

# SUTTER'S HOSPITAL PLANS BLASTED: HEALTH OFFICIALS SAY SMALLER FACILITIES WOULD

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The leaders of Sonoma County's district hospitals charge that Sutter Health's plans for a new hospital could create a Kaiser-like model that would saddle the smaller hospitals with more uninsured patients.

The criticism came in a letter late Wednesday addressed to county supervisors and the county health services director. It states that Sutter's plans would erode revenues at small hospitals by taking a larger share of profitable surgery and outpatient business.

A Sutter Health official said Thursday those assertions were "inaccurate and ill-informed."

Sutter officials have proposed construction of a 70-bed public hospital alongside an independently operated 28-bed surgery center to replace its current county-owned complex on Chanate Road. The proposed site is adjacent to the Wells Fargo Center for the Arts at Highway 101 and Mark West Springs Road.

"Closed hospital systems, by their nature, are used to capture profitable business and avoid serving the under-insured with the common result that the open system hospitals fail financially as the closed systems dominate the market," states the letter signed by Dr. Richard Kirk, chairman of the Northern California Healthcare Joint Powers Authority.

The authority, which includes Healdsburg District Hospital, Sonoma Valley Hospital, Mendocino Coast Hospital and Palm Drive Hospital, also criticized Sutter's calculations for a hospital that has far fewer beds than Sutter's Chanate Road facility.

Sutter leases the former Community Hospital as part of its contract with the county to provide guaranteed public medical services.

The ``biggest hole is the lack of data to support declining bed needs for the county, especially for the under-insured, and the lack of seasonal peak-load data for in-patient beds," according to the letter.

Frank Mayhew, a board member of both the Palm Drive Health Care District and the joint powers authority, said Sutter is not overlooking patient capacity needs during peak demand periods, but rather counting on local hospitals to pick up the slack during peak periods.

More than four years ago Sutter Health proposed the construction of a 118-bed hospital, and only a few years ago had an average daily census of 120 patients at Sutter Medical Center.

``They're saying we only need 70 beds," Mayhew said. ``Who is going to care for 50 beds of people? That's what they're not saying. It's the peaks that you gotta worry about."

But Lisa Amador, a spokeswoman for Sutter Medical Center, rejected that claim. ``We're not counting on the capacities of district hospitals," Amador said. ``We're solely relying on Sutter Medical Center of Santa Rosa patient counts and our experts in future patient forecasting."

Sutter unveiled its proposal for a scaled-down hospital last November after plans fell through to have Santa Rosa Memorial Hospital take over its contract to provide county medical services to indigent patients.

Amador said Sutter's plans to build an independent ``Physicians Medical Center" that partners with local doctors would not be limited to well-insured patients.

“This is not going to be a private hospital,” she said. “Both hospitals are going to be open to the public, to the commercially insured, the uninsured, Medi-Cal and County Medical Services Program ... That's where the district hospitals are uninformed.”

Sutter's current proposal, a revision of its 2004 business plan, is being examined by the county department of health services and could go before the board of supervisors sometime in late spring. Health Services director Rita Scardaci would not comment on the specific criticisms in the letter because her department is analyzing Sutter's proposal.

“We will take it into consideration, as we are with other feedback we have received in preparing our analysis,” Scardaci said.

Supervisor Shirlee Zane said the county is taking seriously the concerns of district hospitals.

“If Sutter doesn't have sufficient beds for our population, that would obviously interfere with the contract,” Zane said. “Sutter has to find their own ways to becoming financially sustainable. And that's their argument, and it's a fair argument. But they have to fulfill their agreement with the county.”

Some of the criticisms in the letter were voiced earlier this year when Sutter Health officials unveiled details of their proposed new hospital during focus group meetings that included county officials and representatives of the small hospitals.

The joint powers authority also objected to Sutter's plans to have a “diagnostics-only” catheterization lab in the public hospital. Also, the letter called the proposed location of the hospital “questionable” and

``redundant" because of its proximity to Healdsburg Hospital and Kaiser Permanente in Santa Rosa.

The new hospital should be closer to the urban core of Santa Rosa and the fastest growing areas of Southwest Santa Rosa and Rohnert Park, the letter stated.

Amador, the Sutter Medical Center spokeswoman, said the project could generate jobs during these difficult economic times.

``We have this money to build this hospital," Amador said. ``Time is money and this hospital can help our local economy."

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