

State approves cardiac center

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SANTA CRUZ — Community Hospital of Santa Cruz Wednesday received a go-ahead for its controversial cardiac surgery and heart catheterization center from the Office of Statewide Health Planning and Development (OSHPD).

An OSHPD spokesman said today that the agency's director had approved a "certificate of need" for the AMI-owned hospital's proposed heart center.

The state action may not bring Community's project much closer to reality, however. News of the decision drew an immediate promise of legal action to block it from the Mid-Coast Health Systems Agency.

The certificate of need approval, by OSHPD Director Larry Meeks, came two weeks after an "informal" hearing in Santa Cruz to determine whether Meeks had authority to act, despite the fact that a formal hearing on the application, conducted by a state administrative law judge and begun last December, has yet to be completed.

The hearing has been stalled by a lawsuit filed by AMI against the state and Salinas Valley Memorial Hospital, which last fall received a certificate of need for its own heart surgery facility.

Meeks' action, which had been expected, cleared the way not only for Community Hospital's heart center, but for Salinas Valley's facility as well.

Community Hospital spokesman Richard Swanson said this morning that AMI

had dropped its suit. The suit was dropped sometime last week, Swanson said.

David Wright, director of the Mid-Coast Health Systems Agency, which has opposed both the Santa Cruz and Salinas projects from the start, said today that he would ask his agency's board of directors for approval to commence legal maneuvers to block both projects.

Swanson said this morning that Community Hospital officials were "elated" by Meeks' action.

"We are very grateful to the community and the physicians for their continued support; without them, we couldn't have done it," he said.

Even with state approval — and without a legal battle with Mid-Coast — the first heart operation at Community Hospital is still close to a year and a half away. OSHPD spokesman Derek Pogson said this morning that a condition had been attached to Community's certificate of need, barring the hospital from performing heart operations until six months after its catheterization lab has been licensed.

Pogson said the condition had been imposed to "allow" Community Hospital and Salinas Valley Memorial Hospital to begin operating their respective heart surgery facilities "on an equitable basis." He indicated that the delay was intended to ensure that Salinas Valley would have time to construct its heart center before Community's opens for business.

"They (Community) can start up much

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sooner than we can," explained Salinas Valley Memorial spokesman Fred Sorri this morning. "Primarily because of their low occupancy, they don't have to build a building, while we have to build it from the ground up.

"They can do it (construct a heart surgery and catheterization facility) in six months. It's going to take us a year and a half or two years," Sorri said.

Swanson predicted this morning that Community would begin doing catheterizations in six months and heart operations in about 16 months.

Pogson said today that OSHPD Director Meeks had acted to approve Community Hospital's certificate of need following a finding by the agency's acting chief counsel, John Rosskopf, that Meeks had discretionary authority to act on the matter. He said Rosskopf's finding was "based on presentations made by the hospital" at the informal hearing, conducted May 23 at the Santa Cruz Main Library.

At the hearing, called with a bare minimum of public notice, a series of doctors and AMI officials presented carefully orchestrated testimony intended to show that the area's population was special and uniquely in need of a heart surgery facility. State officials said prior to the hearing that such a finding would justify action by Meeks.

But Mid-Coast Health System's Wright contended that Meeks had no right to exercise his discretion until after completion of the stalled formal hearing and issuance of a decision by the administrative law judge.

Even before last month's hearing began, word leaked from Sacramento, through State Sen. Henry Mello, that OSHPD officials had already made up their minds to issue Community's certificate of need.

Mello said then that the certificate would be issued by June 8.

Wright this morning accused OSHPD officials of violating state law. "We have a right to a hearing," he said.

"It's very clear that the certificate of need can't be issued under the law."

Wright charged that OSHPD officials were "circumventing the whole process.

"This has never been done in California before this governor (Deukmejian) and this administration," he said.

He said that Mid-Coast, which has 60 days to appeal the state's action, would probably seek a court writ to block both certificates until a formal public hearing on both applications can be held.

"We will appeal both Salinas Valley Memorial's and AMI's certificates of need in one fell swoop," he said.

Wright took pains to emphasize that his agency's opposition to Community Hospi-

tal's heart surgery center involved more than objections of a purely legal nature.

"We think it's a real public health and safety issue," he said. "It's madness to think, in this area, there's a demand for three catheterization labs (Watsonville Hospital also recently received approval for a catheterization facility) and two surgeries. It's not going to work.

"If you want to stop (the rise in) health care costs — stop this project."

Community Hospital's heart center has been opposed not only by Mid-Coast Health Systems, but by the OSHPD staff as well.

In a notice of "intended position" on the hospital's application, issued last fall, OSHPD staffers indicated they intended to recommend denial of Community's certificate of need. The OSHPD staff said that:

•Heart care at Community would be "more costly to patients" than at existing facilities in the Santa Clara Valley.

•The hospital had shown "unresponsiveness to community needs by proposing an unneeded service."

•Community officials, seeking to prove that the proposed heart center would get sufficient use, had supported their application with "erroneous data and unfounded assumptions that cannot be reasonably expected to materialize."