

Hospitals- Sutter Hospital

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# County planners back hospital plan

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**SANTA CRUZ** — A proposed 30-room hospital moved a step closer to construction Wednesday.

The Santa Cruz County Planning Commission unanimously supported a plan to rezone property at Chanticleer Avenue and Soquel Drive to allow the medical facility to be built.

A maternity and surgical center is being proposed by Sutter Health, a Sacramento-based non-profit company that operates 12 hospitals in Northern California.

"We're very pleased that the planning commission approved it," said Steve Heath, the company's vice president for communications.

Commissioners are recommending that the Board of Supervisors rezone the land from a commercial district to a "public and community facilities" district, which would permit construction of a medical facility.

Sutter Health is planning to build a two-story, 62,000-square-foot hospital that will house 12 labor, delivery and recovery rooms and 18 rooms for patients.

Sutter's hospital will not have an emergency room or intensive care unit, but will offer most other services.

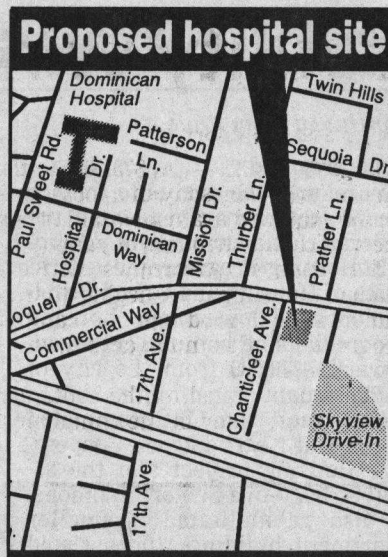
In March 1992, Sutter purchased 3.8 acres for about \$2.35 million for the hospital. It later bought a neighboring piece of property to serve as a medical office complex.

Earlier this year, Dominican Hospital lawyers challenged Sutter's application to the Planning Department, saying environmental reports should be prepared for the project.

Sutter and the Santa Cruz Medical Clinic later challenged a proposed decision by the Federal Trade Commission that would drop antitrust charges against Dominican for its 1990 purchase of the competing Community Hospital.

Sutter and the medical clinic urged the FTC to reconsider its decision. The FTC decision stipulated that if Dominican were to buy another hospital in the area, it would have to get FTC approval first.

The two medical facilities have



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been split throughout the planning stages of Sutter's project.

Sutter officials have argued that their hospital would provide consumers with more choices, and they say Dominican has filed lengthy objections at the last possible moment at every step of the process.

Dominican representatives say they are only making sure the county is aware of the effect of having a competing hospital nearby, which they say would mean higher health care costs because it would duplicate services.