DOCTORS
MEDICAL CENTER

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

Wednesday, January 23, 2013
4:30 PM
Doctors Medical Center Auditorium
2000 Vale Road
San Pablo, CA

DOCTORS
MEDICAL CENTER

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER

GOVERNING BODY
BOARD OF DIRECTORS

WCCHD DOCTORS MEDICAL CENTER
GOVERNING BODY BOARD OF DIRECTORS
JANUARY 23, 2013 - 4:30 P.M.
Doctors Medical Center - Auditorium
2000 Vale Road
San Pablo, CA 94806

AGENDA

Swearing in of West Contra Costa Healthcare District Directors Deborah Campbell and Eric Zell

1. **CALL TO ORDER** — E. Zell

2. **ROLL CALL**

3. **APPROVAL OF MINUTES OF DECEMBER 19, 2012** — 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. **QUALITY AND PATIENT SAFETY REPORT** — B. Ellerston
   a. Presentation
   b. Discussion
   c. Public Comment
   d. *ACTION: Acceptance of the Quality and Patient Safety Report*

6. **FINANCIALS – DECEMBER 2012** J. Boatman
   a. Presentation
   b. Discussion
   c. Public Comment
   d. *ACTION: Acceptance of the December 2012 Financials*

7. **FISCAL YEAR 2013 AMENDED BUDGET** J. Boatman/D. Gideon
   a. Presentation
   b. Discussion
   c. Public Comment
   d. *ACTION: Temporary Approval of 2013 Budget*

8. **CHANGES TO MEDI-CAL PAYMENT METHODOLOGY** J. Boatman
   a. Presentation
   b. Discussion
   c. Public Comment
   d. *ACTION: For Information Only*

9. **EQUIPMENT REQUEST** J.Boatman/G.Prieto
   a. Presentation
   b. Discussion
   c. Public Comment
   d. *ACTION: Approval of Required Upgrades/Server Farm Virtualization*

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

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

ADJOURN TO CLOSED SESSION

A. Reports of Medical Staff Audit and Quality Assurance Matters Pursuant to Health and Safety Code Section 32155.

B. Conference with Labor Negotiators (pursuant to Government Code Section 554957.6) Agency negotiators: Bob Redlo, VP of Patient Relations, Labor Relations & Workforce Development, John Hardy, Vice President of Human Resources: California Nurses Association, NUHW, PEU Local One and Local 39.

C. Discussion involving Trade Secrets Pursuant to Health and Safety Code Section 32106. Discussion will concern new programs, services, facilities.

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

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MINUTES

TAB 3

WCCHD DOCTORS MEDICAL CENTER
GOVERNING BODY BOARD OF DIRECTORS
DECEMBER 19, 2012 - 4:30 P.M.
Doctors Medical Center – Administrative Conference Room
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
Wendel Brunner, M.D.
Deborah Campbell
Nancy Casazza
Sharon Drager, M.D.
Richard Stern, M.D.
William Walker, M.D.
Beverly Wallace

Absent: *Pat Godley*

3. APPROVAL OF NOVEMBER 26, 2012 AND DECEMBER 11, 2012 MINUTES

The motion made by Doctor Drager and seconded by Director Anderson to approve the November 26, 2012 and December 11, 2012 minutes passed unanimously.

4. PUBLIC COMMENTS

No public comments.

5. QUALITY AND PATIENT SAFETY REPORT

Ms. Bobbie Ellerston, Vice President of Patient Care, stood in for Karen Taylor, Director of Quality and Risk Management, and presented and sought acceptance of the Quality Management Report.

Ms. Ellerston reported on the Joint Commission (TJC) Update, including that the 45-day and 60-day action plans that have been submitted. The acceptance by the TJC is pending. Preparations for the TJC Lab and Primary Stroke Certification Surveys for September 2013 have been initiated.

Ms. Ellerston also highlighted the 3rd Quarter Core Measures and Stoke Measures Review, indicating that compliance is at or above goals in Pneumonia and AMI Measures; CHF discharge instructions are below goal, so actions are being taken. SCIP Measure has met goals except Foley Catheter removal by Day 2 – actions are being taken here as well, including an increased focus in bed huddles, supervisor rounding and increased education of unit nurses. In response to a question from Director Campbell, she and Ms. Ellerston had a discussion regarding the nature of the daily bed huddles.

Lastly, Ms. Ellerston presented the 2013 Quality Focus Indicators, such as:

- Reduction in Patient Falls
- Documentation and Care of Pressure Wounds
- Documentation of Patient Education
- Patient Safety at Department Levels
- Integrate Patient Safety Improvements with Patient Satisfaction Program

The motion made by Director Anderson and seconded by Director Wallace to accept the Quality Report passed unanimously.

6. CNA CASE MANAGEMENT CONTRACT

Mr. Bob Redlo, Vice President of Patient Relations, Labor Relations and Workforce Development presented and sought approval of the proposed terms for the CNA case management agreement. The Case Management staff had previously voted to join the existing CNA bargaining unit, and the existing Memorandum of Understanding (MOU)requires additions to include this staff.

Mr. Redlo reviewed the modifications to the MOU between Doctors Medical Center and CNA, Case Managers included in the Governing Body materials, and the economic impact of the proposed changes.

The total approximate increase cost for case managers:

- $2,000 each month starting after November 28, 2012 to equalize classifications
- Additional increase in CNA contract of 1.5% on January 31, 2013. Cost would be approximately $1,200 per month.

Dawn Gideon, interim Chief Executive Officer, stated that she has taken the position throughout the organization that she is not in support of presenting any contract – whether it

is a physician contract or collective bargaining contract – that increases the cost to the organization, given the current financial issues. However, this contract was negotiated over a long period of time in advance of the Governing Body directive to substantially reduce or eliminate the operating deficit. Therefore, she does support this recommendation of Mr. Redlo.

The motion made by Director Walker and seconded by Doctor Drager to accept the proposed terms for CNA case management agreement passed unanimously.

7. FINANCIALS – NOVEMBER 2012

Mr. James Boatman, Chief Financial Officer presented and sought acceptance of the November 2012 Financial Report. The Net Loss for the month was $2.8M with net income under budget by $2M. Operating revenue was under budget by $1.8K and operating expenses were in line with the budget. The most significant revenue variance was Commercial/PPO/HMO volume at $684K under budget. Our total cash position for the month is just under $12M but expect that number to go up to about $19M by the end of December. Mr. Boatman further reported that Accounts Receivable increased slightly to $27M in November, compared to $19M in December 2011. There is still $199,523 remaining in 2012 budget for capital items.

Mr. Boatman referred to the 2013 provisional budget, to be discussed in more detail at the January 2013 meeting. He reported that management continues to work to address the $16 million operating gap identified in the original budget.

Mr. Boatman also reported that, based upon Governing Body approval at their meeting of December 11, he was moving forward with the revenue cycle project.

Director Campbell commented that she had heard radio advertisements from Wells Fargo Bank about community outreach support through sponsorships (e.g. Glide Memorial Church in San Francisco). She stated she does advisory work with some WFB, and that she could talk to them to see if they would consider supporting Doctors Medical Center, or could spearhead inviting the community for support. Mr. Boatman stated that DMC had talked with them on some issues. He thanked Director Campbell for the suggestion.

The motion made by Doctor Drager and seconded by Director Anderson to accept the November 2012 Financial report passed unanimously.

8. CEO REPORT

Dawn Gideon, Interim Chief Executive Officer, referred to the group to the 2013 list of Governing Body meeting schedule, and noted that she told the liberty of changing the November and December meeting dates in light of the holidays in those months.

Ms. Gideon continued with her update on the 2013 Goals (presented at the November meeting) and as a reminder, those goals were: Patient Satisfaction, Clinical Quality, Fiscal Responsibility, Image Management, Workforce Leadership Development, Healthy

Workforce and Strategic Partnership. She stated we are very committed to making these goals come alive for all our employees, so we are in the process of developing teams throughout the organization that will include managers, physicians and staff within units and across departments and we are asking that every work unit identify one or two goals that they will achieve in each of the strategic areas.

Ms. Gideon reminded the Governing Body that in November they approved the temporary budget, but that she was confident that they could bring something back in January that meets a number of the directives in terms of expense reductions and performance improvements. She pointed out that management is doing this in a public fashion within the organization, involving a lot of employees, certainly all the managers. Examples of some major categories being pursued include but are not limited to documentation and coding, supply chain contracts, physician contracts, labor relation contracts, staffing and productivity, revenue cycle, more efficient operation in things like our management of the prison population. She provided details and examples within each area.

Finally, Ms. Gideon stated that, as Mr. Boatman mentioned, the financials contain all the expenses related to the Chevron incident, which are not insubstantial, but most of the revenue has not been included as we continue to negotiate with Chevron on payment. Discussion ensued regarding our approach with Chevron.

9. MEDICAL EXECUTIVE REPORT

Dr. Hodgson presented and sought approval/acceptance of the following action items:

1) *Approval of the Procedural Sedation Form*

Dr. Hodgson discussed the revisions to the Procedural Sedation Assessment form (Policy was previously approved), which includes adding: Mallampati score, Vital Signs, Reassessment and Time Out.

The motion made by Doctor Walker and seconded by Director Anderson to approve the revisions to the policy passed unanimously.

The meeting adjourned at 5:10 p.m to closed session.

At 5:45 p.m. the meeting of the Governing Body was opened.

It was reported that the Appointments and Reappointments of the medical staff passed unanimously.

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QUALITY REPORT

TAB 5

Quality Management Report

January 2013

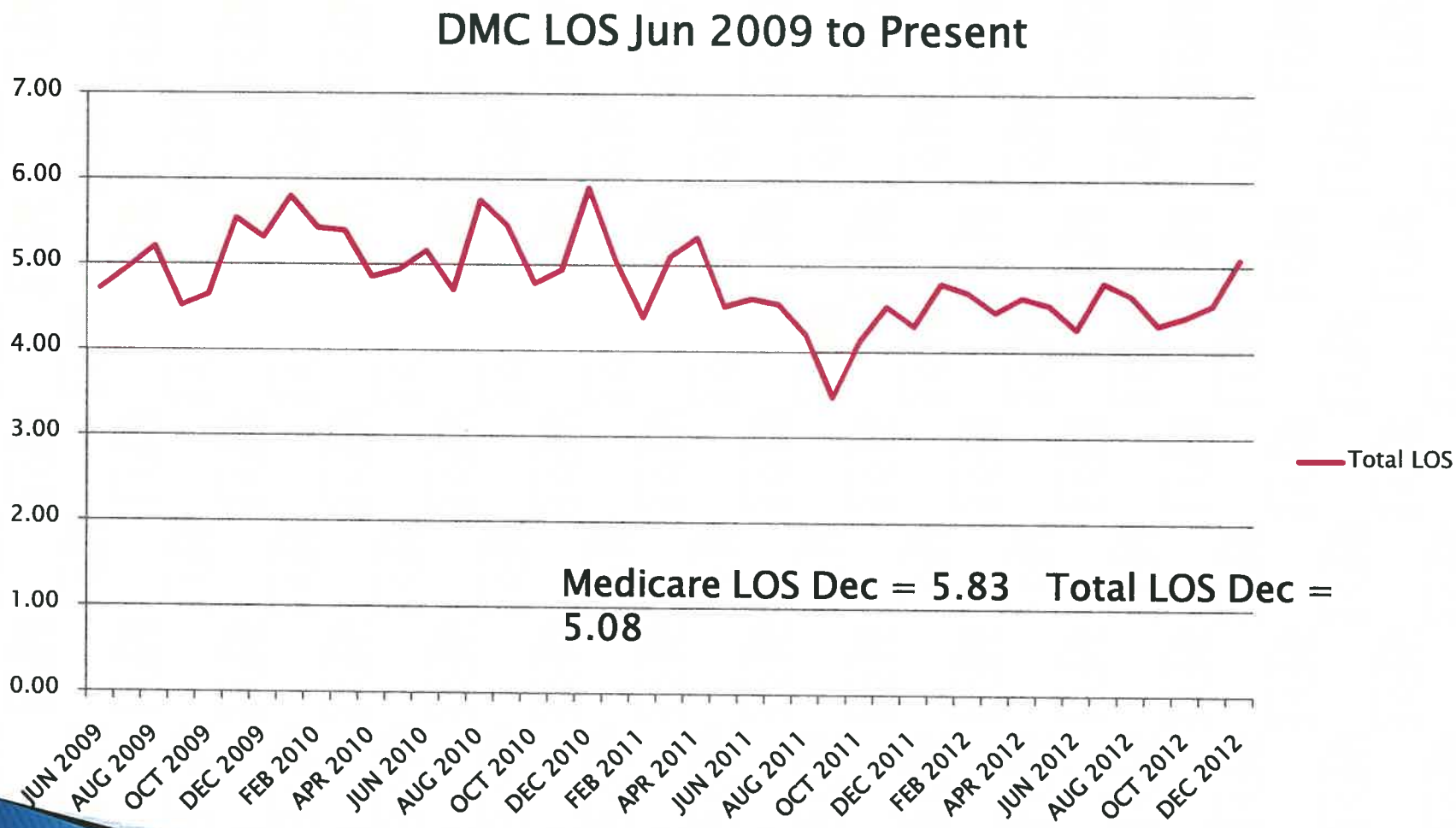
Core Measures 3rd Qtr & Oct – Nov 2012

- AMI & Pneumonia measures at 100% in November.
- SCIP Measures – Antibiotic Selection (83%) & VTE Prophylaxis (85%) are areas that we continue to make adjustments for improvement.
- CHF has shown improvement from 3rd Quarter and the team continues to work on improving the overall scores.

Patient Falls & HAPU 4th Qtr 2012

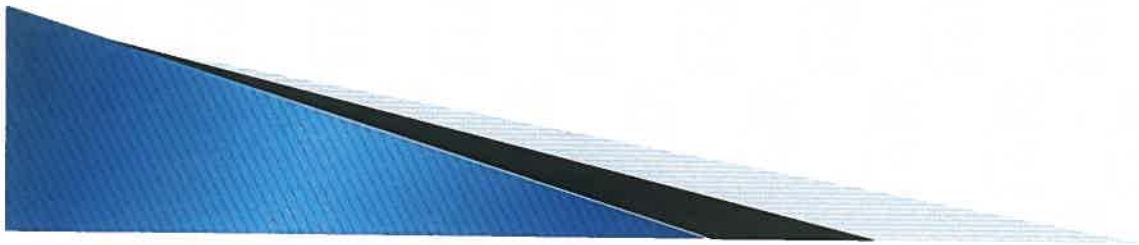
- No Falls with Injury in 3rd or 4th Qtr 2012
- HAPU = Hospital Acquired Pressure Ulcers
- Stage 3, 4 or Unstageable Ulcers obtained at DMC must be reported to CDPH
- DMC has 3 reportable ulcers in the 4th Qtr 2012
- HAPU Team Formed to reduce number and severity with focus on the MICU.

Utilization Management



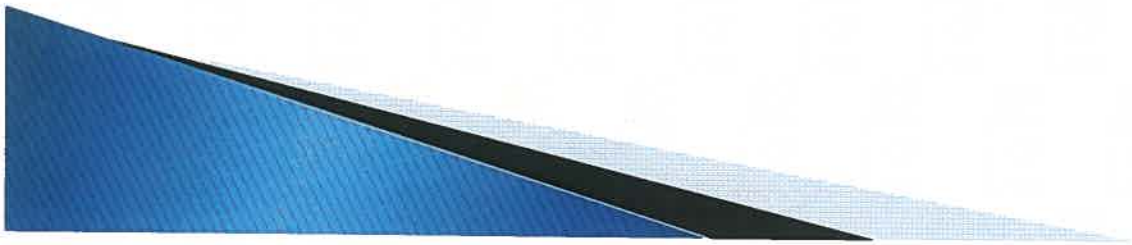
Laboratory Update- 4th Qtr 2012

- Blood Cross match to Transfusion Ratio: Goal is <2.0; DMC - 1.42
- Improvements targeting the reduction of False Positive Blood Cultures drawn by RNs is in progress.
- Turn around lab times for Stroke patient will be monitored in 2013 to prepare for Stroke Survey in September.



Organ Procurement Program – 3rd Qtr 2012

- California Donor Transplant Network (CDTN)
- 84 Deaths October – December Reviewed
- All deaths were referred to CDTN as required with only 3 appropriate tissue donors



STEMI – 3rd Qtr 2012

- ST Elevation MI (STEMI)
- 6 patients arrived by EMS with mean time 63.5 minutes. Goal is less than 90 minutes
- No STEMI related Mortality in the 3rd Qtr

DOCTORS MEDICAL CENTER

Clinical Laboratory Performance Improvement Key Indicators 2012

KEY INDICATOR	Goal	N	D	Q1 AVG	N	D	Q2 AVG	N	D	Q3 AVG	N	D	Q4 AVG	N	D	2011 AVG	N	D	2012 AVG
Wasted Products																			
RBC	< 2.0%	12	785	1.5	9	809	1.11	15	942	1.59	17	903	1.88	22	912.8	2.36	53	3439	1.5
Cross-Match/Transfusion Ratio																			
RBC	< 2.0	785	614	1.3	809	569	1.42	942	617	1.53	903	637	1.42	913	650	1.40	3439	2437	1.4
False Positive Blood Culture																			
RN	<3%	16	417	3.8	21	462	4.55	29	335	8.66				32	1670	1.9	66	1214	5.4
Lab	<3%	11	1274	0.9	8	1304	0.61	23	1289	1.78				13	1670	0.8	42	3867	1.1
Patient Safety Audit - Specimen Labeling																			
RN	> 95%	15	241	93.8	6	131	95.4	8	156	94.9				373	389.5	95.6	29	528	94.5
Lab	> 95%	13	241	94.6	3	131	97.7	12	156	92.3				375	389.5	96.2	28	528	94.7
Turn-Around-Time (TAT) (order to result)																			
AM	>80%			65.8			73.60			82.16			81.70			82.8			75.8
ER	<60 min			61.8			59.3			59.4			56.30			60.0			59.2
Critcal Value RN Notificaton																			
Called / Total Criticals x 100	98%			N/A	1	1830	99.9	1	4323	100.0	1	4839	100.0			N/A	3	10992	99.97

KEY LEGEND: N= Numerator (Audit Parameter Number) D= Denominator (Total Volume) %=N/Dx100
TAT reported as percentage of total meeting goal

= Met Goal

= Within 3% of Goal (Does not apply to Blood Cultures)

=PI Alert

EXEC SUMMARY AND ANALYSIS	ACTION PLAN
	The Lab embraces the practice of Continual Improvement to uphold Patient Safety
*Q2 Data for critical value notification only includes data from June 2012. *Critical Value RN notification data for 2011 not available for comparison. *Complete Q4 data for Patient Safety Audit and False Positives not Availible at time of data submission.	
Wasted Products and C/T ratios continue to be outstanding - well below threshold for action.	
False Positive Blood Culture rates continue high for RNs, and are higher than normal for Lab staff.	False Positive Blood Cultures: 10/30/2012 ER staff inserviced to remind RNs to draw blood cultures peripherally, and especially not from IV starts. Additional inservice on proper technique begins 01/08/2013. Training to be provided by lab personnel with lower false positive rates. Lab staff inservice on technique will occur concurrently with RN inservice.
Patient Safety Audit reveals lower than expected compliance for both RNs and Lab staff.	11/29/2012 Lab staff advised to call units to have RNs complete labelling on tubes prior to acceptance. CLSs advised to return tubes to LAs if any information is missing.
ER and Morning TATs average well below limits.	It was noted that there were several days on which TATs were prolonged, however the averages remained good. An analysis of the prolonged times indicated higher than expected volumes, staff sick calls, and instrument problems on the dates in question. Weekends were often negatively impacted. We are investigating a means of rotating our high performing staff through weekends.

Reviewed and Approved by

Carolyn Mahoney, CLS
Clinical Laboratory Director

September 2012

DOCTORS MEDICAL CENTER

Quality/Patient Safety Metrics

Acute Myocardial Infarction (AMI)

	1Q 2012	2Q 2012	3Q 2012	Oct-Nov 12	Goal
Medication: Aspirin at arrival (AMI1)	93.0%	100.0%	100.0%	100.0%	90-100%
Aspirin at discharge (AMI2)	97.4%	100.0%	100.0%	100.0%	90-100%
ACEI/ARB for LVSD[1] (AMI3)	(7/8) 87.5%	100.0%	100.0%	100.0%	90-100%
Beta blocker at discharge (AMI5)	100.0%	93.5%	96.8%	100.0%	90-100%
Fibrinolysis Tx within 30 min of arrival (AMI7a)	n/a	n/a	100.0%	n/a	90-100%
Percutaneous Cardiac Intervention (PCI) w/in 90 min of arrival (AMI8a)	100.0%	(6/7) 85.7%	(6/7) 85.7%	100.0%	90-100%
Statin Prescribed at Discharge (AMI10)	94.6%	97.5%	97.0%	100.0%	90-100%

COMMENTS:

•Currently, all elements are 100% for Oct and Nov 2012

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

•Results are reviewed at STEMI Committee meeting

ACTION PLAN:

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

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

>eQRR entered for Discharge instructions and medications

DOCTORS MEDICAL CENTER

Quality/Patient Safety Metrics

Congestive Heart Failure (CHF)

	1Q 2012	2Q 2012	3Q 2012	Oct-Nov 12	Goal
All Discharge Instructions (HF1)	(42/60) 70%	(43/76) 56.6%	(34/62) 54.8%	(39/59) 67.2%	90%-100%
Activity instructions at discharge (HF1a)	93.3%	90.8%	96.8%	100.0%	90%-100%
Diet instructions at discharge (HF1b)	91.7%	92.1%	96.8%	98.3%	90%-100%
Follow-up instructions at discharge (HF1c)	95.0%	**(64/76) 84.2%**	96.8%	98.3%	90%-100%
Medications instructions at discharge (HF1d)	**(50/60) 83.3%**	**(67/76) 88.2%**	93.5%	98.3%	90%-100%
Symptons worsening instructions at discharge (HF1e)	98.3%	90.8%	98.4%	91.4%	90%-100%
Weight monitoring instructions at discharge (HF1f)	95.0%	(54/76) 71.1%	(37/62) 59.7%	(40/58) 69.0%	90%-100%
Evaluation of Left Ventricular Systolic (LVS) Function (HF2)	98.6%	98.9%	98.6%	98.6%	90%-100%
ACEI or ARB for LVSD[1] (HF3)	**(15/18) 83.3%**	**(32/37) 86.5%**	(19/25) 76%	93.3%	90%-100%

COMMENTS:

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

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

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

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

ACTION PLAN:

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

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

>eQRR entered for Discharge instructions and medications

DOCTORS MEDICAL CENTER

Quality/Patient Safety Metrics

Pneumonia (PN)

	1Q 2012	2Q 2012	3Q 2012	Oct-Nov 12	Goal
Blood Culture within 24 hrs of arrival-ICU (PN3a)	100.0%	100.0%	(8/9) 88.9%	100.0%	90%-100%
Blood Culture in ED prior to initial Antibiotic (PN3b)	100.0%	100.0%	100.0%	100.0%	90%-100%
Antibiotic selection for ICU/non-ICU patients (PN6)	100.0%	100.0%	100.0%	100.0%	90%-100%
Antiobiotic selection for ICU patients (PN6a)	100.0%	100.0%	100.0%	100.0%	90%-100%
Antibiotic selection for Non-ICU patients (PN6b)	100.0%	94.4%	100.0%	100.0%	90%-100%

COMMENTS:

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

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

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

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

ACTION PLAN:

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

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

DOCTORS MEDICAL CENTER

Quality/Patient Safety Metrics

Surgical Care Improvement Project (SCIP)

	1Q 2012	2Q 2012	3Q 2012	Oct-Nov 12	Goal
Antibiotics within 1 hour (SCIP INF 1a)	92.0%	93.5%	92.9%	100.0%	90%-100%
Antibiotics Selection (SCIP INF 2a)	100.0%	100.0%	96.4%	(10/12) 83.3%	90%-100%
Antibiotics discontinued within 24 hours (SCIP INF 3a)	100.0%	(26/30) 86.7%	92.9%	91.7%	90%-100%
Hair Removal (SCIP INF 6)	100.0%	100.0%	100.0%	100.0%	90%-100%
Urinary Catheter Removed Post-Op Day 1 & Day 2 (SCIP INF 9)	92.9%	94.3%	(31/43) 72.1%	(21/24) 87.5%	90%-100%
Periop Temp Mgt (SCIP INF 10)	100.0%	100.0%	100.0%	100.0%	90%-100%
Beta Blocker perioperative (SCIP CARD 2)	100.0%	(11/13) 84.6%	100.0%	100.0%	90%-100%
VTE Prophylaxis Ordered (SCIP VTE 1)	100.0%	94.7%	98.0%	(23/27) 85.185%	90%-100%
VTE Prophylaxis Timely (SCIP VTE 2)	96.9%	92.1%	(44/49) 89.8%	(23/27) 85.185%	90%-100%

ACTION PLAN:

- All surgical patients orders have an automatic stop order for antibiotics unless orders are not on CPOE. Working with OR and Pharmacy. Challenges are related to MD not using ORDER SETS and/or handwriting orders.
- Urinary Catheter Removal: challenges related to (delay) documentation. Units are using the Infection Control Sticker. Concurrent Review Nurse is reviewing for these and reminding staff to remove foley on Day 1 if possible.
- Appropriate VTE prophylaxis should be received within 24 hours prior to surgery to 24 hours after surgery. Receiving the prophylaxis outside this window without any documented reason will be an OFI. This remains a challenge.
- eQRR sent for those Fallouts (OFIs) and cases have been referred for peer review.
- PACU post Op Order Set is being reviewed and waiting for approval. No pts will be allowed to leave PACU without completion/addressing the order set.
- Continuing RN and MD education regarding appropriate BB administration is ongoing.
- Daily report sent to Nursing leadership.
- Core Measure team comprising Nursing leadership and Quality department meets twice a month for Core Measure Quality Improvement.

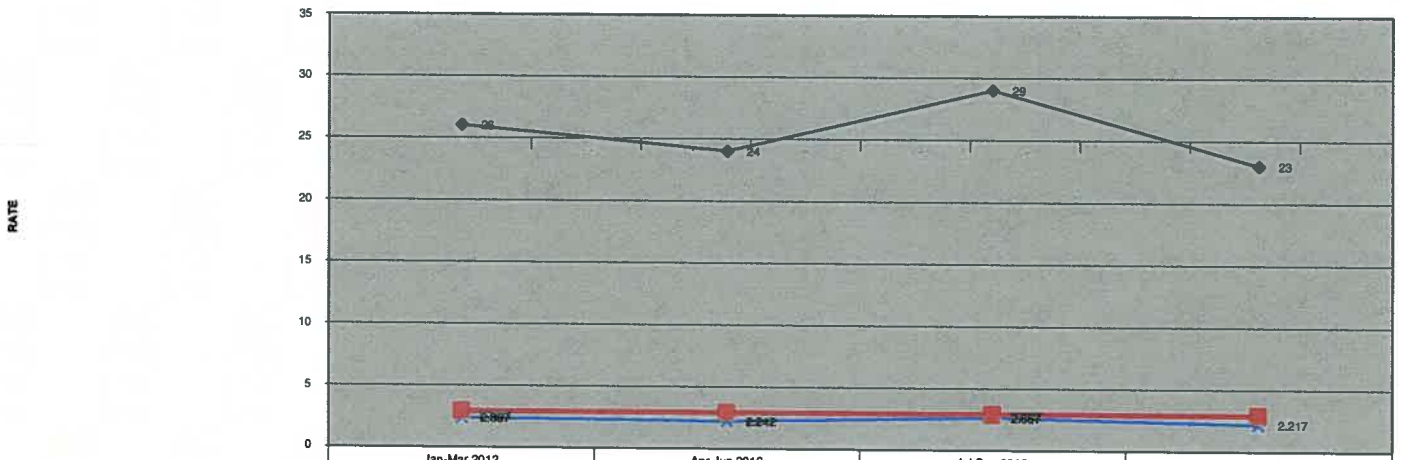
DOCTORS MEDICAL CENTER

Quality/Patient Safety Metrics

Patient Safety: Falls

Indicator	Jul-Sep 2011	Oct-Dec 2011	Jan-Mar 2012	Apr-Jun 2012	Jul-Sep 2012	Oct-Nov 2012	Total
Total Falls	32	31	26	24	29	23	165
Total Falls With Injury	0	0	0	0	0	0	0
% Falls with Injury	0	0	0	0	0	0	0
Total Falls per 1,000 Patient Days (APD)	3.459	3.142	2.397	2.242	2.657	2.217	16.114
Total Falls w/Injury per 1,000 Patient Days (APD)	0	0	0	0	0	0	0.000
CALNOC Benchmark	2.94	2.94	2.94	2.94	2.94	2.94	
CALNOC Benchmark (Falls with Injury)	0.1	0.1	0.1	0.1	0.1	0.1	

PATIENT SAFETY FALLS



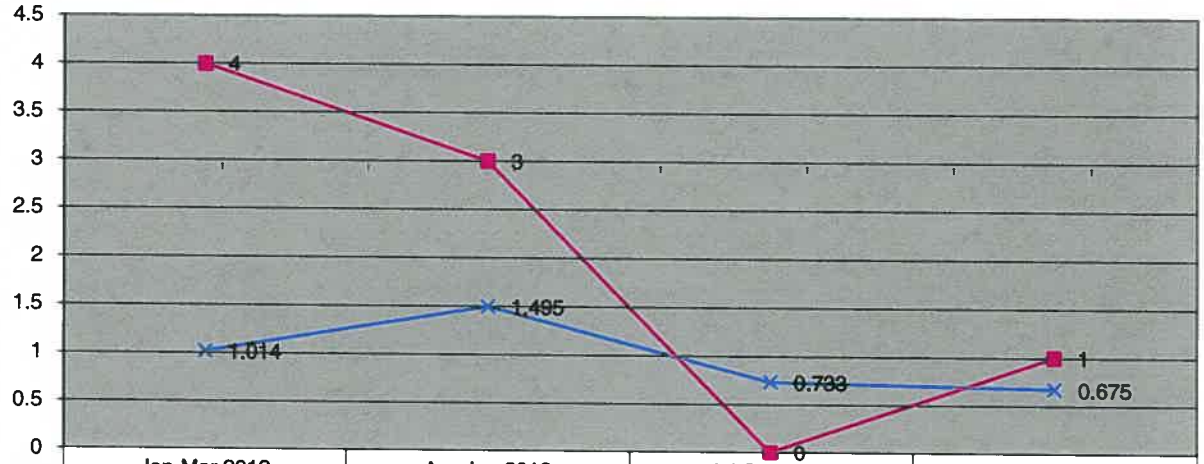
	Jan-Mar 2012	Apr-Jun 2012	Jul-Sep 2012	Oct-Nov 2012
Total Falls	26	24	29	23
Total Falls per 1,000 Patient Days (APD)	2.397	2.242	2.657	2.217
CALNOC Benchmark	2.94	2.94	2.94	2.94

DOCTORS MEDICAL CENTER

Quality/Patient Safety Metrics

Patient Safety: Pressure Ulcers

Indicator	Jul-Sep 2011	Oct-Dec 2011	Jan-Mar 2012	Apr-Jun 2012	Jul-Sep 2012	Oct-Nov 2012	Total
Total HAPU Events	6	2	11	16	8	7	50
HAPU EVENTS: Stage 3, Stage 4, Unstageable	0	0	4	3	0	1	8
Skin Integrity Events by Location	49	47	53	41	28	28	246
HAPU Rate: Adjusted Patient Days	0.541	0.101	1.014	1.495	0.733	0.675	3.88381



	Jan-Mar 2012	Apr-Jun 2012	Jul-Sep 2012	Oct-Nov 2012
HAPU EVENTS: Stage 3, Stage 4, Unstageable	4	3	0	1
HAPU Rate: Adjusted Patient Days	1.014	1.495	0.733	0.675

Rate

Draft III Contra Costa STEMI Center Quarterly Report

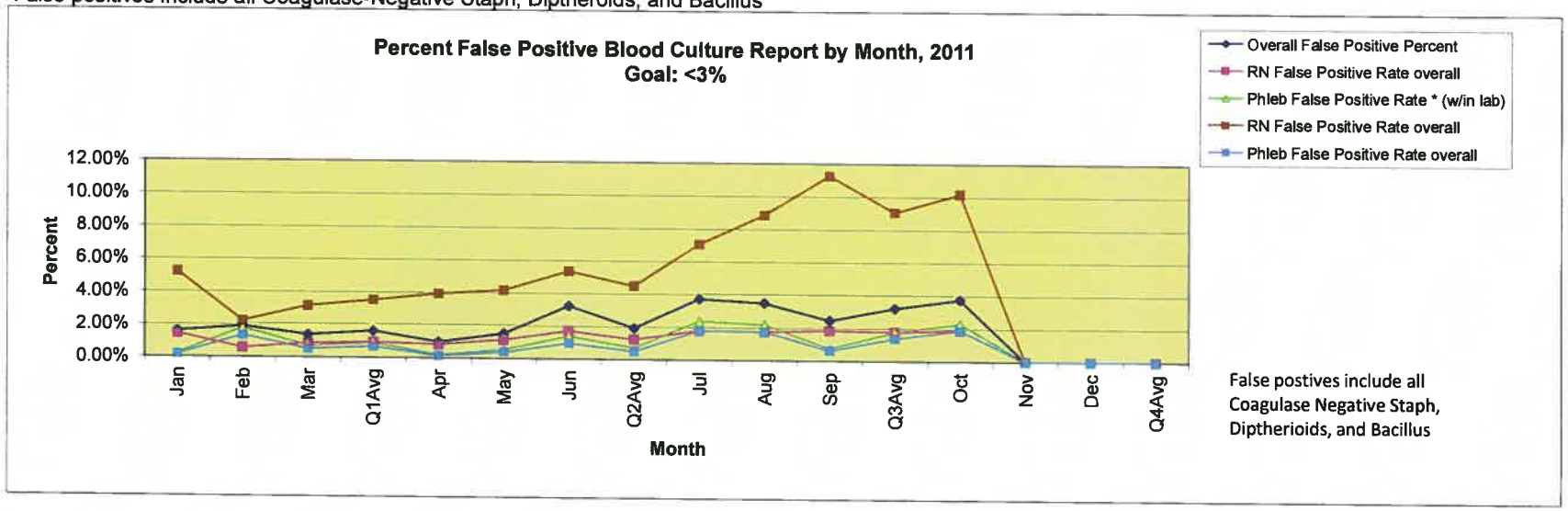
(Please submit your NCDR STEMI Risk-adjusted report when available)

STEMI Center Name: Doctors Medical Center				Date Submitted: 12/17/2012
Prepared by: Sharri Steiert RN				Quarter:3rd 2012
EMS Data Point	**Number & Percent should reflect all qualifying patients (as reported to ACCNCDR PCI or ACTION Registry)**		**STEMI Center Results**	**National Standard (Mean)**
	Patient STEMI Intervals – Excludes Transfer and In-House STEMI			
	Total number of STEMI patients *(excluding transfers and patients with a non-system reason for delay)*		5	
	Door-to-Intervention Intervals: *(excluding transfers and patients without a "non-system" reason for delay).*	Mean	70 min	≤90 minutes
		Median	74 min	
	Percentage of Door-to-Intervention intervals ≤ 90 minutes		100 %	>75%
	Total Number of STEMI patients experiencing a non-system reason for delay *(includes: difficult vascular access, Cardiac Arrest and/or intubation before PCI, patient delays in consent, difficulty crossing culprit lesion during PCI, Other)*		*1*	
	Patients Arriving by EMS			
	Total Number of EMS patients		6	
	Door-to-Intervention:	Mean	63.5 min	≤ 90 minutes
		Median	72 min	
	Percentage of Door-to-Intervention intervals ≤ 90 minutes.		**100%**	>75%
	Inter-facility Transfer STEMI (IFTS) Patients Only			
	Number of patients transferred for immediate PCI for STEMI from another facility		5	
	Door in to Door Out Time at referral facility *(time from ED arrival at STEMI transferring facility to ED arrival at STEMI receiving facility)*	Mean	82 min	≤90 minutes
		Median	67 min	
	Time from ED presentation at STEMI transferring facility to intervention at STEMI receiving facility	Mean	96 min	
		Median	95 min	
	Percentage of (IFTS) Door-to-Intervention intervals ≤ 90 minutes		100 %	>75%
	Walk In Patients			
	Number of patients who arrived at STEMI receiving facility ambulatory		1	
	Door-to-Intervention:	Mean	74 min	≤90 minutes
		Median	74 min	
	Percentage of Door-to-Intervention intervals ≤ 90 minutes		100%	
	Disposition of STEMI patients			
	Number of STEMI patients that did not receive PCI			3
	Reason for patients not receiving PCI:			
	1. Cath Lab Access			
	2. Cardiac Arrest, CPR, Defibrillation, ET intubation, Respiratory Arrest, VFib defibrillation			
	3. Patient/family refusal and comfort care			
	4. Patient contraindication: CT scan or TEE to r/o bleed, need to control HTN/hypotension			
	5. DNR Status			
	6. Other			3
	STEMI Mortality			0

False Positive Blood Culture Report by Month, 2012

Goal <3%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Jan	**Feb**	**Mar**	**Q1Avg**	**Apr**	**May**	**Jun**	**Q2Avg**	**Jul**	**Aug**	**Sep**	**Q3Avg**	**Oct**	**Nov**	**Dec**	**Q4Avg**
Total Blood Cultures Performed	631	529	582	581	717	524	525	589	564	572	488	541	638			
Total False Positive	10	10	8	9	7	8	17	11	21	20	12	18	24			
Overall False Positive Percent	1.6%	1.9%	1.4%	1.62%	1.0%	1.5%	3.2%	1.91%	3.7%	3.5%	2.5%	3.23%	3.8%	######	######	#DIV/0!
Total Blood Cultures Drawn By RN	173	136	159	156	153	144	168	155	142	113	80	112	118			
Blood Cultures Drawn by ER	141	117	5	156	153	144	165	156	140	110	78	156	115			
False Positives Drawn by RN	9	3	5	6	6	6	9	7	10	10	9	10	12			
RN False Positive Rate*(w/in RN)	5.20%	2.21%	3.14%	3.52%	3.92%	4.17%	5.36%	4.48%	7.04%	8.85%	11.25%	9.05%	10.17%	######	######	#DIV/0!
RN False Positive Rate overall	1.4%	0.6%	0.9%	0.95%	0.8%	1.1%	1.7%	1.23%	1.8%	1.7%	1.8%	1.79%	1.9%	######	######	#DIV/0!
ER					4	6	6	5.3	7	7	7	7	9			
MICU							2	2	2	3	2	2.3	2			
FICU																
SICU																
Hemodialysis																
OR																
3N																
4N					2		1	1.5	1			1	1			
5N																
6N																
7N																
ONC																
BURN																
Wound Center																
RT																
MD																
Total Blood Cultures Drawn By Lab	458	393	423	425	564	380	360	435	422	459	408	430	520			
False Positives Drawn by Lab	1	7	3	4	1	2	5	3	10	10	3	8	12			
Phleb False Positive Rate overall	0.16%	1.32%	0.52%	0.67%	0.14%	0.38%	0.95%	0.49%	1.77%	1.75%	0.61%	1.38%	1.88%	######	######	#DIV/0!
Phleb False Positive Rate * (w/in lab)	0.2%	1.8%	0.7%	0.90%	0.2%	0.5%	1.4%	0.70%	2.4%	2.2%	0.7%	1.76%	2.3%	######	######	#DIV/0!

False positives include all Coagulase-Negative Staph, Diptheroids, and Bacillus



DOCTORS
MEDICAL CENTER

FINANCIALS- DECEMBER 2012

TAB 6

Board Presentation

December 2012

Financial Report

Financial Report Key Points

- Net Profit was $247K in December.
- Operating revenue was over budget by $216K.
- Net patient revenue was $444K over budget.
- Operating expenses were $855K over budget.
- AB915 funding of $1M was delayed in 2012.
- Chevron settled increasing revenue by $2.3M.

Statement of Activity – Summary

For the Period Ending

December 31, 2012

(Thousands)

Month to Date				Year to Date		
Actual	Budget	Var		Actual	Budget	Var
12,162	11,946	216	**Net Operating Revenues $**	123,429	131,575	(8,146)
13,886	13,031	(855)	**Total Operating Expenses $**	150,422	149,063	(1,359)
(1,724)	(1,086)	(638)	**Income/(Loss) from Operations $**	(26,993)	(17,488)	(9,505)
1,971	877	1,094	**Income from Other Sources $**	9,578	9,283	295
247	(208)	455	**Net Income / (Loss) $**	(17,415)	(8,205)	(9,210)

2,624	2,384	240	**Patient Days**	27,532	29,868	(2,336)
515	496	19	**Discharges**	6,013	6,158	(145)
5,987	6,333	(346)	**Outpatient Visits**	79,821	78,776	1,045
655	637	(18)	**Worked FTE's**	629	636	8
1.65	1.59	0.06	**Medicare CMI**	1.54	1.59	(0.05)

Budget Variances – **Net Revenue**

- Chevron- $2,300K.
- Timing of AB 915 funds - $(1,000K).
- Medicare / Medicare HMO - $247K.
- Government / Workers Comp -($608K).
- Commercial / PPO /HMO - ($415K).

Budget Variances – Expenses

- **Salaries & Benefits** ($544K) – Severance payments and increased worker's compensation costs.
- **Professional Fees** ($214K) – Unbudgeted consultants and Professional Fees.

Cash Position

December 31, 2012

(Thousands)

	December 31, 2012	December 31, 2011
Unrestricted Cash	$5,059	$13,959
Restricted Cash	$11,612	$29,859
Total Cash	$16,671	$43,818
Days Unrestricted Cash	11	33
Days Restricted	27	72
Total Days of Cash	39	106

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

Accounts Receivable

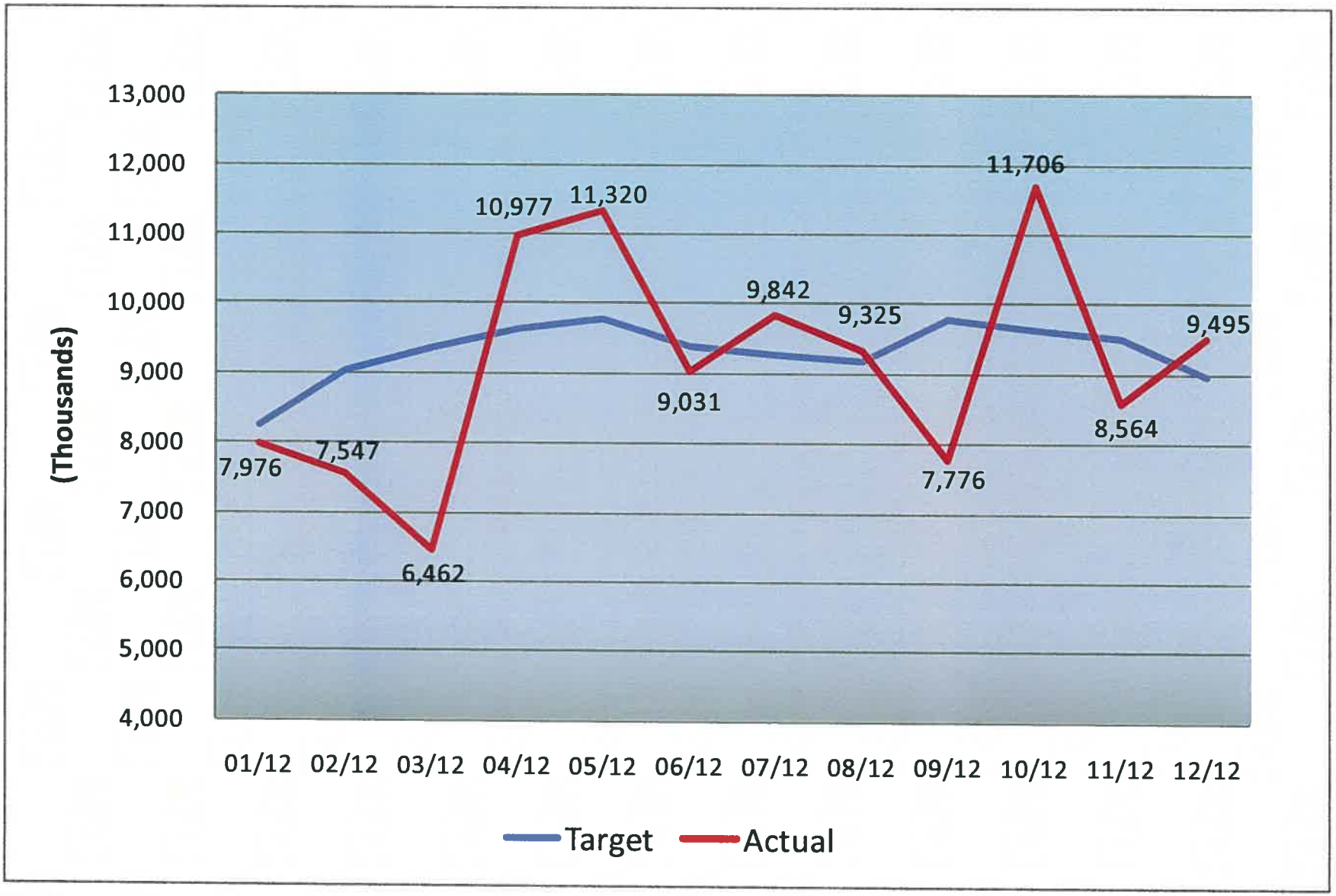
December 31, 2012

(Thousands)

	December 31, 2012	December 31, 2011
Net Patient Accounts Receivable	$31,007	$19,177
Net Days in Accounts Receivable	93.8	60.7

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

Cash Collections YTD



Capital Budget 2012

Paragon	$1,757,000
Other	1,000,000
Total Capital Budget:	$2,757,000
Commited To Date:	$2,732,477
Subtotal Remaining	$24,523
Foundation Support	175,000
Remaining Capital	$199,523

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
INCOME STATEMENT
December 31, 2012
(Amounts in Thousands)

	CURRENT PERIOD				PRIOR YEAR		CURRENT YTD				PRIOR YEAR
	ACTUAL	BUDGET	VAR	VAR %	ACTUAL		ACTUAL	BUDGET	VAR	VAR %	ACTUAL
						OPERATING REVENUE					
1	12,037	11,593	444	3.8%	9,747	Net Patient Service Revenue	119,789	128,114	(8,325)	-6.5%	115,839
2		223	(223)	-100.0%	-	Collaboration Savings		2,000	(2,000)	-100.0%	
3	125	130	(5)	-3.7%	91	Other Revenue	3,640	1,461	2,179	149.1%	1,190
4	12,162	11,946	216	1.8%	9,838	**Total Operating Revenue**	123,429	131,575	(8,146)	-6.2%	117,029
						OPERATING EXPENSES					
5	5,449	5,362	(87)	-1.6%	5,038	Salaries & Wages	64,031	62,823	(1,208)	-1.9%	61,563
6	3,669	3,212	(457)	-14.2%	3,377	Employee Benefits	33,815	33,588	(227)	-0.7%	34,684
7	1,077	863	(214)	-24.8%	877	Professional Fees	11,760	10,398	(1,362)	-13.1%	10,907
8	1,777	1,804	27	1.5%	1,250	Supplies	17,774	20,559	2,785	13.5%	18,775
9	907	965	58	6.0%	1,553	Purchased Services	11,176	11,595	419	3.6%	11,194
10	271	302	31	10.4%	367	Rentals & Leases	3,041	3,245	204	6.3%	3,106
11	428	370	(58)	-15.6%	350	Depreciation & Amortization	4,894	4,432	(462)	-10.4%	4,163
12		(223)	(223)			Collaboration Savings	-	(2,000)	(2,000)		
12	308	375	67	17.9%	240	Other Operating Expenses	3,931	4,422	491	11.1%	3,845
13	13,886	13,031	(855)	-6.6%	13,052	**Total Operating Expenses**	150,422	149,063	(1,359)	-0.9%	148,237
14	(1,724)	(1,086)	(638)	58.8%	(3,214)	**Operating Profit / Loss**	(26,993)	(17,488)	(9,505)	54.4%	(31,208)
						NON-OPERATING REVENUES (EXPENSES)					
15	-	-	-	0.0%	-	Other Non-Operating Revenue	1,200	1,200	-	0.0%	5,990
16	2,412	1,131	1,281	-113.2%	547	District Tax Revenue	12,739	11,024	1,715	-15.6%	8,498
17	34	4	30	701.9%	671	Investment Income	263	51	212	416.9%	56
18	(475)	(258)	(217)	0.0%	14	Less: Interest Expense	(4,624)	(2,992)	(1,632)	54.6%	(1,657)
19	1,971	877	1,094	124.6%	1,232	**Total Net Non-Operating**	9,578	9,283	295	3.2%	12,887
20	247	(208)	455	-218.5%	(1,982)	**Income Profit (Loss)**	(17,415)	(8,205)	(9,210)	112%	(18,321)
						Profitability Ratios:					
21	-14.2%	-9.1%	-294.8%		-32.7%	Operating Margin %	-21.9%	-13.3%	116.7%		-26.7%
22	2.0%	-1.7%	3.8%		-20.1%	Profit Margin %	-14.1%	-6.2%	-7.9%		-15.7%

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
INCOME STATEMENT
December 31, 2012
(Amounts in Thousands)

23	2,400	2,373	(27)	-1.1%	2,479	SWB / APD	2,285	2,171	(114)	-5.3%	2,284
24	65.7%	65.8%			64.5%	SWB / Total Operating Expenses	65.0%	64.7%			64.9%
25	3,655	3,607	(48)	-1.3%	3,846	Total Operating Expenses / APD	3,513	3,357	(157)	-4.7%	3,518
26	41,245	40,023	1,222	3.1%	34,957	I/P Gross Charges	425,282	492,913	(67,631)	-13.7%	453,774
27	18,467	20,624	(2,157)	-10.5%	19,517	O/P Gross Charges	236,084	239,984	(3,900)	-1.6%	237,690
28	**59,712**	**60,647**	**(935)**	**-1.5%**	**54,474**	**Total Gross Charges**	**661,366**	**732,897**	**(71,531)**	**-9.8%**	**691,464**
						Payor Mix (IP and OP)					
29	43%	39%	4%		39%	Medicare %	43%	40%	3%		40%
30	4%	15%	-11%		10%	Medi-Cal %	5%	15%	-10%		13%
31	11%	12%	-1%		13%	Managed Care HMO / PPO %	12%	12%	0%		12%
32	11%	9%	2%		11%	Medicare HMO %	10%	9%	1%		10%
33	16%	9%	7%		13%	Medi-Cal HMO %	15%	9%	6%		11%
34	0%	0%	0%		0%	Commercial %	0%	0%	0%		0%
35	1%	1%	0%		1%	Worker's Comp %	1%	1%	0%		1%
36	2%	4%	-2%		2%	Other Government %	3%	3%	-1%		3%
37	12%	10%	2%		11%	Self Pay /Charity %	11%	10%	1%		10%
						STATISTICS					
38	538	485	53	10.9%	501	Admissions	6,094	6,155	(61)	-1.0%	6,081
39	515	496	19	3.8%	507	Discharges	6,013	6,158	(145)	-2.4%	6,075
40	2,624	2,384	240	10.1%	2,178	Patient Days	27,532	29,868	(2,336)	-7.8%	27,650
41	84.6	76.9	7.7	10.1%	70.3	Average Daily Census (ADC)	75.2	81.6	(6.4)	-7.8%	75.8
42	5.10	4.81	(0.29)	-6.0%	4.30	Average Length of Stay (LOS)- Accrual Based	4.58	4.85	0.27	5.6%	4.55
43	31	31			31	Days in Month	366	366			365
44	746	752	(6)	-0.8%	790	Adjusted Discharges (AD)	9,351	9,156	195	2.1%	9,257
45	3,799	3,612	186	5.2%	3,394	Adjusted Patient Days (APD)	42,816	44,410	(1,594)	-3.6%	42,133
46	123	117	6	5.2%	109	Adjusted ADC (AADC)	117	121	(4)	-3.6%	115
47	86	73	13	17.8%	82	Inpatient Surgeries	934	1,084	(150)	-13.8%	1,059
48	76	104	(28)	-26.9%	114	Outpatient Surgeries	1,072	1,182	(110)	-9.3%	1,224
49	**162**	**177**	(15)	-8.5%	**196**	**Total Surgeries**	**2,006**	**2,266**	(260)	-11.5%	**2,283**

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
INCOME STATEMENT
December 31, 2012
(Amounts in Thousands)

50	3,234	2,851	383	13.4%	2,915	ED Outpatient Visits	41,390	33,658	7,732	23.0%	35,381
51	2,677	3,378	(701)	-20.8%	3,444	Ancillary Outpatient Visits	37,359	43,936	(6,577)	-15.0%	43,769
52	76	104	(28)	-26.9%	114	Outpatient Surgeries	1,072	1,182	(110)	-9.3%	1,224
53	**5,987**	**6,333**	(346)	-5.5%	**6,473**	**Total Outpatient Visits**	**79,821**	**78,776**	1,045	1.3%	**80,374**
54	487	423	64	15.1%	449	Emergency Room Admits	5,524	5,342	182	3.4%	5,444
55	15.1%	14.8%			15.4%	% of Total E/R Visits	13.3%	15.9%			15.4%
56	90.5%	87.2%			89.6%	% of Acute Admissions	90.6%	86.8%			89.5%
57	655	637	(18)	-2.8%	610	Worked FTE	629	636	8	1.2%	643
58	739	736	(3)	-0.3%	701	Paid FTE	730	727	(3)	-0.5%	750
59	5.34	5.47	0.12	2.2%	5.57	Worked FTE / AADC	5.37	5.24	(0.13)	-2.5%	5.57
60	6.03	6.32	0.29	4.6%	6.41	Paid FTE / AADC	6.24	5.99	(0.25)	-4.2%	6.50
61	3,169	3,209	(41)	-1.3%	2,872	Net Patient Revenue / APD	2,798	2,885	(87)	-3.0%	2,749
62	15,718	16,788	(1,070)	-6.4%	16,050	I/P Charges / Patient Days	15,447	16,503	(1,056)	-6.4%	16,411
63	3,085	3,257	(172)	-5.3%	3,015	O/P Charges / Visit	2,958	3,046	(89)	-2.9%	2,957
64	1,434	1,484	50	3.4%	1,484	Salary Expense / APD	1,496	1,415	(81)	-5.7%	1,461
64	5.9	5.7	(0.18)	-3.1%	4.5	Medicare LOS - Discharged Based	5.0	5.8	0.79	13.7%	5.0
65	1.65	1.59	0.06	3.9%	1.48	Medicare CMI	1.54	1.59	(0.05)	-3.4%	1.5
66	3.55	3.58	(0.03)	-0.7%	3.06	Medicare CMI Adjusted LOS	3.23	3.61	(0.39)	-10.7%	3.27
67	5.1	5.9	0.80	13.6%	4.30	Total LOS - Discharged Based	4.6	4.9	0.32	6.6%	4.51
68	1.582	1.562	0.02	1.2%	1.41	Total CMI	1.493	1.497	(0.00)	-0.3%	1.46
69	3.22	3.78	(0.55)	-14.7%	3.05	Total CMI Adjusted LOS	3.08	3.29	(0.21)	-6.3%	3.09

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

		Current Month	Dec. 31, 2011
	ASSETS		
70	Cash	5,059	13,959
71	Net Patient Accounts Receivable	31,007	19,177
72	Other Receivables	-125	1,160
73	Inventory	1,731	2,109
73	Current Assets With Limited Use	11,612	29,859
74	Prepaid Expenses and Deposits	1,661	999
75	**TOTAL CURRENT ASSETS**	**50,945**	**67,263**
76	**Assets With Limited Use**	**642**	**642**
	Property Plant & Equipment		
77	Land	12,120	12,120
78	Bldg/Leasehold Improvements	29,432	33,733
79	Capital Leases	10,926	10,926
80	Equipment	43,579	34,074
81	CIP	860	3,130
82	Total Property, Plant & Equipment	96,917	93,983
83	Accumulated Depreciation	-53,887	-49,200
84	**Net Property, Plant & Equipment**	**43,030**	**44,783**
85	**Intangible Assets**	**1,456**	**1,517**
86	**Total Assets**	**96,073**	**114,205**
87	Current Ratio (CA/CL)	***1.28***	***1.89***
88	Net Working Capital (CA-CL)	***11,161***	***31,749***
89	Long Term Debt Ratio (LTD/TA)	***0.64***	***0.55***
90	Long Term Debt to Capital (LTD/(LTD+TE)	***1.14***	***0.87***
91	Financial Leverage (TA/TE)	***-12.4***	***11.8***
92	Quick Ratio	**0.91**	**0.93**
93	Unrestricted Cash Days	**11**	**33**
94	Restricted Cash Days	**27**	**72**
95	Net A/R Days	**91.1**	**60.7**

		Current Month	Dec. 31, 2011
	LIABILITIES		
96	Current Maturities of Debt Borrowings	1,613	1,634
97	Accounts Payable and Accrued Expenses	16,972	16,021
98	Accrued Payroll and Related Liabilities	17,048	13,639
99	Deferred District Tax Revenue	2,880	2,880
100	Estimated Third Party Payor Settlements	1,271	1,340
101	**Total Current Liabilities**	**39,784**	**35,514**
	Other Liabilities		
102	Other Deferred Liabilities	2,761	6,105
103	Chapter 9 Bankruptcy	0	0
	Long Term Debt		
104	Notes Payable - Secured	61,242	62,067
105	Capital Leases	1,647	2,481
106	Less Current Portion LTD	-1,613	-1,634
107	**Total Long Term Debt**	**61,276**	**62,914**
108	**Total Liabilities**	**103,821**	**104,533**
	EQUITY		
109	Retained Earnings	9,667	28,400
110	Year to Date Profit / (Loss)	-17,415	-18,728
111	**Total Equity**	**-7,748**	**9,672**
112	**Total Liabilities & Equity**	**96,073**	**114,205**

DOCTORS
MEDICAL CENTER

December 2012 Executive Report

Doctors Medical Center had a Net Profit of $247,000 in the month of December. As a result, net income was over budget by $455,000. The following are the factors leading to the Net Income variance:

Net Patient Revenue Factors	**Positive / (Negative)**	**Days**
Government/ Workers Compensation	($608,000)	(160)
Medicare / Medicare HMO	$247,000	184
Managed Care, Commercial, PPO	($415,000)	
Self Pay		190
AB915 Funds	($1,000,000)	
Chevron True Up	$2,300,000	
Expenses		
Salaries & Benefits	($544,000)	
Professional Fees	($214,000)	

Net patient revenue was over budget by $444,000. Inpatient gross charges were over budget by 3.1%. Patient days were 10.1% over budget with discharges at 3.8% over budget. Outpatient gross charges were under budget in December by 10.5%. Ancillary outpatient visits were 20.8% under budget and outpatient surgeries were 26.9% under budget, while emergency department visits were 13.4% over budget.

The chart above tells the complete story on the net effect of our revenue in December. The positive days we saw in December were in Medicare and self pay. The Medicare program pays on discharges and while Medicare discharges were up slightly. The case mix index also increased which produced a small positive increase. However when you look at the days you can see that the Government days were way under budget and the self pay days are over budget (not a good thing). The revenue for self pay patients accounted for $921,000 of the inpatient charges over budget and since we don't expect to get paid for those days it does not have a positive impact on net patient revenue.

Revenue is over budget due to reaching a settlement agreement with Chevron resulting in an increase to revenue of $2.3million which is offset by a delay in the receipt of the AB915 funds of $1million.

Salaries and Benefits combined were over budget by $544,000 in December. Worked FTE's per adjusted average daily census was favorable to budget by 2.2% with salaries and wages at 1.6% over budget. Patient days were 10.1% over budget and outpatient visits were 5.5% under budget. Salaries for December were over budget due to severance pay. Benefit costs were over budget in December by $457,000 due to worker's compensation and health insurance. Year to date salaries and benefits combined are $1,435,000 over budget.

Professional Fees were over budget in December by $214,000 due to a new contract with Serramonte Pulmonary and unbudgeted consultants. The costs for four of these consultants (approximately $40,000) are budgeted in salaries and wages.

Budgeted collaboration revenue and expense reductions have not been achieved resulting in a $446,000 negative effect in December and a year to date negative effect of $4,000,000.

DOCTORS
MEDICAL CENTER

FISCAL YEAR 2013 AMENDED BUDGET

TAB 7

Board Presentation

FISCAL YEAR 2013

AMENDED BUDGET

WEST CONTRA COSTA HEALTHCARE DISTRICT DOCTORS MEDICAL CENTER

2013 Revised Budget

(Amounts in Thousands)

	Budget 2013	Changes	Revised Budget 2013
OPERATING REVENUE			
Net Patient Service Revenue	119,453	2,833	122,286
Other Revenue	3,106	-	3,106
Total Operating Revenue	122,559	2,833	125,392
OPERATING EXPENSES			
Salaries & Wages	62,580	(2,430)	60,150
Employee Benefits	32,642	151	32,793
Professional Fees	11,022	(535)	10,487
Supplies	16,792	(199)	16,593
Purchased Services	10,509	(636)	9,873
Rentals & Leases	3,424	-	3,424
Depreciation & Amortization	5,433	136	5,569
Other Operating Expenses	4,887	(290)	4,597
Total Operating Expenses	147,289	(3,803)	143,486
Operating Profit / Loss	(24,730)	6,636	(18,094)
NON-OPERATING REVENUES (EXPENSES)			
District Tax Revenue	13,613	-	13,613
Investment Income	51	-	51
Less: Interest Expense	(4,733)	120	(4,613)
Total Net Non-Operating	8,931	120	9,051
Income Profit (Loss)	(15,799)	6,756	(9,043)

DOCTORS
MEDICAL CENTER

CHANGES TO MEDI-CAL PAYMENT METHODOLOGY

TAB 8

MEDI-CAL PAYMENT METHODOLOGY

OVERALL PROGRAM

Delivery System Reform Incentive Payments (DSRIP)

Year one $40 million available to district hospitals
Year two and three $62.5 million available

Four areas for funding available

Infrastructure
Innovation and Redesign
Population-focused Improvements
Patient Safety

Other funds available

Uncompensated Care

Year 1 $45 million
Year 2 $50 million
Year 3 $55 million

Hospital Provider fee

$18.6 million available

Potential Medi-Cal Managed Care Intergovernmental Transfer

Program is in development

VERBAGE

- State changed Medi-cal Budgeting
- Cut 10% from rates paid
- Moved non-Government Hospitals to a payment per discharge
- County Hospitals to stay on old program
- District Hospitals petitioned to be treated like County hospitals
- District hospital are looking at:
- A-being a part of the county Hospitals funding
- B-adding program funding not currently available
- C-sharing in the federal funding sources

FINANCIAL SUMMARY

Medi-Cal Program funding Change

Program in 2012

Paid on days approved by the program

Days	1,007
Rate per day	1,788
Total Cash Received	1,800,516

FINANCIAL SUMMARY

Program as of January 1, 2013	
Weekly rate (half Expected Reim)	17,313
Weeks	52
Total Cash Received	900,258
Weekly Amount	17,313
Category 1&2	100%
Weeks	52
	900,258
Amount Received	1,800,516

DOCTORS
MEDICAL CENTER

EQUIPMENT REQUEST

TAB 9

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

TO: **GOVERNING BODY**
BOARD OF F DIRECTORS

FROM: **Glen Prieto, IT Technical Services Manager**

DATE: **01/15/2013**

SUBJECT: **Required Upgrades/ Server Farm Virtualization**

REQUEST / RECOMMENDATION(S): Recommend to the District Board to approve and authorize the Chief Financial Officer to execute on behalf of DMC, approval of the attached quote for the migration of our existing server farm to virtual servers. This request is based on the reality that 30+ servers are end of service life and are not cost-effective to maintain due to increasing hardware requirements.

FISCAL IMPACT:

The cost of this project is $385,078. This expense is for the required upgrades for 2013 which consist of HPF (Patient Medical Record EMR), HPM (Budget/Performance Application), PMOD (Contract Application), and EC2000 (Claims/BillingApplication).

STRATEGIC IMPACT:

The current HPF software is consistently incurring downtime due to increased hardware and integration resource requirements that are not available on existing platform. Current downtime is most felt in the processing of documents received from our HIS(Paragon). Downtime occurs due to server resources running at 100% capacity for extended periods causing delays in coding and billing as much as 3 days. We are scheduled to upgrade the HPF software and the equipment in this proposal will be required by McKesson. If the equipment order is delayed we will lose our date for the upgrade at McKesson which would delay the upgrade until the fall.

Disaster recovery:
Server farm virtualization ensures us integrity, scalability and availability of information systems. Virtualization separates the software from the hardware and provisions for reallocation of hardware use with the added capacity to move entire virtual servers from one server blade hardware to another in a matter of minutes. Comparatively, our existing physical servers, even with 24/7 4 hour turnaround time for hardware support would take on average 3 to 8 hours to procure the additional hardware, restage the operating system, reinstall the application software and restore the data from backup.

Testing:
A fully functional environment can be provisioned as needed for most of our applications for testing our disaster recovery backup procedures without wasting valuable hardware and can be shut down when not needed. Resources could be allocated elsewhere as needed.

Hardware re-allocation:
Fifteen service pcs are currently in use within the core datacenter. These computers are key components of our applications that serve as processor pcs for specific functions such as midnight closing, pharmacy processing, radiology results integration and HL7 interfaces. These can be repurposed as client pcs after virtualization.

Likewise, four dedicated computers are currently being used for direct access for off-site resources such as our sql programmer (contractor), and vendor resources.

Cost Savings:
Once the initial purchase of the core infrastructure is done, growth can take place at a much lower cost. Hardware purchases are minimal as one server blade ($~14K) can replace the costs of upwards of 20+ average physical servers(~$10K each) but may vary based on application virtualization specifications.

Examples of upcoming non-healthcare implementations:

- Ergotron Monitoring Server – monitors health of all 85 of our workstation on wheels. Software provide free by vendor, provided we have required hardware.
- Trackit upgrade .

Examples of upcoming and recently implemented clinical/financial applications:

- Paragon Audit server (Meaningful Use requirement) was recently implemented and storage expected to grow at 3 terabytes per month.
- Physician Documentation - no impact
- EDIS – no impact if McKesson Solution is purchased. We would estimate $30k to $80k of hardware costs would be required if not virtualized, comparatively $14k to $21k if virtualized (not including client pcs). These estimates are based on the technical specifications of vendors we have already reviewed (EPowerDoc, PICIS, Medhost).

In addition, 39 of our current servers are no longer under warranty and are incurring maintenance costs of approximately $20,000/year. These are upwards of 6years old and are end of service life. If we were to replace these servers, the cost would be up to $200,000 for the non-McKesson applications. If virtualized, using base costs, the requirement being 3 blades, the hardware cost would be estimated at $14,000 per blade. For servers home to McKesson applications the cost savings are not as profound as McKesson has strict virtualization specifications and migration costs.

Cost savings are also evident in power and cooling of the server room but is not immediately quantifiable.

Phase II Strategic Impact: Increased speed and throughput
The current servers and network core switches run currently on 1 gigabyte network connections and do not have the capability of load sharing. The new servers as requested can run a maximum of 10 gigabytes per second and have the ability to share the load across all applications *with the additional purchase of core network switching*. A substantial increase of speed in the application delivery to the end user would be experienced.

REQUEST / RECOMMENDATION REASON, BACKGROUND AND JUSTIFICATION:
In August 2012 DMC underwent a Security Risk Audit which identified key deficiencies in our system including ot having performed a disaster recover test within the last two years on any of our systems. This was identified as a critical risk.

A McKesson solution (remote hosting) is not financially feasible at this time

A true disaster recovery model does incorporate remote hosting or co-location. High availability of applications requires the applications to reside locally as well as remotely, one as a primary site, the other – secondary. It also requires full virtualization or a hybrid of virtualized servers and clustered servers for databases that cannot be virtualized. Therefore, in order for us to move forward towards a true disaster recovery model, the core in-house infrastructure must be addressed first by virtualizing our current systems. In the event that we are financially capable of entertaining remote hosting the vitualized applications can be copied to the remote site.

One particular application, Horizon Patient Folder, needs to be upgraded. Current timelines require HPF to be upgraded by May 2013 to version 15 in order for DMC to continue to handle the increase volume of electronic documents going directly to EMR. The upgrade from Paragon version 11.1 to version 12 will be required for attestation for Stage II Meaningful Use Stage II and will have to be in this new environment.

Presentation Attachments: Yes____No____

Requesting Signature: _____ Date: ___ / ___ / ___

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

Cc:
Accounts Payable
Contractor
CFO/Controller
Requestor

McKESSON

SALES ORDER

This Sales Order is entered into and made effective as of the latest date in the signature block below (**"SO Effective Date"**).

	EXHIBITS
A	**Facilities, Fees Summary, Payment Schedule and Administration**
A-1	**Products and Pricing**
A-2	**Additional Terms**
C-2	**Equipment Configuration and Related Professional Services**

The pricing in this Sales Order and McKesson's corresponding offer to Customer expires unless McKesson receives this Sales Order signed by Customer on or before Monday, January 28, 2013.

McKesson will include Customer's purchase order (**"PO"**) number on Customer invoices if provided by Customer on or before the SO Effective Date. If this Sales Order includes an amount equal to or greater than $10,000, a copy of Customer's PO must be attached. Failure to provide McKesson with a PO number or copy does not suspend or negate any Customer duty, including payment, under this Sales Order. Pre-printed terms and conditions on or attached to Customer's PO shall be of no force or effect.

Each signatory hereto represents and warrants that it is duly authorized to sign, execute, and deliver this Sales Order on behalf of the party it represents.

Doctors Medical Center San Pablo

Signature: _____
Printed Name: _____
Title/Position: _____
Customer PO#: _____
Date: _____

McKesson Technologies Inc.

Signature: _____
Printed Name: Kip Manibhai
Title/Position: Inside Sales Representative
Date: _____

McKesson Sales Center
Thank you for your business

Phone: (404) 338-4097
Fax: (678) 459-0868

EXHIBIT A

FACILITIES, FEES SUMMARY, PAYMENT SCHEDULE AND ADMINISTRATION

FACILITIES:

Customer No.	Facility	Full Address
1010453	Doctors Medical Center San Pablo	2000 Vale Rd, San Pablo, CA 94806
(NOTE: It is not necessary to list offices of physicians or other caregivers with privileges at a Facility.) *Location of Customer's Data Center		

FEES SUMMARY:

Products and Services	One-Time Fees	Estimated T&M Fees
Implementation / Professional Services:	$13,000	$10,092
Equipment:	$231,469	
Technology Services:	$38,534	
GRAND TOTALS:	$283,003	$10,092

PAYMENT SCHEDULE:

Implementation / Professional Services: Fixed Fee: 100% is due on the SO Effective Date.

Time & Materials: 100% is due monthly as incurred, billed in arrears.

Equipment: Payment in full for each component of the Equipment is due on its Delivery.

Equipment Shipping and Handling: Shipping and handling charges will be listed separately on the invoice for the corresponding Equipment and are due upon Equipment Delivery. Shipping and handling charges are not included in the amounts listed on Exhibit A-1.

Equipment Warranty Uplift: For each component piece of the Equipment to which the Warranty Uplift applies, payment in full is due on the Equipment Delivery date of that component piece.

Equipment Extended/Recurring Maintenance Services: First year fees are due on the Equipment Maintenance SO Effective Date; remaining annual installments are due on each anniversary of the SO Effective Date.

Technology Services/Professional Services: 100% is due on the SO Effective Date.

The transaction covered by this Sales Order may involve a discount, rebate or other price reduction on the items covered by this Sales Order. Customer may have an obligation to report such price reduction or the net cost in its cost reports or in another appropriate manner in order to meet the requirements of applicable federal and state anti-kickback laws, including 42 U.S.C. Sec. 1320a-7b(b)(3)(A) and the regulations found at 42 C.F.R. Sec. 1001.952(g) and (h). Customer will be responsible for reporting, disclosing, and maintaining appropriate records with respect to such price reduction or net cost and making those records available under Medicare, Medicaid, or other applicable government health care programs.

Unless Customer provides McKesson prior to the SO Effective Date satisfactory evidence of exemption (including evidence of renewal if applicable) from applicable sales, use, value-added, or other similar taxes or duties, McKesson will invoice Customer for all such taxes applicable to the transactions under this Sales Order.

ADMINISTRATION:

Sold To:	**Ship To:**
Doctors Medical Center San Pablo	Doctors Medical Center San Pablo
2000 Vale Rd	2000 Vale Rd
San Pablo CA 94806	San Pablo CA 94806
Attention:	Attention: Phyllis Moore
Telephone:	Telephone: (510) 970-5042
Facsimile:	Facsimile:
E-mail:	E-mail: pmoore@dmc-sp.org
Bill To:	**Paid By:**
Doctors Medical Center San Pablo	Doctors Medical Center San Pablo
2000 Vale Rd	2000 Vale Rd
San Pablo CA 94806	San Pablo CA 94806
Attention: Phyllis Moore	Attention: Jim Boatman
Telephone: (510) 970-5042	Telephone: (510) 970-5002
Facsimile:	Facsimile:
E-mail: pmoore@dmc-sp.org	E-mail: jboatman@dmc-sp.org

EXHIBIT A-1

PRODUCTS AND PRICING

Implementation /Professional Services Product No.	Module / Description	Product Family	List Price	QTY	Net Price	Estimated T&M Fees
74000735	Horizon Patient Folder Upgrade Service	Horizon Patient Folder	$10,000	1	$10,000	
HPF Technology Refresh for HPF application staging and migration fees for HPFv15.1 upgrade.						
74000736	Horizon Patient Folder Other Services	Horizon Patient Folder	$174	40		$6,960
HPF Time and Material Services to review HPF workflows at Doctor's Medical Center.						
74000736	Horizon Patient Folder Other Services	Horizon Patient Folder	$3,000	1	$3,000	
HPF services to implement HPF v15.1 ICD-10 readiness package for Doctor's Medical Center's HPF system (1 facility). Fixed-fee services to install and educate the new best practice workflow for Core Measures and Cancer Registry.						
74000736	Horizon Patient Folder Other Services	Horizon Patient Folder	$174	18		$3,132
HPF services to implement HPF v15.1 ICD-10 custom package for Doctor's Medical Center's HPF system (1 facility). Time & Materials Services to evaluate any other workflow stored procedures using ICD-9 codes						
Implementation / Professional Services Total:					**$13,000**	**$10,092**

Equipment Product No.	Module / Description	List Price	QTY	Net Price
82006376	Rightfax Enterprise Server - Production	$5,295	1	$3,610
Rightfax Enterprise Server - Production				
82006378	TR1034 8Pt Analog Fax Card	$6,195	1	$4,224
TR1034 8 Port PCI-E Analog Fax Card - Prod				
82006380	Rightfax Channel License – Production	$895	7	$4,270
Quantity 1 Rightfax Channel License - Production				
82012776	Horizon Patient Folder-HPFFAX-HP-Windows-StdCls6-G	$6,872	1	$5,802
DL380 with 2 x Hex Core processors, 16GB Memory, 3 x 300GB SAS Internal Disk Drives, OS Required = Windows Server 2008 R2 SE 64Bit				
82012252	Citrix NetScaler VPX 10 Mbps Ent Edition	$5,000	2	$6,136
Citrix NetScaler VPX 10 Mbps Ent Edition				
82010196	Windows 2008 EE 64Bit License-Microsoft	$3,032	11	$31,207
Windows 2008 EE 64Bit R2 License-Microsoft				

Equipment Product No.	Module / Description	List Price	QTY	Net Price
82010200	Windows 2008 SE 64Bit License-Microsoft	$759	1	$710
Windows 2008 R2 SE 64 Bit License with 5 CALs				
82010672	SQL 2008 EE R2 License-Microsoft	$1,602	4	$5,996
SQL 2008 EE R2 license				
82010187	Windows 2008 Client Access License-MSFT	$33	200	$6,200
Quantity 1 Windows 2008 Client Access User License				
82010673	SQL 2008 R2 ENT Client Access License-Microsoft	$162	200	$30,200
Quantity 1 SQL 2008 R2 Ent Client Access User License				
82006410	Warranty Uplift-Horizon Patient Folder-Rightfax SW	$1,895	1	$1,516
1 Year Standard Support				
82012260	Wrty- NetScaler VPX 10 Mbps Ent Edition	$2,520	2	$4,576
Warranty Uplift - NetScaler VPX 10 Mbps Ent Edition				
82003516	Warranty Uplift-Horizon Patient Folder-HPFFAX-HP	$1,530	1	$1,520
3 Year 24 x 7 Warranty Uplift				
82006412	Warranty Uplift-Horizon Patient Folder-Prod & Test Fax Cards	$1,229	1	$1,065
1 Year Next Day Replacement				
82009636	Basic Administration for Citrix NetScaler 9.0 This course includes content on NetScaler 9.1.Included exam: A11 Basic Administration for Citrix NetScaler 9.0"	$4,995	1	$4,995
Ext Svcs-Citrix-Netscaler Admin Training				
82013462	Virtual Center Server-HP-Win-StdCls13a	$15,169	1	$11,520
DL360 with 2 x Hex Core processor, 16GB Memory, 4 x 300GB SAS Internal Disk Drives, VMWare Virtual Center				
82010200	Windows 2008 SE 64Bit License-Microsoft	$759	1	$710
Windows 2008 R2 SE 64 Bit License with 5 CALs				
82010201	SQL 2008 SE License-Microsoft	$402	1	$376
SQL 2008 SE License with 5 CALs				
82010453	Blade Chassis-HP-StdCls6	$64,218	1	$58,931
HP BLC7000 Blade Chassis, 10 GB NIC, 8 GB FC				
82013465	Warranty Uplift-Virtual Center Server-HP	$1,297	1	$1,297
Warranty Uplift-Virtual Center Server-HP				
82010746	Warranty Uplift-Blade Chassis-HP-Intel	$927	1	$927
3 Year 24 x 7 Warranty Uplift				
82010746	Warranty Uplift-Blade Chassis-HP-Intel	$927	1	$927
3 Year 24 x 7 Warranty Uplift				
82012140	Blade Server-HP-Windows	$19,165	3	$42,969
Quantity (3) BL460C with 2 x HC processors, 96GB Memory, 2 x 300GB SAS, 1 x FC HBAs for SAN, OS = VMware ESX Enterprise Plus				
82012143	Warranty Uplift-Blade Server-HP	$595	3	$1,785
3 Year 24x7 Warranty Uplift				
			Equipment Total:	**$231,469**

Technology Services Product No.	Module / Description	List Price	QTY	Net Price
86500042	System Staging Services for Horizon Patient Folder	$27,055	1	$27,055
System Staging Services for HPF				
74037474	Virtualization Services, New vCenter Server Implementation	$8,924	1	$8,924
Virtualization Services, New vCenter Server Implementation				
74003397	McKesson Hardware Management Services for Servers	$935	1	$935
Project Coordination				
74011279	McKesson Application Staging	$1,620	1	$1,620
McKesson Staging Services - McKesson Provided Equipment				
			Technology Services Total:	**$38,534**

EXHIBIT A-2

ADDITIONAL TERMS

SECTION 1: UPGRADES

1.1 The Parties agree that Customer purchased Upgrade Implementation Services for Horizon Patient Folder and is charged an annual Fee pursuant to Section 10 of Contract Supplement No. 1-10H9B3, dated June 29, 2010.

SECTION 2: LIMITATIONS OF LIABILITY

2.1 Total Damages. MCKESSON'S TOTAL CUMULATIVE LIABILITY UNDER, IN CONNECTION WITH, OR RELATED TO THIS SALES ORDER WILL BE LIMITED TO (A) WITH RESPECT TO ANY PRODUCT, THE TOTAL FEES PAID (LESS ANY REFUNDS OR CREDITS) BY CUSTOMER TO MCKESSON HEREUNDER FOR THE PRODUCT GIVING RISE TO THE CLAIM, OR (B) WITH RESPECT TO ANY SERVICE, THE TOTAL FEES PAID (LESS ANY REFUNDS OR CREDITS) BY CUSTOMER TO MCKESSON HEREUNDER FOR THE SERVICE GIVING RISE TO THE CLAIM DURING THE 12-MONTH PERIOD PRECEDING THE DATE OF THE CLAIM, AS APPLICABLE, WHETHER BASED ON BREACH OF CONTRACT, WARRANTY, TORT, PRODUCT LIABILITY, OR OTHERWISE.

2.2 Exclusion of Damages. IN NO EVENT WILL MCKESSON BE LIABLE TO CUSTOMER UNDER, IN CONNECTION WITH, OR RELATED TO THIS SALES ORDER FOR ANY SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS OR LOSS OF GOODWILL, WHETHER BASED ON BREACH OF CONTRACT, WARRANTY, TORT, PRODUCT LIABILITY, OR OTHERWISE, AND WHETHER OR NOT MCKESSON HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

2.3 Material Consideration. THE PARTIES ACKNOWLEDGE THAT THE FOREGOING LIMITATIONS ARE A MATERIAL CONDITION FOR THEIR ENTRY INTO THIS SALES ORDER.

SECTION 3: INTERNET DISCLAIMER

3.1 CERTAIN PRODUCTS AND SERVICES PROVIDED BY MCKESSON UTILIZE THE INTERNET. MCKESSON DOES NOT WARRANT THAT SUCH SERVICES WILL BE UNINTERRUPTED, ERROR-FREE, OR COMPLETELY SECURE. MCKESSON DOES NOT AND CANNOT CONTROL THE FLOW OF DATA TO OR FROM MCKESSON'S OR CUSTOMER'S NETWORK AND OTHER PORTIONS OF THE INTERNET. SUCH FLOW DEPENDS IN LARGE PART ON THE INTERNET SERVICES PROVIDED OR CONTROLLED BY THIRD PARTIES. ACTIONS OR INACTIONS OF SUCH THIRD PARTIES CAN IMPAIR OR DISRUPT CUSTOMER'S CONNECTIONS TO THE INTERNET (OR PORTIONS THEREOF). ACCORDINGLY, MCKESSON DISCLAIMS ANY AND ALL LIABILITY RESULTING FROM OR RELATED TO THE ABOVE EVENTS.

SECTION 4: PRICE INCREASES

4.1 McKesson may increase its recurring fees, including but not limited to Technology Services, once every 12 months upon 60 days written notice to Customer. The amount of such increase will not exceed five percent. Price increases are effective as of the next annual, quarterly or monthly payment due date.

SECTION 5: SERVICES

5.1 Time and Materials Fee(s) for Services involving training and education assumes those Services must be used by Customer within 18 months after the SO Effective Date, with no refunds or credits being due Customer for the same.

5.2 Travel and Living. Customer will reimburse McKesson for all other reasonable out-of-pocket expenses incurred in the course of providing Services, including travel and living expenses.

SECTION 6: SERVICES WARRANTY

6.1 McKesson warrants that all Services will be performed in a professional manner consistent with industry standards by trained and skilled personnel. McKesson may subcontract its obligations under this Sales Order.

SECTION 7: SOFTWARE

7.1 If any services rendered pursuant to this Sales Order result in the delivery to Customer of object code and/or source code, then Customer's use of such object code and/or source code will be strictly governed by, and will be deemed "Software" under, Customer's software license agreement with McKesson.

SECTION 8: DISCLAIMER; EXCLUSIVE REMEDY

8.1 THE WARRANTIES IN THIS SALES ORDER ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHICH WARRANTIES ARE HEREBY SPECIFICALLY DISCLAIMED. MCKESSON DOES NOT WARRANT THAT THE PRODUCTS OR SERVICES WILL YIELD ANY PARTICULAR BUSINESS OR FINANCIAL RESULT OR THAT THE SERVICES WILL BE PERFORMED WITHOUT ERROR OR INTERRUPTION. CUSTOMER'S SOLE AND EXCLUSIVE REMEDY FOR MCKESSON'S BREACH OF ANY WARRANTY WILL BE THE REPAIR, REPLACEMENT, OR RE-PERFORMANCE BY MCKESSON OF THE NONCONFORMING PRODUCT OR SERVICE. IF MCKESSON FAILS TO DELIVER THIS REMEDY, THEN CUSTOMER MAY PURSUE ANY OTHER REMEDY THAT IS OTHERWISE PERMITTED UNDER THIS SALES ORDER.

SECTION 9: EQUIPMENT TERMS

9.1 Purchase and Sale of Equipment. Subject to the terms of this Agreement, McKesson agrees to sell to Customer, and Customer agrees to purchase from McKesson, the Equipment specified herein.

9.2 Equipment Delivery. Title and all risk of loss or damage to Equipment will pass to Customer upon Delivery. "Delivery" for shipped Equipment is FOB Origin, Freight Prepaid & Added to Customer's invoice. McKesson will invoice on Delivery. McKesson will not place any order for Equipment before Customer confirms it is ready to receive the Equipment. Once the order is placed by McKesson, the order becomes firm and non-cancelable. Equipment is not returnable except for warranty repairs.

9.3 Partial Shipments and Substitutions. McKesson may make partial shipments of Equipment, to be separately invoiced and paid for when due. Delay in delivery of any installment will not relieve Customer of its obligation to accept any subsequent installments. McKesson may substitute Equipment (based on availability at time of purchase) with manufacturer recommended replacements that are of equal or better performance. Any resulting price change will be reflected in Customer's invoice. Customer acknowledges that Software releases listed on Equipment configurations are for Equipment configuration purposes only and may represent future versions of the Software that Customer may

receive, if and when available, as part of Software Maintenance Services.

9.4 Equipment Warranties. McKesson warrants that the Equipment, when installed, will conform in all material respects to its published functional specifications and will be in good working order.

9.5 Site Preparation. Customer agrees to prepare the Facility(ies) or Data Center(s), at Customer's sole expense, for installation of the Equipment (including any required cabling) and Software in accordance with the applicable McKesson Site Preparation Guide, and Customer will provide all assistance reasonably required by McKesson to install and configure the Equipment and Software.

SECTION 10: DEFINITIONS

For purposes of this Sales Order, the following terms, as such terms are used herein shall have the following meanings:

"Fixed Fee" means any predetermined Prevailing Rate(s) charged by McKesson for the provision of Services set forth herein.

"Prevailing Rate" means the McKesson standard fee(s) in effect for the applicable Service on the date that the Service is to be provided.

"Products" means Equipment and any other products that McKesson provides to Customer pursuant to this Sales Order.

"Professional Services" means any consulting, programming or other professional services that McKesson provides to Customer pursuant to this Sales Order.

"Services" means Implementation Services, Maintenance Services, Processing Services, Professional Services, Technology Services, and any other services that McKesson provides to Customer under this Sales Order.

"Technology Services" means the SystemCare Services, the CareBridge™ Secure Extranet Services and any other services provided by McKesson's Technology Services group.

"Time and Materials Fee" means McKesson's hourly Prevailing Rate(s) set forth herein for providing Services multiplied by the actual (not estimated) hours or days spent by McKesson in providing Services, including all hours incurred by McKesson (both at Customer's site and at various McKesson sites, whether or not previously estimated) to perform the required Services, including tasks, administrative duties, status reports, problem analysis, attendance of meetings or telephone calls, and research of Customer questions and issues.

EXHIBIT B

SERVICE PATH

[SEE FOLLOWING PAGES]

HORIZON PATIENT FOLDER RELEASE 15 UPGRADE SERVICE

Project Duration: 6 Weeks from Horizon Patient Folder start of the test system upgrade to Live transition Date.

1. **Release Upgrade Implementation:** McKesson shall supply Release 15 to be installed on all previously licensed Horizon Patient Folder Software modules currently installed and utilized on the Customer's test and production systems. The Service pricing includes the upgrade of existing Horizon Patient/Business Folder and ILE systems. The test environment and the production environment will be upgraded onsite. The services for enterprise enablement, outbound document routing, the automation of a835 ANSI files, or the new ROI module are not included in the base upgrade and will be priced at the additional service offering price.

   Release Requirements

   a. Service Path assumes an imaging foundation, Horizon Patient Folder and/or Horizon Business Folder version of:
      - **i.** 13.5.2, or higher, for an HPF 13.x foundation
      - **ii.** 11.0.2, or higher, for an HPF 11.x foundation
      - **iii.** 10.0.2, or higher, for an HPF 10.x foundation
      - **iv.** 6.2.2, or higher, for an HPF 6.x foundation

   b. Service Path assumes Customer is live on Horizon Physician Portal Foundation 13.0 or higher, if Horizon Physician Portal is installed, or that a unified upgrade with Horizon Physician Portal has been purchased.

   c. Service Path assumes Customer is live on the current version of third-party software and up to date on all maintenance agreements.

2. **Release of Information:** If ROI module is utilized in HPF 13.0.x or prior, services must be purchased to implement the new ROI module. The ROI module must be implemented in conjunction with the upgrade and web-based training must be purchased.

3. **Remote Work requirements:** Remote work requires a minimum of 256 Kbs McKesson Carebridge connection or other mutually agreed upon remote connection to the HPF system. Connections at slower speeds will require additional on-site work at an additional cost to the customer.

4. **Inbound COLD feed changes:** The Service Path assumes no additions, removals, or modifications will be made to any COLD feeds.

5. **Workflow Additions:** The Service Path assumes no additions, removals, or modifications to workflow unless the scope and services for this work is explicitly noted in the Professional Services section of the contract.

6. **Client Workstation rollout:** The Service pricing does not include the client workstation rollout for ILE, DCS/QCI, HPF/HBF, Citrix systems or remote access methods.

7. **Additional Items:** In the event the Customer requests any additional services not defined in this Upgrade Agreement, McKesson and Customer will determine the scope of the Additional Services to be provided, and the terms and conditions (including fees to be paid) by which such Additional Services shall be provided by McKesson. Notwithstanding the foregoing, if Customer desires to license additional Horizon Patient Folder Software applications along with the associated implementation services, such Software and services are outside the scope of the Upgrade Implementation Services and will be contracted for under a separate Contract Supplement and/or Sales Order.

8. **Upgrade Implementation Schedule:** The length of the service path is 6 weeks. The Service Path is defined as the duration between the start of the test system upgrade (week #1) to Live transition date (week #6). The length of the Service Path may not reflect the length of the full product deployment.

   a. Customer and McKesson will mutually develop and agree upon a project implementation timeline no later than thirty (30) days prior to project kick-off which shall include implementation timelines, critical events, and the respective responsibilities of both McKesson and Customer.

b. The upgrade implementation schedule begins after the required technology updates are completed to prepare the Customer environment for the commencement of the Upgrade Implementation services.
c. Should the Customer request to reschedule the Go-live of the Upgrade Implementation subsequent to Week 2 for any reason not related to the product, or the upgrade, Customer must do so in writing and Customer shall incur a re-scheduling fee in the amount of $7,500. Customer agrees that Customer will be responsible for payment to McKesson of all time and material labor expenses accumulated to date under this Upgrade Agreement.
d. The Upgrade Implementation Services require a period of read-only access and a period of user downtime that varies dependent upon the size of the database and system configuration. The Service pricing includes a production environment start of downtime between 8am EST through 6pm EST on a Sunday, Monday, or Tuesday. After hour upgrades will be priced at the additional service offering price.

9. **McKesson Responsibilities**: McKesson shall provide the following.
   a. Prerequisite Management (Remote)
      i. Hardware and OS pre-configuration consultation
         1. Review customers current HPF configuration and ensure what is installed is reflected in the Engineering Master.
         2. Develop the future state configuration relative to the new HPF software version
      ii. Consulting, Planning and documentation on LUN configuration requirements
         1. Consult with the customer to ensure they understand and have the information required to provision the appropriate storage requirements for the upgrade.
      iii. Consulting, Planning and documentation on data migration strategy
         1. Consult with the customer to ensure they have a strategy to perform any data migrations relative to the success of the upgrade.
   b. Project Management (Remote)
      i. Project leadership – Align McKesson and Customer goals to ensure a successful upgrade
      ii. Escalation Management
         1. Engage support and escalation resources at McKesson to address critical issues.
         2. Provide timelines and set expectations for issue resolution
      iii. Issues tracking & issues report
         1. Assign issues to appropriate responsible parties
         2. Follow-up on issues and report back on timelines and set expectations for issue resolution
      iv. Customized project plan
         1. Develop and publish a project plan to detail the steps and progression to successfully meet the goal of the upgrade
      v. Upgrade regression test plans
         1. Provide the customer with the baseline test plan
         2. Set expectations for customer to provide updates prior to the testing phase
         3. Track progress of the testing process during the project lifecycle
      vi. Weekly status meetings
         1. Provide agendas in advance of meetings and meeting minutes following each call
      vii. Live planning, support and transition preparation
         1. Provide finalized upgrade documentation required for a successful transition to support
         2. Schedule the necessary calls required to transition the customer to support
   c. New Database/Storage Server configuration (onsite)
      i. Assistance with MS Cluster configuration
         1. Customer who selects to use a Microsoft Cluster must provide the appropriate storage, network connectivity and resources required to build and maintain this configuration. McKesson has expertise in this area and will provide the customer with any additional assistance in order to complete this activity.

ii. Installation of MS SQL server
    1. McKesson will install and Configure Microsoft SQL Server relative to the needs of the HPF upgrade and system functionality.
iii. McKesson Software load and configuration
    1. McKesson will install and configure the HPF software and test to ensure it functions as expected.

d. New Agent Server configuration (onsite)
    i. McKesson Software load and configuration
        1. McKesson will install and configure all new agent components that are new to the release and test to ensure it functions as expected.

e. Mock data Migration (onsite)
    i. Assistance with migrating image data to new storage (customer retains ownership of this task)
        1. Provide customer with HPF specific guidance to ensure the customer is successful in completing this task.
    ii. Migration of HPF databases to new SQL environment
        1. McKesson will make all modifications relative to the new HPF version required to migrate from the old SQL environment to the new SQL environment.

f. Go-live data Migration (onsite)
    i. Assistance with migrating image data to new storage
        1. Consult with the customer to ensure they execute the strategy to perform any data migrations relative to the success of the upgrade.
    ii. Migration of HPF databases to new SQL environment
        1. Perform the migration tasks required to move the HPF databases from the old environment to the new SQL environment.
    iii. Assistance with issue resolution
        1. McKesson will assign owners to issues and set expectations with the customer for related resolutions.

g. Application Assistance (Onsite)
    i. Regression testing support
        1. Application regression testing is the primary responsibility of the customer where McKesson provides product knowledge and expertise to answer customer questions and provide suggestions relative to customer needs.
    ii. Assistance with issue resolution
        1. McKesson will assign owners to issues and set expectations with the customer for related resolutions.
    iii. Upgrade release defect/enhancement review
        1. McKesson will map issues to defects and enhancements during the process of troubleshooting and addressing issues

h. Interface support (Remote)
    i. Setup/verify interface feed for upgrade environment
        1. McKesson will configure the HPF environment to ensure required interfaces are testing the application and work with the customer to ensure they understand their responsibilities relative to external interface needs to HPF.
    ii. Implementation of interface release modifications
        1. McKesson will apply all required modifications relative to the new software release required for that level of functionality.
    iii. Assistance with issue identification & resolution
        1. McKesson will assign resources to issues and set expectations with the customer for related resolutions.
    iv. Live Support
        1. McKesson will provide support during and following the go-live timeframe to ensure HPF Upgrade related issues are resolved during this timeframe.

i. Go-live data Migration (onsite)
    i. Assistance with migrating image data to new storage

1. Consult with the customer to ensure they execute the strategy to perform any data migrations relative to the success of the upgrade.

ii. Migration of HPF databases to new SQL environment

1. Perform the migration tasks required to move the HPF databases from the old environment to the new SQL environment

iii. Assistance with issue resolution

1. McKesson will assign owners to issues and set expectations with the customer for related resolutions.

10. **Customer Responsibilities**: Customer shall provide the following.

a. Customer will review the software release notes for the upgrade version to gain an understanding of the software changes.

b. Customer will review the standard system test plan and revise to include any unique testing related to Customer's business operations and use of the system at least 2-weeks prior to the Week-1 visit. In addition the Customer shall provide updates to the test plan checklist as testing objectives are completed and provide a copy of the checklist to the McKesson Project Manager at the end of each day during the upgrade timeframe.

c. In the event Customer is providing new server hardware as part of the upgrade, Customer will have the hardware installed and fully functional and accessible at least 2-weeks prior to the Week-1 visit of the project execution.

d. Customer shall cooperate with McKesson in the Services of the upgrade implementation, and shall perform the functions assigned to Customer in the upgrade implementation plan. During the Horizon Patient Folder Upgrade, the Customer must ensure the availability of onsite resources to lead the upgrade process effort. The Customer Resource Profile includes:

i. Project Manager
ii. Interface Analyst
iii. Technical Analyst
iv. Application Analyst
v. System Administrator

e. Customer must have a dedicated System Administrator who has attended Image Engine, System Administration, and Horizon Patient Folder classes prior to software upgrade.

f. Customer agrees not to initiate new work orders and to temporarily cease work on existing work orders that would change Customer's existing software once the "Software Freeze" date has been established, until <u>after</u> returning to standard Customer support. Customer further agrees not to request defect fixes to their production software during the upgrade process.

g. Customer will perform SQL DBCC checks and resolve issues prior to upgrade.

h. The customer will perform SQL index maintenance on their existing HPF database according to McKesson's Best Practice prior to the upgrade. The customer must supply an index fragmentation report before and after the most recent scheduled maintenance at the time of the project kick-off. If the last scheduled maintenance is greater then thirty (30) days before the kick-off a current fragmentation report must also be supplied.

i. Customer will provide network connectivity via McKesson's CareBridge network (formerly known, as Value Added Network ("VAN") and such network connectivity will be implemented prior to the Start Date. Customer will provide Terminal Server/PCAnywhere access with detailed list of server names, IP addresses, user names and passwords

Attachment A - Generic Implementation Schedule

The following table outlines Customer and McKesson responsibilities for the standard 6 week Horizon Patient Folder product upgrade. Actual schedule may vary.

Project Phase	Customer Responsibilities	McKesson Responsibilities
Prior	▪ Assign resources according to the Horizon Patient Folder Customer Resource Profile ▪ Participate in kickoff meetings ▪ Verify McKesson remote connectivity to all HPF system components ▪ Verify backup solution for test and production ▪ Validate working HPF test environment including all integrated components ▪ Download all HPF software from DLC ▪ Prepare current state and future state rack diagrams for both test and production environments ▪ Perform SQL index maintenance on their existing HPF database ▪ Supply McKesson with a index fragmentation report prior to the project kick-off ▪ Complete user-mapping spreadsheet.	▪ Assign McKesson Horizon Patient Folder Upgrade project team ▪ Schedule Project Kickoff meeting ▪ Schedule weekly team calls ▪ Conduct Kickoff meeting ▪ Communicate site preparation requirements ▪ Verify connectivity ▪ Validate existing customer environment ▪ Provide spreadsheet for mapping HPF user accounts with Active Directory accounts.
Week 1 (McKesson Resource onsite)	▪ Prepare for software upgrade to Test environment ▪ Provide the appropriate MS SQL 2005 media ▪ Prepare end user training plan ▪ Prepare client workstation rollout plan ▪ Prepare for business process change management (workflow doc type, record view) ▪ Develop unit and integrated testing plans	▪ Perform Horizon Patient Folder software and component upgrade/configuration ▪ Import Active Directory user account information into HPF database. ▪ Guide Customer in identifying business process changes related to 15 upgrade ▪ Provide unit and integrated test plan template ▪ Consult on development of Customer end-user training plan and materials
Week 2 (McKesson Resource onsite)	▪ Complete business process changes ▪ Execute unit test plan ▪ Prepare for integrated system test ▪ Assist in interface reconfiguration ▪ Develop Customer end-user training	▪ Onsite assistance executing unit test plan ▪ Interface reconfiguration ▪ Issue management ▪ Assist in issue resolution
Week 3	▪ Execute integrated system test ▪ Perform test of client workstation rollout ▪ Develop Customer end-user training ▪ Schedule Customer end-user training sessions	▪ Assist in issue resolution ▪ Provide Go-live Plan template
Week 4	▪ Perform volume testing ▪ Perform test of client workstation rollout ▪ Execute Customer end-user training ▪ Confirm or modify Go-Live plan ▪ Identify key people for productive use support	▪ Assist in issue resolution ▪ Provide guidance to Customer on production planning and procedures definition
Week 5	▪ Complete and sign off on testing ▪ Execute Customer end-user training	▪ Assist in issue resolution ▪ Review final preparation of Go-live plan
Week 6	▪ Assist in production mode planning and procedures ▪ Prepare for Go-live ▪ Attend Go-live meetings ▪ Execute workstation rollout plan ▪ Evaluate project	▪ Upgrade production environment ▪ Provide onsite support during upgrade of Production environment ▪ Conduct follow-up meeting with Customer to evaluate Implementation Project results ▪ Issue resolution Management
Transition	▪ Transition Upgrade Project to McKesson national support at the end of first Live week	▪ Structured transition to McKesson national support at the end of first Live week

Attachment B – Additional Service Offerings

Upgrade Service Options	Unit Price
Horizon Physician Portal HPF enabler update	$4,500
Integrated Technology upgrade for both production (clustered) and test environments. A mock migration is performed using the new production hardware. Assumes hardware for production and test environment is net new and available by Week 1 of the project. **Requires additional on-site work at the mock migration/upgrade.*	$10,000
Reconfiguration of existing/retired production hardware to a new test environment **Requires additional on-site work at the mock migration/upgrade.*	$7,000
After Hours Upgrade Go-Live ** After hour go-live start of downtime 6pm EST – 8am EST Sunday, Monday, or Tuesday*	$4,000
ANSI automation - Replacement and reconfiguration of the current ANSI processing components. *Include a single ANSI processing service	$10,000
ANSI automation – New implementation of ANSI processing *Include a single ANSI processing service	$15,000
ANSI automation – Each additional ANSI processing service	$5,000
Onsite Physician Training *Approximately 32hrs of onsite one-on-one training.*	$6,000
Additional onsite resources to support Upgrade *Standard upgrade service path provides 1 resource for 4 days of go-live support.*	$1,600/person/day
Multiple Facility STAR without Passport (CPI Mapping)	$14,200
Multiple Facility HQ without Passport (CPI Mapping) **requires the customer to be able to extract an MPI file*	$10,000
Multiple Facility with Passport	$17,500
Additional project weeks scheduled in advanced above the 6 week standard	$2,000/week

McKESSON

SALES ORDER

This Sales Order is entered into and made effective as of the latest date in the signature block below (**"SO Effective Date"**).

	EXHIBITS
A	Facilities, Fees Summary, Payment Schedule and Administration
A-1	Products and Pricing
A-2	Additional Terms
B	Reserved
C	Systemcare Schedule of Contracted Systems
C-2	Equipment Configuration

The pricing in this Sales Order and McKesson's corresponding offer to Customer expires unless McKesson receives this Sales Order signed by Customer on or before Thursday, February 28, 2013.

McKesson will include Customer's purchase order (**"PO"**) number on Customer invoices if provided by Customer on or before the SO Effective Date. If this Sales Order includes an amount equal to or greater than $10,000, a copy of Customer's PO must be attached. Failure to provide McKesson with a PO number or copy does not suspend or negate any Customer duty, including payment, under this Sales Order. Pre-printed terms and conditions on or attached to Customer's PO shall be of no force or effect.

Each signatory hereto represents and warrants that it is duly authorized to sign, execute, and deliver this Sales Order on behalf of the party it represents.

Doctors Medical Center San Pablo

Signature: _____
Printed Name: _____
Title/Position: _____
Customer PO#: _____
Date: _____

McKesson Technologies Inc.

Signature: _____
Printed Name: Craig McIntyre
Title/Position: Technology Engineer
Date: _____

Thank You For Your Business
(Please Attach Customer's Purchase Order)
Phone: (404) 338-3283 **Fax:** (404) 745-8444

EXHIBIT A

FACILITIES, FEES SUMMARY, PAYMENT SCHEDULE AND ADMINISTRATION

FACILITIES:

Customer No.	Facility	Full Address
1010453	Doctors Medical Center San Pablo	2000 Vale Rd, San Pablo, CA 94806
(NOTE: It is not necessary to list offices of physicians or other caregivers with privileges at a Facility.) *Location of Customer's Data Center		

FEES SUMMARY:

Products and Services	One-Time Fees	Recurring Fees	Estimated T&M Fees
Implementation / Professional Services:			
Equipment:	$63,566		
Technology Services:	$28,417	$96,000	
GRAND TOTALS:	$91,983	$96,000	

PAYMENT SCHEDULE:

Equipment: Payment in full for each component of the Equipment is due on its Delivery.

Equipment Shipping and Handling: Shipping and handling charges will be listed separately on the invoice for the corresponding Equipment and are due upon Equipment Delivery. Shipping and handling charges are not included in the amounts listed on Exhibit A-1.

Equipment Warranty Uplift: For each component piece of the Equipment to which the Warranty Uplift applies, payment in full is due on the Equipment Delivery date of that component piece.

Equipment Extended/Recurring Maintenance Services: First year fees are due on the Equipment Maintenance SO Effective Date; remaining annual installments are due on each anniversary of the SO Effective Date.

Technology Services/Professional Services: 100% is due on the SO Effective Date.

Technology Services/SystemCare Services: Recurring Service Fees: First year fees are due on the SystemCare Start Date as defined in Exhibit C; remaining annual installments are due on each anniversary of the SystemCare Start Date.

The transaction covered by this Sales Order may involve a discount, rebate or other price reduction on the items covered by this Sales Order. Customer may have an obligation to report such price reduction or the net cost in its cost reports or in another appropriate manner in order to meet the requirements of applicable federal and state anti-kickback laws, including 42 U.S.C. Sec. 1320a-7b(b)(3)(A) and the regulations found at 42 C.F.R. Sec. 1001.952(g) and (h). Customer will be responsible for reporting, disclosing, and maintaining appropriate records with respect to such price reduction or net cost and making those records available under Medicare, Medicaid, or other applicable government health care programs.

Unless Customer provides McKesson prior to the SO Effective Date satisfactory evidence of exemption (including evidence of renewal if applicable) from applicable sales, use, value-added, or other similar taxes or duties, McKesson will invoice Customer for all such taxes applicable to the transactions under this Sales Order.

ADMINISTRATION:

Sold To:	**Ship To:**
Doctors Medical Center San Pablo	Doctors Medical Center San Pablo
2000 Vale Rd	2000 Vale Rd
San Pablo CA 94806	San Pablo CA 94806
Attention:	Attention: Phyllis Moore
Telephone:	Telephone: (510) 970-5042
Facsimile:	Facsimile:
E-mail:	E-mail: pmoore@dmc-sp.org
Bill To:	**Paid By:**
Doctors Medical Center San Pablo	Doctors Medical Center San Pablo
2000 Vale Rd	2000 Vale Rd
San Pablo CA 94806	San Pablo CA 94806
Attention: Phyllis Moore	Attention: Jim Boatman
Telephone: (510) 970-5042	Telephone: (510) 970-5002
Facsimile:	Facsimile:
E-mail: pmoore@dmc-sp.org	E-mail: jboatman@dmc-sp.org

EXHIBIT A-1

PRODUCTS AND PRICING

Equipment Product No.	Module / Description	List Price	QTY	Net Price	Annual Maint.
82010200	Windows 2008 SE 64Bit License-Microsoft	$759	2	$1,388	
Windows 2008 R2 SE 64 Bit License with 5 CALs					
82010657	SQL 2008 R2 SE License-Microsoft	$402	2	$734	
SQL 2008 SE R2 64Bit License with 5 CALS					
82010200	Windows 2008 SE 64Bit License-Microsoft	$759	1	$694	
Windows 2008 R2 SE 64 Bit License with 5 CALs					
82010657	SQL 2008 R2 SE License-Microsoft	$402	1	$368	
SQL 2008 SE R2 64Bit License with 5 CALS					
82010187	Windows 2008 Client Access License-MSFT	$33	20	$600	
Quantity 1 Windows 2008 Client Access User License					
82010658	SQL 2008 R2 STD CAL	$80	20	$1,460	
Quantity 1 SQL 2008 Client Access User License					
82010200	Windows 2008 SE 64Bit License-Microsoft	$759	2	$1,388	
Windows 2008 R2 SE 64 Bit License with 5 CALs					
82010201	SQL 2008 SE License-Microsoft	$402	2	$734	
SQL 2008 SE License with 5 CALs					
82010200	Windows 2008 SE 64Bit License-Microsoft	$759	1	$694	
Windows 2008 R2 SE 64 Bit License with 5 CALs					
82010657	SQL 2008 R2 SE License-Microsoft	$402	1	$368	
SQL 2008 SE R2 64Bit License with 5 CALS					
82010187	Windows 2008 Client Access License-MSFT	$33	20	$600	
Quantity 1 Windows 2008 Client Access User License					
82010673	SQL 2008 R2 ENT Client Access License-Microsoft	$162	20	$2,920	
Quantity 1 SQL 2008 R2 Ent Client Access User License					
82012140	Blade Server-HP-Windows	$19,165	3	$42,483	
BL460C with 2 x HC processors, 96GB Memory, 2 x 300GB SAS, 1 x FC HBA for SAN, VMWare ESX EE+					
82012143	Warranty Uplift-Blade Server-HP	$595	3	$1,635	
3 Year 24 x 7 Warranty Uplift					
82011452	CITRIX-Load-Citrix	$3,761	2	$7,500	
Linux Premium 3 Year - RedHat					
			Equipment Total:	$63,566	

Technology Services Product No.	Module / Description	List Price	QTY	Net Price	Annual Maint.
86500073	System Staging Services for Horizon	$6,872	1	$6,872	

Technology Services Product No.	Module / Description	List Price	QTY	Net Price	Annual Maint.
	Perfomance Manager				
System Staging Services for HPM					
73017312	SystemCare Bundle for Performance Management Products		1		$48,000
SystemCare Bundle for Perf Mgmt Products					
86500065	System Staging Services for EC2000	$2,135	1	$2,135	
System Staging Services for EC2000					
73017442	SystemCare Bundle for Horizon Revenue Cycle		1		$15,000
SystemCare Bundle for Horizon Rev Cycle					
86500054	System Staging Services for Pathways Compliance Advisor	$2,675	1	$2,675	
System Staging Services for PCA					
73017442	SystemCare Bundle for Horizon Revenue Cycle		1		$18,000
SystemCare Bundle for Horizon Rev Cycle					
86500017	System Staging Services for Horizon Business Insight	$1,685	1	$1,685	
System Staging Services for HBI					
73017312	SystemCare Bundle for Performance Management Products		1		$15,000
SystemCare Bundle for Perf Mgmt Products					
74003397	McKesson Hardware Management Services for Servers	$2,400	1	$2,400	
Project Coordination					
74011279	McKesson Application Staging	$12,650	1	$12,650	
McKesson Staging Services - McKesson Provided Equipment					
			Technology Services Total:	$28,417	$96,000

EXHIBIT A-2

ADDITIONAL TERMS

SECTION 1: LIMITATIONS OF LIABILITY

1.1 Total Damages. MCKESSON'S TOTAL CUMULATIVE LIABILITY UNDER, IN CONNECTION WITH, OR RELATED TO THIS SALES ORDER WILL BE LIMITED TO (A) WITH RESPECT TO ANY PRODUCT, THE TOTAL FEES PAID (LESS ANY REFUNDS OR CREDITS) BY CUSTOMER TO MCKESSON HEREUNDER FOR THE PRODUCT GIVING RISE TO THE CLAIM, OR (B) WITH RESPECT TO ANY SERVICE, THE TOTAL FEES PAID (LESS ANY REFUNDS OR CREDITS) BY CUSTOMER TO MCKESSON HEREUNDER FOR THE SERVICE GIVING RISE TO THE CLAIM DURING THE 12-MONTH PERIOD PRECEDING THE DATE OF THE CLAIM, AS APPLICABLE, WHETHER BASED ON BREACH OF CONTRACT, WARRANTY, TORT, PRODUCT LIABILITY, OR OTHERWISE.

1.2 Exclusion of Damages. IN NO EVENT WILL MCKESSON BE LIABLE TO CUSTOMER UNDER, IN CONNECTION WITH, OR RELATED TO THIS SALES ORDER FOR ANY SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS OR LOSS OF GOODWILL, WHETHER BASED ON BREACH OF CONTRACT, WARRANTY, TORT, PRODUCT LIABILITY, OR OTHERWISE, AND WHETHER OR NOT MCKESSON HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

1.3 Material Consideration. THE PARTIES ACKNOWLEDGE THAT THE FOREGOING LIMITATIONS ARE A MATERIAL CONDITION FOR THEIR ENTRY INTO THIS SALES ORDER.

SECTION 2: INTERNET DISCLAIMER

2.1 CERTAIN PRODUCTS AND SERVICES PROVIDED BY MCKESSON UTILIZE THE INTERNET. MCKESSON DOES NOT WARRANT THAT SUCH SERVICES WILL BE UNINTERRUPTED, ERROR-FREE, OR COMPLETELY SECURE. MCKESSON DOES NOT AND CANNOT CONTROL THE FLOW OF DATA TO OR FROM MCKESSON'S OR CUSTOMER'S NETWORK AND OTHER PORTIONS OF THE INTERNET. SUCH FLOW DEPENDS IN LARGE PART ON THE INTERNET SERVICES PROVIDED OR CONTROLLED BY THIRD PARTIES. ACTIONS OR INACTIONS OF SUCH THIRD PARTIES CAN IMPAIR OR DISRUPT CUSTOMER'S CONNECTIONS TO THE INTERNET (OR PORTIONS THEREOF). ACCORDINGLY, MCKESSON DISCLAIMS ANY AND ALL LIABILITY RESULTING FROM OR RELATED TO THE ABOVE EVENTS.

SECTION 3: PRICE INCREASES

3.1 McKesson may increase its recurring fees, including but not limited to Technology Services, once every 12 months upon 60 days written notice to Customer. The amount of such increase will not exceed five percent. Price increases are effective as of the next annual, quarterly or monthly payment due date.

SECTION 4: SERVICES

4.1 Time and Materials Fee(s) for Services involving training and education assumes those Services must be used by Customer within 18 months after the SO Effective Date, with no refunds or credits being due Customer for the same.

4.2 Travel and Living. Customer will reimburse McKesson for all other reasonable out-of-pocket expenses incurred in the course of providing Services, including travel and living expenses.

SECTION 5: SERVICES WARRANTY

5.1 McKesson warrants that all Services will be performed in a professional manner consistent with industry

standards by trained and skilled personnel. McKesson may subcontract its obligations under this Sales Order.

SECTION 6: SOFTWARE

6.1 If any services rendered pursuant to this Sales Order result in the delivery to Customer of object code and/or source code, then Customer's use of such object code and/or source code will be strictly governed by, and will be deemed "Software" under, Customer's software license agreement with McKesson.

SECTION 7: DISCLAIMER; EXCLUSIVE REMEDY

7.1 THE WARRANTIES IN THIS SALES ORDER ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHICH WARRANTIES ARE HEREBY SPECIFICALLY DISCLAIMED. MCKESSON DOES NOT WARRANT THAT THE PRODUCTS OR SERVICES WILL YIELD ANY PARTICULAR BUSINESS OR FINANCIAL RESULT OR THAT THE SERVICES WILL BE PERFORMED WITHOUT ERROR OR INTERRUPTION. CUSTOMER'S SOLE AND EXCLUSIVE REMEDY FOR MCKESSON'S BREACH OF ANY WARRANTY WILL BE THE REPAIR, REPLACEMENT, OR RE-PERFORMANCE BY MCKESSON OF THE NONCONFORMING PRODUCT OR SERVICE. IF MCKESSON FAILS TO DELIVER THIS REMEDY, THEN CUSTOMER MAY PURSUE ANY OTHER REMEDY THAT IS OTHERWISE PERMITTED UNDER THIS SALES ORDER.

SECTION 8: EQUIPMENT TERMS

8.1 Purchase and Sale of Equipment. Subject to the terms of this Agreement, McKesson agrees to sell to Customer, and Customer agrees to purchase from McKesson, the Equipment specified herein.

8.2 Equipment Delivery. Title and all risk of loss or damage to Equipment will pass to Customer upon Delivery. "Delivery" for shipped Equipment is FOB Origin, Freight Prepaid & Added to Customer's invoice. McKesson will invoice on Delivery. McKesson will not place any order for Equipment before Customer confirms it is ready to receive the Equipment. Once the order is placed by McKesson, the order becomes firm and non-cancelable. Equipment is not returnable except for warranty repairs.

8.3 Partial Shipments and Substitutions. McKesson may make partial shipments of Equipment, to be separately invoiced and paid for when due. Delay in delivery of any installment will not relieve Customer of its obligation to accept any subsequent installments. McKesson may substitute Equipment (based on availability at time of purchase) with manufacturer recommended replacements that are of equal or better performance. Any resulting price change will be reflected in Customer's invoice. Customer acknowledges that Software releases listed on Equipment configurations are for Equipment configuration purposes only and may represent future versions of the Software that Customer may receive, if and when available, as part of Software Maintenance Services.

8.4 Equipment Warranties. McKesson warrants that the Equipment, when installed, will conform in all material respects to its published functional specifications and will be in good working order.

8.5 Site Preparation. Customer agrees to prepare the Facility(ies) or Data Center(s), at Customer's sole expense, for installation of the Equipment (including any required cabling) and Software in accordance with the applicable McKesson Site Preparation Guide, and Customer will provide all assistance reasonably required by McKesson to install and configure the Equipment and Software.

SECTION 9: TECHNOLOGY SERVICES

9.1 Term. Customer's right to use the Technology Services begins on the SO Effective Date and continues for one year thereafter (**"Initial TSG Term"**). Following the expiration of the Initial TSG Term, and subject to Customer's payment of the applicable fees, Customer's right to use to the Technology Services shall continue for successive, automatically renewable one year periods (**"TSG Renewal Terms"**), unless either party provides the other party with written notice of termination pursuant to Section 9.2 (Termination) below. The first date Technology Services are provided to Customer is the Start Date (**"Start Date"**).

9.2 TERMINATION

9.2.1 Termination by Customer. After the Initial Term, Customer may terminate the Technology Services upon 60 days' prior written notice to McKesson. Any other termination or change in Technology Services by Customer may result in a maximum 10% payment by Customer for the terminated or changed Sales Order.

9.2.2 Termination by McKesson. After the first anniversary of the SO Effective Date, McKesson may discontinue the Technology Services provided herein upon 90 days' prior written notice to Customer.

9.2.3 Effect of Termination. Immediately following termination of any Technology Services, Customer will permit McKesson to remove any Software, whether McKesson developed or Third Party Software, and CareBridge Equipment (as defined below) from Customer's operating environment which was provided by McKesson as part of the Technology Services and used solely for provision of the Technology Services. Customer does not retain a license to use any such Software following termination of the Technology Services.

9.3 SYSTEMCARE SERVICES ADDITIONAL TERMS

9.3.1 Notwithstanding Section 9.2.1 (Termination) above, no termination payment will be incurred if the SystemCare Services are modified due to either (a) hardware replacement to transition from one platform to another or (b) removal of hardware from active service; provided that any modification is set forth in an amendment to this Sales Order that is executed at least 60 days prior to the effective date of such modification.

9.3.2 SystemCare service descriptions and Customer's responsibilities thereto are available at http://customerportal.mckesson.com.

SECTION 10: DEFINITIONS

For purposes of this Sales Order, the following terms, as such terms are used herein shall have the following meanings:

"Fixed Fee" means any predetermined Prevailing Rate(s) charged by McKesson for the provision of Services set forth herein.

"Prevailing Rate" means the McKesson standard fee(s) in effect for the applicable Service on the date that the Service is to be provided.

"Products" means Equipment and any other products that McKesson provides to Customer pursuant to this Sales Order.

"Professional Services" means any consulting, programming or other professional services that McKesson provides to Customer pursuant to this Sales Order.

"Services" means Implementation Services, Maintenance Services, Processing Services, Professional Services, Technology Services, and any other services that McKesson provides to Customer under this Sales Order.

"Technology Services" means the SystemCare Services, the CareBridge™ Secure Extranet Services and any other services provided by McKesson's Technology Services group.

EXHIBIT C

SYSTEMCARE SUPPORT EXHIBIT

SCHEDULE OF CONTRACTED SYSTEMS

CUSTOMER NUMBER: 1010453 CUSTOMER NAME: Doctors Medical Center San Pablo

Material Number	Material Name	Application	Start Date	Contract Term	Annual Fee	Billing Terms
73017312	SystemCare Bundle for Perf Mgmt Products	McKesson Performance Analytics	FPU	1+ auto	$48,000	Annual

1 SYSTEMCARE FOR LINUX PREMIUM
1 SYSTEMCARE FOR DB SQL SERVER PREMIUM
1 SYSTEMCARE FOR WINDOWS SERVER PREMIUM
1 SYSTEMCARE FOR LINUX/ORACLE NON-RAC SINGLE SERVER SOLUTION

Material Number	Material Name	Application	Start Date	Contract Term	Annual Fee	Billing Terms
73017442	SystemCare Bundle for Horizon Rev Cycle	EC2000 Claims Administrator	FPU	1+ auto	$15,000	Annual

1 SYSTEMCARE FOR DB SQL SERVER PREMIUM

Material Number	Material Name	Application	Start Date	Contract Term	Annual Fee	Billing Terms
73017442	SystemCare Bundle for Horizon Rev Cycle	Pathways Compliance Advisor	FPU	1+ auto	$18,000	Annual

1 SYSTEMCARE FOR DB SQL SERVER PREMIUM
1 SYSTEMCARE FOR WINDOWS SERVER PREMIUM

Material Number	Material Name	Application	Start Date	Contract Term	Annual Fee	Billing Terms
73017312	SystemCare Bundle for Perf Mgmt Products	McKesson Business Insight	FPU	1+ auto	$15,000	Annual

1 SYSTEMCARE FOR DB SQL SERVER PREMIUM

EXHIBIT C-2
EQUIPMENT CONFIGURATION & RELATED PROFESSIONAL SERVICES

Technology Services

Customer:	Doctors Medical Center San Pablo		
Project:	MPA v16.0, EC2000 v17.0, PCA v18.0, MBI v16.0		
Configuration Number:	37438.2	Deal Ref:	98d79dae-c8e6-4001-8967-fc30a22077b6
Customer Number:	1010453	Project #:	1-1DDUCC
Configuration Created:	1/18/2013	Prepared for:	Craig McIntyre
Quote Expires:	3/18/2013	Prepared by:	QRA System

Configuration Terms & Conditions

McKesson Solution Guarantee

For 1 year from the live date, if the Software does not perform in material compliance with the Documentation, and the non-compliance with the Documentation is a direct and proximate result of an Equipment specification or staging error on McKessons part, then McKesson will procure and replace the non-conforming Equipment. This provision applies only to the Software versions specified in the Equipment configurations and only for the performance sizing statistics provided by Customer. This provision will apply only on the express conditions that:

-- 1 -- Customer licenses the Software and procures the McKesson-specified Equipment and all related Services solely from McKesson

-- 2 -- McKesson stages the Equipment including installing the Software

-- 3 -- Customer selects and uses a McKesson-certified storage area network

-- 4 -- Customer has fully satisfied its obligations regarding Implementation Services and is not otherwise in breach of this Agreement

For avoidance of doubt, this provision does not apply to hardware malfunctions or defects, which are expressly excluded hereunder.

Additional Terms and Conditions

All configurations expire and are invalid sixty -60- days after they are originally created. After expiration, configurations must be re-created prior to contract. Expired configurations included in a contract are considered estimates only and are non-binding.

Travel expenses incurred by McKesson are not included in any of the Technology Services fees and will be billed as incurred.

Unless stated otherwise, all local and wide area network connectivity is the responsibility of the Customer.

Staging Services pricing is based on Customer procuring Equipment from McKesson. If Customer procures Equipment from another vendor, Staging pricing will need to be based on Customer owned Equipment and pricing will be modified.

If Customer relies on this custom configuration to purchase equipment from a vendor other than McKesson, McKesson's sole obligation for configuration errors is to identify any additional equipment that may be needed to correct the configuration errors.

EXHIBIT C-2
EQUIPMENT TERMS

Technology Services

Customer:	Doctors Medical Center San Pablo
Project:	McKesson Performance Analytics

Applications Supported

This solution assumes

Rules Version	5.2.0
Does the customer have an EXISTING implementation of McKesson Business Insight?	No
What is your preferred Intel hardware Vendor?	HP
Will you be providing your own rack with accessories?	Yes
Do you want McKesson to provide Microsoft CALs per user?	Yes
Include Microsoft licenses for Windows based products ?	Yes
Has Product Development authorized custom sizing?	No
Total Number of Horizon Performance Manager Concurrent Users excluding additional users added for the budget process	5
Total Number of Pathways Contract Modeling v15.0 Concurrent Users	5

Configuration Notes

This configuration has been sized based upon the customer statistics provided and the McKesson application specified. Such configuration will accommodate two (2) years of growth within this version of the application, and is not valid for any other application, version or statistics.

Customer has assumed responsibility for installation and maintenance of all Equipment and software communications (e.g. client/server communications, NFS printers) and 3rd party software packages. For support - Implementation purposes, McKesson requires access to both Server -Workstations. McKesson does not support RAS connections.

Only McKesson approved products are allowed on these servers. Any products installed on a server, not purchased or approved through McKesson will result in no support from McKesson until those products are removed.

Customer will provide McKesson access to the server via CareBridge. For Client Workstation support, Customer will provide (3) workstations with connectivity to CareBridge. Workstations requiring remote McKesson support must have these components installed and available for support duration.

McKesson also requires access to an X-windows software package on one of the three McKesson Performance Analytics Support workstations. McKesson recommends the use of Hummingbirds Exceed software package, but any X-windows software package will suffice. The X-windows software is used to perform the Oracle installation and updates that are a required component of the McKesson Performance Analytics installation and upgrades. Support for the X-Windows software package would be provided by the software vendor who supplies it. The open source product xming is delivered as part of McKesson Performance Analytics and meets this requirement.

NFS server software must be enabled on the McKesson Performance Analytics server and NFS client software on each client PC Workstation that requires access to 3M PPS Grouper and Data Import. McKesson Information Solutions LLCs recommended NFS package is Maestro by Hummingbird.

Customer to provide Uninterruptible Power Supply (UPS) for the systems configured herein.

Tape backup is to be provided by the customer.

CareBridge.

CareBridge is a requirement and must be sold with this application.

CareBridge or an equivalent VPN service is a requirement and must be sold with this application.

McKesson Performance Analytics SAN Requirements

----- Single server small - Customer to provide 750GB Disk space on SAN or external drive

----- 2 Database - Customer to provide 3.2TB Disk space on SAN

----- 3 or 4 Database - Customer to provide 6.2TB Disk space on SAN

----- A SAN is required with McKesson Performance Analytics that is Multi Pathing and Oracle 10g RAC compatible.

----- For detailed information regarding the LUN configuration please refer to the McKesson Performance Analytics LUN sizing spreadsheet.

EXHIBIT C-2
EQUIPMENT TERMS

Technology Services

Customer:	Doctors Medical Center San Pablo
Project:	EC2000 Claims Administrator

Applications Supported

This solution assumes

Rules Version	6.0.1
Include Microsoft licenses for Windows based products ?	Yes
Has Product Development authorized custom sizing?	No
How many User Workstations do you want included in your proposal?	0
Total Number of Pathways Compliance Advisor Concurrent Users?	5
Projected Annual Growth Rate?	15
Total Number of EC2000 Claims Administrator Concurrent Users?	25
Number of claims per month?	35000
If yes, do you want to run the Pre-Bill module on a separate workstation instead of a Control PC?	Yes
Is Customer requesting the Pre-Bill Editing Module?	Yes
What is your preferred Intel hardware Vendor?	HP
Do you want McKesson to quote Microsoft Client Access Licenses (CALs)?	Yes
Will you be providing your own rack with accessories?	Yes

Configuration Notes

This configuration has been sized based upon the customer statistics provided and the McKesson application specified. Such configuration will accommodate two (2) years of growth within this version of the application, and is not valid for any other application, version or statistics.

Customer to provide Uninterruptible Power Supply (UPS) for the systems configured herein.

Customer is to provide backup solution

EXHIBIT C-2
EQUIPMENT TERMS

Technology Services

Customer:	Doctors Medical Center San Pablo
Project:	Pathways Compliance Advisor

Applications Supported

This solution assumes

Rules Version	7.0.0
Will you be providing your own rack with accessories?	Yes
Do you want McKesson to quote Microsoft Client Access Licenses (CALs)?	Yes
What is your preferred Intel hardware Vendor?	HP
Total Number of Pathways Compliance Advisor Concurrent Users?	5
Number of E-pad devices needed	0
Has Product Development authorized custom sizing?	No
Include Microsoft licenses for Windows based products ?	Yes
Do you want a test/training environment?	Yes

Configuration Notes

This configuration has been sized based upon the customer statistics provided and the McKesson application specified. Such configuration will accommodate two (2) years of growth within this version of the application, and is not valid for any other application, version or statistics.

Customer to provide Uninterruptible Power Supply (UPS) for the systems configured herein.

EXHIBIT C-2
EQUIPMENT TERMS

Technology Services

Customer:	Doctors Medical Center San Pablo
Project:	McKesson Business Insight

Applications Supported

This solution assumes

Rules Version	5.2.0
What is your preferred Intel hardware Vendor?	HP
Will you be providing your own rack with accessories?	Yes
Include Microsoft licenses for Windows based products ?	Yes
Do you want McKesson to provide Microsoft CALs per user?	Yes
Enterprise or Limited Use?	Enterprise
Has Product Development authorized custom sizing?	No
Total Number of Horizon Business Insight Concurrent Users	25
Include the HBI Explorer Server?	No - Quote Std McKesson Business Insight Hardware

Configuration Notes

This configuration has been sized based upon the customer statistics provided and the McKesson application specified. Such configuration will accommodate two (2) years of growth within this version of the application, and is not valid for any other application, version or statistics.

Customer to provide Uninterruptible Power Supply (UPS) for the systems configured herein.

Technical and Product Support Requirements

----- Customer has assumed responsibility for installation and maintenance of all Equipment and software communications e.g. client/server communications, NFS printers and 3rd party software packages. For support and Implementation purposes, McKesson requires access to both Server and Workstations. McKesson does not support RAS connections.

----- Only McKesson approved products are allowed on these servers. Any products installed on a server, not purchased or approved through McKesson will result in no support from McKesson until those products are removed

CareBridge is a requirement and must be sold with this application.

Tape backup is to be provided by the customer.

McKesson Business Insight SAN Requirements

For detailed information regarding the LUN configuration please refer to the McKesson Business Insight LUN sizing spreadsheet.

DOCTORS
MEDICAL CENTER

MEDICAL EXECUTIVE REPORT

TAB 10

MEDICAL EXECUTIVE COMMITTEE
REPORT TO THE BOARD

MEC Date: 1/14/13 **Board Date:** 1/23/13

Non-Action Items:

TOPIC	COMMENT(S)
• HIPAA memo reminding physicians and allied health professionals of confidentiality was reviewed and will be sent to practitioners.	No action required by the Board
• Member-At-Large Vacancy – Dr. Park (current Member-At-Large) has requested that she be replaced due to an extended leave this year. Dr. Madhu Shetti was approved to replace Dr. Park as "Member at Large"	No action required by the Board
• Dawn Gideon provided an overview of 2013 Budget issues	No action required by the Board
• Dr. Drager provided a report related to CDPH	No action required by the Board
• Radiation Safety Committee reported ➢ No issues identified during their recent ALARA Inspection ➢ Mammography repeat rates are below 2%	No action required by the Board
• Community Relations Department provided a report on the community initiatives, while also asking for speakers and outreach suggestions.	No action required by the Board
• Dr. Enfield discussed the following: ➢ Send Out Tests in Order Sets ➢ AFB (TB) Rule Out A subcommittee will be developed to review further	No action required by the Board
• Anesthesia Department – Pre/Post Op Assessment Form - Revised as part of the TJC Action Plan	No action required by the Board
• Orders/Protocol ➢ Subcutaneous Sliding Scale Insulin ➢ Pre Op Permanent Pacemaker Insertion Implantable Cardioverter Defibillator ➢ Post Op Interventional Cardiology	No action required by the Board
• Committee Reports: ➢ Addition to Formulary: Carfilzomib (KYPROLIS)	No action required by the Board

Action Items: **None**

Credentials Report: There was no Credentials Committee meeting in December