

# Sutter Health Readies to Open New Hospital

*Hospital - Sutter Hospital*  
 Santa Cruz has often been noted for bucking trends, and the county's newest hospital is no exception.

Sutter Health officials are putting the finishing touches on their new hospital located in Mid-County, a \$25 million 30-room acute care hospital to be called the Sutter Maternity and Surgery Center. The facility has been referred to as a mini-hospital because, by design, the services available at the center are limited to less-acute types of procedures. The hospital will open without an emergency room or intensive care unit.

What the hospital will offer is larger patient rooms, many with private balconies.

Sutter also owns the county's largest multi-specialty physician group, The Santa Cruz Medical Clinic, and the area's biggest home health agency, Mid-Coast VNA.

Concerns about the cost of competition in the past caused the county's Health Services Agency to sponsor a study to assess the impacts of a new hospital in North County. The study's author said that unless the facility was to add new services not currently available in the county, then the costs of care would increase for all county residents. However, others have challenged that consumers should have more than one hospital to choose from in a region.

## Other Counties Cutting Back

The closure of hospitals throughout the state and the decline in demand for hospital inpatient services has caused hospital officials in other counties to close facilities and merge organizations.

Sutter Health recently announced the completion of its

merger with California Health Systems, making Sutter/CHS the second largest health system in Northern California with about \$2.1 billion in assets. Catholic Healthcare West (CHW) is the second largest in the state with more than \$3 billion in assets. CHW is sponsor Dominican Santa Cruz Hospital.

"By making the system stronger, it enhances the potential for the larger organization to be strong over the longer term," Sutter spokesperson Bill Gleeson said. Although Gleeson acknowledged that the next few years will continue to be chaotic for health care providers, including Sutter which is set to close one of its flagship hospitals in Sacramento as part of cost cutting measures statewide.

"The 90s will continue to be very challenging," Gleeson said.

Gleeson reported that Sutter/CHS had been one of the health systems asked by Kaiser Permanente to bid on services to Kaiser, should Kaiser officials move ahead with plans to close Kaiser hospitals and buy inpatient services from other acute care centers in selected communities throughout Northern California. Gleeson believes that the new size of a combined Sutter/CHS may mean the system will be successful in gaining a Kaiser contract.

However, some health executives are thinking smaller instead of bigger.

Columbia/HCA, the nation's largest for-profit hospital chain announced it had successfully acquired all the assets of San Jose's Good Samaritan system, and that in order to help stem current losses of about \$4 million a month, 350 workers were laid off. Columbia/HCA officials are also said to be considering closing one of Good Sam's four hospitals, but no decisions have yet been made.

"They have not fine tuned everything yet. The process is still ongoing," said Frankie Valant of Good Samaritan.

Valant also confirmed that Columbia officials had decided to suspend all current contracts, including labor contracts. This was a move that infuriated union leaders, including representatives from the state's largest nursing union, California Nurses Association.

Columbia also refused to continue withholding member dues.

"At this time they are reevaluating all the contracts," said Valant.

Talks with union representative are scheduled to begin January 25. □

## Nurses Union Prevails In Lawsuit

"Part of this came down to a deal is a deal when you have a contract," said Beth Shafran of the California Nurses Association (CNA).

Shafran reported that the Northern District U. S. District Court had upheld the decision of an arbitrator to bind Dominican Santa Cruz Hospital officials to past practices with regard to vacation time, despite the hospital's appeal.

Dominican vice president Roger Hite said hospital administrators were seeking to change the way nurses accrued paid time off. Under the current contract, the hospital pays nurses PTO based on the schedule set at their time of employment, rather than on the actual hours worked. Hite said that under this arrangement some nurses gain more PTO for working fewer hours, while others lose PTO.

"Our whole issue was we wanted to be sure people accrued PTO for the hours that they worked," said Hite. "We said let's balance that out. ... The court disagreed. So, we lost."

Shafran said that she was especially concerned that the hospital would not accept the decision of the arbitrator in this case.

"It was all the more disturbing when even after we had the arbitrator's decision, the hospital would not abide by it," Shafran said.

However, despite the fact that CNA attorneys argued to be awarded fees by the court, calling the hospital's appeal of the decision irresponsible, the court did not award fees to CNA. Rather, the court ruled that Dominican made a justified request for a decision from the court. □

## Sutter Names New Executive Director to Head Santa Cruz County VNA

Isabella (Bella) Hughes was named as the new executive director of Mid-Coast Visiting Nurses Association (VNA), the county's largest home health agency.

Hughes took the reins of the 250-employee non-profit agency affiliated with Sutter Health of Sacramento on January 8, replacing interim president Joan Grewohl. Grewohl replaced former VNA pres-

ident Delorme McKee-Stovall.

VNA survived many changes last year, including a successful reorganization of operations during the summer to stem losses in order to repay a debt to Medicare of nearly \$600,000.

Hughes most recently worked as general manager of Home Health Plus in Santa Clara, and is a resident of Aptos. □