

RESOLUTION NO. 1-14

RESOLUTION OF THE COUNCIL OF THE CITY OF RICHMOND, CALIFORNIA IN SUPPORT OF KAISER PERMANENTE PROVIDING EMERGENCY FUNDING TO DOCTORS MEDICAL CENTER TO REMAIN OPEN AND SERVE THE COMMUNITY WHILE SEARCHING FOR A LONG TERM STRATEGIC PARTNER

WHEREAS, Doctors Medical Center (DMC) is the only public, safety-net hospital in Western Contra Costa County; and,

WHEREAS, the DMC Emergency Room serves more than 40,000 people each year, many of whom are underinsured or have no insurance and nowhere else to go for medical care in an emergency; and,

WHEREAS, more than 38% of patients served annually by DMC are Richmond residents; and,

WHEREAS, the West Contra Costa Healthcare District (WCCHD), which owns and operates Doctors Medical Center, has responsibly and proactively managed the limited hospital finances despite a sustained reduction in patient volume, declining medical reimbursement revenue, and substantial loss of supplemental support from the State of California and local providers; and,

WHEREAS, despite decreasing revenue and increasing expenses for services, supplies and benefits, DMC has still managed to reduce its expenses by 6% to remain financially viable; and,

WHEREAS, DMC is currently seeking a strategic partner with whom the hospital can either merge or affiliate to gain economies of scale and develop a sustainable business model. However, any merger or affiliation would take at least a year—until 2015—to negotiate and implement; and,

WHEREAS, in November 2013, WCCHD declared a fiscal emergency for the hospital because it is facing a liquidity crisis that will cause the hospital to run out of cash and cease operations in the first half of 2014 if nothing changes; and,

WHEREAS, an independent 2011 study commissioned by Contra Costa County concluded that the closure of DMC would be catastrophic and overwhelm Kaiser Richmond, the only other emergency room in Western Contra Costa County, by resulting in a 93% increase in visits, prolonged average wait times of 10 to 12 hours for walk-in patients, and delayed ambulance off-loads during the first year and a half after the DMC closure; and,

WHEREAS, the closure of Doctors Medical Center also means the closure of western Contra Costa's only accredited stroke program, one of only two accredited programs to treat severe heart attacks in the region and the loss of other essential services that can mean the life or death of many Richmond residents; and,

WHEREAS, Kaiser Permanente has been a dedicated leader in philanthropy and been on the forefront of public health stewardship, making a significant difference in the past through its generous support of Richmond's well-being.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Richmond hereby passes this resolution in support of the financial support that Kaiser Permanente has been asked to provide to Doctors Medical Center because funding will help DMC to remain open and serve the community while searching for a strategic partner, ultimately helping to ensure that Richmond remains a vibrant, healthy and safe community.

I certify that the foregoing resolution was passed and adopted by the Council of the City of Richmond at a special meeting thereof held on January 7, 2014, by the following vote:

AYES: Councilmembers Butt, Beckles, Myrick, Vice Mayor Boozé and Mayor McLaughlin.
NOES: None.
ABSTENTIONS: None.
ABSENT: Councilmember Bates and Councilmember Rogers.

DIANE HOLMES

CLERK OF THE CITY OF RICHMOND
(SEAL)

Approved:

GAYLE MCLAUGHLIN

Mayor

Approved as to form:

BRUCE GOODMILLER

City Attorney

State of California }
County of Contra Costa : ss.
City of Richmond }

I certify that the foregoing is a true copy of Resolution No. 1-14, finally passed and adopted by the City Council of the City of Richmond at a special meeting held on January 7, 2014.