

CSA District Director Reports

Gregory M. Gullahorn, M.D. –District 1 (San Diego and Imperial Counties): The largest fire in California history marked the end of 2003 in San Diego. The wildfires in San Diego County burned over 800,000 acres, destroying over 3,500 homes and displacing more than 80,000 people; 22 people were killed in the fires, and numerous others injured. At one point, the Cedars fire burned 80,000 acres in 10 hours, more than two acres per second.

Air quality varied from unpleasant and irritating to caustic as ashes and smoke were whipped by strong winds. Large sections of freeways and other roads were closed, and some hospitals had to make plans to evacuate as fires approached. The mayor of San Diego, as well as Fire and Police Chiefs requested that all businesses that were not truly essential remain closed and that people remain home and off the roads unless absolutely necessary. Schools were closed throughout most of the week.

I am distressed by the apparent lack of coordination and communication between hospitals and healthcare organizations in the county, especially at a time when we are supposed to be increasing our preparedness for disasters as part of homeland security. Given the size, speed, and damage related to the fires, we were extremely lucky that there were not more injuries and loss of life. Fortunately, the lack of preparedness and coordination among healthcare facilities did not become a critical issue or seriously jeopardize patients.

All but one hospital in San Diego County cancelled their elective surgical schedule and clinics on October 27. The Naval Medical Center cancelled all elective procedures and instituted a recall of all medical reservists on October 26, notifying them that they might be required for immediate and emergency mobilization should there be mass casualties.

I previously had reported the indictments by Federal Grand Jury issued against Tenet Healthcare, Alvarado Hospital, and Alvarado CEO Barry Weinbaum in June 2003. There were 17 counts involving kickbacks, bribery, illegal remuneration and conspiracy. At the end of September 2003, the case was broadened with the arrest of Alvarado Associate Administrator Mina Nazaryen on charges of illegal kickbacks and payments as well as obstruction. It is interesting that in 1994, Tenet pleaded guilty to similar charges involving illegal payments for referrals to their psychiatric hospitals. They paid the Federal Government \$325 million and agreed to institute a 5-year corporate integrity program to prevent such behavior. Because they are accused of repeating this same pattern of offenses so soon, it will be interesting to follow the penalties if they are found guilty.

On a more positive note, Dr. Eddie Canada is the current president of the San Diego County Medical Society. This is a tremendous boon for the physicians and patients of San Diego and is sure to help confirm the stature of our specialty and leaders among the medical community in San Diego.

District Director Reports–Cont’d

All anesthesiologists and CRNAs from San Diego who were mobilized in response to 9/11 and the war in Iraq have been released from active duty. With the return of the Marines to Iraq, however, several anesthesiologists and CRNAs were deployed from Naval Medical Center San Diego and Naval Hospital Camp Pendleton. Continued high tempo of deployments may have implications for military training programs and caseloads, and thus the potential for impact on reservists and their civilian groups and institutions.

One further issue that deserves our attention is the recent FDA ruling that will require all hospital medications and blood products to have bar codes within two years. Patients will also be required to have bar codes on their wristbands. The intent is that the bar codes for the patient and the medication and/or blood product must be scanned and matched prior to administration. The FDA has projected that this may result in a 50% reduction in medication and transfusion errors. For the safety of our patients, and the smooth running of our operating rooms, it is essential that we are involved in the implementation of these required changes.

Stanley D. Brauer, M.D. –District 2 (Mono, Inyo, Riverside and San Bernardino Counties): Several billing companies meeting with the senior residents from the Loma Linda program are telling them they can expect to make nearly double what the average anesthesiologist is making in California if they move to almost any good practice in the Midwest or South. This is not news to any of us, but the discrepancies continue to increase. It certainly makes it difficult to recruit against this competition, higher home prices, and higher state tax rates.

Other news regards the Kaiser healthcare system’s continuing to expand in our district. Besides contracting out for additional OR rooms in non-Kaiser hospitals, planning continues for a new hospital in Redlands. An eight-room surgicenter is nearing completion in Ontario with a summer opening projected.

Another physician-owned surgicenter in our area has moved from the fast to the slow track, pending concerns with Medicare and Workers’ Compensation reimbursement issues.

Earl Strum, M.D. –District 3 (Northeast Los Angeles County): One of the most serious problems to affect hospitals throughout the country in recent years is the current blood shortage, and hospitals in our district are no exception. During January and February, numerous surgeries at hospitals in District 3 had to be cancelled or postponed until blood was available. In order to circumvent the shortage, many family members of patients having surgery were asked to donate blood in order to facilitate surgeries. As of now, there appears to be an adequate supply for the surgeries performed in our district.

District Director Reports–Cont’d

Undergoing a JCAHO survey is now a streamlined process compared to what it was in the past. USC University Hospital had its Mid-Cycle Review on March 3-5, and it was a smooth-running, efficient experience. With the new process, there is less time spent on formal meetings and interviews and more time focused on measuring the achievement of JCAHO’s National Patient Safety Goals for actual care delivery. To accomplish this, JCAHO representatives track a patient’s pathway throughout the patient’s hospital stay. They then create evaluations based on the quality of care and procedures actually performed. I believe that you will find your JCAHO Mid-Cycle Review to be much less traumatic than your last experience.

The new hospital at City of Hope—which will have six ORs and two minor-procedure rooms and will replace the current hospital—is scheduled to open this fall, probably in November.

Construction of the new 600-bed, 1.5-million-square-foot County Hospital facility is proceeding on schedule, with completion planned for 2007. The new hospital will replace the original 1933 structure, which was damaged in the 1994 Northridge earthquake. The old building will be preserved as an historical landmark and will continue to have offices and research labs. The 10-story tower at the USC University Hospital, which will incorporate the patient load of the Norris Cancer Institute, is scheduled to be completed by July 2005. It will have 12 more operating rooms and the hospital as a whole will have over 90 ICU beds. The current Norris Cancer Institute building will continue as a cancer research center, and the operating rooms will be converted to an outpatient operating center.

The recent decision made by Tenet to sell 19 of its California hospitals has not had an impact within our district. Tenet leadership has reaffirmed its commitment to District 3 hospitals.

Several new personnel changes have just been announced at USC’s Keck School of Medicine. Dr. Stephen J. Ryan, who has been Dean of the medical school since 1991, has resigned as Dean, effective June 30, 2004. He will continue as a professor in the Department of Ophthalmology and will maintain his teaching and research projects. Also, Steve Tullman, CEO of USC University Hospital, has resigned and former CEO Ted Schreck will return to that position.

The pool of resident applicants for entry into our specialty continues to be of high quality and reflects what appears to be a growing interest in the field of anesthesiology.

Michael W. Champeau, M.D. –District 4 (Southern San Mateo, Santa Clara, Santa Cruz, San Benito and Monterey Counties): From my vantage point here in the mid-San Mateo peninsula, it seems that, over the past year, the balance between the supply of anesthesiologists and the demand for their services continues to shift away

District Director Reports–Cont’d

from any perceived shortage of providers. Groups seem to be having little, if any, difficulty in recruiting new anesthesiologists. Judging by the credentials of the new applicants for CSA membership in the district, it seems that this is still an extremely desirable location in which to practice. According to the most recent CSA data, District 4 now has the largest membership in the Society and is significantly larger, in terms of membership, than several of the other districts. I question whether some of the southern portion of District 4 might be better served by being realigned into another, less uniformly suburban, district.

The biggest news in this area appears to be the continuing progress on the new Sutter/Palo Alto Medical Foundation (PAMF) Hospital to be built in the San Carlos area. The President and CEO of the PAMF, Dr. David Druker, recently outlined the progress on the project in a presentation before the San Mateo County Medical Association. How this project will affect the planned relocation and rebuilding of nearby Sequoia Hospital is anyone’s guess. My understanding is that current plans call for the hospital to adopt an open-staff model, welcoming physicians from outside the PAMF.

Considering the PAMF, I thought it might be convenient to include a brief profile on their practice, as I have done for other groups in the district over the past two years. Now a 272-physician multi-specialty partnership, the Palo Alto Clinic has a long and almost storied tradition of outstanding anesthesiologists, dating back to the period after WWII when the legendary Dr. John Pender was recruited to Palo Alto. The Clinic anesthesia group currently consists of 11 physicians and provides services to PAMF patients and surgeons at Stanford University Hospital, the Menlo Park Surgical Hospital (formerly known as the Recovery Inn of Menlo Park) and at the Lee Surgicenter, located in their facility in Palo Alto.

The group provides anesthesia for an extremely broad range of surgical procedures, including neurosurgery and open hearts. Pursuant to a long-standing agreement between the Stanford University faculty and the private practitioners at the hospital, they do not provide obstetrical anesthesia. The University service covers all OB patients, regardless of affiliation. Demographically, the group is young (i.e., all are younger than your correspondent), and most, but not all, have some Stanford background. The group includes several fellowship-trained anesthesiologists with expertise in cardiac and pediatric anesthesia.

Kanwarjit Sufi, M.D. –District 5 (Kern, Tulare, Kings, Fresno, Madera, Merced, Mariposa, Tuolumne and Stanislaus Counties): I have the pleasure to nominate Drs. Ned Radich, Tara Chaudhari, and Scott Pearce as delegates to the CSA. I would personally like to thank them for volunteering their time for a good cause.

District Director Reports—Cont'd

A recurrent problem in the San Joaquin Valley is the current shortage of anesthesiologists, a nationwide problem that is even more acutely felt here in District Five. Current statewide issues like increasing malpractice premiums, flat reimbursement rates, and the present business climate in California unfortunately contribute to the present malaise. With the proliferation of free-standing outpatient surgery centers, the demand will only increase.

Locally, the Fresno Heart Hospital continues to feel its way in its first year of operation. St. Agnes will hopefully open its heart hospital by the end of 2004. Plaza Surgery Center, a new free-standing outpatient surgery center, will probably go on line later this year.

Douglas J. Martin, M.D.—District 6 (San Francisco and North San Mateo Counties): The exodus of business from the hospital to the surgicenter continues unabated in District 6 despite the recent changes in the Workers' Compensation reimbursement. The newly departed include colorectal surgeons and gastroenterologists, including the largest colonoscopy practice at California Pacific Medical Center (CPMC). As important as the financial aspect is the improved schedule. Delays and cancellations created by emergencies and transplants have surgeons running for the hospital exits. The hospital's response has been to develop new programs, which target Medicare, and other high risk populations who require extensive ancillary services. Since hospitals are well reimbursed by Medicare, their financial goals grow increasingly apart from those of the anesthesiologist.

There is minimal inflow of new anesthesiologists into the region. However, anesthesiologists are moving from one practice to another within the region when their home practice swells with the ranks of the poorly insured.

Operating Room Directors are aware of the shortage of anesthesiologists and recruiting between hospitals is intense. While it is too early to know for certain the success of recruiting new graduates, the pool of interested applicants is certainly smaller.

In previous years, Kaiser San Francisco has sent a large volume of cardiac surgery to other non-Kaiser San Francisco hospitals, most recently St. Mary's. They are now sending those patients to an East Bay Kaiser hospital and St. Mary's has been left with empty operating rooms. They have been offering significant incentives to surgeons to relocate their practices.

One large anesthesia group is pursuing a financial and organizational evaluation by an outside business firm specializing in anesthesia. Primary focus will be on specialty and on-call compensation, financial support from the hospital, contracting and coverage of surgicenter business. Presently, the group functions as a modified fee-for-

District Director Reports–Cont’d

service practice. However, as the Medicare population increases, the foundation model becomes increasingly more viable.

Helen T. O’Keeffe, M.D. –District 7 (Alameda and Contra Costa Counties): District 7 has not changed much in terms of hospital sizes and types. There are three main types, the government hospitals such as Highland, the private hospitals such as John Muir with associated free-standing surgicenters, and the Kaiser hospitals, also with separate free-standing units. This remains a comparatively affordable and desirable area to live, so recruitment is not a hot issue at this point.

This district director’s impression is that the main issue for the future will be methods of compensation. With both the government and Kaiser hospitals, the anesthesiologists are salaried, with their income affected strongly but not in the moment by private M.D. compensation, and by the hospital/health plan’s revenue. These systems reward the anesthesiologists as a group, not as instantly by individual workload. Also, in the Kaiser system, the fortunes of the anesthesiologists are profoundly affected by the success (or not) of the health plan. The private systems are more complex than I have been fully able to grasp! Non-salaried anesthesiologists are more directly rewarded for their volume and severity of cases, but also by the type of insurance; this can cause issues between individuals and groups.

Both approaches have strengths and drawbacks. The salaried setting pulls for collegiality, but also depends on the private competitive marketplace for its place.

However, all the systems of recompense as we know them may well be strongly affected by the debates now happening in the legislature with respect to extending universal health coverage to all Californians. Change happens....

Denise Bogard, M.D. –District 8 (Alpine, Calaveras, Amador, Sacramento, San Joaquin, Placer, Yuba, El Dorado, Yolo, Sutter, Nevada, Sierra and East Solano Counties): The private sector seems to be having difficulty in hiring new people. Our incomes and working conditions don’t seem to be competitive with our colleagues in other states.

In the academic sphere, the Center for Virtual Care is up and running. UC Davis’ new patient simulation system allows students and residents to work on simulators. The Center is in the forefront of a national trend in medical education to supplement the traditional approach. This Center is the first site in California—and only the third in the nation—to offer the state-of-the-art SimSuite system.

Anesthesiology residents at UC Davis now rotate through Shriners Hospital. The UCD residency match was very successful, filling with excellent candidates.

District Director Reports–Cont’d

Peter E. Sybert, M.D. –District 9 (Del Norte, Humboldt, Lake, Marin, Mendocino, Napa, Siskiyou, West Solano, Sonoma, Trinity, Colusa, Glenn, Butte, Plumas, Tehama, Shasta, Lassen, and Modoc Counties): After a long process the Health Plan of the Redwoods’ bankruptcy proceedings have gone far enough that a primary payout has been paid. Some funds that have apparently been retained as a final property still need to be disposed of, and a residual pay out remains a possibility. It is nice to see this painful chapter come to closure.

Possible closure and shifts still go on throughout the area. In Healdsburg the community will vote later this year on another tax package whose revenue would support the local hospital. If it does not pass, management will have to review its options regarding viability and in what form. The facility has already scaled back services dramatically to cut costs, and most of the more complex or sick patients are apparently already being cared for elsewhere.

The situation in Redding remains unstable. Tenet’s hospital may be sold. If so, what occurs will depend on the purchaser. In the meantime area caseload has apparently declined resulting in dislocation of anesthesiologists from their previous practice patterns.

Daniel M. Cosca, M.D. –District 10 (San Luis Obispo, Santa Barbara and Ventura Counties): Since the last District Report, several important events have occurred at Community Memorial Hospital in Ventura. Most of this information is available at the medical website: www.concernedventuraphysicians.org. The embattled CEO of the hospital resigned as of October 2003. A better cooperation between the medical staff and the board of directors has ensued, leading to a generally more improved and efficient use of the ORs and time. A new CEO, who is apparently more physician friendly, has been appointed. The assistance to our troubled peers in terms of legal advice and finances has been remarkable. Help has ranged from the AMA, CMA and the CSA to the medical staff of our own Lompoc District Hospital, which sent a moderate monetary donation to the legal defense fund. The suit seeking self-governance continues because rights erosion issues still exist.

Saint John’s Regional reports a greatly increased surgical volume as a result of the unfortunate Ventura Memorial situation. This has led to an increased demand in anesthesia personnel, and a heretofore unknown cooperation between anesthesiology groups in the Oxnard, Camarillo, and Ventura areas to fill the void. Also from Saint John’s comes the report that it is now giving a stipend to some surgical specialists for emergency coverage. The anesthesiologists have so far not been included, although they are providing several persons on call each night at the same location. Negotiations are ongoing to remedy this situation.

District Director Reports–Cont’d

At Arroyo Grande, surgery volume has increased for a number of reasons, and the third surgery center for this area will be opening soon.

A disturbing bit of information from our billing service manager in Santa Maria is that the California Department of Health Services has been delaying the process of giving provider numbers to new applicant physicians. Currently, action is taking many months. It is impossible to get information on the telephone, and all inquiries must be done in writing. This means that payments for services to well meaning anesthesiologists in our area may be delayed for up to a year! The matter has been referred to CSA officials.

It has been encouraging to see three good people running for the open delegate position in our district. This means we will have our full complement filled.

Johnathan L. Pregler, M.D. –District 11 (West Los Angeles County [western portion]): The biggest news in District 11 has been the continuing saga of Tenet Healthcare Corporation and the future of its hospitals in the central and western areas of Los Angeles. The longest running story has been the uncertain future of Century City Hospital. Tenet announced that it would close Century City Hospital on April 30, 2004. In an announcement in late January, Salus Surgical Group announced that it would take over the lease for Century City Hospital. Salus is a physician-owned company that focuses on developing and managing physician-owned outpatient surgery centers and boutique hospitals. The CEO of Salus is Randy Rosen, M.D., an anesthesiologist. Salus intends to rename the hospital as Century City Doctors Hospital. It will operate the hospital as a full-service acute-care facility and according to Dr. Rosen it will continue to provide emergency medical services. It appears that the facility will focus on orthopedic and spine surgery, and oncology and cardiology services. Salus will reopen the facility sometime in September 2004. Surgical business from Century City has been shifting to other facilities in the area including other Tenet facilities. It is unclear at this time what the change in ownership will mean for the anesthesiology staff at Century City Hospital.

Tenet also made news by announcing their intent to sell 19 hospitals in California. Five of the affected hospitals are in District 11, including Queen of Angels/Hollywood Presbyterian, Brotman Medical Center, Centinela Hospital, Daniel Freeman Marina Hospital, and Midway Hospital. County health officials are doubtful that all of the hospitals will find buyers. It is estimated that as many as one-third of the hospitals will end up closing. Tenet cited the costs of seismic upgrades as the reason for the sale of the facilities. They estimate that it would cost \$1.6 billion to retrofit all 19 hospitals that are for sale. The effects of the potential sale or closure of the facilities may result in displacement of anesthesiologists, a worsening of the acute-care hospital bed shortage in West Los Angeles, and an increased burden on the emergency facilities and operating rooms at the remaining hospitals in the area. In

District Director Reports–Cont’d

particular, this would put an increased financial burden on the hospitals that are geographically close to any of the hospitals that might close.

Hospitals in the area are reporting continued financial strain. St. John’s has recently reported financial difficulty and laid off several hundred employees. The Hunter Group continues to be present at UCLA and is working to improve UCLA’s financial situation. The search for new hospital and medical group management is ongoing.

Anesthesiology manpower continues to be tight in the West Los Angeles area. Several groups report the need for more full-time anesthesiologists and one prominent group has resorted to using locum-tenens personnel to meet their clinical commitments. It also appears that there is a significant need for pediatric anesthesiologists. Reasons that have been cited for the overall shortage of anesthesiologist providers continue to follow the trends that have been reported earlier. Many anesthesiologists are choosing to practice at outpatient facilities and are not willing to take full-time positions at traditional acute care hospitals. The need for anesthesia services in hospitals also continues to increase due to demands for anesthesia services outside of the operating room. These two factors, when combined, have kept the demand for anesthesiologists at a high level in the region.

John A. Lundberg, M.D. –District 12 (Southeast Los Angeles County): Tenet Healthcare Corp has announced that several of its hospitals in our area are for sale, namely Centinela, Daniel Freeman, Brotman and Daniel Freeman Marina. An alliance of local physicians has formed and is negotiating to raise funds to buy one or all of the hospitals. Once again we are seeing physicians who are disenchanted with the large conglomerate Tenet willing to invest and buy hospitals in hopes of getting the service they want.

Since 1998 when Sacramento changed Medi-Cal reimbursement policy to private obstetricians, Harbor UCLA has seen dwindling numbers of OB patients and now does approximately 100 deliveries per month. Their OB/GYN residency training program has downsized and needs more deliveries to support the training program to assure their accreditation. Medi-Cal patients have been shifted to private sector hospitals since the policy change, thus allowing increased compensation to private OB M.D.s for Medi-Cal patients’ care.

Emergence and growth of surgicenters has been a major theme here for the past five years, and the pace seems to be intensifying. Independent surgeons have formed alliances, and groups and are opening very successful day-surgery centers. In our area, successful centers focus on pain management and ophthalmology. ENT, orthopedics, and podiatry also contribute to the caseloads. Several gastroenterology groups and one urology group have opened successful single-specialty surgicenters. Overall, founding surgeons are very pleased with their surgicenters and their ability to control their

District Director Reports–Cont’d

daily operation and activities. Discontent with hospitals and a perceived “non-response” attitude to their concerns have brewed a level of contempt for some hospital administrators.

We still see a shortage of highly qualified anesthesiologists here. Recent graduates of residency training programs will find job opportunities here in District 12, and this should continue for the foreseeable future.

Kenneth Pauker, M.D. –District 13 (Orange County): Movement of healthier and better insured patients away from hospitals and toward freestanding surgical facilities continues. One observer reports a trend of surgeons offering their own office surgical suites for use by others, offering convenience and low-cost, particularly for cash patients. The concern is that these anesthetizing locations are totally unregulated, are not required to be certified by any governing body, and they may use equipment and techniques which may be below acceptable standards in credentialed facilities. One might make note of a recent stringent tightening by the AAAASF of essential safeguards in facilities giving propofol for any reason. There is no current method to gain a handle on the volume of these cases or the complication rate in such locations, and therefore, there may be potentially a huge number of anesthetics which may not be performed within the standards of safety promulgated by organizations such as the CSA and ASA.

Concerning the new Workers’ Compensation (WC) system, many anesthetic practitioners have begun to feel the financial impact of compensation reductions for both physicians and facilities, as well as the hassle of slowed and withheld approvals by carriers. Some business for pain practitioners is simply evaporating. There are marked reductions in the number of implantable chronic pain devices, presumably because of reduction in compensation by WC. Regarding potential changing malpractice rates for interventional pain anesthesiologists, a source at CAP-MPT reports that most likely there will be a new class for anesthesiology/pain management, and that the assessment will be approximately 11% higher than that for standard anesthesiology.

A successful District #13 dinner meeting was held on October 29, 2003, at the Turnip Rose in Orange. Dr. Mark Zakowski discussed patient-controlled epidural analgesia and Dr. Ken Pauker gave an overview of issues related to Disaster Preparedness. B. Braun Medical, Curlin Medical, and AstraZeneca sponsored the meeting and the CSA provided CME. The next such event is expected to be held this spring.

Kaiser Permanente continues to have a strong presence, running 22 anesthetizing locations daily, including an orthopedic facility on Main Street in Orange, Pacific Hills in Laguna Hills, Tustin Hospital, Irvine Medical Center, and West Anaheim (old Humana) which is very busy with 95% of their work done on Kaiser patients.

District Director Reports–Cont’d

Contract talks are in process with Anaheim Memorial and Orange Coast Memorial to accommodate additional Kaiser surgical patients. The Sand Canyon outpatient surgical facility is nearing completion, although it will not actually open until 2005 because new enrollment has been somewhat flat, and this delayed opening is estimated to save over \$1,000,000 in personnel and other costs. In an initiative intended to enhance patient safety, Dr. Jim DeFontes, Surgical Service Line Physician Director for Orange County and Coordinating Chief of Anesthesia for Southern California Permanente Medical Group, has instituted Human Factors training to address the “interpersonal skills generally implicated in adverse outcomes” and a preoperative Safety Briefing which includes all team members. The program is described in the Education Module and Human Factors Took Kit.

The group at WestMed reports an extremely good relationship with their hospital administration. They do suffer a bit in their contract mix and in the hospital choosing not to bill for Medicare outliers (resulting in reduced facility income), despite it being legitimate and legal, because of concerns with what happened at other Tenet hospitals. There are uncertainties in the practice, given that Tenet is selling the facility, but the administration has given assurances that there is no intention to sell to any entity which plans reductions in services now offered. There are reportedly several interested buyers, and it is anticipated that escrow with the new buyer will at least begin sometime in the 4th quarter of this year. The anesthesia group does get subsidies from the hospital, both for caring for trauma patients and obstetrical patients, many of whom are indigent. A source at WestMed reports that the biggest income sources for the hospital relate to its designations as both a Trauma Center and a Neurosurgery Receiving Center, and that, therefore, it would be almost inconceivable for the hospital voluntarily to give up its status as one of Orange County’s three remaining trauma centers.

Despite this opinion by sources at WestMed, there are concerns at Mission about the potential closing of the WestMed Trauma Center after the Tenet sale because it would leave just Mission and UCI as Orange County trauma centers. Should this occur, it would devastate the already highly constricted trauma network in OC, and also potentially dump considerably more trauma patients at Mission. The anesthesiologists are concerned about how an increasing volume of non-insured patients with high intensity will affect their practice, and they are renegotiating a contract with the hospital which has at present made no provision for them to be compensated for these trauma patients, as is now done at WestMed.

Fountain Valley is running smoothly after their group consolidation, and there are reports of significantly improved satisfaction by both patients and administrators.

Irvine Medical Center is one of the Tenet hospitals not scheduled to be sold off. The usual tensions within a for-profit system between economics and physician desires

District Director Reports–Cont’d

continues, as well as their struggling to get their new Heart Program on a stable footing.

St. Joseph’s is going “great guns,” running 22-25 locations each day. Ground breaking for a new seismically upgraded building is about to begin. The hospital is undertaking a major new marketing campaign to attract paying business and potentially to reduce the mix of indigents in its case mix.

South Coast has begun a bariatric surgery program this year, using surgeons already busy at Hoag and Huntington Memorial. The anesthesia group reports that this has gone extremely well so far. Discussions on whether to rebuild the hospital at the present location in Laguna Beach to meet seismic standards, or whether to try to open a new hospital, possibly merged with Samaritan in San Clemente, at a location in San Juan Capistrano near the junction of the I-5 and Pacific Coast Highway, are ongoing.

Saddleback is witnessing in its “catchment area” a burgeoning number of independent outpatient surgical facilities, and there are concerns regarding concentrating the patient acuity and less desirable payers in the hospital mix. In what could further exacerbate this problem, Bristol Park HMO apparently is losing its relationship with Mission, and there appears to be a plan to force Bristol Park HMO Medicare seniors upon the anesthesiologists at Saddleback Memorial Medical Center without a contract. The hospital administration has an excellent working relationship with the anesthesia group and is aware of the potential for disruption with these Bristol Park tactics. To address this unwanted distillation in patient mix, the hospital plans to open five new outpatient ORs in its adjoining medical office building in 2005, and to develop these as the minority partner with its physicians, hoping to re-incentivize them to bring healthier and better paying patients back to the hospital campus.

The Hoag group is staffing an ever-increasing number of remote locations and is therefore expanding dramatically; from 35 to 45 M.D.s with plans to reach 50 by next year. This creates potential conflict between the hospital, the anesthesiologists, and the owners of the remote facilities. Assignments to locations are reportedly fairly democratic and all members, even senior ones, continue to take their share of call.

At University of California, Irvine, preparatory construction for their new hospital, scheduled to open in 2007, has begun. No issues concerning the California budget crisis are anticipated. The department anticipates growing by 25-50% to meet anticipated needs, ORs doubling from eight to 16 in addition to four outpatient ORs. Coverage is also provided for certain patients in 1-2 GI suites, a plastics room, and interventional CV and radiological suites.

Within the next 6-9 months, a group of surgeons is opening a surgicenter up the street from St. Jude’s. The hospital is exerting pressure on anesthesiologists and surgeons not to become involved in this venture by threatening loss of the hospital-run (presumably owned by primary care docs) IPA patients, which constitute 60% of the

District Director Reports–Cont’d

volume at the hospital. Furthermore, the IPA can direct certain PPO traffic to specific facilities. In years past, there had been a surgical IPA which subcontracted with the hospital-run IPA, but two years ago the hospital IPA insisted on contracting with individual surgical groups, and the surgical IPA became defunct. The IPA has already hired replacement ENTs and Orthopedic Surgeons. Interestingly, the CEO of the hospital is also CEO of the IPA. The hospital is seeking an exclusive contract with the anesthesiology group, intending to be able to exclude certain anesthesiologists, but the group, which has excellent relations with the hospital, has resisted.

Morris Jagodowicz, M.D.–District 14 (Los Angeles County [northwestern portion]): Tenet plans to sell Tarzana Regional Medical Center and Encino Hospital this year. Apparently, the cost to retrofit these hospitals is too excessive for Tenet. Both Tarzana and Encino hospitals are “money makers,” and there should be no problem with the sale. Rumor has it that both Columbia and Catholic Health Care West are interested.

With the close of Century City Hospital at the end of this month, most of the anesthesiologists are looking to work elsewhere in community hospitals, as for instance Midway Hospital, where many of the same surgeons that worked at Century City will be.

The Workers’ Compensation Rule, regarding ambulatory surgery centers, has not shown its effect yet. The centers continue to do workers’ compensation cases and are negotiating rates greater than the 120% of Medicare. Middle men such as “COMP Medical” are having a difficult time convincing surgeons and centers to take Medicare rates for workers’ compensation patients.

Johnathan Pak, M.D.–District 15: As is usual during this time of year, the proverbial torch is passed to others that will fulfill a commitment to themselves, our specialty and respective residencies. The first round of elections for the spot of delegate and alternate delegate has finally taken place at each residency. This represents the first time that the elections have occurred under the newly changed Bylaws set forth last year by Dr. Severson.

The next step in the election process is to elect a District 15 Director among the newly elected delegates with a single vote being cast by the exiting delegates and incoming delegates. The election is to have taken place in time for the new Director to assume responsibility for the 2004 CSA annual meeting. The web site can become a valuable tool in the election process. I hope in the future that there can be a dedicated page for the delegates to campaign by listing their CVs and putting forth their goals. As for now, the forum must remain what it is: e-mail.

The other topic of discussion still remains the resident web site. The main purpose for this year has been getting the practice management page up and running. This

District Director Reports–Cont’d

serves as a starting point for those residents who have no idea where to start in the job search process. Many questions about job search and private practice models have been collated by the residents at each residency. Those deemed important have been filtered out and put into a question format. With the help of many private practitioners, I hope to get multiple answers to simple questions as “To whom do I send my CV when I look for a job?” to complex ones as “How do universal pooled units work?” Once most of the questions have been answered, the results will be available on the website for the residents to review. Also, more questions can be added under different headings as the webpage expands. I hope that a financial planning sector can be added next year concerning disability insurance, health insurance, life insurance, et cetera. However, all questions and answers must get approval prior to being posted on the web site.

Lastly, we at UCLA have implemented an Internet-based Q/A form. This has helped the residents keep track of their case loads. At the end of the month, we can print out the tally to send to the ABA. This has decreased the miscounting among the residents and has helped the residency director see any deficits among the residents far before graduation. Since this is the first year of experimentation with the Internet Q/A and running tally for procedures and cases, I hope that our system works out the kinks, and then we can share this idea with all the residencies. It is my belief that as medicine moves to a paperless system, we need to have something in place to account for the case logs for the ABA.

CSA On-call Coverage and Reimbursement Survey Results Available

The results of the CSA surveys on Reimbursement and On-call Coverage are now available to CSA members. Conducted in late 2003, the results include ranges of payment for on-call and dedicated specialty services as well as ranges of charges and reimbursement per unit. Other measures also are reported.

Members may access and download PDF version of a PowerPoint presentation of the results in the Members Only section of the web site at www.csahq.org. Upon request to the CSA office, members may receive a copy by fax or mail.