

Hospitals - Watsonville Hospitals Management shake-up at Watsonville hospital

By KAREN CLARK
Sentinel staff writer

WATSONVILLE — The for-profit chain that recently bought Watsonville Community Hospital is promoting longtime CEO John Friel and replacing him with a member of its corporate team.

The hospital's new chief executive officer, Barry Schneider, will take over Feb. 1.

Friel, who has run the Watsonville hospital since 1991, will become Community Health Systems' new executive director of California operations.

John Martinelli, president of the hospital's board of directors, said Schneider's background in hospital operations will be an asset to Watsonville.

"I wouldn't want anybody to view him or anyone else that's coming as 'corporate folks,'" Martinelli said. "These are not Tennessee-based CHS clones that they're just sending out."

Schneider, 52, has been the company's liaison at the Watsonville hospital since joining CHS in July. He helped smooth the staff's transition from a not-for-profit operation to being part of the CHS corporation.

Before joining CHS last summer, Schneider was president and CEO of an Olympia Fields, Ill., hospital

operated by Columbia Healthcare Corp. He also was a vice president of operations and regional hospital director for Summit Hospital Management, based in Atlanta, Ga.

He earned a degree in business administration from Indiana University in 1968 and a master's in strategic management from DePaul University in 1997.

"Barry is strong on the operating side," Martinelli said. "John is a real people person. One of the benefits we enjoyed with him during our not-for-profit era was his ability to get people to work together."

In his new role, Friel will provide administrative support for the corporation's four California hospitals

— including Watsonville, where he will maintain an office. Friel also will help Tennessee-based CHS acquire more California hospitals for its nationwide chain, which now totals 44.

Friel helped take Watsonville Community Hospital from an earthquake-damaged building to a state-of-the-art \$70 million facility.

As he looks back on his tenure in Watsonville, Friel said he is proudest of his success in helping secure federal disaster-recovery money to build a new hospital.

"When I came here, a lot of people were saying, 'Watsonville is not

even a blip on the radar screen, you'll never get the money to rebuild,'" Friel said. "Well, it's here."

Martinelli said the board is sensitive to the community's concern that Watsonville hospital not become a corporation that doesn't care about local residents.

Some three dozen staff members, including a handful of nurses, also were laid off at the end of the year to cut costs in the face of a dwindling patient count in the 100-bed hospital.

Martinelli said he believes the corporation's financial resources will make Watsonville a better hospital, one that eventually will draw

patients from around the Monterey Bay area.

Schneider said he wants the Watsonville hospital to have a recognized "product line" that can be promoted to Monterey Bay area residents.

This specialized market niche, which will be developed in the coming year, could include the hospital's emergency-room service, occupational medical service, diabetic care program and women's health care, especially the maternity program.

The goal, of course, is to get more patients to use the hospital, which generates more money.

But Martinelli pointed out that the contract community hospital signed with its new corporate owner last year makes it clear that residents will continue to receive a set level of service. This includes the mandate that care to indigent people be maintained, and that the emergency room remain open.

"A for-profit company that's successful has to put quality and patient satisfaction ... as their No. 1 goal," Martinelli said. "We really need to develop the business."

That includes pumping more money into equipment, as well as enticing more doctors to set up practice in the area.