

Publication: Skagit Valley Herald; Date: Sep 13, 2011; Section: Front Page; Page: A1



Judge rules in favor of United General

By **WHITNEY PIPKIN** Staff Writer

EVERETT — A Snohomish County judge ruled Monday that Skagit Valley Hospital cannot operate a clinic within the boundaries of United General's Hospital District 304 without that district's permission.

Skagit Valley Hospital currently employs seven physicians at a Skagit Regional Clinic located next to United General Hospital. Those doctors serve an estimated 10,000 patients from that location, and one of them is the primary care physician for 900 people, the physicians' attorney said.

Judge Ronald Castleberry said no changes to services will occur until he has signed the order and all the parties have agreed on terms for a "transition period," since the clinic no longer has rights to operate there.

In his decision, Castleberry said Skagit Valley Hospital's operating of the facility next to United General amounts to "an invasion" of another hospital district that could result in unwanted competition between the two public entities. He said the scenario would be different if the hospitals were private corporations that didn't have the authority to levy taxes, pass bonds and elect boards of commissioners to serve their districts.

In a separate but related lawsuit, the judge also ruled that 29 of the 36 physicians who are now employees of Skagit Valley Hospital would have their privileges to operate at United General returned to them.

United General had revoked those privileges this spring after the doctors became employees of the other hospital district.

Judge Castleberry said there was "no good reason" for United General to deny privileges to those physicians who rarely, if ever, operate at the Sedro-Woolley hospital anyway.

Those privileges allow physicians to, for instance, order and view lab results and coordinate patient care at the hospital, even if they don't operate there.

The seven doctors who are located at the United Pavilion, however, will not have their privileges returned, since the judge found they do not have the right to operate there as employees of the other district.

Michael Subit, the lawyer representing all the physicians in the class-action suit, called the decision "a partial victory."

But the initial response of Roger Hillman, the lawyer representing Skagit Valley Hospital, was concern for the patients currently receiving care at that clinic.

"We have 10,000-plus patients whose care is going to be disrupted. Our primary concern is continuity

of their care," Hillman told the judge.

Options

Judge Castleberry said he expected things at the clinic to remain as they are for now, until a plan for transition can be worked out between the two districts.

"Frankly, I hope both sides would be able to craft an agreement that would allow this to happen," Castleberry said. He said that could include the clinic continuing to operate in Sedro-Woolley "on a limited basis" and in a way that would not compete with United General's services.

Lawyers for both districts said they would meet in the coming weeks to work out the details of a transition period for the clinic and its physicians. Judge Castleberry said "an acceptable transition" could take anywhere from two months to a year.

But United General CEO Greg Reed said he doesn't think his district would reverse its decision about giving the clinic permission to operate there.

"Given the history that's gone on between the two districts, I don't believe that's an option," he said.

The two hospital districts have attempted to combine efforts in the past, but discussions about a more formal partnership were called off after more than a decade of trying.

Reed said that United General's offer for those seven physicians to instead become employees of District 304 — which would allow them to continue operating at the Pavilion — is "still on the table."

Given the judge's decision, it appears the doctors will have to either see patients from an office outside of District 304's boundaries or become employees of a private practice or different hospital. Otherwise, their patients will have to go to other doctors for those same services.

Hillman said he doesn't think that United General's hospital and clinics have the services to absorb all those patients, but Reed said the hospital's primary care doctor has room for new patients.

The seven physicians who will not have their privileges returned include cardiologists and internal medicine doctors.

The two lawsuits involving the hospitals were first heard at the Snohomish County Courthouse last week, after almost all seven judges in Skagit and Whatcom counties had recused themselves from hearing the cases due to conflicts of interest.

If the two parties cannot agree on the details of a transition for the clinic, the issue will be brought back to Castleberry for a decision.

Whitney Pipkin can be reached at 360-416-2112 or at wpipkin@skagitpubishing.com. Follow her on Twitter at www.twitter.com/biz_svh.

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