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West Contra Costa  
Healthcare District  
Governing Body Meeting

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Wednesday, May 25, 2011  
4:30 PM  
Doctors Medical Center - Auditorium  
2000 Vale Road  
San Pablo, CA

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

**GOVERNING BODY MEETING**

**WCCHD DOCTORS MEDICAL CENTER  
GOVERNING BODY MEETING  
May 25, 2011, 4:30 P.M.  
Doctors Medical Center - Auditorium  
2000 Vale Road  
San Pablo, CA 94806**

**Teleconference Site:  
Pat Godley  
2481 Kaanapali Parkway  
Lahaina, Maui, HI 96761  
Call in number: 800-511-1465**

**Teleconference Site:  
Deborah Campbell  
157 Bluebird Court  
Hercules, CA 94547  
Call in number: 800-511-1465**

**Board of Directors**

*Irma Anderson  
Wendell Brunner, M.D.  
Deborah Campbell  
Nancy Casazza  
Supervisor John Gioia  
Pat Godley  
William Walker, M.D.  
Beverly Wallace  
Eric Zell*

1. CALL TO ORDER

J. Gioia/I. Anderson

2. ROLL CALL

3. PUBLIC COMMENTS

J. Gioia/I. Anderson

In compliance with the California Brown Act the Governing Body welcomes comments from the Public. This is the opportunity for members of the public to directly address the Governing body on any item of interest to the public regarding items not on this agenda. Persons wishing to make a presentation to the Board of Directors shall observe the following procedure:

1. Fill out speaker cards provided at the meeting
2. Copies of any written material for the Board Members (10 copies)
3. Oral presentation are limited to 2 (two minutes)
4. The proceedings of the Board are recorded and are part of the public record

4. ELECTION OF PHYSICIANS FOR GOVERNING BODY

I. Anderson/J. Gioia

- a. Presentation
- b. Discussion
- c. Public Comment
- d. Action: *Appoint and approval of 2 (two physicians)*
  - 1) *Sharon Drager, MD*
  - 2) *Richard Sankary, MD*

5. ELECTION OF GOVERNING BODY CHAIR AND VICE CHAIR C. Coffey
- a. Presentation
  - b. Discussion
  - c. Public Comment
  - d. *Action: Appointment of 2011 Governing Body Chair and Vice Chair*
6. GOVERNING BODY BYLAWS Chair
- a. Presentation
  - b. Discussion
  - c. Public Comment
  - d. *Action: Adoption of Governing Body Bylaws*
7. APPROVAL OF GOVERNING BODY MEETING SCHEDULE Chair
- a. Presentation
  - b. Discussion
  - c. Public Comment
  - d. *ACTION: Approval of Governing Body Meeting Schedule*
8. FINANCIAL REPORT R. Reid
- a. Presentation
  - b. Discussion
  - c. Public Comment
  - d. *ACTION: Acceptance of the April 2011 Financial Report*
9. CEO REPORT D. Gideon
- a. Presentation
  - b. Discussion
  - c. Public Comment
  - d. *ACTION: For Information Only*
10. QUALITY REPORT J. Maxworthy
- a. Presentation
  - b. Discussion
  - c. Public Comment
  - d. *ACTION: For Information Only*
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11. MEDICAL EXECUTIVE REPORT S. Drager, M.D.
- a. Presentation
  - b. Discussion
  - c. Public Comment
  - d. *ACTION:*
    - *Acceptance of Medical Staff Report*
    - *Approval of Appointments, Reappointments and Changes of Staff Status, and Policies and Procedures*

**ADJOURN TO CLOSED SESSION**

1. Reports of Medical Staff Audit and Quality Assurance Pursuant to Health and Safety Code Sec. 32155.
  2. Conference with Labor Negotiators (pursuant to Government Code Section 554957.6) Agency negotiators: John Hardy, Vice President of Human Resources: California Nurse Association, National Union Healthcare Workers.
  3. Discussion involving Trade Secrets Pursuant to Health and Safety Code Section 32106. Discussion will concern new programs, services, facilities.
12. ANNOUNCEMENT OF REPORTABLE ACTION(S) TAKEN IN CLOSED SESSION, IF ANY
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Governing Body  
Bylaws

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TAB 6

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**WEST CONTRA COSTA HEALTHCARE  
DISTRICT DOCTORS MEDICAL CENTER  
GOVERNING BODY  
BYLAWS  
ADOPTED  
April 29, 2011**

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# 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.

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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.
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- (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

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.

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#### **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

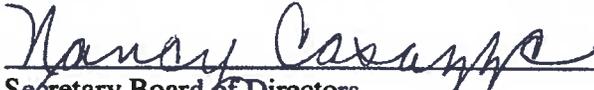
I, the undersigned, do hereby certify:

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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5/2/11

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Financial Report  
April 2011

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TAB 8

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## Board Presentation

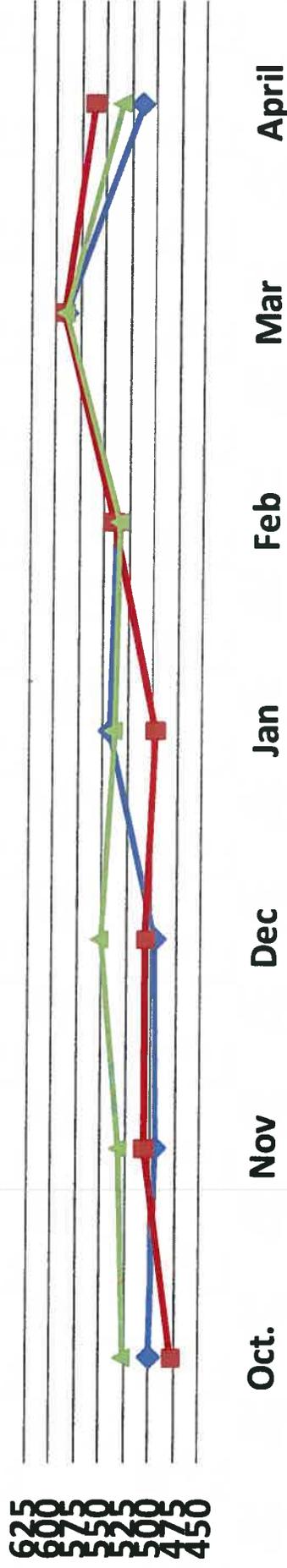
### April 2011 Financial Report

# Patient Activity For the Period Ending April 30, 2011

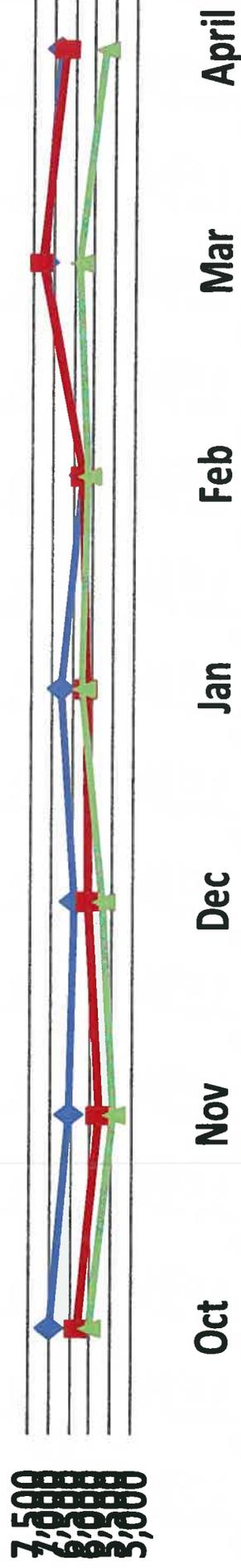
Actual M.T.D.	Budget M.T.D.	Variance		Actual Y.T.D.	Budget Y.T.D.	Variance
514	561	(47)	Inpatient Discharges	2,183	2,230	(47)
6,876	6,723	153	Outpatient Visits	27,230	26,591	639

# Patient Volumes

## Inpatient Discharges



## Outpatient Visits



■ Current year    
 ■ Prior Year    
 ■ Budget



# Budget Variances - Net Revenue

- Total Net Patient Service Revenue (\$774,000)
- Lower HMO Volumes (\$1,267,000) The variance was mainly the result of lower outpatient HMO volume
- 2011 Medicare Disproportionate Share Adjustment Receivable \$500,000, based on the 2010 filed Medicare cost report.

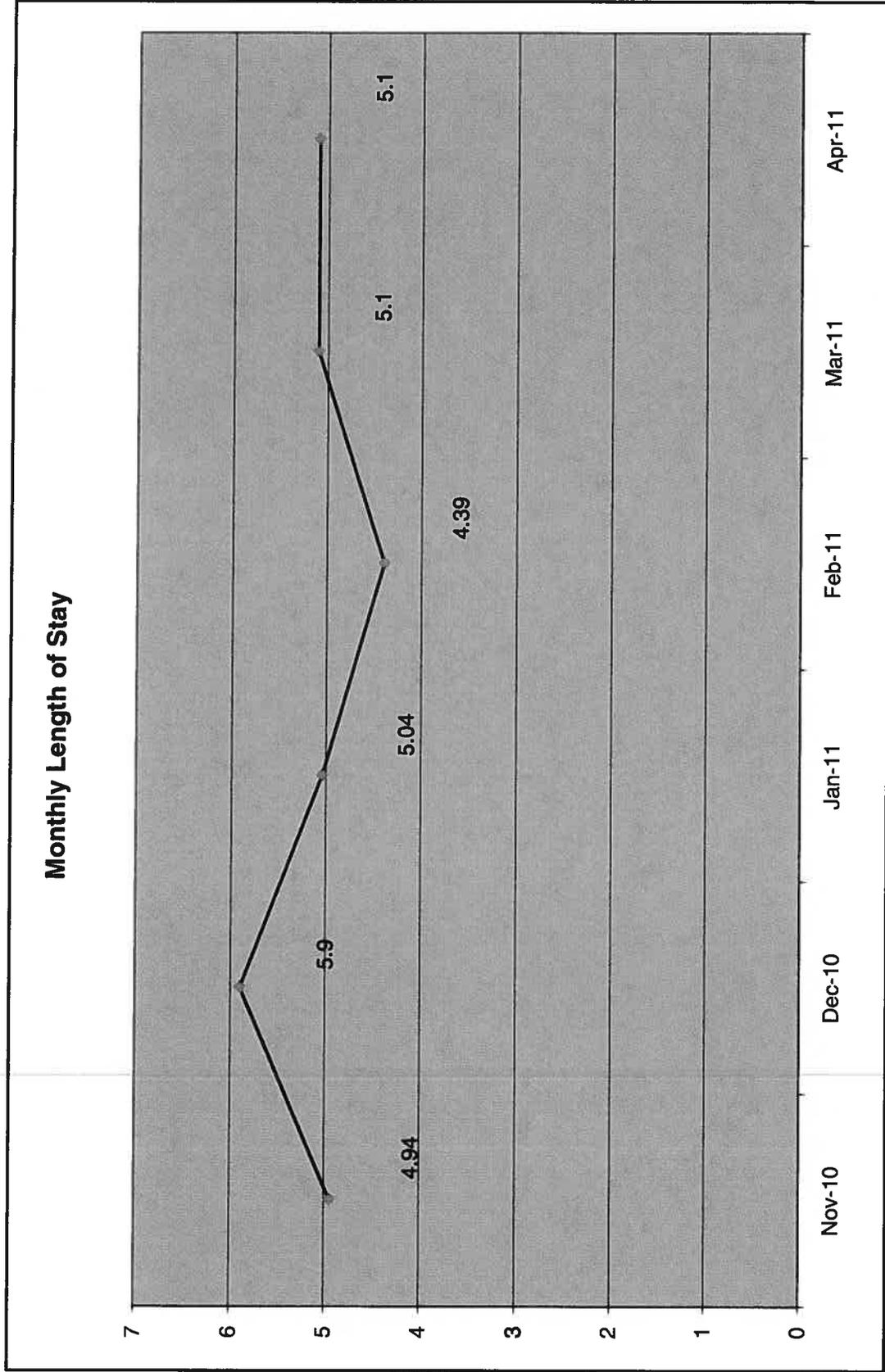
# Budget Variances – Expenses

- ▶ Salaries – (\$346,000) The variance is related to the nursing units. There was a high utilization of agency and overtime in April.
- ▶ Benefits (\$153,000) – higher healthcare costs, but the increase cost trend is slowing
- ▶ Supplies under budget by \$197,000 due to lower number of surgeries. Surgeries are under budget by 27.

# Outpatient Center Statement of Activity For the Period Ending April 30, 2011

Actual M.T.D.	Budget M.T.D.	Variance		Actual Y.T.D.	Budget Y.T.D.	Variance
\$167,474	\$191,924	(\$24,449)	Net Operating Revenues	\$698,298	\$805,291	(\$106,993)
\$190,545	\$238,154	\$47,609	Total Operating Expenses	\$772,842	\$979,516	\$206,674
(\$23,071)	(\$46,230)	\$23,160	Income/(Loss) From Operations	(\$74,544)	(\$174,225)	\$99,681
(\$6,145)	(\$6,145)	-	Income from Other Sources	(\$25,756)	(\$25,756)	-
(\$29,216)	(\$52,375)	\$23,160	Net Income/(Loss)	(\$100,300)	(\$199,981)	\$99,681
(17.4%)	(27.3%)	9.8%	Net Income Percentage	(14.4%)	(24.8%)	10.5%

# Length of Stay Comparison Discharged Patients



# Cash Position

## March 31, 2011

*(Amounts in Thousands)*

	April 30, 2011	December 31, 2010
Unrestricted Cash	\$3,160	\$5,229
Restricted Cash	\$5,086	\$4,006
Total Cash	\$8,246	\$10,452
Days Unrestricted Cash	7	12
Days Restricted	14	11
Total Days of Cash	21	24
California Benchmark Average	34	
Top 25%	82	
Top 10%	183	

# Accounts Receivable

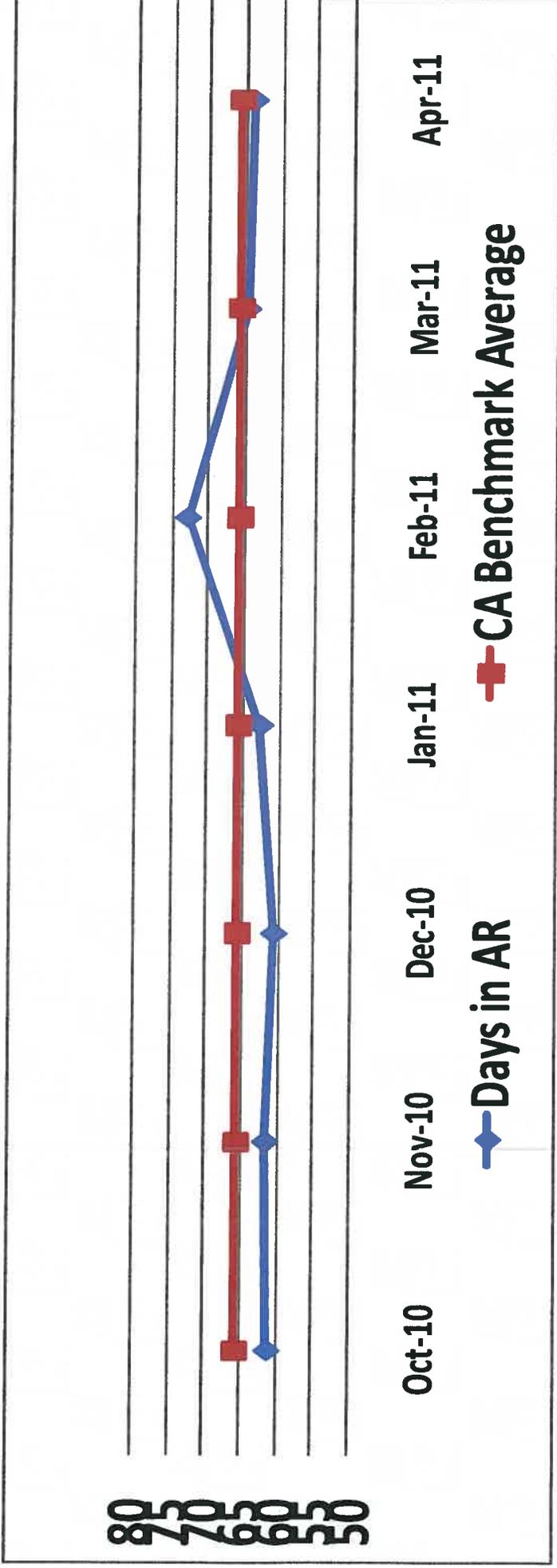
## March 31, 2011

*(Amounts in Thousands)*

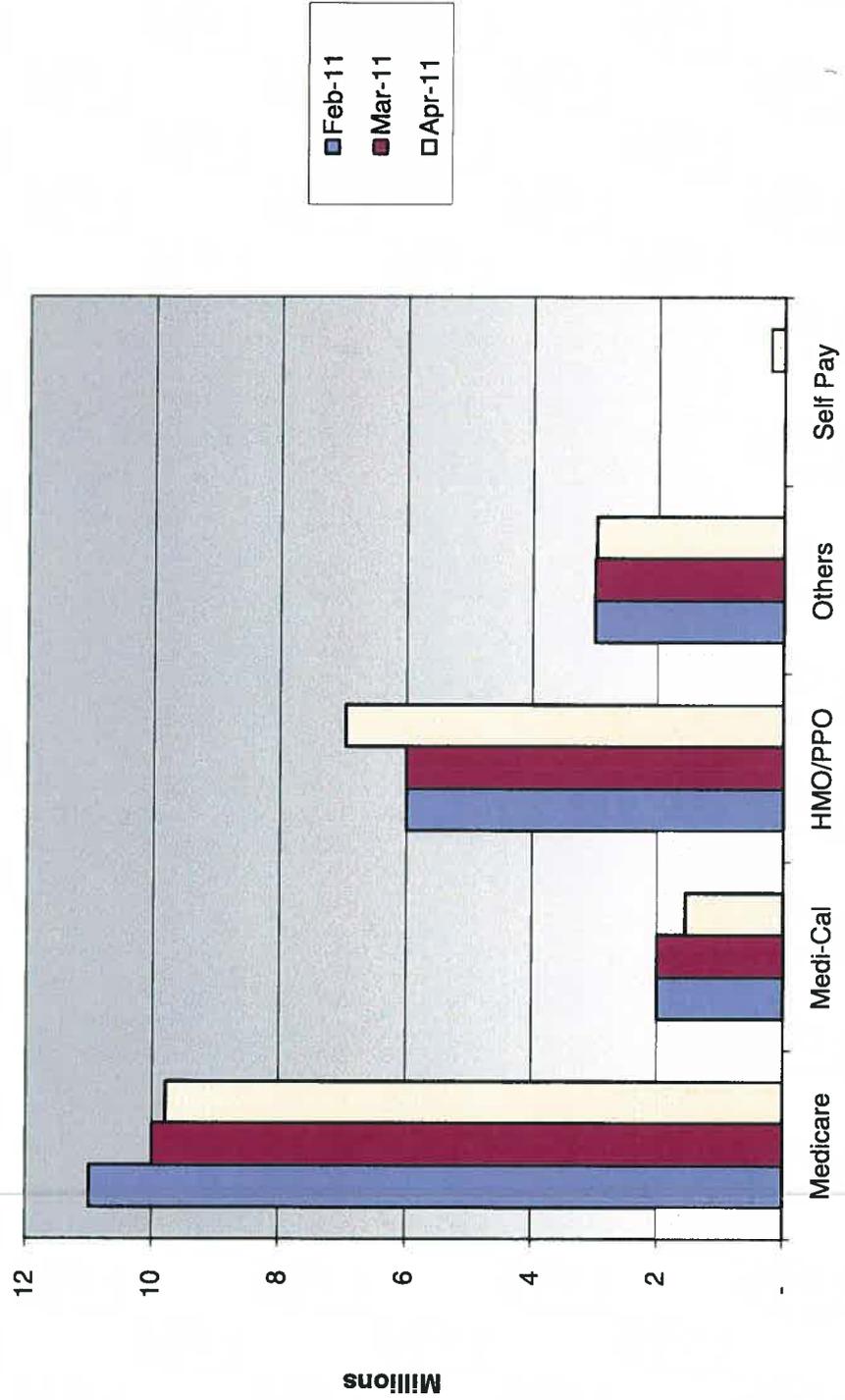
	March 31, 2011	December 31, 2010
Net Patient Accounts Receivable	\$22,919	\$20,433
Net Days in Accounts Receivable	64.0	60.7
California Benchmark Average	65.7 days	
Top 25%	45.2 days	
Top 10%	35.5 days	

# Accounts Receivable

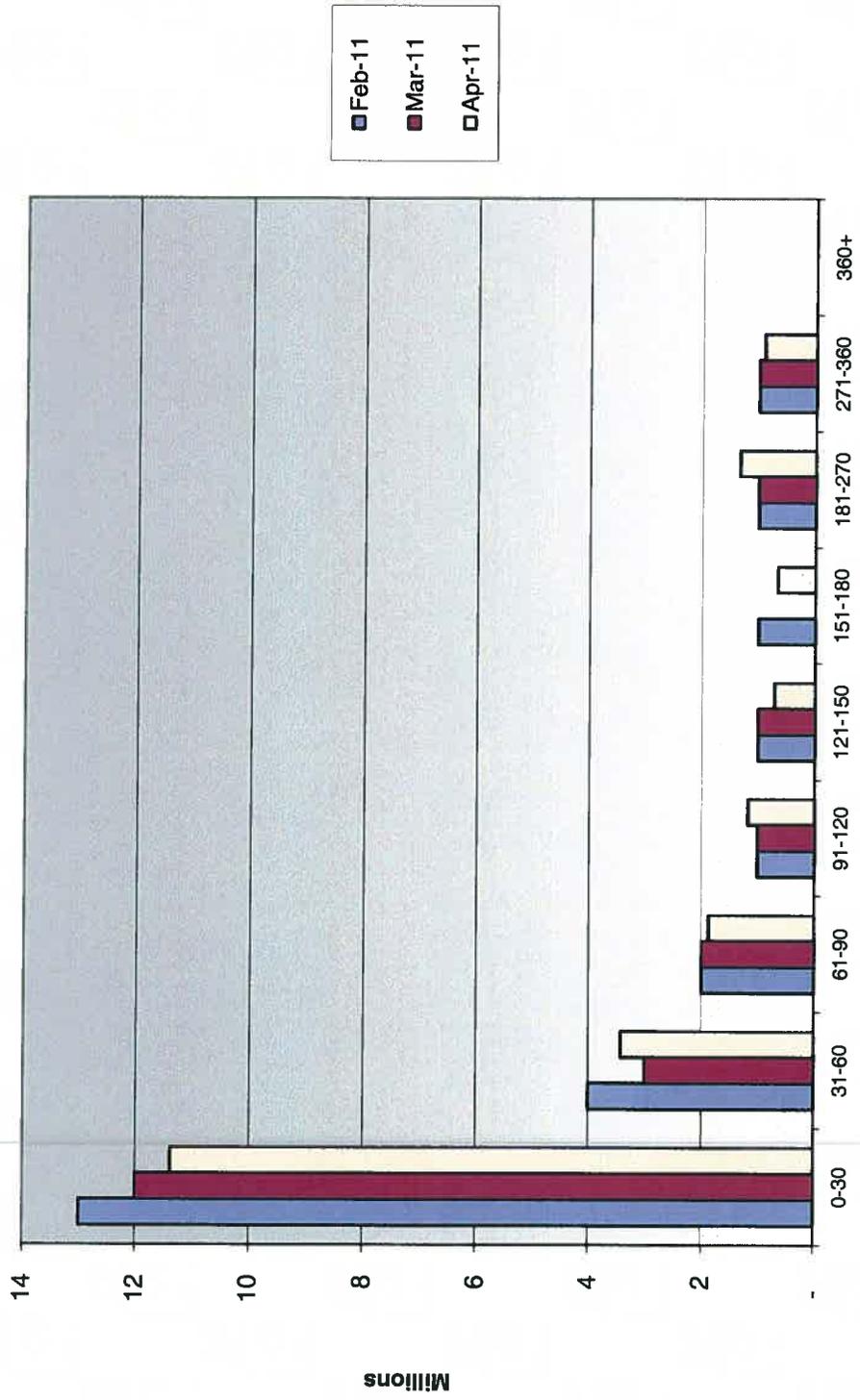
Net Days in AR



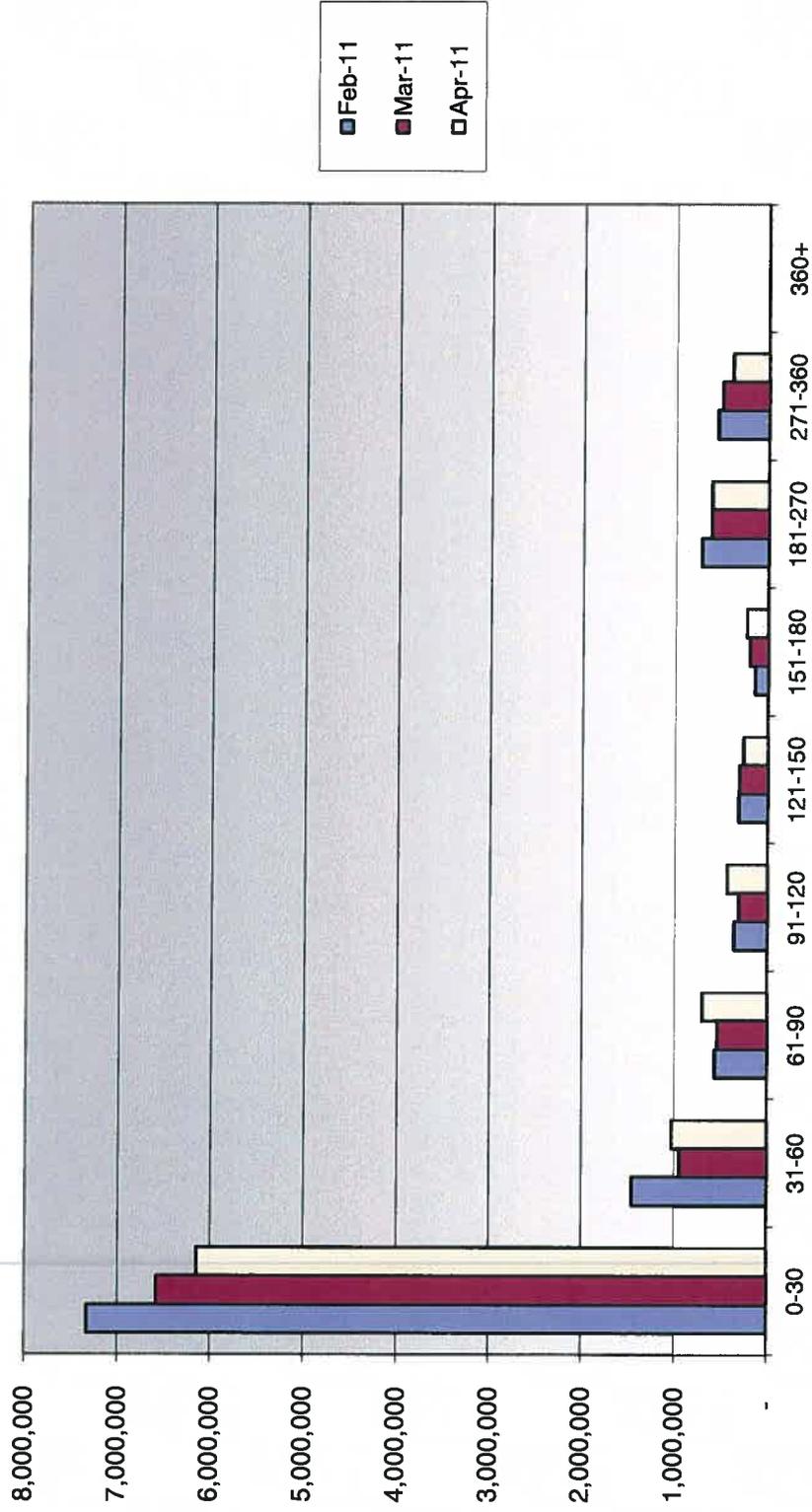
# Net AR By Payor



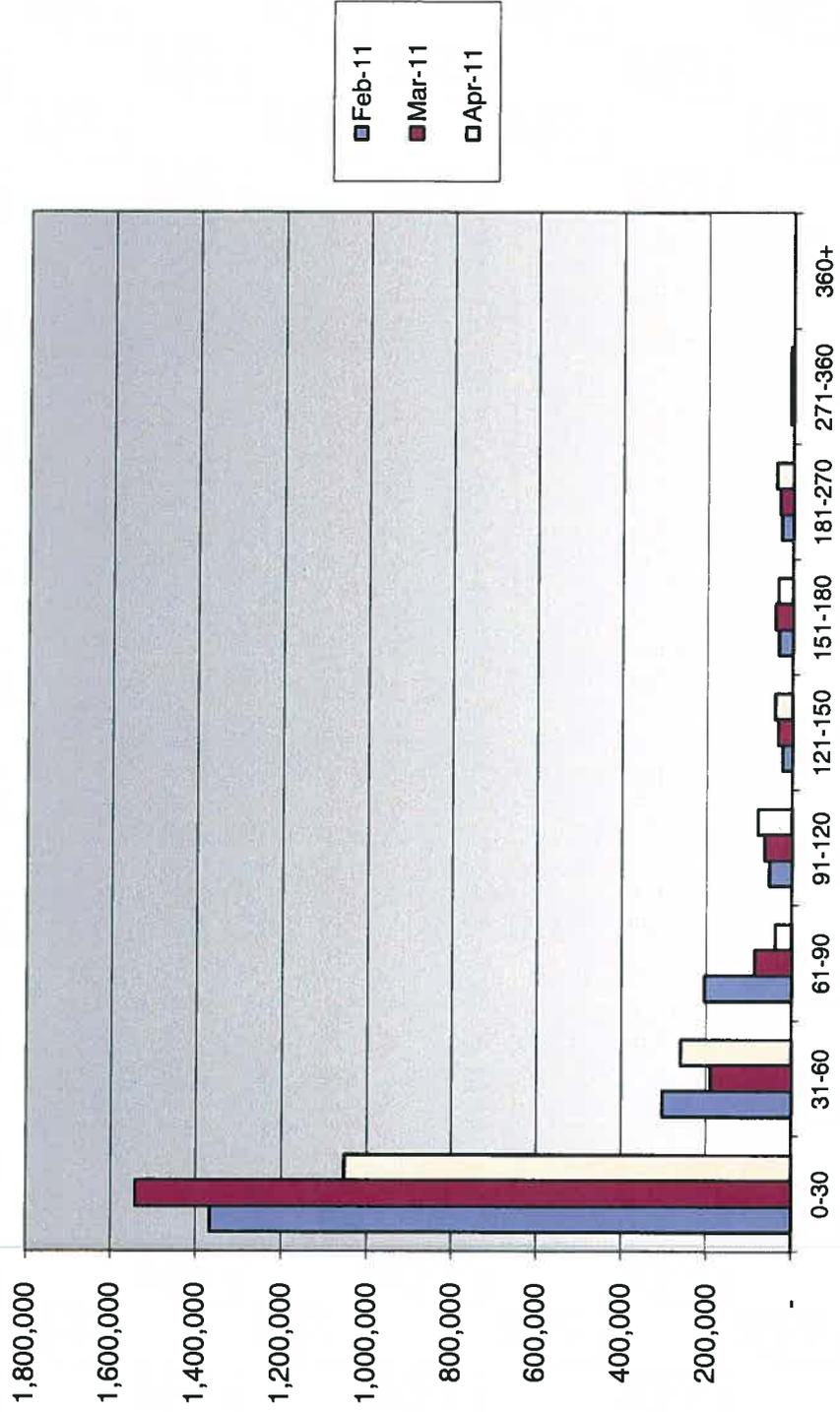
### Aged Total Net Accounts Receivable



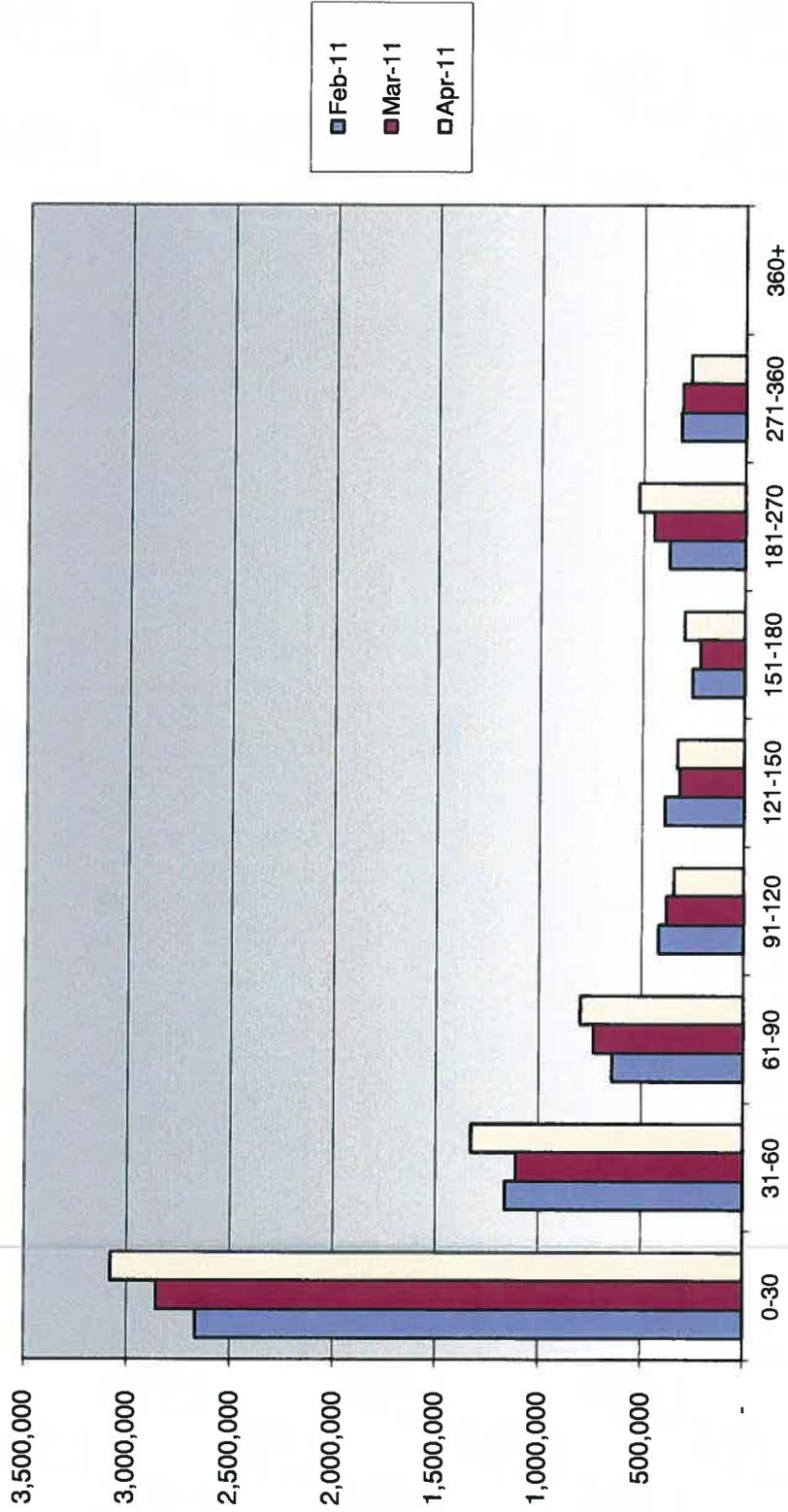
### Net Medicare Receivables



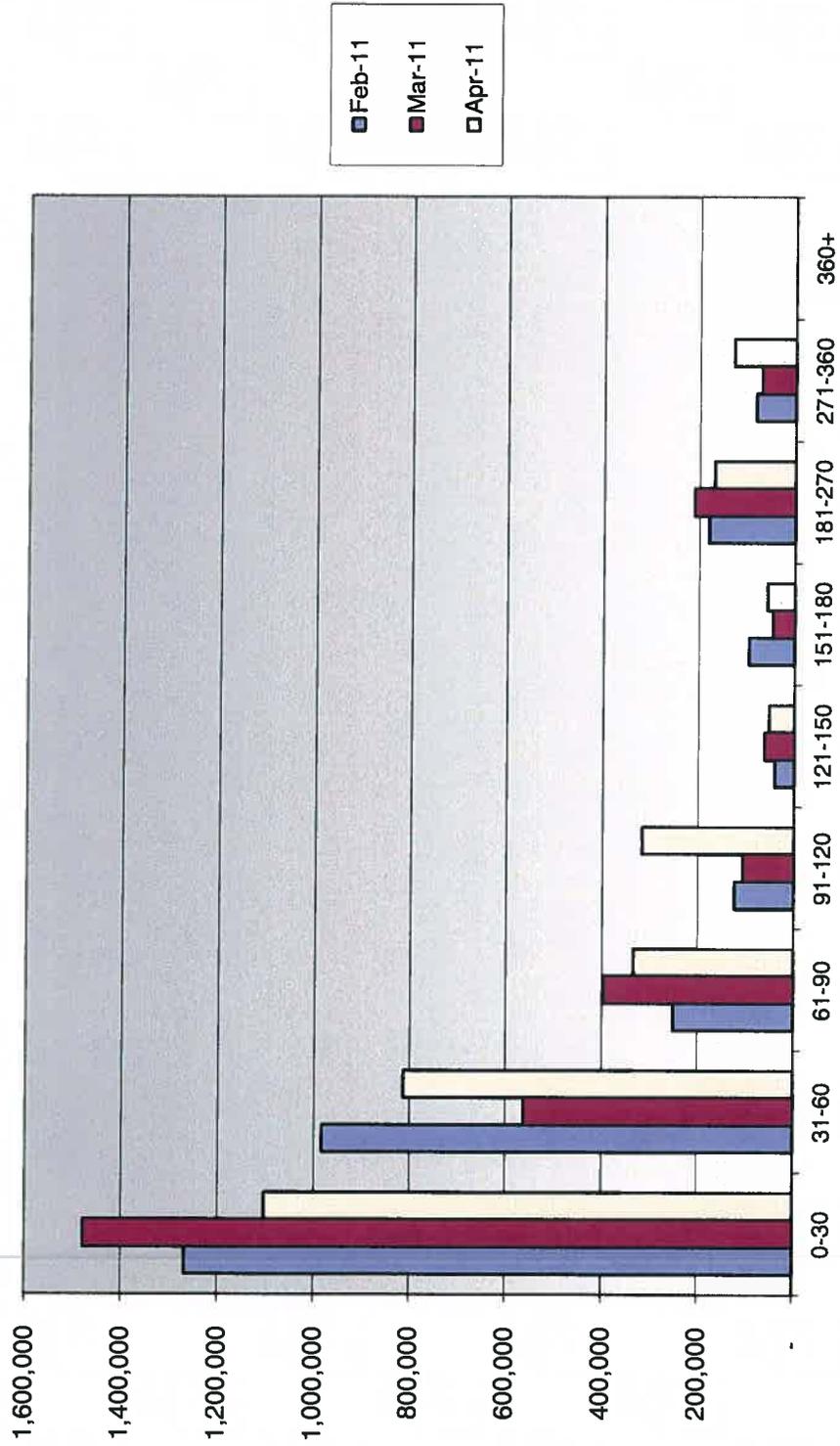
### Net Medi-Cal Receivables



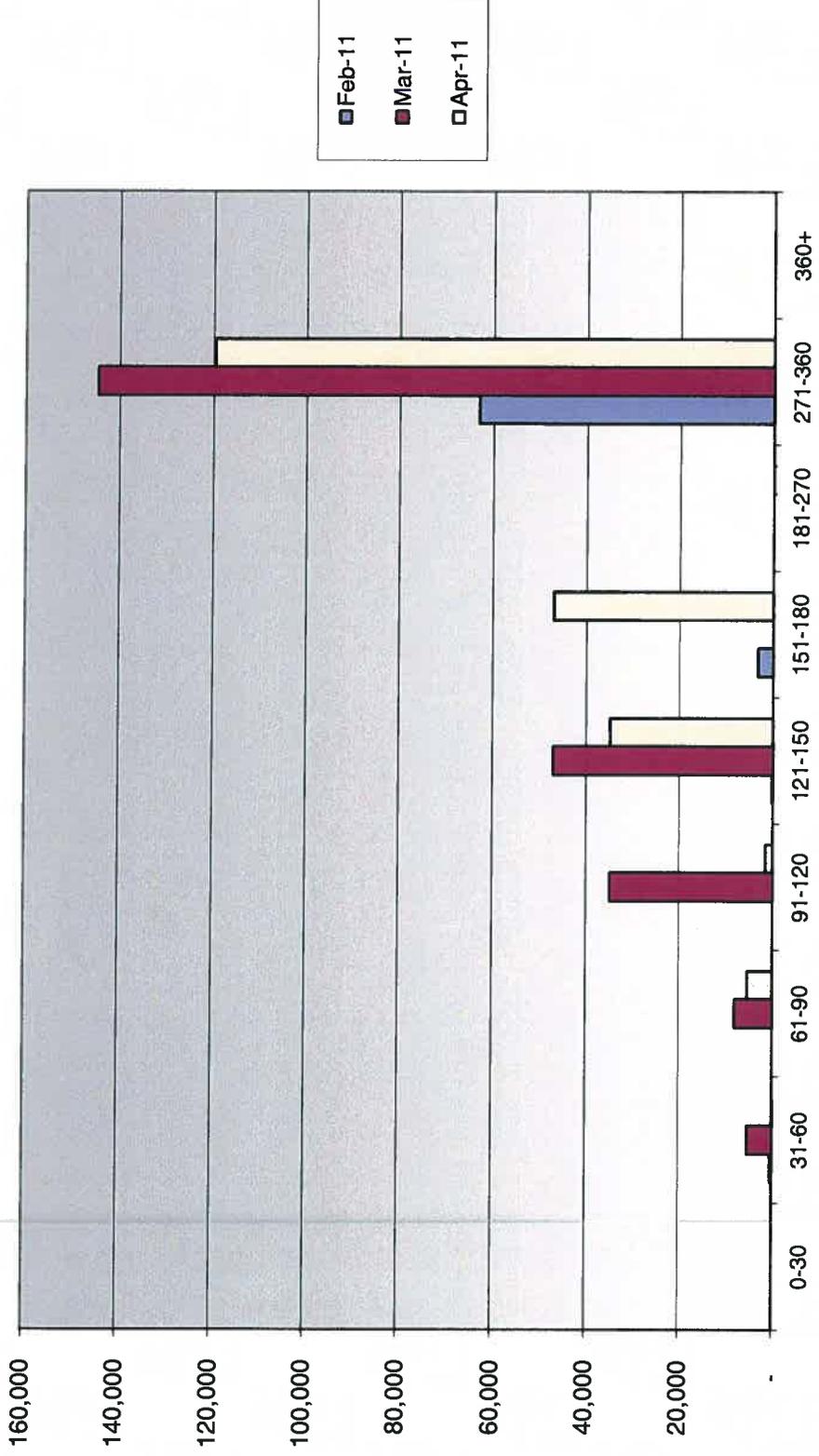
### Net HMO/PPO Receivables



### Net Other Payors Receivables



### Net Self-Pay Receivables





## April 2011 Executive Report

Doctors Medical Center had a Net Loss of \$1,218,000 in the month of April. As a result, net income was under budget by \$1,186,000. The following are the other factors leading to the Net Income variance:

<u>Net Patient Revenue Factors</u>	<u>Over / (Under)</u>
HMO/PPO/ Commercial Volume	(\$1,267,000)
Medicare Year to Date Adjustment	\$500,000
<u>Expenses</u>	
Salaries	(\$346,000)
Benefits	(\$153,000)
Supplies	\$197,000

Net patient revenue was under budget by \$774,000. Gross charges were under budget in March 1.5%. Patient days were 5.8% over budget and admissions were 13.2% under budget. The large variance is the decrease in HMO/PPO business seen in April. That volume by itself accounted for a \$1,267,000 variance from budget. Outpatient gross charges were under budget by \$3,008,000 or 13.7%. A \$500,000 Medicare Disproportionate Share receivable was recorded for 2011 based upon the 2010 Medicare cost report that will be filed in May. This is the direct result of the increase in Medi-Cal patients treated at the Hospital.

Salaries were over budget \$346,000 or 6.4%. Patient days were 5.8% over budget while discharges were under budget by 47 or 8.4%. The variance is related to the nursing units.

Benefits were over budget by \$153,000 or 6%. Healthcare costs continue to exceed the budgeted estimates. This trend does appear to be slowing as current costs have decreased.

Supplies are under budget by \$197,000 due to surgeries being under budget by 27 cases or 14.7%.

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

April 30, 2011

(Amounts in Thousands)

	CURRENT PERIOD			PRIOR YEAR		
	ACTUAL	BUDGET	VAR	VAR %	ACTUAL	ACTUAL
1	10,790	11,564	(774)	-6.7%	11,418	43,242
2	79	100	(21)	-20.9%	101	403
3	10,869	11,664	(795)	-6.8%	11,519	43,645
<b>OPERATING REVENUE</b>						
		45,505	(2,156)	-4.7%		
		358	(42)	-10.4%		
	43,349	45,505	(2,156)	-4.7%	43,242	
	43,707	45,904	(2,197)	-4.8%	43,645	
<b>OPERATING EXPENSES</b>						
4	5,765	5,419	(346)	-6.4%	5,193	21,559
5	2,690	2,537	(153)	-6.0%	2,517	10,733
6	755	821	66	8.1%	831	3,333
7	1,741	1,938	197	10.2%	1,883	7,037
8	838	751	(87)	-11.6%	813	2,738
9	218	219	1	0.4%	131	576
10	349	350	1	0.3%	294	1,167
11	319	323	4	1.3%	285	1,270
12	12,675	12,358	(317)	-2.6%	11,947	48,411
	50,819	48,932	(1,887)	-3.9%	48,411	
	(7,112)	(3,028)	(4,084)	134.9%	(4,766)	
13	(1,806)	(694)	(1,112)	160.1%	(428)	
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
14	-	-	-	0.0%	1,416	6,320
15	708	754	(46)	6.1%	753	3,012
16	3	11	(8)	-71.8%	11	39
17	(123)	(102)	(21)	0.0%	(117)	(472)
18	588	663	(75)	-11.3%	2,063	8,899
	(1,218)	(32)	(1,186)	3740.0%	1,635	4,133
19	(1,218)	(32)	(1,186)	3740.0%	1,635	4,133
<b>Income Profit (Loss)</b>						
	(3,592)	(393)	(3,199)	813.3%	(3,199)	4,133
<b>Profitability Ratios:</b>						
20	-16.6%	-6.0%	139.9%	-10.9%	-16.3%	-10.9%
21	-11.2%	-0.3%	-10.9%	-7.4%	-8.2%	9.5%

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

April 30, 2011

(Amounts in Thousands)

22	2,160	2,021	(139)	1,904	SWB / APD	2,116	2,020	(96)	-4.8%	1,927
23	66.7%	64.4%	(99)	64.5%	SWB / Total Operating Expenses	65.5%	65.6%	(149)	-4.8%	66.7%
24	3,238	3,139	(99)	2,950	Total Operating Expenses / APD	3,229	3,080	(149)	-4.8%	2,889
25	44,498	42,429	2,069	38,255	I/P Gross Charges	180,026	173,353	6,673	3.8%	160,321
26	18,955	21,963	(3,008)	19,507	O/P Gross Charges	78,196	85,543	(7,347)	-8.6%	73,990
27	<u>63,453</u>	<u>64,392</u>	<u>(939)</u>	<u>57,762</u>	<u>Total Gross Charges</u>	<u>258,222</u>	<u>258,896</u>	<u>(674)</u>	<u>-0.3%</u>	<u>234,311</u>

**Payor Mix (IP and OP)**

28	40%	37%	3%	39%	Medicare %	41%	38%	3%	38%
29	16%	17%	-1%	17%	Medi-Cal %	15%	17%	-2%	17%
30	6%	14%	-8%	13%	Managed Care HMO / PPO %	10%	14%	-4%	14%
31	9%	10%	-1%	10%	Medicare HMO %	9%	10%	-1%	9%
32	15%	7%	8%	7%	Medi-Cal HMO %	11%	7%	4%	7%
33	0%	0%	0%	0%	Commercial %	0%	0%	0%	0%
34	1%	1%	0%	2%	Worker's Comp %	1%	1%	0%	2%
35	3%	3%	0%	3%	Other Government %	4%	3%	1%	3%
36	10%	10%	0%	9%	Self Pay /Charity %	10%	9%	0%	10%

**STATISTICS**

37	487	561	(74)	534	Admissions	2,187	2,230	(43)	-1.9%	2,154
38	514	561	(47)	535	Discharges	2,183	2,230	(47)	-2.1%	2,156
39	2,745	2,594	151	2,682	Patient Days	10,973	10,638	335	3.1%	11,465
40	91.5	86.5	5.0	89.4	Average Daily Census (ADC)	91.4	88.7	2.8	3.1%	95.5
41	5.34	4.62	(0.72)	5.01	Average Length of Stay (LOS)	5.03	4.77	(0.26)	-5.4%	5.32
42	30	30	0	30	Days in Month	120	120	0	0%	120
43	733	851	(118)	808	Adjusted Discharges (AD)	3,131	3,330	(199)	-6.0%	3,151
44	3,914	3,937	(22)	4,050	Adjusted Patient Days (APD)	15,739	15,887	(148)	-0.9%	16,756
45	130	131	(1)	135	Adjusted ADC (AADC)	131	132	(1)	-0.9%	140
46	79	89	(10)	88	Inpatient Surgeries	364	345	19	5.5%	360
47	78	95	(17)	94	Outpatient Surgeries	353	402	(49)	-12.2%	377
48	<u>157</u>	<u>184</u>	<u>(27)</u>	<u>182</u>	<u>Total Surgeries</u>	<u>717</u>	<u>747</u>	<u>(30)</u>	<u>-4.0%</u>	<u>737</u>



**WEST CONTRA COSTA HEALTHCARE DISTRICT  
DOCTORS MEDICAL CENTER  
BALANCE SHEET  
April 30, 2011  
(Amounts in \$1,000)**

	<u>Current Month</u>	<u>Dec. 31, 2010</u>	<u>Current Month</u>	<u>Dec. 31, 2010</u>
<b>ASSETS</b>				
87 Cash	3,160	5,229	2,772	3,646
88 Net Patient Accounts Receivable	22,919	20,433	14,360	13,965
89 Other Receivables	2,352	4,055	12,742	11,356
90 Inventory	2,292	2,252	0	801
90 Current Assets With Limited Use	5,086	4,006	3,161	2,993
91 Prepaid Expenses and Deposits	1,277	1,575		
<b>92 TOTAL CURRENT ASSETS</b>	<b>37,086</b>	<b>37,550</b>	<b>33,035</b>	<b>32,761</b>
<b>LIABILITIES</b>				
93 Assets With Limited Use	642	642		
<b>Property Plant &amp; Equipment</b>				
94 Land	12,120	12,120		
95 Bldg/Leasehold Improvements	33,534	33,563		
96 Capital Leases	10,926	10,926		
97 Equipment	32,928	33,874	23,453	24,047
98 CIP	2,905	960	3,611	2,581
99 Total Property, Plant & Equipment	92,413	91,443	-2,772	-3,646
100 Accumulated Depreciation	-46,536	-46,036	<b>24,292</b>	<b>22,982</b>
<b>101 Net Property, Plant &amp; Equipment</b>	<b>45,877</b>	<b>45,407</b>	<b>59,327</b>	<b>55,743</b>
<b>102 Intangible Assets</b>				
	530	544	28,400	25,855
<b>103 Total Assets</b>	<b>84,135</b>	<b>84,143</b>	<b>84,135</b>	<b>84,143</b>
<b>EQUITY</b>				
104 Current Ratio (CA/CL)	1.12	1.15		
105 Net Working Capital (CA-CL)	4,051	4,789		
106 Long Term Debt Ratio (LTD/TA)	0.29	0.27		
107 Long Term Debt to Capital (LTD/(LTD+TE))	0.49	0.45		
108 Financial Leverage (TA/TE)	3.4	3.0		
109 Quick Ratio	0.79	0.78		
110 Unrestricted Cash Days	7	12		
111 Restricted Cash Days	14	11		
112 Net A/R Days	64.0	60.7		
126 Retained Earnings			28,400	25,855
127 Year to Date Profit / (Loss)			-3,592	2,545
<b>128 Total Equity</b>			<b>24,808</b>	<b>28,400</b>
<b>129 Total Liabilities &amp; Equity</b>			<b>84,135</b>	<b>84,143</b>

**WEST CONTRA COSTA HEALTHCARE DISTRICT  
DOCTORS MEDICAL CENTER  
OUTPATIENT CENTER INCOME STATEMENT  
April 30, 2011**

(Amounts in Thousands)

	CURRENT PERIOD			CURRENT YTD				
	ACTUAL	BUDGET	VAR	VAR %	ACTUAL	BUDGET	VAR	VAR %
70	159,499	183,949	(24,449)	-13.3%	666,398	773,391	(106,993)	-13.8%
71	7,975	7,975	-	0.0%	31,900	31,900	-	0.0%
72	167,474	191,924	(24,449)	-12.7%	698,298	805,291	(106,993)	-13.3%
73	75,696	101,087	25,391	25.1%	294,077	404,159	110,082	27.2%
74	8,105	23,851	15,746	66.0%	37,086	94,072	56,986	60.6%
75	49	6,393	6,344	99.2%	5,990	26,183	20,193	77.1%
76	311	3,925	3,614	92.1%	6,692	15,700	9,008	57.4%
77	72,695	72,646	(49)	-0.1%	291,784	290,584	(1,200)	-0.4%
78	29,992	30,000	8	0.0%	119,968	120,000	32	0.0%
79	2,697	252	(2,445)	-970.2%	13,245	28,818	15,573	54.0%
80	190,545	238,154	47,609	20.0%	772,842	979,516	206,674	21.1%
81	(23,071)	(46,230)	23,160	-50.1%	(74,544)	(174,225)	99,681	-57.2%
82	(6,145)	(6,145)	-	0.0%	(25,756)	(25,756)	-	0.0%
83	(6,145)	(6,145)	-	0.0%	(25,756)	(25,756)	-	0.0%
84	(29,216)	(52,375)	23,160	-44.2%	(100,300)	(199,981)	99,681	-49.8%
85	-13.8%	-24.1%			-10.7%	-21.6%		
86	-17.4%	-27.3%	9.8%		-14.4%	-24.8%	10.5%	

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## Quality Report

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TAB 10

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**West Contra Costa County  
Health District Board Meeting  
*May 25, 2011***

**TERI GRASSAU, SENIOR VP, PATIENT CARE SERVICES, CNO  
JULI MAXWORTHY, VP, QUALITY/RISK-MANAGEMENT**

# **PATIENT FIRST COMMITTEE**

**TERI GRASSAU, SENIOR VP,  
PATIENT CARE SERVICES, CNO**

## **PATIENT FIRST COMMITTEE**

- ✘ The intent of the committee is provide a venue to discuss patient safety and quality concerns. Please bring your issues and solutions.
- ✘ Open forum format
- ✘ Some of the topics to be covered include patient satisfaction and core measures.
- ✘ First meeting to occur May 26<sup>th</sup> from 2-3 pm

**AIDET**

# AIDET

- ✘ Acknowledge
- ✘ Introduce
- ✘ Duration
- ✘ Explanation
- ✘ Thank you

## RESULTS AND ADVANTAGES OF AIDET

- ✘ Reduces patient anxiety
- ✘ Increases patient compliance
- ✘ Improves clinical outcomes
- ✘ Increases patient satisfaction
- ✘ Decreased anxiety + increased compliance = improved clinical outcomes and increased patient satisfaction

**CODE BLUE**  
**JULI MAXWORTHY**

TEAM/DEPARTMENT/SERVICE:

**Critical Care Committee**

Data Range: Q1: Jan-March Year: 2011

Legend: N = Numerator, D = Denominator

PERFORMANCE IMPROVEMENT REPORT NUMERATOR/DENOMINATOR	JAN	FEB	MARCH	1ST QTR AVG	APR	MAY	JUN*	2ND QTR	JUL	AUG	SEP	3RD QTR AVG	OCT	NOV	DEC	4TH QTR AVG	YTD Total	
Number of Code Blue (All Units)	N 9	13	11	11													11	33
Code Blue- All Units (Disposition: Alive after code)	N 6	5	6	6													5.67	17
	D 9	13	11	11													11.0	33
	% 67%	38%	55%	53%													53%	
Code Blue- ICU (Disposition: Alive after code)	N 3	2	2	2.33													2.33	7
	D 6	6	4	5.33													5.33	16
	% 50%	33%	50%	44%													44%	
Number of RRTs	N 4	5	1	3													3	10
RRTs (Disposition: Alive after response)	N 4	5	1	3													3.33	10
	D 4	5	1	3													3.33	10
	% 100%	100%	100%	100%													100%	
Number of Patients who coded outside ICU and also had an RRT*	N 2	0	1	1													1	3

Data derived from Midas+ Focus Studies entered by Nursing Supervisors after each occurrence.

Analysis:

\*January 2011: Both cases had a rapid response called and within one hour had a code blue called. March 2011: Patient encounter (from 2/14 to 3/3) consisted of RRT called on 2/23/11 and Code Blue performed on 3/3/11 which indicates the occurrences are not related to one another because of the time lapse between the codes.

Action Plan:

\*Review of outlier cases will be performed by member of medical staff to identify opportunities for improvement. Data will be shared with the Critical Care Committee and other identified teams.  
\*Additional education will be continuing with the front line staff about the need to call early and often when there are early signs of deterioration in the patient's condition-review of Health Stream education occurring and needed support will be provided from Nursing Education. There is an expectation that when staff call or speak about concerns to either the rapid response team or physicians about their patient that they are supported and assisted in caring for the patient.

# ENVIRONMENT OF CARE

# END OF YEAR REPORT

- ✘ Strategic Planning
- ✘ Education
- ✘ Performance Improvement
- ✘ Manage Hospitals Environment of Care

## 6 MANAGEMENT PLANS OF THE ENVIRONMENT OF CARE

- ✘ Medical Equipment Management
- ✘ Hazardous Materials
- ✘ Utility Systems
- ✘ Fire Prevention & Life Safety
- ✘ Security
- ✘ Safety/Emergency Management

## 5 KEY ELEMENTS OF FOCUS

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

# **MEDICATION ERROR REDUCTION PLAN (MERP)**

# WHAT IS THE MERP?

✘ California Department of Public Health (CDPH)

Survey

✘ 11 elements

- + Prescribing
- + Prescription order communication
- + Product labeling
- + Product packaging and nomenclature
- + Compounding
- + Dispensing
- + Distribution
- + Administration
- + Education
- + Monitoring
- + Use

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# Medical Executive Report

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TAB 11

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**MEDICAL EXECUTIVE COMMITTEE  
REPORT TO THE BOARD OF DIRECTORS  
MAY 2011**

ITEM	ACTION
A. CHIEF OF STAFF REPORT	Informational
B. CREDENTIALS REPORT – April 2011	Approval

<b>MEDICAL STAFF COMMITTEE RECOMMENDATIONS</b>		<b>DATE</b>
CREDENTIALS COMMITTEE		May 5, 2011
MEDICAL EXECUTIVE COMMITTEE		May 9, 2011
BOARD OF DIRECTORS (SIGNATURE)		May 25, 2011

**CREDENTIALS REPORT TO THE BOARD APRIL 2011**

**INITIAL APPOINTMENTS**

<b>NAME</b>	<b>DEPARTMENT/SPECIALTY</b>	<b>CATEGORY</b>	<b>APPOINTMENT TERM</b>	<b>RECOMMENDATION</b>
Paul T. Barnes, PA	Medicine / Emergency Medicine	Allied Health Professional	05/25/11 – 05/25/13	Approval

**REAPPOINTMENTS**

<b>NAME</b>	<b>DEPARTMENT/SPECIALTY</b>	<b>CATEGORY</b>	<b>REAPPOINTMENT TERM</b>	<b>RECOMMENDATION</b>
Andres Anacker, MD	Medicine / General Family Practice	Affiliate Active	5/27/11 - 5/27/13	Approval
Brazell Carter, MD	Medicine / Internal Medicine	Active	5/27/11 - 5/27/13	Approval
Jennifer Krasnoff, MD	Medicine / Dermatology	Courtesy	5/27/11 - 5/27/13	Approval
Susan Lessin, MD	Medicine / Medical Oncology	Active	5/27/11 - 5/27/13	Approval
Michael McDonald, DMD	Surgery / Oral & Maxillofacial Surgery	Affiliate Active	5/27/11 - 5/27/13	Approval
Michael McNamara, MD	Medicine / Internal Medicine	Affiliate Active	5/27/11 – 5/27/13	Approval
John Mouratoff, MD	Medicine / Nephrology	Courtesy	5/27/11 - 5/27/13	Approval
Antonio Muto-Isolani, MD	Medicine / Emergency Medicine	Active	5/27/11 - 5/27/13	Approval
Joseph Poen, MD	Medicine / Radiation Oncology	Active	5/27/11 - 5/27/13	Approval
Maurice Sandler, MD	Surgery / Urology	Active	5/27/11 - 5/27/13	Approval
Michael Sherman, MD	Medicine / Medical Oncology	Courtesy	5/27/11 - 5/27/13	Approval
Lawrence Thompson, MD	Surgery / Pathology	Active	5/27/11 - 5/27/13	Approval
William Ting, MD	Medicine / Dermatology	Affiliate Active	5/27/11 - 5/27/13	Approval
Katherine Wilkins, PA-C	Medicine / Emergency Medicine	Allied Health Professional	5/27/11 - 5/27/13	Approval
Monte Wu, MD	Medicine / Nephrology	Active	5/27/11 - 5/27/13	Approval

**CREDENTIALS REPORT TO THE BOARD APRIL 2011**  
**Page 2**

<b>ADDITIONS AND/OR CHANGES TO PRIVILEGES</b>	
<b>NAME</b>	<b>ADDITION AND/OR CHANGE TO PRIVILEGES</b>
Maurice Sandler, MD	Withdrawal of surgical/procedural privileges; maintaining admit and consult privileges
<b>ADVANCEMENT FROM PROVISIONAL STAFF STATUS</b>	
<b>NAME</b>	<b>STAFF CATEGORY</b>
Maurice Sandler, MD	Active
<b>VOLUNTARY RESIGNATIONS</b>	
<b>NAME</b>	<b>EFFECTIVE DATE</b>
Coyness Ennix, MD	5/4/11