

Hospitals object to Capitola medical center

By DENISE FRANKLIN

Sentinel staff writer

CAPITOLA — Plans to build a small hospital here have raised objections by Watsonville Community and Dominican Santa Cruz hospitals.

The county of Santa Cruz may soon join the two hospitals with concerns over the Capitola Health Center.

Watsonville Community Hospital Thursday formally appealed last week's Capitola Planning Commission decision to allow a group of developers and physicians to build the Capitola Health Center at the intersection of Bay Avenue and Highway 1.

It first wants an environmental impact report and an extensive review of the hospital's effect on the local health care delivery system.

Watsonville Community gave no specifics as to what the EIR should address.

"As Watsonville Community

Hospital prepares for its replacement, we are fully expecting to have to complete this process," stated a letter from Dr. Dirk J. Happee Jr. "A hospital is a very complex institution, and anything less than full study would not be following in the spirit of due diligence."

The appeal means that the development will go before the City Council. Without an appeal, the Planning Commission's approval would have stood.

Dominican didn't go so far as to appeal the decision, but hospital president Sister Julie Hyer wrote the City Council Thursday with the following concerns:

- The impact of a health facility that does not operate an emergency room for the community.
- The ability of a facility that does not have an emergency room to take its fair share of Medi-Cal and Medi-Cruz patients.
- The impact of the facility on physicians not affiliated with the

health center.

- The willingness of the facility to contract with the county for the provision of indigent care services.

- The proposed transfer policy by the facility for critically ill patients to the other hospitals in the community.

- How the facility will be a low-cost provider in comparison to traditional acute care hospitals and how these costs will be passed on to consumers.

- The impact of proposed Medicare regulations on ownership by physicians of a hospital or other health facilities.

Hyer added that Dominican had been informed that Elinor Hall, director of the county Health Services Agency, was proposing a task force to look into the broad social issues not heard by the Planning Commission. Dominican, she said, would support such a task force.

County Administrative Officer Susan Mauriello said the county will decide today what its position

is on the hospital plans.

The county is reviewing the land-use aspects as well as how the hospital will affect health care and what it will mean to the community, Mauriello said.

Capitola Health Center is being planned by Medical Surgical Management and an association of 60, unnamed local physicians on five acres between Nob Hill Foods and Highway 1.

The development will include a 26,000-square-foot hospital, an 11,400-square-foot outpatient treatment facility and a 17,500-square-foot medical office building.

In approving the development, the commission declared it didn't need an environmental impact report because any significant impacts on the environment could be taken care of with conditions imposed by the city on the developers.

For example, the commission included a condition that no occupancy permit will be issued for the

hospital or the office building until the state has substantially completed improvements to the interchange at Bay Avenue and Highway 1. This condition supposedly eliminates significant traffic impacts.

Capitola City Attorney Richard Manning said that an EIR wouldn't address the economic and social concerns raised by the two hospitals.

The California Environmental Quality Act, Manning said, states that economic and social aspects of a development are appropriate subjects of an EIR only when it can be shown they also will create environmental impacts.

"You can't use a land use proceeding to solve social issues that don't have environmental effects," he said.