

Doctors Medical Center San Pablo plans new outpatient complex

By Tom Lochner

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Doctors Medical Center San Pablo unveiled a plan this week to build an outpatient complex in the Towne Center shopping mall.

DMC Outpatient Center would be a joint venture with the Alliance Medical Group of primary care physicians; the group would sublet some of the space and share the waiting area, check-in and registration and some data processing with DMC. The combined medical facility would occupy about 11,500 square feet, or about two-thirds of the space formerly occupied by 24 Hour Fitness, which closed about two years ago.

The new facility will enhance the hospital's image and visibility, relieve congestion at its Vale Road campus, and improve profitability through the growth of outpatient services, Chief Operating Officer David Ziolkowski told the Doctors Medical Center Management Authority board Wednesday. Alliance would refer patients needing hospital services to Doctors Medical Center, he said.

The board approved letters of intent to lease the space from Towne Center landlord San Pablo Retail Partners LLC and to sublet about 3,500 square feet to Alliance; the board also approved an architectural contract. DMC's lease would be for five years, with three five-year renewal options, at a base rent of \$1.75 a square foot a month net of maintenance, insurance and taxes.

Outpatient care is far less expensive to deliver than hospital inpatient care, Ziolkowski told the board; moreover, building a new facility would be cheaper than cramming outpatient care into the crowded, approximately 60-year-old hospital building, which would pose onerous regulatory as well as physical challenges, he added.

Hospitals nationwide average between 55 percent and 60 percent outpatients, Ziolkowski said; at Doctors Medical Center, the outpatient rate is only about 30 percent to 35 percent, said hospital spokeswoman Gisela Hernandez. Developing an outpatient complex at Towne Center would put a dent in the hospital's structural deficit, currently running at about \$17 million a year, Ziolkowski said.

Board chairman and Contra Costa Supervisor John Gioia, who was out of town Wednesday, said earlier that the new outpatient facility could generate net income of \$500,000 to \$1 million a year for the hospital.

Doctors Medical Center would provide a laboratory draw station and X-ray and ultrasound services at the new site, as well as physical and occupational therapy, cardiac rehabilitation and echocardiography, and possibly also preoperative testing and wellness services. Alliance's

offerings would include primary care, urgent care, occupational medicine and bone densitometry, according to a DMC staff report.

The venture enjoys the support of the nearby Lytton Casino San Pablo, which would welcome a convenient site for primary care, urgent care and wellness services for its employees, although it has not committed to becoming a client, Ziolkowski said. But the venture would be sustainable even without Lytton's participation, he said.

Towne Center is in downtown San Pablo near the Interstate 80-San Pablo Dam Road interchange and within a half-mile from the San Pablo Civic Center, a quarter-mile from the hospital and about 300 feet from the entrance to the casino. The mall includes Lucky, Walgreens and Starbucks stores and a Citibank branch.

Medical offices would be consistent with the city's general plan and would require only a use permit under the area's C-1 zoning, said San Pablo Assistant City Manager Kelsey Worthy. DMC Outpatient Center could open in February 2010, Ziolkowski said.

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