

# Richmond Confidential

## ***West County voters to decide on parcel tax to save Doctors Medical Center***



(Photo by Christopher Connelly)

By: [Christopher Connelly](#) | August 15, 2011 – 4:17 pm | Filed Under: [Economy](#), [Featured](#), [Front, Government](#), [Health](#)

Residents of West Contra Costa County will vote this fall on a special parcel tax to support the ailing Doctors Medical Center in San Pablo. The five-member West Contra Costa County Healthcare District board, the elected body that oversees the public hospital's operations, voted unanimously last week to approve a ballot measure that would raise over \$5 million per year to pay for the hospital's continued operations.

Voters will decide on the tax through a special mail-in ballot election on November 15. The new tax would amount to \$47 per single-family home, while owners of small multi-unit residential properties would pay \$94 per year. Owners of small commercial and industrial parcels would pay \$282 per year, owners of medium-sized parcels would owe \$470, and owners of larger ones would pay \$940 per year beginning in July 1, 2012. In all, the tax would raise \$5.2 million each year, and would expire if the emergency room or hospital closed, Gioia said.

The new property tax would come on top of a \$52 per year tax voters approved in 2004 when the hospital was once before on the brink of closure. Hospital administrators say the measure is essential for Doctors Medical Center to keep its doors open. If the public doesn't pass the parcel tax, "the hospital will most likely close next year," said Contra Costa County Supervisor John Gioia, who represents West Contra Costa and chairs a governing body that advises the board of directors.

Doctors Medical Center serves about a quarter of a million West County residents from El Cerrito in the south to Crockett in the north. It has the only full-service emergency room in West County. The public hospital is one of two in the county, and 80 percent of its patients are Medicaid or Medicare recipients. Gioia says these government entitlement programs reimburse at a rate lower than the cost of service. "It's hard to be successful with this model of standalone public hospital that's not a part of a system and has this challenging payer mix," Gioia said.

The hospital faces an \$18 million budget gap this year, and [has been in financial trouble for much of the last 20 years](#). In addition to a payer mix that does not cover the expense of care provided, as many as ten percent of Doctors Medical Center's patients are uninsured. And in recent years, the state has drastically cut the funding public hospitals receive.

In 2006, the hospital declared bankruptcy and was only able to stay afloat with a loan from the county and contributions from John Muir Medical Center in Martinez and Kaiser Permanente, which runs the only other hospital in the area.

Gioia said he supports the parcel tax because without it the county would lose an essential hospital and emergency services. “Four dollars a month is a small price to pay to save our local emergency room and increase your chance of better medical outcomes,” Gioia said. “If you call 911, if this hospital closes, it’s going to take longer to get emergency room care.”

Dawn Gideon, the hospital’s interim director, said it will take a mix of new revenues, other funding and belt-tightening to keep the hospital afloat. The parcel tax “is one of several strategies being pursued collectively,” she said. “All of them need to go into place to save DMC.” In addition, the hospital is refinancing its debt and may combine some management, billing and purchasing operations with the county’s health system as a means of future savings. “But these things will take time,” Gideon said.

In the meantime, hospital officials are also asking for millions in short-term funding from the state to help close its budget gap. Kaiser Permanente has pledged \$4.2 million in short-term funding, Gioia said, and hospital officials have asked for money from the California Medical Assistance Commission, a state agency that oversees government healthcare programs and public hospitals. Gioia thinks this funding will likely be granted. “It’s a question of how much we will get,” he said. “They indicated a strong desire to help the hospital but in this state budget there is not much money available.”

Hospital administrators are also planning another \$5 million in savings from revenue increases and cutting expenses. “Right now, with no changes, we’re looking at having cash flow through the end of the year,” said Gideon. But without the passage of the parcel tax and help from outside funding, at that point the hospital would have to begin the closure process, which would take several months to do safely, while making sure patients know where to go for their care, Gideon said.

The hospital’s emergency room capacity would be the biggest loss to the area, Gideon said. According to a recent report by Contra Costa County emergency services agency, without Doctors Medical Center emergency patients throughout the West County would face longer wait times and many would have to be taken longer distances to other emergency rooms in Contra Costa County or Oakland. That would add up to \$2.5 billion in ambulance costs, which would likely be passed on to patients.

Additionally, said Gideon, patients in need of immediate care might not get it fast enough. “Emergencies are time sensitive,” Gideon said. For many critical patients, the additional time it takes could be the difference between life and death.

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