

# How Dominican plans to cope with new era

By ADRIANA REYNERI  
STAFF WRITER

Dominican Hospital administrators announced today a new venture that may lead to regional cooperation between Catholic hospitals.

By pooling resources with other hospitals of similar needs and philosophies, Dominican will be better able to cope with continuing rapid change in the health care industry, the administrators said.

Dominican, and its sister hospital, St. Rose De Lima, in Henderson, Nev., both sponsored by the Adrian Dominican Sisters, of Adrian, Mich., will join forces with Mercy Collaborative, a hospital-consulting service sponsored by the Sisters of Mercy of Farmington Hills, Mich.

The Farmington Sisters of Mercy sponsor 23 hospitals across the nation.

The new affiliation will be called the Western Catholic Health Collaborative and will be open to the scores of other not-for-profit Catholic hospitals in the United States, Bob Semas, director of patient accounting, said.

The affiliation is one of the first between Catholic hospitals sponsored by separate congregations, Sister Josephine Sullivan, hospital president, said.

It will give the 250-bed Dominican and the 80-bed St. Rose de Lima financial and administrative advantages, Sister Josephine said at a press conference held at the hospital this morning.

Through the affiliation, the hospitals will be able to take advantage of group purchase rates for supplies and employee insurance, she said.

The hospitals will also have access to consulting services through its link-up with Mercy Collaborative, Sister Josephine said.

The consulting could save the hospitals some of the time and money it takes to perform such administrative duties as setting up new computer-billing services, evaluating the cost-effectiveness of a new medical procedure, or assessing if the hospitals are being used in the best way possible.

Not-for-profit hospitals, like all hospitals, have had to adjust to rapid changes in health care, such as sweeping changes in the way the federal

government reimburses hospitals for Medicare patients, Sister Josephine said.

The federal government used to pay hospitals according to the services rendered the patient. Now they pay a flat fee for each case, Sister Josephine said.

"All not-for-profit hospitals, community-based and any religion-affiliated ones, are faced with many challenges," Sister Josephine said. "History does not tell us what to do."

The new affiliation allows the hospital to maintain its local autonomy, Al Castagnola, a member of the hospital board, said.

Castagnola called such affiliations "the future of the Catholic health-care ministry and the survival of the not-for-profit institution."

He added, "I think the whole health-care industry, even the for-profit ones (hospitals), are faced with the same problems. I think it's (the Western Catholic Health Collaborative) a positive way to look forward to meet the challenges ahead. I don't think we know what all the challenges are."

Western Catholic Health Collaborative will set up an office somewhere in Northern California by July 1, Sister Josephine said.

Eight people, two each from Dominican, St. Rose de Lima, Adrian Dominican Sisters and Mercy Collaborative, will direct the western group.

Sister Josephine opened the press conference by denying rumors that the hospital would be announcing an affiliation with Kaiser-Permanente.

Rumors that the hospital would be contracting with Kaiser began circulating last week. They were fed by talks hospital administrators have held with Kaiser. The talks, however, have been merely to hear what Kaiser has to say, Sister Josephine said.

A spokesman for Kaiser said the company has been interested in opening a clinic in Santa Cruz County for some time because many subscribers to the Kaiser health-care plan live in the area.

Kaiser officials have contacted several health care providers in the area, however, the spokesman said.

Nothing conclusive has come from the discussions so far, the spokesman said.

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