

Consultant to review hospital operations

District agrees to doctors' request to pay for independent analysis

Published: Wednesday, Jan 23, 2008

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In response to claims by the president of the South Sonoma County Medical Group that St. Joseph Health System of Sonoma County is "plundering" Petaluma Valley Hospital of money and patients, the Petaluma Health Care District is planning to hire a consultant to do an independent review and analysis of several aspects of the hospital's operational data, including operating room utilization, financial reporting and cash flow.

The board unanimously voted to endorse the funding at its Jan. 10 meeting after Dr. Bob Ostroff, president of the South Sonoma County Medical Group, requested it.

"Doctors feel that Petaluma is being plundered of money and patients, and that St. Joseph Health System is operating PVH for its own best interests," Ostroff, the retired former chief of PVH's Emergency Department, said to the board. "We hope that you will look at your fiduciary responsibility to the people of the health care district, and decide to pay for an analysis of our claims."

Ostroff requested a consultant to "review the financials, evaluate the market share data and look at the competing claims about the surgery center, and in the end give accurate data which would help all of us to get back on track together in supporting health care in Petaluma."

Ostroff and some other doctors in Petaluma and nearby areas plan to open a surgery center in Petaluma. Ostroff claims that this center would boost recruitment and retention of physicians and benefit PVH in the long run, while Daymon Doss, CEO of the health care district, and Jim Suver, vice president of operations and chief administrator at PVH, feel that it would financially endanger the hospital by competing with it.

Doss said he is well aware of Ostroff's concerns regarding PVH's operational data.

“Dr. Ostroff has expressed for several years that the physician community has strong concerns if the operational losses and other data provided by St. Joseph is an accurate reflection of what is happening,” Doss said. “Part of this involves a difference of opinion about cash flow between St. Joseph and physicians.”

A consultant could be hired within the next several days, and might have a report ready by April, Doss said.

“We might hire one consultant to focus on financial reporting data, and another to look at operational issues,” he said.

Physicians will be given “complete access” to a consultant, Doss said.

“We look forward to working with SSCMG in this process and we are committed that you and your representatives will have ample opportunity to meet with the review consultant,” he wrote in a letter to the SSCMG executive committee.

“The SSCMG board and members will put together a clear and comprehensive list of questions for the consultant, and we’ll accept the findings,” Ostroff said.

Suver refutes Ostroff’s claims, and feels that many aspects of the upcoming consultant review were covered during the recent due diligence process regarding the health care district’s lease of PVH to St. Joseph.

“Certainly, we are a transparent organization and are proud of the services we are providing, and have no issues with the health care district hiring of a consultant,” he said. “We have been very forthcoming in providing market data and other information.

“We will cooperate with whatever consultant the health-care district chooses, but we obviously are concerned from a business standpoint that this will distract us from our mission and business at hand, which is to address the health-care needs of the Petaluma community.”

Suver said that he doesn’t feel that the consultant’s review will serve any worthwhile purpose.

Ostroff didn’t expect the board to so quickly agree to hire a consultant.

“I was pleasantly surprised and glad, but it should have been done a long time ago,” he said.

Ostroff feels that if the consultant confirms the concerns of some doctors, this would be only a first step.

“The next step would be to do something about the problems,” he said.

Doss feels that the findings could help Petaluma’s health-care community as it proceeds with its strategic planning process, which will involve representatives from the Petaluma Health Care District, St. Joseph, South Sonoma County Medical Group and Petaluma Health Center. The first of a series of meetings is scheduled for Feb. 9.

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“This process will give us a chance to look at market dynamics and develop strategies,” he said.

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