Director Patrick Godley to approve the February 2012 financial report passed unanimously.

9. 3RD FLOOR TELEMETRY EXPANSION

Ms. Bobbie Ellerston sought approval of the reopening of telemetry beds on the 3rd floor. This will decongest the current 4th floor telemetry unit and will provide for more private rooms for monitored patients, leading to improved patient and physician satisfaction and improved confidentiality and patient privacy.

The motion made by Dr. Richard Stern and seconded by Director Irma Anderson to approve the 3rd Floor Telemetry Expansion passed unanimously.

10. PEDIATRIC COLONSCOPE

Ms. Bobbie Ellerston sought approval for the purchase of two certified pre-owned flexible colonoscopes. These scopes are replacing two older scopes that are 15 years old. They will be used for trade in on this transaction. Well working scopes are imperative to the GI business.

A motion made by Director Beverly Wallace and seconded by Director Irma Anderson to approve and authorize the Chief Financial Officer to execute on behalf of DMC, approval of two Olympus flexible colonoscopies passed unanimously.

11. POLICIES

1. Ms. Bobbie Ellerston, VP of Patient Care Services sought approval the Plan for the Provision of Care Policy. This is required by Joint Commission and CMS.

Supervisor John Gioia noted that all policies should include a routing sheet that identifies the originator and review process prior to submitting to the Board for approval. On page 6, the following should be corrected that states "DMC is public acute care hospital" and not a "not-for-profit acute care hospital". On the bottom of page 3, last sentence, add the word "and" between action and awareness.

The motion made by Supervisor John Gioia and seconded by Director Beverly Wallace to approve the Provision of Care Policy passed unanimously.

2. Ms. Dawn Gideon, CEO sought approval of the Physician Transaction and Arrangement Board Policy, to ensure its relationships with physicians and other sources of patient referrals and business fully comply with applicable federal and state laws and regulations. The purpose of this policy is to prevent violations of applicable laws and regulations.

At the request of Director Eric Zell, the Physician Contracting Policy was changed to include the following: All contracts will provide termination language outlining 90-180 day with-out-cause termination, in addition to the standard termination for cause provisions. The policy will also direct that, in addition to submission of the contract term sheet to the GB for approval, the most current version of the contract to be approved will be made available to the GB at the meeting during which the contract is being approved.

At the request of Director Pat Godley, the following items will be added to the Contract Summary/Term Sheet: termination provisions and terms of any previous contract.

The motion made by Supervisor John Gioia and seconded by Director Nancy Casazza to approve the Physician Transaction and Arrangement Board Policy passed unanimously.

12. CALIFORNIA EMERGENCY PHYSICIANS CONTRACT

Ms. Dawn Gideon sought approval of the California Emergency Physician (CEP) Contract, effective April 1, 2012 with a three year term.

The motion made by Director Deborah Campbell and seconded by Director Nancy Casazza to approve the Transaction Summary/CEP Contract passed unanimously.

13. CEO UPDATE

Ms. Dawn Gideon, CEO reported that the Executive team recently conducted the quarterly Town Hall meetings for employees, physicians and volunteers. She provided updates on the following priorities for 2012:

- Strategic Priorities:
 - Strategic Plan
 - Patient Satisfaction
 - Leadership Recruitment
 - Continued Focus on Quality

- Operating Priorities:
 - JCAHO
 - Paragon
 - Back to Basics
 - Achieve Budget
 - Management Development

Ms. Gideon asked the Board to take a vote to approve and add to the agenda, a resolution to recognize the physicians at DMC in anticipation of Friday's National Doctor Day.

A motion made by Director Irma Anderson and seconded by Director Deborah Campbell to add the resolution to the agenda passed unanimously.

Ms. Gideon read the resolution to the Board.

A motion made by Supervisor Gioia and seconded by Director Anderson to approve the resolution in recognition of DMC's Medical Staff passed unanimously.

THE MEETING ADJOURN TO CLOSED SESSION,

MEDICAL EXECUTIVE
REPORT

TAB 5

**MEDICAL EXECUTIVE COMMITTEE
REPORT TO THE BOARD OF DIRECTORS
APRIL 2012**

ITEM	ACTION
A. CHIEF OF STAFF REPORT	Informational
B. POLICIES, PROCEDURES & FORMS	Approval
C. CREDENTIALS REPORT – March 2012	Approval

POLICY, PROCEDURE AND FORMS REPORT

APRIL 2012

IN ACCORDANCE WITH MEDICAL STAFF BYLAWS, REGULATORY AND ACCREDITATION STANDARDS, THE POLICIES, PROCEDURES AND FORMS LISTED BELOW HAVE BEEN DEVELOPED AND/OR REVISED BY APPROPRIATE HOSPITAL AND/OR MEDICAL STAFF COMMITTEES AND HAVE BEEN APPROVED BY THE MEDICAL EXECUTIVE COMMITTEE.

**NOTE: COPIES OF ALL POLICIES LISTED IN SECTION A AND SECTION B BELOW ARE ATTACHED TO THIS REPORT; THOSE POLICIES/DOCUMENTS LISTED IN SECTION C: REVISED WITH MINOR/NON-SUBSTANTIVE CHANGES, WILL BE AVAILABLE FOR REVIEW IN THE MEDICAL STAFF OFFICE AND ADMINISTRATION.*

POLICY/PROCEDURE/FORMS	TYPE	REASON FOR REVIEW
A. Revised With Major/Substantive Changes 1. Malignant Hyperthermia	Patient Care Policy & Procedure	Revised to include furosemide 40mg injections treatment

DOCTORS MEDICAL CENTER

Manual: Patient Care	Sub Folder: Administrative
Title: Malignant Hyperthermia	Reviewed: 1/94, 1/95, 1/99, 7/00, 8/03 Revised: 2/96, 12/05, 10/07, 7/11, 3/12
Effective Date: 1/93	Page 1 of 4

PURPOSE:

Malignant hyperthermia (MH) is a genetically determined condition in which a susceptible individual is exposed to a triggering agent. There can be large and rapid movement of calcium into skeletal muscle cells. This leads to a hypermetabolic state with increased carbon dioxide and heat production, among other manifestations. MH is most commonly precipitated by certain general inhalation anesthetic, and depolarizing muscle relaxants.

Each member of the peri-operative team must be aware of and responsible for his/her role in the interventions necessary to support early recognition and prompt treatment of the patient experiencing a malignant hyperthermia crisis.

POLICY:

Management of the malignant hyperthermia crisis is the responsibility of the anesthesia staff. Therapy will generally follow the guidelines set forth by the Malignant Hyperthermia Association of the United States (MHAUS) (refer to DMCWEB> Location: Physician Orders).

Members of the surgical team shall follow the directives given by the anesthesiologist and assist anesthesia as needed.

PROCEDURE:

Symptoms:

Early recognition is critical to clinical success. Among the elderly symptoms are: tachycardia (sudden, unexplained), tachypnea (spontaneous ventilation), arrhythmias, and trismus. Other symptoms include: unstable blood pressure, dark blood in surgical field despite adequate inspired oxygen, cyanotic mottling of skin, profuse sweating, fever (rapid rise in temperature of 1 degree fahrenheit/15 mins, or sustained rise to as high as 108 degrees Fahrenheit or more), fasciculation and/or rigidity (sometimes involving total body).

Signs:

Signs include: central venous desaturation, central venous and arterial hyperkalemia, metabolic acidosis, respiratory acidosis, hyperkalemia, myoglobinemia (late), elevated CPK (late)

Treatment:

1. Immediately discontinue all volatile inhalation anesthetics and succinylcholine. Hyperventilate with 100% oxygen at high gas flows, at least 10 liters/min. **The circuit system and CO₂ absorbent need not be changed.**
2. Administer dantrolene **sodium 2.5mg/kg IV bolus** (rapid IV push) with increments up to 10 mg/kg total. Continue to administer dantrolene until signs of MH (eg, tachycardia, rigidity, increased end-tidal CO₂, and temperature elevation) are controlled.

Occasionally, at total dose greater than 10mg/kg may be needed. Each vial of dantrolene contains 20 mg of dantrolene and 3 grams of mannitol. Each vial should be mixed with 60 ml of sterile water for injection USP without a bacteriostatic agent (kept in malignant hyperthermia kit).

For questions regarding management of MH, call the MH hotline at 1-800-644-9737.

3. Administer sodium bicarbonate to correct metabolic acidosis as guided by blood gas analysis. In the absence of blood gas analysis, 1-2 meq/kg should be administered by IV push.
4. **Simultaneous with the above, actively cool the hyperthermic patient. Use IV iced saline (not ringers lactate) 15 ml/kg every 15 minutes x 3**
 - Lavage stomach, bladder, rectum and open cavities with iced saline as appropriate.
 - Surface cool with ice and hypothermic blanket
 - Monitor closely since over vigorous treatment may lead to hypothermia
5. Dysrhythmias will usually respond to treatment of acidosis and hyperkalemia. If they persist or are life threatening, standard anti-arrhythmic agents may be used, with the exception of calcium channel blockers (may cause hyperkalemia and cardio vascular collapse).
6. Determine and monitor end-tidal CO₂, arterial, central or femoral venous blood gases, serum potassium, calcium, clotting studies and urine output
7. Hyperkalemia is common and should be treated with sodium bicarbonate, calcium, intravenous glucose and insulin (Ensure urine output of greater than 2ml/kg/hr.) Maintain urine output of at least 2ml/kg/hr **with hydration and diuretics**. Consider central venous or PA monitoring because of fluid shifts and hemodynamic instability that may occur.
8. **Boys less than 9 years of age who experience sudden cardiac arrest after succinylcholine in the absence of hypoxemia should be treated for acute hyperkalemia first. In this situation calcium chloride should be administered along with other means to reduce serum potassium. They should be presumed to have subclinical muscular dystrophy.**

Post acute phase:

1. Observe the patient in an ICU setting for at least 24 hours since recrudescence of MH may occur, particularly following a fulminant case resistant to treatment.
2. Administer dantrolene 1mg/kg IV every 6 hours for 24-48 hours post episode. After that, oral dantrolene 1mg/kg every 6 hours may use for 24 hours as necessary.
3. Follow ABG, CK, potassium, calcium, urine and serum myoglobin, clotting studies and core body temperature (e.g., rectal, esophageal) should be continuously monitored until stable.
4. Counsel the patient and family regarding MH and further precautions. Refer the patient to Malignant Hyperthermia Association of the United States (MHAUS).
5. Fill out an adverse metabolic reaction to anesthesia (AMRA) report available through the North American Malignant Hyperthermia Registry at www.mhreg.org.

Drug Supplies

- Calcium Chloride 1gm/10ml syringe #2
- Dantrolene 20gm vials #36
- Dextrose 25gm/50ml syringe #2
- Furosemide 40mg/4ml vial #4
- Lidocaine 100mg syringe #3
- Regular Insulin 10ml #1 (OR automated dispensing cabinet)
- Sodium Bicarbonate 50mEq/50ml #5
- Sterile Water for Injection 1000ml bag (for Dantrolene dilution ONLY) #2
- 0.9% NaCl 1000ml #3 – (OR automated dispensing cabinet)(KEEP REFRIGERATED)

1. The malignant hyperthermia kit should be checked immediately after each use and routinely every month by a licensed nurse and a pharmacist.
2. The list of all medications included will be posted outside of the cart with the earliest expiration date for each type of drug.
3. Drugs and fluids in the kit are to be checked for dates and replaced immediately, if outdated.

General Equipment

- Syringes (60 ml x 5) to dilute dantrolene
- Mini-spike® IV additive pins x 2 and Multi-Ad fluid transfer sets x 2 (to reconstitute dantrolene). Call MHAUS for ordering info.
- Angiocaths: 16G, 18G, 20G, 2-inch; 22G, 1-inch; 24G, ¾-inch (4 each) (for IV access and arterial line)
- NG tubes: (sizes appropriate for your patient population)
- IV pump: Blood tubing, 250cc bag NS
- Irrigation tray with piston syringe (x 1) for NG irrigation
- Toomy irrigation syringes (60 ml x 2) for NG irrigation
- Micro drip IV set (x 1)

Monitoring Equipment

- Esophageal or other core temperature probes
- CVP kits (sizes appropriate to your patient population)
- Transducer kits for arterial and central venous cannulation.

Nursing Supplies

- A minimum of 3,000 ml of refrigerated cold saline solution
- Large sterile Steri-Drape (for rapid drape of wound)
- Three-way irrigating foley catheters: (sizes appropriate for your patient population)
- Urine meter x 1
- Irrigation tray with piston syringe
- Large clear plastic bags for ice x 4
- Small plastic bags for ice x 4
- Bucket for ice

Laboratory Testing Supplies

- Syringes (3 ml) for blood gas analysis or ABG kits x 6
- Blood specimen tubes (each test should have 2 pediatric & 2 large tubes): (A) for CK, myoglobin, SMA 19 (LDH, electrolytes, thyroid studies); (B) for PT/PTT, fibrinogen, fibrin split products; (C) CBC, platelets; (D) blood gas syringe (lactic acid level)
- Urine collection container for myoglobin level. Pigmenturia indicates that renal protection is mandated, unless the centrifuged or settled sample shows clear supernatant, i.e., the coloration is due to red cells in the sample.
- Urine dipstick: hemoglobin

REFERENCES:

Managing MH: Drugs, Equipment, and Dantrolene Sodium; Malignant Hyperthermia Association of the United States, www.mhaus.org. updated 5/2008.

Title 22, Department of Health and Human Services, State of California Regulations, 2000.

Responsible for review/updating (Title/Dept)	Director of Perioperative Services Director of Pharmacy	Surgery Pharmacy
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Malignant Hyperthermia Kit

Date Filled / Sealed: ___/___/___ by ___ (Nursing) / ___ (Pharmacy)

First to Expire: ___/___/___

Exp: ___/___/___

Green Lock #: _____

(Notify Pharmacy if seals or green lock on Blue Box (2) are broken)

Location	Qty	Drug / Item	Size	Form	Expires	Category	Comment
Box 1	4	Angiocath	16G x 1-1/4"	Each	/ /	General Eqpt	For IV access / arterial line
Box 1	4	Angiocath	18G x 1-1/4"	Each	/ /	General Eqpt	For IV access / arterial line
Box 1	4	Angiocath	20G x 1-1/4"	Each	/ /	General Eqpt	For IV access / arterial line
Box 1	4	Angiocath	22G x 1"	Each	/ /	General Eqpt	For IV access / arterial line
Box 1	4	Angiocath	24G x 3/4"	Each	/ /	General Eqpt	For IV access / arterial line
Box 1	6	Arterial Blood Gas Syringe	---	Kit	/ /	Lab Testing Supply	For blood gas analysis
Box 1	1	Basin, Irrigation	---	Each	N/A	General Eqpt	For NG irrigation
Box 1	2	Blood specimen (Lithium heparin)	Green	Tube	/ /	Lab Testing Supply	CK, myoglobin, CMP (LDH, electrolytes, thyroid studies)
Box 1	2	Blood specimen (EDTA, potassium)	Lavender	Tube	/ /	Lab Testing Supply	CBC, platelets
Box 1	2	Blood specimen	Gray	Tube	/ /	Lab Testing Supply	Blood gas syringe (lactic acid level)
Box 1	2	Blood specimen	Lt Blue	Tube	/ /	Lab Testing Supply	PT/PTT, fibrinogen, fibrin split products
Box 1	1	Bulb Syringe, Irrigation	---	Each	/ /	General Eqpt	For NG irrigation
Box 1	1	Container, Urine Collection	---	Each	N/A	Lab Testing Supply	For myoglobin level
Box 1	1	CVP kit	Fr 7	Kit	/ /	Monitoring Eqpt	
Box 1	1	CVP kit	Fr 8.5	Kit	/ /	Monitoring Eqpt	
Box 1	1	Foley catheter, 3-way irrigating	Fr 22	Each	/ /	Nursing Supply	
Box 1	1	Foley catheter, 3-way irrigating	Fr 24	Each	/ /	Nursing Supply	
Box 1	1	NG Tube	---	Each	/ /	General Eqpt	Argyle Salem Sump
Box 1	1	Probe, Core temperature	Fr 9	Each	/ /	Monitoring Eqpt	Esophageal / Rectal
Box 1	1	Probe, esophageal	Fr 18	Each	/ /	Monitoring Eqpt	Acoustascope Esophageal Stethoscope
Box 1	1	Steri-Drape	Large	Each	N/A	Nursing Supply	For rapid wound draping
Box 1	2	Syringe, Irrigation (Toomey)	60 ml	Syringe	/ /	General Eqpt	For NG irrigation
Box 1	1	Transducer	---	Kit	/ /	Monitoring Eqpt	For arterial / central venous cannulation
Box 1	1	Tubing, Blood	---	Set	/ /	General Eqpt	For IV Pump
Box 1	1	Urine Meter	---	Set	/ /	Nursing Supply	
Box 1	1	Bucket	---	Each	N/A	Nursing Supply	
Box 2	60	Alcohol Wipes	---	Each	N/A	Nursing Supply	For ice (in OR suite)
Box 2	4	Bag, Clear Plastic	Large	Each	N/A	Pharmacy	For ice

Malignant Hyperthermia Kit

Location	Qty	Drug / Item	Size	Form	Expires	Category	Comment
Box 2	4	Bag, Clear Plastic	Small	Each	N/A	Pharmacy	For ice
Box 2	2	Calcium Chloride	1gm/10ml	Syringe	/	Pharmacy	
Box 2	36	Dantrolene	20gm	Vial	/	Pharmacy	
Box 2	2	Dextrose	25gm/50ml	Syringe	/	Pharmacy	
Box 2	12	Dispensing Pin (DP-1000)	Mini-spike	Pin	/	Pharmacy	For dantrolene reconstitution
Box 2	4	Furosemide	40mg/4ml	Vial	/	Pharmacy	
Box 2	1	Tubing, IV	Micro drip	Set	/	Pharmacy	
Box 2	3	Lidocaine	100mg	Syringe	/	Pharmacy	
Box 2	5	Sodium Bicarbonate	50mEq/50ml	Syringe	/	Pharmacy	
Box 2	1	Sodium Chloride, 0.9%	250ml	Bag	/	Pharmacy	For IV Pump
Box 2	12	Syringe	60 ml	Syringe	/	Pharmacy	For dantrolene dilution
Box 2	22	Water, Injection	100ml	Vial	/	Pharmacy	For dantrolene dilution ONLY
Omnice	1	Insulin, Regular	3ml	Vial	Per Mfg	Pharmacy	In OR Omnicell refrigerator
Omnice	3	Sodium Chloride, 0.9%	1000ml	Bag	Per Mfg	Pharmacy	In OR Omnicell refrigerator

Malignant Hyperthermia Charge Sheet

DATE OF SERVICE

(Addressograph)

QTY	CHARGE CODE	PAR	DESCRIPTION
1	100024	---	Misc. Tray
	23985	2	Calcium Chloride, 1gm/10ml, Syringe
	24231	36	Dantrolene, 20mg, Vial
	24273	2	Dextrose, 25gm/50ml, Syringe
	24573	4	Furosemide, 40mg/4ml, Vial
	24990	3	Lidocaine, 100mg/5ml, Syringe
	25554	5	Sod. Bicarbonate, 50Meq/50ml, Syringe
	28141		Sodium Chloride, 0.9%, 250ml, Bag
	25734	22	Sterile Water, Inj, 100ml, Vial
	29143	1	Regular Insulin 3ml (Located In the O.R. OmniCell Refrigerator)
	28144	3	NS 1000ml Bag (Located In the O.R. OmniCell Refrigerator)
	---	60	Alcohol Wipes
	---	4	Bag, Clear Plastic, Large
	---	4	Bag, Clear Plastic, Small
	---	12	Dispensing Pin, Mini-Spike (DP-1000)
	---	1	IV set, Micro-Drip
	---	6	Syringe, 3ml
	---	12	Syringe, 60ml

**MEDICAL EXECUTIVE COMMITTEE
 CREDENTIALS REPORT TO THE BOARD**

MARCH 2012

The following practitioners' applications for appointment and/or reappointment have been reviewed by the appropriate committees of the Medical Staff and have been deemed as complete and are recommended for approval by the Credentials Committee (03/22/12) and the Medical Executive Committee (04/09/12).

CREDENTIALS REPORT TO THE BOARD FEBRUARY 2012	
REAPPOINTMENTS	
NAME	DEPARTMENT/SPECIALTY
Anacker, Andres, MD	Medicine/Family Practice/Family Practice
Hsu, Jonathan, MD	Medicine/Family Practice/Cardiology
Ko, Christine, MD	Medicine/Family Practice/Emergency Medicine
Murali, Rekha, MD	Medicine/Family Practice/Internal Medicine
Halloran, Jasmine, PA-C	Medicine/Family Practice/Physician Assistant
Hamidi, Daoud, PA-C	Medicine/Family Practice/ Physician Assistant
RESIGNATIONS	
Schiff, David, MD	Surgery/Orthopedics
Fred Naraghi, MD	Surgery/Orthopedics
Singzon, Jaime M, MD	Medicine/Family Practice/Internal Medicine
Swaminathan, Aravind, MD	Medicine/Family Practice/Cardiology
Kyu, Aye, MD	Medicine/Family Practice/Internal Medicine

QUALITY REPORT

TAB 6

Quality/Patient Safety Metrics

Pneumonia (PN)

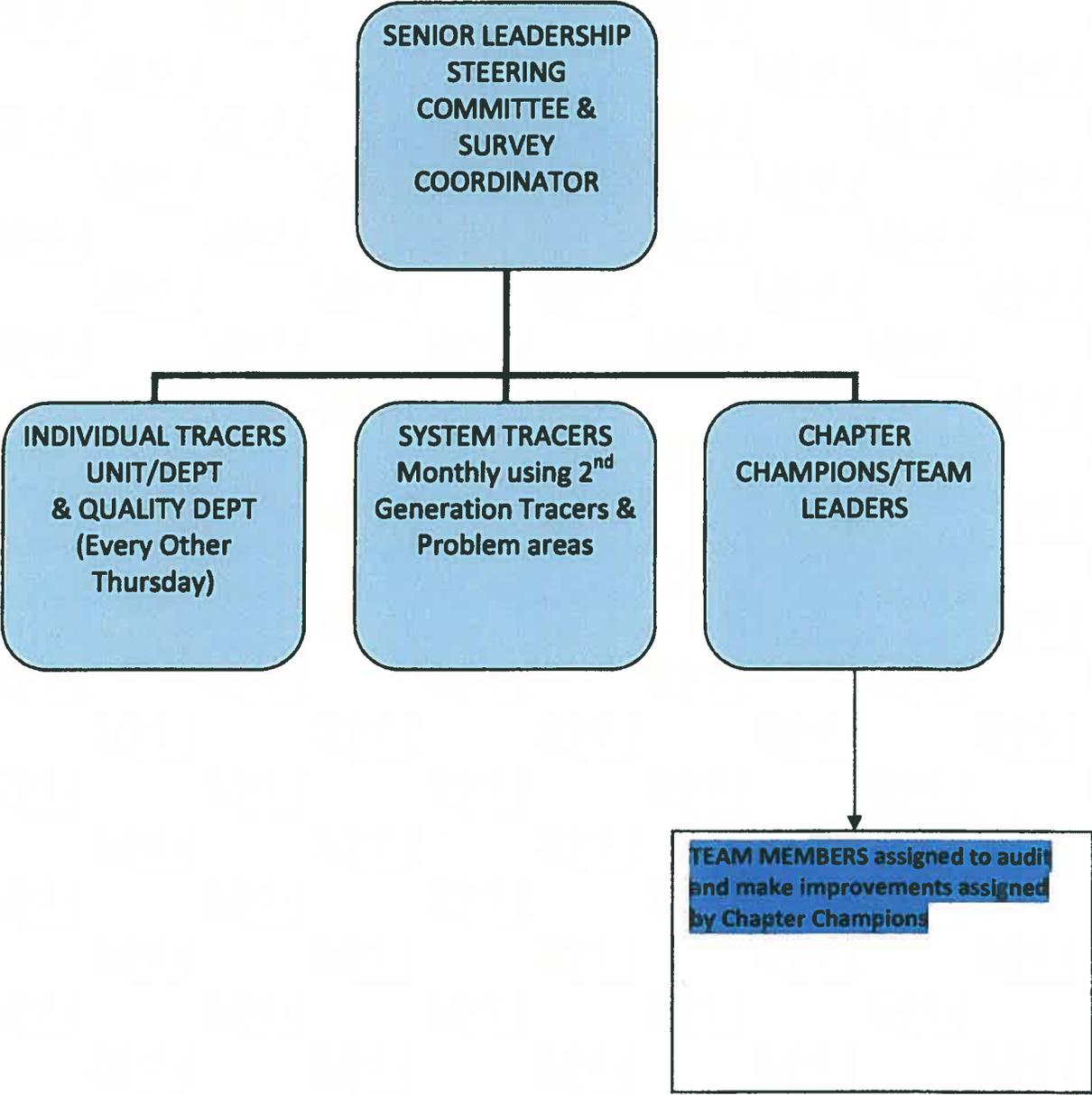
- Data reviewed with Nursing Leadership with an action plan identified.
- Managers/Directors followed up with individual staff to set up expectations.
- The forms have been updated to show Pneumonia antibiotic recommendations for ICU and non-ICU patients.
- Antibiotic MONotherapy for patients admitted 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%) except influenza vaccine. Patients admitted in September and discharged in October were not rescreened resulting in low compliance in October (80%). Process changed for September 2012.

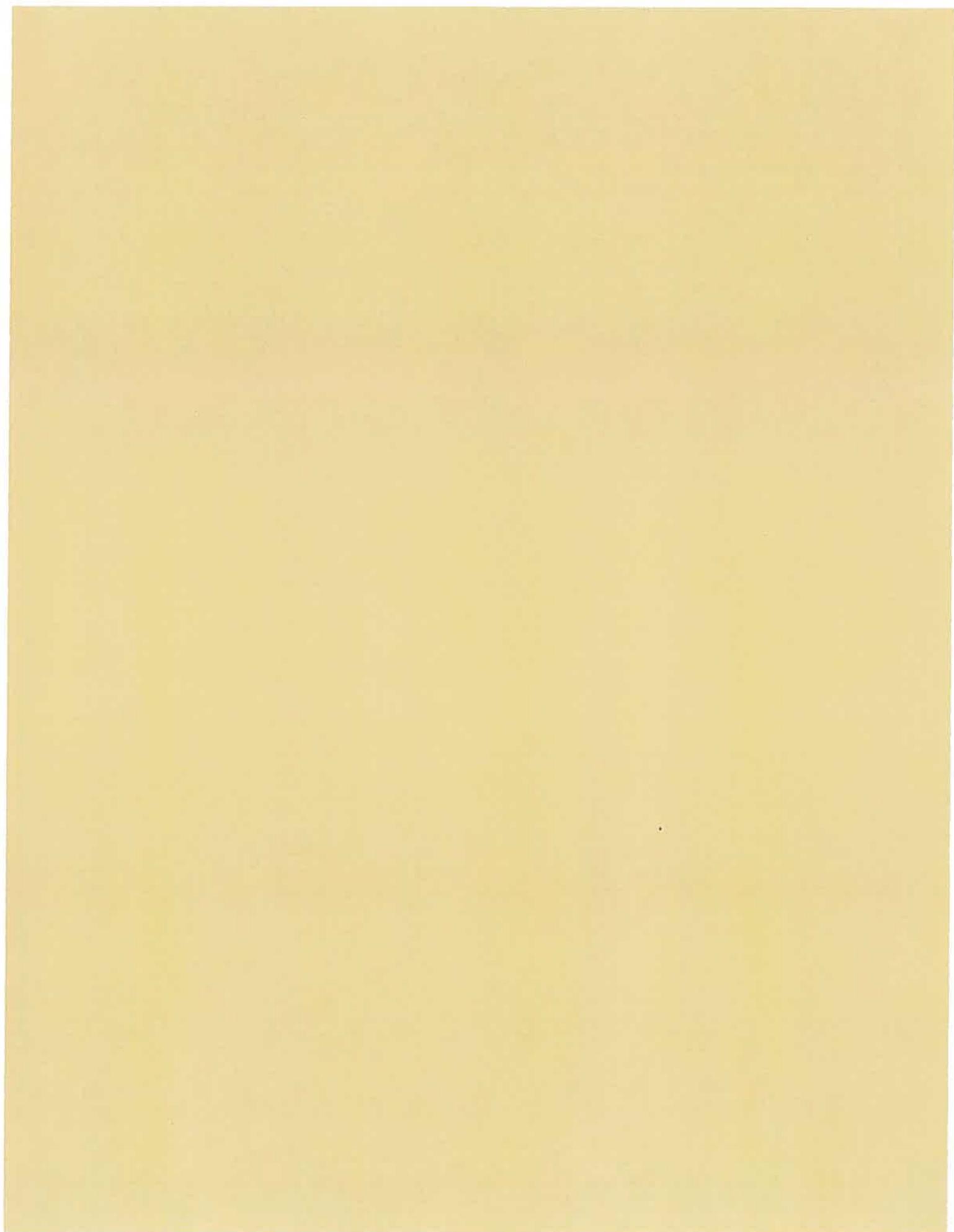
2011 Pneumonia (PN)

	1Q 2011	2Q 2011	3Q 2011	4Q 2011	Goal	1Q 2011	2Q 2011	3Q 2011	4Q 2011	Goal	
Pneumococcal vaccination	100.0%	100.0%	96.7%	93.3%	90%-100%	Antibiotic selection for ICU/non-ICU patients	100.0%	91.5%	100.0%	100.0%	90%-100%
Blood Culture within 24 hrs of arrival-ICU	100.0%	(13/15) 86.6%	92.3%	100.0%	90%-100%	Antibiotic selection for ICU patients	100.0%	(5/6) 83.3%	100.0%	100.0%	90%-100%
Blood Culture in ED prior to initial Antibiotic	93.9%	95.6%	100.0%	97.2%	90%-100%	Antibiotic selection for Non-ICU patients	100.0%	94.4%	100.0%	100.0%	90%-100%
Adult smoking advice/counseling	100.0%	100%	100.0%	100.0%	90%-100%	Influenza vaccination	92.3%	N/A	N/A	37/42 88.1%	90%-100%
Antibiotics within 6 hours of arrival	97.1%	95.6%	100.0%	100.0%	90%-100%						

DMC's 2012 & BEYOND....

STRATEGY FOR ONGOING QUALITY & SAFETY





Performance Activity to Leadership for 2012:

Per The Joint Commission standard EC.04.01.03, Element of Performance 3, annually, the Environment of Care Committee (EC) recommends at least one priority for improving the environment to leadership.

The Performance Activity recommendation to Senior Leadership for 2012 is:

To Reduce the Frequency and Severity of Workplace Accidents, Collaborating with Management, Employees, and the Unions.

Background:

Since 2008, Doctors Medical Center has experienced an increase of injuries by approximately 30%, representing over \$1,000,000 in claims for the year of 2010-2011. The EC Committee, with support from Senior Leadership, will monitor workplace accidents, and make recommendations on ways to reduce workplace injuries, and improve worker safety. During this process, the EC Committee will review the following:

- Use of equipment
- Policies and Procedures related to worker safety
- Safe Patient Handling practices

The representatives from clinical, administrative, and support services will continue to monitor this performance activity for the remainder of the year.

The committee will maintain a liaison between the Performance Improvement Committee and the EC Committee, and provide ongoing information about the findings, recommendations, and activities of the EC Committee for this performance initiative on a quarterly basis.

**ENVIRONMENT OF CARE ANNUAL REPORT FOR THE
 YEAR 2011
 Executive Summary**

It is the goal of the Environment of Care Committee to aid in providing a safe, functional, supportive, and effective environment for patients, staff, physicians, volunteers and other visitors within the hospital. The Environment of Care Committee has addressed this goal by performing the following processes:

- **Strategic Planning:** Working with hospital leaders in space planning, evaluation of equipment needs and to provide the resources needed to safely support the services provided by the hospital.
- **Education:** Provide training for staff in the role and importance of the environment on safety and patient care. Education is provided for all staff on the steps for monitoring, maintaining, and reporting on the status of the environment of care in the hospital setting.
- **Performance Improvement:** Development of standards to measure performance in maintaining and improving the environment of care.
- **Manage Hospital's Environment of Care:** Preview and implement plans developed to manage the seven elements of the environment of care; maintain an Information Collection and Evaluation System (ICES) to continuously measure, assess, and improve the Environment Of Care (EOC).

During the year 2011, the EOC Committee collected information and measured a total of 12 (twelve) separate planning objectives. These objectives were used in the evaluation of the 7(seven) management plans of the Environment of Care:

- | | | |
|--|----------------------------------|--------------------------------|
| *1. Hazard Materials and Wastes Management | *2. Medical Equipment Management | *3. Utility Systems Management |
| *4. Fire Prevention & Life Safety | *5. Security | *6. Safety Management |
| *7. Emergency Management | | |

At the end of the year the EOC/Safety Committee determined that 5(five) of the planning objectives were met.

The five (5) planning objectives that were met are as follows:

1. The first planning objective for the Utility Systems Management Plan was to evaluate current maintenance strategies for opportunities to reduce operating costs.
 ✓ **This objective was met.**
2. The second planning objective for the Utility Systems Management Plan was to implement an electronic database for utility systems plans
 ✓ **This objective was met.**
3. The first planning objective for the Fire Prevention Management Plan was to develop and implement an "Oxygen Enriched Environments" safety training program.
 ✓ **This objective was met**

4. The second planning objective for the Fire Prevention Management Plan was to conduct actual live action fire extinguisher method training over a three year period for all hospital employees.
✓ **This objective was met**
5. The first planning objective for the Safety Management Plan was to conduct “Semi-Correctional Environment” training for all hospital staff
✓ **This objective was met**

The remaining seven (7) planning objectives that were not met are as follows:

- ❖ The first planning objective for the Medical Equipment Management Plan was to reevaluate levels of maintenance schedules for medical equipment - **Not Met. This will continue to be a planning objective for 2012.**
- ❖ The second planning objective for the Medical Equipment Management Plan was to increase training, both formal and informal for resident Technicians. - **Not Met. This will continue to be a planning objective for 2012.**
- ❖ The third planning objective for the Medical Equipment Management Plan was to implement hand-held devices to reduce the use of paper - **Not Met. This will continue to be a planning objective for 2012.**
- ❖ The planning objective for the Security Management Plan was to install a fully integrated electronic access control system that will replace the variety of electronic/mechanical code locks. The system should use employee badges as the means of access. – **Not Met. This will continue to be a planning objective for 2012.**
- ❖ The planning objective for the Safety Management Plan was to develop a tracking program of product recalls that utilizes such input from Material Management, safety, vendors and other departments. – **Not Met. This will continue to be a planning objective for 2012.**
- ❖ The planning objective for the Hazardous Materials Management Plan was to develop and implement a RCRA program, based on OSHA and DOT guidelines - **Not Met. This will continue to be a planning objective for 2012.**
- ❖ The planning objective for the Emergency Operations Management Plan was to conduct at least one (1) exercise involving an escaped convict and hostage situation - **Not Met. This will continue to be a planning objective for 2012.**

PERFORMANCE MEASURES FOR 2011:

Each discipline has a performance measure or measures for 2011. The results from the 2011 performance measurements monitoring are as follows:

HAZARDOUS MATERIALS MANAGEMENT: The 2011 performance measure for the Hazardous Materials Management program was to ensure that 95% staff knowledge know how to locate the blood and chemotherapeutic chemical spill kits. This data is collected is collected during the EOC rounds, and performance is reported to the EOC Committee on a quarterly basis.

Data Source- People	2nd Quarter					3rd Quarter			4th Quarter			YTD
Indicator - 1	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
<i>How do you respond to a Hazardous Waste Spill?</i>	53%	88%	75%	70%	100%	77%	55%	100%	100%	83%	85%	81%
Correct answers received	8	7	6	7	6	7	6	6	7	5	11	76
Persons questioned	15	8	8	10	6	9	11	6	7	6	13	99
Threshold 95%												

Only met 81% of the 95% goal for this employee knowledge criteria; this is down from 88% in 2010. Continued monitoring will take place to increase this number to minimum 95% for 2012.

UTILITY SYSTEMS MANAGEMENT / MEDICAL EQUIPMENT MANAGEMENT : The 2011 performance measure for the Utility Systems Management and Medical Equipment Management Programs was to ensure 90% of scheduled PM's are completed within 30 days of PM generation date.

Data Source- Planned Work Orders	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			YTD
Indicator - Monthly	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
<i>Planned Work Orders Completed</i>	98.5%	100%	99.25%	100%	98.5%	85.1%	91.3%	97.9%	91.9%	91%	96.8%	97.4%	96%
PM's Completed	205	117	262	253	944	297	190	420	317	292	243	303	3,843
PM's Scheduled	208	117	264	253	958	349	208	429	348	321	251	311	4,017
Threshold 90%													

A total of 4,017 *Planned Maintenance* work orders (Both Utility Systems and Medical Equipment) were generated for 2011. The completion rate of 96% (Annual average) was achieved with no open or outstanding PM's for 2011.

*** NOTE: Due to the implementation of new work-order software (*In-Site*) for Utility Systems and Medical Equipment Management Program, there is no available separate statistical data available for the Medical Equipment Preventative Maintenance Work Orders.

All numbers above are reflective of the combined Planned Work Orders for both Utility Systems Management and Medical Equipment Management. Separate data will be available for review in 2012 ***

FIRE SAFETY MANAGEMENT: The 2011 performance measure for the Fire Safety management program was to ensure 95% of all Life Safety deficiencies are corrected within 30 days of discovery. This data is gathered during the EOC Rounds, and from Life Safety systems inspection reports.

Data Source- EOC Rounds	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			YTD
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
<i>Life Safety discrepancies identified during EOC rounding</i>	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Discrepancies Resolved	0	1	2	1	4	1	1	0	1	4	2	0	17
Discrepancies Found	0	1	2	1	4	1	1	0	1	4	2	0	17
Threshold 95%													

100% of all discrepancies found during the EOC Rounding process for Life Safety under the Fire Safety Management portion resolved immediately for a score of 100%.

ANNUAL FIRE RESPONSE TRAINING EVALUATION:

As part of the organization’s ongoing commitment to providing a fire safe environment, the effectiveness of the fire safety program training is evaluated on an annual basis.

COMPLIANCE TO NFPA LIFE SAFETY CODE

The organization remained in substantial compliance with the NFPA Life Safety Code throughout the evaluation period. The following was evidence of compliance:

- Successful life safety inspection by the local fire authority.
- Current and complete Statement of Condition
- Timely maintenance on fire notification and suppression systems.
- No significant life safety compliance issues identified during environmental surveillance audits in both patient care and non-patient care areas.

FIRE RESPONSE PROCEDURE

The fire response procedure was reviewed to assure that it continues to meet current regulatory requirements and the needs of the organization. No changes in the procedure were deemed necessary.

FIRE DRILLS

Fire drills were held in accordance with accreditation and regulatory requirements throughout the evaluation period. Staff were observed both at the origin of the fire and away in accordance with the fire response procedure.

Drill critiques demonstrated only minor, isolated performance issues that were addressed and corrected at the time.

STAFF TRAINING

Staff is trained on the following:

- Fire response procedure
- Location of fire alarm pull stations and fire extinguishers
- Evacuation routes from work area

- Fire hazards in their environment

CONCLUSION: The fire safety training program was effectively implemented.

SECURITY MANAGEMENT PROGRAM: The 2011 performance measure for the Security Management Program was:

- 20% reduction in thefts
- 10% reduction of patient elopement

Theft Reduction from 2010 - 2011	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			YTD
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Percentage of thefts in 2010 compared to 2009	100%	0%	100%	33%	100%	100%	200%	100%	50%	50%	0%	50%	39% Reduction
Reported thefts in 2011	2	0	1	1	0	0	2	0	1	1	0	1	9
Reported thefts in 2010	1	2	0	3	2	2	0	3	2	2	4	2	23
Threshold 20% Reduction													

Reported thefts, both vehicular and property, was reduced by 39% for 2011, meeting and exceeding the goal of 20%

Reduction in thefts for 2011 was accomplished through increase in patrols, after-hours door locking, addition of outside security cameras, and additional locks on filing cabinets and desks.

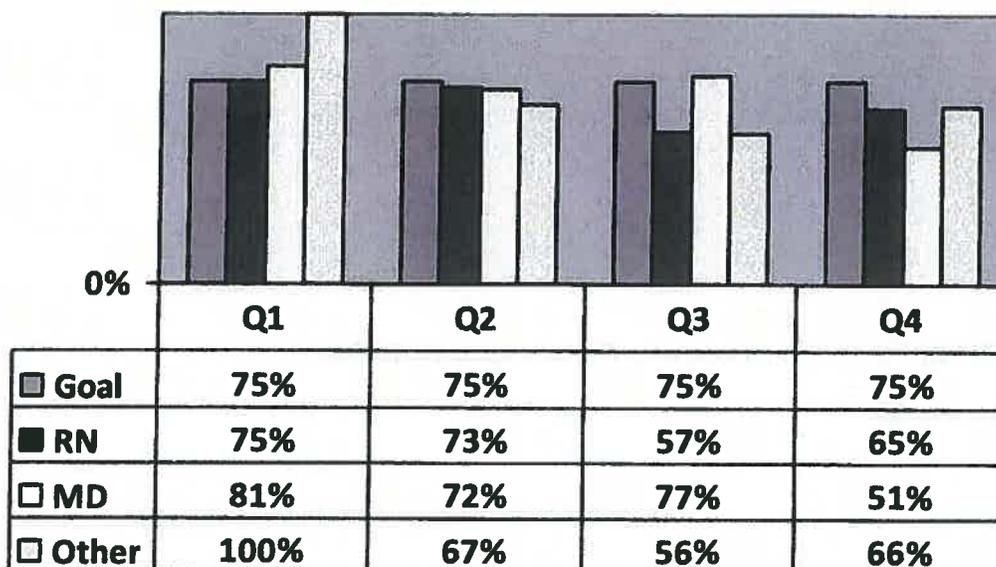
Reduction of Patient Elopement	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			YTD
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Percentage of Patient Elopements compared to 2010	150%	100%	0%	0%	0%	0%	100%	0%	100%	200%	100%	100%	26% Reduction
Reported Patient Elopements in 2011	3	2	0	0	0	2	1	0	2	2	1	1	14
Reported Patient Elopements in 2010	2	1	1	2	3	2	1	3	2	0	1	1	19
Threshold 10% Reduction													

Patient Elopement reduced by 26%, thus meeting and exceeding goal of 10% reduction for the year.

Reduction in overall patient elopements was accomplished through additional training in preventative measures, greater control of at-risk patients through direct monitoring and additional patrols throughout the facility and surrounding grounds.

PERFORMANCE INITIATIVE FOR 2011-Safety Management:

Per The Joint Commission standard EC.04.01.03, Element of Performance 3, annually, the Environment of Care Committee recommends at least one priority for improving the environment to leadership. The 2011 performance improvement initiative recommendation is to monitor levels of personnel hand-hygiene. This was assessed through direct monitoring by the Infection Control department from January 1st through December 31st, 2011. The table below illustrates hand-washing compliance by discipline:



The table below illustrates the actual number of staff observed during surveillance rounds follows the hand washing protocols. The target of compliance is 100%.

Data Source- Hand Hygiene Observed	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			YTD
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Indicator - Monthly <i>Hand Hygiene observed per month</i>	73	75	60	62	47	41	39	65	28	64	196	115	865
Percentage Observed	72%	86%	74%	64%	73%	97%	98%	46%	51%	77%	66%	71%	73%
Percentage Goal	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Threshold 100%													

Based on observed hand hygiene audit totals from the Infection Control department throughout 2011, a total average of 73% was met, falling 21% short of our 100% goal (Down 6% from the 2010 average of 79%.) This will remain a planning objective in 2012 for continued monitoring and enforcement.

EMERGENCY MANAGEMENT PROGRAM: The 2011 performance measure for the Emergency Management Program was to conduct at least one (1) exercise involving an escaped convict and hostage situation. While this was not met, we successfully responded to the following emergency plan activations.

EMERGENCY RESPONSE ACTIVITIES	2011
CODE RED (<i>Fire Response</i>)	6
LOCKDOWNS (<i>Emergency Department</i>)	65
ALARM ACTIVATIONS (<i>Burglar, fire alarms</i>)	29
CODE GREYS (<i>Security Needed / aggressive behavior</i>)	130
5150 Stand-By's (<i>Security patient support</i>)	246
Stab Victims	11

None of the incidents listed above required re-testing or re-training of our staff.

Performance Activity to Leadership for 2012:

Per The Joint Commission standard EC.04.01.03, Element of Performance 3, annually, the Environment of Care Committee (EOC) recommends at least one priority for improving the environment to leadership.

The Performance Activity recommendation to Senior Leadership for 2012 is:

To Reduce the Frequency and Severity of Workplace Accidents, Collaborating with Management, Employees, and the Unions.

Background:

Since 2008, Doctors Medical Center has experienced an increase of injuries by approximately 30%, representing over \$1,000,000 in claims for the year of 2010-2011. The EOC Committee, with support from Senior Leadership, will monitor workplace accidents, and make recommendations on ways to reduce workplace injuries, and improve worker safety. During this process, the EOC Committee will review the following:

- Use of equipment
- Policies and Procedures related to worker safety
- Safe Patient Handling practices

The representatives from clinical, administrative, and support services will continue to monitor this performance activity for the remainder of the year.

The committee will maintain a liaison between the Performance Improvement Committee and the EOC Committee, and provide ongoing information about the findings, recommendations, and activities of the EOC Committee for this performance initiative on a quarterly basis.

The five key elements of focus that drives our efforts to reach our goals are as follows:

1. To reduce and control environmental hazardous and risks within the environment of care.
2. Prevent accidents and injuries for our patients, visitors and staff.
3. Provide and maintain a safe environment for patients, staff, and visitors.
4. Maintain the environment so that it is sensitive to patients needs for comfort, social interaction, and positive diversion.
5. Evaluate, monitor and minimize unnecessary environmental stresses patient, staff, and visitors to our facility.



FINANCIALS
MARCH 2012

TAB 7



Board Presentation

March 2012 Financial Report



Budget Variances – Net Revenue

- **Managed Care/PPO – (\$392K).**
- **Medi-Cal / Medi-Cal HMO – (\$418K).**
- **Government – (\$380K).**

Budget Variances – Expenses

- Salaries & Benefits \$7 – Increased cost for staffing for Paragon upgrade
- Professional Fees \$129K – Four unbudgeted consultants.
- Supplies \$280K – Reduction in implants and drugs.
- Purchased Services \$395K – Credit from McKesson \$285K & reduced cost for services in many departments.
- Rentals Expenses \$67K – Lower rental cost of copiers and Storage Fees.
- Other Expenses \$44K – Lower utility cost and restriction of travel

Cash Position

March 31, 2012

(Thousands)

	March 31, 2012	December 31, 2011
Unrestricted Cash	\$6,177	\$13,972
Restricted Cash	\$24,186	\$29,847
Total Cash	\$30,363	\$43,819
Days Unrestricted Cash	16	33
Days Restricted	63	72
Total Days of Cash	78	106

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

Cash Flow

March 31, 2012

(Thousands)

	Year to Date
Beginning Balance	\$13,900
Transfer from Bond Fund	5,000
Operations Loss	(4,500)
Capital Expenditures	(1,000)
Gemino Loan	(500)
Reduced Payables	(1,600)
Accounts Receivable Change	(8,000)
Payroll Timing	2,900
Cash Balance	\$6,200

Accounts Receivable

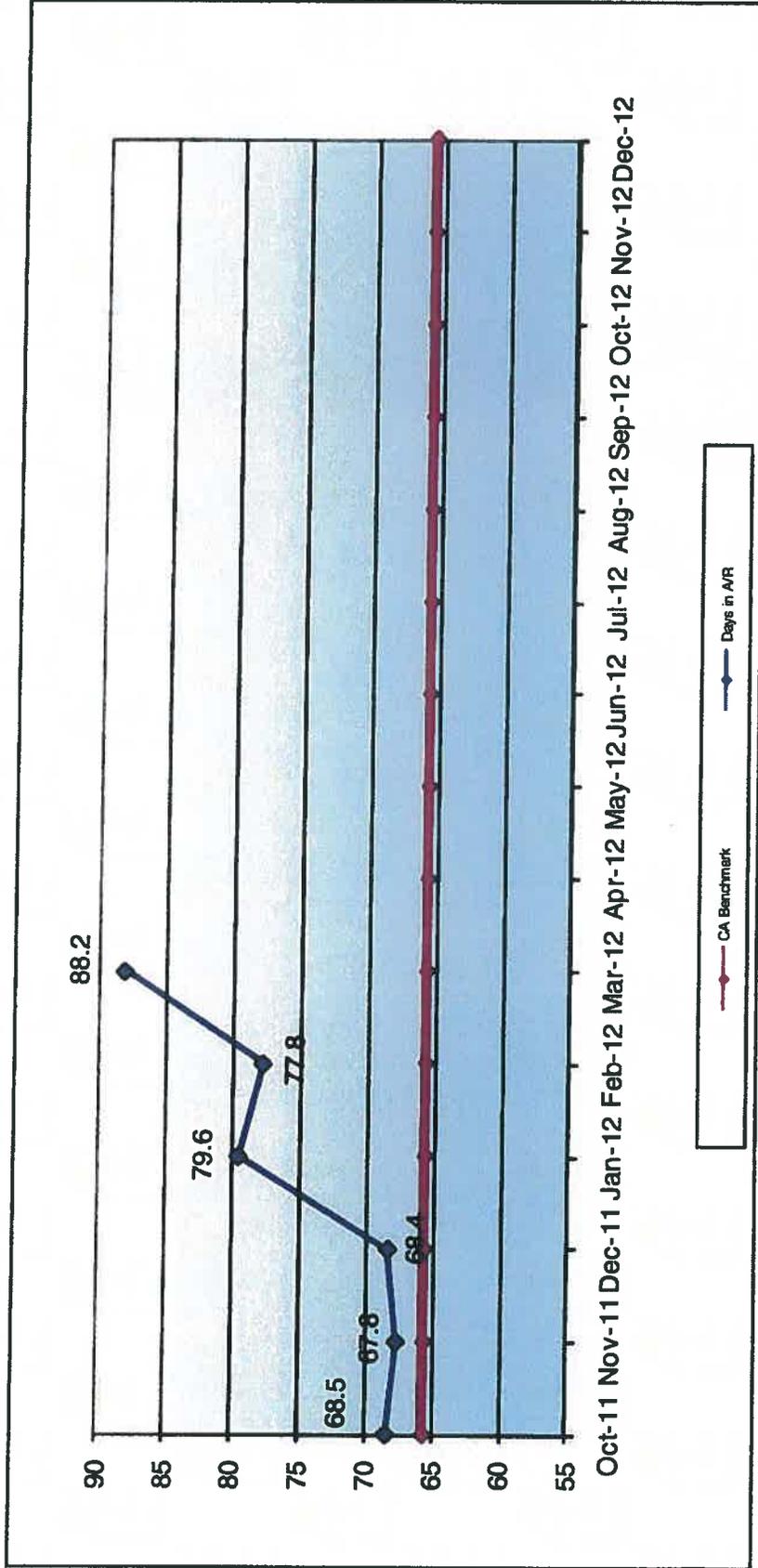
March 31, 2012

(Thousands)

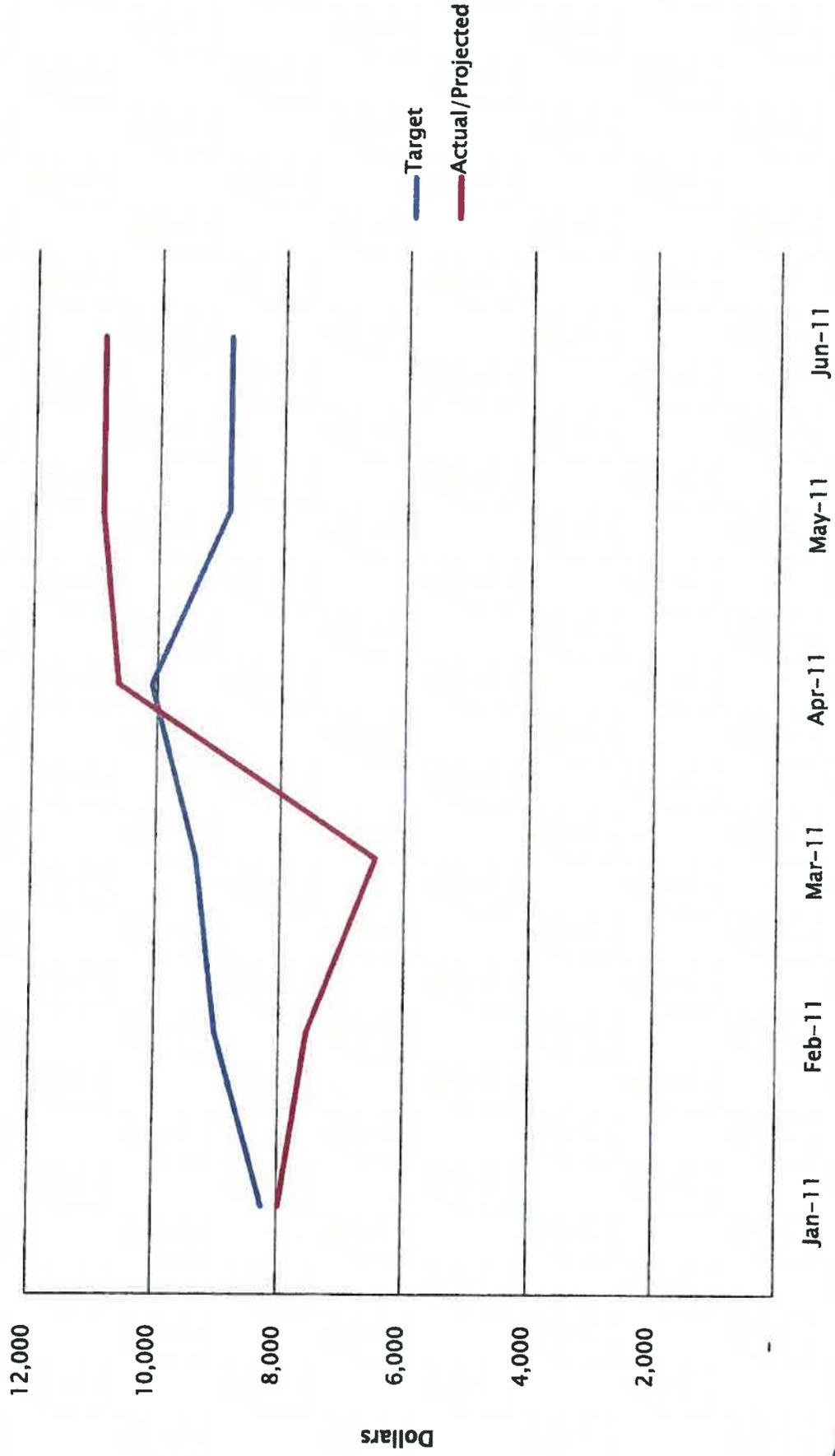
	March 31, 2012	December 31, 2011
Net Patient Accounts Receivable	\$27,152	\$19,177
Net Days in Accounts Receivable	88.2	60.7

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

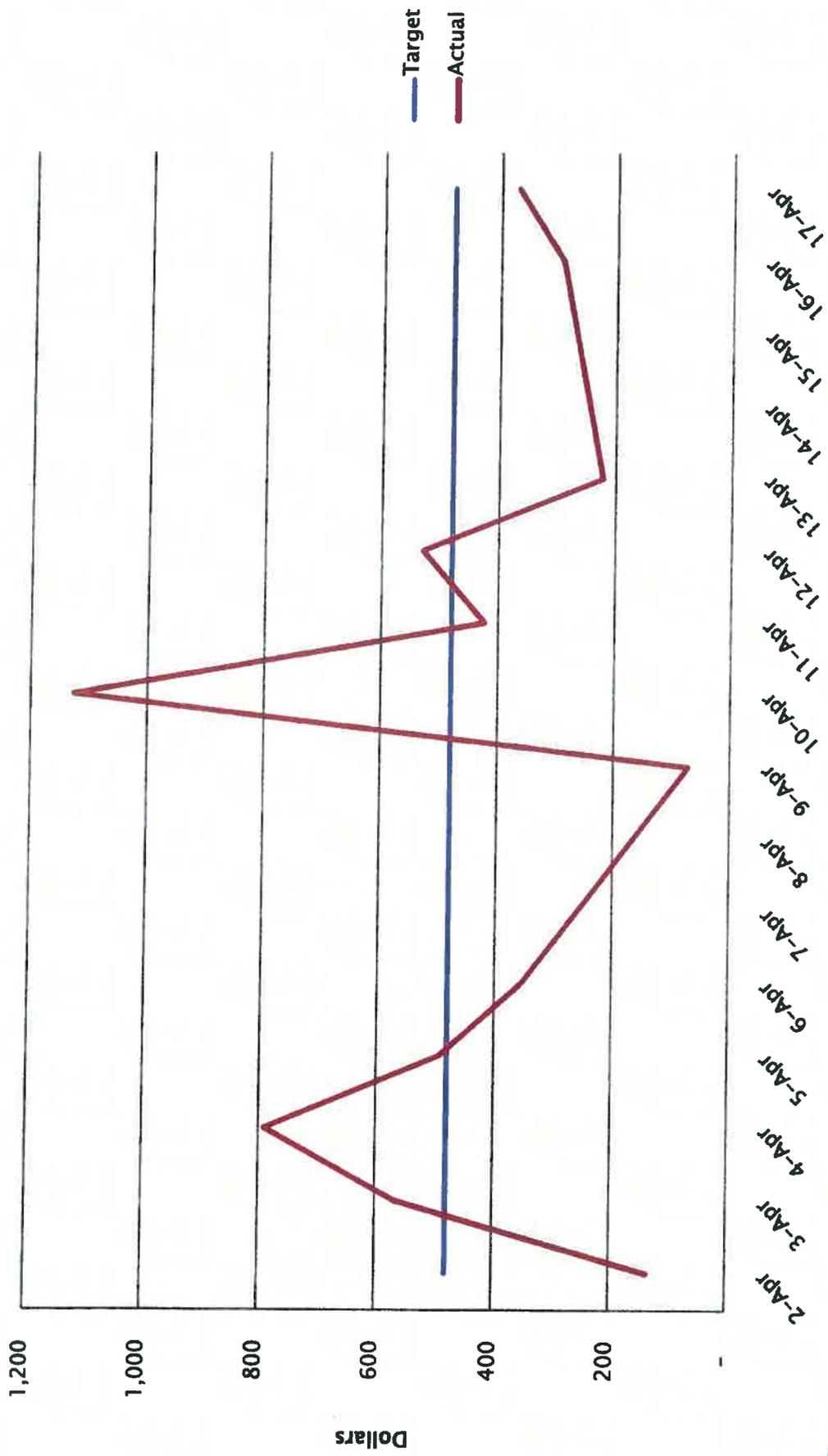
Accounts Receivable Net Days in A/R



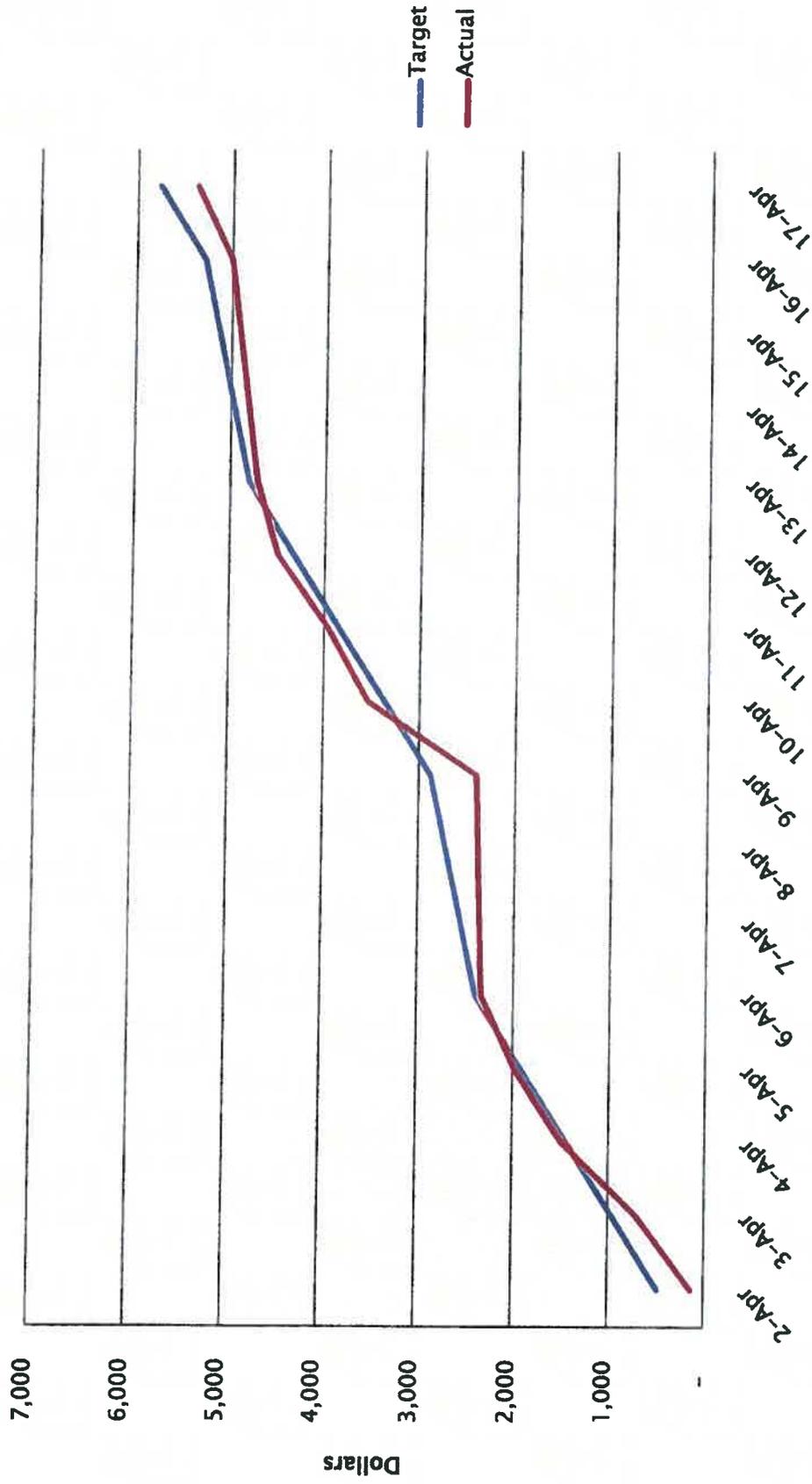
2012 Year to Date Cash Collections Actual vs. Target



Daily Cash Collections (Thousands)

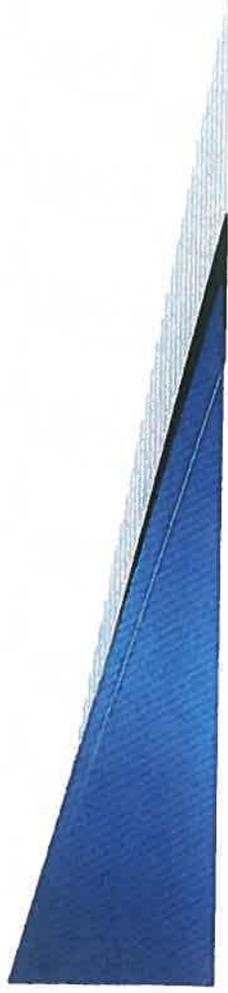


Cash Collections Month to Date (Thousands)



Financial Report Key Points

- Net Income was \$64,000 in March.
- Expenses generally under budget
- Increased Accounts receivable decreased cash available.



2012 Capital Budget Update

2012 Capital Budget:		
Paragon		\$ 1,757,000
Other		\$ 1,000,000
Total Capital:		\$ 2,757,000
Committed to Date:		
Paragon Original		\$ 1,757,000
Paragon Add-on		\$ 350,000
Red Hat-Server System		\$ 1,452
Removal of storage tank		\$ 64,918
Rotary Mail Center (scrub dispenser)		\$ 3,719
HBI Upgrade		\$ 15,519
PCs and Monitors		\$ 1,722
Replacement Furniture		\$ 17,120
Eppendorf Centrifuges/Adapters		\$ 5,418
3rd Floor Telemetry		\$ 246,676
Colonoscopy		\$ 41,956
CT contrast media injector		\$ 27,566
Committed To Date:		\$ 2,533,066
SubTotal Remaining		\$ 223,934
Foundation Support		\$ 160,000
Remaining Capital		\$ 383,934



March 2012 Executive Report

Doctors Medical Center had a Net Profit of \$64,000 in the month of March. As a result, net income was over budget by \$714,000. The following are the other factors leading to the Net Income variance:

<u>Net Patient Revenue Factors</u>	<u>Positive / (Negative)</u>
Government	(\$380,000)
Medi-Cal / Medi-Cal HMO	(\$418,000)
HMO/PPO	(\$392,000)
State Incentive Funding	\$1,000,000
<u>Expenses</u>	
Salaries & Benefits	\$7,000
Professional Fees	(\$129,000)
Supplies	\$280,000
Purchased Services	\$395,000
Rentals	\$67,000
Other	\$44,000

Net patient revenue was under budget by \$1,025,000. Gross charges were under budget in March 13.8%. Patient days were 14.3% under budget and discharges were 7.6% under budget. The revenue variances are mainly inpatient volume driven. The Medi-Cal mix was down 6% in March but we now have a switch from Medi-Cal (down 51%) to Medi-Cal HMO (up 368%) for our inpatient volume.

Other operating revenue is over budget as we received our first incentive payment from the State of California of \$1,015,000. This was budgeted as a reduction in our capital costs for the Paragon project but accounting rules are now out that require the funds to be claimed as other revenue.

Salaries and Benefits combined were under budget \$7,000 while patient days were 14.3% under budget. Worked FTE's were over budget 1.1%. Our volume was down 13.8% in March but salaries were only 2.7% under budget. Our benefit costs exceeded budget in March but we are still under our year to Date goal by \$377,000.

Professional Fees were \$129,000 over budget in March. The costs incurred are for four consultants that are not in the current budget. Some of these costs (approx. \$40,000) are budgeted in salaries and wages.

Supplies were under budget \$280,000. The supply reduction was for implant costs \$231,000 and Pharmacy dugs costs \$85,000.

Purchased services was under budget \$395,000 in March. We received a one-time credit for over changes for maintenance \$285,000 from McKesson and reduction in purchased services in other departments such as dialysis, lab referrals and general purchased services.

Rentals were under budget \$62,000. We are seeing the results of our reducing storage fees for record retention and reduced cost for copier rentals.

Other Expenses were under \$44,000. Our utility costs for the month were under budget by \$18,000. We continue to restrict travel in the organization and we have yet to incur the budgeted recruitment costs.

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

March 31, 2012

(Amounts in Thousands)

22	2,153	1,992	1,978	SWB / APD	2,126	(86)	2,101
23	67.1%	64.0%	66.2%	SWB / Total Operating Expenses	63.7%		65.1%
24	3,210	3,114	2,990	Total Operating Expenses / APD	3,336	36	3,226
25	38,058	47,618	47,872	IP Gross Charges	133,130	(23,566)	135,528
26	22,334	22,471	20,512	O/P Gross Charges	61,696	(188)	59,241
27	<u>60,392</u>	<u>70,089</u>	<u>68,384</u>	Total Gross Charges	<u>194,826</u>	<u>(23,714)</u>	<u>194,769</u>
28	42%	40%	39%	Medicare %	40%	-1%	41%
29	4%	16%	15%	Medi-Cal %	16%	-9%	15%
30	14%	12%	12%	Managed Care HMO / PPO %	12%	2%	11%
31	12%	9%	9%	Medicare HMO %	9%	3%	9%
32	15%	9%	14%	Medi-Cal HMO %	9%	5%	9%
33	0%	0%	0%	Commercial %	0%	0%	0%
34	1%	1%	2%	Worker's Comp %	1%	0%	1%
35	3%	3%	4%	Other Government %	3%	0%	4%
36	9%	9%	10%	Self Pay/Charity %	9%	1%	9%

Payor Mix (IP and OP)

37	535	568	594	Admissions	1,494	(126)	1,700
38	545	590	589	Discharges	1,501	(120)	1,669
39	2,411	2,813	3,017	Patient Days	7,835	(873)	8,228
40	77.8	90.7	97.3	Average Daily Census (ADC)	86.1	(9.6)	91.4
41	4.42	4.77	5.12	Average Length of Stay (LOS)	4.64	0.20	4.93
42	31	31	31	Days in Month	91		90
43	865	868	641	Adjusted Discharges (AD)	2,344	(28)	2,399
44	3,826	4,140	4,310	Adjusted Patient Days (APD)	11,466	(595)	11,825
45	123	134	139	Adjusted ADC (AADC)	126	(7)	131
46	66	120	120	Inpatient Surgeries	305	(97)	305
47	92	121	121	Outpatient Surgeries	282	7	285
48	<u>158</u>	<u>241</u>	<u>241</u>	Total Surgeries	<u>580</u>	<u>(90)</u>	<u>590</u>

STATISTICS

37	535	568	594	Admissions	1,494	(126)	1,700
38	545	590	589	Discharges	1,501	(120)	1,669
39	2,411	2,813	3,017	Patient Days	7,835	(873)	8,228
40	77.8	90.7	97.3	Average Daily Census (ADC)	86.1	(9.6)	91.4
41	4.42	4.77	5.12	Average Length of Stay (LOS)	4.64	0.20	4.93
42	31	31	31	Days in Month	91		90
43	865	868	641	Adjusted Discharges (AD)	2,344	(28)	2,399
44	3,826	4,140	4,310	Adjusted Patient Days (APD)	11,466	(595)	11,825
45	123	134	139	Adjusted ADC (AADC)	126	(7)	131
46	66	120	120	Inpatient Surgeries	305	(97)	305
47	92	121	121	Outpatient Surgeries	282	7	285
48	<u>158</u>	<u>241</u>	<u>241</u>	Total Surgeries	<u>580</u>	<u>(90)</u>	<u>590</u>

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

March 31, 2012

(Amounts in Thousands)

49	3,131	2,828	303	10.7%	3,120	ED Outpatient Visits	9,152	8,310	842	10.1%	8,939
50	3,196	4,028	(832)	-20.7%	4,028	Ancillary Outpatient Visits	10,004	11,140	(1,136)	-10.2%	11,140
51	92	121	(29)	-24.0%	121	Outpatient Surgeries	292	285	7	2.5%	285
52	<u>6,419</u>	<u>6,977</u>	<u>(558)</u>	<u>-8.0%</u>	<u>7,269</u>	<u>Total Outpatient Visits</u>	<u>19,448</u>	<u>19,735</u>	<u>(287)</u>	<u>-1.5%</u>	<u>20,364</u>
53	487	496	(9)	-1.8%	502	Emergency Room Admits	1,369	1,446	(77)	-5.3%	1,470
54	15.6%	17.5%			16.1%	% of Total E/R Visits	15.0%	17.4%			16.4%
55	91.0%	87.3%			84.5%	% of Acute Admissions	91.6%	89.3%			86.5%
56	626	670	44	6.6%	708	Worked FTE	628	656	28	4.3%	707
57	728	736	11	1.4%	826	Paid FTE	734	741	6	0.9%	822
58	5.07	5.02	(0.05)	-1.1%	5.09	Worked FTE / AADC	5.26	5.24	(0.01)	-0.2%	5.38
59	5.89	5.53	(0.37)	-6.7%	5.94	Paid FTE / AADC	6.15	5.99	(0.16)	-2.6%	6.26
60	2,788	2,824	(36)	-1.3%	2,507	Net Patient Revenue / APD	2,707	2,867	(159)	-5.5%	2,754
61	15,785	16,928	(1,143)	-6.8%	15,867	I/P Charges / Patient Days	15,735	16,992	(1,257)	-7.4%	16,472
62	3,479	3,221	259	8.0%	2,922	O/P Charges / Visit	3,163	3,126	36	1.2%	2,909
63	1,412	1,342	(71)	-5.3%	1,342	Salary Expense / APD	1,441	1,382	(60)	-4.3%	1,412
64	4.6	5.7	1.05	18.6%	4.9	Medicare LOS	4.6	5.7	1.11	19.4%	5.0
65	1.38	1.45	0.07	5.1%	1.45	Medicare CMI	1.50	1.54	0.04	2.6%	1.5
66	3.33	3.89	0.55	14.2%	3.40	Medicare CMI Adjusted LOS	3.07	3.71	0.64	17.2%	3.26
67	4.5	5.1	0.65	12.7%	5.10	Total LOS	4.6	4.9	0.28	5.7%	4.84
68	1,380	1,450	0.07	4.6%	1.45	Total CMI	1,450	1,481	0.03	2.1%	1,48
69	3.23	3.52	0.29	8.3%	3.52	Total CMI Adjusted LOS	3.20	3.32	0.12	3.7%	3.27

**WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
BALANCE SHEET
March 31, 2012
(Amounts in Thousands)**

	<u>Current Month</u>	<u>Dec. 31, 2011</u>	<u>Current Month</u>	<u>Dec. 31, 2011</u>
ASSETS				
70 Cash	6,177	13,972	1,649	1,634
71 Net Patient Accounts Receivable	27,152	19,177	14,420	16,021
72 Other Receivables	3,504	1,160	16,518	13,639
73 Inventory	2,148	2,109	2,880	2,880
73 Current Assets With Limited Use	24,186	29,847	1,432	1,340
74 Prepaid Expenses and Deposits	1,072	999		
75 TOTAL CURRENT ASSETS	64,239	67,264	36,899	35,514
76 Assets With Limited Use	642	642		
Property Plant & Equipment				
77 Land	12,120	12,120	5,385	6,105
78 Bldg/Leasehold Improvements	29,433	33,733	0	0
79 Capital Leases	10,926	10,926		
80 Equipment	41,673	34,074	62,061	62,067
81 CIP	897	3,129	2,278	2,481
82 Total Property, Plant & Equipment	95,049	93,982	-1,649	-1,634
83 Accumulated Depreciation	-50,337	-49,200	62,680	62,914
84 Net Property, Plant & Equipment	44,712	44,782	104,874	104,533
85 Intangible Assets	1,501	1,517		
86 Total Assets	111,094	114,205	111,084	114,205
LIABILITIES				
96 Current Maturities of Debt Borrowings			9,672	28,400
97 Accounts Payable and Accrued Expenses			-3,552	-18,728
98 Accrued Payroll and Related Liabilities			6,120	9,672
99 Deferred District Tax Revenue				
100 Estimated Third Party Payor Settlements				
101 Total Current Liabilities			111,084	114,205
Other Liabilities				
102 Other Deferred Liabilities				
103 Chapter 9 Bankruptcy				
Long Term Debt				
104 Notes Payable - Secured				
105 Capital Leases				
106 Less Current Portion LTD				
107 Total Long Term Debt				
108 Total Liabilities			104,874	104,533
EQUITY				
109 Retained Earnings			9,672	28,400
110 Year to Date Profit / (Loss)			-3,552	-18,728
111 Total Equity			6,120	9,672
112 Total Liabilities & Equity			111,084	114,205
87 Current Ratio (CA/CL)	1.74	1.89		
88 Net Working Capital (CA-CL)	27,340	31,750		
89 Long Term Debt Ratio (LTD/TA)	0.56	0.55		
90 Long Term Debt to Capital (LTD/(LTD+TE))	0.91	0.87		
91 Financial Leverage (TA/TE)	18.2	11.8		
92 Quick Ratio	0.90	0.93		
93 Unrestricted Cash Days	16	33		
94 Restricted Cash Days	63	72		
95 Net A/R Days	88.2	60.7		

GOVERNING BODY
OVERSITE SCHEDULE

TAB 8

TO: Director Eric Zell
FROM: Dawn M. Gideon, Interim President and CEO
DATE: April 25, 2012
SUBJECT: Governing Body Oversight

Attached please find a draft recommended schedule for Governing Body Oversight Activities. This summary sets specific target dates for the standard items requiring Governing Body review, and does not schedule all items that will be brought to the group for review and/or approval. Policies, contracts, capital purchase items, appointment of Ad Hoc committees and other items will be brought to the Governing Body for approval pursuant to policy on an as needed basis.

The items outlined in the attached are consistent with Joint Commission requirements, health care industry standards and public agency regulation, and represent a high degree of transparency in Governing Body oversight.

I am requesting that the Governing Body approve this schedule as a general guide for the timing of reporting, with the understanding that circumstances may sometimes require certain items to be presented in months other than those listed. In all instances, however, items will be presented no less often than the monthly/semiannual/annual/biannual frequency outlined.

CAPITAL EQUIPMENT
- Paragon System
- Contrast Media Injector

TAB 9

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
GOVERNING BODY
BOARD OF DIRECTORS
CONTRACT RECOMMENDATION FORM



TO: GOVERNING BODY
FROM: James Boatman, CFO
DATE: April 25, 2012
SUBJECT: Paragon System

SPECIFIC REQUEST(S) OR RECOMMENDATION(S) AND BACKGROUND WITH JUSTIFICATION

REQUEST / RECOMMENDATION(S): Recommend to the District Board to approve and authorize the Chief Financial Officer, or designee, to execute on behalf of DMC, additional costs for the installation of Paragon Health Information System of \$350,000. The original fiscal impact of the Paragon system was a McKesson cost of \$2,400,000 and \$1,600,000 in staffing related costs.

FISCAL IMPACT: \$350,000

Projected Project Cost (excluding staffing / education)	\$2,750,000
Original Project Approval (2010)	<u>\$2,400,000</u>
Additional Approval	\$350,000

CAPITAL BUDGET:

2011 Capital Budget	\$643,000
2012 Approved Capital	\$1,757,000
Total Capital Approved	<u>\$2,400,000</u>
Additional Capital	\$350,000

STRATEGIC IMPACT: With implementation of an electronic health record, numerous benefits help improve the operations and quality of care provided at DMC. Paragon is a single intergrated database with no complex interfaces.

REQUEST / RECOMMENDATION REASON, BACKGROUND AND JUSTIFICATION: The cost of the project will be approximately \$2.75 Million cost for the Paragon installation. Paragon is being rapidly adopted in California and the United States. Paragon is a simple to use / turnkey solution, runs on a single integrated database and requires no interfaces to support the core system. No additional staff are required to support the system once implemented.

Presentation Attachments: Yes ___ No ___

Requesting Signature: James Boatman Date: 4 / 15 / 12

SIGNATURE(S):

Action of Board on ___ / ___ / ___ Approved as Recommended ___ Other ___

Vote of Board Members:

___ Unanimous (Absent ___)
Ayes: ___ Noes: ___
Absent: ___ Abstain: ___

I HEREBY ATTEST THAT THIS IS A TRUE AND CORRECT COPY OF AN ACTION TAKEN AND ENTERED ON THE MINUTES OF THE BOARD ON THE DATE SHOWN.

Contact Person:

Attested by: Eric Zell, Chair, Governing Body

Doctors Medical Center Unbudgeted Paragon Project Costs

Paragon Connect and QeM	53,100
HLAB Upgrade	179,735
HPM Services	17,400
Paragon Extension Services	97,440
Total Estimated Cost	<u>347,675</u>

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
GOVERNING BODY
BOARD OF DIRECTORS
CONTRACT RECOMMENDATION FORM

TO: GOVERNING BODY
BOARD OF DIRECTORS

FROM: WILEY WATTERLOND BSRT
ADM. DIRECTOR IMAGING AND CARDIOPULMONARY SERVICES

DATE: APRIL 25, 2012

SUBJECT: PURCHASE OF REPLACEMENT CONTRAST MEDIA INJECTOR FOR C.T.
DEPARTMENT/SCANNER

SPECIFIC REQUEST(S) OR RECOMMENDATION(S) AND BACKGROUND WITH JUSTIFICATION

REQUEST / RECOMMENDATION(S): Recommend to the District Board to approve and authorize the Chief Operations Officer to execute on behalf of DMC, approval of the contrast media injector *at a Capital cost of \$27,566.25.*

FISCAL IMPACT: THE IMPACT OF NOT APPROVING THIS PURCHASE WOULD DRAMATICALLY AFFECT OUR CHARGING FOR CONTRAST ENHANCED C.T. EXAMS. THE DIFFERENCE IN CHARGES BETWEEN A NON CONTRAST HEAD C.T. EXAM, AND A CONTRAST ENHANCED SCAN IS APPROXIMATELY \$ 341,760.00 PER YEAR.

STRATEGIC IMPACT: WE WOULD NO LONGER BE ABLE TO PROVIDE CONTRAST ENHANCES C.T. SCAN STUDIES TO OUR PHYSICIANS FOR THEIR PATIENTS.

REQUEST / RECOMMENDATION REASON, BACKGROUND AND JUSTIFICATION: WE ARE CURRENTLY PROVIDING STATE OF THE ART C.T. ENHANCED STUDIES, AND NOT CONTINUING WITH THIS PROTOCOL WOULD IMPACT OUR SERVICES IMMEASURABLY.

Presentation Attachments: Yes No

Requesting Signature: Wiley Watterlond

Date: 4/25/12

SIGNATURE(S):

Action of Board on ___ / ___ / ___ Approved as Recommended _____ Other _____

Vote of Board Members:

___ Unanimous (Absent ___)

Ayes: ___ Noes: ___

Absent: ___ Abstain: ___

I HEREBY ATTEST THAT THIS IS A TRUE AND CORRECT COPY OF AN ACTION TAKEN AND ENTERED ON THE MINUTES OF THE BOARD ON THE DATE SHOWN.

Contact Person:

Attested by: _____

Eric Zell, Chair, Governing Body
Board of Directors



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 Indianola, PA 15051-0780
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 Fax: (412) 767-4120
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Quotation

Quote No : 20140569

Page: 1 of 5

Date: 04/13/2012

Customer No: 1016910D

Quote To:

DOCTORS MEDICAL CTR. SAN PABLO
 2000 VALE ROAD
 SAN PABLO CA 94806-3808

Validity Period: 04/13/2012 until 06/13/2012

We deliver according to the following terms and conditions:

Currency: USD

Terms of payment: Prepaid

Terms of delivery: Prepaid FOB DESTINATION

Jami Strachman
 Professional Sales Consultant
 602-628-7969
 jami.strachman@bayer.com

Item	Description	Qty	Unit Price	Extended Price
1	3007301 STELLANT DUAL INJECTOR WITH PEDESTAL MOUNT	1EA	34,500.00	34,500.00
	% Discount			12,075.00-
	Discount (Value)			1,608.75-
	Trade Allowance			3,000.00-
	Net Value for Item			17,816.25
	**GPO AFFILIATED DISCOUNT			
	**DEMO DISCOUNT			
	**TRADE DISCOUNT			
2	3012559 DUAL FLOW	1EA	5,000.00	5,000.00
	% Discount			1,750.00-
	Net Value for Item			3,250.00
	**GPO AFFILIATED DISCOUNT			
3	UFK P3TA P3T ABDOMEN	1EA	5,000.00	5,000.00
	% Discount			1,750.00-
	Net Value for Item			3,250.00

When applicable, State and Local taxes will be calculated on the order. If you are exempt from taxes, contact customer support at 1(800)633-7231

If pricing and terms of this order are based upon your current Group Purchasing Organization (GPO) affiliation, any change to your current affiliation may require a new quote or updated terms and pricing.

Please reference the quote number on your PO and fax to 412-767-4120 for domestic orders or 412-767-1312 for international orders



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 Fax: (412) 767-4120
 www.medrad.com

Quote No: 20140569

Page: 2 of 5
 Date: 04/13/2012

Quote To:
 DOCTORS MEDICAL CTR. SAN PABLO
 2000 VALE ROAD
 SAN PABLO CA 94806-3808

Item	Description	Qty	Unit Price	Extended Price
**GPO AFFILIATED DISCOUNT				
4	UFK P3TPA P3T PULMONARY ANGIOGRAPHY	1EA	5,000.00	5,000.00
	% Discount			1,750.00-
	Net Value for Item			3,250.00
**GPO AFFILIATED DISCOUNT				
Sub Total				27,566.25
Total				27,566.25

NOTE: If using signed quote as a purchase order please complete the following information:

Print Name: _____
 Signature: _____
 Title: _____
 PO #: _____
 Phone #: _____

When applicable, State and Local taxes will be calculated on the order. If you are exempt from taxes, contact customer support at 1(800)633-7231
If pricing and terms of this order are based upon your current Group Purchasing Organization (GPO) affiliation, any change to your current affiliation may require a new quote or updated terms and pricing.

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MEDRAD PRODUCT TERMS AND CONDITIONS

If Customer is a member of a group purchasing organization ("GPO") who has a contract with MEDRAD, the terms of that GPO Agreement will supercede the terms herein.

1. **Modifications.** The prices and terms on this Quote are not subject to verbal changes or other agreements unless approved in writing by MEDRAD's Home Office.

2. **Acceptance.** MEDRAD's products and services are sold only under the terms and conditions stated on this quotation. Acceptance of any Purchase Order is expressly and exclusively made conditional on your assent to these terms and conditions. Any different or additional terms and conditions that may appear in your Purchase Order or any other document sent by you, shall have no effect. MEDRAD expressly objects to and rejects all inconsistent or additional terms, conditions and limitations contained on any of your forms or other writings. If you do not communicate your objection to these terms and conditions in writing and within a reasonable time, or if you accept the goods covered by this Quote, you will be deemed to have accepted these terms and conditions and they will control in all instances. If the Products include embedded software or if you are purchasing software, **BY HAVING THE SOFTWARE INSTALLED AND USING THE SOFTWARE PURCHASED HEREUNDER, YOU AGREE TO BE BOUND BY THE TERMS OF THIS AGREEMENT. IF YOU DO NOT AGREE TO THE TERMS OF THIS QUOTE, DO NOT INSTALL OR USE THE SOFTWARE AND NOTIFY MEDRAD IMMEDIATELY.**

3. **Pricing.** Prices are based on costs and conditions existing on the date of this Quote and may be changed by MEDRAD before final acceptance. The pricing for products provided pursuant to this Quote may reflect or be subject to discounts, rebates, or other price reduction programs. Please be advised that you are obligated to: a) fully and accurately disclose the amount of any such discounts, rebates, or other price reductions in your cost reports or claims for reimbursement to Medicare, Medicaid, or health care programs requiring such disclosure and b) provide such documentation to representatives of the Secretary of the Department of Health and Human Services and state agencies upon request. Unless noted otherwise, the value of any product listed as \$0.00 on this Quote may constitute a discount that you should evaluate when filing such reports. You may request additional information from MEDRAD in order to meet your reporting or disclosure obligations, by writing to the address set forth in this Quote. All payments are due net thirty (30) days on the total invoiced amount. For all new customers MEDRAD requires a thirty percent (30%)_pre-payment for all capital equipment orders, unless otherwise agreed to by MEDRAD's Home Office. MEDRAD's Home Office must approve any payment terms other than net thirty (30) days.

4. **Shipping.** All shipping dates are tentative. MEDRAD will make every reasonable effort to meet shipping dates referenced in this Quote. However, MEDRAD will not be liable for its failure to meet any such date.

5. **Installation.** The cost of installation is not included in the product price and is your responsibility unless otherwise stated. For details on equipment installation, you should consult with your MEDRAD Sales Representative or refer to your Products Manual, which is included with your equipment.

If this Quote includes installation of an overhead counterpoise system (OCS) it is your responsibility to ensure a suitable mounting location for the system. The counterpoise ceiling plate is required to be installed prior to MEDRAD installation of the counterpoise system and installed in accordance with the specifications listed in the installation manual. The OCS ceiling plate should always be installed by a qualified Structural Engineer and/or Architect. In addition, if applicable building codes require the use of a conduit, you are responsible for ensuring that a conduit is available prior to MEDRAD's installation.

If this Quote includes a Certo wireless network it is your responsibility to ensure the approval of the information Technology Department to allow the operation of the wireless network at your site.

If this Quote includes a Solaris with an Integrated Continuous Battery Charging System (ICBC), installation will require a standard power outlet in the scan room, or authorization to install a filter through the penetration panel.

6. **License.** If the Products include embedded software, or if you are purchasing software, MEDRAD grants to you a non-exclusive license to use

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such software provided by MEDRAD, solely in connection with, or to operate, the Products. Use of the software for any other purpose is strictly prohibited. This license is effective on the date you begin using the Products and software and will continue in effect unless you return the Products or software or if the license is terminated because you breach any provision of these Terms. Upon termination you shall immediately cease use of all software and shall return the Products and software to MEDRAD. The software copyright is owned by MEDRAD and is protected by United States copyright laws and international treaty provisions. MEDRAD does not transfer title to the software to you, but retains the rights to make and license the use of all copies. You shall not copy, translate, disassemble, or decompile nor create or attempt to create, by reverse engineering or otherwise, the source code from the object code of the software. You are not permitted to modify or make derivative works of the software and ownership of any unauthorized modification or derivative work shall vest in MEDRAD.

7. Warranty. MEDRAD warrants that all new MEDRAD products are free from defects in workmanship or material under proper, normal use and service for a period of one year (12 months) from shipment, unless a longer period is provided on the warranty with the products, or as otherwise provided herein.

MEDRAD warrants that all refurbished MEDRAD products shall perform in accordance with the documentation provided, under proper, normal use and service for a period of the shorter of a) 90 days from installation or b) six months from shipment, unless a longer period is provided on the warranty with the products, or as otherwise provided herein.

If this Quote includes an XDS unit which is sold as an upgrade to your existing Stellant unit, the warranty on the XDS will extend for the longer of: a) the warranty (including any extended warranty) on your existing Stellant unit or b) ninety (90) days from the date of installation, but not to exceed six months from the date of shipment.

If this Quote includes a Monitor, peripheral accessories on the Monitor such as pulse oximeter sensors, extension cables, power cables, fiber optic cables, ECG leads, capnography accessories (excluding patient connections), blood pressure cuffs, batteries, and extension tubing are warranted for a period of 90 days from the date of installation, but not to exceed six months from the date of shipment.

If this Quote includes disposable products or angiographic catheters, MEDRAD's warranty shall be limited to repair or replacement of any defective disposable product or angiographic catheter upon receipt of the defective product and a MEDRAD Return Goods Authorization. You acknowledge that the disposables and the equipment are a system and your actions regarding your equipment may invalidate your warranty on the disposables.

During the warranty period, there shall be no charge for any action deemed necessary by MEDRAD, including parts, travel, or labor to fulfill the terms of the warranty, during local business hours of 8:30 a.m. to 5:00 p.m., Monday through Friday, except holidays.

Your actions may invalidate this warranty. If MEDRAD determines that an equipment or disposable problem is due to any of the following, you agree to pay MEDRAD for all labor, travel, material handling and shipping at MEDRAD's, or MEDRAD's agents, standard rates:

- a) Malfunction or damage due to spillage of any type of fluid in or on the unit.
- b) Malfunction due to operator error, including failing to follow specified provisions of the Operations Manual.
- c) Malfunction or damage due to unauthorized modification or repair. Unauthorized actions may jeopardize functionality, reliability, or operator and patient safety. Therefore any unauthorized modification or repair shall render this warranty void and relieve MEDRAD from any further obligation. MEDRAD must review and authorize all modifications and repairs. This service may be obtained by contacting the MEDRAD Service Department.
- d) Malfunction or damage due to the use of non-MEDRAD or non-approved accessories. The use of accessories in connection with the equipment may jeopardize functionality, reliability or operator and patient safety. Therefore any use of non-MEDRAD or non-approved accessories (such as non-MEDRAD disposables or in the case of any PET/CT product, the use of vials or vial shields that are not approved by MEDRAD) shall render this warranty void and relieve MEDRAD from any further obligation.

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- e) Damage by fire, floods, or other disaster commonly known as "Acts of God".
- f) If the Products include any Counterpoise system, any system malfunction, damage or failures due to improper installation or not meeting MEDRAD's specific requirements for level and plumb and/or loading as specified in the MEDRAD manuals.
- g) If the Products include any Counterpoise system, any ceiling or wall support structure used to mount or support an Injector Head Counterpoise System is excluded from MEDRAD's warranty. MEDRAD does not in any way warrant such structure.
8. **Warranty Exclusions.** EXCEPT AS PROVIDED IN THE ABOVE WARRANTY SECTION, MEDRAD EXPRESSLY DISCLAIMS ALL WARRANTIES OR CONDITIONS OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, NONINFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE (WHETHER OR NOT MEDRAD IS AWARE OF YOUR INTENDED USE OF THE PRODUCT), AND ALL SUCH WARRANTIES ARE EXPRESSLY EXCLUDED. IN NO EVENT SHALL MEDRAD BE LIABLE FOR ANY LOST PROFITS OR INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE USE OR OPERATION OF MEDRAD'S PRODUCT OR SERVICE. Some states do not allow the exclusions on limitation of incidental or consequential damages, so the above limitations may not apply. This Limited Warranty gives you specific legal rights and you may also have other rights.
9. **Software Warranty.** If the Products include embedded software or if you are purchasing software, MEDRAD warrants that the software will substantially conform to the functional specifications contained in the Operations Manual for one year following delivery. This warranty shall not apply if you use the software in a manner that is not authorized or not in accordance with the user instructions or if you modify the Products or the software or if a party other than MEDRAD provides service to the Products or software. MEDRAD does not warrant that the software will operate uninterrupted or that it will be free from minor defects or errors that do not materially affect its performance. Your sole and exclusive remedy for any damages or loss in any way connected with the software whether due to MEDRAD's negligence or breach of any other duty shall be, at MEDRAD's option: i) to bring the performance of the software into substantial compliance with the functional specifications or ii) return of an appropriate portion of any payment by you with respect to the portion of the software that is not functioning.
10. **Indemnification.** MEDRAD agrees to indemnify, defend and hold you harmless from any liability, loss, expense, cost, claim or judgment (including attorneys fees), arising out of any claim for property damage, or personal injury or death where the product is alleged to have caused or contributed to the damage, injury or death, provided that this indemnification does not extend to injuries, damages or death to the extent caused by the negligence, reckless disregard or intentional acts of you or any third party.
11. **Force Majeure.** MEDRAD will not be responsible for delays or non-performance directly or indirectly caused by any acts of God, fire, explosion, flood, war, accident, action by governmental authority, inability to procure supplies and raw materials, delays in transportation, work stoppage, court order, and other causes beyond MEDRAD's reasonable control.
12. **Compliance With Laws/Export.** In addition to any rights and remedies specifically identified here in this Quote, MEDRAD shall have all rights and remedies conferred by law. MEDRAD shall not be required to perform its obligations under this Quote if you have defaulted (e.g. failed to pay) under this Quote or any other contract involving MEDRAD. This Agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania, United States of America. You warrant that you are and will remain in compliance with all export and reexport requirements, laws and regulations of the United States of America and any other applicable export and reexport laws and regulations.
13. **HIPAA.** MEDRAD represents that it is not a Business Associate as defined in the Health Insurance Portability and Accountability Act ("HIPAA"). The functions MEDRAD is required to perform hereunder do not require the use or disclosure of Protected Health Information ("PHI"). To the extent any disclosure of PHI does occur, it is incidental and covered under the incidental disclosure rule found in 45 CFR 164.502(a)(1). In addition, to the extent any such incidental disclosure does occur, MEDRAD agrees to keep all such information confidential.

Please reference the quote number on your PO and fax to 412-767-4120 for domestic orders or 412-767-1312 for international orders

REVISIONS:
GOVERNING BODY
BYLAWS

TAB 10

ARTICLE 7 COMMITTEES

7.1 Committee Appointments.

(a) Standing Committees: The Chair, with the concurrence of the Governing Body, shall appoint each year members of the Governing Body to positions to each of the regular standing committees. The appointment of hospital staff members will be determined by recommendations of the Chair of the Governing Body and the Hospital Chief Executive Officer with the concurrence of the Governing Body. The need for community member representation on Governing Body committees shall be determined by the Chair of the Governing Body and the Chair of the Committee, on an as needed basis, with the concurrence of the Governing Body.

(b) Committees of the Whole: Upon the recommendation of the Chair, the Governing Body may determine to suspend any or all Standing Committees in favor of meeting and undertaking matters within the scope of a Committee's purview as a committee of the whole. When a Standing Committee is so suspended, matters within the Committee's purview shall be considered by the Governing Body during the course of its regular and special meetings. Standing Committees may be reactivated by the Governing Body at any time.

(c) Ad Hoc Committees: The Chair in his/her discretion or at the request of the Governing Body may appoint ad hoc committees of the Governing Body, which shall consist of less than a quorum of the Body and which will be assigned to undertake a specified matter determined by the Chair or the Governing Body. Upon completion of the ad hoc committee's task it will disband.

7.2 Standing Committees.

There shall be ~~three~~ four (34) standing committees of the Governing Body: Finance; Quality and Patient Safety ~~and Professional Affairs;~~ ~~and~~ Planning and General Affairs; and Service Quality and Patient Satisfaction.

(No changes to Paragraphs 7.3 and 7.4)

7.5 Quality and Patient Safety and Professional Affairs Committee

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a) **Purpose:** The Committee is to serve as the steward for quality improvement and clinical appropriateness for the Hospital to make sure the public interests are being served. The Committee reports to the Governing Body.

b) **Committee Membership:** The committee shall have five (5) governing body members (two of whom would be the medical staff representatives). The Committee shall be advised by the Medical Executive Committee, the Chief of Staff, the physician Chair of the Surgery department, the physician Chair of the Medicine Department, the CEO, the Nursing Manager, the Quality Improvement Coordinator, and Medical Staff members as appropriate.

c) **Frequency of Meetings:** The Committee will meet on a bi-monthly basis unless required to meet more frequently.

d) **Duties:** The duties and responsibilities of the Committee shall be as follows:

(1) Analyze data regarding safety and quality of care, treatment and services and establish priorities for performance improvement.

(2) Oversee the Medical staff's fulfillment of its responsibilities in accordance with the Medical Staff Bylaws, applicable law and regulation, and accreditation standards.

~~(3) Review medical staff credentialing recommendations and forward to the Governing Body.~~

(3) Enhance medical staff relations with the Governing Body, management, staff, and other members of the medical staff.

(4) To function as a joint conference committee consistent with Governing Body accreditation standards for the purpose of resolving any misunderstandings or disagreements between the Hospital and the medical staff.

~~(6) Ensure that recommendations from the Medical Executive Committee and Medical Staff are made in accordance with the standards and requirements of the Medical Staff Bylaws, Rules and Regulations with regard to:~~

~~• completed applications for initial staff appointment, initial staff category assignment, initial department/divisional affiliation, membership prerogatives and initial clinical privileges;~~

~~• completed applications for reappointment of medical staff, staff category, clinical privileges;~~

~~• establishment of categories of Allied Health Professionals permitted to practice at the hospital, the appointment and reappointment of Allied Health Professionals and privileges granted to Allied Health Professionals.~~

(5) Provide a system for resolving conflicts that could adversely affect safety or quality of care among individuals working within the hospital environment.

(6) Ensure that adequate resources are allocated for maintaining safety and quality care, treatment and services, and to review and advise management and the medical staff on equipment and program selection and implementation.

(7) Analyze findings and recommendations from the Hospital's administrative review and evaluation activities, including system or process failures and actions taken to improve safety, both proactively and in response to actual occurrences.

(8) Assess the effectiveness and results of the quality review, utilization review, performance improvement, professional education, risk management programs, and patient care related activities and policies of the Hospital.

(9) Perform such other duties concerning professional affairs, safety and quality of care matters as may be necessary.

7.6 Planning and General Affairs Committee

a) Purpose: The Committee is to serve as the guiding influence for direction of the Hospital as it relates to strategic planning, and operating and business policies, and reports to the Governing Body.

b) Committee Membership: The Committee shall have five (5) governing body members and the Chief Executive Officer.

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c) Frequency of Meetings: The Committee will meet on a bimonthly basis unless required to meet more frequently.

d) Duties and Responsibilities: The duties and responsibilities of the Planning and General Affairs Committee shall be as follows:

1. To participate in the development of a Strategic Plan for the Hospital including submission of a long-range program, strategic, marketing and implementation plan. The plan should reflect the objectives and actions to be taken to implement the plans. This plan will be reviewed annually to determine changes and update actions.
- ~~2. To review, and approve the operating and business policies of the Hospital presented by management.~~
- ~~3. To identify and resolve potential and actual conflict of interest situations.~~
- ~~4. To authorize the initiation and settlement of all legal actions.~~
- ~~5. To monitor, evaluate, and select insurance coverage to prudently protect the assets of the Hospital and the District.~~
- ~~6. To establish and maintain an appropriate legislative advocacy program for the benefit of the Hospital and the District and the community served.~~
- ~~7. To provide overview and input to the Marketing and Community Communication Programs of the Hospital.~~
- ~~8. To review on at least an annual basis the Bylaws of the Governing Body and to act as a resource in their interpretation should any conflict arise and to review and approve on at least a biannual basis the Bylaws of auxiliary organizations of the Hospital.~~

7.7 Service Improvement and Patient Satisfaction Committee

a) Purpose: The Committee is to serve as the vehicle for Governing Body focus on improving patient satisfaction with services provided by the Hospital and the overall experience

with the Hospital gained by patients and their families. The Committee will report to the Governing Body.

b) Committee Membership: The Committee shall have four (4) governing body members, the Chief Executive Officer, Director of Integrated Quality, and a representation of patients, employees and the medical staff.

c) Frequency of Meetings: The Committee will meet on a quarterly basis unless required to meet more frequently.

d) Duties and Responsibilities: The duties and responsibilities of the Planning and General Affairs Committee shall be as follows:

1. To analyze data regarding patient satisfaction and establish priorities for performance improvement.
2. To approve the Hospital's annual Patient Satisfaction Performance Improvement Plan, and monitor performance against the Plan and established goals.
3. To provide input into programs and initiatives to improve the patient and family experience.

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

GOVERNING BODY

BYLAWS

ADOPTED

April 29, 2011

DOCTORS MEDICAL CENTER GOVERNING BODY BYLAWS

PREAMBLE

Name.

The name of this body shall be the Doctors Medical Center Governing Body (the "Governing Body").

Formation.

The Governing Body is a duly authorized subcommittee of the Board of Directors ("Board") of the West Contra Costa Healthcare District ("District"), doing business as Doctors Medical Center. The powers of the Governing Body are delegated and specified by the Board pursuant to the District Bylaws and the terms of the Tax Exchange Agreement between Contra Costa County and the District, dated April 5, 2011.

Purpose.

The purpose of the Governing Body is to further the District's purpose of protecting and promoting the public health and general welfare by furnishing hospital services to all of the residents within the hospital district as well as others who find themselves needing hospital services within the district.

ARTICLE 1 OFFICE

The principal office for the transaction of the business of the Governing Body is hereby fixed at 2000 Vale Road, San Pablo, Contra Costa County, California.

ARTICLE 2 SCOPE OF GOVERNING BODY AUTHORITY

2.1 Authority of Governing Body. These Bylaws shall be known as the "Doctors Medical Center Governing Body Bylaws" and shall govern the Governing Body and subcommittees thereof. The Governing Body shall have overall administrative and professional responsibility for the Hospital. Pursuant to a delegation of authority by the District Board, the Governing Body is organized to serve as the governing body of Doctors Medical Center (the "Hospital"), as that term is used in Sections 70000 *et seq.* of Title 22 of the California Code of Regulations (respecting licensure and regulations of acute care hospitals). The Governing Body shall have all powers and responsibilities required to be reserved to the board of directors of a licensed acute care hospital by the State of California and the Joint Commission on Accreditation of Healthcare Organizations ("JCAHO") that cannot under law or JCAHO standards be properly delegated beyond the governing body. The powers and duties of the Governing Body shall be limited to those powers and duties

expressly delegated to the Governing Body by the District Board pursuant to its Bylaws and these Bylaws as approved by the District Board and as amended from time to time as authorized by these Bylaws.

2.2 **Authority of District.** Notwithstanding the provisions of these Governing Body Bylaws, the District reserves to itself the powers and authority delineated in these Bylaws and the District Bylaws and such other powers as may be specified by Sections 32000 *et seq.* of the California Health and Safety Code (the "Local Health Care District Law") as being reserved to a California local health care district.

2.3 **Supremacy of District Bylaws.** These Governing Body Bylaws, and any amendments to these Bylaws, shall not be effective until they are approved by the District Board. In the event of any conflict between these Bylaws and the provisions of the District Bylaws, the District Bylaws shall prevail.

ARTICLE 3 MEMBERS

3.1 **Number, Term, Alternates and Qualifications.** The Governing Body shall consist of eleven voting members appointed in accordance with the Bylaws of the District and with the following:

- (a) Five (5) District representatives, who shall be the current members of the District Board, and who shall serve *ex officio*;
- (b) Four (4) County representatives who shall be the Board of Supervisors, District One representative, the County Health Services Officer or his/her designee, the County Public Health Director or his/her designee, and the County Health Services Chief Financial Officer or his/her designee;
- (c) Two (2) representatives of the medical staff of the hospital nominated by the Medical Executive Committee and approved by a majority of the remainder of the Governing Body. The MEC shall nominate three medical staff members and the Governing Body, excluding existing medical staff representatives, shall select two as members and designate the third as alternate. The medical staff representatives shall serve one year terms.

3.2 **Vacancies.** Any vacancy upon the Governing Body shall be filled in the same manner specified in Section 3.1 (Number and Qualifications); provided, however, that a vacancy in an *ex officio* appointment shall be filled by the person succeeding to the applicable position. Any person appointed to fill a vacancy shall hold office for the unexpired term of office or until a successor is appointed by the applicable party.

3.4 **Compensation.** The members of the Governing Body shall serve without compensation, except that each shall be allowed his or her actual and necessary traveling and incidental expenses incurred in the performance of official business of the Hospital (as a member of the Governing Body), as approved by the Board.

ARTICLE 4 POWERS AND DUTIES

4.1 Governing Body. The Governing Body shall have overall administrative and professional responsibility for the Hospital as the governing body of Doctors Medical Center, as that term is used in Sections 70000 *et seq.* of Title 22 of the California Code of Regulations, as set forth in these Bylaws and approved by the District Board, including, more specifically, the Governing Body shall have and exercise the following powers and duties, as delegated by the District Board:

- (a) To approve the Hospital's medical staff bylaws, rules and regulations and fair hearing plan as required under the District Bylaws;
- (b) To make all decisions related to appointment or reappointment to medical staff membership or the granting or denial of clinical privileges, as set forth in the District Bylaws and the medical staff bylaws of the Hospital;
- (c) To be ultimately responsible for the quality of medical care in the Hospital, as set forth in the District Bylaws and the medical staff bylaws of the Hospital;
- (d) To establish or amend the Hospital Policies and Procedures in accordance with District Bylaws and subject to the limitations set forth in Section 5.2;
- (e) To the extent permitted by applicable law, consistent with the role of the CEO in reporting to the Governing Body and consistent with the oversight of the CEO provided by the Governing Body, the Governing Body from time to time may establish policies that specify limitations on the authority of the Chief Executive Officer, Chief Financial Officer, or any other officer to commit the Hospital to the expenditure of sums in excess of a dollar amount established by the District Board pursuant to Section 5.2;
- (f) To develop, oversee and implement capital and operating budgets for the Hospital, and to adopt and amend the Hospital's institutional strategic plan;
- (g) To close any material services provided by the Hospital, except this power shall not include the power to close the Hospital;
- (h) To employ the Chief Executive Officer of the Hospital subject to District Board ratification;
- (i) To remove the Chief Executive Officer of the Hospital;

- (j) To amend the Hospital's quality improvement plan and oversight of the Hospital's quality improvement committee; and
- (k) To manage, acquire and terminate property interests (buildings and leases) related to Hospital operations or related programs, including medical staff offices and facilities.

ARTICLE 5 VOTING

5.1 Actions of the Governing Body. Except as otherwise provided in Sections 5.2 (Actions Requiring Approval by the District Board), actions taken by the Governing Body must be approved by a majority of those members of the Governing Body present at a duly called meeting of the Governing Body at which a quorum is present.

5.2 Actions Requiring Approval by District Board. The following specific actions taken by the Governing Body with respect to the Hospital shall require the approval of a majority the District Board in accordance with the procedures set forth in the District Bylaws:

- (a) A change in the Hospital's mission statement;
- (b) A change in the Hospital's charity care policy;
- (c) A change in the Hospital's name;
- (d) Establishment of any affiliates of the Hospital or the District, or affiliations with other entities representing a change in any ownership or management control;
- (e) Incurring new indebtedness, or encumbrances upon Hospital assets, by the District in an amount in excess of five million dollars (\$5,000,000);
- (f) Any transfer or disposal of the District's real property (land or hospital buildings) and disposal or transfer of District assets with a value in excess of one million dollars (\$1,000,000), other than equipment being replaced or in the ordinary course of hospital budgeted operations;
- (g) Closure of the Hospital;
- (h) Change in the use of District tax revenues; and
- (j) To ratify the Governing Body's employment of the Hospital CEO.

ARTICLE 6 MEETINGS OF GOVERNING BODY

6.1 Ralph M. Brown Act. All meetings, whether regular or special, shall be called and held as provided in the Ralph M. Brown Act (Sections 54950, *et seq.* of the California Government Code (the "Government Code")).

6.2 Regular Meetings. Regular meetings of the Governing Body shall be regularly held at a time and place to be fixed by resolution of the Governing Body, and the Governing Body may from time to time, by resolution, change the time and place of such regular meetings, except if a regularly scheduled meeting should fall on a legally recognized holiday or designated accumulation of holidays, then the meeting shall be held on the next regular working day at the time and place previously set. The Hospital CEO or his or her designee shall attend all regular meetings of the Governing Body.

6.3 Special Meetings. Special meetings of the Governing Body may be called by the Chair of the Governing Body or a majority of the members of the Governing Body by delivering personally, or by mail, written notices to each member of the Governing Body, and to each local newspaper of general circulation, radio or television station requesting notice in writing. Such notice must be delivered personally, or by mail, at least twenty-four (24) hours before the time of the meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted, and shall be posted at least twenty-four (24) hours prior to the special meeting in a location that is freely accessible to members of the public. No other business shall be considered at such meeting by the Governing Body.

6.4 Quorum. A majority of the members of the Governing Body shall constitute a quorum for the transaction of business, subject to the limitations set forth in Section 5.2 (Actions Requiring Approval by the District Board).

6.5 Adjournment. A quorum of the Governing Body may adjourn any Governing Body's meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the Governing Body present at the meeting may adjourn from time to time until the time fixed for the next regular meeting of the Governing Body.

6.6 Public Meeting. All meetings of the Governing Body shall be open to the public; provided, however, that the foregoing shall not be construed to prevent the Governing Body from holding closed sessions, pursuant to law, to consider the appointment, employment or dismissal of an employee or public officer; or to hear complaints or charges brought against such officer or employee; or to consider appointment, removal or change of status of a member of the medical staff; or to consult with legal counsel concerning litigation or pending litigation, as those terms are defined in Section 54956.9 of the Government Code; or to consult with its negotiator prior to the purchase, sale, exchange or lease of real property by or for the District and to give instructions to its negotiator regarding the price and terms of payment for the purchase,

sale, exchange or lease of real property; or to discuss or deliberate relative to "health care facility trade secrets," as that term is defined in Section 32106 of the California Health and Safety Code; or to discuss claims related to insurance pooling through a Joint Powers Agency pursuant to Section 54956.95 of the Government Code. To the extent not in violation with the Ralph M. Brown Act or the California Public Records Act, and California Health and Safety Code Section 32155, any information and reports protected from discovery by legal privileges, and by California Evidence Code Section 1157 as to matters that are provided to the Board of Directors by the Medical Staff, shall be presented and discussed in closed sessions, maintained as confidential and not released except as required by applicable laws.

6.7 **Emergency.** Emergency meetings of the Governing Body may be held, without notice or the posting of an agenda, in the event of an emergency situation, which is defined as either a work stoppage or other activity that severely impairs public health, safety or both, or in the alternative is a crippling disaster that severely impairs public health, safety or both. However, notice shall be as specified in Section 54956.5 of the Government Code to newspapers, radio stations or television stations that have requested notice of special meetings.

6.8 **Agendas.** Agendas must be posted at least seventy-two (72) hours prior to the commencement of a regular meeting in such location as is freely accessible to members of the public. No action may be taken on any item which does not appear on the posted agenda, except as permitted by law, including:

- (a) Emergency matters declared by a majority vote of the Governing Body;
- (b) The need to take action is necessary and arose subsequent to the posting of the agenda, declared by a 2/3 vote of the Governing Body.

6.9 **Public Input.** Every agenda shall provide an opportunity for members of the public to directly address the Governing Body on items of public interest that fall within the Governing Body's jurisdiction. The Governing Body may adopt reasonable regulations to ensure such opportunity but limit the time allocated for such testimony both as to subject matter and speaker and placement on the agenda.

ARTICLE 7 COMMITTEES

7.1 Committee Appointments.

The Chair, with the concurrence of the Governing Body, shall appoint each year members of the Governing Body to positions to each of the regular standing committees. The appointment of hospital staff members will be determined by recommendations of the Chair of the Governing Body and the Hospital Chief Executive Officer with the concurrence of the Governing Body.

The need for community member representation on Governing Body committees shall be determined by the Chair of the Governing Body and the Chair of the Committee, on an as needed basis, with the concurrence of the Governing Body.

7.2 Standing Committees.

There shall be three (3) standing committees of the Governing Body: Finance; Quality, Patient Safety and Professional Affairs; and Planning and General Affairs.

7.3 Scope of Committee Authority.

Subject to the ultimate review by the Governing Body, committees shall have the full delegated authority of the Governing Body to exercise all powers and authority and to perform all duties and responsibilities as may be delegated to it from time to time by the Governing Body subject to limitations imposed by laws or by the Governing Body. The Governing Body may from time to time delegate to the committees any and all powers and authority of the Governing Body in the management of the business and affairs of the Hospital, except as provided by law; provided, however, that the delegation of such authority shall not operate to relieve the Governing Body or any individual member of the Governing Body of any responsibility imposed upon it or him/her by laws, or by these Bylaws. The powers and duties of each committee as set forth in these Bylaws may be increased or decreased from time to time by the Governing Body.

7.4 Finance Committee

- (a) Purpose: The Committee is to serve as the steward for the financial functions of the District and make sure the funds and financial decisions are being properly managed and reported to the Governing Body (“GB”).
- (b) Committee Membership: The Committee shall have five (5) governing body members, the CEO, and the Chief Financial Officer.
- (c) Frequency of Meetings: The Committee will meet on a monthly basis unless required to meet more frequently.
- (d) Duties and Responsibilities: The duties and responsibilities of the Finance Committee shall be as follows:
 - (1) To develop and recommend financial policy to the GB.
 - (2) To review proposed budgets prepared by management and make recommendations thereof to the GB no later than its last meeting before the end of the fiscal year. Budgets shall include the annual operating, cash flow, capital

equipment and facility budgets.

- (3) To review monthly financial reports of the Hospital and to make appropriate recommendations to management and the GB.
- (4) To advise management and the GB on methods and procedures which will assure that the financial policies and budgets adopted by the GB are carried out.
- (5) To review and advise the GB on financial feasibility of projects referred to it by the GB.
- (6) To Review and approve the personnel benefit program, pension program, and the wage and salary program of the Hospital.
- (7) To establish and maintain an effective audit program to prudently safeguard the assets and programs of the Hospital.
- (8) To establish and maintain the external audit program, approve needed audit engagement letters, and audit fees.
- (9) To review and approve the annual financial audits of the Hospital.
- (10) To approve the annual Internal Audit and Compliance Program.
- (11) To review the adequacy of management's actions to implement the recommendation(s) contained in the management letter prepared by the external auditors.
- (12) To monitor the Hospital's system of managerial and accounting internal control, including the performance of the Internal Audit and Compliance Program.
- (13) To perform other activities and investigations as appropriate to ensure that the assets of the Hospital are protected and used for their intended purpose.
- (14) To advise management and the GB on investments, securities and similar undertakings and to authorize the placements and development of such portfolios pursuant to GB approved policies.
- (15) To review and monitor the effectiveness of the information systems.
- (16) To authorize in the name of the GB the expenditure of funds in conformity with the annual budget and policies adopted

by the GB.

- (17) Review and monitor all major building and facility improvement programs.

7.5 Quality, Patient Safety and Professional Affairs Committee

a) Purpose: The Committee is to serve as the steward for quality improvement and clinical appropriateness for the Hospital to make sure the public interests are being served. The Committee reports to the Governing Body.

b) Committee Membership: The committee shall have five (5) governing body members (two of whom would be the medical staff representatives). The Committee shall be advised by the Medical Executive Committee, the Chief of Staff, the physician Chair of the Surgery department, the physician Chair of the Medicine Department, the CEO, the Nursing Manager, the Quality Improvement Coordinator, and Medical Staff members as appropriate.

c) Frequency of Meetings: The Committee will meet on a monthly basis unless required to meet more frequently.

d) Duties: The duties and responsibilities of the Committee shall be as follows:

(1) Analyze data regarding safety and quality of care, treatment and services and establish priorities for performance improvement.

(2) Oversee the Medical staff's fulfillment of its responsibilities in accordance with the Medical Staff Bylaws, applicable law and regulation, and accreditation standards.

(3) Review medical staff credentialing recommendations and forward to the Governing Body.

(4) Enhance medical staff relations with the Governing Body, management, staff, and other members of the medical staff.

(5) To function as a joint conference committee consistent with Governing Body accreditation standards for the purpose of resolving any misunderstandings or disagreements between the Hospital and the medical staff.

(6) Ensure that recommendations from the Medical Executive Committee and Medical Staff are made in accordance with the standards and requirements of the Medical Staff Bylaws, Rules and Regulations with regard to:

- completed applications for initial staff appointment, initial staff category assignment, initial department/divisional affiliation;

- membership prerogatives and initial clinical privileges;
- completed applications for reappointment of medical staff, staff category, clinical privileges;
- establishment of categories of Allied Health Professionals permitted to practice at the hospital, the appointment and reappointment of Allied Health Professionals and privileges granted to Allied Health Professionals.

(7) Provide a system for resolving conflicts that could adversely affect safety or quality of care among individuals working within the hospital environment.

(8) Ensure that adequate resources are allocated for maintaining safety and quality care, treatment and services, and to review and advise management and the medical staff on equipment and program selection and implementation.

(9) Analyze findings and recommendations from the Hospital's administrative review and evaluation activities, including system or process failures and actions taken to improve safety, both proactively and in response to actual occurrences.

(10) Assess the effectiveness and results of the quality review, utilization review, performance improvement, professional education, risk management programs, and patient care related activities and policies of the Hospital.

(11) Perform such other duties concerning professional affairs, safety and quality of care matters as may be necessary.

7.6 Planning and General Affairs Committee

a) Purpose: The Committee is to serve as the guiding influence for direction of the Hospital as it relates to strategic planning, and operating and business policies, and reports to the Governing Body.

b) Committee Membership: The Committee shall have five (5) governing body members and the Chief Executive Officer.

c) Frequency of Meetings: The Committee will meet on a bimonthly basis unless required to meet more frequently.

d) Duties and Responsibilities: The duties and responsibilities of the Planning and General Affairs Committee shall be as follows:

1. To participate in the development of a Strategic Plan for the Hospital including submission of a long-range program, strategic, marketing and

implementation plan. The plan should reflect the objectives and actions to be taken to implement the plans. This plan will be reviewed annually to determine changes and update actions.

2. To review, and approve the operating and business policies of the Hospital presented by management.
3. To identify and resolve potential and actual conflict of interest situations.
4. To authorize the initiation and settlement of all legal actions.
5. To monitor, evaluate, and select insurance coverage to prudently protect the assets of the Hospital and the District.
6. To establish and maintain an appropriate legislative advocacy program for the benefit of the Hospital and the District and the community served.
7. To provide overview and input to the Marketing and Community Communication Programs of the Hospital.
8. To review on at least an annual basis the Bylaws of the Governing Body and to act as a resource in their interpretation should any conflict arise and to review and approve on at least a biannual basis the Bylaws of auxiliary organizations of the Hospital.

ARTICLE 8 MISCELLANEOUS

8.1 Reports. The Governing Body shall maintain a written record of its proceedings, recommendations and actions, and shall submit either written or oral reports to the District Board, as directed.

8.2 Appointment of the Chair and Vice Chair, Rules and Procedures. The Governing Body shall select its Chair and Vice Chair, who shall serve at the pleasure of the Governing Body. The Governing Body shall develop rules and procedures for the conduct of its meetings and affairs, and for the addition of other Governing Body officers, consistent with these Bylaws and the District Bylaws.

8.3 Conflict of Interest. The Governing Body shall adopt and enforce a policy, which shall be approved by the District Board, regarding conflicts of interest and self-dealing transactions that will assure that no person holding such a position will be permitted to vote on any issue, motion or resolution that directly or indirectly inures to his or her benefit financially or with respect to which he or she shall have any other conflict of interest. To the extent consistent with Governing Body policies and applicable laws, including Government Code Sections 1090 and 87100, the Governing Body may permit such a person to (i) be counted in order to constitute a quorum, or (ii) participate in the discussion of such an issue, motion or

resolution if he or she has disclosed the nature of his or her interest.

8.4 Appropriation of Business Opportunity and Confidential Information. No member of the Governing Body may appropriate or divert to others any opportunity for profit in connection with a transaction that it is known or could be anticipated that the Hospital, the District or any constituency represented on the Governing Body is or would be interested. Such opportunities include, but are not limited to, acquisition of real or personal property, appointment of suppliers or design or development of new products, services or areas of business related to the Hospital or District's present or planned services or service areas.

Each member of the Governing Body with access to confidential information regarding the District's or Hospital's business is expected to hold such information in confidence and to refrain from either using such information for personal gain or disclosing it unnecessarily outside the scope of the member's duty with respect to the District and the Governing Body.

ARTICLE 9 COMPLIANCE WITH LAW AND INTERNAL REVENUE CODE

No part of the net earnings of the Hospital shall inure to the benefit of, or be distributable to, its directors, officers, employees or other private persons, including members of the Governing Body, except that the Hospital shall be authorized and empowered to pay reasonable compensation for services rendered to the Hospital or the District and to make payments and distributions in furtherance of the Governing Body and District purposes as set forth in the Preamble of these Bylaws.

No substantial part of the activities of the Governing Body shall be the carrying on of propaganda or otherwise attempting to influence legislation and the Governing Body shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE 10 DISSOLUTION

The Governing Body may be dissolved in accordance with the provisions of the Bylaws of the District Board, subject to the terms and conditions of the Tax Exchange Agreement with Contra Costa County dated April 5, 2011.

ARTICLE 11 AMENDMENTS

These Bylaws may be altered, amended, repealed, added to or deleted at any regular meeting of the Governing Body with the consent of a majority of the total membership of the Governing Body at a meeting of the Governing Body where a quorum of the membership are present, subject to the approval of the District Board and consistent with the terms and conditions of Tax Exchange Agreement with Contra Costa County dated April 5, 2011. During the term of the Tax Exchange Agreement, the District Board shall only take action to alter, amend, repeal, add to or delete these bylaws after such action has already been taken by the Governing Body. These Bylaws should be reviewed no less often than every two (2) years.

CERTIFICATE OF SECRETARY OF THE WCCHD DISTRICT BOARD

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of WEST CONTRA COSTA HEALTHCARE DISTRICT.

2. That the foregoing Bylaws comprising thirteen (13) pages constitute the Bylaws of the Doctors Medical Center Governing Body, a standing Committee of the WCCHD Board of Directors, as approved by the WCCHD Board of Directors at a meeting of the Board of Directors thereof duly held on the 29 day of April, 2011.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

DATED: April 29, 2011.


Secretary Board of Directors
WEST CONTRA COSTA HEALTHCARE DISTRICT

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