

County wants study of health center

Impacts on local health care system would be probed

By DENISE FRANKLIN
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SANTA CRUZ — The county wants an independent study of possible impacts the proposed Capitola Health Center could have on local hospitals.

County Health Services Agency Administrator Elinor Hall said she doesn't expect that building of the controversial health center would be stopped if such a study reveals it would have a negative effect on Dominican and Watsonville hospitals.

But she said she does hope a study's results would affect potential investors, insurance carriers, and large businesses that might contract to send employees to the health center.

The county Public Health Commission recommended the report last month after hearing from opponents and proponents of the health center, a 24-bed hospital, doctors offices and outpatient surgical center proposed for five

acres at Bay Avenue and Highway 1.

On May 21, Hall will tell county supervisors how much the report will cost and what questions it will address. She also will recommend a firm to prepare the report.

"We need board approval because it would cost money that we don't have," said Betsy McCarty, the county chief of public health. "We are hoping that the interested parties would all contribute a few thousand dollars — Dominican, Watsonville Hospital and the Health Center."

The Capitola City Council in June will consider approval of the development, which is being proposed by developers Doug Byrd and Chuck Madden and a group of 40 local doctors.

The development came before the council after the county and Watsonville Community Hospital appealed the Capitola Planning Commission's approval of the health center. Dominican Hospital also raised objections, but didn't formally appeal.

The county and the hospitals are concerned that the for-profit health center would take the most profitable patients — those who pay or who are covered by insurance — from the hospitals. Capitola City Attorney Richard Man-

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ning, however, has ruled that the council can only consider environmental impacts when deciding whether to approve the development.

"The city is still taking the position that it doesn't have to pay attention to what happens to the health care system, so I wouldn't think it would use the results of this report as a basis for approving it (the health center) or not approving it," said Hall.

Depending on the results, the report could have a positive or negative impact on doctors and companies planning to get involved with the center, she said.

For instance, the report could find that if the health center takes the most profitable patients away from local hos-

pitals, costs may go up at those hospitals. This would affect insurance companies who may want to contract with the center, she said.

"Insurers want to buy health care as cheaply as they can," Hall said. "If they end up feeling that in the long run it will cost them more because of what will happen to the patients in the bigger hospitals, they may say they don't want to do it."

"It is easy to cherry pick and take the good, cheap profitable patients, but that doesn't mean you lower the costs of medical care for the whole system," she said.

Neither Madden or Byrd were available to comment on the plans for the report.