

## Board prepares to close Doctors Medical Center if new funds don't emerge

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SAN PABLO -- Doctors Medical Center could be forced to close as early as July 25 if several funding streams don't emerge in the coming months, according to a contingency plan presented to the West Contra Costa Healthcare District board of directors Wednesday.

"While we are optimistic that district residents will support our hospital in great numbers, it is incumbent on hospital leadership to prepare for the worst, and that is what this contingency planning is all about," board Chairman Eric Zell said in a prepared statement.

The hospital, which employs just under 1,000 people and projects a \$16 million deficit this year, has the largest emergency room in West County and serves residents of all backgrounds when they suffer heart attacks and strokes.

The board in January authorized a parcel tax mail-in ballot election in May in hopes of averting closure and making the long-struggling hospital more attractive to potential partners. The proposed parcel tax is 14 cents per square foot of developed property, or about \$210 annually on a 2,000-square-foot house, and would raise about \$20 million a year. The proposed tax is much larger than two previous taxes approved by district voters since 2004.

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For DMC to remain open through the year, three bundles of new funds must emerge, according to the presentation.

First, DMC needs \$3.5 million by May. Second, district voters must approve the parcel tax by a two-thirds vote on a mail-in ballot that will go out April 6 and is due May 6. Third, the hospital must get about \$13 million in bridge funding this summer to operate into December, when the parcel tax funds would start coming in.

"Should we fail at any of these, the hospital will close," according to a staff document.

DMC officials are banking on about \$5 million in funding to come from a deal recently struck with a nearby casino to lease part of its parking lot, but the rest of the funding has not emerged. Late last year, the board sent a letter to Kaiser Permanente, which operates a hospital in Richmond that would be flooded with new patients if DMC closed, asking for \$20 million.

"We have several irons in the fire," hospital spokeswoman Remy Goldsmith said, referring to entreaties to area hospitals and other entities for funds, "but no commitment yet."

Kaiser spokesman Jessie Mangaliman said Wednesday that Kaiser has provided more than \$20 million to DMC since 2006 but stopped short of saying more funds would be forthcoming.

"It has long been our hope that Doctors Medical Center and the West Contra Costa Healthcare District board could work together to develop a plan that would ensure a successful and sustainable future for the hospital," Mangaliman wrote in an email.

The hospital's \$143 million operating budget is strained under the weight of its mostly uninsured and underinsured patients. DMC is the leading provider of hospital care to the area's Medicare and Medi-Cal patients, and cuts to Medicare reimbursement rates have exacerbated the fiscal straits, Goldsmith said.

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Board member Dr. Sharon Drager said that if DMC closes, it will trigger a ripple effect throughout the community, including broader economic contraction and a reduction of doctors' offices because many physicians would not be inclined to operate in an area with no hospital. "West County will become a medical desert," Drager said.

If the parcel tax fails on May 6, the board plans to vote for closure and notify employees within two days. The emergency department, which sees 40,000 patient visits annually, could close about July 18, while the hospital could close completely on July 25.

But passing the parcel tax may prove difficult, as West County residents have shouldered a mounting burden of hospital and school district taxes in the last decade. "Property owners here are already some of the most heavily taxed in the nation," said Mike Ali Kinney, a resident and anti-tax advocate. "We can't take any more taxes."

County Supervisor John Gioia, also a board member, said the choice ultimately will be up to the community to pass the tax.

"This is the last-ditch effort," he said.

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