

# Capitola Health Center Health center backers dismiss critical study

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CAPITOLA — Developers of the proposed Capitola Health Center are dismissing as biased a recent report which states the facility could cause wide-ranging economic harm to the local health-care system.

The study, by Bay Area health consultant Lucy Johns — and paid for by the County of Santa Cruz, Dominican Hospital, Santa Cruz Medical Clinic and Watsonville Community Hospital — questions the center's "implausible" estimated operating costs and warns that its existence could cost Dominican and Watsonville Community hospitals as much as \$3.9 million and \$5 million in lost business a year, respectively.

Capitola Health Center's developers predicted before the study was released that it would be critical of their 24-bed hospital and outpatient surgery facility, planned for five acres between Nob Hill Foods and the intersection of Bay Street and Highway 1.

The study, said principal developer Charles Madden, is "merely another effort by Capitola Health Center's competitors, with the assistance of the county, to prevent economic competition which would benefit all medical consumers ..."

Health center backers, he said, are still in the pro-

cess of combing the report for possible factual errors. Madden also said the study results "don't change our plans at all."

The county Board of Supervisors is expected to hear the report — and a presentation from consultant Johns — when it meets this morning. Johns was unavailable for comment Monday. The health center's developers say they won't attend the meeting — in light of what they perceive as the report's bias — and will instead send a letter to the board.

"Capitola Health Center's opponents of record funded this study, selected the consultant, chose the subject and focus and produced the results they wanted," said Madden.

Elinor Hall, the county Health Services Agency administrator, defended the 100-page, \$20,000 study "as very thoughtfully done by people who are extremely familiar with the issues of health care, hospital service areas and health care economics."

The three hospitals which shared in the report's cost "did not dictate the study's approach or outcome, or edit even one word of the report," said Hall.

"Neither the county nor the contributors told her what to study," Hall said.

Capitola Medical Center declined to furnish information to Johns as she worked on the study, a prob-

lem she described in the report as a "major constraint."

"It certainly would have been helpful to have their input," said Hall.

Capitola Health Center's developers believe they are being unfairly singled out for "detailed scrutiny," said Madden, citing a half-dozen recent medical center projects and expansions in the county which "did not undergo studies and evaluation of their financial impacts by the county." ...