

70-year-old medical group to close doors

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The Medical Group of Watsonville, which has been providing medical care to the community for 70-odd years, is dissolving.

Chief Executive Officer Bruce Knudson said yesterday that the group decided about two weeks ago to disband. He said the 11-member group has been struggling with the same problems other groups of its size face: rising expenses and declining revenues.

"It's tough to make it with this kind of structure," he said. Larger groups have it easier, he said, "you need more critical mass."

The group's 10 doctors and one nurse practitioner will each go their separate ways: some will retire, some will stay in the area, others will leave. Knudson couldn't be more specific, saying each doctor is "still determining" his or her

future.

The doctors plan to close the business by the end of August. The building is for sale, and the employees — who hold an equivalent of 35 full-time positions — were notified about 1½ weeks ago.

Knudson asked patients to "be a little bit patient" about the closure. Letters will be going out to each patient, explaining what is happening and how medical records and release forms can be transferred elsewhere.

He also said the group is negotiating with Watsonville Community Hospital, trying to find some way to continue. The doctors in the group make up about 15 percent of the hospital's medical staff. Knudson said he couldn't be much more specific since everything is tentative, but he thought an agreement might be reached by next

week.

Hospital spokeswoman Cory Allen also declined to provide details, saying the two organizations are "looking at a lot of different options," and that the talk is all very preliminary. But she said she is "very confident that something can be worked out" between the medical group and the hospital.

"We're working together to figure out how to make this a smooth transition," she said.

The hospital is concerned about the dissolution of the group, she said, adding that it is "just another example of the challenges facing health care" these days and that "the health care business is tough to be in these days."

Plans for the new hospital building include medical offices, but that isn't an immediate option for the group, since the hospital hasn't even settled on a site for

the new building yet.

Knudson said the medical group is unique to the county — there are lots of doctors working in offices of two or three, the Santa Cruz Medical Clinic, which is quite large, and smaller organizations that have a specific niche, like the Radiology Medical Group of Santa Cruz County and Emergicare — but no mid-size general medical organizations.

The organization started in the '20s with a small group of doctors and grew, over time, to its present size. It has been at its current location, 850 Freedom Boulevard, for 51 years.

The doctors who make up the group are Fred Koepke, Philip Gilman III, Thomas Deetz, Subra Baht, Madeleine Hernandez, Robert Jenson, Jamie Wedell, Diana Gilman, Rose Quintos-Melgar, and Alice Godfrey.