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## SAN FRANCISCO Business Times

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# Marin General Hospital and Marin IPA form medical foundation

San Francisco Business Times - by [Chris Rauber](#)

**Marin General Hospital**, now run by the public **Marin Healthcare District** after many years of operation by **Sutter Health**, and the **Marin IPA** medical group have formed a nonprofit medical foundation seen as a key part of the Greenbrae hospital's plans to operate independently of Sutter.

Officials said Tuesday that the new **Prima Medical Foundation** launched July 1, and is expected to include between 60 and 80 local physicians within about three years. It now represents 48 doctors, said spokeswoman Marcy Territo.

The new Marin General management team "expects Prima Medical Foundation to be the cornerstone of its hospital-physician alignment strategy," officials said, noting that the new medical foundation is also talking to **Sonoma Valley Hospital** about a possible expansion into Sonoma.

Sonoma Valley Hospital and **Prima Medical Group** have already worked closely together to recruit new physicians into Sonoma.

The foundation "will enhance the stability of the local medical community while retaining the autonomy of local physicians and allowing them to continue to put the patient first when making decisions," the July 13 statement said. What it didn't say, however, is that linking Marin doctors to Marin General is seen as a crucial way to keep them out of the clutches of Sutter, which is now seen by the health care district as a serious competitor.

The district and Sutter are also publicly tangling over an estimated \$180 million in cash transfers that Sutter made from Marin General's coffers to those of the Sacramento-based corporation in recent years. Sutter says the transfers were business as usual; critics say Sutter milked Marin General and the county of needed funds, and want the money back.

Jon Friedenberg, the public district's chief fund and business development officer, told the San Francisco Business Times on Tuesday that the statement's references to enhancing "stability" in Marin referred to the "extraordinary difficulty of recruiting physicians, especially primary care doctors" to the county, which has a high cost of living.

"The challenge for the hospital is for there to be a critical mass of high-quality physicians who are tightly aligned with (Marin General), rather than with its competitors," Friedenberg told the Business Times. In Marin and southern Sonoma counties, those competitors are primarily **Kaiser Permanente** and Sutter, he said.

Medical foundations are an increasingly common way to link physicians more tightly to hospitals without violating a California law that prevents doctors from being employed by an organization that is not owned and run by doctors. Such foundations have to represent at least 40 physicians from at least 10 medical specialties, officials said, "must have an active charity policy" and must do community education and research.

The foundation's founders expect it to recruit the expected 60-80 doctors from specialties such as Family Medicine, Internal Medicine, Pediatrics, Obstetrics & Gynecology, Pulmonary & Critical Care Medicine, General Surgery, and Orthopedic Surgery, among others.

"It's an exciting development for the patients of Marin County. The Hospital is looking forward to working with the Foundation to recruit new physicians into our community," Lee Domanico, CEO of Marin General and of the Marin Healthcare District, said in the statement.

The Prima Medical Foundation's stated aims are to develop a clinically integrated, referral and care system across the area to improve patient access and quality and to stabilize physician recruitment and retention in the region. The latter are code for keeping Marin and southern Sonoma doctors under local control and away from Sutter.

Joel Criste, CEO of Marin IPA and of the affiliated Prima Medical Group said in the statement that the new foundation is "an opportunity to keep oversight and leadership of Healthcare in Marin local and to add stability to our Hospitals and physicians."

In an interview late Tuesday, Criste said contracts are transitioning from Prima Medical Group to the new foundation, which he will also head as CEO, while transitioning out of the role as CEO of the 45-physician Prima Medical Group.

The Marin IPA is an independent practice association in the North Bay area that negotiates HMO contracts for more than 300 physicians in Marin and Sonoma Counties. Marin IPA physicians refer patients to Marin General, Sonoma Valley Hospital, **Petaluma Valley Hospital**, and **Novato Community Hospital**, which is part of the 25-hospital Sutter system. Prima Medical Group is a local, physician-owned and operated multi-specialty group with offices in Terra Linda, Novato, Mill Valley, Sausalito, Larkspur, Greenbrae, and Sonoma.



Lee Domanico, CEO of the Marin Healthcare District and now of Marin General Hospital as well, is seeking to link Marin County and southern Sonoma County doctors more tightly to the hospital.

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