

HOSPITALS PURCHASE

# Hospital sale may be costly to Santa Cruz

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SANTA CRUZ — Dominican Hospital's buyout of Community Hospital could cost the city as much as \$200,000 a year more in employee health-care costs, the City Council was told Tuesday.

The council responded to that news by directing Mayor Mardi Wormhoudt to write a letter to the Federal Trade Commission expressing concern. Councilman Dr. John Mahaney, who formerly was on the Board of Directors at Community Hospital, abstained from voting.

Earlier in the day, the county Board of Supervisors directed its staff to prepare a report on the ramifications of the hospital buyout.

Wormhoudt raised the issue at the City Council meeting, asking what the impact would be on the city, which is self-insured and bids out its employee medical contracts to the two hospitals.

City Personnel Director Erwin Young explained that the cost of those contracts could increase 15 to 20 percent if Dominican Hospital fails to honor those the city had negotiated with Community. He estimated the potential cost at between \$100,000 and \$200,000.

Young said that Community Hospital's rates have regularly been "considerably lower" than those bid by Dominican.

Councilman Joe Ghio said the city's letter might help sway the FTC to "look closely at the issue."

Opponents of the deal have said the FTC should have been consulted because Dominican was in effect buying itself a monopoly in north Santa Cruz County with its purchase of Community. Dominican, however, has said that patients will still have a choice of other hospitals, in Watsonville and outside the coun-

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ty, where the hospital estimates about 20 percent of local residents are already going.

Dominican officials have also said that the sale will control rising health costs by eliminating duplicated services.

Martha Glenn, a respiratory therapist at Community, urged the council to consider other possible repercussions. "From my personal experiences in the emergency room at Community, I can tell you (this area) needs two emergency rooms and two intensive care units," she said.

Glenn said she was sorry that others at Community had not come to the council meeting to give testimony. "They're afraid for their jobs," she said.

County supervisors asked for a report in two weeks on how the purchase of Community Hospital would affect the county.

Pajaro Valley Supervisor Sherry Mehl, who had planned to ask for a study before the sale was known, asked that county representatives attend any future Federal Trade Commission meetings.

San Lorenzo Valley Supervisor Fred Keeley asked county Health Services Agency staff to look into whether tubal ligations would be available. Keeley said he also wants to know the effects on medical plans in which price discounts are a part of hospital contracts.