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SANTA CRUZ — In what critics see as an end run around the public, the Office of Statewide Health Planning and Development (OSHPD) has scheduled a little-noticed, informal, "investigative hearing" in Santa Cruz next week to determine if the agency's director can unilaterally grant Community Hospital of Santa Cruz the right to build its proposed heart surgery center.

The hearing, to be conducted by OSHPD

Acting Chief Counsel John Roskopf, is set for 10 a.m. May 23 in the Santa Cruz Main Library's upstairs conference room.

Word of the hearing came Tuesday from OSHPD spokesman Derek Pogson, in response to an inquiry by The Sentinel. Pogson said the agency would "be holding an investigative hearing ... to look into the discretionary authority of the director of this office ... in that particular case."

Santa Cruz Community's proposed heart care center is opposed by the Mid Coast Health Systems Agency, which last fall

recommended against approval of Community's application for a state "certificate of need" for the facility.

The proposal is also opposed by the OSHPD staff.

A Mid Coast spokesman charged Tuesday that OSHPD officials had exceeded their authority in scheduling the hearing, and an OSHPD staffer called it "unusual."

Next week's hearing is intended to determine if, despite those adverse recommendations, the OSHPD director can grant Community Hospital a certificate of

Pogson said such an action could be intended if it is shown that, "there is a population (in Santa Cruz) with a need for certain health services." He said what would make Santa Cruz' situation "special," Pogson said the community might be considered "distinct" based on its geographical "isolation"

fenced in by the ocean to one side and mountains on the other," he explained.

Next week's hearing on the protracted

Santa Cruz Community heart care controversy comes at a time when a more formal, public hearing on the matter, begun last December, remains stalled by a lawsuit filed early this year by Community Hospital's parent firm, American Medical International.

The AMI lawsuit is aimed at forcing a joint hearing on competing cardiac surgery facility applications filed by Santa Cruz Community and Salinas Valley Memorial hospitals. (The state last year granted a conditional certificate of need to



Salinas Valley Memorial, over the opposition of the Mid Coast Health Systems

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## Heart center

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Agency.)

Community Hospital administrator Jean Adams indicated Tuesday that the latest hearing had been called by the state at Community's behest.

"We have had ongoing discussions and conversations with the state. We're always attempting to get information before them.

"This is just another step," Adams said.

There is some indication, however, that the hearing was not scheduled simply in response to the hospital's request.

The state Department of Health, of which the OSHPD is a part, has been under political pressure to approve Santa Cruz Community's heart center application since late February. At that time, 11 influential legislators wrote to Health Secretary David Swoap, urging him to "instruct your Office of Statewide Health

Planning and Development Division of Certificate of Need to issue certificates" for Santa Cruz Community's heart care facility and for a new hospital Kaiser is proposing to build in Orange County.

Signing the letter were Sen. Diane Watson, chairman of the Senate Health and Human Services Committee; Assemblyman Curtis R. Tucker, chairman of the Assembly Health Committee; Senate Health and Human Services Committee Vice Chairman Ken Maddy; Sen. Alfred E. Alquist, chairman of the Senate Finance Committee; Senate Rules Committee members William Craven and Ray Johnson; Senate GOP whip John T. Doolittle, Republican Caucus Chairman John Seymour; Assembly Majority Floor Leader Mike Roos; Senate Democratic Floor Leader John Garamendi and State Sen. Ed Royce.

According to state records, Watson, Al-

quist, Garimendi and Royce all received \$1,000-to-\$2,000 campaign contributions from AMI in 1983. (The Beverly Hills-based corporation also gave money last year to a number of other legislators, including State Sen. Henry Mello, D-Watsonville; Senate President Pro Tem David Roberti and Assembly Speaker Willie Brown, and contributed \$5,000 to Gov. Deukmejian's political war chest.)

The legislators urged Swoap to move on the certificates of need, in part, "to make your current regulatory practices consistent with your department's current advocacy of additional de-regulatory legislation."

Assemblyman Tucker and a spokesman for Sen. Watson said this week that the group had as yet received no response from the state.

A change in state law which took effect Jan. 1 permits the OSHPD to call "informal hearings" on a certificate of need application at the request of an applicant.

Under the new law, according to Mid Coast Health Systems attorney Stan Price, opportunity must be provided to "interested parties," other than applicants, to "present written and oral information" at such proceedings.

And, again according to Price, the OSHPD staff must also be given a chance "to present their analysis."

But Pogson said Tuesday there were no plans for the staff to make a presentation at next week's hearing. And, save for an obligatory legal notice (placed in today's and Thursday's Sentinel), the state has made little effort to notify the public and other "interested parties" of the hearing.

Ted Bogue, a planning and development associate with Mid Coast Health Systems, said Tuesday that the consumer-oriented watchdog health agency had received no formal notification of the hearing from state officials. Bogue said Roskopf called agency director David Wright last week to advise him that OSHPD was "thinking" of holding a hearing, and to seek Mid Coast's assent for it.

Wright, Bogue said, asked Roskopf "for it in writing, before we would respond.

"They never sent anything. That was the last we've heard of it."

Community Hospital administrator Adams described next week's proceeding as "just another hearing."

"It's a public hearing; it's open to the public, as all these things are," Adams said.

But Adams is reportedly counting on the "public" not to show up.

According to one source, the administrator has told associates at Community that he expects no more than seven "hand-picked" witnesses to testify at the hearing.

Bogue charged Tuesday that OSHPD officials had exceeded their authority under state law by scheduling next week's informal hearing.

"This (hearing) is not on the merits of (Santa Cruz Community Hospital's) application itself.

"There's nothing in state law that says it's within the authority of OSHPD to have a hearing like this, limited to the question of the director's discretion and whether the facts merit the application of the director's discretion," Bogue said.

"There's no authority in the law for a hearing like this; they just made it up."

Bogue charged that OSHPD officials were holding the Santa Cruz hearing simply to seek a rationale for approving Community Hospital's certificate of need application.

"They created this to deal with the circumstances of this particular case," he said.

In Sacramento, Bob Mazur, mid-coast project review officer for OSHPD's Certificate of Need Section, called the upcoming hearing "a little unusual."

Said Mazur, who wrote the OSHPD staff's unfavorable assessment of Community Hospital's cardiac surgery proposal, "I have never come across one like it."

## Drug investigation

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he was wanted for alleged conspiracy to sell cocaine and sale of cocaine from April 19 to April 26.

In a five-minute hearing in Rhode Island today that included no mention of Kennedy, Marchant declined to fight extradition and was returned to Florida.

Marchant's father, John, of Warwick, said in a telephone interview today that his son worked as a bellhop last winter at a Palm Beach hotel "that I understand was the one where David Kennedy died. The Brazilian something or other."

Kennedy, 28, was found dead April 25 in a suite at the Brazilian Court, several miles from the estate of his grandmother, Rose Kennedy.

A preliminary autopsy report said officials found "significant amounts" of cocaine and the painkiller Demerol in his

body. Florida authorities also said 1.3 grams of cocaine was found in Kennedy's hotel room.

Officials have not disclosed the cause of Kennedy's death. Earlier this month, a Florida judge barred the release of information relating to the death, saying it would hamper the investigation.

Wheeler said warrants for Marchant's arrest, issued by the 15th Judicial Court in Palm Beach, were delivered Tuesday to state police.

Marchant's father said his son also had worked summers as a parking attendant at a club in Narragansett, R.I., and several winters at the Everglades Club in Palm Beach.

Besides parking cars at the Everglades Club last winter, Marchant worked part-time as a hotel bellhop, his father said. He returned to Rhode Island several days ago, the elder Marchant said.