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Fight With Doctors Escalates

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LOS ANGELES - The legal battle between a renowned cancer center and its doctors escalated this week, with the City of Hope Medical Center filing a countersuit against the physician group that employs most of its staff.

The two parties are at loggerheads over the hospital's attempt to form a non-profit medical foundation that could wrestle control from the doctors, who through their medical group have made patient care decisions that can affect the facility's bottom line.

The City of Hope Medical Group, representing 90 percent of the doctors, has claimed the switch to a foundation amounts to an illegal power grab that would result in financial decisions eclipsing medical ones. The group filed a lawsuit earlier this month in Los Angeles County Superior Court in an attempt to block the plan.

In response, hospital leaders are alleging the physician group broke state law and contract obligations in its drive to stop the changeover.

"We have witnessed disturbing actions from the management of the medical group," City of Hope said in a statement, referring to alleged efforts to fire physicians who defect to the hospital's side.

The widening fight threatens to catch patients in the crossfire and could tarnish the cancer center's good reputation during an ambitious \$1 billion fundraising drive.

The doctors group sent letters to 32,000 City of Hope patients alerting them to the turmoil and pressing its case for why a foundation would hurt them. In the letter, dated April 27, the physician group leadership claimed doctors who don't sign on with the hospital will not have their research funded.

In its court complaint, the hospital called that "despicable conduct" that used "sick patients as pawns" in an effort to squeeze the hospital.

City of Hope Medical Center, which is based Duarte, has asked Superior Court Judge Gregory Alarcan to throw out the physicians' lawsuit. It is also asking the court to approve its controversial move to employ doctors through the nonprofit foundation.

Because California law prohibits hospitals from employing medical staff directly, the physicians work under contract for the separate medical group.

"They ignored the meat of our complaint which is that it's a sham foundation," said Dr. Lawrence Weiss, president of the physician group.

At heart, the dispute boils down to who controls patient care and the flow of dollars to the lucrative

outpatient clinics serving people with cancer and other life-threatening illnesses.

The case is viewed as a bellwether for how hospitals navigate California's law on the corporate practice of medicine as they switch to nonprofit foundations, which City of Hope in its complaint refers to as "the wave of the future."

Many hospitals are pondering that switch as health reform rolls out. That's because the new health care law encourages what is called "integrated health care," which relies on physicians and facilities working closely to cut costs by decreasing unnecessary tests and admissions.

Last week, the Hospital Association of Southern California said it was looking to form a nonprofit foundation to serve multiple facilities.

City of Hope said it plans to move forward with its own foundation in the coming months.

In the meantime, the hospital's chief medical officer, Dr. Alexandra Levine, has established a rival medical group and is trying to lure the physicians with higher salary promises.

The City of Hope Medical Group has contracted with the hospital to provide doctors and researchers since 1977.

Its contract is set to expire next January unless the court intervenes. Resuming friendly negotiations, both sides have said, is not an option.

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