

HOSPITALS - Sutter Hospital

Supervisors give green light to new hospital

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SANTA CRUZ — A new north county hospital got the go-ahead Tuesday from the Board of Supervisors, at least in concept. The board warned developer Sutter Health, however, that the county reserves the right to yank the hospital's use permit if Sutter fails to take its fair share of charity cases.

The official decision is not expected until next Tuesday, but should be a routine item the board will approve without discussion.

The tentative approval came after 13 hours of public deliberation in the last two weeks. It was, according to supervisor Gary Patton, "one of the most challenging, complicated and difficult decisions" in his 18 years on the board.

Approval depends on acceptance of charity cases

Everyone walked away with something to be happy about.

Sutter Health is now a step closer to building its proposed maternal and surgical care hospital. The decision also included some important protections that the county's existing hospitals had asked for.

The decision was also good news for the supervisors, who have walked gingerly for fear of legal action from either side.

For Sutter Health, a major Sacramento-based health organization, it means one less hurdle in its plan to build a 30-bed, 62,000-square-foot hospital near Dominican Hospital. Sutter will next seek approval from the state's health planning department. That could take up to a year, accord-

ing to Sutter spokesman Steve Heath. Ground could be broken by next fall, he said.

For Dominican, the decision also was an important victory. It gave Dominican and Watsonville Community hospitals greater assurance that Sutter will take on its share of charity cases.

Early in the process, county officials resisted Dominican's appeal to look at the broader health-care issues raised by the project.

Dominican and Watsonville Community Hospital warned of dire consequences if Sutter's so-called mini-hospital is allowed to come in and skim off better-paying, easier cases.

The other two hospitals would be stuck with all the uninsured and underinsured patients, they said. The discussion highlighted how hospitals make some patients pay more to make up for those who can't or don't pay for their care.

Eventually, they said, other hospitals would have to raise prices or lower the quality of care.

County officials initially said the decision could look only at the land-use issues involved. But the agreement reached Tuesday effectively tied the health issues to the planning permit for the project. The county will keep an eye on how well Sutter does in admitting Medi-Cal, Medi-Cruz and other poor patients.

The county rejected Dominican's plea to require further study of the environmental impacts of the project.

Sutter would be the county's third hospital.

Dominican Hospital has been the only hospital serving the north part of the county since 1990, when it bought its longtime rival AMI/Community Hospital. Dominican is run by the Catholic Adrian Sisters, and is affiliated with Catholic Healthcare West, another major player in the health-care industry. Its 380 beds make it more than 10 times larger than the proposed Sutter hospital.

Watsonville Community Hospital is the major hospital in the south part of the county. It plans to build a new 100-bed facility to replace its earthquake-damaged 130-bed hospital at Green Valley Road and Airport Boulevard.