



Interim Tri-City CEO has remedies



Ideas address drop in patients, revenue

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NORTH COUNTY — The interim chief executive of Tri-City Medical Center announced last week that he was waging a campaign on several fronts to try to halt a slide in patients and revenue at the Oceanside hospital.

The efforts range from refinancing high-interest bonds and wooing potential patients from Camp Pendleton to redecorating to make the 397-bed hospital cheerier.

Officials with the public Tri-City Healthcare District, which runs the medical center, have said operating revenue was down \$3 million by Jan. 31 out of a year-to-date budget of \$185.7 million.

In late January, they warned that Tri-City could lose as much as \$8.7 million by June 30.

On Thursday, interim Chief Executive Larry B. Anderson revised the prediction, saying he expects Tri-City to break even in 2010.

Anderson started work in mid-January, temporarily replacing hospital President and CEO Arthur Gonzalez.

Gonzalez and seven other top administrators were put on paid leave in December by a majority of the Tri-City board of directors. The eight executives sued the board majority last week, seeking reinstatement.

Anderson said Friday that it's not his style to sit back and be a temporary caretaker. Anderson said he has made it clear that he would stay if Gonzalez is not brought back.

“I've told the board that,” he said. “They've asked me that.”

In 2004, Anderson founded Integrated Healthcare Holdings, operating four hospitals in Orange County. In January 2008, he left with \$465,000 in severance and a six-month consulting contract.

He previously was executive vice president and general counsel for Alta Healthcare System, operating seven hospitals in the Los Angeles area.

At a Tri-City board meeting last week, Anderson recommended changes in a number of areas.

In addition to working on finances, “we’re going to try to beautify the facilities and change the way we treat each other” so the hospital is more welcoming to both the public and the staff.

Anderson plans to station a greeter in the lobby and serve meals to physicians.

“Specialists have said they use other hospitals because they do not feel at home here,” Anderson said. “Our plan is obviously to increase our friendliness to physicians.”

Reid Hollyfield, interim chief financial officer, blamed much of the financial problems on the shift of patients to Scripps Memorial Hospital Encinitas when the 64-physician Sharp Mission Park Medical Group, based in Oceanside, merged with Scripps Medical Group at the beginning of the year.

Those doctors, who once referred patients to Tri-City, are now sending them to Encinitas, Hollyfield said.

Tri-City's operating margin in January was 8.5 percent below budget. Anderson said the first two weeks of February show a 13 percent decrease.

Emergency-room visits were down 4.6 percent from January 2008, he said. Inpatient surgeries were down nearly 15 percent, and outpatient surgeries were down more than 43 percent.

Some board members said last week that they believe the poor economy also is to blame for the situation.

“This is really an indicator of the economy,” board President RoseMarie Reno said. Hollyfield agreed that people postpone elective surgery if they are laid off and lose health insurance.

Since taking the helm at Tri-City, Anderson has overseen a number of changes and initiatives. Among them:

A plan to refinance \$58.4 million in auction-rate securities with an effective interest rate of 17 percent. The board approved the plan, which would replace the bonds with lines of credit with interest rates as low as 1.5 percent.

Talking to sports-medicine specialists, urgent-care providers and retailers about leasing space in an office building at Tri-City Wellness Center in Carlsbad. Filling the building will increase Tri-City's visibility in Carlsbad, Anderson said.

Meeting with officials at Camp Pendleton and Fallbrook Hospital about sending some cases needing specialists to Tri-City. Military patients now go to San Diego Naval Medical Center but can be seen elsewhere if they live more than 60 miles from that hospital.

Replacing some flooring on the fourth floor of the hospital. The third floor is next, and then possibly lobby renovations to make the surroundings cheerier.

Forming a committee to focus on improving staff relations and the work environment.

Possibly hiring engineers to re-evaluate the medical center's earthquake-safety problems. Hospitals in

California must meet new state standards by 2013 or qualify for an extension on the deadline.

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