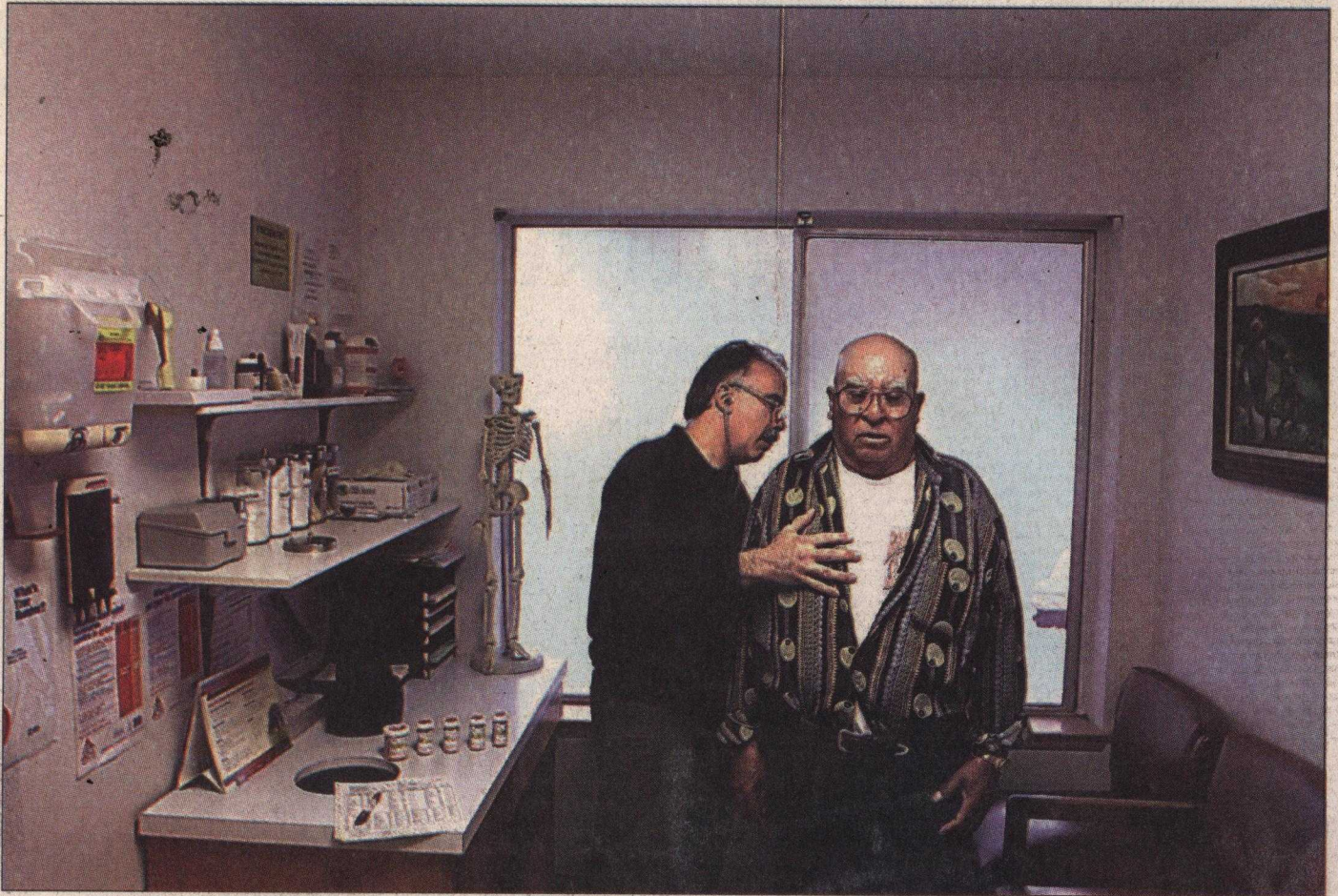


# WHERE HAVE ALL THE DOCTORS GONE?



Shmuel Thaler/Sentinel photos

Family physician Dr. Jeff Solinas of Plazita Medical Clinic examines a longtime patient. A study says primary care physicians like him are in short supply in South County.

## Shortage hits South County community hard

Health

EDITOR'S NOTE: This is the first segment of a three-part series.

By PEGGY TOWNSEND

Sentinel staff writer

The grandmother sits inside the bustling Plazita Medical Clinic in Watsonville wearing a worn blue bathrobe and touching her fingers gingerly to her stomach.

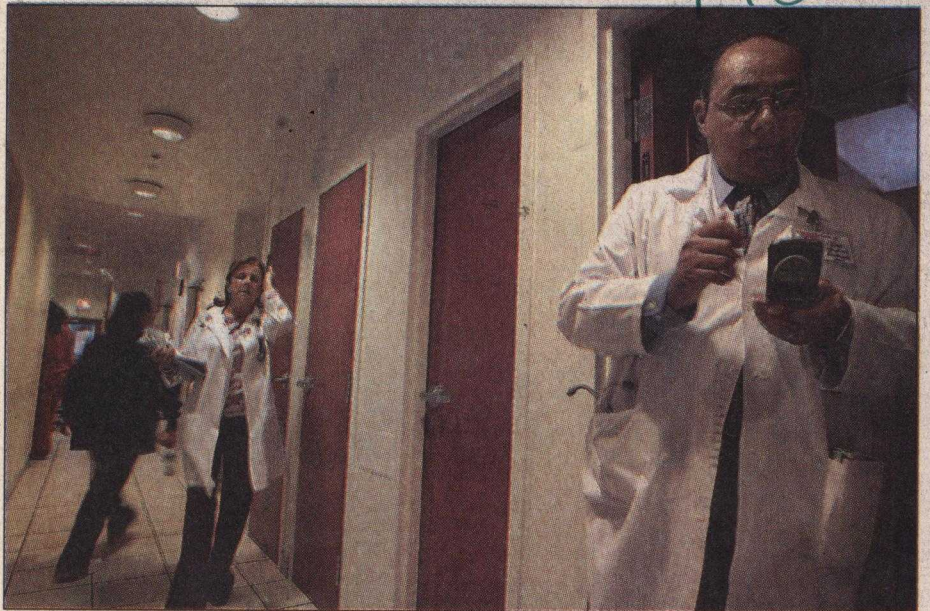
She has been vomiting, she tells Dr. Jeffrey Solinas in Spanish. Her stomach hurts; her head feels like it's being squeezed in a vise.

"I think it was the fish I ate last night," she says, which may turn out to be a good thing.

Because if the woman needed a consultation with a gastroenterologist in Watsonville, she might wait up to two months to see one.

That's the way it is in this agricultural town, which is filled with the Latino working poor and is home to the majority of the county's MediCal and uninsured residents.

There are just not enough doctors here. Not only is there a shortage of gastroenterologists, but there are too few pediatricians, half the number of



Dr. Jose Chibras checks his messages while nursing director Doral Gonzales heads off to see a patient at the bustling Salud Para La Gente clinic in Watsonville.

anesthesiologists needed, no neurosurgeon and a shortage of primary care doctors like Solinas.

And, obstetricians in Watsonville each

deliver about five times the number of babies as health care providers 15 miles

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### Today

The high cost of living coupled with growing numbers of uninsured and MediCal patients have created a physician shortage in the county. The effects have rippled through the South County community.

### Monday

The closure of an oncology clinic at Watsonville Community Hospital has created a crisis for the working poor who have cancer.

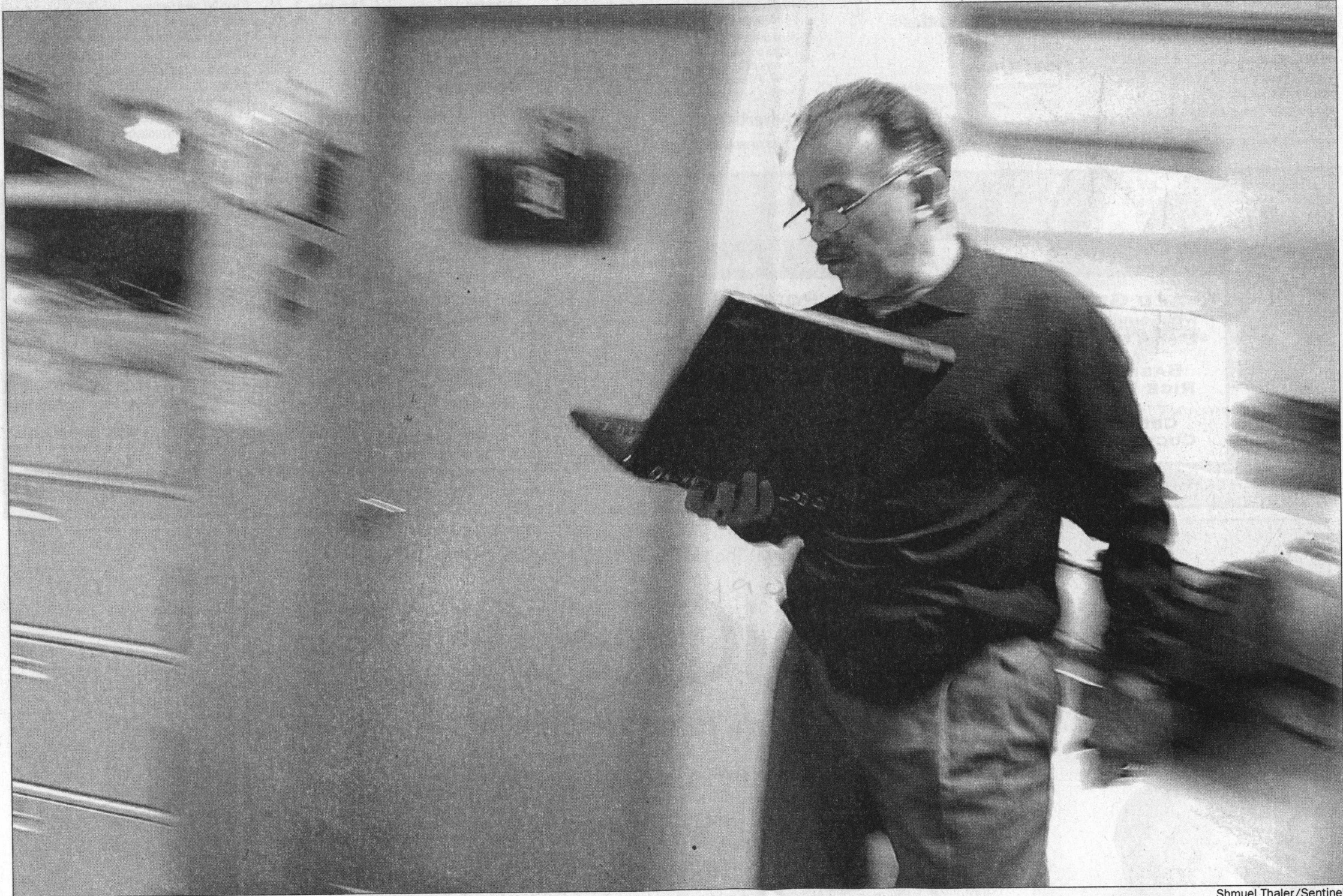
### Tuesday

Large numbers of MediCal patients and a physician shortage force obstetricians to work long hours and affects the way busy anesthesiologists provide pain relief for women in labor.

## PHYSICIAN FLIGHT

*'Doctors calculate the high cost of living and factor in the lower reimbursement and conclude, "I can't afford to live here."'*

KAYLOR SEMBERGER, CEO, WATSONVILLE COMMUNITY HOSPITAL



Shmuel Thaler/Sentinel

Dr. Jeff Solinas carries a laptop computer from an exam room at Plazita Medical Clinic in Watsonville.

### Doctors

Continued from Page A1

could not even afford tortillas," says Chibras, who is chief medical officer of the clinic.

It bothers him still. Salud Para La Gente is what medical

### Health-care coverage in California

■ California has the largest number of

their practice, many go where the cost of living is cheaper. Or, health directors and doctors say, they will live in Santa Cruz but practice in Santa Clara.

"We have a terrible time recruiting

to the north in Santa Cruz.

The reason has to do with the high cost of living, the rising tide of MediCal and uninsured patients and the workload doctors must carry just to make ends meet.

But the burden does not just fall on physicians. A three-month investigation into health-care disparities by the Sentinel has found there is also a growing gap in access to medical care offered in this county.

If you live in the northern end of Santa Cruz County, for instance, you'll have a wide range of specialists to choose from, along with a hospital that has heart surgeons on staff and an anesthesiologist on call just for moms giving birth. There will be a birthing center with Jacuzzi tubs and a full range of specialists in the emergency room.

But if you live in the south end of the county, you will find a much different picture.

You will have a harder time getting your chemotherapy treatments because there are no oncologists in town.

You will find yourself in an emergency room where there are no specialists like ear, nose and throat doctors or plastic surgeons available. There will be no pathologist in the hospital. When you give birth, there will be no anesthesiologist dedicated just to the labor and delivery unit and no midwives available if you want them.

And if you are uninsured, you will walk away with a bill from one of the 100 most expensive hospitals in the country.

Those affected most are Watsonville's Latino working poor.

With a ratio of 4,954 low-income residents for every primary care doctor, they are the ones who most feel the pinch of a health-care system that is cracking.

But they may not be alone for long.

Besides the high cost of living, doctors in Santa Cruz County also face the biggest disparity in the nation between what Medicare pays doctors here and what it pays to those in Santa Clara Valley, just 35 minutes away. Add in a growing number of uninsured and MediCal patients, a financially troubled South County hospital and aging doctors, and the ripple effects of physician flight may one day hit the northern half of the county as well.

## Safety nets

Dr. Jose Chibras is not a man who cries easily, but on this day, he has to stop to get his composure as he talks about the bone-thin man with diabetes who came to see him at Salud Para La Gente Clinic in Watsonville.

"I told him not to eat tortillas and rice and beans," says Chibras. "I told him to go buy a chicken, or some eggs."

It was only then the man confessed he had not eaten for a week and that all he had to feed his entire family were a few tortillas and some beans.

Chibras emptied his wallet of the \$30 inside and gave it to the man, but worried all weekend about the family.

"I thought about how I had sat there and told him to buy a chicken when the man

experts call a safety-net clinic. It not only accepts thousands of the uninsured — from undocumented workers to the unemployed — but also the flood of MediCal patients, those eligible for state assistance because of their low incomes.

Its central clinic sits in a simple pink and green building not too far from Watsonville's main street. There, patient mothers and squirming children fill the big, noisy waiting room while men in crisp cowboy hats lean against walls.

Last year, the government-supported clinic had 104,000 patient visits, testament to the need here.

In fact, the number of people on MediCal in Santa Cruz County has grown 27 percent over the last four years. Latest figures show there were 33,367 people receiving MediCal in Santa Cruz County — more than three times the entire population of Capitola.

About 60 percent of them live in and around Watsonville.

And even though a program called the Central Coast Alliance for Health has been able to increase the amount of payment doctors receive for MediCal patients here, it is still not enough to cover the rising costs of office salaries, malpractice insurance and other expenses, physicians say.

Dr. Art Dover, a pediatrician who has practiced in Watsonville for 30 years, knows what it's like.

"The only thing that stays the same," he says, "is the reimbursement rate."

Dr. Dover works a gritty kind of practice where patients come into the office with the dirt of the fields still on their shoes, and with three or four children in tow.

One-quarter to one-third of his patients receive MediCal, says the bilingual, bearded doctor. He works 10-hour days and gets two weeks of vacation per year.

It's not the kind of practice another doctor would rush to buy if Dr. Dover decided to retire — especially with three-bedroom fixer-uppers going for \$700,000.

"I wonder where my patients would go," Dr. Dover says. "It has been on my mind many times."

It's also on the mind of doctors and executives at Watsonville Community Hospital.

A study the hospital commissioned and obtained by the Sentinel shows that out of 27 medical and surgical specialties listed, the Watsonville area has doctor shortages in 21 of them.

## Disappearing doctors

In South County there is:

No allergist.

No rheumatologist.

No endocrinologist for diabetes patients.

No infectious disease specialist.

No cardiac surgeon.

No neurosurgeon, according to a 2004 study done by health-care consultants Cattaneo and Stroud of Burlingame.

And even when there are doctors, often there aren't enough to fill the need.

There are 11 pediatricians, for example, in an area that needs 14. There are three general/vascular surgeons in an area that

uninsured residents in the nation.

■ In 1987, 64 percent of Californians had health insurance from their employers. In 2004, that number was 54 percent.

■ Almost one-third of California's uninsured have family incomes of \$50,000 or more.

■ Almost 40 percent of those ages 21-24 are uninsured in California.

■ Latinos are about 2.5 times as likely as whites to be uninsured.

Source: California Healthcare Foundation, 2005.

requires eight.

And there are five obstetricians to deliver Watsonville's 1,717 babies, while 27 health practitioners deliver close to the same number of babies to the north.

It's not that Watsonville Community Hospital and others haven't tried to recruit new doctors. The hospital, which by law cannot employ physicians, even went so far as to guarantee the first-year salaries of some new doctors, according to Hospital CEO Kaylor Shemberger, who recently announced he is resigning to take a job with an international health-care company.

"But," he says, "doctors calculate the high cost of living and factor in the lower reimbursement and conclude, 'I can't afford to live here.'"

There isn't a shortage of doctors in California, says Dr. Kevin Grumbach, chairman of the department of family and community medicine at UC San Francisco. There's just a "maldistribution" of them.

There is, for example, one doctor for every 295 people in Santa Clara County, according to the state Department of Health Services.

In Santa Cruz County there is one physician for every 410 people.

There are even fewer physicians in Watsonville.

Doctors come to the Silicon Valley not only because of its amenities but because they can make more money there, according to Grumbach.

One advantage comes from a federal regulation which classifies Santa Clara as an "urban" county so doctors there are paid 25 percent more for their Medicare patients than doctors in Santa Cruz, which is designated as a "rural" area. It is the largest pay disparity in the country.

And Medicare, which pays for care for those over 65 and the disabled, can be a large part of a doctor's practice.

So while doctors in Santa Cruz County have the same high cost of living as Santa Clara Valley just a short drive away, their pay is less.

New doctors who look at Santa Cruz's redwood-studded, oceanside community think twice about locating here — and may not even consider Watsonville with its mix of Spanish-speaking and lower-income residents.

With \$150,000-\$200,000 in medical school debts, facing the prospect of buying a home in one of the most expensive housing markets in the country, and knowing they will have to work long hours to support

physicians to fill the gap of people retiring," says Dr. Ron Fisher, a radiologist who works both in Santa Cruz and Watsonville.

"The primary reason is the cost of living." And with physicians aging — the average age of Watsonville's pediatricians is 55, for example — many wonder who will fill their practices.

A federal program allows some new doctors in Watsonville to have their loans forgiven in exchange for working there, Watsonville Hospital is trying to help recruit doctors, and the Santa Cruz Medical Foundation offers some housing assistance to certain specialists in exchange for seeing patients from safety-net clinics.

But that may still not be enough.

## Big bills

With its tranquil plaza and busy Target store, Watsonville may seem like an unassuming town.

You can buy a hot dog here for \$1.05. Roadside fruit stands still sell 10 ears of sweet corn for \$1.

But its hospital is among the most expensive in the country.

The sprawling facility that sits at the edge of town charges prices that are about five times its costs, according to a study by the California Nurses Association. That means a procedure that costs the hospital \$100, for instance, would be billed at \$582.

It puts Watsonville Hospital, which is owned by Community Health Systems Inc. of Tennessee, among the 100 most expensive hospitals in the country, according to the CNA report.

Pumping up hospital prices is not unique to Watsonville. The average charge-to-cost ratio in U.S. hospitals is 244 percent. So, a \$100 procedure would be billed at \$244.

And Watsonville is certainly not the most expensive.

That dubious honor went to the Doctors Medical Center of Modesto whose charges result in a \$1,075 bill for a \$100 procedure, according to the report.

While few people actually pay full price, says Charles Idelson, a spokesman for the California Nurses Association, charges like Watsonville Hospital's have an effect on everyone's pocketbook.

Most insurance companies negotiate discounted prices with the hospital and, like the sticker price on a car, a hospital's charges are a starting point, Idelson says. Those "inflated" charges, he says, are one of the reasons health insurance premiums are on the rise.

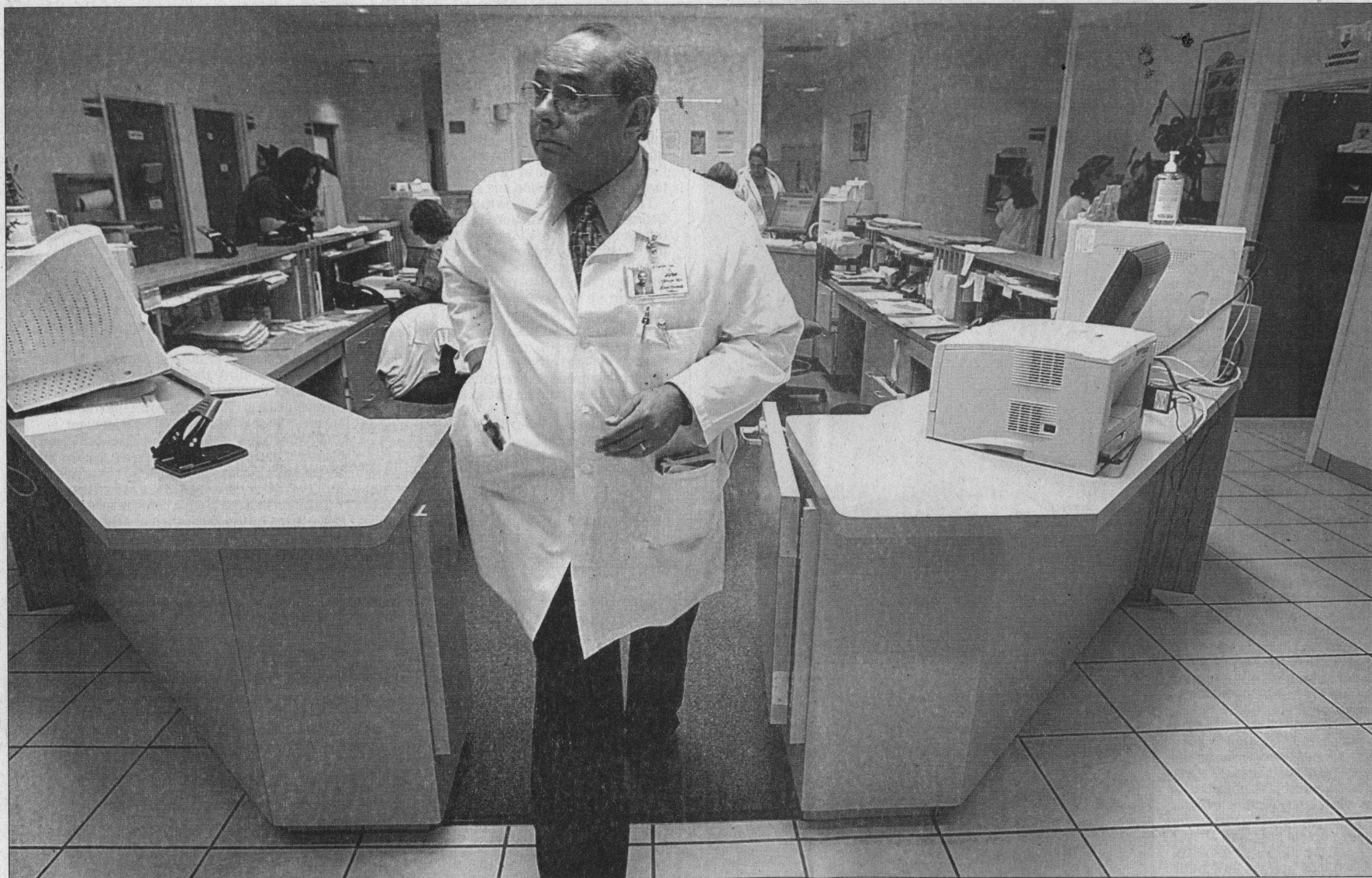
It's worse for those who have no insurance.

If they are treated at Watsonville's lone hospital, they are billed at full price.

Watsonville Hospital's CEO Shemberger doesn't disagree with the fact his hospital is expensive.

Sitting in his office with its view of a crowded parking lot, he says, "If half your customers don't pay for the product and services, what do you do?"

"You charge the other half twice as



Shmuel Thaler/Sentinel photos

Dr. Jose Chibras heads off to see patients at the busy Salud Para La Gente clinic in Watsonville.

## Doctors

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much.”

With 10 percent of the hospital's patients unable to pay and 35 percent of the hospital's patients on MediCal, “which pays us less than cost,” he says, “we have to recover the remaining costs from our remaining customers.”

feeling the effects of having the only emergency room in the county with a full range of specialists on call as more patients — many of them uninsured — begin to make their way north.

“It is,” she says, “a tremendous burden that is occurring very quietly within this scenario.”

If Watsonville closed, the burden would be crushing.

Rosemary Florin, a spokeswoman for Community Health Systems in

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...with better insured patients heading north to Santa Cruz, this lopsided "payer mix" meant less income for the hospital.

In addition, says Shemberger who likes to characterize his hospital as "tax-paying" instead of "for-profit," the hospital had to begin paying physicians to cover shifts in the ER three years ago.

The already-burdened doctors, he says, had begun to balk at working in a place where they would have to take losses or shoulder even more MediCal patients.

The subsidy costs the hospital an extra \$2 million a year, yet some doctors still do not want to take call there, Shemberger says. The doctor shortage makes staffing even worse. For instance, there are no ear, nose and throat doctors, neurosurgeons or plastic surgeons available in the ER.

To the north, Dominican Hospital also subsidizes doctors who work its ER at a cost of about \$3 million a year and has a full range of specialists on call. Sutter Surgery and Maternity Center in Santa Cruz has no ER.

This combination of increased costs and low reimbursement at Watsonville Hospital meant profits were falling, Shemberger says.

So he did what many hospital administrators in California are doing.

He cut services.

Home health care went first. Then the hospital's oncology clinic was cut, leaving the area with no practicing oncologists. The hospital's pathologists were recently replaced with a company from Los Gatos.

"We're past being up against the wall," Shemberger says. "We're in a deep, dark hole."

But Watsonville Hospital is not losing money.

One of 72 hospitals owned by Community Health Systems, it has a profit margin of about 6 percent, according to Shemberger.

By comparison, Dominican Hospital in Santa Cruz, a nonprofit facility run by Catholic Healthcare West, has a margin of about 3 percent, according to its CEO Sister Julie Hyer.

Shemberger says a hospital like his needs at least an 8 percent margin to survive and keep up with medical advances. There is also a responsibility to the company's shareholders, he says.

That worries health officials like Rama Khalsa, director of the county's Health Services Agency.

If Watsonville Hospital were to close, she says, "it would be a catastrophic loss."

Hyer of Dominican Hospital agrees.

Dominican, she says, is already

Tennessee, says the company is hopeful that cutbacks and recent labor agreements will allow Watsonville Hospital "to turn the corner."

Shemberger says CHS is still supportive.

But, he says, "If you can't look to the future for change, then any prudent owner would rethink their investment in that hospital.

"We haven't reached that point yet."

### Who's hit hardest?

Watsonville is not unique in its doctor shortage.

A 2004 UC Berkeley study found that communities with a higher percentage of low-income and Latino populations had fewer doctors per capita than those with wealthier, white populations.

"And, supply," says UCSF's Grumbach, "has an impact on the most vulnerable patients — the uninsured or MediCal patients."

Grumbach says low-income, Latino patients are more likely to miss life-saving tests like colonoscopies and are diagnosed with late-stage cancer more often.

And, when they come to the hospital, they tend to be sicker than higher-income patients.

An untreated bladder infection, for example, which might have been cured with three days of antibiotics turns into a kidney infection which may change into a blood-borne infection that results in a 10-day hospital stay at a cost of \$120,000.

That's where the insured come in.

Private insurance helps cover the cost of the uninsured, says the Health Service Agency's Khalsa. That raises costs which either causes employers to drop their insurance — the number of businesses offering health care coverage in California slid from 59 percent to 54 percent last year — or they pass on costs to their workers who face higher deductibles or more expensive premiums.

Or, high costs put insurance out of reach for those who pay for their own policies.

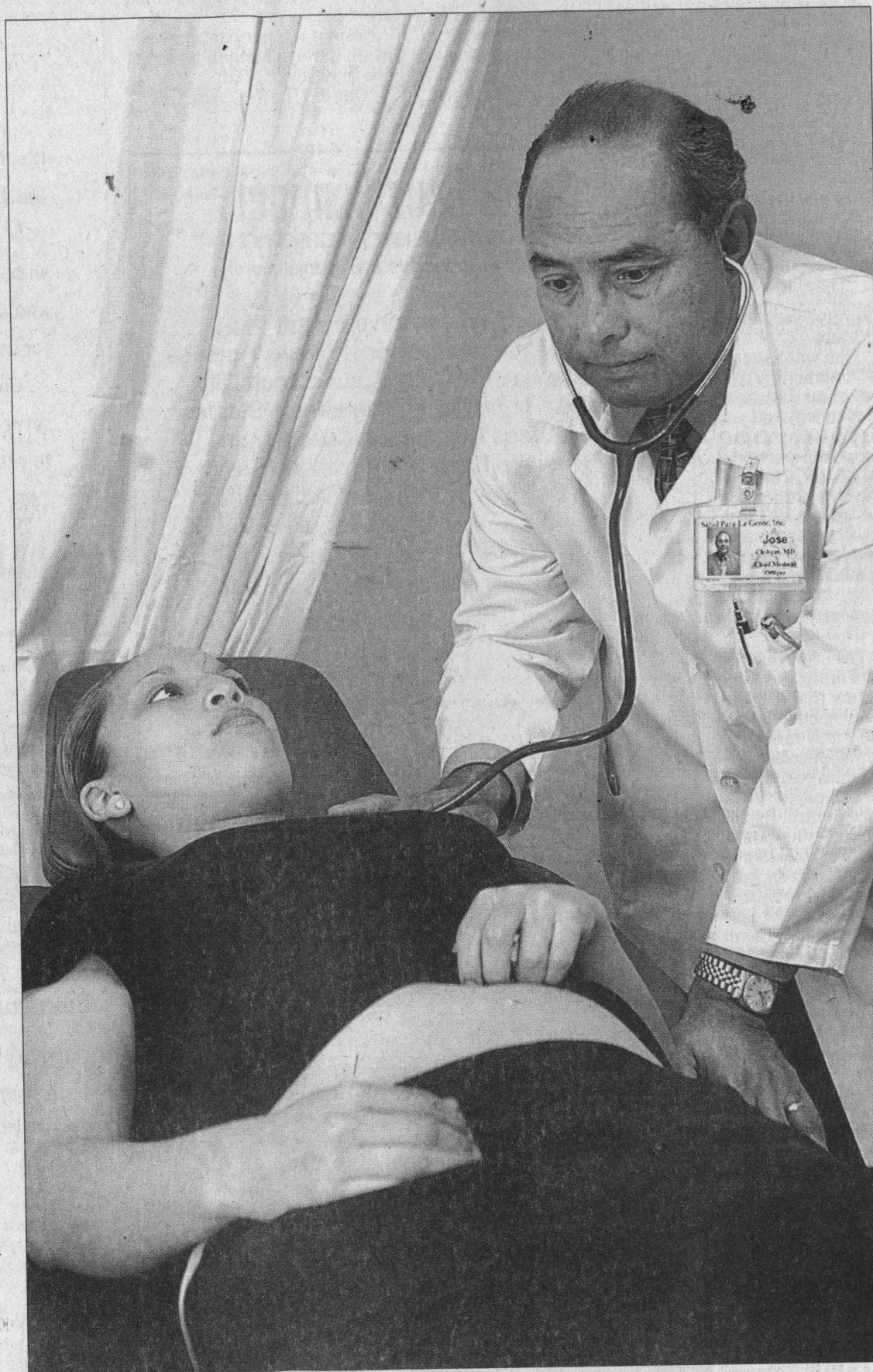
"More people," says Idelson of the Nurses' Association, "are being priced out of access to care."

Add more uninsured to Santa Cruz County's equation of a high cost of living, lower Medicare payments, difficulty recruiting doctors and a troubled hospital, and the cracks in health care may spread north to Santa Cruz, experts say.

"The public," says the county's Khalsa, "is not aware of how fragile health care is in this county and how it could change."

Contact Peggy Townsend at [ptownsend@santacruzsentinel.com](mailto:ptownsend@santacruzsentinel.com).

may one day hit the northern half of the county as well.



Dr. Jose Chibras examines a patient at Salud Para La Gente, a safety-net clinic in Watsonville.