Independent Stakeholder Group Rules Out Possibility of Full-Service DMC

Interim Report By Experts Calls on Community to Rally Around Evaluation of Health-Care Alternatives

SAN PABLO – An independent team of health care financial and technical experts today ruled out the possibility of preserving a full-service hospital at Doctors Medical Center (DMC) and called for a full clinical and financial evaluation of alternatives.

In an interim report issued to the West Contra Costa Healthcare District board today, Dr. William Walker, director of Contra Costa Health Services and chair of the DMC Stakeholder Group, said a technical and financial review found that even a scaled-down version of a full-service hospital is cost prohibitive.

Dr. Walker and members of the Hospital Council of Northern and Central California, as well as a team of legal and licensing experts, urged residents to unite behind alternative solutions to meet the medical needs of the region.
Specifically, the group endorsed clinical, operational and financial evaluations of a satellite emergency department and an advanced 24-hour urgent care center.

“No one – not the doctors or medical staff, not the other hospitals in the region, not the county, the Healthcare District and certainly not the surrounding community – wants to see Doctors Medical Center close as a full-service hospital,” Dr. Walker said. “But it is critical now that all involved turn their focus and efforts to coming up with an alternative. We need to act quickly.”

Doctors Medical Center has been on life support since the failure of the Measure C parcel tax this spring. Hospital management estimates that under the best-case scenario, DMC has enough cash available to stay open as a scaled-down full-service hospital only through the first quarter of 2015.

The Stakeholder Group interim report is the first detailed summary of the analysis conducted by the team of health-care legal and financial experts brought together by the Hospital Council. The report includes supporting evidence showing the county’s financial inability to take over DMC, as well as a timeline on efforts taken by the Healthcare District and county over the past 10 years to prevent DMC from closing.

The Stakeholder Technical Advisory Group – made up of representatives from HFS Consultants of Oakland and the law firm of Hooper, Lundy & Bookman, among others – has conducted an independent evaluation of health-care models for West Contra Costa County over the past two months. Among its findings:

- A streamlined hospital – one with fewer acute care beds that retained diagnostic and emergency care, as DMC is now configured – would continue unsustainable operating losses of $18 million annually.
- A pending seismic retrofit – estimated to cost more than $100 million – puts a full-service hospital at the current location further out of reach.
- A satellite emergency room tied to the county license would reduce financial losses to $8.7 million a year but faces significant regulatory hurdles.
An enhanced 24-hour urgent care center of the type used in other states holds great clinical promise and would not require special permission from the state licensing authority.

The Stakeholder Group continues its analysis and remains optimistic that an appropriate, sustainable health-care alternative can be found for West County. It expects to deliver a final report to the Healthcare District board this fall.

PRESS AVAILABILITY

Dr. William Walker and Art Sponseller, President and CEO of the Hospital Council, will be available for on-camera interviews Wed. Sept. 24, from 2 pm to 4 p.m.

Contra Costa Health Services
50 Douglas Drive, Suite 310-A
Martinez, CA

Technical Advisory Group members available for press interviews Wednesday:
John Pfeiffer – CEO, HFS Consultants  510-768-0066 (x 222) financial analyst
Steve Rousso – Principal, HFS Consultants  510-768-0066 (x224) financial analyst
Steve Lipton – Hooper, Lundy & Bookman 415-875-8490 licensing analyst
Felicia Sze – Hooper, Lundy & Bookman 415-875-8503 reimbursement analyst