DOCTORS
MEDICAL CENTER

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

Wednesday, March 27, 2013

5:00 PM

Doctors Medical Center
Auditorium

2000 Vale Road

San Pablo, CA 94806

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
MARCH 27, 2013 – 5:00 P.M.
Doctors Medical Center - Auditorium
2000 Vale Road
San Pablo, CA 94806

1001 G Street, NW
Washington, DC 20011
800-511-1465

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

AGENDA

1. **CALL TO ORDER** — E. Zell

2. **ROLL CALL**

3. **APPROVAL OF MINUTES OF FEBRUARY 27, 2013** — E. Zell

4. **PUBLIC COMMENTS** — E. Zell
   [At this time persons in the audience may speak on any items not on the agenda and any other matter within the jurisdiction of the of the Governing Body]

5. **FINANCIALS – FEBRUARY 2013** — J. Boatman
   a. Presentation
   b. Discussion
   c. Public Comment
   d. *ACTION: Acceptance of the February 2013 Financials*

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

7. **REVIEW OF WCCHD SUCCESSOR RETIREMENT PLAN** J. Boatman
   a. Presentation
   b. Discussion
   c. Public Comment
   d. *ACTION: For information only*

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

9. **403(b) PENSION PLAN FREEZE, CREATIONOF 401(a) PLAN** D. Gideon
   a. Presentation
   b. Discussion
   c. Public Comment
   d. *ACTION: Adoption of Resolution # 2013-04*

10. **RESOLUTION: NATIONAL DOCTORS DAY** D. Gideon
   a. Discussion
   b. Presentation
   c. Public Comment
   d. *ACTION: Adoption of Resolution # 2013-05 (Recognizing the Physicians of DMC)*

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.

DOCTORS
MEDICAL CENTER

MINUTES
FEBRUARY 27, 2013

TAB 3

DOCTORS MEDICAL CENTER

WCCHD DOCTORS MEDICAL CENTER
GOVERNING BODY BOARD OF DIRECTORS

February 27, 2013, 5:00 P.M.
Doctors Medical Center - Auditorium
2000 Vale Road
San Pablo, CA 94806

MINUTES

1. CALL TO ORDER

The meeting was called to order at 5:42 P.M.

2. ROLL CALL

Quorum was established and roll was called:

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

Excused:
Patrick Godley
Irma Anderson

3. APPROVAL OF JANUARY 23, 2013 MINUTES

The motion made by William Walker, MD and seconded by Director Wallace to approve the January 23, 2013 minutes passed unanimously.

4. **PUBLIC COMMENTS**

Jerry Fillingim spoke on behalf of CNA and stated that he appreciates the hard work and commitment by the Board members. He thinks that the community needs a rational and logical health care delivery system, which can help this hospital to become more centralized. He asked the Governing Body members to engage all stakeholders in this important look at healthcare globally in the county and to solve DMCs problems as part of an overall delivery system plan for the community.

The following employees spoke: Hermelinda G Rivera, Maria Sahagrin, Lynn McMoris, Tami Roncskevitz, Rock Numt and Sousan Ehtesham. They discussed the increased volume of uninsured patients in the emergency department since the opening of the West County Clinic, the continued perception on the part of employees that the county does not proactively support DMC, the commitment of the staff to this hospital and community, and their concerns about the continued discussion about the potential closure of the hospital. All of these factors have had a demoralizing impact on staff. All staff asked that the Governing Body continue to work to find a way to keep this hospital open.

Robert McCauly, speaking on behalf of NUHW, stated that he wanted to direct his comments to the Governing Board because he feels like they are responsible for the sustainability of the hospital. He is amazed with how much healthcare DMC provides with such little staff that it has. There are not enough nurses on the floor which directly leads to patients not being attended in a timely manner so don't forget nurses when the patient's satisfactory scores drop.

Peter Tiernan spoke on behalf of Local 1 Union, stating that he and his membership believes in DMC but have a concern with the number of service providers decreasing but the supervision roles increasing.

John Gioia wanted to point out that it takes a lot more than just hope on the part of the community; we need action in order to get some kind of long term sustainability and recognition. We need the private, non-government owned hospitals to step up and help public hospitals with the uninsured and patient care over all. Supervisor Gioia referenced the CNA supported legislation to ensure that all non-profit hospitals carry their fair share.

Dr. Drager wanted to point out that, while they are a public, government owned hospital, the county has the ability receive federal and state funding not available to district hospitals like DMC. She also pointed out that all of the doctors in DMC are private and none are DMC employees. Many other hospitals have developed employment arrangements for the physicians, making it much easier for those physicians to see uninsured patients.

5. **FINANCIALS –JANUARY 2013.**

Mr. James Boatman, CFO, presented and sought acceptance of the January 2013 Financials. Doctors Medical Center had a Net Loss of $1,200,000 in the month of January. This was $754,000 better than budget.

He reported that net patient revenue was over budget by $836,000. Inpatient gross charges were over budget by 5.3%. Patient days were 4.0% over budget with discharges at 15.8% over budget. Outpatient gross charges were under budget in January by 12.7%. Outpatient volume was 0.7% under budget in January with the exception of the emergency department visits which were 15.9% over budget.

Mr. Boatman pointed out that positive volume increases in Medicare and Medi-Cal account for the positive revenue variance. Managed care and government volumes were down in January and account for the shortfall in revenue for those payers.

Mr. Boatman updated everyone that Salaries and Benefits combined were over budget by $5,000 in January. Worked FTE's per adjusted average daily census was favorable to budget by 1.5% with salaries and wages at 4.0% under budget. Patient days were 4.0% over budget and outpatient visits were 0.7% under budget. Benefit costs were over budget in January by $217,000 due to health insurance and higher unemployment taxes.

Mr. Boatman reported that the account receivable project is going well, the hired consultant has done a great job and just this month she has great results from the first phase. The "trac" system has gone live a week early.

A motion was made by Director Wallace and seconded by Director Casazza to accept the January 2013 Financial report passed unanimously.

6. **APPROVAL OF CEP CONTRACT AMENDMENT**

Ms. Dawn Gideon, Interim president and Chief Executive Officer sought approval of the CEP contract amendment. Ms. Gideon reported that starting May 01, 2013 this contract eliminates the compensation (both base and incentive) provided under the prior contract. The main change in the business is in section of G-special terms, in consideration for the removal of stipend payments, the "without cause" termination provisions have been eliminated for the first year of the agreement. The standard "with cause" provisions continue to be included.

Ms. Gideon wanted to point out that this save the hospital approximately $600,000 to $700,000 on an annualized basis.

Supervisor John Gioia stated that this is great attempt to save for the hospital and $600,000 is a lot of money to save. He and Director Zell thanked CEP for their efforts.

A motion was made by William Walker, MD and seconded by Supervisor Gioia to approve the CEP contract amendment passed unanimously.

7. **APPROVAL OF HURON CONTRACT**

Director Zell sought approval of the amended Huron contract for Ms. Gideon's interim management services. The contract has a significant monthly reduction of $10,000 in the monthly fees which adds up to $120,000.00 annual savings. He pointed out that Ms. Gideon has asked for greater flexibility in the number of days spent on site, this will also reduce travel expenses.

Director Campbell wanted to point out that she is a bit concerned if Ms. Gideon will be able to perform her job with shorter hours

Supervisor John Gioia and Director Casazza pointed out that Ms. Gideon's working hours on site at the hospital might change but they are sure that it will not affect the hospital as a whole. She has always been available to them and the rest of the organization on a 24/7 basis, and this will continue.

Dr. Drager pointed out that she appreciates that Ms. Gideon has stayed with DMC for a longer period than everyone expected her and that the Huron compensation is pretty standard when you look elsewhere in other hospitals. We don't pay for her medical benefits and she doesn't have a pension plan as part of her income. This hospital has been unable to attract confident permanent leadership because of the financial situation that we are in so we are lucky to have such a great CEO as Dawn Gideon.

A motion was made by Director Casazza and seconded by Director Wallace to approve the HURON contract passed unanimously.

8. **CEO REPORT**

Ms. Dawn Gideon, Interim president and Chief Executive Officer reported on the hospital Town Hall presentation that was presented to the employees, physicians and volunteers in early February.

There were four Town Hall meeting throughout the week of February 13th; the presentation reviewed the seven 2013 Strategic Priorities and provided an update on several.

Patient satisfaction continues to be a priority, and she highlighted two of our efforts. Training for all staff was initiated in January, and we have developed performance improvements teams within each workgroup of the hospital. She highlighted performance in core measures and patient safety as part of the **Clinical Quality** strategic priority.

The third strategic priority is **Fiscal Responsibility**. Ms. Gideon reviewed the 2012 financial performance, and the cost reduction/ revenue collection efforts that have been included in the new 2013 budget to reduce the $16 million loss from last year. Initiatives include: revenue cycle project, physician documentation, consolidation of the 5th and 6th floors when census warrants, use of only 2 operating rooms when volume warrants, continued reduction in supply costs and staffing reductions in multiple areas of the hospital. We are also looking for a partnership of services that we can offer in excess capacity on the 7th floor. Lastly, she referenced the work with the county health services on efforts to increase the volume of referrals from the West County Clinic to DMC.

Finally, on **Image Management**, Ms. Gideon showed the Bart advertising billboards that were in place in November and December. These ads were paid for by Chevron.

We have also started to encourage patients to post their positive comments on care using social media, and we are encouraging staff to do the same.

Dr. Walker pointed out the importance of expense reduction in hospitals across the county, not just at DMC. He also noted the trend to partnerships as a necessary strategy to save community hospitals, and this is a trend that will only increase as a result of healthcare reform to begin in earnest in 2014. Most of the hospitals around this county are also laying people off as we speak and this trend will continue throughout the community hospitals.

Public Comments

Berry Howard and Tammy Roncskevitz both spoke on the hospital policy for accrual of sick leave and vacation, and asked the Governing Body reconsider the recent practice on accrual of sick leave and time off because it has impacted employees financially and without any proper notice.

9. **MEDICAL EXECUTIVE REPORT**

Dr. Laurel briefly reviewed the highlights from the most recent Medical Executive Committee as outlined in the Governing Body materials. There no approvals sought in open session.

THE MEETING ADJOURNED TO CLOSED SESSION AT 7:00 PM

The meeting of the Governing Body was reopened at 7:20 p.m. at which time it was announced that medical staff credentials had been approved as submitted.

The meeting was adjourned at 7:25 p.m.

DOCTORS
MEDICAL CENTER

FINANCIALS
February 2013

TAB 5

DOCTORS MEDICAL CENTER

Board Presentation

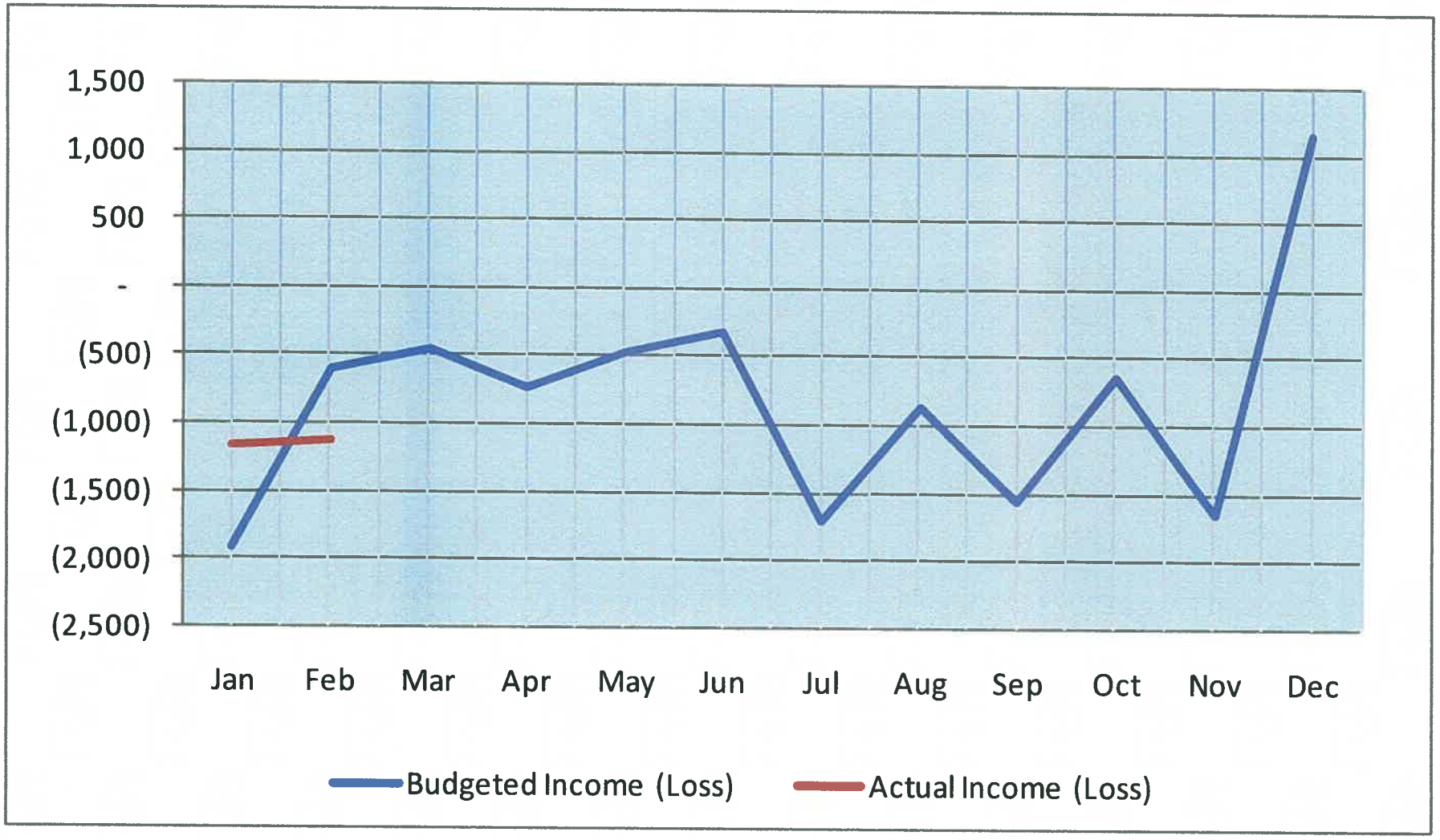
February 2013

Financial Report

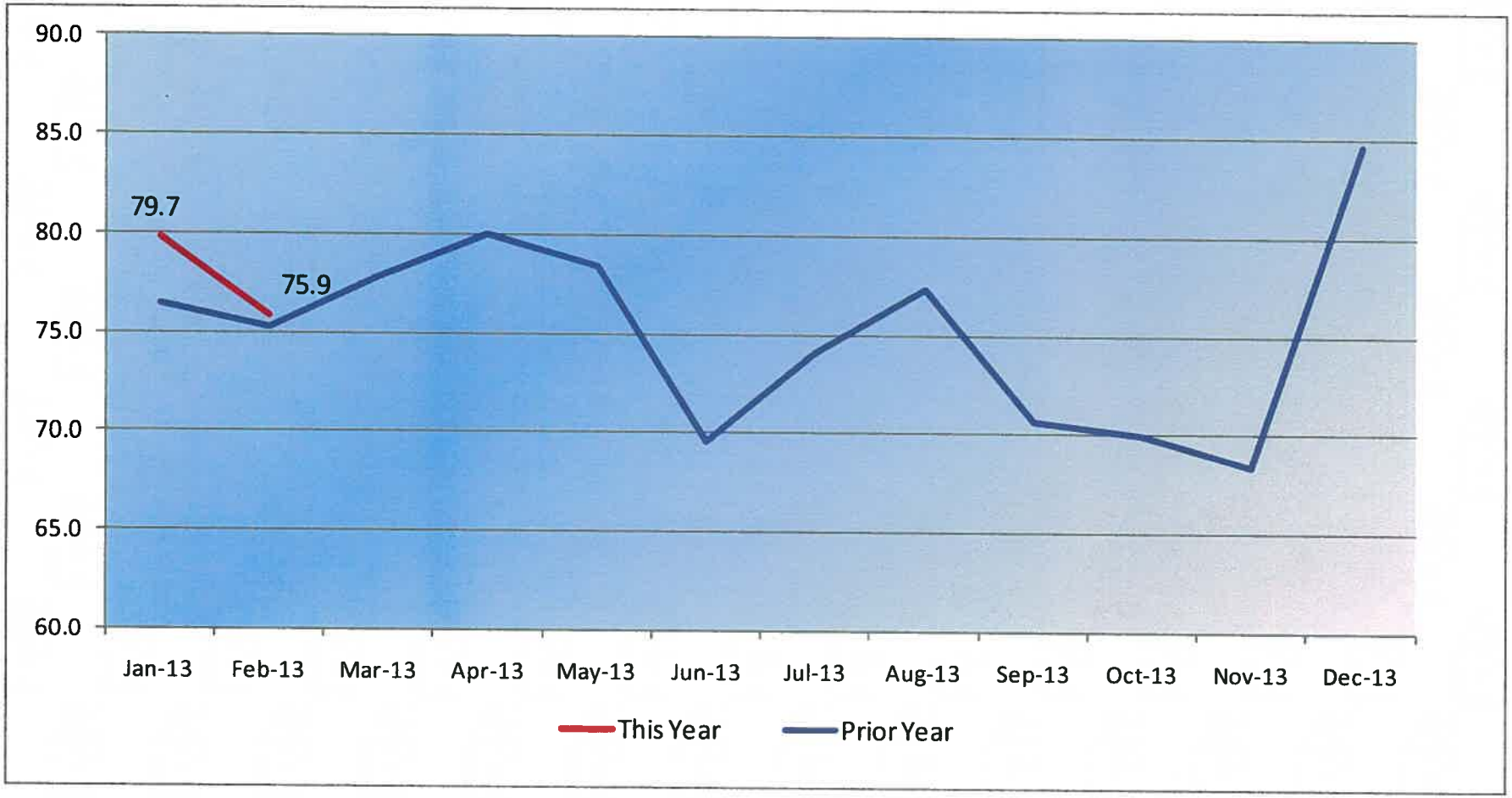
Financial Report Key Points

- Net loss was $1.1M in February, under budget by $527K.
- Net patient revenue was $301K under budget.
- Operating expenses were $188K over budget.

Year-to-Date Income



Average Daily Census



Statement of Activity – Summary

For the Period Ending

February 28, 2013

(Thousands)

Month to Date				Year to Date		
Actual	Budget	Var		Actual	Budget	Var
10,218	10,567	(349)	**Net Operating Revenues $**	21,236	20,778	458
12,101	11,913	(188)	**Total Operating Expenses $**	25,057	24,790	(267)
(1,883)	(1,346)	(537)	**Income/(Loss) from Operations $**	(3,821)	(4,013)	192
751	741	10	**Income from Other Sources $**	1,517	1,482	35
(1,132)	(605)	(527)	**Net Income / (Loss) $**	(2,304)	(2,530)	226
2,124	2,223	(99)	**Patient Days**	4,596	4,599	(3)
461	460	1	**Discharges**	1,032	953	79
5,973	6,202	(229)	**Outpatient Visits**	12,638	12,915	(277)
633	637	4	**Worked FTE's**	613	619	7
1.51	1.55	(0.04)	**Medicare CMI**	1.55	1.55	0.00

Budget Variances – **Net Revenue**

- Commercial / PPO /HMO – ($293K).

Budget Variances – Expenses

- **Supplies** ($207K) – Higher utilization of pacemakers, and implants due to surgical volume.
- **Purchased Services** ($89K) – Higher dialysis, MRI and P.E.T. costs.
- **Other Operating Expenses** $43K – Lower travel and outside training expenses.

Cash Position
February 28, 2013

(Thousands)

	February 28, 2013	December 31, 2012
Unrestricted Cash	$5,330	$5,059
Restricted Cash	$10,441	$11,612
Total Cash	$15,771	$16,671
Days Unrestricted Cash	12	11
Days Restricted	26	27
Total Days of Cash	38	39

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

Accounts Receivable

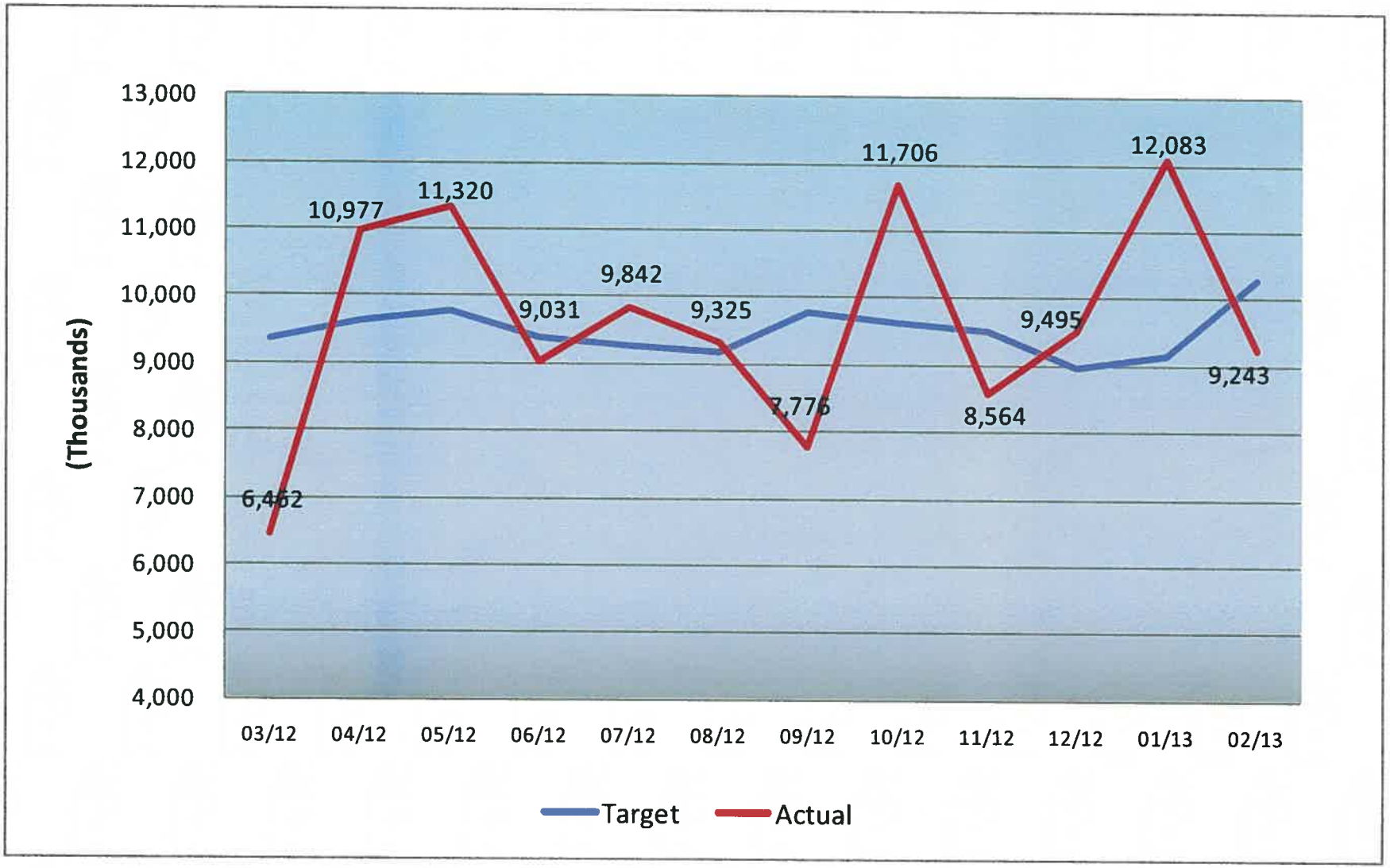
February 28, 2013

(Thousands)

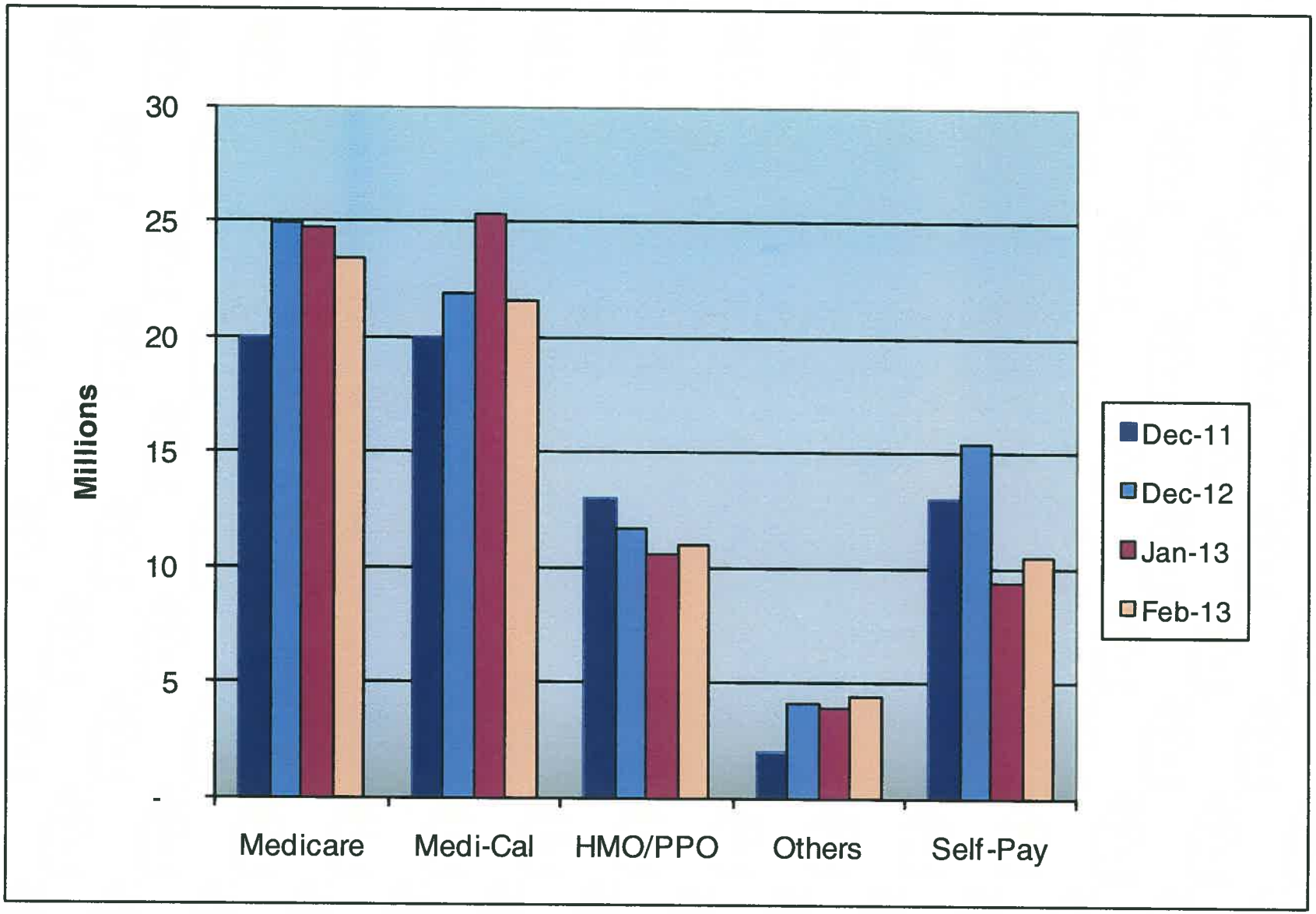
	February 28, 2013	December 31, 2012
Net Patient Accounts Receivable	$26,669	$31,007
Net Days in Accounts Receivable	82.9	91.1

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

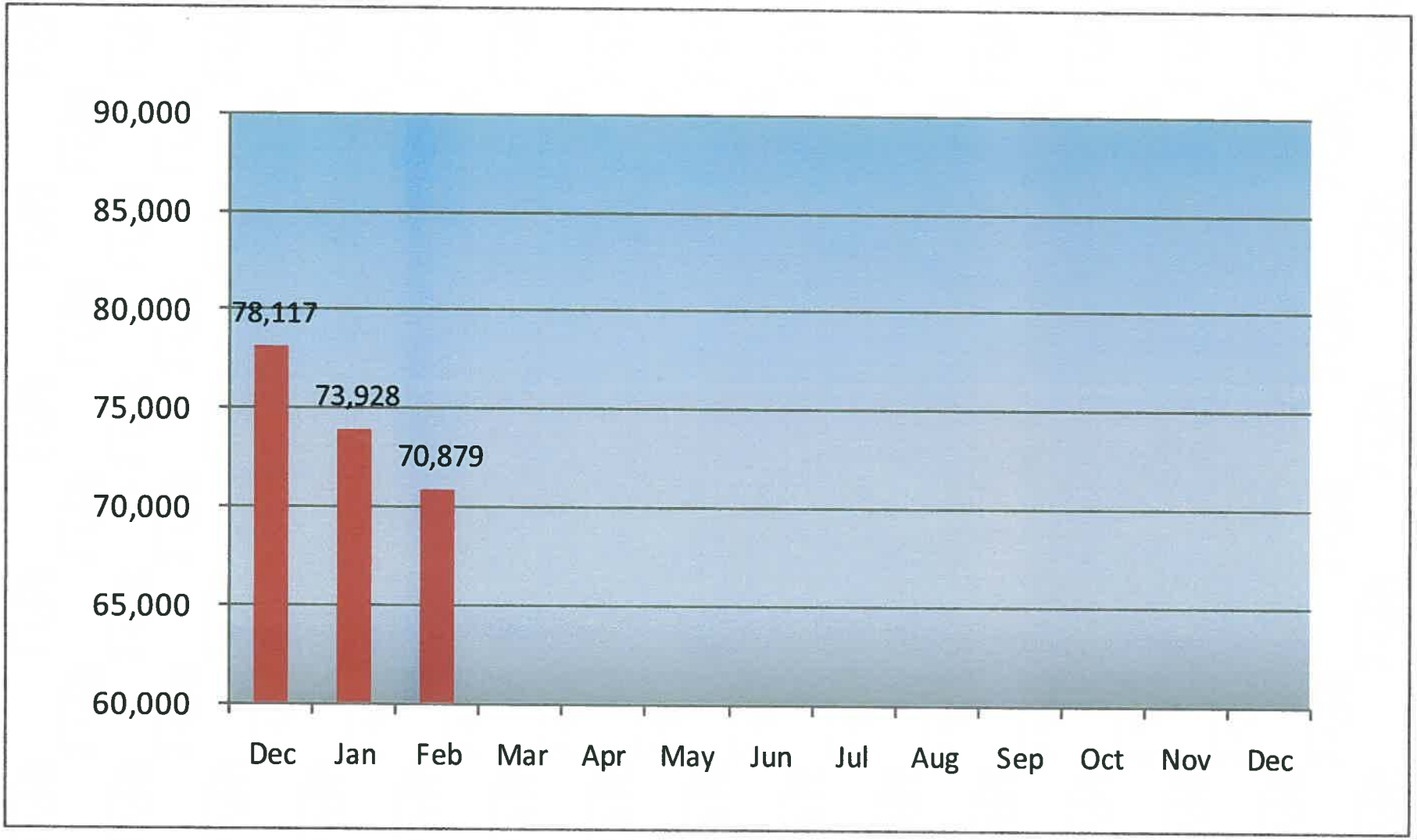
Cash Collections



A/R by Payor


30
25
20
15
10
5
-
Millions
Medicare
Medi-Cal
HMO/PPO
Others
Self-Pay
Dec-11
Dec-12
Jan-13
Feb-13

Accounts Receivable



Accounts Receivable Project

Go-Live Dates

- TRAC (Follow-up): 2/13
- TRAC (Billing): 2/20
- ONTRAC (Verification/Authorization): 3/6

Key Metric Improvement

- $5.6M reduction in Follow-up WIP since project start
- $5.9M reduction in Billing WIP since project start
- Quality improvement from 59% to 86% of standard
- Productivity improvement from 687 account touches per week to 1206

Upcoming Initiatives

- Formalized Productivity/Quality rollout
- Medical Records QUIC communication implementation
- Case Management appeals process QUIC integration

Capital Budget 2013

Listed Equipment	$1,493,000
Emergency Funds	507,000
Total Capital Budget:	$2,000,000
Commited To Date:	$392,000
Remaining Capital	$1,608,000

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
INCOME STATEMENT
February 28, 2013
(Amounts in Thousands)

CURRENT PERIOD ACTUAL	CURRENT PERIOD BUDGET	CURRENT PERIOD VAR	CURRENT PERIOD VAR %	PRIOR YEAR ACTUAL		CURRENT YTD ACTUAL	CURRENT YTD BUDGET	CURRENT YTD VAR	CURRENT YTD VAR %	PRIOR YEAR ACTUAL
					OPERATING REVENUE					
10,136	10,437	(301)	-2.9%	9,304	Net Patient Service Revenue	21,052	20,518	534	2.6%	18,766
82	130	(48)	-36.8%	69	Other Revenue	184	260	(76)	-29.1%	144
10,218	10,567	(349)	-3.3%	9,373	**Total Operating Revenue**	21,236	20,778	458	2.2%	18,910
					OPERATING EXPENSES					
4,930	4,916	(14)	-0.3%	5,097	Salaries & Wages	10,054	10,252	198	1.9%	10,265
2,806	2,839	33	1.2%	2,565	Employee Benefits	6,009	5,825	(184)	-3.2%	5,323
948	988	40	4.1%	937	Professional Fees	2,055	2,005	(50)	-2.5%	1,717
1,469	1,262	(207)	-16.4%	1,327	Supplies	2,893	2,684	(209)	-7.8%	2,824
913	824	(89)	-10.8%	847	Purchased Services	1,934	1,809	(125)	-6.9%	1,632
288	281	(7)	-2.5%	208	Rentals & Leases	610	612	2	0.3%	506
415	428	13	3.1%	386	Depreciation & Amortization	832	851	19	2.2%	734
332	375	43	11.4%	269	Other Operating Expenses	670	751	81	10.8%	594
12,101	11,913	(188)	-1.6%	11,636	**Total Operating Expenses**	25,057	24,790	(267)	-1.1%	23,595
(1,883)	(1,346)	(537)	39.9%	(2,263)	**Operating Profit / Loss**	(3,821)	(4,013)	192	-4.8%	(4,685)
					NON-OPERATING REVENUES (EXPENSES)					
-	-	-	0.0%	-	Other Non-Operating Revenue	-	-	-	0.0%	-
1,123	1,136	(13)	1.1%	708	District Tax Revenue	2,246	2,272	(26)	1.1%	1,416
22	2	20	803.5%	1	Investment Income	69	6	63	1014.0%	5
(394)	(398)	4	0.0%	(168)	Less: Interest Expense	(798)	(796)	(2)	0.3%	(352)
751	741	10	1.4%	541	**Total Net Non-Operating**	1,517	1,482	35	2.3%	1,069
(1,132)	(605)	(527)	87.0%	(1,722)	**Income Profit (Loss)**	(2,304)	(2,530)	226	-9%	(3,616)
					Profitability Ratios:					
-18.4%	-12.7%	153.7%		-24.1%	Operating Margin %	-18.0%	-19.3%	41.8%		-24.8%
-11.1%	-5.7%	-5.3%		-18.4%	Profit Margin %	-10.8%	-12.2%	1.3%		-19.1%

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
INCOME STATEMENT
February 28, 2013
(Amounts in Thousands)

CURRENT PERIOD ACTUAL	CURRENT PERIOD BUDGET	CURRENT PERIOD VAR	CURRENT PERIOD VAR %	PRIOR YEAR ACTUAL		CURRENT YTD ACTUAL	CURRENT YTD BUDGET	CURRENT YTD VAR	CURRENT YTD VAR %	PRIOR YEAR ACTUAL
2,375	2,159	(216)	-10.0%	2,223	SWB / APD	2,318	2,186	(133)	-6.1%	2,195
63.9%	65.1%	-10.1%		65.8%	SWB / Total Operating Expenses	64.1%	64.9%			66.1%
3,715	3,317	(398)	-12.0%	3,376	Total Operating Expenses / APD	3,616	3,370	(246)	-7.3%	3,322
35,021	33,246	1,775	5.3%	32,288	I/P Gross Charges	75,591	71,765	3,826	5.3%	69,384
18,688	20,469	(1,781)	-8.7%	18,719	O/P Gross Charges	38,376	43,028	(4,652)	-10.8%	38,891
53,709	**53,715**	**(6)**	**0.0%**	**51,007**	**Total Gross Charges**	**113,967**	**114,793**	**(826)**	**-0.7%**	**108,275**
					Payor Mix (IP and OP)					
44%	40%	4%		39%	Medicare %	45%	40%	5%		39%
3%	5%	-2%		6%	Medi-Cal %	3%	5%	-2%		6%
0%	13%	-13%		15%	Managed Care HMO / PPO %	12%	13%	-2%		15%
11%	10%	1%		13%	Medicare HMO %	11%	10%	1%		13%
17%	17%	0%		12%	Medi-Cal HMO %	17%	17%	0%		12%
0%	0%	0%		0%	Commercial %	0%	0%	0%		0%
1%	1%	0%		1%	Worker's Comp %	1%	1%	0%		1%
2%	3%	-1%		3%	Other Government %	2%	3%	-1%		3%
10%	11%	-1%		11%	Self Pay /Charity %	10%	11%	-1%		11%
					STATISTICS					
454	471	(17)	-3.6%	470	Admissions	1,034	960	74	7.7%	959
461	460	1	0.2%	463	Discharges	1,032	953	79	8.3%	956
2,124	2,223	(99)	-4.5%	2182	Patient Days	4,596	4,599	(3)	-0.1%	4,551
75.9	79.4	(3.5)	-4.5%	75.2	Average Daily Census (ADC)	77.9	77.9	(0.1)	-0.1%	75.9
4.61	4.83	0.23	4.7%	4.71	Average Length of Stay (LOS)- Accrual Based	4.45	4.83	0.37	7.7%	4.76
28	28			29	Days in Month	59	59			60
707	743	(36)	-4.9%	731	Adjusted Discharges (AD)	1,556	1,524	32	2.1%	1,492
3,257	3,592	(334)	-9.3%	3,447	Adjusted Patient Days (APD)	6,929	7,356	(427)	-5.8%	7,102
116	128	(12)	-9.3%	119	Adjusted ADC (AADC)	117	125	(7)	-5.8%	118
68	75	(7)	-9.3%	70	Inpatient Surgeries	145	152	(7)	-4.6%	142
83	78	5	6.4%	95	Outpatient Surgeries	156	162	(6)	-3.7%	200
151	**153**	(2)	-1.3%	**165**	**Total Surgeries**	**301**	**314**	(13)	-4.1%	**342**

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
INCOME STATEMENT
February 28, 2013
(Amounts in Thousands)

CURRENT PERIOD ACTUAL	CURRENT PERIOD BUDGET	CURRENT PERIOD VAR	CURRENT PERIOD VAR %	PRIOR YEAR ACTUAL		CURRENT YTD ACTUAL	CURRENT YTD BUDGET	CURRENT YTD VAR	CURRENT YTD VAR %	PRIOR YEAR ACTUAL
3,129	3,100	29	0.9%	2954	ED Outpatient Visits	6,711	6,190	521	8.4%	6,021
2,761	3,024	(263)	-8.7%	3218	Ancillary Outpatient Visits	5,771	6,563	(792)	-12.1%	6,808
83	78	5	6.4%	95	Outpatient Surgeries	156	162	(6)	-3.7%	200
5,973	**6,202**	(229)	-3.7%	**6,267**	**Total Outpatient Visits**	**12,638**	**12,915**	(277)	-2.1%	**13,029**
435	422	13	3.2%	435	Emergency Room Admits	99t	859	132	15.3%	882
13.9%	13.6%			14.7%	% of Total E/R Visits	14.8%	13.9%			14.6%
95.8%	89.5%			92.6%	% of Acute Admissions	95.8%	89.5%			92.0%
633	637	4	0.6%	645	Worked FTE	613	619	7	1.1%	629
719	723	3	0.5%	718	Paid FTE	720	724	4	0.5%	738
5.44	4.96	(0.47)	-9.6%	5.43	Worked FTE / AADC	5.22	4.97	(0.25)	-5.0%	5.31
6.18	5.63	(0.55)	-9.7%	6.04	Paid FTE / AADC	6.13	5.80	(0.33)	-5.6%	6.23
3,112	2,906	206	7.1%	2,699	Net Patient Revenue / APD	3,038	2,789	249	8.9%	2,642
16,488	14,956	1,533	10.2%	14,797	I/P Charges / Patient Days	16,447	15,604	843	5.4%	15,246
3,129	3,300	(172)	-5.2%	2,987	O/P Charges / Visit	3,037	3,332	(295)	-8.9%	2,985
1,513	1,389	(145)	-10.6%	1,479	Salary Expense / APD	1,451	1,394	(57)	-4.1%	1,445
4.77	5.29	0.52	9.8%	4.54	Medicare LOS - Discharged Based	4.82	5.55	0.73	13.1%	4.64
1.51	1.55	(0.04)	-2.5%	1.44	Medicare CMI	1.55	1.55	0.00	0.2%	1.57
3.16	3.41	(0.25)	-7.4%	3.15	Medicare CMI Adjusted LOS	3.10	3.58	(0.48)	-13.3%	2.96
4.61	4.83	0.23	4.7%	4.68	Total LOS - Discharged Based	4.47	4.83	0.36	7.4%	4.74
1.50	1.45	0.05	3.5%	1.45	Total CMI	1.52	1.49	0.04	2.6%	1.49
3.07	3.33	(0.26)	-7.9%	3.23	Total CMI Adjusted LOS	2.93	3.25	(0.32)	-9.7%	3.19

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
BALANCE SHEET
February 28, 2013
(Amounts in Thousands)

	Current Month	Dec. 31, 2012
ASSETS		
Cash	5,330	5,059
Net Patient Accounts Receivable	26,669	31,007
Other Receivables	2,386	464
Inventory	1,730	1,731
Current Assets With Limited Use	10,441	11,612
Prepaid Expenses and Deposits	1,422	1,621
TOTAL CURRENT ASSETS	**47,978**	**51,494**
Assets With Limited Use	**642**	**642**
Property Plant & Equipment		
Land	12,120	12,120
Bldg/Leasehold Improvements	29,433	29,432
Capital Leases	10,926	10,926
Equipment	44,406	43,579
CIP	78	860
Total Property, Plant & Equipment	96,963	96,917
Accumulated Depreciation	-54,709	-53,887
Net Property, Plant & Equipment	**42,254**	**43,030**
Intangible Assets	**1,444**	**1,454**
Total Assets	**92,318**	**96,620**

		Current Month	Dec. 31, 2012
	LIABILITIES		
96	Current Maturities of Debt Borrowings	1,531	1,613
97	Accounts Payable and Accrued Expenses	16,266	16,509
98	Accrued Payroll and Related Liabilities	16,337	17,512
99	Deferred District Tax Revenue	3,091	3,091
100	Estimated Third Party Payor Settlements	1,918	1,868
101	**Total Current Liabilities**	**39,143**	**40,593**
	Other Liabilities		
102	Other Deferred Liabilities	2,323	2,804
103	Chapter 9 Bankruptcy	0	0
	Long Term Debt		
104	Notes Payable - Secured	61,238	61,242
105	Capital Leases	1,502	1,647
106	Less Current Portion LTD	-1,531	-1,613
107	**Total Long Term Debt**	**61,209**	**61,276**
108	**Total Liabilities**	**102,675**	**104,673**
	EQUITY		
109	Retained Earnings	-8,053	9,667
110	Year to Date Profit / (Loss)	-2,304	-17,720
111	**Total Equity**	**-10,357**	**-8,053**
112	**Total Liabilities & Equity**	**92,318**	**96,620**

Current Ratio (CA/CL)	***1.23***	***1.27***
Net Working Capital (CA-CL)	***8,835***	***10,901***
Long Term Debt Ratio (LTD/TA)	***0.66***	***0.63***
Long Term Debt to Capital (LTD/(LTD+TE)	***1.20***	***1.15***
Financial Leverage (TA/TE)	***-8.9***	***-12.0***
Quick Ratio	**0.82**	**0.89**
Unrestricted Cash Days	**12**	**11**
Restricted Cash Days	**26**	**27**
Net A/R Days	**82.9**	**91.1**

DOCTORS MEDICAL CENTER

February 2013 Executive Report

Doctors Medical Center had a Net Loss of $1,132,000 for the month of February. As a result, net income was under budget by $527,000. The following are the factors leading to the Net Income variance:

Net Patient Revenue Factors	**Positive / (Negative)**
Managed Care, Commercial, PPO	($293,000)
Expenses	
Supplies	($207,000)
Purchased Services	($89,000)
Other Operating Expenses	$43,000

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

The Managed Care, Commercial and PPO outpatient rate mix ended the month negative compared to the rate mix budgeted in February which combined for a revenue shortfall of $293,000.

Supplies were over budget by $207,000 due to higher utilization of pacemakers and implants related to surgical volume.

Purchased Services were over budget by $89,000 with the increased in volume in the areas of dialysis, MRI and P.E.T.

Other Operating Expenses were $43,000 under budget in February with savings in the areas of travel and outside training.

DOCTORS MEDICAL CENTER

QUALITY REPORT

TAB 6

Quality Management Report

March 2013

Annual e-QRR Report - 2012

- There were 2288 total risk events
- Of the 2288 there were 1073 medication events
- No trends identified except a positive trend in overrides

Restraints – June 2012 – January 2013

- 94% compliance rate for behavioral and 83% for medical restraints
- Revised the policy and procedure
- Revised process to log restraints

STEMI – 4th Qtr 2012

- ST Elevation MI (STEMI)
- 11 patients arrived by EMS with mean time 55.38 minutes. Goal is less than 90 minutes
- No STEMI related Mortality in the 4th Qtr

Information Systems Update

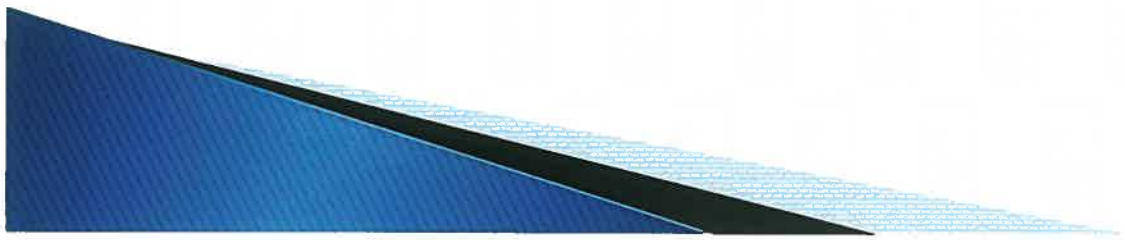
- The IT Disaster Recovery Plan was reviewed and updated
- Compliant with HIPAA requirements
- Will be reviewed every 6 months or when significant technology updates are required

HBO – 4th Q 2012

- Total treatments – 482 on 23 patients
- Complications included 4 minor claustrophobia, 2 major claustrophobia and 1 minor barotraumas
- Outcomes include 8 improving, 14 healed and 1 incomplete

Joint Commission Update

- Out-Pt Medication Reconciliation – all areas are using Paragon
- Out-Pt Fall Risk assessment developed in Paragon
- Pain assessment – policy revised on where to document and education completed
- Informed Consent – process in place to revisit patients when unable to sign and for first time dialysis

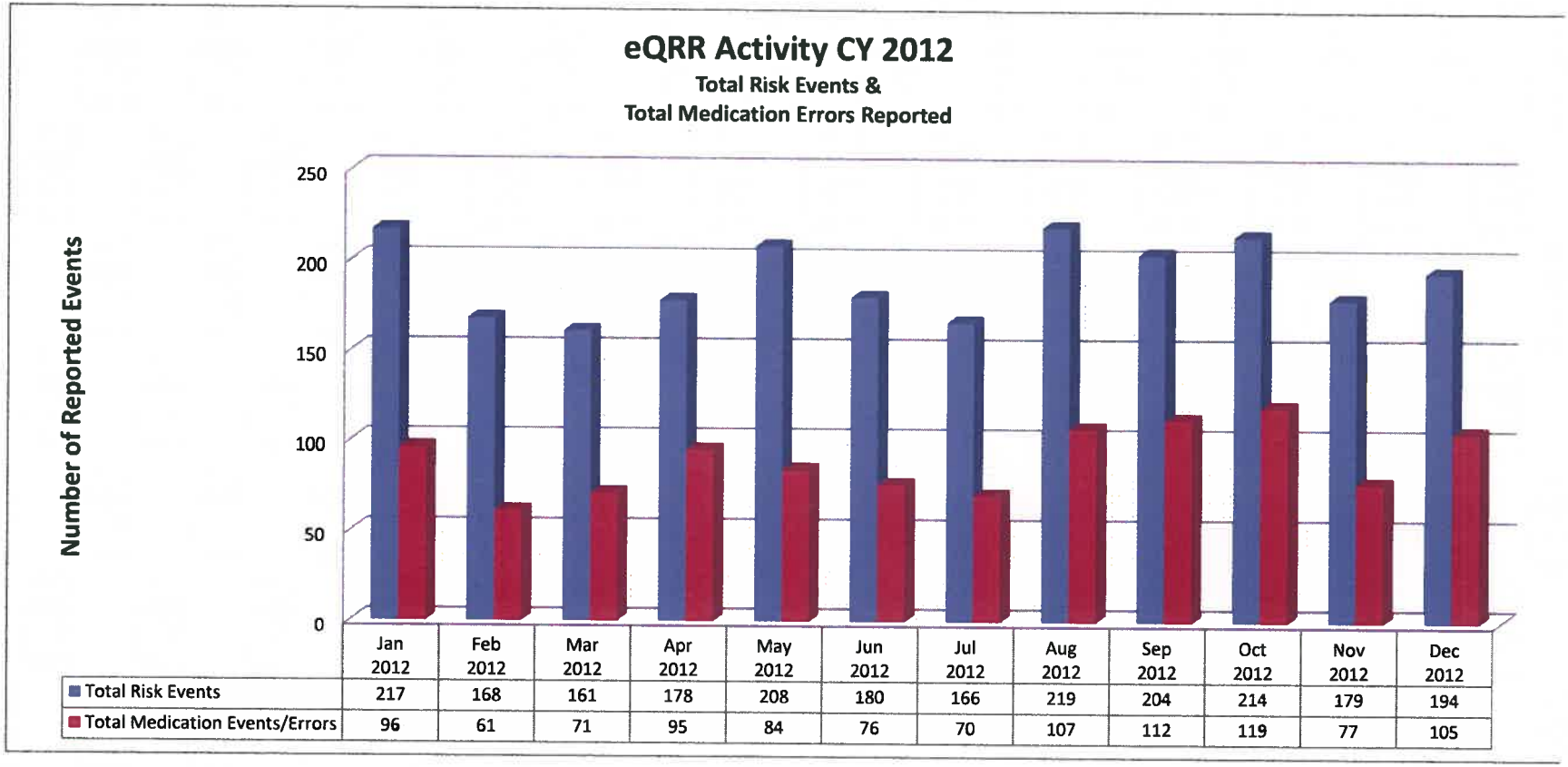


DOCTORS MEDICAL CENTER

Quality/Patient Safety Metrics

e-QRR Activity CY 2012

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



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

Behavioral Restraint

2011 - 2012

Data is Present For:

June 2012
July 2012
August 2012
September 2012
October 2012
November 2012
December 2012
January 2013

Audits with Data:

- Behavioral Restraint Audit

click to hide/show data source information	4th		6th		ED		Total	Total
	Compliance Rate	Num / Denom	Compliance Rate	Num / Denom	Compliance Rate	Num / Denom	Compliance Rate	Num / Denom
Patient in restraint is monitored through continuous face-to-face observation	80%	(12/15)	100%	(2/2)	80%	(4/5)	82%	(18/22)
Any use of restraint is pursuant to an individual order	100%	(15/15)	100%	(2/2)	80%	(4/5)	95%	(21/22)
Each episode of restraint use is documented	100%	(15/15)	100%	(2/2)	100%	(5/5)	100%	(22/22)
Each episode of restraint is ordered by a Licensed Independent Practitioner (LIP)	100%	(15/15)	100%	(2/2)	80%	(4/5)	95%	(21/22)
When emergency use of restraints if ordered, LIP evaluates the patient in person within 1 hour.	100%	(15/15)	100%	(2/2)	100%	(5/5)	100%	(22/22)
An order for behavioral restraint is limited to 4 hours for adults	100%	(15/15)	100%	(2/2)	80%	(4/5)	95%	(21/22)
Patient in behavioral restraint is reevaluated every 4 hours	100%	(15/15)	100%	(2/2)	100%	(5/5)	100%	(22/22)
Patient in behavioral restraint is assessed and assisted at initiation of restraints	100%	(15/15)	100%	(2/2)	100%	(5/5)	100%	(22/22)
Patient in restraint is assessed and assisted every 15 minutes after initiation of restraints.	100%	(15/15)	100%	(2/2)	60%	(3/5)	91%	(20/22)
Staff assist patient in meeting behavior criteria for discontinuing restraint	100%	(15/15)	100%	(2/2)	100%	(5/5)	100%	(22/22)
Documentation of any non-physical interventions tried before behavioral restraints	100%	(15/15)	100%	(2/2)	100%	(5/5)	100%	(22/22)
Is the type of restraint order (medical/behavioral) used appropriately based on the patient's assessment?	100%	(13/13)	100%	(1/1)	100%	(4/4)	100%	(18/18)
Is the restraint order present and current (date/time is documented) for each episode* of restraint? *episode = each restraint order: 4 hours for adult; 2 hours for children 9-17; one hour for children under 9.	100%	(15/15)	100%	(2/2)	60%	(3/5)	91%	(20/22)
Use of restraint is based on the patient's current violent/agressive behavior.	100%	(15/15)	100%	(2/2)	100%	(5/5)	100%	(22/22)
Were psychoactive medications used as an alternative for or to enable discontinuation of restraint?	53%	(8/15)	100%	(2/2)	80%	(4/5)	64%	(14/22)
Were the staff who initiated the behavioral health restraint trained and competent to do so? (RN, Code Gray Team Members)	100%	(15/15)	100%	(2/2)	100%	(5/5)	100%	(22/22)
Are the staff assigned to observe the patient trained and competent to do so? (Sitters)	100%	(15/15)	100%	(2/2)	100%	(5/5)	100%	(22/22)
Did the entire behavioral restraint event last less than 12 hours?	87%	(13/15)	0%	(0/2)	80%	(4/5)	77%	(17/22)
Total	**96%**	**(256/268)**	**94%**	**(33/35)**	**89%**	**(79/89)**	**94%**	**(368/392)**

Medical Restraints

2012

Data is Present For:

May 2012
June 2012
July 2012
August 2012
September 2012
October 2012
November 2012
December 2012
January 2013
February 2013

Audits with Data:

- Medical Restraint Audit

click to hide/show data source information	4th		5th		6th		ED		MICU		Nursing		Other		Total	Total
	Compliance Rate	Num / Denom	Compliance Rate	Num / Denom	Compliance Rate	Num / Denom	Compliance Rate	Num / Denom	Compliance Rate	Num / Denom	Compliance Rate	Num / Denom	Compliance Rate	Num / Denom	Compliance Rate	Num / Denom
Per restraints policy & procedure, was telephone order signed/dated/timed within 12 hours	100%	(19/19)	92%	(11/12)	NA	(/)	NA	(/)	100%	(2/2)	100%	(1/1)	NA	(/)	97%	(33/34)
Any use of restraint is pursuant to an individual order	91%	(20/22)	85%	(35/41)	100%	(3/3)	100%	(1/1)	60%	(3/5)	100%	(1/1)	100%	(1/1)	86%	(64/74)
Each episode of restraint use is documented	91%	(20/22)	61%	(25/41)	67%	(2/3)	100%	(1/1)	80%	(4/5)	100%	(1/1)	100%	(1/1)	73%	(54/74)
Each episode of restraint or seclusion is ordered by a Licensed Independent Practitioner (LIP)	91%	(20/22)	78%	(32/41)	100%	(3/3)	100%	(1/1)	80%	(4/5)	100%	(1/1)	100%	(1/1)	84%	(62/74)
Staff attempts to contact the family promptly to inform them of the restraint or seclusion episode	94%	(16/17)	100%	(4/4)	NA	(/)	100%	(1/1)	100%	(3/3)	100%	(1/1)	NA	(/)	96%	(25/26)
When emergency use of restraints if ordered, LIP sees the patient in person within 24 hours	100%	(18/18)	100%	(3/3)	NA	(/)	100%	(1/1)	100%	(3/3)	100%	(1/1)	NA	(/)	100%	(26/26)
Patient in restraint is assessed and assisted at initiation of restraints	91%	(20/22)	95%	(39/41)	67%	(2/3)	100%	(1/1)	80%	(4/5)	100%	(1/1)	100%	(1/1)	92%	(68/74)
Patient in restraint is monitored through continuous face-to-face observation	50%	(2/4)	88%	(15/17)	0%	(0/3)	100%	(1/1)	NA	(/)	NA	(/)	NA	(/)	72%	(18/25)
Staff assist patient in meeting release of criteria for discontinuing restraint	100%	(22/22)	98%	(40/41)	100%	(3/3)	100%	(1/1)	80%	(4/5)	100%	(1/1)	100%	(1/1)	97%	(72/74)
Is the medical restraint order present and current (date/time is documented) for each episode* of restraint? *episode = each restraint order for the calendar day	91%	(20/22)	80%	(33/41)	100%	(3/3)	100%	(1/1)	100%	(5/5)	100%	(1/1)	100%	(1/1)	86%	(64/74)
If verbal order, did MD authenticate (sign/date/time) within 12 hours for initial or 24hours for renewal/re-order since reassessment is required every 24 hours (Note: verbal orders are not accepted as a renewal)	91%	(20/22)	63%	(26/41)	100%	(3/3)	100%	(1/1)	100%	(5/5)	0%	(0/1)	100%	(1/1)	76%	(56/74)
Is the patient monitored at least every 2 hours while in restraint?	91%	(20/22)	68%	(28/41)	67%	(2/3)	100%	(1/1)	80%	(4/5)	100%	(1/1)	100%	(1/1)	77%	(57/74)
Is clinical justification for restraint documented? (Clinical justification box(es) checked)	91%	(20/22)	80%	(33/41)	67%	(2/3)	0%	(0/1)	80%	(4/5)	100%	(1/1)	100%	(1/1)	82%	(61/74)
Are the results of patient monitoring and re-evaluation documented?	91%	(20/22)	61%	(25/41)	33%	(1/3)	100%	(1/1)	80%	(4/5)	100%	(1/1)	100%	(1/1)	72%	(53/74)
Are any significant changes in patient condition documented?	95%	(21/22)	73%	(30/41)	0%	(0/3)	100%	(1/1)	60%	(3/5)	100%	(1/1)	100%	(1/1)	77%	(57/74)
Total	**93%**	**(278/300)**	**78%**	**(379/487)**	**67%**	**(24/36)**	**93%**	**(13/14)**	**83%**	**(52/63)**	**93%**	**(13/14)**	**100%**	**(11/11)**	**83%**	**(770/925)**

E. R. TO BALLOON PATIENT TRACKING
STEMI ONLY

4th qtr	Acct.# (1st # on Blue Card)	Date /2012	E=EMS T=Txfr W=Walk in	CINE # 12-	MD INI.	DMC ER/ Hosp Arrival Time	Triage Time	EKG Time	ASA Time	Cath Lab Arrival Time	Fem / Rad Artery Time	1st Device Time	ER to EKG time (5 min)	ER to Lab time (45 min)	Lab to Puncture time (20 min)	ER to 1st Device Time (90 min)	NOTES
73		10/2	e		6	20:59	20:59	21:00	pta	21:27	21:47	21:59	1	28	20	60	
74		10/13															ALOC change CT 1st CL called in then cancelled
75		10/13	e	423	5	22:05	22:05	22:08	pta	22:42	22:54	na	3	37	12		no signficant disease
76		10/17	k	428	7	17:00	17:00	pta	pta	17:00	17:31	17:41			31	41	pt w/ BP in 60-70's systolic ECHO completed in CL prior to going into room. Temporary pacemaker insterted at procedure start
77		10/21	e	434	1	13:07	13:07	13:47	pta	14:27	14:45	na	40	80	18		3VD TIMI 3 flow all vessels 1st EKG @1305 not sig
78		10/24	t	438	6	17:50	17:50	12:42	pta	17:50	18:22	18:40	pta		32	50	CL called 1645? STEMI recognition from Transferring facility
79		10/26	e	444	7	15:21	15:21	15:21	pta	16:09	16:24	16:32		48	15	71	EP patient on table at time of STEMI
80		10/26	E	445	7	19:30	19:30	19:31	pta	20:15	20:32	20:39	1	45	17	69	
81		11/5	E	458	5	16:30	16:30	pta	pta	16:51	16:59	17:22		21	8	52	transfer from MD office
82		11/22	k	483	7	12:50	12:50	12:22	pta	13:23	13:35	13:43	pta	33	12	53	10:50EKG/subsequent EKG 1222 long DMC ED time =ECHO comlpeted 1st
83		12/17	k	518	7	3:12	3:12		pta	3:36	3:46	3:59	pta	24	10	47	
84																	
85																	
86																	
87																	
88																	
89																	
90																	
91																	
92																	
93																	
94																	
95																	
96																	

NA = INFORMATION NOT AVAILABLE PTA = PRIOR TO ARRIVAL

HOSPITAL PERFORMANCE IMPROVEMENT COMMITTEE (HPIC) REPORTING FORM

Information Systems

Report is for March of 2013

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

The IT Disaster Recovery Plan contained outdated information.

BACKGROUND (Information about the indicator & past data)

Stage I meaningful use requires a completion of a security audit performed by a third party. This was performed during July and August of last year and revealed outdated information contained in the IT Disaster Recovery Plan.

ACTION TAKEN & RESULTS:

The IT Disaster Recovery Plan was updated and received board approval on September 26th and is compliant with HIPAA requirements. Additionally, the position of IT Security Risk Analyst was created to assist in addressing topics outlined by HIPAA and the HITECH Act.

RECOMMENDATIONS/FOLLOWUP:

The IT Disaster Recovery Plan will be reviewed every six months or when significant technology updates have been acquired

Submitted by: Wayne Tenney - IT Security Risk Analyst **Date:** 3/11/2013

HOSPITAL PERFORMANCE IMPROVEMENT COMMITTEE (HPIC) REPORTING FORM

HBO

Report is for Oct - Dec, 2012

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

The indicators are standard for HBO treatment centers are as follow:

Complications of Patients CompletingTherapy – Claustrophobia Minor/Claustrophobia Major/Barotrauma Minor/Barotrauma Major/PE Tubes/O2 Toxicity/Seizure/CHF/Pulmonary Barotrauma/Hypoglycemia/Other/Outcomes of Patients Completing Therapy

BACKGROUND (Information about the indicator & past data)

Total Tx – 482 (23 pts)

Complications:

Completed – 24

Claustrophobia Minor – 4 (Ok with Lorazepam)

Claustrophobia Major – 2 (stopped)

Barotrauma Minor – 1 (ears)

Outcome of Patients Completing Therapy:

Improving – 8

Healed – 14

Other – 2 (incomplete)

ACTION TAKEN & RESULTS:

None

RECOMMENDATIONS/FOLLOWUP:

None

Submitted by: Barry Green **Date: 10/19/2012**

DOCTORS
MEDICAL CENTER

Review Of WCCHD Successor Retirement Plan

TAB 7

West Contra Costa Healthcare District Successor Retirement Plan

Actuarial Valuation Report
GASB Statements 25 and 27 Disclosure – December 31, 2012

February 2013

TOWERS WATSON

Table of Contents

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Purpose and actuarial statement

As requested by Doctor's Medical Center, this report documents the results of an actuarial valuation of the West Contra Costa Healthcare District Successor Retirement Plan for purposes of GASB Statements 25 and 27.

This report is provided subject to the terms set out herein and in our engagement letter dated September 26, 2012 and the referred to General Terms and Conditions of Business. This report is provided solely for the Company's use and for the specific purposes indicated above. It may not be suitable for use in any other context or for any other purpose.

Except where we expressly agree in writing, this report should not be disclosed or provided to any third party, other than as provided below. In the absence of such consent and an express assumption of responsibility, no responsibility whatsoever is accepted by us for any consequences arising from any third party relying on this report or any advice relating to its contents.

The Company may make a copy of this report available to its auditors, but we make no representation as to the suitability of this report for any purpose other than that for which is was originally provided and accept no responsibility or liability to the Company's auditors in this regard. The Company should draw the provisions of this paragraph to the attention of its auditors when passing this report to them.

In preparing this valuation, we have relied upon information and data provided to us orally and in writing by West Contra Costa Healthcare District and other persons or organizations designed by West Contra Costa Healthcare District. We have relied on all the data and information provided, including Plan provisions, membership data and asset information, as being complete and accurate. We have not independently verified the accuracy or completeness of the data or information provided, but we have performed limited checks for consistency.

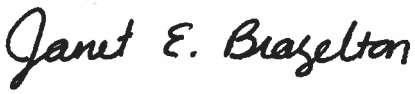
The valuation summarized in this report involves actuarial calculations that require assumptions about future events. West Contra Costa Healthcare District is responsible for the selection of the assumptions. We believe that the assumptions used in the report are within the range of possible assumptions that are reasonable and appropriate for the purposes for which they have been used. However, other assumptions are also reasonable and appropriate and their use would produce different results.

In our opinion, all calculations are in accordance with requirements of applicable financial accounting standards, including GASB Statements 25 and 27, and the procedures followed and the results presented are in conformity with applicable actuarial standards and practice.

The undersigned consultants with actuarial credentials meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. There is no relationship between the plan sponsor and Towers Watson Delaware Inc. that impairs our objectivity.

Jeffrey A. Brown, FSA, EA
Senior Consulting Actuary

Towers Watson



Janet E. Brazelton, FSA, EA
Consulting Actuary

Towers Watson

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Section 1: Summary of results

Benefit cost, assets & obligations

As requested by West Contra Costa Healthcare District, this report presents the results of the actuarial valuation of the West Contra Costa Healthcare District Successor Retirement Plan for purposes of GASB Statement 25 and 27. In addition, the report documents the funded status of the plan, the provisions on which the valuation is based, and the actuarial assumptions and methods used in the calculations.

All amounts shown in US Dollars

Fiscal Years Beginning:		01/01/2012	01/01/2011
Annual Required Contribution	Annual Required Contribution	524,476	431,460
	Percentage of Compensation	N/A	N/A
Pension Cost	Pension Cost	484,278	406,624
	Percentage of Compensation	N/A	N/A
Funded Status	Actuarial Accrued Liability	10,436,410	10,458,266
	Market Value of Assets	5,459,548	6,469,768
	Funded Status	(4,976,862)	(3,988,498)
	Net Pension Obligation	1,170,750	764,126
Participant Data	Participating Employees	14	14
	Deferred Vested Participants	104	107
	Retirees and Beneficiaries	125	125
	Total Plan Participants	243	246
	Census Date	07/01/2012	07/01/2011

Comments on results

Appendix A outlines the assumptions and methods used in the valuation.

Appendix B outlines the principal provisions of the plan being valued.

The mortality table was updated from the optional combined tables for males and females published by the IRS in §1.412(l)(7)-1 to the 2012 optional combined tables for males and females as shown in IRS Notice 2008-85. This change increased the present value of accumulated benefits by $97,717.

There have been no changes in methods or plan provisions since the prior valuation.

The actuarial (gain)/loss for the period December 31, 2011 through December 31, 2012, due to demographic experience and investment return different from assumed during the prior year was $5,735 and ($293,011) respectively.

The 2008 financial crisis in the U.S. resulted in a significant deterioration of the Plan's funded status. Although the return on assets was higher than the assumed 8.0% during both 2009 and 2010, the funded ratio remained flat at 62% through December 31, 2010. The negative return in 2011 dropped the funded ratio even further to 52% as of December 31, 2011. (See exhibit 2.4 on page 8.) In spite of the higher than expected 2012 return on assets, the funded ratio continues to drop and is now at 50%. The funded ratio of the plan can only increase if employer contributions are made. Earning the expected 7.5% return on assets in 2013 and future years will not cover the cash flow required to pay expected benefit payments. Even if the assets return the expected 7.5% in all future years, absent employer contributions the funded ratio will continue to decline and is projected to fall below 30% funded by December 31, 2016.

Section 2: Accounting exhibits

2.1 Development of annual required contribution (ARC)

All amounts shown in US Dollars

	Fiscal Year Beginning Measurement Date	01/01/2012 01/01/2012	01/01/2011 01/01/2011
1	Actuarial Accrued Liability (AAL)	10,436,410	10,458,266
2	Actuarial Value of Assets	5,459,548	6,469,768
3	Unfunded Actuarial Accrued Liability	4,976,862	3,988,498
4	Normal Cost	0	0
5	15-Year Amortization Factor	9.4892	9.2442
6	Amortization of Unfunded AAL (3 / 5)	524,476	431,460
7	Annual Required Contribution (4 + 6, minimum $0)	524,476	431,460

2.2 Reconciliation of funded status

All amounts shown in US Dollars

Measurement Date			12/31/2012	12/31/2011
Change in Benefit Obligation	a	Benefit obligation at end of prior year	10,436,410	10,458,266
	b	Service cost	0	0
	c	Interest cost	746,250	797,573
	d	Plan participants' contributions	0	0
	e	Amendments	0	0
	f	Assumption change	97,717	394,852
	g	Actuarial (gain)/loss	5,735	(375,390)
	h	Acquisition/(Divestiture)	0	0
	i	Benefits paid	(865,974)	(838,891)
	j	Administrative expenses paid	0	0
	k	Benefit obligation at end of year	10,420,138	10,436,410
Change in Plan Assets	a	Fair value of plan assets at end of prior year	5,459,548	6,469,768
	b	Actual return on plan assets	667,957	(109,435)
	c	Acquisition/(Divestiture)	0	0
	d	Employer contribution	0	0
	e	Plan participants' contributions	0	0
	f	Benefits paid	(865,974)	(838,891)
	g	Administrative expenses paid	(54,550)	(61,894)
	h	Fair value of plan assets at end of year	5,206,981	5,459,548

2.3 Schedule of employer contributions (as required by GASB #25)

All amounts shown in US Dollars

Fiscal Year	Annual Required Contribution	Actual Contribution	Percentage Contributed
2002	0	165,065	N/A
2003	91,143	0	0%
2004	50,920	256,080	503%
2005	86,190	217,280	252%
2006	86,762	0	0%
2007	59,790	0	0%
2008	84,674	0	0%
2009	460,260	0	0%
2010	443,526	0	0%
2011	431,460	0	0%
2012	524,476	0	0%

2.4 Schedule of funding progress (as required by GASB #25)

All amounts shown in US Dollars

Fiscal Year (1)	Valuation Date (2)	Actuarial Liability (AAL) (3)	Actuarial Value of Assets (AVA) (4)	Unfunded Actuarial Accrued Liability (UAAL) (3)-(4) (5)	Funded Ratio (4)/(3) (6)	Annual Covered Payroll (7)	UAAL as % of Payroll (5)/(7) (8)
2002	12/31/2002	9,688,741	8,867,529	821,212	92%	3,836,059	21%
2003	12/31/2003	9,821,988	9,363,191	458,797	95%	3,587,602	13%
2004	12/31/2004	10,368,335	9,571,577	796,758	92%	3,537,386	23%
2005	12/31/2005	10,324,349	9,522,300	802,049	92%	3,414,437	23%
2006	12/31/2006	10,381,810	9,829,103	552,707	95%	N/A	N/A
2007	12/31/2007	10,645,843	9,863,100	782,743	93%	N/A	N/A
2008	12/31/2008	10,790,814	6,536,080	4,254,734	61%	N/A	N/A
2009	12/31/2009	10,725,685	6,625,642	4,100,043	62%	N/A	N/A
2010	12/31/2010	10,458,266	6,469,768	3,988,498	62%	N/A	N/A
2011	12/31/2011	10,436,410	5,459,548	4,976,862	52%	N/A	N/A
2012	12/31/2012	10,420,138	5,206,981	5,213,157	50%	N/A	N/A

2.5 Notes to the required schedules (as required by GASB #25)

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Plan Description	Single-employer
Valuation Date	December 31, 2012
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Open
Amortization Period	15 years
Asset Valuation Method	Market value of assets
Actuarial Assumptions	
Investment Rate of Return[1]	7.50%
Inflation rate	2.00%
Projected Salary Increases	Not applicable
Post-retirement benefit increases	2.00%

[1] Investment return is net of expenses paid from plan assets.

2.6 Calculation of net pension obligation at transition under GASB statement #27

All amounts shown in US Dollars

Fiscal Year (1)	Investment Assumption (2)	Amortization Years (3)	ARC (4)	Months in Fiscal Year (5)	Actual Contribution (6)	Beginning of Year NPO (7)	Annual Pension Cost (8)	Increase in NPO (8)-(6) (9)	End of Year NPO (7)+(9) (10)
2002	8.50%	15	0	12	165,065	0	0	(165,065)	(165,065)
2003	8.50%	15	91,143	12	0	(165,065)	96,211	96,211	(68,854)
2004	8.50%	15	50,920	12	256,080	(68,854)	53,034	(203,046)	(271,900)
2005	8.00%	15	86,190	12	217,280	(271,900)	95,028	(122,252)	(394,152)
2006	8.00%	15	86,762	12	0	(394,152)	99,573	99,573	(294,579)
2007	8.00%	15	59,790	12	0	(294,579)	69,365	69,365	(225,214)
2008	8.00%	15	84,674	12	0	(225,214)	91,994	91,994	(133,220)
2009	8.00%	15	460,260	12	0	(133,220)	464,590	464,590	331,370
2010	8.00%	15	443,526	12	0	331,370	432,756	432,756	764,126
2011	8.00%	15	431,460	12	0	764,126	406,624	406,624	1,170,750
2012	7.50%	15	524,476	12	0	1,170,750	484,278	484,278	1,655,028

2.7 Calculation of pension cost (as required by GASB #27)

All monetary amounts shown in US Dollars

Fiscal Year (1)	Months in Fiscal Year (2)	Investment Assumption (3)	ARC (4)	Beginning of Year NPO (5)	Interest on NPO (3)x(5) (6)	Amortization Years (7)	Amortization Factor (8)	ARC Adjustment (9)	Pension Cost (4)+(6)+(9) (10)
2002	12	8.50%	0	0	0	15	9.0101	0	0
2003	12	8.50%	91,143	(165,065)	(14,031)	15	9.0101	19,099	96,211
2004	12	8.50%	50,920	(68,854)	(5,853)	15	9.0101	7,967	53,034
2005	12	8.00%	86,190	(271,900)	(21,752)	15	9.2442	30,590	95,028
2006	12	8.00%	86,762	(394,152)	(31,532)	15	9.2442	44,343	99,573
2007	12	8.00%	59,790	(294,579)	(23,566)	15	9.2442	33,141	69,365
2008	12	8.00%	84,674	(225,214)	(18,017)	15	9.2442	25,337	91,994
2009	12	8.00%	460,260	(133,220)	(10,658)	15	9.2442	14,988	464,590
2010	12	8.00%	443,526	331,370	26,510	15	9.2442	(37,280)	432,756
2011	12	8.00%	431,460	764,126	61,130	15	9.2442	(85,966)	406,624
2012	12	7.50%	524,476	1,170,750	87,806	15	9.4892	(128,004)	484,278

2.8 Statement of plan assets and change in plan assets during fiscal year (as required by GASB #25)

All amounts shown in US Dollars

		Market Value
Classes of Assets	Cash and equivalents	(72,250)
	Certificates of deposit	0
	U.S. Govemment securities	0
	Corporate debt instruments	0
	Corporate stocks	0
	Other investments (Collective Trust)	5,279,231
	Receivable employer contributions	0
	Receivable accrued income	0
	(Payable benefit payments)	0
	(Payable expenses)	0
	Total value of plan assets as of 12/31/2012	5,206,981

			Market Value
Change in Assets	Plan assets as of 01/01/2012[1]		5,459,548
	a Employer contributions[2]		0
	b Benefit payments made		(865,974)
	c Administrative expenses paid		(54,550)
	d Net investment income		667,957
	Interest	0	
	Dividends	34	
	Net appreciation	667,923	
	Other	0	
	Plan assets as of 12/31/2012[2]		5,206,981

Return on Assets	Rate of return on average invested assets (before expenses)	13.36%

1 There were no contributions receivable at the beginning of the plan year.
2 There were no contributions receivable at the end of the plan year.

2.9 Historical information

All amounts shown in US Dollars

Fiscal Years Ending:	12/31/2012	12/31/2011	12/31/2010	12/31/2009
Participant Data				
Participating employees	14	14	14	14
Deferred vested participants	104	107	108	110
Retirees and beneficiaries	125	125	133	138
Retiree and beneficiary annual benefits	866,154	842,044	885,757	893,286
Total plan participants	243	246	255	262
Census Date	7/1/2012	7/1/2011	7/1/2010	7/1/2009
Asset History				
Fair value (end of year)	5,206,981	5,459,548	6,469,768	6,625,642
Actuarial value (end of year)	5,206,981	5,459,548	6,469,768	6,625,642
Benefit payments for the fiscal year	(865,974)	(838,891)	(861,555)	(883,962)
Employer contributions for the fiscal year	0	0	0	0
Return on fair value	13.36%	(1.82%)	12.44%	17.03%

2.10 Summary of plan participants

All amounts shown in US Dollars

Census Date	07/01/2012	07/01/2011
A Participating Employees		
1 Number	14	14
2 Average age	55.36	54.36
3 Average credited service	5.80	5.80
B Retirees and Beneficiaries		
1 Number	125	125
2 Total annual pension	866,154	842,044
3 Average annual pension	6,929	6,736
4 Average age	77.79	77.29
5 Distribution as of 07/01/2012		

Age Last Birthday	Number	Annual Pension
Under 55	1	6,170
55 – 59	1	5,069
60 – 64	4	32,959
65 – 69	14	88,316
70 – 74	19	155,059
75 – 79	35	288,955
80 – 84	29	180,823
85 and Over	22	108,803

D Participants with Deferred Pensions		
1 Number	104	107
2 Total annual pension	276,709	300,290
3 Average annual pension	2,661	2,806
4 Average age	58.43	57.51
5 Distribution as of 07/01/2012		

Age Last Birthday	Number	Annual Pension
Under 40	0	N/A
40 – 44	5	3,940
45 – 49	6	12,290
50 – 54	20	53,077
55 – 59	31	77,398
60 – 64	23	78,401
65 and Over	19	51,603

Appendix A

Statement of actuarial assumptions and methods

Plan Sponsor

Doctor's Medical Center

Discount Rate

7.50%

Expected Long-Term Return on Assets

7.50%

Compensation/Salary Increases

Not applicable. Benefit accrual ceased as of December 31, 1993.

Future Increases in Social Security

Not applicable. Benefit accrual ceased as of December 31, 1993.

Future Increases in Maximum Benefits and Plan Compensation/ Salary Limitations

Not applicable.

Assumed Pension Increases

Benefits in pay-status are assumed to increase 2% annually each July 1.

Administrative Expenses

None.

The assumed interest rate is the assumed net rate of return after payment of any expenses or fees charged to the plan.

Mortality

The mortality table is the 2012 optional combined tables for males and females as shown in IRS Notice 2008-85. Representative rates are shown below:

Age	Males	Females
25	0.000287	0.000141
30	0.000388	0.000201
35	0.000675	0.000352
40	0.000869	0.000469
45	0.001073	0.000727
50	0.001421	0.001087
55	0.002279	0.002223
60	0.004777	0.004525

Retirement

The rates at which participants are assumed to retire by age shown below:

Age	Percent Retiring Annually
50	4.50
51	5.00
52	5.50
53	6.00
54	6.50
55	15.00
56	15.00
57	15.00
58	15.00
59	20.00
60	50.00
61	20.00
62	20.00
63	20.00
64	20.00
65 and over	100.00

Disability Rates

None.

Disabled Mortality

Not applicable.

Representative Termination Rates (not due to disability, retirement or mortality)

The rates at which participants are assumed to leave the company by age and gender are shown below:

During First Five Years of Service

Year of Service	Percent Terminating Annually
0-1	17.50
1-2	15.00
2-3	12.50
3-4	10.00
4-5	8.00

After Five Years of Service

Age	Percent Terminating Annually
20	5.50
25	5.40
30	5.20
35	4.80
40	4.40
45	3.90

Form of Payment

Participants are assumed to elect the normal form.

Marriage

It is assumed that 80% of the members are married, and females are 3 years younger than their spouses.

Employees

It was assumed that there will be no new or rehired employees.

Cost Method

The Projected Unit Credit Cost Method is used to determine the service cost and the projected benefit obligation for retirement, termination, and ancillary benefits. Under this method, a "projected accrued benefit" is calculated as of the beginning of the year and as of the end of the year for each benefit that may be payable in the future. The "projected accrued benefit" is based on the plan's accrual formula and upon service as of the beginning or end of the year, but using final average compensation, social security benefits, etc., projected to the age at which the employee is assumed to leave active service. The projected benefit obligation is the actuarial present value of the "projected accrued benefits" as of the beginning of the year for employed participants and is the actuarial present value of all benefits for other participants. The service cost is the actuarial present value of the difference between the "projected accrued benefits" as of the beginning and end of the year.

Asset Method

The investments in the trust fund are valued on the basis of their fair market value.

Participant Data

Employee data was supplied by the employer as of the census date. Data on persons receiving benefits was supplied by the employer.

Census Date/Measurement Date

The measurement date is December 31, 2012. For purposes of determining benefit obligations as of the measurement date, participant data as of the census date, July 1, 2012, are used. Benefit obligations are projected to the measurement date by assuming no actuarial gains or losses in the interim, except for those assumption changes necessary to reflect the situation at the measurement date. There were no significant events that would render the projection inappropriate.

Benefits Not Included in Valuation

We believe that we have reflected all significant Plan provisions in this valuation.

Nature of Actuarial Calculations

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed insignificant and therefore are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately. We believe that the use of approximations in our calculations has not resulted in a significant difference relative to the results we would have obtained by using more detailed calculations.

A range of results, different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision, which is not inherent in actuarial calculations.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as:

- plan experience differing from that anticipated by the economic or demographic assumptions
- changes in economic or demographic assumptions
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost based on the plan's funded status)
- changes in plan provisions or applicable law
- significant events since last actuarial valuation

Significant Events since Last Actuarial Valuation

None of which we are aware.

Changes in Assumptions and Methods since Last Actuarial Valuation

The mortality table was updated from the optional combined tables for males and females published by the IRS in §1.412(l)(7)-1 to the 2012 optional combined tables for males and females as shown in IRS Notice 2008-85.

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Appendix B

Summary of principal plan provisions

Plan Sponsor

Doctors Medical Center

Type of Plan

Single Employer

Eligibility

This Plan covers all Participants of the Prior Plan not electing to receive a lump sum cashout of their benefits. This Plan is closed to new participants.

Plan Year

July 1 through June 30.

Retirement Benefits

a. Age and Service Requirements

Normal Retirement – Age 65.

Early Retirement – Age 50 and 5 years of service.

Deferred Retirement – Anytime after age 65.

b. Amount of Normal Retirement Benefit

A participant's Normal Retirement Benefit is equal to a Single-Life Annuity payable monthly in an amount equal to his or her accrued monthly retirement benefit as of December 31, 1993.

c. Early Retirement Benefit

A Participant electing Early Retirement to begin after attaining age sixty receives his or her full accrued monthly retirement benefit, commencing on such Early Retirement Date. A Participant electing Early Retirement to begin between age 50 and 60 receives a benefit equal to his or her

accrued monthly retirement benefit reduced one-half of one percent (.5%) for each month by which such Early Retirement Date precedes his sixtieth (60th) birthday.

d. Postponed Retirement Benefit

Normal Retirement Benefit actuarially adjusted for his or her age at the time payment begins.

e. Minimum Retirement Benefit

Any Participant who was participating in the P.E.R.S. plan on June 30, 1983, and who transferred the full amount of his or her employee contributions together with the interest on them to this Plan, and who contributes at least seven percent (7%) of his or her annual pay in excess of $1,600 to the Employees' Salary Deferral Plan each Plan Year from July 1, 1983 to termination date is guaranteed a minimum benefit. That minimum monthly retirement benefit is provided from the combined benefits of this Plan and the Brookside Hospital Salary Deferral Plan and is equal to the monthly retirement benefit the Participant would have received under the terms of the P.E.R.S. plan in effect on June 30, 1983 computed with the same number of years of credited service used to compute benefits under the Plan.

Vesting

All accrued benefits under this Plan are 100% vested.

Form of Benefit

The normal retirement benefit is stated as a life annuity. The normal form of benefit for a married participant is a reduced joint and survivor annuity with 50% continuance which is actuarially equivalent to the life annuity. Various annuity options are available under the Plan.

Post-Retirement Benefit Adjustments

After retirement, a Participant's benefit is increased annually as of July 1 to the extent of the average increase in the All Urban Wage Earners Consumer Price Indices for San Francisco, Los Angeles and San Diego. In no event, however, is the increase for any year to exceed two percent (2%) of the benefit paid for the previous year. After a Participant's retirement or termination with a vested accrued benefit, his or her benefit is not to be reduced by reason of any increase in Social Security benefits payable, except where a Participant has elected the Social Security Adjustment Option.

Pre-Retirement Death Benefit

If a Participant dies before commencement of benefits but having accrued a vested interest under the Plan, and is survived by a spouse to whom Participant was legally married at the time of death, such spouse shall receive a monthly retirement benefit for life commencing at the date the Participant would have qualified for early retirement had he or she lived. The monthly retirement benefit shall be 50% of the amount the Participant would have received if he or she had elected a 50% joint and survivor annuity at the later of Early Retirement Age or before his or her death.

If a Participant dies while in the employ of the Employer, but prior to having a vested accrued interest under the Plan, or if there is no spouse eligible for the surviving spouse's benefit described above, the deceased's named beneficiary shall receive a lump sum death benefit equal to one month's salary for each year of service up to a maximum of six years, plus $500, plus any employee contributions rolled over into the Plan from the P.E.R.S. Plan with interest accrued to date of death.

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Appendix C

Glossary

Accrued Liabilty

Computed in accordance with GASB 25 and 27, this quantity is the actuarial present value of all benefits attributed by the plan's benefit formula to service rendered prior to the measurement date. It is measured using an assumption as to future compensation levels when the benefit formula is based on future compensation levels.

Gain or Loss

From one plan year to the next, if the experience of the plan differs from that anticipated using the actuarial assumptions, an actuarial gain or loss occurs. For example, an actuarial gain would occur if the assets in the trust earned 12% for the year while the assumed rate of return used in the valuation was 8%.

Funded Status

This is the excess/(shortfall) of the fair value of plan assets over the Actuarial Accrued Liability.

Net Pension Obligation

The sponsor's balance sheet asset/(liability) entry, the net recognized amount, is the sum of the cumulative excess of contributions to the plan over pension cost pursuant to GASB 27.

Normal Cost

Computed in accordance with GASB 25 and 27, this component of the annual required contribution is the actuarial present value of benefits attributed by the plan's benefit formula to services rendered by employees during the period over which the annual required contribution is incurred. It is measured using an assumption as to future compensation levels when the benefit formula is based on those future compensation levels.

DOCTORS MEDICAL CENTER

403(b) Pension Plan Freeze, Creation Of 401(a) Plan

TAB 9

Resolution # 2013-04
March 27, 2013

DOCTORS MEDICAL CENTER

WEST CONTRA COSTA HEALTHCARE DISTRICT

GOVERNING BODY

RESOLUTION #2013-04

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

The Governing Body Board of Directors of the West Contra Costa Healthcare District does hereby resolve as follows:

RESOLVED, that in accordance with the terms and conditions of the West Contra Costa Health Care District dba Doctors Medical Center 403(b) Plan, the Company hereby proposes to freeze said plan, effective as of May 1, 2013 or such other date as recommended by the Interim President and CEO and orders that the Plan be amended to provide for such freeze in accordance with the terms and conditions of the Plan and any rules or regulations promulgated by the Internal Revenue Service. As a result of this freeze, no future contributions, with the exception of loan payments, shall be made to the plan (rollover contributions into the plan will no longer be allowed). Other plan operations will continue as normal including plan distributions.

RESOLVED, that the West Contra Costa Health Care District 457(b) Governmental Deferred Compensation Plan is hereby amended, effective as of May 1, 2013 or such other date as recommended by the Interim President and CEO to provide that elective deferrals made to this plan may be matched (discretionary employer match) in a newly created 401(a) plan.

RESOLVED, that the Company will implement a new 401(a) Plan, effective as of May 1, 2013 or such other date as recommended by the Interim President and CEO. This plan will accommodate the current employer contributions which are made to the 403(b) Plan (employer discretionary non-elective and employer discretionary match). The discretionary employer match contribution will be based on the elective deferrals made under the West Contra Costa Health District 457(b) Governmental Deferred Compensation Plan.

BE IT FURTHER RESOLVED, that the officers of the Company are authorized to take all other actions that they may deem necessary or appropriate to carry out this resolution, including compliance with any procedure, rule or regulation that may be issued or imposed by the Internal Revenue Service.

IN WITNESS WHEREOF, I have signed this resolution and affixed the seal of the Company this _____day of _____, 2013.

Resolution # 2013-04
March 27, 2013

PASSED AND ADOPTED by the Governing Body Board of Directors of the West Contra Costa Healthcare District on this 27th day of March, 2013, by the following vote:

AYES:

NO:

ABSTAIN:

_____

Eric Zell, Chair of Board of Directors

_____

Nancy Casazza, Secretary of Board of Directors

DOCTORS
MEDICAL CENTER

Resolution:
National Doctors Day

TAB 10

WEST CONTRA COSTA HEALTHCARE DISTRICT

RESOLUTION NO. 2013-05

RESOLUTION RECOGNIZING THE PHYSICIANS OF DOCTORS MEDICAL CENTER

Whereas there are more than 200 dedicated physicians practicing at Doctors Medical Center, providing essential and often life saving care to the more than 250,000 residents of West Contra Costa Healthcare District; and

Whereas the physicians have dedicated their lives and clinical careers to caring for these patients, many of whom are uninsured or underinsured; and

Whereas DMC's medical staff members not only provide care to patients, but also participate in and support community activities throughout the District; and

Whereas, throughout the many challenges of Doctors Medical Center over the past decades, these physicians have continued to support the hospital and the patients that together we serve;

Whereas, in 1990 a resolution was passed by both the U.S. House of Representatives and Senate with overwhelming approval, and President George Bush signed a resolution which designated March 30th as National Doctor's Day recognizing physician throughout the county;

Now, Therefore, Be It Resolved that the Governing Body of the Board of Directors of the West Contra Costa recognizes and thanks the physicians of the Doctor Medical Center Medical Staff for their dedication to the community, this hospital and the many patients we serve.

PASSED AND ADOPTED by the Governing Body Board of Directors of the West Contra Costa Healthcare District on this 27th day of March, 2013, by the following vote:

AYES:

NO:

ABSTAIN:

_____

Eric Zell, Chair of Board of Directors

_____

Nancy Casazza, Secretary of Board of Directors

DOCTORS
MEDICAL CENTER

MEDICAL EXECUTIVE REPORT

TAB 11

MEDICAL EXECUTIVE COMMITTEE
REPORT TO THE BOARD

MEC DATE: March 11, 2013

BOARD DATE: March 27, 2013

Non-Action Items:

TOPIC	Comment (S)
• Dawn Gideon provided a report on the following: Continue to implement expense reductions as discussed at the prior meeting, continuing to work on solutions with the county and with San Quentin for increased referrals. Dawn would also like to revisits DMC's medical oncology program and our contract with the county health plan. It would be very beneficial to the community to offer this service at DMC, but given the current reimbursement rates form the county health plan, that is not possible.	No action required by the Board
• Orders / Protocol ➢ Post Op Joint Care ➢ Food Drug Interaction Education ➢ Electrolyte Replacement Orders ➢ Vasoactive Infusion Medication • Pharmacy & Therapeutics ➢ Medical Error Reduction Plan (MERP)	No action required by the Board

Action Items: None

Credentials Repots : The Credentials Report is reported under the Executive Session portion of the meeting