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Petaluma hospital transfer further delayed

Complications over electronic medical record keeping systems have significantly delayed the transition to a new operator at Petaluma Valley Hospital as local healthcare officials have acknowledged that it could be a year or longer before a replacement for St. Joseph Health is in place. The Petaluma Health Care District, which owns the city's only hospital, continues to work with St. Joseph, the current operator, and Paladin Healthcare Management, the district's choice of successor, on a transition plan made more complex by the lack of a standalone record keeping system.

St. Joseph, which has operated the hospital on a 20-year lease, has a computer system that is linked to other facilities in its network and is not suitable for a standalone hospital. Information technology specialists say an entirely new electronic record keeping system must be built before Paladin can take over the hospital, a process that could take up to a year and cost \$6 million.

"IT has been a major piece of the process. It's very complex," said Ramona Faith, CEO of the health care district. "It's a big hurdle that we've had to work through. We've made some really good progress on that aspect."

The lack of computer system has added to the delay, forcing the district to miss another key deadline, Faith said. District voters must ratify a new operating agreement, which officials hoped would happen in November, but the complications have forced the district to miss last week's deadline to place a measure on this fall's ballot.

Faith said the district will continue to negotiate an operating agreement with Paladin and a transfer agreement with St. Joseph. Once those deals are in place, the electronic medical records system can be built. Toward the end of that process, estimated at eight months to a year, then voters will be asked to ratify the deal, Faith said.

"The new operator can't start until the new IT system is up and running," she said. "Everyone is working on a smooth transition."

Todd Salnas, Sonoma County president of St. Joseph, which built the current IT system, said that it could not be decoupled from the rest of the company's network. He said St. Joseph has offered \$2 million to help the hospital build a new records system.

"While we are disappointed the transfer process is not complete, we remain committed to working in good faith with the district," he said in a statement. "From the outset, our goal has been to keep the best interest of the hospital, caregivers and the Petaluma community at the center of any decision. That remains true today."

The district considered St. Joseph the frontrunner to continue operating the hospital, but talks broke down with the Catholic healthcare provider in October over financial terms and women's reproductive

health services. The district launched a new search for an operator, settling on southern California-based Paladin in March. A spokesman for Paladin did not return a call seeking comment.

St. Joseph has agreed to continue operating the hospital during the transition, but Faith said they have indicated a desire to set a finite date to leave the hospital.

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