

Study of new medical center OK'd

Consultant will cite impacts of planned center

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SANTA CRUZ — A study of the effects the proposed Capitola Health Center will have on other local health care providers will be undertaken.

The county Board of Supervisors recently approved the \$18,300 study, to be conducted by San Francisco consultant Lucy Johns. The county is hoping to share the cost with other health-care facili-

ties.

Dominican Hospital, Watsonville Community Hospital and Santa Cruz Medical Clinic have all tentatively agreed to share in the cost, but developers of Capitola Health Center have declined, according to Elinor Hall, county Health Services Agency administrator.

The study, Hall said, will try to answer two main questions:

- What are the potential costs and benefits of a 24-bed hospital owned by an investor group and used primarily by a physician group organized as an independent practice association?

As part of this question, the consultant will look into the cost of the proposed hospital, as well as its potential to reduce costs, to im-

prove access to medical care and to enhance the quality of care.

- What is the potential impact of a mini-hospital on the community, including potential effects on insurers, consumers, the finances and use of other health care providers and on access, cost and quality of care in general?

As part of this question, the consultant will look into the number of beds and surgical capacity needed in the county through the year 2005, what facilities and development other health care providers are planning, the influence of any new development on the cost of health care, and the positive and negative effects of competition.

"I think it will have a lot of good data and analysis of how our hospital community works," said Hall.

The study is to be completed by early August.

A group of about 40 local doctors have invested in the Capitola Health Center, which is proposed for five acres at the corner of Bay Avenue and Highway 1. The center would include a 24-bed hospital, doctors offices and an outpatient surgical center.

The county and Watsonville Community Hospital appealed the Capitola Planning Commission's approval of the health center. The City Council will consider the development next month, but has made it clear it will base its decision on the effects the center will have on the environment, not on the effects it will have on other health care providers.