

POH plans still being fought

BY TIM RICHARD
STAFF WRITER

The state and three Oakland County hospitals are appealing cases involving hospital expansion in Oakland County.

The governor Monday ordered Michigan Department of Community Health Director James Havenman to request the state attorney general to appeal a Pontiac Osteopathic Hospital case to the state Supreme Court and a Providence Hospital case to the Court of Appeals.

Meanwhile, three Oakland County hospitals say the Court of Appeals didn't have all the facts when it ordered that Pontiac Osteopathic be allowed to expand in the Independence Township area of northern Oakland County.

They asked for a rehearing of the appellate court's May 10 decision, contending POH "factually misled" the court, in the words of assistant attorneys general Thomas Coney and Ronald J. Szyka. They said POH actually had started expanding across Perry Street in its current location.

The court brawl is a continuation of a 14-year fight. According to the state attorney general's office, the legal battle has cost state taxpayers between \$60,000 and \$100,000, although formal figures aren't kept.

More importantly, said Larry Horwitz of the Economic Alliance for Michigan, the issue of POH and Providence Hospital, which wants to build a hospital in Novi, is one involving public policy.

"In both cases these are older hospitals in the middle of the city suffering a drop in utilization," Horwitz said. "They want to move half their (space) to upper income suburbs." Wealthier patients have care covered by insurance companies that pay better than Medicare or Medicaid.

Horwitz said that, while the cases are separate, they are linked in time by the question of whether building more hospitals should be driven by the hospital's need to relocate to follow population or whether there is a need for more capacity.

In a letter sent July to Gov. John Engler, Attorney General Frank Kelley, and to James Havenman, director of the Michigan Department of Community Health, business leaders spell out their opposition to more hospitals in southeastern Michigan.

"New hospital capacity is not justifiable, even if offset by relocation of most unused beds in present facilities," the letter reads. "It would harm the business climate to have additional hospitals in southeast Michigan and likely anywhere else in the state."

"On the contrary, an orderly and prudent decline in the number of unneeded hospital facilities is required. Excess hospitals and related duplicative services (requiring millions in capital and operating expenses) are major drivers of health cost, still a major obstacle to business development and expanded job opportunities."

The letter further encourages state officials to continue appealing court decisions.

Signing the letter are Denny Benson, vice president and chief financial officer of The Budd Company; John M. Devine, executive vice president and chief financial officer of the Ford Motor Company; Gary C. Valade, executive vice president and chief financial officer of Chrysler Corporation; J. Michael Lash, executive vice president and chief financial officer of General Motors Corporation; and Larry M. Garberding, executive vice president and chief financial officer of the Detroit Edison Company.

In a press release issued by the governor's office, Havenman noted that "the future, with the implementation of managed care, certificates of need as a cost control mechanism may become unnecessary."

The requests for a rehearing on the POH case were filed June 6, three weeks after the 2-1 decision, with no word yet on whether the state's second-highest court would grant the request.

POH attorney Kenneth P. Frankland of East Lansing said in a reply brief that the rehearing should be denied because the facts in the case haven't changed.

However, according to the attorney general's office, "While this matter has been pending in the courts, POH has obtained and acted upon a certificate of need to construct a new patient tower adjacent to its original hospital in Pontiac."

"As a result, POH is not cramped for space, affecting patient care. It does not have license and code violations of significance. . . . In conclusion, this court has been factually misled, resulting in an error of granting a certificate of need to Pontiac Osteopathic Hospital."

Adding to this report was Sandra Armbruster, Oakland County editor for *The Eclectic Newspapers*.

HOSPITAL GROWTH

Hospitals eager to serve north Oakland

BY VIVIAN DEGAN
STAFF WRITER

Location wasn't Susan Coppersmith's top concern when she chose Providence Park Birthing Center in Novi as the site to deliver her second child in February. She had delivered her first baby in 1993 at Huron Valley Hospital, where she lives in Commerce Township.

Coppersmith said she chose Novi this time because the hospital was the one affiliated with her physician, matches her insurance carrier, and offered the extensive labor and delivery services she wanted.

"I was willing to drive farther. At the time, I thought I would have an easy labor because this was my second child, and I wanted a Birthing Center," Coppersmith ended up having a C-section, which meant both she and the baby were transferred to Providence/Southfield in southern Oakland County for postpartum care.

The Commerce mom of two was hospitalized with her experience, despite the hospital's transfer from northern to southern location. But some health officials contend that more facilities are needed in northern Oakland County to meet needs like those of Coppersmith.

A group of five hospitals has sought to build new facilities or add inpatient beds in northern Oakland County. Some are requesting a rehearing of the Michigan Court of Appeals May 19 decision authorizing a Certificate of Need (CON) to build only one of the five hospitals.

Some industry watchdogs, however, say too many empty beds throughout the state are raising health care costs. Larry Horwitz of the Economic Alliance for Michigan, a group of 70 top business and labor union leaders, said the organization has been studying health care since 1984 and opposes the building of any more hospitals. The alliance has measured the state occupancy rate at about 65 percent, and would prefer 80 percent as a standard.

"Every indicator suggests we have too much capacity already," Larry Horwitz, Economic Alliance



"Every indicator suggests we have too much capacity already, and we will still have too much capacity in 2010, even given population projections from SEM-COG and other planners about growth in Oakland County," Horwitz said. "The nature of health care has also changed, requiring less time in hospitals."

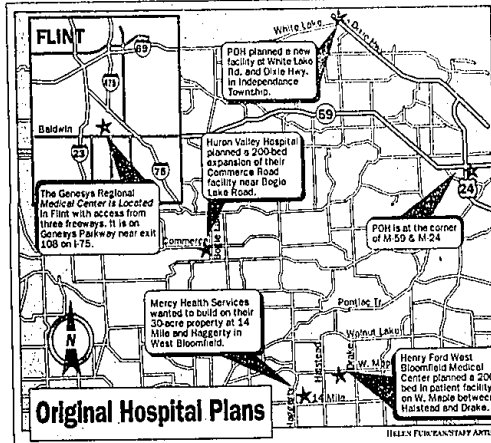
Decreasing need

Hospital stays have shortened due to improvements in medical technology and procedures, which are less invasive and offer faster recovery time, Horwitz said. Also, improved out-patient services allow patients to go home immediately, and extensive prevention programs are teaching people better self-care and early diagnosis.

Apparently much has changed in the course of the 14-year-long lawsuit. The appellate court granted Pontiac Osteopathic Hospital in Pontiac, one of the five seeking CON, permission to build a 112-bed inpatient facility in Independence Township on a 60-acre site at Dixie Highway and White Lake Road, according to Chris DeWitt, spokesman for the Michigan Attorney General's office.

While Pontiac Osteopathic awaited the decision regarding their Independence Township CON, the hospital built a new, 200-bed tower facility across the street from its main building in downtown Pontiac. The tower opened in June.

And last February, Genesys Health System, a state-of-patient medical facility, opened north of the county border just two miles away from the Pontiac Osteo-



Original Hospital Plans

pathic Independence Township site. Pontiac Osteopathic officials said they plan to pursue the 14-year-old CON application, but may have changed the plan for the facility. "What we were going to do 15 years ago is no longer prudent," said Sharon Luck, vice president of marketing and communications at Pontiac Osteopathic, "so we have to look at the alternatives, but at this time, we are unwilling to discuss specifics."

New facility?

Patrick Lamberti, CEO of Pontiac Osteopathic, said the organization believes the reasons it applied for the certificate of need in 1983 are still valid and important.

"We believe there are still needs in that area and we continue to pursue those needs, but we are not irresponsible and would look for the best interests of managed care and health care," Lamberti said. "We feel the way we were treated back then was improper, and we seek the remedy we deserve in our opinion."

Other hospitals and some of their building projects are:

- **Detroit Medical Center:** Requested a CON to add 160 beds to its Huron Valley Hospital at Commerce and Bogie Lake roads in Commerce Township. The facility, built in 1986, has 163 beds and was renamed Huron Valley-Sinai Hospital after a recent merger. Huron Valley's addition of 35,000 square feet of clinical space slated to open in the fall of 1998.

- **Robert Yellan, vice president of legal and governmental affairs for Detroit Medical Center, confirmed DMC had filed the motion with the Court of Appeals to rehear the case and would not comment further.**

Henry Ford Health Systems

Applied to expand its 22-year-old West Bloomfield Ambulatory Care Center into a 200-bed inpatient facility. The West Bloomfield center, located on West Maple between Drake and Haggerty, currently offers out-patient diagnostic, treatment, and surgical services, but no inpatient services. Inside the facility are upgrades are oncology facilities.

Dwight Angell, director of public affairs, said Henry Ford Health Systems is still involved in the action, but is reviewing the ruling to see if it has any impact on policy or patient care. "It is premature to say anything about how this will affect us," Angell said.

Mercy Health Services Inc.

Operating St. Joseph Mercy Hospital on Woodward in Pontiac, applied to build a new 200-bed facility on 30 acres located at 14 Mile and Haggerty roads in West Bloomfield. Mercy currently has 70 facilities throughout the state in 1996 with a total of 410 beds in all.

Spokesperson Karen Martin said the Mercy Health organization plans to await the court's decision.

William Beaumont Hospital

Collette Stimmel, spokeswoman for the Royal Oak-based hospital, said the organization originally filed in the combined suit to build in West Bloomfield, but withdrew from the action in January 1995.

"We withdrew our application for a CON because after looking at current health care needs, we decided there is no need for a new hospital in the north Oakland area," said Stimmel. She added Beaumont has no intention of building in West Bloomfield, but has since built a 189-bed facility on Dequindre in Troy. It also has added on to the main hospital.



Coming soon: Despite legal arguments over whether area hospital need to expand their operations, some are expanding clinic facilities, such as at Huron Valley Hospital in Commerce Township.

Patients need empowerment, doctor says CON Reform

BY SANDRA ARMBRUSTER
OAKLAND COUNTY EDITOR

When it comes to medicine and regulation, Dr. James O'Neill doesn't sit on the fence.

"Get government out of medicine," the Clarkston physician says from his office in an ambulatory care center on M-15.

Government, to O'Neill, is reflected in regulation, such as Certificates of Need required before health care facilities can be built.

Certificates of need empower government, and millions of dollars are spent in the process. When government or big corporations take over, bad things happen, they're bean counters," O'Neill says.

O'Neill says in medicine he works with corporations doing cost/benefit studies and with insurance companies, accord-

ing to O'Neill. "What's wrong with medicine is that patients aren't empowered."

Patients aren't at the table with government, business and insurance, said the physician while tilting back on a chair in his spartan office. "When patients aren't at the table, whoever has the most power gets that wonderful word — market share."

"Now patients go into managed care and they're told where they can go and whether they can have a procedure."

"We have audits and quality control, but who is best at that? The patients." O'Neill favors medical spending accounts — giving patients money for medical needs and letting them decide where and how much to spend it.

O'Neill, who is building a

"Get the government out of medicine." Dr. James O'Neill, Clarkston Physician

with an angry shake of his head.

Does northwestern Oakland County need another hospital?

"No, absolutely not," came a quick reply. "We have too many as it is. We need more primary care physicians."

The community health center O'Neill is building would provide a chance for getting patients into the medical system.

With specialists from throughout the area coming to Clarkston on a time-share basis. Also included will be a women's health center. O'Neill has been in the Clarkston area for 36 years.

O'Neill says, "I don't care what the insurance says," he added

number of workers totals 2,700.

- **Huron Valley Hospital:** Half of the 980 employees are considered part-time.

- **The William Beaumont Hospitals and facilities:** 7,702 full-time employees. A spokeswoman said that *Crain's Magazine* ranked Beaumont in 1992 as the fourth largest employer in the county.

Hospitals are major employers in Oakland County

Hospitals and health care facilities have a significant economic impact on the community they are in — not just importance for the service they deliver. Frequently they are one of the largest employers in town.

A look at area hospitals follows:

- **St. Joseph Mercy Hospital, Pontiac:** Including part-time employees, the

number of workers totals 2,700.

- **West Bloomfield Ambulatory Care Center:** 400 persons, not including physicians.

- **Pontiac Osteopathic Hospital:** 1,200 full-time employees or the equivalent of 900 full-time workers. This includes those in the downtown Pontiac campus and satellite and physician offices.