

St. Vincent's will take over PHS

Attempts to form consortium fail

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WASHINGTON — The Department of Health and Human Services (HHS) has selected St. Vincent's Medical Center to take over and run the U.S. Public Health Service Hospital in Clifton when the federal government abandons the facility next year.

Dr. John Marshall, the director of HHS' Bureau of Medical Services, officially designated St. Vincent's in a letter sent this week to John DePierro, the hospital's chief administrative officer. "It is encouraging to know that St. Vincent's is willing to assume this responsibility on behalf of Staten Island," Marshall told DePierro.

The note was a response to a June 30 letter in which DePierro informed HHS Secretary Richard Schweiker that St. Vincent's planned to submit a formal proposal for assuming control of the 400-bed federal hospital, the largest one of the eight facilities in the Public Health Service (PHS) network.

Marshall said St. Vincent's emerged as the proposed new operator of the federal facility because it was the only one of the borough's private hospitals that was ready to proceed with the takeover effort on its own. "Somebody had to step forward and when nobody was willing, St. Vincent's did," explained the HHS official.

According to Marshall, the talks on the future of the PHS facility reached a crisis last week when officials of the private medical centers met on the Island and failed to arrive at an agreement on how to form a consortium that would keep the federal hospital open.

"We took the position that time was running out and that without a timely plan for a consortium, we would go with St. Vincent's," he said.

Other sources said officials of the medical center were leery of assuming control of the federal hospital but opted to make the salvage attempt because they believe that if the PHS hospital were to fold, its patients would inundate an already overcrowded St. Vincent's. Both hospitals serve the North Shore area.

Eric Feldmann, a spokesman for St. Vincent's, confirmed this fear yesterday, saying, "It would be impossible for us to contend with that kind of patient volume."

He added that, "When you put together a (takeover) proposal like this, it has to be based on a lot of assumptions and you have to hope to blazes those assumptions are accurate and that something viable will come of them."

In his letter to Schweiker, DePierro said he will submit his takeover proposal by Aug. 15.

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but warned that the success of the conversion effort depended on federal funding to upgrade the PHS hospital to state standards and to underwrite its operating deficit.

Marshall said the Aug. 15 deadline was imposed on the assumption that Congress will not act on a final version of the 1982 budget until it returns in September from its summer recess. But if the measure is enacted this month, St. Vincent's will have another six weeks to complete the plan, he said.

Both the House and Senate versions of the budget legislation would provide continued funding in 1982 for PHS hospitals whose communities gain federal approval for conversion proposals by October.

Marshall emphasized, however, that a funding crisis is still possible next year because the Reagan administration has requested only \$56 million in actual PHS appropriations in 1982 — not nearly enough to sustain the three hospitals slated for local takeovers.

He said HHS won't be able to request supplemental appropriations for the facilities until after the president proposes his 1983 budget to Congress in January. "We'll be hanging by our teeth again," Marshall said.