

Palm Drive quietly builds medical group

by D. Ashley Furness
Business Journal Staff Reporter

Published: Monday, June 1, 2009 at 3:00 a.m.

SEBASTOPOL – The medical group established by Palm Drive Hospital has in just over a year become one of the largest medical groups in the county, adding four new specialty services and a second suite last week.

The West County facility is one of several local organizations that have assumed the hospital-administrated medical group role in recent years and is a model seen by many as the answer to competing.

“The basis for having the medical center is for us to restore our cadre of primary care physicians around the hospital,” said Palm Chief Executive Officer James Russell.

“We were losing physicians because of the excessive cost of practice, and this model allows them to pass on the billing and staffing issues and focus on patient care. . . . There is a certain strategic value to having all of the physicians around us in that it maintains an infrastructure of patients, so when they eventually do need care in an inpatient setting we are right here to provide that.”

In the past several years, most Sonoma County family practice doctors have been absorbed into a larger group, most notably, Sutter Medical Foundation–North Bay or the re-introduced Heritage Foundation of the St. Joseph Health System. Also in the recent past, Healdsburg District

Hospital assumed administration of Healdsburg Primary Care and Sonoma Valley, Petaluma Valley and Mendocino Coast are investigating their own version of the model.

California law prohibits hospitals from directly employing physicians, so most of the medical groups are set up through foundation or other models.

Palm Drive launched the Sebastopol practice in April 2008 through a special license that makes the clinic an outpatient department of the hospital. Officials recently signed the lease on a second suite, and plans to add a third are in the works.

The practice’s newest providers include former Kaiser pediatrician Katherine Foster, integrative medicine specialist Andrew Wagner and gastroenterologist Stephen DeNigris, both from private practices in Petaluma and Sebastopol.

Osteopathy specialist Mala Singh recently transferred from practice in Palm Desert. Three more doctors will also begin work soon, including a former Primary Care Associates physician and a former Kaiser neurologist.

The founding family practice physicians Greg Rosa, Harry Simms and Constance Ayers also transferred from the local HMO.

At the same time, Palm Drive Hospital is about 30 days from completing its bankruptcy filing and about 40 from issuing a bond.

The medical center is located just steps away from the district hospital at 6800 Palm Ave. and can be reached at 707-823-7616. The clinic will host an open house June 30 at about 6 p.m.