

Richmond Confidential

Contra Costa County offers loan forgiveness to Doctors Medical Center



Contra Costa County Board of Supervisors. Photo by Gabriel J. Sanchez

By Gabriel J. Sanchez

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The Contra Costa County Board of Supervisors agreed to forgive about \$9 million in repayment debt from struggling Doctors Medical Center (DMC) over the next three to five years.

Supervisors John Gioia and Federal D. Glover proposed the two resolutions on Dec. 2, one providing immediate financial relief and the other a long-term stabilization strategy. DMC has been steeped in financial turmoil since it was rescued from bankruptcy in 2008, and faced possible closure since the beginning of summer.

Now, both the City of Richmond and Contra Costa County have put forth plans that could extend financial assistance to keep the largest public hospital in the western part of the county open.



Supervisor John Gioia explains the Doctors Medical Center resolutions. Photo by Gabriel J. Sanchez

Gioia and Glover’s plans would extend aid to DMC over the next three years and forgive \$9 million in debt from the total sum that DMC owes the county, which is more than \$25 million.

The first resolution, which passed 4-1, waived \$3 million that DMC was obliged to repay to the county in next year’s budget.

Before the vote, county Supervisor Mary Piepho, asked, “How can we afford this?” She expressed her concerns about using general funds to further support the indebted San Pablo hospital. “We have already taken steps and I’m not sure how much further that we can walk down that path,” Piepho said before casting the only dissenting vote.

The second and more controversial resolution passed 3-2. It was not only Gioia’s attempt to help keep DMC afloat for the next three to five years, but also an effort to see DMC become part of a sustainable network of hospitals in the area.

“One of the goals here has been to get this hospital integrated into a larger system” Gioia said.

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During debate, Supervisor Candace Andersen asked DMC's interim CEO Dawn Gideon why it would not work to have a standalone urgent care model, like Kaiser has in other states, instead of the full service hospital.

Gideon explained that the Kaiser model works in other areas, but that the population DMC serves has greater needs. Gideon said DMC annually serves 64,000 underinsured or uninsured patients, and added that they are "patients with significant chronic conditions."

The board of supervisors' moves are an integral piece to a larger initiative necessary to save DMC after voters rejected the Measure C parcel tax in the 2014 primary elections. After the election, local leaders scrambled to develop plans of action to prop up DMC financially. In September, Richmond city manager Bill Lindsay called a meeting with local officials to develop a strategy. He laid out responsibilities that interested parties would need to take on in order to collectively save DMC.

To date, the Richmond city council, hospital administrators and now the county have forged a financial pact to keep the hospital open. The city of San Pablo's planning commission iced the idea of rezoning the hospital's land until February in their last meeting, meaning that the land is not yet zoned for commercial use. And the county supervisors said they will gauge the public's appetite for another parcel tax measure.

While discussing the resolution, Supervisor Glover said this is a good first step by the county, and with more stakeholders taking action, "all the pieces are coming together."

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