

Surgery center bad for hospital

Published: Wednesday, Nov 14, 2007

by **JOSEPHINE THORNTON**

With regard to your recent articles on the proposed ambulatory surgery center by a for-profit Texas venture (Cir-rus Health), I am mystified that both Dr. Ostroff and your editorial staff have been led astray by what appears to be a clever public relations strategy.

The reality is that there is no way that a community hospital could ever have pricing that would be competitive with a for-profit ambulatory surgery center. Let's face it, that's what makes this type of operation attractive to their outside investors: they are able to take the "cream off the top" of the local health care market with minimal overhead.

These operations strive to skim off patients with good private insurances, leaving the community hospitals with a lower revenue base to support services that are unprofitable (such as OB), to struggle with the indigent and uninsured and with the legal necessity for higher overhead.

Your reasoning, therefore, that somehow this outside for-profit venture will offer benefit to the community by forcing the hospital to lower its prices is iffy at best, and frankly misses the major point altogether. To lose a major revenue stream to an outside for-profit venture would cause significant harm to the long term sustainability of our community hospital, and could very well have the ultimate effect of costing us all more money, rather than less. To argue, as the Cirrus people do, that their evidence shows that our hospital will not be affected by their ambulatory surgery center, simply defies common sense.

Our community has thus far avoided the fate of other struggling district hospitals (all of which, may I remind you, rely heavily for their survival on local taxation) by leasing operations to St. Joseph. Our hospital is owned by our community, however, and we all have a major interest in its long term survival. We have to face the reality that our hospital operations are marginally profitable at best, and could not right now afford to pay for capital investment.

Now, are there some issues with St. Joseph's pricing in relation to certain types of insurances, and should these be remedied? In my opinion, yes, and I believe St. Joseph should take appropriate action. Does the Cirrus ambulatory surgery center somehow have a role in making this happen? Not one that makes any real sense to me.

Petaluma is a community that thrives on collaboration, not confrontation. Many weeks ago the Petaluma Health Care District initiated community-based provider group meetings that bring together representatives of all parties, including St. Joseph and physicians, to strive for answers to critical local issues. This should be a vehicle that everyone should be willing to support and in which everyone should be willing to participate actively.

Do we need competition for health care in Petaluma? Absolutely. For one thing, I would like to see our physicians put major support behind making lower cost insurances available to the people of this community, so that more people could afford to go to a local physician and afford to be hospitalized here, close to home. If you really want to support competition in our local market, I'd like to suggest that you get behind that issue.

(Josephine Thornton is a member of the Petaluma Health Care District Board and Petaluma Valley Hospital Board)

Copyright © 2007 Petaluma Argus-Courier
[Privacy Policy](#) | [User Agreement](#)
1304 Southpoint Blvd., P.O. Box 1091, Petaluma, CA 94953
707-762-4541