

Hospitals. Dominican joins hospital network

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SANTA CRUZ — Dominican Hospital this morning announced it has joined a large hospital association.

"No," said Dominican President Sister Josephine Sullivan, "not Kaiser (Foundation)." Her remark referred to a flap in the medical community Wednesday when she and other Dominican officials met with Kaiser representatives.

The Adrian Dominican Sisters, which operate Dominican and a smaller hospital in Henderson, Nev., have signed a formal agreement with the Mercy Collaborative, an association of 23 hospitals based in Farmington Hills, Mich. Mercy, she said,

is the nation's largest chain of Catholic hospitals.

Under the agreement, she said, Dominican Hospital will maintain its independent identity and ownership. She and Al Castagnola, a member of the hospital's board of directors, outlined the agreement as a pooling of resources.

Sister Josephine said the association is expected to result in some cost savings by joining with the association for both medical insurance for the staff and risk insurance for the hospital. Additional savings she said may be possible through group purchase of equipment and supplies and the pooled use of data processing.

Declining revenue in the face of rising

costs has affected Dominican and hospitals in general. The loss of revenue comes from lower patient loads combined with a change in reimbursement from Medicare.

Medicare previously reimbursed hospitals according to diagnosis and procedures provided. Now, the federal government pays a set fee per diagnosis, regardless of procedures involved or length of stay of the patient.

Additional benefits, she said, could result from the sharing of expertise among the hospitals in the association.

For example, she said, Dominican may want to change its information system and could model one after one successfully being used at one of the 23 hospitals in the collaborative rather than having to com-

mission its own study and research on developing such a system.

Likewise, she added, Dominican Hospital is recognized as having an outstanding orthopedic program and head nurse. That nurse could instruct staffs elsewhere, Sister Josephine explained.

A long-term benefit may accrue from the establishment in July of what will be known as the Western Catholic Health Collaborative, to be administered by a professional staff with headquarters somewhere in Northern California.

This collaborative will concentrate on drawing other "stand-alone Catholic hospitals into the system for even greater benefit," according to Castagnola.