

# Firm digging in on PVH review

## Consultants focusing on five operational and financial issues

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A consulting firm that is reviewing financial and operational aspects of Petaluma Valley Hospital is focusing on five main areas, and is scheduled to present its findings at the Petaluma Health Care District's board meeting next month.

HFS Consultants of Oakland is studying if some surgery services that formerly were done at PVH now are being performed at Santa Rosa Memorial Hospital instead, and if the corporate charges that PVH pays to St. Joseph Health System, which operates the hospital, for services such as payroll, health insurance and administrative oversight are reasonable.

The firm also is examining if revenue deductions, contractual allowances and bad debt are understated in cost reports; if the costs of health insurance programs for staff are comparable with those on the open market; and if the prices for medical procedures are comparable with those of other hospitals.

These areas of focus were determined by HFS Consultants personnel after meeting with the PHCD's provider relations committee, top PVH administrators and the South Sonoma County Medical Group's executive committee.

"The three entities agreed on this group of key questions, and St. Joseph already has provided the consultants with a good deal of financial information," said Daymon Doss, CEO of the health care district. "The review is going very well, and I expect that the results will be presented at our meeting in May (the date has not been finalized)."

"As we have stated before, we want to fully cooperate with consultants during this process," said Jim Suver, PVH's vice president of operations and chief administrator. "The results of the consultants' analysis will be a valuable educational vehicle as we move forward into the future."

The PHCD board decided to fund the review after Dr. Bob Ostroff — the president of the South Sonoma County Medical Group, as well as the retired chief of PVH's emergency room — requested it at its meeting on Jan. 10. Ostroff

charged that St. Joseph Health System is “plundering” PVH by operating it for its own interests.

He was pleased with the two meetings between consultants and the medical group’s executive committee.

“The doctors were very impressed with the consultants. I feel that they understood our concerns, and that we will get the answers we need,” Ostroff said.

He feels that if the plundering charges are substantiated by the consultants’ findings, then changes need to be made “to protect the hospital and the community’s access to local health care.” If the charges prove unfounded, he says that doctors need to work with St. Joseph “to help strengthen PVH and the health-care system in Petaluma.”

Doss expects that meetings between members of the medical group’s executive committee, PHCD board members and St. Joseph administrators will take place after the consultants present their findings.

“I look forward to addressing any issues that come up. We will need to rebuild relationships, and will need a collaborative effort between the entities,” he said.

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