

CSA District Director Reports

The reports of district directors which appear below contain personal views individually expressed by each director rather than statements made by or on behalf of CSA.

CSA Board of Directors Meeting, October 8, 2005

Gregory M. Gullahorn, M.D.—District 1 (San Diego and Imperial Counties): All of the counties and hospitals that accept federal money are supposed to have a disaster plan. When I was full-time at the Naval Medical Center, we had one or two drills a year, which involved the entire institutional staff, and everyone became familiar with what their roles and tasks might be. I would imagine that my experience in the community, however, is not unique, one in which we usually have some vague awareness that some sort of drill may be taking place from time to time, yet one in which there is no widespread participation or involvement. Few of us may even know what scenario is being portrayed, or when the Operating Room or other departments are hypothetically involved. My belief is that with a little appropriate public relations and communications, we and the hospitals would have widespread buy-in, support, and admiration from patients for conducting more comprehensive and realistic drills, even if this altered normal operating or clinic schedules. These certainly would be planned far enough in advance that they should not cause conflicts/disruptions of actual patient care.

My first goal for the coming year is to contact the Anesthesiology Departments at the major medical facilities in District 1 and ascertain whether they are aware of and involved in their hospital's disaster response plan. I want to collect information on the plans and involvement, and encourage departments to seek information and involvement in those situations where the Anesthesiology Department has not been brought into planning.

There have been no dramatic events in healthcare in San Diego over the summer. We are watching with interest for developments in UCSD's planned conversion of their Hillcrest Medical Center (currently a Level 1 Trauma Center) to an ambulatory care/emergency room facility without inpatient care. There are many economic reasons for the plan to move inpatient services to their Thornton Hospital campus, including meager reimbursement from Medicare and Medi-Cal, as well as the costs of further retrofitting/reconstruction for seismic compliance.

As I reported previously, the federal trial against the former Alvarado CEO ended without a verdict last winter. In the summer of 2003, an indictment was issued accusing the CEO, Tenet Health Care, and Alvarado Hospital of conspiracy and bribery for physician kickbacks to generate referrals to Alvarado over several years, involving approximately \$10 million listed as "practice

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relocation expenses.” A retrial is currently underway and may have a big impact on healthcare in San Diego. The hospital remains in jeopardy of losing its ability to participate in Medicare.

I have two additional goals for the coming year. First, it has proven somewhat difficult to recruit and retain a full complement of delegates from our district. I hope to have all of the delegate positions filled prior to the 2006 Annual Meeting. Second, with the support of Abbott Laboratories, I hope to have another district meeting next spring.

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

CSA Goals Statement:

1. Represent the CSA members in my district to advocate for them, allowing them to practice medicine and provide the best anesthesia care for their patients, and to be fairly reimbursed.
2. As Director, exercise the duty of care that an ordinarily prudent person would exercise in a like position under similar circumstances.
3. As Director, exercise the duty of loyalty and faithfully pursue CSA's interests, including financial, rather than my own or other organizations.
4. As Director, exercise the duty of obedience with fidelity to the CSA's mission as expressed in the Bylaws and reflected by House policy actions.
5. Attend and participate in all CSA board meetings.
6. Represent issues that affect my district and advocate for these issues in the CSA.
7. Retain and recruit membership in my district.
8. Encourage new resident membership in CSA, ASA, and organized medicine.
9. Participate in CSA discussions online and in video conferences.
10. Ensure that District 2 has full representation during the CSA annual meeting.
11. Attend and participate in the annual ASA meeting and political events.
12. Be active in community political activities to advance directly and indirectly the district's members' interests.
13. Submit timely written district reports detailing concerns and activities of members in the district.
14. Be willing to serve or lead CSA committees as needed.

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Our district has been a microcosm for the national issue of specialty hospitals and their impact on the traditional full service hospitals. A group of 35 physicians and other investors plan to build a new 28-bed California Heart and Surgical Hospital with six operating rooms. Congress allowed the ban they had enacted in 2003 on new specialty hospitals to expire in June this year, despite talk of extending it, to allow similar projects to proceed nationwide. Physician proponents state that the facility will provide more choices for better care for their patients, direct hospital control by the physicians/owners, and increased hospital beds for a rapidly growing area, and it will have minimal financial impact on existing hospitals. Opponents argue that this is a boutique hospital that will cherry-pick paying patients from general hospitals, threaten the financial viability of traditional hospitals, enrich outside developers who have invested, and offer no new services that existing hospitals already provide.

This issue has divided the physicians in our area, including CSA members in our district. Several CSA members are investors in the new hospitals with many CSA members expressing opposition. The common ground that we can all agree on is that the real problem is inadequate reimbursement for subsets of patients.

Kaiser Fontana & Riverside are sharing an eight-room surgery center in Ontario, which is functioning very well. A medical office building just opened as well in Ontario. Kaiser membership continues to grow and there are plans for a medical office building in Redlands as well as plans to build a hospital in Ontario. The Fontana facility will be rebuilt around 2013. Kaiser Fontana is expanding its association with St. Bernardine's in San Bernardino and will be sending Kaiser heart surgeons from Los Angeles to do open heart surgery at St. Bernardine's on Kaiser patients from the Inland Empire.

Contrasted to a few years back, the economic trends have been positive for most practices with better contracts and increased stipends from hospitals for various call coverage. One concern in our district is that the group that bought Chino hospital includes Dr. Prim Reddy, who previously was in charge of an HMO that failed to pay many physicians before declaring bankruptcy.

Wayne Kaufman, M.D.—District 3 (Northeast Los Angeles County): Several hospitals in District 3, LAC/USC, USC University Hospital, and the Kenneth Norris Cancer Center, have had their JCAHO reviews over the last several months. The areas of focus this year seemed to be the prevention of wrong-site surgery and infection control. The reviewers looked for documentation of the surgical pause on the anesthesia record either in a check box or in clear, legible documentation. Another focus was whether physician and hospital

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personnel washed their hands between seeing different patients. All the hospitals went through the new tracer methodology. At USCUH, a psychiatry patient was traced. Because the patient had an ECT, the major portion of the anesthesia review took place in the ECT Suite.

There is still much construction in the area. LAC/USC is building a new facility that is scheduled for occupancy in mid-2007. The replacement hospital at City of Hope is open. USCUH has built a new tower, including 12 new operating rooms, that will open April 2006.

On September 12, 2005, there was a major blackout in the Los Angeles area that affected many of the district hospitals for a short period of time. All the hospitals had functional emergency power. In view of the recent tragedies in the Gulf of Mexico, it is prudent that all of us review our disaster policies. The USC medical school and the various residency programs associated with the school have taken some of the medical students and residents displaced by Hurricane Katrina into their programs for an indefinite period of time.

Closures of the Liver Transplant Programs at both St. Vincent Medical Center in Los Angeles and the University of California at Irvine have led to an increase in the number of liver transplants being done at the USC University Hospital. USC is actively recruiting additional anesthesiologists to absorb the increased workload.

Christine A. Doyle, M.D.—District 4 (Southern San Mateo, Santa Clara, Santa Cruz, San Benito and Monterey Counties): District 4 has been relatively quiet over the summer. The hospitals in San Jose (O'Connor, Good Samaritan, Santa Clara Valley Medical Center, and Regional Medical Center of San Jose) have been adapting to the changes related to the closure of San Jose Medical Center last December, as well as Regional's canceling of their Medi-Cal contract. Medi-Cal percentages elsewhere are up across the board, particularly in the ED and L&D. The Family Practice residency, which had been based at SJMC, now is at O'Connor.

JCAHO just finished their review of O'Connor, one week after the review of sister-hospital Seton in Daly City (District 6). Both hospitals passed, but the new process ("tracer methodology") seemed odd. The cath lab was visited at least three different times, but the OR only once. Seton apparently was cited for an unlocked anesthesia cart; we have been impatiently awaiting the final rule publication from CMS on this issue. You can check the daily Table of Contents of the Federal Register from <http://www.gpoaccess.gov/fr/>.

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Regional has now been operational as a trauma center (replacing SJMC) for the last two months. Most of the staff and physicians from SJMC transferred to their Columbia/HCA-sister hospital. The biggest stumbling block in this process was Santa Clara County regulations. We now have three trauma centers in Santa Clara County which are more evenly spread out (Stanford north, VMC west-central and RMCSJ east). Columbia/HCA has slated \$110 million for RMCSJ hospital improvements including increasing the size of the ICU, ER and OR, as well as the med/surgical floors. This renovation was supposed to have begun by the end of this summer.

While District 4 is unlikely to have a flood disaster, the potential damage from a major earthquake (or tsunami) could be as bad or worse. Does your hospital have a disaster plan? Do you know what it includes and what your responsibilities are? Do you have a plan for your family? Anesthesiologists are among the logical specialists to lead in such situations.

Kanwarjit Sufi, M.D.—District 5—by Paul B. Coleman, D.O. (Kern, Tulare, Kings, Fresno, Madera, Merced, Mariposa, Stanislaus & Tuolumne Counties): Kern Medical Center in Bakersfield continues their recruitment efforts, with a need for two additional anesthesiologists. As a significant proportion of patients are without health insurance, dialogue between the anesthesia group and county health services regarding abysmally low reimbursement is an ongoing process.

Mercy Hospital in Merced is in the process of shifting the hospital's anesthesia contract from single ownership to that of the entire group of nine physicians. The group has successfully recruited one additional experienced anesthesiologist. Major changes to the facility also are planned. Presently leased from the county by Catholic Healthcare West, the hospital will be phased out. Construction of a new facility is anticipated within four years. The University of California Merced has become a reality and will bring an influx of students, faculty and administration and the requisite increased demand for healthcare services in this community.

Doctors Medical Center in Modesto recently added one anesthesiologist to its anesthesia group and has remained at a stable number of 16. Part of their billings for uninsured services is contracted with Tenet Healthcare Corporation, and this arrangement seemingly has produced a reimbursement level satisfactory to the group. Memorial Medical Center, the Sutter Health affiliate in Modesto, continues to expand in response to ever-increasing demands for healthcare services from a growing community. The Sutter Gould Medical Group, which provides anesthesia services at the hospital, has

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recruited two physicians each year for the past three years and is planning further additions in 2006.

Memorial Medical Center celebrated a construction milestone at a Topping Out Ceremony at the end of October when the uppermost steel beam supporting the new North Tower was hoisted and secured into place, marking completion of the building's steel structure. Those attending the ceremony were invited to sign the beam before it was raised to the highest point of construction and secured. Completion of the seven-story, \$170 million North Tower, Memorial's first major construction project since 1991, is anticipated in spring 2007. Five of the seven floors will be completed, with the remaining two floors shelled in and available for expansion as future growth requires. The Tower will include 112 acute medical inpatient beds (in addition to the present 300 beds), 18 state-of-the-art operating rooms (an increase of six) and relocation of administrative areas, making room for future expansion of the emergency department and other clinical services.

J. Renee Navarro, M.D.—District 6 (No. San Mateo & San Francisco Counties, Santa Clara and Santa Cruz Counties): Two members from District 6 participated in the San Francisco Mayor's Blue Ribbon Committee on the rebuilding of San Francisco General Hospital. Dr. Sue Carlisle, Associate Dean and Chief of the Department of Anesthesia, SFGH, and Dr. Steve Lockhart, Director of Surgical Services Department, California Pacific Medical Center, were among the members that met to consider the replacement of SFGH. In order to comply with the state mandated earthquake provisions for acute care facilities, San Francisco's only Level One trauma center will need to be rebuilt. Because of the long standing academic affiliation with the University of California, a proposal for rebuilding in proximity to a UCSF Women's and Children's Hospital at Mission Bay was put forward and supported by the medical staff. After much deliberation and consideration, the blue ribbon panel has concluded that the hospital will be rebuilt on the Potrero site.

District 6 also welcomed the 25 new residents to the UCSF anesthesia residency program. The program continues to attract an outstanding resident class. Additionally, the residency expanded to offer a third year spot to a resident that was displaced from Tulane University. The graduating class of 25 resulted in nine individuals transitioning into fellowship training programs and 15 taking positions in private practice within California.

Two hospitals within neighboring districts have recently sent out requests to anesthesia groups within District 6 to submit proposals for the service contract within their facility. Members have expressed concern regarding the perception

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that hospital based physicians in general—and particularly anesthesia groups—are facing significant demands from hospital administration.

The efforts of Dr. Cromwell and many others who have contributed to the health and welfare of the citizens of the Gulf Coast are much appreciated by all.

Helen T. O'Keeffe, M.D.—District 7 (Alameda and Contra Costa Counties): District 7 remains stable at this time. People are very concerned about the medical conditions in the New Orleans hospitals, barely able to imagine the difficulties and appreciating their own fortunate situations. The outpouring of aid is impressive, and the information from the CSA and ASA links is much appreciated.

District 7 goals for 2006 are centered on communication. I plan to hold at least three District 7 delegate meetings over the year, including anesthesiologists from both private practice and Kaiser Permanente. At the next delegate meeting, we shall discuss which of CSA's functions would be the most important to clarify to our colleagues.

Jeffrey Uppington, M.D.—District 8 (Alpine, Amador, Sacramento, Placer, El Dorado, Nevada, Sierra, Yuba, Yolo, Sutter, San Joaquin, Calaveras): The Greater Sacramento Area includes some of the most rapidly developing cities and towns in the country, let alone the state. UC Davis Medical Center is the only academic medical center in the region, and we have for some time been experiencing great pressure on our beds and spend most of the time at pretty much full occupancy. Our sister hospitals in the region are experiencing the same phenomena and it is becoming apparent that we are in an under-bedded region. As a result there are ongoing building projects in many of the hospital systems. The following are a few examples, but not an encompassing list. UC DMC is building a new pavilion which will consist of new operating rooms, a new Emergency Department and new Intensive Care Units. Additionally four modular ORs are planned for the interim. A new Educational Building is being erected which will consolidate the Medical School onto the Medical Center Campus. The Mercy System has built a new Level 2 Trauma unit. Sutter Hospital System is building a new Women's Center near their downtown facility. Kaiser Permanente is also building or has plans to build. While some anesthesiology groups are actively looking for new members, others are holding level for the present. However, the present and potential future expansion in hospital beds likely means that there will continue to be opportunities in this area for anesthesiologists.

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A curious and seemingly contradictory trend seems to be that patients and procedures are drifting away from freestanding surgical centers and back to the main hospitals. Thus some surgery centers are underutilized at present. Whether this is influenced by changes in regulations that restrict referral to centers where the practitioners have a financial stake is unclear, but this trend is worth watching.

The Anesthesiology Department at UC DMC has had a successful year. All the recent graduates passed the written Boards with excellent scores, and the residency program has been expanded from 12 to 14 a year. The Medical School has decided to take in a number of medical students displaced from the tragedy in New Orleans, and they will remain as temporary students until their home medical schools re-open. The Medical Center has had a number of enquiries from residents, including those in anesthesiology, wishing to continue their training until their New Orleans' hospitals are re-opened.

Peter E. Sybert, M.D.—District 9 (Del Norte, Humboldt, Lake, Marin, Mendocino, Napa, Siskyou, West Solano, Sonoma, Trinity, Colusa, Glenn, Butte, Plumas, Tehema, Shasta, Lassen, and Modoc Counties): With summer ending, people gear up for the usual stream of fall events. The decline in elective case loads is only partially offset by the repertoire of injuries from summer activities. The expectation of increasing work demands in fall and winter are brought into perspective by the pictures of the devastation wrought in the Gulf States and the resultant devastation filling the airwaves. The complexities of the situation in New Orleans, from the individual day-to-day struggles to the massive disruptions of people's lives and its growing repercussions around the country, are truly hard to comprehend. Perhaps it is a good time to pause, to be compassionate to others in need and to be grateful for the good in life.

As I have been calling around the District, I have the impression that there is a pause from some of the turmoil of the past, that what has happened is evolving, with the next chapter yet to be written. Santa Rosa's Memorial Hospital has a new chief executive officer, recently arrived and just making his presence felt. Redding's Shasta Regional Medical Center has restarted its open heart program. Sutter Novato has implemented its change in anesthesiologists pursuant to its new contract.

A new item that I have heard several times, and experienced in my own group, is that recruiting new anesthesiologists has been successful, and several groups are now "fully staffed," a pleasant change from the past.

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Owen Shea, M.D.—District 10 (San Luis Obispo, Santa Barbara and Ventura Counties): Housing costs remain an obstacle to recruitment and retention of anesthesiologists in areas of District 10. This, combined with an increased pressure to staff new surgery centers without reduced hospital services, challenges many anesthesia groups. Negotiating tensions between hospital administrators and anesthesiologists exist, but many groups report concessions from hospitals to support these groups to guarantee the same level of coverage despite a decrease of inpatient surgical services.

The number of hospitals offering VBAC coverage in District 10 has been reduced to one hospital in a district that extends from Thousand Oaks to Paso Robles. Some hospitals have begun offering financial assistance to ensure adequate obstetrical anesthesia services. The defeat of the legislature's balance billing initiative benefits all anesthesiologists in every district. In San Luis Obispo more than 50 percent (nearly \$300,000) of charges was collected through balance billing of patients when our local HMO went bankrupt two years ago.

In Santa Barbara, an eight-year construction project to build Cottage Hospital continues. A group of physicians who recently purchased French Hospital have partnered with Catholic Healthcare West to operate the facility. This unique partnership just celebrated its one year anniversary with both groups expressing contentment with the arrangement.

James M. Moore, M.D.—District 11 (West Los Angeles County [western portion]): The recent devastation of the Gulf Coast by Hurricane Katrina reminds us that no region of the country is immune to natural disasters, including California. The Northridge Earthquake in 1994 fortunately led to limited loss of life, but California has still not recovered from the extensive property damage that resulted. In this time of increasing healthcare costs and decreasing payments for care, many healthcare systems in California have been obliged to spend vast sums of money to repair or replace facilities damaged in the Northridge earthquake. According to a recent McGraw-Hill Construction survey, four of the top ten most expensive construction projects in California are hospital replacement projects, two of which are located in Los Angeles: the Los Angeles County + USC Replacement Hospital and the Ronald Reagan UCLA Medical Center/Westwood Replacement Hospital. While such structures may provide modern, state-of-the-art facilities, replacing damaged facilities with new construction drains funding needed for other endeavors and may not increase the total number of hospital beds available.

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The largest such project in District 11, the Ronald Reagan UCLA Medical Center at Westwood, will include a 1,050,000-square-foot hospital with 543 patient beds and a surgical suite housing 36 operating rooms and six minor procedure rooms. It is slated to open in 2007.

Both Orthopedic Hospital in downtown Los Angeles and Santa Monica-UCLA suffered earthquake damage in 1994. UCLA Healthcare has partnered with Orthopedic Hospital to relocate orthopedic inpatient facilities to the new Santa Monica-UCLA Medical Center and Orthopedic Hospital. Fifty-two of the 266 patient beds in this replacement hospital will be dedicated to orthopedic care. Orthopedic Hospital's outpatient services downtown will continue, supplemented by UCLA Healthcare resources. The emergency room and South Tower of the new Santa Monica facility should be in use by Spring 2006, and the main hospital is expected to open in 2007.

The Cedars Sinai replacement project, the new Suzanne and David Saperstein Critical Care Tower, will provide 96 intensive-care beds and 30 acute-care beds along with other facilities and space for expansion. It is scheduled to open this December.

At St. John's Health Center, the original hospital was extensively damaged in 1994, and the newly opened 200,000-square-foot North Pavilion is the first phase of a plan to replace the damaged hospital. The 182-bed inpatient facility has a structural base isolation system to allow it to remain operational even in the event of a 6.8-magnitude earthquake. The second phase of the St. John's replacement project will be the 275,000-square-foot Howard Keck Diagnostic and Treatment Center to be completed in 2009.

According to the *Los Angeles Business Journal*, Tenet Healthcare Corporation's inability to come to terms with Century City Hospital's owner over a seismic upgrade to the building was a major factor in decisions that led eventually to the sale of Century City Hospital to the physician-owned Salus Surgical Group. The newly renovated, boutique-style hospital originally was to open last fall, but since then the construction budget has doubled, adding to delays. Such "cost overruns are increasingly common for California hospitals, especially those undergoing seismic retrofits." With no further delays, the hospital should be open by the time this report is published.

Besides refurbishing damaged facilities, hospital-based practices face other financial challenges. Some practitioners in the district who recently have endured hospital reaccreditation view the mandated changes required by this process as not only a significant financial burden to bear but also a detriment to normal clinical care. In addition, some anesthesiologists are being forced to

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negotiate for new contracts as part of a larger group of hospital-based physicians, and concern exists that the resulting lower reimbursements for what is demanding work may prompt new graduates to prefer lifestyle-oriented, outpatient positions, rendering recruitment more difficult. On the other hand, some groups now have a significant part-time cohort within their workforce, including many physicians who also work in outpatient centers part-time. Such an arrangement can allow flexible scheduling and benefit all involved. Overall, current demands to fill new positions are being met. Recently new graduates have been of high caliber and eager to work, and experienced anesthesiologists continue to be a valuable commodity.

John A. Lundberg, M.D.—District 12 (Southeast Los Angeles County): A bitterly divided Los Angeles County Board of Supervisors is debating the closure of the pediatrics, obstetric and neonatology wards at Martin Luther King Jr./Drew Medical Center. Federal regulators have pressured the Board of Supervisors to fix the hospital or lose \$200 million in federal funding which is half the hospital's budget. On October 18, a public hearing will have considered closing three wards. Department of Health Services Dr. Thomas Garthwaite's plan is to downsize and focus on health needs of nearby residents by providing clinics for pediatrics, high blood pressure management, diabetes and cancer screening. The *Los Angeles Times* has run front-page articles on a monthly basis about Martin Luther King Jr./Drew Medical Center issues.

Over the past five to seven years a huge shift has occurred in obstetrical care for Medi-Cal patients so that now private hospitals here provide most of the Medi-Cal obstetrical care. Increased Medi-Cal payments to obstetricians have been the impetus for the shift. In 2004 Martin Luther King Jr./Drew Medical Center did 622 deliveries, down from over 4,000 a decade ago. Los Angeles County Harbor-UCLA Medical Center has undergone the same trend. The Medi-Cal epidural rate has dramatically increased in the private hospital here, but unlike our OB colleagues, recompense has not increased in a parallel fashion.

Another physician-owned surgicenter will open before the end of the year in the South Bay area at the old South Bay Hospital facility. A multidisciplinary group of orthopedic surgeons, ENT, gynecology, pain management, and ophthalmologists have entered into contract with the Beach Cities Health Care District to lease and maintain four operating rooms. This will be the sixth surgicenter opening in the South Bay area in the past seven years.

Hospitals here utilize "travelers" and registry nurses to staff many nursing positions. The employment situation and nursing shortage has stabilized. Nursing

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shortages here are being resolved by this large semi-itinerant work force of nurses. Some experienced nurses have been attracted to surgicenters where they do not have to work night call.

We are seeing highly qualified graduating residents applying for anesthesiology positions. This is a welcome change. Employment opportunities continue to be available here, but high housing prices and relatively lower recompense discourage many new graduating residents.

Kenneth Pauker, M.D.—District 13 (Orange County): The practice environment in Orange County has become somewhat unstable of late.

At the 219-bed West Anaheim Medical Center, 60 percent to 80 percent of its business has been lost because of Kaiser Permanente's decision to shift its orthopedics to Orange Coast Memorial, and its other surgical business to Anaheim Memorial. Five to six ORs per day has become one to two, leaving the anesthesiologists to consider what to do next. Vanguard Health Systems, the owner based in Nashville, apparently is sustaining a significant economic hit and is weighing its options. The other Orange County facilities owned by Vanguard are La Palma Intercommunity Hospital and Huntington Beach Hospital, as well as Magnolia Surgery Center and North Anaheim Surgicenter. Vanguard is a for-profit multi-state system with facilities in Calif., Ariz., Ill., Maine, and Texas. It was amusing for me to visit their web site and to discover that the graphic on their home page depicting happy doctors and nurses is exactly the same as one of those on our own CSA home page.

There is an appreciable risk of something like this happening at Irvine Medical Center, a Tenet facility, which now contracts with Kaiser to fill essentially all of its obstetric suite and perhaps upwards of 40 percent of its ORs. The new Kaiser hospital is being built across the street and is scheduled to open in 2006.

Memorial Health Systems seems to be actively seeking contracts with HMOs, given the Kaiser connection noted above and the contracts over the past year at Orange Coast and Saddleback with Bristol Park. The new outpatient surgery center, adjacent to Saddleback Memorial Medical Center and a joint venture between the hospital and some of its physicians, has successfully completed its investment offering, and now will proceed to choose a Board of Directors and Medical Director as it goes ahead to develop its procedures and facility, the opening now anticipated to be by July 2006. The integration of the smaller acquired San Clemente campus of Saddleback with the larger mother facility in Laguna Hills has proceeded fairly smoothly, now unified under one medical staff structure.

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Another unstable situation is ongoing at South Coast Medical Center in Laguna Beach. This community hospital, suffering with poor insurance contracts as an independent entity, had been bought by the Adventist Hospital System several years ago. The contracts thereby improved substantially, but the hospital has not been financially profitable. Moreover, there is a \$50 million cost to retrofit it to the new state earthquake standards. Extensive discussions had been held as to whether to do the retrofit, or to build a new facility, or perhaps to merge with San Clemente. The latter option is no longer available and it was announced that a new hospital would not be built. A survey of the community in Laguna Beach revealed substantial support for keeping the facility in South Laguna, perhaps with the city helping to pay for the cost of retrofitting it. The Adventists have announced that they are putting the facility on the block. Interested potential purchasers include Hoag, Mission and Saddleback, and there may be a group of physicians practicing there who may attempt to buy it themselves.

The situation at Western Medical Center, purchased recently by IHHI, with complex stipulations intended to protect the medical staff (detailed in my last report), is also unstable. The hospital Board declined to accept the medical staff stipulations into the medical staff bylaws. The hospital has filed a lawsuit against a former chief of staff, alleging that certain statements, which the physician claims were in the service of attempting to preserve quality, have caused the hospital to lose business. At this time, the Court is deciding whether to throw out the lawsuit because it is alleged to be a so-called "slap suit" (strategic litigation against public participation), intending to intimidate, or whether to allow it to proceed. Many physicians have moved their business elsewhere, and apparently only those surgeries that contractually must be done there are proceeding.

In contrast to all of this tumult, construction of the new hospital at UCI is underway, a ceremonial ground-breaking having taken place in June. Dr. Peter Breen reports that anesthesiologists are extremely excited to be a part of the dramatic growth. Several new subspecialty surgeons have been recruited, and it is anticipated that surgical volume will grow by 25 to 50 percent over three to four years. The Department intends to petition to increase the size of its residency to accommodate this expansion. In addition, the salary structure for faculty has been reformed to bring it in line with other similar academic institutions.

Finally, one other general trend is notable. During this period of relative shortage of anesthesiologists in Calif., many hospitals have been forced to provide stipends to various groups to ensure coverage for certain non-economically sustaining services. Apparently, how to justify these stipends has become

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somewhat problematic for some institutions, and they have begun to employ the device of paying for medical directorships in lieu of stipends.

To me, this mechanism muddies the waters considerably because the medical directors may develop a dual allegiance with resultant conflicts of interest. It can also serve as a mechanism for hospitals to “hijack” information or influence that it could not otherwise obtain. Moreover, these monies can be diverted to the director himself instead of distributed to the group providing the requested services. It might be wise for groups to insist that these funds not be paid by the hospital directly to the medical director, but to the group who employs the anesthesiologist with the group determining how these funds are to be dispersed, such that many of these kinds of problems can be averted.

In a world of expanding demand for anesthetic services to facilitate escalating numbers of surgeries and procedures, hospitals have become extremely sophisticated in gathering information and analysis concerning anesthetic practice, and are developing detailed strategies for how to relate to and negotiate with anesthesiologists to accomplish their institutional goals. The CSA should research what consultants are suggesting concerning the evolution of anesthetic practice, and inform its members of what possibly proprietary information the hospitals know, or think they know, and what common strategies will be applied going forward by administrators to anesthesiologists in their facilities.

Jeffrey B. Glaser, M.D.—District 14 (Los Angeles County [northwestern portion]): This is my first report as District 14 Director. In addition to working hard to maintain, improve, and protect our professional standing, there are four goals for which I intend to work tirelessly:

1. **Increase District 14 membership** by individually contacting all members and encouraging them to identify anesthesiologists who are not CSA members. I intend to personally contact each and every one of these non-members to discuss the benefits of CSA membership.
2. **Address chronic and seemingly intentional underpayment issues by big carriers in California.** Most anesthesiologists do not employ the technology to discover underpayments per their contract. However, those who do have found that several large carriers in California consistently underpay per the contractual agreement. Furthermore, these carriers fail to disclose their payment fee schedule when requested. I have employed a high-powered healthcare attorney, at my expense, to explore options including a class action law suit and/or a formal complaint to the State Insurance Commissioner. I will have an answer as to which direction this issue will go in the next six months.

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3. **Improve reimbursement for California anesthesiologists from commercial carriers.** According to the latest survey released in the August 2005 *Anesthesiology News*, California anesthesiologists' mean (median column) reimbursement rate is \$46.84 compared to \$51.04 nationally. However, this survey is flawed as it does not take into account that Blue Cross of California has a proprietary formula that they will not disclose which decreases the base per unit rate for many procedures as compared to the ASA RVG. For example, the CPT code for lens surgery (00142) has an ASA RVG of six base units and Blue Cross down codes to four base units. Therefore, the reported \$46.84 is actually lower based on ASA RVG as Blue Cross makes up a significant amount of commercial business in California. In most other parts of the United States, Blue Cross pays based on ASA RVG including modifiers. Without violating Stark and/or anti-trust law, collectively we must increase our mean per unit reimbursement.
4. **Maintain allowable reimbursement for anesthesia for upper and lower endoscopy (CPT 00810 and 00740).** Anesthesiologists have come under attack by a few of the gastroenterology societies for providing an allegedly unwarranted service—general anesthesia with propofol—for colonoscopies and endoscopies. Nonetheless, despite denouncing the use of propofol as “overkill” just over one year ago, one of the GI societies recently has petitioned the FDA to loosen the labeling restrictions on the use of propofol to allow its use by gastroenterologists. This issue is one that potentially would threaten patient safety.

Currently, in our district there are 77 active members. As a new District Director I intend to identify Delegate 2 and Alternate Delegates 1, 2 and 3. As a resident I served as director for District 15. Once again, I am excited to be a part of this progressive and dedicated organization.

Ali Fahimi, M.D.—District 15 (Resident Members): In previous years the directors of District 15 have expressed the importance of information and the fact that it needs to be easily accessible. The importance of web sites, news groups, online forums, and e-mail cannot be denied as the new media by which information is collected, processed and disseminated. A continued evolution of information management should remain a top priority for the CSA. Recently, the CSA polled, tabulated, and provided the results of a survey, all online. The survey clearly demonstrated that residents in training have different needs at different stages. Namely, residents in their CA II year are concerned with information regarding fellowships while residents in their CA III year are more concerned with practice management, job hunting—including help with negotiations—and finances.

District Director Reports (cont'd)

We plan to provide information tailored to each level of training in an easily accessible manner on the CSA Web Site. As part of this, plans are in place to gather information on job opportunities, previous surveys that were done by District 15 on practice management, and fellowships. Furthermore, we are exploring plans for a resident-only forum in which residents can discuss questions related to the above issues, and also a listserv where potential employers can disseminate job postings to all interested residents. In this manner we hope to continue the evolution of information management at the CSA and ensure its easy accessibility to our members.

CSA - Abbott Laboratories Resident Research Competition and Western Anesthesia Residents Conference

The CSA-Abbott Laboratories Resident Research Competition will be held on Saturday, May 20, 2006, during the CSA Annual Meeting held at the Rancho Las Palmas Marriott Resort and Spa in Rancho Mirage, California, May 18-21, 2006. Three competition winners will receive the CSA-Abbott Laboratories Resident Research Awards: first prize \$1,500, second prize \$1,000 and third prize \$500.

A panel of judges will evaluate the California presentations made at the 43rd Annual Western Anesthesia Residents Conference (WARC) and will select six to eight papers from the California institutions for presentation at the 2006 CSA Annual Meeting. The entries will be judged on the basis of scientific merit and the quality of the presentation. The 2006 WARC conference is open to Medical Students, Residents and Postdoctoral Fellows within the area of anesthesiology, and there is a limit of one abstract per person. WARC abstract submission forms are available online via **<http://anesthesia.med.utah.edu/WARC/Home.htm>**.

The University of Utah, Department of Anesthesiology, is the host to the 2006 WARC meeting. The WARC meeting will be held at the Snowbird Ski and Summer Resort, Snowbird, Utah, May 5-7, 2006. Hotel reservations can be made by calling (800) 453-3000. Mention that you are with the WARC or University of Utah Department of Anesthesiology group.