

Concerns aired on hospital sale

By KAREN CLARK
Sentinel staff writer

WATSONVILLE — Bowing to community pressure, state officials announced Saturday that a second public meeting will be conducted before a decision is reached on the sale of Watsonville Community Hospital.

The announcement calmed concerns among some Pajaro Valley residents that the contract between the nonprofit hospital board and its for-profit suitor, Community

Health Systems, needs more public scrutiny before it's approved.

The second meeting tentatively has been scheduled for Aug. 24.

Representatives of the state Attorney General's Office were at the Mello Center on Saturday to take public testimony on the proposed sale. The state must approve terms of the deal because it involves a for-profit corporation buying a non-profit entity.

About 60 people showed up at the public hearing, and they were divided about

whether CHS would be a good caretaker of South County's only hospital.

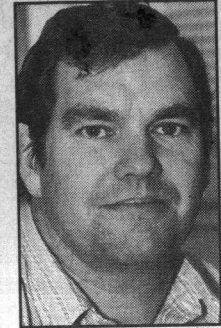
At issue are details in the contract covering CHS's promises to maintain the same level of emergency-room service and indigent care that has existed for years in Watsonville.

Residents also are worried that the board of directors may not have gotten the best financial deal from the Tennessee-based hospital group when it agreed to sell Watsonville's new facility for \$55 million.

"We believe that the attorney general has

the sole responsibility to ensure our community is not disenfranchised from the many services this hospital has been providing our residents for over 100 years," said Arcadio Viveros, executive director of Salud para la Gente.

Viveros and other speakers, including Mayor Dennis Osmer, said the hospital board has not provided enough information to the community to allow residents to confidently support the purchase.



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"Many in the community think we're talking about selling the old (Green Valley Road) hospital building," said Osmer. "Obviously many issues remain unsettled."

Robert Hardison Jr., vice president of acquisitions and development for Community Health Systems, said his corporation offers the kind of funding and expertise the Watsonville hospital needs to grow, negotiate managed-care contracts, attract new medical specialists and buy state-of-the-art equipment.

"We believe this has the makings of a good partnership," said Hardison, adding, "We live up to our promises."

He said CHS is "committed" to maintaining emergency-room services at their current level, as well as providing health care to everyone despite their ability to pay.

That's especially important in Pajaro Valley, where a significant percentage of the population is poor and not covered by health insurance.

The state is conducting an independent evaluation of the proposed sales contract to ensure the public's interests are protected. It also will review whether the sales price is fair.

The results of those evaluations, as well as any reviews conducted by local groups as more details become public, are expected to be available by the time the second public hearing is scheduled.

Among those supporting the sale are the Pajaro Valley Chamber of Commerce, the hospital's doctors and

other employee groups.

"The medical staff is overwhelmingly in support of this transaction," said Dr. Stanley Hajduk, chief of the hospital's medical staff. "We think it's the best for the community."

The Community Action Board and other nonprofit community groups voiced reservations. Their concerns centered on whether a for-profit corporation would be willing to offer the same level of care to poor people.

Julio Mateo Jr., a staff attorney for Consumers Union, which publishes Consumer Reports, said his agency has become increasingly alarmed at the number of nonprofit hospitals in the nation that are being sold to for-profit corporations.

Mateo said he worries that CHS's corporate parent would put pressure on the hospital to pay more attention to the bottom line than the level of care for poor patients.

"Many indigent patients use the emergency room for their primary care," said Mateo. "Will that change?"

Mateo asked the state to ensure the proposed contract contains no loopholes that would allow CHS to wiggle out of promises to maintain current levels of service.

Community Health Systems operates 40 hospitals in 17 states. It has agreed to pay \$55 million for the new hospital, plus another \$9 million over five years for continued improvements.

There will be enough money for the hospital board to pay off its debts, as well as create a \$12 million to \$15 million trust fund for community health-care needs.