

Board asks Capitola to delay decision on health center

SJM 3-6-91 1B

By Lee Quarnstrom
Mercury News Staff Writer

Concerned that a new health care center proposed in Capitola could not only cause environmental problems but also harm business at other local hospitals, Santa Cruz County supervisors Tuesday asked city officials to put off a final decision on the project.

The proposed Capitola Health Center and Hospital would be located off Highway 1 at Bay Avenue, between the freeway and the Nob Hill supermarket.

It could not be opened, one of the developers said Tuesday, until a major realignment of the freeway on- and off-ramps is completed. That work, said hospital administrator Chuck Madden, won't start until August and could take up to two years to complete.

Consequently, he said, a three- or four-month delay sought by the board of supervisors wouldn't have much effect on his plans.

‘This new hospital will take people with insurance but would not serve all the members of the community.’

— Ira Lubell, county health officer

Supervisors authorized Elinor Hall, the county Health Services Agency administrator, to ask for the delay. In her letter, which got supervisors' stamp of approval Tuesday, Hall asked the Capitola planning commission to postpone its final decision "to give the Health Services Agency, the developer and other interested groups and individuals" time to iron out problems with the proposal.

The commissioners have already approved a use permit for the new hospital. But that permit has been appealed by the county planning

director as well as Watsonville Community Hospital. Capitola City Council members will hold a hearing on the matter at 7 p.m. March 14.

In her appeal, county Planning Director Dianne Guzman said the hospital proposal conflicts with long-range plans to widen Highway 1 between Highway 17 and Rio del Mar. Also, she said, a hospital at the Capitola site requires a full environmental impact review to determine its effect on traffic at the busy freeway interchange.

See CAPITOLA, Page 2B

Capitola urged to postpone approval of health care center

CAPITOLA, from Page 1B

County Health Officer Ira Lubell said Tuesday that the new hospital could "skim the cream" from medical insurance plans, leaving lower-paying Medi-Cal patients for the county's other two hospitals.

"This new hospital," said Lubell, "will take people with insurance but would not serve all the members of the community."

"It would leave to the other hospitals the poorest, the sickest and the uninsured patients."

Lubell said hospitals lose money on Medi-Cal patients and poor people but compensate for that by charging higher rates for private patients with their own insurance.

If the new center attracted patients with private insurance, he predicted, Watsonville and Dominican hospitals would be put in a financial bind.

But, said Madden, his new facility would serve Medi-Cal patients — although it would have neither an emergency room nor some other services available at the two existing hospitals. He said he did not believe the competition would harm the other two facilities.

Lubell responded by saying that the Capitola Health Center would add 24 "unneeded" hospital beds in the area and asked, "Is competition good for the county?"

"In this case, the answer would have to be 'no.'"

In her letter, Hall questioned whether the additional hospital beds "represent a duplication" of services already available locally.

She said that and other questions about the hospital's effects on local health care delivery need to be answered before a permit is granted.

The Capitola hospital would provide one service unavailable to any patients at Dominican Hospital and only to patients not on Medi-Cal in Watsonville: tubal ligations for women having babies by Caesarean section.

"We are going to be a pro-choice hospital," Madden said. "We are not, however, going to be an abortion clinic."