

MT. DIABLO HEALTH CARE DISTRICT

We are dedicated to serving our community by promoting wellness through education, advocacy, and collaboration.

September 1, 2011

Contra Costa Grand Jury
Linda Chew, Foreperson
725 Court Street
P.O. Box 911
Martinez, California 94553-0091

Re: Contra Costa County Grand Jury Report #1109

On behalf of the Mt. Diablo Health Care District (MDHCD) Board, this letter will serve as the response to the Contra Costa Grand Jury Report #1109. The MDHCD Board of Directors has reviewed and authorized this response at its meeting of September 1, 2011.

The MDHCD was asked to respond to Findings #1, #2, and #3, and Recommendations #1, #2, and #3 of the report.

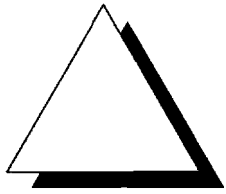
FINDINGS

1. *The District partially disagrees with the finding.* The District would update the numbers to include 2010 by adding \$241,804 in property tax revenue and \$127,827 in Community Outreach. Since corrective action began in 2008, the District's Outreach vs. Revenue percentage is 48.1%. The findings of "small" and the "less than 10%" are a function of going backwards in accounting, not an analysis of the corrective action time period. The District has a fund balance in excess of \$800,000 available for health related programs.

2. *The District agrees with the finding.* The OPEB health care is in accordance with California Government Code Section 53201 and was instituted during the time when the Mt. Diablo Hospital was being run by the District. This policy was rescinded before the merger in 1992 and health care insurance has not been offered to any Board member since that time, but it is a tax payer lifetime obligation and cannot be extinguished.

3. *The District disagrees with the finding.* The Board believes that the district has not outlived its useful purpose and is needed now more than ever in the past.

a. The Board is currently giving grants and sponsoring programs that directly benefit the community as per its mission statement. The amounts in the last three years have showed a marked increase in those efforts.



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b. The Board's newly reconstructed project protocols and outreach have had significant positive reactions from the community and gives promise for future benefits to continue at an accelerated rate.

c. Current projects under consideration:

1. Kops for Kids
2. Wellness City Challenge
3. Nor Cal pilot program

d. Current Projects being extended

1. CPR Anytime Program in High Schools
2. Automatic Electronic Defibrillator (AED) placement in schools, senior centers and other recreation and public gathering facilities.

e. The District has an exclusive agreement with John Muir Health known as the John Muir/Mt Diablo Community Benefit Agreement. The Board currently provides 50% of that Board and is the **ONLY LINK** between the elected community representatives and that fund which gives \$1,000,000 annually to the community.

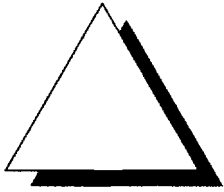
f. In accordance with the Merger Agreement with John Muir and the facilities located in Concord, this District Board is the **only heir** to the assets of that hospital in the event of termination by John Muir of services to the community. We are mindful that two other Hospital Districts in the area have taken back their hospital facilities.

g. Any alteration in the relationship by termination of this district would most likely result in a one-sided negotiation with John Muir, wherein there is no contractual obligation to obtain redress or benefit to the community.

RECOMMENDATIONS

1. *The Board agrees with recommendation.* . The Board has established a more proactive approach to the grant program and notes the following implementation: The Board has established protocols for project submission. The project submission committee has been established Chaired by Jeffrey Kasper. Project request forms have been made available on the web site. Community direct outreach has been made to request solicitations for grant funding.

2. *The recommendation has been partially implemented and requires further analysis.* The Board is reviewing the OPEB health insurance coverage to see if there is any way to mitigate the costs. One group has been contacted and the District is awaiting their documentation and costs. All other avenues will be researched over the next six months and will include competitive bidding if applicable. It should be noticed that the cost of coverage in a medium sized employee group is generally substantially lower than small groups or individual policies.



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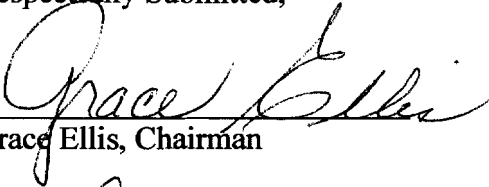
3. *The recommendation will not be implemented because it is not warranted.*
The Board placed the issue of dissolution on its August 4th 2011 Agenda as recommended and the motion to dissolve did not get a Second and was therefore rejected. This complies with the request for proceedings as directly stated.

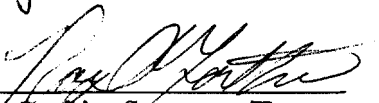
As it appears that the intention of the recommendation was that the dissolution proceedings be completed with an agreement to dissolve, the Board disagreed with that extension of the recommendation.

The Board's position remains that it can fulfill its mission statement and it is useful as per the Findings #3 above response.

On behalf of the Board, I extend our appreciation and respect to the individuals of the Grand Jury for their effort and concern in making the Mt. Diablo Health Care District a better partner in our community. Should you have any additional questions or concerns please do not hesitate to contact me, or the Board.

Respectfully Submitted,


Grace Ellis, Chairman


Roy Larkin, Secretary/Treasurer

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