

Merger means more options for patients

Health Santa Cruz Medical Clinic joins S.F. Bay Area physician group

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Doctors at Santa Cruz Medical Clinic, which has about 100,000 patients, plan to merge with two other doctor groups into a single physician group, the Palo Alto Medical Foundation, effective Jan. 1.

The merger, announced Thursday, will create a \$900 million organization with 850

physicians and more than 3,000 support staff on both sides of the hill, according to Dr. Larry deGhetaldi.

"We're doing this to improve service," said deGhetaldi, chief executive officer of Sutter Santa Cruz, which comprises Santa Cruz Medical Clinic & Foundation, Sutter Maternity & Surgery Center and the Visiting Nurse Association of Santa Cruz. Santa Cruz Medical Clinic refers to the doctors

who practice at the Santa Cruz Medical Foundation.

The Santa Cruz group, a \$180 million organization, is the smallest of the three groups in the merger. The others are Palo Alto Medical Clinic and Camino Medical Group. Each of the three currently contract for physician services with the Palo Alto Medical Foundation, which is a part of Sutter Health.

In a community of 250,000 like Santa Cruz

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County, it's not possible to reproduce the services available at a facility with a medical school, deGhetaldi explained, and the merger provides county residents with greater access to medical experts over the hill. The

See **MERGER** on **PAGE A8**

Merger

Continued from Page A1

goal, he said, is to be "a Mayo of the West," referring to the medical practice in Rochester, Minn., that has attracted cutting-edge specialists.

Three improvements are in the pipeline for Santa Cruz patients, according to the clinic:

- More doctors: Santa Cruz Medical

Clinic has 135 physicians now and plans to add 20 more in the next 15 months. As a part of the new group, Santa Cruz Medical Clinic will not compete with the other locations for doctors but collaborate on recruitment.

- Medical records: Santa Cruz Medical Clinic is adopting the Epic brand of electronic health records, the one pioneered in 1999 by the Palo Alto group. The online system will give people 24-hour access to their records, much the way ATMs allow bank deposits and

withdrawals to be made at any time. The project is 92 percent complete, deGhetaldi said, with about 10 doctors yet to train.

- More clinic availability: Someone who lives in Santa Cruz and works in Mountain View would be able to receive care in both locations.

"While the transition will not happen overnight, we are absolutely committed to offering our patients easy access to care throughout the [Palo Alto Medical Foundation] system," said Dr. Christine

Griger, chair of the Santa Cruz Medical Clinic executive board.

Doctors expect economies of scale to bring other benefits.

Dr. Elizabeth Vilardo, chair of Camino Medical Group, said the larger group would be able to add specialties that the smaller groups did not have.

The merger is "the best way" to deal with rising costs, capital demands and physician recruitment, added Dr. David Druker, president and chief executive officer of Palo Alto Medical Foundation.

Dr. Marcus Kwan, who is not affiliated with Santa Cruz Medical Clinic, saw another benefit for doctors in the group.

"It will increase their negotiating power" with insurance companies on reimbursement rates, he predicted. "I don't see it as a positive or a negative for people outside the group."

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