

Dominican Rejects Plea To Withdraw Application

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Dominican Santa Cruz Hospital this morning rejected a formal request by Anthony Daigle, administrator of Community Hospital of Santa Cruz, for a withdrawal of Dominican's certificate of need application to the state for a \$14-million, 114-bed expansion.

Daigle made the request in an Oct. 22 letter to Sister Josephine Sullivan, Dominican administrator. The request was revealed at a press conference Wednesday by Daigle at Community Hospital.

Wayne Boss, Dominican associate administrator, said the application would not be withdrawn, and added:

"We believe in our project. We feel that it is needed, that the majority of the people of Santa Cruz want it. We will be presenting our case in favor of the project at the Mid-Coast Health Systems Agency public hearing Tuesday, just as we have presented it in our 800-page certificate of need application.

"In regard to criticism of our project by AMI, the owners of Community hospital, we will formally respond at the hearing. But I would like to caution people that AMI is one of the largest, most profitable hospital conglomerates in the world. We very seriously doubt that their objection to our expansion rests in any concern for the health care needs of Santa Cruz, but is more probably directed at insuring the long term profitability of their Santa Cruz facility."

Daigle said at the press conference that if Dominican is permitted to expand it could have serious adverse effects on Community, and he elaborated in a press release:

"In 1976, Dominican Hospital attempted to secure approval for a similar project and was turned down. Then, the staff of the local Health Systems Agency found:

"The addition of . . . beds at Dominican could have a profound effect on Community Hospital, perhaps even forcing closure of that facility . . . Consideration should also be given to a parallel issue . . . whether

it is in the best interest of the people of Santa Cruz to have a single hospital facility."

Daigle's letter to Sister Josephine requested the application withdrawal "in favor of a true joint planning effort that includes other health care providers, local health planning officials and appropriate members of the public."

Daigle said "it strikes me that the actions of Dominican hospital in connection to its plans to expand have been almost entirely unilateral."

Daigle quoted from a community hospital report to the MHSA regarding joint planning and the Dominican expansion, saying:

"Numerous meetings between Dominican officials and representatives from the AMI corporate and regional offices, as well as from Community Hospital itself, were frustrated by the conclusion that joint planning could occur only if Community hospital would support Dominican's application . . ."

Daigle reaffirmed Community's interest in joint planning and repeated an

offer, to make available to Dominican, AMI resources in purchasing, planning, energy conservation, education and community services.

Boss told The Sentinel there have been months of joint planning efforts involving both hospitals, the county and the MHSA, and a proposal for Dominican to build a 30-bed inpatient psychiatric unit stemmed from these joint planning conferences. He said it was the consensus option chosen to solve the psychiatric needs of the county that Dominican had been asked to put this in writing and has done so.

Daigle contended the 47 medical-surgical beds Dominican says it must have if it is to be economically feasible to build both a 53-bed skilled nursing facility and a 30-bed inpatient psychiatric unit "simply are not needed. He contends that the \$14-million expansion will have to be paid for either through higher rates directly or through higher taxes paid to cover the increased cost of local medical care. He applauds Dominican's proposal to build a 30-bed psychiatric unit, but states that if it

is tied to an expensive expansion in the medical-surgical field. "This is saying that medical - surgical patients will have to subsidize psych patients.

Daigle said there is no necessity for the expansion because "officials of the local MHSA and the state Department of Health have verified that Community Hospital has all the beds for which it is licensed.

The Sentinel ascertained from state officials that Community Hospital's alleged "paper beds" are in actuality real beds, with 171 set up and available for use, and nine others to go in as soon as the new Emergency Room is finished.

Daigle asked: "If Dominican's expansion results in a two hospital system becoming a one hospital system, what will happen to patient choice, to freedom of choice. What would happen to medical costs in the absence of competition?"

Boss said that four years ago Dominican withdrew its application for a 60-bed expansion at the behest of the MHSA and has participated in joint planning with the MHSA, Harold Sundean, the original owner of Community, and with the present owners. The 60-bed addition could have been built for \$2.5 million, Boss said.

"Who is going to take care of psychiatric if we don't?" Boss asked. "Community has publicly said it will not. If we do not expand, who do we say 'no' to when people need to come here for medical-surgical or other care? Who establishes the criteria to say that some can come to Dominican and some cannot?"

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