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Sutter's turnabout could hurt PVH

Due to decision, local hospital won't add some physicians and patients

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The decision announced Tuesday by Sutter Medical Center of Santa Rosa to remain open could adversely affect Petaluma Valley Hospital and other community hospitals, said Daymon Doss, CEO of the Petaluma Health Care District.

"I thought that the closure of Sutter might have had a positive effect on Petaluma Valley Hospital," Doss said. "Some physicians in the Rohnert Park area who are aligned with Sutter might have felt that it would be useful to align themselves with PVH."

If Sutter had closed, most of its services were to be transferred to Santa Rosa Memorial Hospital, but community hospitals such as PVH also could have picked up more business, according to Doss.

"Even if PVH adds just three or more patients per day, this could change its whole economic picture," Doss said.

In 1996, Sutter administrators signed a 20-year lease to operate the Chanate Road facility, and to provide services for the medically indigent. When Sutter announced in January 2007 that it would be closing the facility in 2008, many leaders of the health care community complained that they were not consulted about the decision and expressed concern that other facilities weren't prepared to step in and treat many Sutter patients.

Particular concern was expressed about caring for the many low-income, uninsured and underinsured people that Sutter currently treats.

Considerable pressure was put on Sutter and SRMH to assure that a smooth and sufficient transition could be made. The Sonoma County Department of Health Services hired consultants to provide a detailed report on the likely impact of the

transaction. The report identified several areas of concern, and stated, "Memorial needs a total of 59 additional beds allocated among perinatal, adult intensive care and neonatal intensive care to accommodate current use at Sutter."

The report went on to say, "The soonest these beds could be in service, under optimistic assumptions, appears to be fall 2009."

On April 17, the county's Board of Supervisors voted 5-0 to instruct legal administrative staff members to explore options for a court battle over Sutter's plans to close the Chanate Road facility, contending that Sutter is contractually obligated under the Health Care Access Agreement to assure that services that it provides would be offered by other health-care facilities.

"These developments clearly caused everyone involved in the transaction to re-think their original position," Doss said. "If this hadn't happened, the process would have moved forward."

On Tuesday, Sutter CEO Mike Cohill sent a memo to doctors and employees that stated, "SMCSR will remain open and will continue to fulfill its commitments under the Health Care Access Agreement."

Ever since the announcement of the planned closure of Sutter, Doss has emphasized that it wasn't a done deal, and he wasn't particularly surprised by the news on Tuesday.

"As time has gone on, there has been less and less talk about the transaction, so it seemed that things weren't moving forward," he said.

And now, in many respects, PVH is back to where it was before the announcement about Sutter's closure.

"For now, the hospital will need to continue to work with the volume totals that it has," he said.

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