

Farmington Hills, Mich. Mercy, she said, declining revenue in the face of rising being used at one of the 23 hospitals in the collaborative rather than having to com- pitals into the system for even greater benefit," according to Castagnola.

HOSPITALS Kaiser Foundation still eyes Santa Cruz County

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SANTA CRUZ — Kaiser Foundation is committed to setting up hospital services and its own doctors in this county, according to local medical association President Hans H. Dibbern.

According to response from at least one hospital administrator, Kaiser may have a difficult time getting the service it wants to provide for its 6,200 members in this county. Earlier, Kaiser reported it had only about 2,000 members here.

Dr. Dibbern met with two representatives of Kaiser Foundation Wednesday who wanted to know how well Kaiser's program would be received on this side of the hill. Going into the meeting, Dibbern said he'd tell them a lot of doctors don't want it because Kaiser, among other things, brings in its own doctors.

The two representatives also met with Dominican Hospital Administrator Sister Josephine Sullivan Wednesday. When news of the scheduled meeting leaked out, it sent shock waves through the local medical community.

Sister Josephine was not available for comment this morning, but said Wednesday it was only a preliminary meeting to hear what Kaiser had to say.

Kaiser spokesman Robert Hughes said his foundation also wants to meet with an administrator of Community Hospital. Wednesday he said Community was not expected to be contacted.

Community Hospital Executive Director Jean Adams said today Kaiser has not approached him and he doesn't want them to.

"I'm not interested in talking with them."

He compared some health maintenance organizations — such as Kaiser's — to car warranties. He said while the car is under warranty, the auto shop does the least amount of work it can.

Kaiser's health maintenance organization operates as a captive health insurance plan where a specific clinic of doctors and/or a hospital treat the HMO's members.

Adams said, "My feelings about HMOs are that there are good HMOs and bad HMOs. A bad HMO practices adverse selection — wanting only only young, healthy adults. Kaiser is one of the HMOs that practice adverse selection."

Since HMOs function through a pre-paid insurance plan to companies, money not spent on health care goes into profits.

Dr. Dibbern met with Dr. Al Kahane,

assistant executive director of the Permanente Medical Group which provides doctors for Kaiser Foundation and Dr. Chris Chow, chief physician at Permanente Medical Center in Santa Clara.

Following that meeting, Dr. Dibbern said, "They told me Kaiser is going to establish services here, including hospital services."

He said he had no knowledge of how Dominican received the offer.

Kaiser spokesman Robert Hughes had said Kaiser has 2,000 members in Santa Cruz County, but said today it has 6,200 in this county and that 2,600 of them are in

the Santa Cruz city and Scotts Valley area.

"We are interested in a local service and we met with them (Dr. Dibbern and Sister Josephine) to see what we could work out. Part of that would be arranging hospital services."

The meetings caused rumors to run through the medical community Wednesday with some doctors saying that Dominican had already signed up to take care of Kaiser patients, or agreed to be a Kaiser Foundation Hospital.

Sister Josephine reacted impatiently to the rumors, saying that local doctors were "panicking" for no reason.