

Children's Hospital Central California, doctors' group locked in dispute

By Barbara Anderson

The only children's hospital in the region and the largest doctors' group in Fresno are severing ties in a fight for control of patients that could limit access to care in an area already in short supply of doctors, especially ones with special training to treat children.

Children's Hospital Central California in Madera County has said it will end its contract with Santé Community Physicians on Wednesday, dissolving a 16-year relationship.

The hospital said it is no longer "strategically aligned" with Santé, an independent physicians association with a panel of 1,250 doctors and nurse practitioners that is affiliated with Community Medical Centers, which operates Community Regional Medical Center in downtown Fresno, Clovis Community Medical Center and Fresno Heart & Surgical Hospital in northeast Fresno.

Children's said Santé is trying to build its own group of pediatric subspecialists who would work out of Community Regional.

Santé said that's false: Only a pediatric surgeon has been added.

The upshot: A turf war over pediatric patients has put children and doctors in the middle of a conflict that health experts say is becoming more commonplace as hospitals and doctor groups jockey for a bigger share of the health-care market.

Both Santé and Children's have said they're working to ensure that access to care won't be disrupted.

"There isn't going to be a kid who falls through the cracks," said Todd Suntrapak, president and CEO at Children's.

But Friday, Santé said about 500 families had received notices of appointment cancellations from Children's. Santé was trying to get them rescheduled, but to do so, it had to send authorization notices and individual contract agreements for each child's appointment.

Children's spokeswoman Zara Arboleda said the hospital is rescheduling appointments when it receives authorization from Santé. But Dr. Daniel Bluestone, medical director for Santé, said he might have to send children out of town for care. "I'm stuck what to do," he said. "I have to get these patients seen, and Children's is refusing to see them."

Parents confused

Adding to the confusion: Letters were sent to families that said Children's will be an "out-of-network" provider, which could mean more out-of-pocket costs to them.

But Anthem Blue Cross, a health plan that has contracts with Santé and Children's, shot off a letter Tuesday to the doctors' group and Santé, chastising them for "inaccurate and misleading information" that characterized Children's as an out-of-network provider.

"There should be no disruption in the referral or authorization process or specialist visits or to the hospital itself, so Anthem HMO Members should not experience any longer-than-normal wait times for appointments and services nor incur any additional out-of-pockets cost for such services," wrote Deborah M. Henning, regional vice president, network management.

Anthem would not comment on the letter, but spokesman Darrel Ng said in an email: "Anthem Blue Cross has a contract with Children's Hospital of Central California to care for our members — HMO included — and we expect Children's Hospital to adhere to the contract."

It's difficult for parents to know what to believe, said Eugene Alvarez, a Fresno father whose son has been seen by doctors at Children's Hospital for nearly 13 years. "This has all been a nightmare."

Alvarez said his son, Alex, needs to be monitored for a kidney condition. He had two appointments with specialists at Children's this month but was told Thursday that appointments with a urologist and nephrologist had been canceled. Alvarez said he spent days trying to secure new appointments, and after several telephone calls he succeeded. But he said he isn't sure his son will continue to be seen by the doctors. "It's just all so confusing."

Jodie Biggs of Fresno said her 12-year-old son is a type 1 diabetic and has seen an endocrinologist at Children's since he was 2. Biggs said a December appointment was canceled. Her son needs the appointment to be able to get an insulin pump to help control his diabetes, she said.

Biggs, who works for a division of Santé called Advantek Benefits Administrator, said she offered to pay cash for her son to be seen, but the doctor's staff said they would have to get back to her. "What does it matter if I'm a Santé member or not — I'm willing to pay cash."

Biggs said she was unaware she had to have a new authorization from Santé before the appointment could be rescheduled. The hospital has received the authorization, and she now is waiting for an appointment to be confirmed. The whole process was daunting and required "a lot of paperwork," she said.

Conflicts are messy

Battles between doctor groups and hospitals are complicated.

In California, it's illegal for a hospital to directly employ doctors and it's illegal under federal law for a hospital to try to influence where a physician sends patients.

However, doctors' groups can be affiliated or partners with hospitals and there can be peer pressure to refer patients to services at the affiliated hospital, said Dr. Lawrence P. Casalino, a professor at Weill Cornell Medical College in New York City and a national expert on Independent Physician Associations and medical groups. An Independent Physician Association negotiates contracts with insurance companies on behalf of doctors.

Disputes between doctor organizations and hospitals often are about competition for patients or over money, Casalino said. He said he would have to study the conflict between Children's and Santé to comment specifically on it but in general: "It's either competition for turf — who's going to have more market share — or the physician group is thinking that the hospital is demanding rates that are too high."

The conflict with Santé is not about reimbursement rates, said David Christensen, senior vice president of medical affairs and chief medical officer. "It is about strategic alignment."

The hiring of a pediatric surgeon and anesthesiologist by Santé shows "their intent to expand their pediatric capabilities," he said. The doctor's group essentially is "attempting to duplicate services that we don't feel will be of benefit in the long term to the health of this hospital or for the long term for the community."

Santé agrees that the dispute with Children's is not about money. "I can assure you we've been talking with them for months about contracting and have offered to pay whatever they demand," Bluestone said.

Bluestone said the assertions by Children's that Santé has plans to expand into the pediatric specialty arena are "just flat, not true."

Community Medical Centers, which has an affiliation with Santé, said the hiring of a pediatric surgeon to work at the downtown regional medical center does not signal an expansion. The hospital has to have such a surgeon to meet state requirements for a 24/7 trauma center, said John Zelezny, senior vice president of communications.

The 641-bed regional medical center has eight beds dedicated to children, he said.

Community Regional, however, has an 84-bed Level 3 neonatal intensive care unit that is only slightly smaller than an 88-bed Level 4 unit at Children's. Level 4 units can handle babies with the highest-level medical needs.

Since opening in 2008, Community's neonatal unit has been a source of contention between the two hospitals.

For about two years, Community Medical Centers has sought to negotiate a closer relationship with Children's, said Zelezny. Community offered to have Children's run its neonatal intensive care unit, he said. "Children's has declined and it appears those discussions are done," Zelezny said.

Suntrapak said a nondisclosure agreement between the two hospitals prevented him from commenting, other than to say that he and members of Children's board of directors had had multiple discussions with Community.

While Children's has been unable to team up with Community, it has had a longtime partnership with Saint Agnes Medical Center in northeast Fresno — the second-largest hospital in Fresno and Community's major competitor. For about 30 years, Children's has run a small, neonatal intensive care unit for Saint Agnes. Late last year, Saint Agnes opened a new eight-bed Level 3 unit that Children's operates.

Saint Agnes and Santé have had their own disagreements. Late last year, Saint Agnes, which has an affiliation with Saint Agnes Medical Group, sued Santé, accusing it of having control over the health-care market and steering patients away from Saint Agnes. Santé has denied the accusation.

Doctors stuck in the middle

Bluestone said Santé's rift with Children's doesn't compare with the Saint Agnes court fight, because Children's has the most child health-care resources.

About 90% of the pediatric subspecialists work at Children's, he said. "We're not trying to send (children) anywhere because we don't have anywhere to send them. We don't have a competing pediatric network that they claim we have. It doesn't exist."

Children's resources include an affiliation with ChildNet Medical Associates, an independent practice association of about 300 doctors.

Bluestone said Children's is closely linked to the ChildNet subspecialists, who have offices at the hospital and whose appointment schedules are overseen by the hospital.

But ChildNet Director Stephen Cade said doctors are free to see any patients of their choosing. ChildNet also has a contract with Santé and a number of doctors participate, Cade said. Doctors can belong to more than one independent practice association.

Fresno pediatrician Razia Sheikh said she has belonged to both Santé and ChildNet. Doctors are stuck in the middle of the Santé-Children's fight, she said. "We have no say. We have always been out of the loop."

Sheikh said Santé is bringing subspecialists to the area who will be in competition with ChildNet, but she sees the competition as healthy. "There are more patients than providers and there should be enough for everybody," she said. "But I know Children's is not happy about it."

Alvarez said parents are fed up: "I'm tired of the children being in the middle of the politics."

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