

Press Democrat - County: Sutter bound by contract

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COUNTY: SUTTER BOUND BY CONTRACT

SUPERVISORS REVIEW OPTIONS TO PREVENT HOSPITAL CLOSURE

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Sonoma County supervisors decided Tuesday to review legal means of preventing Sutter Health from closing its Santa Rosa hospital, citing growing impatience with the Sacramento health corporation.

The Board of Supervisors capped two hours of public testimony with a 5-0 vote directing county legal and administrative staff to come up with options that could lead to a court battle if negotiations and arbitration fail.

In January, Sutter announced its plans to close the hospital and transfer publicly guaranteed health programs to Santa Rosa Memorial Hospital.

Since then, county officials have grown increasingly frustrated about a lack of details of an arrangement that would alter the terms of their contract with Sutter.

"Responses have been slow, incomplete and at the very least horribly insufficient," Supervisor Tim Smith said. "The Health Care Access Agreement is binding and we have the force of law behind it."

Sutter chief executive Mike Cohill declined comment on the board's action.

Before the vote, Cohill had told supervisors that "Sutter will meet the obligation to the Health Care Access Agreement."

Under the 20-year contract, signed in 1996, the county turned over the former Community Hospital to Sutter in exchange for commitments to operate programs such as indigent care, women's reproductive services and physician training.

Sutter wants to close the hospital next year, but Cohill said the county government's process of public hearings and meetings with health care providers "has gotten a little ahead of the Sutter and Memorial" negotiations over the public health programs.

While Cohill and Memorial chief executive George Perez spoke about their hospitals' plans, neither offered a date when supervisors would see an agreement between two of the county's three major hospitals.

However, Perez said Memorial was committed to see the transfers of county programs "completed as close to early 2008 as possible."

Supervisor Mike Reilly said the timetable is "totally unrealistic and it is just serving to scare people."

Many in the audience of about 200 applauded the decision by supervisors that could send the county to court in a bid to force Sutter to abide by its contract.

Molin Malacay, chief executive of the Indian Health Center, said many patients at his clinic would be left without hospital services if the Chanate Road hospital closed.

"They said they would come with answers, but they have come with generalities," Malacay said. "We are appreciative that you are slowing this thing down."

The contract between Sutter and the county calls for negotiations, followed by arbitration to handle any disputes, said Linda Schiltgen, an attorney in the county counsel's office.

After that, she said, the county could seek a court injunction aimed at forcing Sutter to abide by the contract.

John Siamus, a San Francisco attorney hired by the county to provide a legal opinion on the Sutter contract, said Sutter was obligated to build a new hospital as a result of the county's 2004 approval of its business plan for developing property at Mark West Springs Road.

A Sutter transfer agreement with Memorial "is an effort on Sutter's part to discontinue this agreement, not to assign services," Siamus said, adding that it would provide further grounds for litigation.

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