

St. Vincent's seeks more aid in takeover

By **TERENCE J. KIVLAN**

Advance Washington Bureau

WASHINGTON — Officials of St. Vincent's Medical Center warned yesterday that they may drop their plan to assume control of the doomed U.S. Public Health Service Hospital in Clifton unless the federal government comes up with more financial help.

"You would be crazy to take over a business if you know it's going to be bankrupt to begin with," explained St. Vincent's executive director, John DePierro.

DePierro, who was here yesterday to deliver St. Vincent's 338-page takeover proposal to the U.S. Department of Health and Human Services (HHS), owners of the West Brighton medical center, the Sisters of Charity, are "leery" of assuming responsibility for the Public Health Service (PHS) hospital because the federal government has not agreed to underwrite the facility's operating deficits.

In addition, the order is seeking a \$3-million federal grubstake to lay the financial groundwork for the takeover, according to DePierro, without a running start, it (the takeover) is going to be extremely difficult," he explained.

But DePierro emphasized that St. Vincent's was still committed to the conversion effort and that "if a workable compromise can be worked out, we'll give it a shot."

Public Health Service medical director Dr. John Marshall, who accepted the takeover proposal from DePierro in the office of Congressman Guy V. Molinari, indicated he believed the takeover could be achieved and pledged that HHS officials would do as much as they could to support the St. Vincent's plan.

"We've been up to the mountains with this and down the pits with this," he said.

Also present was Dr. Florence Kavler, director of the Clifton hospital.

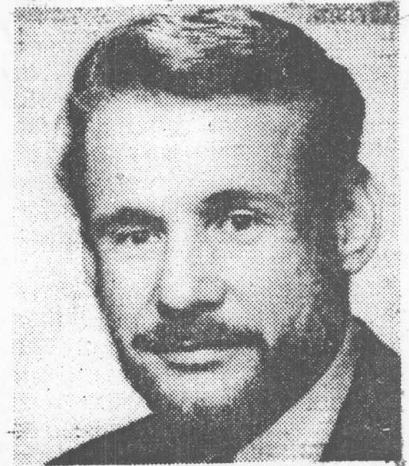
Molinari's top aide, Schuyler Baab, said he sensed a "mood of optimism about the proposal although there are problems everywhere." The congressman was on a fact-finding trip to Israel.

In the formal proposal, St. Vincent's estimated the cost of the conversion at \$39 million, including \$24 million to upgrade the PHS facility up to state standards, the \$3 million to cover start-up expenses, and annual operating deficits over the next three years of \$4.2 million, \$4.9 million and \$5.7 million respectively.

The bulk of the deficits would be generated by the PHS hospital's emergency room and outpatient clinics, which treat 105,000 patients a year, most of them poor. HHS has used the facility to provide care to the "medically underserved" on Staten Island for the last 10 years.

Elsewhere in the city, the poor get medical treatment at clinics funded from the Community Health Center allocations. Dr. Marshall said HHS was moving to qualify the Clifton PHS hospital for aid under the federal program.

But he cautioned that the aid prospects appeared murky because Congress slashed next year's community health appropriations by 25 percent and



John J. DePierro
Executive Director

lumped them into the block grant funds that are slated to be turned over to the states.

As for the \$3-million start-up fund, Marshall said HHS will request the extra money from the Office of Management and Budget. "If there is anyway it can be done, we will do it, but can't break the budget," he said.

The following were some of the other highlights of the telephone book-sized proposal:

St. Vincent's officials are also concerned about a recently announced HHS policy under which all federal operating assistance would end when the ownership of the PHS hospital is transferred to St. Vincent's — something that could happen by April 1.

In a cover letter to HHS Secretary Richard Schweiker, DePierro

Page 1 of 2 Pages

ro charged that this would at least violate the spirit of legislation, passed by Congress and signed by President Reagan, that authorizes an extra year of operating aid for PHS facilities slated for local conversions.

The \$24-million renovation project will involve installing



Florence Kavalier

central air conditioning, upgrading the electrical system, expanding the nurses stations and other improvements. The work is necessary to qualify the hospital for Medicaid and Medicare reimbursements through the state.

As a local facility, the Clifton hospital would be scaled down from 407 to 204 beds, including 160 general medical and surgical and 25 acute care. Nineteen beds would be reserved for patients from the Staten Island Developmental Center and the Arthur Kill Correctional Facility.

The facility will maintain its dialysis unit but lose its teaching function. Other training programs, such as those for anesthesiologists, radiology technicians and laboratory assistants, will be evaluated and possibly retained in joint ventures with one of the local universities.

About 711 jobs will be retained at the facility and the hiring emphasis will be on keeping current employees. At its greatest strength, the work force of the hospital was 1,250.

The proposal says the new community hospital "will adhere to the doctrines of the Roman Catholic Church," a policy that apparently bars abortions.