

Preliminary Doctors Medical Center Update

City of Richmond
October 22, 2014

Overview

- City Council Direction
- Outreach
- Background Information
- Proposed Requirements
- Proposed Funding Strategy
- Chevron Environmental & Community Investment Agreement
- Next Steps
- Questions



*City of Richmond Staff will continue to update this PowerPoint as information is made available.

City Council Direction

Council direction on October 7, 2014:

1. Create a commitment of intent to allocate \$15 million of the \$50 million dollars of the Chevron agreement to support for DMC as a full-service hospital.
2. Create a multi-year allocation plan to be implemented after the litigation is settled and with agreement from Chevron for accelerated money.
3. Develop a plan for additional funding with commitments from other sources.

City of Richmond Staff Outreach

- California Nurses Association (CNA)- *Marie Walcek, Pilar Schiavo, & Zach Goldman*
- Chevron - *Heather Kulp, Public Affairs Manager*
- Contra Costa Health Services - *Dr. William Walker, Director and Health Officer*
- Doctors Medical Center (DMC) – *Dawn Gideon, CEO*
- DMC Closure Aversion Committee – *Dr. Otis Rounds, Chair of the Committee*
- HFH Consulting (Financial Analyst) – *Jim Pfeiffer, CEO*
- Hooper, Lundy & Bookman - *Felicia Sze, Attorney & Reimbursement Analyst*
- Hospital Council of Northern & Central California - *Art Sponseller, President/CEO*
- LifeLong Medical Center
- Supervisor John Gioia
- West Contra Costa City Managers
- West Contra Costa Healthcare District Board – *Eric Zell, Chair of the Board*

Background Information

- 2006: DMC Filed for Bankruptcy
- 2010: Affordable Care Act (ACA) adopted and implementation of *expanded coverage available since 2013*
- 2014 – May: Measure C *\$20 million Parcel Tax fails*
- 2014 – Sept.: *SB 883 approved \$ 3 million from Major Risk Medical Insurance*
- 2014 - Oct.9: City of San Pablo issued an intent to Adopt a Negative Declaration rezoning the DMC site
- 2020: DMC Seismic Retrofit required

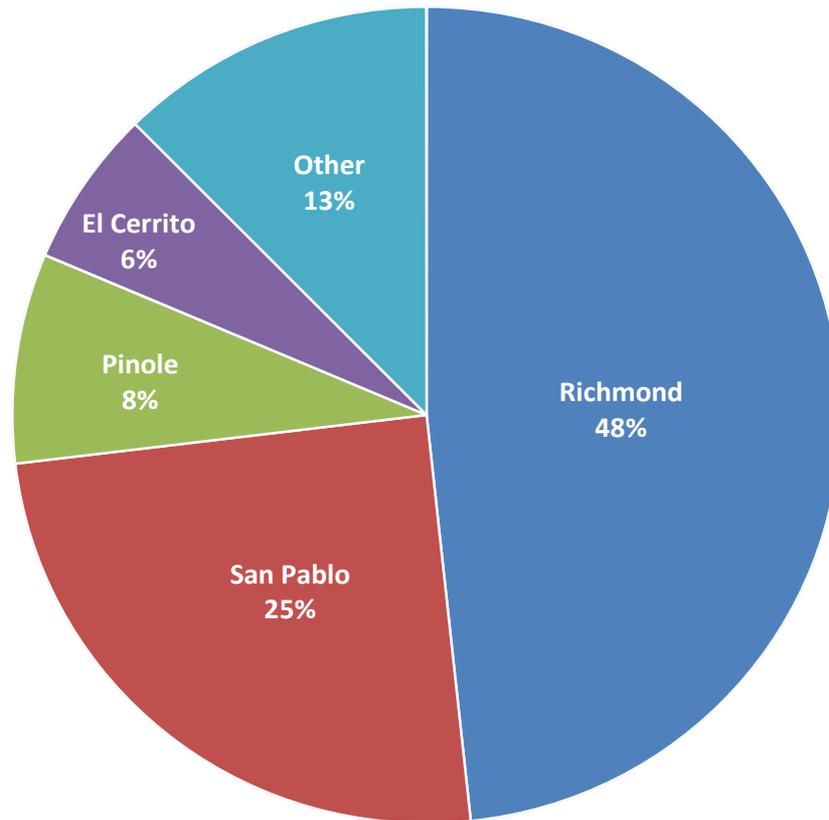
Travel Times to Nearby Hospitals

20-25 minutes longer destination times

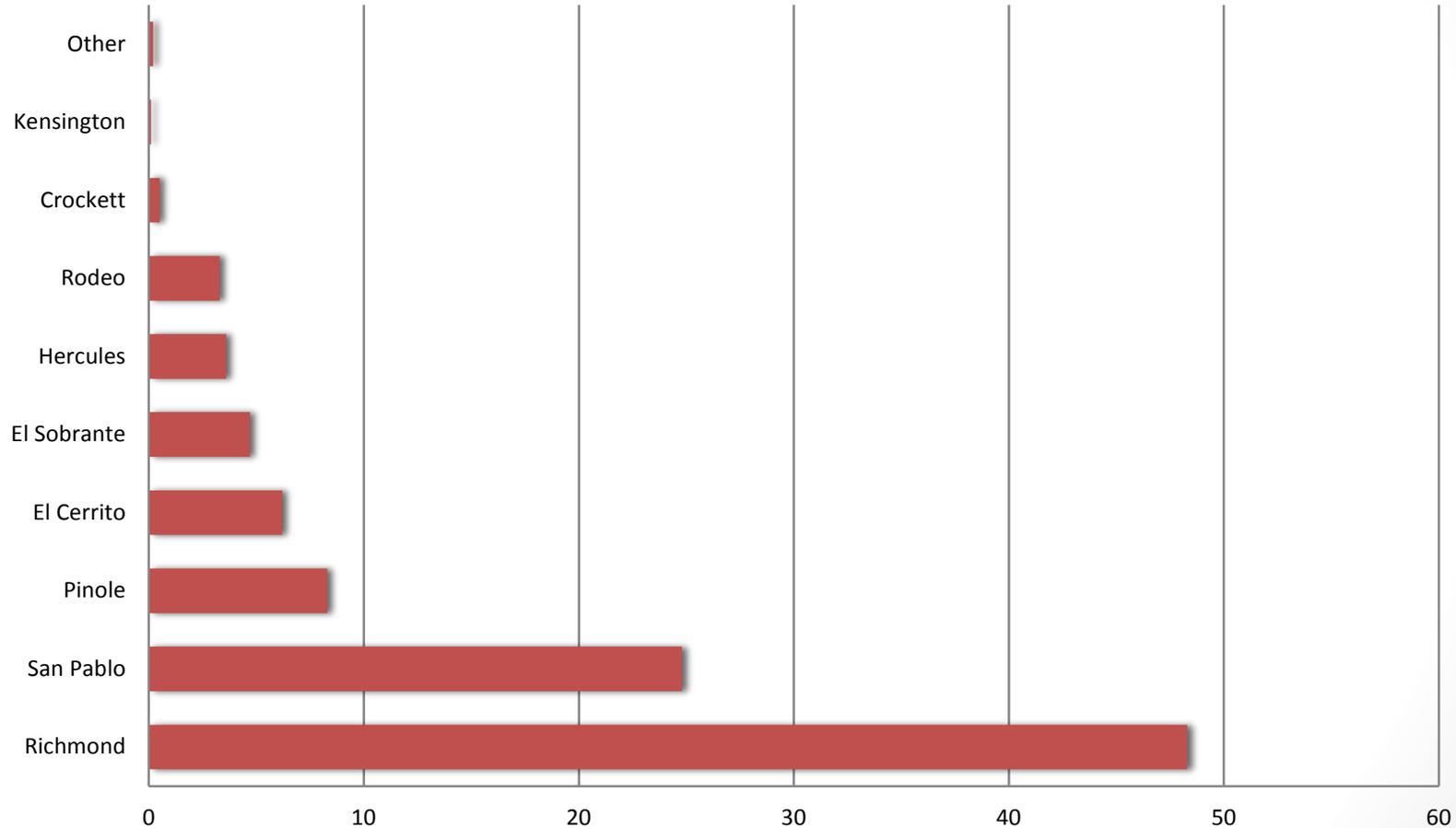
Exhibit 8: Estimated Travel Times from Doctors San Pablo to Nearby Hospitals

Travel Times from Doctors San Pablo to Nearby Hospitals				
Hospital	City	Distance	Approx. Travel Time from Doctors-SP (minutes)	Assumed Average MPH
Kaiser Foundation Hospital, Richmond	Richmond	2.4	8	18
Alta Bates Summit Medical Center - Summit Campus	Oakland	11.8	15	47
Alta Bates Summit Medical Center - Alta Bates Campus	Berkeley	10.9	16	41
Kaiser Foundation Hospital, Oakland	Oakland	12.2	16	46
Children's Hospital and Research Center at Oakland	Oakland	12.4	16	47
Alameda County Medical Center - Highland Hospital	Oakland	14.4	19	45
Kaiser Foundation Hospital-Rehabilitation Center, Vallejo	Vallejo	16.0	23	42
Contra Costa Regional Medical Center	Martinez	16.2	23	42
Sutter Solano Medical Center	Vallejo	16.4	25	39
Marin General Hospital	Greenbrae	17.3	27	38
John Muir Medical Center, Concord	Concord	22.0	27	49
Kaiser Foundation Hospital, Walnut Creek	Walnut Creek	25.8	31	50
John Muir Medical Center, Walnut Creek	Walnut Creek	26.4	34	47
Sutter Delta Medical Center	Antioch	34.7	39	53
San Ramon Regional Medical Center	San Ramon	36.4	43	51
Kaiser Foundation Hospital, Antioch	Antioch	38.0	46	50

Ambulance Volume to DMC

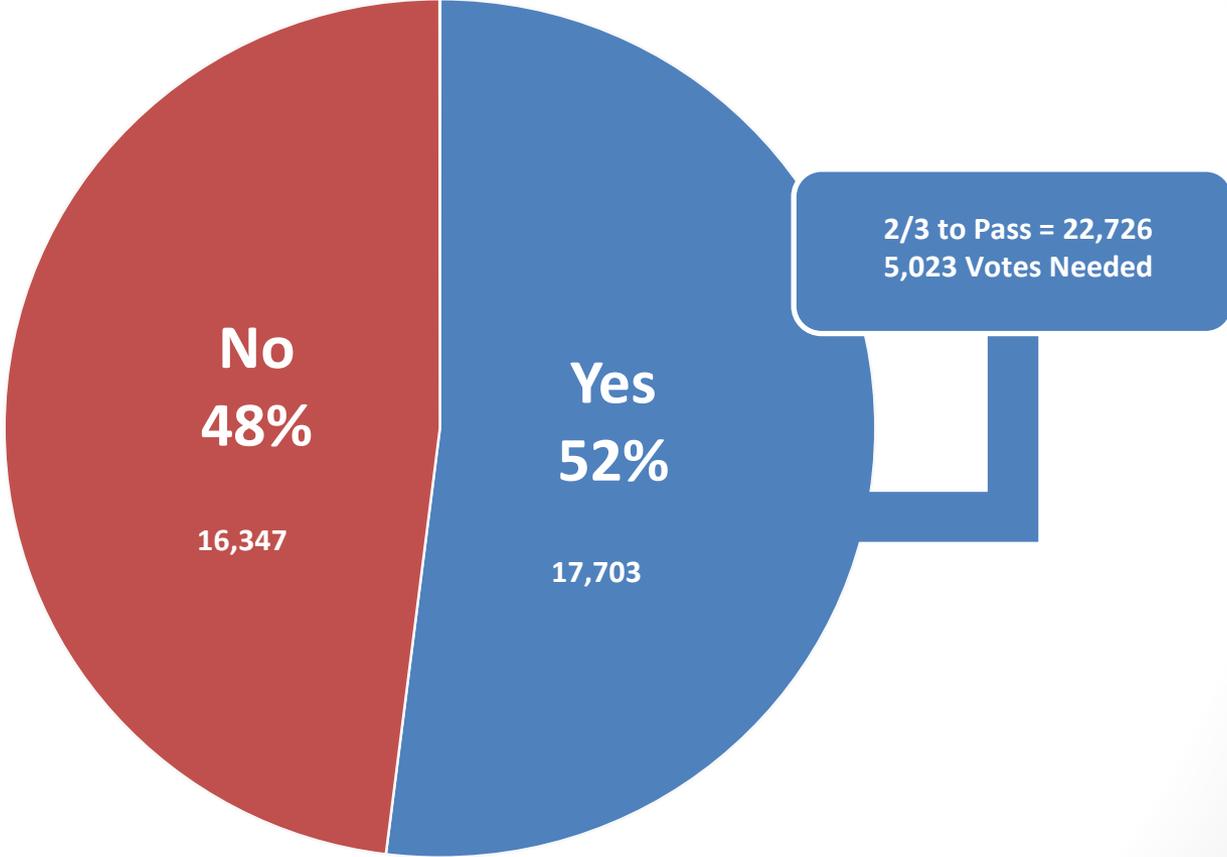


Ambulance Volume to DMC

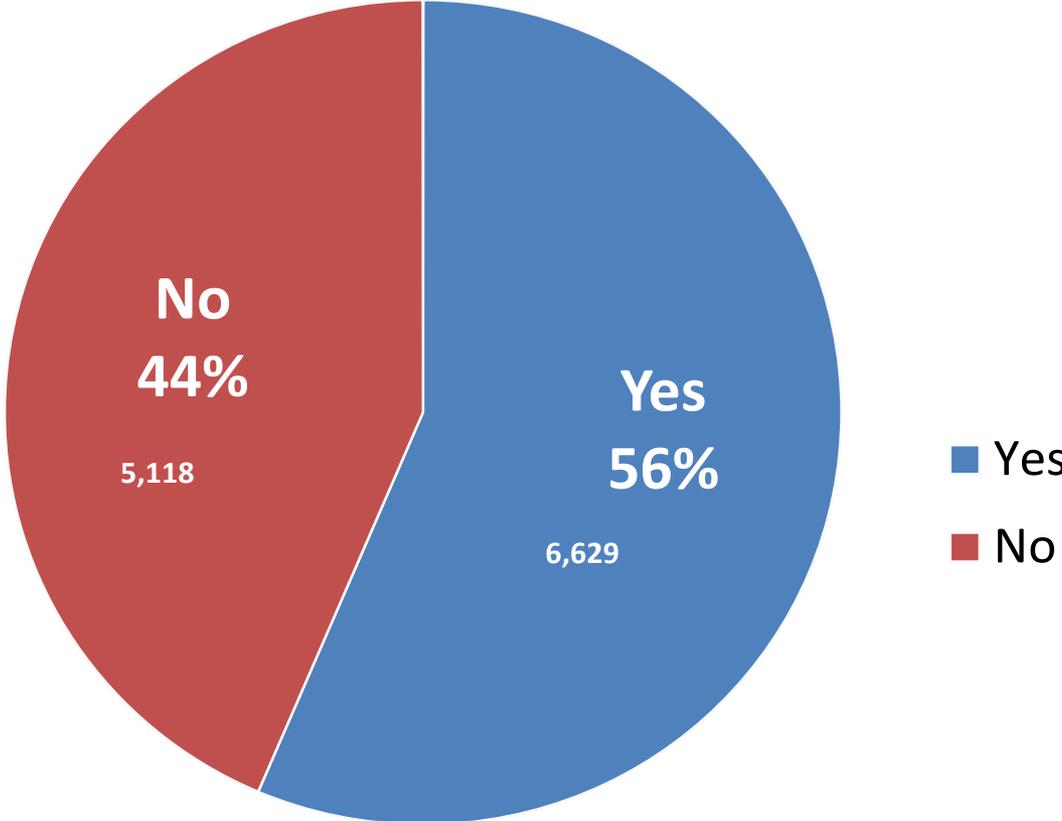


Study of West County Emergency Medical Services, Emergency Department, and Critical Care Access: Final Report . July 2011.

Measure C: Total Voters

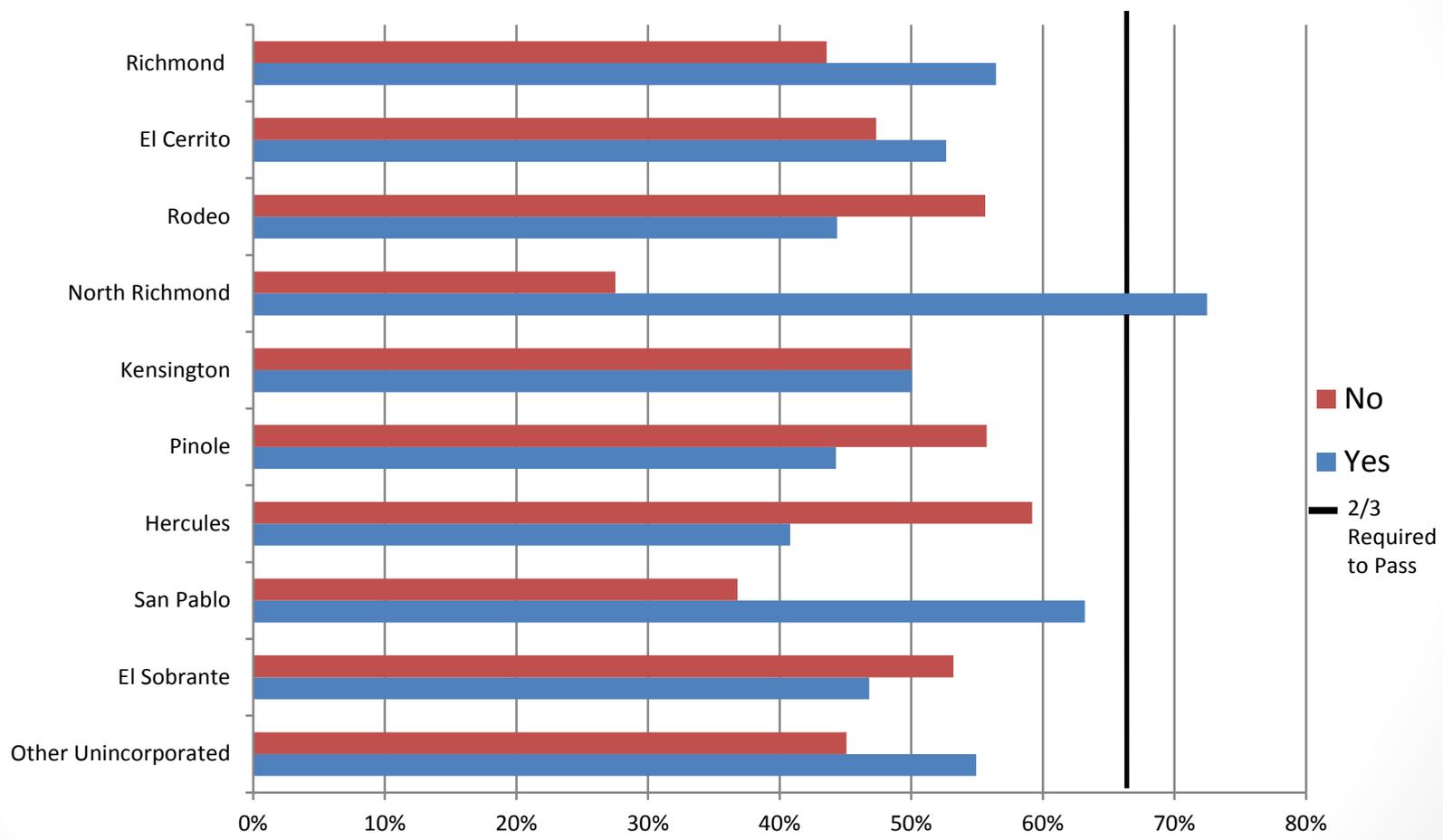


Measure C: Richmond Voters



Contra Costa County Elections: Statement of Votes Cast: Special by Mail Election. May 6, 2014.

Measure C: Voters by City



Contra Costa County Elections: Statement of Votes Cast: Special by Mail Election. May 6, 2014.

DMC Stakeholder Group

- In May 2014, a Stakeholder Group led by Dr. William Walker, Director, Contra Costa Health Services was formed
- Examine finance solutions after failure of the parcel tax in May 2014
- Analyzing multiple health-care service models
- The Final Report scheduled for release in Fall 2014
- The Richmond City Council will receive an update on the Final Report within 30 days from issuance

Proposed Three-Year Funding Requirements

- All litigation resolved and building permit issued for Chevron Modernization Project
- DMC to remain open through end of 2017
- DMC & CCHS to present restructuring & financing plan
- Collaborative DMC Funding Strategy
- Implementation of sustainable West County healthcare system
- Passage of Parcel Tax required in second quarter of 2015
- No fiscal impact to the Richmond General Fund

DMC Three-Year Bridge Funding Strategy

3 Years/\$18M Per Year = \$54M Total

Contra Costa County (Debt Forgiveness)	\$2.9M/yr
Hospital Community (Debt Subsidy)	\$4.3M/yr
DMC Cost Savings	\$800K/yr
*Parcel Tax	\$ 5.0M/yr
City of Richmond/Chevron ECIA	\$5.0M/yr
Total	\$18M/yr

Adopted Chevron Environmental & Community Investment Agreement

Monetary Contributions:

- Community Programs: \$50,000,000
- Greenhouse Gas Reduction: \$30,000,000



Non-monetary Contributions:

- Photovoltaic Solar Farm: \$10,000,000
- Local Hire Commitments



Total Dollar Value: \$90,000,000

Proposed Environmental & Community Investment Agreement Amendments

Monetary Contributions:

- | | |
|-----------------------------|--------------|
| • Community Programs: | \$35,000,000 |
| • DMC Allocation | \$15,000,000 |
| • Greenhouse Gas Reduction: | \$30,000,000 |

Non-monetary Contributions:

- | | |
|----------------------------|--------------|
| • Photovoltaic Solar Farm: | \$10,000,000 |
| • Local Hire Commitments | |

Total Dollar Value	\$90,000,000
---------------------------	---------------------

Environmental & Community Investment Agreement Community Programs Impact

Program	7/29 Executed Agreement	Richmond City Council 10/7 Proposed 30% Reductions	10/21 Proposal
Scholarship Program	\$35,000,000	-\$10,500,000	\$24,500,000
Job Training	\$6,000,000	-\$1,800,000	\$4,200,000
Public Safety Programs	\$2,000,000	-\$600,000	\$1,400,000
Free Internet Access	\$1,000,000	-\$300,000	\$700,000
Competitive Grant Program	\$6,000,000	-\$1,800,000	\$4,200,000
Total	\$50,000,000	-\$15,000,000	\$35,000,000

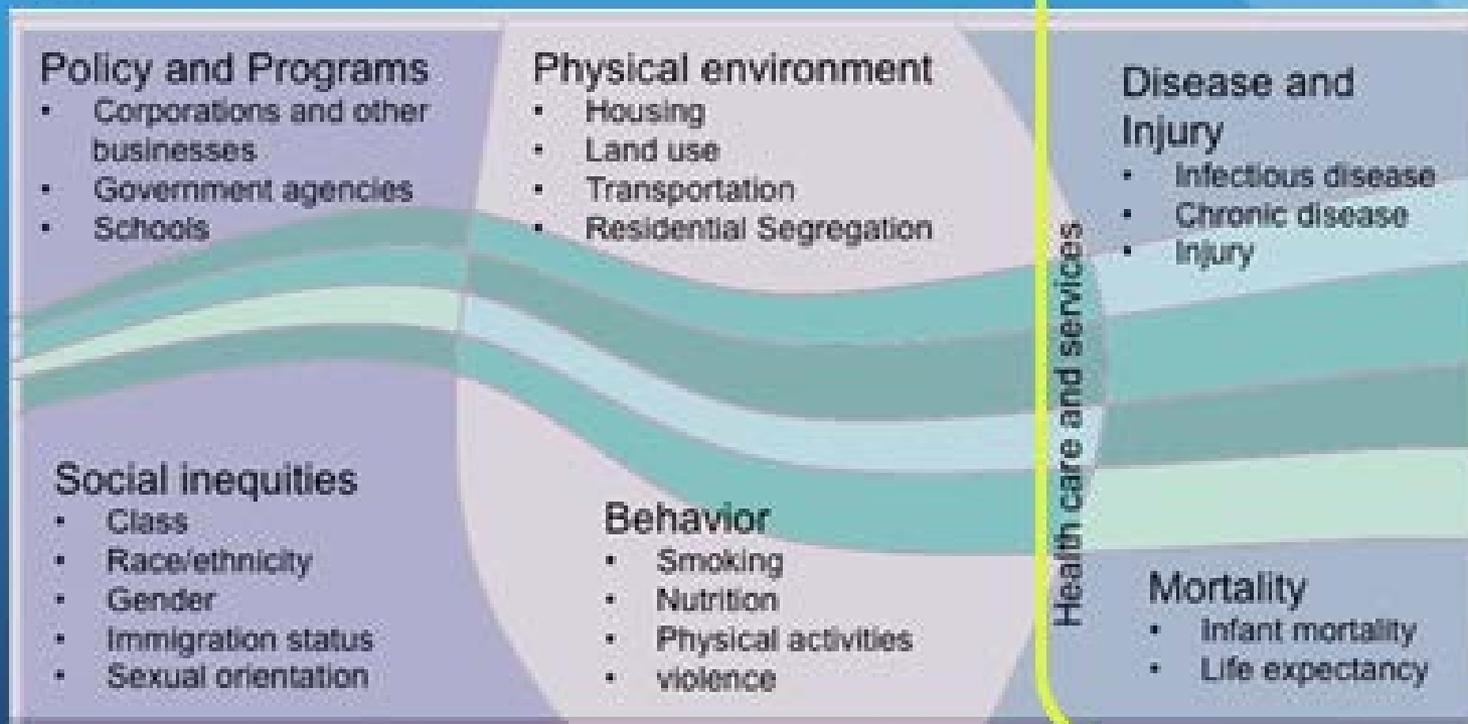
Upstream & Downstream Interventions

\$\$\$

Upstream

Midstream

Downstream



Government, Schools, CBOs → Parks & Housing → Hospitals & Clinics

Next Steps

- Work with HFS Consulting to model additional DMC operations plans & develop new model for primary care in West Contra Costa County
- Continue discussions with Chevron to reallocate & accelerate funds
- Continue discussion with parties involved with Chevron litigation
- Receive a presentation on the Final DMC Stakeholder Report
- Secure commitments for collaborative funding strategy
- Ongoing community engagement

