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Early interest in Petaluma hospital contract

Three companies tour Petaluma Valley Hospital; Bids due Jan. 31, decision expected in March

By MATT BROWN

Three hospital operators have toured Petaluma Valley Hospital in the past two months as a deadline looms for interested companies to submit bids to take over the facility.

Among the companies making site visits are Pipeline Health, a Los Angeles-based management company that owns and operates hospitals and healthcare organizations including four in Southern California and Howard University College of Medicine in Washington, D.C. The company in July signed a deal to manage the struggling Sonoma West Medical Center in Sebastopol.

The other two companies to visit Petaluma's hospital are El Segundo-based Paladin Healthcare and The KPC Group. Based in Riverside, The KPC Group is part of Strategic Global Management, one of four firms that submitted bids to operate the Petaluma hospital last year.

Interested companies have until Jan. 31 to submit bids to take over operations at the publicly- owned hospital. So far, no one has submitted a formal bid, said Ramona Faith, CEO of the Petaluma Health Care District, which owns the hospital.

"They have been kicking the tires and looking at data," she said. "I think we are going to have some good options. We see a great opportunity here."

St. Joseph Health currently operates the hospital on a 20 year lease that was set to expire this month. The health care district last year held extensive talks with St. Joseph about continuing to operate the hospital after a process that yielded four interested bidders.

Negotiations abruptly ended with St. Joseph last fall after the two parties could not reach an agreement on financial terms and preserving women's reproductive health services. St. Joseph agreed to stay on through September or until a new operator could be identified.

Faith said that the health care district board would review the bids at its Feb. 9 meeting. They will have about a month to select a top choice and submit language for a measure on the June 6 ballot. District voters must ultimately ratify the choice for a new hospital operator.

"It will be a tight turnaround," Faith said.

Employees at the hospital have recently expressed concern at the lack of public input in the operator selection process. Representatives from the California Nurses Association, the union for Petaluma nurses, and the National Union of Healthcare Workers, which represents other employees at the hospital, raised transparency concerns at a recent health care district board meeting.

The local NUHW has circulated a petition calling on the district to select an operator that maintains adequate staffing levels, keeps existing services, invests in improving care, preserves jobs and respects existing labor agreements, and is transparent with the community.

Faith said that the district has held six employee forums to address concerns. She said that the district would try to get the best possible deal for employees.

“We’re going to advocate for what they asked for, it’s all very reasonable,” she said. “I understand how people are anxious. We want to work to ensure a smooth transition.”

Elece Hempel, president of the health care district board, said she is expecting varied bids to come in, and the district will have to weigh the pros and cons. Some may bid to lease the hospital, while others may propose to buy the facility.

“My hope is that every bid is able to provide what we want,” she said. “But realistically, there is going to be a gap in what is proposed. There will be differences in bids. My preference will reflect what the community told us they want in a quality hospital.”