

Health and political leaders strive to keep doors open at Doctors Medical Center in San Pablo

[By Sandy Kleffman](#)

[Contra Costa Times](#)

Posted: 09/08/2011

Health and political leaders are moving on several fronts to keep the doors open at financially struggling Doctors Medical Center in San Pablo, including a \$4.2 million donation from Kaiser Permanente and a bill headed to the governor's desk that would make it easier for the hospital to borrow money.

"West County residents can be assured that there is every effort being made to save this hospital and emergency room," said Contra Costa Supervisor John Gioia, who heads the hospital board.

Without the Kaiser grant, Doctors would have run out of money by the end of October, interim CEO Dawn Gideon said.

Doctors is an important safety net for West County residents. It operates the largest emergency department in the area and serves many poor and uninsured residents but is losing about \$18 million a year.

The bill by state Sen. Loni Hancock, D-Berkeley, seeks to address concerns that the financial problems may scare investors and make them reluctant to loan the hospital money.

Doctors is considering borrowing as much as \$20 million this fall to help meet its obligations through the end of 2012.

Hancock's bill offers investors a lien against the hospital's parcel tax revenue to guarantee that if Doctors files for bankruptcy, a judge could not change loan terms and lower the repayment.

The Legislature approved a similar measure in 1994 for Orange County when it needed to borrow money.

Hancock's bill, SB644, has strong bipartisan support, passing the Assembly 70-0 and the Senate 33-0. It awaits Gov. Jerry Brown's signature.

"It's very important that this hospital keep its doors open," Hancock said. "It is one of the only emergency rooms to serve a large, predominantly underserved population. It would be a tragedy for Contra Costa County if it should have to close its doors."

Only about 6 to 8 percent of Doctors' patients have commercial insurance, which typically pays the best rates and forms the bulk of many other institutions' budgets. Ten percent of Doctors' patients are uninsured, nearly half are on Medicare and 24 percent are on Medi-Cal, which pays rates often well below private insurers.

The \$4.2 million from Kaiser will help the hospital meet its obligations through the end of this year, Gideon said. After Doctors declared bankruptcy in 2006, Kaiser gave the hospital \$12 million over three years.

"At Kaiser Permanente, we are very aware of the vital role Doctors Medical Center plays in the community, and we are concerned about the uncertainty now facing this important institution," said Gregory Adams, president of the Northern California region for Kaiser Foundation Health Plan and Hospitals.

To help ensure the hospital's longer-term survival, its leaders are hoping West County voters will approve a parcel tax in a mail-in ballot election Nov. 15.

The tax, which requires a two-thirds majority approval, would raise about \$5 million annually. It would go into effect July 1 and cost single-family homeowners \$47 per year. Owners of multiunit residential and commercial properties would pay more.

The tax would be in addition to a \$52 annual levy that voters approved for Doctors in 2004.

"Without this parcel tax, the hospital will close next year," Gioia said.

These actions will help solve the hospital's immediate cash problems but not its long-term operating deficit. So Gioia has been meeting with area leaders to explore how to restructure the hospital to make it financially sustainable. Included in these meetings have been representatives of Kaiser, John Muir Medical Center, Contra Costa County, doctors' groups and other organizations.

"They're pretty far-reaching discussions to look at various service delivery models," Gioia said, noting that it may involve some new partnerships.

"What everyone's interested in is having a long-term solution," he added. "There's a realization that given the challenging payer mix and the state of health care delivery in this country" it is impossible for a lone urban hospital to survive without outside funding.

Gioia and others have gone to Sacramento several times this year seeking additional funding for Doctors from the California Medical Assistance Commission.

Gideon, meanwhile, is seeking to make the hospital run more efficiently. In August, Doctors eliminated 32 positions, including 14 layoffs.

Contact Sandy Kleffman at 925-943-8249.

