District Director Reports: September 2010

The district director reports that appear below contain personal views expressed by each director, rather than statements made by or on behalf of the CSA.

Stanley D. Brauer, M.D.—
District 2
(Mono, Inyo, Riverside & San Bernardino Counties)

The economic environment continues to be challenging in our district as in much of California. The “Inland Empire” has greater than 15 percent unemployment, and the most recent figures show 28 percent of the population is uninsured.

Prime Healthcare, owned by cardiologist Prem Reddy, has been rebuffed on several fronts. His legal challenges have failed to prevent a rival group from purchasing Hemet & Menifee health care facilities. His attempts to foreclose on a debt obligation from Parkview Hospital in Riverside have been unsuccessful to date.

The front page of the July 25, 2010, Chico Enterprise Record newspaper brought very favorable publicity to our profession. The article details how Dr. Ray Yip, an anesthesiologist, saved the life of an 18-year-patient who developed malignant hyperthermia intra-operatively. Dr. Yip did his residency at Loma Linda University. I cannot help but think most readers would be glad to have a well-trained physician providing their anesthesia and dealing with difficult medical issues.

Hospital construction continues with the replacement and expansion of the Kaiser Fontana facility. A new hospital in Menifee will open shortly, and two different Temecula hospitals are on the drawing board.

Wayne Kaufman, M.D.—
District 3
(Northeast Los Angeles County)

This last quarter, District 3 representatives were busy meeting with our political leaders to advocate for anesthesiologists throughout the state. In Washington, D.C., in June, I met with Congressman Adam Schiff to discuss health care reform and its impact on our
members. He represents the physicians who live—and hospitals located—in the Glendale, Pasadena and Altadena areas of District 3. While Dr. Earl Strum (secretary of the CSA) and I had met with Congressman Schiff several times before the health care reform bill was passed, this was my first opportunity to meet with him after the bill had been signed. We discussed our concerns about the bill as well as the impending standard growth rate (SGR) cut. With respect to the health care bill, for which he voted, he explained that he felt that something had to be done, and that the bill, while not perfect, was better than the status quo. As far as the SGR cut went, he was supportive of a permanent fix, but expressed his doubts that any of his colleagues on either side of the aisle would be willing to set aside the necessary funds to deal with the problem, given the economic issues currently facing our country.

In July, members of our district went to a fundraiser sponsored by Congressman Xavier Becerra. His district, covering downtown Los Angeles through Eagle Rock, includes hospitals in both Districts 3 and 10. Congressman Becerra was very supportive in passing the resident addendum for academic programs. While he did vote for health care reform, he is sympathetic to our concerns about the SGR.

Finally, in October I spent a day at Los Angeles City College meeting with the Medicare Task Force to prevent health care fraud. The government wanted us to understand that they were targeting health care fraud specifically in the Los Angeles area. At the meeting, Eric Holder, U.S. attorney general, Kathleen Sebelius, secretary of Health and Human Services, and a host of local officials from the FBI and the Department of Justice explained their goals for the coming years, as well as their ongoing use of billing data to attempt to ferret out those who would steal from the government. Speaking for physicians from throughout the state were representatives from the CMA and various surgical and medical societies. They made a point of raising physicians’ concerns that the federal government, in aggressively using data (billing) mining to find fraud, would target innocent physicians. The government officials acknowledge that this could be a problem but declared that they would try their best to avoid accidentally targeting innocent physicians. In my small group discussion with a member of the Department of Justice, the government official admitted that this is a real problem, but that it does not outweigh the government’s interest in targeting fraud.

On the local front, the City of Hope legal battle between the hospital, the physicians’ group and the anesthesiology/surgery department continues. It is slowly moving through the courts, and the ultimate resolution is unclear at this time. I should be able to disclose more once the parties settle/resolve their
disagreements. It is tragic that an organization that has seemingly worked so well and done so much good for so many patients is unable to resolve its issues without using our court system. Both the CSA and CMA are monitoring the ongoing situation. I hope that this is not a sign of things to come as health care reform becomes a reality and organizations are forced to reorganize to compete/survive.

John G. Brock-Utne, M.D., Ph.D.—

District 4
(Southern San Mateo, Santa Clara, Santa Cruz, San Benito & Monterey Counties)

It is a great pleasure for me to be your District 4 director, but my successful tenure as your representative will depend largely on you. I need your input, suggestions and advice so that I can serve you better. The outgoing Director, Dr. William W. Feaster, has been invaluable with his advice and guidance. I am very lucky to have him as a colleague in the same hospital.

A large majority of District 4’s members would like to have CME credits for attending district/educational dinner meetings. I am grateful to Dr. Mark Singleton for looking into this and coming up with guidelines that can make it happen. In November 2009 we had a very well attended dinner meeting at the Chantilly Restaurant in Redwood City. Baxter supported this event. Our speaker, Dr. Ted Eger, gave an excellent talk on “Inhalational Anesthesia.” After Dr. Eger’s talk, Dr. Bill Feaster, CSA Assistant Treasurer, gave us an overview of the current state of the CSA, “the opt-out” by the state, and other matters. In May 2010, we had another meeting, equally well attended and again supported by Baxter, at John Bentley’s in Redwood City. Dr. Paul White spoke on “Anesthetic Considerations in the Overweight and Elderly Patient.” It was another excellent program, and Dr. Feaster gave us another overview.

Clifton O. Van Putten, M.D.—

District 5
(Kern, Tulare, Kings, Fresno, Madera, Merced, Mariposa, Stanislaus & Tuolumne Counties)

Working our way up the Valley from to South to North:

A request for proposal was issued by Kern Medical Center, the county hospital in Bakersfield, for provision of anesthesia services. The holder of the contract at that time was Somnia, Inc., an anesthesia management firm based in New Rochelle, N.Y. The contract was again awarded to Somnia, effective June 2010, for the next three years. Kern Medical Center staffs its operating rooms using
the anesthesia care team model (ACT). In its marketing literature, Somnia advertises ACT as “the most cost-effective” manner for covering the clinical obligations of multi-operating room facilities. Other non-Kaiser hospitals in District 5 using the ACT to staff their operating rooms include the hospitals owned by Adventist Health: San Joaquin Community (Bakersfield), Hanford Community and Selma Community.

In July, Baxter and the CSA co-hosted George Mychaskiw, DO, chair of the anesthesiology department at Drexel University in Philadelphia. This evening dinner presentation, held at Slate's Restaurant in Fresno, touched upon the topic of neuronal apoptosis under general anesthesia in pediatric and geriatric patients.

Other noteworthy items from the Fresno-Madera region include the hiring of new CEOs at both Children’s Hospital of Central California and Saint Agnes Medical Center. James N. Leonard was recruited to Saint Agnes from Sacred Heart Hospital in Spokane, Wash., and Gordon Alexander, Jr., M.D., who was originally trained as an OB/GYN, was brought in from Minneapolis to lead at Children's Hospital. Children's and Saint Agnes are collaborating to expand the high-risk OB and perinatology service line at Saint Agnes. To this end, Children’s has recruited two perinatologists. To accommodate the expected increase in patient volume, the labor and delivery unit and operating rooms will likely be relocated to a larger venue within Saint Agnes Medical Center.

Clovis Community Medical Center has embarked upon an ambitious $285 million hospital expansion that will double its inpatient capacity to 205 single-patient beds. The anticipated completion date is the fall of 2013.

Lee-lynn Chen, M.D.—
District 6
(Northern San Mateo and San Francisco Counties)

This is my first quarterly update since becoming District Director. I am not aware of any pressing issues in my district. It is important to maintain our membership and continue to add anesthesiologists to our membership base. Besides representing your interests in Sacramento, and also on a national level at the ASA, the CSA does provide three large-scale educational conferences. A major area of need identified by many of our members is for more access to local CME activities. At UCSF, the anesthesia department sponsors Saturday Grand Rounds four times a year (free to the public), along with several other CME events (Changing Practice in September, OB Anesthesia in March and Critical Care Medicine in June). For details, please see http://anesthesia.ucsf.edu/extranet/about_us/index.php?page=cme_events.
CSA District 7 consists of Alameda and Contra Costa Counties in the East Bay region of Northern California. This includes the cities of Oakland, Berkeley, Walnut Creek, Castro Valley, San Leandro, Hayward, Fremont, San Ramon, Pleasanton, Dublin and Livermore. As of May of this year our District has 214 active members and 49 retired members.

**Kaiser Permanente** has a major presence in the East Bay. Kaiser opened a new hospital two years ago in Antioch, which serves East Contra Costa County. This was an area in our district hit particularly hard by the subprime mortgage crisis. John Muir Health opened an outpatient facility in East Contra Costa just prior to the current economic downturn.

In July, Kaiser closed its Cardiac Surgery Program in Oakland. It had run the cardiac center out of Alta Bates Summit Medical Center since 2000, but decided not to renew its contract last year. Kaiser will redirect its emergency heart patients to other local hospitals, including Summit. Elective cardiac surgery patients will be transferred to Kaiser facilities in Santa Clara and San Francisco.

**Sutter Health** facilities in our district include Alta Bates Summit Medical Center (Berkeley and Oakland), Eden Medical Center (Castro Valley) and Sutter Delta Medical Center (Antioch). In July, the Oakland City Council voted to approve a development project for the Oakland campus. Warren Kirk, CEO, Alta Bates Medical Center, said Sutter Health is committed to spending $350 million to upgrade the facility and enhance services. Of note, the California Nurses Association filed an appeal in June, stating that the proposed project did not take into consideration traffic and safety concerns. Nonetheless, the City Council denied the nursing union’s appeal by a vote of 7–0. Seismic retrofitting is a key aspect of the project, as well as a new pavilion and an emergency center.

Despite ongoing litigation with the Eden Township Healthcare District, Sutter says it is committed to a $300 million rebuild of Eden Medical Center in Castro Valley. According to supporters of San Leandro Hospital (SLH), which operates under the same license as Eden Medical Center, Sutter planned to cease operating SLH as a full-service hospital and lease it to the county as an acute rehabilitation facility, effectively replacing the seismically deficient Fairmont Hospital. According to Sutter, SLH was losing up to $600,000 a month—largely due to a poor patient demographic. Nonetheless, Sutter and the Eden District have
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reached a ceasefire, as litigation proceeds, and SLH will remain open for the time being.

Sutter Health has come under media scrutiny recently for its practice of “equity transfers”—the pooling of revenues from its better performing facilities. Accordingly, some affiliates like SLH feel that they have not benefitted from Sutter’s accounting philosophy. Recently Sutter Health transferred the control of Marin General Hospital back to its local health district. Sutter allegedly is facing possible litigation over $156 million in equity transfers from Marin General between 2002 and 2009 (according to the North Bay Business Journal).

A noteworthy Bloomberg News article regarding Sutter Health suggests nonprofits such as Sutter are commanding higher reimbursement from insurers via increasing market power and influence. Sutter has acquired more than a third of the market in the San Francisco-to-Sacramento region—including 20 hospital acquisitions—in the past 30 years. While Sutter may have higher unit prices than its competitors, CEO Patrick Fry feels Sutter is not as costly over the long run “because its integration of hospitals and doctor groups allows it to provide more efficient care, cutting down on the number of procedures.” (See the entire article at http://articles.sfgate.com/2010-08-22/business/22230110_1_consumer-prices-market-power-health-care.) Of note, the Federal Trade Commission has ongoing investigations in five states—Connecticut, Massachusetts, Ohio, Pennsylvania and New Hampshire—probing hospital takeovers and contracting practices for antitrust violations. One wonders if nonprofits will also come under increasing scrutiny in the coming years.

Children’s Hospital Oakland (CHO) is in the midst of a major restructuring plan. According to the local media, CHO lost $26 million in 2009 and $80 million over the last four years. Dr. Bertram Lubin became the first physician CEO of the medical center last year. CHO’s financial strains have been caused by a number of factors, including poor reimbursement and the economic downturn. Dr. Lubin said reimbursement ranges from 10 to 30 cents for each dollar spent by the hospital. “The pediatric healthcare system is broken, and rather than being rewarded for our commitment to children, we are being financially penalized.” Medi-Cal reimbursement in California is among the lowest in the nation, ranking 49th out of 50 states.

John Muir Health (JMH) in Contra Costa County is nearing the end of a billion-dollar expansion. A new five-story, 380,000-square-foot tower will open next March at the Walnut Creek Campus. A new cardiac institute, 172,000 square feet, will open at the Concord Campus sometime next year. With regard to surgery, JMH has experienced a 5 to 10 percent decrease in its surgical caseload.
since January. This probably reflects the trend of most non-Kaiser facilities in our demographic.

My thoughts: It seems to me hospital administrators and nursing managers are leaving “no stone unturned” in their efforts to rein in costs and find more efficiency in the workplace. They seem to be in “survival mode” as they await the feared consequences—and further economic squeeze—of government health care reform. I suspect the OR arena is a favorite target of cost cutting measures despite the fact that surgical services often generate a significant portion of hospital profits. Certainly, some patient care continues to shift to off-site centers as some doctors perceive that hospitals are less interested in their concerns.

Jeffrey Uppington, MBBS—
District 8
(Alpine, Calaveras, Amador, Sacramento, San Joaquin, Placer, Yuba, El Dorado, Yolo, Sutter, Nevada, Sierra and East Solano Counties)

Hospital building dominates the health care scene, at least in Sacramento. UC Davis Medical Center is about to open its new Surgery and Emergency Services Pavilion. The pavilion is a 472,000-square-foot building that houses 24 new operating rooms, a new emergency room and several new intensive care units. There is also new radiology and cardiology space. The whole building represents a modest expansion of operating rooms—two—a very large expansion of the emergency room, and a doubling in size of the burn unit. New cardiothoracic and neurosurgical critical care units complete the surgical expansion. Costing about $420 million, the pavilion increases the number of jobs by about 150. In addition, renovations are planned for the old intensive care units and the old operating rooms, with a projected expansion of six or so new operating rooms in the next 12–18 months. Seismic safety mandates will require certain parts of the hospital to be demolished in a few years’ time.

Seismic considerations will also require Sutter Health to demolish its hospital in East Sacramento. This has meant a giant expansion of downtown Sutter General, at a cost expected to top $460 million.

Kaiser Permanente is expanding its hospital in south Sacramento. A new five-story tower is planned with 136 more beds. The hospital also intends to expand its outpatient surgery center at a projected cost of about $300 million.

Anesthesia positions in the city will expand. This is good news for graduating residents as well as for anesthesiologists interested in new positions.
The district had one unofficial meeting at which Fospropofol was discussed. While there was interest in the new pro drug, there did not seem to be great enthusiasm for trying it out. I think its place will be defined quite slowly.

**John S. McDonald, M.D.—**

**District 12**

(Southeastern Los Angeles County)

There have been relatively few events important to anesthesiology in District 12 this past quarter. Construction continues in the area on new/upgraded facilities and parking structures. Of particular importance, the University of California Regents and the County of Los Angeles announced the board of directors for the new not-for-profit venture to reopen the much needed Martin Luther King facility.

If members in District 12 have news they find important to the anesthesia community, please forward it to me at mcdonald215@yahoo.com. Please put “District 12” in the subject line of your e-mail.

**T. John Hsieh, M.D.—**

**District 13**

(Orange County)

In general, surgical volumes throughout Orange County appear to be steady. As with the past years, I am expecting the volume to increase as we approach the end of the year.

The overall impact of the “opt-out” of physician supervision of CRNAs for Medicare patients has been minimal, or no impact at all.

**St. Jude Medical:** The surgical case volume has decreased slightly, but the group has brought in new physicians in anticipation of increasing demand for operations. The group has been using electronic anesthesia records and submitting billings electronically. Moreover, performance measurements are in place and compliance is excellent. The group also started using ePreop, which is a Web-based preoperative check-in system capable of generating preoperative protocols.

**St. Joseph’s/Children’s Hospital of Orange County** (Allied Anesthesia Medical Group): Volumes are stable. The group has been partnered with the group from Hoag in staffing the newly opened Hoag Orthopedic Institute. The group also
is enthusiastic about and getting prepared for the opening of the new CHOC in the next few months.

**Mission Hospital:** Volumes have gone up. Performance measures are in place, including those for beta blocker administration. St. Joseph Health System is working with the group in establishing electronic anesthesia recording.

**Hoag Hospital** (Newport Harbor Anesthesia Consultants): With the opening of the new Hoag Hospital Irvine and Hoag Orthopedic Institute, the group has seen an increase in the number of cases. The group has recruited several anesthesiologists to expand its coverage. Performing well on the quality improvement measurements, it also continues to staff the pre-admission screening clinic to minimize last-minute cancellations.

**Kaiser:** Volume has been stable. There is no impact of California opt-out at this time as the CRNAs are employed by the physician foundation.

**Rima Matevosian, M.D.—**
**District 14**
**(Northwestern Los Angeles County)**

New CMS requirements state that anesthesia services throughout the hospital must be organized into one service, and not separated into OR, obstetrical suite, etc. All areas such as radiology, emergency department and procedure areas are included. Additionally, the anesthesiology department will be responsible for supervising conscious sedation, including the decision on which health care providers, in addition to the anesthesiologists, are permitted to administer these medications. The proper policies, procedures and implementation will be a challenge for many departments. [For more information on these requirements, see pages 40–46 and 72–75.—Ed.]

It has come to our attention that in recent surveys California Department of Public Health pharmacists have queried whether areas outside of the operating room have knowledge and availability of drugs to treat malignant hyperthermia (MH). Because MH may occur in other areas, each anesthesia department is encouraged to have a training module so that areas where MH could occur are provided an in-service. This would include signs and symptoms, treatment modalities, and the location of the “malignant hyperthermia cart” (situated in the OR) that contains dantrolene and associated medications.
Medication shortages continue, with many hospitals having difficulty obtaining propofol, thiopental, and many other medications commonly required to be available for the anesthesiologist.

Los Angeles County continues to have a severe budget shortfall, which affects the hospitals of the LA County Department of Health Services. However, because of the economic situation, the county hospitals have seen an upswing in the number of patients who have lost their health insurance and are utilizing the county hospital for the first time. The emergency room has a significant wait time at Olive View, which soon may be alleviated with the anticipated opening of a new freestanding emergency room.

While the CSA has many excellent courses available for continuing medical education, we would like to remind our district members that the UCLA Simulation Center is offering courses that will meet the Maintenance of Certification in Anesthesiology (MOCA) Part IV simulation requirement. [For more information on MOCA, see pages 36–39—Ed.]

**District Director Reports (cont’d)**

**Call for Submission of Resolutions to the CSA House of Delegates**

Any CSA member may submit a resolution to the House of Delegates (your elected representatives) on any issue that he or she deems important to the membership. A resolution is a proposal that the CSA undertake an activity related to a current issue of concern to anesthesiologists. For example, a resolution might recommend that the CSA develop social networking capabilities for the members. For assistance in formulating a resolution, please contact Johnathan L. Pregler, M.D., Speaker of the House of Delegates, at jpregler@mednet.ucla.edu.

The House of Delegates will meet on Saturday, May 14, 2011, as part of the CSA Annual Meeting at the Fairmont Hotel in San Jose, Calif. A Reference Committee meets prior to the House of Delegates to hear testimony on all matters to be considered by the House. For more information, contact the CSA office at 650-345-3020.

**The deadline for submissions is April 15, 2011.**