

Supervisors discuss Sutter hospital plan

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SANTA CRUZ — Supervisors spent Tuesday afternoon listening to the pros and cons of a proposed mini-hospital but postponed any agreement until they get more information.

Under discussion is a 30-bed maternity and surgical hospital proposed near Dominican Hospital by Sutter Health, which operates hospitals throughout Northern California. The non-profit project would be designed for short stays, and would not have an emergency room or an intensive-care unit. The hospital would be governed by an 11-member board of directors which would include nine local community members.

Proponents argue that the hospital will provide residents with a choice of health care, while opponents say it will skim off the profitable cases and dump the charity cases on the county's two existing hospitals.

"I think there will be some benefits by having a choice," said Elinor Hall, head of the county's Health Services Agency. "And I think there will be some costs to the county in having a choice."

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project, except for land-use issues that will be considered separately. In 1991, the board approved a resolution saying that health services should compete fairly by taking their "fair share" of low-income and indigent patients.

Local members of the medical community argued that an agreement drawn up by Sutter Hill would not do so, and would destroy the "fragile balance" of the county's current health system.

Proponents of the hospital say they're willing to work with the county. They charged Dominican Hospital with trying to stall the project to maintain its monopoly over hospital care in the north county.

After much discussion, the board asked county staff to prepare answers to a long list of questions on the

effect of the proposed agreement. The board said it would return to the matter April 27.

Much of the discussion centered on treatment for people on Medi-Cal, Medicaid or those without insurance. Hospitals subsidize their care by charging higher rates to those with insurance.

Sutter Health representatives agreed to spend 5 percent of the hospital's net revenue on so-called charity cases and bad debts. The company is estimating first-year net revenues of \$8 million at the proposed hospital.

Representatives from Dominican Hospital, however, argued that some 9 percent of the hospital's \$95 million yearly net revenue goes to charity cases. Further, they argued that without an emergency room, charity

cases would have no way of getting into the Sutter Health hospital.

Sutter Health responded that it would accept patients referred by other doctors.

Several doctors conceded that Sutter Health has an excellent record in providing quality health care and in listening to the community.

They warned they would be hesitant to send sick patients to a hospital with no emergency room and no intensive care unit.

One doctor questioned the link between the proposed hospital and the Santa Cruz Medical Clinic. The proposed clinic location is across the street from a 12,000-square-foot office building now being built by Santa Cruz Medical Clinic.

Wayne Boss, head of the Santa Cruz Medical Clinic, said there is no connection between that clinic and Sutter Health. However, Boss said that Sutter Health does own one-third interest in a separate corporation that owns the medical clinic's facilities.

He compared the relationship to that of many of the doctors who spoke to the board. Those doctors, he said, have no formal relationship with Dominican Hospital, but Dominican owns the large medical office building where the doctors lease space.