

Dominican Hospital Shifts from Sister CEO to Physician President

New Dominican Chief Reaches Out to Doctors

Hospitals-Dominican Hospital

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by Mary Bryant

People will tell you Dr. Nan Mickiewicz is bright. As a practicing physician and a health care executive, she needs to be sharp, intelligent and articulate. Those qualities are certainly part of the reason she got the job as Dominican Hospital's new president, after an extensive nationwide search that ended with Dominican leaders hiring from within.

"She was an exceptional candidate and I believe she will make an exceptional leader," said Dominican Board President and former Superintendent of Schools Diane Siri.

Siri assisted with the search process and said that the competition was stiff.

"We believed that finding a hospital president who was also a physician and understood firsthand the issues doctors face every day in their practices was a high priority. Not the only priority, but an important qualification," Siri added.

In early November last year, Dr. Mickiewicz said then-CEO Sister Julie Hyer and others approached her to talk about Mickiewicz serving as interim president. Like most in the medical community, Dr. Mickiewicz said she was surprised at Hyer's decision to resign. She hadn't even considered succeeding Hyer.

"It never crossed my mind," Mickiewicz said.

Even after she had assumed the job as interim president in December, she wasn't sure she wanted it permanently.

"I didn't really throw my hat into the ring until February," she added. "The sister act is definitely hard to follow. ... She brought a rich tradition to the community."

However, once decided,

Mickiewicz hasn't wasted any time.

Already there have been changes, and there will be more. She promises a new two-story medical office building, a second cardiology cath lab, more surgical suite modernization, a new CAT scan and more parking.

"It's going to be a decade under construction," she said. "We know in the next year or so we will be doing a lot."

From Medical Director to President

Mickiewicz grew up in Walnut Creek and remembers coming to Santa Cruz to visit the Boardwalk as a teen. She never dreamed she'd live here. Her husband of two decades is also a doctor. Dr. Mike Ellison is a pulmonologist working primarily in the hospital's intensive care unit.

They met and married in medical school, both interning at the prestigious Cedars-Sinai in Los Angeles. He was recruited to Santa Cruz County and she followed.

"I used to come to Santa Cruz on weekends and in summertime," she said. "I really liked it. My husband was offered a job here. He's a lung specialist and does pulmonary and intensive care. So two days after I finished my residency, we were in Santa Cruz."

Her first eight years were working in practice with the physicians at Western Medical. Then she hung out her own shingle.

Drs. Mickiewicz and Ellison have four children. The twin girls, like their mother, attended a Catholic all-girls high school before heading to college this fall.

Their youngest son is 11. Dr. Mickiewicz said that the boy is hoping that as the last remaining child at home, he will final-



Dr. Nan Mickiewicz has assumed the role of Dominican Hospital President, taking over the position from Sister Julie Hyer.

ly be allowed a pet dog.

"He should not hold his breath," she quickly added, noting that as an infectious disease specialist there are other household rules intended to keep her family well, including not eating uncooked cookie dough.

For roughly the past six years as the hospital's medical director, she has helped manage the quality of clinical practice at Dominican and helped area doctors navigate ongoing credentialing requirements.

It's the kind of job where a doctor will make impressions, either good or bad. Judging from the medical community's response to her appointment as president, she made a lot of friends as medical director.

The job wasn't that new to her. At Cedars-Sinai Hospital, she had been the first woman physician to serve as chief resident for internal medicine, working with 450 physicians on

staff there. She refers to that job as like being a mom — helping busy docs keep organized.

And like her predecessor at Dominican, long-time medical director Dr. Larimore Cummins, she believes her decision to keep seeing patients even after she was appointed medical director was the right choice.

"I kept my practice going and maintained my clinical credibility," she said. "Being somebody [who works] in the trenches day to day really helped with the physicians."

Even as president, Mickiewicz still sees patients and takes her turn working in the emergency department, taking call duty four days a month.

The Physician President and a New Medical Foundation

Dr. Mickiewicz is the first doctor to serve as the hospital's president, even in an interim

role. And in modern times, she is only the second physician in Santa Cruz County to run a hospital. Dr. Larry deGhetaldi is the first; he's CEO of Sutter Maternity and Surgery Hospital.

While not a brick and mortar kind of project, among Dominican's latest round of announcements is the opening of a new medical foundation, the first since the '90s to be exclusively aligned with Dominican Hospital and sponsored by CHW.

Dr. Mickiewicz says the foundation will not only buoy solo practice specialists and surgeons by giving them a safe harbor to practice while remaining independent if they want, but it also creates the opportunity for Dominican to directly partner with physicians in contracting with insurance companies.

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going to compete with the likes of Sutter Health, Dominican will have to connect with a dedicated group of doctors.

"Dominican Hospital is the most vital health resource in the county," said Santa Cruz County's health services director Rama Khalsa. Khalsa describes Mickiewicz as a talented and creative person who cares about the community. "[She] needs to do everything they can to partner with the physician groups and solo docs."

Besides bolstering Dominican, Khalsa said the relationship was critical to physicians in independent practice who are struggling to meet an onslaught of regulatory requirements, yet who even in small group practices have no clout in negotiating contracts with massive insurance companies. Like others interviewed for this story, Khalsa believes if independent physicians and specialists are going to survive they will need a partner like Dominican and its parent organization, Catholic Healthcare West.

However, if Dominican is going to stay the county's largest acute care hospital,

then Mickiewicz must also win the support of doctors associated with Sutter's Santa Cruz Medical Foundation.

"If anyone can keep the Sutter physicians utilizing Dominican Hospital it is Dr. Mickiewicz," said Dr. Dean Kashino, one of the founding family practitioners of Dominican's new medical foundation and a longtime independent practice physician. "She has an open door policy. ... She will listen ... She is very bright and



Diane Siri

able to analyze things to work through issues."

Also, just as importantly, Dr. Kashino believes that Mickiewicz will work well with Sutter's CEO Dr. deGhetaldi.

"I think the two can get together," he added. "We are a

small community. I think the two foundations have to work together to provide the good care for the community."

What does deGhetaldi think about the idea of working with Mickiewicz?

Dr. deGhetaldi, who started practice with the Santa Cruz Medical Clinic in 1985 and supported the Clinic's affiliation with Sutter in the '90s, also speaks Mickiewicz's praises. He said he was impressed with her success so far, including her work on coordinating a program that has Sutter physicians working alongside independent docs serving uninsured patients arriving at Dominican's Emergency Department on alternating days. He says the program is efficient and improves the quality of care.

"We tried to build [that program] for four years and couldn't get [Dominican's help in developing it], and she [Dr. Mickiewicz] managed it in about three months," he added.

And deGhetaldi says that many of the physicians aligned with Sutter believe in Dominican's mission.

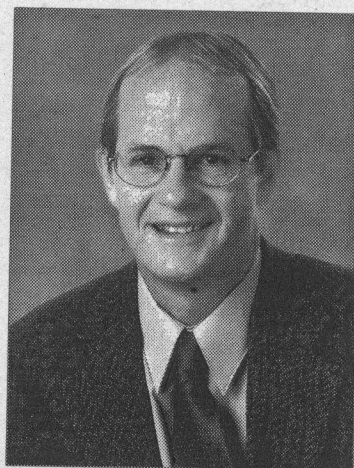
"The doctors here have a strong affection and affinity for Dominican," he said.

But, he quickly adds, while they might become friendlier competitors, they will still be competitors.

Spring Blooms in Prague

"I think one of the biggest challenges we face is aligning physicians with the hospital to serve the community," Dr. Mickiewicz said. "We are trying to do our best to make this hospital the hospital of choice."

Convincing Santa Cruz County physicians that Domini-



Dr. Larry deGhetaldi

can should be the region's largest acute care hospital — offering the broadest range of services — isn't a new challenge for Dominican leaders.

In 1941, the Monterey bishop at the time, Philip Scher, asked the Adrian Sisters to

consider purchasing one of two Santa Cruz hospitals. They did and established Sisters Hospital, expanding through acquisitions in the '50s by buying Doctor's Hospital. These hospitals melded into one new campus on Soquel Drive in the late '60s.

About that time, Community Hospital was opened to compete, eventually purchased by the then-mighty for-profit AMI corporation, with more than 100 hospitals nationwide. But, even with (some said because of) its international parent company AMI, Community Hospital failed financially and was again put on the auction block. Amid howls of protest, Dominican purchased Community Hospital and its accompanying land for about \$11 million in 1991.

By then, Dominican had already joined Catholic Healthcare West and many believed had established itself as the county's premier hospital.

That was until Sutter Health's Palo Alto Medical Foundation bought the assets of the county's largest multi-specialty clinic, Santa Cruz Medical Clinic.

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Now retired, the Clinic's chief, Wayne Boss, was credited with linking the formerly independent Santa Cruz Medical Clinic with Sutter. It was this relationship that brought Sutter's capital to town to build a 30-bed acute care hospital a stone's throw from Dominican's door.

While Dr. deGhetaldi says Mickiewicz has demonstrated "very effective outreach" and "a very earnest desire to reach out and repair bridges," he said the relationship between the Medical Clinic and Dominican — personified by Boss and Sister Hyer — was typical of a physician group and hospital.

He'd like to see change, but believes the competition limits the possibility of much opportunity for kinship.

"It is a hope that there is something new," Dr. deGhetaldi said, describing Dr. Mickiewicz's appointment as a "Prague spring," in contrast to the wintry relationship Sister Hyer had with Sutter's Boss.

However, he thinks she will likely not be successful in finding a strategy that will partner Dominican and Sutter in a way that buffers Dominican from dras-

tic change.

"It is a very difficult position," he said.

In the past decade, Sutter Health and the Santa Cruz Medical Foundation have made Santa Cruz a two-hospital town. And notably, many believe that competition has proven good.

Dr. Kashino believes that competition has improved hospital care. He cites the two child birth centers.

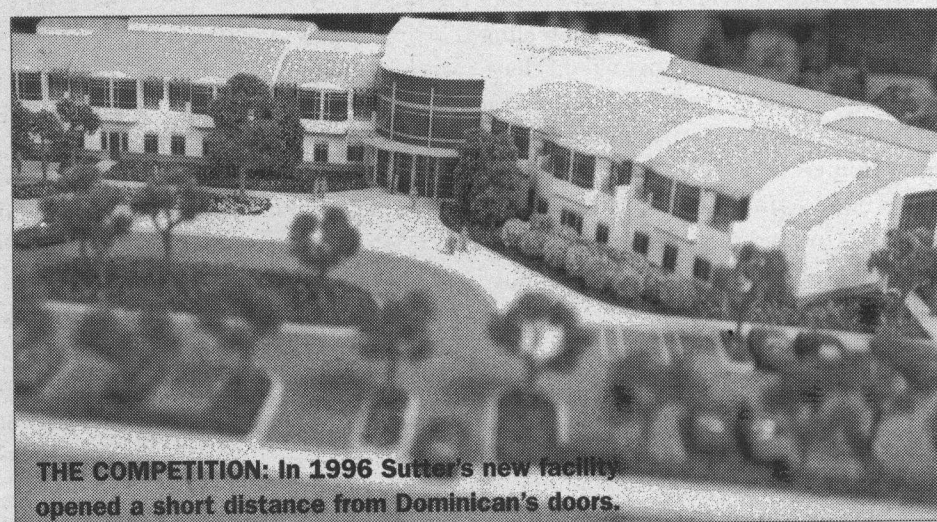
"I think they both pushed each other," Kashino added.

The reason for the outreach at this time is simple. Bigger competition could be disastrous for the 65-year-old hospital as Dominican struggles under the weight of Medi-Cal, MediCare and uninsured patient loads, keeping open North County's very busy emergency department which sees some 50,000 patients a year, as well as the region's only mental health acute care inpatient center.

On the other hand, Sutter admits patients mostly through its own foundation — no emergency room, a much more sterile financial operating environment.

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Dominican has served the county in its current location since the late 1960s.



THE COMPETITION: In 1996 Sutter's new facility opened a short distance from Dominican's doors.

Maybe the simplest way to consider the advantages Sutter has being the "smaller" player with an aligned physician clinic can be seen in the two bottom lines.

In 2004, according to California's hospital reports, the 300-bed Dominican billed for \$676 million in care of which it actually collected in revenues about \$180.4 million. Of that, Dominican saw about \$7.9 million in net revenues or a bit more than 1 percent of gross billing. That same year, 30-bed Sutter billed for \$67 million, collected some \$30 million and saw net revenues of \$6 million, or about 10 percent of its gross billings.

However, forging new relationships with Sutter while strengthening relationships with the county's independent and small group practitioners is only part of Mickiewicz's new job.

If It Were Only that Simple...

"If it were only as simple as aligning physicians with the hospital," said Dominican board president Siri. "While physician alignment is very critical, there are the issues of health care reform, federal and state reimbursement rates,

working with the county to provide care for uninsured adults and families and a slew of challenges around modernizing the hospital campus."

There are additional challenges for Dr. Mickiewicz and her executive team, which include a mix of veteran and newer players in a variety of roles.

Dominican's current campus is about 40 years old. And while Dominican has spent large amounts on construction projects and modern medical technology — including new surgery suites, a recently constructed emergency department and a second cardiac catheterization lab now underway — California law requires that the hospital meet new seismic standards within a few years, which is expected to cost state hospital operators billions.

Where is that money going to come from?

Dr. Mickiewicz doesn't know. She also doesn't know what health care reform will look like, and like everybody else in health care in Santa Cruz County, she hopes some of the progress made in recent years, like the federal initiatives that have helped lower income parents afford health care insurance for their children, aren't

undone by a riff between Congress and the president.

She does know that Dominican is set to construct a new state-of-the-art medical office building, using money made from the sale of its 11 acres in Seacliff, the former Poor Clares convent. The tender for offers closed last month and the hospital is now negotiating with two developers, considering a mix of uses including hotel and housing.

Dr. Mickiewicz said that a decision about the property sale wasn't just about money; it was also about helping make a good decision for the community.

For Dominican, she added, the job of running a hospital isn't just about making the best financial decision, it is about making the best decision while maintaining the organization's mission.

"Underlying everything we do is the mission," she added. "I think this hospital lives its mission — to provide medical care to anyone who needs it in Santa Cruz County. ... You can add more words in, but the reality is that it is truly to be here for the community all the time. ... It's a 65-year tradition and I think we can keep it going," Dr. Mickiewicz said. ■