



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

Wednesday, July 27, 2011
4:30 PM
Doctors Medical Center - Auditorium
2000 Vale Road
San Pablo, CA



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

**GOVERNING BODY
BOARD OF DIRECTORS MEETING**

**WCCHD DOCTORS MEDICAL CENTER
GOVERNING BODY BOARD OF
DIRECTORS MEETING
JULY 27, 2011, 4:30 P.M.
Doctors Medical Center - Auditorium
2000 Vale Road
San Pablo, CA 94806**

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

REVISED AGENDA

1. CALL TO ORDER J. Gioia
2. ROLL CALL
3. APPROVAL OF JUNE 22, 2011 MINUTES J. Gioia
4. PUBLIC COMMENTS J. Gioia

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

 1. *Fill out speaker cards provided at the meeting*
 2. *Copies of any written material for the Board Members*
 3. *Oral presentations are limited to 2 (two minutes)*
 4. *The proceedings of the Board are recorded and are part of the public record*
5. PARCEL TAX INITIATIVE J. Gioia
 - a. Presentation
 - b. Discussion
 - c. Public Comment
 - d. *ACTION: For Information Only*

6. ANESTHESIA SERVICES EXTENSION J. Maher
 - a. Presentation
 - b. Discussion
 - c. Public Comment
 - d. *ACTION: Approval of Anesthesia services agreement contract*

7. STROKE MEDICAL DIRECTORSHIP AGREEMENT J. Maher
 - a. Presentation
 - b. Discussion
 - c. Public Comment
 - d. *ACTION: Approval of Stroke Medical Directorship Agreement*

8. SUPPLEMENT TO CASH MANAGEMENT SERVICES J. Boatman
 - a. Presentation
 - b. Discussion
 - c. Public Comment
 - d. *ACTION: Approval of supplement to cash management services agreement*

9. FINANCIAL REPORT J. Boatman
 - a. Presentation
 - b. Discussion
 - c. Public Comment
 - d. *ACTION: Acceptance of the June 2011 Financial Report*

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

11. MEDICAL EXECUTIVE REPORT S. Drager, M.D.
 - a. Presentation
 - b. Discussion
 - c. Public Comment
 - d. *ACTION:*
 - *Acceptance of Medical Staff Report*
 - *Approval of Appointments, Reappointments and Changes of Staff Status, and Policies and Procedures*

ADJOURN TO CLOSED SESSION

- A. Reports of Medical Staff Audit and Quality Assurance Pursuant to Health and Safety Code Sec. 32155.
- B. Conference with Labor Negotiators (pursuant to Government Code Section 554957.6) Agency negotiators: John Hardy, Vice President of Human Resources: California Nurse Association, National Union Healthcare Workers.
- 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

Minutes
June 22, 2011

TAB 3

WEST CONTRA COSTA HEALTHCARE DISTRICT DOCTORS MEDICAL CENTER GOVERNING BODY

**Doctors Medical Center
Governing Body Meeting
June 22, 2011 – 4:30 pm
Doctors Medical Center - Auditorium
2000 Vale Road, San Pablo, CA 94806**

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

Minutes

1. Call to Order

The meeting was called to order at 4:35 p.m.

2. Roll Call

Quorum was established; roll was called.

*Voting Members: Supervisor John Gioia
Eric Zell
Irma Anderson
Wendel Brunner, M.D.
Nancy Casazza
Sharon Drager, M.D.
Pat Godley
Richard Sankary, M.D.
Beverly Wallace*

*Excused Absence: Deborah Campbell
William Walker, M.D.*

3. Approval of Minutes

The motion made by Director Zell and seconded by Director Anderson to approve the minutes of May 25, 2011, June 6, 2011 and June 14, 2011 passed unanimously.

4. Public Comments

Carol Bowden, CNA Representative; Sousan Ehteshami, RN and Carol Simms, RN, read letter written by Carol Bowden addressed to Supervisor John Gioia regarding frayed relationship between DMC Administration and the nurses.

Tami Roncskevitz, RN, expressed concern about administration's retaliation against Union nurse representatives.

5. Presentation of Results Regarding Possible Parcel Tax

Ruth Bernstein of EMC presented results of a poll that was conducted by EMC to determine level of support for a possible parcel tax. Two groups of voters were polled using \$47 and \$97, respectively as the amount of the tax.

Ms. Bernstein indicated that voters realize the financial difficulties facing the healthcare industry and the importance of keeping the hospital open even if they do not use the services at DMC.

Complete poll results were presented to the Board.

The motion made by Supervisor John Gioia and seconded by Director Anderson to accept the presentation of results regarding possible parcel tax passed unanimously.

Tami Roncskevitz, RN, reminded the Board that RN's have been very instrumental in reaching out to the community during the Measure D Campaign. She urged the Board to deal with the issues RN's are facing with administration if they want the RN's to support DMC's efforts.

6. Financial Report

Mr. Reid reported May 2011 was a net loss of \$2.8 million on a budget loss of \$689,000; length of stay decreased to 4.5 days and the average daily census was 76.7. Operating Loss increased to \$3.4 million in May which brought a year-to-date Operating Loss of \$10.5 million or \$6.2 higher than anticipated. He reported that the operating cash balance is \$8.8 or 21 days which included the last 2 payments from the tax exchange agreement with the County for \$8 million.

The motion made by Director Anderson and seconded by Director Casazza to accept and approve the financial statements for May 2011 passed unanimously.

Tami Roncskevitz, RN, expressed concern about the failure of Administration to fund retiree health spending account since 2006.

7. CEO Report

Dawn Gideon, Interim President/CEO reported the following:

As evidenced by the results of the poll, the number two driving factor for Doctors Medical Center are the mammogram services that DMC provide the community with the emergency services being number one. DMC was the only recipient of the \$43,000 grant from the Susan Komen Foundation that allows DMC to provide breast cancer services to 100 uninsured women in the district.

On June 18, 2011, DMC participated in the Juneteenth Festival in Richmond which included health screenings for the community.

Ms. Gideon announced that the Management Team held their first Town hall meeting on June 21st to keep the employees, medical staff and volunteers informed and deliver a consistent message. The message being delivered is that DMC is financially distressed with a growing deficit which dates back to 2005-2006. Over the years a number of measures have been pursued to close the operating gap: partnering with Tenet, Measure D, bankruptcy, two advances from the County, and support from the California Medical Assistance Commission and other area providers. More recently, the loss of outside funding from CMAC and from Kaiser and John Muir, have precipitated another crisis. Ms. Gideon reassured the employees that the Board and the Management Team are focused on finding a solution and are in the process of evaluating a number of options. Those efforts are as follows:

1. 90% is focused around finding revenue stream to sustain operations, i.e., parcel tax, ongoing discussions with the state, discussions with Kaiser & Corporate America.
2. Building a smaller hospital.
3. Finding another Tenet-like organization to partner with.
4. Closing down the hospital.

At the same time, Supervisor Gioia and Eric Zell have been lobbying City Councils. Ms. Gideon invited everyone to attend City Council meetings to show support for DMC.

8. Quality Report

Juli Maxworthy, VP of Quality, gave an update on the following:

- Congestive Health Failure (CHF)
- Acute Myocardial Infarction (AMI)
- Surgical Care Improvement Project (SCIP)
- Pneumonia (PN)
- Falls
- Patient Satisfaction
- Pressure Ulcers
- Clinical Lab Performance Improvement
- PI Report on Radiology

Ms. Maxworthy reported that Patient First Forum has been established in May to provide staff/physicians/patients/families a venue to bring concerns and compliments.

The motion made by Eric Zell and seconded by Director Wallace and seconded by Director Casazza to accept the Quality presentation passed unanimously.

9. Medical Executive Report

Dr. Sharon Drager, Chief of Staff, presented the Medical Staff Executive Report.

The motion made by Dr. Richard Sankary and seconded by Director Casazza to approve the policy on Alteplase for IV Catheter Clearance and Credentials Report of May 2011 passed unanimously.

10. Huron Contract Extension

Colin Coffey, Counsel, announced that the 90-day Huron contract has ended. He indicated that the contract will be continued on a month-to-month basis under the same terms.

The motion made by Dr. Sharon Drager and seconded by Director Wallace to approve Huron Contract Extension passed unanimously.

11. Closed Session and Adjournment

The meeting went into closed session at 5:45 p.m. Supervisor John Gioia announced that there would be no reportable actions taken in closed session.

ANESTHESIA
SERVICES EXTENSION

TAB 6

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

TO: WCCHD DMC GOVERNING BODY - BOARD OF DIRECTORS
FROM: JENNIFER MAHER, COO
DATE: JULY 27, 2011
SUBJECT: ANESTHESIA SERVICES AGREEMENT CONTRACT EXTENSION

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

REQUEST / RECOMMENDATION(S): Recommend to the Governing Body to approve and authorize the Chief Operations Officer to execute on behalf of DMC, extension of contract for anesthesia services.

FISCAL IMPACT:
\$62,500 per month or \$750,000 annually

STRATEGIC IMPACT:
Anesthesia services are a required service for the provision of care at Doctors Medical Center.

REQUEST / RECOMMENDATION REASON, BACKGROUND AND JUSTIFICATION:

This is an extension of the contract only. No change in terms.

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: ___

<p>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.</p>

Contact Person:

Attested by: _____
John Gioia, Chair, Governing Body
Board of Directors

Cc:
Accounts Payable
Contractor
CFO/Controller
Requestor

**EXTENSION
OF
ANESTHESIA SERVICES AGREEMENT
(Warren Nelson, M.D., a Medical Corporation)**

This Extension of the Anesthesia Services Agreement is entered into as of August 11, 2011 (the “**Effective Date**”) by and between Doctors’ Medical Center – San Pablo, a political subdivision of the State of California (“**Hospital**”) and Warren Nelson, M.D., a Medical Corporation (“**Group**”).

RECITALS

A. Hospital and Group entered into a Anesthesia Services Agreement effective as of August 11, 2008, attached hereto as Attachment A (the “**Agreement**”), pursuant to which Group agreed to provide anesthesia services to Hospital.

B. The Agreement is scheduled to expire on August 10, 2011.

The parties wish to extend the term of the Agreement upon the terms and conditions set forth below.

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

1. **Extended Term.** The term of the Agreement shall be extended from August 11, 2011 to August 10, 2012, or until the date when the parties enter into a replacement agreement, whichever is earlier, subject to earlier termination as set forth in the Agreement.
2. **No Other Changes.** Except as set forth in this Extension, no other modifications are being made to the Agreement, and the Agreement shall remain in full force and effect.
3. **Other Service Agreements.** Hospital represents that its computer databases include copies of all other agreements or arrangements under which Group provides services to Hospital. Hospital also represents that its computer databases include copies of all other agreements pursuant to which Hospital provides services to Group.
4. **Counterparts.** This Extension may be executed in counterparts and by facsimile signatures, which will be effective as if original signatures. Each person signing this Agreement on behalf of a party represents and warrants that he or she has the necessary authority to bind such party and that this Agreement is binding on and enforceable against such party.

IN WITNESS WHEREOF, the parties have executed this Extension on the dates set forth below, to be effective as of the Effective Date.

HOSPITAL

Doctors' Medical Center – San Pablo

Date: _____

By: _____

Name: _____

Title: _____

GROUP

Warren Nelson, M.D., a Medical Corporation

Date: _____

By: _____

Name: _____

ATTACHMENT A

AGREEMENT

[Attached]

STROKE MEDICAL
DIRECTORSHIP
AGREEMENT

TAB 7

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

TO: WCCHD DMC GOVERNING BODY - BOARD OF DIRECTORS
FROM: JENNIFER MAHER, COO
DATE: JULY 27, 2011
SUBJECT: STROKE PROGRAM MEDICAL DIRECTORSHIP

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

REQUEST / RECOMMENDATION(S): Recommend to the Governing Body to approve and authorize the Chief Operations Officer to execute on behalf of DMC, approval of the stroke program medical directorship

FISCAL IMPACT:

\$2170.00 per month or \$26,040 annually

STRATEGIC IMPACT:

Critical medical leadership role for DMC as we seek designation as a JCAHO primary stroke center.

REQUEST / RECOMMENDATION REASON, BACKGROUND AND JUSTIFICATION:

Seeking approval for a medical directorship position with CEP to lead the stroke program at Doctors Medical Center.

Presentation Attachments: Yes ___ No x ___

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: _____
John Gioia, Chair, Governing Body
Board of Directors

Cc:
Accounts Payable
Contractor
CFO/Controller
Requestor

Medical Directorship Agreement
by and between
West Contra Costa Healthcare District
dba
Doctors' Medical Center – San Pablo
and
California Emergency Physicians Medical Group

PSC Program Medical Director

MEDICAL DIRECTORSHIP AGREEMENT

PSC PROGRAM MEDICAL DIRECTOR

THIS MEDICAL DIRECTORSHIP AGREEMENT (“**Agreement**”) is entered into on August 1, 2011 (the “**Execution Date**”) by and between the West Contra Costa Healthcare District dba Doctors’ Medical Center – San Pablo, a political subdivision of the State of California (“**DMC**”) and California Emergency Physicians Medical Group, a California general partnership (“**Group**”). DMC and Group are sometimes referred to in this Agreement, individually, as a “**Party**” or, collectively, as the “**Parties.**”

RECITALS

A. The West Contra Costa Healthcare District owns and operates a general acute care hospital facility known as Doctors’ Medical Center – San Pablo, located at 2000 Vale Road, San Pablo, California in which there is a Stroke Program (“**Program**”) operated under its acute care license.

B. Group is a California general partnership which engages physicians duly licensed to practice medicine in the State of California, each of whom is a physician duly licensed and qualified to practice medicine in the State of California and practicing at Doctors’ Medical Center – San Pablo (“**Physician**”).

C. DMC believes Group can provide a Physician who has the qualifications and expertise to serve as medical director of the Program (“**Medical Director**”), and therefore desires to engage Group to obtain the services of Physician to assume the responsibilities set forth in this Agreement.

AGREEMENT

THE PARTIES AGREE AS FOLLOWS:

ARTICLE I. GROUP’S OBLIGATIONS

1.1 Director Services. Group shall provide a Physician to provide those medical director services set forth in Exhibit 1.1 (the “**Director Services**”), upon the terms and subject to the conditions set forth in this Agreement. Hospital shall have the right to approve of the Physician provided by Group to provide the Director Services and Group shall not substitute another physician without the express written approval of Hospital. Any performance issues relating to the Director Services shall be addressed and discussed by senior management level representatives of Group and Hospital.

1.2 Professional Services. This Agreement is entered into by DMC in reliance on the professional and administrative skills of Group and Physician. Group shall ensure that Physician is solely responsible for performing the Director Services and otherwise fulfilling the terms of this Agreement, except as specifically set forth in this Agreement.

1.3 Time Commitment. Group shall ensure that Physician provides the Director Services for whatever time is necessary to operate a high-quality Program; provided, however, that Group shall ensure that Physician provides the Director Services a minimum average of six (6) hours per week. Group shall ensure that Physician allocates time among the Director Services as reasonably requested by the individual designated by DMC to have primary administration responsibility for the Program (the “**Program Administrator**”) from time to time.

1.4 Availability. On or before the 1st day of each month during the term of this Agreement, Group shall inform the Program Administrator of Physician’s schedule of availability to perform the Director Services during each month. Group shall use its best efforts to adjust such schedule of availability if reasonably requested by the Program Administrator in order to meet the need for Director Services.

1.5 Absences. If Physician is unable to provide the Director Services due to temporary illness, disability, continuing education responsibilities, leave or other justifiable cause for more than thirty (30) consecutive days, Group shall notify the Program Administrator of any such absence as soon as reasonably practicable. In such event, Group shall designate a qualified replacement to provide Director Services on behalf of group, subject to the prior written approval of DMC. Group shall ensure that any such designated replacement meets any and all qualifications and satisfies any and all obligations of Physician under this Agreement. Except in the event of absence due to illness or disability Program Administrator shall have the right to approve any absence of more than thirty (30) consecutive days, and any unapproved absence shall constitute a breach of this Agreement subject to immediate termination pursuant to Section 6.2.

1.6 Time Reports. Group shall cause Physician to maintain and submit to Program Administrator monthly time reports, in the form attached as Exhibit 1.6 (“**Monthly Reports**”), that provide a true and accurate accounting of time spent by Physician providing the Director Services. Group shall cause Physician to submit all Monthly Reports to the Program Administrator no later than the fifth (5th) day of each month for Director Services provided by Physician during the immediately preceding month.

1.7 Use of Space. Group shall not use any part of the space that DMC designates for the Program or the performance of the Director Services as an office for the private practice of medicine, except in an emergency or with DMC’s prior written consent.

1.8 Notification of Certain Events. Group shall notify the Program Administrator in writing within twenty-four (24) hours after becoming aware of the occurrence of any one or more of the following events involving a Physician practicing at Doctors’ Medical Center – San Pablo:

(a) Group or Physician becomes the subject of, or otherwise materially involved in, any government investigation of Group or Physician’s business practices or the provision of professional services, including being served with a search warrant in connection with such activities;

(b) Physician’s license to practice medicine in any state, or medical staff membership or any clinical privilege at any health care facility (including DMC), is denied, suspended, terminated, restricted, revoked or relinquished for any reason, whether voluntarily or

involuntarily, temporarily or permanently, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

(c) Group or Physician becomes the subject of any suit, action or other legal proceeding arising out of Group's or Physician's professional or administrative services;

(d) Group or Physician is required to pay damages or any other amount in any malpractice action by way of judgment or settlement;

(e) Group or Physician become the subject of any investigation, proceeding or disciplinary action by any hospital's or health care facility's medical staff or any state's medical board or any similar agency responsible for professional licensing, standards or behavior;

(f) Group or Physician is charged with a felony or with a misdemeanor involving fraud, dishonesty, or moral turpitude;

(g) Group or Physician is debarred, suspended or otherwise ineligible to participate in the Medicare or Medi-Cal program or any other federal health care programs, as defined at 42 U.S.C. § 1320(a)-7b(f) (the "**Government Health Care Programs**"), or Group or Physician become the subject of any investigation, proceeding or disciplinary action by any Government Health Care Program;

(h) Any termination, non-renewal, cancellation or reduction in coverage of any insurance policy required under Article IV; or

(i) any act of nature or any other event occurs which substantially interrupts or which has a material adverse effect on Physician's ability to provide the Director Services or Group's ability to perform its obligations under this Agreement.

1.9 Nondiscrimination. Group shall not, and shall ensure that Physician does not, differentiate or discriminate in its provision of the Director Services on the basis of race, color, national origin, ancestry, religion, sex, marital status, sexual orientation, age, medical condition, medical history, genetics, evidence of insurability, or claims history, in violation of any applicable state, federal or local law or regulation, including, without limitation, the Age Discrimination Act of 1975, the Americans with Disabilities Act and all regulations issued pursuant thereto and as may be amended from time to time.

ARTICLE II. PROFESSIONAL STANDARDS

2.1 Licensure. Group shall ensure that Physician is and remains duly licensed and qualified to practice medicine in the State of California.

2.2 Board Certification. Group shall ensure that, except as may otherwise be agreed to by DMC in writing, Physician is and remains board certified or board eligible in Emergency Medicine (the "Specialty") by the applicable medical specialty board approved by the American Board of Medical Specialties (the "**Board**"); provided, however, that if Physician is not board certified in the Specialty by the Board as of the Effective Date, or as of the date Physician begins providing Director Services (whichever is later), Physician shall have a reasonable amount of time to obtain such board certification, provided that Physician diligently pursues such board

certification and exercises his or her best efforts to complete this process and become board certified in the Specialty by the Board at the earliest date reasonably possible.

2.3 Medical Staff Membership.

(a) Group shall ensure that Physician is and remains a member in good standing in the “active staff” category (or its equivalent) of the medical staff of DMC (the “**Medical Staff**”), with all clinical privileges necessary to practice medicine in the Specialty at DMC; provided, however, that if Physician, as of the Effective Date, is not a member in good standing in the “active staff” category (or its equivalent) of the Medical Staff, Physician shall have a reasonable amount of time to obtain such membership, provided that Physician diligently pursues such membership in accordance with the normal procedures set forth in the bylaws, rules, regulations, policies and procedures of DMC and the Medical Staff.

(b) Group shall ensure that Physician, from and after the Effective Date, actively participates in the Medical Staff department or section encompassing the Specialty and on all the Medical Staff committees to which Physician may be appointed by the Medical Staff from time to time.

2.4 Continuing Medical Education. Group shall ensure that Physician participates in continuing education as necessary to maintain licensure, professional competence and skills commensurate with the standards of the medical community and as otherwise required by the medical profession for a physician in the Specialty.

2.5 Professional Standards. Group shall comply, and shall ensure that Physician complies, with all bylaws, rules, regulations, policies and procedures of DMC, and the Medical Staff applicable to the Director Services and the Program.

ARTICLE III. COMPENSATION

3.1 Compensation. DMC shall, on or before the fifteenth (15th) day of each month during the term of this Agreement, pay to Group an amount equal to two thousand one hundred seventy dollars (\$2,170) per month (“**Compensation**”) for Director Services performed in the immediately preceding month.

3.2 Monthly Time Reports. DMC’s obligation to pay the Compensation to Group is conditioned on Group’s proper maintenance and DMC’s timely receipt of true and accurate Monthly Reports in accordance with this Agreement, detailing to DMC’s satisfaction the date, time, number of hours and description of activities of Physician in performing the Director Services.

3.3 IRS Form W-9. Group shall, concurrently with the execution of this Agreement, deliver to the Program Administrator a completed and executed copy of IRS Form W-9 which identifies Group’s taxpayer identification number.

ARTICLE IV. INSURANCE AND INDEMNITY

4.1 Group Malpractice Liability Insurance. Group shall obtain and continuously maintain professional malpractice liability insurance coverage with an insurance company acceptable to DMC in the amount of at least One Million Dollars (\$1,000,000) per occurrence or claim and Three Million Dollars (\$3,000,000) in the annual aggregate for the acts and omissions of Group and Physician.

4.2 Group Certificate of Insurance. On or before the Effective Date, Group shall provide to DMC an original certificate evidencing professional malpractice liability insurance coverage, and shall provide to DMC proof of continued professional malpractice liability insurance coverage on an annual basis (or as periodically requested by DMC) and upon any change in such professional malpractice liability insurance coverage. Group shall provide to DMC at least thirty (30) days' prior written notice of cancellation or any material change in such professional malpractice liability insurance coverage.

4.3 Group Tail Coverage. If Group's professional malpractice liability insurance is provided on a claims-made basis, upon the expiration or termination of this Agreement for any reason, Group shall continuously maintain such insurance or purchase extended reporting period (*i.e.*, "tail") coverage for the longest extended reporting period then commercially available to ensure that insurance coverage in the amount set forth in Section 4.1 is maintained for claims which arise from services provided by Group or Physician during the term of this Agreement.

4.4 Indemnification.

(a) **Indemnification by Group.** Group shall indemnify and hold harmless DMC from and against: (i) any and all liability, injury, loss, claims, or damages arising out of or relating to Group's failure to comply with the terms of this Agreement, or the negligent operations, acts, or omissions of Group, Physician, or any of their respective employees or agents relating to the performance of the Director Services or this Agreement; and (ii) any and all costs and expenses, including reasonable legal expenses, incurred by or on behalf of DMC in connection with the defense of such claims.

(b) **Indemnification by DMC.** DMC shall indemnify and hold harmless Group from and against: (i) any and all liability, injury, loss, claims, or damages arising out of or relating to DMC's failure to comply with the terms of this Agreement, or the negligent operations, acts, or omissions of DMC or any of its employees or agents relating to this Agreement; and (ii) any and all costs and expenses, including reasonable legal expenses, incurred by or on behalf of Group in connection with the defense of such claims.

4.5 Cooperation between the Parties.

(a) The Parties recognize that, during the term of this Agreement and for a period thereafter, certain risk management issues, legal issues, claims or actions may arise that involve or could potentially involve the Parties and their respective employees and agents. The Parties further recognize the importance of cooperating with each other in good faith when such issues, claims or actions arise, to the extent such cooperation does not violate any applicable laws, cause the breach of any duties created by any policies of insurance or programs of self-insurance, or otherwise compromise the confidentiality of communications or information regarding the issues, claims or actions. As such, the Parties shall agree to cooperate in good faith, using their best efforts, to address such risk management and claims handling issues in a manner that strongly encourages full cooperation between the Parties.

(b) The Parties further agree that if a controversy, dispute, claim, action or lawsuit (each, an “**Action**”) arises with a third party wherein both of the Parties are included as defendants, each such Party shall promptly disclose to the other Party in writing the existence and continuing status of the Action and any negotiations relating thereto. Each such Party shall make every reasonable attempt to include the other such Party in any settlement offer or negotiations. In the event the other such Party is not included in the settlement, the settling Party shall, unless prohibited by the settlement agreement, immediately disclose to the other such Party in writing the acceptance of any settlement and terms relating thereto.

4.6 Survival of Insurance and Indemnity Obligations. The provisions of this Article IV shall expressly survive the expiration or earlier termination of this Agreement.

ARTICLE V. RELATIONSHIP BETWEEN THE PARTIES

5.1 Hospital Services. DMC shall retain professional and administrative responsibility for the Program, as and to the extent required by Title 22, California Code of Regulations, Section 70713. The Parties acknowledge and agree that DMC’s retention of such responsibility is not intended and shall not be construed to diminish, limit, alter or otherwise modify in any way the obligations of Group or Physician under this Agreement, including, without limitation, the obligations under the insurance and indemnification provisions set forth in Article IV of this Agreement.

5.2 Independent Contractor. Group is and shall at all times be an independent contractor with respect to DMC in meeting its responsibilities under this Agreement. Nothing in this Agreement is intended nor shall be construed to create a partnership, employer-employee or joint venture relationship between DMC and either Group or Physician. Except as otherwise specifically set forth in this Agreement, Group shall be solely responsible for paying all expenses related to Group, including physician compensation, health and disability insurance, life insurance, retirement plan contributions, employee benefits and all related administrative costs and expenses.

5.3 Limitation on Control. DMC shall neither have nor exercise any control or direction over Group’s or Physician’s professional medical judgment or the methods by which Group or Physician provides professional medical services; provided, however, that Group and Physician shall be subject to and shall at all times comply with the bylaws, rules, regulations, policies and procedures of DMC and the Medical Staff.

5.4 Practice of Medicine. Group and DMC acknowledge that DMC is neither authorized nor qualified to engage in any activity, which may be construed or deemed to constitute the practice of medicine. To the extent that any act or service required of, or reserved to, DMC in this Agreement are construed or deemed to constitute the practice of medicine, the performance of such act or service by DMC shall be deemed waived or unenforceable, unless this Agreement can be amended to comply with the law, in which case the Parties shall make such amendment.

5.5 No Benefit Contributions. DMC shall have no obligation under this Agreement to withhold, compensate, or pay applicable taxes for (including, but not limited to, federal and state income and employment taxes), or provide employee benefits of any kind (including contributions to government mandated, employment-related insurance and similar programs) to,

or on behalf of, Group, Physician or any other person employed, retained by or associated with either Group or Physician. If DMC is required to compensate or pay applicable taxes for, or provide employee benefits of any kind (including contributions to government mandated, employment-related insurance and similar programs) to, or on behalf of, Group, Physician or any person employed, retained by or associated with either Group or Physician, Group shall reimburse DMC the amount of any such expenditure within thirty (30) days after being notified of such expenditure.

5.6 Referrals. Group and Physician shall be entitled to refer patients to any hospital or other health care facility or provider deemed by Group or Physician best qualified to deliver medical services to any particular patient. No term of this Agreement shall be construed as requiring or inducing Group or Physician to refer patients to DMC or any entity which, directly or indirectly, controls, is controlled by or is under common control with DMC (“Affiliate”). Group’s rights under this Agreement shall not be dependent in any way on the referral of patients or business to DMC or any Affiliate.

5.7 Physician Compensation Arrangements. Group represents and warrants to DMC that the compensation paid or to be paid by Group to Physician or any other physician is and will at all times be fair market value for services and items actually provided by such physician, not taking into the account the value or volume of referrals or other business generated by such physician for DMC or any Affiliate. Group further represents and warrants to DMC that Group has and will at all times maintain a written agreement with each physician receiving compensation from Group.

5.8 Compliance with HIPAA. Group shall comply, and shall ensure that Physician complies, from and after the Effective Date, with the obligations of the Health Insurance Portability and Accountability Act (“HIPAA”) and any other state or federal law or regulation governing the confidentiality of protected health information. If requested by DMC during the term of this Agreement, Group shall participate in an Organized Health Care Arrangement (“OHCA”), as such term is defined under HIPAA, and comply with DMC’s OHCA-related policies, procedures and notice of privacy practices.

5.9 Code of Conduct. Group shall not, and shall ensure that Physician does not, act in any manner which conflicts with or violates the DMC Code of Conduct, as adopted or amended by DMC from time to time (the “Code of Conduct”), or cause another person to act in any manner which conflicts with or violates the Code of Conduct. Group and Physician shall comply with the Code of Conduct as it relates to Group’s and Physician’s business relationship with DMC or any Affiliate, employees, agents, servants, officers, directors, contractors and suppliers of every kind.

ARTICLE VI. TERM AND TERMINATION

6.1 Term. This Agreement shall become effective on August 1, 2011 (the “Effective Date”) and shall continue for a period of one (1) year until July 31, 2012 (the “Expiration Date”), subject to the termination provisions of this Agreement.

6.2 Termination by DMC. DMC shall have the right to terminate this Agreement immediately upon the occurrence of any one or more of the following events:

(a) Breach of this Agreement by Group if such breach is not cured to the satisfaction of DMC within thirty (30) calendar days after DMC provides written notice of such breach to Group;

(b) Group or Physician violates, or causes any other person or entity to violate, the Code of Conduct and fails to remedy such violation to the reasonable satisfaction of DMC within ten (10) calendar days after DMC gives written notice of such violation to Group;

(c) Physician's medical staff membership or any clinical privilege held by Physician at any health care facility (including DMC) is denied, suspended, terminated, restricted or revoked, temporarily or permanently, or Physician's medical staff membership or any clinical privileges held by Physician at any health care facility (including DMC) is voluntarily relinquished while any investigation or proceeding is pending with respect thereto, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

(d) Physician's license to practice medicine or the Group's ability to provide medical services in the State of California is suspended, terminated, restricted, revoked or relinquished for any reason, whether voluntarily or involuntarily, temporarily or permanently, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

(e) Group or Physician is debarred, suspended, excluded, or otherwise ineligible to participate, whether temporarily or permanently, in any Government Health Care Program, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

(f) Physician's death, permanent disability or voluntary retirement from the practice of medicine;

(g) Group or Physician is charged with or convicted of a felony or any misdemeanor involving fraud, dishonesty or moral turpitude;

(h) Group makes an assignment for the benefit of creditors, admits in writing its inability to pay its debts as they mature, applies to any court for the appointment of a trustee or receiver over its assets, or upon commencement of any voluntary or involuntary proceedings under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or other similar law of any jurisdiction, or any such application or any such proceedings is filed or commenced against Group, and Group indicates its approval, consent or acquiescence thereto, or an order is entered adjudicating Group bankrupt or insolvent and such order remains in effect for thirty (30) calendar days;

(i) The insurance required to be maintained by Group hereunder is terminated, reduced below the minimum coverage requirements set forth in Section 4.1, not renewed or cancelled (whether by action of the insurance company or Group) for any reason, and Group has not obtained replacement coverage as required by Section 4.1 prior to the effective date of such termination, reduction, non-renewal or cancellation;

(j) Group's or Physician's performance of this Agreement or the Director Services, in the sole determination of DMC, jeopardizes the mental or physical health or well-being of any patient or damages the reputation of DMC; or

(k) Group is rendered unable to comply with the terms of this Agreement for any reason.

6.3 Termination by Group. Group shall have the right to terminate this Agreement upon breach of this Agreement by DMC if such breach is not cured to the satisfaction of Group within thirty (30) calendar days after Group gives written notice of the breach to DMC.

6.4 Termination Without Cause. Either Party may terminate this Agreement without cause, expense or penalty effective thirty (30) days after written notice of such termination is given to the other Party. In the event that this Agreement is terminated prior to the date that is twelve (12) months from the Effective Date (the “**One Year Anniversary**”), the Parties shall not, in any time prior to the One Year Anniversary, enter into any other agreement or arrangement for the provision of Director Services that modifies, changes, or alters in any way the compensation provisions set forth in Article III.

6.5 Termination or Modification in the Event of Government Action.

(a) In the event of any Government Action, the Parties shall, within ten (10) days after one Party gives written notification of the Government Action to the other Party, meet and confer to negotiate in good faith to attempt to amend this Agreement in order to comply with the Government Action.

(b) If the Parties, after good faith negotiations, are unable to make the amendments necessary to comply with the Government Action, or, alternatively, if DMC determines in good faith that compliance with the Government Action is impossible or infeasible, DMC may terminate this Agreement effective ten (10) days after the date that DMC gives a written notice of termination under this Section to the other Party.

(c) For the purposes of this Section, “**Government Action**” shall mean any legislation, regulation, rule or procedure passed, adopted or implemented by any federal, state or local government or legislative body or any private agency, or any notice of a decision, finding, interpretation or action by any governmental or private agency, court or other third party which, in the opinion of counsel to DMC, as a result or consequence, in whole or in part, of the arrangement between the Parties set forth in this Agreement, if or when implemented, could reasonably be expected to result in or present a material risk of any one or more of the following:

(i) revocation or threat of revocation of the status of any license, certification or accreditation granted to DMC or any Affiliate;

(ii) revocation or threat of revocation of the federal, state or local tax-exempt status of DMC or any Affiliate, or their respective tax-exempt financial obligations;

(iii) prohibit or restrict the ability of DMC or any Affiliate to issue tax-exempt bonds, certificates of participation or other tax-exempt financial obligations;

(iv) violation of or threat of prosecution under 42 U.S.C. Section 1320a-7b(b) (commonly referred to as the Anti-Kickback law), 42 U.S.C. Section 1395nn (commonly referred to as the Stark law) or any comparable state law governing kickbacks, bribes, rebates or patient referrals if Group, Physician or any other physician employed by or contracting with Group referred patients to DMC or any Affiliate;

(v) violation by DMC or any Affiliate of, or threat of prosecution of DMC or any Affiliate under, any law, regulation, rule or procedure applicable to DMC or any Affiliate;

(vi) prohibit DMC or any Affiliate from submitting claims or materially reducing the reimbursement received by DMC or any Affiliate for services provided to patients referred by Group, Physician or any other physician employed by or contracting with Group; or

(vii) subject DMC, any Affiliate, Group, Physician or any other physician employed by or contracting with Group or any of their respective employees or agents, to civil action or criminal prosecution by any governmental authority or other person or entity or the imposition of any sanction (including any excise benefit tax penalty under Internal Revenue Code Section 4958) on the basis of their approval of or participation in this Agreement or performing their respective obligations under this Agreement.

6.6 Rights Upon Termination. Upon any termination or expiration of this Agreement, all rights and obligations of the Parties shall cease except those rights and obligations that have accrued or expressly survive such termination or expiration.

6.7 Return of Property. Upon any termination or expiration of this Agreement, Group shall immediately return to DMC all of DMC's property, including DMC's equipment, supplies, furniture, furnishings and patient records, which is in Group's or Physician's possession or under Group's or Physician's control.

ARTICLE VII. GENERAL PROVISIONS

7.1 Agency. Physician shall serve as Group's primary agent for purposes of communicating with Hospital with respect to the rights and obligations of the Parties under this Agreement. Secondary agents for purposes of communication include Group's administrative team (Medical Director, Regional Director, Vice President, CEO, COO, CMO). Group shall be bound by all actions and agreements taken or made by Physician and Group's administrative team with respect to this Agreement.

7.2 Amendment. This Agreement may be modified or amended only by mutual written agreement of the Parties. Any such modification or amendment must be in writing, dated and signed by the Parties.

7.3 Assignment. Except for assignment by DMC to an Affiliate, neither Party may assign any interest, duty or obligation under this Agreement without the other Party's prior written consent. Subject to the foregoing, this Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors and assigns.

7.4 Attorneys' Fees. If either Party brings an action or proceeding for any relief or collection against the other Party, declaratory or otherwise, arising out of or relating to this Agreement or any of its attached Exhibits, the non-prevailing Party shall pay to the prevailing Party a reasonable sum for attorneys' fees and costs actually incurred in bringing such action, including, without limitation, fees incurred in arbitration, at trial, on appeal and on any review therefrom, all of which shall be deemed to have accrued upon the commencement of such action

and shall be paid whether or not such action is prosecuted to judgment. Any judgment or order entered shall contain a provision providing for the recovery of attorneys' fees and costs incurred in enforcing such judgment. For the purpose of this Section, attorneys' fees shall include fees incurred in connection with discovery, post judgment motions, contempt proceedings, garnishment, levy, debtor and third party examinations and bankruptcy litigation.

7.5 Compliance With Laws. Group shall comply with all applicable laws, ordinances, codes and regulations of federal, state and local governments, and any Government Action, including, without limitation, policies, standards, requirements, guidelines, and recommendations of the Joint Commission on Accreditation of Healthcare Organizations, all as in effect and amended from time to time.

7.6 Compliance With Medicare Rules. To the extent required by law or regulation, Group shall make available, upon written request from DMC, the Secretary of Health and Human Services, the Comptroller General of the United States, or any other duly authorized agent or representative, this Agreement and Group's books, documents and records to the extent necessary to certify the nature and extent of DMC's costs for services provided by Group Physicians. Group shall preserve and make available such books, documents and records for a period of seven (7) years after the end of the term of this Agreement, or the length of time required by state or federal law. If Group is requested to disclose books, documents or records pursuant to this Section for any purpose, Group shall notify DMC of the nature and scope of such request, and Group shall make available, upon written request of DMC, all such books, documents or records. Group shall indemnify and hold harmless DMC if any amount of reimbursement is denied or disallowed because of Group's failure to comply with the obligations set forth in this Section. Such indemnity shall include, but not be limited to, the amount of reimbursement denied, plus any interest, penalties and legal costs. If Group carries out any of the duties of the contract through a subcontract, with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request by the Secretary of Health and Human Services, or upon request by the Comptroller General of the United States, or any of their duly authorized representatives, the subcontract and books, documents and records of such organization that are necessary to verify the nature and extent of such costs.

7.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

7.8 Disclosure. Neither Party shall disclose any of the provisions of this Agreement to any person or entity, other than the Parties' respective attorneys or accountants, without the prior written consent of the other Party, unless and only to the extent such disclosure is required by law, subpoena or legal process. DMC or Group may disclose the provisions of this Agreement to any person or entity without the prior written consent of the other Party to the extent such disclosure is requested or required by (a) the Party's respective contracts existing as of the date of this Agreement; or (b) fiscal intermediaries, public agencies or commissions with governmental powers and duties related to disclosure of information which have the right to compel disclosure of such information. DMC may also disclose the provisions of this Agreement to any person or entity without the prior written consent of Group to the extent such disclosure is requested or required by (a) DMC's representatives or others in connection with any

tax-exempt bond or other financing transactions of DMC or any Affiliate; or (b) DMC's corporate integrity program.

7.9 Disclosure of Interests. Group shall provide to DMC, as requested by DMC from time to time, information sufficient to disclose any ownership, investment or compensation interest or arrangement of Group or any Group Physician, or any Group Physician's immediate family members, in any entity providing "designated health services" (as such term is defined in the Stark Law (42 U.S.C. Section 1395nn) and its regulations) or any other health care services. Without limiting the generality of the foregoing, Group shall, promptly upon request by DMC (but in no event later than five (5) business days after request by DMC), provide to DMC the name and UPIN number of each physician-shareholder or physician-partner of Group, as applicable, and each physician (or any immediate family member of any physician) receiving compensation from Group, along with such other information as may be necessary or appropriate to enable DMC to respond in a timely manner to any information disclosure request by any governmental agency. This Section shall not impose on DMC any disclosure or reporting requirements or obligations imposed on Group or any Group Physician under any governmental program or create an assumption of such disclosure obligations by DMC. Group and Group Physicians shall have the sole responsibility to fulfill any such federal and/or state reporting requirements or obligations.

7.10 Dispute Resolution. In the event of any controversy or dispute related to or arising out of this Agreement, the Parties agree to meet and confer in good faith to attempt to resolve the controversy or dispute without an adversary proceeding. If the controversy or dispute is not resolved to the mutual satisfaction of the Parties within five (5) business days of notice of the controversy or dispute, the Parties agree to waive their rights, if any, to a jury trial and pre-trial discovery, and to submit the controversy or dispute to arbitration, which shall be conducted in Contra Costa County, State of California. The Parties shall select the arbitrator within ten (10) calendar days after the end of the five- (5) day period referenced in the foregoing sentence. If the Parties are unable to agree on an arbitrator, either Party may petition the American Arbitration Association (the "**Arbitration Company**") for the appointment of an arbitrator according to the procedures for such appointment provided under the Arbitration Company's rules for commercial arbitration. The arbitration shall commence within a reasonable time after the claim, dispute, or the matter in question has arisen, and in no event shall it commence after the date when institution of legal or equitable proceedings based on such claim, dispute, or other matters in questions would be barred by the applicable statute of limitations. The arbitration shall be conducted in a summary manner upon written briefs of the parties if the arbitrator believes that such summary procedure will be adequate to resolve all contested issues fairly. The Parties shall submit their briefs to the arbitrator within fifteen (15) calendar days following selection of the arbitrator. The arbitrator shall not be required to observe or carry out formalities or usual procedures such as pleadings or discovery or the strict rules of evidence. The arbitrator shall decide all matters submitted to him or her within twenty-one (21) calendar days following the arbitrator's receipt of briefs or conclusion of any necessary hearings. The Parties reserve the right to contest the arbitrator's decision and to appeal from any award. This agreement to arbitrate shall be specifically enforceable.

7.11 Entire Agreement. This Agreement is the entire understanding and agreement of the Parties regarding its subject matter, and supersedes any prior oral or written agreements, representations, understandings or discussions between the Parties. No other understanding

between the Parties shall be binding on them unless set forth in writing, signed and attached to this Agreement.

7.12 Exhibits. The attached exhibits, together with all documents incorporated by reference in the exhibits, form an integral part of this Agreement and are incorporated into this Agreement wherever reference is made to them to the same extent as if they were set out in full at the point at which such reference is made.

7.13 Force Majeure. Neither Party shall be liable for nonperformance, defective performance or late performance of any of its obligations under this Agreement to the extent and for such periods of time as such nonperformance, defective performance or late performance is due to reasons outside such Party's control, including acts of God, war (declared or undeclared), terrorism, action of any governmental authority, civil disturbances, riots, revolutions, vandalism, accidents, fire, floods, explosions, sabotage, nuclear incidents, lightning, weather, earthquakes, storms, sinkholes, epidemics, failure of transportation infrastructure, disruption of public utilities, supply chain interruptions, breakdown of machinery or strikes (or similar nonperformance, defective performance or late performance of employees, suppliers or subcontractors).

7.14 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California, without giving effect to any choice of law or conflict of law rules or provisions that would cause the application of the laws of any jurisdiction other than the State of California.

7.15 Government Health Care Programs. Group represents, warrants and covenants that neither Group nor the Physician is, or at any time has been, suspended, excluded or otherwise ineligible to participate in any Government Health Care Program.

7.16 Headings. The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

7.17 Litigation Consultation. Group shall not, and shall ensure that Physician does not, accept consulting assignments or otherwise contract, agree, or enter into any arrangement to provide expert testimony or evaluation on behalf of a plaintiff in connection with any claim against DMC or any Affiliate named, or expected to be named, as a defendant in any action. Group shall not, and shall ensure that Physician does not, accept similar consulting assignments if (a) the defendant(s) or anticipated defendant(s) include a member of the Medical Staff and (b) the matter relates to events that occurred at any facility owned or operated by DMC or any Affiliate; provided, however, the provisions of this Section shall not apply to situations in which Physician served as a treating physician.

7.18 Meaning of Certain Words. Wherever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine, or neuter forms, and the singular form of nouns shall include the plural and vice versa. Unless otherwise specified, "days" shall be considered "calendar days" and "months" shall be considered "calendar months" in this Agreement and its exhibits and attachments.

7.19 No Conflicting Obligations. Group represents and warrants that the execution and delivery of this Agreement and the performance of Group's obligations under this Agreement do not and will not: (a) present a conflict of interest or materially interfere with the

performance of Group's or Physician's duties under any other agreement or arrangement; or (b) violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice and/or lapse of time, would constitute a default) under, terminate, accelerate the performance required by, or result in a right of termination or acceleration under any of the terms, conditions or provisions of any other agreement, indebtedness, note, bond, indenture, security or pledge agreement, license, franchise, permit, or other instrument or obligation. Group shall immediately inform DMC of any other agreements that may present a conflict of interest or materially interfere with performance of Group's or Physician's duties under this Agreement.

7.20 No Third Party Beneficiary Rights. The Parties do not intend to confer and this Agreement shall not be construed to confer any rights or benefits to any person, firm, group, corporation or entity other than the Parties.

7.21 Notices. All notices or communications required or permitted under this Agreement shall be given in writing and delivered personally or sent by United States registered or certified mail with postage prepaid and return receipt requested or by overnight delivery service (e.g., Federal Express, DHL). Notice is deemed given when sent, if sent as specified in this Section, or otherwise deemed given when received. In each case, notice shall be delivered or sent to the address indicated on the signature page, or such other address as provided by a Party to the other Party, from time to time, pursuant to this Section.

7.22 Representations. Each Party represents with respect to itself that (a) no representation or promise not expressly contained in this Agreement has been made by the other Party or by the other Party's agents, employees, representatives or attorneys; (b) this Agreement is not being entered into on the basis of, or in reliance upon, any promise or representation, expressed or implied, other than such as set forth expressly in this Agreement; and (c) such Party has been represented by legal counsel of such Party's own choice or has elected not to be represented by legal counsel in this matter.

7.23 Severability. If any provision of this Agreement is determined to be illegal or unenforceable, that provision shall be severed from this Agreement, and such severance shall have no effect upon the enforceability of the remainder of this Agreement.

7.24 Waiver. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted by a Party must be in writing, and shall apply solely to the specific instance expressly stated.

7.25 Waiver of Injunctive or Similar Relief. Upon any breach or termination of this Agreement by DMC that is determined to be improper by a court or by an arbitrator, Group shall accept monetary damages, if any, as full and complete relief, to the exclusion of any specific performance or injunctive or similar equitable relief.

7.26 Other Service Agreements. DMC represents that its computer databases include copies of all other agreements or arrangements under which Group, and each one of its physicians, provide services to DMC. DMC also represents that its compute databases include copies of all other agreements pursuant to which DMC provides services to Group or any of its physicians.

7.27 Disclosure of Financial Interests. Group will disclose, at the commencement of this Agreement and on a continuing basis during the term of this Agreement, any financial interests or relationships Group or Physician has with vendors of products or services utilized by DMC in connection with the Director Services or in any DMC operations related to the Director Services provided by Group or Physician pursuant to this Agreement. Any disclosure which occurs during the term of this Agreement shall be made within ten (10) business days of the inception of Group or Physician's financial relationship and/or interest.

**WEST CONTRA COSTA HEALTHCARE
DISTRICT dba DOCTORS' MEDICAL CENTER –
SAN PABLO**

(Signature)

(Print Name)

(Title)

Address:

Attention: _____

Date: _____

**CALIFORNIA EMERGENCY PHYSICIANS
MEDICAL GROUP**

(Signature)

(Print Name)

(Title)

Address:

Attention: _____

Date: _____

ACKNOWLEDGED BY PHYSICIAN

(Signature)

Date: _____

Exhibit 1.1

DIRECTOR SERVICES

Group, through Physician, shall provide the following services:

1. **Direct Medical Oversight (3 hours/week):**
 - Provide an overview of Program patient care.
 - Coordinate necessary staff and services for the Program.
 - Be responsible for quality and performance improvement activities related to the Program including mortality and morbidity.
 - Participate in protocol development for the Program.
 - Participate in Contra Costa EMS Stroke System QI (Quality Improvement) Committee.
2. **Develop community education and outreach program(s) (1.5 hours/week).**
3. **Prepare for and attend monthly stroke committee meetings Timely respond to phone calls, e-mails and letters (1.5 hour/week).**
4. **Be a member of DMC's Stroke Committee and any other committee deemed necessary to adequately perform the duties listed above.**
5. **Perform such other reasonable duties as may be assigned from time to time by the Chief Executive Officer(s), the Board of Directors, or the Chief(s) of the Medical Staff.**

Exhibit 1.6

MONTHLY TIME REPORT

_____ [Month/Year]

Name _____
Stroke Program

Administrative Duties	Monthly Hours Worked
Administration	
Advisory Duties	
Budget Activities	
Committee Meetings	
Program Development	
Program Meetings	
Evaluate Quality Control Results	
Evaluate Staff Competency	
Evaluate/Approve/Implement New Procedures	
Liaison Activities	
Maintain Accrediting Standards	
Medical Direction of the Program	
Physician/Staff Inservice	
Policies/Procedures	
Quality Improvement Utilization Review	
Schedules and Planning	
Supervision/Training of Technical Staff	
Other:	
Total Hours Worked:	

By: _____
[Name of Medical Director], M.D.

Dated: _____

By: _____
Program Director

Dated: _____

By: _____
Program Administrator

Dated: _____



**SUPPLEMENT TO CASH
MANAGEMENT
SERVICES**

TAB 8

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

TO: WCCHD DMC GOVERNING BODY - BOARD OF DIRECTORS
FROM: JIM BOATMAN, CFO
DATE: JULY 27, 2011
SUBJECT: SUPPLEMENT TO CASH MANAGEMENT SERVICE AGREEMENT –
LOCKBOX SERVICES

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

REQUEST / RECOMMENDATION(S): Recommend to the Governing Body to approve and authorize the Chief Financial Officer to execute on behalf of DMC, approval of the Lockbox Services between Citibank, N.A. and West Contra Costa Healthcare District dba Doctors Medical Center.

FISCAL IMPACT: None.

STRATEGIC IMPACT: None.

REQUEST / RECOMMENDATION REASON, BACKGROUND AND JUSTIFICATION: The Bank will provide lockbox services in accordance with the Lockbox Services Client Information Profile (the "Profile") agreed to by the Client. In accordance with the specific guidelines set forth in the Profile, the Bank will collect for processing on the Client's behalf; checks denominated in U.S. Dollars and certain other currencies and received in the lockbox. The Bank agrees to collect mail at frequent intervals, or as otherwise agreed, and to have the envelope opened and the contents removed at a processing facility. The Bank will follow customary operating procedures in processing checks and in attempting to collect any checks with irregularities on their face, such as discrepancies between figures and written amounts, incomplete, undated or post dated checks.

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: _____
John Gioia, Chair, Governing Body
Board of Directors

Cc:
Accounts Payable
Contractor
CFO/Controller
Requestor



SUPPLEMENT TO MASTER CASH MANAGEMENT SERVICE AGREEMENT

DATED: FEBRUARY 25, 2009

RE: LOCKBOX SERVICES

Client: WEST CONTRA COSTA HEALTHCARE DISTRICT dba DOCTORS MEDICAL CENTER

Date: _____

Date of Master Agreement: FEBRUARY 25, 2009

This Supplement is entered into between Citibank, N.A. and the identified Client as a supplement to the Management Cash Management Services Agreement (the "Agreement") identified above. This Supplement is part of the Agreement, and is subject to the terms and provisions thereof under which the Bank will arrange for lockbox services to be provided to the Client and all references to the Agreement shall be deemed to include this Supplement. The term "Bank", as used herein, is defined in the Agreement. All other capitalized terms not otherwise defined herein shall have the meanings assigned them in the Agreement.

1. Lockbox Service.

The Bank will provide lockbox services in accordance with the Lockbox Services Client Information Profile (the "Profile") agreed to by the Client. In accordance with the specific guidelines set forth in the Profile, the Bank will collect for processing on the Client's behalf, checks denominated in U.S. Dollars and certain other currencies and received in the lockbox. The Bank agrees to collect mail at frequent intervals, or as otherwise agreed, and to have the envelopes opened and the contents removed at a processing facility. The Bank will follow customary operating procedures in processing checks and in attempting to collect any checks with irregularities on their face, such as discrepancies between figures and written amounts, incomplete, undated or post dated checks.

2. Endorsement of Items.

The Bank will endorse the back of each check "Credit to Account of Within Named Payee Without Prejudice". The Bank will not be responsible for the effect of processing items containing restrictive endorsements, including without limitation items tendered in accord and satisfaction.

3. Credit to Client's Account.

The Bank will credit the designated account(s) with the amount of checks processed each day, subject to the standard terms and conditions applicable to such account. The Client shall reimburse the Bank for the return of items processed hereunder.

4. Records of Processed Items.

The Bank will create and maintain for at least seven years a microfilm record of each check processed.

5. Profile Change Authorization.

The Client will provide the Bank with (a) an original certified statement in the form of Exhibit A, attached hereto, or an equivalent document properly executed by a duly authorized officer, indicating the full name, title and sample signature of each officer or designee thereof, authorized to initiate changes to the Profile and (b) such other corporate resolutions or other documentation as the Bank may request evidencing that this Authorization and all related documents have been properly authorized by the Client and are in conformity with the organizational documents and any other rules, regulations and laws to which the Client may be subject.

Client may, from time-to-time, add or delete authorized persons by delivering to the Bank an original certified statement in the form of Exhibit A hereto, or an equivalent document, which shall be effective no earlier than the third Business Day after receipt by the Bank, and shall not affect the Bank's actions or omissions in respect of services prior to the effective date of such notice.



SUPPLEMENT TO MASTER CASH MANAGEMENT SERVICE AGREEMENT

DATED: FEBRUARY 25, 2009

RE: LOCKBOX SERVICES

Client: WEST CONTRA COSTA HEALTHCARE DISTRICT dba DOCTORS MEDICAL CENTER

Date:

Date of Master Agreement: FEBRUARY 25, 2009

This Supplement is entered into between Citibank, N.A. and the identified Client as a supplement to the Management Cash Management Services Agreement (the "Agreement") identified above. This Supplement is part of the Agreement, and is subject to the terms and provisions thereof under which the Bank will arrange for lockbox services to be provided to the Client and all references to the Agreement shall be deemed to include this Supplement. The term "Bank", as used herein, is defined in the Agreement. All other capitalized terms not otherwise defined herein shall have the meanings assigned them in the Agreement.

1. Lockbox Service.

The Bank will provide lockbox services in accordance with the Lockbox Services Client Information Profile (the "Profile") agreed to by the Client. In accordance with the specific guidelines set forth in the Profile, the Bank will collect for processing on the Client's behalf, checks denominated in U.S. Dollars and certain other currencies and received in the lockbox. The Bank agrees to collect mail at frequent intervals, or as otherwise agreed, and to have the envelopes opened and the contents removed at a processing facility. The Bank will follow customary operating procedures in processing checks and in attempting to collect any checks with irregularities on their face, such as discrepancies between figures and written amounts, incomplete, undated or post dated checks.

2. Endorsement of Items.

The Bank will endorse the back of each check "Credit to Account of Within Named Payee Without Prejudice". The Bank will not be responsible for the effect of processing items containing restrictive endorsements, including without limitation items tendered in accord and satisfaction.

3. Credit to Client's Account.

The Bank will credit the designated account(s) with the amount of checks processed each day, subject to the standard terms and conditions applicable to such account. The Client shall reimburse the Bank for the return of items processed hereunder.

4. Records of Processed Items.

The Bank will create and maintain for at least seven years a microfilm record of each check processed.

5. Profile Change Authorization.

The Client will provide the Bank with (a) an original certified statement in the form of Exhibit A, attached hereto, or an equivalent document properly executed by a duly authorized officer, indicating the full name, title and sample signature of each officer or designee thereof, authorized to initiate changes to the Profile and (b) such other corporate resolutions or other documentation as the Bank may request evidencing that this Authorization and all related documents have been properly authorized by the Client and are in conformity with the organizational documents and any other rules, regulations and laws to which the Client may be subject.

Client may, from time-to-time, add or delete authorized persons by delivering to the Bank an original certified statement in the form of Exhibit A hereto, or an equivalent document, which shall be effective no earlier than the third Business Day after receipt by the Bank, and shall not affect the Bank's actions or omissions in respect of services prior to the effective date of such notice.

6. Payee List and Authorizations.

(a) If checks that bear a payee name different from the name of the Client on this Agreement will be mailed to the lockbox, the Client will deliver to the Bank on Schedule A hereto, a List of Payee names, and the Bank is authorized to endorse and process such payee names as provided herein. The Client will deliver a revised Schedule A no later than fifteen (15) days prior to the addition or deletion of a payee, which shall be effective no earlier than the third Business Day after receipt by the Bank of such revised List of Payees and such Payee Authorizations as may be required hereunder, and shall not affect the Bank's actions or omissions in respect of services prior to the effective date of such notice. Each such Schedule A shall be signed and dated and shall be accompanied by any required Payee Authorizations.

(b) For each payee on the List of Payees that is a separate legal entity (e.g. parent, subsidiary, affiliate, related partnership) from Client, the Client shall provide the Bank with (i) an original certified Payee Authorization Letter in the form of Exhibit 1 to Schedule A attached hereto or an equivalent document properly executed by the duly authorized officer of such payee, and (ii) such other corporate resolutions or other documentation as the Bank may request evidencing that the Payee Authorization Letter and all related documents have been properly authorized by the payee and are in conformity with the organizational documents and any other rules, regulations and laws to which the payee may be subject.

7. Client Indemnity.

In order to induce the Bank to process checks payable to payees other than the Client, the Client hereby agrees to indemnify and hold the Bank harmless from and against any liability, loss, costs or expenses (including legal costs and attorneys' fees) arising in any way from the Bank providing the Service for such payees. The Client's reasonable obligations hereunder shall survive termination of the Services.

CLIENT (Legal Name): WEST CONTRA COSTA HEALTHCARE DISTRICT dba DOCTORS MEDICAL CENTER

* By: _____
(Authorized Signature)

Name: JAMES BOATMAN

Title: CFO

By: _____
(Authorized Signature)

Name: Candy Martinez

Title: Director, PFS/admission

CITIBANK, N.A.

By: _____
(Authorized Signature)

Printed
Name: TERI KENNEDY, CTP

Title: AVP/IMPLEMENTATION MGR

6. Payee List and Authorizations.

(a) If checks that bear a payee name different from the name of the Client on this Agreement will be mailed to the lockbox, the Client will deliver to the Bank on Schedule A hereto, a List of Payee names, and the Bank is authorized to endorse and process such payee names as provided herein. The Client will deliver a revised Schedule A no later than fifteen (15) days prior to the addition or deletion of a payee, which shall be effective no earlier than the third Business Day after receipt by the Bank of such revised List of Payees and such Payee Authorizations as may be required hereunder, and shall not affect the Bank's actions or omissions in respect of services prior to the effective date of such notice. Each such Schedule A shall be signed and dated and shall be accompanied by any required Payee Authorizations.

(b) For each payee on the List of Payees that is a separate legal entity (e.g. parent, subsidiary, affiliate, related partnership) from Client, the Client shall provide the Bank with (i) an original certified Payee Authorization Letter in the form of Exhibit 1 to Schedule A attached hereto or an equivalent document properly executed by the duly authorized officer of such payee, and (ii) such other corporate resolutions or other documentation as the Bank may request evidencing that the Payee Authorization Letter and all related documents have been properly authorized by the payee and are in conformity with the organizational documents and any other rules, regulations and laws to which the payee may be subject.

7. Client Indemnity.

In order to induce the Bank to process checks payable to payees other than the Client, the Client hereby agrees to indemnify and hold the Bank harmless from and against any liability, loss, costs or expenses (including legal costs and attorneys' fees) arising in any way from the Bank providing the Service for such payees. The Client's reasonable obligations hereunder shall survive termination of the Services.

CLIENT (Legal Name): WEST CONTRA COSTA HEALTHCARE DISTRICT dba DOCTORS MEDICAL CENTER

* By: _____
(Authorized Signature)

Name: JAMES BOATMAN

Title: CFO

By: _____
(Authorized Signature)

Name: Candy Martinez

Title: Director, PFS/ Admin

CITIBANK, N.A.

By: _____
(Authorized Signature)

Printed
Name: TERI KENNEDY, CTP

Title: AVP/IMPLEMENTATION MGR

**EXHIBIT A
LOCKBOX SERVICE AUTHORIZATION FORM**

Client: WEST CONTRA COSTA HEALTHCARE DISTRICT dba DOCTORS MEDICAL CENTER

Lockbox No: _____ Date: _____

Date of Lockbox Service Agreement: _____

The Bank is authorized to act upon instructions it receives to modify any provision of the Lockbox Services Client Information Profile that bear the signature of anyone of the following individuals:

<u>Printed Name</u>	<u>Title</u>	<u>Signature</u> *
JAMES BOATMAN	CFO	X
CANDY MARTINEZ	Director, PFS/Admission	X

This Authorization is effective as of the date received by the Bank and shall to remain in effect until the Bank receives written notice to the contrary from the Client.

Client (Legal Name): WEST CONTRA COSTA HEALTHCARE DISTRICT dba DOCTORS MEDICAL CENTER

* By: _____
(Authorized Signature)

Printed
Name: JAMES BOATMAN

Title: CFO

I, _____ the duly elected/appointed secretary/assistant secretary of the Client, a duly organized, validly existing corporation under the laws of the State of _____, DO HEREBY CERTIFY THAT:

Each listed person is a duly elected/appointed authorized signer of the Client and each signature is the genuine signature of the person named on the signature line.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the corporation on the _____ day of _____, 20__.

[Corporate Seal]

Secretary/Assistant Secretary

**EXHIBIT A
LOCKBOX SERVICE AUTHORIZATION FORM**

Client: WEST CONTRA COSTA HEALTHCARE DISTRICT dba DOCTORS MEDICAL CENTER

Lockbox No: _____ Date: _____

Date of Lockbox Service Agreement: _____

The Bank is authorized to act upon instructions it receives to modify any provision of the Lockbox Services Client Information Profile that bear the signature of anyone of the following individuals:

<u>Printed Name</u>	<u>Title</u>	<u>Signature</u> *
JAMES BOATMAN	CFO	X
CANDY MARTINEZ	Director, PFS/Admitting	X

This Authorization is effective as of the date received by the Bank and shall to remain in effect until the Bank receives written notice to the contrary from the Client.

Client (Legal Name): WEST CONTRA COSTA HEALTHCARE DISTRICT dba DOCTORS MEDICAL CENTER

* By: _____
(Authorized Signature)

Printed Name: JAMES BOATMAN

Title: CFO

I, _____ the duly elected/appointed secretary/assistant secretary of the Client, a duly organized, validly existing corporation under the laws of the State of _____, DO HEREBY CERTIFY THAT:

Each listed person is a duly elected/appointed authorized signer of the Client and each signature is the genuine signature of the person named on the signature line.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the corporation on the _____ day of _____, 20__.

[Corporate Seal]

Secretary/Assistant Secretary

**LOCKBOX AUTHORIZATION FORM
SCHEDULE A
LIST OF PAYEES**

Client: WEST CONTRA COSTA HEALTHCARE DISTRICT dba DOCTORS MEDICAL CENTER

Lockbox No: _____ Date: _____

Date of Lockbox Service Agreement: _____

1. Following is a list of names by which the Client is known and which do not refer to a separate legal entity (e.g. parent, subsidiary, affiliate, partnership). We hereby authorize the Bank to process checks with any such name as payee in accordance with the Service Agreement.

WEST CONTRA COSTA HEALTHCARE DISTRICT dba DOCTORS MEDICAL CENTER and any iterations thereof

2. Following is a list of payee names that will appear on checks mailed to the referenced Lockbox Number and that are separate legal entities from the Client. We hereby warrant that we are duly authorized to instruct the Bank to process checks bearing each such name as payee in accordance with the Service Agreement. For each such payee name, the Client will provide the Bank with a complete, executed Payee Authorization Letter in the form attached hereto as Exhibit 1.

CLIENT (Legal Name): WEST CONTRA COSTA HEALTHCARE DISTRICT dba DOCTORS MEDICAL CENTER

* By: _____
(Authorized Signature)

Name: JAMES BOATMAN

Title: _____

CITIBANK, N.A.

By: _____
(Authorized Signature)

Printed
Name: TERI KENNEDY, CTP

Title: AVP/IMPLEMENTATION MGR

By: _____
(Authorized Signature)

Name: Candy Martinez

Title: Director, PFC Admitting

**LOCKBOX AUTHORIZATION FORM
SCHEDULE A
LIST OF PAYEES**

Client: WEST CONTRA COSTA HEALTHCARE DISTRICT dba DOCTORS MEDICAL CENTER

Lockbox No: _____ Date: _____

Date of Lockbox Service Agreement: _____

1. Following is a list of names by which the Client is known and which do not refer to a separate legal entity (e.g. parent, subsidiary, affiliate, partnership). We hereby authorize the Bank to process checks with any such name as payee in accordance with the Service Agreement.

WEST CONTRA COSTA HEALTHCARE DISTRICT dba DOCTORS MEDICAL CENTER and any iterations thereof

2. Following is a list of payee names that will appear on checks mailed to the referenced Lockbox Number and that are separate legal entities from the Client. We hereby warrant that we are duly authorized to instruct the Bank to process checks bearing each such name as payee in accordance with the Service Agreement. For each such payee name, the Client will provide the Bank with a complete, executed Payee Authorization Letter in the form attached hereto as Exhibit 1.

CLIENT (Legal Name): WEST CONTRA COSTA HEALTHCARE DISTRICT dba DOCTORS MEDICAL CENTER

* By: _____
(Authorized Signature)

Name: JAMES BOATMAN

Title: _____

CITIBANK, N.A.

By: _____
(Authorized Signature)

Printed
Name: TERI KENNEDY, CTP

Title: AVP/IMPLEMENTATION MGR

By: _____
(Authorized Signature)

Name: Candy Martinez

Title: Director, PFS/Admitting

**EXHIBIT 1 TO SCHEDULE A
PAYEE AUTHORIZATION LETTER**

Client Name: _____
Payee Name: _____
Lockbox No: _____
Lockbox Address: _____

Address: _____

We intend to instruct certain persons to mail to the referenced Lockbox Address and Lockbox Number checks made payable to the above Payee Name. We hereby authorize you and/or any bank you may designate to receive and process all such checks in accordance with the agreement between you and the bank. This Authorization shall remain in full force and effect until written notice revoking the same is received from us by the bank and the bank shall have had a reasonable time to have acted on such revocation.

Very truly yours,

Payee (as set forth above)

By: _____
(Authorized Signature)

Printed

Name: _____

Title: _____

Date: _____

I, _____ the duly elected/appointed Secretary of the above-named Payee, a duly organized, validly existing corporation under the laws of the State of _____, DO HEREBY CERTIFY THAT:

_____ the signer of this Payee Authorization Letter, is the duly elected/appointed _____ of the Payee and has the authority to execute this Letter and to bind the Payee to its terms. The Payee has taken all necessary action to authorize this Letter and to authorize the execution hereof by _____. This Payee Authorization Letter is valid, binding and enforceable against the Payee in accordance with its terms.

IN WITNESS WHEREOF, I have hereunto subscribed my name on the _____ day of _____, 20____.

[Corporate Seal]

Secretary/Assistant Secretary

Supplement to Master Cash Management Service Agreement
Re: Lockbox Services

5

**EXHIBIT 1 TO SCHEDULE A
PAYEE AUTHORIZATION LETTER**

Client Name: _____
Payee Name: _____
Lockbox No: _____
Lockbox Address: _____

Address: _____

We intend to instruct certain persons to mail to the referenced Lockbox Address and Lockbox Number checks made payable to the above Payee Name. We hereby authorize you and/or any bank you may designate to receive and process all such checks in accordance with the agreement between you and the bank. This Authorization shall remain in full force and effect until written notice revoking the same is received from us by the bank and the bank shall have had a reasonable time to have acted on such revocation.

Very truly yours,

Payee (as set forth above)

By: _____
(Authorized Signature)

Printed
Name: _____
Title: _____
Date: _____

I, _____ the duly elected/appointed Secretary of the above-named Payee, a duly organized, validly existing corporation under the laws of the State of _____, DO HEREBY CERTIFY THAT:

_____ the signer of this Payee Authorization Letter, is the duly elected/appointed _____ of the Payee and has the authority to execute this Letter and to bind the Payee to its terms. The Payee has taken all necessary action to authorize this Letter and to authorize the execution hereof by _____. This Payee Authorization Letter is valid, binding and enforceable against the Payee in accordance with its terms.

IN WITNESS WHEREOF, I have hereunto subscribed my name on the _____ day of _____, 20__.

[Corporate Seal]

Secretary/Assistant Secretary

Supplement to Master Cash Management Service Agreement
Re: Lockbox Services

**EXHIBIT A
LOCKBOX SERVICE AUTHORIZATION FORM**

Client: West Contra Costa Healthcare District dba Doctors Medical Center

Lockbox No: _____ Date: 9/10/10

Date of Lockbox Service Agreement: 9/10/10

The Bank is authorized to act upon instructions it receives to modify any provision of the Lockbox Services Client Information Profile that bear the signature of anyone of the following individuals:

<u>Printed Name</u>	<u>Title</u>	<u>Signature</u>
Richard Reid	CFO	<i>x Richard Reid</i>
Candy Martinez	Director	<i>x Candy Martinez</i>

This Authorization is effective as of the date received by the Bank and shall to remain in effect until the Bank receives written notice to the contrary from the Client.

Client (Legal Name): West Contra Costa Healthcare District dba Doctors Medical Center

By: *Richard Reid*
(Authorized Signature)

Printed Name: Richard Reid

Title: Chief Financial Officer

I, _____ the duly elected/appointed secretary/assistant secretary of the Client, a duly organized, validly existing corporation under the laws of the State of California, DO HEREBY CERTIFY THAT:

Each listed person is a duly elected/appointed authorized signer of the Client and each signature is the genuine signature of the person named on the signature line.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the corporation on the _____ day of _____, 20__.

[Corporate Seal]

Secretary/Assistant Secretary

JUNE 2011
FIANCIAL REPORT

TAB 9



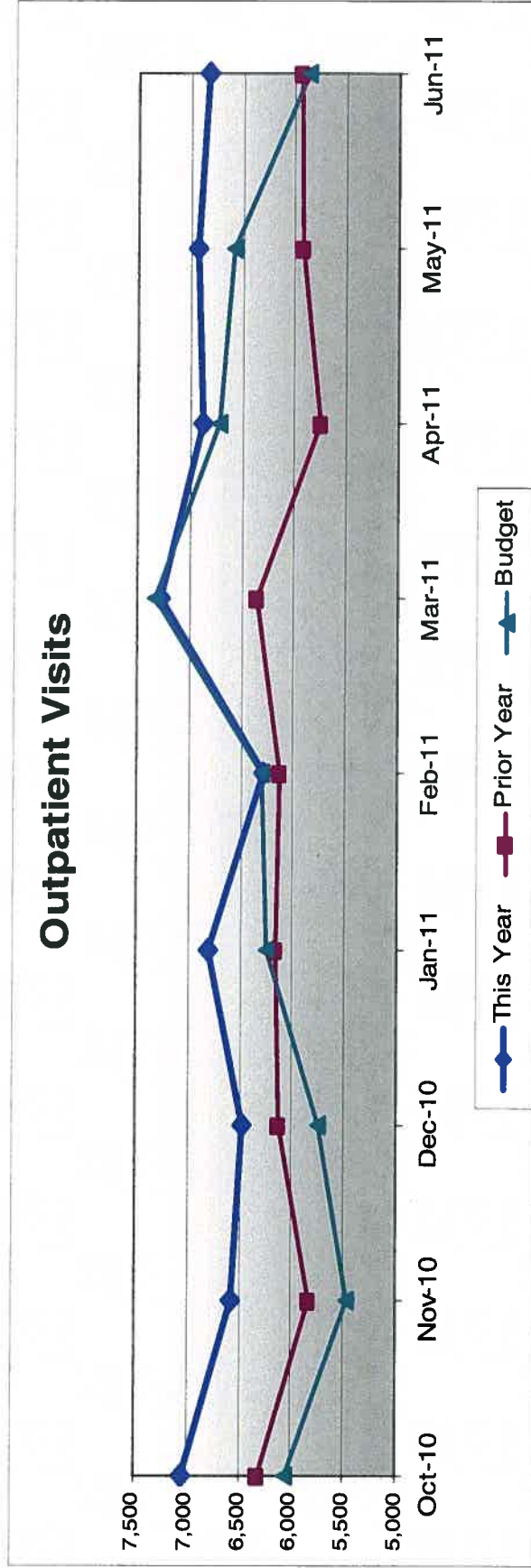
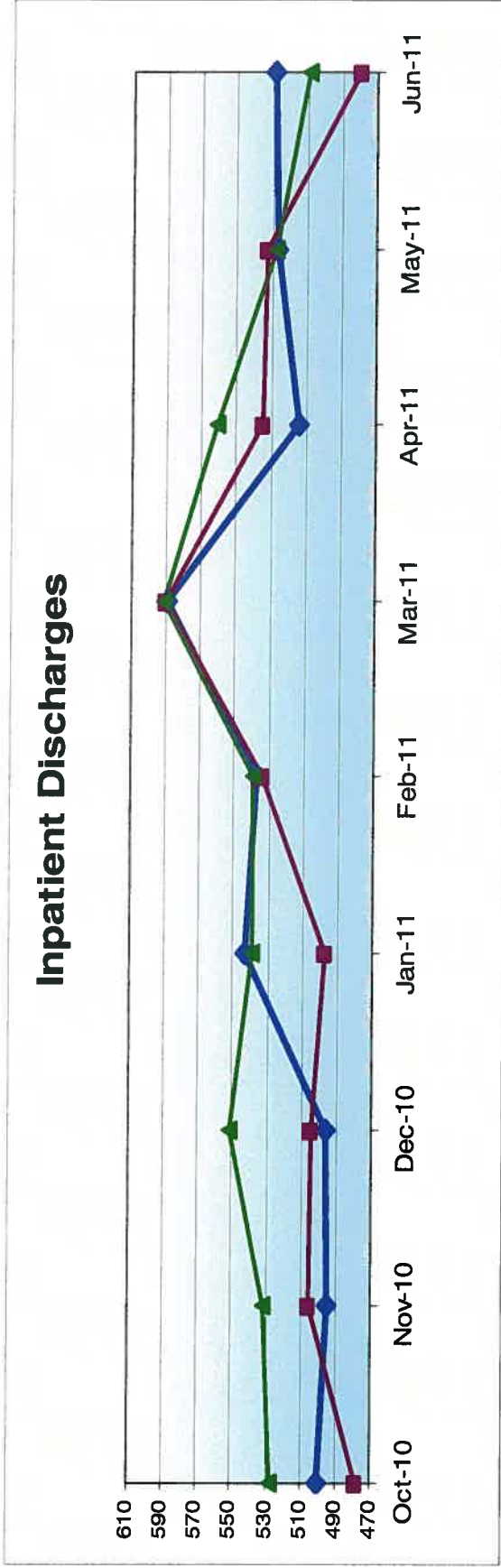
Board Presentation
June 2011 Financial Report



Patient Activity
For the Period Ending
June 30, 2011

<u>Month to Date</u>		<u>Year to Date</u>	
Actual	Budget	Actual	Budget
528	509	3,237	3,266
	19		(29)
6,827	5,861	40,999	39,030
	966		1,969

Patient Volumes



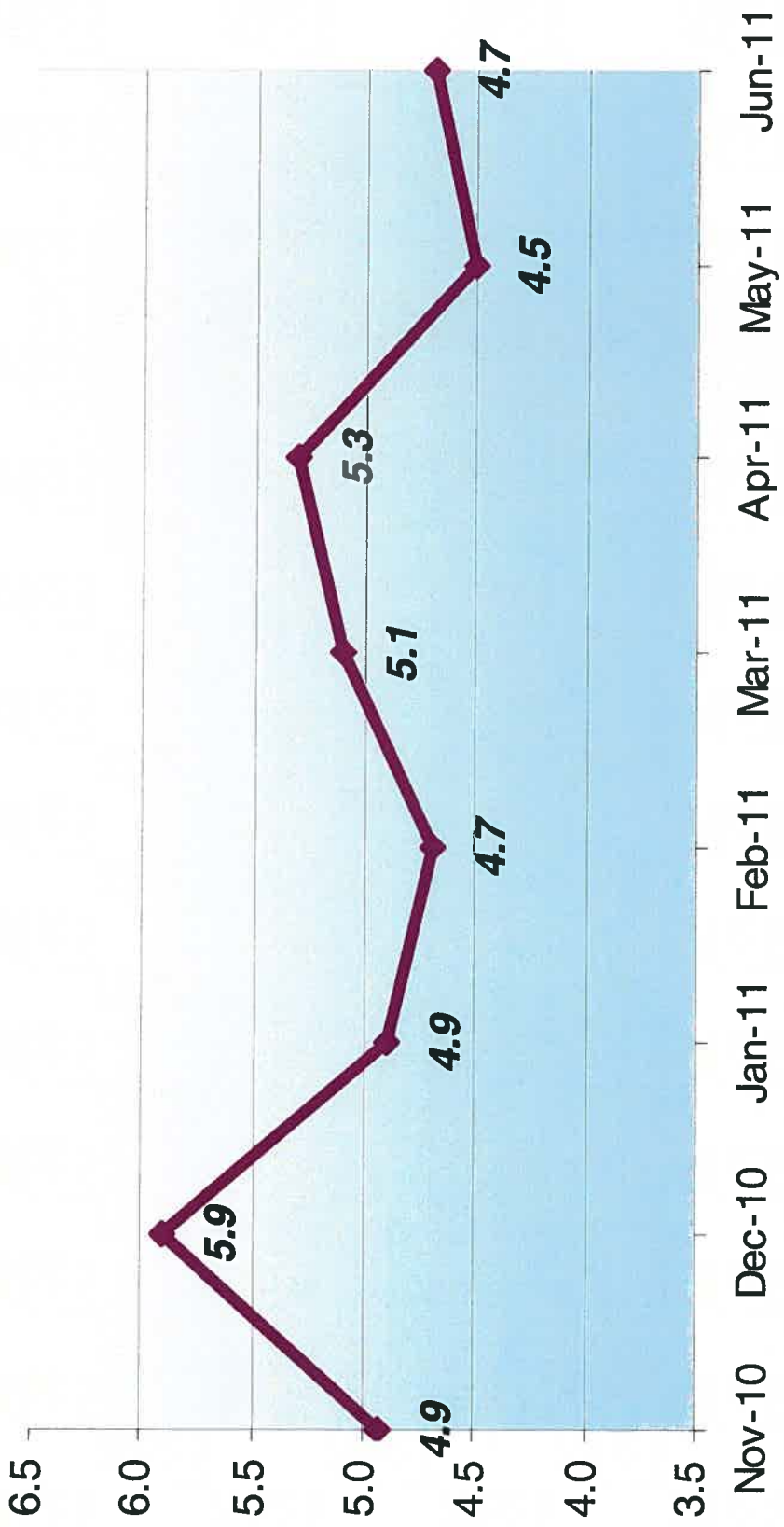
Budget Variances – Net Revenue

- Total Net Patient Service Revenue (\$290).
- Received \$965,000 from the AB915 Program.
- HMO/PPO variance (\$1,240,000) volume reduction.

Budget Variances – Expenses

- Salaries & Benefits– (\$1,393,000) – Salaries over budget by \$127,000 due to agency labor. Benefits over budget by \$1,266,000 due to increased worker’s compensation and employee medical plan costs.
- Professional fees (\$143,000) – Unbudgeted consulting FTE’s (3.0) –\$105,000. Higher legal costs (retainer fees) related to current financial conditions.
- Purchased Services (\$282,000) – Higher utilization of security, analysis services and MRI, PET, Mammography services.
- Rentals & Leases (\$24,000) – New unbudgeted equipment leases.

Monthly Length of Stay Discharged Patients



Cash Position

June 30, 2011

(Thousands)

	June 30, 2011	December 31, 2010
Unrestricted Cash	\$4,831	\$5,229
Restricted Cash	\$5,367	\$4,006
Total Cash	\$10,198	\$9,235
Days Unrestricted Cash	11	12
Days Restricted	13	11
Total Days of Cash	24	23

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

Accounts Receivable

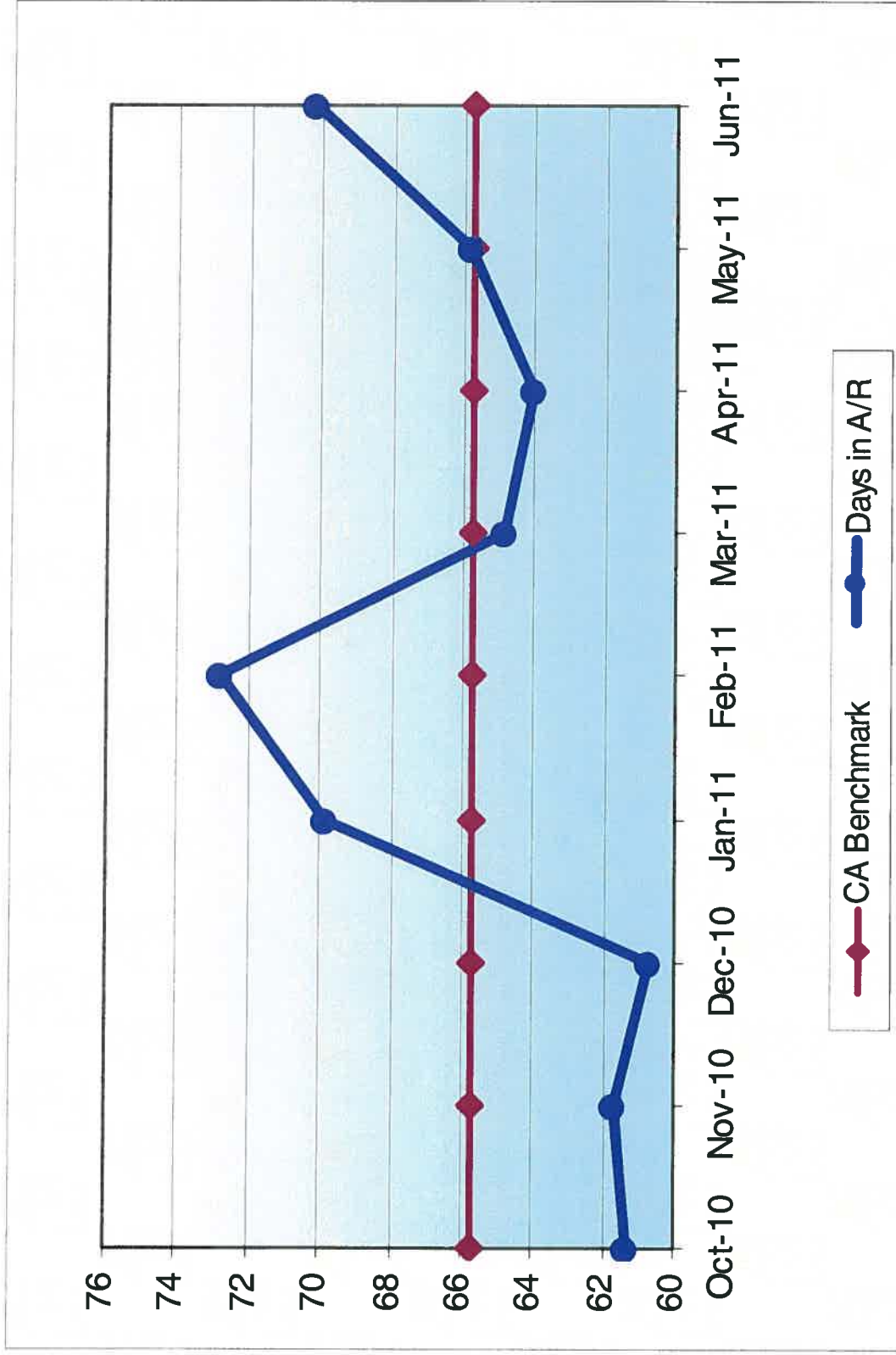
June 30, 2011

(Thousands)

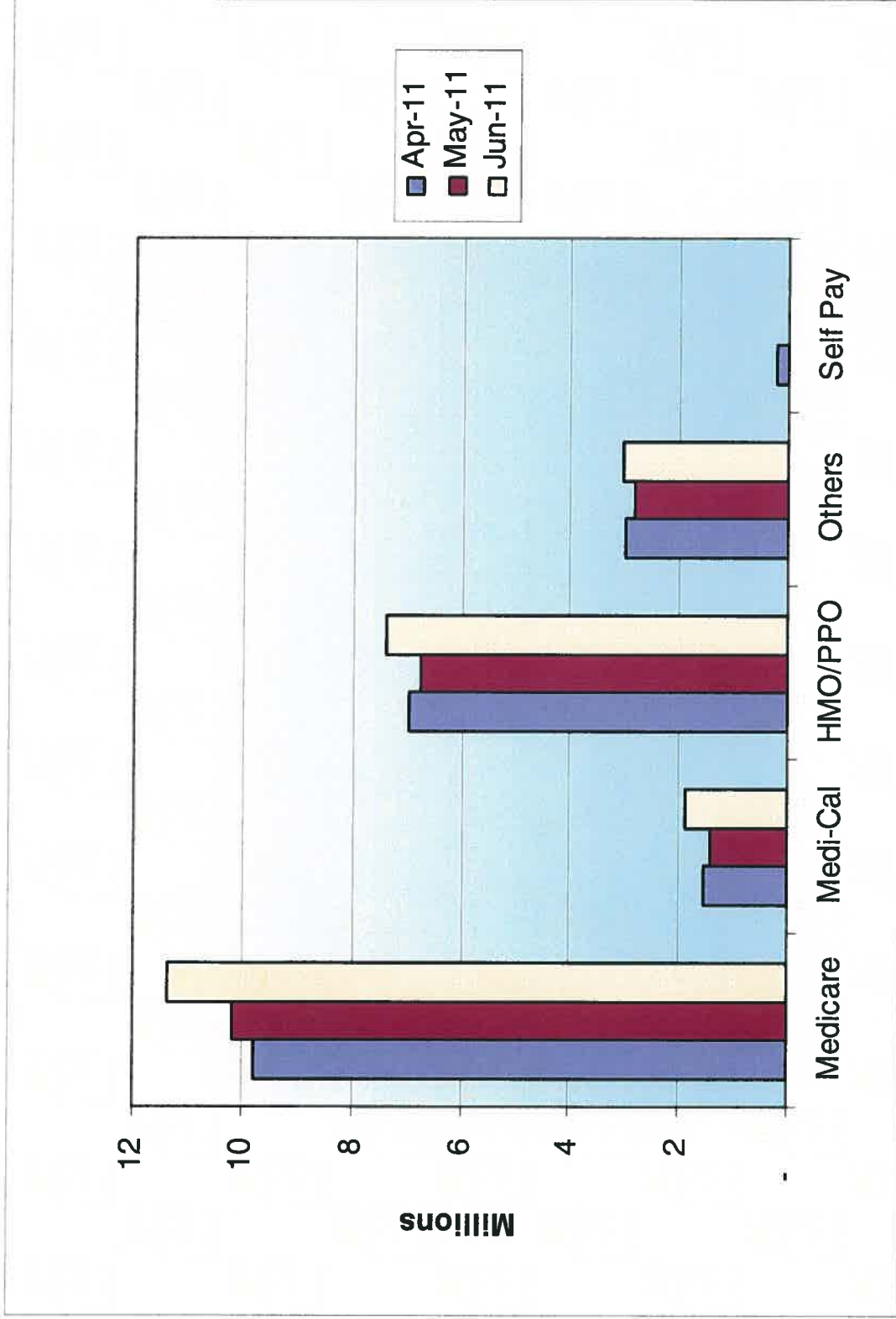
	June 30, 2011	December 31, 2010
Net Patient Accounts Receivable	\$23,666	\$20,433
Net Days in Accounts Receivable	70.2	60.7

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

Accounts Receivable Net Days in A/R

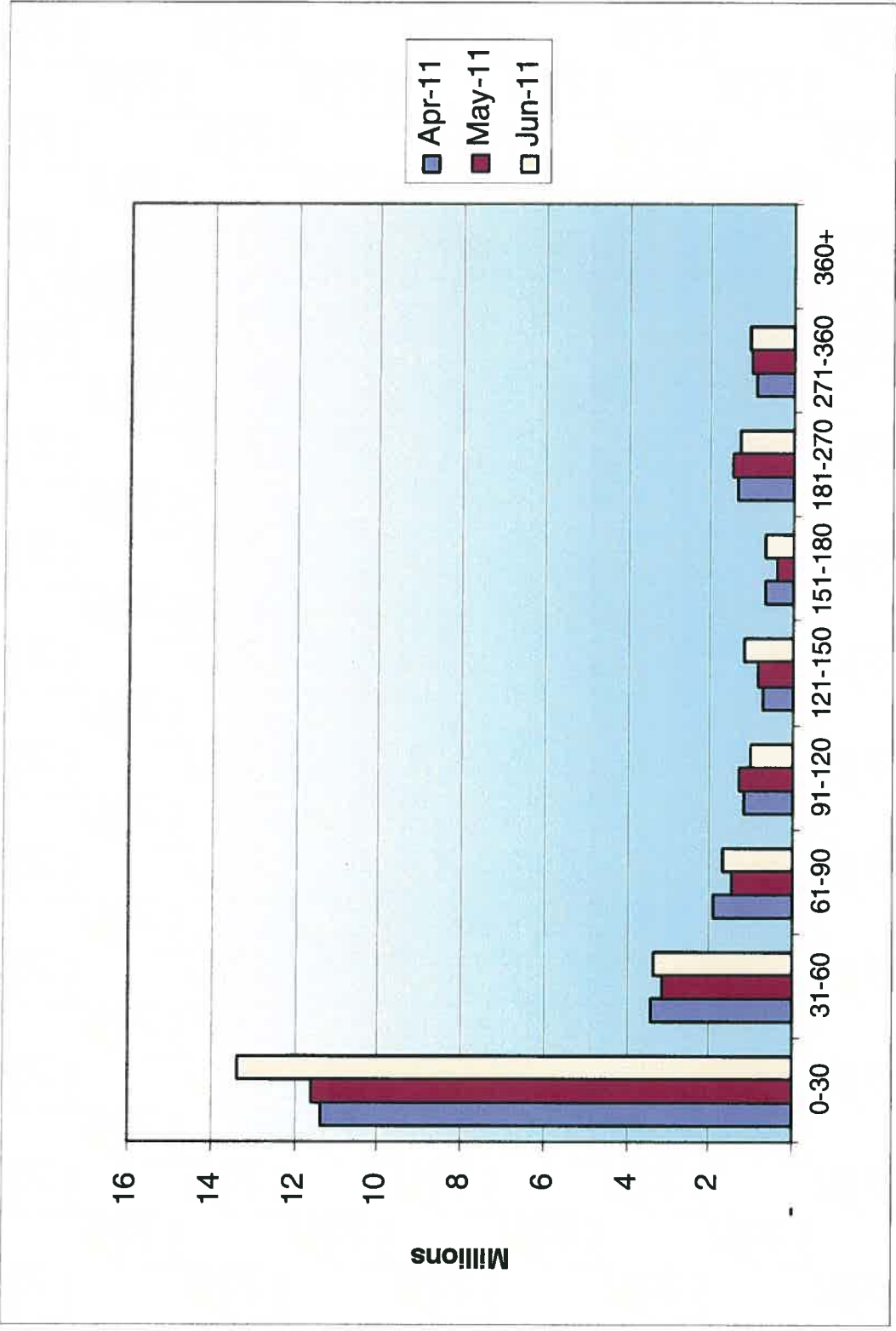


Net A/R by Payor

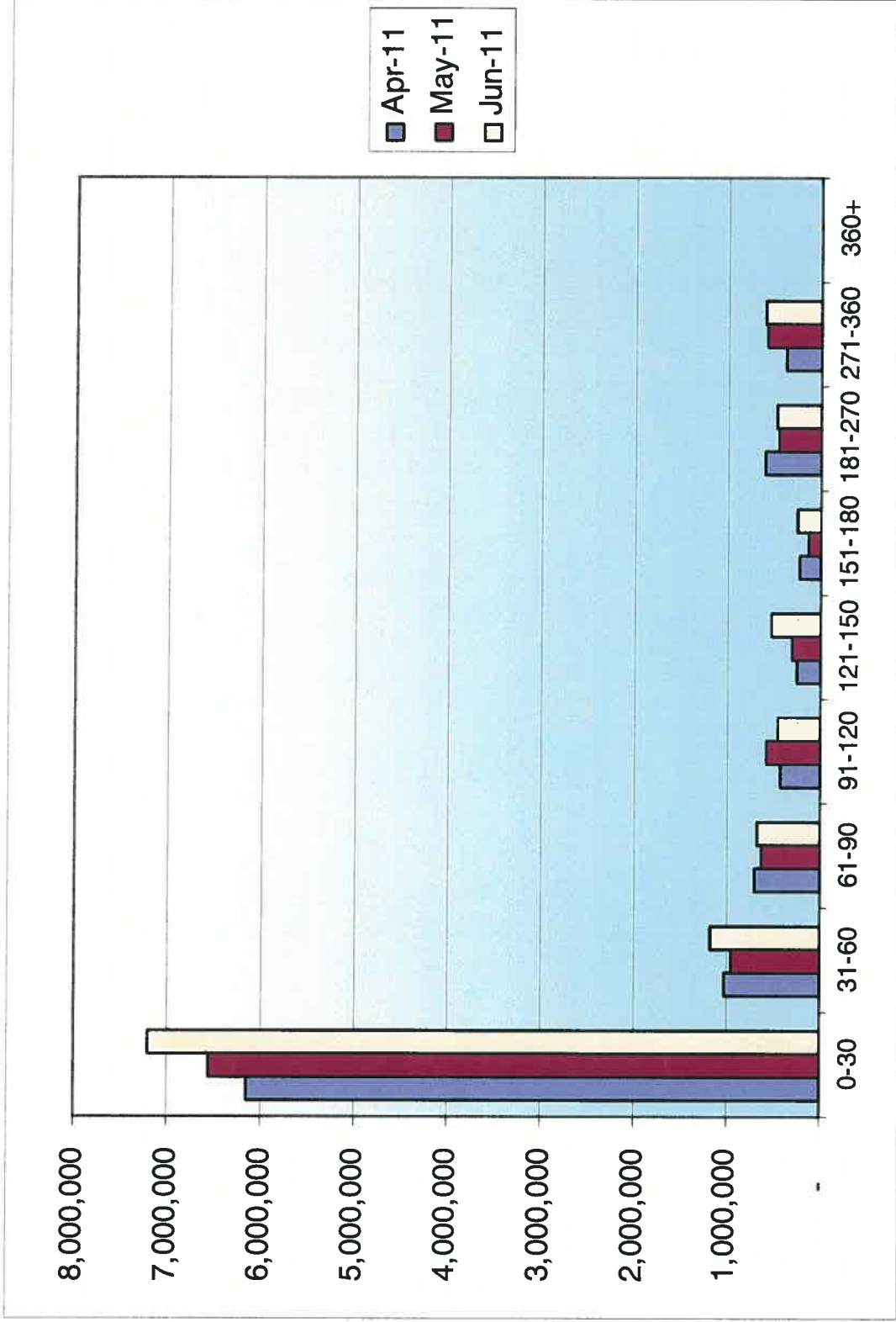


Aged Total Net Accounts Receivable

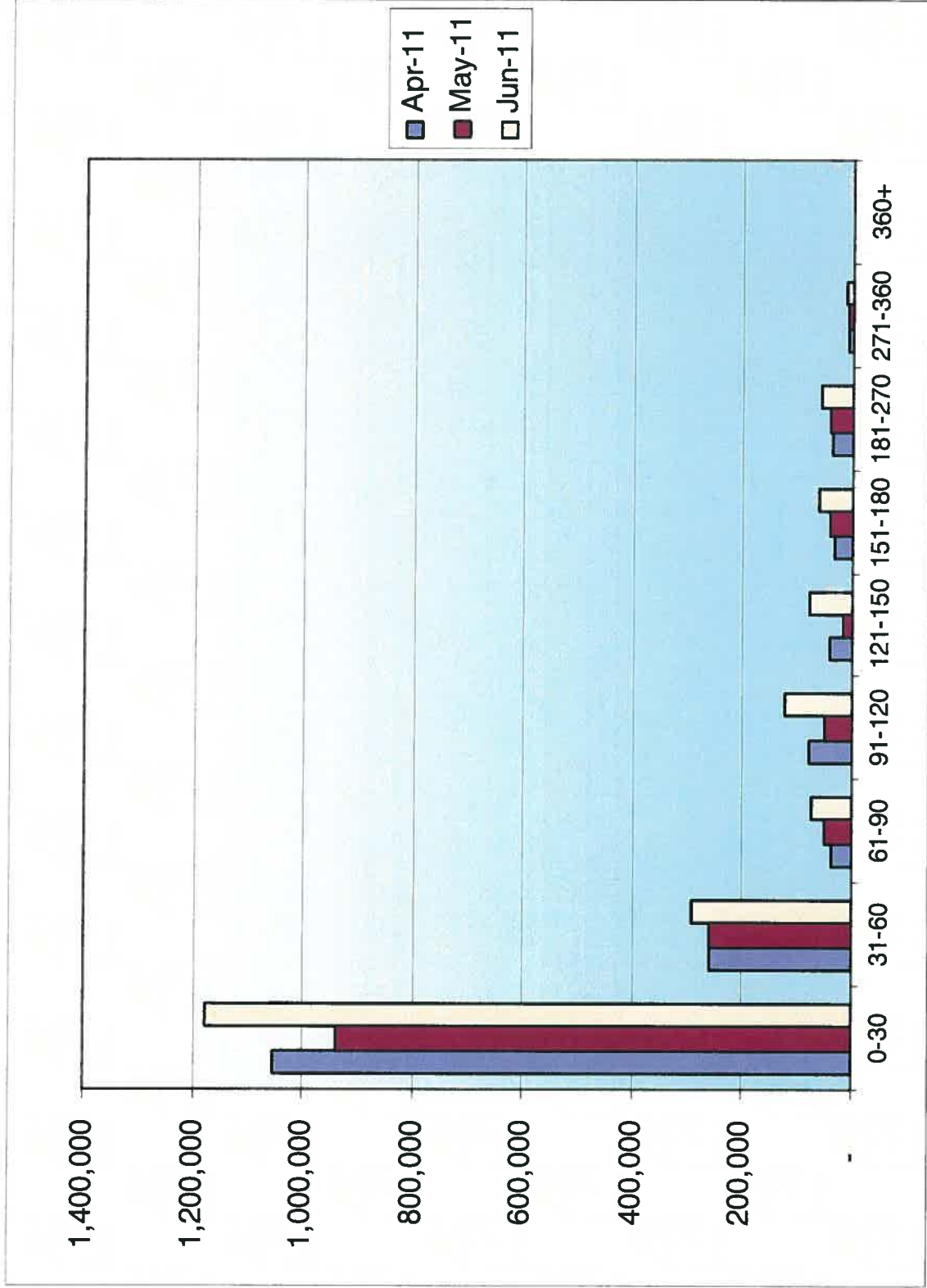
(Amounts in Millions)



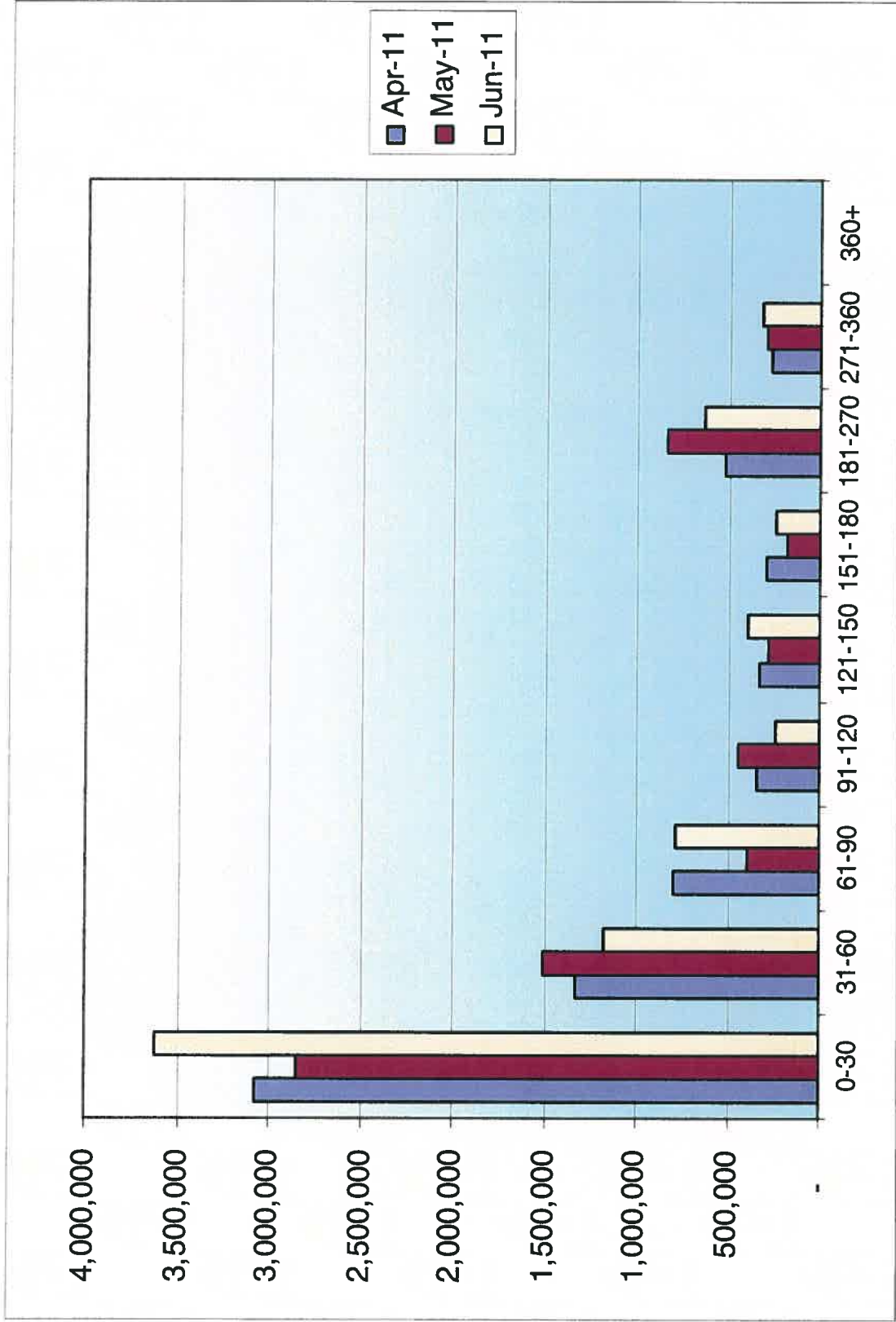
Net Medicare Receivables



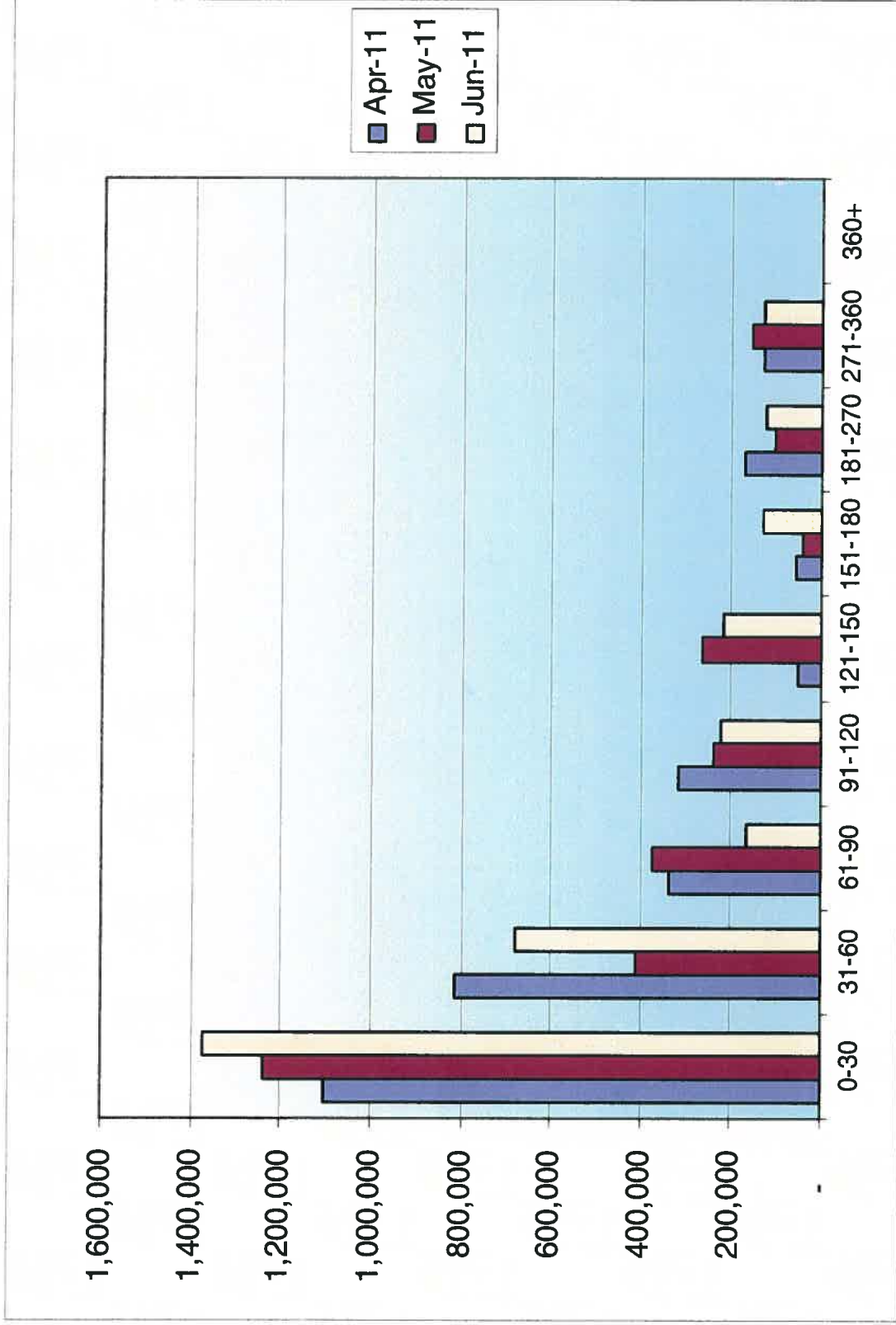
Net Medi-Cal Receivables



Net HMO / PPO Receivables



Net Other Payors Receivables



Financial Report Key Points

- ▶ Operating Loss increased \$2.7M in June to bring a year to date Operating Loss of \$13M or \$8M higher than anticipated.
- ▶ Operating Cash in June was \$4.8M or 11 Days.
- ▶ Today's outstanding Accounts Payable remains High.
- ▶ HMO/PPO patient volume is 43% below Budget.



June 2011 Executive Report

Doctors Medical Center had a Net Loss of \$2,162,000 in the month of June. As a result, net income was under budget by \$2,081,000. The following are the other factors leading to the Net Income variance:

<u>Net Patient Revenue Factors</u>	<u>Over / (Under)</u>
HMO/PPO/ Commercial Volume	(\$1,240,000)
AB915 Funds	\$965,000
 <u>Expenses</u>	
Salaries & Benefits	(\$1,393,000)
Professional Fees	(\$143,000)
Purchased Services	(\$282,000)
Rentals & Leases	(\$24,000)

Net patient revenue was under budget by \$290,000. Gross charges were under budget in June 1.5%. Patient days were 0.3% under budget and admissions were 2.2% over budget. The large revenue variance is created by the decrease in HMO/PPO business. That volume by itself accounted for a \$1,240,000 variance from budget. We also received the semi-annual payment of \$965,000 from the state for AB915 funds that pays for our Medi-Cal payment shortfalls in previous years.

Salaries and Benefits combined were over budget \$1,393,000 while patient days were 0.3% under budget. Use of agency and the cost of overtime continue to push our costs over budget for salaries. Improvements to the worked FTE per adjusted average day census (AADC) are down in the month of June to 3.6% over budget. The year to date AADC overage is 13.1%. Management is continuing to close the budget gap. The cost of the employee health plan and workers compensation benefits were over budget \$1,266,000 due to an increase in utilization.

Professional Fees were over budget in May \$143,000. We currently have 3 FTE's that are unbudgeted in professional fees and they total \$105,000 for this month. Legal costs were over budget due to the cost of retainer fees related to our current financial condition.

Purchased Services were over budget \$282,000. We were over budget in dialysis by \$38,000 and Security \$34,000 continues to run over budget. Repairs and Maintenance were over budget in the month by \$22,000. Fees for the revenue cycle implementation were \$130,000 which is a timing of issue. The budget for the revenue project was spread out only through May. Other one time purchased services at a cost of \$85,000 are related to financial projects.

Rentals and Leases were over budget \$24,000. We financed the capital improvements for the Toshiba CT machine and the IT costs for paragon which together totals \$69,000. These were budgeted as capital in the budget not as an operating lease. This variance will continue for the rest of the year. All other rental costs were under budget for the month.

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

June 30, 2011

(Amounts in Thousands)

	CURRENT PERIOD			CURRENT YTD			PRIOR YEAR	
	ACTUAL	BUDGET	VAR	VAR %	ACTUAL	BUDGET	VAR	VAR %
1	10,593	10,883	(290)	-2.7%	63,243	67,636	(4,393)	-6.5%
2	115	69	46	67.7%	565	563	2	0.3%
3	10,708	10,952	(244)	-2.2%	63,808	68,199	(4,391)	-6.4%
OPERATING REVENUE								
Net Patient Service Revenue					32,950	32,454	(496)	-1.5%
Other Revenue					17,467	15,434	(2,033)	-13.2%
Total Operating Revenue					5,331	4,927	(404)	-8.2%
					10,553	10,538	(15)	-0.1%
					5,345	4,672	(673)	-14.4%
					1,384	1,263	(121)	-9.6%
					2,074	2,088	14	0.7%
					1,996	1,939	(57)	-2.9%
					77,100	73,314	(3,786)	-5.2%
OPERATING EXPENSES								
Salaries & Wages	5,227	5,122	(105)	-2.0%	32,950	32,454	(496)	-1.5%
Employee Benefits	3,702	2,436	(1,266)	-52.0%	17,467	15,434	(2,033)	-13.2%
Professional Fees	964	821	(143)	-17.4%	5,331	4,927	(404)	-8.2%
Supplies	1,643	1,669	26	1.6%	10,553	10,538	(15)	-0.1%
Purchased Services	1,033	751	(282)	-37.6%	5,345	4,672	(673)	-14.4%
Rentals & Leases	243	219	(24)	-11.0%	1,384	1,263	(121)	-9.6%
Depreciation & Amortization	348	350	2	0.6%	2,074	2,088	14	0.7%
Other Operating Expenses	283	323	40	12.4%	1,996	1,939	(57)	-2.9%
Total Operating Expenses	13,443	11,691	(1,752)	-15.0%	77,100	73,314	(3,786)	-5.2%
Operating Profit / Loss	(2,735)	(739)	(1,996)	270.0%	(13,292)	(5,115)	(8,177)	159.9%
NON-OPERATING REVENUES (EXPENSES)								
Other Non-Operating Revenue	-	-	-	0.0%	1,085	-	1,085	0.0%
District Tax Revenue	708	754	(46)	6.1%	4,291	4,525	(234)	5.2%
Investment Income	4	7	(3)	-40.6%	25	53	(28)	-52.9%
Less: Interest Expense	(120)	(102)	(18)	0.0%	(698)	(626)	(72)	11.5%
Total Net Non-Operating	592	658	(66)	-10.1%	4,703	3,952	751	19.0%
Income Profit (Loss)	(2,143)	(81)	(2,062)	2552.4%	(8,589)	(1,163)	(7,426)	638.7%
Profitability Ratios:								
Operating Margin %	-25.5%	-6.7%	817.7%		-20.8%	-7.5%	186.2%	-10.7%
Profit Margin %	-20.0%	-0.7%	-19.3%		-13.5%	-1.7%	-11.8%	10.5%

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

June 30, 2011

(Amounts in Thousands)

22	2,439	2,080	(359)	-17.3%	2,030	SWB / APD	2,192	2,036	(156)	-7.6%	1,948
23	66.4%	64.6%	(454)	-14.1%	64.0%	SWB / Total Operating Expenses	65.4%	65.3%	(235)	-7.5%	66.4%
24	3,672	3,218	(454)	-2.5%	3,172	Total Operating Expenses / APD	3,352	3,118	(937)	-6.4%	2,936
25	39,420	40,420	(1,000)	0.6%	35,186	I/P Gross Charges	257,895	258,832	(937)	-0.4%	235,794
26	20,511	20,394	117	-1.5%	18,558	O/P Gross Charges	118,472	126,585	(8,113)	-6.4%	110,550
27	<u>59,931</u>	<u>60,814</u>	<u>(883)</u>		<u>53,744</u>	Total Gross Charges	<u>376,367</u>	<u>385,418</u>	<u>(9,051)</u>	-2.3%	<u>346,344</u>
Payor Mix (IP and OP)											
28	39%	37%	2%		36%	Medicare %	40%	38%	2%		38%
29	14%	17%	-3%		16%	Medi-Cal %	15%	17%	-2%		17%
30	8%	14%	-7%		16%	Managed Care HMO / PPO %	9%	14%	-5%		14%
31	10%	10%	0%		9%	Medicare HMO %	12%	10%	2%		9%
32	14%	7%	7%		7%	Medi-Cal HMO %	0%	7%	7%		7%
33	0%	0%	0%		0%	Commercial %	0%	0%	0%		0%
34	1%	1%	0%		1%	Worker's Comp %	1%	1%	0%		2%
35	3%	3%	0%		3%	Other Government %	4%	3%	1%		3%
36	11%	10%	1%		12%	Self Pay/Charity %	10%	9%	1%		10%
STATISTICS											
37	520	509	11	2.2%	470	Admissions	3,226	3,266	(40)	-1.2%	3,168
38	528	509	19	3.7%	479	Discharges	3,237	3,268	(29)	-0.9%	3,168
39	2,408	2,415	(7)	-0.3%	2,503	Patient Days	15,760	15,793	(33)	-0.2%	16,791
40	80.3	80.5	(0.2)	-0.3%	83.4	Average Daily Census (ADC)	87.1	87.3	(0.2)	-0.2%	92.8
41	4.56	4.74	0.18	3.9%	5.23	Average Length of Stay (LOS)	4.87	4.84	(0.03)	-0.7%	5.30
42	30	30			30	Days in Month	181	181			181
43	803	766	37	4.8%	732	Adjusted Discharges (AD)	4,724	4,863	(139)	-2.9%	4,653
44	3,661	3,634	27	0.8%	3,823	Adjusted Patient Days (APD)	23,000	23,517	(517)	-2.2%	24,663
45	122	121	1	0.8%	127	Adjusted ADC (AADC)	127	130	(3)	-2.2%	136
46	97	103	(6)	-5.8%	98	Inpatient Surgeries	578	529	49	9.3%	538
47	104	95	9	9.5%	97	Outpatient Surgeries	564	575	(11)	-1.9%	554
48	<u>201</u>	<u>198</u>	<u>3</u>	1.5%	<u>195</u>	Total Surgeries	<u>1,142</u>	<u>1,104</u>	<u>38</u>	3.4%	<u>1,092</u>

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

June 30, 2011

(Amounts in Thousands)

49	2,848	2,473	375	15.2%	2,695	ED Outpatient Visits	18,085	19,407	(1,322)	-6.8%	17,536
50	3,875	3,293	582	17.7%	3,144	Ancillary Outpatient Visits	22,350	19,048	3,302	17.3%	18,186
51	104	95	9	9.5%	97	Outpatient Surgeries	564	575	(11)	-1.9%	554
52	<u>6,827</u>	<u>5,861</u>	<u>966</u>	<u>16.5%</u>	<u>5,936</u>	<u>Total Outpatient Visits</u>	<u>40,999</u>	<u>39,030</u>	<u>1,969</u>	<u>5.0%</u>	<u>36,276</u>
53	444	254	190	74.8%	390	Emergency Room Admits	2,805	2,539	266	10.5%	2,712
54	15.6%	10.3%		14.5%		% of Total E/R Visits	15.5%	13.1%		15.5%	
55	85.4%	49.9%		83.0%		% of Acute Admissions	86.9%	77.7%		85.6%	
56	649	622	(28)	-4.4%	620	Worked FTE	694	664	(30)	-4.5%	618
57	770	727	(43)	-6.0%	735	Paid FTE	798	771	(27)	-3.5%	703
58	5.32	5.13	(0.19)	-3.6%	4.87	Worked FTE / AADC	5.46	4.83	(0.63)	-13.1%	4.53
59	6.31	6.00	(0.31)	-5.2%	5.77	Paid FTE / AADC	6.28	5.62	(0.66)	-11.7%	5.16
60	2,894	2,995	(102)	-3.4%	2,808	Net Patient Revenue / APD	2,750	2,876	(126)	-4.4%	2,629
61	16,370	16,737	(367)	-2.2%	14,058	I/P Charges / Patient Days	16,364	16,389	(25)	-0.2%	14,043
62	3,004	3,480	(475)	-13.7%	3,126	O/P Charges / Visit	2,890	3,243	(354)	-10.9%	3,047
63	1,428	1,410	(18)	-1.3%	1,360	Salary Expense / APD	1,433	1,380	(53)	-3.8%	1,305
64	-	5.2	5.16	100.0%	5.4	Medicare LOS	5.3	5.1	(0.11)	-2.2%	5.6
65	-	1.53	1.53	100.0%	1.53	Medicare CMI	1.58	1.61	0.03	1.8%	1.59
66	#DIV/0!	3.36	#DIV/0!	#DIV/0!	3.49	Medicare CMI Adjusted LOS	3.34	3.20	(0.13)	-4.1%	3.50
67	0.0	4.7	4.74	100.0%	5.2	Total LOS	4.8	4.8	0.02	0.5%	5.26
68	0.000	1.373	1.37	100.0%	1.408	Total CMI	1.500	1.479	(0.02)	-1.4%	1.493
69	#DIV/0!	3.46	#DIV/0!	#DIV/0!	3.66	Total CMI Adjusted LOS	3.21	3.27	0.06	1.9%	3.52

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

June 30, 2011

(Amounts in Thousands)

	CURRENT PERIOD			CURRENT YTD				
	ACTUAL	BUDGET	VAR	VAR %	ACTUAL	BUDGET	VAR	VAR %
70	159,378	185,943	(26,566)	-14.3%	999,642	1,135,996	(136,354)	-12.0%
71	7,975	7,975	-	0.0%	47,850	47,850	-	0.0%
72	167,353	193,918	(26,566)	-13.7%	1,047,492	1,183,846	(136,354)	-11.5%
73	71,342	101,274	29,932	29.6%	441,794	609,759	167,965	27.5%
74	13,469	21,192	7,723	36.4%	59,702	139,279	79,577	57.1%
75	665	6,395	5,730	89.6%	15,510	39,215	23,705	60.4%
76	375	3,925	3,550	90.4%	7,246	23,550	16,304	69.2%
77	72,600	72,646	46	0.1%	437,077	435,876	(1,201)	-0.3%
78	29,992	30,000	8	0.0%	179,952	180,000	48	0.0%
79	4,239	9,522	5,283	55.5%	22,937	57,132	34,195	59.9%
80	193,662	244,954	51,272	20.9%	1,170,218	1,484,811	314,593	21.2%
81	(26,329)	(51,036)	24,706	-48.4%	(122,726)	(300,965)	178,239	-59.2%
82	(5,749)	(5,749)	-	0.0%	(67,726)	(37,453)	(30,273)	80.8%
83	(5,749)	(5,749)	-	0.0%	(67,726)	(37,453)	(30,273)	80.8%
84	(32,078)	(56,785)	24,706	-43.5%	(190,452)	(338,418)	147,966	-43.7%
85	-15.7%	-26.3%			-11.7%	-25.4%		
86	-19.2%	-29.3%	10.1%		-18.2%	-28.6%	10.4%	

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

	<u>Current Month</u>	<u>Dec. 31, 2010</u>		<u>Current Month</u>	<u>Dec. 31, 2010</u>
ASSETS			LIABILITIES		
87 Cash	4,831	5,229	113 Current Maturities of Debt Borrowings	2,480	3,646
88 Net Patient Accounts Receivable	22,494	20,433	114 Accounts Payable and Accrued Expenses	14,409	13,965
89 Other Receivables	4,511	4,055	115 Accrued Payroll and Related Liabilities	13,471	11,356
90 Inventory	2,289	2,252	116 Deferred District Tax Revenue	0	801
90 Current Assets With Limited Use	5,367	4,006	117 Estimated Third Party Payor Settlements	3,174	2,993
91 Prepaid Expenses and Deposits	1,198	1,575			
92 TOTAL CURRENT ASSETS	40,690	37,550	118 Total Current Liabilities	33,534	32,761
93 Assets With Limited Use	642	642	Other Liabilities		
Property Plant & Equipment			119 Other Deferred Liabilities	10,000	0
94 Land	12,120	12,120	120 Chapter 9 Bankruptcy	0	0
95 Bldg/Leasehold Improvements	33,716	33,563			
96 Capital Leases	10,926	10,926	Long Term Debt		
97 Equipment	33,764	33,874	121 Notes Payable - Secured	23,450	24,047
98 CIP	2,338	960	122 Capital Leases	3,180	2,581
99 Total Property, Plant & Equipment	92,864	91,443	123 Less Current Portion LTD	-2,480	-3,646
100 Accumulated Depreciation	-47,225	-46,036	124 Total Long Term Debt	24,150	22,982
101 Net Property, Plant & Equipment	45,639	45,407	125 Total Liabilities	67,684	55,743
102 Intangible Assets			EQUITY		
	524	544	126 Retained Earnings	28,400	25,855
103 Total Assets	87,495	84,143	127 Year to Date Profit / (Loss)	-8,589	2,545
104 Current Ratio (CA/CL)	1.21	1.15	128 Total Equity	19,811	28,400
105 Net Working Capital (CA-CL)	7,156	4,789	129 Total Liabilities & Equity	87,495	84,143
106 Long Term Debt Ratio (LTD/TA)	0.28	0.27			
107 Long Term Debt to Capital (LTD/(LTD+TE))	0.55	0.45			
108 Financial Leverage (TA/TE)	4.4	3.0			
109 Quick Ratio	0.81	0.78			
110 Unrestricted Cash Days	11	12			
111 Restricted Cash Days	13	11			
112 Net A/R Days	66.7	60.7			

MEDICAL EXECUTIVE REPORT

TAB 11

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

JUNE 2011

The following practitioners' applications for appointment and/or reappointment have been reviewed by the appropriate committees of the Medical Staff and have been deemed as complete and are recommended for approval by the Credentials Committee (06/23/11) and the Medical Executive Committee (07/11/11).

CREDENTIALS REPORT TO THE BOARD JUNE 2011	
REAPPOINTMENTS	
NAME	DEPARTMENT/SPECIALTY
Block, Donald A., MD	Medicine & Family Practice/Nephrology
Bruch, Herman R., MD	Medicine & Family Practice/Pulmonary Medicine
Dang, Tuan M, DO	Medicine & Family Practice/Internal Medicine
Homa, Eitan A., MD	Medicine & Family Practice/Dermatology
Morford, Michael C., MD	Medicine & Family Practice/Family Practice
Park, Jacqueline J, MD	Medicine & Family Practice/Gastroenterology
Thakur, Dineshkumar M., MD	Medicine & Family Practice/Cardiology
Dawkins, Rogelio, MD	Medicine & Family Practice/Emergency Medicine
Drasin, T. Eric, MD	Medicine & Family Practice/Radiology
Lee, Christopher, MD	Medicine & Family Practice/Radiology
Agadzi, Anthony K., M	Surgery/Ophthalmology
Cogen, Lorna A., MD	Surgery/General Surgery
Costello, Patrick J., MD	Surgery/Gynecological Surgery
Davenport, Mary L., MD	Surgery/Gynecological Surgery
Mampalam, Thomas J., MD	Surgery/Neurosurgery
Mbanugo, Collin A., MD	Surgery/General Surgery
Stanten, Russell D., MD	Surgery/Cardiothoracic Surgery
Wren, David, MD	Surgery/Orthopedic Surgery
RESIGNATIONS	
Delaney, Leslie, MD	Surgery/Pain Management
Dash, Rajes, MD	Medicine & Family Practice/Cardiology