Regulators see Doctors plan as OK
SAN PABLO: According to one county supervisor, state believes bailout proposal using federal funds follows rules

State regulators are confident a Contra Costa County plan to save Doctors Medical Center San Pablo using federal matching funds conforms to federal rules, county Supervisor John Gioia said Monday.

Under the plan, the county would transfer up to $10 million to the state, which would match that amount with federal funds and release it in phases to the West Contra Costa Healthcare District, which owns the bankrupt hospital. The health care district, in a separate transaction, would reallocate to the county future property tax proceeds in an amount equal to the county transfer.

The federal rules are issued by the U.S. Department of Health and Human Services.

State legislators and health regulators, county health officials, Doctors officials and Gioia discussed the plan in a conference call Thursday.

Under the county's tentative rescue plan, which Doctors officials have endorsed in concept, the county and health care district would form a joint powers authority, with a governing board that would have a majority of members from the county.

The county Board of Supervisors, the board of the health care district and the California Medical Assistance Commission (CMAC) must approve the plan.

The supervisors will receive an update on the medical center today from county Health Services Director Dr. William Walker.

Supervisors are expected to vote on the plan Oct. 31, and the CMAC will vote on Nov. 2. No date has been set for a health care board vote.

-- Tom Lochner