

CONTRACOSTA TIMES

# CONTRA COSTA TIMES

## County supervisors approve \$12 million for floundering West Contra Costa hospital

*By Jennifer Baires Contra Costa Times*

POSTED: 12/02/2014

MARTINEZ -- Scheduled to run out of money by early next year, Doctors Medical Center received a \$12 million reprieve from county supervisors on Tuesday -- renewing hope that West Contra Costa's only public hospital might stay open as a full-service facility, at least for a few more years.

The debt forgiveness on property tax payments allows the West Contra Costa Healthcare District, which operates the hospital, to move ahead with an eight-point, five-year plan to keep the struggling hospital afloat.

The plan, as laid out by health care district board Chairman Eric Zell last month, requires a combination of new revenue sources, debt relief by the county and nearby hospitals and contract concessions from hospital union members.

"The (supervisors') vote was critical and a necessary piece of our communitywide strategy for saving Doctors Medical Center," Zell said in a news release the district issued following the decision. "It acknowledges the hospital's vital role in provision of public health services in West County."

-more-

After much debate, the supervisors passed two resolutions: one for a temporary, \$3 million waiver of payments; and a permanent, \$9 million waiver to be spread over three years, contingent on the district finding at least another \$15 million annually to maintain a full-service hospital.

The \$3 million temporary reprieve, owed to the county because of cash advances over the years, passed 4-1, with Supervisor Candace Andersen, of Danville, as the sole dissenter. That waiver, according to hospital administrators, will allow DMC to stay open until its projected closure date early next year.

The \$9 million waiver passed 3-2, with Andersen and Supervisor Mary Piepho, of Discovery Bay, dissenting. It will go into effect in fiscal years 2015-16, 2016-17 and 2017-18, assuming that other stakeholders come on board to help close the San Pablo hospital's \$18 million annual deficit.

"We assured the public when we loaned this money that we would get repayment on these debts, that it wasn't a gift of public funds," Piepho said before the vote. "I'm not sure I can support a permanent waiver."

"We are continuing to put a lot of money into Doctors," Andersen said during discussion of the resolutions. "All I want to see is a sustainable model, because I'm being asked to waive \$9 million over the next few years, and I have a lot of competing interests."

Supervisors John Gioia, of Richmond, and Federal Glover, of Pittsburg, co-sponsored the waiver resolutions and said they were a step forward in the fight to keep the hospital open.

But the two supervisors conceded that the waivers alone were not a solution in the short term -- because there are still a number of other contributors the money is contingent upon -- or in the long term because stand-alone public hospitals that serve mostly Medicare and Medi-Cal patients aren't sustainable under current reimbursement rates.

-more-

The Richmond City Council recently voted to earmark \$15 million for DMC from a Chevron community benefits package tied to a refinery modernization, but that money won't start to become available until the refinery receives final permission to begin the project.

"Is this the answer for all?" Glover asked the board. "Probably not. But I think it's a good first step in which we are trying to preserve a very vital institution for our residents. ... It would be encouragement for others to step up to the plate."

"This is viewed as a three- to five-year plan, and five years in the health care world is a long time," Gioia said. "The more the hospital is stabilized, the better position it is in to become part of a larger health care system."

Contact Jennifer Baires at 925-943-8378. Follow her at [Twitter.com/jenniferbaires](https://twitter.com/jenniferbaires).

###