

Details on Bill to Keep Doctors Medical Center Open

County Supervisor said legislation signed by governor will make it easier for Doctors Medical Center to refinance \$2 million in annual debt.

By [Rob Shea](#)



County Supervisor John Gioia said Tuesday that new legislation signed on Sunday is a key but relatively small component in the multi-tiered effort to save Doctors Medical Center from closure.

Sponsored by state Sen. Loni Hancock (D-Oakland), the bill will make it easier for the hospital to seek better refinancing terms to pay off an existing \$2 million payment in annual debt, Gioia said. Although it contained no specific financing source, the bill would protect creditors from losing their investment if the hospital goes bankrupt, he said.

"It opens the door for us to refinance at a good rate," the supervisor said.

He compared the bill to one piece of a financial puzzle that needs to be assembled to keep the troubled medical center open.

"It's a small but important piece," Gioia said.

Having lost nearly all of its \$12 million in state funding due to budget cuts this year, the hospital is trying to cobble together a plan to keep it going. That plan includes \$5 million savings in "internal restructuring" for more efficiency and \$6 million in partnerships with other players, such as the county and other hospitals, such as Kaiser Permanente and Alta Bates.

It also is dependent on voter approval of a [new local parcel tax](#) that will be mailed to voters for a November election. The tax would be assessed on residential, commercial and industrial properties in the hospital district that covers areas from El Cerrito to Crockett. Homeowners would pay \$47 per year. The tax would expire in the even that the hospital is forced to close. The

proposed new tax, which would expire in the event of bankruptcy would be in addition to an existing \$52 annual parcel tax. If the hospital is forced to close, the existing parcel tax would continue to be collected but must be spent on healthcare needs, such as urgent care, Gioia said.

The hospital serves mostly Medi-Cal and Medicare patients and is West Contra Costa's only full-service emergency room facility, providing additional care for heart attack and stroke victims that are not offered at the nearby Kaiser Permanente Medical Center in Richmond.

Gioia, who also chairs the medical center's governing board, said that closing the hospital would be devastating for area residents and would heavily burden other nearby hospitals.

Gioia cited a study released by Contra Costa County Emergency Medical Services this summer that concluded that closing DMC would cause significantly longer wait times and overcrowding at other area hospitals.

"Stand-alone urban hospitals with a challenging payer mix have a difficult time surviving, which is why the additional help has been very important to this hospital surviving," he said.

The San Pablo medical complex also needs significant seismic retrofit work to sustain it for the long term.